



Republic of Serbia



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## Methodology for the Corruption Risk Assessment Report in Privatization

In order to provide support to the Ministry of Justice to prepare a Corruption Risk Assessment (hereinafter: CRA), the Methodology for drafting the CRA in privatization will be developed and applied (after approval). It will be structured in the following way:

- Clear statement of scope and objectives;
- Description of techniques and methodological steps for drafting the CRA report:
  - **Step 1:** Identification of competencies of relevant national institutions that are particularly exposed to corruption risks in privatization;
  - **Step 2:** Identification and collection of sources of information and types of data, as well as defining methods to be used for identification of sources and collection of relevant data;<sup>1</sup>
  - **Step 3:** CRA in competencies that are most vulnerable to corruption;
  - **Step 4:** Measurement, evaluation, and ranking of identified corruption risks in privatization and recommending measures for risk reduction and mitigation in legislation;
  - **Step 5:** Drafting the CRA report on privatization and the structure of the upcoming CRA.

There is no one-size-fits-all methodology to the CRA, considering different approaches exist with various elements at both the international and European levels. The consultant will use the official national methodology (titled: 2022 Methodology for Corruption Risk Assessment in Areas that are Subject to the Strategy for the Fight against Corruption and Action Plan) for drafting the CRA report on privatization as a starting point in conducting the CRA in privatization, while it will complement it with the advanced international and European methodologies, giving due regard to good comparative national practices.

- **Clear statement of the scope and objectives**

The analysis will focus on the last 5 years, considering that the 2022 Methodology for Corruption Risk Assessment in Areas that are Subject to the Strategy for the Fight against Corruption and Action Plan (hereinafter: 2022 Methodology) relies on sources of information and data that relate to events that occurred within a five-year span (2020-2025). In addition, this time frame is deemed adequate and reasonable, as it is impossible and unnecessary to assess the entire privatization process, which has lasted for more than the last 30 years, during which four laws and numerous institutional changes were

<sup>1</sup> Please note that section proposed in the ToR under the title “Statement of Limitations of Data Availability” will be included within Step 2.

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adopted and implemented. However, it is important to keep in mind that this methodology is to be tailored to the development of the CRA of privatization laws and bylaws, and therefore, the documents (more specifically, sources of information and data) pertaining to those five years will be reassessed as long as they contribute to the identification of risks arising out from the relevant national legal and institutional framework. The CRA report will also cover all the recent legal amendments, which pushed the deadline for the completion of the privatization process towards the end of 2027, along with estimated changes to certain bylaws, provided they are adopted by July 30<sup>th</sup>, 2025.

When it comes to its scope, the CRA will predominantly identify and address risks that are attributable to an inadequate regulatory framework governing privatization, which is not limited to the Law on Privatization only, but also covers issues regulated by other legal acts, such as the Planning and Construction Act. The upcoming CRA Report will not repeat the findings and recommendations of the previous limited-scope CRA, which was conducted by the Agency for Prevention of Corruption in 2022, titled “Analysis of Corruption Risks in the Bylaws of the Privatization Law with a Focus on Issues of Transparency and Access to Information,” to avoid overlap and repetition. Instead, the CRA report will refer to the findings reached in that document. The analysis in question is of particular importance as some of its recommendations gave rise to activities (1.2.4 - 1.2.10) set by the Action Plan for the Period 2024-2025 for the Implementation of the 2024-2028 National Strategy for the Fight against Corruption. The seven mentioned activities (1.2.4 – 1.2.10) require amendments to a number of bylaws of the Privatization Law, which should be completed by the 4<sup>th</sup> quarter of 2025.<sup>2</sup> Considering that these amendments have not been developed thus far, the risks arising from the amendments cannot be assessed.

Given that the scope of the analysis is mainly limited to assessing the legal aspects of existing areas vulnerable to corruption in privatization, the corruption risks that will be evaluated should reflect some of the risks specified in the list of corruption risks in regulations, which is annexed to the 2022 Methodology (Annex 1). The 2022 Methodology will be used as a starting point in conducting the CRA in privatization, considering that it is the most recently developed official national methodology for drafting CRA reports and that it entails a systemic examination of the competencies of various institutions involved in the privatization process. The identification of competencies of relevant national institutions that are particularly exposed to corruption risks in privatization appears pertinent, considering that, as stated in the ToR, the privatization process in Serbia is perceived as one of the most critical areas of corruption. Namely, a large number of actors are involved in carrying out and supervising the privatization process, and their competencies may sometimes overlap and/or be vaguely formulated. The formulations “competencies particularly exposed to corruption risks”, “competencies sensitive to corruption risks”, and “sensitive competencies” will be used interchangeably in the CRA report in privatization.

<sup>2</sup> These are: Rules on the Content of the Report of the Temporary Capital Representative; Rules on the Amount of Fees and the Amount of Compensation for Actual Expenses of the Temporary Capital Representative, Regulation on Strategic Partnership, Regulation on the Conditions, Procedure, and Manner of Sale of Capital and Assets by the Method of Public Invitation to Bid with Subsequent Public Bidding, Regulation on the Conditions, Manner, and Procedure for Sale of Capital of Large Privatization Subjects by the Method of Public Invitation to Bid, Regulation on the Conduct of Persons Performing the Duties of Temporary Capital Representative in the Privatization Subjects and Regulation on Monitoring the Execution of

Buyer's Obligations from the Contract for the Sale of Capital or Assets.



In addition, the CRA report will rely on the 2021 Methodology for the Corruption Proofing in Regulations (hereinafter: 2021 Methodology), which was also developed by the Agency for Prevention of Corruption, to the extent to which it does not contradict the 2022 Methodology. Additionally, the inherent limitations of the 2022 Methodology are to be mitigated by including the methodological tools for measurement, evaluation, and ranking of identified risks, by utilizing the methodology developed jointly by the Regional Corruption Council and the EU (titled: "Corruption Risk Assessment in Public Institutions in South East Europe Comparative Research and Methodology", hereinafter: RAI Methodology).<sup>3</sup> To the extent necessary, the consultant will also resort to the methodology designed by Transparency International (titled: Corruption Risk Assessment and Management Approaches in the Public Sector, TI, 2015, hereinafter: TI Methodology) as a supplementary framework. The consultant will not analyze the practical implementation of the adopted laws/bylaws in the privatization sector, as it would entail enormous effort and time. Such methodology is being prepared under the Council of Europe MLA project, but it has not been finalized or tested yet.<sup>4</sup>

Given that the 2022 Methodology is utilized as a key document, the consultant plans to identify risks arising from certain working processes that take place in selected national institutions. In order to be able to identify the relevant working processes giving rise to corruption risks, it is necessary, as a first step, to identify the competencies of the national institutions that are particularly exposed to corruption risks in privatization and subsequently to identify the relevant working processes. These competencies of the selected national institutions will provide a starting point for determining the scope of the upcoming CRA Report on privatization.

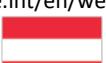
These institutions are:

- Anti-Corruption Council;
- Agency for Prevention of Corruption;
- Ministry of Economy;
- Ministry of Justice;
- Business Registers Agency;
- Representatives of civil society organizations;
- Public Prosecution; and
- Bankruptcy Supervision Agency.

Most of these institutions are explicitly specified in the ToR as stakeholders who should be consulted in the process of drafting and approval of methodology and analysis. In addition, the Bankruptcy Supervision Agency is added to the list, considering that its competencies are also relevant due to potential implications that the involvement of bankruptcy administrators may have for the vulnerability to corruption of the privatization process. The list of relevant stakeholder institutions will

<sup>3</sup> See pp. 93-95 of the RAI Methodology.

<sup>4</sup> <https://www.coe.int/en/web/belgrade/countering-economic-crime-in-serbia>.



be extended if such a need becomes evident during the desk research and fact-finding interviews with the above-mentioned stakeholders.

The objective of the anticipated CRA in privatization is to contribute to countering corruption by offering mitigation measures for removing corruption risks arising from the analysed legal and institutional frameworks pertaining to the privatization process. Although the 2022 Methodology, which will be used as a starting point for the CRA in privatization, determines that the CRA should be primarily aimed at informing decision-makers involved in public policy development about identified corruption risks, the objective of the upcoming CRA in privatization should be set more broadly. The identified risks and suggested mitigation measures, are expected to contribute to further legislative and institutional improvements and more generally to the protection of values such as the rule of law, human rights protection, protection of public interest, as well as lawful and efficient management of public resources as all of them are to be endangered if the identified corruption risks in privatization are not properly addressed.

- **Description of Techniques and Methodological Steps for Drafting the CRA Report in Privatization**

### **Step 1: Identification of competencies of relevant national institutions that are particularly exposed to corruption risks in privatization**

Under the 2022 Methodology, the first step is to identify all the competencies of different national bodies and actors in the area of privatization. These competencies range from public policy and law-making competencies to implementation of public policies and law enforcement, and the provision of services to individuals and legal entities, as well as exercising control and supervision over those bodies that implement public policies and regulations or provide services. Once all the competencies are listed, the competencies that are particularly exposed to corruption risks in privatization will be identified. As envisaged in the 2022 Methodology, competencies that are particularly exposed to corruption risks in privatization are, as a rule, characterized by strong external pressure from individuals and legal entities, wishing to effect their rights and interests when interacting with the state.<sup>5</sup> More specifically, the 2022 Methodology clarifies that such competencies exist, where there is a possibility that these persons, in interaction with the state, effect a large material gain, or where the burden of a large material expense is imposed on them. Further, corruption risks exist when the state, through its actions, may infringe the private interests of legal entities or individuals.

The above guidelines, contained in the 2022 Methodology, are formulated in general terms and, as such, are not sufficient for the identification of competencies of relevant national institutions that are particularly exposed to corruption risks. In order to identify those competencies and examine whether the corruption risks are inherent to them, the consultant will predominantly rely on the list of corruption risks in regulations, which are contained in Annex 1 of the 2022 methodology. The given list classifies/ the risks in the following five categories:

<sup>5</sup> 2022 Methodology, p. 7.

1. Inadequate Legal Wording and Incoherence;
2. Lack of Transparency and Access to Information;
3. Inadequately Defined Competences, Procedures, Rights, Obligations, and Interests;
4. Inadequate Oversight Mechanisms;
5. Inadequate System of Liability and Sanctions.

Those five categories of corruption risks are further elaborated and systematized in subcategories in the 2022 Methodology, which will also be taken into account when assessing whether a specific competence is particularly exposed to corruption risks in privatization.

The list in question was already incorporated into the 2021 Methodology, but the consultant will rely on its 2022 version, considering that only the 2022 Methodology contains the definitions of “corruption risk” and “risk factors” which fully comply with the ToR’s definitions

Due to the fact that the above categories of risks are not specifically tailored to the conduct of CRA of privatization laws and bylaws, it is planned to extend the provided list with the categories of risks that are contained in some other European methodological frameworks, such as Arachne Risk Scoring Tool.

For instance, the Arachne Risk Scoring Tool<sup>6</sup> includes, among others, the following risk categories: procurement risks, concentration risks, contract management risks, and reputational and fraud risks, which further specify respective risk indicators.<sup>7</sup> The added value of these additional risk categories is that they are more specific in terms of scope, while, on the other hand, they are not fully applicable to the CRA of laws and bylaws. Therefore, those risk categories will be carefully considered and selectively applied to the upcoming CRA of privatization laws and bylaws. The relevant types of risks developed by the Regional Anti-Corruption Initiative (RAI) (titled: Corruption Risk Assessment in Public Institutions in South East Europe) will also be carefully considered, as they constitute sector-specific risks, which are at the same time applicable to the CRA of privatization laws and bylaws. These are among others: bribery risk, risk of abuse of power or position for private interests, risk of abuse of public resources for private interests, risks regarding the possible influences and claims for the public official to perform illegal or unethical conduct or for such official to be subject to psychological or physical violence to that end (external and internal pressure or influence), and risk of conflict of interests.<sup>8</sup>

## **Step 2: Identification and collection of sources of information and types of data, as well as defining methods to be used for the identification of sources and collection of relevant data**

<sup>6</sup> [https://employment-social-affairs.ec.europa.eu/policies-and-activities/funding/european-social-fund-plus-esf/what-arachne\\_en](https://employment-social-affairs.ec.europa.eu/policies-and-activities/funding/european-social-fund-plus-esf/what-arachne_en).

<sup>7</sup> For instance, the risk category reputational and fraud alerts comprises 31 risk indicators, including relationship and reputational risks, which can be adequately addressed by the CRA of privatization laws and bylaws. European Commission, Arachne – Frequently Asked Questions, Document version 2.3 19 August 2022 date: 01/09/2022.

<sup>8</sup> *Ibid.*, p. 75.

Under the 2022 Methodology, the second methodological step is to create a list of sources of information and types of data from which information on irregularities or corruption risks is to be collected. Those corruption risks should be linked to identified competencies, which were determined as particularly exposed to corruption risks in privatization under the previously explained Step 1.<sup>9</sup> In line with the 2022 Methodology, data derived from the collected documents will be further utilized for conducting other methodological steps for developing the CRA of privatization laws and bylaws.<sup>10</sup>

The CRA of privatization laws and bylaws is planned to be based on reviewing available external and internal documents and data extracted from them, to assess the extent to which the identified corruption risks in privatization are attributable to an inadequate legal framework.<sup>11</sup> Such an approach aligns with the selected international methodologies applicable to the CRA in privatization. Firstly, TI in its methodology indicates that various data sources need to be used in order to ensure a certain level of quality and reliability of the findings.<sup>12</sup> In a similar vein, the 2015 RAI Methodology suggests that comprehensive CRA of laws and bylaws requires the analysis of both external and internal documents (i.e. statistical data, evaluation reports, (policies, procedure, feedback from users), given that the latter enable the identification of external and systematic risk factors such as absent or inadequate national legal framework to counter corruption in privatization, as well as some organizational risk factors such as bad or inconsistent internal acts and regulation.

Relying on the TI approach, according to which the selection of actors involved in the assessment will have a direct bearing on the quality of results, the consultant will conduct interviews with civil society representatives and will carefully assess their reports, as they may have different views from national institutions on which risks are the most prevalent.<sup>13</sup> In favour of such a comprehensive approach, TI reaffirms in its methodology that “the greater the involvement, the broader the support for the conclusions and recommendations of the assessment is likely to be and thus the greater chance of implementation”.<sup>14</sup> Some of TI’s suggested methods also include a diagnostic analysis of corruption, using data on the perception of corruption or on the actual experience of corruption.<sup>15</sup> However, given the time limitations and the scope of the upcoming analysis, the documents offering information for a diagnostic analysis of the corruption will be taken into account only to the extent to which they reveal the potential weaknesses of the legal framework in force in terms of countering corruption in privatization.<sup>16</sup>

In developing the CRA in privatization, several different methods of work will be used and combined to gather relevant information for further identification and disclosure of all relevant risks. The risk identification within the CRA of privatization laws and bylaws is planned to be conducted through a

<sup>9</sup> It is necessary to compile a list of sources that will be used to collect information on irregularities or problems that have been identified or that occurred in the course of implementation of the selected sensitive competencies.

<sup>10</sup> 2022 Methodology, p. 12.

<sup>11</sup> RAI Methodology, p. 75.

<sup>12</sup> TI Methodology, p. 1.

<sup>13</sup> McDevitt 2011; as referred to in TI Methodology, p. 5.

<sup>14</sup> Blais and Shenkelaars 2009, as referred to in TI Methodology, p. 5.

<sup>15</sup> TI Methodology, p. 3.

<sup>16</sup> *Ibidem*.

combination of secondary sources (assessments that have already been conducted mainly by the Anticorruption Council (both annual and thematic reports), the Agency for Prevention of Corruption, civil society organizations, international organizations and bodies (European Union, GRECO, etc.)), public policy documents, relevant laws, bylaws, internal rules and guidelines, procedures and processes where necessary)<sup>17</sup> and primary sources (organized focus groups and key informant interviews).

As envisaged in the 2015 RAI Methodology, secondary sources will be particularly used in the preliminary stage of the CRA in privatization to provide a broader picture of the overall environment in the field of privatization, or to identify priority corruption risks in privatization, while primary sources will be used for in-depth analysis of the more critical corruption risks.<sup>18</sup> As stipulated by the 2022 Methodology, secondary sources, which are not collected during the inception stage through desk research, will be obtained after the fact-finding interviews with national stakeholders. The sources and types of data will be categorised in line with the 2022 Methodology, to the extent to which such sources and data are available to the consultant during the desk research and after focus groups and interviews with stakeholders, given that the 2022 Methodology lists sources and types of data *exempli causa*.<sup>19</sup>

There are several limitations when it comes to data availability in the CRA privatization-related process. The first limitation comes from the consultants' limited access to internal documents and the comprehensiveness and completeness of data included therein. The consultant will primarily rely on publicly available documents and, if and where applicable, request additional information from the bodies and institutions during focus groups and key informant interviews. However, at this point, the consultant cannot estimate whether all the requested documents and data will be made available to her.

The second limitation comes from the lack of comprehensive and systemic statistical data on criminal offences, misdemeanors and commercial transgressions related to privatization. Such comprehensive statistical data is particularly difficult to collect and process given that the instances of corruption in privatization may be classified and prosecuted under different criminal offences, misdemeanors and transgressions. The publicly available statistics of corruption-related criminal offences on the Ministry of Justice website<sup>20</sup> does not include information for years 2022 and 2023, and, additionally, does not provide the needed insight into whether irregularities in the privatization process were addressed through prosecution for a criminal offence that is not the criminal offence of abuse in the privatization process as stipulated in Article 228a of the Criminal Code.

Finally, as indicated above, the amendments of a number of laws and bylaws relevant to the upcoming CRA are currently being drafted. The consultant is unsure whether and when she will obtain the said drafts.

<sup>17</sup> TI Methodology, p. 5.

<sup>18</sup> RAI Methodology, p. 77.

<sup>19</sup> 2022 Methodology, pp. 9-11.

<sup>20</sup> <https://www.pravde.gov.rs/sr/tekst/33769/statistika-koruptivnih-krivicnih-dela-.php>

### Step 3: CRA in competencies that are most vulnerable to corruption

According to the 2022 Methodology, the key to proper CRA is the identification of the corruptive scheme, which implies recognizing irregularities allowing individuals in the public sector to use the powers delegated to them or their positions for personal gain.<sup>21</sup> Further, under the same methodology, this is firstly done by presenting and breaking down each competence that is particularly exposed to corruption into its working processes, in order to precisely identify all the actors engaged in their performance. Once all the actors and their roles are determined, it will become possible to identify, describe, measure, and evaluate corruption risks in privatization, as well as to come up with mitigating measures.

As has been already mentioned, it is difficult to predict the extent to which the internal documents of selected national institutions will be available to the consultant and also the extent to which they will allow for competences to be broken down into individual working processes. This may adversely affect the process of breaking down competencies into working processes and the identification of actors whose activities are susceptible to corruption in privatization.

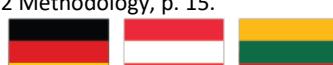
In methodological terms, the consultant will create a list of corruption risks for each sensitive competence and specify risk factors for each identified corruption risk in privatization. The 2022 Methodology and ToR share the same understanding of risk factors, stipulating that “risk factors are circumstances that contribute to corruption risks or, in other words, the realization of most common types of abuses, irregularities and misconduct”. The CRA of privatization laws and bylaws will further rely on an extensive list of risk factors provided by the 2022 Methodology, acknowledging their division into two categories (systemic/sectoral and institutional risk factors).<sup>22</sup> Following the approach taken by the 2022 Methodology on the particular importance of systemic/sectoral risk factors for the quality of the CRA performed in a certain field, the consultant also plans to give a special focus on systemic/sectoral risk factors.

The entire scheme will be presented in separate tables for each competence particularly exposed to corruption, illustrating links between identified sensitive competencies, corruption risks, and corruption risk factors. More specifically, one table will be prepared for one sensitive competence, and it will contain the name/title of corruption risk in privatization, the title of risk factor, and a description of the risk factor. The tables, along with the results reached under the next methodological step, will be used for the development of checklists for each area of vulnerability as determined by the ToR.

SENSITIVE COMPETENCE		
RISK/IRREGULARITY	RISK FACTOR	DESCRIPTION OF RISK FACTOR
1.	1.1.	1.1.
	1.2.	1.2.

<sup>21</sup> 2022 Methodology, p. 12.

<sup>22</sup> 2022 Methodology, p. 15.



2.

2.1.

2.2.

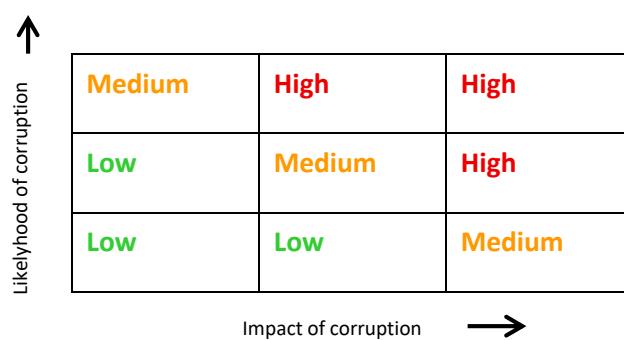
2.1.

2.2.

#### **Step 4: Measurement, evaluation, and ranking of identified corruption risks in privatization and development of measures for risk reduction and mitigation in legislation**

When it comes to utilizing the methodology for measuring and evaluating the level of identified corruption risks and their ranking, the consultant will rely on the methodological framework contained in the TI and RAI methodologies. That can be explained by the fact that official national methodologies do not offer tools in that respect.<sup>23</sup>

Under this methodological step, the corruption risks identified in the previous phases will be assessed or more precisely measured, evaluated, and ranked. In line with the TI and RAI methodologies, corruption risks will be measured, evaluated, and prioritized based on a combination of their potential impact and probability or likelihood of their occurrence.<sup>24</sup> In other words, in line with the TI Methodology, the risk prioritization will be obtained by multiplying the likelihood of corruption by the impact of corruption, should it occur. The results will be visualized in a risk matrix (see below). Priority is then given to high risks (in red in the figure), then medium ones (in orange) and finally low risks (in green).<sup>25</sup>



In line with the TI Methodology, the level of impact or likelihood of a risk will be established by creating impact and likelihood tables. When it comes to likelihood tables, the following descriptions will be followed for determining the following likelihood levels: (almost certain, possible, seldom/rare). The results will be presented in tabular form.

<sup>23</sup> RAI Methodology, p. 77.

<sup>24</sup> RAI Methodology, p. 76, TI Methodology, p. 3.

<sup>25</sup> TI Methodology, p. 3.



Likelihood level	Likelihood level description
Almost certain	The risk is expected to occur or will occur in the normal course of events
Possible	The risk might occur at some stage in the future
Seldom/rare	The risk might occur only in exceptional circumstances or in some unlikely ones

Impact tables are to be developed in a similar way: (1) identifying the types of consequences that should be included, (2) determining how many levels of consequences are needed to differentiate severity, and (3) describing each consequence level for each consequence type.

Impact level	Impact level description
minor	The risk will have an insignificant effect on the reputation of the organisation or on its capacity to fulfil its objectives.
Medium	The risk, in case it is not stopped, might have a significant effect on the reputation of the organisation or on its capacity to fulfil its objectives.
Major	The risk, by its consequences, might threaten the stability of the organisation and the accomplishment of its objectives, causing significant financial damage, endangering the successful activity or the efficient functioning of the organisation.

In line with the TI Methodology, it is planned to go through a risk filtering procedure before ranking the risks identified. By means of applying such a filtering procedure, complexity will be reduced by identifying only the most important risks.<sup>26</sup>

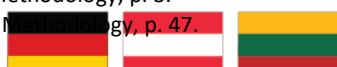
As envisaged by the RAI Methodology, after the risks are measured and evaluated, they will be prioritized.<sup>27</sup> To recall, the risks are to be classified into three groups: high, medium, and low. This allows ranking of the risks according to the priority of intervention. Priority is then to be given to high risks, then medium ones, and finally low risks.<sup>28</sup> High risks will require mitigation, medium risks either monitoring or mitigation, and minor risks will require toleration.<sup>29</sup>

<sup>26</sup> TI Methodology, p. 3.

<sup>27</sup> RAI Methodology, 47.

<sup>28</sup> TI Methodology, p. 3.

<sup>29</sup> RAI Methodology, p. 47.



Further, in order to properly address risks, appropriate measures will be designed in order to eliminate, mitigate, or monitor the likelihood of risk materialization, the impact the risk may have, or both. Recommendations on how to manage corruption risks are to be developed in the form of Guidelines for mitigating factors that can be used for the Risk Management Plan, which will constitute an integral part of the CRA in privatization. These guidelines will include both recommendations on risk prioritization and mitigating measures to be implemented. As stated by TI, the risk management plan, strictly speaking, goes beyond the “core” CRA.<sup>30</sup> Therefore, only the above guidelines will be contained in the final CRA report in privatization, without including specific deadlines for the implementation of the proposed measures, considering that such deadlines should be set later in the risk management plan.

Finally, the CRA report on privatization will include Checklists for each sensitive competence, which will contain: Risks (and its group), Risk Factors (and their description); and recommended mitigating measures as set by the Guidelines for mitigating factors that can be used for the Risk Management Plan and prioritization and responsible entities for the implementation of mitigating measures.

### **Step 5: Drafting the CRA report on privatization and the structure of the upcoming CRA**

Drafting the CRA report on privatization constitutes the final methodological step. In line with the 2022 Methodology and TI Methodology, such a report has to be drafted in line with the following standards:

- to be comprehensive, taking account of all corruption risks in an appropriate detail;
- to coherently and consistently use the selected terminology and provide key definitions relevant to the CRA in privatization;
- to ensure accuracy and clarity of information;
- to involve the right actors to ensure a sufficiently informed and complete overview of the institution and its risks;
- to consistently measure and evaluate corruption risks by reference to a realistic assessment of likelihood and impact; and
- to contain checklists addressing all the identified corruption risks in privatization along with the recommended measures for their mitigation and reduction.

The final CRA report on privatization has to be structured to reflect the 2022 Methodology and TI and RAI methodologies and should include the following parts:

- Executive summary
- Introduction

<sup>30</sup> TI Methodology, p. 4.





- List of identified competencies of relevant national institutions that are particularly exposed to corruption risks in privatization (corresponding to work done Methodological step 1)
- Description and analysis of corruption risks in privatization and risk factors that are linked to specific sensitive competence, along with a developed table for each competence particularly exposed to corruption, illustrating links between identified sensitive competencies, corruption risks, and corruption risk factors (corresponding to work done under Methodological step 3)
- Measurement, evaluation, ranking and addressing corruption risks in privatization, along with the developed Guidelines for mitigating factors that can be used for the Risk Management Plan (corresponding to work done under Methodological step 4).

The above Guidelines for mitigating factors are supposed to be used for the Risk Management Plan and prioritisation, and will include the checklists developed for each sensitive competence. The said checklists will include:

- Risks (and their group),
- Risk Factors (and their description);
- Recommended mitigating measures; and
- Responsible entities for the implementation of mitigating measures.

- Findings and recommendations
- List of sources (corresponding to work done under Methodological step 2).