

Funded
by the European Union



EUROPEAN UNION



COUNCIL
OF EUROPE CONSEIL
DE L'EUROPE

Implemented
by the Council of Europe

Project against Money Laundering and Terrorist Financing in Serbia MOLI Serbia

MONTHLY REPORT NO. 11/2012

Project title	Project against Money Laundering and Terrorist Financing in Serbia (MOLI Serbia)
Project duration	36 months (15 November 2010 – 15 November 2013)
Implementation	Economic Crime Section, Action against Crime Department (DGI-Human Rights and Rule of Law)
Project budget	EUR 2 200 000
Reporting Period	1 January – 31 January 2012
Reporting Date	10 February 2012
SUMMARY OF THE CURRENT STATUS OF THE PROJECT AGAINST INDICATORS	
Activity	Initial Workshop on the National Risk Assessment
Output Reference	2.3.1
Aim	To assist the authorities to familiarize themselves with the World Bank methodology, to explore and experience the use of NRA tools relying on available data and information, and to identify further data and information needed to complete the NRA
Outcome	From 18-20 January 2012, the MOLI project, in cooperation with the World Bank (WB), OSCE, and the Administration for the Prevention of Money Laundering (APML), held a three-day <i>Initial Workshop on the National Money Laundering Risk Assessment</i> . This activity also marked the start of the National Risk Assessment (NRA) process on the risks of Money Laundering and Terrorist Financing in the Republic of Serbia. The objectives of the Workshop were to introduce the WB's national Risk Assessment Methodology and NRA tools; to start the assessment process and complete the model templates as much as possible; to identify the needs for further information and data collection to fully complete the NRA and to contribute to the cooperation and coordination in AML field, by exchange of views among state agencies on ML risks and relevant topics. As the methodology, the participants from the relevant Serbian state bodies/agencies were divided to the sub-groups and they reviewed the documents and model templates and entered the data and information available on the spot. Each sub-group then made a presentation of their findings/data resulting in discussion with the other participants and the facilitators.
Follow-up	Following this first NRA Workshop, the APML NRA Coordinator, with the support of the MOLI-Serbia project team, will create an NRA working group comprising the chairpersons of each of the groups established within the workshop. The working group will direct and coordinate collection of data from the various institutions to

	complete the templates and to control the NRA process. The second workshop is planned for Autumn 2012. In the meantime, this exercise will be flexible to diverse with the adoption of the revised FATF international standards to ensure consistency.
Activity	3rd Steering Committee meeting, 20 January 2012
Output Reference	n/a
Aim	To approve the First Annual Progress Report and to present recent and upcoming project activities
Outcome	Mr Simon Goddard, MOLI-Serbia LTC, presented project activities which took place since the Steering Committee meeting in September 2011, as well as the upcoming short-term activities. Apart from the continuation of the NRA process some of these include, among others, the assessment of terrorist financing and identification of publications in relation to terrorist financing, and a study visit to EUROPOL and Belgian Federal Police for the analysts of the APML and other selected institutions. Mr Vladan Petrovic, Project Manager at EU Delegation, congratulated the team on very good marks the project had received from the EU monitoring mission (ROM). One of the recommendations was to create a monitoring tool, a mixture of workplan/calendar of activities and deliverables identified in the inception report, a table given a snap-information about the deliverables/progress made versus activities carried out and planned. As for the media strategy, Mr Petrovic added that it should be tailored in line with the achievements made by the project. The Steering Committee members unanimously approved the First Annual Progress Report which covered the period from November 2010 to November 2011.
Follow-up	The next Steering Committee is scheduled for June 2012.
Activity	Review and analyse existing capacities and identify needs of and for the analytical staff of the FIU when conducting analysis and exchange of information
Output Reference	3.3.1
Aim	To identify training gaps and assess the training needs of FIU staff in strategic analysis.
Outcome	Analytical staff and senior management of the APML were interviewed to identify analytical capability deficiencies. Currently, the APML has no strategic analysis capability and with the new FATF Recommendations, they will need it. They have created two posts specifically for Strategic Analysis and these will be within the main Financial Analysis Dept. They have not yet recruited these two extra staff. The NRA process requires some strategic analysis skills and specific training and mentoring will be provided to the two staff who are directly responsible for the NRA. This will be provided by the Belgian Federal Police. Basic analysis training is also required particularly in the use of link charting tools and relationship matrices (ANACAPA) for the general analysis department members. In addition greater knowledge of the various EU and international mechanisms for the analysis and exchange of financial information is required on a general level e.g, Egmont Secure Web, SUSTRANS, and FIU Net.
Follow-up	Study visit to EUROPOL headquarters in the Hague and Belgian Federal Police in Brussels will take place from 2-6 April 2012 in order to train up to ten analysts from Serbian state institutions on strategic analysis with an emphasis on improving their reporting skills.
LIST OF SPECIFIC PROJECT DELIVERABLES (TECHNICAL PAPERS) AND OTHER DOCUMENTS	

<ul style="list-style-type: none"> ▪ Activity Report - Initial Workshop on the National Money Laundering Risk Assessment ▪ Minutes of the 3rd Steering Committee Meeting ▪ Technical Paper: Legal Review of the Draft Law on Restriction on Disposal of Property with the Aim of Preventing Terrorism in Serbia
OTHER PROJECT RELATED DEVELOPMENTS
None at the time of reporting.
CURRENT AND ANTICIPATED PROBLEMS, INCLUDING PLANNED REMEDIAL ACTIONS
None at the time of reporting.
PLANNED ACTIVITIES FOR THE NEXT PERIOD
<ul style="list-style-type: none"> ▪ On 21 February 2012, LTC and LPO will travel to London to meet with representatives of the City of London Police Academy and discuss tailor-made training courses for the project beneficiaries. ▪ The project team will organise a two-day retreat for the members of the government Working Group to finalise the Draft Law on Restriction on Disposal of Property with the Aim of Preventing Terrorism in Serbia (Ecka, 23-24 February 2012)
CONCLUSIONS
During the month of January 2012, MOLI Serbia activities mainly focused on delivering Activity 2.3.1 (the National Risk Assessment initial workshop) and Activity 3.3.1 (assessment of analytical capacities of FIU staff). MOLI Serbia project continues without any major obstacles or delays.