



HORIZONTAL FACILITY FOR WESTERN BALKANS AND TURKEY

Action against Economic Crime in Montenegro

Within the European Union and Council of Europe “Horizontal Facility for the Western Balkans and Turkey” (Horizontal Facility), the Council of Europe is implementing the “Action against Economic Crime in Montenegro”, in close partnership with the Agency for Prevention of Corruption (APC), Financial Intelligence Unit; specialized structures within the Ministries of Justice, Interior and Finance; judicial and prosecutorial services; supervisory bodies and specialized agencies or commissions involved in the prevention and fight against corruption and economic crime.

The Action interventions and activities have been designed in close consultation with relevant stakeholders in such way as to address recent key recommendations key recommendations of the Council of Europe’s Group of States against Corruption (GRECO) and Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), and to further strengthen institutional capacities regarding each country’s national reform priorities and other policy level required reforms that emanate from their enlargement agreement process.

The Action will run for 36 months starting from 24 May 2016. The total budget for the Action is €650,000 and is co-funded by the European Union and the Council of Europe.

Objectives of the Action

The **overall objective** of the action is to contribute to democracy and the rule of law through prevention and control of economic crimes in Montenegro, in accordance with European and other international standards.

The Action aims at accomplishing following **specific objectives**:

- ✓ Improve the legal framework to prevent corruption
- ✓ Enhance institutional capacities to prevent corruption (Enhance capacities of the Agency for Prevention of Corruption)
- ✓ Enhance capacities of law enforcement authorities, prosecution and judiciary in combating economic crime
- ✓ Improve AML/CFT strategic planning and analysis mechanisms, and strengthen capacities of FIU and supervisory authorities

Accordingly, the outcomes of the project will be achieved through realisation of the following **expected results**:

- ✓ Capacity to implement legislation on prevention of corruption and political party financing is raised through awareness raising and capacity building
- ✓ A track record system for political party and election campaign funding compliance and oversight/enforcement is reviewed and strengthened
- ✓ The capacities of the Agency for Prevention of Corruption (APC) to implement and enforce legal provisions on asset declarations and conflict of interest are enhanced
- ✓ APC has effective information exchange frameworks with competent authorities to undertake its control functions

- ✓ Awareness and capacity of MPs, judges, prosecutors and police to comply with and implement/enforce legal provisions on ethics and prevention of conflict of interest enhanced
- ✓ Capacities of civil servants, law enforcement and judiciary to implement legal provisions on whistleblowing are enhanced
- ✓ Capacities and skills of the LEA/prosecution and judiciary in investigating, prosecuting and adjudicating corruption/ML/FT cases are enhanced
- ✓ The regime of seized and confiscated corruption related assets is improved
- ✓ The internal procedures and methodology for the analytical process of the FIU are upgraded
- ✓ FIU's employees analytical skills are enhanced
- ✓ AML/CFT supervisory authorities implement a risk-based supervisory approach in the MVTs and DNFBP sectors
- ✓ Capacities of reporting entities to identify and monitor high-risk relationships are enhanced
- ✓ AML/CFT capacities of the DNFBP sector are enhanced
- ✓ AML/CFT National Risk Assessment (NRA) reviewed and upgraded

Background information

On 11 April 2016, the Secretary General of the Council of Europe, Thorbjørn Jagland, and the European Union's Commissioner for European Neighbourhood Policy and Enlargement Negotiations, Johannes Hahn, announced a new co-operation initiative of the two organisations aimed at supporting South-East Europe and Turkey in their efforts to comply with European standards. The initiative is called the European Union/Council of Europe Horizontal Facility for Western Balkans and Turkey (Horizontal Facility). It is a three-year programme (May 2016 – May 2019), focusing on three themes: ensuring justice, fighting economic crime as well as combating discrimination and protecting the rights of vulnerable groups. It has a budget of €25 million, of which €20 million has been provided by the European Union and €5 million by the Council of Europe. Through the Horizontal Facility, the European Union and the Council of Europe will assist beneficiary countries to comply with Council of Europe standards and the European Union *acquis* in the framework of the enlargement process, through a complementary two-fold approach of technical co-operation and the provision of expertise. The Horizontal Facility relies on the Council of Europe's unique working methods, whereby tailor-made technical co-operation activities are based on conclusions and recommendations of the Council of Europe's monitoring bodies, which highlight areas where improvements are needed in legislation and policies of the beneficiaries to comply with the Organisation's treaties and other standards.

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The Council of Europe is the continent's leading human rights organization. It comprises 47 member states, 28 of which are members of the European Union. All Council of Europe member states have signed up to the European Convention on Human Rights, a treaty designed to protect human rights, democracy and the rule of law. The European Court of Human Rights oversees the implementation of the Convention in the member states.

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The European Union is a unique economic and political partnership between 28 democratic European countries. Its aims are peace, prosperity and freedom for its 500 million citizens – in a fairer, safer world. To make things happen, EU countries set up bodies to run the EU and adopt its legislation. The main ones are the European Parliament (representing the people of Europe), the Council of the European Union (representing national governments) and the European Commission (representing the common EU interest).

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