

Council of Europe
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**Project against Money Laundering and Terrorist Financing in Serbia
(MOLI-Serbia)**

**Drafting the Workplan
Workshop Minutes
(Belgrade, 19 January 2011)**

1. The workshop was opened by Mr Milovan Milovanovic, Head of the Department for International Cooperation and Legal and Financial Matters from the Administration for the Prevention of Money Laundering (APML) as the representative of the main beneficiary of the project. In his speech, Mr Milovanovic pointed out the central position of the APML within the AML/CTF¹ system and underlined that the success in fight against money laundering cannot be achieved without sincere and active involvement of all institutions that are part of the system. In addition, he stated that the expectation of the APML from this project is to further improve the system in place and contribute to the effective prevention and control of money laundering and terrorist financing in Serbia.
2. Ms Ardita Abdiu, Head of the Corruption and Money Laundering Unit of the Council of Europe, said that the main aim of the workshop was the development of an up-to-date work-plan of activities that reflects the current needs of the AML/CTF system in Serbia. She explained that the Corruption and Money Laundering Unit was currently responsible for the implementation of two projects in Serbia, CAR² and MOLI, both in the area of economic crime, and underlined the importance of the coordination of the activities between the two projects. For this reason, the CAR project team was present during the workshop and they actively participated in the discussions. Ms Abdiu further explained the methodology that will be used for the development of the work-plan and encouraged participants to contribute.
3. The participants of the workshop were selected in consultation with the APML. The aim was to include all the beneficiary institutions interested in participating in project activities and whose contributions would be an asset. The institutions represented were under the sphere of the Ministry of Finance, the National Bank, the Ministry of Justice, the Ministry of Interior, the Association of Banks and the media³.
4. As part of the methodology, the Logical framework of the project, with its seven expected results was divided into different activities and actions, which formed the basis for discussions and development of the work-plan. This document had been translated into Serbian and distributed to participants already in November 2010.
5. During the two working sessions the representatives of 18 institutions had the opportunity to suggest different activities that, from their own perspective, could contribute to the achievement of each expected result. The proposed activities that were in line with the project objective and results were noted to be included in the work-plan.
6. The discussions were mainly led by Mr Milovan Milovanic, the National Project Coordinator and the representative of the main beneficiary, who was also chairing the workshop. Occasional interventions from the representatives of the CoE secretariat and the CoE expert were necessary to streamline the discussions or to provide additional clarifications on issues related to project objectives and management.

¹ Anti Money Laundering/Counter-Terrorism Financing

² Criminal Asset Recovery, IPA 2009 project

³ Detailed list of participants is in Annex 2

7. Considerable time was spent on discussions related to activities under Expected Result 1- *“Legislative proposals available to make Serbian legislation compliant with the applicable European and international standards”*. Difficulties were encountered due to the presence of relatively large number of different institutions representing the financial sector, the judiciary, and law enforcement. It was difficult to identify pieces of legislation that needed to be reviewed and amended or to identify loops where drafting of new laws or bylaws is necessary. An agreement was reached that the objective of the workshop was not to identify each and every piece of legislation that the project needs to address but to reach a consensus among participants that a review of the legislative framework was necessary and that the specification could be determined later.

8. During discussions related to the activities under Expected Result 2 – *“Increased public support to efforts to prevent and control economic crime”*, intervention by Mr Lado Lalicic, the Project Manager in charge of CAR-Serbia project, was necessary. Mr Lalicic stated that the CAR project was the second CoE implemented project on economic crime in Serbia, which started in April 2010. He pointed out the obvious and strong connection between the MOLI-Serbia and CAR projects and underlined that the co-ordination and in some situations the co-organisation of activities by the two project teams would be necessary. This model of project management would avoid any possible overlapping, and as an added value, it would create an environment where each project would be in position to benefit from the results achieved by the other. For example, the CAR project team had already started with the implementation of similar “public awareness” activities and had gained some experience that could be shared.

9. Expected Result 4 – *“Capacity of law enforcement agencies, relevant service of the MOF and judiciary to detect, investigate, prosecute and adjudicate in the money-laundering, terrorist financing and economic crime cases (including tracing criminal money on the internet) is increased”* was another area where MOLI and CAR projects would be connected. This approach was very much welcomed by the participants who were already involved in the training on financial investigations related to asset recovery under the CAR project (financial investigators, prosecutors and judges).

10. The majority of the participants claimed that cooperation between institutions from different sectors was not at a satisfactory level, and almost unanimously, they complained about understaffing in their institutions to carry out every day duties, and of lack of adequate software and hardware that could further increase their capacity and enable them to exchange information with other institutions in a secure and reliable IT environment. While the MOLI-Serbia project will improve the situation regarding communication between different institutions and IT infrastructure to some extent and through the realisation of Expected Result 6 – *“Mechanisms and procedures reinforced for interagency cooperation and information exchange within the relevant bodies of the AML/CTF system in Serbia, including between public and private sector”*, and Expected Result 7 – *“Technical infrastructure improved to collect, analyse and exchange information necessary to prevent and control money laundering, terrorist financing and predicate financial crimes”* understaffing will remain a challenge for the Serbian administration.

As a closing remark, Mr Milovanovic expressed his gratitude to the participants for their active participation and lively discussion and invited colleagues from the CoE to finalise the workplan based on the input provided as soon as possible.

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Annex: List of institutions/participants