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Implementation of National Anti-corruption Plans in South-eastern Europe (PACO IMPACT)

Anti-corruption Strategies and Action Plans in South-eastern Europe

- Current status-

The content and views expressed in this compendium are solely those of each project area authorities, including the English translation and do not necessarily reflect the official position of the Council of Europe.

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1 INTRODUCTION

This compendium is one of the outputs of PACO Impact a regional technical assistance project in support of South-eastern Europe countries' anti-corruption policy reform efforts - which lasted from March 2004 to July 2006, and which was funded by the Swedish International Development Cooperation Agency (Sida) and implemented by the Council of Europe. The seven project areas covered through PACO Impact were Albania, Bosnia and Herzegovina, Croatia, "the Former Yugoslav Republic of Macedonia", Kosovo, Montenegro, and Serbia. It followed-up on assessments made by the European Commission on project areas' progress towards European integration in the framework of the Stabilisation and Association process and European Partnerships with the countries of South-eastern Europe, and recommendations resulting from GRECO evaluations as well as other reviews, such as those carried out under the Stability Pact Anti-corruption Initiative (SPAI).

Comprehensive *strategies*, setting out preventive, repressive and educational policy directions, and operational-level *action plans*, specifying concrete short-, medium- and long-term measures to implement these policies are a clear signal of a country's political commitment to systematically address and tackle corruption. While local ownership of these documents is key to their success, PACO Impact, upon request, supported each specific project area in drafting and/or improving its respective strategies and action plans. At the end of the project (July 2006), and as one of its direct results, all project areas have policy-level documents; a number of action plans are in the course of being finalised, and will then be put forward to prior to their governments for endorsement. The challenge for all project areas is now to ensure effective and efficient implementation.

It is hoped that this compendium will serve as a useful reference tool for stakeholders, as well as a basis for the identification of further technical assistance needs in this field.

The documents presented in this compendium are project areas' English translations of their relevant policy papers; they are not official translations of the Council of Europe. The texts have been kept in the form in which they were submitted to the project secretariat.

2 ALBANIA

Although Albania does not have a self-standing comprehensive anti-corruption strategy as such; the government's anti-corruption policies and concrete measures are presented through the Albanian government's anti-corruption objectives/priorities, which are identified, up-dated and reviewed on a six-month basis, as below.

2.1 GOVERNMENT ANTI-CORRUPTION OBJECTIVES (JANUARY - JUNE 2006)

- Drafting of the legal framework on establishing cash registers for all business;
- Drafting and approval of the sub legal acts against the falsification of the markets prices in the construction sector, land market and other sectors as well as on their legitimacy in the immovable property registrar offices;
- New procedures of obligations liquidations in order to prevent active bribery by the Albanian Electricity Cooperation employees;
- All public procurements will be advertised in the National Procurements Agency and the responsible procurement institutions webpage;
- Approval by the Parliament and proper implementation of the new amendments to the Law "On Conflict of Interests";
- Ridding the administration of nepotism, discharging from customs, taxes and public procurement departments of all employees who have family ties with any government's high official;
- The well-functioning of the green lines and mail boxes on the fight against corruption in each institution;
- Approval and enforcement of the law "On corporate liability of legal persons";
- Drafting of laws and sub legal acts in order to implement the Civil Law Convention on Corruption of the Council of Europe;
- Establishment of needed infrastructure for providing practical information to the public as well as raising awareness;
- Approval of the legal amendments for the creation of a public procurement Ombudsman;
- Establishment of new practices on reference prices and increasing transparency in such operations;
- Approval of the law on public participation in the fight against corruption, protection and rewarding of the corruption denouncers;
- Strengthening independence and further qualification of the staff of Public Procurement Agency;
- Ratification of the United Nations Convention against Corruption;
- Drafting of a series of procedures that will prevent bribe phenomenon in the education and health sectors; and
- Creation of the Public Private Partnership Agency at the Ministry of Economy and amendments to the Law on Concessions.

3 BOSNIA AND HERZEGOVINA

The Council of Ministers of BiH initiated, in December 2005, the drafting of a comprehensive Strategy for the Fight against Organised Crime and Corruption, covering the period from 2006 to 2009. The Ministry of Security of BiH was leading the drafting process and co-ordinated the activities of the working groups. The process of drafting was finished in May 2006, and its adoption is expected in the near future. An Anti-corruption and Organised Crime Action Plan forms an integral part of the Strategy.

INTRODUCTION

This document has been drafted as a reflection of the need of Bosnia and Herzegovina to engage, as soon as possible, in a full-scale fight against organized crime and corruption, considering the very unfavorable rankings done by specialized services and agencies monitoring this filed.¹

Organized crime and corruption are eating away at the foundations of each state, including BiH, especially of a country that has very recently come out of a war and entered the transition process. The absence of an appropriate legislation (we shouldn't forget that Bosnia and Herzegovina was a part of a socialist country with a specific legislation which has, by inertia, been partially implemented in the initial phase of the transition) lead to the increase of organized criminal groups and criminal activities in the larger part of society, which endangered the existence of the legal state. This was the cause of the "deformation" of democracy in making and losing sight of the goal of the state as a complex system that should, through coordinated functioning of the legislative, judicial and executive authorities, act to ensure and protect the basic human and civic rights. All of this influenced the accelerated coalescence of the highest authorities with organized crime that came into full swing over the course of the war and some of its proponents won political influence.

For this reason the BiH wants to engage into full-scale fight against organized crime and corruption above all with its inner forces. This would restore the confidence into institutions and obedience to the law and Constitution, which is the final goal of each state that wishes to become a legal state and make the lives of its citizens safer and better by way of implementing European standards. This issue is gaining importance and momentum because BiH has defined its priority goal of meeting all requirements leading to Euro-Atlantic integrations. Aware of its final aim BiH has in the last several years adopted many laws sanctioning many manifestations of organized crime such: economic crime, money laundering, financing of terrorism, tax evasions and customs frauds, car thefts, arms and arms-related materials trade, criminal activities in the field of exploitation of natural resources, smuggling and cyber crime.

However, as in all transition countries law enforcement is still a matter of political will in BiH, therefore this was taken as the leading principle in the making of this strategy. With continuously inefficient and robust public administration unable to follow the trends of the development of democratic society, BiH represents a fertile ground for all forms of corruption, which is present in all areas of life and is one of the mayor obstacles to faster progress.

Further strengthening of legality, development and democratization of society and greater influence of the BiH Parliament would significantly remove all obstacles and possible obstructions arising out of the "matter of political will" of individuals in power and bring to a more complete grasp of this problem area and greater level of sanctioning. Through the democratization process all citizens have been given the possibility to report crimes from the area of organized crimes and corruption as well as the perpetrators to the Prosecutors' offices and Law Enforcement Agencies, with protection of identity. This does not only constitute a police method of information gathering but also active involvement of all segments of civil society, and permanent transparency in the fight against organized crime and corruption which is already yielding results.

¹ According to the information found in the Transparency International Index of corruption perception from 2005, out of 156 countries BiH has been placed in the group of countries ranging from position 88 to 97.

All of this will significantly reduce the risks for maintaining the atmosphere and conditions suitable for the presence of organized crime and corruption in BiH. The strengthening of legality in the elimination of organized crime and corruption would certainly contribute to the stabilization of the security situation in BiH and lead to greater interest of foreign and local investments to be placed and legally protected in BiH in an efficient manner. This would bring back to life the suspended economic activities and provide for creation of new jobs, which would contribute to the reduction of poverty in BiH.

Particularly important is the consistent implementation of the existing as well as the adoption of new laws and its harmonization with the international standards regulating this area, which is in line with the commitments specified in the stabilization and association process with the European union. In BiH circumstances it is very important to consistently implement the Law on the conflict of interests, as well as other laws that regulate conflict of interest, which provides for the elimination of the word “organized” from the term “organized crime”, meaning the conjunction of government with economic power.

The planned as well as initiated and already realized reforms in the state apparatus, especially judiciary, police and security sector in general, are already moving in this direction as well as the strengthening of bodies responsible for audits, financial inspections and other control mechanisms contributing to the creation of financial discipline, development of the security culture and creation of better atmosphere for the BiH to develop into a democratic space. All of this requires action in terms of the implementation of this strategy.

This strategy defines: risk factors, principles of the fight, general and specific goals, measures and deadlines, and those who share in the responsibility in the prevention and fight against manifestations of organized crime and corruption.

3.1 PRINCIPLES FOR DRAFTING THE STRATEGY

- 1. Principle of political willingness** - active fight against organized crime and corruption represents a priority in the activities of the institutions of BiH.
- 2. Principle of non-discrimination and respect of the freedoms and rights of the citizens** – activities in the realization of this strategy guaranty the exercise of all human freedoms and rights of the citizens in accordance with the BiH Constitution, laws and international legal standards
- 3. Principle of legality** – compliance with the Constitution and domestic legislation in this field as well as with specific provisions of international agreements (international legal instruments) signed by Bosnia and Herzegovina.
- 4. Principle of single and global vision** – fighting organized crime and corruption is based on single and global perception of the problem.
- 5. Principle of coordination and mutual cooperation** – practices and procedures for fighting organized crime and corruption will be based on a single national concept of public and private sectors, international organisations in BiH, civic society and citizens.
- 6. Principle of professionalism and harmonisation in all areas of activity** – fighting organized crime and corruption implies continuous training, education and professional development of experts as well as exchange of experiences, best practices and new achievements, along with harmonisation of the above with preventive and oppressive measures.
- 7. Principle of active international cooperation** – active cooperation in the preparation for association with the EU and ensuring BiH's active international role.
- 8. Principle of respect to obligations in the Strategy implementation** – implies monitoring strategy implementation and defining responsibilities of institutions competent to implement the Strategy with clearly defined obligations and deadlines anticipated for monitoring the Strategy implementation. Evaluation of corrective measures shall be realised accordingly.
- 9. Principle of continuity and progression** – represents a continuation of systemic activities implemented in fighting organised crime and corruption, which are of permanent character and shall establish all positive results.
- 10. Principle of confidentiality** – personal data arising from specific activities shall not be publicized, except in cases and under conditions specified by law.
- 11. Principle of analysis** – periodic analysis and estimate of implemented goals and measures
- 12. Participation of public and private sectors and civil society** – active cooperation between the private and public sectors, civil society, international institutions and citizens.
- 13. Principle of coordination** – coordination and adequate implementation of preventive, repressive and educational measures.
- 14. Principle of transparency and openness of the project** – results of activities in the fight against organised crime and corruption shall be made available for the public.

3.2 ORGANISED CRIME AND CORRUPTION

Existing domestic and international legal documents

In the framework of criminal legislation of Bosnia and Herzegovina, organized crime is primarily criminalized in the Criminal Code of Bosnia and Herzegovina². Apart from the criminal offence of organized crime, the law also criminalizes the actions of agreement, preparation and association as forms of complicity or preceding stages in commission of a criminal act of organised crime. These illegal actions are systemized in a special chapter of the Criminal Code, indicating the seriousness in the approach to fighting organized crime. The solutions contained in the Criminal Code, pertaining to regulation of provisions referring to organized crime, are consistent with standards and solutions contained in international documents accepted by Bosnia and Herzegovina up to that point.

The most important international documents directly treating the area of fighting organized crime are: The United Nations Convention against Trans-national Organized Crime³ from 15 November 2000; Recommendation Rec(2001)11 of the Committee of Ministers to member states concerning guiding principles on the fight against organized crime from 19 September 2001⁴; Joint Action of 21 December 1998 on making it criminal offence to participate in criminal organization in the Member States of the European Union⁵. What is of extreme importance for Bosnia and Herzegovina in the context of harmonizing its regulations with those of the EU is acceptance of guidelines and standards specified in the Action Plan to Combat Organized Crime⁶ and Pre-Accession Pact on Organized Crime Between the Member States of the European Union and Applicant Countries of Central and Eastern Europe and Cyprus⁷

Apart from the mentioned international documents, there is a whole range of conventions, protocols and recommendations of the UN, European Union and Council of Europe, as well as of other organizations which are considered to be important legal instruments in fighting organized crime and which must be observed in the legislation harmonization process. Bosnia and Herzegovina has concluded bilateral and international agreements on cooperation in the field of fighting crime, border zone cooperation, exchange of security data with the countries in the region, European Union and wider.

Bosnia and Herzegovina has signed and ratified six bilateral agreements on cooperation in the area of crime fighting (Republic of Croatia, Turkey, Hungary, Italy, Russia and Iran), while an agreement with Greece has been initialled. BiH Presidency has decided that agreements may be signed and ratified with the following countries: Switzerland, Egypt, Moldavia, Slovenia, Macedonia, Pakistan, Montenegro, Romania, Austria, Spain, Saudi Arabia. The BiH Presidency has also accepted the decision and report on the signing of an Agreement on Border Zone Cooperation with the Republic of Croatia. The Agreement on Exchange of Security Information with the European Union was signed in 2004.

In the framework of criminal legislation of Bosnia and Herzegovina, corruption has been primarily criminalized in the Criminal Codes of Bosnia and Herzegovina, where all criminal acts of corruption and other criminal acts against official and other responsible duties have been placed in a particular chapter of the Law. Stipulated charges are in line with the provisions of the essential international documents pertaining to corruption, which

² Criminal Code of Bosnia and Herzegovina, "Official Gazette of BiH" number 3/03.

⁴ Recommendation Rec (2001) 11 of the Committee of Ministers to Member States Concerning Guiding Principles on the Fight Against Organized Crime

³ United Nations Convention against Transnational Organized Crime, signed December 12, 2000, ratified April 24, 2002.

⁴ Recommendation Rec(2001)11 of the Committee of Ministers to Member States Concerning Guiding Principles on the Fight Against Organised Crime

⁵ Joint Action of 21 December 1998 adopted by the Council of the Basis of Article K.3 of the Treaty of European Union, on making it criminal offence to participate in criminal organization in the Member States of the European Union OJ L351 of 29;

⁶ Action Plan to Combat Organized Crime (Adopted by the Council on 28 April 1997); OJ C 251

⁷ Pre-Accession Pact on Organized Crime Between the Member States of the European Union and Applicant Countries of Central and Eastern Europe and Cyprus (Text approved by the JHA Council on 28 May 1998); (98/C220/01).

have been ratified by Bosnia and Herzegovina and are in accordance with international standards. Particularly positive role in the fight against corruption is given to the Laws on the conflict of interests adopted at the State⁸, Entity⁹ and District¹⁰ levels.

The most significant international documents in the field of fight against corruption signed and ratified by Bosnia and Herzegovina are:

- Criminal Law Convention on Corruption dated January 27, 1999, signed March 3, 2000, ratified January 30, 2002 and implemented since July 01, 2002.
- Civil-law convention on corruption from November 04, 1994, signed on March 01 2000, ratified January 30, 2002 and implemented as of November 01, 2003.
- UN Convention against Trans-national organized crime dated November 15, 2000, signed in 2005, still not ratified.
- Convention on money laundering, seizure and confiscation of proceeds from crime.
- UN Convention against corruption

It should be emphasized that Bosnia and Herzegovina has not until present signed nor ratified the following international agreements: Additional Protocol to the Criminal Law Convention on Corruption from May 15, 2003¹¹; UN Convention against Corruption from October 31, 2003.¹² OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions dated November 21, 1997.¹³

Bosnia and Herzegovina has ratified the UN Convention against Trans-national organized crime as well as the three adjoining Protocols adopted at Palermo on November 11, 2000. After the signing of the UN Convention against Corruption – 2005, as a single global legal document regulating this field, BiH shall ratify this Convention as well.

The UN regularly evaluates the corruption-related situation in its member states and BiH shall continue submitting reports and after the adoption of the Convention on fight against Corruption it will be obligated to become a member of the evaluation mechanisms used to control the implementation of the Convention.

Bosnia and Herzegovina shall continue to fulfil provisions of the Pre-admission Pact on organized crime and the Stability Pact – PAPEG and to fulfil its obligations of donating into the Anticorruption initiative –SPAI.

Bosnia and Herzegovina has already become actively involved in all forms of cooperation with the EU and the candidate countries and will have to be more consistent in the future in realizing the obligations taken.

Bosnia and Herzegovina has not signed the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions dated November 21, 1997. This institution, primarily relevant for the business sector has adopted the Rules of Action in eliminating bribery in international business transactions, adopted in 1996, are not obligatory for the actors in economy but their adoption and implementation is the reflection of the situation and the intention of the national economies. It is necessary that the BiH companies, in their effort to join the world trade circles, implement the mentioned rules directly or by existing codes of ethics.

⁸ Law on conflict of interests in the institutions of the BiH government, "Official Gazette of BiH" number 13/02-323; 16/02-404; 14/03-310.

⁹ Law on the conflict of interests in the Institutions of the BiH government, "Official Gazette of Republic of Srpska", number 34/02-14; 36/03-15, and "Official Gazette of FBiH", number 25/02-1049 and 1053; and 44/03-2267

¹⁰ Law on conflict of interests, "Official Gazette of the Brcko District" number: 11/02-704; 9/03-555, and the Law on the conflict of interests in the institutions of the Brcko District of Bosnia and Herzegovina, "Official Gazette of BD BiH" number 2/03-17.

¹¹ Additional Protocol to the Criminal Law Convention on Corruption (CETS No. 191).

¹² UN Convention against Corruption.

¹³ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. (Considering the fact that BiH is not an OECD member access to the Convention would be made possible upon gain full membership in the OECD Working Group against Bribery of Foreign Public Officials in International Business Transactions).

Bosnia and Herzegovina shall continue working in the Group of Countries Against Corruption – GRECO and other Council of Europe programmes significant of the prevention and elimination of corruption such as PACO (Program of Action against Corruption and Organised Crime in South-East Europe) and MONEYVAL (Elected Committee of the CoE Experts for evaluation of the measures against money laundering).

Bosnia and Herzegovina shall continue its active participation in the regional initiatives and encourage cooperation aiming at enabling exchange of relevant information between competent law enforcement agencies, enabling mutual exchange of legal assistance, assistance in investigations, criminal prosecution and court proceedings. Cooperation can be exercised in many various forms, including operational cooperation and mutual support between various agencies/institutions of the countries in the region. The aim is the establishment of functional system of mutual cooperation, exchange of experiences and elimination of legal and practical obstacles hampering inter-state cooperation.

Institutional capacities

The following agencies, among others, fighting organized crime and corruption operate within the Ministry of Security at the level of Bosnia and Herzegovina:

- Investigation and Protection Agency (SIPA),
- State Border Service (SBS),
- Office for Cooperation with Interpol

Competencies of the Investigation and Protection Agency (SIPA) are specified by the Law on State Investigation and Protection Agency¹⁴ and mainly refer to organized crime, terrorism, war crimes, human trafficking and other criminal offences against humanity and values protected by international law, and serious financial crime. SIPA processes information and keeps records in accordance with the Law on Police Officials of BiH, Law on Personal Data Protection of BiH and other regulations of Bosnia and Herzegovina.

Competencies of the State Border Service are regulated by the Law on State Border Service¹⁵ and they include: enforcement of the Law on Supervision and Control of State Border, enforcement of the Law on Movement and Stay of Aliens, prevention, detection and investigation of criminal offences regulated by criminal legislation of Bosnia and Herzegovina when these criminal offences are directed against the security of the state border or against execution of tasks and duties of the SBS. They include criminal offences in accordance with the provisions of abuse of public documents serving as proof of identity and obligation of possessing a visa, and provisions related to movement and stay of aliens and asylum, if criminal offences are committed during border crossing or are directly related to border crossing, and criminal offences related to transport of illicit goods across the state border, transport of goods without official approval or in case of violating an enforced ban.

Within the SBS is a Central Investigation Office, which is responsible for recording, discovering and processing criminal offences in the area of organized crime, in particular in the segment of organized human trafficking, illegal migration and organized forms of goods smuggling.

Within the Ministry of Security is also the Office for Cooperation with Interpol, which is an independent service whose rights and duties are specified by special regulations. Its task is to ensure and promote cooperation with police authorities, judicial bodies in fighting international organized crime and other forms of international crime, in the spirit of the «Universal Declaration on the Human Rights».

The Court of BiH and the Prosecutor's Office of Bosnia and Herzegovina function at the state level and their competencies are stipulated by the Law on Court and Prosecutor's Office.

The BiH Prosecutor's Office is an institution whose legality and basic duty is to persecute offenders of the

¹⁴ «Official Gazette of Bosnia and Herzegovina, number 27/04»

¹⁵ «Official Gazette of Bosnia and Herzegovina, number 50/04»

crimes that come under the authority of The Court of BiH, which are prescribed by Crime Code of BiH, but also crimes which were stipulated by entity or the Crime Code of Brcko district when all preconditions of state authority, in accordance to the Law on Court of BiH, are met. Among other things, this Prosecutors' Office is authorized to persecute the crimes of organised crime on BiH level, especially international drug trade, human trafficking, corruption crimes where the offenders are representatives of BiH institutions, as well as offences of economic crime which are endangering the European integrity and unity of market in BiH. Also, it is authorized for the offences stipulated by entity or Brcko district Crime Codes, meaning the acts of organised crime which are endangering sovereignty, territorial integrity, political independence, national security and international subjectivity of BiH; or when they could lead to serious repercussions or consequences for the economy of BiH; or could lead to other damage for BiH or could induce serious economic damage or other damages out of territory of given entity or Brcko district of BiH (article 13 of the Law on Court of BiH). With the aim to fully investigate and process mentioned crimes, Prosecutors' Office of BiH have formed a special department for organized crime, economic crime and corruption, where besides domestic prosecutors, certain number of international prosecutors have been named in transitional period.

In order to investigate more efficiently and criminally prosecute the said crimes, a Special Department for Organised Crime, Economic Crime and Corruption was established within the Prosecutor' Office of BiH, and a number of international prosecutors were appointed to work there, in the transitional period, together with domestic prosecutors.

Intelligence and Security Agency (OSA) operates as an independent agency for gathering security and intelligence information. It is directly responsible for its work to the Parliament of Bosnia and Herzegovina, i.e. the Parliamentary commission and its competencies are specified by the Law on Security and Intelligence Agency of Bosnia and Herzegovina¹⁶, which, among other things, encompass gathering, analyzing and distributing data on organized crime directed against Bosnia and Herzegovina, in particular in the fields of drugs, arms and human trafficking, illicit international production of arms of mass destruction or components, materials and devices required for their production; illicit trading in products and technologies which are under international control.

Indirect Taxation Authority of Bosnia and Herzegovina, as an independent administrative organization at the level of Bosnia and Herzegovina, enforces legal and other regulations on indirect taxation and policy laid down by the Council of Ministers of BiH at the proposal of the Steering Board of the Indirect Taxation Authority. It was established under the Law on Indirect Taxation System¹⁷ and is directly responsible to the Council of Ministers of BiH through its Steering Board. Competencies of the ITA are regulated by the Law on ITA¹⁸ which, among other things, reflect in prevention, discovery and investigation of customs, tax and other violations, and, in accordance with instructions of the responsible prosecutor, taking activities in connection with investigating criminal offences related to indirect taxation through its organizational part of the Sector for Enforcement and Compliance with Customs and Tax Legislation.

Federation of Bosnia and Herzegovina consists of ten cantons. Each canton has its Cantonal Ministry of Internal Affairs, consisting of Police Administrations formed on the territorial and functional principle. Police Administrations consist of two or more Police Stations (municipal level). Competencies of the Federation Ministry of Internal Affairs (Federation MUP Police Administration) are regulated by the Law on Internal Affairs of the Federation of Bosnia and Herzegovina¹⁹ and, refer, *inter alia* to prevention of terrorism, inter-cantonal crime, trafficking drugs, organized crime and discovery and apprehension of perpetrators of these criminal offences in accordance with the mentioned Law.

Cantonal Ministries of Internal Affairs' competencies are specified by the Cantonal Laws on Ministries of Internal Affairs, which are consistent with the Federation Law on Internal Affairs. Their competencies are restricted to the territory of their cantons but they are obligated as well to inter-cantonal cooperation and cooperation with the Federal Ministry of Internal Affairs. Apart from maintaining public peace and order in the

¹⁶ "Official Gazette of Bosnia and Herzegovina, number 12/04"

¹⁷ "Official Gazette of Bosnia and Herzegovina, number 44/03 and 52/04"

¹⁸ "Official Gazette of Bosnia and Herzegovina, number 89/05"

¹⁹ "Official Gazette of the Federation of Bosnia and Herzegovina, number 49/05"

cantonal territory, these competencies also refer to organized crime, drugs, terrorism and others, as regulated by the cantonal law.

The competencies of the Ministry of Internal Affairs of the Republika Srpska are specified by the Law on Internal Affairs of the Republika Srpska²⁰. The Ministry is organized into five Public Security Centers, which are directly linked to the Seat Office of the Ministry. Functionally, the Ministry consists of seven administrations, one of which is the Crime Police Administration, consisting of seven departments. Crime Police Administration deals, among other things, with prevention of organized crime, production and trafficking of drugs, business crime and corruption, theft of motor vehicles as well as criminal offences in the domain of general crime.

Brčko District Police has full, actual and territorial competence on the territory of Brčko District as regulated by the Law on Brčko District Police²¹. The Crime Police Unit exercises its duties in accordance with the Law, focusing on fighting serious and organized crime.

International obligations and support

Bosnia and Herzegovina's commitment to European integrations requires a serious analysis of the scope, nature and characteristics of economic and organized crime. International obligations of Bosnia and Herzegovina in the field of organized crime arise from the signed bilateral agreements, UN Convention against Trans-national Organized Crime, Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime²², Protocol against the Smuggling of Migrants by Land, Sea and Air²³, Protocol on Prevention, Suppression and Punishing Trafficking in Persons, Especially Women and Children²⁴, and BiH membership in the Interpol Organization.

In the area of free trade, Bosnia and Herzegovina has signed bilateral agreements with the countries of the region (Republic of Croatia, Serbia and Montenegro, Macedonia, Albania, Romania, Moldova, Turkey and Bulgaria), and agreements on mutual customs cooperation with the Republic of Croatia, Slovenia, Turkey and Serbia and Montenegro.

Stabilization and Association Agreement (SAA) negotiations were officially opened on 25 November 2005 and they regulate political, economic and trade relations between the EU and BiH. Provisions of the Agreement can be classified into several areas: political dialog and regional cooperation; trade relations and free movement of goods, persons and capital; harmonizing legislation in some areas (including the judiciary and internal affairs); determining areas and policies of cooperation and assistance; and institutional mechanisms for implementing the SAA. International community, including the EU member states, have promised to assist authorized BiH institutions with implementation of the Strategy for fight against organized crime and corruption, upporting this aspect of fight with coordinated approach, primarily through ESDP instruments in BiH. (this is new version of international support).

Connection between the Organised Crime and Corruption

Apart from the fact that BiH is gradually introducing the rule of law with the help of the international community and systematically building the civil society institutions such as independent judiciary and prosecution, free and independent media and efficient, incorrupt police and state administration in the last several years citizens have started noticing a recognizable increase of corruption and organized crime.

Organized crime in BiH is an integral part of the organized crime in the region, which, according to the estimates of certain international institutions, is yielding several-million worth of income and is reflected through high level of corruption in the countries in the region and is supported by close family and other traditional ties

²⁰ "Official Gazette of RS, number 48/03"

²¹ "Official Gazette of Brcko District of BiH, number 2/00 – 33/05"

²² Convention on laundering, search, seizure and confiscation of proceeds from Crime was partially ratified on March 30, 2004.

²³ The signed Protocol amends the UN Convention against Trans-national Organized Crime

²⁴ The signed Protocol amends the UN Convention against Trans-national Organized Crime

of individuals and groups in the FRY. Organized crime and corruption connect and comprise various segments of BiH society.

Participants in the organized crime in Bosnia and Herzegovina are becoming more and more closely connected with the international organized crime. There is a realistic danger that the international crime is using Bosnia and Herzegovina for its goals and purposes. International campaign for fighting the financing of terrorism is narrowing down more and more the space for activities of these organisations and its financing, so that the realization of all goals is more directly linked with organized crime, especially in the area of money laundering, production and trade of arms and drugs, human trafficking and prostitution, car theft, tax evasion and customs frauds, racketeering etc.

With a high level of corruption threatening to completely destroy the potentials, outlooks and system of affirmative values, Bosnia and Herzegovina is facing the demands to immediately and without delay take actions in applying the mechanisms that would prevent the manifestations of and sanction each and every identified case of corruption and its links with organized crime.

Only a comprehensive systematic resistance to corruption and organized crime could minimize its multiple negative effects on one side and enable energetic actions to be taken in order to identify and dissolve the connections between the government and organized crime and corruption, and indications of their ties to financing of terrorism and terrorist activities.

No state could ignore the organized crime and corruption at the same aspiring to be a respectable member of the international community and its processes of integration. The growing rate of organized crime and high level of corruption are seriously jeopardising democratization, stability and prosperity of Bosnia and Herzegovina, the region and beyond.

If we would take into consideration the concept, manifestations of organized crime and corruption and in particular the motives and the modus operandi used in the perpetration of these two types of crimes in BiH, which are very noticeable in the public sector, civil service, banking and customs systems, privatisation and public procurement process and other, than it wouldn't be difficult to conclude that the corruption and organized crime are closely connected, that they encourage and complement each other in a way that often makes it impossible to draw the line between these two phenomena. It has been clearly indicated in some of the cases that organized criminal groups, while committing crimes, use the corruption of individuals in the government institutions that have the power to protect them from being prosecuted or that will not take any efficient measure in the prevention of a particular criminal offence. The aim of individuals or groups taking part in organized crime and corruption in any form or degree is to exert influence over all levels of authorities, or individuals having direct or indirect influence on the decision making process. Strategy for fighting organized crime and corruption represents a resolute, synchronized, planned and coordinated response of all segments.

3.3 RISK FACTORS

In order to analyse the situation, define strategic goals, and determine the plan of further activities of competent institutions of BiH, the key risk factors, which should be taken into account when implementing the strategy, were identified. Risk factors include economic, political, legal and institutional aspects and historical and geographical position of BiH.

Risk factors in the field of economy are: capital ownership structure and its delayed transformation, unnecessarily intensive intervention (by political parties) in the field of economy, insufficient compliance with economic rules, poverty which has reached a worrying extent, as well as negative trade balance of BiH.

Risk factors in the field of politics are reflected in the non-functional Constitution of BiH, limited competencies of the State, Entity and Brčko District authorities, influence of the International Community, the issue of political consensus on strategic goals in development of the state etc.

When it comes to the legal aspect, the following risk factors are identified: lack or selective implementation of valid legislation and lack of harmonisation of regulations with the EU standards, conventions, recommendations and guidelines.

Risk factors identified in the institutional field are: non-existence of necessary institutions, inadequate efficiency of newly established institutions, and lack of adequate and good-quality coordination among institutions.

Additional risk factors are the consequences of the war in BiH, high tolerance for inappropriate behaviour, insufficient cooperation of citizens with institutions, highly pronounced distrust with the institutions, and distorted system of social values and its frequent changes.

From the geographical standpoint, the risk factor is the position of BiH in the region and Europe, as well as the characteristics and the length of its border.

3.4 ORGANISED CRIME AND CORRUPTION: DEFINITIONS

(term, definition, basic characteristics)

It is a generally accepted view that the first step in successful fighting and control of organized crime is the very definition of the term "organized crime". However, there is no single definition of organized crime. There is a high level of agreement on the fact that there is a certain number of characteristics defining the criminological phenomenon of organized crime. For the purpose of this document, two following two concepts will be used: definition of the **organized criminal group** in light of the UN Convention on Trans-national Organized Crime and lists of special characteristics differentiating organized crime from other forms of crime, which is used by the European Union.

Organized criminal group

The UN Convention on Trans-national Organized Crime, for its own purposes, adopts the following definition of an **organized criminal group**:

Organized criminal group shall mean a structured group of three or more persons, existing for a period of time and acting in concert with the aim of committing one or more serious crimes or offences established in accordance with this Convention, in order to obtain, directly or indirectly, a financial or other material benefit; (Article 2 of the Convention).

Standards of the European Union concerning the basic characteristics of organized crime

The European Union did not accept the model of a single definition of organized crime, but instead, adopted a list containing 11 characteristics of which 6 need to be met in order to qualify an offence as organized crime. Of these six, four are mandatory and they are: 1, 3, 5 and 11.

1. association and cooperation between at least two persons,
2. each member has a specific task,
3. exists for a definite or indefinite period of time,
4. using some form of discipline and control,
5. existence of suspicion of committing serious criminal offences,
6. operating at international level,
7. using violence or other methods suitable for intimidation,
8. using commercial or other structures similar to business,
9. involvement in money laundering,
10. exerting influence on policies, media, public administration, judicial authorities or economy,
11. motivation through obtaining profit and/or power.

The importance of defining organised crime

When drafting the basic document defining the criminal policy of a state in the field of organised crime, it is particularly important to accurately define its form. Specifically, organised crime should not in any case be perceived only through the prism of criminal law definition of organised crime as a criminal activity. Especially since the greatest deception when defining organised crime is the notion of organised crime as a monolith entity with firm internal structure, i.e. that organised crime exists only in case of mafia-like organisations. In many countries, and the available information indicates that it is also the case in BiH, organised crime manifests itself in the form of well-organised criminal activities conducted by more or less organised networks, structured, inter alia, on the basis of a regional or functional principle, i.e. in line with the type of criminal “business” activities (narcotics trade, car theft, tax evasion, money laundering, etc.).

Hence, organised crime, both in functional sense and from the perspective of planning law enforcement agencies’ activities, should be approached as a social occurrence, which, both in its forms and consequences, gives rise to serious consequences to the society as a whole. At the same time one should particularly insist on descriptive formulation of organised criminal activities in line with the established basic characteristics of organised crime, such as the above-mentioned criteria of the UN and the EU.

Criminal law definition of organized crime

The Criminal Code of Bosnia and Herzegovina defines a criminal organization as an organized criminal group consisting of at least three persons, and which exists for a certain period acting for the purpose of committing one or more criminal offences punishable by law with a three year prison sentence or a more severe punishment.

The Criminal Code of Bosnia and Herzegovina defines separately the criminal offence of “organized crime” in Article 250 in the following way:

1. Whoever perpetrates a criminal offence prescribed by the law of Bosnia and Herzegovina as a member of an organised criminal group, unless a heavier punishment is foreseen for a particular criminal offence, shall be punished by imprisonment for a term not less than three years.

(2) Whoever as a member of an organised criminal group perpetrates a criminal offence prescribed by the law of Bosnia and Herzegovina, for which a punishment of imprisonment of three years or a more severe punishment may be imposed, unless a heavier punishment is foreseen for a particular criminal offence, shall be punished by imprisonment for a term not less than five years.

(3) Whoever organises or directs at any level an organised criminal group which by joint action perpetrates or attempts to perpetrate criminal offence prescribed by the law of Bosnia and Herzegovina, shall be punished by imprisonment for a term not less than ten years or a long-term imprisonment.

(4) Whoever becomes a member of an organised criminal group which by joint action perpetrates or attempts to perpetrate criminal offence prescribed by the law of Bosnia and Herzegovina, unless a heavier punishment is foreseen for a particular criminal offence, shall be punished by imprisonment for a term not less than one year.

(5) A member of an organised criminal group referred to in paragraph 1 through 4 of this Article, who exposes the organised criminal group, may be released from punishment.

From the aspect of effective criminal processing, existence of two legal solutions contained in this criminalization is particularly important. So it is stipulated that criminal responsibility will also be borne by the person who becomes just a member of a criminal organization, which commits or tries to commit a criminal offence through its joint action. In other words, this member need not necessarily participate in the commission or attempt to commit the criminal offence in order for him or her to be criminally liable for the criminal offence committed or attempted by the organization of which he or she is a member.

The second solution includes the possibility that a crime organization member, who discloses information on

the organization itself and its activities, may get a mitigating sentence or be acquitted. This is an important tool in the hands of prosecutors and law enforcement agencies, as in the majority of cases the inside information, gained from a criminal organization member who decides to cooperate with judiciary, has a decisive role in criminal prosecution of organized crime.

Concept and definition of corruption

“Corruption means requesting, offering, giving or accepting, directly or indirectly, bribe or other undue advantage distorting functional exercise of duties or behaviour of the person receiving bribe or other undue advantage”.

Crimes of corruption and crimes against official duty present illegal forms of behaviour directed against proper functioning of public services committed by official or authorised persons in the exercise of their official duties. This form of criminal offence falls under the category of criminality bearing high level of danger for the society not only through financial and economic consequences but also through the destruction and disruption of the basic course of social life by attacking moral values. The essential characteristic of these offences is the violation of official duty by abuse of office or official authority. These are abuse of office offences representing great harm to the society and are characteristic for all systems of government. A particular danger stems from the fact that they constitute an attack on the integrity of service and state institutions from within. Abuse of office, malpractice, improper and irregular exercise of official duties and competencies leads to the expansion of bureaucracy and corruption of the administration. If perpetrators of some other criminal offences establish connections with the administration possibilities are created for unlimited spreading of lawlessness which is difficult to detect and control. Perpetration of such criminal offences damages the reputation of the authorities and weakens the trust of citizens into the official state apparatus. Therefore it is necessary to take prevention and control measures on all forms of malpractice and abuse of office and duty. All offences mentioned in the Chapter XIX of the Criminal Code of BiH are essentially acts of abuse of office and official authority. Other criminal offences generate from this general title, specifically criminal offences violating or endangering human rights, private property and other. This creates problems in defining the actual object of protection in these offences, although the primary object of protection is the lawful, conscious and proper exercise of office and official authority, which is the general interest of the entire society and each citizen.

Another significant characteristic of this group of criminal offences is that the perpetrator is an official person (of a social, cultural, health service, banking or financial transactions services, trade of goods and merchandize, international economic transactions). Although the nature of these criminal offences is specific, these offences could be committed by other persons in the service or generally working in the state body, or even all other persons (instrumentality, bribery etc.). The perpetrators of these criminal offences are most often members of the highest social classes since these are persons in official positions which should be respectable, highly-positioned holders of state and economic functions and powers and persons in positions of great responsibility. Some criminal offences bearing characteristics of corruption, although committed by official persons, are included among other groups of criminal offences in the Criminal Code, because their primary object of protection is another value (infringement of equality of individuals and citizens – Article 145 of the BiH Criminal Code, violation of law by a judge (Article 238 of the BiH Criminal Code, etc)

Criminal Law definition of corruption

Criminal offences of corruption and criminal offences against official duty and responsibility referred to in the Chapter XIX of the BiH Criminal Code are:

- Accepting gifts and other forms of benefits – Article 217 of the BiH CC, constitutes basic and the most significant offence in the category of criminal offences of corruption because it represents one of the greatest threats to society and its normal functioning. The national and international spread of corruption is the reasons why this form of criminality should be under strict control, detected and prevented in a rapid and efficient way. This criminal offence is hard to detected because corruption, as many other modern forms of criminality, is become more international or trans-national. Because of such large scale many countries have adopted special laws in regard to the corruption, which envisage a wide system of

preventive measures and repression instruments.

- Giving gifts and other forms of benefits – Article 218 of the BiH CC – is a criminal offence functionally connected with the criminal offence from Article 217 because it represents leading official person into violation of lawful exercise of service while the perpetrators are usually not in the capacity of an official person.
- Illegal interceding – Article 219 of the BiH CC - is a criminal offence constituting abuse of the official position or status of an official person and at the same time receiving of a gift or any other benefit and has the characteristics of the act of abuse of office or official authority as well as of the act of receiving bribe. The difference in comparison to the receiving of bribe is that the perpetrator is receiving benefit not in order to exercise or refrain from exercising an official duty but in order to influence another person in doing so.
- Abuse of office or official authority - Article 220 of the BiH CC is a criminal offence where a perpetrator is using his office and official authority and acting illegally and contrary to the interests and purposes of the office. This has a character of a general criminal offence against official authority and is applied if the act of committing this offence cannot be classified as another particular offence. Likewise, by committing this criminal offence the perpetrator obtains for himself or another person benefit or causes harm or severe offence to the rights of others.
- Embezzlement in office - Article 221 of the BiH CC – is a criminal offence treated as a criminal offence against property because the object of protection, apart from official duty is also conscious execution of official tasks and property.
- Fraud in office - Article 222 of the BiH CC is a criminal offence constituting a special form of fraud committed by an official or responsible person with the aim of acquiring an unlawful property gain for himself or another, by submitting false accounts or in some other way deceives an authorised person into making an illegal disbursement.
- Using property of the office - Article 223 of the BiH CC – is a criminal offence whereby an official person makes an unauthorised use of money or other movables entrusted to him by virtue of his office or service and is similar to the criminal act of embezzlement.
- Lack of commitment in office - Article 224 of the BiH CC – is a criminal offence by which official or responsible person acts in a clearly unconscientious manner in the discharge of his official duties, and may be grounds for disciplinary responsibility under specific conditions.
- Disclosure of official secret - Article 225 of the BiH CC – interests of the office or general interests are grounds for treating certain information or facts as secret and require the need to provide for and ensure the secrecy of certain information in possession of an official person in the exercise of his/her office. If revealing of these information or communicating them endangers proper and efficient exercise of office and generally public confidence in professionalism and impartiality of functioning and operating of the public services and institutions, official person is committing an offence.
- **Forging of official documents - Article 226 of the BiH CC** - security of legal communication is provided for by protecting through criminal law, i.e. criminalizing certain forms of behavior which are endangering the security of legal communications. Trust in the authenticity of documents is of particular importance when it comes to those documents issued by the state bodies and other subjects providing public authorizations and use their authority to guarantee the authenticity of the contents and the origin of such documents. Use of improper documents endangers the security and public trust into this very important segment of the legal order and the authority of the bodies issuing public documents, therefore this form of criminality is extremely dangerous for the society.
- Illegal collection and disbursement - Article 227 of the BiH CC – is a criminal offence manifested as financial abuse.

- Unlawful release of a detainee - Article 228 of the BiH CC – is a criminal offence which constitutes a special form of the abuse of office where the intention of the perpetrator to acquire unlawful gain or benefit for himself or another or to cause harm to a third person.
- Unlawful appropriation of objects while searching or carrying out an Enforcement Order - Article 229 of the BiH CC – is a criminal offence constituting a special form of a criminal offence of theft or criminal offence of abuse of office.

Criminal Code establishes criminal responsibility of a legal person for criminal offences that the perpetrator has committed in the name of, for the benefit or gain of a legal person, independently of the responsibility of the physical person in the legal sense. (Chapter 14 of the BiH CC). The injured party may be compensated for the damage caused by the legal person by way of litigation. Responsibility of a legal person does not exclude the criminal responsibility of the perpetrator nor the responsible person in legal sense.

Since the criminal offence of corruption does not exist independently in the criminal legislation of Bosnia and Herzegovina, the criminal offence from this area have been proscribed by the Criminal Codes of Bosnia and Herzegovina, entities and the Brcko District as follows:

1. Criminal Code of BiH

- Chapter XX (Criminal offences of corruption and criminal offences of official or any other duty – 13 criminal offences in total),
- Chapter XX (Criminal offences against the judiciary - 12 criminal offences in total).

2. Criminal Code of F BiH

- Chapter XXIX (Criminal offences against the judiciary - 20 criminal offences in total)
- Chapter XXXI (Criminal offences of bribery and criminal offences against official and other duty - 12 in total)

3. Criminal Code of RS

- Chapter XXVII (Criminal offences against official duty - 18 criminal offences in total)
- Chapter XXVIII (Criminal offences against judiciary - 16 criminal offences in total)

4. Brcko District Criminal Code

- Chapter XXIX (Criminal offences against the judiciary - 20 criminal offences in total)
- Chapter XXXI (Criminal offences of bribery and criminal offences against official and other duty - 13 in total)

3.5 FORMS OF ORGANISED CRIME AND CORRUPTION

Forms of Organized Crime in BiH

Through the activities of competent institutions and law enforcement agencies in BiH, the following forms of organised crimes are identified:

Economic Crime and Tax Evasion

Economic crime certainly represents the most serious problem for Bosnia and Herzegovina, considering the damage that this type of crime, tax and other duties evasion, inflicts upon the country's Budget and the society as a whole. Some assessments show that the damage caused in this way exceeds 1,5 billion euro, annually.²⁶

Cases in this field that have been treated so far usually pertain to crime in import and circulation of goods. According to available data, illegal import of so-called luxury goods (oil, alcohol and cigarettes) prevails, as well as import of excessive quantities of textile and technical equipment by illegal import across the State border (smuggling) and use of forged import documentation (customs fraud).

²⁶ Report on the preparedness of BiH to enter the EU association process – REPORT FROM THE COMMISSION TO THE COUNCIL on the preparedness of Bosnia and Herzegovina to Negotiate the Stabilization and Association Agreement with the European Union. Brussels, 18.11.2003. , COM (2003) 692 final, pg. 28

Regarding illegal import across the State border and cigarette smuggling as a prominent form of criminal activities, the agencies have been continuously collecting information on these incidents and investigating illegal activities in this area. In these cases and in cases of customs fraud, it has been noticed that some members of institutions responsible for the State border and cross-border goods circulation and trade control abused their position and enabled smugglers' networks to conduct their unlawful activities.

In internal trade, we have noticed cases of organized tax evasion by means of so-called fictitious (shell) companies²⁷, which was enabled by the previous tax system. This system enabled transfer of tax payment liability to the final consumer, so so-called fictitious companies formally assumed the final consumer's role while taxable goods ended up at the black market. It has to be said that organized groups established entire systems and networks for tax evasion and legalization of illegally acquired profit (money laundering) and provided their services, with some commission, to a huge number of companies throughout Bosnia and Herzegovina.

Notwithstanding the fact that the great number of these cases causing losses of several million in the country's Budget were identified and prosecuted, the significant number of cases remains in the "dark figure" of crime.

With the commencement of the implementation of indirect taxation system in early 2006 in BiH, it is expected that some modalities in crime will change in line with the new taxation system.

In addition to tax evasion, smuggling and customs fraud, we have also registered a number of abuses in the process of State-owned company ownership transformation into private property. This caused huge damages to privatized companies and the State as a whole.

The above and similar unlawful activities in economic crime, along with other forms of organized crime, have negative impact on the general situation and the security of the country and its citizens but also directly impact the attracting of foreign investment - the basis for progress. It is assessed that all effects of these activities will continue to have significant impact on the general situation in BiH and directly endanger economic stability of the country.

Illegal Trade in Narcotics

Illegal trade in narcotics is one of the most important activities of the organized criminal groups. Considering the geographic position of BiH and the importance of so-called "Balkan Route" that partly runs through Bosnia and Herzegovina, illegal trade in narcotics is one of the most important aspects of crime in Bosnia and Herzegovina. Information on the seized quantities confirms these claims, although the seized quantities represent just a small portion of the quantities presumed to be smuggled through and to Bosnia and Herzegovina. In 2005, the agencies seized 58,539 kg of heroin, 9,961 kg of cocaine, 161,572 kg of marihuana and different synthetic drugs in Bosnia and Herzegovina. Almost all cases include activities of organized criminal groups. In addition, available data show that although some results have been achieved in prevention and by severing illegal activities, trade in narcotics keeps increasing, especially in terms of number of people involved in those activities and number of consumers in Bosnia and Herzegovina. The law enforcement agencies have identified some persons and organized groups that organize their drugs trafficking activities within the so-called "Balkan route" and the country itself.

Illicit Arms Trade

According to the available data, the national security of Bosnia and Herzegovina is endangered by illegal trade in arms conducted by individuals and groups at inter-Entity and partly at the international level. Trade in arms mostly involves residual arms from the war, in storage at concealed locations, or arms stolen from military warehouses. The final user is mostly unknown. In most of the cases, mainly, the arms from BiH are smuggled to Albania, Kosovo and through the neighbouring countries to EU. We have recently identified a

²⁷ According to the data from the Single register of fictitious companies, the competent agencies have registered, by the end of 2005, 1324 fictitious companies with illegal transactions in the amount of 1,7 billion KM.

group of BiH citizens involved in *Simtex* explosive smuggling from Bosnia and Herzegovina to France. We have also identified cases of illegal arms trade to the Netherlands and Sweden. Numerous information indicate the existence of connections between persons involved in illegal arms trade from BiH and criminals in countries in the region.

As a possible threat to BiH security, in coming period, it should be noted that some illegally acquired arms remain with individuals and in warehouses in BiH may have a bearing on possible security threats in BiH in the future. It is estimated that the arms remaining in BiH, at secret locations, may be, in some circumstances, further distributed or used for some terrorist and other activities that may be threatening for BiH or some other country. This form of criminality may have an international dimension as well as strong organizational elements.

BiH have not established central database of physical and legal individuals whom the license to purchase, keep and carry firearms and ammunition have been issued. Also, significant problem is also represented in non-existence of unique legal framework, which would regulate purchase, keeping and carrying firearms and ammunition in BiH. Real problem for safety of BiH is also a great number of locations and warehouses of firearms and ammunition under the control of Armed forces of BiH, which are momentarily under reform.

Human Trafficking

Human trafficking represents one of the most serious and brutal forms of violation of fundamental human rights by various forms of exploitation, such as prostitution and sexual exploitation. Activities registered in this domain in BiH are especially prominent for their good organisation. Well-organised groups from the territory of BiH, within the country but also on the regional scene, have developed entire networks for finding, recruiting, transporting and providing shelter to victims of human trafficking, where the majority of cases are cases of women trafficking for the purpose of sexual exploitation.

In addition to the violation of victims' rights and the exploitation of victims of trafficking, human trafficking brings substantial profit to organisers of these activities, wherein the risk factor, especially in the past period, was relatively low given that the measures of control of these activities were rather poor, while the anticipated criminal sanctions were not sufficiently severe in order for them to have any preventive effect on perpetrators.

With regard to the victims of human trafficking, in the period up to 2005 the majority of cases included female citizens from Ukraine, Moldavia and Romania, while a significant increase of women from Serbia and Montenegro, as well as Bosnia and Herzegovina, was registered during the last year.

With respect to the very organisation of illegal services of prostitution, these activities are most often organised in the so-called night clubs, where victims of human trafficking are kept in extremely difficult conditions with their fundamental rights denied, such as freedom of movement and possession of travel documents.

Taking into account the seriousness of this occurrence, in the past few years Bosnia and Herzegovina has undertaken significant efforts to prevent human trafficking for the purpose of sexual exploitation. A Task Force for prevention of human trafficking was established, and the results thus achieved contributed to classify Bosnia and Herzegovina among those countries that are making the fastest progress in this area. These activities are continuously underway and are gaining additional intensity and seriousness.

Furthermore, there are certain indications of cases of trafficking of human organs, although this form has not been sufficiently researched and there are no exact and precise data to confirm the indicated cases.

Along with the repressive measures, i.e. criminal processing of organisers of human trafficking, Bosnia and Herzegovina has significantly improved the institutional and functional capacities pertaining to issues of aliens, asylum, protection of victims of human trafficking, humanitarian asylum, etc.

Illegal Migration

In the sphere of illegal migration Bosnia and Herzegovina represents a country of transit on the immigrants' route to Western Europe. At the moment, the dominant role among foreign citizens who use it for transit have citizens of Serbia and Monte Negro from Kosovo and citizens of Albania.

The strengthening of the State Border Service and control at the Sarajevo and Tuzla Airports have both significantly improved the situation in this field which is in the best way proved by the decrease in the number of received persons in the year 2005 and the number of whom is more than 32 times less than in 2000 (from 5,361 in 2000 to 170 in 2005) and is further decreasing.

The accentuated interest of some categories of population from the high-migration risk countries to come to the territory of Western Europe is in favor of the crime group's activities which herein recognize their interest in human trafficking, see a possibility to illegally earn considerable profit. At the same time illegal migrants, depending of the point and methods of their entering Bosnia and Herzegovina, continue to move towards the northwest (broader area of Velika Kladuša) or south (Čapljina, Ljubuški and Posušje) part of Bosnia and Herzegovina, where they try to illegally cross the state borderline. The non-existence of integrated information system with the assistance of which would be possible to follow the movement and stay of foreigners in every phase of their entry to and stay in Bosnia and Herzegovina, impedes successful prevention of this kind of criminal activities. The same is true about the non-existence of adequate migration and asylum centers as the basis to implement the return of immigrants to their countries of origin.

Delay in full appliance of already developed and integrated intelligence system, which aids with the aspects of tracing the movement and stay of foreigners in BiH in all phases of their entrance and stay in BiH, as well as non-existence of the Service for Foreigners' Affairs is additionally burdening successful repression of this type of criminal activity.

However in last couple of years Bosnia and Herzegovina is becoming a country of the origin of illegal migrants considering that there is noted increase in the number of citizens of Bosnia and Herzegovina who reach Western European countries as illegal migrants. Thus a network of illegal migrations of the citizens of Bosnia and Herzegovina to Western European countries and particularly to France was cut off during 2005. It is assumed that the well-organised network, whose individual members were arrested and subject to criminal proceeding from 2003 to 2005, facilitated illegal leaving of 3,000 citizens of Bosnia and Herzegovina to France whereto the organizers acquired considerable illegal profit.

Car Theft

One type of crime that is becoming more and more organized in BiH is car theft and re-sale of stolen motor vehicles. Attainment of property gain from stolen vehicles is achieved in two ways: by further re-sale and extortion of payoff. Persons involved in this type of crime are well organized and equipped by sophisticated machinery. We have identified tens of groups that were involved in car theft and re-sale. In particular, we had the case of a group from Banja Luka, consisting of some 30 members. Criminal groups have good cooperation throughout BiH and at the regional and international level. It indicates that there is organized car theft activity in BiH, with international elements.

In addition to this emergence of crime, a fact that a uniform database of registered motor vehicles still does not exist in BiH has to be highlighted, which is easing the activities of mentioned groups. The lack of such mechanism disables the law enforcement agencies to timely and trustfully conduct with document checks for the registration of motor vehicles in BiH, inland and on border crossings, which is disabling the successful fight against organised crime in the area of stolen vehicles trade.

Money and Securities Counterfeiting

The agencies focused their efforts on identification of individuals and groups involved in illegal activities that undermine the BiH monetary system, such as production and use of counterfeit notes. To this end, we managed to locate some persons from BiH involved in this type of crime and in putting into circulation counterfeit notes, usually notes originating from Bulgaria and other East European countries. Gathered information on circulation of counterfeit notes in BiH show that counterfeit EURO notes make the majority of forged banknotes that usually end up in West European countries.

This can have direct and indirect impact on the overall economic stability and legal money flows.

Counterfeiting of personal documents

BiH has achieved a great success in the area of prevention of counterfeiting of personal documents, which is primarily evidenced through realization of CIPS project (system of production and evidencing of BiH citizens' personal documents), which came as a result of adoption and implementation of following set of laws: Law on Permanent and Temporary residence of BiH citizens, Law on Personal Identification Number, Law on ID Card and Law on Central Registers and Data Exchange.

Documents which are issued as a part of CIPS project, ID card and drivers' license, satisfy international standards at the area which define the production of personal documents, which also stands for BiH passport.

But there is no efficient link between systems for issuance of travel documents and systems for issuance of personal documents, realized through CIPS project, which is making the possibilities of check of documents' validity harder. Having this on mind, it is necessary to implement the project of integration of passport system into CIPS system, which would create all preconditions for the upgrade of the process of travel documents issuance, in accordance to the recommendations and standards set by EU, which define the usage of biometrical safety elements.

Robberies

In the previous period we have registered a huge number of robberies involving well-organized groups and their attacks at banks and post offices that lacked adequate protection mechanisms. In addition, we have also recorded cases of robberies of different facilities such as shopping centres, gas stations, betting places etc. Robberies of private residential premises cause special concern. The common feature of all these crimes is the use of firearms and different coercive force and every crime is well prepared and organized. In addition to damages amounting to several million, this type of crime has a very negative effect on the feeling of safety among citizens.

Illegal Production and Trade in Weapons of Mass Destruction and Similar Materials

The competent authorities and bodies of Bosnia and Herzegovina work on the establishment and implementation of systemic oversight over weapons of mass destruction and similar materials; these activities are in their initial phase. The law enforcement agencies do not have information on the BiH citizens' participation in illegal trade in weapons of mass destruction or materials used for their production or information that such illegal activities have been conducted or are taking place within BiH. In addition, there are no information showing an intention or plan to use BiH for such activities in the future. Although this possibility cannot be completely ruled out (absence of relevant information does not mean absence of any threat), it has to be emphasized that, according to available information, this possibility does not seem realistic.

In terms of so-called ecological crime in BiH, the competent authorities have not gathered credible information on deliberate and organized activity aimed at preparing or committing this type of crime. Registered cases in this area indicate irresponsible conduct of individuals or groups in handling dangerous materials and not planned and organized actions.

In BiH there are so-called double purpose goods that can be used for civilian and military purposes and their export is therefore controlled. For this reason, BiH should continue its active participation in all relevant international activities.

Money Laundering

Laundering of money earned by organised crime and corruption greatly undermines frail BiH economy and seriously threatens to substantially corrode democratic political structure and fragile economic and political stability of the country. Furthermore money laundering represents an exceptional threat to the integrity of

financial institutions in BiH and it has been bringing business subject, which operate legally, in a less favourable position for a number of years now.

Identified perpetrators of money laundering in Bosnia and Herzegovina are attempting to “recycle” the money in the simplest and quickest way possible, where it is not always a priority to reach the highest profit rate for the money laundering i.e. investing.

Significant funds earned through money laundering generate unrealistic increase in demand for luxurious goods (cars, yachts etc.), an increase in the price of real estates and certain consumption goods which further encourages speculative behaviour of all sorts and forms of working participation, which are in line with law, become less valued.

It would be important to emphasize that, although all polls and analysis related to the perception of corruption in BiH show that all levels of government in BiH are corrupt, not one case of money laundering involving representatives of authorities (legislative, executive, judiciary) has been registered so far by the agencies responsible for prevention of money laundering and financial-intelligence units.

The most frequent types of money laundering cases in BiH in the period from 200 to 2005 have been identified based on information from the entity financial-intelligence units and the central state financial-intelligence unit and they are:

- Using false identity, documents, or “imposter”, when founding enterprise,
- Hiding within business structures controlled by the criminal organizations,
- Abuse of a legitimate business,
- Abuse of the international matters non-harmonized between the national jurisdictions.

As of December 12, 2005 Bosnia and Herzegovina has set up a Financial-intelligence Department within the State Information and Protection Agency, which is responsible for receiving, registering, analyzing, investigating, and forwarding to the prosecutor all information, data and documentation receive in line with the Law and other regulations of BiH on prevention of money laundering and financing of terrorist activities.

Financial Intelligence Department is realizing international cooperation in accordance with the accepted principles of the Egmont Group whose member it has been since the middle of 2005. Among other, the principles of the Egmont Group include conditions for exchange of information between the central state financial-intelligence units, restrictions in regard to the authorized use of information pertaining to cases of money laundering and financing of terrorism and their confidentiality.

In the period between 200 and December 28, 2004 entity financial – intelligence units have, in accordance with the legislation on money laundering prevention, received reports from the bodies responsible for money laundering prevention on 159.688 suspicious, cash and cash-linked transactions in the amount of 14.022.420.633,41 KM and upon analyzing the obtained information have identified and forwarded to the competent prosecutor's office information on 1.388 suspicious transactions in the amount of 787.128.523,00 KM and temporarily frozen the funds in the amount of 3.076.485,85 KM in accounts of legal and physical persons.

During 2005 the Financial Intelligence Department of the State Investigation and Protection Agency received reports on the 113.306 transactions made in the amount of 5.268.072.145,09 KM, out of which they forwarded to the Prosecutors Offices in BiH 38 criminal reports on probable cause for committed money laundering crime against 52 persons and the amount of incurred damages and/or gains is KM 113,249,839.23 and the amount of frozen assets of legal and physical persons is KM 2,039,554.03.

Terrorism and Financing of Terrorist Activities

In the past period competent institutions and law enforcement agencies in BiH have undertaken numerous activities in the fight against terrorism and financing of terrorist activities. With regards to that, and in cooperation with international institutions, several investigations, planned and conducted within NGOs, brought into a direct or indirect relation the financing of some terrorist organisations and terrorist activities. The result of

these activities was a ban on work and inclusion of 11 NGOs on the UN Consolidated List²⁰, including six persons who directly or indirectly supported terrorist financing and terrorist activities. Law enforcement agencies identified a group of four members, two of them being citizens of BiH while the other two are foreign citizens (Sweden and Turkey), brought into a connection with illegal trade of weapons and explosives and preparing terrorist acts against certain diplomatic and consular missions in BiH.

Taking into account the above facts, BiH continues to actively participate in the international fight against terrorism, wherein particular attention is given to improving the legal framework, developing institutional capacities for the fight against terrorism. In that context, the Strategy of Fight Against Terrorism in BiH is currently being drafted.

In accordance to the existing legislation, organisations and foundations such are non-governmental organisations can be registered at multiple places and levels of government, with no unified registry at BiH level. Therefore, there is no efficient mechanism which can determine which NGOs' are performing in BiH, where they are located, or which is their area of activity, which is making insight into real conditions harder, as well as fulfilling the international obligations, primarily defined by the UN Security Council Resolution No. 1267. Establishment of central registry would secure efficient system of data access on all non-governmental organisations working in BiH and would enable authorised organs to fight eventual misuse of freedom of gathering in NGOs , in order to support or financing of terrorist activities.

Signing the Memorandum of Understanding between Council of Ministers of BiH, Government of Federation of BiH, Government of RS and Brcko District at January 2005, which defined the conditions and manner of formation of such mechanism of control on BiH level, under jurisdiction of Ministry of Justice BiH, represents a first step towards establishment of unified registry of NGOs. It is important to mention that there is a determination of USA Government to financially support the realization of this project. In order to prevent possible financing of terrorist activities in BiH, there is a need to establish unified registry of business subjects on BiH level.

Copyright Infringement

During previous years, Bosnia and Herzegovina has faced serious problem with regard to copyright infringement. It was particularly the case with illegal market of pirate copies of audio and image media (music compact discs, audio tapes, movie DVDs) as well as pirate copies of computer applications. This occurrence was spread to such extent that the legal sale of original copies was almost non-existent. Furthermore, based on collected evidence it was possible to conclude that it was well-organised business activity with the fully established infrastructure and pirate copies' distribution, as well as production, capacities.

First significant activities in preventing this were conducted during 2004 and particularly in 2005. Thus during 2005 a series of actions in controlling illegal market were conducted in order to prevent copyright infringement as a part of an investigation led by the Prosecutor's Office of Bosnia and Herzegovina. These activities resulted in the seizure of over 300,000 copies of different audio and image media and computer applications and initiating criminal proceedings against hundred-odd persons involved into these activities.

As a direct consequence of these activities, extent of the occurrence decreased to substantial degree, which not the least bit means that such activities have not been conducted any longer. It is thus necessary to continuously and systematically continue with efforts to put under control the infringement of copyright and related rights.

Illegal activities in the area of exploitation of BiH natural resources

Illegal activities in the area of exploitation of natural resources in BiH were realized in past period due to the lack of adequate legislation, or failure to enforce existing legislation, which had numerous consequences to BiH, from economic and ecological point of view. Illegal activities in the area of exploitation of natural resources were noted in almost all areas of BiH, most obviously in the area of illegal lodging and transport of wood, exploitation of natural materials such are stone, sand, boulder and usage of hydro energy potentials,

²⁰ Information published at the web site: www.un.org/DOCS/sc/committees/1267/1267listEng.htm

especially through unlicensed construction of mini power plants, etc. In a sense of possible misuse of assignment of franchise, it has been argued lately that it is necessary to conduct a revision.

Irrational management of forests and forestland, unplanned and illegal exploitation of forests, closure of most of state woodworking companies and opening of huge number of small saw mills, which usually do not possess necessary documentation to conduct activities at the area forestry, caused grave losses to forestry and BiH economy in total. Bearers of such illegal activities are individual owners or responsible persons from woodworking capacities, persons who manage forests or who conduct transport of cut and refurbished wood material.

There were cases of certain responsible individuals in forestry management that had a monopoly in contracting with companies, which deal with cutting and transport of timber. Out of this reason, no timber company can conclude a contract to cut forest without their approval. As only authorized persons to conclude such contracts, they misused their position and authority by favoring certain companies, which bribed them with certain amounts of money for assigned business. Aforementioned indicates that there has been cases of bribery and corruption on the territory of BiH in the area of forestry, especially in the area of exploitation and refining of timber, but in the other areas of exploitation of natural resources.

Illegal activities in the area of exploitation of stone, were noted in past period along river flows (Sava, Bosnia, Vrbas, etc.), as well as big number of illegal quarries, which bring upon BiH a great financial and other damages, through avoiding to pay legal commitments. Increased demand and illegal exploitation of mentioned resources, has been intensified through construction of roads in BiH, as well as in neighboring countries, which resulted with different modalities of tax evasion to local communities and BiH state.

It was estimated that the trend of illegal exploitation of natural resources of BiH will continue to be present; therefore it is necessary to harmonize the legislation in mentioned area, and improve personnel, material and technical conditions of authorized institutions and organs which manage and manage the businesses of economic entities in concrete economic branches.

Computer Crime

The Cyber Crime Convention of the Council of Europe foresees sanctions for actions directed against confidentiality, completeness and access to computer data and systems.

Crimes within the cyber crime area, aimed at causing deliberate or unauthorized damage to other person's property, include the following: a) any input, alteration, deletion or suppression of computer data; b) any interference with the functioning of a computer system, c) with fraudulent or dishonest intent of procuring, without right, an economic benefit for oneself or for another person.

It is necessary to emphasize in particular crimes related to child pornography that include: a) producing child pornography for the purpose of its distribution through a computer system; b) offering or making available child pornography through a computer system; c) distributing or transmitting child pornography through a computer system; d) procuring child pornography through a computer system for oneself or for another person; e) possessing child pornography in a computer system or on a computer-data storage medium.

In BiH, cyber crime follows the level of the information society development and IT development. So far we have registered two types of cyber crime in Bosnia and Herzegovina. The first pertains to illegal use of computer programs (unlicensed software) and its widespread copying and use. The second pertains to companies that act as a middleman in rendering telecommunication services – Internet telephony (VoIP).

Forms of corruption

Analysis of the state of corruption in BiH was comprised by World Bank in year 2000, which served as a basis to execute future steps for fight against corruption, identified low level of citizens' and public servants' trust in the organs of government. About 40% of questionnaires see the government as dishonest and have very low confidence in it, while over 70% thinks that corruption is a part of culture and BiH mentality. It is important to mention that over 50% is ready to report corruption cases.

Most of the examinees in various questionnaires conducted in BiH think that the level of corruption in BiH is high. Almost 100% of examinees believes that corruption exists and causes grave problems such are moral erosion, increase in crime, lower security, inequality, etc.

The influence of corruption on policy making is high and BiH is on third place among countries in transition in topics of "state capture"²¹. In up to date examinations, two forms of corruption with different effects were identified- corruption at the highest level of governance and administrative corruption. The first instance enables individuals to change laws, rules and orders in accordance to their needs and this way; they are increasing the profit on investments. Business surrounding which is created as a result of aforementioned is extremely harmful for development of small enterprise and enables the development of companies with questionable business capabilities. At contrary, administrative corruption as a mechanism enables survival of weak companies, which would vaporize in conditions of normal market competition, and at the same time increases the expenses of business activities for successful companies (Transparency International, 2004).

It is of great concern that bribery in everyday life gets "moral asylum", as a part of system functioning, this way directly causing moral erosion of society. According to conducted questionnaires, 84.7% of examinees believe that it is necessary to offer money to the official in order to solve certain subject or realize demand. Examinees answered the similar way when we talked about gifts: 85% of examinees believes that there is a high level of probability to solve the subject when official is offered a gift, 82% of examinees thinks they would probably achieve the same if they do a counter favour to the official. Practically, corruption is often treated as "dangerous for society but also individuals". The results of a questionnaire among officials draw special attention, because they show that one third of examinees believes that the colleagues that refuse to ask or get bribe are sometimes excluded, criticized, victimized, or forced to leave their institutions.

It is necessary to pay special attention to the fact that, according to Transparency International BiH data for year 2004, 86.6% of citizens think that privatization process is followed by corruption and that this rate had grown for 7% in relation to the year 2002.

Also, there is a clear correlation between the myth and administrative inefficiency. For example, delays in the process of permits' issuance are often a way to extort a bribe. Conditions where the state officials are underpaid, and where the working environment is unprofessional and inefficient, are fertile ground for corruption.

As an argument to this claim we can mention the facts about average number of days required to complete process of registration of companies. The average period for Balkans is around one month, in Federation of BiH it lasts 124 days, in RS 56, and in Brcko district 8 days. Besides long registration procedures, in year 2001, 23.1% of owners of private companies were at the position where a bribe was asked from them at customs; 13.1% of communal services; 25% by tax inspection (Transparency International BiH Study on Perceptions of Corruption, 2002). As a result of this condition, according to the survey of World Bank from year 2000, the companies in BiH spend 8 % of their annual expenditures on gifts and other forms of bribery.

The area of **Public Procurement** in all up to date investigations was marked as especially endangered by corruption, bearing on mind that on all levels, from local to state level, a significant part of budgetary means is spent on purchase of goods and services required for the work of organs of public administration, as well as public companies which are still under the state ownership.

On December 2004, the Law on Public Procurement was adopted at BiH state level¹, which is uniform and by its enactment entity laws and regulations have ceased to exist. By forming the Agency for Public Procurement the possibilities for misuse in this area have been reduced in a great extent. Nevertheless, there is still a strong pressure of various lobbies to avoid regulations of the Law and enable the possibilities for business acquiring in this area, starting from public announcements in press with small edition, to adjustment of tendering conditions to favourite companies. Therefore, the consistent implementation of the provisions of the Law is a priority in a fight against corruption.

²¹ English term translated as "state capture", ie. The conditions when state system is working in the interests of group of people, most often politicians, who control the system of rule.

¹ Official Gazette BiH, 49/04, November 02, 2004

According to the up to date researches, following professions or areas are defined as the areas where the problem of corruption is present; customs, political parties, tax offices, state companies, police, judiciary, health and education and local management.

Overview of reported criminal offences from the area of corruption indicates the basic appearances of corruption in BiH. It is evident that primarily the word is about criminal offences from the area of "economic crime"- misuse of official position, irresponsible conduct in service, tax evasion and money laundering. Immediately after mentioned come criminal offences of giving and accepting bribery or gifts. It is easy to spot the direct correlation between identified causes of corruption and its registered forms.

What is especially worrying, is the fact that among reported individuals, there are police officials or customs officials, i.e. law enforcement agencies, which indicates that special attention in the fight against corruption should be given to combat these appearances inside the law enforcement agencies. This strategy foresees the line of activities with a primary goal to combat all forms of corruption inside the law enforcement agencies, starting from preventive (reduction of space for corruptive activities, education, professional qualification) to repressive measures (undertaking concrete actions).

Apart from the afore-mentioned the implementation of this strategy shall provide for creation of similar conditions in order to reduce corruption in other fields such as health care, education, privatisation, public and private sector, media and other.

3.6 GENERAL OBJECTIVES OF THE STRATEGY AGAINST ORGANISED CRIME AND CORRUPTION

- (1) Harmonize legal regulations of Bosnia and Herzegovina with international conventions; agreements, recommendations and standards governing the area of fight against organized crime and confiscation of illegally obtained assets.
- (2) Develop and strengthen BiH institutions for fight against organized crime, identification, freezing and seizure of illegally obtained assets, and efficient and rational management of confiscated assets and different gains.
- (3) Education, professionalization, modernization and specialization of human resources of the institutions of BiH which deal with fight against organized crime and corruption.
- (4) Straightening and development of inter institutional cooperation in BiH.
- (5) Development of international support in fight against all forms of organized crime and corruption, along with intensifying presence in international organizations, initiatives, working groups and clubs with efficient and timely implementation of decisions and conclusions that emerged from their activities.
- (6) Development of independent investigations of organised crime and corruption, support to institutions that deal with multidisciplinary investigations of organised crime and corruption, along with upgrading cooperation with scientific and academic organisations.
- (7) Raise awareness of civil society about risks and damage-full consequences brought upon whole society by organized crime and corruption.
- (8) Create awareness of judicial institutions and law enforcement agencies about the necessity for cooperation with electronic and written media in order to timely and fully inform the public about the factors, which generate organized crime and corruption, and about important cases of organized crime and corruption and examples of confiscation of property and benefits acquired by organized crime.

3.7 SPECIAL OBJECTIVES OF THE STRATEGY AGAINST ORGANISED CRIME

1. Improvement of legal framework and institutional capacities in the area of crime analysis and crime intelligence.
2. Establishment of legal framework and straightening institutional capacities for financial investigations within crime investigations and procedures with seizing illegally gained property.
3. Secure standardized and efficient legal framework as well as institutional capacities to conduct special investigative activities.

4. Secure standardized and efficient legal framework for implementation of the Witness protection measures in BiH and financial preconditions for implementation of the Witness protection program.
5. Establishment and development of international cooperation in judicial and crime matters of judicial organs, which would enable common crime and financial investigations.
6. Establishment and development of cooperation of the law enforcement agencies at international level, which would enable common investigations.
7. Intensify the activities in fight against illegal trade of narcotics and precursors..
8. Establishment and development of new standardized, and development, maintenance and update of existing information systems and databases of the law enforcement agencies, and continued information education of employees.
9. Complete implementation of international standards and recommendations in the area of fight against money laundering and financing of terrorism. .
10. Continuation of activities with fight against human trafficking and illegal migrations.
11. Reduce the number of robberies.
12. Continuation of the activities in fighting against car theft and sale of stolen vehicles.
13. Reduce the amount of counterfeit money in fluctuation and frauds executed with the counterfeit papers of value and security signs.
14. Reduce the copyright infringement cases.
15. Reduce evasion of public revenues on the basis of tax evasion, smuggling of high value goods and tax frauds.
16. Combating illegal arms trade and military equipment and ban purchase, transport, housing and dumping of nuclear material on the BiH territory.
17. Combating production, sale, purchase and exchange of goods or objects whose traffic was banned or limited by the regulations of BiH or international law.
18. Prevent illegal logging and transport of wood, as well as manipulation on material information, procedures with sale of material and eliminate the possibilities of manipulation in the wood processing sector, as well as other natural resources.
19. Prevention and fight against computer crime.

3.8 SPECIAL OBJECTIVES OF THE STRATEGY AGAINST CORRUPTION

- (1) International cooperation and fulfillment of international obligations
- (2) Harmonization of BiH legislature with international legal instruments.
- (3) Harmonization of legal documents in the areas pertaining to police service and harmonization of the status of all police officials in BiH
- (4) Establishment of a special state-level body for fighting against corruption. Establishment of an efficient state-level system for data gathering and record-keeping on criminal statistics related to the area of corruption.
- (5) Initiating procedure for adoption of a special law on "lobbying" or changes to the Law on financing of political parties and the Law on the conflict of
- (6) Consistent implementation of the Law on public procurement
- (7) Make amendments to the CC and CPC in the sense of defining clear procedures and bodies for carrying out the procedure related to the property subject to the criminal offence, where the party owning the property in question is obligated to present evidence.
- (8) Regulate, through normative provisions, the obligation to give statement on all real estate and movables of all officials and elected persons before and upon completion of their official duty.
- (9) Increase efficiency in recovery of the criminal acts of corruption
- (10) Making, adoption and implementation of the codes of ethics
- (11) Strengthening crime analysis teams by way of selection and education of an adequate number of analysts and forensic experts on criminal investigations.
- (12) Achieving continuous and adequate cooperation with the media
- (13) Intensify cooperation with NGOs
- (14) Straighten technical capacities within the law enforcement agencies, which are of significance for the fight against corruption.
- (15) Continued education and awareness raising on term of corruption with all employees
- (16) Enhancement of internal controls, inspections and auditing in a goal to prevent corruption inside police and other law enforcement agencies
- (17) Use achievements of other sciences which are applicable in criminology in order to recover relevant facts and information
- (18) Encouraging public to report illegal activities to authorized institutions
- (19) Reduce the level of corruption in education system, health and sport

3.9 ACTION PLAN OF THE STRATEGY FOR ORGANISED CRIME AND CORRUPTION

GENERAL GOALS OF THE STRATEGY FOR THE FIGHT AGAINST ORGANIZED CRIME AND CORRUPTION

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
1. Harmonization of legal regulations of Bosnia and Herzegovina with international conventions, agreements, recommendations and standards dealing with fighting organized crimes and confiscation of the proceeds from crime.	Ratification of international conventions and agreements not yet ratified.	BiH Ministry of Justice	Ratified conventions	No impact on the budget	End of 2007
	Harmonization of domestic legislation with <i>aquis communautaire</i> .	BiH Ministry of Justice Directorate for European Integration	Harmonised regulations	Has impact on the budget	End of 2008
	Amendments to criminal codes, criminal procedure codes and criminal sanctions enforcements laws.	BiH Ministry of Justice	Changes and amendments to the laws	No impact on the budget	End of 2008
	Establishment of legal framework in the field of confiscation of the proceeds from crime.	BiH Ministry of Justice	Integral legal framework	No impact on the budget	End of 2008
	Sign bilateral and multilateral agreements for cooperation in organized crime and corruption prevention.	BiH Ministry of Security	Signed Agreements	No impact on the budget	End of 2008

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Ensure full implementation of international legal instruments, which regulate international and mutual cooperation in criminal matters.	Ministry of Justice Court of BiH BiH Prosecutor's Office	Implemented international legal instruments	No impact on the budget	Continuous
2. Development and strengthening of the institutions of Bosnia and Herzegovina for fighting against organized crime and corruption, and efficient and rational management of confiscated proceeds from crime and other gains.	Material, technical and personnel strengthening of law enforcement agencies in charge of fighting organized crime and corruption.	BiH Council of Ministers Ministry of Security Law Enforcement Agencies	Maximum capacity in terms of materials, technical equipment and personnel	Significant impact on the budget	Continuous
	Establishment of competent bodies to manage the confiscated proceeds from crime.	BiH Ministry of Justice Public attorney's offices	Established body	No impact on the budget	First half of the year 2007
	Develop and adopt the model of policing based on crime-intelligence model in the struggle against organized crime.	BiH Ministry of Security Law Enforcement Agencies	Established model of police work	No impact on the budget	First half of the year 2007
	Establish state-level system for the collection of statistic and other data on organized crime and corruption.	BiH Ministry of Security Law Enforcement Agencies	Established State System	No impact on the budget	First half of the year 2007

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Establish single information police system in BiH.	BiH Ministry of Security Law Enforcement Agencies	Single information system	Significant budgeting impact	End of 2006
	Establish single system to apply special investigative measures of technical supervision of communications and the use of covert investigators.	BiH Ministry of Security BiH Ministry of Finance and Treasury Law Enforcement Agencies	Single system for application of special investigative actions	Significant budgeting impact	First half of the 2007
3. Education, professional development, modernization and specialization of human resources in the institutions of Bosnia and Herzegovina to fight organized crime and corruption.	Capacity building of responsible ministries and their full affirmation in taking over envisaged competencies.	BiH Ministry of Security BiH Ministry of Justice BiH Ministry of Finance and Treasury	Optimal capacity building	Has budgeting impact	Continuous
	Ensure systematic and permanent training of appropriate clerks on organized crime and prevention methods and techniques.	BiH Ministry of Security Entity Ministries of Interior Law enforcement agencies	Optimal capacity building	Has impact on the budget	Continuous

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Introduction of single standards to select, appoint and promote staff in law enforcement agencies.	Ministry of Security Law Enforcement Agencies	Single standards	No impact on the budget	End of 2007
	Sub specialization and specialist training of judges and prosecutors involved in criminal prosecution of organized crime.	Training Centers for Judges and Prosecutors	Conducted trainings	Has impact on the budget	Continuously
	Organization of training for authorized officials in law enforcement agencies as well as in other agencies dealing with financial investigations, including judges and prosecutors in charge of financial investigations.	Training Centers for Judges and Prosecutors Law Enforcement Agencies	Conducted trainings	Has impact on the budget	Continuously
4. Strengthening and development of inter-institutional cooperation in Bosnia and Herzegovina.	Facilitate mutual cooperation by enabling, both in legal and operative terms, the exchange of relevant information among competent law enforcement agencies.	Ministry of Security Law Enforcement Agencies	Optimum cooperation between the agencies	No impact on the budget	Continuously

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Support the identification and adoption of common methodology to collect data on organized crime and corruption and the procedures for the exchange of those data.	Ministry of Security Law Enforcement Agencies Prosecutor's offices in BiH	Common methodology	Small impact on the budget	Mid 2007
	Strengthen cooperation among the agencies involved in financial investigations.	Law enforcement agencies Prosecutor's offices in BiH ITA Entities and Brcko District Tax Administrations	Realized cooperation	No impact on the budget	Continuously
	Promote inter- institutional cooperation in the field of application of special investigative actions, use of registered informants and witness protection.	Courts in BiH Prosecutor's offices in BiH Law enforcement agencies	Realized cooperation	No impact on the budget	Continuously
	Ensure close cooperation of prosecutor's offices and law enforcement agencies in fighting organized crime and corruption.	Prosecutor's offices in BiH Law enforcement agencies	Realized cooperation	No impact on the budget	Continuously

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Establish joint task forces and operative teams to fight organized crime and corruption.	Law enforcement agencies Prosecutor's offices in BiH ITA Entities and Brcko District Tax Administrations	Established task forces	Has impact on the budget	When needed
5. Development of international cooperation in fighting all forms of organized crime and corruption.	Enhance international cooperation by facilitating the exchange of relevant information and conducting joint investigations and police actions both in legal and operative terms.	Ministry of Security Law enforcement agencies BiH Prosecutor's offices	Establishing joint investigations and operations teams	Has impact on the budget	Continuously as needed
	Active partaking in international anti-organized crime and corruption programs and associations (SECI, EUROPOL, INTERPOL, EUROJUST, etc.).	Ministry of Security Law enforcement agencies BiH Prosecutor's offices ITA	Implemented programs	Has impact on the budget	Continuously
	Enter into protocol on police and judicial cooperation with neighboring and other countries.	Law enforcement agencies BiH Prosecutor's offices	Concluded protocols	Small impact on the budget	Continuously

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
6. Development of scientific research of organized crime and corruption and support to institutions dealing with multidisciplinary research of organized crime and corruption with the promotion of cooperation with scientific and academic organizations.	Facilitate the use of state institutions' data in exercising scientific research.	Ministry of Security BiH Prosecutor's office Law enforcement agencies, BiH archive	Optimum level of cooperation	No impact on the budget	When needed
	Use results of scientific research in creating modalities of organized crime prevention.	BiH Council of Ministers Ministry of Security Law enforcement agencies	Implemented results of scientific research	Has impact on the budget	When needed
	Plan and provide funds for scientific research.	BiH Council of Ministers Ministry of Security/ Ministry of Justice, Ministry of Finance and treasury	Approved funds	Has impact on the budget	Continuous
7. Raising awareness of civic society and organize public awareness training on risks and harmful consequences organized crime and corruption have on the entire society.	Continuously initiate and organize forum of academics and scientists, business and professional associations and NGOs on the topics treating, in both narrow and broad sense, organized crime and corruption.	BiH Council of Ministers Ministry of Security Ministry of Justice Law enforcement agencies	Organized forums and other meetings	Has impact on the budget	Continuous

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Follow and enhance drafting, adoption, publicizing and presentation of the Strategy with intensive activities of civil society.	BiH Council of Ministers Ministry of Security	Publications and presentations	Has impact on the budget	End of 2008
	Organize international conferences, seminars, symposia, forums, round tables and other forms of professional gathering to present national analytical expertise and publications related to organized crime and corruption.	BiH Council of Ministers Ministry of Security Law enforcement agencies	A number of organized conferences, seminars, symposia, forums and round tables	Has impact on the budget	Continuously
	Organize on permanent basis presentations of practical models of inclusion and influence of civil society on fighting organized crime and corruption by activists from countries that have rich tradition.	Ministry of Security	A number of presented models	Has impact on the budget	Continuously
	Create material prerequisites for publishing and presentation of scientific and other papers related to organized crime and corruption.	Ministry of Security Ministry of Finance and Treasury BiH Ministry of civil affairs	Material prerequisites	Has impact on the budget	Continuously

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
<p>8. Creation of awareness of judicial institutions and law enforcement agencies on the need to cooperate with electronic and written media for the sake of objective and timely informing of the public on factors generating organized crime, major cases of organized crime and examples of confiscation of properties and proceeds from crime.</p>	<p>Provide domestic and foreign media with timely, original and quality information on organized crime and corruption cases.</p>	<p>BiH Prosecutor's office Law enforcement agencies</p>	<p>A number of information provided for the media</p>	<p>No impact on the budget</p>	<p>Continuously</p>
	<p>Organize periodic meetings of the chief prosecutor with editors of written and electronic media for the purpose of focusing on security situation and/or factors generating organized crime and corruption, and improvement in the manner of communication applied to date.</p>	<p>BiH Prosecutor's office</p>	<p>A number of organized meetings</p>	<p>No impact on the budget</p>	<p>Continuously</p>
	<p>Initiate organization of special shows and campaigns to deal with organized crime with obligatory professional participation.</p>	<p>Ministry of Security Ministry of Justice BiH Law Enforcement Agencies</p>	<p>A number of missions and campaigns</p>	<p>Has impact on the budget</p>	<p>Continuously</p>

3.10 SPECIFIC GOALS IN THE FIGHT AGAINST ORGANISED CRIME

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
1. Improvement of legal framework and institutional capacities in crime analysis and crime-intelligence work.	Secure full implementation of provisions of the Convention for the protection of individuals with regard to automatic processing of personal data and Additional Protocol to the Convention for the protection of individuals with regard to automatic processing of personal data, and amendments to this Convention, particularly taking into account oversight authorities and cross-border flow of information.	Council of Ministers Ministry of Security Ministry of Justice of BiH Law enforcement agencies	Implemented conventions	No impact on the budget	First half of 2007
	Develop and adopt policing model based on anti-organized crime crime-intelligence model and ensure that input and output of crime-intelligence work would be integrated in the police work at state and local level.	Ministry of Security Law enforcement agencies	Implemented model	Has impact on budget	End of 2006
	Strengthen crime analysis units.	Law enforcement agencies	Optimum functionality	Has impact on the budget	Continuously
	Train staff on crime analysis.	Ministry of Security Law enforcement agencies	Number of trainings and participants	Has impact on the budget	Continuously
	Develop single methodology with regard to collecting crime-intelligence data and statistics.	Ministry of Security Law enforcement agencies	Developed single methodology	Has impact on the budget	Continuously

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Introduce standard way to collect, exchange, store, process and deliver information.	Ministry of Security Law enforcement agencies	Introduced standard way of collecting, exchange, storing, processing and delivering of information	Has impact on the budget	End of 2007
	Establish procedures and control of the access to crime-intelligence data and analysis.	Ministry of Security Law enforcement agencies	Established procedures	Has impact on the budget	End of 2007
	Establish procedures to exchange crime-intelligence information at international level in line with appropriate rules on data protection.	Ministry of Security Law enforcement agencies	Established procedures	Has impact on the budget	End of 2007
2. Establishment of legal framework and straightening of institutional capacity to conduct financial investigations as a part of criminal investigations and confiscation of illegal proceeds.	Harmonize administrative, civil and criminal legislation with the Convention on money laundering, search, seizure and confiscation of proceeds of crime.	Ministry of Security Ministry of Justice of BiH	Harmonization of administrative, civil and criminal legislation	No impact on the budget	End of 2007
	Train staff to conduct financial investigations.	Ministry of Security Law enforcement agencies ITA Entities and Brcko District Tax Administrations	Optimally trained staff	Has impact on the budget	Continuous

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Strengthen cooperation between the State Investigation and Protection Agency <i>SIPA</i> (Financial-intelligence Department - FOO and Crime-investigation Department - KIO) and Entity Interior Ministries, Police Force of the Brčko District and BiH Prosecutor's Office.	BiH Prosecutor's offices Entity MOIs and Brcko District police Law enforcement agencies	Quality cooperation	No impact on the budget	Continuous
	Strengthen cooperation between the Indirect Taxation Authority and other institutions involved in financial investigations (<i>SIPA</i> , State Border Service, Entity Tax Administrations and the Tax Administration of the Brčko District).	ITA Law enforcement agencies Entities and Brcko District Tax Administrations	Quality cooperation	No impact on the budget	Continuous
	Accelerate the process of establishing single database of all legal entities registered into court registers; establish other single databases accessible to all institutions.	Ministry of Justice of BiH Courts in BiH	Single data base	Has impact on the budget	First half of 2007
3. To ensure standardized and efficient legal framework and institutional capacities for the implementation of	Amend criminal legislation with precise definition of crimes, which can be subject to special investigative measures.	BiH Prosecutor's Office Ministry of Justice BiH Ministry of Security	Adopted changes and amendments	No impact on the budget	First half of 2007

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
Special investigative actions.	Develop and adopt Rulebooks and guidelines for the use and implementation of special investigative actions.	Ministry of Justice BiH Ministry of Security Law enforcement agencies	Adopted Rulebook	No impact on the budget	Second half of 2007
	Establish nation-wide reporting system on the use of special investigative measures.	Ministry of Justice BiH	Established national reporting system	Has impact on budget	Second half of 2007
	Adopt regulations on the use of funds to enforce special investigative measures (special funds) particularly with regard to funding secret operations, covert investigators and informants with provision of efficient supervision over their use.	Ministry of Justice BiH Ministry of Security Law enforcement agencies	Adopted regulations	Has impact on the budget	Second half of 2007
	Provide required technical and material assets and equipment to implement special investigative actions.	Ministry of Security Law enforcement agencies	Provided necessary technical and material assets	Has significant impact on the budget	End of 2008
	Ensure that specialized and trained staff implements special investigative measures.	Ministry of Security Law enforcement agencies	Quality application of special investigative measures	No impact on the budget	End of 2008
	Introduce permanent professional training of the staff on the application of special investigative actions.	Ministry of Security Law enforcement agencies	Number of educated staff	Has impact on the budget	Continuously

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Ensure close cooperation between prosecutor's offices and police forces in the implementation of special investigative actions.	BiH Prosecutor's Offices Law enforcement agencies	Quality of cooperation	No impact on the budget	Continuously
	Strengthen mutual and international cooperation in the implementation of special investigative actions.	Ministry of Security Courts of BiH BiH Prosecutor's Offices Law enforcement agencies	Quality of cooperation	Has impact on the budget	When needed
4. To ensure standardized and efficient framework for the implementation of witness protection measures in Bosnia and Herzegovina and financial presumptions for the implementation of witness protection program.	Upgrade the functioning of Witness protection department within SIPA (State Investigation and Protection Agency).	Ministry of Security SIPA	Optimum functioning	Has impact on the budget	Continuously
	Harmonize rules and procedures in the work of the Witness Protection Department using positive experiences from countries having tradition in the field.	Ministry of Security Ministry of Justice of BiH SIPA	Efficient rules and procedures	Has impact on the budget	Continuously
	Improve cooperation of the Register office with the Witness protection department.	Court of BiH SIPA	Quality of Cooperation	No impact on the budget	Continuously

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Provide technical capacities in courtrooms to enable video-link testimony, including practical training of judges and prosecutors to adopt rules in line with international procedures while using technical capacities for video-link testimony.	Court of BiH Centers for education of judges and prosecutors	Necessary technical capacities	Has impact on the budget	End of 2008
	Establish cooperation with witness protection units in the region for the purpose of standardization of rules and procedures while enforcing witness protection measures, in particular the measure of protected witness relocation.	Ministry of Security SIPA	Quality of cooperation	Has impact on the budget	Continuously
	Ensure bilateral and multilateral agreements within the scope of witness protection program for the purpose of providing witness protection program in countries in the region and transfer of protected witness in third countries.	Ministry of Security BiH Ministry of justice	Signed bilateral and multilateral agreements	Has impact on the budget	Continuously
5. Establishment and development of international cooperation of judicial authorities in criminal and legal matters, which would particularly facilitate the conduct of joint	Create legal prerequisites for conclusion of bilateral and multilateral agreements and/or arrangements according to which law enforcement agencies would establish joint investigating teams in one or more states.	Council of Ministers BiH Ministry of Security BiH Ministry of Justice	Appropriate legal provisions	No impact on the budget	End of 2008

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
criminal and financial investigations.	Until conclusion of bilateral and/or multilateral agreements and/or arrangements on joint investigations, conclude agreements, within the scope of domestic legislation, with other countries from case to case with consistent respect for the sovereignty of each country.	Ministry of Security Ministry of Justice	Concluded agreements	No impact on the budget	When needed
	Additionally train prosecutors and staff of law enforcement agencies to conduct joint investigations of organized crime in two or more countries.	Training centers for prosecutors Law enforcement agencies	Number of trainings	Has impact on the budget	Continuous
	Through communications with media, publicize widely the cases of joint investigations and their results.	Prosecutors' offices in BiH Law enforcement agencies	Information on joint investigations and results	No impact on the budget	When needed
6. Establishment and development of cooperation of law enforcement agencies at international level, which would particularly facilitate	Create legal preconditions for conclusion of bilateral and multilateral agreements and/or arrangements according to which multi-agency bodies to conduct joint operations would be established in one or more countries.	Council of Ministers Ministry of Security Ministry of Justice Law enforcement agencies	Concluded agreements and arrangements	No impact on the budget	Continuous

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
the conduct of joint operations.	Until conclusion of bilateral and/or multilateral agreements and/or arrangements on joint operations, conclude agreements, within the scope of domestic legislation, with other countries from case to case with consistent respect for the sovereignty of each country.	Ministry of Security Ministry of Justice Law enforcement agencies	Concluded agreements and arrangements	No impact on the budget	Continuous
	Additionally train prosecutors and staff of law enforcement agencies to conduct joint operations against organized crime in two or more countries.	Training centers for prosecutors Law enforcement agencies	Conducted trainings	Small impact on the budget	Continuous
	Through communication with media, publicize widely cases of joint operations and their results.	Ministry of Security Law enforcement agencies	Information on joint operations and results	No impact on the budget	Continuous
7. To intensify activities in fighting illicit trafficking of narcotics and precursors.	Consistently implement the Law on Prevention and Control of Abuse of Narcotics.	Ministry of Security Ministry of Justice and Ministry of Civil Affairs	Implemented Law	No impact on the budget	Continuous
	Establish Commission and Department for Narcotics Abuse Control	Ministry of Security Ministry of Justice Law enforcement agencies	Established Commission and Departments	Has impact on the budget	End of 2006

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Adopt the National Strategy for Narcotics Misuse Prevention	Council of Ministers Ministry of Security Law enforcement agencies	Adopted State Strategy	Small impact on the budget	Mid 2007
	Create the narcotics abuse prevention policy	Council of Ministers Ministry of Security Law enforcement agencies	Adopted policy	Small impact on the budget	Mid 2007
	Enact bylaws establishing the legal control of production, trade in, distribution and fabrication of narcotics and precursors for medical use in order to be used for legal purposes, and enact procedures for enforcement of control measures. (BoR on legal cultivation of cannabis, rules on writing and filling the pharmaceutical recepies, BoR on manintenance and destruction of confiscated drugs, psychotropic substences, plants used to produce drugs and precursors)	Council of Ministers Ministry of Security Ministry of Civil Affairs, State pharmaceutical Agency Law enforcement agencies	Relevant by-laws (Books of rules and regulations)	No impact on the budget	Mid 2007

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
8. Drafting of new standardized and development, maintenance and updating of the existing information system and databases of law enforcement agencies as well as continuous information technology training of the staff.	Adopt the Law on Information Society Agency.	Council of Ministers Ministry of Civil Affairs	Adopted Law	No impact on the budget	End of 2006
	Implement initiated projects of the European Commission in BiH and of ICTAP in the domain of telecommunications, envisaged for the security segment.	Ministry of Security Law enforcement agencies Ministry of Civil Affairs-CIPS	Implemented projects	No impact on the budget	End of 2006
	Secure funds for further development of the existing and improvement of planned information systems to be used by law enforcement agencies.	Ministry of Finance and Treasury	Secured funds	Has impact on the budget	End of 2007
	Realize the project of integration of passport system into CIPS.	Ministry of Civil Affairs, CIPS Directorate Law enforcement agencies	Integrated passport system	Has impact on the budget	End of 2007
	Stipulate use, input and protection of databases in the domain of organized crime and train specialist staff for updating, maintenance and control of access to databases while using and protecting central databases.	Council of Ministers Ministry of Security Law enforcement agencies	Adopted implementation regulations and conducted trainings	Small impact on the budget	First half of 2007

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Organize continuously information training of staff in law enforcement agencies.	Ministry of security Law enforcement agencies	Optimally trained staff	Small impact on the budget	Continuously
9. Full implementation of international standards and recommendations in money laundering prevention and terrorism funding.	Ensure consistent application of forty recommendations and eight Special recommendations of FATF by all institutions that make the institutional framework for BPPN and BPFT.	SIPA – FID, Regulatory agencies Financial institutions and other obligatory participants	Full implementation of recommendations	No impact on the budget	End of 2006
	Pay special attention to implementation of the Document on prevention of criminal use of banking system for money laundering, key principles for efficient supervision of banks and due diligence analysis of bank clients (Basel Commission), Document on guidelines against money laundering for supervisors of insurance and insurance companies (IAIS) and Money Laundering Resolution (IOSCO).	SIPA – FID, Regulatory agencies Financial institutions	Full implementation of documents	No impact on the budget	End of 2006
	Ensure efficient system of measures for freezing and confiscation of property the income of which or the property itself is being used or is intended to be used or allocated for financing of terrorism, terrorist acts or terrorist organizations.	SIPA – FID, Regulatory agencies and Prosecutor's office in BiH	Established system for freezing and confiscation of property	Has impact on the budget	End of 2006

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Ensure mechanisms and procedures through which the financial institutions, which have reasonable suspicion that certain transaction is linked with or related to and/or will be used for terrorism, terrorist acts or by terrorist organizations, must immediately inform responsible institutions.	Ministry of Security SIPA-FID Regulatory Agencies Financial institutions and other obligatory participants	Established mechanisms and procedures	No impact on the budget	End of 2006
	Through international legal aid and other accessible mechanisms, provide to other countries the highest possible extent of aid with respect to criminal, civil and administrative procedures pertinent to financing of terrorism, terrorist acts and terrorist organizations.	BiH Prosecutor's office, Ministry of Security, SIPA-FID	Optimum international cooperation	No impact on the budget	When needed
	Ensure that legal entities and individuals securing transfer of money or valuables, including transfer through informal systems or networks for transfer of money of valuables, have license that is the product of the consistent application of FATF Forty Recommendations.	Ministry of Finance and Treasury Regulatory Agencies	Established licensing system	Small impact on the budget	End of 2006
	Ensure that all financial institutions dealing with money transfer obligatorily insist during electronic transfer on correct and explicit data on sender and all recommendations attached to the transfer.	Ministry of Finance and Treasury Regulatory Agencies SIPA-FID	Full information on electronic transfers	No impact on the budget	End of 2006

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Assess the adequacy of laws and regulations related to nonprofit organizations in order to eliminate the risk of their use for financing of terrorism.	Ministry of Justice, Ministry of Security	Assessed adequacy	No impact on the budget	End of 2006
	Establish the appropriate system for protection of privacy, which would not be the obstacle to crimes prevention and identification as well as to following and confiscation of proceeds of crime.	Ministry of Finance and Treasury Regulatory Agencies	Optimal system of protection of privacy	No impact on the budget	End of 2006
	Develop comprehensive and efficient local capacities for financial institutions supervision.	Ministry of Finance and Treasury Regulatory Agencies Internal and External Audit	Adequate Supervision Systems	Has impact on the budget	End of 2006
	In financial institutions establish and maintain, without any exception, efficient internal control and procedure to prevent abuse of these institutions for money laundering and terrorism funding purposes.	Regulatory agencies and financial institutions	Established optimal internal control system	No impact on the budget	End of 2006
	Employment and appointment of officials responsible for BPPN and BPFT administration of all financial institutions should be carried out in line with special procedure and criteria to minimize the risk of money laundering and terrorism funding.	Administrations of financial institutions	Established optimal procedures and criteria	No impact on the budget	End of 2006

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Financial institutions have to establish efficient auditing, separated from other functions, to be able to objectively review adherence to requirements.	Financial institutions, Regulatory Agencies	Established efficient internal audits	No impact on the budget	End of 2006
	Ensure permanent training for the staff of financial institutions, FID, law enforcement agencies and prosecutors to provide them with relevant updates and enable them to acquire latest information in terms of work-related knowledge.	Financial institutions, SIPA-FID, Law enforcement agencies, BiH Prosecutor's office	Conducted trainings and education	No impact on the budget	Continuous
	Ensure full independence of FID from political interference as well independence of competent or different supervisory institutions along with appropriate accountability system.	SIPA	Full political independence	No impact on the budget	Continuous
10. Continue activities aimed at preventing human trafficking and illegal migration	Intensify activities of the existing Task Force for Fight against Human Trafficking	Ministry of Security Law enforcement agencies	Realised activities of the task force	No impact on the budget	Continuous
	Improve the work of law enforcement agencies on the activities of prevention and recovery of human trafficking.	Law Enforcement Agencies	Number of detected and prevented crimes	Has impact on the budget	Continuous

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Efficient application of the Law on Service for Foreigners' Affairs and establishment of the Service for Foreigners' affairs in accordance to the Law	Ministry of Security Law Enforcement Agencies	Established Service	Has impact on the budget	End of 2006
	Secure material and technical means to equip the Service for Foreigners' Affairs	Ministry of Finance and Treasury Ministry of Security	Secured means	Has significant impact on the budget	End of 2006 Continuously
	Consistent implementation of the Law on Movement and Stay of Aliens and Asylum in BiH	Ministry of Security Law enforcement agencies	Efficient implementation of the laws	Has impact on the budget	Continuous
	Changes and amendments to the Law on Movement and Stay of Aliens and Asylum in BiH in accordance to the Schengen and EU standards	Ministry of Justice, Ministry of Security Law enforcement agencies	Adopted changes and amendments	No impact on the budget	Mid 2007
	Establishment of the Center for accommodation of illegal immigrants and asylum seekers	Ministry of Security	Established Center	Has impact on the budget	Mid 2008
	Secure material and technical means for construction and establishment of the Center for accommodation of illegal immigrants and asylum seekers.	Ministry of Finance and Treasury	Secured funds	Has impact on the budget	Mid 2008
	Put into function the information system for aliens' stay movement control	Ministry of Security Ministry of Foreign Affairs	Established information system	Has impact on the budget	Mid 2007

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Consistent implementation of the Law on movement and stay of Aliens and asylum	Ministry of Security Law enforcement agency	Implemented Law	No impact on the budget	Continuous
	Use the best examples of other countries in their fight against human trafficking, and focus in particular on prevention and identification of illegal trade in human organs	Ministry of Security Law enforcement agency	Use of experiences	No impact on the budget	Continuous
	Training for police agencies staff and foreign national's inspectors in fight against human trafficking, confrontation to the illegal migration, recovery of counterfeit documents and interview techniques during the process of approval of permanent or temporary stay	Ministry of Security Law enforcement agency	Conducted training	Has impact on the budget	Continuous
	Train the police officers authorized for control of state border in the area of recognition and recovery of counterfeit documents and interview techniques on border crossings.	Ministry of Security SBS	Conducted training	No impact on the budget	Continuous
11. Reduce the number of robbery cases	Consistent implementation of regulations governing the operations of security-services agencies	Ministry of Justice Law Enforcement Agencies	Consistent implementation of regulations	No impact on the budget	Continuous
	Raising the standards pertaining to mandatory security measures for institutions that deal with financial transactions in cash.	Regulatory agencies Law Enforcement Agencies	Defined standards	No impact on the budget	Continuous

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Introduce more strict sanctions against pilferers and for non-compliance with regulations and procedures in this field.	Ministry of Justice Prosecutor's offices in BiH	Processed criminal cases	No impact on the budget	Continuous
12. Continue activities on prevention of car theft and resale	Establish a database on stolen motor vehicles	Ministry of Security Ministry of Civil Affairs- CIPS Law Enforcement Agencies	Established functional data-base	Has impact on the budget	Mid 2007
	Put into function the unified database on registered motor vehicles.	Ministry of Civil Affairs- CIPS Law Enforcement Agencies	Established functional data-base	Has impact on the budget	End of 2006
	Efficient sanctioning of violations of regulations governing the registration procedure and transfer of ownership over motor vehicles	Law Enforcement Agencies Prosecutors' offices in BiH	Sanctions for violation of regulations	No impact on the budget	Continuous
	Launch an initiative to harmonize basic regulations on registration procedure and on transfer of ownership over motor vehicles in the region.	Ministry of Justice Ministry of Civil Affairs	Harmonized regulations	No impact on the budget	End of 2007
	Educate police staff on stolen car identification techniques.	Ministry of Security Law enforcement agencies	Conducted trainings	No impact on the budget	Continuous

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
13. Reduce forged money inflow and fraud cases involving forged securities and value marks.	Improve procedures of financial institutions, market agents and their regulations in identification of clients and transactions of securities to improve the ability of law enforcement agencies to timely and efficiently identify suspicious transactions and/or forged securities.	Ministry of Finance and Treasury, Financial Institutions, Regulatory Agencies	Established procedures	No impact on the budget	Continuous
	Ensure that legal persons involved in transactions of securities, issuance, distribution and use of administrative and tax stamps and post stamps as well as other stamps of value, establish and maintain adequate procedures for monitoring and protection.	Council of Ministers Ministry of Finance and Treasury, Regulatory Agencies ITA, Public company for Postal Services, Institutions for measures and standards	Established efficient procedures of monitoring and protection	No impact on the budget	First quarter of 2007
	Consider measures to reduce cash transactions related to securities.	Ministry of Finance and Treasury, Securities commission	Measures to reduce cash transactions	No impact on the budget	End of 2006
	Improve the existing legal framework regulating registration and licensing of stock exchange brokers and investment advisors to minimize the possibility of organized crime control over this specific area.	Ministry of Finance and Treasury, Securities commission	Efficient legal framework	No impact on the budget	Mid 2007

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Strengthen technical capacities of law enforcement agencies for issuance of expert opinions and re-enactment of forged securities transactions and early identification of specific features of forged securities, value stamps and stamps marking on goods, weight indicating measurements and weights used on scales.	Law Enforcement Agencies Bodies, individuals and institutions certified for issuing expert opinions	Optimal technological capacity	Has impact on the budget	Continuous
	Remove identified restrictions in NGOs activities that articulate consumers' interests and educate consumers in recognizing forged stamps marking goods, weight indicating measurements and weights used on scales.	Ministry of trade, Ministry of Justice	Removed restrictions	No impact on the budget	Continuous
	Within the existing legislation governing measurements, standardization and control of items made of precious metals pay special attention to prevention of forgery.	Ministry of trade, Ministry of Justice	Established system of forgery prevention	No impact on the budget	Mid 2007
	Permanent education of prosecutors and law enforcement agencies about technical and technological trends and methodologies used for forging securities, value stamps and stamps marking on goods, weight indicating measurements and weights used on scales.	Training centers for judges and persecutors, Law enforcement agencies	Conducted trainings	No impact on the budget	Continuous

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
14. Reduce the number of copyright infringement cases	Train police staff in fight against of copyrights abuse and unlawful use of copyrights and the rights of audio recordings manufacturers.	Law Enforcement Agencies	Conducted training	No impact on the budget	Continuous
	Provide material and technical resources for improvement of operations of the BiH Intellectual Property Institute.	Ministry of Finance and Treasury Ministry of Civil Affairs	Level of equipment in technical and technological sense	Has impact on the budget	Continuous
	Establish a database available to law enforcement agencies, containing information on licensed products, manufacturers and shops within the BiH territory.	Ministry of Civil Affairs Institute for intellectual property of BiH	Established data bases	Has impact on the budget	End of 2008
	Uninterruptedly continue activities at identifying and processing persons who abuse and unlawfully use copyrights.	BiH Prosecutor's Office Law Enforcement Agencies	Number of processed crimes	No impact on the budget	Continuous
15. Reduce evasion of public revenues incurred by tax evasion, high-tariff goods smuggling and custom frauds	Establish and improve cooperation with tax and customs administrations of neighboring and other countries via the establishment of a electronic data exchange system in order to prevent goods smuggling and tax and duty evasion at the BiH border.	Ministry of Finance and Treasury ITA	Established system of electronic data exchange	Has impact on the budget	End of 2007

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Review experiences of countries with long VAT practice to anticipate conduct of economic subjects and different fraud modalities within the VAT and customs systems.	Ministry of Finance and Treasury ITA	Applied experiences	No impact on the budget	When needed
	Implement programs of technical and financial support to tax and customs administration training in fight against international tax and customs frauds.	Ministry of Finance and Treasury ITA	Implemented program	Has impact on the budget	End of 2007
	Improve the quality of tax and customs legislation to improve functioning and reduce possibilities for tax evasion and customs frauds.	Ministry of Finance and Treasury ITA, Entity and Brcko District Tax Authorities	Applied regulations	No impact on the budget	Continuous
	Improve efficiency of tax bodies in BiH through better tax discipline, preventive and educational actions, efficient sanctioning of any failure to meet tax obligations and improved control and review system.	Ministry of Finance and Treasury ITA, Entity and Brcko District Tax Authorities	Number of submitted charges for tax evasion	No impact on the budget	Continuous

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Permanently integrate principles, methods and techniques of selection criteria, risk analysis and monitoring of possible tax and customs laws violations.	Ministry of Finance and Treasury ITA, Entity and Brcko District Tax Authorities	Integrated principles, methods and techniques	No impact on the budget	Continuous
	Straighten an efficient intelligence unit within ITA to collect, classify, assess, analyze and distribute information on goods smuggling and other tax and customs frauds.	Ministry of Finance and Treasury ITA	Functional intelligence unit	No impact on the budget	End of 2006
	Regularly oversee non-border crossings and carry out controls beyond the border zone, especially along the established routes for goods smuggling to prevent and identify tax and customs offences and frauds, on its own or in coordinated actions with other law enforcement agencies in BiH.	ITA, SBS and other law enforcement agencies	Number of detected crimes and offences	No impact on the budget	Continuous
	Establish an efficient organizational unit within ITA to control and process tax and customs fraud cases and timely report to competent prosecutor's offices pursuant to Criminal Procedure Code of BiH.	Ministry of Finance and Treasury ITA	Established organizational unit	Has impact on the budget	Mid 2007

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Strengthen and establish functional cooperation between ITA and other law enforcement agencies in BiH.	Law enforcement agency, ITA	Functional cooperation	No impact on the budget	Continuous
	Establish the unified register of business subjects on the level of BiH.	Ministry of Finance and Treasury, Entity and Brcko District Tax Authorities	Single register	Has impact on the budget	Mid 2007
	Reform the direct tax system to harmonize tax rates at the BiH level.	Council of Ministers, Ministry of Finance and Treasury, Entity and Brcko District Tax Authorities	Reformed direct tax system	Has impact on the budget	End of 2007
16. Prevent illegal arms and military equipment trade and ban purchasing, transportation and warehousing of nuclear material and its disposal within the BiH territory	Enact a Law on Purchasing, Keeping and Carrying Weapons and Ammunition of BiH	Council of Ministers Ministry of Foreign Trade and Economic Relations of BiH	Enacted law	Has impact on the budget	Mid 2007
	Establish the central database of physical and legal individuals who were issued with the license to purchase, maintain and carry firearms and ammunition.	Ministry of Security Ministry of Civil Affairs Ministry of Foreign Trade and Economic Relations of BiH	Established central database	Has impact on the budget	End of 2006
	Enact legislation and other regulations on banning purchase, transportation and warehousing of nuclear materials and its disposal within the BiH territory.	Ministry of Security Ministry of Foreign Trade and Economic Relations of BiH	Enacted law and implemented regulations	No impact on the budget	Mid 2007

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
17. Prevent production, processing, selling, purchasing and exchanging of goods or items which production, processing or trade is banned or restricted by the BiH regulations or international law	Enact legislation and other regulations to upgrade the rules on strategic material and double-use goods.	Council of Ministers	Enacted law and implementation regulation	No impact on the budget	Mid 2007
	BiH access to international arrangement and regimes in export of these goods and technologies (the Wassenaar Arrangement on Conventional Weapons Export and Dual-Use Goods and Technologies Export Regimes; Missile Technology Control Regime; Nuclear Non-Proliferation Group; the Australia Group on Chemical and Biological Weapons).	Ministry of Foreign Trade and Economic Relations of BiH Ministry of Foreign Affairs Ministry of Defense Ministry of Security – OSA Law Enforcement Agencies	Signed international arrangements and agreements	No impact on the budget	Mid 2007
	Further implementation of international standards by competent BiH institutions in this area (International Programs: Export Control and Related Border Security –EXBS and Wisconsin Project on Nuclear Arms Control – Risk Report – a database on dual-use goods in the world).		Implemented international agreements	No impact on the budget	Continuous

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
18. Prevent illegal logging and transport of material, as well as manipulation of data on material, activities with the sale of material and accounts of public forest management companies, eliminate unauthorized operations at the wood processing sector.	Build efficient and coordinated infrastructures for control functions in forests and similar sectors, straighten the capacities of relevant control institutions.	FBiH Government, RS Government, Ministry of Agriculture, Water Management and Forestry of RS and FBiH, Public Forest Management Company in RS and Cantonal Forest Management Companies in FBiH	Control mechanisms and institutional structures established	Has impact on the budget	End of 2006
	Continue with development of cooperation with corresponding initiatives supported by International Community, especially with EUFOR, EUPM and CAFAO.	Ministry of Agriculture, Water Management and Forestry	Realised joint projects	Has impact on the budget	Continuous
	Conduct independent estimates of the type and quantity of illegal logging.		Number of independent estimates	Has impact on the budget	When needed

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Implement existing reform plans for public forest management companies in RS, draft and implement similar plans for cantonal forest management companies in FBiH, highlighting the wider use of concrete offers in the sale of materials, updated informative and financial system, rigid appliance of existing legislation.	Public companies in the field of forestry	Level of plan implementation	Has impact on the budget	Continuous
	Identify and all wood processing companies who work without proper license. And ban their work	Ministry of Agriculture, Water Management and Forestry – inspection bodies	Number of companies whose work has been banned	No impact on the budget	Continuous
	Revise eventually damaging contracts and concessions issued on usage of other natural resources.	Ministry of Agriculture, Water Management and Forestry – inspection bodies	Number of identified damaging contracts	No impact on the budget	Continuous
19. Prevention and Fight against Cyber Crime	Ratify the Cyber Crime Convention	Presidency of BiH Council of Ministers Ministry of Justice Ministry of Security	Ratified convention	No impact on the budget	First half of 2006
	Regulate rules on prevention and fight against computer crime and use of Internet services and providers.	Ministry of Transport and Communications Ministry of Security	Enacted law and regulations	Has impact on the budget	End of 2007
	Introduce digital signature into legal transactions.	Ministry of Transport and Communications Ministry of Security	Introduced digital signature	Has impact on the budget	Mid 2007

GOAL	ACTIONS	IMPLEMENTING AUTHORITY	SUCCESS INDICATOR	BUDGET	DEADLINE
	Establish and equip departments, train the staff within LEAs for prevention and fighting cyber crime	LEAs, Ministry of Security	Established departments, optimal level of equipment and training	Has impact on the budget	End of 2007

3.11 SPECIFIC GOALS IN THE FIGHT AGAINST ORGANISED CRIME

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
1.	1. International cooperation and fulfillment of international obligations	1. Ratification of UN "MERIDA" Convention in fight against corruption.	Ministry of Justice, Ministry of Foreign Affairs, Council of Ministers, Parliament of BiH.	Ratified convention	No impact on the budget	First half of 2006
		2. Signing and implementation of additional protocol on Crime-Law Convention on corruption from 15th of May 2003.	Ministry of Justice, Parliament of BiH	Signed protocol	No impact on the budget	Second half of the 2006
		3. Taking part in activities of international cooperation with SALW, with the South East European initiative of cooperation under SECI	Ministry of Security LEAs	Taking part in actions and projects	No impact on the budget	Continuous
		4. Sign and ratify relevant international and European legal instruments whose goal is to encourage police and judicial cooperation in order to widen international system of cooperation in criminal affairs among signatories.	Ministry of Security LEAs	Signed protocols and agreements	No impact on the budget	Continuous

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
		<p>5. Conclusion of bilateral and multilateral agreements and arrangements for realization or upgrade of cooperation in criminal matters and undertaking measures which will allow joint law enforcement agency and police operations to include foreign officers and judges (formation of joint investigation teams)</p> <p>6. Sign protocol on cooperation with similar structures in neighboring countries</p>	<p>Ministry of Justice LEAs</p> <p>LEAs</p>	<p>Bilateral and multilateral agreements and arrangements</p> <p>Signed protocols</p>	<p>No impact on the budget</p> <p>No impact on the budget</p>	<p>Continuous</p>
2.	<p>Harmonization of BiH legislature with international legal instruments.</p>	<p>1. Conduct harmonization of legal prescriptions with the provisions of international documents, which are not obligatory for BiH, but whose standards should be incorporated in domestic legislature. The word is primarily about EU documents.</p>	<p>Ministry of Justice, Court and Prosecutors' Office of BiH</p>	<p>Procedures with protocols and conventions harmonized</p>	<p>No impact on the budget</p>	<p>Continuous</p>

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
		2. Harmonization of criminal legislature with the Convention on money laundering and confiscation of illegally gained property with Criminal Law and Citizen Law Conventions on corruption in the areas where harmonization has not been executed.	Ministry of Justice, Court and Prosecutors' Office of BiH	Implementation on procedures	No impact on the budget	First half of 2007
		3. Amend the Law on Legal Aid in Crime Matters with provisions of II additional protocol along with European Convention on Mutual Aid in Crime Matters, with special emphasis on the manner of communication including post delivery, temporal transfer of persons deprived of freedom, presence of the party submitting the request, help with activities on legal aid.	Ministry of Justice, Court and Prosecutors' Office of BiH	Procedures with protocols and conventions harmonized	No impact on the budget	Second half of 2007
3.	Harmonization of legal documents in the areas	Adoption of the Law on police officials in police agencies where it has not been done already and its harmonization with the BiH Law on police officials	Competent parliaments and governments, law enforcement agencies	Law on Police Officials	No impact on the budget	Second half of 2006

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
	<p>pertaining to police service and harmonization of the status of all police officials in BiH</p>	<p>Adoption and harmonization of the implementation regulations arising from the Law (Book of rules on ranks, salaries, disciplinary responsibility etc.)</p>	<p>Competent ministries, law enforcement agencies</p>	<p>Implementation procedures deriving from the Law</p>	<p>No impact on the budget</p>	<p>First half of 2007.</p>
		<p>Adoption of the implementation-related laws and normative provisions in accordance with the solutions stemming from the reform process of the BiH police forces</p>	<p>Competent ministries, law enforcement agencies</p>	<p>Implementation procedures</p>	<p>No impact on the budget</p>	<p>Continuous</p>

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
4.	<p>Establishment of a special state-level body for fighting against corruption.</p> <p>Establishment of an efficient state-level system for data gathering and record-keeping on criminal statistics related to the area of corruption.</p>	<p>Establishment or appointment of a centralized, state anti-corruption body responsible for the implementation of the state anti-corruption program in BiH, with the following priority tasks:</p> <ul style="list-style-type: none"> • Analyzing the corruption phenomenon in BiH • Systemic review of the situation regarding corruption in BiH. • Development of model of single tracking of records on statistic data in the area of corruption. • Coordination of activities in the fight against corruption. • Defining sectors of particular tendency for corruption 	<p>Council of Ministers Ministry of Security</p>	<p>Establishment and activity of the Central State Anti-Corruption Body</p>	<p>Has impact on the budget</p>	<p>Second half of 2006</p>

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
5.	Initiating procedure for adoption of a special law on “lobbying” or changes to the Law on financing of political parties and the Law on the conflict of interests”	<p>Undertaking measures aiming to ensure:</p> <p>Full transparency of the activities on “lobbying”</p> <p>Prevention of illegal money flows in the lobbying process</p> <p>Normative provisions regulating the mentioned area</p> <p>Prevention of the money laundering and other illegal money flows</p> <p>Clear definition of the term “conflict of interests” from the aspect of link with the activities on lobbying, public procurement etc.</p>	Election Commission. Parliamentary Assembly, Council of Ministers	Adoption of new Law or amendments to the existing legal regulations	No impact on the budget	Middle of 2007
6.	Consistent implementation of the Law on public procurement	Conduct an analysis of the implementation of the Law until now and define the areas where the Law has shown weaknesses in course of the implementation	Public procurement Agency, Ministry of Finance and Treasury, BiH Institutions Auditing Office	Relevant reports and analysis	No impact on the budget	Second half of 2007
		Examine the need to change certain legal provisions in line with the noticed weaknesses	Public procurement Agency, Ministry of Finance and Treasury, BiH Institutions Auditing Office	Relevant reports and initiatives	No impact on the budget	Second half of 2006

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
		In line with the conducted analysis, examine the need for changes or amendments to particular procedures, particularly stressing the transparency and control of the public procurement as well as the consumption of the budget resources.	Ministries of finances and other competent ministries	Normative acts which define procedures	No impact on the budget	First half of 2007
7.	Make amendments to the CC and CPC in the sense of defining clear procedures and bodies for carrying out the procedure related to the property subject to the criminal offence, where the party owning the property in question is obligated to present evidence.	Analysis of up to date practice and application of Crime Code and Criminal procedures code, as well as the Law on execution of Criminal and Misdemeanor Sanctions	Ministry of Justice, Court and Prosecutors Office of BiH	Implementati on procedures and normative acts	No impact on the budget	Second half of 2006
		Define procedures for management of movable and fixed property which is a subject of criminal act	Ministry of Justice, Court and Prosecutors Office of BiH, Public Attorney Office	Implementati on procedures and normative acts	No impact on the budget	First half of 2007

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
		Define bodies competent for implementation of procedures, i.e. maintenance and management of the seized property which is a subject of criminal act	Ministry of Justice, Court and Prosecutors Office of BiH, Public Attorney Office	Implementation on procedures and normative acts	No impact on the budget	First half of 2007
		Define procedures and bodies competent for procedures with temporary seized objects in cases which are long term by their nature	Ministry of Justice, Court and Prosecutors Office of BiH, Public Attorney Office	Implementation on procedures and normative acts	No impact on the budget	Second half of 2006

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
8.	Regulate, through normative provisions, the obligation to give statement on all real estate and movables of all officials and elected persons before and upon completion of their official duty.	Undertake measures ensuring transparent relations between officials and elected persons toward the public in order to act preventively.	Electoral Commission	Defined measures	No impact on the budget	Continuous

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
		<p>Adopt a clear rulebook regulating the giving of statement with all relevant indicators pertaining the real estate and movable property, with the obligation to enter into records, before and after fulfilling the official duty within a single mandate (at the beginning, over the course of each year, at the end and minimum of two years upon the termination of the mandate)</p>	<p>-Electoral Commission of BiH</p>	<p>Book of Rules</p>	<p>No impact on the budget</p>	<p>First half of 2007</p>
		<p>Verify the authenticity of facts given in the mentioned statement and in all cases of false declaration of property ownership take appropriate sanctions against such persons, which shall also be made available to public.</p>	<p>Competent ministries and institutions</p>	<p>Relevant reports</p>	<p>No impact on the budget</p>	<p>Continuou s</p>
		<p>Speed up introduction of the execution of security checks of the candidates for certain functions</p>	<p>State Service agencies</p>	<p>Relevant reports</p>	<p>No impact on the budget</p>	<p>Continuou s</p>

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
9.	Increase efficiency in recovery of the criminal acts of corruption	More efficient detection, elaboration and proving of criminal offences of corruption.	SIPA, SBS, Interpol, RS Mol, FMol, BiH Prosecutor's Office, Brčko District Police, ITA	Number of detected criminal acts	Has impact on the budget	Continuou s
		Elaboration of special operational plans for fight against corruption within law enforcement agencies.			Operative plans	Continuou s
		Planning joint activities in realization of plans.			Common activities	Continuou s
		Establishment of mixed operational teams of the LEAs in order to act on joint action plans and programs.			Mixe operational teams	Continuou s
		Initiating tighter cooperation with the police bodies of neighboring and other countries in order to establish data exchange system relevant for the crimes in relation to the crimes of corruption.			Cooperation with law enforcement agencies realized	Continuou s
10.	Making, adoption and	Drafting and update of the CoE Code of Conduct for different public sectors, especially in the law enforcement agencies, in accordance with international proposals.	Civil Service Agency in BiH, RS and FBiH, HJPC, Human	Updated codes of conduct	No impact on the budget	First half od 2007

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
	implementation of the codes of ethics	Mandatory contents of this code of ethics include moral, disciplinary, offense and individual responsibility for acts not in line with the code	resources sub-division of the Brčko District Government, LEAs.	Updated codes of conduct	No impact on the budget	First half of 2007
		Amendments and updating internal normative documents and rulebooks regulating the procedures in case of non adherence to the code of ethics		Updated internal acts and books of rules	No impact on the budget	First half of 2007
11.	Strengthening crime analysis teams by way of selection and education of an adequate number of analysts and forensic experts on criminal investigations.	Undertaking measures within LEAs for strengthening capacities for proving crimes of corruption.	Prosecutor's office of BiH, SIPA, SBS, RS Mol, FMol, OSSA, ITA, Brčko District Police..	Optimal capacities	Has impact on the budget	Continuous
		Establishment of a single state-level system for gathering criminal –intelligence data and maintaining crime statistics within which crimes of corruption will be adequately processed,		Crime intelligence system composed of data and statistics	Has impact on the budget	Continuous
		Development of a single methodology for gathering and exchange of data on all manifestations of corruption,		Single methodology established	Has impact on the budget	Continuous

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
12.	Achieving continuous and adequate cooperation with the media	Achieve a more significant role of the media in the overall efforts of the fight against corruption, which may serve as a source of information on criminal offences of corruption.	SIPA, SBS, Interpol, RS Mol, FMol, Prosecutors' offices in BiH, Brčko District Police, ITA, OSSA, Public Administration.	Number of tested acknowledgements on corruption that came from medias	No impact on budget	Continuous
		Define obligations of the agencies for timely information to the public on all relevant cases of corruption		Obligations defined	No impact on budget	Continuous
		Define the standard of regular press conferences in order to avoid media speculations.		Standards defined	No impact on budget	Continuous
		Encourage the media to create the atmosphere of trust between the LEAs and the public		Level of trust	No impact on budget	Continuous
		Establishment of WEB pages and info services and make them accesible to citizens and medias	Web pages Info lines	No impact on budget	Continuous	
13	Intensify cooperation with NGOs	Establish unified NGO register.	Ministry of Justice BiH	NGO registry	No impact on budget	Continuous

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES	
		Permanently follow results of NGO investigation in the area of corruption and follow corruption trends in such manner.	Ministry of Security	Analysis of the results of investigations	No impact on budget	Continuou s	
		Based on the previous investigations, locate the hotspots of corruption and focus activities of authorized institutions in this direction on recovery and prevention.		SIPA, SBS, Interpol, RS Mol, FbiH Mol, Prosecutors Office of BiH, Brcko District Police, ITA, OSA	Activities based on the results og investigations conducted	No impact on budget	Continuou s
		Encourage the work of NGO sector in a sense of citizens' education through lectures, public gatherings and seminars in a goal to raise the awareness on the damages of corruption, its recognition and need to report it to authorities.			Lectures, public forums and seminars held	No impact on budget	Continuou s
14.	Straighten technical capacities within the law enforcement agencies, which are of significance for the fight against corruption.	Modernization and equipping of border crossings in accordance to the available budgetary and donor means.	Ministry of Security, law enforcement agencies	Optimal material and technical equipment	Has considerable impact on budget	Second hald of 2008	
		Equipping with video surveillance and travel documents readers.		Optimal material and technical equipment	Has considerable impact on budget	Second hald of 2008	

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
		Introduction of modern electronic systems for data processing and establishment of data bases in law enforcement agencies		Optimal material and technical equipment	Has considerable impact on budget	Second half of 2008
		Equipping with computer equipment and other means		Optimal material and technical equipment	Has considerable impact on budget	Second half of 2008
15.	Continued education and awareness raising on term of corruption with all employees	Form expert groups and teams which will be given task to educate all employees engaged in the fight against corruption	MoS, sectors for education in the law enforcement agencies.	Education teams and groups	No impact on budget	Second half of 2006
		Draft special programs of professional education for fight against corruption.		Professional training programs	No impact on budget	Second half of 2006
		Training program implementation		Training implemented	No impact on budget	Continuous
	Enhancement of internal controls, inspections and auditing in a goal to prevent corruption inside police and other law enforcement agencies	Establish internal controls, inspections and auditing in accordance to the internal organization of law enforcement agencies	Ministry of	Levels of cooperation with relevant institutions achieved	No impact on budget	Continuous

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
16.		Adopt normative acts(BoR on work, code of conduct) on internal control where it hasn't been done yet.	Security, SIPA< SBS, Interpol, RS Mol, FBiH Mol, BiH Prosecutors Office, Brcko District Police, ITA, OSSA, State Service agencies.	Levels of cooperation with relevant institutions achieved	No impact on budget	Continuous
		Define criteria for election of members of internal controls and auditing offices (from the aspect of working experience, education, professional knowledge, etc.) and staffing		Levels of cooperation with relevant institutions achieved	No impact on budget	Continuous
		Adequately award members in accordance to achieved working results and find means to stimulate their future work		Levels of cooperation with relevant institutions achieved	No impact on budget	Continuous
		Follow, control and check determined findings of internal control- come up with various control modules.		Levels of cooperation with relevant institutions achieved	No impact on budget	Continuous
		Straightening of control mechanisms through extraordinary control services		Control services established	No impact on budget	Continuous

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
17.	Use achievements of other sciences which are applicable in criminology in order to recover relevant facts and information	Realize cooperation with institutions of high education from the area of technology in a goal to follow trends of development of technical capabilities applicable for recovery and verification of criminal acts from the area of corruption	MoS, SIPA, SBS, Interpol, RS Mol, FMUP, Prosecutors' Office BiH, Brcko District Police Distrikta, OSA, State Service agencies	Levels of cooperation with relevant institutions achieved	No impact on budget	Continuous
		Establish cooperation with educational institutions from the area of security and crime sciences in a goal to improve measures for fight against corruption		Levels of cooperation with relevant institutions achieved	No impact on budget	Continuous
		Realize frequent contacts with scientific research institutions (Institute for protection and education, Institute for standardization of products)		Levels of cooperation with relevant institutions achieved	No impact on budget	Continuous
		Upgrade cooperation with the Agency for state service in a sense to upgrade criteria for selection of candidates for work in state organs		Levels of cooperation with relevant institutions achieved	No impact on budget	Continuous

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
18.	Encouraging public to report illegal activities to authorized institutions	Informative campaigns and affirmation of work of "krimolovci (crime hunters)" service	SIPA, Crime Intelligenece teams in the law enforcement agencies.	Number of processed applications	No impact on budget	Continuou s
		Proffesional education and improvement of conduct of the persons who work as recipients of crime reports.		Trainings implemented	No impact on budget	Continuou s
		Analitical processing of received informations		Analitical reports	No impact on budget	Continuou s

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
19.	Reduce the level of corruption in education system, health and sport	<ul style="list-style-type: none"> -Increase the salaries of employees in education system -Straightening and building of internal controls and auditing -Consistent application of the procurement services -Unconditional respect for criteria for acceptance of pupils and students 	Ministries of education, Ministeries of finances and treasury, educational institutions and Institues	Salaries, Efficient systems of internal control and revision, reduced number of justified objections in acceptance procedures, reduced number of justified objections in procurement procedures, optimal cpacities and resources secured	Has a dignificant impact on the budget	End of 2008

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
		<p>Increasing salaries of the health employees</p> <p>Straightening and building of internal controls and revisions,</p> <p>Consistent application of the procurement services</p> <p>Rationalization of all aspects of health protection</p> <p>Regulate and harmonize technical, technology and personnel conditions for execution of private practice services</p> <p>Give the citizens possibility to report on cases of corruption without consequences for them</p>	<p>Ministeris of health, public health funds and institutions</p>	<p>Salaries,</p> <p>Efficient systems of internal control and revision,</p> <p>reduced number of justified objections in procurement procedures,</p> <p>optimal capacities and resources secured</p>	<p>Has a dignificant impact on the budget</p>	

No.:	GOAL	MEASURES	BEARERS	SUCCESS INDICATORS	BUDGET	DEADLINES
		<p>Adopt the Law on sport</p> <p>Straighten and build internal controls and revisions</p> <p>Draft and equalize the education system and licensing of sport workers</p> <p>Regulate and implement the process of sports clubs privatization</p> <p>Update the provisions on money laundering prevention which would impose the sport clubs and sportists the obligation to report all financial transfers</p>	<p>Ministry of Civil Affairs and Ministry of Security of BiH, Authorized ministries for sport, Sport associations</p>	<p>Law on sport adopted, Efficient system of internal control and revision</p> <p>Optimal system of education and licensing, Sport clubs privatisation finished</p> <p>Amendments to the Law on Prevention of Money Laundering adopted, along with implementation procedures</p>	<p>Has impact on the budget</p>	<p>First half of 2007</p>

3.12 REFERENCES:

- (1) Criminal Code of Bosnia and Herzegovina, "Official Gazette of BiH", number 3/03, 32/03,37/03,54/04,61/04,30/05.
- (2) Criminal law convention on corruption dated 27 January 1999, signed 1 March 2000, ratified 30 January 2002 and came into effect 1 July 2002.
- (3) Civil law Convention on corruption dated 4 November 11, 1994, signed 1 March 2000, ratified 30 January 2002 and came into effect on 1 November 2003.
- (4) UN Convention against transnational organized crime dated 15 November 2000, signed 2005, not ratified yet.
- (5) Convention on laundering, search, temporary seizure and confiscation of proceeds from crime.
- (6) Law on the conflict of interests in the institutions of the government of Bosnia and Herzegovina, "Official gazette of BiH" 13/02-323; 16/02-404; 14/03-310.
- (7) Law on the conflict of interests in the institutions of the government of Bosnia and Herzegovina, "Official gazette of Republic of Srpska" number: 34/02-14; 36/03-15, and "Official Gazette of Federation of BiH" number 25/02-1049 and 1053; and 44/03-2267.
- (8) Law on conflict of interests, "Official gazette of Brcko District of BiH" number 11/02-704; 9/03-555; and Law on conflict of interests in the Institutions of Brcko District of Bosnia and Herzegovina, "Official gazette of Brcko District of BiH" number 2/03-17.
- (9) United Nations Convention against Transnational Organized Crime, signed 12.12.2000. godine, ratified on April 22 2002
- (10) Recommendation Rec(2001)11 of the Committee of Ministers to Member States Concerning Guiding Principles on the Fight Against Organised Crime.
- (11) Joint Action of 21. December 1998 Adopted by the Council on the Basis of Article K.3 of the Treaty of European Union, on Making it Criminal Offence to Participate in Criminal Organization in the Member States of the European Union OJ L351 of 29.
- (12) Action Plan to Combat Organised Crime (Adopted by the Council on 28 April 1997); OJ C 251
- (13) Pre-Accession Pact on Organised Crime Between the Member States of the European Union and the Applicant Countries of Central and Eastern Europe and Cyprus (Text approved by the JHA Council on 28 May 1998); (98/C220/01).
- (14) Additional Protocol to the Criminal Law Convention on Corruption (CETS No.191).
- (15) UN Convention against Corruption.
- (16) OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.
- (17) Conventions on laundering searching, temporary seizure and seizure of income acquitted by criminal act, ratified on March 30 2004.
- (18) Protocol supplementing the UN Convention on transnational organized crime.
- (19) CoE Civil law convention on corruption
- (20) Readiness report of BiH for initiation of the process of association to EU
- (21) REPORT FROM THE COMMISSION TO THE COUNCIL on the Preparedness of Bosnia and Herzegovina to Negotiate a Stabilisation and Association Agreement with the European Union. Brussels, 18.11.2003., COM(2003) 692 final, str. 28.

4 CROATIA

The new National Program for the Suppression of Corruption was adopted by Parliament on 31 March 2006. At the end of April 2006, the Ministry of Justice established a co-ordination group of representatives from all institutions that have been assigned specific responsibilities for the implementation of the National Program. Instead of drafting a formal Action Plan, the above mentioned co-ordination group will decide on concrete measures to implement the Strategy through so-called "mini programs".

4.1 INTRODUCTION TO THE NATIONAL ANTI-CORRUPTION PROGRAMME (2006-2008)

The Program of the Government of the Republic of Croatia for 2003 – 2007, which received the Croatian Parliament's confirmation, states that the Government is aware of the extent of corruption in Croatian society and that it is determined to approach the fight against corruption as a crucial issue of ordering Croatia as a free European state.

Corruption undermines the basic values of societal relations in a democratic and civic society. It threatens the rule of law, trust in public institutions and state authorities, integrity, justice, equal rights, equality and the security of citizens. Corruption enhances and sharpens divisions in society, fosters dishonest attempts to live above one's means and get rich by flouting the values of patient work, thrift and honesty. Corruption stunts the development of free enterprise and political culture, erodes public morals, culture and tradition as fundamental societal values. For all these reasons, corruption must be evaluated from the standpoint of ethics, permanently reflected upon politically and combated by socially responsible efforts.

Corruption also reduces public revenues, stimulates unnecessary public expenditure, weakens resistance to organised crime, and diminishes the effects of public services, particularly of health care and education. Corruption hinders morality in political decision-making, jeopardises the stability of and trust in institutions and engenders dissatisfaction among citizens. Suspicion of corruption in itself is very damaging, irrespective of the true extent of corruption, because it brings the credibility of any government into question.

The political, economic and general social development of a country depends, *inter alia*, on its capacity to resist the risks stemming from corruption.

Any person holding a public office, apart from being legally responsible, must answer to his or her own conscience and ethical principles for conduct in performing public duties.

What is crucial for combating corruption is to create and stimulate the political will and determination of public authorities. By adopting this Programme, the Croatian Government, Parliament and all political parties express their political will and determination to act against corruption. This will and determination imply detachment from party political and narrow political interests in the best interests of overall societal development. To a responsible government, combating corruption is a natural interest and need.

Croatia was among the first states to sign (on 10 December 2003 in Merida) and ratify (on 4 February 2005) the UN Convention against Corruption and it participated in the First Conference of its States Parties.

To date, Croatia has taken the initiative at normative level by adopting a package of anti-corruption laws, such as the Office for the Prevention of Corruption and Organised Crime Act (The USKOK Act), The Conflict of Interest Prevention Act, The Corporate Criminal Liability Act, The Money Laundering Prevention Act, The Witness Protection Act, The Personal Data Protection Act, The Right to Access to Information Act, as well as by introducing a one-stop-shop (the HITRO.HR service) and implementing the e-Croatia project,

thus taking an important step towards harmonising its legislative arrangements with those of the international community.

Public perception of corruption is disproportionate to the detection and prosecution of corrupt practices, which means additional efforts, must be made both in terms of legislation and enforcement.

For all the foregoing, the Croatian Government and Parliament have, since 2004, undertaken a number of measures and amended a number of laws, by which, harmonising the Croatian legal system with the EU *acquis* and desiring to achieve the constitutional principle of rule of law, they have acted against corruption.

The e-Croatia Project

The development of electronic government, or the e-Croatia Project, is one of the steps taken by the Government of the Republic of Croatia on this way. In December 2004 the Government adopted the HITRO.HR (*One Stop Shop*) Strategy and Implementation Plan and thereby launched the implementation of the HITRO.HR Project, with a view to enabling the users of public administration services to obtain public services in one place, without necessarily being familiar with the competencies and organisational structure of individual state bodies. This project, which has in the meantime been implemented in all counties and in the City of Zagreb, saves the users a great deal of time in the process of obtaining various approvals, permits and other documents and eliminates direct contact between the user and multiple institutions. The project's implementation is geared towards transforming processes in public administration through the use of information and communication technologies (ICT). Benefits include greater transparency of these processes, simplified procedures and consolidation of data from different sources, all of which serves to make it easier to detect corruption. In the process, the use of ICT helps various bodies of state administration to improve co-operation and remove the traditional fences and barriers within and among themselves, but also to lower the wall between state authorities and the public and enterprises.

ICT greatly contributes to a reduced level of corruption in the area of fiscal management and public procurement (e-Taxation and e-Procurement). What is important to stress here is that the use of information systems by itself is not enough; it only has any effect when it is integrated into the systematic implementation of anti-corruption programmes within each sector of the public administration. A number of projects that the Government has carried out within the framework of the e-Croatia 2007 Programme have already significantly contributed to anti-corruption measures (the HITRO.HR project, e-Public Procurement, e-Treasury, e-Customs, e-Taxation, e-Jurisprudence of the Supreme Court, e-Land Register, e-Cadastré, e-Court Notice Boards, the Integrated Court Case Management System, e-Education, e-Health Care).

Land Registry Reform

In this context it is worthwhile mentioning the land registry reform, which includes the harmonisation of cadastral and land registry data and the creation of a single nationwide database, accessible on-line. So far, the e-Cadastré project has been finished, which offers, among other things, access to records on 16.5 million plots of land on the Internet. Once the land registers have been entirely digitalised, which will be very soon, it will be more difficult to manipulate data that is accessible to the public and by providing public access to all changes to land registry records the room for civil servants to abuse their powers in dealing with individual cases will be limited. This will also reduce the necessary time required for resolving court cases, which will help minimise the backlog of cases in a relatively short time span and ensure that cases are resolved promptly, according to law. Another form of abuse that will be eliminated in this way is illegal "queue-jumping" of the order of cases to be dealt with.

Penal Code

Amendments to the Penal Code in the first stage, in July 2004, introduced the new criminal offences of "bribe-taking in economic transactions" and "bribe-offering in economic transactions".

The Act Amending the Office for the Prevention of Corruption and Organised Crime Act

The Act Amending The Office for the Prevention of Corruption and Organised Crime Act from March 2005 prescribes the comprehensive and unquestionable competence of the Office (hereinafter: USKOK) for criminal offences committed by members of criminal organisations and crimes of corruption. USKOK's jurisdiction was extended to include organised crime and corruption offences that the Act expressly enumerates. Amendments have been made to the provisions on the powers of USKOK in order to ensure more effective co-operation with the police and other state bodies, as well as provisions that should grant USKOK the leading role in preliminary criminal investigation and guarantee more effective co-ordination among all state bodies in the detection and prosecution of corruption and organised crime. Judges have received wider authority to order, at the proposal of USKOK, other special investigation measures (investigation techniques) in cases of all types of corruption and organised crime offences. Before the above amendments, special investigation techniques were allowed in the case of organised crime offences and bribe-offering and bribe-taking, but not in cases of other acts of corruption. Furthermore, mention should be made of the July 2004 amendments to the Conflict of Interest Prevention Act and the April 2005 supplements to the Conflict of Interest Prevention Act which prescribe the obligation to provide information on sources and the manner of acquisition of assets.

4.2 PROBLEM ASSESSMENT

Corruption is very hard to detect, even harder to prove. It would be wrong to base one's assessment of the magnitude of corruption on statistics alone, because the number of reported and prosecuted cases is negligible. Relevant international surveys show different levels of corruption in Croatia.

According to Transparency International's Corruption Perceptions Index, Croatia ranked 74th in 1999 on the list of countries with widespread corruption. According to international research for 2005, Croatia ranked 70th on the list. In its positive opinion on Croatia's application for candidate status, the European Commission highlighted the issue of corruption in Croatia and recommended that efforts to combat corruption be continued.

Public opinion surveys conducted by domestic and international pollsters show that citizens believe that corruption exists, that it is widespread, that they condemn it and that decisive measures are needed to curb it. International comparisons and economic risk assessments state plainly that corruption constitutes a serious threat to Croatia's economic development and the continued democratisation of the society. Considering that it is widespread in different areas of social life, corruption affects a large number of different social groups and is not of an incidental but of a systemic character.

There are four areas that surveys single out as the most tainted by corruption in Croatia: the judiciary, health care services, local self-government units and political parties. Although these opinions are based on the personal impressions of citizens, there is no need to prove that such impressions have the force of a social fact, which means that the current government comprehends that the public expects it to focus its measures to combat corruption in these areas of social life. Combating corruption must not be conceived as a campaign, but a permanent task.

The National Anti-Corruption Programme and its Action Plan were adopted in March 2002. Under the Programme, a Parliamentary Commission was supposed to be established to implement the National Programme, comprised of Members of Parliament, representatives of civil society and representatives of the public. The Action Plan envisaged a set of measures to combat corruption in almost all areas of public administration and the economy. Neither the National Programme, nor the Action Plan has been carried out, and the Parliamentary Commission was not set up.

The present National Programme differs from its 2002 predecessor. While in the earlier document the emphasis was placed on declarations of political will and recognition that corruption constituted a serious problem for society, this document stresses in particular the Government's determination to curb corruption by strengthening institutional capacity for that purpose. Before the stress was on the enactment of legislation, now the law enforcement is of utmost importance. This Government is determined not to stop

its attempts but to make the fight against corruption a systematic effort that is part and parcel of its regular activities.

More effective and more rapid action is necessary by the bodies in charge of detection, prosecution and sanctioning, but consistently and not on a campaign basis. Concurrently, continuous prevention measures and systematic reforms are a must and should be insisted on, while repression should be a necessary and important corrective mechanism. In these circumstances, more effective and faster action by the USKOK and other implementing bodies of detection, prosecution and sanctioning is necessary, but is not enough.

4.3 GOALS

Corruption is a severe threat to social, economic and political development and stability. There exists a causal nexus between the incidence of corruption and the overall development of a society. Corruption must be continuously suppressed by systematic reforms, particularly prevention, followed by repression, if society is to further develop.

The goals of the National Programme have been defined accordingly and must be implemented in a responsible manner.

The comprehensive and responsible implementation of the National Programme aims to attain the following individual goals:

1. to single out and sanction the corrupt in order to pre-empt very damaging generalisations;
2. to strengthen professional ethics and thereby guarantee unimpeded development to state and local administration, small and medium-sized enterprise and the economy at large;
3. to secure a responsible public administration that serves the needs of citizens;
4. to restore public trust in local and state administration;

The overarching goal is to reduce corruption to a level where it will no longer be an obstacle to social, economic and political development and where citizens will no longer see it as an insurmountable hurdle.

4.4 INTERVENTION

Even suspicion of corruption in the political system brings into question all three constitutional powers, as well as the local authorities, leading to the widespread perception that engaging in politics does not serve the public good but benefits politicians personally.

Any responsible government must plan and carry out measures to prevent corruption on a permanent basis, not as a stop-gap action, but for the benefit of society. Only constant work will make it possible to curb corruption gradually and systematically and transform politics into a profession serving the public benefit.

Judiciary

The reforms already completed, and those under way in the land registry and cadastral system have shown good results. They have started to resolve the public's long-standing problems regarding registration of ownership and other property rights and have helped promote a climate favourable to free enterprise. When it is possible to register rights and to check the current status promptly, there is no longer any reason to try to bribe the intermediaries and/or civil servants for this service. The good example set in this area should be followed and applied to prevent corruption in the judiciary.

The independence of the judiciary is enshrined in the Constitution. But, independence presumes responsibility. No one has the arguments nor reasons to harbour generalised suspicions regarding the morals, integrity and high qualities of judges as a profession. However, judicial, executive and legislative powers must face the fact that the public lacks trust in them, that the justice system's credibility is insufficient and that suspicion of corruption in it is rife. It is for these reasons, not because of suspicions, necessary to work constantly to regain the public's trust in the system.

The courts are burdened with a large backlog of cases and a high share of lengthy proceedings. Judicial proceedings that take decades rather than years give rise to suspicion and mistrust, and rightly so.

It would not be realistic to expect substantial progress in organisation which would yield positive results overnight. However, for public trust in the judiciary to be restored, it is crucial for results to be seen in a short time. In order to prevent and suppress corruption, it is necessary to:

1. analyse the workload at different courts in terms of the backlog of cases. Refer cases from overburdened courts to less burdened courts;
2. identify at each court in how many cases the proceedings are lengthy. Determine resolution priorities, on the principle of moving from "older" to less "old" cases, observing at the same time the legally prescribed order of priority of different types of cases. At each court adopt a schedule for resolving such cases and monitor adherence to the schedule;
3. analyse the system of assignment of cases used so far and the caseload of judges at each court. Determine how to assign cases objectively and to balance the caseload amongst the judges;
4. analyse the status of personnel at each court, take measures in accordance with the objectively identified need for rapid elimination of the backlog and the prompt processing of new cases;
5. introduce the obligation for judges and prosecutors to disclose their assets and manner of acquisition, introduce security vetting as a prerequisite for election to office, as well as for development of their professional career in the service;
6. publicise judgements with the force of *res judicata* and the manner cases are assigned in courts over the Internet and through other appropriate channels;
7. provide mechanisms and monitor the implementation of the criteria for the appointment and promotion of judges as laid down by the Courts Act and, if necessary, propose amendments to the said Act.
 - **Implementing bodies: Ministry of Justice, the Supreme Court of RoC, the Public Prosecution Service of RoC**
 - **Deadline: continuous**

1. analyse the court and public prosecution service networks, identify courts or public prosecution departments to be closed down or merged and decide on types of new courts to be established;
2. organise a publicly-accessible overview of case law and the penal policy with the aim of achieving consistency and presenting identical or similar criteria applied by judges and courts;
3. include in the legal education curriculum elements of professional ethics and social responsibility;
4. organize continuous education in professional ethics.
 - **Implementing bodies: Ministry of Justice, the Supreme Court of RoC, the Public Prosecution Service of RoC**
 - **Deadline: 30th June 2006**

Health Care System

Achievements of the health care system reform:

- computerised primary care system and the same has started for the hospital system;
- regular surveying of patients on incidents of corruption ;
- causes for waiting lists enumerated and a programme to eliminate such causes drafted;
- accelerated substitution of obsolete medical technology.

The present shortfall in the capacity of medical facilities provides fertile ground for corruption in the health care system and makes it an important public morals issue. Health care providers perceive the public's suspicions of corruption as a presumption of their guilt, rather than a risk they face in their profession.

Corruption in the health care system can best be eradicated by systematically eliminating its causes, but, objectively, that cannot be achieved in a short time. However, what must be done to suppress corruption and regain public trust in the health care system is to:

1. prepare a fundamental health care reform project that would include a proposal on the development of the public health care system and private enterprise in health care. This proposal should plan for an increase in the number of specialist outpatient clinics up to the optimum network of hospitals, which would include reserve capacities for the forecasted increase in demand;
2. prepare a draft reform of the health insurance system proposing the development of public health insurance and private enterprise in health insurance, forms of funding and accessibility through funding;
3. reorganise the emergency health service and primary health care system;
4. analyse the health care system alongside regular preventative and repressive action to fight factual (not merely perceived) corruption, accompanied by quality media coverage. Present the true state of affairs and identify the actual perpetrators to avoid generalisation, to be followed through with appropriate legislation and legal action;
5. analyse hospital capacity and the average number of potential patients per bed in each hospital. Publish the number of hospital beds and the average number of potential patients per bed in each hospital's catchment area;
6. take stock of diagnostic equipment for expensive and complicated examinations and tests – by type of apparatus – and the number of patients per piece of apparatus at each health care institution. Publish the data on patient per apparatus ratio in each institution's catchment area, being mindful of the need to protect personal patient data;
7. determine clear criteria for analysing diagnostics, treatment and health care in accordance with European standards, accompanied by clear criteria for the detection of professional errors and the introduction of systematic monitoring and value setting;
8. combine first-come-first-served and medical criteria to produce waiting lists for examinations and tests. Publish waiting lists, including any changes, in each institution's catchment area;
9. combine first-come-first-served and medical criteria to produce waiting lists for surgical procedures. Publish waiting lists in each hospital's catchment area;
10. use accreditation and categorisation of the health care system on the basis of clear quality criteria to ensure accessibility and affordability of services and system streamlining;
11. improve patient information systems (waiting lists published on web-sites and electronic information kiosks). Co-operate with NGOs to inform citizens of their options;
12. computerise the health care system to accelerate exchange of information within the system and with the public.

- **Implementing bodies: Ministry of Health and Welfare, with the participation of the Croatian Public Health Institute and professional chambers.**
- **Deadline: 31st March 2007**

Local Self-Government

Surveys show that, in terms of corruption, citizens do not differentiate between state and local authorities. As in the case of state authorities, because of its objective position, local administration is seen by the public as a structure with a large potential for corruption.

After the local elections, what unfolded under the public gaze was a bitter struggle for local councils by ways and means which were not exclusively political. Such incidents are an affront to all those who engage in politics to serve the public good and by generalisation tarnish all levels of government and all political parties, although their responsibility is not equally distributed.

The mistrust in and suspicion of local governments' probity rest on the same causes as in the case of the other levels of government, but measures to counter them, both short-term and long-term, must be different. Therefore, it is necessary to:

1. ensure oversight of the legality of the work of local services;
2. intensify measures to create special, locality-specific and tailored methods to prevent and detect corruption;
3. change, improve and upgrade the model and implementation of laws governing elections to units of local self-government;

4. strengthen the autonomy and responsibility of local self-government units in the process of decentralisation.

- **Implementing body. : Central State Office for Administration**
- **Deadline: Continuous**

5. enhance monitoring of utilisation of local funds;

6. propose the necessary changes to improve transparency in the adoption and, in particular, execution of local self-government budgets.

- **Implementing bodies: Central State Office for Administration, Ministry of Finance and State Audit Office**
- **Deadline: 30th September 2006**

Election law modifications will help fight corruption at the local government level, particularly the proposed Direct Election of County Prefects, Mayors and the Mayor of the City of Zagreb Act.

Politics and Public Administration

In the public mind, "politics" equals political parties. But, politics includes all exercise of public powers.

A government best demonstrates its political will and determination to root out corruption by decisive action to fight corruption in politics and government.

Political Parties

Unclear and ill-defined obligations regarding control of how political parties are funded facilitate possible corruption in politics. Anonymous donations and donors should be regulated in harmony with European practices.

This matter should be regulated by a special law on the funding of political parties which would lay down permitted sources of party funds and specify legitimate means. The proposed Act will draw on the best practices of EU countries.

Once funding of political parties is precisely regulated by law and when financial statements are made public, there is less room for corruption.

- **Implementing body: Central State Office for Administration**
- **Deadline: 30th September 2006**

Prevention of Conflict of Interest

The erstwhile application and particularly the amendments to the Conflict of Interest Prevention Act have not contributed sufficiently to the strengthening of confidence in the public authorities.

Future amendments to the Act should strive to avoid politicisation of the Commission for the Prevention of Conflicts of Interest and dispel any public suspicions as to the integrity of politicians and authorities, prevent blame-shifting and generalisations to the effect that everybody in politics is corrupt. Therefore:

1. it is necessary to modify the Act to extend the present obligation to disclose assets from state officials to all local administration and self-government officials and make it compulsory to disclose the manner of acquisition of these assets;
2. it is necessary to ensure strict enforcement of the Act, make the penalties in the Act more severe and prescribe detailed provisions for procedures for determining violations and sanctions;
3. the Commission should not act as a surrogate for the judicial authorities and should be obligated to propose political sanctions, including proposals for recall of state or local officials found to be in conflict of interest, and to act in accordance with the present legal provisions where there is a well-founded suspicion of corruption.

If the Act is consistently applied, it will no longer be possible to shift blame, it will be possible to single out and punish transgressors and the public will stop believing that those engaged in politics and holding public office are the same.

- **Implementing body: the Commission for the Prevention of Conflicts of Interest**
- **Deadline: 30th June 2006**

State Administration and Public Services

Certain parts of the state administration and public services are still rigid, bureaucratic, often obstructive and intent on looking after their own interests. Public administration and citizens are often seen as opponents, instead of the administration being an open and accessible public service. This situation keeps on creating new openings for corruption. To exercise their rights, citizens often believe they have to bribe civil servants and pay for the performance of tasks already paid for by the state in the form of salaries.

Recruitment in the administration still does not take sufficient account of objective criteria of merit. Some civil servants do not feel that working in public administration is their vocation or career and consequently they do not care to develop professional ethics.

If public administration is centralised, power is concentrated, responsibility is diminished, it becomes reclusive and distant from the citizen and creates the impression that it holds the monopoly over power. Decentralisation, or rather full application of the principle of subsidiarity, on the one hand leads to more political responsibility and more transparency in decision-making and actions of public administration. On the other, decentralisation reduces the scope of central oversight of compliance, financial discipline and protection of citizens' rights. The ratio of centralised and decentralised affairs laid down by law should be optimised with regard to the level of development and organisation of public services management achieved. This ratio should gradually change in favour of decentralisation.

To improve the public administration's transparency and openness it is not sufficient just to change laws. Efforts should be made to change the mindset and responsibility of those civil servants whose conduct contravenes their constitutional and legal obligations. For the above reasons it is necessary to implement the following measures:

1. based on expert recommendations, adopt secondary legislation laying down objective personnel selection criteria of capability, qualifications, knowledge and experience. Consequently, civil servants will start seeing public administration as their vocation and career opportunity;
2. carry out system-wide measures to harmonise recruitment, promotion, permanent education, evaluation and reward policies in public administration that must be vastly improved if the administration wants to attract quality personnel;
3. impose without exception the measure of removal from service for civil servants who face criminal charges of corruption;
4. draft a code of ethics to prescribe ethical standards to be observed in public service and systematically develop professional ethics in public administration;
5. establish within the Central State Office for Administration an organisational unit in charge of public administration ethics and training in ethical conduct;
6. carry out continuous administrative and inspection controls of state and local public administration. Organise and deliver management training seminars in transparency and openness of public administration;
7. monitor systematically administrative caseload processing according to individual administrative areas and on the overall administration level;
8. ensure systematically better pay and working conditions in public administration.

These measures must be carried out in all bodies of public administration. A step in this direction is the Civil Servants Act which entered into force on the 1st of January 2006 and provides for the adoption of numerous pieces of secondary legislation and the Code of Ethics that are to regulate many of the above matters.

- **Implementing body: Central State Office for Administration**
- **Deadline: Continuous**

Right to Access to Information

Some state and local officials and departments in the state and local administration are still inert and not open towards the public. This gives rise to the public opinion that officials and the administration are self-sufficient and that information is denied because, if disclosed, it would uncover cases of corruption.

The 2005 Report on the Application of the Right to Access to Information Act shows that public authorities received 4,499 requests for information, a substantial drop from 19,500 requests received in the preceding year. Such a sharp decline is attributed to the fact that all information is made public on the Internet.

Because of such a large number of requests, it is necessary to ensure the consistent application and enforcement of the Right to Access to Information Act in order to entirely eliminate abuse by public bodies of the possibility given in the law to deny the right of access to information.

- **Implementing body: Central State Office for Administration**
- **Deadline: 30th September 2006**

Change-over of Power

The pre-election atmosphere, pre-election promises and post-election reshuffles which have occurred so far have a strong impact on the functioning of state and local public services. What the public perceives as the worst is the profession of political allegiance by managers and employees in the public services, and worse still the practice of post-election side-switching. This "preservation" of jobs in public services is rightly seen by the public as political corruption. Consequently, the public administration's image is tarnished and professionalism and ethics within it are trampled on.

Following the example of countries with developed democracies, it is necessary to:

1. amend the Power Change-Over Act, presently applicable only to the central government, to include appropriate procedures for local government level;
2. prohibit and sanction any post-election attempts to change personnel motivated by political vindictiveness and to specify, both for central and local levels, which posts are to be subjected to personnel changes for the purpose of change-over.

- **Implementing body: Central State Office for Administration**
- **Deadline: 30th June 2006**

Information and Communication Technology in Public Administration

The use of information and communication technology (ICT) introduces transparency in the processes of public administration, enables automation and re-engineering of business processes (the HITRO.HR Programme), enables effective oversight and control of operations with the help of management information systems, facilitates public access to information and simplifies the tracking of appeal procedures. All this makes it impossible to delay proceedings, eliminates arbitrariness in dealing with cases and reduces the scope for error. Moreover, there is less need for citizens to come into personal contact with civil servants dealing with cases on the one hand, and trust in public administration is enhanced on the other (e-Justice, e-Health Care, e-Education).

Furthermore, information systems facilitate detection and investigation of corruption, increase civil servants' responsibility and improve the quality of administrative procedures. Public access to information helps build trust in institutions and facilitates monitoring of proceedings.

THE ECONOMY

Free Competition

Free competition is essential for economic growth and development. Government should have restricted discretionary powers to limit free competition. Persons in government authorised to take discretionary decisions run a higher risk of succumbing to corruption. Aware of this, the Government initiated the adoption of the new State Aid Act, which substantially strengthened the powers of the independent regulator, the Competition Agency so that the RoC Government can no longer decide to write off debt or grant state aid to companies without the prior approval of the Agency. In order for it to make full use of its powers granted by this Act, the Agency needs to strengthen its institutional capacities.

Freedom of competition, free enterprise and a free market, as prerequisites to economic growth and development, are enshrined in the Constitution of the Republic of Croatia. In pursuit of introducing European standards in free competition and prohibition of abuse of monopoly power in individual areas of economic activity, regulatory agencies have been established with the remit to take objective, transparent and impartial measures aimed at creating effective markets and market competition.

The Energy Sector Regulation Act established the Croatian Energy Regulatory Agency, the Croatian Financial Services Supervision Agency Act established the eponymous agency, and the 2005 amendments to the Telecommunications Act (Official Gazette 70/05) define more clearly the powers of the Croatian Telecommunications Agency by stipulating systematic co-operation with the Competition Agency whenever attempts arise to prevent, curtail or disrupt free competition.

Proposed Measures

Having regard to the fact that the above are relatively new institutions in Croatia's legal order, whose common task is to protect competition, it is necessary to monitor their work systematically, to foster effective enforcement of the present relevant laws and to make sure they are amended if found to be defective or inapplicable, without influencing the agencies' autonomy and independence at any moment.

One issue that constantly appears in the functioning of regulatory agencies in Croatia's legal system is how their legal personality is defined. All existing and newly-established regulatory bodies are either legal persons *sui generis* or legal persons vested with public powers which apply the General Administrative Procedure Act in their work and this Act foresees the use of extraordinary legal remedies against their decisions.

In the event that there is no body competent to review decisions issued by legal persons vested with public powers, the General Administrative Procedure Act specifies the RoC Government as the competent body to decide on extraordinary legal remedies, which brings into sharp focus the issue of independence of regulators and the Government's ability to influence their decisions.

It is for this reason necessary to analyse the position and methods of decision-making of the regulators and draft regulations offering, in a single way, legal protection for parties in cases dealt with by the regulators and safeguard the independence and impartiality of the regulators.

A problem has been recognised in the extraordinarily large number of regulations for which it is not known if there is a reason for their being in force. Many of these regulations are contradictory, and a large number of them grant discretionary powers to decision-making bodies, which opens the door to corruption, both because it is hard to find a way through numerous pieces of legislation and because of the existing discretionary powers. Therefore, deregulation should be implemented, following a thorough analysis.

Privatisation

1. Analyse the state of play in privatisation of state holdings and propose a programme and schedule of further privatisation. Determine unequivocally what should not be privatised, what could be and to what extent and what must be privatised and by when, and ensure effective and rapid implementation of the privatisation programme and schedule.

- **Implementing bodies: Ministry of Economy, Labour and Enterprise, Croatian Privatisation Fund**
- **Deadline: 30th June 2006**

2. Analyse the role of the state in the operational management of state-owned companies. Propose measures and methods by which the state would gradually withdraw and entrust operational management to the management of the companies in question.

- **Implementing bodies: Ministry of Economy, Labour and Enterprise**
- **Deadline: 30th September 2006**

3. Ensure that the state, as the owner, is adequately represented in supervisory boards, for the purpose of protecting the general interest, while the number of representatives of the state will be reduced in parallel with the privatisation process.

Public Procurement

1. Transactions where the state is a party - public procurement, concessions, etc. – must be subject to strict rules and compliance monitoring measures.

The Concessions Register has been set up and the Concessions Act will be enacted by the 30th of June 2006.

- **Implementing bodies: The State Commission for Public Procurement Supervision and the Government's Public Procurement Office**
- **Deadline: 30th September 2006**

2. Analyse the public procurement system and its vulnerability to corruption. Special attention should be paid to bidder selection procedures and post-tender dealings. When drafting the new Public Procurement Act the focus should be on limiting the opportunities for those who have the obligation to apply the Act to avoid public, honest and transparent tenders and narrow down the scope for direct deals.

- **Implementing bodies: The State Commission for Public Procurement Supervision and the Government's Public Procurement Office**
- **Deadline: 30th September 2006**

3. Propose institution-building measures for internal control departments at state and local levels. Consider the possibility to allow representatives of the civil society to take part in the work of these departments as external members (public oversight).

- **Implementing bodies: The State Commission for Public Procurement Supervision and the Government's Public Procurement Office**
- **Deadline: 30th September 2006**

4. Draft the State Treasury Management Strategy and amend the Budget Act and the Budget Execution Act accordingly, in order to upgrade budget planning, execution and execution monitoring and reporting processes.

- **Implementing body: Ministry of Finance**
- **Deadline: 30th June 2007**

5. Carry out all preparations and introduce the system of e-public procurement with a view to significantly increasing the efficiency and transparency of the public procurement system.

- **Implementing body: Government's Public Procurement Office, The State Commission for Public Procurement Supervision, Central State Office for e-Croatia**
- **Deadline: March 2007**

SCIENCE, EDUCATION AND SPORT

The main characteristics common to the fields of education and science, when it comes to the fight against corruption, are long-term financial stagnation of these segments of society and the ensuing lack of incentives for employees in the sector, as well as the low social esteem of educators and scientists and their work. In addition to the measures envisaged by The Education Sector Development Plan 2005 – 2010 and the yet to be drafted science and technology development strategy, which both aim to enhance the overall effectiveness of the system, other measures will be needed to target each field. The best way to combat possible corruption in these areas is to adopt a systematic approach to the funding of public needs in science, education and sports and to launch training programmes to prevent corruption.

Science and Technology

Prevention of corruption in science assumes an oversight of the implementation of tenders and the monitoring of the realization of scientific programmes and projects financed by the Ministry of Science, Education and Sports. This will be ensured by the following:

1. the appointment of members of selection committees (3-6 members per committee) is secret, and appointed members must not reveal their names to the public;
2. when reviewers are appointed, all members of the selection committee must be present and the choice of the reviewer must be made unanimously;
3. the appointment of project reviewers is secret. At least two reviewers are appointed for each project. As a rule, one is to be local (RoC) and one foreign;
4. if two project reviews differ essentially regarding the evaluation of the quality of content, the selection committee may appoint additional reviewers;
5. applications for projects, the assignment of projects to selection committees, the selection of reviewers and of members of selection committees, the reviews of projects and programmes, and the ranking of projects and programmes according to points awarded for their success are carried out solely electronically, which almost entirely excludes the possibility of unauthorized access to information;

The state must encourage applied research, technological innovations and potentially commercially attractive technological projects. Full transparency in the awarding of funds, open and critical debate on priorities, and full accountability regarding respect for the rules of procedure, protection of the interests of society, and protection of intellectual property are the conditions for the rational use of the resources provided for these purposes. Objective financing of these projects, which promote innovations and new knowledge, is necessary not only for the purpose of spending state budget funds earmarked for science and technology, but also for the protection of free market competition.

- **Implementing body: Ministry of Science, Education and Sport**
- **Deadline: 30 June 2006**

Pre-school, primary and secondary education

The present financial circumstances in the pre-school, primary and secondary education system necessitate that priority is given to measures aimed at restoring the dignity, value and professional ethics of pre-school teachers, school teachers and teaching staff. Pre-school and education institutions play an important role in the upbringing of children and the consequences of their failures can be felt later and indirectly when they have become irreversible. Nursery schools and schools, which help develop children's moral and social values, can be crucial in prevention of corruption and in educating the entire society against corruption, so

appropriate priority should be given to this kind of content. Teaching about corruption as a social evil should be introduced in the subject entitled Ethics within the new curriculum.

Schools must conduct their work, spend their funds and take their decisions with full responsibility towards and in cooperation with the local community and society in general, particularly the parents, and should manage their expenditure transparently. After the introduction of a centralised system for standardised data-set management it is now possible to update the basic data regarding employees and the use of financial resources by educational institutions. The Ministry of Science, Education and Sport should intensify its efforts to carry out inspections of schools and financial audits and, following decentralisation of schools, request the responsibility for the running of pre-school institutions and schools from their local founders. The Ministry's task is to upgrade the quality of the school inspectorate to achieve greater effectiveness.

Once the final network of schools is determined and external evaluation of pupils and schools is in place, it will be easier to achieve greater transparency in the way the system is funded and how it performs in terms of professional service delivery.

Education is an area affected by market competition. The new proposed Textbooks Act will introduce measures to prevent conflicts of interest arising in the body responsible for approving textbooks for use in schools.

- **Implementing body: Ministry of Science, Education and Sport**
- **Deadline: 30th June 2006**

Higher Education

Higher education is the field characterised by high risks of corruption. This primarily relates to the demands for certificates, diplomas and exams in return for money or other illicit benefits.

Enrolment in institutions of higher education must be objective, based on an impartial evaluation of the candidates' merits, transparent and open for public scrutiny. For all this to be achieved, enrolment procedures must be subject to supervision, namely they must be subject to effective administrative supervision and undergo technical preparations to ensure necessary objectivity. The planned launch of secondary-school leaving exams is an important step towards eliminating this problem.

Student protection mechanisms, both statutory and those adopted by universities, are preventative in character. These should be supplemented by actions taken by the students' ombudsman, students' associations and representatives in university bodies to guarantee that the rights of the objectively weaker side in the process of education are protected.

What is especially destructive is the lowering of examination standards due to personal influence, connections or bribe. Regardless of the extent of this problem, even if it constitutes isolated incidents rather than widespread practice, the existence of appeals, openness and publicity of exams, technical measures to protect objectivity (exam results documentation, anonymity), etc. must be insisted on.

The autonomy of universities implies responsibility and high ethical standards for the conduct of teaching staff. To help with this, the Croatian Parliament, at the Government's initiative, established the Parliamentary Committee on Ethics in Science and Higher Education.

This independent parliamentary body is tasked with the promotion of ethical principles and values in science and higher education, in business relationships and in public relations, as well as in the application of modern technology and environmental protection. The Committee is to adopt a code of ethics establishing ethical principles to be applied in higher education, scientific research, the publication of findings, relations among scientists, teaching staff and other participants in the processes of science and education, proceedings and conduct with regard to competition in the market and relations with the public

and the media. Universities and their member institutions may establish their own ethics committees and adopt their own codes of ethics.

All the above activities should be promoted within the remit of the Ministry of Science, Education and Sports.

- **Implementing body: Ministry of Science, Education and Sports**
- **Deadline: 30th June 2006**

Sport

The public believes that professional sport is ridden with corruption.

The new draft of the Sports Act envisions transformation of professional sports clubs into joint stock companies, which should allow for more transparent work by professional sport clubs. It also contains provisions on conflicts of interest applicable to all participants in sporting competitions. Within its area of responsibility, the Ministry will develop a policy of accountability and strict compliance with the law and work to elicit from sports associations and the entire sporting community a consensual approach to outstanding issues. In addition, a national sports strategy, once adopted, should introduce clear-cut criteria for the granting of public funds to sport. Particular attention should be paid to inspection and control of the running of clubs that participate in competitions.

- **Implementing body: Ministry of Science, Education and Sport**
- **Deadline: 30th June 2006**

4.5 DETECTION AND PUNISHMENT

Systematic reforms in the fields particularly prone to corruption and continuous prevention measures require support from well-organised and effective bodies for corruption detection, prosecution and sanctioning.

For this purpose it is necessary to:

1. conduct a thorough analysis of USKOK's organisation, remit, equipment, personnel and financial needs and propose measures to improve its functioning;

2. approach detection and prosecution of corruption at all levels more insistently, particularly where it affects key economic decisions and legislation and where there is abuse of power and position;

- **Implementing bodies: Ministry of Justice, the Prosecution Service of RoC**
- **Deadline: Continuous**

3. improve the organization of the Ministry of the Interior – within the existing organisational units or by establishing new ones in the Police Directorate and the Criminal Investigation Department, as well as in county police departments in order to strengthen the human resource and institutional capacities to fight corruption at large and also internal corruption within the ranks of the Ministry of the Interior, depending on the findings of problem assessment;

- **Implementing body: Ministry of the Interior**
- **Deadline: 30th June 2006**
-

4. organise and conduct professional training for police investigators, public prosecutors and judges focusing on detection, proving and trying perpetrators of crimes of corruption;

- **Implementing bodies: Ministry of Justice, Ministry of the Interior, the Public Prosecution Service of the RoC, the Supreme Court of RoC**
- **Deadline: Continuous**

5. analyse the present penalties for corruption, propose amendments to include protective measure of confiscation of proceeds from corruption and organised crime, with more strict seizure of proceeds of crime.

- **Implementing bodies: Ministry of Justice, the Public Prosecution Service of the RoC, the Supreme Court of the RoC**
- **Deadline: 30th September 2006**

4.6 INTERNATIONAL COOPERATION

Corruption does not affect only Croatia, it is an international, indeed a global problem. In order to increase the credibility of government and to improve the competitiveness of our economy, it is important and useful to participate in international and regional anti-corruption institutions and initiatives and take an active role in co-operation with other institutions and organisations. For this purpose, it is necessary to:

1. co-ordinate the application of the Council of Europe Convention Against Corruption and the UN Convention Against Corruption and take an active part in European and regional institutions – the Stability Pact for SEE, GRECO, SPAI, SPOC, PACO and analyse the problem of corruption in the light of European integration processes;

- **Implementing bodies: Ministry of Justice, Ministry of the Interior**
- **Deadline: Continuous**

2. co-operate with Interpol and Europol, neighbouring and other countries in the region and Europe in action against corruption, seek international expert and technical assistance in staff training;

- **Implementing body: Ministry of the Interior**
- **Deadline: Continuous**

3. analyse the organisation and functioning of USKOK's International Co-operation Department, propose measures to improve international co-operation in activities against corruption, seek international expert and technical assistance in staff training;

- **Implementing bodies: Ministry of Justice, the Public Prosecution Service of the RoC**
- **Deadline: 30th June 2006**

4. analyse international legal assistance, extradition procedures and co-operation in the fight against international organised crime with elements of corruption.

- **Implementing bodies: Ministry of Justice, the Public Prosecution Service of the RoC, the Supreme Court of the RoC**
- **Deadline: 30th June 2006**

4.7 PUBLIC SERVICES

The present National Programme takes heed of the public's perception concerning the magnitude of corruption in Croatia. Prevention and the fight against corruption require the public's support and a series of education and public awareness activities highlighting the detrimental effects of corruption. Only in this way will it be possible to convince the public that politics serves the public good and prompt the public to work together with the authorities.

For this purpose, it is necessary to:

1. organise and conduct media campaigns to present the National Anti-Corruption Programme;

- **Implementing body: Ministry of Justice**
- **Deadline: 30th June 2006**

2. collate a body of articles, audio and video clips on the topic of corruption and make it available to all news media;

- **Implementing bodies: Ministry of Justice, the Public Prosecution Service of the RoC**

- **Deadline: 30th June 2006**
 -
3. organise round-table debates and other forms and ways of training for journalists and civil society on the topic of corruption and its detection;
- **Implementing bodies: Ministry of Justice, the Public Prosecution Service of the RoC, Office for Co-operation with NGOs**
 - **Deadline: 30th June 2006**
4. stimulate the work of NGOs engaged in the issue of corruption and foster their co-operation with the state bodies;
- **Implementing bodies: Government's Office for NGOs, Ministry of Justice, the Public Prosecution Service of the RoC, USKOK**
 - **Deadline: Continuous**
5. launch public awareness campaigns highlighting the damaging effects of corruption in daily papers, through distribution of leaflets in public administration premises, at courts and state-owned enterprises;
- **Implementing bodies: Government's Office for NGOs, Ministry of Justice, the Public Prosecution Service of the RoC**
 - **Deadline: 31st October 2006**
6. persistent and continuous public education on the harmfulness of corruption;
- **Implementing body: Ministry of Justice**
 - **Deadline: 30th June 2006**
7. organise and conduct systematic surveys of public opinion on corruption;
- **Implementing body: Ministry of Justice**
 - **Deadline: Continuous**
8. organise and systematically conduct education in schools and universities on the harmfulness of corruption;
- **Implementing body: Ministry of Science, Education and Sport**
 - **Deadline: Continuous**
9. in co-operation with business associations, promote ethical standards in business.
- **Implementing body: Ministry of the Economy, Labour and Entrepreneurship**
 - **Deadline: Continuous**

4.8 PROGRAMME IMPLEMENTATION

The political will and determination of the authorities are crucial foundations for the fight against corruption. By drafting and adopting the National Programme, the Government of the RoC has unequivocally demonstrated that political will.

By its nature, corruption is a problem best tackled by the executive and judicial authorities, which means that the Government of the RoC has the responsibility for the Programme's implementation.

The problem of corruption is analysed here seriously, responsibly and thoroughly. Whenever this document uses the term "analysis" in determining tasks and deadlines, it does not denote deferral of necessary and urgent actions, but signifies that any action will include input from experts, research and the public. Accordingly, the Government of the RoC is determined to reduce the problem of corruption by the end of its term of office to such an extent that it will no longer hamper further social, economic and political development and that citizens will not perceive it as a material obstacle to the pursuit of their freedoms, rights and interests.

For all the above and other reasons, the Government of the RoC proposes:

1. that a National Council be established to monitor progress made in the implementation of the National Anti-Corruption Programme, to consist of Members of Parliament, representatives of employers, trade unions, NGOs active in anti-corruption work, the academic community, experts and members of the press;
2. that the National Council be chaired by a representative of the opposition;
3. that the Council supervise the implementation of the present Programme and propose measures for its implementation. The Council is not meant to perform duties falling within the competence of governmental departments and institutions or to take operative action, but to evaluate the methods used and results achieved in the implementation of this National Programme.

5 KOSOVO³ (SERBIA)

In May 2004, the first Anti-corruption Strategy for Kosovo was launched and enforced by PISG institutions. An Anti-corruption Action Plan for the implementation of the Strategy was promulgated on 7 February 2006 by the Government of Kosovo. This Anti-corruption Action Plan, covering a period of two years, will be implemented and monitored by the newly established Kosovo Anti-corruption Agency. The Anti-corruption Action Plan is expected to be reviewed every six months, initially by the Office of Good Governance (PISG) and soon by the Kosovo Anti-corruption Agency.

5.1 ANTI-CORRUPTION STRATEGY

5.1.1 Introduction

Corruption in Kosovo, as elsewhere, is detrimental to the general population, threatens the rule of law and undermines the confidence of the people in the region's most vital institutions, diminishes political stability and peace, and hinders economic development by obstructing competition and the efficient distribution of resources.

The economic and political development of Kosovo, the long-term presence of a socialist and dictatorship system, and long-term problems regarding the creation and implementation of new legal and ethical principles, which are characteristic to all newly-emerged transition economies, are the main reasons that corruption has emerged and being developed in Kosovo.

According to official records, the number of corruption offences in Kosovo is relatively low though perception of the population indicates that the level of corruption in the region is very high. Having in mind some other problems, faced by Kosovo in the moment, it is impossible to expect the introduction of particularly urgent or extensive measures in the anti-corruption field in general, but there are some areas, where those measures are badly needed. The measures in other fields will have to be developed later. Such step-by-step approach of the Kosovo anti-corruption system will ensure the reduction of corruption in some years.

Reactions to the occurrence and dangers of corruption have so far been poor and distinctly repressive by nature, and have thus not eliminated the causes and the consequences of this socio-pathological occurrence. The Kosovo anti-corruption strategy does not set unrealistic goals whereby corruption would be immediately and radically uprooted, rather, its basic objectives are those of prevention, the long-term and permanent eradication of conditions that give rise to corruption, the establishment of an appropriate legal and institutional environment for the prevention of corruption, consistent implementation of responsibility for illegal acts, the creation of a universally-accepted zero-tolerance policy for all forms of corruption by way of training and raising public awareness, and the effective application if internationally-established standards in this area.

The Kosovo anti-corruption strategy anticipates measures that correspond to the level of its economic, social and political development, guarantee the full protection of universally accepted human rights and freedoms, and does not violate the presumption of innocence.

³ The project area includes also Kosovo, currently under the interim administration of UNMIK in accordance with the United Nations Security Council resolution 1244 (1999).

A successful anti-corruption strategy must respond to the expectations of every individual and all forms of governmental and non-governmental working organisations. Because of this, the Kosovo anti-corruption strategy cannot be effectively implemented without the active participation of appropriately informed individuals, close co-operation of governmental, non-governmental and international organisations, and an appropriate level of public support.

5.1.2 Definition of Corruption

There are several sociological definitions of corruption: "Corruption is abuse of privileges⁴", "Corruption = Monopoly + Discretion – (Accountability+Integrity+Transparency)⁵" but there are almost no legal definitions of this phenomenon.

Corruption, as understood by the Kosovo anti-corruption strategy, is defined as follows:

Corruption is every violation of duty of official persons or responsible persons and every activity of initiators or beneficiaries of such behaviour, committed in response to a directly or indirectly promised, offered, given, demanded, accepted or expected reward for oneself or some other person.

"Every violation" is understood to be any act or omission. It relates to acts (or omissions) in the public and private sectors, as well as in fields that cannot be classified as one or the other or where there is no clear distinction between the two. The principle of universality applies with regard to offences, meaning that acts of corruption may be committed in one's own country or abroad. **"Duty"** is understood to be conduct as determined by the legal provisions and by-laws adopted by the public, and written codes of conduct in business or professional associations. **"Official persons"** and **"responsible persons"** are persons, defined as such in the Criminal Code of Kosovo. The offence may be committed indirectly or directly. **"Indirectly"** is understood to mean that the reward on the active side (the party offering the bribe) is promised, offered or given through a third party, whilst on the passive side (the party receiving the bribe), the reward is demanded or accepted through a third party, whereby the expression **"party"** encompasses legal and physical entities. **"Expected reward"** is a situation in which an individual, in exchange for a certain deed, expects a certain reward, which need not have been promised in advance. **"Reward"** may be material, regardless of the form, value or amount of such reward, or non-material, again, regardless of type, form or content. Of key significance to all conduct deemed to be corrupt is **"corrupt intent"**. We speak of corrupt intent when the offence is committed in expectation of a reward that has been promised, offered or given by the active side, or of a reward that has been demanded, received or is expected by the passive side. We are striving for zero tolerance because all acts of corruption are in themselves unacceptable. An aggregation of lesser acts of corruption likewise contributes towards undermining the rule of law and facilitates the occurrence of more serious offences. It is also possible that corrupt intent is directed at gaining a reward for a third party, not only oneself. In this context, **"third party"** is understood to be any legal or physical entity, save the party committing the offence, fitting the submitted definition.

5.1.3 Premises and Conditions of the Kosovo Anti-Corruption Strategy

The premises and conditions of the Kosovo Anti-corruption Strategy are as follows:

Respect of basic human rights

Anti-corruption measures in this strategy are respecting human rights and liberties, fully in compliance with the Kosovo legislation and international legal instruments, especially with the European Convention on

⁴ Peter van Duyne

⁵ Robert Klitgaard

Human Rights. Abstract danger of corruption in general and concrete danger of certain corruption deeds enable deviation from established standards in the field of protection of human rights and liberties only, when this is allowed by Kosovar and international laws and to the extent admitted by those laws.

Political Will

The prevention, detection and prosecution of corruption without appropriate and clearly expressed political support is not possible. Only a political establishment which recognises the fact that corruption is a phenomenon that can occur in all spheres of social and political life, a phenomenon, therefore, which is in itself apolitical, shall be able to provide those dealing with the prevention and elimination of corruption with the appropriate tenure and powers to plan and implement long-term institutional changes. Fundamental changes in this field cannot be expected without a broad social consensus regarding the dangerous consequences of corruption and the importance of anti-corruption measures. This, in practice, means that the majority of main actors in the region, international and domestic ones, must agree with the anti-corruption strategy and be committed to its implementation. Without this, progress in this field shall not be possible.

Suitable Timing

There have not been plenty of discoveries of corruption cases in Kosovo recently. The residents of Kosovo have not become very critical yet, but still, they expect the appropriate reaction against corruption from the international and country administration bodies. This reaction, in the form of a long-term and versatile strategy, must not necessarily happen only because of public expectation, but also because this expectation has not yet reached the level where it would become necessary to implement urgent, short-term, partial measures only. It is important that the methodical and systematic measures are still possible, too. Furthermore, the adoption and implementation of anti-corruption measures in Kosovo is expected by the international community, too.

Appropriate Situation Analysis

Planning measures to improve the situation in a certain area is pointless if even approximately reliable and relevant data on the situation is absent. One of principal reasons for activities in the field of corruption has been in the absence of even approximately realistic information regarding the extend and trends of the problem. It can not be excluded that Kosovo is more heavily burdened by corruption than indicated by official statistics. The fact also remains that Kosovo still cannot compare to the developed countries, which have this problem more-or-less under control. A sober and analytical assessment of the existing situation must serve as the basis not only for the substance of the strategy but for its subsequent appending.

Participation of the Public and Private Sectors and the Civil Society

Acts of corruption are damaging the public as well as private sectors, the civil society and individual citizens, and this requires the involvement of all and sundry in the preparation and implementation of the national anti-corruption strategy. The participation of public administration bodies only results in an incomplete and inappropriate reaction to the complex issue of corruption. Civil society must also be included in all activities as an equal partner, particularly in monitoring the implementation of common goals, and be enabled to influence the most important decision-making substance and procedures.

Prevention before Repression

An exclusively repressive response to corruption results only in the elimination of the harmful consequences in individual cases, whereas the causes, motivation and circumstances that lead to corruption remain untouched. As a reflection of global trends, and for the purpose of effective and efficient preventative action, the substance and implementation of the Kosovo anti-corruption strategy is based on prevention, detection

of the causes and conditions that result in corruption, and its elimination, whilst repressive action continues to remain a corrective measure applied to the most visible individual cases.

Progressiveness

Corruption, as understood by modern theory and practice, is a deeply-rooted system in the social, cultural and political characteristics of every individual country, and the elimination of such a system cannot be achieved in a short period of time or in one go. Measures can only be efficient if the priorities are identified and a realistic agenda for their methodical implementation is adopted. Understanding the sequence of causes and consequences and a rational progressiveness are absolute preconditions for planning activities, their importance being both in the substance and implementation of the anti-corruption strategy.

Transparency and Openness of the Project

By definition, the strategy is intended for all citizens, which means that it must be a totally transparent and open project, both in the drafting and implementation stages, and accessible to all who wish to participate in its drafting and implementation. All procedures leading to individual solutions must be equally transparent. One of the basic principles of and conditions for a successful fight against corruption, transparency, can only be attained through the complete clarity of all actions and an absolute response to the reactions of the environment.

Organised and Spontaneous Supervision

Despite involving the widest possible circle of subjects in the realisation of the strategy, some are more responsible for it than others. Because of this, it is necessary to determine precisely in what way supervision over the implementation of the strategy is exercised, and to place this supervision into the hands of a specially qualified body. At the same time, the general public must be encouraged to monitor the implementation of the strategy, and the procedures for exerting influence over the institutions implementing the strategy must be put into place.

Permanence

Because the total elimination of corruption is impossible, merely relentless and lasting prevention, detection and suppression of its manifest forms, anti-corruption activities are permanent by nature. Any laxity or provisory inactivity is immediately and directly expressed in the increased threat of corruption. Because of the above, the Kosovo-wide strategy must be a document which, both in the drafting and implementation stages will allow the tasks from the first and all subsequent stages to be realised.

Assessment and Corrective Measures

Every document is a reflection of the time in which it was created. Corruption, as other related phenomena, is not only a permanent phenomenon, but also changes its manifest forms. For this reason, there must exist specific procedures and methods for monitoring the conditions under which corruption occurs, and for responding in the appropriate manner to the changed conditions. Such corrective measures do not, in the long term, represent a criticism of the basic text of the strategy; rather, they corroborate its durability, flexibility and effectiveness.

5.1.4 Goals of the Kosovo Anti-Corruption Strategy

The overarching goal of the anti-corruption strategy of Kosovo is to achieve a suitably high level of anti-corruption culture in Kosovo by realising the following direct and general objectives:

- the establishment of a suitable legal and institutional environment for the prevention and suppression of corruption,
- the establishment of appropriate ethical standards,
- the recognition that the co-operation of public sector, private sector and civil society is essential to suppress corruption,
- the long-term and permanent elimination of conditions and circumstances conducive to the emergence and development of corruption
- the consistent assignation of responsibility for unlawful acts,
- the creation of a ubiquitous system of zero-tolerance towards all acts of corruption, through various forms of awareness-raising, training and instruction,
- the efficient use of internationally established standards in this field.

In addition to these direct and general objectives, the implementation of the strategy will guarantee that the following broader objectives are also achieved:

- The identification of the sectors most susceptible to corruption
- The transparent and legal funding of political parties and elections
- The successful development of the public administration
- Overcoming conflicts of interest in public office
- Guaranteeing the legal, professional and responsible adoption of decisions
- The establishment of appropriate mechanisms for reporting suspected acts of corruption
- The efficient functioning of independent law enforcement and judicial bodies and other supervisory mechanisms
- Open and transparent procedures in cases where the budgetary resources are being planned and used, appropriate control over the use of budgetary resources
- Creative co-operation between public and private organisations and the civil society
- Training and assistance to the private sector for efficient and self-regulatory measures against corruption
- Raising the sensitivity of public administration bodies, the civil society and individuals to individual forms of corruption
- Raising the general awareness about the rights and obligations of individuals and institutions
- Assistance to media in performing their supervisory function
- The participation of Kosovo in international efforts at preventing corruption.

5.1.5 Types and Extend of Corruption

The new Criminal Code, which will enter into force on 1 st of April 2004, does not give one single definition of corruption but incorporates offences set forth in the Council of Europe s Criminal Law Convention on Corruption. In the UNMIK Administrative Direction No. 2003/3 implementing UNMIK Regulation No. 1999/1, as amended, on the Authority of the Interim Administration in Kosovo, the term “crime involving corruption” is defined together with the term of “financial crime”: “Financial crime or crime involving corruption means any criminal offence defined in the applicable criminal law as a criminal offence against the economy or against property or against official duty, in which there has been either abuse of official position or duty for the purpose of financial or other personal gain or abuse of public funds; or an act of attempting, aiding, inciting or organising a criminal association to commit previously mentioned criminal offence.”

There is no reliable statistical data on the extent of the corruption in Kosovo. The total number of ongoing corruption/fraud/financial crime investigations, either in the Kosovo Organised Crime Bureau or in the Financial Investigation Unit, two law enforcement units, dealing with the suppression of corruption, varies between 10 and 15.

According to different sources of local non-government organisations the most exposed areas to corruption in Kosovo are customs and tax administration.

Until now there have been no public surveys related to the problem of corruption in Kosovo, but there are some opinions that corruption is wide-spread among domestic and international authorities and that it need to be tackled.

5.1.6 Causes and Consequences of Corruption in Kosovo

Causes of Corruption in Kosovo

Following the end of the war, Kosovo, like other transition economies, with the major assistance of the international community, initiated a series of radical and parallel changes in the political and economic spheres. The basic characteristic of these changes was and remains today the creation of fundamental public institutions, the drafting of new legislation, the establishment of a market economy, and comprehensive privatisation. Because of these reforms, which, if misused, can facilitate the accumulation of great wealth, there emerged, occasionally purely for private benefit, strong tendencies to influence the organisation and the structure of public institutions and the formulation and implementation of economic strategies. This type of corruption was heightened by five factors:

- The lack of appropriate legislative basis
- The privatisation of property
- The extensive reform of the political, law enforcement and judicial system
- The lack of efficient supervisory mechanisms
- The lack of anti-corruption awareness

It is clearly evident that the factors influencing the emergence, extent and development of a second type of corruption, the low-level corruption in Kosovo originate from the abandoned socialist system, the poverty of the population, the intermediate period currently in progress, and the increasingly felt postulates of the market economy. Listed below are the categories of reasons for corruption in Kosovo today:

- socio-economic reasons - corruption in Kosovo is sometimes a question of survival, in other cases it serves solely to improve the material position of an individual; old and new elites, international and domestic, are establishing their dominance under the new conditions by combining their financial and political forces, thus creating a suitable environment for the development of public administration capture (the "privatisation" of the public functions) and administrative corruption; private firms are still over-dependent on politics; *average* incomes of the population are very low.
- legal reasons - a comprehensive reform of the legal system, which on the one hand is unable to respond to all the challenges of real life, whilst on the other it *cannot* provide an efficient reaction to socio-pathological conduct.
- institutional reasons - administration in Kosovo is not yet fully established, separation of powers among domestic and international authorities is not always very clear, internal and external control mechanisms are not developed and efficient enough (the risks to corrupt individuals are small or non-existent), decision-making is not sufficiently transparent, discretionary powers are too broad, the system of responsibility for poor political or business decisions does not function, there is no harmonised approach towards the prevention and suppression of corruption, there is almost no participation by the private sector in the issue of corruption.
- sociological reasons – the culture of exclusive public intervention is still predominant in cases of discovered irregularities, political decision-makers still do not enjoy high level of confidence in the public, civil society is at the beginning of its development, awareness of citizens about their rights and duties is very low, anti-corruption public awareness is rising slowly, ethical standards are not

usual, useful codes of ethics are very seldom or non-existent, role of the media in exposing corruption could be much stronger.

- external reasons - free competition under the conditions of the global economy exposes Kosovo firms to additional pressure, sometimes pressure from other countries or from the international community aggravates the implementation of adopted legislation and the adoption of a new one; unsolved problems with neighbouring regions, mainly Serbia, are top priorities for Kosovo, pushing all other problems, including corruption, in the background.

Consequences of Corruption

Corruption is a multidisciplinary phenomenon with several strata of consequences, which can only conditionally be classified into the narrowly-defined categories. Despite this, such a classification at least enables the determination of their basic characteristics:

- Economic consequences - corruption hinders the growth of national economy and functioning of the market economy, particularly free competition, increases the costs of operations in the public and private sectors, adversely affects competitiveness, hinders and thus decreases (foreign) investment, the redistribution of property is not being conducted in a transparent or rational manner and in breach of the generally applicable rules, economic situation of the population is improving slower than it would be possible;
- Socio-political consequences - poverty is a daily phenomenon, social and national tensions are increasing, the principle of equality before the law is violated, to which patterns of behaviour are adapting, the population and the private sector did not build-up their confidence in the institutions of public, the rule of law is giving way to political interests to the detriment of the common good, impunity is bred and integrity is diluted;
- Consequences in the public administration - the functioning of the public administration may become questionable, many decisions are made behind the scenes and non-transparently, the costs of the public administration are being raised.

5.1.7 Prevention and Suppression of Corruption in Kosovo

The only method that guarantees the reduction of the extent of corruption in any country is the elimination of the root causes, conditions and circumstances that enable and promote the emergence and development of corruption, which means that true results can only be achieved through prevention, whilst repression serves merely as a corrective measure for the most serious manifestations of corruption. Both modes of operation, preventive and repressive, must be totally harmonised, which can only be achieved through urgent simultaneous substantive discussions and without their formal disengagement. Because of this, the measures necessary for the prevention and suppression of corruption at legislative, institutional and practical level are divided into several contextually related chapters, whilst a more detailed account on the necessary actions, their objectives, the responsible institutions, the deadlines, the risks and success indicators for their completion will be the main content of the Action Plan for the Implementation of the Kosovo Anti-Corruption Strategy, which shall be compiled by the Government of the Kosovo.

A. POLITICS

Basic measures that can contribute to the elimination of the causes of and conditions for corruption in the political field are the continued development of democracy, strengthening the civil society and the rule of law, and the consistent assertion of the principle of division of power.

A.1. Legislative Measures

The following are the most important legislative measures:

A.1.1. The adoption and/or further development of a legislation regulating the funding of political parties and elections, with the aim of establishing transparent financing of political parties and guaranteeing objective, corresponding and comprehensive reports on the financial operations of political parties and candidates, defining the basic rules for an entirely documented and uniform accounting method for political parties, establishing a clear and exact procedure of supervision, and enabling supervisory mechanisms to function efficiently, including the implementation of prescribed sanctions.

A.1.2. The adoption of a legislation regulating the incompatibility of certain offices with profit-making activities, the submission of reports on the financial status of certain categories of individuals, the acceptance of gifts, and resolving conflicts of interest, in addition to regulations on an efficient, central anti-corruption body with the power to impose serious and preventive sanctions.

A.1.3. The adoption of legislation regulating the incompatibility of certain offices.

A.1.4. The adoption of legislation regulating parliamentary supervision over the functioning of the legality of the work of the central anti-corruption body as regards human rights, without harming its actual independence and political neutrality.

A.1.5 The adoption of a code of ethics for political parties, for all categories of official persons, which will also contain procedures for the supervision of the implementation of these codes.

A.1.6 The systematic analysis of the existing and future legislation regarding their consistency with the proposed anti-corruption measures.

A.1.7 The introduction of legislation making it mandatory to report cases of corruption in public offices.

A.1.9 The introduction of a list of gifts that different categories of official persons may accept and the obligation to report these lists.

A.1.10 Introduction of duties of senior official persons to prevent corruption and to guarantee the transparency of the institutions they are chairing.

A.2. Institutional Measures

The following changes are required in this field:

A.2.1 The establishment of a central anti-corruption body, responsible to the parliament, with preventive and law enforcement tasks, which will ensure the implementation of the anti-corruption strategy, the implementation of the legislation on the conflicts of interest, the incompatibility of functions and the acceptance of gifts and guarantee effective investigation and prosecution of corruption offences.

A.2.2 The establishment or the appointment of bodies that will rule on violations of the codes of ethics.

A.2.3 The appointment of individuals or bodies to manage the list of accepted gifts.

A.3. Practical Measures

The following needs to be done in this field:

A.3.1 Thorough analysis of the functioning of the public institutions for the identification of the key decision-makers, real ways of adopting decisions and their final consequences.

A.3.2 Ensure a more efficient system of internal and external supervision over the implementation of coercive regulations in force.

A.3.3 Ensure compliance with existing ethical principles.

A.3.4 Consistent and public implementation of prescribed sanctions in cases where irregularities or violations of the prescribed procedures are detected.

A.3.5 Ensure the publication of annual reports on the most serious or most common violations of regulations and ethical principles.

A.3.6 Consistent compliance with the legislative procedures with full regard for expert arguments, and the prevention of illegal intervention by various formal or informal, domestic, foreign or international social groups or individuals.

A.3.7 Publication of a list of gifts accepted by official persons in the form of an annual public catalogue.

A.3.8 Introduction of anti-corruption clauses in all public administrative contracts, exceeding a certain amount.

A.3.9 Consistent application of the Criminal Code whereby persons that have been convicted for corruption are banned from exercising public administration or public service functions.

B. PUBLIC ADMINISTRATION

The public administration is the battlefield on which the outcome of the war on corruption depends, regardless of general and political measures. Restricted discretionary rights, precise job descriptions and authorisation of official persons and the efficient implementation of codes of ethics are the areas in which most can be done to eliminate the causes and conditions for the emergence and development of corruption within the public administration.

B.1. Legislative Measures

The following are the most important and requisite legislative measures:

B.1.1 Systematic adoption and implementation of the laws on official persons and public administration in general and of the relevant secondary legislation to guarantee a genuinely apolitical, professional and transparent public administration which will operate independently of personnel changes with regard to the appointment of official persons, anticipate the options open to individual official persons and their associations in the event of illegal pressures, and to ensure the implementation of solely meritocratic criteria in the employment and promotion of official persons.

B.1.2 The introduction of a ban on direct, hierarchical horizontal or vertical seniority of official persons over their close relations and introduction of alternative measures where necessary.

B.1.3 The introduction of a ban on official persons holding positions on managerial or supervisory bodies in commercial companies, where those positions are not needed for the protection of the public interest.

B.1.4 The inclusion of a system of corruption vulnerability in the rotation of official persons in the most sensitive positions.

B.1.5 The introduction of integrity tests and plans in the public sector.

B.1.6 The introduction of a legal obligation to report acts of corruption by official persons.

B.1.7 The adoption and supervision of the implementation of regulations on solving conflicts of interest, the incompatibility of public office, and on accepting of gifts in the public administration.

B.1.8 The adoption and supervision of the implementation of regulations that enable extra-budgetary funding of public administration bodies, especially the regulation of supervisory procedures, which must necessarily include formal supervisory mechanisms and the civil society.

B.1.9 Establishment of the new and analysis of the existing administrative procedures resulting in the issuing of permits and licences, and rendering the procedure as simple as possible in order to achieve the following:

- the issuance only of permits and licences explicitly anticipated by the law,

the abolition of secondary legislation regulating permits, documented approvals and licences that are not explicitly based on legislation,

the abolition or amendment of all regulations that permit the use of discretionary rights in decision-making regarding the issuing of permits, documented approvals and licences,

the drafting of a list of required licences or permits for individual fields.

B.1.10 The adoption of regulation that obliges all administrative bodies to take periodical assessments on the exposure to corruption of the administrative body and its official persons, to adopt appropriate preventive measures, and to create formal internal supervisory procedures.

B.1.11 Introduction and monitoring of the implementation of regulations on the accessibility of public information to the media, implementing any necessary changes and guaranteeing court action in the event that regulations are violated.

B.1.12 A detailed anti-corruption analysis of regulation in the field of public finances, particularly with regard to public tenders, taxation and customs, adoption of appropriate changes.

B.1.13 The drafting of simple internal rules for reporting acts of corruption within public administration bodies, and the drafting of rules for the protection of whistle-blowers in public administration bodies.

B.1.14 The harmonisation of new and all regulations with the *acquis communautaire* of the European Union.

B.1.15 A detailed anti-corruption analysis of regulation in the field of local self-management with regard to possible improvement.

B.1.16 Drafting of model under-statutory acts for public service at all levels and for local self-management.

B.1.17 Monitor regulations on the organisation, terms of reference and duties of public administration bodies whose function it is to guarantee the transparent, rational and efficient implementation of statutory tasks, without the overlapping of authority or duplication of tasks and in full consideration of the attributes of certain bodies.

B.1.18 Adoption of the legislation on the protection/secretcy of certain information within the public administration

B.2. Institutional Measures

The following needs to be done in this field:

B.2.1 Ensuring the autonomy and independency of the Senior Public Appointments Committee and of the Independent Oversight Board for Kosovo

B.2.2 The appointment of anti-corruption advisors in public administration bodies.

B.2.3 The creation and/or training of national bodies for arbitration in cases where the code of ethics is violated by official persons.

B.2.4 The creation of a central anti-corruption body for conducting integrity tests, issuing opinions regarding corruption, conflicts of interest, breaches of ethics and the incompatibility of functions.

B.3. Practical Measures

The following needs to be done in this field:

B.3.1 The adoption of criteria for instance where the discretionary rights of official persons cannot be abrogated.

B.3.2 The adoption of supplementary criteria for determining the types and levels of secrecy in each public administration body.

B.3.3. When determining administrative and similar taxes, the affordability criteria for individual administrative services must be taken into consideration.

B.3.4. The preparation of short, simple and easily accessible information regarding the rights of individuals in various types of administrative procedures.

B.3.5. Introduction of a standardised, simple form that will enable an individual to report acts of corruption by official persons.

B.3.6. Gradual introduction and consistent implementation of a "one-stop" system for acquiring various permits and licences from public administrative bodies.

B.3.7. The adoption of criteria for assessing exposure to corruption of various public administration bodies and its official persons.

B.3.8. Gradual depersonalisation of contacts between citizens and official persons, and the simultaneous guarantee of total transparency regarding the identity of the decision-making official persons or members of their common administrative body.

B.3.9. A clear and consistent division of duties between bodies that issue various licences and permits, and bodies that implement or supervise the application of the licences or permits.

B.3.10. The development and implementation of initial and supplementary professional training programmes for official persons, which must include training in ethics and professional integrity, and the supervision and implementation of these programmes.

B.3.11. Provide all forms of assistance to wrongly-accused official persons, and to official persons who have been disadvantaged due to non-meritocratic promotions in the public administration.

B.3.12. The limitation of cash transactions between official persons and clients.

B.3.13. The publication of precise and unambiguous conditions for any public bid from the private sector for budgetary funds.

B.3.14. Periodical analyses of procedures for public contracts, *bilateral and multilateral aid*, subsidies, loans or other uses of public funds, with particular attention to the frequency of access of these funds.

B.3.15. Entering into integrity pacts between public administration bodies and the beneficiaries of public funding.

B.3.16. Efficient supervision over the public administration, including supervision over promotions of official persons.

B.3.17. Mandatory public operation/decisions of the Senior Public Appointments Committee and the Independent Oversight Board for Kosovo.

B.3.18. Introduction of the duty of acceptance of code of ethics for official persons as a condition for their employment.

B.3.19. The creation of procedural rules for instances of sponsorship of public administration bodies.

B.3.20. Analysis of performance of institutions with inspection powers with the aim of defining systemic and individual deficiencies and flaws and improvement of situation.

B.3.21. Where possible, the consistent use of public tenders in personnel management for professional positions of authority in public administration bodies and public companies.

C. DETECTION, LAW ENFORCEMENT AND JUDICIARY BODIED

In spite of numerous laws and regulations intended to prevent acts of corruption, they take place in every society. This is when the independence and professionalism of the bodies responsible for the detection, prosecution and judgement of such acts become very important and crucial for the suppression of all forms of corruption.

C.1. Legislative Measures

The following changes are required in this field:

C.1.1. Adoption and/or further development of a clear legislation relating to organisation and powers of the central anti-corruption body, police, the prosecution service and the judiciary.

C.1.2 The efficiently guaranteed independence of the police, the public prosecutor's office and the judiciary with regard to appointments, promotion and determination of police officers, public prosecutors' and judges mandates.

C.1.3 The introduction of declaration of assets and possible conflicts of interest for judges and public prosecutors.

C.1.4 Strengthening the role of the public prosecutor in the pre-trial procedures.

C.1.5 Extension of the use of covert investigative methods in the corruption cases

C.1.6 The complete harmonisation of material criminal justice provisions on corruption and fraud with the provisions of the instruments of the relevant international law

C.1.7 Harsher penalties for acts of corruption.

C.1.8 Stricter provisions regarding procedural regulations in order to prevent their being misused by the parties to the procedure.

C.1.9 Study on the possibility of the reversal of the burden of proof in attempting to prove an unlawful accumulation of wealth resulting from criminal activity.

C.1.10 The introduction of a public catalogue of all legal persons (as defined in the Criminal Code) convicted of corruption with a ban for them to take part in the public procurement procedures.

C.1.11 The adoption of secondary legislation on the protection of witnesses and persons who report cases of corruption.

C.1.12 The adoption and/or further development of the laws on responsibility of legal persons (as defined in the Criminal Code) for criminal offences and on search, seizure and confiscation of assets, deriving from criminal offences

C.1.13. The adoption of regulations on the sharing of confiscated assets with other jurisdictions and within Kosovo institutions.

C.2. Institutional Measures

The following changes are required in this field:

C.2.1. Establishment of a specialised central Kosovo anti-corruption body, authorised to investigate and prosecute corruption offences with the intention to ensure its total independence from unlawful influence, maximising its operability and ensuring the complete co-ordination of its efforts.

C.2.2. Increasing the number of other police officers dealing with corruption and ensuring that they are suitable qualified.

C.2.3. Giving the police units for monitoring more independency and increasing the level of participation of the civil society in their work.

C.2.4. Specialisation of police officers and public prosecutors for search, seizure and confiscation of assets, deriving from criminal offences.

C.2.5. Training of body to follow the assets and conflicts of interests of judges and public prosecutors.

C.2.6. A suitable solution to multidisciplinary cases where the suspects are police officers, public prosecutors, judges, or important public official persons above a certain rank.

C.3. Practical Measures

The following needs to be done in this field:

C.3.1. Introduction of the basic and additional training for police officers, public prosecutors and judges in the field of corruption and confiscation of illegally obtained assets.

C.3.2. The introduction of the principle of group police and prosecution handling of important corruption cases.

C.3.3. The introduction of mandatory additional assessment of police officers and public prosecutors decisions in cases when investigations into corruption cases are stopped.

C.3.4. Execution of efficient mandatory periodical assessment of performance by public prosecutors and judges.

C.3.5. Minimising the possibility of senior police officers illegally influencing police investigations into corruption.

C.3.6. Practical training of public prosecutors to play a leading role in the pre-trial procedure.

C.3.7. Improving the system of performance-related pay for police officers, public prosecutors and judges.

C.3.8. Introduction of additional selection procedures for candidates applying for positions important to the detection of corruption, as well as positions superior to these.

D. ECONOMY

Corruption cannot be prevented without taking measures in the business sector and the participation of economic operators, not only because the business and public sectors are inseparably connected, but also because there is corruption within the business sector. Because the only way in which the public administration can force the private sector into taking certain actions is by adopting punitive regulations, it is very important that the sector comes to realise the dangers arising from corruption and that it voluntarily begins to take certain actions. Co-operation between the public administration and the business sector is very important but must be based entirely on the substance of the solutions and not on their imposition from outside. Institutional and practical solutions, on which the anti-corruption climate in the business sector depends, have been left entirely to the private sector.

D.1. Legislative Measures

The basic predilection during the period of economic liberalisation is careful deregulation in areas that may be left to the rules of the market. The following changes are required in this field:

D.1.1. The adoption and/or further development of the comprehensive legislation on the financial (including stock-exchange, insurances, gambling,..) system, banking system, money anti-laundering system, accountancy, export-import system, tax system, custom system, registration of businesses, ..

D.1.2. The introduction of explicit prohibition of tax relief on funds paid for unlawful and illegal purposes.

D.1.3. Introduction of penalties for disorderly or falsified bookkeeping and all forms of falsification of business documents.

- D.1.4. The prohibition of legal persons convicted of corruption in participating in public contracts.
- D.1.5. The introduction of the mandatory inclusion of anti-corruption clauses in contracts whose value exceeds a certain value.
- D.1.6. Mandatory revision of the past operations of any socially-owned legal entities prior to being sold.
- D.1.7. Introduction of clearer substantive criteria for privatisation of socially-owned property
- D.1.8. The introduction of a code of ethics for legal entities in the private sector.
- D.1.9. Development of a conflict of interests rules in the private sector.
- D.1.10. Introduction of clearer rules for contracts of individual managers and their payment.

D.2. Institutional Measures

- D.2.1. The introduction and/or training of courts of honour for breaches of the code of ethics.

D.3. Practical Measures

- D.3.1. Drafting samples of anti-corruption clauses.
- D.3.2 Encouraging the introduction of anti-corruption clauses in all contracts.
- D.3.3. The introduction of integrity pacts.
- D.3.4. Increased activity of business and trade union association in the prevention of corruption.
- D.3.5. The introduction of internal procedures for reporting suspected cases of corruption in private companies.
- D.3.6. Total transparency in the privatisation of socially-owned assets.
- D.3.7. Introduction of a special reward for companies in the field of preventing and discovering unethical business behaviour.
- D.3.8. Regular annual training on the risk of corruption and its prevention in the private sector.

E. CIVIL SOCIETY

The participation of the civil society is crucial for the successful struggle against corruption. Civil society in Kosovo should be more organised in terms of anti-corruption endeavours, which, with the exception of the individual attempts of certain media, are all but absent, and there are no non-governmental organisations in Kosovo exclusively dealing with the problem of corruption. A fundamental principle of non-governmental organisations in developed nations is self-organisation, which guarantees their objectivity and impartiality, as well as their supervision over the public. However, government encouragement of the civil society is becoming increasingly acceptable - initially through appropriate legislation, then through assistance in organising various activities, then relinquishing certain activities to the private sector, and finally through partial funding of activities. Only in this way the participation of all professional, personnel and human potential in a country in the fight against corruption is guaranteed. The basic preconditions for this are clear

legal rules regarding all possible relationships between public administration bodies and the civil society. Kosovo still faces much work in this field, and, because of their importance, the roles of the media and general public shall be discussed in a separate chapter.

E.1. Legislative Measures

The following needs to be done in this field:

E.1.1. The adoption of uniform and totally transparent criteria for financial aid from the public to non-governmental organisations as well as the determination of its minimal necessary annual amount and the creation of conditions for the supervision of the allocation of the funds, and safety valves for guaranteeing the independence of financial organisations.

E.1.2. The adoption and implementation of an ethical code for non-governmental organisations.

E.2. Institutional Measures

Although it is the civil society's own initiative in this field that is of greatest importance, opportunities to improve the situation can still be found:

E.2.1. The creation of an efficient mechanism for dealing with violations of legal and ethical norms within all organisational forms of the civil society.

E.3. Practical Measures

The most important tasks in this field are as follows:

E.3.1. The participation of trade union and professional and business associations in drafting the code of ethics.

E.3.2. Efficient notification of the private sector about available domestic and foreign resources for their activity.

E.3.3. The establishment of transparent procedures for transactions with funds belonging to non-governmental organisations.

E.3.4. Conducting independent public surveys on the general public of morale, individual ethical fields and corruption in Kosovo.

E.3.5. The integration of non-governmental organisations according to their individual anti-corruption interest with the intention of applying joint pressure whenever unethical or corrupt conduct is detected in the society.

E.3.6. The active participation of the private sector in the work of the central administration body responsible for monitoring the implementation of the anti-corruption strategy of Kosovo.

E.3.7. Regular notification of the public on the opinions of the civil society regarding individual cases of unethical or corrupt conduct in the country.

E.3.8. The methodical promotion of the work of all organised forms of civil society according to their terms of reference, with the intention of strengthening their identity and consolidating their affiliation to their work and ethical principles.

E.3.9. The integration of non-governmental organisations in appropriate international anti-corruption association.

E.3.10. Training of non-governmental organisations to receive reports on the violation of legal and moral norms from individuals who do not wish to submit the report to public administration bodies, and forwarding such reports to the central anti-corruption body; popularising such roles of the non-governmental organisations in the public.

E.3.11. Study on the possibility to enter into the agreements of co-operation between public administration bodies and non-governmental organisations.

F. MEDIA

Due to their influence on public opinion, the media in most countries play an important role in the prevention and elimination of corruption, not only by exposing individual cases, but also by the creation of a so-called anti-corruption climate in general. Because of the power and importance held by the media in shaping public opinion, journalists are more exposed to pressures than any other profession. We must therefore pay utmost attention to the planning of activities through which journalists are able to contribute towards raising ethical standards within a specific environment, and thus ensure their objectivity, professionalism and impartiality.

F.1. Legislative Measures

The following needs to be done in this field:

F.1.1. An analysis of existing regulations on the media with regard to the possibility of external influence on their work, with the intention of eliminating any direct or indirect dependency of journalists on external influences.

F.1.2. An analysis of the Broadcast Code of Conduct and introduction of a code of ethics for Kosovo journalists, with the intention of precisely defining the ethical principles that ensure the objectivity and ethical correctness of broadcast licensees and journalists and that their work is independent of any attempts of corruption.

F.1.3. The study of legal possibilities with the intention of strengthening the independent position of journalists and the consistent assertion of their responsibility in the event of the violation of the law.

F.2. Institutional Measures

The following changes are required in this field:

F.2.1. The organisation of media in a manner that enables the assertion of journalist's rights, especially when their independence is breached.

F.2.2. Strengthening internal mechanisms for efficiently handling violations of ethical norms by journalists.

F.3. Practical Measures

The following needs to be done in this field:

F.3.1. Initial and complementary training of journalists on the dangers, forms and methods of unlawfully influencing their work, and on the options for resisting such influence.

F.3.2. Initial and complementary training of journalists on the forms of corruption characteristic to Kosovo.

F.3.3. Periodical analyses of the contribution by the media towards the fight against corruption, especially in order to determine the responsiveness of the public administration; the publication of these analyses.

F.3.4 Media support for sound public administration anti-corruption efforts.

F.3.5. The introduction of a special annual journalists' award for achievement in exposing and preventing corruption.

F.3.6. Ensuring appropriate payment for journalists.

F.3.7. Consistent assertion of court action in cases where public administration bodies unlawfully refuse to provide information.

F.3.8. Transparent procedures regarding discussions between media and advertisers.

F.3.9. Strict separation of advertising and journalism activities within individual media.

G. GENERAL PUBLIC

The efforts of public and private institutions in the prevention of corruption will fail unless the majority of the population is involved. Increasing anti-corruption awareness and the evolution of an individual and general culture that rejects any unethical and illegal advantages and benefits in transition economies such as Kosovo, as well as changing the perception of the role, position and rights of the individual vis-à-vis public institutions, does not happen spontaneously. In addition to conducting other anti-corruption activities, which only motivate the population to a limited extent, public institutions must also pay much attention to methodical and long-lasting measures intended to achieve the public objectives. Only thus may we expect a long-term improvement of the situation and the majority of the population to understand the causes and consequences of corruption. Because there always exists a possibility of abuse in cases of such communication with the public, particular care must be taken that the measures listed under this chapter are completely apolitical and any connection to politics, both on the government and opposition sides, must be prevented.

G.1. Legislative Measures

There are not many options in this field:

G.1.1. The adoption of regulations on the complete transparency of all operations (documentation, procedures, responsible persons, etc.) conducted by public administration bodies that do not violate the secrecy of classified documents or the confidentiality of personal information.

G.1.2. Implementation of Law on Access to Official Documents

G.2. Institutional Measures

The development of new institutions specific to this field alone is not necessary.

G.3. Practical Measures

Most goals in this field can be achieved through appropriate and practical conduct:

G.3.1. Publicising and promoting the anti-corruption efforts of the government at the time of adoption of the Kosovo anti-corruption strategy.

G.3.2. Launching and conducting a special and sound public anti-corruption campaign (paying special attention to selecting the most important target groups, especially the youth), applying all modern social marketing tools (audio-visual, posters, promotions topical campaigns) and the compulsory creation of a logo, motto and graphical images (posters) for the campaign, with the special intention of presenting the causes and consequences of corruption.

G.3.3. Implementing specific campaign activities such as: creating and regularly publishing audio-visual promotional messages, regular articles in periodicals, publishing data on corruption, free brochures, organising "anti-corruption days" (within microenvironments), and other forms of promotion.

G.3.4. Publishing a free, simple manual for secondary schools on the working of the public administration, with a description of its functions and institutions, and individual rights vis-à-vis the public administration.

G.3.5. Introducing anti-corruption content to the existing educational programmes in primary and secondary schools.

G.3.6. Publishing a free anti-corruption manual for the general population.

G.3.7. Publishing the results of empirical research in the field of corruption in an appealing manner.

G.3.8. Drawing the additional attention of various segments of the population by organising various competitions, such as the selection of the best anti-corruption essays, posters, drawings, etc.

G.3.9. Examining the options of involving religious institutions in anti-corruption efforts, implementing acceptable measures.

G.3.10. Organising anti-corruption workshops and lectures for the general public in specific areas.

5.1.8 Implementation of the Strategy

There is no one model to fight corruption, but there is consensus that the problem needs to be addressed in a holistic and participatory manner. Government alone cannot hope to tackle corruption effectively without the active support and involvement of all public institutions, private companies, civil society and all citizens, although strong political leadership and commitment are required for any effective reforms to take place. External actors, including donors, can assist this locally owned, devised and driven process.

The mere adoption of the anti-corruption strategy without a plan for putting it into effect will not contribute towards raising the awareness of the Kosovo and international public, improving the quality of the services of the public administration, or the development of a general anti-corruption culture in Kosovo. Because the substance of the strategy relates to public administration bodies, the private sector and the civil society, the strategy will only be realised if the prescribed measures are implemented conscientiously and voluntarily. Any coercion of the private sector or the civil society by the public administration would result in negative consequences. The measures intended to monitor the realisation of the strategy must therefore allow the greatest measure of initiative to those who will ultimately implement the strategy, who are also the beneficiaries of the strategy, and at the same time ensure a co-ordinated approach, monitoring, realisation and assessment of the success of the measures. The implementing agencies, deadlines, success criteria and other operational factors of significance to the realisation of the strategy will be determined in a special

document - the Action Plan for the Realisation of the Kosovo Anti-Corruption strategy. Kosovo is not able to implement all measures foreseen at once so the Action Plan will have to decide which are the greatest problems and what kind of actions will be the most effective at the beginning.

Competent Authorities

The Kosovo anti-corruption strategy is passed by the Assembly of Kosovo, whilst the Action Plan for its realisation is adopted by the Government of Kosovo in consultation with the relevant UNMIK institutions.

Data on the realisation of the strategy is compiled and assessed by the central anti-corruption body.

Reports on the realisation of the strategy shall be drafted by the implementing organisations for individual measures, which shall be determined by the Action Plan.

Anticipated Procedures

Within 6 months of the adoption of the strategy, the Government of Kosovo shall adopt a special Action Plan for the Realisation of the Kosovo Anti-corruption Strategy, which, in accordance with the anticipated measures arising from chapter VI, the "Prevention and suppression of corruption in Kosovo", determines: the objectives of the measures, methods and expected results, the implementing agencies, the deadlines for their realisation, risk factors and success indicators.

The agencies implementing the measures for the prevention and suppression of corruption in Kosovo shall submit reports on their activities to the central anti-corruption body within 6 months of its establishment and every 12 months thereafter. The public administration shall be obliged to submit reports, and all other implementing agencies are invited to do the same.

The central anti-corruption body shall draft a report on the implementation of the anti-corruption strategy, within 3 months of receiving reports from the implementing agencies, containing an evaluation of the success, problems and risk factors, as well as an assessment of the success in implementing the strategy and recommendations for further measures, including proposals for establishing responsibility for failure to implement the strategy or poor implementation. The report shall be submitted to the Assembly of Kosovo. After the Assembly adopts the report, it shall be released to the media.

If the central anti-corruption body deems that immediate amendments to the strategy or additional measures for its realisation are necessary, the implementing agencies shall be instructed to do so and the Assembly shall be informed in a regular report.

If the implementing agencies recommend the amendment or supplementation of the anti-corruption strategy and the central anti-corruption body is of the opinion that the changes or supplements are important to the anti-corruption efforts of Kosovo, the implementing agencies' recommendations and the body's own are included in the report to the Assembly.

The central anti-corruption body will assess the need for general changes following other important amendments and supplements, with regard to the actual public of affairs in the country and the regular annual reports, every three years after the adoption of the Kosovo anti-corruption strategy. The results shall be included in the next regular report to the Assembly.

5.2 ANTI-CORRUPTION ACTION PLAN

5.2.1 Introduction

In light of the importance of building a democratic society in Kosovo, fair representation of Kosovo people's will in the process of building and developing democratic and functional institutions, the rule of law and the state of justice, ensuring equal treatment and protecting human rights, as well as issuing rules in accordance with respective European and international standards and norms, the Government of Kosovo has recognised the need to establish legal instruments and governmental policies for a society where the effective equity before law will reign for all Kosovo citizens.

One of the great challenges and risks that fall on a democratic society and rule of law of a country is the corruption phenomenon. Controlling corruption is an essential part of good governance and a great challenge for governments in all countries. Fighting and preventing corruption as an organised form of crime, constitutes one of the priorities of the Government of Kosovo, as one of the most basic requirements to establish a legal state, functional institutions and a democratic society in Kosovo.

The Office of Good Governance within the Prime Minister's Office, as part of the Kosovo Executive Branch, is authorised to supervise and advise ministries, create policies and operations in the spheres of good governance, human rights, equal opportunities and gender issues, as well as advise and recommend the above mentioned policies to the Kosovo Prime Minister and to the respective ministries. It had a key role in guiding anti-corruption activities within PISGs and the government in general.

The Government of Kosovo is cooperating in large scale with international institutions, agencies, donors, organisations and local NGOs, to address the corruption in the national and regional level, and is working in minimising corruption opportunities through public sector reforms, creating mechanisms and supporting surveillance activities, and educating citizens on their role in preventing and fighting corruption.

Hence, on 17 March 2004, the Government of Kosovo enunciated the "Anti-Corruption Strategy" which is an ambitious and comprehensive strategy that presents a complex approach in preventing corruption. The strategy foresees preventive measures by including the political and economical field, legislation, public administration, media and the civil society, etc.

As foreseen in the Anti-Corruption strategy, in creating the required legislation to fight and prevent corruption, the Government has approved the anti-corruption draft law, which is ratified by the Parliament of Kosovo in April 2005, and promulgated by the SRSG, on 12 May 2005. This Law⁶ foresees measures against corruption, in particular in the field of administrative investigations of public corruption, establishing the mechanism – the Kosovar Anti-Corruption Agency, eliminating the causes of corruption, etc...

In implementing the anti-corruption strategy, the Office for Good Governance (OGG) in cooperation with the Inter-Ministerial Anti-Corruption Working Group, has undertaken the drafting of the Anti-Corruption Action Plan, which is realised in collaboration with the European Council, UNMIK structures and the Civil Society. In relation to this the OGG / OPM in cooperation with the Council of Europe, PACO Impact project, has organised workshops on designing a draft Anti-Corruption Action Plan in Kosovo, with the contribution of

⁶ The anti-corruption law foresees measures against corruption within the scope of the anti-corruption strategy, especially in the field of administrative investigation of public corruption, eliminating causes of corruption, inconsistencies between holding public posts and conducting profitable activities for official persons, limitations regarding receiving gifts related to completing works on duty, observing their wealth and of the persons in close relation to them and limitations regarding contracting entities that participate in public tenders by conducting business with firms where the official person or a person in close relation with him is involved in establishing the Kosovar Anti-Corruption Agency.

the inter-ministerial anti-corruption group, local and international experts. Furthermore, a significant support has been provided by the UNDP through various ways.

Also, on 25-26 October 2004, the OGG in cooperation with the Council of Europe, PACO Impact Project, organised a two-day workshop on developing an Anti-Corruption Action Plan in Kosovo. The first draft of this Action Plan is presented on a two-day workshop delivered on 21-2 February 2005.

Considering that anti-corruption efforts should involve more actors in taking responsibilities to address specific aspects of this complex problem, on 2 August 2005, the Prime Minister's Office for Good Governance addressed to all ministries, local and international agencies and the civil society, that they give their comments and suggestions related to this plan. The comments and recommendations given by the institutions have been presented on 08.12.2005 meeting of the inter-ministerial anti-corruption working group, who have recommended that the plan in question (same one) can be sent to the government for approval.

The Anti-Corruption Action Plan includes three elements of the Strategy: Law Enforcement, Prevention, Public Participation and Education, aiming at inclusion of measures that are directly linked to prevention and fight against corruption and it will clearly determine the stakeholders' responsibility, timelines and indicators of success.

While the anti-corruption strategy was focused on establishing and improving legal structures, completing the legal staff recruitment, setting functions and responsibilities, the Anti-Corruption Action Plan intends to implement the Anti-Corruption Law and Strategy, and it foresees real objectives and actions to prevent and fight corruption, defines the responsible institutions, government and other political and non-political actions, actions of the civil society, business community, professional groupings, trade unions, public, in order for them to give their contribution in preventing and fighting corruption, as the corruption phenomenon itself attacks and affects all spheres.

The anti-corruption Action Plan enables the materialisation of actions and objective inter-institutional approaches in their institutionalised representation at the anti-corruption monitoring structures, and deepening the cooperation with these crucial partners during the monitoring and its implementation process. This makes the prevention and fight against corruption not to be conceptualized only as a separate fight of specialized institutions, despite of their irreplaceable role (such as the Kosovar Anti-Corruption Agency, Public Prosecution, KPS – Police, Prime Minister's Office for Good Governance, and other task-force units etc.), but there is a need to conceptualize it again relying on two basic factors: Institutional prevention and public support.

The Action Plan which is due to be delivered during the period of 2006-2007 includes objectives defined, parameters of activities to meet the objectives within the timelines, responsible stakeholders suggested to undertake these activities, indicators of success, challenges and obstacles, and a rough budget of 369000€ proposed by the Kosovo Consolidated Budget and potential donors, to cover the foreseen activities. The aim of this two-year term Action Plan is to consolidate the achieved progress, moreover, by developing and implementing the new international legislation and approaches in applying laws, in order to adjust to the alterable nature of the corruption phenomenon, preventing and fighting it, and creating more reliable and systematic statistical data to measure the results and the success.

In order to ensure its successful implementation, the anti-corruption Action-Plan specifies the responsible reporting, monitoring, reviewing and evaluating mechanisms and structures of planned aims and activities. In this context, a reporting system is proposed which includes the responsibility and the reporting period.

Having in mind the abovementioned reasons and in order to develop a comprehensive and effective anti-corruption policy, which has come across as a serious threat for the sustainable development of democracy

and the rule of law in Kosovo, the Government of Kosovo, respectively, the Prime Minister's Office for Good Governance (OGG) submits for approval the Kosovo Anti-Corruption Action Plan in Kosovo.

The recommendation of the Office for Good Governance is that the anti-corruption Action Plan be approved by the Ministers' Council, which would enable inception of the implementation of activities foreseen in this plan.

5.3 ANTI-CORRUPTION MATRIX

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
I. SPECIFIC ANTI-CORRUPTION MEASURES						
I.1	Establish Kosovar Anti-Corruption Agency (KACA) and approve the internal law (organizational chart) that regulates the supervision and functioning of KACA's operation. a. Establish the Agency's Council	OGG/OPM Kosovo Assembly, Agency's Council.	Draft the regulation on KACA's functioning, Approve KACA's, legislation. Establish KACA.	Coordination between institutions in charge.	150000 €	December 2005 January 2006
I.2	Emplace KACA's internal procedures, including periodical reporting by agencies that implement measures to prevent and obstruct corruption in Kosovo (agencies submit the reports to KACA, within 6 months following the establishment, and afterwards in 12 month intervals).	KACA, OGG, ACC.	Produce KACA's procedures manual. The reporting model is designed and agencies are involved in the designing phase. Reports are done on timely basis.	Coordination between institutions in charge. Continuance of a uniform reporting model, and inclusion of bodies influenced by this measure, in drafting this model.	5000 €	First reporting June 2006
I.3	Draft the report on anti-corruption strategy implementation within 3 months after receiving individual reports from implementing agencies, which should include	KACA, OGG, OPM, ACC.	The adoption of KACA legislation. Establishment of KACA.	Reception of implementer agencies reports on time.	5000 €	April.2006 - 2007 Report

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
	evaluation of success, problems and risk factors as well as evaluation of success in implementing the strategy, and recommendations for other measures, including proposals of creating accountability for not carrying out the strategy or for carrying it out feebly. The report is submitted to Kosovo Assembly. After Assembly approves the report, it is then distributed to the media.					
I.4	KACA conducts integrity tests, gives opinions on corruption, conflict of interest, violation of ethics and incompatibility of functions as well as drafts periodical reports.	KACA, OGG, ACC PISG	Number of institutions involved in these tests. Conduct tests on all PIGS levels and consequent reporting before the Kosovo Assembly.	Timely approval of KACA's rules and procedures. Sufficient funds for engaging experts. Creation of KACA's internal action plan.	5000 €	Semi-annually June-December 2006 2007
I.5	Conduct overall research and analysis on the level of corruption in Kosovo as well as on the anti-corruption secondary legislation in various agencies and sectors (i.e. public finances, taxes, duties, tenders, local governance) and recommendations for	PISG, ACC, KACA, Civil society.	Overall research by inter-sector group. Inclusion of results from all anti-corruption activities in post-war Kosovo.	Cooperation between PISG, International agencies and Kosovar watchdog NGOs.	15000 €	September 2006

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
	improvement. Study regulations compatibility with European Union (acquis communautaire) and World Bank standards. Unify to date strategies from various agencies and sectors.					
I.6	Review of PISG's internal and external monitoring systems for implementation of compulsive regulations in force on anti-corruption.	KACA, Government, OGG, MLGA.	Making practical recommendations for improving internal systems.	Inclusion of all governing levels during the weaknesses' identification phase.		March 2006.
I.7	Inclusion of anti-corruption sections in all administrative contracts, especially in those cases where the payment exceeds a set value.	PISG, KACA, OGG, MLGA, Municipalities.	Inclusion of sections in administrative contracts and subsequent reporting by KACA.	Satisfactory and timely notification of governing offices on the tasks put forward by this measure.		December 2006
I.8	Approval of defining criteria for types and levels of confidentiality in every national administrative body.	PISG, KACA, OGG, MLGA, PS, Kosovo Archive, Information Offices.	All information offices have clear lists of confidential documents.	Inclusion of all responsible institutions in the drafting.		February-March 2006
I.9	Preparation of brief, simple, accessible information related to individuals' rights in various administrative procedures. Every governmental office should clearly define: its function; timeline for completion of certain tasks;	PISG, OGG, MLGA, Municipalities, KACA, MPS, Civil Society.	Information included under this measure, posted outside all governmental offices.	Timely notification of offices, regarding their obligations under this measure.	10000 €	September 2006

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
	<p>service cost (if needed); and possibilities for filing a complaint, in the case the citizen's request is refused. This information should be posted outside the offices, in places visible to citizens. Information should be easily comprehended.</p>					
I.10	<p>Introduce a simple standardized way to enable an individual (citizen) to report corruption cases of public servants: Install anti-corruption boxes next to every government building. Boxes are to be opened in the presence of government officials and civil society representatives. Establish a telephone number where citizens can call anonymously regarding complaints on corruption.</p>	KACA, OPM, OGG, MPS, MLGA, KPS, Municipalities, PISG	Contacting boxes and telephones are placed. Citizens know about the phone line and the phone number	Existence of reliable mechanisms for reviewing complaints posted in the boxes. Informing the citizens about the purpose of measures and how to use them.		January-April 2006
I.11	Municipal and central governments publicize quarterly reports on their expenses.	PISG, OGG, MLGA, KACA, Municipalities.	Reporting is done by all municipal and central authorities.	Creation of a reporting model by the institutions in charge.	10000 €	1 st report March 2006 December 2007
II. ANTI-CORRUPTION LEGISLATIVE MEASURES						
II.1	Implement the Anti-corruption law, which amongst others	KACA, Government,	Draft the administrative instruction on implementing	Coordination between PISG and Legal System.		October 2006

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
	regulates the following: Publicizing most serious violations of the law; Nepotism in recruitment and other activities; Conflicts of interest; Giving/accepting gifts in public administration, categories of presents (their listing), obligation to report them, publishing of PISG presents' catalogue; Compulsory reporting of civil servants' corruption cases by governmental bodies; Sanctions for violating the law.	OGG/PMO, Assembly of Kosovo, Courts, KPS, PISG.	the anti-corruption law. Publicize cases and measures undertaken against the corruption phenomena. Publicize the report on semi-annual basis.	Consulting the public during the process and proceedings.		
II.2	Adopt and supervise regulations enabling extra-budgetary funding of public administrative bodies, especially regulation on auditing procedures, which will have to include official auditing mechanisms as well as the civil society.	MEF, KACA, General Auditor, OPM, OGG, Assembly of Kosovo, UNMIK.	Regulations in force. Inclusion of official auditing mechanisms and the civil society.	Drafting of regulations on time and involvement of respective institutions affected by this measure in the process of drafting regulations.		January-December 2006
II.3	PISG adopts a regulation that obliges all administrative bodies to carry out periodical assessments on corruption combating and prevention.	OGG, KACA, Assembly of Kosovo, UNMIK.	Regulation in place. Initiation of periodical reporting by the majority of administrative bodies.	PISG capacity and efficiency.		February 2006

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
II.4	Adopt laws on political party financing.	OPM, OGG, MPS, OSCE, Assembly of Kosovo, CEC, UNMIK.	The law approved by the Parliament on 27.09.2004 and adopted by SRSG.	Involvement of all the stakeholders affected by the respective measure. Deferred (prolonged) approval of Laws by UNMIK.		2006
II.5	Adopt the law imposing declaration of financial situation of election candidates and holders of public posts. Same goes for managers and directors of public utilities (such as PTK and KEK). Financial statements should be made on a yearly basis.	OPM, OGG, KACA, Assembly of Kosovo, CEC, OSCE, UNMIK.	Law approved by the Assembly and promulgated by SRSG. Involvement of all respective institutions in drafting.	Review of deficiencies in individual financial disclosure to date.		February-April 2006
II.6	Analyse systematically the existing and proposed legislation regarding their compatibility with the anti-corruption legislation.	KACA. OGG LO/OPM	Annual publication of the analysis.	Consultation with bodies in charge on transparency law and anticorruption law.		Yearly 2006-2007
II.7	Adopt and/or further develop a clear legislation regarding the organization and competencies of the core anti-corruption body, police, prosecutor's office and judicial services.	Government, KACA, OPM, OGG, Assembly of Kosovo, UNMIK.	Publication of proposed measures.	Proper coordination between responsible institutions.		January 2006
II.8	Adopt secondary legislation on witnesses' and whistleblowers' protection.	OPM, OGG, MPS, KACA, MLGA, Assembly of	The legislation is being reviewed by the Assembly.	Taking into consideration respective legislation in Central and Eastern		April - February 2006

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
		Kosovo, UNMIK.		Europe.		
II.9	Approve and/or further develop comprehensive legislation on financial system (including stock market, insurances and gambling), banking system, accounting, export-import system, tax system, customs system and business registration.	OGG, KACA, MEF, Assembly of Kosovo, UNMIK.	Inclusion of all responsible institutions in drafting and implementing these laws.	Proper coordination between responsible institutions.		January – December 2006
II.10	Adopt the law on money laundry.	OPM, OGG, KACA, MEF, Assembly of Kosovo, UNMIK.	Law drafted and adopted by the Assembly and approved by the SRSB.	Taking into consideration the existing UNMIK regulation. Inclusion of all responsible institutions in the drafting process.		March 2006
II.11	Adopt the law on conflict of interests. Within the anti-corruption law, Chapter 3 is dedicated to the conflict of interests.	OPM, OGG, KACA, MEF, Assembly of Kosovo, UNMIK.	Implementation of the anti-corruption law.	Taking into consideration past experiences in this field. Coordination between responsible institutions.		12 May 2005 In progress
II.12	Adopt the law on economic competition, monopoly, price fixing and cartels. The law should be compliant with the EU legislation (acquis communautaire).	OPM, OGG, KACA, MEF, Assembly of Kosovo, UNMIK, PISG.	Implementation of the law, involvement of all institutions in drafting sub legal enactments.	Taking into consideration the economic studies carried out to date.		May 2005 - April 2006 continually
II.13	Develop legislation and create a public catalogue for all legal entities (as stipulated in the Criminal Code) convicted for corruption, in	KACA, OPM, MLGA, UNMIK, PISG, Kosovo Public Procurement	Public catalogue is made and put into use.	Existence of necessary data for making the catalogue.		February – May 2006-2007

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
	order to prevent them from participating in public procurement procedures.	Agency				
II.14	Approve and/or further develop laws on control and confiscation of assets from criminal acts of legal persons (as defined in the Criminal Code) involved in criminal acts.	OPM, OGG, KACA, UNMIK Assembly of Kosovo,	Laws are reviewed and additional amendments approved.	Coordination between responsible institutions.		December 2006
III. JUDICIARY MEASURES AND LAW IMPLEMENTATION						
III.1	Provide policy advice to relevant agencies with reference to strengthening Judiciary Reform process (e.g. Law on Courts, Police Law, Law on Prosecutors, etc.) with mechanisms of preventive measures related specifically to: Status of judges and prosecutors; Salaries; Rules of ethics (dismissal, appointment, background check, etc.); and Number of judges. Administration reform	Government, Assembly, Supreme Court Prosecutor's Office, KACA, UNMIK, KPS, OGG, MPS, PISG.	Advises taken into account from the justice system in Kosovo.	Effective transfer of competencies from UNMIK to PISG. Establishment of the Ministry of Justice and Ministry of the Interior		December 2005 – February 2006 in progress
III.2	Increase the number of judges.	UNMIK, Parliament, Government,	The number of judges is increased. The caseload has decreased.	Effective transfer of competencies from UNMIK to PISG.		Immediately 2006

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
		OPM, OGG, DCA				
III.3	Oblige judges and public prosecutors to disclose their financial situations and potential conflicts of interests.	UNMIK, OPM/OGG, KACA.	Judges and public prosecutors disclose their financial situation and potential conflicts of interests.	Effective transfer of competencies from UNMIK to PISG.		December.2005 – January 2006
III.4	Build capacities of agencies to monitor property and conflicts of interests of judges and public prosecutors.	UNMIK, KIPA, KACA.	Training programs are drafted and have begun to be implemented.	Effective transfer of competencies from UNMIK to PISG.		December 2005 - January 2006
III.5	Strengthen the public prosecutor's position in pre-trial corruption investigation proceedings. Establish a special anti-corruption sector within the prosecutor's office.	UNMIK, Parliament, Prosecutor's Office, KACA.	Public prosecutor makes indictments regarding corruption practices.	Effective transfer of competencies from UNMIK to PISG.		January-December 2006
III.6	Apply periodical obligatory evaluation for the performance of public prosecutors and judges.	UNMIK, OPM/OGG, KACA, Government.	Periodical reports are published.	Coordination between institutions and preparation of the reporting model.		2006-2007
III.7	Establish the independent tribunal for reviewing taxes as a second-degree tribunal concerning fiscal issues.	UNMIK, Assembly, MEF, OPM/OGG, KACA.	The tribunal is established along with rules and procedures for its functioning.	Coordination between responsible institutions.		March 2006 - 2007
III.8	Increase the number of police officers that deal with the problem of corruption and assure their proper qualification.	UNMIK, Government, KPS, OSCE, KACA.	There is an anti-corruption sector within the KPS. The plan is developed and the officers' capacity-building program has started.	Existence of willingness and funds to implement this measure.		January 2006
III.9	Specialize police officers and prosecutors in searching, taking and confiscating	UNMIK, Government, KPS, KACA,	The plan is developed and the officers' capacity-building program has started.	Existence of willingness and funds to implement this measure.		January 2006-2007

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
	assets originating from criminal acts.	OSCE/Police School.				
III.10	Adopt regulations that minimizes the probability of unlawful influence by senior police officers in police investigations of corruption.	UNMIK, Government, KPS, KACA.	Regulations are in force. Implementing mechanisms are drafted and adopted.	Coordination and inclusion of all stakeholders. Setting-up control mechanisms.		July 2006
III.11	Revise remuneration systems for police officers, public prosecutors and judges.	UNMIK, KPS, KACA, OSCE, OPM/OGG, MEF.	Payment system modified.	Existence of budgetary funds.		September 2006- 2007
III.12	Obligatory financial inspection of previous operations of every legal socially owned entity before it is sold. Greater involvement of PISG in the privatisation process.	Government, MEF, KTA, UNMIK, OPM/OGG, KACA, Parliament.	Financial inspection is carried out with PISG involvement in planning and inspection.	Coordination between responsible institutions and existence of willingness.		December 2005-2006
III.13	Efficient supervision of the state administration, including supervision of public officials' promotions.	Assembly, General Auditor, KACA, OPM, MPS, UNMIK, Government	State administration is under continuous efficient supervision.	Transparency of institutions. Initiatives within respective supervisory institutions. Partisan influence.		January – December 2005 Annual reports
III.14	Establish and/or develop respective bodies for adjudicating cases where the code of ethics is violated by public officials.	Courts, KIPA, IGJK(?)KACA Assembly	Respective bodies have gone through development trainings.	Delays in establishing mechanisms for code of ethics.	2500 €	June 2006
III.15	Monitor the implementation of anti-corruption and transparency laws, emphasizing in particular deadlines for their	KACA, OPM, OGG, Assembly.	Annual reports drafted on the implementation of laws..	Civil society's involvement in planning and monitoring.		Annual Reports 2006/2007/2008

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
	implementation.					
III.16	Properly implement legislation that insures the independence of police, public prosecutor's office and judiciary, as far as appointments, promotions and determining police officers', public prosecutor's and judges' mandates is concerned.	Courts, KPS, Prosecutor's Office, UNMIK. Assembly Court Prosecution Council	Legislation is implemented properly.	Transfer of competencies from UNMIK Pillar I to PISG.		January – December 2006
IV. PUBLIC ADMINISTRATION REFORMATION MEASURES						
IV.1	Inspect strictly the numbers of government employees and look into the possibility of increasing salaries.	OPM/OGG, MPS, Assembly of Kosovo, MEF, MTT, PISG.	Periodical reporting on human resources needs and eventual budgetary burdens.	Increase in consolidated budget incomes. Eventual dissatisfactions in case of reducing the number of government employees.		December 2005 – January 2006
IV.2	Simplify administrative procedures related to permits, licenses issuance. Clear definition of when and how licenses are to be issued: - Agencies issue only licenses and permits provided in detail by law; - The annulment of secondary legislation regulating permits, approvals and licenses that are not clearly based on legislation;	MPS, MLGA, MTI, MEF, MH, Municipalities, PISG.	New applicable procedures. Diminished difficulties of the public in obtaining permits and licenses	Identifying weaknesses in this field. Public information regarding the undertaken measures.		March – June 2006 2007

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
	<ul style="list-style-type: none"> - Removal or modification of all regulations permitting the right to the free act in decision-making, when it comes to issuing permits, documented approvals and licenses; - Draft a list of licenses or permits needed in particular fields. 					
IV.3	Divide clearly and consistently duties between bodies issuing various licenses and permits, and bodies implementing or supervising the application of licenses or permits.	MPS, MLGA, MTI, MH, MEF, MTT, PISG	Clear description of responsibilities of bodies issuing licenses and permits developed.	Coordination between responsible institutions in identifying solutions.		2006-2007
IV.4	Prepare the plan and establish the one-stop system for obtaining various permits and licenses from administrative bodies.	MPS, MLGA, MTT.	"One-stop" plan is created and applied. The plan creates relief in usage.	Existence of willingness from institutions in charge.		May 2006
IV.5	Draft simple internal rules for reporting acts of corruption within public administrative bodies and rules for protection of whistleblowers in public administrative bodies.	KACA, OPM, MLGA, MPS.	Rules in place. Governance instances accept rules and start applying them.	Inclusion of bodies affected by this measure in drafting the rules.		August 2006
IV.6	Establish or appoint bodies that will decide on the	OPM, OGG, Ministries,	All agencies have bodies (commissions) that decide on	Identifying adequate offices and personnel. Increase the		December 2005,

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
	violation of code of ethics.	Municipalities.	violations of code of ethics.	number of civil personnel.		continues in 2006,2007
IV.7	Appoint individuals or bodies for managing the lists of received gifts.	OPM, OGG, Ministries, Municipalities, KACA.	All agencies have assigned the person managing the gift lists. Every agency has a public gift list.	Identify adequate offices and personnel. Increase in the number of civil personnel.		February – May 2006
IV.8	Ensure the autonomy and independence of the Senior Public Appointments Committee (SPAC) and Kosovo Independent Oversight Board (KIOB).	Assembly of Kosovo, MPS, OPM, UNMIK.	SPAC and KIOB functioning independently without external interference.	Risk from political party involvements. No political party involvement.		'05/2006/2007
IV.9	Appointment of anti-corruption advisors / members in the inter-ministerial anti-corruption group and its functioning with clear description and mandate.	OGG. All public administrative bodies.	All administrative bodies have assigned anti-corruption advisors / members.	Identification of proper persons for the post of advisors.		'05/2006 / 2007
IV.10	Gradually depersonalise contacts between citizens and public official and periodically assure complete transparency concerning the identity of public officials in decision-making or members of their joint administrative body.	MPS, OGG, Municipalities, all administrative offices that keep contacts with the public.	Official persons treat equally all clients regardless of whether they are their acquaintances or not. All persons in continuous contact with the public keep their name badges visible.	Seriousness at work of the civil servants.		March 2006
IV.11	Provide institutional assistance to officials erroneously accused or who	KACA, OPM/OGG, MPS, ACC, PISG.	Erroneously accused persons receive proper support promptly.	Assigning bodies that will provide the support.		January – December 2006

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
	have been affected by undeserving promotions in state administration.					
IV.12	Restrain cash transactions between public officials and clients.	MPS, Municipalities, KPS, Government.	Cash transactions restricted between clients and official persons.	Lack of banks close to state bodies premises.		2006
IV.13	Consistent use of public tenders in personnel administration for senior professional posts in state administration bodies and in public companies, where feasible.	PISG, KACA.	Periodical reporting on the functioning of tenders in this field.	Existence of readiness in implementing the measure.		June 2006
V. PUBLIC FINANCES AND ECONOMY MEASURES						
V.1	Approve the regulation obliging all businesses to operate with receipts. Businesses have to clearly convey the message that requests clients to ask for a receipt. Defining punitive measures for businesses that don't give receipt and clients that don't seek it.	KACA, MEF, Assembly of Kosovo, Tax Administration.	The regulation has been approved and is implemented. Punitive measures are in place for noncompliance.	Proper training of PISG staff. Acceptance of the new culture by the citizens.	5000 €	October 2006
V. 2	Connect all businesses with Tax Administration through an electronic billing system.	MEF, KACA, MPS, PISG.	Electronic billing system is in place with reported billing system	Coordination with Tax Administration. Reviewing successful cases from regional countries and beyond.	10000 €	January 2007
V. 3	Utilize penalties for improper	MEF, UNMIK,	Penalties are in force and	Inclusion/review of previous		January-

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
	or forge bookkeeping and for all other forms of business papers forging.	MTT, PISG.	implementation plans are developed	Tax Administration practices.		December 2007
V. 4	Publicize exact and indisputable conditions for any kind of public offers regarding budgetary funds for private sector.	Assembly of Kosovo, Presidency, OPM, Ministries, Municipalities.	Public offers are clear and there is no room for suspicion	Proper qualification and experience of persons drafting public proposals.	10000 €	January – December 2006-2007
V. 5	Analyse periodically procedures for public arrangements, <i>bilateral and multilateral</i> assistance, subsidies, loans or other usages of public funds, emphasizing in particular the frequency of accessing these funds.	KACA, Assembly of Kosovo.	Analysis conducted on regular basis and comments are sent to proper bodies.	Transparency of institutions towards persons conducting analysis.		Annually 2006 2007
V. 6	Make integrity agreements between state administration bodies and public funds acquirers.	PISG and public funds acquirers.	Governmental bodies and public funds acquirers sign the integrity agreement on regular basis.	Proper information of the public and institutions regarding the integrity agreement.		January 2006 – December 2007
V.7	Utilize internal procedures for reporting alleged corruption cases in private societies.	Private societies, MPS, MEF.	Private societies report corruption cases regularly	Existence of willingness of private societies to install internal corruption reporting procedures.		January – March 2007
V.8	Report periodically on the implementation of the public procurement law.	PISG, Government, OPM, Assembly of Kosovo, Public Regulatory Body, KACA, Public	Regular reporting on the implementation of public procurement law.	Transparency of implementing bodies.		December '05/2006/2007 Annually

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
		Procurement Agency.				
V.9	Conduct financial audits in governmental agencies, as well as in public corporations (PTK, KEK, RTK etc.).	MEF, KTA, General Auditor, KACA, Internal Authorities	Setting periods and other parameters for audit. Conducting audit and public report on the results.	Coordination in creating audit plans that are achievable.		February 2006 Periodically
V.10	Evaluate the efficiency of all programs funded by the government, to ensure that the programs are effective and funds are spent appropriately.	OPM/OGG, KACA, MEF, Parliament	Publication of evaluation report.	Coordination between responsible institutions.	2500 €	March 2006 – December 2007
V.11	Modify municipal assembly regulations to allow public participation in budgetary planning. Municipalities publicize their budgets.	Municipalities, KACA, MEF, MLGA.	Regulations adopted by the Municipal Assemblies.	Civil society participation in the drafting process.	5000 €	February 2006
VI. MEDIA. CIVIL SOCIETY AND PUBLIC PARTICIPATION						
VI.1	Increase activity of business associations and trade unions in preventing corruption.	Business associations, Trade Unions.	Business associations and trade unions show involvement in fighting corruption.	Expression of interest by associations and trade unions in fighting corruption.		December 2005 / ongoing activity
VI.2	Adopt uniform and fully transparent criteria for public support provided to non-governmental organizations and establish its minimum required amount and create conditions to supervise allocation of funds and security filters in order to	PISG, NGO, OGG.	Public funds are given to NGOs in transparent manner. Security filters are installed in order to ensure NGOs' independence..	Coordination between institutions and NGOs.		2006

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
	guarantee the independence of non-governmental organizations.					
VI.3	Adopt and implement a code of ethics for non-governmental organizations. Establish an efficient mechanism that would deal with violations of ethical and legal norms within all organizational forms of civil society.	PISG, NGOs, OGG.	Code of ethics for NGOs exists and is followed. There is an appropriate body within PISG that investigates ethical violations within NGOs.	Coordination between institutions and NGOs.		January – December 2006
VI.4	Trade unions and professional business societies participate in drafting the code of ethics.	PISG, OGG, civil society.	The code of ethics for NGOs exists and is followed by NGOs.	Coordination between institutions and civil society.		2006
VI.5	Establish transparent procedures related to transactions of NGO funds.	NGOs, PISG, OGG.	Transactions with NGO funds are made in transparent manner.	Coordination between NGOs and public institutions.		2006
VI.6	The civil society carries out independent surveys regarding general situation in implementing ethical codes, and corruption in Kosovo.	Civil society / Independent institutions / media.	Civil society publishes survey results on continuous basis..	Taking of initiative within civil society. Transparency of public institutions. Availability of funds for such activities.		April 2006
VI.7	Anti-corruption NGOs ally, in order to make pressure jointly on corrupted behaviour in the society.	NGOs, OGG.	NGOs are organized in groups lobbying against corruption	Coordination between NGOs.		June 2006
VI.8	Active participation of the private sector in the work of	Private sector, KACA.	Private sector monitors central administrative in implementing	Interest from the private sector to get involved in		June 2006

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
	the central administrative body in charge of monitoring and implementing the anti-corruption strategy in Kosovo.		anti-corruption strategy.	fighting corruption.		
VI.9	Notify regularly the public regarding the opinions of the civil society on individual cases of immoral behaviour or corrupted behaviour in the country.	Civil society, media.	Civil society representatives declare regularly against corruption.	Coordination between media and NGOs.		Regularly
VI.10	Support systematically the work of all organized forms of civil society, including their working conditions, in order to strengthen their identity and to consolidate the conjunction of their work principles and ethics.	PISG.	PISG support watchdog NGOs in their work.	Expression of interest within institutions.		June 2006
VI.11	Integration of NGOs in appropriate international anti-corruption networks.	NGOs.	Kosovar NGOs actively participate in international anti-corruption networks.	Availability of NGO funds in this field.		December 2006
VI.12	Conduct analysis of existing media regulations as far as the probability of external influence in their work is concerned, in order to eliminate direct or indirect dependence of journalists from external impacts.	KACA, Appropriate Commission of the Assembly of Kosovo, TMC.	The existing regulations are analyzed and improvements are recommended.	Readiness for the measure within the institutions.		October 2006
VI.13	Analyse the code of conduct for broadcasters and the	Temporary Media Commission,	Code of conduct for broadcasters in relation to	Media involvement.		October 2006

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
	possibilities for establishing a code of ethics for journalists in Kosovo, in order to clearly define ethical principles that ensure objectivity and ethical correctness, so that their work is independent of all corruption efforts.	Assembly of Kosovo.	corruption is established.			
VI.14	Conduct analysis of legal possibilities for strengthening the independent position of journalists and permanent emphasis of their responsibility in case of violations of the law.	TMC, Assembly of Kosovo.	Recommendations for strengthening journalists' independent position are made.	Timely implementation of the two prior measures.		December 2006
VI.15	Organize media in order to enable protection of journalists' rights, in particular when their independence is violated.	Media, TMC.	Journalists' independence is protected.	Elimination of divergent interests amongst journalists and media management.		December 2006
VI.16	Removing defamation from the Kosovo Criminal Code.	Media, TMC, Assembly of Kosovo, UNMIK.	Defamation is removed from the Criminal Code.	Willingness of TMC to lobby for the removal of defamation.		December 2006
VI.17	Strengthen internal mechanisms for efficient treatment of ethical norms' violations by journalists.	Media.	Media fight violations of ethics norms 06.2006	Elimination of divergent interests amongst journalists and media management.		January 2007
VI.18	Monitor and analyse periodically media contribution in fighting corruption, in order to	KACA, NGOs.	Media involvement in fighting corruption is monitored and analyzed on regular basis.	Availability of funds.		Annually – August

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
	separately determine the reaction of public administration and to publish these analyses.					
VI.19	Media support administration for successful anti-corruption efforts.	Media. KACA.	Media support public administration in fighting corruption.	Avoidance of the divergent media interest and the partisan policies.		Regularly
VI.20	Utilize special yearly journalism awards ceremonies on achievements in exposing and preventing corruption.	KACA, civil society.	Annual prizes are given regularly for most successful journalists in fighting corruption.	Availability of funds and readiness for creating an independent evaluating body.		March 2006
VI.21	Implement labour legislation in media organizations.	Media, KACA.	Employee rights legislation is implemented in media agencies.	Interest of media agencies.		December 2007
VI.22	Initiate legal action in cases where public administrative bodies unlawfully refuse to provide information.	Media, NGOs, Courts.	Media initiate legal action against institutions that do not follow legislation on transparency.	Partisan directions in media agencies.		Regularly
V.23	Establish transparent procedures regarding discussions between media and advertisers.	Media and advertisers.	Transparent procedures for communication between media and advertisers established	Interest of media and businesses.		December 2007
VI.24	Rigorous division of advertising activities and journalism within respective media.	Media and advertisers.	Advertisements and journalism are clearly separated in the media.	Interest shown from media and businesses.		December 2006
VI.25	Implement projects that support the implementation of the Law on Access to Official Documents. Draft sub-legal	PISG, MPS.	Reports regarding the implementation of the Law on access to official documents.	Interest of the institutions to implement the law.		June 2006

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
	enactments to implement the law on access to official documents.					
VII. CAPACITY BUILDING AND EDUCATION MEASURES						
VII.1	Train PISG civil servants and political appointees in central and local levels on anti-corruption with a special focus on ethics, professional integrity.	KACA, KIPA, NGOs, PISG.	PISG civil servants and political appointees are aware of anti-corruption.	Availability of funds and expertise.	25000 €	December 2006
VII.2	Conduct basic and supplemental training for police officers, public prosecutors and judges in the field of corruption and confiscation of assets gained illegally.	KACA, KPS, Prosecutor's Office, UNMIK, IGJK, Government.	Basic and supplemental training for police officers, public prosecutors and judges, in the field of corruption, conducted.	Coordination with UNMIK of responsible institutions.		October 2006
VII.3	Train practically public prosecutors to act as leaders in pre-trial proceeding.	UNMIK, KACA, IGJK, Government	Training program is drafted and has begun to be implemented.	Coordination between responsible institutions.	10000 €	August 2006
VII.4	Conduct elementary and supplemental trainings for journalists on risks, forms and methods that impact their work unlawfully and options to challenge this influence.	NGOs, media.	A considerable number of journalists trained.	Willingness of media management to spend their employees' time in training. Journalists' interest.		2005-2006
VII.5	Conduct elementary and supplemental trainings for journalists on typical of corruption methods in Kosovo.	NGOs, media.	Journalists are aware of corruption and its appearances in Kosovo.	Willingness of media management to spend their employees' time in training. Journalists' interest.	1500 €	2006

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
VII.6	Conduct training for secondary school teachers and for university professors on anti-corruption.	KACA, OPM, KIPA, NGOs, MEST.	Training programs have been established. All teachers have gone through anti-corruption teacher training.	Availability of funds for training programs. Cooperation between responsible institutions and readiness to implement the training programs.	2500 €	June 2006
VII.7	Organize seminars and lectures on anti-corruption for high school and university students.	KACA, OGG, NGOs, MEST, KIPA, UP	A big majority of schools have gone through the anti-corruption trainings.	Availability of funds for training programs. Cooperation between responsible institutions and readiness to organize the seminars.	2500 €	December 2006
VII.8	Establish the examination department at MEST, specialized in compiling and administering all higher education exams.	KACA, MEST, NGOs, MEST Accreditation Agency,	The Examination Department created.	Readiness of the Ministry and availability of funds. Learning from regional and international experiences.		January 2006
VII.9	Create uniform enrolment examination system for high school and university levels. The systems have to be especially focused on corruption prevention in higher education, with a special focus on modern electronic systems (e.g. electronic results, video monitoring of the examination process, etc.).	Examination Department, MEST, KACA, NGOs.	The uniform examination system created together with the conditions for its application in the educational institutions.	Learning from regional and international experiences. Inclusion of stakeholders, especially educational institutions.	10000 €	June 2006
VII.10	Incorporate anti-corruption content in the existing	KACA, OGG, MEST.	Educational curricula in primary and secondary	Availability of funds for changing the curricula.	10000 €	December 2006

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
	educational curricula in primary and secondary schools.		education have anti-corruption elements incorporated			
VII.11	Publish a simple and free manual for secondary schools regarding the work of public administration, describing the functions of its institutions and citizens' rights towards public administration.	KACA, OGG, MEST.	The manual is published and distributed to all secondary schools.	Coordination between institutions and NGOs. Availability of funds for publishing the manual in many copies.	5000 €	December 2006
VII.12	Conduct regular annual trainings for the private sector on risks of corruption and its prevention.	KACA, Business Associations, NGOs, OGG.	The private sector is trained on risks of corruption and its prevention.	Show of interest by the private sector.	2500 €	Regularly
VII.13	Train civil society leaders on anti-corruption.	KIPA, NGOs, donor organizations.	A considerable number of journalists trained.	Availability of funds.	5000 €	Regularly
VIII. OTHER MEASURES OF INSTITUTIONAL REFORMS						
VIII.1	Establish the Anti-corruption Office in the Special Prosecutor's Office.	KACA, OPM / OGG UNMIK, Special Prosecutor's Office.	Anti-corruption Office is established	Coordination between responsible institutions.	10000 €	May – December 2006
VIII.2	Adopt regulations on allocation of assets confiscated by other authorisations and within institutions in Kosovo.	KACA, Assembly of Kosovo, MLGA.	Regulations for allocation of confiscated assets between Kosovo institutions are established.	Taking into consideration lessons from experience.		March 2006
VIII.3	Create a special award to companies in the field of	KACA.	Every year KACA awards the most successful company	Sufficient capacity within KACA to implement the	5000 €	June 2007

No.	MEASURES	RESPONSIBLE/ COOPERATIVE INSTITUTIONS	INDICATORS OF SUCCESS	CHALLENGES AND OBSTACLES	BUDGET	TIMELINE
	prevention and discovering non-ethical conduct at work.		fighting corruption..	measure.		
VIII.4	Launch and develop a special and confident public campaign against corruption (by paying attention to the youth), implementing all modern marketing means (audiovisual), thematic support campaign and creation of a logo, motto and graphic images (posters) for the campaign, in order to increase awareness on the causes and consequences of corruption.	ACC, KACA, OGG, NGOs, media.	Time after time there are campaigns for increasing awareness on corruption and possibilities of preventing it. Continue with the public anti-corruption campaign launched on 30 August 2004	Clarify legal provisions on advertisements for the public's benefits.	25000 €	March 2006 December 2007
VIII.5	Publish a free manual on anti-corruption for the wide population.	KACA, OGG, NGOs.	Manual on fighting corruption is published and distributed.	Availability of funds for publishing the manual in many copies.	2500 €	August 2007
VIII.6	Consider options for religious institutions involvement in fighting corruption, implementation of acceptable measures.	KACA, religious institutions.	Religious institutions are involved in combating corruption.	Readiness shown from religious institutions.		July 2006 December 2007
VIII.7	Organize seminars and lectures on anti-corruption for the large public in specific fields.	KACA, ACC, OPM/OGG, NGOs	The plan is drafted in cooperation with the civil society and implemented until the end of 2006.	Availability of funds and involvement of civil society in the process.	1000 €	06-12.2005 January – December 2006
					369000 €	

List of Abbreviations

MEF – Ministry of Economy and Finance MEST – Ministry of Education, Science and Technology MLGA – Ministry of Local Government Administration MPS – Ministry of Public Services NGO – Non-Governmental Organization OSCE – Organization for Security and Cooperation in Europe OGG – Office for Good Governance OPM – Office of the Prime Minister PISG – Provisional Institutions of Self-Governance SRSG – Special Representative of the Secretary General TMC – Temporary Media Commissioner UNMIK – United Nations Mission in Kosovo UP – University of Pristina	ACC – Anti-Corruption Council CEC – Central Elections Committee ICA – Institute of Court Administration KACA – Kosovar Anti-Corruption Agency KIPA – Kosovo Institute for Public Administration KTA – Kosovo Trust Agency KPS – Kosovo Police Service
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6 MONTENEGRO

The Program against Corruption and Organised Crime was endorsed in July 2005. Following the adoption of the Program, the Government tasked the Ministry of Interior to initiate and co-ordinate the establishment of a Working Group charged with drafting the Program's Anti-corruption Action Plan. The Draft Action Plan was completed in June 2006 and sent to the Government for adoption; this Action Plan is expected to be approved in the near future.

6.1 PROGRAMME OF FIGHT AGAINST CORRUPTION AND ORGANIZED CRIME

6.1.1 Introduction

This Program is made within the frame of program activities of the Government of Montenegro and in cooperation with NGO Sector.

The aim of Program is to become a part of General social plan and widely accepted system of measures and activities for combating corruption and organized crime, likewise extremely harmful social phenomenon. The range of illegal redistribution of resources onto disadvantage of common citizens is with primary importance for fighting against corruption, but also a fact that pressure of corruption represents a serious risk factor which limits foreign investments and support to the transition, which influences onto demoralization of the national potential for implementation of reforms.

Corruption is harmful and it has existed since always. In the modern State, corruption is danger, because it damages performing of social affairs, lowers the moral level, blocks Public Administration and makes Judiciary ineffective. Economical and political crisis of long duration, poverty, which especially affect countries in transition, including Montenegro, are important risk factors which favor corruption.

Effective opposing to corruption, one of the most dangerous national and global phenomenon requires harmonized efforts and activities of the Government and citizens, as well as each single sector of public life. It is especially important the role of public in opposing to this phenomenon and establishing of democratic values.

The long-term goal of this Program is to limit, as much as possible, the corruption and organized crime and their consequences which are generally destructive towards society.

Cooperation between International Organizations, Foreign Governments and International Experts, are especially important while defining the parameters of anticorruption initiative and its integration into multilateral efforts, aiming combating corruption in Countries of our Region.

6.1.2 Analysis of Actual Situation

Corruption and harmful consequences of the corruption

As corruption is considered any form of abuse of power for personal or collective benefit, nevertheless it is regarding Public or Private Sector. Public opinion and political way of speech mean by the corruption very different social phenomenon: organized and economy crime, ineffective power and consequences of such power. There is no legal definition of the corruption, but conventionally such concept means: violation of equality in performing of economy activity (Article 269 of KZ of RCG), abuse of monopoly position (Article 270 of KZ of RCG), causing of bankruptcy (Article 273 of KZ of RCG), causing of false bankruptcy (Article 274 of KZ of RCG), abuse of authority in economy (Article 276 of KZ of RCG), false balance of payments (Article 278 of KZ of RCG), abuse of estimation (Article 279 of KZ of RCG), revealing of official secret

(Article 280 of KZ of RCG), revealing and using of stock market secret (Article 281 of KZ of RCG), abuse of official position (Article 416 of KZ of RCG), illegal mediation (Article 422 of KZ of RCG), accepting of bribe (Article 423 of KZ of RCG), giving of bribe (Article 424 of KZ of RCG), revealing of official secret (Article 425 of KZ of RCG). Each of mentioned criminal offences, reveals single elements of the corruption phenomenon, and although definition may be doubtful, there is no doubt on social and political harmfulness of the corruption in Montenegro.

There are no reliable estimates on spreading of corruption, neither its presence in Montenegro.

First, but also not reliable data, is statistics of criminal offences with elements of corruption. Statistical data lead to the conclusion, that it is regarding a very small number of denounced, accused and sentenced persons persons for criminal offences with the elements of corruption. Within the period of 1998 to 2003 Year, were brought totally 1099 criminal charges for the criminal offence – abuse of official position, Article 216 of previously valid Criminal Code (1065 persons included), as well as criminal offences taking and offering of bribe – 220 and 221 of previously valid Criminal Code of the Republic of Montenegro («Official Gazette of the Republic of Montenegro», Nr.42/93, 14/94, 27/94 and 18/3), which included 34 persons.

MODALITIES	2002%	Range	2003%	Range	2004%	Range	Change%	Change of range
1. Political Instability	46,5	2	20,1	6	22,7	5	26	+
2. Ethics problems	4,3	8	3,4	7	4,7	7	1,3	0
3. Corruption and crime	36,9	4	57,2	1	76,4	1	19,2	+
4. Low salaries	41,6	3	46,3	4	38,6	4	-7,7	0
5. Unemployment	48,3	1	49,9	2	46,4	3	-3,5	-
6. Pollution of living environment	2,7	9	3,4	7	3,8	8	0,4	-
7. High prices	18,6	7	25,9	5	18,5	6	-7,4	-
8. Education	2,7	9	3,0	9	2,3	9	-0,7	0
9. Poverty	30,6	6	49,6	3	50,9	2	1,3	+
10. Other	0,9	10	1,8	10	2,6	10	0,8	0
11. I have no defined opinion	0,4		0,6		1		0,4	

Conducting of research of public pole opinions, without exception, show that citizens consider the corruption and organized crime as very spread .In fact, according to the results of poll which Agency «Damar» performed in March 2004, trend from previous research in the Year 2003, continues, in which citizens recognize corruption and crime –76.4 %, poverty – 50.9% and unemployment – 49.9 %, as three biggest social problems in Montenegro

According to the index CAPI Transparency International for the Year 2003, International researches show that Serbia and Montenegro occupies 106.place out of 120 countries. However, according to the most recent research of the Transparency International, which is conducted in 146 States, Serbia and Montenegro occupies 97.place, which shows the high level of corruption. Nevertheless, the level of corruption in the Year 2004 compared to previous Year is decreased. Research of the World Bank show that Montenegro , according to the polls, belongs to the middle group of countries in transition. Data lead to relative low total index of especially administrative (low) corruption, but high degree of corruption at the level of political responsibility and judiciary. Researches also warn on the weak social responsibility, that is by itself a condition for the corruption, but also existence of strong social groups which are ready to obstruct the social reforms.

Organized crime and harmful consequences

Owing to its complexity and enormous social danger, organized crime can not be defined on precise way. Organized Crime is defined as result of acting of more than two persons, aiming committing of severe criminal offences in order to acquire profit or power. For existing of the criminal offence of organized crime, must be fulfilled, at least three of the next conditions:

- that each member of the criminal organization has got in advance defined task or role ;
- that the activity of criminal organization is planned on longer or unlimited time ;
- that activity of criminal organization is based upon implementation of certain rules of internal control and discipline of members;
- that activity of the organization is performed in international scale;
- that violence or frightening are used in performing its activity or there is readiness to use them;
- that political, economic or business structures are used in performing of the activity;
- that there is influence of the organization or its part onto legislative power, media, executive or legal power onto other social or economic.

Existence of organized crime in Montenegro, can at the moment be expressed only through the statistics of criminal offences with the elements of organized crime. Thus in the Year 2002, there was total number of 6950 criminal charges submitted against 5542 persons. Within the field combating against narcotics, 305 criminal offences were registered (223 illegal manufacturing and trafficking with narcotics – Article 245 of previously valid KZ of SJ and 82 enabling to use narcotics – Article 246 of previously valid KZ of SRJ). 1.741.487,05 gr of narcotics were confiscated. At the same period, were submitted 17 criminal charges against 27 persons for the criminal offence – trafficking with human beings from the Article 201 of previously valid KZ of RCG.

In the year 2003, were detected 295 criminal offences regarding narcotics, namely : 207 criminal offences of illegal manufacturing and trafficking with narcotics and 88 criminal offences of enabling using of narcotics. To the competent Prosecutors were submitted criminal charges against 276 persons.

From these persons were confiscated 875.336,6 g of narcotics, out of which, mostly marijuana (862.500,49 g.) and heroin (12.210,11g). In the Year 2003, is noticed the increase of use and presence of heroin, which is confirmed by confiscated quantity.

In the Year 2003 were submitted four criminal charges for the criminal offence – trafficking with human beings.

Montenegro, likewise all countries in the Region, on its way of establishing of legality, and fighting against criminal activities and basic causes of crime, faces many challenges.

6.1.3 Political Obligation of Acting

The success in fighting against corruption and organized crime depends of bigger number of factors, and out of them, most important are political will and decisiveness. Not only according to the opinion of citizens, but also as general obligation of Political Parties, movements and NGO-s in Montenegro, there are prerequisites for attaining of the general consensus on the need for combating corruption and organized crime.

Political obligation of acting is not only ordinary declaration of intention, but clear obligation of holders of political power from which also comes out responsibility towards citizens.

Strategy based upon principles of democracy, responsibility and reform of governing structures in such a way that they become more sensitive onto requests of citizens are of key importance in order that

perceiving of situation in each local environment becomes starting point for the action. Thus, will be identified, not only conditions, stimulus and mechanisms of the corruption behaviour, but also engage potential allies in fighting against corruption. Priorities are :

- building of the horizontal and vertical networks and associations aiming joint action of political parties and leaders, Public and Civil Society and other NGO actors;
- intensifying, of already started, realization of the reform of the Legal and Financial System;
- implementing of international instruments and standards within the field of fighting against corruption.

6.1.4 International Obligation of Acting

Starting point of the Program for fighting against corruption and organized crime is respecting of the relevant International Standards in organized social fighting against these phenomenon, which are contained in next documents .

Corruption

- Resolution of the General Assembly of UN 3514 (1975);
- Convention of UN on Trans-national Organized Crime which was adopted at Palermo in December 2000, with Amendment Protocols; Protocol of UN against Trafficking of Migrants by Land, Sea and Air and Protocol for Preventing and Combating of Trafficking With Human Beings, Especially Women and Children;
- Resolution (97) of the EC, which contains 20 leading principles for fighting against corruption;
- Criminal-legal Convention on Corruption ("Official Gazette of SRJ", Nr.2/2002 which establishes active and passive corruption, sanctions through criminal proceedings offering of bribe to foreign citizen in getting business, corruption in the International Organizations, anticipates establishing of specialized Agencies for fighting against corruption, incriminates criminal offences regarding corruption with foreign citizens and spreads the predicted criminal offence of Money Laundry. By the ratification of this Convention is taken over the obligation to protect the interests of persons who suffered the damage by the act of corruption by the Governmental Employees and defined suppositions for compensation. On such a way is done significant step forward in harmonization of the Montenegrin legal system to the European standards and Standards of the International Community;
- Convention of OECD on Preventing of Offering Bribe to Foreign Civil Servants who participate on International Business Transactions. Convention anticipates series obligations towards joining countries: the obligation to incriminate offering of bribe to foreign employees, the obligation of legal assistance and other (came into force onto 15 February 1999). Ratification of OECD Convention would increase the credibility of the Republic of Montenegro as Country; facilitate foreign investments and international trade. Such orientation is prerequisite for European integration;
- Convention on Laundry, Searching, Seizing and Confiscation of Incomes Acquired by Criminal Way (2002). Convention of UN Against Corruption was signed in December 2003 and its ratification is expected;
- Agreement on Establishing the Group of States for Fighting Against Corruption (GRECO) which brought in the Council of Ministers of EC (5 May 1998 Year) and which is approved by the Multidisciplinary Group for Fighting Against Corruption (GMC);
- Analysis and Program for Encouraging of Fighting Against Corruption in the members Countries implemented by EC (OCTOPUS I and II);
- Declaration from Ancona (adopted in Year 2000) and Anticorruption Initiative of the Stability Pact for SE Europe (SPAI) which encourage the cooperation of Police and Judiciary Agencies in combating corruption and organized crime;

- Within the field of International legal assistance and Criminal-Law Matter, is significant the fact that **European Convention on Mutual Law Assistance in Criminal Matters (2001) and Convention on Transfer of Convicted Persons with Additional Amendment (2001)**, are ratified.

Organized Crime

- European Convention on Fighting Against Terrorism, from 27 January 1997;
- Unique Convention on Narcotics, from 1 August 1961, amended by Protocol, from 25 March 1972;
- Convention on Psychotropic Substances, from 21 February 1971;
- Convention of UN on Fighting against Illegal Trafficking with Narcotics and Psychotropic Substances, from 20 December 1988;
- Convention on Laundry, Following, Depriving and Confiscation of Incomes from Criminal Offences, from 8 November 1990;
- International Convention on Combating Financing of Terrorism, from 9 December 1999;
- Convention on Protection of Human Rights and Fundamental Freedoms, from 4 December 1950 and belonging Protocol;
- Roman Statute of the International Criminal Court;
- Declaration on Intention on Legal Definition of Victims of Trafficking with Human Beings, elaborated in Tirana on 11 December 2002 within the frame of Stability Pact for SE Europe, which among others contains :
 - Anti-Trafficking Declaration of SE Europe signed in Palermo on 13. December 2000;
 - Protocol of UN for Preventing, Combating and Punishing of trafficking with human beings, especially Women and Children, as Supplement to the Convention of UN for fighting against Trans-national Organized Crime (15 November 2000), which obliges participant Countries to “examine introducing of legal and other appropriate measures”, which would enable trafficked persons “to stay at their territory, temporary or permanently, in appropriate cases”;
 - Recommendations of EC R (2000) 11 for Action Against Trafficking with Human Beings with the Aim of Their Sexual Exploitation (19 May 2000), which invites all member Countries to assign to the victims “ temporary residence status in the Country in which they are...in order to allow them to be witnesses in the Court proceedings against accused”, also in order to provide victims with on time social and medical care;
 - Decision Nr.1 of Council of Ministers of OESCE on increasing efforts of OSCE in fighting against trafficking with human beings (28 November 2000) to “ examine introducing of legal and other measures, like shelters, which would allow victims to stay at their territories, temporary or permanently, in appropriate cases”;
 - Hague Ministerial Declaration on European Directives for Effective Measures for Preventing and Fighting against Trafficking with Women with the Aim of Sexual Exploitation (26 April 1997), which recommends establishing of privileged residence status for trafficking victims during the criminal proceedings.

Priorities for implementing of International obligations are:

- harmonization of legislation according to JHA standards;
- developing of operative mechanisms based upon EU (SAP) standards;
- cooperating among States aiming organizing of joint operations against organized crime and exchange of information;
- active participation in all activities within the frame of anti-corruption initiative of Stability Pact (SPAI);
- implementation of obligations coming out from the membership in EC (PACO and GRECO);
- intensifying of the cooperation among competent officials in order to estimate actual situation regarding legislative and institutional capacities of Montenegro in fighting against corruption and organized crime;

- providing of technical and financial support.

6.1.5 General Goals

Effective prosecuting for combating of corruption and organized crime

Effective implementation of the Law is integral part of the process of democratization and protecting of rights and freedoms of citizens.

Combating and detecting of corruption and organized crime are attained not only by detecting, sentencing and punishing of perpetrators of these criminal offences, although that is one of key elements not only for combating of organized crime, but for stabilizing of legal system, generally. First of all, it is necessary to undertake measures for introducing of European Standards for fighting against organized crime, in such a way that will be:

- established institutions and adopted Laws, according to European standards, in order that Police work gets support by the appropriate Judiciary System;
- implemented the Anti-Corruption Strategy (cooperation with public and implementing of Anti-Corruption Laws);
- strengthened capacities of financial investigation, control of “ money laundry” and seizing and confiscating of incomes earned on criminal way;
- provided that Officials of the State Administration possess practical and technical means for fighting against single criminals and organized criminal groups;
- Provided that these measures could be additionally strengthened by better cooperation, exchange of information and coordination within each of countries;
- Provided for public support in fighting against crime on such a way that it will be encouraged the clear message to the public on the need for combating crime.

Prevention

Fighting against corruption and organized crime is basically multi-disciplinary, inter-field and long-term project aiming assisting in accomplishing of wider goals of democracy, good governance and economic prosperity of Montenegro.

In opposing corruption and organized crime, except repressive, it is necessary, also to develop a very important preventive dimension. By wide range of preventive measures, Montenegro must direct all available potentials for eliminating of causes and conditions which favor the genesis of corruption and organized crime, in other words to the maximum possible level limit the possibilities for their existence. It is necessary to limit the consumption of products offered by criminal gangs by encouraging of the production of legal firms by competent officials. The flows of money, business transactions, investments and public works, must be submitted to rigorous control.

Priorities are:

- Improving of conditions for the work of Judiciary and stabilization of Judiciary System, as well as equipping and introduction of the modern Information System.
- Permanent education, especially in the fields regarding the possibilities of criminal prosecuting of corruption which should have to be connected with influencing onto professional awareness and ethics of judges in order to achieve the higher level of awareness on its danger and harmfulness, as necessary prerequisite for effective work.
- Applying of Judges' Ethic Code, as qualitative basis for establishing of professional criteria.
- Increasing of level of legal knowledge and generally, confidence, with taking into consideration of the role of more effective legal assistance to the citizens.

- Publishing of problems in implementing of Law, which is primary role of the Institution, like protector of human rights (Ombudsman).

Public, civil sector and media

Encouraging of Public and Civil Sector of the society, which reflect the interests of specific groups (users, persons who suffer damage) or Groups that promote public interest to develop partnership relationship with the Institutions, which prevent corruption, implementing of democratic and economic reforms is important for the civil mobilization against corruption and organized crime. This is important in order to raise public awareness on causes and harmfulness of the corruption and organized crime and establishing of conditions for responsible civil education, for each person interested in fighting against corruption and organized crime. All Educational Institutions, Associations and especially those fighting for human rights, has got important role in this.

In approaching period it is necessary to establish the conditions for effective work and joint propaganda-preventive acting of the Governmental and NGO Sector and Civil Society in organizing of wide anti-corruption public campaigns.

The Anti-Corruption Strategy, means recognizing of the evil of corruption, establishing of plans and activities of fighting and mobilization of all available social and political actors. The role of principal actors of political power, in it, is decisive.

The action of Police and Judiciary cannot be successful without public support. Without free and active media, there is no public support. Because of this, Strategy means, simultaneous use of different measures and activities with equally intensive appeal to conscience, knowledge on consequences and appropriate legal and organizational measures.

Priorities are:

- establishing of conditions for responsible education in schools;
- joint propaganda-preventive acting of Governmental and NGO Sector and Civil Society;
- organizing of wide public anti-corruption campaigns;
- mobilization of all available social and political actors in fighting against corruption and organized crime.

Effective governance and control of using of budget

Montenegro so far, within the field of combating corruption and organized crime,undertook a series of activities, first of all through the reform of the legislation aiming bringing up to date of legal system and establishing of the institutional frame according to International legal documents and experience in order to strengthen the cappacities of State officials for the as successful as possible fighting against corruption and organized crime.

According to the Law on Public Procurements which was adopted in August 2001, are defined criteria for selecting of the best bidders, protecting of rights of participants to the bid, as well as decentralization of procurement The whole system of following legal acts in this field is completed and established separate Official - Commission for Public Procurements.

Also, in August 2001, Parliament of the Republic of Montenegro adopted the Law on Budget (“Official Gazette of RCG”, Nr.40/01, 44/01 and 28/04), which meant establishing of Treasury, in order to introduce the global system of transparency and monitoring of Public Finances,

According to the Law on the State Auditor Institution ("Official Gazette of RCG", Nr.28/04) a State Auditor Institution is established, in order to ensure the control of regularity and efficiency of operating of subjects of audit (officials and organizations which manage with budget and State property, units of local self-management, funds, Central Bank of Montenegro and other legal persons in which State participates in ownership).

According to the Law on financing of Political Parties ("Official Gazette of RCG", Nr.21/04) is defined the way of acquiring and providing of financial resources of Political Parties, the way of controlling of financing and finance business of Political Parties, so are set conditions for establishing of legality and publicity in their financing.

6.1.6 Specific Measures Against Corruption and Organized Crime

Efficient criminal prosecuting

a) Legal regulation

Priorities in fighting against organized crime, are provided by the reform of Criminal legislation, its implementation, likewise by training of bearers of functions (judges, prosecutors and employees), as main actors in combating crime). In accordance to this, are adopted: Law on Criminal Proceedings, Criminal Law and Law on the State Prosecutor.

Based upon Law on Criminal Proceedings ("Official Gazette of RCG", Nr.71/2003) are established conditions that criminal proceedings is primarily oriented towards the Court, in order to provide the Court control over employees engaged in the investigation. Chapter XXX of the Law on Criminal Proceedings proscribes the separate rules on conducting of proceedings for criminal offences committed on organized way.

According to the Criminal Code ("Official Gazette of RCG", Nr.71/2003), in appropriate Regulations is proscribed the more severe punishment for the offences perpetuated on organized way. Sanctioning of all forms of new criminal offences is provided, especially criminal offences of organized crime and corruption and defined new penal policy and strategy for the modern control of crime.

According to the Law on State Prosecutor ("Official Gazette of RCG", Nr.69/03), is provided more efficient and effective work and global acting of the State Prosecutor, as State Official with the fundamental task to prosecute those who committed criminal offences and other punishable offences according to the Law, deposits legal means in order to protect constitutionality and legality, represents the State in property-legal relationships and performs other affairs according to the Law. That means changes in the organization, methods and forms of work and primarily different responsibility of the bearer of this significant, responsible and special function, which represents vital segment of the overall Judiciary and Criminal-Justice System.

Law on Witness Protection, defines conditions and procedures in offering protection and assistance to the witness and persons close to him/her, out of the Court proceedings, is there is fundamental fear, that witness by giving testimony, aiming proving of the criminal offence, for which is provided protection, according to the Law, might be exposed to the serious risk to his/her life, health, physical integrity, freedom and property to higher extent.

Also, by Law on Preventing Money Laundry, September 2003 and Amendments and Supplements of this Law (April 2005) is provided normative frame for effective institutional and system fighting against money laundry, establishing of the discipline and control of financial transactions and preventing of financing of terrorism. Based upon relevant International Standards, Instruments and Recommendations (especially FATF and EGMONT Group), Law proscribed measures and actions in banking, financial and other

business, which is necessary to undertake aiming detecting and preventing money laundry and financing of terrorism.

By bringing in the Law on Police is enabled transformation of the Police into modern Service and established conditions for combating activities which encourage all forms of crime. According to this Law, Police is defined as Agency within the service of Community, instead of the "Power of State". By respecting clear democratic principles, primarily power of Law and awareness of responsibility in front of citizens-public, to whom is serves, beside Law on Police, is prepared Police Code of Ethics.

In order to effectively implement measures for fighting against corruption, next documents are prepared: Analysis of Global Frame of Anticorruption Measures and Activities and Study on Implementing of Leading Principles of EC for Fighting against Corruption.

However, adopting of new Laws is of priority importance in order to complete the Reform of Legislation. Above all, that is adopting of next Laws:

- Law on Liability of Legal Persons for criminal offences;
- Law on Cooperation with International Criminal Tribunal based on which should be regulated processing requests of the Rome Statute , while material-legal have already been implemented into the Criminal Law .

b) Material capacities

Organization of the State Institutions is very important for the effective implementation of Laws. Actual organization can be considered as satisfying if taken into account personnel, experience and opportunities for basic training in Law implementation. Obstacles in the implementation of Laws come up because of : unsatisfactory technical equipping of the state institutions, which results in insufficient knowing of the modern Police and investigating methods, lack of experience on modern methods for solving of cases of organized crime which is consequence of previous not adequate legal Regulations.

Priorities are:

- procurement of equipment, as importan prerequisite for detecting and combating of the corruption and organized crime;
- instructions which Police members will observe in contacting persons for data collecting.

c) Human capacities

By Criminal Law, Law on Criminal proceedings and Law on State Prosecutor are introduced modern mechanisms and instruments for fighting against corruption (applying of measures of under cover surveillance, establishing of Special Units within the Police, Special Prosecutor etc.), in such away according to the relevant International Standards and instruments, are established conditions for more effective fighting against corruption and organized crime, generally.

Priorities are:

- filling of lacking personnel;
- adopting of new Acts on the Police organization and systematization.

d) Training

Training, specialization, adequate authorities and responsibility, specific methods of work and protecting of secret character the investigation and information, possibility to engage experts from different fields of work, should be in the function of more efficient and effective combating of crime, especially organized. Education of citizens aiming establishing of better sociological conditions for reacting, more exactly recognizing of organized crime and corruption, is also very important condition.

During the implementation of these Laws, it is necessary to engage International experts for training of personnel namely as bearers of judicial functions (judges and prosecutors) as well as administrative personnel and Police officers or enable their training in the countries in which procedures and technique of detection of organized crime and corruption have already previously been applied.

Priorities are:

- High specialist training of all Institutions and Officials involved in detecting and preventing of criminal offences of corruption and organized crime.
- Establishing and specialization of separate organizational entities for combating economy crime and corruption, and especially owing to new and specific measures in combating organized crime.
- Training of Key Groups of the Police structures for fighting against corruption, likewise preventive measures in preventing of phenomenon of the internal «Police corruption» and observing of valid standards in acting and proceeding of all Services.
- Educating and training of Judges, State Prosecutors and Police which should have to be included into regular plans of professional training but also curriculums.
- Protection of all who denounce criminal offences, and especially corruption and organized crime.

Specialized institutions

❖ *Organizational forms at the Police*

At the Ministry of Interior, within the Criminal Police, is established:

- Specialized Unit for fighting against organized crime (04 February 2003) with the task to follow, study and analyse situation, trends and phenomenon of organized crime based upon informative- analytics research and researching of state of crime, operative information, identifications of security phenomenon (criminal offences) and bearers of such phenomenon, characteristics which identify them, likewise also forms of organized crime (organization, connection of several persons, professionalism, abuse of technical inventions, secrecy, connection with some bearers of political and legal power, job share, continuity, permanent work etc);
- Specialized Unit (Team) for fighting against trafficking with human beings.

However, in order that these Units and Criminal Police could fit to all requests in detecting and combating organized crime, *priorities are:*

- technical equipping and acquisition of the technical and communication equipment, including equipment which will enable undisturbed applying of the specific investigating means and methods;
- reorganization of the Department for fighting against organized crime , according to standards, adopting of the new Internal Act on Internal Organization and Systematization of the Police;
- providing of adequate and functional office space and education and training of Police personnel;
- accomplishing of cooperation with the International Organization for Migrations at the field of combating trafficking with human beings.

❖ *Special Prosecutor*

Based upon the Law on State Prosecutor, is enabled appointing of Special Prosecutor, as, specific, functional, organizational regarding authorities and obligations in the work, a New Institution, which needs

to provide effective combating of all forms of organized crime. Regarding this, there is a wide spectrum of affairs which should be performed by Special Prosecutor, as a segment of total State apparatus engaged in fighting against all forms of organized crime. This will, definitely mean adequate organization for performing of tasks in combating organized crime, through establishing of the Department for Combating Organized Crime at Superior State Prosecutor, headed by Special Prosecutor.

Priorities are:

- appointing of the Deputy Special Prosecutor for fighting against organized crime;
- training of Prosecutor and Courts for fighting against organized crime;
- updating of data base
- intensifying of immediate cooperation with Prosecutors from Countries of SE Europe (Slovenia, Croatia, Bosnia and Herzegovina, Macedonia, Albania and Serbia) within the frame of signed bilateral agreements on cooperation;
- developing of cooperation of regional prosecutors.

❖ *Courts*

Based upon Law on Courts (« Official Gazette of RCG », 5/2002), are defined: establishing, organization and competence of Courts. Court is a State Official which performs Court Power based upon Constitutional and Law, which means legally, unbiased and on time decides on legal matter for which is competent.

Courts are: Basic Court Superior Court, Commercial Court, Court of Appeal, Administrative Court and Supreme Courts. Law does not establish a specialized Court for passing judgment on the criminal offences of the organized crime and corruption.

Good cooperation between investigation and prosecution officials and establishing of joint teams for the law implementation

Aiming achieving of the level of effectiveness in combating and detecting of the corruption criminal offences and criminal offences committed on organized way, is necessary synchronized acting of all competent Officials and Institutions in collecting and analysis of data on corruption and organized crime at the National level.

In the criminal-legal sense, the Role of the Police in combating crime represents only starting phase of the criminal-legal proceedings. In order to bring perpetrators to the Court and pronounce them criminal sanction, competent Officials, primarily Police and Judiciary, must implement series of complex procedures. Finally, on the quality of such work, depends if suspected person will become defendant. Completeness and quality of Court epilogues make picture, to which level Montenegro is legal State, and how much is its overall social life, based upon power of law.

Government of the Republic of Montenegro is decisive to provide full cooperation and coordination between Police and Judiciary. On this field, representatives of the Police in the next period must give substantial contribution. By their high-quality and responsible work on criminal cases, careful and balanced appearing, especially in the first stage of proceedings, likewise also open and permanent communication with the State Prosecutor, will be built the reputation of professional to whom the public trusts. In the following period, *priority is:*

- establishing of close inter-Agency cooperation between Police and competent Officials;
- effective cooperation between Tax and Customs Administration, Specialized Services of the Ministry of Interior and Judiciary by implementing Agreement on Cooperation and establishing of Joint Teams, that will contribute to rising of the level of financial and fiscal discipline.

Authorities

❖ *Special investigating operations*

Organized crime and corruption as a form of this crime, owing to its basic character of confidentiality and hideness, are falling within the group of offences whose level of proveness is extremely low. Modern crime, especially organized, puts in front of Prosecution Officials such tasks which could not be completed without using of the special investigating means and methods. Because of that, aiming detecting, clarifying and proving of the offences of organized crime, are established special proceedings-legal mechanisms. This is concerning special investigating techniques and methods which are defined by the Law on Criminal Proceedings, Article 237-243, as measures of under cover surveillance which represent a special form of collecting of data. Measures of under cover surveillance are:

1. under-cover surveillance and technical taping of phone conversations, in other words means for the technical communication on distance and private conversations performed in the private or public premise or outdoors;
2. under-cover taking of photos and visual recording in private premises;
3. under-cover taking of photos and visual recording on public places and outdoors;
4. fictitious buying of objects and persons and fictitious offering and receiving of bribe;
5. control of shipping and delivery of the object of criminal offence ;
6. delivering of data from Banking and other Financial Organizations on deposits, personal and business accounts and transactions;
7. using of electronic means for detecting of locations and positioning of persons and objects;
8. taping of conversations with previous informing and agreement of one of participants in the conversation;
9. engaging of under-cover investigator and witness.

According to Standards on protection of human rights, a clear principle on proportionality in implementing of these measures is established (approval from the Court, precise defining of level of suspicion towards criminal offence, identity of the person and criminal offence for which exist fundamental suspicions that themselves or together with someone else committed criminal offences with the elements of organized crime, or criminal offences for which may be pronounced 10 years of imprisonment or more severe punishment). On such a way is established balance between the request for effective criminal proceedings and the need to protect fundamental rights and freedoms of citizens.

In fighting against organized crime, acting of the police can not be imagined without engaging under-cover investigator and witness-collaborator, in other words, their capacity to penetrate into the criminal organization in order to provide good-quality information necessary to cut smuggling routes and detect perpetrators of the criminal offences. Creating of the collaborators network is complicated work which requires obeying of certain rules and effective organization of Police activities. Aiming this, it is necessary to previously identify the bearers of criminal activities, as well as criminal facilities and points, with permanent up-dating files on persons and facilities, interesting from the security point of view, which in following period must be priority activity.

Under-cover investigators and under-cover witnesses are most frequently Police officers who investigate and come-up under changed identity, which they can also use in legal relationship.

Law on Criminal Proceedings establishes the possibility of hearing of under-cover investigator within the capacity the witness. Data on his identity are official secret. Under-cover investigator may use technical means for taping of certain conversation; likewise enter into somebody else's apartment and other premises.

Priorities are:

- high specialized training of the Police, Investigating Judges and Prosecutors for applying of measures of under-cover surveillance;

- providing of basic and other necessary equipment for using of special and investigating means and methods;
- creating of collaborators network and establishing of rules for engaging of collaborators;
- effective organization of Police works;
- identification of bearers of criminal activities, facilities and points, permanent updating of files
- selection ,technical training and education of the Police officers engaged as under-cover investigators;
- acquisition of adapted electronic means for taping and training in order to acquire specific technical knowledge;
- signing of Contracts and Agreements on bilateral and multilateral level for using of SIMS ;
- surveillance over using of measures of under cover surveillance by building more effective mechanisms of the external control in order to strengthen the value of evidence information.

❖ *Protection of witness and witness collaborator*

Law on Criminal Proceeding, within the context of the reform of Criminal Judiciary establishes the institution of «protected witness», whose identity or other data are forbidden to disclose. By introducing of this institution (Article 108-112 ZKP), many defects for this source of evidence will be eliminated, because witnesses, in spite of Legal regulation and warning to prove truthfully, change their statement because of pressure and menaces, thus significantly influencing the successful solving of the criminal matters. On such a way, protection of two interests is reached, the interest of witness protection and right to fair trial, but not to the detriment of establishing of truth in the criminal proceedings.

Based upon Law on Criminal Proceedings are established forms of witness protection and techniques for hearing of such witnesses, and according to the Convention of UN against Trans-national Organized Crime is provided the protection of interests of one who has suffered a loss, without collision with the right on defence of the accused.

The initiative for granting a status of protected witness comes from the witness, because he /she know best if his/her life, health etc., are exposed to the risk. Before making decision, a Investigation Judge or Board of Judges estimate the credibility of witness, that is already represented in the Procedural Law of the European Court for Human Rights.

By the Law on Criminal Proceedings, are proscribed separate Regulations for proceeding for criminal offences of organized crime (Article 507-529), in which is significant the introducing of the institution « Witness-Collaborator», as means used in order to reveal organized activities of the Criminal Organizations. State Prosecutor may propose to the Court, to interrogate member of the Criminal Organization as witness-collaborator, if it is certain that his/her testimony and evidences given to the Court, will significantly contribute to proving of the subject criminal offence and guilt of perpetrators or help in revealing, proving and preventing of other criminal offences of the Criminal Organization. By using of « Key-Witness » or «Witness of Justice» can be achieved positive effects in the proceedings of criminal prosecuting of other perpetrators of criminal offences.

By adopting of the law on Criminal Proceedings, is established a legal basis for adopting of the Law on Witness Protection. As it is already said, by this Law are established conditions to protect the witness or a person close to him, based upon protection program which is defined as set of measures implemented in order to protect the life, health, physical integrity, freedom or property of bigger extent.

«General» or «basic» protection of all persons, one ho has suffered a loss and victims of the criminal offence who are not exposed to the danger and for whom there is no reason to be included in this Program, are defined by the Law on Police.

Accepted model of protection in the Republic of Montenegro, can be shown on the next way:

Protection of all citizens «basic»	Protection of witnesses in criminal proceedings	Protection of witnesses out of criminal proceedings Law on Witness Protection
Law on Police	Law on Criminal Proceedings	
(Law is in force)	(Law is in force)	(Law is in force)

International police and legal cooperation

At the field of bilateral cooperation, Ministry of Interior has established very good quality cooperation with the Ministry of Interior of Italy, which is verified by the memorandum on Cooperation in Fighting against Organized Crime and Illegal trafficking of Goods and Persons.

Intending to contribute to synchronized acting of Countries in the Region in the joint fighting against organized crime, Ministry of Interior of Montenegro, organized two Regional Conferences of Ministers of Interior of former SFRJ States, Republic of Albania, Republic of Macedonia, likewise Chief of UNMIK. These Regional Conferences represent significant step in establishing of intensive cooperation in fighting against organized crime between Countries of Former Yugoslavia and other Countries from the Region. Bilateral Agreements are signed on cooperation in fighting against organized crime and terrorism with the republic of Serbia, Bulgaria and Austria.

However, although these steps mean accomplishment of the significant goals, full effect can be expected only after admission of Montenegro into International Organization of Criminal Police (CPO – Interpol). The request for admitting into Interpol of the Ministry of Interior of the Republic of Montenegro and the Ministry of Interior of the Republic Serbia was submitted to the General Assembly of Interpol on 22 September 2003.

Opening of CNB – Interpol in Podgorica is a condition for effective cooperation with this Police Organization, as well as with member Countries, through exchange of information and planning of joint acting in fighting against all, especially organized forms of crime.

In order to develop and intensify the Police cooperation, it is necessary to carry out the additional training of the Police employees working in the Special Organizational Unit of the Directorate of Criminal Police for the Affairs of International Police Cooperation, which was established on the 4 February 2003.

Measures for preventing of criminal offences with the elements of organized crime

Organized crime can be combated by undertaking of complex measures, that means precise legal regulation and undertaking of organizational and other activities. Because of this, it is necessary to pay a special attention towards technical and operative devices aiming preventing and combating of the most significant aspects of organized crime, and especially:

- trafficking with drugs and arms;
- illegal migrations and trafficking with human beings, and
- other forms of trans-border crime (especially smuggling of human beings and goods).

❖ *Narcotics*

In April 2003, Government of the Republic of Montenegro adopted the Action Plan for preventing of drug addiction of children and youth in Montenegro, based upon coordinated acting of the Officials of the State Administration, Units of the Local Self-Governance, Associations, citizens, Legal and Physical Persons.

❖ *Trafficking with human beings and migration*

Trafficking with human beings is a modern form of slavery, and incriminated as Criminal Offence by the Criminal Law of the Republic of Montenegro in Article 444. In the sense of contents, it is concerning different actions whose committing basically means different forms of inhuman treating of people by: force or menace, bringing into mislead or keeping into mislead, abuse of authority, trust, relation of dependence, keeping of personal documents, or giving or receiving of money or other benefits, in order to receive agreement from the person who controls other person. Beside this, Criminal Law incriminates criminal offences: trafficking with children because of adopting (Article 445), establishing of slavery relationship and transfer of persons in slavery relationship (Article 446), mediation in performing prostitution (Article 210) and showing of pornographic material (Article 211).

Trafficking with human beings, as a form of organized crime spread also over the Region of South-eastern Europe. Montenegro is defined as a Country of transit, but not of destination. Most frequently are trafficked women and girls from Serbia, Bosnia and Herzegovina, Moldova, Rumania, Ukraine and Russia, which across the territory of Montenegro come to the Countries of Western Europe, and especially to Italy. The most endangered cities in Montenegro are: Podgorica, Rožaje, Berane, Bar, Ulcinj and Budva. These evaluations are stated in the Joint Report – Trafficking with Human beings in SE Europe for the Year 2003, which was composed by UNICEF, Office of UNHCR and Bureau for Democratic Institutions and Human Rights of OESCE.

By identifying the problem of trafficking with human beings, as danger and risk to fundamental human freedoms and slavery of the XX! Century, is recognized the importance of as effective and universal possible fighting against this problem, by joint engagement of the Government, NGO Sector and International Organization.

The first step in establishing of mechanism for fighting against trafficking with human beings was the support to the organizing and work of Project Board, composed by: National Coordinator for Fighting Against Trafficking with Human Beings, who presides the Board, Representative of the Office for Equality of Sexes in the Government of the Republic of Montenegro, Representatives of the Ministry of Interior, Representatives of OESCE – Co-presiding Officer, International Organization for Migrations (IOM) IOM, EC, UNICEF, Save the Children, USAID and two local NGO-s : Montenegrin female Lobby and Safe female House.

In December 2003, Montenegrin Government adopted the Strategy for Fighting against Trafficking with Human Beings, which consists from three parts: Prevention, Criminal Prosecuting and Protection. Upon adopting of Strategy was appointed the Working Team for following and implementation of activities established in the Strategy, composed by : members of the Ministry of Interior, Ministry of Health, Ministry of Labour and Social Care, Ministry of Justice, State Prosecutor, General Consulate of USA in Podgorica, OSCE, EC and IOM and Office of the National Coordinator for Fighting Against Trafficking With Human beings .Competent Ministries and Agency elaborated separate National Plans for the implementation of the Strategy.

At the initiative of the Working Group of Stability Pact is established the Group for Fighting against Trafficking with Children, within the Project Board for Fighting Against trafficking With Human Beings. Members of the Subgroup are representatives of the Office of the National Coordinator for Fighting against Trafficking with Human Beings, Ministry of Labour and Social care, UNICEF, Save the Children and Roma's NGO « Female Heart « («Žensko Srce»).

The Subgroup for Fighting against Trafficking with Children, made a Draft of the National Plan of Action based upon directives of Stability Pact for making of National Strategies for fighting against trafficking with human beings, which consists of eight categories: Research and Estimation, Rising of Level of Awareness, Judiciary and Criminal Service, Cooperation and Coordination of the International Criminal Services.

By the beginning of the Year 2000, in cooperation with the International Organization for Migrations and OSCE, Government of the Republic of Montenegro opened the Shelter for victims of trafficking with human beings, which is managed by activists of NGO – «Montenegrin Female Lobby» («Crnogorski Ženski Lobi»).

Aiming that those who come in touch with the victim, directly or indirectly know to whom and for which kind of assistance they can address and were to direct the victim because of her security and fast recovery, Register of Institutions and Organizations dealing with such problem is published. On such a way is established the system of coordination of the activities of all participants, in order to solve the problem of trafficking with human beings and treatment of victims on the most effective and professional way.

On 10 December 2003, in Sofia, Montenegro signed the Declaration on Protecting of Victims – Witnesses, which obliges signing Countries onto adopting and implementation of appropriate legislation on protecting of victims – witnesses, in order to achieve the procedural rights of victims-witnesses and providing mechanisms for facilitating and giving assistance to victims – witnesses during the investigation and trial. Protection of witness and victim – witnesses, at the Court, is included into the new Criminal Code, while protection out of the Court is provided by the law on Protecting of Witness.

The previous results in fighting against trafficking with human beings, point to necessity of establishing of the Institutions and Organizations, in order that victims of trafficking with human beings might be treated on appropriate way.

Trafficking with human beings, means global problem with which are fighting many countries in the World. Behind trafficking with human beings hide many organized groups, which use methods of changing of identity of the victim, illegal border crossing, crossing of Border across impassable, unmarked Border crossings, for that reason, identification of victim is made difficult.

❖ *Migration*

Status issues of aliens in Montenegro are defined on inappropriate way from the legal point of view. In implementing of the Law on Movement and Stay of Aliens (Law adopted by SFRJ) some legal solutions are not enough developed and do not fit to the actual state and trends in migrations. The biggest defect of the existing legal solutions is a long duration and complexity of procedures in regulating of residence status and obtaining of permissions, that is an obstacle to foreign investments in Montenegro.

Aiming this, during 2004, started making of the new Law on Aliens which should have to define the issues of illegal migrations according to the specifics of migration situation, as well as with EU standards about these issues.

Illegal migrations of foreign citizens at the territory of Montenegro are at the moment mainly transitional, more exactly, Montenegro is not Country of destination for the most illegal immigrants.

For implementing of the new Law, aliens will not need to establish new institutions, but certain changes within Organizational Units will have to be done. That will first of all mean increasing of number of employees for implementation of the Law. Beside this, it is necessary the additional education and training and computerization in order to insure effective implementation of the Law.

Building of the Shelter Centre for Aliens of the Ministry of Interior aiming accommodation of illegal immigrants, who can not leave Montenegro and can not be moved away immediately, is planned.

❖ *Protection and surveillance of the state border*

Montenegro is transit and tourist country, whose geographic position favours migration flows, that imposes the need of more effective fighting against illegal migration and trans-border crime. This important task can be accomplished only by implementing of the Project of System of Border Security of Montenegro and establishing of the Integrated Border management.

By taking over of performing of border surveillance from the Army of SCG, are established conditions for more effective way of border protecting, demilitarization of the border area, uniting of affairs of securing of the State border and controlling of crossings of the State border, Integrated Border management system, more effective cooperation with Border Services of neighbouring countries and combating and detecting of all forms of trans-border crime.

In order to accomplish these goals, it is necessary, at least until 2005; adopt the New Law on Surveillance of the State Border, which should be harmonized with generally accepted standards within the field of border security.

Next will be establishing of the optimal organizational concept, as well as precise defining of necessary human resources. Especially it is necessary to establish the precise number of Police officers which are actually on disposition for performing of tasks of surveillance of the State border. Beside this, it is necessary to raise the level of technical equipping and additional mobility, onto higher level, develop the program of technical training and tactical use of devices. Accomplishing of these goals much depends of the actual financial capacities of Montenegro and assistance of Donors. The implementation of assistance of USA (USAID and EAR) is in progress.

Modern Border Security System means selection, training and education of members of the Border Police. Training Plan of the Border Police is done in accordance with EU requirements and standards. In previous period was completed the training, general and specialist, organized by Ministry of Interior and in cooperation with OSCE.

Integrated Border management, policy of visas, asylum and migrations, are basically characterized as National or Regional issues. According to this, are completed activities on compiling of the National Action Plan (NAP) of the Republic of Montenegro for Migration and Asylum.

National Action Plan is compiled by Inter-competence Working Group (State Team), with the assistance of partner states. Government of the Republic of Montenegro will adopt National Action Plan until end of July 2005.

National Action Plan is aiming development and permanent stabilization of the field of asylum, migrations, border control and surveillance of the State border in Montenegro. According to this Document will be clearly defined the areas in which it is necessary to make harmonization *with acquius communitareon*, and establish the strategy for reconstruction of competent Officials within the context of strengthening of National capacities.

Long-term goal of this Program is to:

- establish effective institutional and legal system for integrate border management in order to become the instrument for integrating into numerous legal and regional initiatives which treat the migrations and border security
- provide easy flow of capital, goods and people aiming building of the area of freedom, security and righteousness, and
- limit and combat to maximal possible extent , the trans-border crime, especially organized.

Activities which will be included into NAP are numerous and already in intensive implementation (legislation and building of institutions within the field of asylum, solving of issues of displaced persons, improving of protected documents forms, establishing of data base, etc.).

For such reasons NAP is strategic basis for undertaking of all measures, legal and institutional, aiming harmonization of Judiciary and Internal Affairs with European Standards and Laws.

❖ *Smuggling*

Smuggling, as a form of crime damages fiscal, economical and commercial interests of the Country, and especially smuggling of so called high-tariff goods (tobacco and tobacco products, oil and oil derivatives, alcohol and alcohol products, arms and other), which opens numerous issues, above all the problem of corruption, organized crime, money laundry and much contributes to different forms of grey economy and influences onto all economy. Montenegro identified the danger from smuggling and regarding this took over measures in combating this problem. Criminal Offence of smuggling is defined by the Criminal Code of the Republic of Montenegro (Article 265), Customs Law (Customs Area, Customs Border Area, Customs Crossing and Customs Goods, measures of Customs Surveillance, as well as Rights, Obligations and Authorities of Customs Officials regarding crossing of goods and persons across Customs line). By Criminal Offence – smuggling is sanctioned the action of illegal crossing of goods across Border, more exactly hiding of goods which are subject of clearing through customs.

Preventing and detecting of criminal offences of smuggling is within the competence of the Ministry of Interior, Directorate for Combating Crime. However, as smuggling is a criminal offence which characterizes organized crime and stimulates corruption behaviour, investigation is performed in cooperation with the Directorate of Customs.

❖ *Terrorism*

By the Criminal Code of the Republic of Montenegro, in Article 365 – terrorism, 447 – international terrorism, 448 – taking of hosts and 449 – financing of terrorism, are sanctioned criminal offences of terrorism so Montenegrin Criminal Judiciary is harmonized with European Convention on Combating Terrorism (7 December 2001) as well as with the Convention of UN on Financing Combating of Terrorism from 1999 (mentioned Convention was ratified by the Assembly of the Federal Republic of Yugoslavia in December 2002).Regulating of these Criminal Offences in the Criminal Legislation, is the expression of Montenegro with other States in combating of this dangerous phenomenon and conviction that International Terrorism is not territorially limited and that it endangers the security of each country. It is especially significant, sanctioning of the Criminal Offence – Financing of Terrorism (Article 449) according to which is regulated that person who provides and collects financial means intended for committing of the criminal offence of financing terrorism and taking hostages, will be punished by imprisonment from one to ten years. The aim of such sanctioning is in the function of fighting against terrorism.

No matter the fact that criminal offences of terrorism has not existed in it, so far, Montenegro follows the dynamic development and adopting of Regulations in the EU within the field of fighting against terrorism, as it is a Frame Decision on Fighting against Terrorism from 13 June 2002.

Fighting against financing terrorism implicates involving of the whole Group of International Organizations led by UN. Because of this, UN Convention on Combating Financing of Terrorism is especially relevant, because it defines the regime in fighting against financing terrorism and defines three obligations of the Member States:

- introducing of the criminal part of financing terrorism into criminal legislation,
- intensifying of the cooperation with other States Signatories with providing of legal assistance, and
- defining of special requirements for financial institutions which will deal with the detection and informing regarding financing of the terrorist acts.

Nine separate Recommendations adopted by the Working Group for Money Laundry (FATF) make very important International Prevention and Fighting against Financing Terrorism Standards. Legislations with

global system for fighting against money laundry (AML) are with quite facilitated task in the procedure of implementation. Although money laundry and financing of terrorism represent two different criminal offences, global AML-mechanism represents the key element in fighting against this type of crime.

However, within the frame of global fighting against international terrorism, it is necessary to join to other International Conventions which define this area, for which, according to the Joint Opinion of the EC on fighting against terrorism 2001/930 obliged to become Signatory Parties. Such is, for example, UN Convention on Combating Bombs terrorists Attacks, from 1997.

In fighting against financing terrorism, is important support from other relevant institutions, like UNDOK, OSCE, FATF, EAPC/IP and Interpol. Exchange of information, share of work and cooperation among relevant Institutional Organizations could make this fighting even more effective. Beside cooperation on global basis are also equally important efforts for intensifying of the regional and bilateral cooperation.

In order to achieve these aims, it is especially important the training of Police experts, Judges and Prosecutors in implementing of the Legislation, available technology and infrastructure. The lack of resources, especially experts for offering of technical assistance, requires the effective coordination among all subjects.

Financing of terrorism is trans-national phenomenon, from which comes out the need for strengthened collaboration on the National and International level. Just these reasons were determining to make changes and amendments of the Law on Preventing Money Laundry.

❖ *Money Laundry*

Aiming, as effective as possible implementing of this Law, based upon Regulation on Amendments and Supplements of the Regulation on the Organization and Way of Work of the State Administration («Official Gazette of RCG», Nr.67/03), which came into force on the 23 December 2003, established the Directorate for Preventing Money Laundry. In February 2004, was appointed the Director of this Directorate. The Directorate received appropriate office space, necessary informatics and telecommunicating equipment, and basic Act on Organization and Systematization is adopted, in such a way established conditions for admission of employees and beginning of work. Also, Rule Book on the way of delivering of information to the Directorate for Preventing of Money Laundry, on transactions whose value exceeds 15.000,00 € and suspicious transactions, is adopted. Regulation on the way of work of Authorized Person, way of implementing of internal control, data keeping and protecting, way of keeping files and qualifying of employees. Program against money, List of indicators of suspicious transactions, confidentiality of information and keeping files and completed Lists of authorized persons at organizations – persons having obligations, are adopted. Agreements on cooperation with Foreign Financial Intelligence Services from Bosnia and Herzegovina, Albania, Croatia, Macedonia, Slovenia, UNMIK – Police and Republic of Serbia, second State Member of the State Union, are signed. Directorate for Preventing of Money Laundry on National Level signed: Agreement on Cooperation with the Ministry of Interior, Agreement on Cooperation with Customs Directorate and Agreement on Cooperation with Tax Directorate. Admission to the International Association of Financial Intelligence Services (EGMONT Group) is also priority task which will be carried out not after July 2005.

By adopting of Law on Preventing of Money Laundry, Criminal Code which in the Article 268, Paragraph 1-6, prescribes the criminal offence of Money Laundry and by adopting of the Law on Supplements and Amendments of the Law on Preventing Money Laundry («Official Gazette RCG», Nr.17/2005), according which, beside others is changed the Title of the Law, which is now titled :Law on Preventing Money Laundry and Financing Terrorism, is established legal basis for fighting against this form of crime and criminal-legal basis for prosecuting of suspected persons. However, one year of implementing of Criminal Code, in this segment showed certain defects of the Article 268, especially in the proceedings of existing of this Criminal Offence. Because of this is initiated the proceedings of its amendment, at the Ministry of Justice of the Republic of Montenegro.

Elaborating of Acts for implementation of Law on Preventing Money Laundry and Financing Terrorism, which came in force, is in progress. By this Acts will be implemented new Regulations of the Law which are regarding preventing of financing of terrorism, as well following of the group of group of those with obligation; Non-Profit, Non-Governmental and Humanitarian-Organizations.

On the field of improving of organizational and technical conditions for the work is final phase of the Software for receiving, processing and keeping of information from those with obligation. Donations for the second phase of the Project, is also expected, more precisely improving and automatization of the system.

Aiming education of employees within State Officials with whom there is cooperation at the field of Law implementation, most of employees of the Directorate for Preventing of Money Laundry, participated at the Workshop on Preventing of Money Laundry for employees at the Prosecution, Police, Courts and FOS, which was organized within the frame of TAIEX.

On the field of internal cooperation, an Agreement with Basic Courts is achieved, on delivering information on certificating Sales Contracts for real-estate sales, aiming more complete following of this field. Also, coordinated activity of the Directorate for Preventing of Money Laundry, Ministry of Interior, Prosecutor's Office and Tax Directorate, is in progress, on the field of complete treatment of real-estate sales, field which is additionally stressed by the 12.Recommendation of FATF (International Organization for the Control and Preventing of Money Laundry).

Directorate for Preventing of Money Laundry, on its Plenary Session in Washington D.C. which was held on 29 June 2005, joined to Egmont Group (International Association of Financial Intelligence Services).

Money laundry as criminal offence with elements of organized crime is sanctioned as criminal offence, by Article 268 of the Criminal Code.

Effective implementation of the law and measures for special control institutions

State Auditor Institution

State Auditor Institution is established according to the «Law on State Auditor Institution» («Official Gazette of RCG, Nr.28/04). Members of the Senate of the State auditor Institution were appointed by the Parliament of the Republic of Montenegro. Training of personnel for work in the State Auditor Institution is in progress.

During year 2005, principal activity, among others, of the State Auditor Institution, will be audit of the Final Balance of the Budget of the Republic of Montenegro for 2004.

Council for Privatization is Body which is competent for managing with privatization process in Montenegro according to the Law on Privatization.

At the beginning of each year, Council for Privatization proposes, and Government adopts the Plan of Annual Privatization, as document according which the privatization procedure goes. A Council, through Boards for separate forms of privatization, implements a plan of privatization by respecting the principles of legality and transparency. In previous privatization proceedings, a big part of social property is privatized, and privatization of Combinat of Aluminium is in progress, after which, 75 % of property in Montenegro will be private property.

In the procedure of privatization of big systems, Council for Privatization and Government of the Republic of Montenegro, according to the Law on Privatization, uses services of Advisers, Renowned World Consulting Houses. In the work of Council for Privatization, participate also representatives of the Trade

Unions of Montenegro which, among others, provides, that information on procedure of privatization are reported on the proper way also to the workers of privatized firms.

Council for Privatization has implemented all decisions of competent Court Officials in disputes in proceedings regarding privatisation procedures, respecting on such a way the principle of legality and legal protection of all participants in the procedure of privatization of economy. Council for Privatization submits to the Government of Montenegro, annual and periodical reports.

Directorate for Preventing of Money Laundry

For detecting and preventing of the mentioned Criminal Offence is competent Directorate for Preventing of Money Laundry.

According to the *Law on Preventing of Money Laundry*, Government of the Republic of Montenegro established the *Directorate for Preventing of Money Laundry* («Official gazette of RCG, Nr.57/03) as an independent and operative investigation official Directorate deals with detecting and preventing of mentioned Criminal Offence.

Commission for Public Procurements

In many countries in transition, open biddings for buying of goods and services, showed themselves to be significant challenge to the corruption. For such a reason, in Montenegro in August 2001 was adopted the *Law on Public Procurements*, based on which were established criteria for the selection of the best bidder, protecting of rights of bidders as well decentralization of procurements. After that, the overall system of following legal acts in this field is completed and established separate Agency- Commission for Public Procurements.

Commission of Establishing of Conflict of Interests

Directorate for Anticorruption Initiative, in cooperation with NGO-s, Civil Sector, International Organizations and Institutions (EC, OSCE, USAID, ABA/CEELI) prepared the text of the *Law on Conflict of Interests*, which was adopted by the Parliament of Montenegro on 27 July 2004. According to this Law, is established the *Commission for Establishing of Conflict of Interests*, and making of legal Acts is in progress, thus will be completed necessary conditions for the effective implementation of the Law.

Preventing of Corruption

Good Governance

Montenegro already adopted many Laws aiming combating of the corruption and organized crime. Nevertheless, in adopting of new or amending of the existing legislation, it is necessary to bear in mind the need for providing of mechanisms for combating of corruption, especially in the areas with high level of risk for its originating.

Regarding this, solutions which regulate the issue of conflict of interest in the actual Law should have to be improved aiming the best harmonization with the European Standards by the prohibition of conflict of interests must be given substantial and independent importance in such away to define precise principles, rules, institutions and sanctions for their violation. Activities in drafting of this Law are in progress.

Amendments in the political system must reduce the areas in which private and group interests endanger the common interest. Beside of the fact that personal incomes and expenses of the bearers of public political functions should be made accessible, it is also necessary to establish and legalize the forms of lobbying and financing of Political parties.

Changes in the Economic System must encourage the privatization of the State Property because centralized governance and unclear structure of property stimulate misuses. Legal solutions, in this and other areas, mean systematic including of measures for disabling of the corruption.

System of issuing of licences, costs and taxes, concessions and all cases in which exists the discretionary right towards economy, increase the risks of obstinacy and abuse. Deregulation and understanding that everything that is not prohibited should be considered as allowed in the economy and private business is not the requirement of the political philosophy or legal principle, but practical measure. Limiting of such activities, not only onto those fields where they are necessary will be provided through the transparency of the institutions which issue permits and licences. They must be responsible in front of the public for their actions. In such sense, it is necessary to completely stop issuing of licences which are not established by the Law.

Within the field of trade, is defined the adhering of Montenegro to fulfilling of obligations taken over in relation to the EU and World Trade Organization, and within the finance consistent observing of the obligations regarding membership in the IMF.

Improving of financial and fiscal control is also priority. This can be reached through higher level of responsibility of all subjects within the field of finances and fiscal policy.

Strengthening of the specialized control over money laundry is also necessary, including cooperation with EU and its Member Countries.

Practical implementation of the Law on Public Procurements, which is in force since 2001, showed several defects. Aiming this, the priority is to harmonize with European Standards the Legislation and practice from the field of Public Procurements in order to improve the control over implementation of Legal Regulations in this field.

Usual measure for encouraging of responsibility is accomplished through the decentralization of power, in other words through the horizontal and vertical share of power. The negative balance of centralization and limiting and dying of the local self-governance make decentralization and reform of Public Administration, priority. Although, the speed of the reform is defined by financial and other capabilities, definite determination is encouraging of decentralization and bringing of the Administration closer to citizens, which is already accomplished to the highest possible extent by adopting of the Law on Local Self-Government and Law on State Administration.

Strategy and determination of the Government of the Republic of Montenegro is that it is necessary to broaden the competence of local Self – Governance that means that simultaneously is getting stronger the need for the measures against abuses and corruption. Aiming this, it is necessary to strengthen the local control and responsibility, by opening towards public, dynamizing of the local political scene, clearer organization of the local power, as well as by strengthening of the political and disciplinary responsibility of local employees and establishing of program for fighting against corruption which is adopted to local conditions.

Establishing of the modern legal frame for administrative activities and public services will be provided the instruments for combating and preventing of corruption through legal mechanisms and institutional measures. Reforms mean management and organizational development, precise legal solutions regarding mutual relationship of the Government and Private Sector and citizens.

Transparency will increase the control of Public Sector over activities of State Apparatus. In such sense, it is necessary to establish separate Services for Informing within Governmental Agencies which would deal with complaints of citizens and inform them on results. Each of the Institutions should have to define Internal Regulations and Procedures for acting according to citizens' complaints which are based upon

existing Regulations. Transparency should be achieved by developing of mechanisms of responsibility and public informing regarding activities of the Institutions and on such a way to enable access to independent media, professional and other NGO-s, bearing in mind their activities.

Partial transfer of competences of the State Administration onto Private Sector would impact establishing of the concrete market that will release organizational and human capacities which will perform control functions. Private Sector which provides administrative services, will receive not only economic encouraging, but it would be established as responsible Sector on the Market of Public Services. Implementation of administrative decentralization will limit the possibilities and conditions for corruption and organized crime.

In future, perceive the possibility to give more competences to existing institutional forms (Police, Prosecutor's Office and other Agencies) in fighting against corruption, as it is usual in other countries.

By improving of methods, way of functioning and behaviour of Public Administration for offering of administrative services to public is also priority task that can be carried out on the next way:

- training of civil servants on all levels and defining of clear directives and code of behaviour;
- by establishing of the obligation that civil servants and employees submit reports on their incomes and property status, including members of their families(also introducing of the same obligation for Parliament members. Ministry of Interior, Finance Police, Directorate for Anticorruption Initiative are authorized to request and check such information;
- by following of giving and receiving of gifts to the Officials and employees through strengthening of the System of Internal Control;
- introducing of Public Register which should provide the transparency of financial and property status of high Public Officials;
- legal prohibition of membership of Public Officials into Managing Boards of Companies, in order to provide independence in making decisions.
- Increasing of salaries of Officials in combination with sustainable control and mechanisms of estimation will improve their motivation and social status.

Respecting of human rights, especially the right on information, privacy and freedom of expression, is significant for preventing of corruption. Increasing of efficiency of Judiciary System is condition for protecting of human and other rights and combating corruption. For such reason, it is necessary to adopt as soon as possible the Law on Data Protection and Personality and Law on Free Access to the Information.

Judiciary

Control of Court Power

Courts are independent, and Judge performs his/her function based upon Constitution and Law.

According to the Law on Courts («Official Gazette of RCG», Nr.5/2002), is defined that Court Council establishes the proposal on releasing of Judges and carries out the procedure for establishing of responsibility of responsibility of Judges for unscrupulous work and reputation of Judge's function.

Court Council consists of the President and 10 members which include President of the Supreme Court which is according to his position President of the Court Council, and Parliament appoints the rest of members, namely: two from the group of Judges, two from the group of Professors from the Faculty of Law and two of respected legal experts, that means that within the Court Council there are no representatives of legal and executive power.

In the case of negligent performing and violation of judge's function, judge is subject of disciplinary responsibility and against him/her can be pronounced disciplinary punishment, summons or reducing of salary up to 20% during six months period Proposal for establishing of responsibility of the Judge may be submitted to the Court Council by: President of the Court, President of the next higher instance Court. Proceedings are managed by the Disciplinary Council of the Court Council, composed exclusively by Judges.

Ministry of Justice supervises performing of affairs of Directorate on Court, while it can not undertake actions which can exert influence onto deciding of the Court about Court Cases. Ministry of Justice, through its competent employee supervises : organization of the work in Courts in according to the Court Operating Procedure, acting according requests and complaints, work of the Administrative Office within the segment regarding Court Administration, work of Office and Archive; payment of fines, costs of criminal proceedings and confiscated property benefits; acting according deposits, business bookkeeping for material and business affairs with clients and keeping of appropriate files.

Appointing and releasing

Judges, Judges – Porors and President of the Court appoint and release the Parliament of the Republic of Montenegro. Proposal for appointing, releasing and ceasing of the function of Judges and Judges – Porors establishes Court Council, as separate Experts Body. The procedure of electing of Judges and President of the Court now goes through placing an add into newspapers.

The Judge's function ceases if he/she requests it, when he fulfils conditions for accomplishing of the right onto old-age pension and if he/she is sentenced onto unconditional punishment of imprisonment. Judge will be released if he/she is sentenced for the offence which makes him/her unworthy of performing Judge's function or if he/she performs Judge's function on inexpert or unscrupulous way or if he/she permanently loses capacity for performing of Judge's function (Article 103 of the Constitution of RCG).

Initiative for releasing of Judge will be delivered to the Court Council which decides on it within the 30 days period. By to new legal solutions (Law on Courts), are provided legal means for responsible and competent performing of the Judge's function.

In the future period, it is necessary to undertake measures , in order to replace the lack of experience and skills which are frequently reason for negative results in functioning of the Judiciary System, by special programs for promoting of certain kind of professional and personal behaviour for Judges in accordance wit social significance of their profession.

According to Law Amendments, Centre for Training of Judges, should have to continue the continual training of Judges, while still stressing the field of corruption and organized crime in the training Program.

Code of Ethics

Elaborate and implement the Code of Ethics of Judges.

Special measures of internal control aiming preventing of the corruption in Judiciary

Lack of experience in transition process and three years of sanction unavoidably influenced onto stability of institutions. In that sense, it is necessary to establish concrete goals: condition for more openness and transparency and faster implementation of justice; establish mechanisms of internal control for preventing of abuse; and establish system based upon which will be improved expertise of employees from Courts.

It is necessary to develop and implement up to date computer systems which will enable effective and reliable treatment of cases, fast and easy access to the information which is within their interest (Judiciary Information System).

In all this it is necessary to consider practical devices, or in other words establish the mechanism for preventing of corruption in all fields, and also towards Courts.

Primarily it is necessary to perceive the possibilities for improving of the material status of Judges.

It is necessary to establish the Register of Annual Incomes and property of those working in Judiciary, perceive the possibility for establishing of separate Commission with temporary mandate which would investigate the cases of corruption. Commission should have to be appointed by the Superior Court, in such a way that Commission is independent and autonomous in its work. Also, it is necessary to improve the internal control within the Judiciary System through open discussions on behaviour of some Judges and up date the procedures of personnel selection which would allow combating of eventual phenomenon of corruption, likewise professional performing of Judge's profession.

Prosecutor's Office

State Prosecutor is independent and autonomous in performing his/her function. The work of State Prosecutor is public. State Prosecutor submits Report of his work to the Parliament of RCG, and at the request of the Parliament is obliged to submit separate Report on Crime Status.

Appointing and releasing

Supreme, Superior and Basic State Prosecutor like their Deputies appoint and releases, the Parliament of the Republic of Montenegro. This certainly means higher level of independency autonomously of the State Prosecutor towards Executive Power. Because of this, Proposal for appointing, releasing and ceasing of the function of the Supreme, Superior and Basic State Prosecutor and their Deputies, establishes the Prosecutors Council, as Separate Experts Body. It is particularly important, that procedure of establishing of the proposal for appointing goes based upon public advertising.

Based upon the Law on Public Prosecutor are established functions of the Prosecutors Council, as Institution which significantly influences the organization, work and acting of the State Prosecutor, with significant mandate and capacities of competences and obligations, especially regarding personnel potential and personal composition of the State Prosecutors as institution, their responsibility, professional receiving of advanced training, training and education and providing of separate financial means for the work of State Prosecutor. Prosecutors Council is composed by ten State Prosecutors and deputies, and one of professors of the Faculty of Law in Podgorica, one of eminent Lawyers in Podgorica, and proposal of Protector of Human Rights and Freedoms (Ombudsman) and one Representative of the Ministry of Justice. According to his/her position, Supreme Prosecutor takes the position of the President of Prosecutors Council, that is natural, bearing in mind his/her responsibility for performing of duties within the competence of the State Prosecutor and obligation to take measures and actions for their effective performing. Bearing in mind the relevant character of Subjects whose Representatives make Prosecutors Council, that establishing of competences will be provided in full capacity.

Disciplinary responsibility of the State Prosecutor or Deputy establishes and manages the Proceedings the Prosecutors Council which can pronounce disciplinary punishment, summons or reducing of salary up to 20% during six months period. Basis for the disciplinary responsibility is slovenly performing of Prosecutor's function, and it exists when State Prosecutor or Deputy without excused reason does not take into treatment received working cases according to the sequence of their receiving; without excused reason refuses performing of works and tasks confided to him/her; misses or is late to agreed hearings or proceedings confided to him/her to work; in other cases when this Law proscribes that certain actions or missing represent slovenly performing of works.

Function ceases to the State prosecutor or Deputy upon expiration of mandate, resignation, fulfilling of conditions for the old-age pension, cessation of citizenship, membership in the Political Party, performing

of Representative (Parliament) or other Public function or professional activity incompatible with Prosecutor's function or if him/her is sentenced by unconditional punishment of imprisonment.

State Prosecutor or Deputy will be released from duty if : he or she is sentenced for the Criminal Offence which makes him/her unworthy for performing of the Prosecutor's function; performs the Prosecutors function on inexpert or dishonest way; permanently loses capability to perform the function; does not achieve satisfying results in managing with tasks which mean accomplishing of the State Prosecutor's function and if he/she does not start the proceeding of releasing or disciplinary responsibility of the State Prosecutor or Deputy when he/she is authorized for this, and he/she knows or had to know about existing of reasons for releasing.

Code of Ethics

Elaborate and implement the Code of Ethics of Prosecutors.

Special measures aiming preventing of corruption in Judiciary.

Special measures aiming preventing of corruption in Judiciary are identical to the measures which should be undertaken in the Courts.

Police and other officials of detection

Surveillance

In order to ensure legality, respecting of ethic and other human principles and rules, control is unique instrument. According to the Law on Police are proscribed certain solution regarding internal and external control- on the State Level. According to Recommendations of OSCE (December 2002) is standard are anticipated three forms of control, namely: Parliamentary, Civil and Internal.

Law anticipates developed structure of responsibility of the Police to the different, independent, authorities of democratic State, namely legal, executive and juridical authority.

External control over legality of the Police work executes Parliament of the Republic of Montenegro through competent Body, whose competence and organization defines Parliament by the Act. This form of external control is defined according to the European Standards.

Beside external control, according to this Law is also established civil control, through the Council for Civil Control of the Police. Competences of mentioned Council are to estimate the implementation of Police authorities, in order to protect human rights and freedoms. Parliament of the Republic of Montenegro confirms appointment of members of the Council and establishes it. Citizens and Police officers can turn to the Council that will contribute establishing of higher level of cooperation and trust between the Public Sector and Police.

Code of Ethics

Code of Ethics of the Police is elaborated. Priority is to intensify activities for its adopting, because that will not only mean contributing to the legality of work of the Police officers but also increasing of the level of responsibility.

Police should be based upon clear democratic principles to support power of Law and to be responsible to the Public to which it serves. Aiming this, according to the Law on Police is proscribed that Police has got the Code of Police Ethics. Code represents the set of ethic principles in acting of Police officers and is

based upon norms of International and Internal law implemented in all security situations. In such a way, first time after 1907, is established the set of ethic principles of the Montenegrin Police.

According to the Strategy of Administrative Reform of Montenegro 2002 – 2009, which Government of RCG adopted in March 2003, are adopted new legal Regulations and Acts, among them also Regulation on the way of work of the State Administration («Official gazette of RCG», Nr.54/04).

According to the Regulation on the Way of Functioning of State Administration, is established Directorate for Anticorruption Initiative which performs affairs regarding:

- propaganda-preventive acting aiming combating corruption,
- proposing to the Government concluding and implementing of European and other International Standards and instruments from the field of anticorruption initiative;
- improving of transparency of business operations;
- performing of other affairs which are resulting from the membership in Stability Pact for SE Europe and other International Organizations and Institutions;
- other affairs as defined according to its competence.

Supervision over legality and suitability of the work of Directorate performs Ministry of Finances.

After admission into Council of Europe, in April 2003 and acquiring of full membership in GRECO (Group of Countries of SE for fighting Against Corruption), Directorate actively participates in the work of this Agency and undertakes activities aiming implementation of Recommendations of SE for Effective prevention and fighting against corruption.

In accordance with competences defined by the Regulation on Establishing, as so far Directorate will continue to perform activities resulting from the membership of Montenegro in the Anticorruption Initiative of the Stability Pact (SPAI), Council of Europe and other International and Regional Organizations and Institutions from this field.

Public finances

Public procurements (Law and Agency for control)

All public procurements in Montenegro are performed according to the *Law on public procurements* (Official gazette of RCG, Nr.40/2001). After adopting of Law was carried out the training of Government employees for its implementation. After training, employees acquired the title *Employee for Public Procurements* and authorized to implement the Law.

Central Agency for implementation of the Law is «*Commission for Public Procurements*» whose members appointed Parliament of the Republic of Montenegro». Commission is obliged to submit Periodical Reports to the Parliament and Government on public procurements.

Based upon previous practice in implementing of Law is decided to start its amendments and supplements. With that task is appointed the Commission which is involved in making of Draft for amendments and supplements, and their adoption is expected not after first quarter 2005.

Amendments and supplements started bearing in mind positions of businessmen, who estimated that the Law increased level of transparency, but also that implementation of procedures defined by it were expensive, took much time and because of it, the scope of procurements was reduced, and thus the scope of investments.

Public funds (pension and others)

Financing of Public funds (Fund PIO –Pension Insurance and Health Care Fund)is , is done in Montenegro partly through the transfers of the Republic and partly from direct incomes. Control over work performs Government of RCG, and each year is also performed audit of final balance by independent Audit Institutions.

In the policy of financing of Public funds, reforms are in progress which at least, should result in economic self – sustainability of funds with such level of transfer which is usual for developed countries.

Treasury system (transparency of budget)

In August 2001, Parliament of the Republic of Montenegro adopted the Law on Budget, based upon which, among others, is established the State treasury, that means the system of overall transparency and monitoring of Public Finances.

All beneficiaries of Budget are classified into Consumers Units ad deliver orders for payment to Treasury, which carries out payments from unique account.

In implementing of Treasury System, a big role plays the System for Computer Data Processing (SAP) which allows permanent following of payments and from single place.

Final Balance of Budget adopts Parliament of the Republic of Montenegro, and before that, it goes through the audit, which so far has been performed by independent auditors from the eminent Audit Institutions. Since adopting of the «Law on Central Audit Institution» that Institution is with exclusive right and obligation to perform audit of the Final Balance of the Budget of the Republic.

In the procedure of adopting of Budget of the Republic of Montenegro, and also during its implementation, International Financial Institutions (IMF) has permanent insight.

Public Firms (supervision and financial control)

Managing of Public Firms carries out in accordance with adopted Budget of the Republic, and control is performed in accordance with Law on Economic Companies and other actual Regulations. All Public Companies submit Annual and Periodical reports on their work to the Government.

Private Sector

It is necessary to speed up the process of privatization and aiming this to the maximal possible level pay attention to corruption. Also, it is necessary to improve procedures aiming transparency of conditions under which State sells proper, that would help to make clear the intentions and obligations of buyer..

Transformation of State property and market economy goes within the model of economic regulation, established by the Law.

Aiming liberalization of the conditions for development of the private sector it is necessary to finalize institutional and legal frame for development of private business and progressively eliminate all existing obstacles to the free entrepreneurship. In order to achieve this, it is necessary to lower the level of Government's interventions to acceptable limits and complete process of economical reforms during transition to Market Economy.

Priorities are:

- Building of market infrastructure with stress onto development of organized market
- Gradual transition from economical activity which requires permits and licences into the system of registration

- Liberalization of external commerce and giving of Government's subventions, taxes and loan stimulus;
- Assigning of control functions to professional and business associations based on the Code of Conduct
- Amendment of legal solutions within the area of business activities in order to stimulate economical development.

Limiting of the corruption in financial and business relationship within the frame of Private Sector is also important task. Corruption appears not only in the areas of mixing of the State and private interests and global practice, but it is most characteristic in the relationships among private companies. Private Companies without Majority Owner are especially risk category.

Because of this, it is necessary to prevent bad financial and business relationships under the influence of corruption practice and behaviour.

Priorities are:

- Limiting of the corruption in Private sector through consistent economic reforms which will facilitate free competition and private entrepreneurship.
- Establishing of effective legal frame for development of business.
- Revision of tax Laws in order to harmonize the concept of financial status with Legislation of EU.

Participation of Public, Civil Sector and Media

Public Education

The key goal in change of public understanding of corruption is to develop impetus for positive change of citizens' awareness and resistance towards organized crime and corruption. Stronger public resistance towards corruption implies existing of awareness about this phenomenon, its substance and the way it functions, as well as consequences for single persons, and society as totality. The non-tolerance towards the phenomenon of corruption is a result of stronger and stronger requests from Public for respecting of principles of transparency and responsibility of the Administration as well as building of new moral standards in Public Society.

The fact is that citizens of Montenegro frequently show the lack of awareness on their rights and obligations with interaction with the State and Municipal Administrations. A number of services, which are according to Law free of charge and to which, citizens are entitled, in substance they pay not only because of corrupted employees, but also because clients do not dispose with enough information. In is not needed only the global awareness but also concrete information on conditions under which, certain services are offered to the users.

Campaign for fighting against corruption and organized crime, must be organized at the National level by using mass media and on the long-term basis. Public anti-corruption campaign is a tool of education and mobilisation of Public in order to fulfil its role, in which research journalism is a device of thorough public pole.

Public awareness consequently, should be developed by the systematic campaigns, by explaining the damage from the corruption for all and imposing of strong ethics criticism of such practice, and any, at least verbal relativization of the corruption.

Public should not be only the receiver of anticorruption messages. It is necessary to organize training through media and in schools, on how to use Legal Regulations in public informing. Based upon Regional indicators, Public Informing should be informed for searching of documents, Budget, public-political and business plans, which is instrument for pressure onto Public Institutions in order to achieve transparency and responsibility.

Citizens, journalists, NGO and other members of Civil Sector will benefit from this training. Active approach to the public education will contribute to better political responsibility and prompt reacting of Public Institutions on public needs. Such an approach will enable the more active role of public and civil society in the Strategy of Fighting against Corruption.

NGO Sector

Strategy and Action Plan for Fighting against Corruption start from the higher level of involving of Public and Civil Society. Competent Ministries and Agencies and especially Directorate for Anticorruption Initiative and Directorate for Preventing of Money Laundry, have got unique role in the implementation of Anti-corruption Plan. But, it is enormously important to involve NGO-s, Independent Experts and representatives of Private Sector, into establishing of primarily issues policy of decentralization, managing with public campaigns and education, research and analysis of the corruption in different sectors, aiming establishing of integrated anti-corruption Institutional structure.

The actual legal solutions mostly take into account such requirements but this is not valid in practice. It is necessary, to develop the new rules of openness and accessibility of data from public interest, prepare legal amendments on public informing and protection of privacy and improve the practice of clarity of all data.

Civil Society is still not capable to perform the control over Public Administration, Political Institutions and Judiciary. Previous activities of NGO Sector mainly were not in function of establishing of the real criticism control aiming preventing of abuses. Therefore, it is necessary to develop the mechanisms of permanent and effective control over Governmental structures which should be based upon clearly defined Čegal Regulations for the dialogue and interaction between Civil Society and Public Administration that is condition for the protection of democratic rights of citizens and their right onto access to information. Beside this, civil control should contribute bringing citizens into the same level with Power in their joint cooperation.

Development, implementation and appropriate instutualization of the System of Public Control over corruption is key condition for effective impact onto Administration, Political Organizations and Judiciary.

Such level means:

- intensifying of the process of participation of citizens in public discussions on Legal Projects and providing of data and analysis to decision makers regarding the risk of corruption phenomenon;
- mobilising of resources of Civil Society in identifying, monitoring and controlling of the corruption practice and factors which are condition for their originating ;
- monitoring and estimation of the effects of anti-corruption political decisions;
- promoting of higher transparency and stimulating of more active applying of citizens' rights and involving of Civil Society into the control of Public Administration;
- establishing of civil representing in the State Institutions (to Representatives of NGO should be guaranteed free access to State Institutions, except if that is regarding the issue of National Security);
- increase the capacities of NGO to perform civil control over activities of the Public Administration, through appropriate training and education;
- elaborate and publish results of public opinions polls about corruption
- intensify collaboration among NGO-s aiming combating of corruption and establishing of cooperation relationship between Civil Society and State Institutions.

Media

Corruption can not be defeated, without appropriate support from Public. Media's treatment of cases of corruption is strong and unavoidable factor for diffused combating of this phenomenon. Beside Non-

Governmental Sector and Civil Sector also media have key role in better perceiving and understanding of the corruption, as negative social phenomenon.

Media must provide realization of free and unbiased flow of information, considering the fact that they deal with corruption, as multi-stratum and sensitive topic, it is necessary to treat on fully impartial way, by using objective principles of the research journalism.

Mass media are the most significant instrument for articulating of public interest. Organized efforts of Media and Institutions of Civil Society for fighting of spread corruption and crime, do not still exist, so imperative is coordination of the anti-corruption activities, Professional Activities and Associations, Journalists and NGO-s.

Establishing of transparency in media and journalism, by explaining of methods and phenomenon forms of corruption and organized crime, may significantly contribute. Adopting of anti-corruption regulations in journalists profession and publishing of such regulations may also establish necessary conditions for more effective participation of independent media in the Anti-Corruption Campaign. Improved cooperation and coordination of efforts of media will probably result in stronger pressure of Public onto combating of the corruption practice in all fields of Public Life.

It is necessary to define giving of special recognitions to journalists who significantly contributed to fighting against corruption in the journalist-research work. On one hand, establishing of such recognition is motivated by great influence of Public onto partial journalists' research. On other hand, it is necessary to motivate and award journalists who took over a very risky job. Media coverage, authority of Jury and way of awarding are of key importance in order that Award acquires high social status. Into Jury need to be included leading Journalists and eminent Public personalities, members of the parliamentary Political parties as well representatives of Business.

Organizing of courses for young journalists about corruption problems and fighting against corruption practice could be good support and directive based upon which, considering the fact that they are only at the beginning of their professional career, they could resist to the pressure of corruption.

Following by media needs to include media coverage of all anti-corruption initiatives and activities of the Civil Society intended fighting against corruption. With the assistance of concrete techniques, it is possible to perform estimation of the influence of media environment onto Public Opinion of different social groups.

In future period, it is necessary to widen the cooperation of competent State Agencies with media, by established modalities, in order to improve the social reaction, together with Non Governmental Sector and Civil Society, towards the phenomenon of corruption, facilitate its detection and point out extremely harmful consequences.

The role of Parliament

Beside higher participation of Civil Society and other Nongovernmental actors, the role of the Parliament of Montenegro is crucial in achieving of goal of democratization of the society and more political responsibility. The Parliament, of democratically elected and public Representatives, must also be involved into monitoring and evaluation of undertaken measures and achieved results. Thus will be provided that defining of the anti-corruption policy and its implementation be in accordance with democratically established principles, that will result in higher political responsibility. According to this, it is necessary to establish a separate Working Group of the Parliament of Montenegro which should closely cooperate with the Agency for Anti-Corruption Initiative and appropriate Ministries in justifying and monitoring of Anti-Corruption Reforms.

6.1.7 Strategy Monitoring and Implementation

It is necessary, not only to seriously understand the risks and dangers of organized crime and corruption, but to take as main direction of acting against corruption and organized crime, towards top of the Power and most responsible persons. It is necessary to balance the penal measures, with activities of rising of level of awareness, educational measures, mobilization of citizens, NGO-s, political subjects and all those who can contribute combating of the corruption and organized crime.

These facts impose the need for establishing of the unique Agency which will manage the realization of the Program.

The leading role in the realization of Program which means performing of tasks: organization and coordination, synchronization of activities at the territory of whole Republic of Montenegro, managing with all means provided for the implementation of Program, establishing of priorities, dynamics and terms of realization and estimations of achieved results, will have separately established inter-group team (Commission of the Government of RCG). Composition, mandate of the Commission and implementation of concrete tasks will be defined by the Act of the Government of the Republic of Montenegro. After Government of the Republic of Montenegro adopts Program for combating of corruption and organized crime, will follow:

- activities regarding printing of Program and its distribution to relevant Ministries, Institutions and International Organizations.
- public promoting of Program through the media;
- establishing of the Commission for monitoring and following of the realization of the Program, and
- elaboration of separate Action Plans key members of the Commission for Monitoring and monitoring of Program.

Program is written, in such a way that it is adapted to the requirements of potential International Donors. For such a reason it may be nominated on some of next Donors conferences, like also International Organizations which have mandate for acting in preventing and combating of the corruption and organized crime.

Providing of necessary means is possible to anticipate from next sources:

- Budget of the Government of RCG;
- International Financial Organizations and Donors.

For the communication with International Donors and Financial Institutions, it is necessary to translate Program into English language and prepare it for the Internet Presentation.

ABBREVIATIONS

CARDS	- Assistance to Communities for Regional Development and Stability
CNB	- Central National Bureau
EU	- European Union
GMC	- Multidisciplinary Group for Fighting Against Corruption
GRECO	- Group of Countries for Fighting Against Corruption
JHA	- National Standards within the field of Judiciary and Internal Affairs
KZ	- Criminal Code
MMF	- International Monetary Fond
MUP	- Ministry of Interior
NVO	- Non-Governmental Organizations

OCTPUS	- Program of Technical Cooperation of EC in fighting against Organized Crime and Corruption
OEBS/OSCE	- Organization for Security and Cooperation in Europe
OECD	- Organization for Economical Cooperation and Development
OUN	- Organization of United Nations
PACO	- Program for Fighting against Corruption and Organized Crime
RCG	- Republic of Montenegro
SAD	- United States of America
SAP	- Process of Stabilization and Association
SCG	- Serbia and Montenegro
SFRJ	- Socialist Federal Republic of Yugoslavia
SPAI	- Stability Pact Initiative for Fighting Against Corruption
SPOC	- Stability Pact Initiative for Fighting Against Organized Crime
SRJ	- Federal Republic of Yugoslavia
UN	- United Nations
USAID	- USA Organization for Development
UNHCR	- UN High Commissariat for Refugees
ZKP	- Law on Criminal Proceeding
NAP	- National Action Plan

6.2 ACTION PLAN (2006 -2008)

Legal framework	The Government of the Republic of Montenegro adopted at its session held on 28 th July 2005 the Programme of the fight against corruption and organized crime . The Government authorized the Ministry of Interior to form the Commission for the drafting of the Action Plan (Matrix) for the implementation of the Programme (Decision of the Minister of Interior, number 011/05-49127/2, of 13 th December 2005).
Document description	<p>The Action plan renders operational the priorities established in the Programme of the fight against corruption and organized crime in such a way that concrete measures and activities of line ministries, administration bodies and institutions competent for the prevention and suppression of corruption and organized crime are determined.</p> <p>The Action plan determines terms, i.e. dynamics of obligation discharge, indicators for measuring success and possible risk factors.</p> <p>With the implementation of the Action plan the Decisions of the European Union Council are respected on principles, priorities and conditions contained in European partnership (24th January 2006), UN Convention on trans-national organized crime (Palermo, UNTOC convention), the requirements related to the implementation of the UN Convention against corruption (came into effect on 19th January 2006), the European convention on the protection of human rights and fundamental freedoms and other obligations that result from the membership of the Republic of Montenegro in the international organizations and institutions.</p>
Document status	Draft
Version date	13 th April 2006
Beneficiaries	Members of the Commission for the drafting of the Action plan for the implementation of the Programme of the fight against corruption and organized crime Minister of the Interior of the Republic of Montenegro

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budget	External/Donations
POLITICAL AND INTERNATIONAL OBLIGATION TO ACT								
1	Building of horizontal and vertical networks and associations with the objective of joint action of political parties and leaders, agencies, public and civil society and other non-state actors <i>Fulfilling the obligations from the European partnership (Decision of the Council of Ministers of the EU on the principles, priorities and conditions in European partnership)</i>	Resolution on the fight against corruption and organized crime	Parliament of the Republic of Montenegro	6 months as of the day of adoption of the Action plan	Adoption of the Resolution Level of the achieved agreement	Possible extension of deadlines due to the adoption of the new constitution, elections	No expenses	-
		Election of a Parliamentary body for the monitoring of the implementation of the Resolution	Parliament of the Republic of Montenegro	30 days as of the day of adoption of the Resolution	Establishing the commission/committee Number of members from various political parties, number of members from the NGO sector Number of meetings of the Parliamentary body Number of decisions passed with consensus	Possible extension of deadlines due to the adoption of the new constitution, elections	Budget of the Parliament	-
		Establishing of the national commission for the monitoring of the Programme and the implementation of the Action Plan	Government of the Republic of Montenegro	30 days as of the day of adoption of the Action Plan	Established National commission 1) Drafted the Rule book on the work	No risk	-	-

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budget	External/Donations
	Area -“Judiciary and internal affairs”, short-term priorities, Fight against organized crime	<ol style="list-style-type: none"> 1) Drafting of the Rule book on the work of the National commission (description and operation rules) for the monitoring of the Programme and implementation of the Action plan 2) Drafting the monitoring of the plan 3) Submittal of monthly reports on the implementation of the Action plan 	<ol style="list-style-type: none"> 1) National commission for the monitoring of the Programme and implementation of the Action Plan 2) National commission for the monitoring of the programme and implementation of the Action plan 3) All competent bodies 	<ol style="list-style-type: none"> 1) 30 days as of the day of the establishing of the National commission 2) 60 days as of the day of the establishing of the National commission 3) Permanent 	<ol style="list-style-type: none"> 1) of the National commission 2) Drafted the monitoring plan 3) Number of submitted reports in relation to the number of competent bodies 			
2	Intensification of already initiated, realization of general reforms of legal and financial system Fulfilling the obligations from the European partnership (Decision of the Council of Ministers of the EU on the principles,	<p>Determining and adopting the laws directly relevant for the fight against corruption and organized crime:</p> <ol style="list-style-type: none"> 1) Changes and amendments of the Penal Code (especially in the domain of the introduction of the institute of expanded confiscation) and the Law on criminal procedure 2) The Law on the responsibility of legal entities for criminal acts 3) The Law on rendering international legal assistance in criminal 	Government of the Republic of Montenegro, and line Ministries, Parliament of the Republic of Montenegro	<ol style="list-style-type: none"> 1) 2006 2) 2006 3) 2007 	Adoption of the Laws	<p>Readiness of the Government to make draft laws;</p> <p>Extension of deadlines for the adoption in the parliament, due to the adoption of the new constitution and elections</p> <p>1), 2), No risk</p> <p>3) No risk</p>		

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budg et	Exter nal/D onatio ns
	priorities and conditions in the European partnership) Area -"Democracy and rule of law", "Judiciary and internal affairs", "Economic situation", "Internal market", "Sectoral policies"	<p>matters</p> <p>4) The Law on national DNA register</p> <p>5) The Law on changes and amendments of the Law on the conflict of interests</p> <p>6) The Law on changes and amendments of the Law on the prevention of money laundering and financing terrorism</p> <p>7) Law on judges' wages</p> <p>8) Law on state prosecutors' wages</p> <p>9) Law on changes and amendments of the Law on wages and other incomes of state officials</p> <p>10) Law on public procurement</p> <p>11) Law on the protection of persons who report corruption</p> <p>12) Changes and amendments of tax laws</p> <p>13) Law on changes and amendments of the Law on financing political parties</p> <p>14) Law on lobbying</p> <p>15) Law on changes and amendments of the Law on banks (in relation to the obligation of control of the origin of the paid cash)</p>		<p>4) 2007-2008</p> <p>5) 2007</p> <p>6) 2006</p> <p>7) 2007</p> <p>8) 2007</p> <p>9) 2007.</p> <p>10) 2006.</p> <p>11) 2007-2008.</p> <p>12) 2007.</p>		<p>4) No risk</p> <p>5) No risk</p> <p>6) No risk</p> <p>7) Budgetary means</p> <p>8) Budgetary means</p> <p>9) No risk</p> <p>10) No risk</p> <p>11) Budgetary means</p> <p>12) No risk</p> <p>13) Budgetary means</p>		

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budg et	Exter nal/D onatio ns
		<p>16) Law on changes and amendments of the Law on customs, in relation to cross border cash circulation (including the passing of measures of seizure of illegally transferred money)</p> <p>17) Law on determining the degree of secrecy of data</p> <p>18) Law on the protection of personal data</p> <p>19) Law on taking care of temporarily and permanently ceased property</p> <p>20) Law on changes and amendments of the Law on budget (in the part of distribution of profit acquired from the ceased property)</p> <p>21) Law on changes and amendments of the Law on telecommunications (securing direct links and connections with databases of providers of telecommunication services; condition: adoption of the Law on the protection of personal data)</p>		<p>13) 2007.</p> <p>14) 2008. 15) 2007.</p> <p>16) 2007.</p> <p>17) 2006.</p> <p>18) 2006.</p> <p>19) 2006-2007.</p> <p>20) 2007-2008. 21) 2007.</p>		<p>14) Budgetary means 15) No risk</p> <p>16) No risk</p> <p>17) No risk</p> <p>18) No risk</p> <p>19) No risk</p> <p>20) No risk</p>		

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budget	External/Donations
						21) No risk		
		<p>Determining and adopting of laws from the domain of general legislative reform, among which the most important ones are:</p> <ol style="list-style-type: none"> 1) Law on property relations 2) Law on obligations 3) Law on asylum 4) Law on aliens 5) Passing of anti-monopoly law 6) Law on changes and amendments of the Law on privatization of economy 7) Law on changes and amendments of the Law on financing local self-government 	Government of the Republic of Montenegro, i.e. competent ministries, Parliament of the Republic of Montenegro	<ol style="list-style-type: none"> 1) 2006 2) 2007 3) 2006 4) 2006 5) 2007 6) 2006-2007 7) 2007 	Adoption of the laws	Complex procedure for the adoption of systemic laws		
3	Implementation of international instruments and standards from the field of fight against corruption Fulfilling the obligations from the European	Analyze the degree of harmonization of the legislation with international standards from the field of the fight against corruption	Directorate for anti-corruption initiative in cooperation with competent state bodies	Permanent	Performed analysis and determined level of harmonization of the legislative framework	Lac of staffing capacities	Yes	Yes
		Continue with the harmonization of legislation with the UN Convention against	Government of the Republic of Montenegro, Parliament of the Republic	2008	Complete harmonization of the legislative framework	Extension of deadlines due to the adoption of	-	-

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budget	External/Donations
	partnership Area - "Democracy and the rule of law", mid-term priorities, Anti-corruption policy	corruption	of Montenegro		with the UN Convention against corruption Number and titles of the laws the changes and amendments of which have been made in relation to the number of adopted changes and amendments	new constitution, elections		
		Ratify Civil-legal convention of the Council of Europe on corruption	Parliament of the Republic of Montenegro	2007- 2008	Ratification	No risk	-	-
		Ratify additional protocol with Criminal-legal convention of the Council of Europe on corruption	Parliament of the Republic of Montenegro	2007-2008	Ratification	No risk	-	-
4	Implementation of international instruments and standards from the field of the fight against organized crime Fulfilling of obligations from	Analyse the degree of harmonization of the legislation with international standards from the field of fight against organized crime	Ministry of Interior, Ministry of justice	2007- 2008	Performed analysis and determined level of harmonization of the legislative framework	No risk	-	-
		Continue with the harmonization of the legislation with the UN Convention (Palermo, UNTOC convention),	Ministry of foreign affairs, Ministry of foreign economic relations and European integrations,	2007 Continuous	Complete harmonization of the legislative framework with conventions from	No risk	-	-

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budget	External/Donations
	the European partnership Area - "Judiciary and internal affairs", mid-term priorities, Fight against organized crime	and other conventions from the field of organized crime	Ministry of justice, Ministry of Interior		the field of organized crime			
5	Cooperation between states with the objective of organizing joint operations against organized crime and exchange of information Fulfilling of obligations from the European partnership Field - "Judiciary and internal affairs", mid-term priorities, Fight against organized crime	Signing of bilateral agreements: <ul style="list-style-type: none"> • With the countries in the region • With EU countries • With EUROPOL 	Government of the Republic of Montenegro, Ministry of foreign affairs, line ministries, administration bodies, Supreme state prosecutor, Supreme court	Continuous	Number of signed agreements: <ul style="list-style-type: none"> • With the countries in the region • With EU countries • With EUROPOL 	Non-harmonized legislations in the countries in the region	-	-
		Creating conditions for the improvement of regional cooperation in the area of the fight against corruption and organized crime	Ministry of foreign affairs, Ministry of justice (courts and prosecutors), Police administration	Continuous	Efficient cooperation and exchange of information among the countries in the region Indicators of criminal prosecution: number of reports, investigations, convictions and valid sentences		-	-
6	Active participation in the	Implementation of the Declaration on ten joint	Directorate for anti-corruption initiative, in	Continuous	Estimate of the achieved progress by	Lack of staffing and material	Yes	Yes

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budget	External/Donations
	realization of measures and activities of Anti-corruption initiative (SPAI)	measures for the fight against corruption in the Southeast Europe	cooperation with other competent bodies and civil society		SPAI	resources		
7	Realization of obligations which result from the membership in the Council of Europe (GRECO) Fulfilling of obligations from the European partnership Field - "Human rights and protection of minorities", short-term priorities, Obligations towards the Council of Europe	Fulfilling of binding recommendations from GRECO Report on the estimate of anti-corruption measures and activities in the Republic of Montenegro	Government of the Republic of Montenegro (Directorate for anti-corruption initiative, Police administration, Ministry of finance, Ministry of justice, other competent ministries), Supreme state prosecutor, Supreme court and other competent bodies and institutions	Following the submittal of GRECO Report (during 2006)	GRECO Report on the fulfilment of obligations and recommendations which result from GRECO Report on the estimate of anti-corruption measures and activities in the Republic of Montenegro	No risk	Yes	Yes
8	Improvement of material conditions for the functioning of competent bodies	Securing technical and financial support to competent bodies Budget of the Republic of Montenegro	Government of the Republic of Montenegro	Continuous	Increased allocation of funds	Lack of budgetary funds	Yes	-

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budget	External/Donations
	Fulfilling of obligations from the European partnership Area - "Judiciary and internal affairs", mid-term priorities, Fight against organized crime	Defining priorities, drafting of projects and their candidacy with international organizations and institutions	Government of the Republic of Montenegro and competent ministries, Supreme state prosecutor, Supreme court	Continuous	Number of projects related to the fight against corruption and organized crime submitted to foreign donors, total amount of funds secured from foreign donors for the projects related to the fight against corruption and organized crime	Non-acceptance of projects by donors	-	Yes
GENERAL OBJECTIVES								
A. Efficient criminal prosecution with the objective of preventing corruption and organized crime								
1	Raising the level of knowledge and specialization of police, prosecutors and judges Fulfilling of obligations from the European partnership Field -	Estimate of the needs for the training of prosecutors, police and judges, and the realization of the training	Supreme state prosecutor, Police administration, Supreme court	Immediately following the adoption of the Action plan	Identified needs, number of organized seminars, number of participants, fields of training, number of held trainings per field and the number of participants (courts, prosecutor offices and police)	Material resources, quality of training project	Yes	Yes
		Six-month evaluation of the	Government of the	Continuous	Number of performed	No risk	Yes	-

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budget	External/Donations
	“Democracy and the rule of law”, short-term priorities, Judiciary reform; “Judiciary and internal affairs”, mid-term priorities, Fight against organized crime	existing conditions, defining standards, evaluation of cases, drafting of joint analysis on presentation of evidence in pre-trial and investigative procedure, drafting of recommendations for further work	Republic of Montenegro, Ministry of justice, Ministry of foreign affairs, Ministry of foreign economic relations and European integrations, Ministry of interior, competent bodies and institutions	Immediately following the adoption of the Action plan	evaluations, defined standards and recommendations, level of implemented recommendations			
2	Introduction of the responsibility of legal entities for criminal acts with the corruptive elements	Adoption of the Law on the responsibility of legal entities for criminal acts	Parliament of the Republic of Montenegro	2006	Adopted law	No risk	-	-
		Training of the police, judges and prosecutors	Centre for the training of judges, Police academy	Continuous	Number of trainings, number of participants per institution	Material resources, quality of training project	Yes	Yes
3	Prevention of abuses during the implementation of measures of secret surveillance (MSS)	Judicial control	Courts, Parliament of the Republic of Montenegro, Police administration, Supreme state prosecutor	Continuous	Number of performed controls, number of possible discovered abuses	No risk	Yes	-
		Parliamentary control (in accordance with the provisions of the Law on police)						
		Internal control of the police						
4	Strengthening of staffing capacities	Staffing condition analysis	Ministry of finance, Judicial council, Prosecution	2007	Number of new employees, in relation	No risk	Yes	-

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budget	External/Donations
	with competent bodies	Employment of the missing staff	council, Police administration	Continuous	to the performed analysis	Budgetary resources	Yes	-
5	Efficient care of temporary and permanently confiscated property, as well as of the distribution of profit gained from the confiscated property (to judiciary, prosecution, police and Budget) Fulfilling of obligations from the European partnership Area - "Judiciary and internal affairs", short-term priorities, Fight against organized crime	Establish a special independent body for the management of the confiscated property	Government of the Republic of Montenegro	2006-2007	<ul style="list-style-type: none"> Established body Reports on the condition and degree of preservation of the value of the property: confiscated, guarded, and returned) Relation between temporarily confiscated, permanently confiscated and returned property 	No risk	Yes	Yes

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budget	External/Donations
6	Estimate of the state of criminality from the field of criminal acts with the elements of corruption and organized crime	Performing of half-year analysis on statistical indicators in relation to the number of cases from the field of corruption and organized crime being processed before the courts or the ones with effective rulings, with special attention to the structure of perpetrators of such acts and sphere of society they are committed	Supreme court, Supreme state prosecutor, Police administration	Continuous	Made periodical and statistical indicators and analysis	No risk	-	-
B. Prevention and education								
1	Improvement of working conditions and general standard of judges and prosecutors Fulfilling the obligations from	Technical equipping, securing functional working area	Ministry of finance, Ministry of justice, Judicial council, Prosecution council	Continuous	Improved working conditions, increased wages	Lack of budgetary resources	Yes	Yes

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budget	External/Donations
	the European partnership Field - "Democracy and the rule of law", short-term priorities, Reform of judiciary	Increase of judges and prosecutors' wages		2007-2008			Yes	-
2	Increase of the integrity of judges and prosecutors Fulfilling of obligations from the European partnership Area - "Democracy and the rule of law", short-term priorities, Reform of the judiciary	Drafting and implementation of the Code of ethics of judges and the Code of ethics of prosecutors	Judicial council, Prosecution council	Immediately following the adoption of the Action plan, continuous	Efficient implementation and initiation of disciplinary proceedings due to the violation of the Code of Ethics (number of disciplinary proceedings, number of decisions, number of dismissed judges/prosecutors, number of criminal charges against judges and prosecutors and number of criminal proceedings and valid rulings)	No risk	-	-
		Establishing the Office for reporting the cases of	Supreme court		Office established, relation between the			

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budg et	Exter nal/D onatio ns
		corruption in judiciary			reported and processed corruption cases			
3	Increase of the integrity of the police Fulfilling of obligations from the European partnership Area - "Judiciary and internal affairs", short-term priorities, Police	Application of the Police Code of Ethics 1) Efficient work of the committee on Ethics	Police administration	Continuous	Percentage of the employees of the police who are familiar with the Code of the police ethics Number of disciplinary proceedings because of the violation of the Code of the police ethics	No risk	-	-
		Introduction of the procedures for reporting corruption cases in the police and their promotion (at the local and central level)	Police administration, NGO	2007	Existence of the procedures with all territorial organization units	No risk	Yes	Yes
		Objectifying the criteria for the selection of police staff	Police administration	2007	Publishing the criteria for the employment with the police	No risk	-	-
		Reorganize the Department for internal control of the work of the police	Police administration	2007	Reorganized Department for internal control of the work of the police	Lack of budgetary resources	Yes	-
		Annual researches on the	Police administration,	2007	Number of researches,	No risk	Yes	Yes

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budg et	Exter nal/D onatio ns
		existing conditions, forms, causes and methods of the appearance of corruption in the police	Department for internal control	Continuous	number of fields covered by researches, publishing at the Police website			
		Training and improvement of staffing capacities of the Department for internal control	Police administration, Police academy	Continuous	Performed training and improved staffing capacities	Lack of budgetary resources	Yes	Yes
		Acquisition of the necessary equipment for the work of the Department	Police administration	2007-2008	Necessary equipment acquired	Lack of budgetary resources	Yes	Yes
		Establish the organization unit for monitoring the work of the Police administration	Ministry of interior	2007	Organization unit established	No risk	-	-
4	Improvement of methods, manner of functioning and behaviour of the legislative, executive and judicial authorities, as well as state prosecutors	Promotion of the Code of ethics of public servants and state employees	Ministry of justice and all competent bodies, local self-government and NGOs	Continuous	Respecting the Code of ethics	No risk	-	-
		Fulfilling the obligation for public office holders to submit reports on their incomes and property conditions	Commission for establishing the conflict of interest	Continuous	Percentage of submitted reports on incomes and property	Disregard of the law and the procedure	-	-
		Monitoring the giving and receiving gifts by the officials	Commission for establishing the conflict of	Continuous	Number and value of reported gifts	Impossibility to establish the	-	-

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budget	External/Donations
		and employees through strengthening of internal control system	interest, competent internal control bodies			number and value of non-reported gifts		
		Updating and monitoring of the public register aimed at ensuring the transparency of financial and property conditions of public office holders	Commission for establishing the conflict of interest	Continuous	Establishing and promoting of public register	Adequate mechanisms of control and updating of data in the public register	-	-
5	Narrowing down the area for potential corruption when passing decisions in public sector	Reduction of discretionary powers of the holders of executive authorities: 1) Identification of discretionary powers, analysis and revision of the existing legislation 2) Defining proposals and amendments of the law	Government of the Republic of Montenegro, Parliament of the Republic of Montenegro, competent ministries and the Secretariat for legislation, in cooperation with non-governmental sector	2007-2008	Number of identified discretionary powers, number of proposed and number of adopted changes and amendments of the law, total number of reduced discretionary powers, fields in which discretionary powers have been reduced	Non-adoption of proposals, changes and amendments of the law	Yes	Yes
6	Raising the level of legal knowledge and trust of citizens and public disclosure of problems in the implementation of the law	Publishing the rules and procedures (brochures, guides for the realization and protection of citizens' rights)	All competent administration bodies, local self-government bodies, NGOs	Following the adoption of the Action plan, Continuous	Number of brochures and guides, fields covered Established level of citizens' trust in the institutions of the system through research of public	Lack of financial means	Yes	Yes

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budg et	Exter nal/D onatio ns
					opinion polls			
		Defining, publishing and promoting procedures and examples of good practice for the submittal of reports and citizens' complaints	All competent state bodies, bodies of local self-government, NGOs	Following the adoption of the Action plan, Continuous	Number of institutions which have introduced and promoted the procedure for the submittal of reports and complaints, number and nature of reports and citizens' complaints	Failure of bodies to act	Yes	-
		In the annual reports on the work of competent bodies and institutions, special part to be dedicated to the undertaken activities in the plan of the fight against corruption	All public administration bodies, local self-government bodies	Continuous	Number of institutions which publish annual reports with enclosed information on corruption	Failure of bodies to act	-	-
7.	Efficient implementation of the Law on free access to information	Establishing the team of trainers for the training of public servants and state employees on the implementation of the Law on free access to information	Public servants agency, Ministry of culture and media	2006	Establishing the team of trainers	Lack of financial resources	Yes	Yes
		Training of public servants and state employees	Public servants agency, Ministry of culture and media	2006-2007	Number of seminars and number of participants	Lack of financial resources	Yes	Yes

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budget	External/Donations
		Education of citizens and NGOs on the implementation of the Law on free access to information	NGOs	Continuous	Number of NGOs which carry out the training, Manual for citizens	Lack of financial resources	Yes	Yes
		Compilation of the guide for the access to information in the possession of public bodies	All state bodies and local self-government bodies	2006	Relation between the number of state bodies and the number of state bodies which have been compiling the guide	Lack of financial resources	Yes	Yes
		Compiling the Manual for public servants and Manual for citizens	Ministry of culture and media, NGOs	2006	Compiled manuals	Lack of financial resources	Yes	Yes
		Enable free access to information, in accordance with the Law	All state bodies	Continuous	Number of resolved in relation to the number of submitted requests, number of decisions which have been annulled in the appeal judicial proceedings	Lack of financial resources	Yes	Yes
C. Public, civil society (including private sector) and media								

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources		
							Budg et	Exter nal/D onatio ns	
1.	Joint propaganda-preventive action of the governmental and non-governmental sector and civil society with the aim of raising the level of public awareness on negative consequences of organized crime and corruption Fulfilling the obligations from the European partnership Area - "Human rights and protection of minorities", short-term priorities, Freedom of expression and association	Design and realize intensive public campaign with the aim of more efficient participation of citizens in the fight against corruption and organized crime	All public administration bodies, NGO sector, Media	Continuous	Intensity and scope of the campaign, achieved level of cooperation among state bodies, media and NGO sector Number of fields covered by information material, number of distributed copies	Quality and scope of the campaign, quality and the level of cooperation, lack of financial resources	Yes	Yes	
		Designing flyers and information material on the problem of corruption and manners of fight against it							
		Researches on forms, causes and mechanisms of the appearance and manners of corruption	Directorate for anti-corruption initiative, NGOs, Media	Continuous	Number and scope of undertaken researches and areas	Lack of financial resources, research methods	Yes	Yes	
		Preparation of general and individual institution integrity plans	Government of the Republic of Montenegro, executive authority institutions	2007 Continuous	Number of prepared plans	Lack of methodology	Yes	-	
	Change and amendment of the Ordinance on the organization and manner of work of public administration (article 25, competence of Anti-corruption initiative directorate), which shall make possible the	Government of the Republic of Montenegro, Ministry of finance (Anti-corruption initiative directorate)	2007	Changes and amendments of the ordinance, Number of proposed and accepted initiatives with the aim of improving legislative	No risk	-	-		

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budget	External/Donations
		research and drafting of studies on the condition and areas of corruption in the Republic of Montenegro, together with the recommendations for the improvement of activities in the plan of the fight against corruption			and institutional reform			
2.	Introduction and education in training institutions of general notions and appearances of corruption and organized crime	Periodical lectures in high schools and faculties on corruption and organized crime	Ministry of education and science and other line ministries NGOs	Continuous	Total number of lectures held, number of visited education institutions	No risk	Yes	-
3.	Professional informing on corruption and organized crime	Education of media on corruption and organized crime, and investigative journalism	NGOs from the area of media	Continuous	Number of seminars, number of participants	Indifference of media	-	Yes
4.	Transparent insight into media ownership structure and prevention of their monopolization	Adoption of the Law on illegal media concentration	Ministry of culture and media	2007	Adoption of the Law	No risk	Yes	-
5.	Improvement of transparency of	In cooperation with private sector, initiate and carry out	Government of the Republic of Montenegro,	Following the adoption of	Degree of achieved progress, inclusion of	Staffing and financial	Yes	Yes

No	Goal	Measures	Competent Institutions	Time frame (starting from the moment of adoption of the Action Plan)	Indicators of success	Risk Factors	Financial resources	
							Budget	External/Donations
	business operations	activities in the plan of improvement of fair and competitive operations and investment	competent ministries, private sector	the Action plan	private sector in anti-corruption initiative	capacities		
		In cooperation with the Central register of the Commercial Court and other competent institutions, initiate the project of compiling and publishing «black» list of companies, convicted for criminal acts with the elements of corruption	Commercial court, Chamber of Commerce of the Republic of Montenegro, Union of employers, in cooperation with competent bodies and private sector	2008	Compiling, publishing and promoting the “black” list	No risk	Yes	Yes
D. Local self-government								
1.	Improvement of the fight against corruption on local level	Drafting of local anti-corruption action plans related to the competency of local self-government, which are not comprised within the Programme and Action plan	Local self-government bodies, NGOs	2006	Number of drafted action plans in relation to the number of municipalities	Insufficiently built capacities of local self-governments		

SPECIFIC MEASURES AGAINST CORRUPTION AND ORGANIZED CRIME

A. Efficient criminal prosecution and trial

A.1. Prosecutor's Office

1	Capacity building for prosecutors Fulfilling the	Increasing the number of prosecutors	Supreme State Prosecutor, Council of Prosecutors	2006 - 2007.	Number of new employees	Lack of budgetary funds	Yes	-
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	<p>obligations from European Partnership Area - "Democracy and the rule of law", short-term priorities, Reform of judiciary; "Judiciary and internal affairs", mid-term priorities, Fight against organized crime</p>	<p>Securing adequate salaries and working conditions for prosecutors</p>	<p>Ministry of Finance</p>	<p>Continuous</p>	<p>Percentage of increase in salaries annually</p>	<p>Lack of budgetary and/ or external funds</p>	<p>Yes</p>	<p>Yes</p>
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	<p>Implementing further training program for prosecutors</p> <p>1) Informing the prosecutors about international criminal law and obligations of the state in the fight against corruption and organized crime</p> <p>2) Implement the program of education of prosecutors with regard to the criminal offenses with elements of corruption and organized crime (Criminal Code and Criminal Procedure Code)</p> <p>3) Implement the program of education for criminal offenses from Chapter XXIII of the Criminal Code and Chapter XXVIII of the Criminal Code 2.3.4. Strategy of efficient criminal prosecution (entities, actions, measures, deadlines, pre-criminal and investigative procedure)</p> <p>4) Training on new forms of appearance of crime</p> <p>5) Training on use of SSM</p>	Supreme State Prosecutor, Judicial Training Center	2006 - 2007.	<p>Number of trainings, number of areas covered, total number of attendants and number of attendants by areas</p> <p>1) Total number of trainings, number of trainings per area, total number of participants, number of participants per training and per prosecutor's office</p>	Lack of budgetary and/ or external funds	Yes	Yes
	Purchase of equipment for the Department for the fight against organized crime	Supreme State Prosecutor, Ministry of Justice, Ministry of Finance	After the adoption of the Action Plan	Total value of purchased equipment, value of equipment purchased from donations and from budget	Lack of budgetary and/ or external funds	Yes	Yes
	Acquisition of expert literature	Supreme State Prosecutor, Ministry of Justice	After the adoption of the Action Plan	Total number of acquired expert literature and number by institutions	Lack of budgetary and/ or external funds	Yes	Yes

	<p>Establishing the information system and data base and training of prosecutors</p> <p>1) Collection, preparation and analysis of statistical data regarding the offenders and structure of criminal offenses</p>	Supreme State Prosecutor, Ministry of Justice	After the adoption of the Action Plan	Number of prosecutor's offices tied into an information system, prosecutor's offices that have no information system, total number of cases by institutions, total number of cases in the database and by institutions, prosecutor's offices that have not started entering cases into database, number of trainings and participants per prosecutor's office, semi-annual statistical reports	Lack of budgetary and/ or external funds	Yes	Yes
1) Specialized training of prosecutors Fulfilling obligations from European Partnership, Area – "Democracy and the rule of law", short-term priorities, Reform of Judiciary	Specialized training of prosecutors in the Department for the fights against organized crime for criminal prosecution in criminal offenses with elements of corruption and organized crime	Supreme State Prosecutor, Ministry of Justice	2007.	Total number of trainings, number of trainings per area, total number of participants, number of participants per training	Lack of budgetary and/ or external funds	Yes	Yes

	2) Capacity building in the Department for the fight against organized crime Fulfilling obligations from European Partnership, Area – “Judiciary and internal affairs”, mid-term priorities, Fight against organized crime	Increase material and human resource capacity in the Department for the fight against organized crime	Supreme State Prosecutor	2007.	Percentual increase in salary annually, number of new employees	Lack of budgetary funds	Yes	-
		Appointment of deputies of the Special Prosecutor for the fight against organized crime	Supreme State Prosecutor	2007.	Appointed deputies	Lack of budgetary funds	Yes	-
		Technical staff of the Department for the fight against organized crime	Supreme State Prosecutor, Human Resource Management Agency	2007.	Number of new staff	Lack of budgetary funds	Yes	-
		Signing of multilateral and bilateral agreements on cooperation	Supreme State Prosecutor	2007.	Number of signed agreements	Lack of interest in the prosecutor’s offices in other countries to sign the agreements	-	-
		Preparation and adoption of the Rulebook on internal activities of the State Prosecutor	Ministry of justice, Government of the Republic of Montenegro	2006.	Prepared and adopted Rulebook on internal activities of the State Prosecutor	No risk	-	-
A.2. Police								
2	Capacity building in the police Fulfilling obligations from European Partnership, Area – “Judiciary and internal affairs”, short-term priorities,	Adoption of the Rulebook on internal organization and systematization of jobs (job description) in the Police Directorate	Police Directorate	2007.	Adopted Rulebook	No risk	-	-
		Adoption of the Rulebook on use of police authority		2006-2007.	Adopted Rulebook	No risk	-	-

Police	Training the police in the sense of legally prescribed measures in the protection of all persons who report criminal offenses of corruption and organized crime 1) Improvement and promotion of procedures for the protection of identity of the persons reporting corruption		Continuous	Trained police officers Adopted and promoted new procedures Number of persons who have suffered consequences on the basis of reporting corruption	No risk	Yes	-
	Improvement of mechanisms and institutes of protection of all officers who are involved in the fight against corruption and organized crime		2006, continuous	Increased protection of officers, number of officers who have suffered consequences on the basis of performance of their duty	No risk	Yes	-
	Creation of network of collaborators and definition of rules for the hiring of collaborators		Continuous	Defined rules, existence of network	No risk	-	-
	Establishment of the organizational unit that will deal with investigation in criminal offenses of corruption	Police Directorate	2007.	Established organizational unit	No risk	Yes	-

1) Capacity building of the police in the fight against organized crime	Reorganization of the existing Department for the fight against organized crime, in the sense of defining the organizational level, as well as the scope of action 1) Establishment of organizational units in the following fields: • Financial organized crime • classical-general organized crime 2) within financial organized crime to establish the organizational unit for the issues of money laundering	Police Directorate	2007.	Reorganized department 1) Established organizational units 2) Established organizational unit	Delays in the adoption of the Rulebook on internal organization and systematization	-	-
	Securing functional working space for the existing Department for the prevention and fight against organized crime		2007.	Secured adequate working space	No risk	Yes	-
	Provision of continuous training of officers in the field of corruption and organized crime		Continuous	Provided training, number of trainings, level of capacity built among the officers	Lack of budgetary and/ or external funds for training	Yes	Yes
	Establishment of operational database in the field of organized crime		Continuous	Established database	No risk	Yes	-
	Purchase of technical and communication equipment		2006.	Equipment purchased and put into use	Lack of budgetary and/ or external funds for the purchase of equipment	Yes	Yes

2) Capacity building of the police in the fight against industrial crime	Reorganization of the existing Department for the fight against industrial crime in the sense of defining organizational level, as well as the scope of action 1) Establishment of the organizational unit within the Department for the fight against industrial crime, which will deal with the issues of money laundering and financial investigation (identification and confiscation of illegally acquired property)	Police Directorate	2007.	Reorganized department 1) Established organizational unit	Delay in adoption of the Rulebook on internal organization and systematization	-	-
	Securing functional working space for the existing Department for the fight against industrial crime		2007.	Secured adequate working space	No risk	Yes	-
	Training of officers of this Department in order to implement the following: • Investigation of criminal offenses of corruption • Financial investigations (identification and confiscation of illegally acquired property)		2006-2007, continuous	Total number of trainings, trainings per field, total number of participants, number of participants per training	Lack of budgetary and/ or external funds for training	Yes	Yes
	Purchase of technical and communication equipment		2007.	Purchased equipment, putting it in use	Lack of budgetary and/ or external funds for purchase of equipment	Yes	Yes

3) Capacity building of the police with regard to the use of secret surveillance measures (SSM)	Definition of the organizational level and reorganization of the existing Department for special control (in order to create the conditions for the use of SSM)	Police Directorate	2007.	Existing structure changed Organizational level defined	Delays in the adoption of the Rulebook on internal organization and systematization	-	-
	Improved operations through the establishment of the units for: <ul style="list-style-type: none"> • SSM application • Operational Intelligence 		2007.	Establishment of the units Number and type of applied SSM, relationship between requested and approved SSM	Delays in the adoption of the Rulebook on internal organization and systematization Lack of technical equipment, lack of budgetary and/ or external funds for the purchase of equipment	Yes	Yes
	Providing new and reconstructing the existing space		2006-2007.	Solved issue of space	No risk	Yes	-
	Recruitment and education of necessary staff		2007. Continuous	Developed module for recruitment, achieved full staffing, number of trained officers, as well as the number of implemented courses	Delays in the adoption of the Rulebook on internal organization and systematization	-	-

	Implementation of: 1) Basic training 2) Specialized training for newly recruited and old staff		1) 2006-2007, 2) Continuous	1) Implemented basic training 2) Implemented specialized training	Lack of budgetary and/ or external funds for training	Yes	Yes
	Purchase of technical equipment for the use of SSM		2007. Continuous	Purchased equipment, type and value of equipment	Lack of budgetary and/ or external funds for purchase of equipment	Yes	Yes
	Establishment of unified database of operational intelligence data		2006-2007.	Established unified database	No risk	Yes	-
	Definition of models of intelligence process (standardization)		2006-2007.	Adopted internal acts, methodology of work, adopted model of intelligence process	No risk	-	-
	Securing links and connections with computer networks and databases in institutions and companies (e.g. Telecommunication service providers, Customs Directorate, Tax Administration, Real Estate Agency, Central Depository Agency, housing-communal services)		2006-2007.	Defined obligation to provide police with access to electronic databases of certain state entities and companies, established links	Lack of readiness of the mentioned institutions to allow the police to use their databases, lack of funds for implementation	Yes	-

		Establishment of operational budget within the budget of the police, or signing of the agreement with the Central Bank in order to secure the funds for the implementation of SSM (fictitious purchase, fictitious bribe, money for demonstration)	Police Directorate, Central Bank of Montenegro	2006. Continuous	Established fund/ agreement signed, number of cases of use of funds	No consent of the Central Bank for the use of their funds	Yes	-
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	<p>4) Capacity building of the police in the fight against trafficking in human beings</p>	<p>Reorganization of the special team for the fight against trafficking in human beings in the sense of defining legal framework for action, organizational level, as well as scope of action</p> <ol style="list-style-type: none"> 1) Establishment of Teams for fight against trafficking in human beings in all territorial organizational units 2) Provision and reconstruction of working space 3) Establishment of database within the Special team in order to collect all data at one place and to centralize it 4) Purchase of technical equipment 5) Implementation of specialized training 6) Training and education of police officers in order to identify victims of trafficking in human beings, official prosecution, protection of victims and prevention) 7) Establishment of bilateral cooperation between these departments in the 219 region 	<p>Police Directorate</p>	<p>2007.</p> <ol style="list-style-type: none"> 1) 2007. 2) 2007. 3) 2007. and onwards 4) 2007 & 2008 5) 2007. 6) 2007. 7) Continuous 	<p>Reorganized organizational unit</p> <ol style="list-style-type: none"> 1) Teams established in all Security Centers 2) Space provided and reconstructed 3) Methodology for the establishment of database defined 4) Equipment purchased 5) No of specialized training and officers trained 6) No of implemented courses and no of trained officers 7) Analysis of quality of established cooperation (reports and quantitative indicators) 	<p>Delays in the adoption of the Rulebook on internal organization and systematization</p> <ol style="list-style-type: none"> 1) Delays in the adoption of the Rulebook on internal organization and systematization 2) No risk 3) No risk 4) Lack of funds 5) Lack of funds 6) Lack of funds 7) Insufficient interest of the countries in the region 	<p>Yes</p>	<p>Yes</p>
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		Signing the memorandum on cooperation between responsible ministries and NGO's in the field of fight against trafficking in human beings		Implementation underway	Analysis of level and quality of cooperation	Lack of interest in the NGO sector and/ or other responsible ministries	-	-
5) Capacity building of the police in the fight against smuggling of drugs	Police Directorate	Reorganization of the Center for the fight against drugs in the sense of defining organizational level and scope of action	2007.	Reorganized organizational unit	Delays in the adoption of the Rulebook on internal organization and systematization	-	-	
		Adoption of the National strategy for the fight against drugs and prevention of drug use, with annual action plans	2007.	Adopted National strategy for the fight against drugs and prevention of drug use	No risk	-	-	
		Implementation of specialized trainings for the officers in the Center for fight against drugs	2007. and 2008	Number of specialized training and number of participants	Lack of budgetary and/ or external funds for training	Yes	Yes	
		Implementation of trainings and education of police officers about the procedure in the fight against drugs	Continuous	Number of courses and seminars, number of trained officers	Lack of budgetary and/ or external funds for training	Yes	Yes	
		Purchase of equipment	2007.	Equipment purchased	Lack of budgetary and/ or external funds for purchase of equipment	Yes	Yes	
		Provision and reconstruction of working space	2006.	Space provided and reconstructed	No risk	Yes	-	

6) Capacity building of the police in the field of witness protection	Reorganization of the Unit for witness protection	Police Directorate	2007.	Reorganized organizational unit	Postponements in the adoption of the Rules of internal organization	-	-
	Implementation of training for officers of the Unit for witness protection		2007-2008.	Number of implemented trainings for the officers of the Unit for witness protection	Lack of budgetary and/ or external funds for training	Yes	Yes
	Purchase of specialized equipment		2007-2008.	Equipment purchased	Lack of budgetary and/ or external funds for purchase of equipment	Yes	Yes
	Implementation of training for the use of specialized equipment		2007-2008.	Number of specialized trainings and participants	Lack of budgetary and/ or external funds for training	Yes	Yes
	Signing bilateral agreements with adequate departments in other countries in order to exchange protected witnesses		2006, Continuous	Number of signed agreements, number of exchange of protected witnesses	Lack of budgetary and/ or external funds	Yes	Yes
	Provision of adequate space for the operations of the Unit for witness protection		2007.	Space provided and adequately reconstructed	No risk	-	-

	7) Capacity building of the police in the use of forensic and other criminal investigation techniques	Technical equipping of the Center for criminal technique 1) Reorganization of forensic unit 2) Staff training 3) Purchase of modern laboratory and other equipment	Police Directorate	2006-2007, continuous	Equipment purchased 1) Reorganized unit 2) Training implemented 3) Equipment purchased	Lack of budgetary and/ or external funds for purchase of equipment	Yes	Yes
	8) Capacity building of the police in the fight against terrorism	Reorganization of the existing line of work for the fight against terrorism 1) Establishment of specialized units (unit for collection and processing of data, unit for protection against mines, organizational units in Security Centers)	Police Directorate, Police Academy	2007.	Reorganized line of work 1) Established specialized units	Delays in the adoption of the Rulebook on internal organization and systematization	-	-

	<p>Training of staff in the field of fight against terrorism Specialized training:</p> <ol style="list-style-type: none"> 1) for IED operations (elimination of danger from improvised explosive devices) 2) for PAS (protection against sabotage) 3) for negotiations with hijackers (terrorists) 		<p>Continuous</p> <ol style="list-style-type: none"> 1) 2007. 2) 2007. & 2008. 3) 2007. & 2008. 	<p>Number and quality of implemented trainings (certificates), number of trained officers</p>	<p>Lack of budgetary and/ or external funds for training</p>	<p>Yes</p>	<p>Yes</p>
	<p>Purchase of equipment</p>		<p>2007 - 2008.</p>	<p>Equipment purchased</p>	<p>Lack of budgetary and/ or external funds for purchase of equipment</p>	<p>Yes</p>	<p>Yes</p>
	<p>Functionality of the organizational unit (improved horizontal and vertical connection between all lines of work)</p>		<p>2007.</p>	<p>Timely exchange of data</p>	<p>No risk</p>	<p>-</p>	<p>-</p>
	<p>Capacity building of the existing Special Anti-terrorist unit (SAU)</p> <ol style="list-style-type: none"> 1) Implementation of continuous training 2) Purchase of modern equipment and arms 		<p>2006, Continuous</p>	<ol style="list-style-type: none"> 1) Number of implemented trainings, number of trained officers 2) Adequate modern equipment and arms purchased 	<p>Lack of budgetary funds</p>	<p>Yes</p>	<p>Yes</p>

9) Capacity building of the police in the fight against cross-border crime	Reorganization of the Directorate for state border and border affairs	Police Directorate	2007.	Reorganized Directorate	Delays in the adoption of the Rulebook on internal organization and systematization	-	-
	Organization of continuous training for the officers in this Directorate	Police Directorate Police Academy	Continuous	Number of implemented trainings, Number of trained officers (certificates)	Lack of budgetary and/ or external funds for training	Yes	Yes
	Purchase of equipment for surveillance and securing the state border and discovery of cross-border crime	Police Directorate	2007-2008.	Purchase of modern technical devices	Lack of budgetary and/ or external funds for purchase of equipment	Yes	Yes
	Better quality cooperation at bilateral and regional level	Police Directorate and border police directorates of neighboring countries	Continuous	Number of solved cases that are under the responsibility of this department Number of solved border incidents Number of implemented joint actions	Insufficient interest of the countries in the region to establish better quality cooperation	-	-
10) Capacity building of the police through international police cooperation Fulfillment of	Initiate opening of Interpol NCB in Podgorica	Police Directorate	2007.	Interpol NCB office opened	State status of Montenegro Full membership in the Interpol Assembly	Yes	Yes

	duties from European Partnership Area – “Regional issues and international obligations”, short-term priorities	Direct connection with the communication system I-24/7 in order to establish global communication	Police Directorate (in cooperation with the General Secretariat of Interpol)	2006-2007.	Use of system in the exchange of police data	State status of Montenegro Full membership in the Interpol Assembly Lack of budgetary and/ or external funds	Yes	Yes
		Training of officers who will perform duties regarding international police cooperation 1) Training for the use of system of the Police Directorate 2) Training for the use of information system I-24/7 3) Training for the use of analytical program I-2 4) Specialized courses of Interpol	Police Directorate	Continuous	Continuous training, certificates of training	Lack of budgetary and/ or external funds for training	Yes	Yes
		Purchase of the necessary equipment for work		2007, continuous	Equipment purchased and put to use	Lack of budgetary and/ or external funds for purchase of equipment	Yes	Yes
		Securing functional working space for this organizational unit			Secured working space and secured technical and communication equipment	No risk	-	-

A.3. Judiciary

3	Capacity building of courts	Apply consistently the principle of random allocation of cases	Court President	Ongoing	No of courts with electronic allocation of	No risk	-	-
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<p>Complying with the obligations from the European partnership Field - "Democracy and the Rule of Law", short-term priorities, judiciary reform; "Judiciary and the Internal Affairs", medium-term priorities, Fight against Organised Crime</p>	<p>through the introduction of electronic case coding and allocation (using as much as possible the information technologies)</p> <p>1) Regular and ongoing supervision of court administration by the Ministry of Justice pursuant to the Law on Courts</p> <p>2) Strict application of the provisions on disciplinary responsibility of judges and the dismissal procedure pursuant to the Law on Courts</p>	<p>1) Ministry of Justice</p> <p>2) Judicial Council</p>		<p>cases</p> <p>1) Acting upon reports of authorised officers of the Ministry of Justice</p> <p>2) No of proceedings compared to reported cases of disciplinary responsibility of judges</p>			
	<p>Strengthen the independence of the judiciary powers through the establishment of the independent judiciary budget</p>	<p>Supreme Court, Ministry of Finance</p>	<p>2007</p>	<p>Establish the independent judiciary budget</p>		<p>Yes</p>	<p>-</p>
	<p>Introduction of pre-training and specialisation, pursuant to the Law on Education and Training in Judiciary Bodies</p>	<p>Judge Training Centre</p>	<p>Ongoing from the adoption of the Law on Education in Judiciary Bodies</p>	<p>No of persons who have undergone preliminary and ongoing training Specialisations</p>	<p>Quality of the training programme</p>	<p>Yes</p>	<p>Yes</p>
	<p>Define the criteria and establish the procedures for the election of judges</p>	<p>Judicial Council</p>	<p>2006</p>	<p>Define the criteria and the procedures Criteria adopted at all levels</p>	<p>No risk</p>	<p>-</p>	<p>-</p>
	<p>Training of judges and court administration staff on corruption</p>	<p>Judge Training Centre</p>	<p>Ongoing</p>	<p>No of trainings, no of fields, total no of trainees and per fields</p>	<p>No risk</p>	<p>Yes</p>	<p>Yes</p>

		Strengthening inter-institutional expert cooperation of courts and other competent bodies (Prosecutor's Office, Police Administration, Administration for Anti-corruption Initiatives, etc) observing the principle of division of powers	Supreme Court, State Prosecutor, Police Administration, Administration for Anti-corruption Initiatives and other competent bodies	Ongoing	No of meetings, no of cases discussed, no of interpretations of legal provisions, no of recommendations per meeting, quarterly and annually	No risk	-	-
B. External and internal audit of the Budget								
1.	Supervision of budgetary revenues and expenditures	External audit of the final budgetary account by State Auditors Institution	State Auditors Institution	Once a year (by the end of the second quarter)	External budgetary audit report, no of non-conformities and no of recommendations, no of corrective measures compared to total no of non-conformities, no of criminal charges after the audit	No risk	Yes	-
2.	Supervision of the legality of operation of budgetary beneficiaries	Internal audit of budgetary spending by budgetary beneficiaries	Ministry of Finance–Department for Internal Audit	Ongoing	Internal budgetary audit report, no of non-conformities and no of recommendations, no of corrective measures compared to total no of non-conformities, no of criminal charges after the audit	No risk	Yes	-
3	Supervision of regularity, effectiveness and efficiency of the operation of	Audit of budgetary spending	State Auditors Institution	Ongoing	Budget audit report, no of non-conformities and no of recommendations, no of corrective	No risk	Yes	

	budgetary beneficiaries				measures compared to the total no of non-conformities, no of criminal charges after the audit			
4	Prevention of abuses in budgetary execution	Training of persons in charge of budget management and allocation	State Auditors Institution and Human Resources Agency in cooperation with NGOs	Ongoing	No. of trainings, no. of participants, awareness of the responsible persons and the general public	No risk	Yes	Yes
		Raising public awareness regarding the supervision of budgetary spending through the development and dissemination of a guide and a media campaign	State Auditors Institution in cooperation with the media and the NGOs	Ongoing	Guide prepared, no and type of training activities	No risk	Yes	Yes
		Timely information provided to the public on budgetary spending and the implementation of planned audits pursuant to the Law on State Auditors Institution	State Auditors Institution in cooperation with the media and the NGOs	Ongoing	Annual and periodic reports of the State Auditors Institution	No risk	Yes	Yes
C. Privatisation Council								
1	Monitoring the conflict of interests in the privatisation process Complying with the obligations from the European partnership Field - "Democracy and the	Establishing procedures for reporting the conflict of interests in privatisation and their promotion	Privatisation Council NGO	Immediately after the adoption of the Action Plan	No of reports and, total no of decisions, no of positive and negative decisions, no of criminal charges	No risk	-	-

	Rule of Law", short-term priorities, Anticorruption policy							
2	Observe the principle of transparency in privatisation	Setting up the website of the Privatisation Council	Privatisation Council	2006	Website set up	No risk	Yes	-
		Establish procedures and provide for publicity and transparency in the selection of advisors – renowned consultancy agencies	Privatisation Council	2006	The enactments adopted and the procedure in place, no of filed compared to the no of adopted complaints on the privatisation process involving foreign consultants	Non-compliance with the procedure for the election of foreign advisors	Yes	Yes
		Enforcement of the Law on Free Access to Information and publication of privatisation contracts and tender commissions reports on the privatisation of companies and other information relevant for the privatisation process	Privatisation Council	Ongoing	No of requests received, no of positive/negative replies, no of published contracts, no of published reports of tender commissions	No risk	-	-
3.	Decrease the discretionary authorities of the members of the Council	Set the discretionary authorities of the members of the Council, as stipulated by the law, the decisions of the Government and the Council, giving proposals for amendments of	Privatisation Council	2006	No of analysed laws, decisions of the Government and the Council, total no of established and the total no of reduced	No risk	-	-

		laws and decisions			discretionary authorities			
4.	Enhanced monitoring of the privatisation process	Organize public discussions on privatisation	Privatisation Council	2006 -2007	Total no of organised public discussions and per company, no of amended privatisation strategies after the public discussions, no of participants per discussions	No risk	-	-
		Establish a system to control investments in privatised companies	Montenegrin Agency for Economic Restructuring and Foreign Investments	2006	System in place, no of companies included in the system, no of violations of privatisation contracts, no of terminated contracts due to non-compliance with contractual obligations	No risk	Yes	-
		Inclusion of minority shareholders of privatised companies in monitoring of the privatisation process	Privatisation Council	2006	Total no of consultations with minority shareholders per companies, no of consultations for already privatised companies and for those where privatisation is pending	Lack of interest and information of minority shareholders	-	-
		Quarterly reports on corruption and privatisation	Privatisation Council	2006, Ongoing	Quarterly reports, no of processed compared to the no of reported corruption cases	No risk	-	-
5.	Enhancement of the	Inform the public and the	Privatisation Council	2006	No of disseminated	Lack of public	-	-

	relations with the public	employees of their rights to participate in decision-making and monitoring of the privatisation process			copies of promotional materials, no of press conferences on the issue of public participation in privatisation process, no of articles and press releases published in the media	information		
		Set up procedures for reporting non-compliances and corruption in privatisation 1) Set up a phone line to report instances of corruption	Privatisation Council	2006	Total no of reports and anonymous tips, no of decisions, no of rejected reports, no of criminal charges	Lack of public information	-	-
		Establish a mixed working body to deal with cases, suggestions and complaints of the public on privatisation process	Government of the RM	2006, Ongoing	<ul style="list-style-type: none"> Working body established No of complaints regarding the privatisation process 	Lack of public information	Yes	-
D. Administration for Prevention of Money Laundering								
1.	Harmonisation of the operation of the Administration for Prevention of Money Laundering with the new legislative framework Complying with the obligations from the European partnership Field -	Adoption of the new Regulations on Internal Organisation and Systematisation	Administration for Prevention of Money Laundering, Ministry of Finance, Government of the RM	2007	Regulations adopted	No risk	-	-
		Establishment of the Department for the Supervision of reporting entities	Administration for Prevention of Money Laundering, Ministry of Finance, Government of the RM	2007	The Department for the Supervision of reporting entities established	Amendments to the Law on Prevention of Money Laundering and Financing of Terrorism	Yes	-
		Recruiting personnel as per the	Administration for	2007	No of new employees,	Lack of financial and	Yes	Yes

	“Judiciary and Internal Affairs”, short-term priorities, Money laundering	Regulations on Internal Organisation and Systematisation and training	Prevention of Money Laundering		total no of trainings, no of trainees	human resources		
2.	Training of the employees of the Administration for Prevention of Money Laundering Complying with the obligations from the European partnership	Participation to seminars organised by international institutions	Administration for Prevention of Money Laundering	Ongoing	Increased level of training of the employees of the Administration for Prevention of Money Laundering	Lack of financial resources	Yes	Yes
		Participation of the representatives of the Administration in the working groups of the Egmont Group	Administration for Prevention of Money Laundering	Ongoing	Adopted best practices from other countries	Lack of financial resources	Yes	-
3	Additions to the list of indicators of suspicious transactions with the indicators relating to new methods of money laundering and financing terrorism Complying with the obligations from the European partnership	Preparation of the amended list of indicators of suspicious transactions	Administration for Prevention of Money Laundering, the Central Bank, in cooperation with competent bodies	2006, Ongoing	Total no of new indicators	No risk	-	-
		Delivery of the amended list of indicators of suspicious transactions to reporting entities and monitoring its application	Administration for Prevention of Money Laundering, the Central Bank	Ongoing	No of reporting entities who adopted their lists of indicators of suspicious transactions	No risk	-	-
4.	Training of authorised persons and employees of reporting entities Complying with the obligations from the	Organizing seminars for authorised persons of reporting entities and the employees having direct contact with clients	Administration for Prevention of Money Laundering	Ongoing	Total no of seminars per institutions and fields	Lack of financial resources	Yes	Yes

	European partnership Oblast - Field - "Judiciary and Internal Affairs", short-term priorities, Money laundering	Organizing seminars for authorised persons of reporting entities and state bodies in order to transfer knowledge acquired at the international seminars	Administration of Prevention of Laundering	Ongoing	Total no of consultations	No risk	Yes	Yes
5.	Enhancing regional cooperation Complying with the obligations from the European partnership	Innovate individual cooperation agreements with FIU from the region and entering into new agreements Regional meetings with the FIU from the neighbouring countries	Administration of Prevention of Laundering Administration of Money Laundering	2007. Ongoing	Total no of new agreements No of regional meetings	Lack of financial resources Lack of financial resources	Yes Yes	- Yes
6.	Enhancing internal cooperation Complying with the obligations from the European partnership Oblast - Field - "Judiciary and Internal Affairs", short-term priorities, Money laundering	Innovate individual cooperation agreements with other authorised public bodies and organisations and entering into new agreements Strengthening inter-institutional professional cooperation of the competent bodies regarding the implementation of the Law on Prevention of Money Laundering and Financing Terrorism	Administration of Prevention of Laundering and other supervisory bodies (Police Administration, Tax Administration, Customs Administration, Securities Commission, Central Bank), and ministries Administration of Money Laundering and other supervisory bodies (Police Administration, Tax Administration, Customs Administration, Securities	Ongoing Ongoing	Total no of new agreements, as well as the innovated ones No of cases processed through institutional cooperation	No risk No risk	- -	- -

			Commission, Central Bank), and ministries					
E. Public Procurement Commission								
1.	Provision for efficient implementation of the new Public Procurement Law Complying with the obligations from the European partnership Field - "Internal Market", short-term priorities, Public Procurement	Training of staff for the implementation of the new law (Public Procurement Commission, public procurement officers and bidders)	Public Procurement Commission, within EAR project, Human Resources Agency, Ministry of Finance	2006 - 2007	No of trainings, no of staff trained	No risk	Yes	Yes
		Drafting by-laws	Ministry of Finance	2007.	Adopted by-laws	No risk	-	-
		Develop Public Procurement Manual	Public Procurement Commission	2006.	Developed Manual	No risk	Yes	Yes
		Develop comparative analysis on the protection of the rights of bidders in the Western Balkan countries	Public Procurement Commission	2007	Comparative analysis done	No risk	Yes	Yes
		Set up a phone line for reporting irregularities in public procurement (with the elements of corruption)	Public Procurement Commission	2006	Phone line set up, no of processed compared to the no of filed complaints	No risk	-	-
		Inform the competent bodies on established irregularities with the elements of corruption in the public procurement procedures	Public Procurement Commission	Ongoing	No of submitted pieces of information compared to established irregularities, no of criminal charges of the police based on irregularities observed by the Public	No risk	-	-

					Procurement Commission			
2.	Provision of better transparency and efficiency in the public procurement procedure and protection of the rights of bidders	Provisions of conditions for the implementation of the Public Procurement Law regarding the electronic public procurement system	Public Procurement Commission	2007	The electronic public procurement system established	Lack of financial resources	-	Yes
		Creation of the electronic register book	Public Procurement Commission	2008	Electronic register book established	Lack of budgetary and/or external funding	Yes	Yes
		IT training for public procurement officers and bidders	Public Procurement Commission	2008	No of trainings, no of staff trained	Lack of budgetary and/or external funding	Yes	Yes
3.	Assessment of public procurement system efficiency	Report of the Public Procurement Commission on the state of affairs of the public procurement, observed irregularities and proposed measures to improve the system	Public Procurement Commission	2008.	Report, recommendations and application of recommendations	No risk	Yes	Yes
4.	Strengthen capacities of the Public Procurement Commission	Human resources development	Parliament of the RM, Public Procurement Commission	2006., Ongoing	Increase the no of staff	Lack of budgetary funding	Yes	-
		Intensify training of staff	Public Procurement Commission	Ongoing	No of trainings, no of staff trained	Lack of budgetary and/or external funding	Yes	Yes
F. Commission for Establishing the Conflict of Interests								
1.	Amendments to the legal framework Complying with the obligations from the	Adoption of the new Law on Conflict of Interests	Parliament of the RM in cooperation with the Commission for Establishing the Conflict of	2006.	Law adopted	No risk	-	-
		Harmonise the definition of			Harmonised definition of			

	European partnership Field - "Democracy and the Rule of Law", short-term priorities, Anticorruption policy	public officials with UN Convention against Corruption (art.2 of the Convention)	Interests		public officials			
		Introduction of efficient and proportional punishments, leading even to dismissal			Introduction of adequate and efficient sanctions			
		Envisage sanctions for false declaration of income and assets			Prescribed sanctions			
2.	Efficient control of the accuracy of submitted data	Establish by the Law on Conflict of interest the obligation of the Commission to verify and determine the accuracy of data on income and assets	Parliament of the RM in cooperation with the Commission for Establishing the Conflict of Interests	2006	Defined obligation	No risk	-	-
		Application of the obligation to submit information to the State prosecutor on false declaration off assets	Commission for Establishing the Conflict of Interests	Ongoing	No of submitted pieces of information compared to the no of irregularities determined	No risk	-	-
3.	Training for all those involved in the law implementation	Training for public officials (local officials)	Commission for Establishing the Conflict of Interests, in cooperation with NGOs and the media	2006, Ongoing	No of trainings, no of trainees	Lack of budgetary and/or external funding	Yes	Yes
		Training for NGO representatives		2006, Ongoing	No of trainings	Lack of budgetary and/or external funding	Yes	Yes
		Training for Journalists		2006, Ongoing	No of trainings	Lack of budgetary and/or external funding	Yes	Yes
G. Tax Administration								
1.	Prevention of	Setting up a phone line to	Tax Administration	2006	No of reported instances	No risk	Yes	Yes

<p>corruption within the Tax Administration Complying with the obligations from the European partnership Oblast - Field - “Internal Market”, short-term and medium-term priorities, Taxes and customs)</p>	<p>report corruption in Tax Administration and making six-month reports</p>		Ongoing	<p>of corruption, no of filed complaints compared to no of reported cases, reports posted at the website of Tax Administration</p>			
	<p>Annual research on current conditions, different forms, causes and methods of corruption in Tax Administration</p>	Tax Administration	Ongoing	<p>No of researches, no of fields covered by research, posted at the Tax Administration’s website</p>	Lack of budgetary and/or external funding	Yes	Yes
	<p>Strengthening the Internal Control Department of the Tax Administration 1) Training of staff of the Internal Control Department 2) Development of Rules of Operation for the Internal Control Department 3) Making six-month reports on performed internal controls</p>	Tax Administration	2007	<p>Rules of Operation made, no of trainings undertaken and no of persons who have undergone training No of reports, no of irregularities identified, no of reports compared to the number of irregularities identified</p>	No risk	Yes	-
	<p>Strengthening external control through: 1) appointing an authorised officer to supervise the operation of the Tax Administration 2) six-month reporting on supervision and their posting on the websites of the Ministry</p>	Ministry of Finance	2007.	<p>1) Authorised officer appointed 2) No of reports, no of identified irregularities, no reports compared to the no of identified irregularities</p>	No risk	-	-

		of Finance and the Tax Administration						
		Rotation of employees in Tax Administration (Financial Police)	Tax Administration	Ongoing	No of jobs for which it was established to be involved in the rotation scheme, rotation frequency	No risk	-	-
		Development of a Code of Ethics for public servants within the Tax Administration	Tax Administration	2007	Code of Ethics made	No risk	-	-
2.	Automation of the taxing procedure	Introduction of IT system with a unique database	Tax Administration	2007-2008.	IT system with a unique database established	Lack of budgetary and/or external funding	Yes	Yes
		IT training of staff		2007-2008., Ongoing	No of trainings, no of staff involved	No risk	Yes	-
3.	Improve cooperation with the police and prosecutors	Sign agreements of cooperation	Tax Administration, Police Administration, Prosecutor's Office	2007-2008.	Agreements signed	No risk	-	-
		Enable the police to have direct access to Tax Administration databases	Tax Administration, Police Administration	2007, Ongoing	No of criminal charges based on irregularities identified through Tax Administration's database	No risk	-	-
H. Customs Administration								
1.	Prevention of corruption in customs services Complying with the obligations from the European partnership Field -Internal	Enhance the system of communication with the public 1) Set up a phone line for reporting instances of corruption in Customs Administration and six-month reporting	Customs Administration	2006. Ongoing	No of reported instances of corruption, no of complaints filed with competent bodies compared to the number of instances, reports posted at the Customs Administration website	No risk	Yes	Yes

Market", short- and medium-term priorities, Taxes and Customs	2) Development of Guidelines for the public			Guidelines developed			
	Annual research of the current state of affairs, different forms, causes and methods of occurrence of corruption in customs services	Customs Administration	2006	Research of the corruption level within the customs services	Lack of budgetary and/or external funding	Yes	Yes
	Strengthening the Internal Control Department of the Customs Administration 1) Training of staff of the Internal Control Department 2) Development of Rules of Operation for the Internal Control Department 3) Making six-month reports on performed internal controls	Customs Administration	2007	Rules of Operation made, no of trainings undertaken and no of persons who have undergone training No of reports, no of irregularities identified, no of reports compared to the number of irregularities identified	No risk	Yes	-
	Strengthening external control through: 1) appointing an authorised officer to supervise the operation of the Customs Administration 2) six-month reporting on supervision and their posting on the websites of the Ministry of Finance and the Customs Administration	Ministry of Finance	2007	1) Authorised officer appointed 2) No of reports, no of identified irregularities, no reports compared to the no of identified irregularities	No risk	-	-
	Development of a Code of	Customs Administration	2007.	Code of Ethics made	No risk	-	-

		Ethics for public servants within the Customs Administration						
		Rotation of employees in Customs Administration		Ongoing	No of jobs for which it was established to be involved in the rotation scheme, rotation frequency	No risk	-	-
2.	Automation of customs procedure	Introduction of IT system with a unique database	Customs Administration	2007 - 2008.	IT system with a unique database established	Lack of budgetary and/or external funding	Yes	Yes
		IT training of staff		2007-2008, Ongoing	No of trainings, no of staff involved	No risk	Yes	-
3.	Enhanced cooperation with the police and prosecutors	Sign agreements of cooperation	Customs Administration, Police Administration, State Prosecutor	2007 -2008	Agreements signed	No risk	-	-
		Enable the police to have direct access to Customs Administration databases	Customs Administration, Police Administration	2007, Ongoing	No of criminal charges based on irregularities identified through Customs Administration's database	No risk	-	-
I. Administration for Anticorruption Initiative								
1.	Ongoing monitoring of the implementation of the Action Plan regarding corruption, expert assistance to the work of the National Commission Complying with the obligations from the European partnership	Enhance human and financial resources of the Administration to monitor the implementation of the Action Plan, as well as provide expert and technical assistance for the work of the National Commission	Government of the RM, Ministry of Finance, Administration for Anti-corruption Initiative	Ongoing, Immediately after the adoption of the Action Plan	Build capacities of the Administration to monitor the implementation of the Action Plan	Lack of human and financial resources	Yes	-
		Gather reports of competent bodies and institutions on the implementation of measures envisaged by the Action Plan and expert analysis of these	Administration for Anti-corruption Initiative in cooperation with competent bodies	Ongoing	No of reports, no of expert analysis	Lack of human and financial resources	Yes	-

	Field - "Democracy and the Rule of Law", short- and medium-term priorities, Anticorruption policy	reports						
		Draft proposals for possible amendments to the Action Plan	Administration for Anti-corruption Initiative	Ongoing	Ratio between drafted and adopted proposals, ongoing updating of the Action Plan	Lack of human and financial resources	Yes	-
		Drafting proposals to be adopted by the National Commission	Administration for Anti-corruption Initiative	Ongoing	Efficient operation of the National Commission	Lack of human and financial resources	Yes	-
2.	Encourage the public to report instances of corruption	Establish a Department for Public Complaints and adopt the new Rules of Internal Organisation and Systematisation of the Administration for Anti-corruption Initiative	Government of the RM, Ministry of Finance, Administration for Anti-corruption Initiative	2007	The Department established, the Rules adopted, no of reported instances of corruption, no of reports referred to competent bodies	Lack of human and financial resources	Yes	Yes
		Development and dissemination of information and promotion materials	Administration for Anti-corruption Initiative	Ongoing	information and promotion materials developed and disseminated	Lack of financial resources	Yes	Yes
3.	Proposals for introduction and application of European and other international anticorruption standards and	After the ratification of the Council of Europe's Civil and Legal Convention on Corruption, coordinate the activities on its full implementation	Administration for Anti-corruption Initiative in cooperation with competent bodies	Ongoing	Ratification	No risk	Yes	Yes

	instruments	Coordinate activities regarding full implementation of the UN Convention against Corruption 1) Analysis of current legislation to determine the level of alignment with the provisions of the UN Convention against Corruption 2) Amendments to current legislation and undertaking specific measures towards full implementation of the UN Convention against Corruption	1) Administration for Anti-corruption Initiative in cooperation with competent bodies 2) Government of the RM with relevant ministries	2007 – 2008.	Level of harmonisation of the legislative framework with the UN Convention against Corruption	No risk	Yes	Yes
4.	Compliance with the obligations undertaken under SPAI (Stability Pact Anticorruption Initiative) and GRECO (Council of Europe's Group of States against Corruption)	Coordinate activities regarding compliance with the binding recommendations from the Council of Europe's Report (GRECO) on the assessment of the anticorruption measures and activities in the Republic of Montenegro	Administration for Anti-corruption Initiative in cooperation with competent bodies	Subsequent to the submission of the GRECO report	GRECO report on the implementation of binding recommendations	No risk	Yes	Yes
		Coordinate activities undertaken within the Coordinate activities (SPAI)	Administration for Anti-corruption Initiative in cooperation with competent bodies	Ongoing	Progress attained in the implementation of the Declaration on 10 joint measures for fight against corruption in SEE	Institutional, human and financial resources	Yes	Yes
		Finalize activities undertaken within PACO Impact project of the CoE	Administration for Anti-corruption Initiative in cooperation with competent bodies	2006	Council of Europe's report on the implementation of the work plan of the PACO Impact project	No risk	-	Yes

7 SERBIA

Following public debate sessions held in January 2005, the National Anti-corruption Strategy of Serbia was endorsed by the Council of Ministers on 26 May 2005, and subsequently adopted by the Serbian Parliament on 8 December 2005. An Action Plan is at the drafting stage; area-specific action sections within the framework of the Action Plan will be prepared through the Commission for the Implementation of the National Strategy, which is to be established by Government decision following a Ministry of Justice proposal.

7.1 NATIONAL STRATEGY FOR COMBATTING CORRUPTION

7.1.1 Chapter I: Introduction

Corruption is a manifestation equally damaging in all societies irrespective of their level of development. The problem of corruption in societies making a transition towards democracy is bigger and more serious, as new demands dictate numerous tasks while the funds and means for their realisation are still undeveloped or insufficient.

Corruption destroys the essence of the state and thus its suppression to a level of acceptability commensurate with standards of the world we live in, is a requisite without which the state cannot be identified as a state ruled by law.

The fight against corruption must be an organised and long-term process of applying of purpose-defined measures for prevention and suppression of corruption. Despite that certain important anti-corruption legislation has been passed, the fight against corruption did not achieve adequate results. The number of prosecuted corruption cases is disproportionate with the number of suspected and publicly pointed out instances of corruption.

A widespread perception is that corruption is one the more serious social problems and that measures undertaken to date in combating corruption have been insufficient. Successful combating of corruption is one of the factors that is appreciated in the process of ascension to the European Union, as well as in assessing the harmonisation with Council of Europe standards. Assessment of the Group of states against corruption of the Council of Europe (GRECO) that is expected in 2005 will be important for evaluation of the success of the institutional and legislative framework, and for evaluation of the applied anti-corruption strategy, which is one of the crucial requirements of Pillar 3 of ascension to the European Union.

There is insufficient social awareness that every form of corruption is destructive and that corruption is not only bribery. The National Strategy for Combating Corruption (hereinafter "the Strategy") has as its objective to formulate and recommend measures that would in short, medium and long term contribute to suppression of corruption.

Corruption manifests itself where a) opportunity and b) interest is present. The Strategy focuses on both these factors. Opportunity must be eradicated through systemic reforms, and interests eliminated through measures that increase risk and reduce gain.

The Strategy includes three key elements:

- a) efficient enforcement of anti-corruption legislation,
- b) prevention, that implies elimination of opportunities for corruption and

- c) awareness-raising and education of the general public aiming at public support for implementing of anti-corruption Strategy.

All elements of the Strategy have to be applied concurrently and in co-ordination. This would achieve their mutual support and their aggregate effect would be stronger.

Recommendations of the Strategy will be specified in the Action Plan that shall provide particular activities, actors tasked with their undertaking and the time-frame for realisation.

The rule of law in efficient institutions, with easy access to justice and simple and transparent proceedings may be achieved by consistent implementation of the Strategy and Action Plan without exceptions and their timely harmonisation with identified problems.

1. Definition of corruption

Corruption is a relationship based on misfeasance in the public or private sector with the aim to acquire gain for oneself or another.

2. International standards

a) Achieved international standards

Ratified:

- UN Convention against Corruption;
- UN Convention against trans-national organised crime;
- Criminal Law Convention on Corruption of the Council of Europe;
- CoE Convention on laundering, seeking, seizure and confiscation of proceeds of a crime.

Signed:

- Civil Law Convention on Corruption of the Council of Europe.

Participation in initiatives to combat corruption:

- Group of states against corruption (GRECO);
- CoE Program against corruption and organised crime in Europe (PACO);
- CoE Program against corruption and organised crime in Southeast Europe (OCTOPUS);
- Stability Pact Anti-corruption Initiative for Southeast Europe (SPAI);
- Select Committee of Experts of the Council of Europe for evaluation of measures for prevention of money laundering (MONEYVAL);
- Southeast Europe Co-operation Process (SEECF);
- International Chamber of Commerce Program for fight against corruption.

b) Future essential standards

The following international agreements have to be ratified:

- Civil Law Convention on Corruption of the CoE;
- Additional Protocol to the CoE Criminal Law Convention on Corruption.

3. Prerequisites for the Strategy

- Political will;
- Respect for freedoms and rights of citizens;
- Reality, continuity, consistency, gradualness and co-ordination in realisation;
- Comprehensive and consistent implementation in respect of all corruption types and entities;
- Harmonisation of preventive, repressive and educational measures;

- Oversight and accountability for implementing the Strategy, with clearly define duties and time-frames;
- Periodic evaluation of achieved results and harmonisation with new needs;
- Co-operation of the public and private sectors, civil society and citizens.

4. Goals

The goal of the Strategy is reducing corruption and attaining an anticorruption culture commensurate with developed European countries through achievement of the following goals:

- lasting elimination of opportunities for occurrence and developing of corruption;
- establishing of legislative and institutional framework for prevention and suppression of corruption;
- consistent establishing of criminal and moral accountability for unlawful activities;
- establishing desired ethical standards;
- efficient application of internationally established standards in this field;
- transparent financing of political parties, elections and election campaigns;
- prevention of conflict of interest in the public sector;
- lawful and responsible enforcement of decisions;
- increasing functional efficiency of law enforcement bodies and oversight institutions;
- public administration reform with the objective of higher professionalism and transparency;
- open and transparent proceedings related to planning and use of budget funds, and public control of use of budget funds;
- training and assistance to the private sector in implementing anti-corruption measures;
- defining the role of the media in combating corruption;
- prompting citizens and the civil society to get involved in the fight against corruption;
- co-operation and raising general awareness on the rights and duties of government authorities, commercial entities, civil society and citizens in respect of corruption;
- joining the regional and international fight against corruption.

5. Current situation

Corruption represents a serious social problem. . This contention is supported by the views of citizens, declared priorities of political parties and analysis of international organisations. The proportions of corruption cannot be determined. Thus, when assessing the prevalence of corruption, public opinion polls conducted on qualified sample and analysis of perceived corruption are used, with necessary reservations.

During the past several years citizens place corruption as the fourth most important problem in the society (after poverty, unemployment and general crime). Public opinion polls indicate that citizens consider corruption in Serbia widespread, and that this viewpoint is based to lesser degree on personal experience and more on preconceptions and stories of others. These researches show that a large number of citizens do not report even cases of "small" corruption, of which they have direct knowledge, which is understandable in cases when the citizens themselves are giving bribes.

The fight against corruption to date mainly focused on promoting the legislative and institutional framework. Dissatisfaction of the general public with the speed and quality of changes of living conditions and unstable political scene represent factors that hinder implementation of anti-corruption measures. Some anti-corruption measures were adopted prior to adoption of a strategic document on the fight against corruption and, hence, were insufficiently compatible.

Some forms of corruption are punishable by current criminal legislation. In addition to the standard forms of accepting and giving bribes and «criminal offences of corruption», introduced into the legal system in 2001, there is a number of others that may contain the element of corruption. According to statistical data for the period 2000-2003, criminal offences with the element of corruption account for 4-5% of the

overall number of reported criminal offences. Approximately 15% of these charges resulted in convictions. Based on data from other sources, an impression is reached that these criminal offences have a high so-called «dark prevalence of criminality». The problem in uncovering corruption is that only participants in the prohibited activity have cognisance of the criminal offence and, consequently, have no interest in reporting it.

6. Causes of corruption

- a) Economic: structure and transformation of ownership, excessive state intervention in the economy, disrespect of market rules, poverty.
- b) Political: outdated and inappropriate constitutions, manner of functioning of political parties, uncertain statehood status, long-term international isolation, existence of informal power centres, absence of consensus on strategic goals of development of the country.
- c) Legal: non-application or selective enforcement of regulations, legal gaps, unharmonised statutory regulations.
- d) Institutional: absence or dysfunction of institutions, insufficient co-ordination, staffing inadequacy and insufficient equipping, and incompetence of institutions.
- e) Historical: fast changes in the system of social values, legacies of wars in the former Yugoslavia, lack of professionalism, customs.

7. Consequences of corruption

- a) economic:
 - Endangerment of market economy;
 - Reduced GNP;
 - Decrease in investment;
 - Increased indebtedness of the country;
 - Increase in poverty of citizens;
- b) socio-political:
 - Undermining of democratic institutions;
 - Increase of cost of functioning of the state;
 - Distrust of citizens in state institutions;
 - Expansion of organised crime;
 - Destruction of moral values of the society;
 - Apathy among citizens.

7.1.2 Chapter II: Systems and Fields

1. The political system

The political system has a decisive role in the fight against corruption. The success of that fight depends to large extent on the resolve and ability of factors of the political system to confront corruption. Therefore, existence and stability of political will, adoption and enforcement of relevant regulations and policy represent the prerequisites for implementing the Strategy.

The political system is frequently the source of some forms of corruption. Lack of harmonisation between constitutional norms and legislative solutions on election of MPs, unresolved conflict between the public and private interests, incomplete transparency in the work of government authorities and political parties, inadequate control of the role of money in politics, demagogic low salaries of the highest officials and

treatment of corruption cases in light of political showdowns and not as criminal offences, present a an obstacle not only for the realisation of the role of the political system in fighting corruption but also for attainment of social consensus and confidence of citizens in respect of implementing the necessary.

Recommendations:

- Commitment of the State Union of Serbia and Montenegro for quicker ratification of international instruments for combating corruption;
- Strengthening co-operation of government authorities of member republics of the State Union in combating corruption;
- Enhancing publicity and transparency in the work of government authorities;
- Timely publishing of detailed reports regarding voting and other MPs' activities;
- Increasing efficiency of the oversight function of the National Assembly;
- Introducing elements of direct election (by name) of MPs into the election system;
- Harmonisation of the constitutional status of MPs and the manner of their election;
- Establishing clear and objective criteria for evaluation of Government's efforts in combating corruption;
- Ensuring adequate remuneration for officials with consistent determination of accountability for discharge of office, including dismissal;
- Adoption of standards of integrity in highest government bodies;
- Introducing the requirement for government authorities to respond within statutory deadline to relevant questions from anti-corruption bodies;
- Introducing the obligation of public authorities to periodically submit reports on implementation of anti-corruption measures from their purview;
- Introducing a ban on partisan activity for certain categories of officials;
- Developing regulations on prevention of conflict of interest in discharge of public office;
- Limitation of immunity regarding appearance and statements given in discharge of public office (material immunity);
- Developing regulations on financing of political parties;
- Introducing the obligation for the Government to publish decisions on appointment and dismissal with an explanation of meeting the criteria and/or reasons;
- Ensuring special control of harmonisation of regulations and their consistency from the viewpoint of combating corruption;
- Enacting of law on lobbying and ensuring transparency in lobbying;
- Enacting a code of conduct of MPs and employees in the National Assembly Secretariat, with mandatory stipulation of ban of corruptive behaviour and ensuring its effectiveness;
- Introducing a limitation of passive electoral right for persons effectively convicted for criminal offences with element of corruption.

2. Judiciary and police system

Independence, impartiality, efficiency and accountability in the judiciary and the police are a prerequisite for creating a state ruled by law, and their strengthening the primary task. Current legislative measures are directed at prevention and sanctioning corruptive behaviour, but corruption still exists. This is indicated by public opinion, phenomena that with a degree of probability indicate that the issue in question is corruption, and a small number of uncovered and prosecuted corruption criminal offences against judicial and police employees.

Recommendations:

- Statutory definition of corruption;
- Introducing liability of legal entities for criminal offences;
- Introducing separate record of legal entities convicted for criminal offences and their elimination from public tenders;

- Establishing clear and common election criteria for nomination of judges and holders of public prosecution office (hereinafter “holders of judicial office) and their dismissal;
- Establishing specialised departments of public prosecution for criminal prosecution of serious corruption cases;
- Introduction of disciplinary accountability of holders of judicial office;
- Introducing preventive measures and controlling mechanisms for prevention of conflict of interest for holders of judicial office;
- Ban on political activity of holders of judicial office;
- Ban on political engagement of holders of judicial office;
- Adopting and integrity plan in courts and prosecution;
- Monitoring of complaints against holders of judicial office, particularly in cases with corruption element;
- Passing of a code of conduct of holders of judicial office, with mandatory regulation of the ban on corruptive behaviour and ensuring its effectiveness;
- Specialist advanced training of holders of judicial;
- Introducing periodic mandatory analysis of the work of bodies engaged in uncovering, prosecution and adjudication;
- Establishing tenure of office for holders of judicial functions;
- Mandatory periodical evaluation of the work of holders of judicial office based on predetermined criteria;
- Autonomy of judicial budget;
- Accelerating of court proceedings;
- Mandatory publication of effective court decisions in criminal cases with corruption element and organised crime cases;
- Ensuring effective enforcement of court verdicts;
- Suppression of corruption within court administration;
- Training of holders of judicial office for conducting pre-trial criminal proceedings;
- Mandatory subsequent review of prosecution decisions not to instigate or discontinue proceedings for criminal offences with corruption element, or in cases of procrastination of criminal proceedings;
- Elimination of influence of political structures on pre-trial proceedings;
- Amending the Criminal Procedure Code with the objective of more effective uncovering and prosecution of criminal offences with corruption element;
- Introducing prosecutorial investigation, with amendments of competencies of the investigative judge;
- Protection of persons reporting corruption and witnesses;
- Specifying statutory regulations on application of special investigation techniques;
- Expanding use of special investigative techniques for criminal offences with corruption element;
- Amending procedural regulations with the objective of prevention of their abuse by parties in proceedings;
- Consistent application of regulations on mandatory confiscation of benefits deriving from corruption;
- Transferring the burden of proof to the defendant in cases of seizure of material gain;
- Forming of a separate organisational unit for managing temporarily seized, frozen and confiscated assets;
- Introducing restrictions for persons effectively convicted for criminal offences with corruption element;
- Analysis and amending of regulations on the State Advocate;
- Consistent implementing of the code of professional ethics of lawyers and ensuring its effectiveness;
- Establishing independent and specialised institutions to provide expertise in criminal proceedings;
- Enactment of Police Act and relevant by-laws;
- Increasing the number of police officers engaged in combating corruption;
- Providing relevant expertise and constant specialisation of police staff engaged in combating corruption;
- Providing adequate salaries and work conditions for police officers;
- Eliminating political criteria in selecting police staff, in favour of professionalism;

- Ban on political engagement of police staff;
- Enhancing internal and external oversight of police work and ensuring institutional efficiency;
- Consistent enforcement of police accountability in cases of violation of law;
- Material investments in modernising the criminal investigation police department.

3. The system of public administration, territorial autonomy, self-government and public services

Implementing of the legal framework in the battle against corruption is not possible without active participation of public administration, territorial autonomy, local self-government (hereinafter “administrative authorities”) and public services. Flawed regulations and experience acquired by staff enable in some cases of arbitrary decision-taking may constitute a source for corruption. Therefore, upgrading of statutes, precise regulation of the scope of rights and transparent procedures are an essential prerequisite to avoid corruption. It is necessary to introduce a clear and effective principle of personal accountability of public administration and public services staff for lawful, efficient and quality work.

Recommendations:

- Implementing the Strategy for public administration reform;
- Commencement of work of the Administrative Court;
- Improving regulations governing: the work of the Government, public agencies, the Protector of Citizens (Ombudsman), public administration, territorial autonomy, local self-government, public servants, public services, as well as the general administrative procedure and administrative disputes;
- Consistent application of regulations on free access to information of public importance;
- Improving co-operation of public administration organs in combating corruption;
- Review of the discretionary powers of public administration and public services staff;
- Consistent application of the principles of work of public administration: depolitisation, professionalism, rationalisation, modernisation and the principle of open government, as well as review of the job classification in all public administration bodies, pursuant to the above principles;
- Establishing mechanisms guaranteeing impartial, objective and apolitical selection of staff and their promotion;
- Ensuring adequate salaries and working conditions of civil servants and public services employees;
- Establishing an efficient system of control and accountability of civil servants and public services employees;
- Protection of civil servants and public services employees who refuse to obey unlawful instructions of their superiors;
- Adoption of an integrity plan in government and public services;
- Passing of a code of conduct of public and civil servants, with mandatory stipulation of the ban on corruptive behaviour and ensuring its effectiveness;
- Definition of rules on prevention of conflict of interest, on engaging in political and public activities, receiving gifts and protection of official information;
- Introducing rules on movement of staff from the public to the private sector and ban on exploiting former official status;
- Establishing mechanisms for reporting unlawful and unethical work of civil and public servants and mechanisms for protection of persons reporting such behaviour (“whistle blowers”);
- Consistent control of application of regulations on payment of administrative fees;
- Defining and implementing measures to simplify procedures for exercising the rights of citizens before public administration bodies and public services, with primary objective of obtaining documentation in one place;
- Statutory regulation of criteria for determining the degree of confidentiality of documents and procedures for their safe-keeping;

- Interconnecting of the IT systems of the Tax Administration, Public Payment Directorate, Customs Administration, the Republic Pension and Disability Insurance Fund, and the Ministry of Internal Affairs as a single information system of public administration organs;
- Introducing the principle of rotation of civil servants and public services staff on jobs susceptible to corruption;
- Adopting and implementing separate action plans for combating corruption in areas most susceptible to corruption;
- Systematic advanced professional education of civil servants and public services staff.

4. Public finance system

Public finance and budget spending constitute approximately 45% of the GNP. Hence, planning, collection, disbursement, publicity and control of public finance are exposed to high risk of corruption, with serious consequences. Reforms in the customs, tax and budget systems lead towards creating of a less corruptive ambient. Flaws in the legal framework and belated application of particular new legislative regulations present a serious problem. Absence of adequate control mechanisms is particularly visible.

Recommendations:

- Consistent adherence to the principle of comprehensiveness of the budget, and elimination of non-budgetary funds;
- Completing of a single system of managing the accounts of budget spending units;
- Unification of accounting and budget classification and chart of accounts plans;
- Establishing mechanisms for evaluation of appropriateness of spending unit needs in planning of the budget;
- Introducing efficient control of borrowing and establishing direct link with planned inflow of money;
- Transforming of the provisional Treasury account in the permanent Treasury account;
- Introducing a modern IT system in the Treasury and Public Payment Administration;
- Enhancing transparency in spending budget funds;
- Enhancing current regulations on Treasury operations;
- Creating a Supreme Auditing institution;
- Establishing efficient control of budget execution by the legislative;
- Creating material and legislative conditions for efficient discharge of budgetary inspection and audit tasks;
- Organising budget inspection and auditing at local level;
- Introducing a system of internal financial control of all budget spending units and mandatory social insurance organisations;
- Increase in the number of public finance controllers and auditors;
- Free access to information relating to planning and execution of the budget;
- Harmonisation of tax regulations with EU regulations;
- Introducing synthetic personal income tax and self-taxing of entrepreneurs' income;
- Transfer of competencies for local tax administration to local level;
- Reducing the number of forms of taxes;
- Improving tax collection efficiency;
- Strengthening the Tax Administration's internal control service and establishing external control;
- Automatisation of tax procedure by introducing an IT system with single data base;
- Modernisation of Tax Administration that includes transfer from functional to client organisation.
- Consistent application of task and job division and rotation of customs service staff;
- Developing customs methodology;
- Automatisation of customs proceedings by introducing a contemporary IT system with single data base;
- Establishing links with custom services of other countries with the objective of information exchange.

- Developing and strict application of regulations in the public procurement field;
- Establishing an efficient mechanism for control of appropriateness and justifiability of planned public procurement;
- Establishing control mechanisms for procurement realisation;
- Ensuring autonomy and independence of the Commission for protection of rights from the executive branch.

5. Economic system

Prevention of corruption within the economy requires special measures, both due to interdependence of the economy and other sectors and because of corruptive habits within itself. The economy is in a difficult position due to long-term crisis and current reform processes.

Recommendations:

- Limiting the role of the state in the economy to establishing basic rules for fair competition, freedom of contracting, creating a business-friendly environment and regulating larger-scale market disruptions;
- Rectifying lack of congruousness and contradiction between individual systemic economic regulations (Law on Economic Entities, Securities Act and Economic Entities Registration Act...)
- Enhancing transparency of privatisation processes and proceedings;
- Creating an independent privatisation oversight body;
- Awareness raising of citizens regarding their rights in potential privatisation processes and the overall effects of privatisation;
- Developing a clear and effective competition policy;
- Establishing mandatory internal control in the public sector;
- Instituting independent external accounting audit of the of the largest economic entities;
- Strengthening independence and professionalism of specialised auditing institutions and the Accounting and Audit Commission;
- Strengthening a completely new, consistent and up-to-date book-keeping system, in accordance with international bookkeeping standards;
- Introducing integrity plans for economic entities;
- Enforcing a ban on obtaining tax relief for payment of funds for unlawful purposes;
- Passing a Code of Ethics and establishing mechanisms for its implementation;
- Creating reliable mechanisms within companies for employees wishing to report corruption and ensuring their security;
- Active promotion of the code of good business practise of the International Chamber of Commerce;
- Abolishing provisions of receiving of gifts as a manner of financing of agencies with public authority;
- Improvement of corporate management.

6. Media

Corruption in the media renders objective informing senseless and prevents public scrutiny over social activities. Professional work is under temptation to acquire unlawful gain, while the society that should be served by the media is sustaining damage. Damage is not easily rectifiable, thus prevention of corruption due to the effect of anticorruption awareness raising is very important.

Recommendations:

- Separation of the advertising function and information function within the media activity;
- Transparent insight into media ownership and prevention of monopoly therein;
- Transparency of financial transactions of the media;
- Developing regulations on the status, rights and operation of the media with the objective to create conditions for their independent work;

- Ensuring conditions for the work, autonomy and independence of the Republic Broadcasting Agency and Telecommunication Agency;
- Introducing a common code of ethics for journalists, with mandatory regulation of the ban on corruptive behaviour and ensuring its effectiveness;
- Ensuring independence of journalists in professional duties with consistent implementation of accountability for violation of the journalists' code of ethics;
- Enhancing regulations on accountability for public statements;
- Preventing discrimination in the relations of public authorities towards the media;
- Implementing the principle of incompatibility of journalist work and political activity;
- Permanent education of journalists on the forms of improper influence on their work, on forms of corruption, on investigative journalism, and their protection;
- Providing effective mechanisms for legal protection of journalists in cases of unfounded denial of information;
- Providing adequate sanctions for media influence peddling.

7. Participation of the civil society and the public in combating corruption

No effort of the public authorities, international organisations or civil society organisations in suppression of corruption will be effective over time if the general public does not support these efforts. The citizens are part of the anticorruption strategy but also its objective. This Strategy has as its goal to change the culture where corruption is tolerated. The citizens, through exercising their electoral right, may control and "punish" the incumbents in office with whose ethics or results they are dissatisfied, and/or "reward" those who were honest and diligent.

NGOs have to earn their legitimacy through openness, courage and quality of their actions. They can successfully act in combating anticorruption but may also themselves become the source and means of corruption, as they operate within an inadequate legal and social environment which hinders their work, creates dependence on donors and represents an obstacle for effective control of the quality of their work.

Guilds and professional associations may frequently observe issues related to typical manifestations of corruption more quickly and better than public authorities. Consequently, their role is to uphold and promote the level of ethics among members and sanction unacceptable behaviour. The majority of professional associations do not possess the prerequisites to realise their role in fighting corruption, whilst those discharging public authority are exposed to the danger where their monopolistic status may become the source of corruption.

The issue of ownership transformation in sports organisations is not regulated which, together with potential influence by political structures, creates suspicion of corruption.

Recommendations:

- Implementing continued awareness raising campaign among citizens regarding corruption and how to combat it;
- Introducing programs of basic education on corruption in educational institutions;
- Informing citizens on undertaken anticorruption measures and effects thereof;
- Informing citizens of regulations on free access to information of public importance;
- Providing effective legal remedies in cases of unfounded denial of information;
- Introducing reliable mechanisms for submitting of complaints by citizens and the obligation of public authorities to respond to them within statutory deadlines;
- Including of citizens associations in the activities of public authorities in combating corruption;
- Promoting the work of professional associations in fighting corruption;
- Reform of legislation in the field of citizens associations;

- Granting budgetary funds and tax relief to citizens associations based on clear criteria in a transparent procedure;
- Ensuring full transparency of financial transactions of the work of citizens associations;
- Control of spending of budgetary funds granted to citizens' associations;
- Introducing and application of ethic rules in citizens' associations;
- Timely informing of citizens' associations on the possibility to obtain funds from the budget;
- Enacting regulations on privatisation of sports organisations.

7.1.3 Chapter III: Strategy Implementation

A separate law shall establish an autonomous and independent body with the following competencies:

1. Monitoring of implementation of the Strategy and Action Plan;
2. Co-ordination of government authorities in combating corruption;
3. Enforcing of regulations from the field of conflict of interest resolution for officials in all branches of the government;
4. Control of implementation of regulations governing financing of political parties and election campaigns;
5. Monitoring the work of bodies engaged in the battle against corruption;
6. Developing integrity plans in the public and private sector;
7. Initiating amendments to and enactment of regulations of government authorities;
8. Regular periodic reporting to the National Assembly and publicity of work;
9. International and regional co-operation in combating corruption.

8 “THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA”

In 2003, a multi-disciplinary State Program for the Prevention and Repression of Corruption containing recommendations for measures and activities to establish an efficient system for prevention and repression of corruption was elaborated through broad stakeholder consultation. This Program has a long-term perspective with no clear deadline for renewal/update. An annex to the State Program on the implementation of anti-corruption measures in local government has been adopted in June 2005.

8.1 STATE PROGRAMME FOR REPRESSION OF CORRUPTION

8.1.1 Introduction

Pursuant to Article 49, paragraph 1, item 1 of the Law on the Prevention of Corruption, the State Commission for Prevention of Corruption (hereinafter referred to as the Commission) is authorised and responsible to prepare and adopt a State Programme for Prevention and Repression of Corruption (hereinafter referred to as the State Programme). In addition, the Commission is legally bound to adopt annual programs and plans for implementation of the State Programme. According to its statutory obligations and the 2003 Work Plan, the State Commission prepared this State Programme that contains recommendations for the necessary measures and activities to be undertaken aimed at the establishment of an efficient system for prevention and repression of corruption.

During the preparation of the State Programme, having regard to the importance of this document that should be agreed upon by all structures in the social and political life, as well as the need for a multidisciplinary approach and implementation of comprehensive and efficient measures for the prevention and repression of corruption, the Commission efficiently co-operated with the Government of the Republic of Macedonia – in particular with the ministries of interior, justice, finance and economy; and with other state institutions having competences in the sphere of establishing and implementing an efficient system to combat corruption, including the Assembly, the Chief Public Prosecutors' Office, the State Audit Office, the Agency for Civil Servants, the Public Attorney of the Republic of Macedonia, etc. In the preparation of the State Programme, special contributions were given by university professors, independent experts and representatives of non-governmental organisations and the media, as well as by experts of the Council of Europe, OSCE, and the Stability Pact.

The approach used in the preparation of the State Programme, whereby the possible solutions offered to overcome the problems, which were identified by an empirical research justifies the conclusion that optimal measures have been envisaged therein. Their full implementation in the Republic of Macedonia will ensure creation of an efficient system for the prevention and repression of corruption. Thereby, taking the need for prevention and repression of corruption as a starting point, the fact that extremely thorough steps are proposed, such as a large number of constitutional amendments, changes to the existing legislation, enactment of new laws, and creation of new institutions, might be conceived as yet another confirmation of the seriousness in the approach while preparing the State Programme, and ascertains the knowledge that without deep and thorough reforms in the system of state governance and the political system, the judiciary, law enforcement institutions and public administration, one may not continue to claim that the country is committed to the rule of law and to the development of a democratic society.

8.1.2 The situation with corruption in the Republic of Macedonia

In the Republic of Macedonia, a complimentary system of measures for the prevention and repression of corruption has not yet been established, and this is a result of several major obstacles that can be systemised into the following groups:

- Insufficiently well-established and functional system of separation of powers into legislative, executive and judicial;
- Absence of independent institutions for the prevention and repression of corruption;
- Lack of a system of mutual and horizontal control between institutions (National Integrity System);
- Scarce engagement of the civil sector and the media in strengthening public awareness;
- Insufficient involvement of the international community in supporting anticorruption activities;
- Not harmonised parts of the national legislation with international standards.

Bearing in mind that corruption is opposite to the principles of rule of law and market economy, as well as the indications by domestic and international experts concerning the problems in this area with which the Republic of Macedonia is faced, in the past few years several opinion polls and analysis about the scope, reasons, and consequences of corruption were conducted. According to the opinion polls, there is a prevailing public perception of a high-level presence of corruption, and foreign investors believe that it is one of the key factors contributing to putting off direct investments, which are essential for economic growth and creating new job opportunities.⁷

The surveys about the perception of corruption⁸ have demonstrated that the corruption has been accepted as a "style of living".

In addition, the results of several other polls have also been published, which point out to the seriousness of the problem with corruption in the Republic of Macedonia⁹. Furthermore, the analysis of the National Integrity System¹⁰ determined a complete non-functioning of the system for national integrity and horizontal mutual control between anticorruption pillars. Contrary to these surveys and recommendations of the international community, where the problem of corruption in the Republic of Macedonia has been underlined in all of its reports issued to date, according to the official statistics of the Ministry of Interior and the Public Prosecutors' Office, this problem is not that much expressed¹¹.

⁷ An opinion poll conducted within the framework of the project "Direct foreign investments, alternatives to overcome the existing barriers". A regional project implemented in Albania, Macedonia and Bulgaria, in February 2001. The project included: the Institute for Development Research and Alternatives - IDRA and the Institute for Contemporary Studies - ICS, Albania; Forum CSID Macedonia and ARC Fund - Sofia, Bulgaria.

⁸ The opinion polls were conducted in November 2001 by *Forum CSID*. The survey was realized on a random two-stage sample from the territorial registry of the Republic of Macedonia. The survey included 1,313 people, out of which 74,9% Macedonians, 19,2% Albanians, 1,4% Turks, and 2,6% Serbs. According the survey, the public opinion of the citizens of the Republic of Macedonia is that there is insufficient respect of the law (82%), there is no rule of law (75.8%), corruption is widely spread (35.5%), not much chances for it to decrease (19.3%). As the main reasons for corruption, the public indicates the wish of people in power to easily gain personal profit and become rich (20.8%), inefficiency of the judiciary (15.3%), insufficient administrative control (10.75%) and overlapping of public arrangements and personal and private interests (7.51%). At the same time, there is a strong belief that the Government is primarily responsible to solve the problems with corruption in the society (76%).

⁹ Thus, according to the Corruption Perception Index (CPI) published by Transparency International, the Republic of Macedonia was ranked for the last time in 1999, when it was on 63rd position with 3,3 index points (out of 10).

¹⁰ National Integrity System, study, Transparency Macedonia, October 2002.

¹¹ According to the data given in the official response to the *Evaluation Questionnaire*, the Ministry of Justice and the GRECO group for the Republic Macedonia, July 2001. In the period of 1997-2000, 147 cases of corruption have been detected on the basis of which the Public Prosecutor brought indictment against 170 persons. In the same period 567 cases of "misuse of an official position and authorization" were detected, and 101 cases of bribe giving and bribe taking were indicted and sentenced (out of which 37 cases of imprisonment and 64 cases of suspended sentence).

8.1.3 Definition of corruption

For the purposes of the State Programme, corruption is defined as:

Abuse of one's own or somebody else's position or function, with a view to gain interest, advantage or benefit for one's own or for somebody else.

The term "**abuse**" refers to a public function, obligation or authorisation, which may be carried out by undertaking or omission to undertake an action that according to the law must have not been or have to be completed.

A "**position or function**" refers to all persons mentioned in Article 122 of the Criminal Code.

"**Abuse of somebody else's position or function**" denotes participation of other physical or legal persons in the mentioned abuse.

An "**interest**" implies any kind of interest whether of material or non-material nature.

"**Somebody else**" implies any legal entity or natural person.

"**Somebody else's**" refers to any person (legal or natural) that makes use of somebody else's position or function with corruption actions.

8.1.4 Aims of the State Programme

- Adopting a broadly-accepted consensual system of measures for prevention and repression of corruption, which will be founded on a long lasting basis;
- Creating and fostering an atmosphere of a "**zero tolerance**" for corruption;
- Transforming corruption from **a low-risk and high-profit into a high-risk and low-profit** activity, by reinforcing the system of measures for detection and punishment of its perpetrators, and seizure of criminal proceeds (financial gain, profit, advantage, interest, benefit).

8.1.5 Principles of the State Programme

The basic principles of the State Programme for Prevention and Repression of Corruption are the following:

Respect for human rights

The measures for prevention and suppression of corruption contained in the State Programme are based on the concept of full respect for human rights and freedoms enshrined in the Constitution and laws of the Republic of Macedonia and in relevant international instruments, notably in the European Convention on Human Rights. The general threat from corruption and concrete threats from corruptive behaviours justify exceptions from the established standards in the area of protection of human rights and freedoms, but only in cases, in a manner and to the extent permitted under the Constitution and laws of the Republic of Macedonia, and under international documents.

Prevention before repression

The acceptance of repression as the mere response to corruption results primarily in elimination of its consequences in individual cases, whereas the reasons, motives and circumstances leading to corruption remain intact. The State Programme, reflecting the global trends and aiming at efficient preventive action against corruption, is based on the prevention, detection of the reasons and conditions leading to corruption, as well as on their elimination, while the repression will remain as corrective measure against individual cases.

However, under the given circumstances characterized as "anomy" (lack of appropriate legislation and inactivity of law enforcement officials, it is necessary to strengthen the repressive reaction. Such repressive response will demonstrate the commitment of state authorities to implement and defend the

existing legal system, and will decrease the possibilities for the actors in corruptive activities to remain with impunity. The repressive reaction in the current social, political and legal milieu is necessary in order to enhance the discipline among public officials and the citizens, and to restore citizens' confidence in the institutions of the system.

Cooperation between the public, private sector and the civil society

Corruptive behaviours cause detrimental consequences to the public and private sector, the civil society, and individuals, and therefore their representatives and experts were actively involved in the preparation of the State Programme. Moreover, the future activities in the implementation of the State Programme should also be carried out in close cooperation with all stakeholders, and this would be especially worthwhile in the process of monitoring and assessing the results achieved in the implementation of the Action Plan.

Progressiveness

According to the contemporary theory and practice, the corruption is a system infiltrated within the social, cultural, political and legal characteristics of a given state. This system can be eliminated by long-term and continuing measures and activities, and not by short-term measures targeted at simple and individual goals. The measures against corruption will be efficient only if priorities are identified and time limits for their implementation are set. Such understanding of the importance of the reasons and consequences and the rational progressiveness of corruption were the only preconditions taken into consideration while planning the activities, which were incorporated in the State Programme and its Action Plan.

Transparency and openness of the State Programme

The State Programme, which by virtue of its nature and content equals to a National Strategy, is intended for all citizens of the Republic of Macedonia, and in consequence thereof it will be a fully transparent and open project, both in its preparation and implementation stages.

Continuity of the State Programme

Having regard to the fact that an absolute elimination of the corruption is impossible, the on-going prevention, as well as detection, curbing and punishment of the manifested forms of corruptive behaviours presuppose continuity in all measures and activities for prevention and repression of corruption. Any disregard or inactivity is immediately reflected in an increased threat from corruption. Therefore, the State Programme is a document, which in all of its stages from preparation to implementation, has to be comprehensive and fully realized. Thus, it will have an enduring value and will ensure setting new grounds for the social and political life in the Republic of Macedonia.

8.1.6 Preconditions for Implementation of the State Programme

Basic preconditions for implementation of the State Programme are the following:

Political will

The corruption jeopardizes political stability of the state, citizens' confidence in the political and judicial system, and the rule of law, economic development, foreign investments, and the process of European integration. For that reason, the prevention, detection and suppression of corruption without clearly demonstrated political will and commitment are not possible. Only the political establishment, which accepts the fact that corruption is a phenomenon that may occur in all spheres of social and political life, and which in its essence is an apolitical one, will be able to provide those involved in the process of prevention and fight against corruption with all necessary means and powers to plan and implement

long-term institutional reforms, and only such establishment may be actively involved in their implementation. Fundamental changes in this respect cannot be foreseen without a wide-scale national and political consensus in terms of the dangerous consequences from corruption, the importance of anticorruption measures, and the consistency in their implementation. Without such a consensus, it will be impossible to make progress in combating corruption.

Organized monitoring

In order to be successfully implemented, the State Programme should be a coherent system of goals, measures and activities for their realization, and it should clearly determine the holders i.e. those who would be responsible to carry out these activities.

In addition to the involvement of a wide range of subjects or stakeholders in the preparation and implementation of the State Programme, it is crucial to determine the manner in which supervision over the implementation of the State Programme will take place. It is especially important this task to be entrusted to specialized and qualified body (bodies). The Commission has been entrusted, for the most part, with the task to monitor the implementation of the measures proposed in the State Programme, and depending on the sphere and corpus of measures to be implemented, it will actively cooperate with the respective institutions, and in particular with the individuals involved in the drafting of the State Programme. In addition, having regard to the scope and importance of the proposed amendments to the Constitution of the Republic of Macedonia, it is necessary the Commission to set up a standing body for normative changes that will review and analyse all aspects of the proposed constitutional and legislative reforms needed to implement this portion of the State Programme, which is vital for the establishment of a comprehensive system of measures to combat corruption.

Simultaneously, the public should be encouraged to oversee the implementation of the State Programme, but also mechanisms for coordination and influence on the institutions responsible to implement certain segments of the State Programme should be introduced.

Evaluation and assessment of the implementation of recommendations will be carried out in regular three-months intervals.

Assessment and corrective measures

Each document is a reflection of the time in which it was created. The corruption, as well as other phenomena related to it, is not a constant but rather evolving phenomenon that modifies its manifested forms. In consequence it is necessary to establish specific procedures and methodology for documenting and overseeing the conditions under which corruption occurs, which should be based on scientific methods, and which should guide the reaction in response to and depending on the altered conditions. The corrective measures envisioned to be undertaken after a certain period of time should not be perceived as criticism to the basic text of the Programme, but on the contrary, they will contribute to its deepening and reinforcing the efficiency of the implemented measures.

Financial implications

In order to implement the State Programme, it is essential to take into account the financial implications and to make a comprehensive assessment about its budgetary requirements.

During the preparation of the State Programme, the real economic and financial situation in the Republic of Macedonia was particularly taken into consideration, whereby the intention was not to draft a Programme that will be perfect, but realistically unfeasible.

While preparing the State Programme, a particular emphasis was given to the activities already incorporated in the Government's Programme and which are already underway or are anticipated within

the efforts aimed at harmonization of the current legislation with the European standards. Therefore, the multidisciplinary body unanimously supported the assertion that the State Programme is a document which objectively meets all relevant criteria for substantiation and applicability, of course provided that the aforementioned principles and preconditions for its implementation are met, and that there is a stable financial matrix capable to sustain extensive legislative reforms, reorganization of the existing and creation of new institutions, education and training of staff in the institutions responsible to carry out the proposed measures, and education of citizens and the public.

It is also necessary to emphasize the need for creation of a special budget in support of the State Programme, which will primarily generate funds from donations and foreign aid.

8.1.7 Area of Application of the State Programme - Measures

Reforms of the state and the legal system

In the efforts to point out to the implications from the general characteristics of the existing system as a whole with regard to the reasons and possibilities for corruption, the State Programme determines a number of recommendations that should contribute to the reduction of opportunities for corruption and to strengthening of legal and institutional capacities for efficient prevention, control and repression of corruption, which also require interventions to the Constitution of the Republic of Macedonia.

From the aspect of establishing a comprehensive system of legal and institutional mechanisms for efficient prevention and fight against corruption, areas where substantial reforms are needed are the rule of law and further affirmation of the protection of human rights by creating a solid constitutional basis for implementation of the internationally-accepted standards for efficient functioning of the system of separation of powers, and in particular ensuring the independence of the judiciary. Therefore, the State Programme underlines as necessary changes to be made to articles 12, 17, 18, 25, 26, 55, 91, 98 - 105, 106 and 107 of the Constitution of the Republic of Macedonia.

Political system

The political system of the Republic of Macedonia is distinguished by an insufficiently consistent system of separation of powers, and by non-existence of independent institutions that will ensure mutual check and balance between the respective institutions in the system. The involvement of judges in the election commissions is putting an additional bound on the judiciary vis-à-vis the politics and the legislative and executive branches of government.

In the political milieu of the Republic of Macedonia, in addition to the lack of a high-level political culture, there is also a lack of legal awareness and culture. The political factors are primarily concentrated on the executive power, as a milieu where the performance of a public office is conceived and privatised as a purely party and private benefit deriving function.

The Law on the Political Parties, *inter alia*, governs the issue of funding of political parties. Although there are clear statutory provisions requiring disclosure of the sources of funding of political parties, the practice has revealed that finances of political parties remain non-transparent. This situation is particularly favoured by the lack of external and internal systems of control and documentation of the political parties' finances, as well as by the absence of maintaining intra-party financial statements and records.¹²

In light of the abovementioned, preconditions for an independent, competent and non-party affiliated control over the financial operations of political parties should be created. To achieve this goal, the State

¹² In practice so far there is no case where the State extorted control over the financial operations of political parties on whatever ground.

Programme envisages amendments and supplements to the Law on the Political Parties, the Law on State Audit, and the Law on the Prevention of Corruption. Accordingly, the State Audit Office and the State Commission for the Prevention of Corruption will have a statutory responsibility to control the financing of political parties and election campaigns.

Reduction of Discretionary Rights

The broad discretionary powers of public officials, whereby they dispose with enormously big public (budget) funds or state property, imply misuse in the disposition of the funds, non-diligence and illegal profit acquisition by means of corruption.

Consequently, the principal recommendation arising from the measures referred to in several segments of the State Programme's Action Plan is the reduction of discretionary rights. To achieve this goal, constitutional amendments concerning immunity of ministers and changes to other laws, as well as repressive measures and new criminal offences of abuse of these rights are recommended.

Introduction of the merit system

A widely-accepted tendency in the State Programme is the elimination of the so-called "spoils" system (division of positions in the state administration according to political affiliations), and introduction of firm, formal and legal guarantees for the "merit" system, which presupposes strict and clear procedures and criteria for employments and career developments based on merits.

Regulating issues of conflict of interests

Inadequate regulation of the issues of conflict of interests has also been pointed out as one of the main problems, which coupled with broad discretionary rights, leaves space for corruptive behaviours.

8.1.8 Area of Application of the State Programme – Actors

State Commission for Prevention of Corruption

The independent institutions are of a paramount importance for the efforts to establish an efficient system for prevention and fight against corruption. During the preparation of the State Programme, the experts, who were analysing several proposed models of independent institutions that would have a controlling and repressive function, concluded that the role and position of the State Commission for Prevention of Corruption within the current institutional system should be reinforced by strengthening its status and human resources. Thus, it was recommended that an operational body within the Commission be created, which will further enhance its capacity to undertake independent operational actions.

The Commission will be responsible to oversee the activities and measures, and the dynamics of their implementation by other institutions and organs to which the corruption cases were entrusted or are already handling such type of cases. To that effect, a direct cooperation should be established between the Commission's operational body and the organizational units within different institutions, whereby the State Commission may directly intervene by guiding the activities of other institutions.

The implementation of this institutional measure requires changes to the Law on the Prevention of Corruption.

Specialised bodies in the State Administration, Judiciary and Public Prosecution

The identified lack of a comprehensive and specialised treatment of the corruption phenomena implies little efficiency and coordination in detecting, investigating and processing of corruption cases. This leads to the need for an appropriate organisational set-up and establishment of specialized organisational units or departments within the State Administration, Judiciary, and Public Prosecution.

Specialised Unit (Directorate) within the Ministry of Interior

The main characteristics of corruption (which is practically associated with the power and opportunity gained through one's position or function), its operative investigation and the undertaking of measures for its suppression, require high degree of confidentiality and avoiding long chains of subordination. Consequently, it is deemed that the establishment of a separate organisational unit within the Ministry of Interior will ensure a more inclusive, simplified and efficient application of the basic principles, means and methods for its detection and suppression.

Specialised organs within the Ministry of Finance

The human and technical capacities of the existing specialised organs within the Ministry of Finance, including the Customs, Tax Revenue Office, and Directorate for Prevention of Money Laundering, Foreign Exchange Inspectorate should be further developed. Additionally, the possibility for their reorganisation and functional fusion with the operational components of the Financial Police should be explored and determined, which would ultimately strengthen the capacities for an efficient fight against organised financial crime.

Specialised department within the Public Prosecution

It is crucial, in terms of building institutional capacities to combat corruption, to establish a specialized department within the General Public Prosecutor's Office that from technical, human resource and organizational points of view will be able to efficiently confront and cope with corruption and organized financial crime.

Specialisation and education of judges

The need for specialisation in handling corruption cases has also been widely recognised in the area of the judiciary. The current practice of assignment of cases, whereby a judge may handle minor criminal offences like larceny and major cases of corruption and organized financial crime evidently does not correspond to the requirements of judicial excellence and efficiency.

By virtue of their nature and essence, the judicial and prosecutorial function require continuous and systematic education and training in consequence of the fact that every case is an unique set of facts, and because the legal systems is under constant reform and development. This need is even more underlined when it comes to the requirement for judges to be knowledgeable of the ratified international documents, the jurisprudence of the European Court of Human Rights, and the legislation of the countries with which the Macedonian law should be harmonized.

The training and specialisation of judges and prosecutors should take place in the Centre for Continuing Education of Judges and Public Prosecutors.

Public sector

1. One of the main pillars that needs to be established for the prevention of corruption within the public administration in the Republic of Macedonia is the merit based system for the employees in the sectors of health care, education, science, culture, and social care. In this respect, it is necessary to advance the rules concerning employment, career development, performance assessment and accountability of

employees in the abovementioned sectors of public administration in accordance with generally accepted merit system.

With respect to the core group of civil servants, it is evident that the principles of the merit based system, which have already been incorporated in the Law on Civil Servants, should be further employed in a consistent and comprehensive manner in other substantive laws that govern their employment, promotion, and accountability.

One should also be concerned about the advancement of professionalism of managers and employees within the public enterprises, which fall outside the scope of public administration, and consequently are subjected to the general employment rules and regulations.

2. The adoption of a unified and consistent regulation concerning the salaries of public sector employees, which would enshrine the principle of equal salary for the same duties and workload, as indicated in the Strategy for Public Administration Reform, will substantially contribute to avoiding the intolerable risk of corruption and conflict of interests. It will also have a positive impact on motivating and maintaining qualified personnel in the administration.

3. The principles of openness and transparency should be further promoted and strengthened as underlining principles in the work for the entire public sector. By practicing "an open and transparent government" the public interests will be better served and protected, and the possibilities for abuse of power and corruption will be reduced.

4. In order to achieve their effective and consistent application, the provisions that regulate ethics and conflict of interests of civil servants should be harmonised within the Law on Civil Servants and the Law on the Prevention of Corruption.

5. In addition to the efforts to improve the legal framework and measures, it is extremely important to pay attention to the training and building conscience and awareness of civil servants, which are crucial segment of public administration. Therefore, priority should be given to training activities about issues like ethics in the public service, conflict of interests and corruption, as well as to carrying out anti-corruption campaigns for civil servants.

The justice system - judiciary, public prosecution, public attorney, bar association, notary public

The Judiciary

The analysis of the basic characteristics of the justice system in the Republic of Macedonia points out to its insufficient constitutional and legal, institutional and organizational adjustment. This situation represents an objective obstacle for achieving the fundamental goals of a consistent justice system, which are to ensure efficient protection of the rights of individuals and legal entities i.e. the rule of law.

The basic implication stemming from the inadequate institutional position of the judicial system is demonstrated by its lack of independence from the legislative and executive branches of government. The existing system and manner of election, dismissal and promotion of judges demonstrated a series of weaknesses, due to which it must undergo profound changes that will ensure proper conditions for an optimal professional advancement of judges, but at the same time will ensure an oversight over the quality of their work. To that effect, it is necessary to redefine the existing Republic Judicial Council (RJC) in terms of the manner of election of its members and its scope of competence. The marginalization of this body led to shifting the decision-making power in the process of election and discharge of judges from the Council, being a professional and competent institution, to the Assembly. Therefore, the State Programme envisages the creation of a new independent body that should ensure the needed depolitization of the judicial system. In constituting of this body all three branches of government should participate, however the judiciary should have a predominant role.

The idea to reinstate the existing RJC with a State Council of Justice (SCJ), contains in itself the following assumptions:

- Introduction of a special procedure for election of the SCJ's members;
- Judges, public prosecutors, public attorneys, and constitutional court judges to be elected and dismissed by the SCJ;
- SCJ to oversee the work of those it has elected, and to propose measures for their training and specialization;
- SCJ to oversee the work of courts, public prosecutors' offices and the public attorney, thus playing an active role aimed at attaining full capacity to carry out their functions successfully by setting up strict and clear criteria for election and dismissal.

The organizational structure and jurisdiction of the courts are also a source of inefficient, non-qualitative and long procedures, which result in loss of confidence on the part of citizens in the justice system. Therefore, there is a general impression that the establishment of specialized courts is a necessity and that this measure coupled with the enhancement of professionalism and specialization of judges will improve the quality in their work.

In order to implement the aforementioned, it is necessary to introduce amendments to the Constitution of the Republic of Macedonia, the Law on the Courts, and the Law on the Republic Judicial Council.

The inefficiency of the courts leads to a huge backlog of cases. In addition to the situation concerning courts' jurisdiction, the main reasons for inefficiency could be found in the current procedural laws (the Code of Civil Procedure, the Code of Criminal Procedure, the Law on Non-Contentious Procedure, the Law on Execution Procedure, the Law on Administrative Disputes). Due to the long duration of court proceedings, there is an increasing number of citizens' complains against the work of judges. The anticipated changes to the procedural laws should provide for simplified requirements to hold court hearings i.e., restriction of the possibilities for unnecessary delays, elimination of the possibilities for misuse of the institute of removal of judges from cases, etc.

The redefinitions of the delivery service and court administration are also issues, which cannot be further delayed because they are of vital importance for the efficiency of the judiciary.

Discussing the (in) efficiency of courts, a special attention should be paid to the execution of final court decisions. The execution procedure should be released from the ballast of legal remedies, the use of which very often results in absurd situations where the execution lasts longer than the civil or criminal procedure itself.

The current financial and social status of judges and court administration leaves room for corruption. This severely endangers the principle of legality in processing cases, as well as the moral and ethical foundations in the administration of justice, which all result in an erosion of the citizens' confidence in the judiciary. In addition to the Law on Independent Court Budget, it is necessary to enact a Law on the Salaries of Judges and Public Prosecutors, as well as to improve the Judicial Code of Ethics.

Public Prosecution

The current status of the Public Prosecutors' Office is one of the reasons for the dissatisfactory state of affairs concerning the fight against corruption and organized crime. There is an apparent insufficient coordination between the Public Prosecutors' Office and other stakeholders in the fight against corruption and organized crime, first of all between the Ministry of Interior and the courts. Furthermore, the Public Prosecutor does not play an active role in the preliminary criminal procedure i.e., in the detection and discovery of criminal offences, and in the provision of guidance in gathering and securing good quality and permissible evidence.

The manner of election, career advancement and discharge of public prosecutors does not correspond with the role and competences that have been entrusted to this body in the justice system, being the only entity responsible for criminal prosecution. The situation where the public prosecutors are elected and discharged by the Assembly upon a proposal by the Government objectively raises suspicion in their independence and decisiveness to prosecute perpetrators of criminal offences. This situation is especially not favourable when it comes to the fight against corruption and organized crime, owing to which it is necessary for the deputy public prosecutors to have a life-time term of office.

The aforementioned situation requires profound changes to be made in the legislation pertaining to the status of the Public Prosecutors' Office, and in particular amendments to the Constitution of the Republic of Macedonia, enactment of a new Law on the Public Prosecutors' Office, and amendments to the Criminal Procedure Code.

When it comes to the financial and material status of public prosecutors, it may be concluded that the situation here is also unsatisfactory as with the judges, due to which it is necessary to adopt a good Law on the Salaries of Judges and Public Prosecutors.

Public Attorney's Office

The status of the Public Attorney's Office in the justice system of the Republic of Macedonia is entirely inappropriate, particularly bearing in mind its role and competences with respect to the protection of property rights and interests of the state. The position of the Public Attorney's Office as an expert service within the Government creates an ambience of passive holder of the obligation to defend the state's property interests.

The appropriate solution would be the creation of a constitutional basis and introduction of changes to the Law on the Public Attorney's Office aimed at strengthening its independence from the executive branch, and which would entitle the Public Attorney's Office with independence allowing it to function as a body responsible for the protection of legally-recognized property interests of the state.

The Bar (lawyers in private practice)

The bar i.e. lawyers in private practice have a special position and role in the protection and exercise of individual rights and freedoms before the courts and other state authorities, mainly in the procedures whereby citizens seek to exercise and protect their legally-recognized rights and interests. The Law on the Bar is not harmonized with the international documents pertaining to this subject matter, and subsequently many provisions therein were repealed by the Constitutional Court of the Republic of Macedonia.

It is vital to determine the basic postulates of the bar as an independent public service and profession that provides legal assistance and has public mandates, which form the basis for promotion and protection of individual rights and freedoms, and whereby the equal access of citizens to the services provided by the lawyer will be ensured.

Notary Public

The position of the Notary Public as an independent service with public mandates, which is legally bound to keep personal data of its clients confidential, creates a possibility to legalize funds, gained by means of corruption, through notaries' acts. For the purposes of creating an efficient system of measures for the prevention of corruption, it is necessary to include public notaries too, by imposing on them a legal duty to report any information related to corruption.

The criminal law system

Substantive Criminal Law

With respect to the substantive criminal law, it can be concluded that there is a lack of appropriate and precise incriminations for certain forms of crimes. Thus, the dramatic social, political and economic changes in the past years led to such forms of illegal behaviours which enabled individuals to unlawfully acquire enormous financial means with impunity.

To remedy this situation, it is necessary to introduce changes to the Criminal Code of the Republic of Macedonia by establishing new types of criminal offences, such as:

- Unlawful acquisition of state property, funds from the state budget or public funds in the performance of public authorizations;
- Non-diligent performance of service i.e. non-diligent performance of public functions;
- Misuse of confidential information with the purpose to gain benefit for oneself or for another person, or revealing such information to another person in order to gain benefit or to cause damage to someone else;
- Illicit acquisition of disproportionate wealth, or in an alternative failure to report the real sources of the disproportionate increase of property, in cases when such increase is established on the part of officials.

The practice has demonstrated that it is impossible from criminal and legal aspect to effectuate the criminal offence of money laundering. Therefore, it is necessary to redefine this criminal offence.

In addition, the criminal liability of legal entities is a need that derives from the potential abuse by these entities and their changed status in the economic milieu in the country.

Having regard to the decision rendered by Constitutional Court of the Republic of Macedonia, which repealed the provision under Article 69 of the Law on the Prevention of Corruption that prohibited persons convicted for corruption to perform functions and duties, it is necessary to change the Criminal Code by stipulating mandatory issuance of security measure against perpetrators of corruption-related criminal offences.

It is also necessary to make changes in respect of the liability for misdemeanours prescribed by the Law on the Prevention of Corruption, notably by introducing ancillary penalties, such as:

- suspension from performing a function/office;
- termination of office and ban on second appointment within certain period of time;
- loss of passive right to vote;
- prohibition to found a commercial company, or to acquire the capacity of a responsible person in a commercial company;
- introducing an efficient system of measures for seizure and freezing of assets gained as a result of corruption, as well as their confiscation.

All of the aforementioned will create an environment where the corruption will be considered as high-risk and low-profit activity.

The implementation of the above-indicated measure requires amendments to the Criminal Procedure Code and the Criminal Code. Additionally, there is an inconsistent criminal records system, which creates legal uncertainty among its users. The maintenance of criminal records should be transferred to the courts, whereby all courts in the country should be networked and connected to a central database. This will ensure promptness and comprehensibility, and at the same time uniformity in the access to these data.

Procedural Criminal Law

The procedural criminal legislation in the Republic of Macedonia is a limiting factor in terms of the commitment declared by the state to combat corruption and organized crime, as well as in terms of the application of international standards stemming from the ratified international conventions and recommendations. The existing Criminal Procedure Code (CPC) does not provide for efficiency in dealing with this crime.

The absence of legal regulations for protection and compensation of the damage suffered by the victim of the acts of corruption ranks the Republic of Macedonia among the countries that have not accepted this international standard, thus the declared readiness to deal with corruption has been seriously questioned.

Identical is the situation in terms of the use of witnesses, undercover witnesses and collaborators of justice. Neither does the existing CPC create a possibility for their use, nor any other regulation, despite the understanding that it is impossible to expect positive results in the fight against corruption and organized crime without having recourse to this type of evidence.

All this points to the necessity to make urgent and fundamental changes to the CPC, as well as to adopt a Law on the Protection of Witness and Collaborators of Justice. In addition, measures for protection of other people who work on detection and disclosure of corruption cases (including journalists) should be introduced in order to ensure independence in the performance of their authorizations, and to release them from inappropriate pressures while undertaking concrete activities.

Concerning the criminal offences related to corruption and organized crime, it is essential that citizens and legal entities have and comply with their legal duty to report such criminal offences in case they learn and find out about them in any way possible. Thus, by incriminating the passive and tolerant attitude of citizens and legal entities towards these serious forms of crime, the atmosphere of general prevention will be reinforced.

One of the principal reasons for inefficient disposition of corruption and organized financial crime cases, for which the domestic courts cannot be proud of, lies in the insufficiently good quality evidence on which indictments are based. If we strongly adhere to the principles of legality, there should be a full understanding why the courts in such cases most often render acquittals. The lack of good quality and acceptable evidence produces long procedures, which certainly destroy the authority of the institutions.

The main legal obstacle to introduce special investigative measures (SIMs) lies in Article 17 of the Constitution of the Republic of Macedonia, which guarantees secrecy and inviolability of communications. However, the dimensions that corruption and organized crime have reached and the understanding that these phenomena can endanger all political, democratic and economic perspectives of the country, have led to a consensus among the experts and the public to create conditions for the application of SIMs. To this effect, it is necessary to change the Constitution and the CPC, and to adopt a separate Law on Interception of Communications.

The implementation of the aforementioned measures and the introduction of SIMs, will facilitate support to all institutions tasked with combating corruption, but at the same time will enable the inclusion of the

Republic of Macedonia among the countries which have a compatible system for fight against the most serious forms of international organized crime.

In the implementation of these measures, however, a common denominator must be the guarantees and respect of human and civil rights, which is indeed our commitment pursuant to the accepted international instruments.

The economic and financial system

Corruption in the economy

Corruption has a negative impact on life in general, but its consequences are particularly catastrophic in terms of the economic growth of the country, since it erodes development, puts off "clean" foreign investors, erodes the citizens' confidence in the institutions of the system, and to a significant extent also increases poverty and unemployment. The high level presence of corruption in the economy in Macedonia justifies the introduction of exceptionally urgent or extreme measures. Therefore, the reactions to the dangers caused by corruption must be restrictive in their nature and should eliminate not only the consequences but also the reasons for this socio-psychological behaviour. The measures to be undertaken in the economic sphere should not offer unrealistic goals and methods by which one could expect the corruption to be rooted out immediately and radically, but they should rather set the basic goals of prevention of this illegal behaviour by undertaking long-term and continuous measures, by permanent elimination of the conditions and reasons contributing to corruption, and by the establishment of corresponding legal and institutional measures.

The corruption in the economy, due to interrelation between the public and private sectors and due to its high level presence in this sector, may be prevented only by undertaking measures in the private sector as well, and with the participation of all economic stakeholders. Thereby, of vital importance for the private sector is to comprehend the dangers and damages arising from corruption on the business and to voluntarily undertake appropriate and corresponding activities aimed at creating an anticorruption climate and functioning of market mechanisms. The cooperation between the state and the private sector should be strengthened and fully based on reaching joint solutions, and not imposing them from the outside.

The basic measures that will contribute to elimination of the reasons and conditions for corruption in the economic sphere are stimulation of the functioning of market mechanisms, the growth, the attraction of investments, and in particular, the reinforcement of the rule of law.

The general conditions in which the economy of the country functions are the following:

- Monopolization of the market structure - which implies creation of a monopoly position on the market and abuse of this position to illegally gain profit to the detriment of other legal entities and citizens, and which leads to discrimination of other legal entities and causing distortion of the market;

- Scarce domestic investment activity - which is characterized with a standstill in investments, decreased gross domestic product that also results in increase of poverty and unemployment;

- Insufficient foreign investments - which results in lack of motive and incentive for the domestic legal entities for competition, absence of fresh capital and new ideas and technologies. On the other hand, foreign investments invested in the country in the recent years have not given the expected positive effects - augment of employment, expansion of business and stimulation of other branches directly related to the activity, and there is also an absence of additional investments. The investments to date are mainly in the profitable activities which are also a monopoly in their nature;

- A high level of grey economy - which results in unfair competition among legal businesses, flow of substantial funds outside of the state budget in consequence of taxes and fees evasion, absence of control on the turnover, and a high level of illegal trafficking;

- Non-transparent and slow privatisation - basic characteristic of the process of privatisation is the lack of transparency, slowness, underestimation of the capital value by high discounts and prearranged sales of the public capital primarily to people close to the government, which result in blocking the development of the given activity in most of the cases;

- Inefficient functioning of the public sector (public administration) - manifested by long and inefficient bureaucratic procedures, absence of a merit system that results in non-professionalism and incompetence, low salaries of the public sector, in particular of state administration (which stimulates a high level of corruption), as well as absence of training of the staff. In order to keep the human resources sent for training abroad, it is necessary to stipulate unified rules (by means of legal regulations) requiring the trainees after their training abroad, to stay in the home institution for a certain period of time;

- Insufficient development of the financial market - which implies securities, stock exchange, insurance, games of chance, brokers' companies, etc., and insufficient control on their functioning, which is, to a larger extent, result of an insufficiently developed financial market.

Legislative measures and moral norms

With a view to overcome the situation that generates, to a great extent, conditions favourable for corruption, it is necessary to amend and supplement a number of laws and to adopt new regulations in the areas where there is a legal vacuum. According to the surveys about the level of corruption in the economy, which were conducted by several institutions, the most corrupted sectors have been pointed to be the customs, tax administration, and ministries which issue different approvals, licenses, permits, etc.¹³

The general measures that are to be undertaken in the area of legislation are the following:

- a) Accelerated implementation of the European regulations and the obligations arising from the Stabilization and Association Agreement (SAA), as a general commitment applicable to all areas, as well as ratification of the Council of Europe's Convention;
- b) Decentralisation, deregulation and liberalization of the economic courses;
- c) Changes to the existing regulations that are perceived as obstacles for the efficient fight against corruption;
- d) Further building of the institutional system;
- e) Sanctioning of the phenomena of active corruption (offering bribe in money, services, products, or by some other way);

The special steps that are to be undertaken in this area are the following:

¹³ Thus, according to the examinations carried out by S.E.L.D.I. in the year 2001, the corruption level in the customs was 8.80 (on a scale of 1-10), and in 2002 it increased to 8.84; in the tax administration the corruption level in 2001 was 7.72, while in 2002 - 8.22.

- Expansion of the control of the National Bank of the Republic of Macedonia (NBRM) over the acquisition of voting shares in the banks, whereby the National Bank would be required to give a prior consent also for acquisition of shares, which are less than 10% of the total number of shares in a bank (for example 3% or 5%);
- Increasing the efficiency of the courts in handling violation reports submitted by the control and supervision agencies, which would ultimately improve the efficiency of the supervision performed, and would also lead to sanctioning of the violations proscribed by laws and rules, and raising their reputation;
- Ban on making money transfers by legal entities contrary to the legal regulations (in particular, regulations on foreign exchange operations and payment operations);
- Ban on acquisition of securities on the basis of compensation, cession, etc.;
- Reinforcing the measures and activities for the prevention of money laundering;
- Gradual limitation of cash payments in the overall payment operation system;
- Maximising the control on the origin of the capital coming from countries, which are included on the black list of international organizations;
- Full transparency of the privatisation process, and completion of privatisation;
- Compulsory audit of privatisation where there are indications of corruption in the sale;
- Introducing a Code of Ethics for legal entities in the private sector;
- Full transparency in the establishment of commercial companies;
- Establishing rules about conflict of interest, which will identify and more efficiently manage the conflict of interest and will enhance integrity, transparency and responsibility in the process of making decisions of public interest;
- Conducting analysis of the current legislation in susceptible areas (insurance, stock exchange, games of fortune);
- Introducing complete records of and control over donations and their proper spending;
- Establishing clear and strict rules concerning sponsorship of various sports and cultural activities, and rules concerning disposition and management of stadiums, sport halls, cultural facilities, cinema theatres, and the like, as well as of goods of common interest;
- Introduction of clear and precise rules and unification of procedures concerning granting of concessions on public goods (water resources, steam power plants, hunting resorts, mines, mineral and non- mineral deposits, pastures, forests, etc.);
- Establishing regulatory bodies (having clearly defined competences) in the monopolised activities of public interest (telecom, transportation, waters);
- Full transparency in public procurements, prohibition for the persons convicted for corruption to enter into public procurement contracts, and amplification of the sanctions for failure to observe regulations;

- Strengthening of internal auditing (enlargement of human resources and their training and salaries);
- Introduction of a system of greater connection and cooperation between the control and audit and supervision bodies, and increasing the sanctions for violation of professional, ethical and anti - corruptive conducts in this area;
- Introduction of strict criteria for granting tax benefits;
- Intensification of the sanctions for forgery of accounting data maintained in all possible formats and for forgery of business documents;
- Introduction of an efficient customs control, strengthening internal audit and sanctioning of all kinds of corruptive conducts in this area.

Institutional measures

- Introducing a Court of Honour for a breach of the Code of Ethics of all relevant professions;
- Establishing contacts with the Supervisory Boards within commercial companies in order to prevent and to report corruptive behaviours;
- Creating a constitutional basis for the State Audit Office to function as an autonomous and independent body, outside the influence of the executive branch of government;
- Reinforcing the supervision function within the National Bank of the Republic of Macedonia in accordance with the international standards, which will encompass rendering greater autonomy and authorizations to the current Supervision Directorate by means of transferring certain competences from the Governor of the National Bank to the Director of the Directorate, as well as by entrusting authorization to issue measures for violations of banking regulations. Such strengthened position of the Supervision Directorate requires and should ensure expansion of its human resources and specialized staff that should have bigger salaries compared to other employees in the National Bank.
- Establishment of a separate body, which will conduct supervision over all controlling mechanisms in the state in terms of legality of their work and management of the allocated funds. This body will supervise the work of economic inspection services (State Audit, Supervision at the NBRM, Budget Control (central and internal), Customs, Public Revenue Administration, privatisation, concessions granting, lease of state property, etc.). Because of the extremely important role that this body will have, it should be manned solely with well-known, recognized and distinguished experts from all these fields.

Practical measures

- Urging the inclusion of an anti-corruption clause in all contracts made by state bodies in the public sector, as well as in the public and private sectors;
- Establishing internal procedures for reporting cases where there are suspicions about corruption;
- Continuing training by the State Commission for the Prevention of Corruption and the non-governmental sector about the risk from corruption in the private sector (active corruption);
- Introducing mechanisms for more efficient functioning of the public sector and of the state institutions (system of rewards, sanctions, and promotions).

The civil sector, private sector and the media

An important part of every good and meaningful national anti-corruption strategy is the engagement of the civil sector (media, NGOs, universities, and independent experts), the private sector, the international community, and the international public opinion.

It is particularly important to bear in mind that this group includes two of the three fundamental sectors of every society - the private and civil sectors which, by definition, should bring a balance in terms of the work of the third sector - policy makers and state administration. Their engagement is even more valuable because outside the circle of policy makers and administration, there is expertise in the civil sector concentrated in the experts engaged in civil projects.

It is vital to have coordination between the media and the non-governmental sector in the fight against corruption. The principle of cooperation, which is still imperfect, should be elevated to the maximum extent feasible, which in turn will ensure a clear and determined vision as to how to address this problem.

What is also necessary is coordination between the civil and the private sector. They have a common goal: an incorrupt, professional and efficient state and public administration that will be capable of ensuring economic prosperity of the state.

In the course of the last two years, NGOs and the media have been playing an active role in detecting corruption, which does not mean that they are immune to corruption in their own structures. Therefore, it is important that this strategy pays attention to this problem and to the possibilities for its prevention in this sector, too.

The fight against corruption cannot be conducted only at a local level. What is needed is cooperation between the non-governmental sector and the media, and between all other concerned institutions in Southeast Europe by means of exchange of information and experiences gained from various solutions already implemented, and by highlighting their positive examples in the prevention of corruption.

In the Republic of Macedonia, it seems advisable to establish a Civil Anti-Corruption Network made up of NGOs' representatives, journalists, and lawyers. The founders and coordinators of this Network will be the NGO Transparency Macedonia, the Journalists' Association of Macedonia, and the Bar Association of the Republic of Macedonia. This network will strengthen and increase the overall capacity to monitor the work of the state and public administration, to collect information and data about corruption cases, and to provide anti-corruption legal advices to citizens and to the private sector.

The knowledge and analysis gained will be communicated to the State Commission for the Prevention of Corruption, which will be required to forward them to the competent state institutions for further processing.

International cooperation

1. Signing, ratifying and implementing international legal instruments, and harmonization of national legislation with the European Union standards and other international standards relating to corruption.
2. Realization of the commitments deriving from the ratified instruments.
3. Implementation of the recommendations contained in various reports on the Republic of Macedonia drafted by international organizations (European Commission, GRECO, the Money Laundering Committee of the Council of Europe - PC-R-V (Money Val), the Stability Pact Initiatives PACO and SPOC).

4. Fostering international and regional cooperation in criminal matters, in accordance with the provisions under the corresponding ratified instruments for international cooperation and the national legislation in the areas of:
 - mutual legal assistance;
 - extradition;
 - transfer of sentenced persons;
 - simplification of the procedures for international legal assistance, and direct communication and cooperation between the institutions of the Republic of Macedonia and the competent institutions of other countries;
 - mutual exchange of information;
 - Conducting expeditious extradition procedures for corruption related offences.
5. Ongoing efficient coordination and cooperation between bodies and institutions involved in the fight against corruption.

This Programme is harmonized with the relevant international instruments that constitute a legal framework for an efficient international cooperation in the fight against corruption.

8.1.9 List of laws that need to be adopted or amended

1. Amendments to the Constitution of the Republic of Macedonia
2. Code of Civil Procedure
3. Code of Criminal Procedure
4. Law on Non-Contentious Procedure
5. Law on Execution Procedure
6. Law on Administrative Disputes
7. Law on Access to Information
8. Law on General Administrative Procedure
9. Law on the Execution of Criminal Sanctions
10. Law on the Prevention of Conflict of Interests
11. Law on Civil Servants
12. Law on the Prevention of Corruption
13. Law on the Salaries of Public Administration
14. Law on Independent Court Budget
15. Law on the Courts
16. Law on Political Parties
17. Law on Elections
18. Law on the Salaries of Judges and Public Prosecutors
19. Law on the Public Prosecutors' Office
20. Law on the Public Attorney's Office
21. Criminal Code
22. Law on Witness Protection
23. Law on Banks
24. Law on Financial Institutions
25. Law on Foreign Exchange Operations
26. Law on Financial Inspection
27. Separate Law on Supervision of Banks
28. Law on Misdemeanours
29. Law on Securities
30. Changes in the regulations concerning payment operations
31. New regulations concerning completion of privatisation (Law)
32. Law on Commercial Companies
33. Law on Sports
34. Law on Tourism
35. Law on Public Procurements

36. Law on State Audit
37. Law on Public Finances
38. Law on the Financial Police
39. Law on Citizens' Associations and Foundations (NGOs)
40. Law on Donations
41. Law on Tourism and Catering
42. Law on Concessions
43. Law on the Bar
44. Law on Pardon

8.2 MEASURES FOR REPRESSION OF CORRUPTION WITHIN LOCAL SELF GOVERNMENT

8.2.1 Introduction

Taking into consideration the importance of the State Programme for Prevention and Repression of Corruption, and due to its programme obligations and commitments and its comprehensiveness and extensive scope, both at prevention and repression level, one of the central activities of the State Commission, upon evaluation of its Programme in June 2004, was to act upon and to implement the conclusions and recommendations contained therein.

Being fully committed to fulfil its obligations, the State Commission, following the recommendations, devoted a particular attention to supplementing and upgrading the State Programme with recommendations for concrete measures for prevention and repression of corruption to be undertaken within decentralized local self-government.

The process of decentralization i.e. redefinition of the position, competences and financing of local self-government as provided for in the new legal framework, and primarily due to the enlarged competences of local self-government, opened "the door" for potential abuses and corruptive behaviour of holders of public functions at local level. Therefore, the establishment of a system of measures for prevention of corruption within local self-government is aimed at "intercepting" already well-known forms of corruptive behaviour.

The relevant portions of the State Programme for Prevention and Repression of Corruption concerning current situation with corruption, definitions, aims and objectives, principles and preconditions for implementation of the State Programme are also applicable to this Annex, which contains measures for prevention and repression of corruption within local self-government.

8.2.2 Objectives of the Annex to the State Programme

The objectives of the Annex to the State Programme for Prevention and Repression of Corruption are the following:

- Establishing system of measures for prevention and repression of corruption within local self-government under the circumstances when many competences of the central government are to be entrusted and transferred to local level;
- Continuing and uninterrupted exercise of competences.

8.2.3 Methodology

In the development of the Annex to the State Programme, an affirmative approach has been preferred and applied in determining the position and functioning of local self-government units as well as in drafting recommendations, with the principal aim to help and strengthen the capacity of local self-

government bodies to deal with and overcome problems, and be able to recognize areas where corruption may appear.

This particular approach has been accepted as the most suitable one during the transitional period, within which remodelling of the position and competences of local self-government bodies has been anticipated.

An assessment i.e. definition of main characteristics, including description of current situation due to its specificity, is provided only in the part concerning financing of local self-government units.

8.2.4 Area of Application of the Annex

In light of the decentralization process and the new competences of local self-government, which are determined by the recently adopted package of laws regarding functions of local self-government units, public enterprises and public services, concrete measures and activities aimed at establishing system for prevention and repression of corruption have to undertaken in the following areas:

1. Municipal Administration and Local Government

1.1 Objectives: The municipal administration within the scope of its competences and functioning should be:

- efficient
- professional
- well-organized
- well-paid
- politically neutral and depoliticised
- transparent
- able and committed to cooperate with central government bodies
- ethical

1.2 The main characteristics of municipal administration and local self-government should be:

- well-organized in a manner enabling it to exercise the new competences entrusted to local self-government
- efficiency in the delivery of services to citizens
- professionalism and competency
- high quality in the delivery of services
- protection of public interest
- adherence and compliance with professional standards
- motivation and resistance to corruption
- prevention of conflict of interests, nepotism and cronyism
- no influences by local and central politics
- public control over the work and activities of local self-government bodies
- clear distinction and separation of competences
- open for cooperation with citizens in the decision-making process

These clear objectives set to be achieved in the functioning of municipal administration i.e., what is envisioned to characterized municipal administration in the upcoming period, at the latest by the end of 2005, require maximum efforts to be made by all relevant stakeholders towards implementation of the recommendations contained in this Programme.

In order to have efficient municipal administration i.e. administration that would be able to efficiently deliver services to citizens, it is necessary to provide training about new and entrusted competences to local self-government targeted to mayors and authorized managing officers. Simultaneously, it is

necessary to reinforce the monitoring by mayors and respective ministries, and especially the internal control. Furthermore, reinforcement or establishment, where they do not exist, of mechanisms for handling grievances and complaints and possibility to reveal inefficiency is needed, which actually require mechanisms for evaluation of the efficiency of administration by the citizens to be introduced. Undoubtedly, to accomplish these objectives, it is necessary to simplify procedures and to introduce one stop shop counter system, as well as to ensure proper spatial, technical and material conditions for work, which are currently lacking in many municipalities.

Certain activities, determined in this Programme, are already being undertaken by entities responsible to implement such measures, for example professional development and training for civil servants within municipal administration is being carried out by the Trilateral Committee composed of representatives of the Agency for Civil Servants, Ministry of Local Self-Government, and Union of Local Self-Government Units of the Republic of Macedonia (ZELS).

The objective to have professional administration, which means expert, competent and well-qualified municipal administration capable to deliver services, will be achieved through full application of the Law on Civil Servants. This encompasses selection of employees based on the merit system, provision of continuing education and training for administration staff, and particularly introduction of professional standards, measurable criteria, disciplinary responsibility and performance appraisals.

The achievement of the objective to have well-organized municipal administration in a manner enabling it to exercise the competences of local self-government on one hand, and the existing situation where there is lack of sufficient number of employees in many municipalities on the other hand, require by the end of 2005 an appropriate organizational structure of municipal administration to be set up, as well as joint administrative bodies and joint public enterprises covering the areas of several municipalities to be established.

The prevention of corruption of any administration in general, which means of municipal administration as well, presupposes that the administration is well-paid and is politically neutral, which will certainly create preconditions for the administration to be motivated, and at the same time, cronyism in the employment and career development of staff to be prevented. This unavoidably requires introduction of the merit system i.e. full application of the Law on Civil Servants, Law on Labour Relations, Law on Local Self-Government, and Law on Public Enterprises.

The transparency in the work and activities of local self-government is the strongest instrument for prevention of corruption, and therefore implementation of the recommendations which will ensure free access to information of public character, makes the urgent enactment of the Law on Access to Information of Public Character a top priority.

The room for inefficiency and malfunctioning of local self-government will be reduced provided that delineation and transfer of competences from central to local level is carried out promptly, as well as if there are possibilities for delegation of competences to the central government. To this effect it is necessary to ensure full application of the current legislation, including in particular the Law on Organization and Work of Administrative Bodies, Law on the Government, Law on Local Self-Government, Law on Territorial Organization, Law on Financing of Local Self-Government Units, Law on Public Enterprises, and Law on Public Institutions.

And finally, the objective to have ethical municipal administration is of exceptional importance for the protection of the rights of citizens, which means that the administration is not corrupt, there is no conflict of interests, and it works primarily towards protection of public interest. Thus, it is necessary, without delay, to enact the Law on Prevention of Conflict of Interest, to adopt codes of ethics for holders of functions at local level, and to incorporate rules for prevention of conflict of interests into the statutes (by-laws) of municipalities.

2. Public Sector

2.1 Objectives: The public sector within local self-government should be:

- efficient
- cost-effective
- transparent
- of high quality
- depoliticised
- professional and competent
- cooperative

2.2 The main characteristics of the public sector within local self-government should be:

- well-organized in a manner enabling it to exercise the new competences entrusted to local self-government
- efficiency in the delivery of services to citizens
- professionalism and competency
- high quality in the delivery of services
- protection of public interest
- adherence and compliance with professional standards
- motivation and resistance to corruption
- prevention of conflict of interests, nepotism and cronyism
- no influences by central and local politics
- public control ensured over the work of public sector bodies
- cooperation with public services and public enterprises of other local self-government units
- open for cooperation with citizens in the decision making process.

With the view to prevent corruption within the public sector of local self-government in the Republic of Macedonia, it is indispensable to achieve efficiency, cost-effectiveness and transparency in the work and activities of the public sector, which encompasses public enterprises and public services. Also, it is of significant importance for the public sector to be of high quality, depoliticised, professional, competent, and cooperative.

It is certain that measures like stipulating by law provisions concerning procedure and manner of election of managers in public services based on the merit system, and prescribing special conditions in the statutes of municipalities and of public enterprises, will contribute to the aim the public sector to be well-organized in a manner enabling it to exercise the new competences of local self-government. Moreover, to ensure delivery of high quality and inexpensive services to citizens it is necessary the public sector to be furnished with well-qualified and competent staff and equipment in the performance of its work and activities, as well as privatisation of this sector to commence.

The transparency in the work and activities of public sector will be ensured through publicity and accountability in the work of public services, and by enabling free access to information to citizens.

By stipulating clear conditions and procedures for election of holders of functions within public services and public enterprises, and by adoption of rules on their ethical conduct, as well as by full application and observance of public and open competitions, conducted following previously and precisely determined procedure and criteria for election of managers in public services and public enterprises, the public sector will become depoliticised and be featured with professionalism and competency in accordance with the merit system.

With respect to the delivery of public services, it is necessary the statutes of municipalities to provide the possibility for establishment of joint public enterprises and joint public services in order to meet the needs of citizens regardless of their affiliation to different municipalities. Having regard to the potential number of municipalities that may appear as founders of a joint municipal public enterprise or service, it

is crucial to prescribe mechanisms for harmonization of the founders' interests in a variety of sectors within the enterprises or services.

In light of this, it appears necessary to create legal preconditions for intervention by central government bodies with the aim to satisfy the needs of citizens in cases when municipalities, due to various reasons, are not in a position to do so.

All of the abovementioned recommendations will ultimately ensure high quality and efficiency in the work and activities carried out by the public sector, and will further develop and strengthen the cooperation between public services and public enterprises of different municipalities.

3. Transparency, Responsibility and Accountability

3.1 Objectives: Building trust between the local self-government and citizens

- direct communication with citizens
- direct communication with NGO sector
- developing system of values and ethical standards on the part of citizens
- education and capacity building of the civil sector to contribute in the fight against corruption
- openness to the media (public relations).

3.2 The main characteristics of local self-government bodies should be:

- openness towards and participation of citizens
- responsibility and accountability in their work
- articulation of the needs of citizens
- participation of citizens in the work of local self-government bodies
- developing culture of communication between local self-government units and media
- establishing and aiding local media.

One of the important objectives of local self-government is to earn and to constantly strengthen the trust and confidence of citizens.

The major effect of transparency in the work of local government authorities is their increased responsibility and accountability. This leads to prevention of possible corruptive behaviour, which in return, strengthens the trust of citizens in local government.

The means by which the above objective will be best achieved are through establishing and maintaining direct communication with the citizens and NGO sector, which will enable identification of their needs and interests and their active participation in the planning and decision-making processes about the development policies and programmes of local self-government units. The most effective methods in direct communication with citizens are the following: establishing system of representation of citizens' interests through their elected representatives or citizens' associations, establishing system for monitoring and control over the work of local self-government bodies, and regular and on-going provision of information. To this effect, it is necessary to ensure full application of Article 8 of the Law on Local Self-Government, primarily through inclusion of specific provisions concerning cooperation and provision of information to citizens into the statutes of local self-government units; conducting educational campaigns about citizens' rights; setting up special bodies for cooperation with citizens; publication of newsletters; and developing web-sites of municipalities. Also, transparency in the work of local self-government units will be increased by holding periodical meetings with citizens and their representatives in municipal councils and meetings with the Mayor, as well as by attending sessions of local councils by citizens, NGOs, and local media.

It appears necessary, both at central and local government level, to develop a system of values and ethical standards to be observed not only by holders of functions, but also by citizens. An exceptionally

positive and long-term impact on the principle of non-acceptance of corruptive behaviour as a prompt way of acquiring wealth and success in the society, will be generated by the following measures: development and inclusion of ethical and anti-corruption contents in educational curricula, organization of educational and awareness raising trainings for NGOs, adoption of codes on ethical conduct for NGOs, creating conditions for establishment of local public and private media, and developing culture of open communication between local self-government bodies and media.

4. Financing of Local Self-Government Units

4.1 As to the financing of local self-government units, the following situation has been identified:

- inherited debts (indebtedness)
- still undefined situation concerning balance sheets on property division
- enlarged competences in financial management
- competences entrusted to local self-government units in respect of their original revenues
- possibility to take short-term and long-terms loans
- possibility to receive donations
- discretionary rights to determine property tax rate
- enlarged authorizations of local self-government units in public procurements
- financial decentralization
- disposition with resources designated for public expenditures
- unclear and unregulated property relations
- establishment of internal control system
- possibility for central government bodies to take over certain competences of local self-government
- likelihood of financial unbalance to appear.

The enlarged competences of local self-government units in the fiscal sphere, being an integral part of the process of government decentralization, in addition to providing them a possibility to independently make decisions in this area and to finance public interest projects, may result in opportunities for abuse and corruption unless these opportunities are eliminated on time, and unless successful transfer of financial authorizations is ensured, particularly given the lack of efficient internal and external audit.

As a result of the decentralization process, the local self-government has been entrusted with rights in the area of financial management and public expenditures, which in the past were under the exclusive competence of the central government. These rights, *inter alia*, include the right to independently determine the tax rates that are under the competence of local self-government.

Among these entrusted competences, the right of local self-government to take loans from foreign creditors is included too – a right which, according to the previous legislation, belonged only to the Republic of Macedonia.

For success in the implementation of decentralization process and in undertaking of competences entrusted to local self-government units in this area, it is of great importance to overcome inherited problems, and to resolve unclear and unregulated property relations between the central and local government, which are exacerbated by the lack of balance sheets on property division between these two governments and the lack of accurate property records. If these problems, with which local self-government units are faced, are not resolved promptly and at early stages of the process of undertaking competences in this domain, they will not have complete and accurate records of the property they are to dispose of, which is essential for exercising the competences they have in this area.

One of the most serious problems in the implementation of decentralization process is the problem of inherited debts (indebtedness) of certain local self-government units, which somewhere reach the amount of ten million euro. In addition to finding out timely and efficient measures to resolve these inherited financial problems, which may well include determining subjective responsibility on the part of

former mayors and other responsible persons in local self-government units that were disposing illegally and non-diligently with their financial resources, conditions for continuation of the decentralization process have to be ensured, thus avoiding the possibility the accounts of local self-government units to be blocked and to declare them insolvent to finance the needs of local self-government.

The current situation with respect to lack of internal control and failure to transfer state administration staff to local self-government units on time, as envisioned by the dynamics of decentralization process, in addition to disruption in the performance of functions, may also create possibilities for abuse of position and corruption.

Public procurements are an area where, generally speaking, corruptive behaviours appear mostly due to large amounts of financial resources, which are at stake and may be engaged for this purpose. Moreover, enlarged competences of local self-government units in public procurements, increased financial resources at their disposal, their ability to finance infrastructure and other projects through the budget, loans and donations, as well as extended discretionary rights of mayors in this area, justify the fear from potential abuses, illegal and inappropriate disbursement of public procurements funds. To put a stop to these possibilities for illegal conduct, it is of crucial importance the relevant legislation and legal procedures in this area to be strictly observed, and especially to introduce and strengthen control over public procurements and to restrict discretionary rights of authorized persons within local self-government units in this particular area.

The likelihood of corruption within local self-government units following the process of fiscal decentralization, appears, to a larger extent, due to close relationships developed on partisan or party affiliation, kin or friendship basis, which is the case especially in smaller local self-government units. This, contrary to the merit system, may result in incompetent, inefficient, non-transparent and partisan or party affiliated local administration, which will fail to accomplish its mission – to be a service to the citizens.

Further on, the competences concerning financial management entrusted to local self-government units and their scarce preparedness to successfully manage in the financial sphere may cause disruption of the process of fiscal decentralization and unsuccessful transfer of power.

The situations described above, and the increased likelihood of corruption following the decentralization process, particularly due to the enlargement of financial competences and original sources of revenues for municipalities, and due to the extended discretionary rights of mayors and councils of local self-government units to decide about the most important issues for local self-government, require measures to be undertaken towards institutional strengthening of control mechanisms – internal and external audit, as well as legislative changes and developing close, on-going and efficient coordination and cooperation between local self-government and central government with the principal aims to overcome inherited problems, thus ensuring faster and easier transfer of power and prevention, and elimination of possibilities for corruption.

8.2.5 Action Plan (for Municipal Administration and Local Government-Annex of 2005)

OBJECTIVE	MAIN CHARACTERISTICS	RECOMMENDATIONS	IMPLEMENTATION	COMPETENT BODY	DEADLINE	MONITORING	RISK
Efficiency	Efficient delivery of services to citizens	<p>Training of mayors and authorized managing officers on how to handle administrative matters</p> <p>Monitoring by the mayor</p> <p>Monitoring by the respective ministry</p> <p>Internal control</p> <p>Mechanisms for handling grievances and complains and possibility to reveal inefficiency</p> <p>Simplification of procedures and introduction of one stop shop counter system</p> <p>Ensuring proper spatial, technical and material conditions for work</p>	<p>Organization of trainings targeted at holders of all these functions</p> <p>Establishment of internal control system</p> <p>Reinforcement and reconstruction of citizens' information centers, and establishment of new ones where they do not exist</p> <p>Mechanisms for evaluation of the efficiency of administration by the citizens</p>	<p>Mayor</p> <p>Council</p> <p>Competent ministries and other state bodies</p> <p>Trilateral Committee for Training</p> <p>Central and local authorities during transfer of competences</p>	<p>July 2005</p> <p>End of 2005</p>	<p>Professional organizations</p> <p>Union of Local Self-Government Units (ZELS)</p> <p>Civil sector</p> <p>Media</p>	
Professional	<p>Professionalism and competency in the performance</p> <p>High quality in the delivery of services</p> <p>Adherence and</p>	<p>Selection of employees based on the merit system</p> <p>Education and training</p> <p>Introduction of professional standards and measurable criteria</p>	<p>Application of the Law on Civil Servants</p> <p>Organization of trainings</p> <p>Establishment of control system over the observance of professional</p>	<p>Mayor</p> <p>Agency for Civil Servants</p> <p>Competent ministries and other</p>	<p>July 2005</p> <p>End of 2005</p>	<p>Central government bodies</p> <p>Professional organizations ZELS</p>	

	<p>compliance with professional standards</p> <p>Prevention of nepotism</p>	<p>Disciplinary responsibility</p> <p>Performance appraisal</p>	<p>standards, and over handling administrative matters</p> <p>Implementation of the new Law on General Administrative Procedure and the Law on Organization and Work of State Administration Bodies</p> <p>Appraisal and responsibility in pursuance to the Law on Civil Servants</p> <p>Codes of Ethics</p>	<p>state bodies</p> <p>Trilateral Committee for Training</p>		<p>Civil sector</p> <p>Media</p>	
Well-organized	<p>Municipalities to be organized in a manner enabling them to exercise the new competences entrusted to local self-government</p>	<p>Setting up the necessary organizational structure of municipal administration</p> <p>Setting up joint administrative bodies</p> <p>Establishing joint public enterprises</p> <p>Performance of tasks directly by central government bodies</p>	<p>Adequate provisions to be included into the statutes (by-laws) and acts on systematization and internal organization based on which municipalities make decisions</p> <p>Adequate provisions in the statutes of public enterprises</p>	<p>Mayor and Council of local self-government units</p> <p>Public enterprises</p> <p>Central government bodies – ministries</p>	<p>July 2005</p> <p>End of 2005</p>	<p>Central government bodies</p> <p>ZELS NGO sector</p> <p>NGOs Media</p>	
Well-paid	<p>Motivated and resistant to corruption</p>	<p>Full application of the chapter concerning salaries contained within the Law on Civil Servants</p>	<p>Law on Civil Servants</p>	<p>The Government The Parliament</p>	<p>2005</p>	<p>Ministry of Finance Ministry of Labour and Social Policy</p>	

Politically neutral and depoliticised	Prevention of cronyism in the employment and career development in municipal administration, in managing and administrative bodies of local self-government and of public enterprises within local self-government	Introduction of the merit based system in the employment and career development of local administration Establishing objective criteria and procedures for selection Observing open competitions for vacancies and transparent procedures	Implementation of: Law on Local Self-Government Law on Civil Servants Law on Labour Relations Law on Public Enterprises Harmonization of statutes of public services with the respective provisions of the abovementioned laws Amending and supplementing relevant secondary legislation deriving from the Law on Civil Servants	Mayor Council of municipality Agency for Civil Servants Directors of public enterprises	2005	Agency for Civil Servants Central government bodies ZELS	
Transparent	Public control over the work and activities of local self-government Mayor Council Municipal administration Public services	Ensuring free access to information Full application of Article 8 of the Law on Local Self-Government Inclusion of a special chapter into the statutes of local self-government units concerning free access to information, which are of public character Cooperation with citizens, NGOs and local media	Enactment of the Law on Free Access to Information of Public Character Incorporation of a special chapter in the statutes of municipalities concerning free access to information, which are of public character Ensuring proper conditions for free access to information Setting up informal bodies	The Parliament of the Republic of Macedonia Mayor Council of local self-government unit Public services All public institutions	2005	ZELS NGOs Commission on Access to Information Media	

			and other forms of cooperation with citizens and NGOs Encouraging the work and the establishment of local media				
Cooperation with central government administration	<p>Clear distinction and separation of competences</p> <p>Laying down preconditions for exercising original competences</p> <p>Competences delegated by central government administration to local self-government</p> <p>Cooperation in the implementation of the decentralization process</p>	<p>Delineation and transfer of competences</p> <p>Cooperation in the exercise of original competences (assisting central government bodies in the performance of their original competences)</p> <p>Training</p> <p>Decision by central government bodies to entrust competences- determining the possibilities and abilities of local self-government to exercise these competences</p> <p>Cooperation in the implementation of the decentralization process</p> <p>Supervision over the work of local self-government (over legality of its general and individual legal acts)</p> <p>Delineation and transfer of competences and property</p>	<p>Implementation of current legislation, including:</p> <p>Law on Organization and Work of State Administration;</p> <p>Law on the Government of the Republic of Macedonia;</p> <p>Law on Local Self-Government;</p> <p>Law on Territorial Organization of Local Self-Government in the Republic of Macedonia;</p> <p>Law on Financing of Local Self-Government Units;</p> <p>Law on Public Enterprises;</p> <p>Law on Institutions.</p>	<p>The Government</p> <p>Competent ministries</p> <p>Mayor</p> <p>Council</p> <p>Directors of public services</p> <p>Trilateral Committee</p>	<p>2005</p> <p>continuously</p>	<p>Citizens</p> <p>NGOs</p> <p>Media</p> <p>Civil sector</p>	

		Transfer of public authorizations to the private sector					
Ethical	No corruption No conflict of interests Protection of public interest	Adoption of Codes of Ethics for holders of functions within local self-government (including Mayor, council, municipal administration and public services) Adherence to Codes of Ethics by civil servants and by municipal administration Introduction of rules for prevention of conflict of interests (reporting on existence of personal relations and interests) Regulating discretionary rights of decision makers Developing and conducting specialised trainings on ethical conduct at local level Development of monitoring system in respect of adherence and compliance with ethical norms	Enactment of the Law on Prevention of Conflict of Interests and Code of Ethics for civil servants, as well as adoption of codes on ethical conduct for holders of functions at local level Inclusion of special rules into the statutes and other secondary legislation of municipalities Education and training Introduction of rules for prevention of conflict of interests (reporting on existence of personal relations and interests), into the statutes of municipalities	Ministry of Justice The Government The Parliament Council of municipality Mayor Public services ZELS and NGO sector Trilateral Committee	2005	ZELS NGOs Media State Commission for Prevention of Corruption (SCPC)	
OBJECTIVE	MAIN CHARACTERISTICS	RECOMMENDATIONS	IMPLEMENTATION	COMPETENT BODY	DEADLINE	MONITORING	RISK
Efficiency, cost-effectiveness and	Efficient performance of functions	Good organization of public services Comprehensive competences in order to meet the needs of citizens	Stipulating by law provisions concerning procedure and manner of election of managers in	Parliament of the Republic of Macedonia	2005	Respective ministries ZELS	

<p>transparency in the work of public sector (public enterprises and public services) within local self-government</p>	<p>Being responsive to and meeting the needs of citizens</p> <p>Delivery of high quality services</p> <p>Inexpensive services</p> <p>Transparency in the work</p>	<p>Access to public services</p> <p>Well-qualified and competent staff and equipment in the performance of public services</p> <p>Transformation of the current system of entities responsible to deliver public services</p> <p>Privatization and engagement of private capital in the delivery of public services</p> <p>Publicity and accountability in the delivery of public services, and ensuring free access to information to citizens</p> <p>Acceleration of the legislative drafting process and application of criteria for accelerating and aiding the development of underdeveloped regions</p>	<p>public services based on the merit system; stipulating special conditions in statutes of municipalities and public enterprises, Law on Institutions; amending to the Law on Communal Services; and implementation of legal provisions pertaining to the organizations providing public services</p>	<p>The Government of the Republic of Macedonia</p> <p>Council of municipality</p> <p>Mayor</p> <p>Director of public enterprises</p> <p>Managing Boards of public enterprises</p>		<p>NGOs</p> <p>Civic initiatives</p> <p>State Audit Office</p> <p>Public Revenues Office</p> <p>Public Procurements Bureau</p> <p>Bureau for Economically Underdeveloped Regions</p>	
<p>Depoliticised public services and public enterprises</p>	<p>Introduction of professionalism and competency based on the merit system</p>	<p>Full application and observance of open and public competitions, conducted following previously and precisely determined procedures and criteria for election of managers in public services and public enterprises</p>	<p>In the statutes and other secondary legislation, to stipulate clear conditions and procedures for election of holders of functions within public services and public enterprises</p>	<p>Mayor</p> <p>Council</p> <p>Managing Board of public enterprise</p>	<p>2005</p>	<p>Mayor</p> <p>Council</p> <p>NGOs</p>	

		Accountability in their work before the local self-government bodies and before citizens	Full application of the Law on Institutions, whenever the founder of an institution is the municipality Adoption of rules on ethical conduct for holders of functions within public enterprises and public services				
Delivery of public services	Inability to deliver public services Lack of cooperation with more developed municipalities Expensive public services Low level quality in the delivery of public services	Establishment of joint public enterprises and joint public services in order to meet the needs of citizens regardless of their affiliation to different municipalities Considering the potential number of subjects (municipalities) which may appear as founders of a joint municipal public enterprise, it is necessary to prescribe mechanisms for harmonization of interests of the founders in a variety of sectors, and particularly with respect to: their influence on the work of public enterprises; the need for supervision; development of business policy and other issues; Regulations governing in particular the following issues:	The statutes of municipalities to provide the possibility for establishment of joint public enterprises and public services ZELS' recommendation to overcome the problem of inappropriate delivery of public services to citizens Creating legal preconditions for intervention by central government bodies with the aim to satisfy the needs of citizens by public services of municipalities Amendments and supplements to the Law on	Mayor Council ZELS Central government bodies	2005	Competent ministries ZELS Local self-government bodies	

		<p>Founder's rights, initial capital and capital assets; Nomination, appointment and dismissal of managing and supervision bodies; Nomination, appointment and dismissal of director; Profit and distribution of profit; Ownership rights over the public enterprise; Decision making power concerning corporate status and other relevant changes; Decision making powers regarding the price of goods produced and of services delivered by the public enterprise; Transformation of the public enterprise into a commercial company.</p> <p>Stipulating by law special provisions concerning mandatory establishment of organizations that will deliver public services according to the needs of citizens</p> <p>Making the services inexpensive</p> <p>Increasing the efficiency and cost-effectiveness of services</p>	Communal Services				
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