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**Economic Crime Division  
Directorate General I – Legal Affairs**

(31 July 2005)

**IMPLEMENTATION OF ANTI-CORRUPTION PLANS IN SOUTH-EASTERN EUROPE (PACO IMPACT)**

*A project funded by the Swedish International Development Cooperation (Sida)*

## **2nd Semi-Annual Report (February - July 2005)**



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For any additional information please contact:

PACO Impact – Project Management Unit  
Crime Problems Department / Directorate General I – Legal Affairs / Council of Europe  
67075 Strasbourg CEDEX, France

Tel +33-3-8841-2354/2878 Fax +33-3-8841-3955 ✉: [ardita.abdiu@coe.int](mailto:ardita.abdiu@coe.int) <http://www.coe.int/paco-impact>

## 1 INTRODUCTION

In February 2004, the Swedish International Development and Cooperation Agency (Sida) and the Council of Europe signed an agreement under which Sida is financing the PACO Impact project aimed at the implementation of anti-corruption plans in South-eastern Europe up to an amount of EURO 1.5 million.

The project area covers countries of South-eastern Europe, namely: Albania, Bosnia and Herzegovina, Croatia, "the Former Yugoslav Republic of Macedonia", Serbia and Montenegro<sup>1</sup>

The following reporting on the implementation of the project has been agreed upon with Sida:

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|---|---|
| ▪ <b>Inception Phase</b> (1 March- 30 June 2004):     | Inception Report (November 2004)                      |
| ▪ <b>First Phase</b> (1 March 2004- 31 January 2005): | 1 <sup>st</sup> Semi-Annual Report (15 February 2005) |
| ▪ <b>Second Phase</b> (1 February- 31 July 2005):     | 2 <sup>nd</sup> Semi-Annual Report (31 July 2005)     |
| ▪ <b>Mid-Term Review</b> (CoE, Sida, Counterparts):   | Mid-term review meeting (30 August 2005)              |

Following its approval, the *Inception Report* with its Workplan became the guiding document for the project's implementation.

The *1<sup>st</sup> Semi-Annual Report* had provided progress reporting on overall activities carried out since the beginning of the project, as well as a description of the State of Play for each project area, and an updated calendar of activities.

**This 2<sup>nd</sup> Semi-Annual Report gives an up-date on achievements to date and on activities against each output. Information on activities and outputs related to the previous reporting period is again included in the present report in order to make this a self-contained document. New information is marked "update".**

In addition, it provides comments and observations for each project area, general remarks for the attention of Sida, as well as priorities identified for the forthcoming period; an up-dated calendar of activities and a financial report are annexed to this report.

It is hoped that this report will serve as the basis for discussion between the Council of Europe and Sida project management teams, and representatives of the beneficiary (partner) countries at the mid-term review scheduled for 30 August 2005 in Strasbourg.

## 2 OVERALL OBSERVATIONS (UPDATE)

### 2.1 Overall Achievements

For the six months (1 February – 31 July 2005) covered by this report, PACO Impact carried out 29 activities, bringing the total of activities carried so far to 74, while as deriving from the current Workplan there should be a total of 130 activities.

Over the past 16 months, the project has had the following outputs:

- **Anti-corruption strategies/plans have been elaborated or improved**

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<sup>1</sup> The project area includes also Kosovo (Serbia and Montenegro), currently under the interim administration of UNMIK in accordance with the United Nations Security Council Resolution 1244 (1999).

- In Albania and "the Former Yugoslav Republic of Macedonia", the Anti-corruption Strategies have now become well established institutionalised documents; their implementation and monitoring has now entered the phase of standard-setting and measuring of impact and progress of governmental reforms and commitments in the field of anti-corruption;
  - In Croatia and Bosnia and Herzegovina, PACO Impact initiated a revision of the countries' existing Anti-corruption Strategies; preliminary results of these review processes have now been put forward for endorsement and support at technical and political level;
  - In Kosovo, the finalised Strategy and Anti-corruption Action Plan have recently been put forward to seek full political and operational endorsement from the PISG and UNMIK; the Strategy and Action Plan themselves have become one of the established UN Standards for implementation by the Kosovo authorities; and
  - In Serbia and in Montenegro, the Anti-corruption Strategies, which were finalised with support through PACO Impact are now pending endorsement by the National Assemblies and Council of Ministers; this endorsement will then, pave the way for the elaboration of operational level Anti-corruption Action Plans.
- **Institutional mechanisms relevant for the fight against corruption have been strengthened**
    - In Albania, Montenegro, and "the Former Yugoslav Republic of Macedonia", the relevant Anti-corruption Services have become institutionalised and further strengthened; the services in these countries are now the only driving forces for the design and monitoring of anti-corruption measures and reforms;
    - In Kosovo, PACO Impact has contributed to the drafting of the recently promulgated Anti-corruption Law, which foresees the establishment of an Anti-corruption Agency for Kosovo, a process which is now about to start;
    - In Bosnia and Herzegovina, Croatia, and Serbia, policy discussions initiated by PACO Impact have started at different levels; Working Groups have made first progress in assessing the feasibility of the establishment of the necessary anti-corruption mechanisms;
    - Regional dialogue, exchange of best practices, identification of priorities as well as dissemination of information and regional networks throughout have been strengthened during the first regional thematic seminar on anti-corruption services; follow-up actions have been agreed upon with stakeholders.
- **Legislative reform has been brought into line with international standards**
    - A series of trainings and informative sessions about the application of relevant legislation and international standards recently adopted have been organised in all project areas, except Croatia;
    - As a direct result of technical assistance provided through PACO Impact (legal opinions and/or policy dialogue between the Council of Europe and the project areas' respective authorities), new legislation and/or amendments have been introduced and/ or adopted in Albania, Croatia, Serbia, and Kosovo;
    - Regional peer review and compliance with relevant international Anti-corruption Conventions, as well as training on the transposition treaty law into domestic legislation has been part of the second regional thematic seminar on treaty law application of anti-corruption standards; follow-up recommendations for reform were issued and agreed upon.
- **Pilot Activities are or will be getting underway**
    - In Albania, Bosnia and Herzegovina, and Montenegro, pilot activities have been initiated;
    - In Kosovo, Serbia, and "the Former Yugoslav Republic of Macedonia", the Pilot Activities will be initiated according to plan between September and November 2005;
    - As the currently allocated funding for Croatia does not cover the costs of the purchase of Special Investigative Means equipment, discussions on a possibly re-allocation of funds will

need to be held with Sida; only then a decision can be made as to the extent of the support requested by Croatia.

▪ **In general:**

- The authorities of each project area are fully involved within the framework of this project, and support and continue to seek the partnership and assistance provided through the project. Additionally, in Albania, Montenegro, Kosovo, Serbia and "the Former Yugoslav Republic of Macedonia", PACO Impact (and earlier PACO) interventions have made the project a true partner supporting technical level counterparts to pursue and lobby for the reforms which they deem necessary;
- Through its technical/legal advice component, PACO Impact has so far issued 20 Technical Papers (Legal Opinions/Policy Advice Papers) on various issues related to the anti-corruption reform process; these papers are now documented and are being used not only by the project area concerned, but also by other interested parties;
- All general and technical information with regard to the PACO Impact project activities and its reporting, as well as information related to the visibility of Sida as a donor and the Council of Europe has been placed on a special Council of Europe website under <http://www.coe.int/paco-impact>);
- Solid partnership and co-organisation of several activities with EC delegations and headquarters, OECD, OSCE, UNODC, and SPAI continue to be the added value of this project in the region, which, as a result, has avoided any duplication of efforts by involved international actors;
- It should be stressed that implementing a project in a very sensitive and complex region such as SEE (most of the Balkans), where culture, political and ethnicity issues are not yet overcome, any action and achievement has required duplicated efforts and additional strategies to be applied in order to secure success and results. PACO Impact management team is of the opinion, that this regional project so far has also created a very good spirit atmosphere and has provided that regional anti-corruption networks among all the stakeholders be established and now they have its own solid base in the region;
- The added value established throughout this project is also through the use of local and regional experts in collaboration with other experts from the western countries. Concretely, PACO Impact engaged several local experts (Albania, Bosnia and Herzegovina, Kosovo, "the Former Yugoslav Republic of Macedonia") to participate as Council of Europe experts at several PACO Impact. Also, twining of those local experts with regional experts especially with Slovenia, Bulgaria, and Bosnia and Herzegovina, Serbia has been taking place as well twining of offices among those experts. Given the on-going communications and contacts among those offices/experts, it is strongly believed that this will increase the sustainability of the project's impact in the future;
- Finally, the project implementation, management and its so far results have been only possible due to the recruited and trained seven Local Project Officers from each project area, who by now have been trained and prepared to represent, manage, and locally coordinate in a very effective way with all national and international counterparts. In addition, the support and the coordination provided by almost all Country Project Directors (excluding Bosnia and Herzegovina), has been an invaluable partnership and sustainable tool for this project.

## **2.2 General concerns**

The Project Management Team feels that this report provides an opportunity to also discuss a number of difficulties encountered. (Project area specific problems will be covered in the respective sections below):

- There continues to be reason for concern over the delay of certain activities or certain actions as committed to under the Workplan. Reason for these delays are, *inter alia*, the limited human resources in each project area, leading to country experts being involved in multiple other international and donor activities on behalf of their governments, not all of which equally important. Other delays or lack of action (especially endorsement of strategies or legislation from the government and parliament) are explained by our counterparts in the region as a lack of or fear of expressing political will and support to such reforms.
- Some project areas seem to suffer from an un-healthy relationship and lack of coordination among the relevant institutions, leading, in some cases, to tense situations and “frozen periods”. Evidently, there have been cases where no actions were taken, for the simple reason of an absence of communication and coordination among the institutional partners;
- The project implementation during the reported period continued to be evidently very complex and intensive in terms of managing, organising and reporting the large range activities within the context of unpredictable political, social, and economic developments.
- From the point of view of responsible, transparent and accountable project management, the Management Team feels that the project would have benefited from a more consistent participation from the donor, in particular during activities in different project areas.

### **2.3 Planning the way ahead**

The following issues should be the subject of further discussions between Sida, the Council of Europe Project Management Team, the Country Project Directors and Local Project Officers during the upcoming mid-term review at the end of August 2005:

- With respect to activities to be carried out in 2005, agreement and approval from Sida is needed for the continuation of the Pilot Activities for Croatia, and for the Regional Thematic Seminar of Prosecutorial Services and Networks scheduled to be held in late autumn in Germany ;
- In view of the number of activities and the slower than anticipated speed of reforms in some project areas, a potential extension of the implementation period by 5-6 months beyond February 2006 would ensure the achievement of the project’s objectives and its successful completion. Such an extension would be possible within the existing budget and thus come at no additional cost to Sida.
- In view of the dynamics of the reform process and developments related to Anti-Corruption Strategies and Action Plans, the project areas’ main stakeholders – and particularly those from Albania, Serbia, Montenegro, "the Former Yugoslav Republic of Macedonia" - have expressed strong interest in a continuation of the Council of Europe’s assistance and suggested that it seek donor funding for a second phase of PACO Impact. A second phase would build on the momentum created by the current project and would focus on directly assisting the newly established Anti-corruption services to become sustainable. Such a second phase would last for another 2 to 3 years, and could either retain the same structure as the ongoing project or could be reshaped factoring in the experience of the ongoing project. Therefore, the mid-term review would also seek to discuss possible funding options with Sida.

### 3 REGIONAL THEMATIC SEMINARS (UPDATE)

#### 3.1.1 Anti-corruption Services

Main Goal: Facilitate regional networking and the exchange of lessons learned on specific aspects and tools used in designing anti-corruption strategies, policies, action plans and the establishment of Anti-corruption services. Make use of model guidance and advice on policy and institutional reform with respect to streamlining and modifying public services [licences/permissions] when provided by central and local government authorities

Target Groups: Anti-corruption agencies/units/commissions/councils, central and local administration representatives involved in public service policy advice.

***Output (1) & (2) & (3): Anti-corruption plans improved or elaborated; Output (2): Institutional mechanisms for the monitoring and management of anti-corruption plans strengthened; (3) Draft laws/amendments available to bring the criminal legislation on corruption in line with European standards***

***Activity 1:*** *First Regional Thematic Seminar & High-level meeting on Anti-corruption Services in South-eastern Europe, 31 March - 1 April 2005, Skopje, "the Former Yugoslav Republic of Macedonia".*

Among the main challenges with regard to anti-corruption measures in south-eastern Europe is the establishment, the strengthening and the proper functioning of independent anti-corruption services. Strong political commitment, along with training of staff and the provision of equipment and other resources, is essential to the success of such services. PACO Impact, therefore, pays particular attention to these institutions, and a number of activities have been and will be carried out accordingly in the framework of the project, including regional thematic seminars.

Two specific issues – a review of the current role of anti-corruption services on the one hand; and the need to review and improve these structures and the status of these services on the other hand - have been identified as very important and were dealt with in the framework of the first regional activity under PACO Impact, the "Regional thematic seminar & high level meeting on anti-corruption services in south-eastern Europe", which was held from 31 March to 1 April 2005 in Skopje in "the Former Yugoslav Republic of Macedonia".

The seminar brought together representatives from anti-corruption services/commissions, high-level officials from each administration of the PACO Impact project areas, as well as Council of Europe experts and Secretariat members.

Participants had prepared "Profiles on the existing Anti-corruption Services" for each of their respective areas, which were presented and discussed during the technical-level meetings, and for which recommendations for improvements and reforms were agreed upon.

The implementation of anti-corruption strategies and the functioning of effective anti-corruption services require strong political commitment and support. With regard to the regional seminar, it was therefore proposed to complement working sessions of anti-corruption bodies with a high-level segment, which would allow senior representatives to take stock of achievements, of reforms underway and of their compliance with European and other international anti-corruption standards; it also aimed to provide high-level participants with an opportunity for reconfirmation of a high-level political commitment by the governments of the region.



As a result of this, a Joint Declaration of Support (see Annex) was endorsed by high-level representatives from each project area participating in the PACO Impact project. The Joint Declaration was adopted by the following officials representing their governments/administrations: Albania-Deputy Minister of Justice; Bosnia and Herzegovina-Head of the PRSP Monitoring Unit at the Council of Ministers; Croatia-State Secretary of the Ministry of Justice; Kosovo-Director of the Department of Justice/UNMIK; Montenegro-Deputy Minister of the Interior; and Serbia-Assistant Minister of Justice, and the State Secretary of “the former Yugoslav Republic of Macedonia”.

The thematic seminar aimed at providing an overview over, and discussions and analysis of two issues:

- The role of anti-corruption services in anti-corruption plans of countries of south-eastern Europe: In recent years, most countries of south-eastern Europe have established anti-corruption services. Thus, the seminar analysed the role and impact of these services in the elaboration, implementation and monitoring of anti-corruption plans/strategies. Council of Europe experts also provided guidance on how to improve such services and on how to enhance their role and to lead to further reforms and improvements of anti-corruption strategies.
- Review of structures and status of anti-corruption services in south-eastern Europe: Different countries and areas have adopted different types of anti-corruption services. The seminar provided an opportunity to exchange experience and lessons learned among different countries; it encouraged reforms to make existing services more effective, and provided guidance for the creation of new anti-corruption bodies where they have not been established yet. It furthermore facilitated networking and improved cooperation between services of different countries and project areas.

Specifically, the seminar aimed at:

- 1) Providing – through discussions with stakeholders - recommendations for a further strengthening of the role and effectiveness of anti-corruption services in south-eastern Europe;
- 2) Encouraging and enhancing cooperation between anti-corruption services of south-eastern Europe and other countries;
- 3) Facilitating the documentation and dissemination of best practice and lessons learned regarding anti-corruption services in south-eastern Europe;
- 4) Encouraging and supporting the political commitment expressed by high-level officials to strengthen anti-corruption services and to implement anti-corruption plans in south-eastern Europe.

For the technical level meetings, participants presented and prepared “Profiles on the existing Anti-corruption Services” for each of their respective areas, which were discussed and for which recommendations for improvements and reforms which were agreed. A publication of the compendium of these Profiles for the current Anti-corruption services in each project area, as well as identified recommendations for further improvements, is now available<sup>2</sup>.

During the high-level segment of the meeting, a Joint Declaration was adopted by the following officials representing their governments/administrations: (Albania)-Deputy Minister of Justice; (Bosnia and Herzegovina)-Head of the PRSP Monitoring Unit at the Council of Ministers; (Croatia)-State Secretary of Ministry of Justice; (Kosovo) - Director of Department of Justice/UNMIK; (Montenegro)-Deputy Minister

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<sup>2</sup> See, Compendium of Anti-corruption Services Profiles, TC-PC(2005)8, June 2005.

of Interior; (Serbia) Assistant Minister of Justice; and State Secretary of “the former Yugoslav Republic of Macedonia”.

It is hoped that the compilation will be a useful reference tool for stakeholders, and that it will provide the basis for follow up analysis of progress made – a second regional thematic seminar of this kind will take place in Belgrade, Serbia in September 2005 - and for the identification of assistance for future cooperation in this field.

### **3.1.2 Legislative Reform**

Main Goal: Facilitate regional networking aimed at reaching a common understanding of ways to harmonise national level legislation with treaty law provisions of Anti-corruption-related international instruments. This activity was carried out in partnership with SPAI in accordance to SPAI/RSLO Workplan for 2005.

Target Groups: Codification departments of Ministries of Justice, Departments of European Integration, Legal Advisor's Offices at Ministries of Foreign Affairs, Parliamentary Committees.

**Output (3):** *Draft laws/amendments available to bring the criminal legislation on corruption in line with European standards*

**Activity 1:** *Second Regional Thematic Seminar on the Application of Treaty Law: Legislative Reforms for the application and implementation of Council of Europe and UN Conventions against Corruption, 10-11 June 2005, Durrës, Albania.*

An issue of importance for the South-east European countries is the transposition into national legislation of international standards set by the corruption-related Council of Europe and UN Conventions and other instruments. Strong political commitment, along with the signature and ratification of treaties in each project area are essential to the success of sustainable legal reforms to prevent and combat corruption. However, the application of special treaty law represents a challenge because differences of legal systems and the different pace of legislative reforms in each country of SEE need to be considered. Furthermore, there is a need for establishing and sharing certain guidelines related to constitutional and legal questions of applicability of international law vs. domestic law.

The seminar – which was organised under PACO Impact, in cooperation and coordination with the SPAI Regional Liaison Office in Sarajevo and included also participants from Moldova and Romania - paid particular attention not only to the process of signature and ratification of corruption-related conventions, but also to necessary guidelines and tools that need to be considered prior to the application and implementation of treaties into domestic legislation. Thus, in addition to some similar in-country project activities, a regional thematic seminar dedicated to this issue took place in Albania with a regional participation from all seven project areas and with the additional participation of the Romanian and Moldavian delegations as a part of the framework of Stability Pact Anti-corruption Initiative<sup>3</sup>. This Seminar brought together about 55 participants from all SEE' region.

This regional thematic seminar deal with three issues specifically:

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<sup>3</sup> The Council of Europe (PACO Impact) and the SPAI/RSLO were co-organisers and shared the costs of this regional activity. UNODC and ABA/CEELI assisted and provided additional (including in-kind) funding for this activity as a part of their contribution to RSLO.

- **Application of Treaty Law concerning Council of Europe and UN Conventions against corruption:** Participants reached a uniform and in-depth understanding of the signature and ratification of treaties, issues related to dualist vs. monist systems, and aspects of implementation of treaty law and other international instruments by domestic institutions.
- **Drafting aspects of primary and secondary legislation in line with Council of Europe and UN Conventions against corruption:** Issues covered were guidelines and tools for the interpretation of international standards and notions facilitating legislative reform in line with the Council of Europe Civil Law Convention on Corruption; the Council of Europe Criminal Law Convention on Corruption, and other texts such as the Council of Europe Resolution (97) 24 on the Twenty Guiding Principles for the Fight against Corruption, and the United Nations Convention against Corruption.
- **Aspects of preventive and legislation--recommendations for the implementation of Council of Europe and UN Conventions against corruption:** Topics of discussion were the civil, criminal and criminal procedure laws, as well as legislation related to conflict of interests and declaration of assets.

The seminar also discussed 'Compliance Matrixes' prepared by each country prior to the seminar. The Matrixes covered implementation requirements under the Treaty Law, and the specific Working Groups identified the following strategies for necessary action:

#### **Council of Europe Criminal Law Convention on Corruption**

1. Ensure the inclusion in the domestic law of all material elements/components of the criminal offences of active and passive bribery (e.g. in relation to the different punishable actions and the concept of undue advantage);
2. Establish as a criminal offence the bribery (at least active bribery) of foreign public officials, and to provide for a definition of "foreign public official", which covers the respective categories of persons under the Convention;
3. Establish the trading in influence as a criminal offence;
4. Establish bribery in the private sector as a criminal offence, and to ensure clear understanding of the conceptual differences between private and public sector bribery;
5. Establish liability of legal persons and to provide for effective, proportionate and dissuasive sanctions in accordance with the standards of the Convention;
6. Provide continuous specialised training and adequate resources for those officers in charge of investigation and prosecution of corruption and corruption-related offences.

Participants also identified areas where the information available through each country's Compliance Matrixes<sup>4</sup> could be shared usefully with other countries in order to ensure cooperation, to seek assistance and to exchange best practices of countries and experts of the region. These areas are as follows:

- Exchange of experience, establishment of relevant regional arrangements and provision of effective protection for witnesses and victims;
- Exchange of experience and cooperation on the use of special investigative techniques;

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<sup>4</sup> All regional and in-country compliance matrixes are available at: [www.coe.int/paco-impact](http://www.coe.int/paco-impact)

- Exchange of experience among authorities in charge of extradition and mutual legal assistance, establishment of working contacts and identification of obstacles to cooperation in the region.

### **Council of Europe Civil Law Convention on Corruption**

1. Raise awareness among judges, lawyers, and other practitioners specialised on civil and labour law on the objectives pursued by the Convention and the obligations entailed therein for the country, as well as on provisions of the domestic civil law that could be utilised to the effect of the provisions of the Convention;
2. Raise general public awareness on the applicability of the Civil Law Convention on Corruption, in particular with regard to who can be considered a victim of corruption, on the rights of seeking compensation for damages resulting from civil as well as public corruption, the civil liability of the State, and responsibility for the protection of whistleblowers;
3. Review the legislation in the field of civil and labour law and identify gaps and opportunities with the aim to give better effect to the requirements of the Convention; accordingly strengthen and cross-reference - for higher visibility- relevant existing provisions of civil and labour law through special legislation on prevention of corruption if such legislation exists in the country;
4. Ensure the protection of whistleblowers through legislation in the field of labour law in addition to the protection of witnesses in criminal proceedings;
5. Ensure that the validity of contracts and clauses concerning corruption can be challenged not only by parties to the contracts and third interested parties, but also by specialised anti-corruption services in the area of repression and prevention of corruption.
6. Where applicable, ensure that provisions on Free Legal Aid in civil and labour proceedings apply also to persons seeking compensation for damages resulting from corruption;
7. Pursue a broad interpretation of the concept of “victims” of corruption in legal proceedings, where the interpretation would be based on the purpose of the Convention;
8. Consider establishing a special State fund for the compensation of victims of public corruption;
9. Study good practices from other countries on the implementation of the Civil Law Convention on Corruption, especially on the issue of identification and definition of a victim, just compensation, causal link, and protection of employees-whistleblowers.

### **United Nations Convention against Corruption**

1. States that have not yet done so should proceed with ratifying the Convention;
2. States should screen the relevant preventive mechanisms and measures in place domestically, and complement them with measures required and recommended under the Convention;
3. States should, as a minimum, establish the criminal offences mandated by the Convention, including money laundering, with respect to the widest range of Convention offences and the liability of legal persons;

4. States should review the application of international cooperation mechanisms and Convention offences, and improve their effectiveness, in particular with respect to mutual legal assistance;
5. States ensure that powers and mechanisms are in place to freeze, seize and confiscate assets domestically and upon request from other countries.

## **4 PROJECT AREA ACTIVITY REPORT (UPDATE)**

### **4.1 Albania**

#### **4.1.1 Project Orientation**

Main Goal: Improvement of the Anti-corruption Plan and its implementation with particular focus on the improvement of monitoring based on indicators of success, and an increased accountability and responsibility for all involved institutions.

Expected actions: Improved Anti-corruption Plan, consolidated and comprehensive measurable Anti-corruption actions; Implementation of specific and crucial measures under the Action Plan, strengthen monitoring and managing mechanisms through the inclusion of tangible indicators of success in the Action Plan. Strengthen capacities of the prosecutorial services to fully carry out criminal proceedings against corruption-related offences, by professionally equipped officers and prosecutors.

#### **4.1.2 Activities by Outputs**

**Output (1) & (2):** *Anti-corruption plans improved or elaborated; Output (2): Institutional mechanisms for the monitoring and management of Anti-corruption Plans strengthened*

**Activity 1:** *Expert Review: Monitoring and Improvement of Indicators of Success in the Anti-Corruption Action Plan, Strasbourg, September-October 2004.*

In late September 2004, a written expert opinion (Policy Advice Paper)<sup>5</sup> on "Improving the Indicators of Success of the Albanian Anti Corruption Plan 2003-2004" was commissioned and submitted to the Anti-Corruption Unit in October 2004. The review was dictated by the need to critically examine the existing indicators of success in the Action Plan of 2003-2004, and to suggest improvements. In addition, the opinion and its guidelines were aimed to be used as the core tool in the Anti-Corruption Monitoring Group and other institutions' Round Table Review of the Action Plan. Several changes made in the current draft of the Action Plan 2005-2006 reflect recommendations issued with respect to measures and indicators of success.

**Activity 2:** *Roundtable on the Effectiveness of the revised Action Plan, based on the expert opinion and the three main pillars of the strategy, Tirana, 25 October 2004.*

The objective of the roundtable was to discuss –guided by the written expertise- with the relevant institutions the overall improvement of the Action Plan and more specifically, the introduction of success indicators and specific anti-corruption measures. In addition, the roundtable discussed how to better draft, simplify, monitor and implement an Anti-corruption Plan.

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<sup>5</sup> See, also Policy Advice Paper, TP-46 (2004).

By the end of the roundtable review, stakeholders agreed that the structure of the Action Plan should not be altered. However, the new Action Plan 2005-2006 should and would include priorities and concrete measures, and well as well defined objectives and success indicators as suggested in the Policy Advice Paper and during the discussions by the participants. It was also decided timeframes in the current Action Plan are too short and often unrealistic, and therefore must be extended to allow for the completion of the objectives. Additional measures such as conducting of perception surveys to measure corruption in the central administration were suggested to be added to the Action Plan of 2005-2006. Finally, there was agreement that all institutions should be recommended the following steps prior to the endorsement of the Final Action Plan for 2005-2006:

There has to be a different approach to the continuity of Action Plan Policies:

- Deadlines for anti-corruption measures must be better identified: Short-term measures vs. mid-term (2-3 years) measures;
- Conduct regular and periodical inventories on objectives reached and analysis of the adequateness of indicators used.

The structure of the Action Plan and its contents need to be improved:

- Provide simplified and clear measures;
- Provide an explanation and methodology of measures.

The Action Plan's Indicators of Success need to be improved:

- Ensure a clear link between a 'Measure' and its respective success indicator;
- Ensure a causal link between 'Objectives' and 'Individual Measures' taken in order to achieve the 'Objective';
- Provide clear explanations for the success indicators used.

**Activity 3:** *The Fourth National Conference on the Fight against Corruption 2005, Tirana, 9-10 December 2004.*

The Fourth National Conference on the Fight against Corruption brought together some 80 representatives from all relevant state institutions and from independent institutions, and, to a lesser extent, from civil society. The aim of the Conference was to review and discuss the progress reached so far in the institutional and operational efforts to fight against corruption, and to review the Draft Anti-corruption Action Plan for 2005-2006, and the setting up of priorities for the government.

The Conference was opened by the Minister of State for Coordination, and representatives from the State Supreme Audit, the High Inspectorate of Declaration and Control of Assets, and the Prosecutor's General Office. Institutional cooperation was discussed as an issue of concern, stressing the need for better coordination, and for an intensification of joint efforts to investigate and try corruption cases. The Head of the Technical Cooperation at the Crime Problems Department of the Council of Europe pointed out some of the priorities which could be restated in the new Action Plan 2005-2006 such as: the approval of the new Law on Conflict of Interest, the issue of immunities of high-level officials, the review of the Law on Political Party Funding, the restructuring of the Triangle Commission, as well as the revision of the status and structure of the Anti-Corruption Monitoring Group (ACMG) and the Anti-Corruption Unit (ACU).

Participants discussed and agreed that the structure of the Action Plan would have to be changed to some extent, in order to become clear drafting and division of objectives, measures and indicators of success. Yet, measures of the new Draft Action Plan 2005 would be further elaborated with the assistance and under the leadership of the ACU. The final draft of the Action Plan 2005 is expected to be discussed and approved by the meeting of ACMG Board in mid February 2005. The lack of sufficient representation of civil society in the Conference resulted in no measures or actions being suggested or addressed on their behalf in the current Action Plan, except those foreseen by the government institutions themselves.

The conference finalised its working sessions by issuing the following observations, recommendations and urgent instructions to all institutions and specifically to the ACMG and the ACU:

- The Inventory of Achievements covering the period from June 2003 to November 2004 shows a long list of measures achieved; these achievements concern mainly enforced legislation, rather than analysing their impact in the fight against corruption. In addition, measures that should have, but actually have not been taken at all should be reflected as a matter of urgency (after revision) in the Draft Action Plan 2005;
- There are some improvements in the work of the ACMG Board, and significant improvements on the work carried out by the ACU. Yet, there is a concern about the technical cooperation with and the quality of reporting from the Institutional Contact Points. Therefore, one of the main priorities for the next year should be the re-composition of the ACMG Board with new, more adequate members, in order to improve the quality of participation and reporting/monitoring of the Action Plan.
- A review of the Action Plan 2005 structure is necessary; specifically, objectives to be reached should be added, and their coherence should be maintained; this should be complemented by a) specific measures to be undertaken to reach these objectives, and b) by setting up a classified system with useful and realistic success indicators.
- Follow-up with a series of consultative meetings of the ACU with the institutions involved in the Action Plan need to be taken as urgent steps in order to improve and consolidate institutional monitoring and cooperation in order to improve and later monitor the implementation of the Action Plan 2005.
- Meetings with civil society representatives and the public - not only with and through the Albanian Coalition against Corruption should be initiated, in order to provide further elements/measures for the third part of the Action Plan 2005 on issues related to Public Education, Perception and Participation.
- A database should be created within the ACU office, which would be aimed at maintaining the institutional memory as well facilitating/improving the cooperation of the ACU with all institutions and counterparts when reporting measures and progress made.

**Activity 4 (Update):** *Purchase of the Albanian Jurisprudence Program (Jurist), Tirana, February 2005.*

In mid-February 2005, the new series of the legal program “*Jurist*” were made available to the Anti-corruption Unit. Funding for this computer database program for legal research was requested by the Anti-corruption Unit. It is expected to facilitate and provide updated information on all relevant Albanian legislation, especially with respect to legal research related to analysis of legislation undergoing legal

reform within the framework of anti-corruption efforts. Two programs were purchased, at a total cost of 630.00 Euro.

**Activity 5 (Update):** *Publication of the Strategy and Action Plan for the Prevention and Fight against Corruption 2004-2005, Tirana, July 2005.*

Although with delays in formalising the final text of the Strategy and Action Plan for the Prevention and Fight against Corruption (2004-2005), as foreseen in the Workplan, the project financed the publication of 300 copies of the Strategy and Action Plan in booklet format<sup>6</sup>. The Anti-Corruption Unit and the ACMG are now the institutions in charge to ensure a wide institutional and public distribution. The Action Plan for the Prevention and Fight against Corruption has been published in both English and Albanian, and as in the past last 4 years, is expected to be used as the only official working and reference document for all involved institutions when implementing the Task Chart and reporting on progress made.

**Output 3:** *Draft laws/amendments available to bring the criminal legislation on corruption in line with European standards*

**Activity 1:** *Expert review on the amendments to the existing legal framework on conflict of interest, as provided by the study of the ACU, Strasbourg, 20 October-20 December 2004<sup>7</sup>*

In 2004, the Anti-Corruption Unit<sup>8</sup> has been involved in drafting and coordinating efforts of the government and civil society in proposing, through a new law, the rules governing conflict of interests. In view of this and as per request of the Albanian authorities, a joint written expert opinion of the Council of Europe and OECD/SIGMA experts was commissioned and then submitted for consideration to the Albanian authorities during the period of October-December 2004. The joint experts' opinion has been used for improving the Draft Law in accordance with specific recommendations per each provision, as provided, prior to its endorsement by the government and then its submission to Parliament which is expected to take place during February-March 2005. A roundtable to provide a wider spectrum of ideas and opinions before the Parliamentary Commission's Discussions is scheduled to take place in February 2005.

**Activity 2 (Update):** *Training seminar for public information officers at the local government offices on issues of implementing the Law on Freedom of Information, Tirana, 5- 6 May 2005*

This training – aimed at strengthening transparency and accountability of the government to the public - provided additional information and interpretations of certain legal concepts to 40 officers from different local government offices who are involved in the implementation of specific aspects of the right to information about official documents.

The Albanian Council of Europe expert provided a thorough explanation of the main features of the law and other relevant legal provisions, as well as best international and regional practices in guaranteeing the proper implementation of this law. Furthermore, tools and guidelines on the application of this law

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<sup>6</sup> See, available publication.

<sup>7</sup> See, also Expert Opinion, TP-48 (2004).

<sup>8</sup> This initiative had started since November 2003 under PACO Albania 2 project.



based on the distinction between the functioning of a Public Information Office and of the Office of Media and Public Relations were provided to all participants.

One of the main issues of concern discussed by participants was the low visibility and awareness by the public on the existence and the role of these offices, resulting in a general hesitance by the public to approach them. This has an impact on the implementation of this law. It was concluded that central and local governments would have to put more emphasis on the education and information of the public on their rights to information with reference to official documents.

Following the discussions, and the sharing of some existing good practices, participants took the opportunity to network group and exchange information on the following issues:

- Possible models and tools to avoid unnecessary delays (and which could leave room for the abuse of power) during procedures that are not of an important decision-making nature, such as the requirement of signatories from the Mayor or his/her Deputy;
- Possible ways of communicating with the public and increasing its awareness with respect to the rights that are provided by this law, including using simple tools and terminology when explaining legal terms to the public;
- The idea of initiating a new strategy for setting up standard regulations and standard forms to be used in a unified way by all practitioners in this field. Participants also noted that in setting up such a strategy, further advice, cooperation and support should be sought from the Office of Ombudsman in Albania, which is the body in charge of assuring the full implementation of the Law on Freedom of Information.

A second activity of this kind – a training court clerks and judicial officers of the courts in Albania - is scheduled to take place already in early September 2005. Participants also decided to forward the issues discussed and the recommendations resulting from these events to the Office of Ombudsman in order to secure continuity and follow-up of the reform process and education in the field of implementing the existing law.

**Activity 3 (Update):** *Roundtable discussion on Aspects of Implementation of the new Law on the Prevention of Conflict of Interests in the Exercise of Public Functions, Law Nr. 9367, dated 7 April 2005, Tirana, 13 June 2005*

Following a long political debate within the government and in the relevant parliamentary commission[s], and after protracted drafting procedures led by the Anti-corruption Unit, the Ministry of Justice, and the Albanian Coalition against Corruption, lasting more than a year, the Albanian parliament passed, on 7 April 2005, the new Law on the Prevention of Conflict of Interests in the Exercise of Public Functions” (Law Nr. 9367).

The new law provides the rules, means, methods, procedures, responsibilities and competences for the identification, declaration, registration, handling, and the penalties for cases of the conflict of interests. During its drafting stages, the Council of Europe (PACO Impact) in cooperation with OECD/SIGMA provided a joint analysis and assessments of the draft law during the first phase of the project. It should be mentioned that the majority of recommendations provided were taken into consideration by the Albanian authorities. Other international organisations such as the OSCE, the World Bank, and USAID have also provided additional comments and recommendations to previous drafts, which are reflected in the final text.

Given the novelty of the law, and in accordance with the Workplan, a roundtable discussion on issues related to its implementation and on identification of areas that require secondary legislation took place on 13 June 2005, organised jointly by the Council of Europe (PACO Impact) and OECD/SIGMA.<sup>9</sup> The event brought together 50 participants, mainly law co-drafters and experts from responsible institution[s] that are now in charge of implementation of this new law. Representatives from civil society and other central government and independent institutions took an active part in the event.

Participants and actors that were involved in its drafting, as well as an OECD/SIGMA expert presented and discussed concrete steps for the implementation of this new material law. The Minister of State for Coordination and the Chief Inspector of the High Inspectorate of Declaration and Control of Assets highlighted the successful work in drafting such material law and also stressed the fact that the implementation process should be as successful and efficient as the drafting one. Furthermore, the emphasis was put on the transparent, efficient and comprehensive way of implementing this law that will ensure the strong basis of a successful governing.

While presenting and discussing concrete steps to be undertaken, the mechanisms in place and roles of the actors involved in the implementation of the legal obligations stemming from the Law on Conflict of Interests, the OECD/SIGMA expert highlighted the fact that the whole process should be seen as a policy cycle involving three phases:

- Implementation;
- Evaluation; and
- Any necessary amendment.

Furthermore, the necessity of providing guidelines, carrying out training and analysis and assessment of risks, as well as the need to review substantive legislation was stressed.

The following recommendations and follow-up actions were addressed and agreed:

- The first steps for implementing the new law should be taken by each institution. As a new law and as the basis of good governance, it should ensure a coherent continuity of the Albanian legislation rather than a confusion;
- There is a need for both the Code of Administrative Procedure and this new law to be implemented in parallel. An improper implementation of such legal tools will cause the failure of the implementation of the new law itself;
- The law itself aims at increasing transparency and good governance and at preventing corruptive and abusive cases in the central and local government. Therefore, efforts should be made in reducing the possible perception of this law being “against” the public administration officials and civil servants;
- Training and massive education of civil servants and the entire administration need to be scheduled and secured as soon as possible. Also, cooperation and coordination of these activities with civil society need to be assured in order to raise public awareness of this new law;
- The High Inspectorate of Declaration and Control of Assets, in addition to its tasks is now also in charge of the monitoring of the implementation of this law and should provide the necessary

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<sup>9</sup> The Council of Europe (PACO Impact) and OECD/SIGMA have agreed since the beginning of this project to cooperate and act jointly in all relevant activities that have to deal with legal reform and training on issues of Conflict of Interests. Therefore, in all events, activities, legislation assessment Council of Europe and OECD/SIGMA are partners and co-share expenses.

instructions and guidelines by defining and explaining the procedures concerning its implementation; and

- As there are several obligations to be fulfilled under this law, the process of its implementation should start as soon as possible by considering carefully immediate secondary legislation necessary to complement the law.

Finally, it was agreed that should the High Inspectorate of Declaration and Control of Assets need additional expertise and assistance during the process of drafting of secondary legislation, the Council of Europe (PACO Impact) and OECD/SIGMA would be able to provide their support and assistance on this matter.

**Output (4): Pilot activities supported**

**Activity 1 (Update):** *Identification and elaboration of an Action Plan for a Pilot Activity with respective counterpart on Initiating and Implementing the Case Management Reform Aiming to Prevent Corruption within the Prosecutorial Services., Tirana, July 2004- October 2005.*<sup>10</sup>

<b>Pilot Activity</b>	Initiating and implementing the case management reform aiming to prevent corruption within the prosecutorial services				
<b>Objective</b>	Enhance the accountability of case tracking, monitoring, reporting and control mechanisms by supporting and allowing an efficient and accurate final reporting and analysis of crime and case management				
<b>Start-up</b>	November 2004				
<b>Duration Period</b>	November 2004-January 2006				
<b>Estimated Cost</b>	41,000.00 Euro				
<b>Available Funds</b>	Pilot Activity allocated funds:45,000.00 Euro				
<b>Beneficiaries</b>	Prosecutor's General Office Appellate Instance Prosecutorial Offices District Instance Prosecutorial Offices				
<b>Implemented by</b>	PACO Impact Management Team Unit Prosecutor's Working Group on Case Management Prosecutor's General Office (Research and Analysis Department)				
<b>Outputs</b>	Prevention of corruption and unprofessional conduct; Accountability and better monitoring of the prosecutors' work; Improvement and upgrading of the tracking system, enabling a more comprehensive analysis and accurate reporting; Increase of transparency based on reliable updated data base system;				
<b>Inputs</b>	Technical assistance to the first stage of start up (Action Plan and standard forms to be applied); Creation and application of a specific software for the case management (PG's Office); Technical assistance and funding to the regional activities on the implementation of the new system (PG's Office and District Prosecutors' Offices.				
<b>Actions/Activities</b>	<b>Time-line</b>	<b>Venue</b>	<b>Estima</b>	<b>Expected</b>	<b>Note</b>

<sup>10</sup> The initiation and the idea of this Pilot Activity originates from the PACO-Albania II project. The first initial "Forms" are already part of PACO-Albania Technical Papers.

			ted Cost	Results/outcomes	s
Establishment of the WG for the Case Management by an Order of the Prosecutor General	November 04	Tirana, Albania	N/A	Enforced Prosecutor General Order WG established and organizes its first meetings; Persistence in requesting the visit on best practices in Germany.	√
Drafting of the Calendar of Activities and discussion on the operational and implementation issues of the new system	December 04 - January 05	Tirana, Albania	N/A	Clear timetable of steps to be taken for the implementation Formulate/draft master forms to be used	√
WG discussion on issues of operational and implementation of case management system (2 consultative meetings)	January 05	Tirana, Albania	N/A	Printed master forms to be distributed in the region;	√
WG visit on best practices of German case management system	30 June-1 July	Celle, Germany	8,000 - 12,000 €	Postponed dates of the visit; Decision to organize the visit delayed.	√
Final Master Plan for the New Case Management	September. 05	Tirana, Albania	N/A	Delays in finalizing it.	
Approval of the Action Plan by a PG Order and its normative acts	October, 05	Tirana, Albania	N/A	Methodologies and procedures of implementation are not clear to the WG members	.
Preparation of final standard forms	September-October 05	Tirana, Albania	TBD	Final standard forms are not ready yet	
Initiation and preparation of the software	September, 05	Tirana, Albania	5,000-7,000 €	Technical and logistical resources are not in place Difficulties in introducing and implementing the centralised database	
Preparation of the Manual on the Case Management implementation	October-November 05	Tirana, Albania	7,000 €	Delays in finalising new administrative procedure Delays in drafting	
Regional seminar to present the new Case Management	December 05 – January 06	Shkoder; Durrës; Vlore; Gjirokaster; Vlore; and	15,000 €	Comprehensive training Successful start up of the process Difficulties in	

		Tirana, Albania		understanding and applying the process	
<b>Impact Expected in February 2006 and in the future</b>					
Other general data	Strengthened capacities to discover and fight corruption in the prosecutorial system				
Quality Indicators	Effective and sufficient data to determine realistic grounds of each criminal proceedings (suspended, pending, on going)				
Quantity Indicators	Decrease of corruptive cases due to efficient way of Case Management usage compared to the previous year; Number of violations identified through the new system compared to previous year data (violations) Number of processed and analysed criminal proceedings and their data; Number of monitored criminal proceedings as compared to previous years.				
Number of Users	Centralised database will be used as an efficient tool to prevent corruption and unprofessional conduct as well as will facilitate the monitoring of other prosecutors' work (both in PG's Office, Appeal, and other District Prosecutors' Offices).				

**Activity 2:** *Establishment of the Working Group for the start up of the preparatory phases, Tirana, August-October-November 2004.*

In late August 2004, the Prosecutor General of Albania drafted and issued his Order No. 244 On the Establishment of the Working Group for the Case Management System in the Prosecutorial Services. Based on this Order, the Working Group would have the following composition:

- Prosecutor, Head of the Studies Directorate, Prosecutor General Office (Head of the WG);
- Prosecutor at the Directorate of Organised Crime, Prosecutor General's Office (member);
- Prosecutor, Chief Prosecutor of the Vlora Appeal Prosecution Office (member);
- Prosecutor, Chief Prosecutor of the Durres District Prosecution Office (member);
- Prosecutor, Chief Prosecutor of the Shkodra District Prosecution Office (member);
- IT Expert of the Office of the Prosecutor General's Office (member).

In late October 2004 and in early November 2004, the Working Group had its two consultative meeting and approved in principle the above Action Plan for the implementation of the Pilot Activity. The members were provided with the essential information and an overview of this pilot project. The preparatory phases were discussed as well as the way ahead for the implementation of this new system. However, certain activities such as the foreseen workshop in Germany have first to be approved by Sida before moving ahead.

**Activity 3 (Update):** *Workshop and Visit of the Working Group on Best practices of case Management System to Celle, Germany, 30 June-1 July 2005.*

In the framework of this Pilot Activity, the six members of the Albanian Working Group visited the Federal Prosecutor's General Office in Celle, and the District Office in Lüneburg, Lower Saxony, Germany on a two-day study visit.

During the first day, Working Group members reviewed and consulted the existing proposed forms<sup>11</sup> in light of the latest changes recommended by the Working Group, and as well as the two Council of Europe experts who participated at this workshop. Certain changes were discussed and then agreed in terms of adding two more new forms, and inclusion of additional information. In the end of the day, the working group and the Council of Europe experts agreed on the final changes and adjustments that ought to be taking place in the existing forms. Thus, the final report containing these revised forms is expected in light of the German model as well as the follow up discussions that took place are expected to be presented in September to the Prosecutor General for his formal approval as presented now in the updated Action Plan of the Pilot Activity<sup>12</sup>.

The Working Group also visited and was informed of practical arrangements in place for case reporting, monitoring, and management at two-level offices: the Federal Prosecutor's Office in Celle, and the District Prosecutor's Office in Lüneburg. More specifically, the members of the Working Group were introduced to the following systems and their legal frameworks:

- Forms and models on case reporting, assignment, monitoring, and management throughout different instances;
- The modus of follow-up and reporting of the final status of the cases in the hierarchic structure;
- The running and the technology of the Case Management Data Base (centralised and local ones);
- The procedure and the legal framework of the entire process of Confiscation of Crime Proceeds; and
- The practical and regulatory arrangements of handling crime proceeds, especially the financial aspects of their incomes at the Office of the Prosecutor General.

The following conclusions were drawn:

- Review and finalize the "Standard Forms" taking into considerations the recent proposals<sup>13</sup>;
- Presentation of the Final Master Plan for the New System of Case Management to the Prosecutor General of Albania for approval;
- Issuance of an Order of the Prosecutor General of Albania on the implementation of the New Case Management and normative acts regulating the process ahead; and
- Setting up of a centralised database, which is expected to process the standard in-coming forms from all prosecutorial levels, and which is hoped to be serving as the main tool in the process of case tracking, monitoring, reporting and analysis.

The Working Group and the German Federal Office of the Prosecutor General also agreed that all models and forms as introduced and presented during these two days (not only those related to case management), would be sent as model packages to Albania for potential consideration, and in view of other necessary reforms (especially management in general) at the Offices of Prosecutors in Albania. A special interest was shown with regard to all legal and practical frameworks in handling confiscated proceeds from crime; a system which does not currently exist in an efficient way in Albania, although the relevant legislation is in place.

The Federal General Prosecutor of Lower Saxony (Celle) also offered to look upon the possibilities of seeking funding through the European Commission or through Council of Europe voluntary contributions to create a twinning partnership between his offices and the Office of the Prosecutor General of Albania aimed at two areas: 1) cooperation and exchange of practices in the field of confiscation of crime proceeds, and 2) mutual legal assistance in criminal matters.

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<sup>11</sup> See, PACO – Albania II, Technical Paper on "Case Management Forms", February 2003.

<sup>12</sup> See, Revised Forms and Recommendations as finalised at PC-TC (2005)11, Technical Paper, July 2005.

<sup>13</sup> *Id.*

### 4.1.3 Observations/Comments

During the period covered by this report (February-July 2005), progress has been made in Output 1, Output 2 and Output 4 as follows:

- Finalisation and endorsement of a comprehensive National Anti-corruption Action Plan (2005);
- A thorough process and wide discussion and debates on the draft Law on the Prevention of Conflict of Interests in the Exercise of Public Functions;
- The adoption of the new Law on Prevention of Conflict of Interests in the Exercise of Public Functions;
- Amendments and proposals of new forms of case management under the pilot activity; and
- Carrying out of training and other relevant activities as foreseen under the Workplan; and
- A stronger Anti-corruption Unit with capacities to discharge and work as an independent body.

Despite those recent changes, the management team of PACO Impact, in consultation with other international and national partners, has noticed the following obstacles to the implementation of the project:

- The previous enthusiastic cooperation and partnership of the government institutions (mainly the Anti Corruption Unit) with civil society (namely the Albanian Coalition against Corruption/ACAC) has significantly lost momentum and is showing a lack of involvement and contacts from the side of the ACAC. For instance, the Triangle Commission - which since its beginning was a very successful initiative between the ACU, ACAC and the Prosecutors General Office - holds now rarely any meetings due to the absence of representatives from the Prosecutor General's Office, and the ACAC;
- It appears that the participation of the ACMG members has become more like a "burden to attend a meeting" for its members, than an institutional obligation due to their many other assignments within their respective institutions. This was, for example, one of the reasons for delaying the endorsement of the 4<sup>th</sup> National Anti corruption Action Plan for more than 3 months;
- The continuous postponements of certain activities have been attributed by the technical level of the administration to the lack of political-level support of initiatives. For instance, although high-lighted as a priority at the National Conference against Corruption, amendments to the Law on Political Party Funding, the Law on Immunities of High-level Officials, and the review of the status of the Anti-Corruption Monitoring Group and the Anti-Corruption Unit have been put aside, and not much explanation has been given for their exclusion from priority reform actions;
- The slowdown of some of the activities and relevant reforms can also be attributed to the Anti-Corruption Unit being overloaded with reporting responsibilities and research tasks commissioned by the Office of State Minister for Coordination within the framework of other initiatives, (i.e., in addition to specific anti-corruption related initiatives) which are under his authority as well.

It should be noted that the last six months have been characterised by a very tense and confusing political situation within the Albanian administration in view of the preparations and the electoral campaign for the parliamentary elections of 3 July 2005<sup>14</sup>. The election results are expected to bring changes in the composition of the government, as well as a re-prioritisation of anti-corruption related policies up by the designated Democratic Party government. Another slowdown for PACO Impact activities is anticipated in the period prior to the consolidation of the new government.

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<sup>14</sup> Although the overall elections results have not been yet "certified" by the Albanian Central Elections Commission, the former opposition party (Democratic Party), has won the majority electorate vote, and is expected to replace the incumbent Socialist Party as a majority right-wing force in parliament, as well as to compose the new government in coalition with other right-wing alliances in mid-September 2005.

Considering the above and past developments regarding the project implementation, PACO Impact will consider the following priorities for the forthcoming period:

- Initiate immediate policy dialogue with the new government in order to re-integrate and re-introduce the project's goal by trying to align the new government priorities with the existing project's Workplan and goals;
- Subject to the above situation, initiate immediately the review of the status of the Anti-corruption Unit with the aim of recommending an independent and stronger body accountable to parliament with initial features of a policy advice body, which in the long run could be vested with additional powers (such as investigative powers);
- Continue to stress the importance of implementing the new "Case Management" Pilot Activity for the Office of the Prosecutor General. Should this reform face a "freezing status", as experience has shown in the past, seek the implementation of the Pilot Activity only to the Office of Appeal Prosecutions of Shkoder<sup>15</sup>.
- Initiate a dialogue with the relevant institutions and the new government for the necessary legal reviews that need to take place in order to amend the Law on Political Parties, Law on Immunities of High Officials as recommended by GRECO recommendations as well; and
- Continue to support the ACU as the only resource which so far has shown continuity and increasing professionalism over the last five years, despite political changes and changes in government.

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<sup>15</sup> A preliminary discussion of this possibility has already been held between the PACO Impact management and the Office of Appeal Prosecution in Shkodra, during which a very pro-active attitude was shown by stakeholders, who explicitly requested technical assistance.



## 4.2 Bosnia and Herzegovina (BiH)

### 4.2.1 Project Orientation

Main Goal: Consolidation and coordination of the monitoring and the implementation of a comprehensive Anti-corruption Plan; support the implementation of the Anti-corruption Plan.

Expected actions: Improve and coordinate actions related to the review and monitoring of the Anti-corruption Plan; consolidation and comprehensive measurement of anti-corruption actions; strengthening monitoring and managing mechanisms, and inclusion of measurable indicators of success into the Action Plan.

Initiate and support the establishment of an Anti-corruption and Monitoring Commission; propose/initiate and participate in drafting of all necessary and appropriate regulations, e.g. laws and by-laws/acts in order to accelerate establishment of the final legal framework for successful monitoring and fighting against corruption.

Influence the relevant State-level institutions of BiH related to signature/ratification of appropriate European, UN Conventions that govern issues of corruption.

### 4.2.2 Activities by Outputs

**Output (1) & (2):** *Output (1): Anti-corruption plans improved or elaborated; Output (2): Institutional mechanisms for the monitoring and management of anti-corruption plans strengthened*

**Activity 1:** *Workshop/Policy Discussion regarding the Coordination of Anti-corruption Issues and Monitoring Body, Sarajevo, 7-8 December 2004.*

The objective of the workshop was to discuss the current situation of the Anti-corruption measures under the Anti-corruption Strategy which is a part of the Strategy for Poverty Reduction (PRSP) in Bosnia and Herzegovina, as well as the existing policies for coordination and monitoring measures under this strategy. Representatives from all relevant institutions participated in this activity in addition to the representatives from PRSP Coordination Board for economic development and EU integration, an inter-ministerial body within the Council of Ministers (CoM), a state level executive body.

Discussions of the workshop could be split in two major parts: discussion on the existing Strategy for the Fight against Corruption, which is the part of the Poverty Reduction Strategy Paper; and discussion on the agency/institution which would be in charge of the implementation of the anti-corruption strategy and in general of anti-corruption activities.

With reference to the way forward with respect to the Strategy for the Fight against Corruption, the following issues were addressed:

- Presentation of the objective of the PACO Impact project, with the emphasis on the fact that the CoE is ready to assist the BiH authorities rather than to impose the solutions to be implemented;
- Within the BiH Council of Ministers there is a newly established Unit for the Implementation of all strategies, including the Strategy for the Fight against Corruption. This Unit should release the report on implementation of the PRSP soon, which should then be combined and consulted with the efforts of all participating and relevant institutions;

- Attention should be given to the fact that certain measures set forth in the Strategy are fully implemented, while others are implemented only in part;
- A thorough evaluation is necessary to be carried out by the Working Groups composed of representatives from relevant BiH, entity, canton-level and municipal institutions, as well as international organisations and NGOs;
- Attention should be paid to the results of the report made by Transparency International, according to which the perception of corruption of the population in BiH is very bad.

The discussions referring to the possibilities of establishing an agency/institution which could monitor, and manage the institutional efforts in the fight against corruption were mainly focused as follows:

- Reviewing and analysing best practices with respect to the modalities of the establishment of anti-corruption bodies in Europe;
- State budgetary consequences that have to be considered when moving towards the establishment of such mechanisms;
- The existence and the role of SIPA and of the Ministry of Security in BiH as newly established institutions, whose mandate is, *inter alia*, the fight against corruption;
- Ongoing review of the reform of the police structure in BiH, which could affect other reforms, such as that of establishing specialised anti-corruption mechanisms, and which could affect the modus of establishing other new agencies.

Since this was the first technical activity under these two outputs, all participants provided several recommendations, and agreed to broaden the level of detail when discussing the above mentioned issues. In view of this, it was decided that a "Policy Paper", analysing and recommending the way ahead, should be submitted for future reviews, discussions, and later on Policy Decisions.

**Activity 2:** *Policy Advice: Implementing and Monitoring Future Anti-corruption Efforts in Bosnia and Herzegovina-Policy Advice Paper, Strasbourg, December 2004-January 2005.*

Following recommendations and issues discussed during the workshop which was held in November 2004 (see above 'Activity 1'), and several meetings with all relevant counterparts and technical staff members, a Policy Advice Paper on "Implementing and Monitoring Future Anti-corruption Efforts in Bosnia and Herzegovina"<sup>16</sup> has been submitted to the BiH authorities. The Policy Advice Paper gives analysis of the current situation and anti-corruption related efforts, and provides recommendations for different phases of the process.

The recipients of the Policy Advice Paper are members of the PRSP Coordination Board for Economic Development and EU Integration, an state-level, executive inter-ministerial body within the Council of Ministers (CoM).

It is expected that, during February 2005, a second workshop on reviewing the Policy Advice and previous issues in line with the ongoing reforms in BiH, will be organised in order to clarify and

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<sup>16</sup> See, also Policy Advice Paper, PC-TC (2005) 3, January 2005.

determine the highlighted recommendations for reform in the field of implementing and monitoring Anti-corruption efforts in BiH.

**Activity 3 (Update):** *Advisory Workshop on Anti-corruption Knowledge and Policy Advice for the Relevant Bodies, Sarajevo, 23 February 2005.*

The objective of the advisory workshop was to follow up on discussions from the workshop held in December 2004, by discussing models of anti-corruption agencies in Europe and by addressing best practices and aspects of monitoring and evaluating anti-corruption strategies.

With regard to the establishment of an Anti-corruption Body it became clear that there was no consensus among participants on whether or not to establish an independent agency. However, the Council of Europe was informed that the Ministry of Security has undertaken own steps on the establishment of an anti-corruption agency, and by responding to an offer of the German Government to fund such an agency<sup>17</sup>, is planning to create a working group which would work on drafting the law needed for the establishment of such an agency.

The workshop was attended by 23 representatives from the following institutions: Ministry of Security, State Border Service, State Investigations and Protection Agency, and Ministry of Finance.

During the workshop, the following issues relevant to the policies in the fight against corruption were raised:

- The immediate need to define ways to (re-)build the trust of the public in state institutions;
- The complexity of the existing administrative system and its discretionary powers, which makes it more difficult to identify those institutions that are, or should be, in charge of designing anti-corruption policies and legislation;
- The lack of good coordination among institutions themselves; and
- The existing vacuum between anti-corruption policies that are supposed to be regulated and those which need to be implemented.

During the session on best practices and various models of anti-corruption agencies, participants found that the model that might fit best was probably the Slovenian model. Following the presentation of best practices on Anti-corruption services and polices made by the experts from the Council of Europe, participants agreed to take time to reflect and to provide follow up advice and comments to the Economic Policy and Planning Unit (EPPU), which is in charge of monitoring the Anti-corruption Strategy for BiH as a part of the Poverty Reduction Strategy<sup>18</sup>.

The following concrete steps were agreed upon:

- The EPPU would forward to all participants and to the Council of Europe experts the Strategy and Action Plan for their comments and suggestions by 4 March 2005;
- Participants would get back with their comments and suggestions to the EPPU by 31 March 2005; and
- Council of Europe experts would submit their comments and recommendations to the EPPU by early April 2005.

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<sup>17</sup> It should be noted that, after many attempts of the Council of Europe (PACO Impact) to receive more information about the German assistance, it found out that so far there is no official confirmation that such assistance is going to be provided. This issue of what kind and which German government institutions will provide assistance remain as yet unclear.

<sup>18</sup> See, also Policy Advice Paper, PC-TC (2005) 5, February 2005.

In view of this, the Council of Europe (PACO Impact) initiated the review of the Anti-corruption Strategy and Action Plan aimed at providing comments, recommending improvements and reforms that would need to be taken and reflected in this document and its relevant measures.

**Activity 4 (Update):** *Advisory Paper: Comments on the Anti-corruption Strategy and Action Plan (MTDS) of BiH, Strasbourg, April 2005.*

The Advisory Paper (Technical Paper) was a follow-up to the workshop which took place in February 2005, and the direct response to a request for technical assistance by the EPPU to the Council of Europe.

Specifically, the EPPU requested that PACO Impact expert[s] provide comments and suggestions on the following three documents<sup>19</sup>:

- The Strategy for Combating Crime and Corruption/part of the Medium-Term Development Strategy (MTDS) 2004 – 2007;
- The Progress Report on the implementation of the measures from the MTDS of BiH (PRSP) for the period from August 2003 to November 2004 (part related to the Strategy for Combating Crime and Corruption);
- The Action Plan of the MTDS of BiH for the period from December 2004 to December 2005, where it refers to the Strategy for Combating Crime and Corruption.

The three documents submitted to the PACO Impact Secretariat were in the local language version and in an English translation. However, discrepancies in the translation, and lack of some consistent information were found between the two texts, making it impossible to related them to each other. Eventually, the expert comments and recommendations were made on the basis of the local language version. In addition to the Advisory Paper, specific comments were made on the text of the Progress Report and the Action Plan for 2004 – 2005.

In 10 April 2005, the PACO Impact submitted the final Advisory Paper<sup>20</sup> to the Head of the EPPU as per their request, and considerations.

In summary, the Advisory Paper recommends the following actions for consideration and reform:

- Ensure continuity of policy documents: work on the basis of one document to be up-dated, instead of creating a multitude of documents that stipulate priority activities that are seemingly not followed through.
- Consider increasing efforts in, and seeking donor support for, collecting, processing and analysing corruption-related data and for the development of in-house monitoring and evaluation skills. Data collection is a long-term effort and needs to be sustained.
- Consider increasing efforts in, and seeking donor support for, training of staff charged with overseeing the implementation of the anti-corruption strategy on key concepts of project planning and implementation.

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<sup>19</sup> The text of these documents is available at <http://www.eppu.ba>

<sup>20</sup> See, Advisory Paper, PC-TC(2005)6, April 2005.

- Rethink presentation of the Action Plan - as the format stands now, a lot of information might not find its way into it, contributing to a sense of confusion over whether the EPPU is in the lead on the Strategy's/Action Plan's implementation.
- Introduce realistic deadlines, sub-measures, inputs/outputs/outcomes and risk indicators.
- Consider measures to improve intra-governmental co-ordination and co-ordination with the international community on priority activities; introduce relevant information into the documents.

**Activity 5 (Update):** *Consultative Workshop: Initiation of Revision of Anti-corruption Strategy and Action, Sarajevo, 24 June 2005.*

The objective of the Consultative Workshop was to present and discuss all comments received on the existing Anti-corruption strategy and Action Plan, as well as consult with the EPPU and other key institutions' representatives the initiation of the revision and improvement of the Strategy and its Action Plan. At the same time, it was re-confirmed to the Council of Europe that the EPPU intends to make a revision of the entire Medium-Term Development Strategy, whose integral part is the Anti-corruption strategy, in the near future.

During the discussions led by the Council of Europe expert and secretariat members, the participants (10 in total from all relevant institutions) agreed that given the shortcomings of the current Action Plan, the revised document should include a variety of indicators and categories so as to account for visibility, transparency, accountability, and continuity of the anti-corruption reforms. More specifically, BiH should consider using a template for the revised action plan modelled on one that is already widely used amongst the countries in the region and the EU, which was circulated at the workshop. The template, which was presented and elaborated during the workshop, was also provided directly to the EPPU representative along with guidelines for the inclusion of the following issues:

- **Clear categorization of different sectors** which anti-corruption reforms should be targeted including optional sub-categorization within each sector so as to achieve full visibility and clarity of tasks, including preventive and public outreach efforts;
- **Clear identification of institutions** involved in the implementation so as to ensure transparency, accountability, and coordination;
- **Risk factors** which may be involved in the implementation to ensure accountability and better monitoring;
- **Timelines and state of play of the implementation** to ensure accountability and better monitoring as well as visibility of the continuity of anti-corruption efforts; and
- **Indicators of success** to measure the impact of the reforms on the actual level of corruption.

Participants suggested that there is a need to expand the composition of the current EPPU Working Group on anti-corruption, so as to improve knowledge on the substance of anti-corruption reforms in different sectors as well as in order to improve the accuracy of progress made in the implementation of the reforms. Given that the permanent membership of such an expanded working group may be difficult to achieve, it was suggested that other options that do not require permanent membership should be explored.

In terms of improving the institutional capacity to fight corruption, there is a need to develop evaluation skills of those who monitor the strategy implementation, which is currently a task of the EPPU.

It was preliminary agreed that the Council of Europe could, if requested, provide assistance during the practical process of revising the strategy and the Action Plan, as well as provide and suggest the additional tools in monitoring, measuring, and evaluating the impact of anti-corruption measures in line with the above comments and the expert opinions already provided;

Following this, the EPPU held a meeting on 1 July 2005, to discuss the methodology of the revision of the anti-corruption strategy and action plan; this meeting – which was held behind closed doors and open only to EPPU staff members – was also to discuss the revision of the reported guidelines and recommendations made in all relevant Advisory Papers.

It is hoped that the EPPU and the Council of Europe will in the near future define in which way PACO Impact could provide assistance to the practical process of the revision of the strategy.

**Output (3)**                      ***Draft laws/amendments available to bring the criminal legislation on corruption in line with European standards***

**Activity 1 (Update):**      *Workshop: Criminal Investigations and Criminal Proceedings of Corruption-related Offences, Sarajevo, 9 February 2005.*

The objective of this workshop – which was attended by 29 representatives from the prosecutorial and Judiciary services in all levels of BiH legal system - was to discuss the provisions of new criminal legislation in BiH related to corruption and economic crime; difficulties and constraints encountered in their application in practice, and corruption-related international instruments and Council of Europe Conventions.

Issues discussed were as follows:

- The role of the prosecutor in light of the new criminal procedure codes in Bosnia and Herzegovina with regard to corruption related offences;
- The need for a clear interpretation of the (new) supervisory role that the prosecutor has in the execution of investigation;
- Time constrains to provide a full inclusion of participation among police and other judicial (authorised) officers;
- Granting of immunity from criminal prosecution, which is found to be very useful and which speeds up the procedure and contributes to effectiveness of the procedure;
- Criminal proceedings against legal entities – introduction of special procedures according to international standards;
- Criminal liability of physical persons within a legal entity;
- Elaboration of newly introduced criminal offences related to corruption;
- Prosecution of money-laundering and tax-evasion; and
- Evidence-gathering when linked to the non-existing possibility for the use of simulated acts by undercover agents.

The Council of Europe expert made particular comments on the relevant articles linked to these issues and the way in which they are addressed in the Criminal Code and Criminal Procedure Code of Bosnia and Herzegovina. As a result, certain articles were found to be not fully in line with international standards, and amendments need to be considered by the BiH authorities.

In summary, the Council of Europe expert provided the following recommendations:

- The Criminal Codes and Criminal Procedure Codes need to be further harmonised in order to become easily applicable;
- Prosecutors should assure the use of the European Convention on Human Rights and the Constitution in parallel to these codes;
- As for the use of Special Investigative Means (SIMs), there is an urgent need to adopt new legislation/bylaws in order to introduce and allow their use as appropriately and in accordance to the Council of Europe Conventions;
- In addition, once a legal framework has been provided for the use of SIMs, a criminal offences catalogue determining and guiding the application of SIMs should be elaborated in order to avoid any potential abuse or miscarriage of investigation procedures when using these tools.

**Activity 2 (Update):** *Training Seminar: "Application of Corporate Liability according to BiH Law and International Standards", Sarajevo, 29 July 2005.*

The objective of this Training Seminar which had 37 attendees from prosecutorial and judicial services of Bosnia and Herzegovina was to review and discuss issues of application of the provisions of the criminal law provision which regulate liability of the legal entities for criminal offences. Practical issues and difficulties encountered so far, were also issues which were raised in form of the questions to the two Council of Europe experts (1 local and 1 international).

More specifically, participants addressed questions, and commented along with the experts on several questionable issues of practical and legal interpretations as follows:

- Applicable provision of substantive laws;
- Applicable provisions of procedural laws;
- Legal entities which can not be liable for criminal offences;
- Territorial application of provision of Criminal Code of BiH;
- Grounds for liability of legal entities for criminal offences;
- Contribution of managing and supervising bodies of legal entity in committing of criminal offence;
- Conditions for liability; and
- Criminal sanctions for legal entities.

In addition issues related to the principles, and the development of the institute of corporate liability, as well as the relevant international instruments that are applicable in case of Bosnia and Herzegovina were elaborated as well mainly from the experts.

Participants and the Council of Europe experts agreed that certain issues/provisions relevant to the corporate liability in accordance to the Criminal Code and Criminal Procedure Code appear and in many cases have proven to be ambiguous and may need special attention for future revisions/amendments to the existing legislation. As such the following issues were agreed to be addressed as concerning ones:

- Definition of legal entity and its current ambiguity when attempted to be interpreted;
- Coverage of the definition by the criminal legislation at all;
- Liability of legal entity in case when all the elements of the criminal offence are not established (however, there are clearly conflicting opinions on this matter);
- Unclear formulation of Article 124/a of the Criminal Code of BiH and of Article 127 of the Criminal Code of Republika Srpska;
- Ambiguity of Article 125/5 of the Criminal Code when applied on tax evasion;
- Execution of criminal sanctions pronounced towards legal entities, in particular execution of fines;
- Rights of third parties in case of criminal sanction of confiscation of property, in particular in light of ECHR;

- Difficulties related to confiscation of economic gain from legal entities, in particular related to the Article 110/3 of the Criminal Code of BiH; and
- Criminal policy aspect of parallel criminal prosecution of legal entities and physical persons.

**Output (4): Pilot activities supported**

**Activity 1 (Update):** *Identification and Elaboration of an Action Plan for a Pilot Activity with respective counterparts: Preparation of a Manual on Practical Tools and Guidelines on Criminal Proceedings against Corruption-related Offences – (Tools Manual), Sarajevo, January 2005.*

<b>Pilot Activity</b>	Preparation of the “Manual on the Practical Tools and Guidelines on criminal proceedings against corruption related offences – (Tools Manual)”.				
<b>Objective</b>	To provide a written document / guidelines in a format of a “Manual of Road Map for Prosecution of Corruption in BiH”, aimed at assisting prosecutors and increase the effective prosecutions of the corruption related offences.				
<b>Start-up</b>	May 2005				
<b>Duration Period</b>	May – September 2005				
<b>Estimated Cost</b>	12,600.00 Euro				
<b>Available Funds</b>	Pilot Activity allocated funds: 45,000.00 Euro				
<b>Beneficiaries</b>	Prosecutor’s Office of Bosnia and Herzegovina; Prosecutor’s Office of Federation of Bosnia and Herzegovina; Prosecutor’s Office of Republika Srpska; Prosecutor’s Office of Brcko District; Cantonal Prosecutor’s Offices in Federation of Bosnia and Herzegovina; Regional/District Prosecutor’s Offices in Republika Srpska; State Investigations and Protection Agency; Ministries of Interior of Federation of Bosnia and Herzegovina and Republika Srpska; Financial Police Departments of the Ministries of Finance of Federation of BiH and RS; Tax Administrations of the Federation BiH and RS; Centres for Training of Judges and Prosecutors.				
<b>Implemented by</b>	PACO Impact Management Team PACO Impact LPO –Coordinator of the Team Three consultants: one international (Slovenian Prosecutor), and two national (Bosnia and Herzegovina- Prosecutors)				
<b>Outputs</b>	Providing of tools with practical reference on Criminal Proceedings against of corruption related offences; Road-Mapping best practices and legal approach in criminal proceedings; Existence of reliable and up to date guidelines for institutions directly and indirectly involved in prosecution; Increased effectiveness of prosecution of corruption related offences.				
<b>Actions/Activities</b>	<b>Time-line</b>	<b>Venue</b>	<b>Estimated Cost</b>	<b>Expected Results/outcomes</b>	<b>Notes</b>
Meeting with potential consultants (preferably prosecutors)	Early March 2005	Sarajevo, BiH	N/A	Agreement on engagement for execution of the Pilot Activity ;	√



Signature of contract and of ToR for Consultants	May 2005	Sarajevo, BiH	2,000–3,000 Euro		√
Inception Meeting	11 -12 May 2005	Sarajevo, BiH	50-100 Euro	Definition of Tasks and exchange of views with regard to outlook of the manual.	√
Technical Meeting	30 July 2005	Sarajevo, BiH	50-100 Euro	Revision of performed activities.	√
Technical Meeting	Mid- August, 2005	Sarajevo, BiH	50-100 Euro	Revision of performed activities.	
Technical Meeting	Early September 2005	Sarajevo, BiH	50-100 Euro	Revision of performed activities.	This mtg. can be merged with the Final one
Final Meeting	End September 2005	Sarajevo BiH	50-100 Euro	Submission of finalised materials.	
Finalisation and Proofreading of draft Manual/translation and approval by the Project Management Team	September 2005	Sarajevo, BiH	1000-2000 Euro	Finalised and Proofread text of Manual.  Translation of Manual	
Printing, publishing, promotion and distribution of the manual.	September 2005	Sarajevo 2005	5000-7000 Euro	1000 Available copies to all beneficiary institutions	
<b>Impact Expected in 2005 and in the future</b>					
Quality Indicators	Increased number of users when prosecuting corruption related offences Increased number of Quality of Cases based on the use of set up legal practices and standards.  Same model to be used as a good practice sample by the Serbian Prosecutors. Requests for such have already been made, when final product is available for distribution in the local language.				
Quantity Indicators	Increased number based on quality reviews of prosecuted corruption related offences.				
Number of Users	Manual being used by the institutions listed in category beneficiaries.				

**Activity 2 (Update):** *Inception Meeting of Consultants Team for drafting the Manual on Practical Tools and Guidelines on Criminal Proceedings against Corruption-related offences – (Tools Manual), Sarajevo, 11-12 May, 2005.*

The purpose of the inception meeting was to discuss and determine the outline, structure, and issues of the “Tools Manual”. To this end, all the necessary pieces of legislation, including the Criminal Code of Bosnia and Herzegovina, the Criminal Code of the Federation of Bosnia and Herzegovina, the Criminal

Code of Republika Srpska and the Criminal Code of Brčko District of Bosnia and Herzegovina, and the Law on the Prevention of Money-Laundering.

The first Draft Outline of the Manual was submitted on 19 May 2005.

**Activity 3 (Update):** *Second Meeting of the Consultants Team for drafting the “Manual on the Practical Tools and Guidelines on criminal proceedings against corruption related offences – (Tools Manual)”, Sarajevo, 29-30 July, 2005.*

The purpose of the second meeting among the three consultants was to discuss some aspects of the First Draft of “Tools Manual”, particular provisions related to economic crime and corruption and agree on the outlook of the Second Draft of the Manual.

During the meeting the three consultants reviewed and agreed on changes and amendments of the existing First Draft of the Manual and discussed issues related to the application of certain provisions that vary depending on whether they are applied at the BiH State Prosecutor’s Office or Prosecutor’s Offices in Republika Srpska. In particular the criminal offence of Tax evasion and Money Laundering connected to it was discussed, since there is a different interpretation whether only the Tax Evasion could be prosecuted or both Tax Evasion and Money Laundering. It was agreed that these issues needs further research and elaboration, because of some particular modalities of execution of criminal offence of Tax evasion in Bosnia and Herzegovina.

With regard to outlook of the Second Draft it was agreed that the initial, proposed outline should be slightly modified. Thus, the Second Draft of the “Tools Manual” would be divided as follows:

- Introduction of Guidelines for Use;
- Substantive and Procedural Provisions (re: criminal offences of economic crime and corruption);
- Modalities of the use of mechanisms and institutes of substantive and procedural laws for prosecuting economic crime and corruption related offences:
  - Road-Map of the course of Investigation and Proceedings
  - Possibilities for use and application of financial investigations within the framework of the Criminal Procedure Codes;
  - Modalities of the use of interim security measures; and
  - Assessing and confiscating of crime proceeds.

The submission of the Second Draft to the secretariat of the Council of Europe is foreseen for August 2005.

#### **4.2.3 Observations/Comments**

Although the project suffered some delays during its inception phase, Bosnia and Herzegovina in the period covered by this report implemented most of the activities under Output 1, Output 3 and Output 4 as scheduled in the Workplan. Progress made can be summarised as follows:

- All requested guidelines and policy advice assisting the initiation of reviewing and improving the existing Anti-corruption Strategy for BiH under the PRSP Strategy has been submitted; and the review process started in May 2005;
- A new methodology for monitoring the implementation and progress made under the Anti-corruption Strategy for BiH has been introduced;
- Relevant training for the judicial and prosecutorial services on the newly introduced criminal offences related to corruption has been delivered; and

- The Pilot Activity “Manual on the Practical Tools and Guidelines on Criminal Proceedings against Corruption-related Offences” which is expected to be finalised in the end of September 2005, has started.

With view to general project implementation and its coordination aspects with the relevant partners and in particular the Ministry of Security of BiH and the State Investigation and Protection Agency (SIPA) which is part of the Ministry and which was established relatively recently, it should be noted that this institution has not yet become fully operational due to the lack of human and financial resources; this, in turn has had an impact on the overall quality of coordination.

The EPPU at the Council of Ministers, which is another partner in this project and more directly linked to the reforms related to the Anti-corruption Strategy, appears to be an isolated and somewhat separate structure when it comes to coordination and cooperation with other stakeholders and relevant institutions. For instance, certain initiatives such as the establishment of an Anti-corruption Body are being taken by the Ministry of Security of BiH (Department of Economic and Organised Crime). However, it is clearly an issue of concern such an initiative is not taken in cooperation with other institutions and with any reference to the country’s official strategy in the fight against corruption.

With this in mind, the obstacles PACO Impact faced during its implementation can be summarised as follows:

- Lack of coordination among all relevant institutions, and lack of widely accepted and operational centralised structure that could lead and move forward the reforms that have been committed separately by each institution;
- The Council of Ministers has not yet established a system of reporting and accountability on the overall measures taken or necessary in the fight against corruption;
- Lack of coordination and availability of the PACO Impact Country Project Director due to his engagements with other projects in the country.

Accordingly, PACO Impact will consider the following priorities for the forthcoming period:

- Increasing its policy dialogue with the high-level authorities by suggesting a stronger, centralised and coordinated leadership and political support toward the on-going reforms carried out by the relevant institutions;
- Continue to offer additional assistance to the EPPU in its process of reviewing the Anti-corruption Strategy, as well as its Action Plan, by putting more emphasis on aspects of measurement of indicators of success, as well as methodologies of implementing such strategies;
- Continue to seek and suggest that EPPU strengthens its cooperation and collaboration with all relevant institutions affected by the Anti-corruption Strategy in a more institutionalised way;
- Continue to seek support and cooperation from the BiH authorities and especially the Country Project Director nominated by the government;
- Concentrate more efforts on providing assistance and support as well as lobbying for more openness of the recent shadow initiative taken by the Ministry of Security of BiH to establish rapidly an Anti-corruption Body.

## 4.3 Croatia

### 4.3.1 Project Orientation

Main Goal: Review and adjust (update) national anti-corruption program; assist in creating an action plan matrix identifying measurable anti-corruption actions and indicators of success; improve preventive anti-corruption capacities including public awareness and education of civil servants and public officials.

Expected actions: Initiate the establishment of a clear anti-corruption strategy and its action plan; consolidate comprehensive measurable anti-corruption actions; strengthen the respective monitoring and managing mechanisms as provided by law; assist law enforcement agencies in strengthening their capacities to investigate and repress corruption related offences, increase the public awareness campaign capacities as provided by law.

### 4.3.2 Activities by Outputs

**Output (1) & (2):** *Anti-corruption plans improved or elaborated; Output (2): Institutional mechanisms for the monitoring and management of anti-corruption plans strengthened*

**Activity 1:** *Initiation of the Policy Dialogue on the establishment of the Working Group for drafting the National Programme for the Suppression of Corruption, Zagreb, September-October 2004.*

During the reported period the Country Project Director and the Local Project Director in Croatia, held several meetings and discussions with respect to necessary actions that need to be taken in accordance to the workplan as proposed and agreed by the Croatian authorities. Following these meetings, a coordination and policy dialogue meeting of the PACO Impact Project Manager took place in late September with the Senior Representative on Anti-corruption at the Ministry of Justice and Office for Suppression of Organised Crime and Corruption (USKOK).

As a result of the issues addressed and agreements reached during this policy dialogue with Ministry of Justice representatives and USKOK representatives it was decided that the following actions will be taking place on step by step basis:

- Establishing through the coordination of the Ministry of Justice of a multi-disciplinary Working Group composed of representatives from all relevant institutions which will be working on *Redefining a National Programme for the suppression of Corruption*;
- Drafting (and proposing to the government) of the *National Programme for the suppression of Corruption*; and
- Establishing a "Preventive" *Anti-corruption Inter-governmental Body* (instead of the planned parliamentary commission as foreseen by the previous National Strategy, by playing also at some stage the role of the two USKOK's departments);

**Activity 2:** *Establishment of the Working Group for the Review and Update of the Anti-corruption Programme, Zagreb, 9 December 2004.*

On December 9 2004, a Working Group was formed in accordance to Article 39, of the Law on State Administration, the Ministry of Justice assigned to draft the **new National Anti-corruption Strategy**. The working group is composed of the representatives from the relevant in line Ministries, USKOK office, judiciary, civil society, media, unions, and other institutions and agencies. The Working Group consists of 16 members.

The Working Group foresees that the National Anti-corruption Strategy will be including three elements: Main Government Objectives; Evaluation of the Current Status/situation; and main measures for suppressing corruption.

It is expected that during January-April 2005 the working group will be meeting on regular basis to review and draft different parts of the National Programme, and by the end of April 2005 to finalise its work. Council of Europe expertise will continue to be provided during some of the working sessions, and in assessing the final draft version of the National Programme for the suppression of corruption.

**Activity 3 (Update):** *First meeting of the Working Group to discuss/propose measures for the Review and Update of the Anti-corruption Strategy, Zagreb, 11 March 2005.*

The main objective of this first meeting was to discuss the initial draft outline as prepared by the Working Group in view of proposing a new version of the National Anti-corruption Strategy for Croatia.

During the discussions the following issues were addressed:

- There should be a task list where all representatives of the relevant institutions are assigned to draft and consult issues with their respective institutions concerning their role and involvement in the National Anti-corruption Strategy;
- Each member of the Working Group representing the relevant institution/area of the strategy and its action plan, needs to submit on behalf of their own institution the proposed relevant measures, identified risks, and the necessary legislative inputs or other reforms that will be required in order to implement these anti-corruption measures;
- The representative of the Ministry of the Interior stressed the need for preliminary analysis and reports (jointly prepared by USKOK and the Ministry of the Interior) about the status of the criminal and other relevant legislation related to corruption offences, in order to avoid overlapping of reform requests in the future text of the Strategy. In addition, the same representative proposed that the Ministry and USKOK would need to seek ways of increasing their cooperation (when criminal proceedings are initiated against corruption-related offences); such cooperation would need to be part of Strategy measures.

**Activity 4 (Update):** *Follow-up meeting of the Working Group to Propose Measures for the Review and Update of the Anti-corruption Strategy, Zagreb, 18 March 2005.*

At the second meeting, members of the Working Group submitted proposals for specific and relevant measures based on each sector/area they were tasked to cover. While many measures were inserted in the draft outline, other issues of concern related more to the operational point of view; it was suggested that those should be given priority in the Strategy. In summary, these issues are as follows:

- The Head of USKOK proposed that emphasis should be put on such measures that may cause inappropriate responses to the initiation of criminal proceedings against corruption, namely: low

salaries of USKOK staff; very limited number of skilled staff within the Department of Suppression of Corruption and Organised Crime; limited access to different kinds of databases and high-level equipment (i.e. SIMs equipment and analytical software, which should be compatible with those of other bodies of state authorities for the investigation of relevant criminal acts).

- With regards to the judiciary system, the most pressing issues seem to be the backlog of cases; and the lack of a case management system and the supervision of progress made in given criminal proceedings/files. However, many relevant measures related to these issues will require legal reform, for example the passing of a Law on the State Judicial Council;
- Relevant Ministries and other State Administrative Bodies submitted proposals for measures which should aim at: a better execution of all relevant inspections; the reform and strengthening of the administrative boards; the strengthening of internal controls within the Ministry of the Interior; the strengthening of the service of the internal revision, especially within the Ministry of Health and Social Welfare, and the Ministry of Science;
- The Croatian Journalist Association proposed that guidelines be provided in the form of a handbook for journalists on how to handle and process information related to allegations of corruption, with additional information on elements of investigative journalism; and
- Almost all members agreed that many relevant and important laws such as the Law on Access to Information, the Law on Prevention of Conflict of Interest, the Law on State Servants and Employees, and the Law on Public Procurement Procedures – would need to be reviewed under special measures in order to present harsher disciplinary actions and penalties, as well as clearer proceedings.

**Activity 5 (Update):** *Final meeting of the Working Group to Propose Measures for the Review and Update of the Anti-corruption Strategy, Zagreb, 18 April 2005.*

During the third and final meeting of the group, a first draft of the National Anti-corruption Strategy was distributed to all members of the Working Group and shortly discussed. The Head of the working group, who has been mainly in charge of collecting and elaborating further the information and proposals, stressed that the follow up period will be dedicated to improve the existing document (which is as yet a working document), and to allow Council of Europe expertise and assessment to be issued prior to its submission to a larger audience (institutions and government), and prior to its endorsement.

However, it should be mentioned that since 18 April 2005, the Working Group has not meet again. The latest version of the draft National Anti-corruption Strategy dates 29 May 2005, and even though it is considered by the working group and its Head as a non-final version, apparently there are concerns that the authorities of the Ministry of Justice are considering it as a final version.

Although the Working Group has done a laudable job in identifying the weaknesses of the previous strategy and proposing relevant measures accordingly, the draft (version of 29 May 2005) does not reflect the three main elements of the strategy as agreed before by all members of the working group, which are: 1) Main Government Objectives; 2) Evaluation of the Current Status; 3) Situation and Main Measures for Suppressing Corruption. In addition, since all members of the Working Group consider the document as a non-final version, they have agreed that during the end of August or early September 2005, the working group and representatives of the Ministry of Justice organise a Round Table Discussion on the text with the assistance and advice of Council of Europe experts.

It is hoped that the current planning will bring the protracted process of preparing and submitting a new Anti-corruption Strategy for Croatia to a successful closure.

**Output (3)**                      **Draft laws/amendments available to bring the criminal legislation on corruption in line with European standards**

**(Update):**

In February 2005, changes and amendments were made and adopted to the existing Law on Office for Suppression of Organised Crime and Corruption (“USKOK Law”). Accordingly, these amendments provide the re-organisation of some departments within the USKOK, by including provisions for a new department - the Department for International Co-operation and Joint Investigations (DICJI).

The inclusion and the establishment of DICJI is expected to improve the quality of many complex criminal proceedings and also to strengthen the cooperation between police and USKOK. By means of this law and its recent amendments, the authority of the USKOK’s role during the preliminary investigations and scope of jurisdiction (number of types of criminal offences) has increased substantially.

In addition, since the beginning of 2005, the authorities of the Ministry of Justice have been discussing and informing international forums that an Anti-corruption Law is going to be drafted soon in order to establish an Anti-corruption Office. However, until now there has been no institutional awareness raising or open discussion with the public about this intent; this issue has also not been raised as a necessary measure to be included in the draft of the National Anti-corruption Strategy. It appears that this idea is still under discussion, only, within the Ministry of Justice.

**Output (4):**                      **Pilot Activity Supported**

**Activity 1:**                      *Identification and Elaboration of Action Plan for Pilot Activity with respective counterparts on “Strengthening technical and operational capacities during criminal proceedings against corruption related offences”, Zagreb, January 2005.*

<b>Pilot Activity</b>	Strengthening technical and operational capacities during criminal proceedings against corruption related offences
<b>Objective</b>	Strengthen investigative and operational capacities which can increase the quality, quantity, and the speed of investigation and networking procedures when initiating criminal proceedings and evidence gathering for corruption related offences.
<b>Start-up</b>	November 2005
<b>Duration Period</b>	November - December 2005
<b>Estimated Cost</b>	SIMS Equipment: 13,000.00 EURO Video-conferencing Equipment: 100,000.00 EURO Note: To be consulted and agreed with Sida (TBC)
<b>Available Funds</b>	Pilot Activity allocated funds: 45,000.00 EURO Other Office Equipment allocated funds: 10,000.00 EURO Total Available Funds: 55,000.00 EURO Note: To be consulted and agreed with Sida (TBC)
<b>Beneficiaries</b>	USKOK HQ Office and four District USKOK Offices (Video Conferencing) Department for Economic Crime and Corruption at the Ministry of Interior
	PACO Impact Management Team Unit;

<b>Implemented by</b>	USKOK HQ; Ministry of Interior and DECC.				
<b>Outputs</b>	Increased and Efficient Criminal Proceedings against corruption and economic crime; Prevention of crime, and other actions due to the use of preliminary investigative techniques; Full technical implementation of the SIMS legislation in place; Ability to operate and initiate criminal proceedings through a technical network which allows participation of other officers in charge of investigation; Reduced cost of criminal proceedings by avoiding travels in different regions in country; Possibility to gather sufficient evidence which currently is not fully possible due to lack of funds in purchase of equipment.				
<b>Inputs</b>	Purchase and donation of SIMS equipment machine for Ministry of Interior (DECC); Purchase and donation of Video-Conferencing Equipment machine for USKOK HQ linked with its four district offices; Assert training needs for use of those equipment (if there is any). Note: To be consulted and agreed with Sida (TBC)				
<b>Actions/Activities</b>	<b>Time-line</b>	<b>Venue</b>	<b>Estimated Cost</b>	<b>Expected Results/outcomes</b>	<b>Notes</b>
Meeting w/USKOK and Mol authorities to re-confirm the need for such equipment.	27 September 04	Zagreb , Croatia	N/A	Continues Persistence on the need of these equipment as the most needed technical assistance; Confirmed lack of state funds.	TBC with Sida
Estimating cost of Requested Equipment	Nov 04 - Jan 05	Zagreb , Croatia	N/A	100,000.00 € 13,000.00 €	TBC with Sida
PMU Consults with Sida re: Decision for Purchase	March - June 05	Strasbourg, France	N/A	Decision not to purchase due to limited funds; Receipt of potential additional funds;	Subject to Sida Decision.
Order of Equipment	August 05	Croatia , or in region	N/A	Purchase Order Confirmed	
Purchase and Purchase Delivery	October 05	Zagreb , Croatia	Delivery charges	Equipment Installed in Zagreb, and 4 districts	
Assert needs for training on Equipment Use	Throughout the period	Croatia	3000 Euro	Training already provided by other institutions, while no equipment has been available	This issue will be re-visited again in order to confirm that there is no need to train



					equipment users.
<b>Impact Expected in February 2005 and in the future</b>					
Other general data	Strengthened law enforcement capacities in the fight against corruption				
Quality Indicators	Evidence gathered and criminal proceedings quality has increased with 2-3 years ago				
Quantity Indicators	Number of successful criminal offences due to valid evidence (b/c of use of equipment have increased with 2-3 years ago; Number of prevented (offence in attempt) has increased due to initial signals received in preliminary stages and due to speedy networks of joint operations with other district offices.				
Number of Users	Equipment being used as practical tools by many officers (other institutions, departments) in charge of investigation and criminal proceedings against corruption and economic crime.				

#### 4.3.3 Observations/Comments

For the Republic of Croatia, the last six months, have been marked by the ratification and adoption of a number of international instruments relevant for the fight against corruption, as well as their transposition into the domestic legislation. Several changes were made in the criminal law area, as well as on specialised laws related to the fight against corruption.

Progress as noted under Output 1 and Output 2 could be summarised as follows:

- Establishment of a multi-disciplinary Technical Working Group to initiate the drafting of a new comprehensive National Anti-corruption Strategy for Croatia;
- Finalisation of the first draft of the National Anti-corruption Strategy;
- Adoption of the amendments to the Law on the Office for the Suppression of Organised Crime and Corruption (USKOK Law) in early 2005, which further strengthens the authority of the prosecutors during the investigation of corruption-related offences and their criminal proceedings. In addition, this law introduces two new departments in the field of prevention and international mutual assistance, *inter alia*, in the field of suppression of corruption; and
- The recent adoption of the new Law On State Servants, by abolishing the previous outdated law on State Servants and Employees.

With view to the implementation of the project in general, and its coordination aspects with the relevant partners, there is an on-going concern about lack of coordination between the Ministry of Justice and USKOK regarding initiatives that fall under both institutions' competencies. For instance, following the signatory and ratification of the United Nations Convention against Corruption, the Ministry of Justice had announced as early as December 2004 that it would draft a new law that would establish an Agency for the Prevention and Education on Corruption. Such an office would duplicate certain tasks that already exist as part of the USKOK authority. While USKOK is not against this idea, it did address several issues of concern with regard to the lack of coordination and exclusion of USKOK in providing advice. In addition, the financial and human resources implications of such a new office have been another aspect that USKOK has addressed, in parallel to the risk of creating a duplication of institutions. It also should be noted that the initiative of establishing a new agency has been taken solely by the Ministry of Justice, and has been put forward on a project proposal to seek funding by the European Commission, where the PACO Impact project has been referred to as an additional impetus and continuous assistant provider. However, as of today there has been no official confirmation or communication from the European Commission to PACO Impact with reference to this initiative.

Other issues of concern addressed during the implementation of the project;

- Some times there is a lack of coordination between the Ministry of Justice and USKOK;
- Public participation and civil society involvement in any initiatives that are being taken by the government are lacking completely;
- Severe lack of human resources at USKOK's Department for Prevention and Education on Corruption leaving it as yet non-operational;
- There is a strong risk of creating duplicating structures (the Agency for Prevention and Education of Corruption), while similar departments exist already and have not become yet operational;
- Slow process of finalising the Draft National Anti-corruption Strategy due to limited availability of the Head of the Technical Working Group; and
- Lack of political support and leadership from a higher level of government in centralising the accountability of reforms and initiatives have been initiated in the technical level.

Accordingly, PACO Impact will consider the following priorities for the forthcoming period:

- Increase the political dialogue with high level authorities in order to receive more support and leadership in relation to the ongoing reforms, which need to be better coordinated and managed by such authorities;
- Continue to work closely with the Working Group/Ministry of Justice and USKOK, avoiding involvement in discussions regarding the strained relationship between the two institutions;
- Offer and provide to the Croatian authorities a thorough legal expertise on the feasibility of the establishment of the Agency for the Prevention and Education on Corruption by considering domestic legislation and requirements posed by international convention;
- Continue to assist the Working Group in finalising the National Anti-corruption Strategy by additional expert evaluation and facilitation of policy dialogue among other institutions;
- Carry on the postponed activities under Output 3;
- Seek advice and cooperation from Sida and other international partners on the ways and potential possibilities in implementing Output 4 within the limits of its budget;
- Increase further its communications and coordination with EC Delegation in Croatia in order to avoid any potential duplication of activities.

## **4.4 “the Former Yugoslav Republic of Macedonia”**

### **4.4.1 Project Orientation**

Main Goal: Streamlining and consolidation of the Anti-Corruption Programme and its matrix of actions, strengthen its monitoring and implementation. Increase the capacities of the Commission to better perform its educational and preventive role, and preserve its institutional knowledge through comprehensive reporting and training tools.

Expected actions: Improve (simplify) Anti-Corruption Programme and its analytical structure; consolidate comprehensive measurable anti-corruption actions; strengthen monitoring and managing capacities of the Commission and assist in the inclusion of measurable indicators of success in the Anti-corruption plan; production and publication of the Commissions findings and recommendations.

### **4.4.2 Activities by Outputs**

**Output (1)**                      ***Anti-corruption plans improved or elaborated***

**Activity 1:**                      *Annual Conference on the Review of the implementation of the State Programme for Prevention and Repression of Corruption for 2003 and identification of further activities for 2004. Ohrid, 23-25 June 2004.*

The purpose of the Annual Conference which brought together 50 members from different institutions was to evaluate the work of the State Anticorruption Commission and the implementation of the Anticorruption Programme by identifying achieved objectives and future actions that need to be taken within the framework of the State Programme. The Participants provided a thorough overview of the reforms that have been achieved or are still in progress since June 2003 when the State Program for Prevention and Repression of Corruption and an Action Plan Matrix were adopted. Despite a variety of assessments of the anti-corruption reforms achieved so far, which ranged from disappointing to satisfactory, it is clear that Macedonia and its institutions, such as the State's Commission for Prevention of Corruption, have made notable first steps to fight corruption. In addition, and within the framework of twinning actions, two representatives from the Serbian Anti-corruption Council were invited to attend and participate the works of the Conference, but using modalities of this Conference (as appropriately) on their initial work for drafting the Anti-corruption National Strategy for Serbia.

Nevertheless, the tangible results in terms of reduced corruption so far have been lacking. This is why dissatisfaction of some participants linked to their high expectations is somewhat understandable since only a sustained implementation of the anti-corruption legal and institutional tools over a period of time, such as in the area of conflict of interest, can bring tangible results in reducing corruption.

Participants agreed somehow that It was, thus, clear that the “first phase” of the implementation of the anti-corruption Programme: acknowledging existence of corruption; uncovering and identifying institutional and legislative failings that offer opportunities for corruption; and initiating systemic reforms in the judiciary, criminal justice system, public administration and in the economic and financial system, has been actively pursued. In addition participants agreed that the “second phase” poses new challenges by testing a full commitment and resolve of all the stakeholders: their cooperation and perseverance in fighting corruption. In other words, the emphasis in the “second phase” will be on horizontal integration of the recently changed institutions necessitating their close cooperation in applying new legal tools against corruption.

Based on the three days discussions, reports and debates, recommendations<sup>21</sup> aimed at improvements and change of modalities were provided to the State Commission by the Council of Europe experts as follows:

- Consider the adjustment of the Action Plan Matrix so to fully reveal the achievements in different sectors and identify actors associated with those achievements so to mark the close-to-completion first phase of the Programme implementation;
- Consider the adjustment that focuses on further implementation and fine-tuning of the existing reforms, such as drafting bylaws and other secondary legislation to define the terms of implementation, would also serve to more comprehensively present the “second phase” of the Programme implementation;
- Consider to improve a lay out of the Action Plan Matrix so to have a clear distinction between: sectors that are subject to reform with clearly identified priorities; objectives of the reform; measures and actions to be taken to achieve the desired reform; institution(s) responsible for the reform (e.g., drafting a law); timing; indicators of success, and issues of concern;
- Consider updating the Action Plan Matrix by drawing on the Judicial Reform Strategy (currently in draft as explained at the Conference), but focusing on anti-corruption measures in the judicial sector that are planned or are missing;
- Consider establishing regular communication with a business community to get feedback on specific corruption – related problems they encounter in their activities; and
- Consider strengthening horizontal links between institutions within a particular system by establishing a follow-up mechanism (paper trace, working groups, and recourse to an oversight mechanism) that maps out actions taken by institutions within a system.

It should be noted that certain recommendations were taken on board by the commission, however not all of them. In view of this, follow up on review for improvement on the existing State Programme will be considered during the implementation period of the project.

**Activity 2 (Update):** *Regional conference on Drafting the Annex to the National Anticorruption Programme on the Implementation of Anticorruption Measures Related to the Local Level, in compliance with the new Law On Local Government, Ohrid, 13-14 May 2005.*

The aim of this event was to draft an Annex to the State Programme for the Prevention and Repression of Corruption, which would address preventing and combating corruption at local level in alignment with the recently enforced legislation for that level of government. According to the Workplan, three regional events were planned to take place on the same subject. However, following a proposal of the Country Director and aiming at more efficient sessions, these three activities were merged into a bigger event, bringing together 45 participants representing the three main regions in "the Former Yugoslav Republic of Macedonia". Local experts from "the Former Yugoslav Republic of Macedonia" had been commissioned by PACO Impact to provide the necessary advice and guidelines on subject of the Conference.

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<sup>21</sup> See, also Policy Advice Paper, TP-44 (2004)

After reviewing the newly adopted legislation on local government with respect to legislation in place on preventing and combating corruption, participants submitted a series of recommendations to be included into the Annex to the State Programme for the Prevention and Repression of Corruption. Discussions were also held on the following issues:

- Measures related to municipal administration and local governance;
- Measures related to public information issues;
- Measures related to the financial management and control of local governance units; and
- Issues related to accountability of competencies between national and local authorities.

The recommendations resulting from these discussions were submitted to the State Anti-corruption Commission, and have now been included into the State Programme for the Prevention and Repression of Corruption as a separate chapter, which would specifically deal with measures for the prevention and repression of corruption at the local level. These provisions will be monitored as part of the regular monitoring of the Programme.

**Activity 3 (Update):** *Annual Conference on the Review of the Implementation of the State Programme for Prevention and Repression of Corruption for 2004 and Identification of Further Activities for 2004, Ohrid, 29-30 June 2005.*

This event aimed at evaluating the work of the State Anti-corruption Commission and the implementation of the Anti-corruption Programme, and at reviewing the impact of the relevant recently introduced corruption-related legislation over the past twelve months, and to initiate follow-up activities for the period to come.

The evaluation on the implementation of the Anticorruption Programme and of the overall work of the Commission was led by the inputs and opinions of the 60 invited participants from governmental, non-governmental and academic institutions, which are regular partners of the work of the Commission. The Council of Europe's experts provided an overview analysis and assessment, and recommendations for follow-up measures for work of the Commission.

The government authorities have made substantial progress on many of the items of the State Programme. As was to be expected, much of that progress had been in the preparation and enactment of laws. Some of these laws have focused on anti-corruption, such as the amendments to the Criminal Code, the Criminal Procedure Code and the Law on the Prevention of Corruption, and the protection of witnesses and informants. Others laws concerned primarily good governance issues.

Participants observed that the time has come to put these laws into practice and to take into consideration the resource implications of doing so: as resources are limited, there is a need to prioritise. It is also necessary to measure more precisely the progress being made in the fight against corruption.

However, the main issue of concern as raised by local and international partners was the recurring lack of full implementation and impact that had already been noted at the 2004 Annual Conference. The negligibly small number of persons charged and/or convicted for corruption offences was cited as a case in point.

The Commission itself addressed issues of cooperation as an obstacle for its work. In view of impact when implementing the Programme where the cooperation with the Office of Chief Public Prosecutor seems suffer from lack of communication and coordination. In fact, although invited, the Prosecution Service was not represented at the meeting. There are also problems in the coordination and cooperation with various line ministries and other governmental bodies, which pose a substantial problem for the Commission to carry out its tasks.

The Council of Europe expert evaluation and recommendations were specifically given on three points:

- Setting up Priorities;
- Strengthening the State Programme; and
- Assessing Progress.

A full advisory paper/report<sup>22</sup> on the guidelines and the approaches that could be followed was submitted to all Conference participants, and for considerations to the State Anti-corruption Commission members.

**Output (2)**                      ***Institutional mechanisms for the monitoring and management of anti-corruption plans strengthened***

**Activity 1:**                      *Purchase of Computer Equipment and other technical equipment necessary for the State Anti-corruption Commission in order to enhance further their capacities and efficiency. Skopje, November 2004.*

The aim of this activity is to further assist and strengthen the State Anticorruption Commission's technical equipping in order to enhance the efficiency of its work by also taking into consideration the increase of its competencies and number of employees as of 2005. In view of this the following equipment were purchased under Council of Europe procurement rules:

- 5 PC desktop;
- 4 Laptop computers;
- 1 Scanner;
- 1 LCD Projector;
- 1 Printer LaserJet;
- 1 Software backup;
- Upgrade of the Copy Machine.

**Activity 2:**                      *GRECO Plenary Session on the First Round of Evaluation for "the Former Yugoslav Republic of Macedonia", Strasbourg, December 2004.*

The aim of this activity was to support the participation of one of the members of the State Anticorruption Commission (specifically the PACO Impact Project Director) to the GRECO plenary session as a country delegation member during the evaluation of the "the Former Yugoslav Republic of Macedonia" in order to ensure follow up and a close multilateral cooperation during GRECO evaluation, as well as ensure a feed back process with the State Anti-corruption Commission. The participation of the member from the State Anti-corruption Commission ensured support and more information exchange during the GRECO plenary sessions, as well as setting up contacts and networking with other country delegations at the GRECO sessions.

**Activity 3:**                      *Enhance publication and dissemination capacities of the State Anti-corruption Commission. Skopje, December 2004.*

The aim of this activity was to support the State Anti-corruption Commission and enable its members to publish, produce, and disseminate several report documentation which are linked directly to their work. Such an activity will also increase the visibility in public as well as to national and international institutions

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<sup>22</sup> See, Advisory Paper/Report, PC-TC(2005)10, June 2005.

of their work and legal standards which guide their activities. In view of this, the following documentation and reports were made available in both languages (English and Macedonian):

- The State Program for Prevention and Repression of Corruption;
- The Action Plan Matrix;
- Law on Prevention of Corruption;
- All relevant anti-corruption Council of Europe, UN, and OECD conventions and recommendations.

**Activity 4 (Update):** *Funding of the Publication of an Information Package on the SACC, reports/framework for public and institutional use and information dissemination, and other promotional activities for the SACC, May through June 2005.*

The pressure increasingly put on the State Anticorruption Commission by other services such as the Chief Public Prosecutor (reflecting the problematic relationship between the two institutions), provided one more reason to quickly initiate an efficient campaign for raising citizens' awareness on the role and competencies of the Commission in the prevention and repression of corruption. This campaign is also a part of the Commission's strategy to reach itself out to the public and to increase its networking capacities with citizens.

This anti-corruption campaign has the following features:

Reach out to the public through independent media broadcasting:

- Meeting for Chief Editors of all major nation-wide media where the State anti-corruption Programme and its public awareness strategy is announced; invitation to a cooperation aimed at wide-reaching effects and all-embracing inclusion of citizens and institutions in the fight against corruption;
- Regular Press Conferences of the Commission, where information and findings as well as reports are disseminated and explained;
- A public hearing on the current position of the State Anti-corruption Commission with the country's civil society, where competencies and the status of relationship between the Commission and other institutions is presented. Also, information on comparable indicators of other Anti-corruption Services in the region is provided;
- A TV-broadcasted tribune (90 minutes) on Kanal 5 TV (nationwide broadcaster), where the members of the Commission will enter into a dialog with representatives of the Judiciary and Prosecutorial Services to address issues of concern with regard to the impact expected by the public on the fight against corruption.

Enhancing visibility:

- The design of the formal logo of the Commission presenting it as a recognizable brand-name to be associated with its crucial role in the fight against corruption.
- The production of a public portfolio brochure for the Commission presenting its competencies/mandate, composition, and a *Frequently Asked Questions* section on its work, and its association/relationship with governmental and non-governmental institutions;
- Publication of informative and educational supplements to daily newspapers containing general information on the fight against corruption in the country, and the ways of preventing corruption;

- Publication of advertisements in daily newspapers bearing the message on the necessity to accelerate the country's anti-corruption efforts and calling on citizens to report corruption cases to the Commission.

Due to the Commission's being over-burdened with too many activities while still being understaffed, the finalisation of this activity has been postponed by some months. This situation also impacts on the intensity of the implementation of this activity, which is not satisfactory; additionally, there is a lack of financial resources available to conduct costly PR activities. The activity is now foreseen to be finalized in autumn 2005.

**Output (3)**                      ***Draft laws/amendments available to bring the criminal legislation on corruption in line with European standards***

**Activity 1:**                      *Training Seminar on the implementation of the recent amendments to the Criminal Procedure Law with respect to criminal proceedings against corruption related offences, Skopje, 22-23 December 2004.*

The aim of the two days seminar was to discuss, and share experiences among practitioners and Council of Europe experts on the application based on international standards of the recent changes on the Criminal Procedure Law. The activity brought together about 32 participants which were representatives from the following institutions: Ministry of Justice; Ministry of Interior; High Public Prosecution Offices in Skopje, Bitola, and Shtip; Prosecution Offices from eight other cities; the Supreme Court, Municipal Courts from eight other cities; the Courts of Appeal in Skopje, Bitola, and Shtip; the Bar Association; and the State Anticorruption Commission.

Participants furthered their acquaintance and knowledge from practical and international standard point of view in line with the new legislation on the following issues:

- Implementation of SIMS in accordance to European criminal procedure and human rights standards in order to enhance the disclosure and reporting of perpetrators of criminal acts and in particular, perpetrators of corruption and organized crime;
- The role of the Public Prosecutors within the Prosecutorial Unit for Fighting Corruption and Organized Crime in the framework of the amended Criminal Procedure Code and the new Law on the Public Prosecution Service;
- Measures for an efficient protection of witnesses, collaborators of justice and victims in order to stop the risks and the implications that may arise from their decision to cooperate with justice and for an increased efficiency in the fight against corruption and other heavy forms of crime;
- Implementation of the measures for enabling the presence of the convicted person and for a successful undertaking of the criminal procedure; competent institutions for the enforcement of those measures and review of their implementation;
- Implementation of the procedure for establishing a criminal responsibility and drawing penalties and other measures towards legal entities as perpetrators of criminal offences;

**Activity 2 (Update):**                      *Training Seminar on the Implementation issues on Corruption-Related Offences in Accordance with the newly enforced Criminal Code, Skopje, 9-10 February 2005.*



The aim of this workshop was to train - as part of their continuous judicial training - about 50 members of the judiciary issues related to the practical implementation and legal interpretation of newly introduced corruption-related amendments (offences) to the Criminal Code. The participants at the seminar had the possibility to address their issues of concern and seek explanation, as well as to exchange opinions in terms of the application of these new provisions.

The discussions covered:

- Criminal Responsibility of Legal Entities;
- The application of the Penalty System including financial obligations;
- Alternative Measures;
- Confiscation of Crime Proceeds;
- Customs Fraud, Tax Evasion and Smuggling

The Council of Europe commissioned two local experts - academic staff of the Law Faculty at Skopje University, who had also been involved in the drafting process of these amendments -as trainers for this event.

The training event presented a welcome opportunity to practitioners for sharing first hand experience with the implementation of the recently amended Criminal Code, while receiving explanation with regard to the application of international standards concerning these amendments. Participants noted the need for further trainings of this kind, as well as for training on analysis and crime policy issues.

**Activity 3 (Update):** *Workshop on the Newly Established Unit for Combating Corruption within the Public Prosecutors' Office, Mavrovo, 16-17 March 2005.*

The aim of this workshop was to provide guidelines and best practices from other countries in the inception of the recently established Unit for Combating Corruption and Organized Crime within the Public Prosecutor's Office. The unit itself was established since November 2004.

In view of this, sample practices, guidelines, recommendations and some feedback were provided by two Council of Europe experts concerning the application of the relevant national legislation as well as European and international practices in the inception of similar bodies. In addition, issues related to international standards on money laundering were covered upon request by participants. The workshop took a case study approach on the basis of which participants discussed criminal proceedings against economic crime when carried out against similar offices within the domestic legal system of "the former Yugoslav Republic of Macedonia".

**Activity 4 (Update):** *Three training seminars for court administration staff (law clerks) on anti-corruption legislation and policies within the administration of the judiciary: Skopje, 6 June 2005; Stip, 14 June 2005; Bitola, 15 June 2005.*

The purpose of the three serial seminars was to provide initial training and information on the existing anti-corruption legislation and policies in "the Former Yugoslav Republic of Macedonia". This training for the much neglected court and prosecution service administration staff in the country was the first of its kind. The three seminars were moderated by members of the State Anti-corruption Commission.

Each seminar had about 50 participants, who represented the court and prosecutorial services administration staff of the respective Courts of Appeal (Skopje, Stip, and Bitola). The large number of participants (exceeding the number of those invited) and the lively participation in the discussion confirmed the expected need for the inclusion of the administrative staff in the anti-corruption policies within the judicial reform process.

In addition, the following issues were addressed:

- The administration staff of the court and prosecutorial services need to be provided with the possibilities of giving their own inputs/recommendations when reforms take place (i.e., anti-corruption judicial reform-related actions);
- The employment status of the staff of the administration needs to be revised; and
- The lack of an appraisal system if not urgently introduced, will deepen the possibilities of abuse of power and violation of the code of ethics, as well as further increase nepotism within the existing system.

**Output (4): Pilot Activity Supported**

**Activity 1:** *Twining partnership consultative cooperation between the State Anticorruption Commission and their homologue institutions in Estonia and Italy. October 2005 and December 2005.*

<b>Pilot Activity</b>	Twining partnership consultative cooperation between the State Anticorruption Commission and their homologue institutions in Estonia Twining partnership consultative cooperation between the State Anticorruption Commission and their homologue institutions in Italy.
<b>Objective</b>	Acquisition of best practices and exchange of experience in prevention of corruption from countries which have advanced and compatible experiences in prevention and monitoring of corruption. Italy and Estonia have been identified as potential countries due to their similarities at the specialised anti-corruption services (based on policy advice and law enforcement elements)
<b>Start-up</b>	October 2005 – Partnership and consulting workshop in Estonia December 2005 – Partnership and consulting workshop in Italy
<b>Duration Period</b>	4 working days for each workshop
<b>Estimated Cost</b>	Travel costs to Estonia (8 persons x 600.00 EURO) = 4,800.00 EURO Travel costs to Italy (8 persons x 270.00 EURO) = 2,160.00 EURO P/diems for 2 countries: (16 prs/ x 8 days x 169 EURO) = 21,632.00 EURO Misc/Local expenses/expert = 2,500.00 EURO Total: 31,092.00 EURO
<b>Available Funds</b>	Pilot Activity allocated funds: 45,000.00 EURO
<b>Beneficiaries</b>	State Anticorruption Commission
<b>Implemented by</b>	PACO Impact Management Team Unit State Anticorruption Commission
<b>Outputs</b>	<ul style="list-style-type: none"> <li>▪ Share of know-how and best practices from compatible experiences from Estonia and Italy with respect to prevention, and monitoring of corruption;</li> <li>▪ Setting up partnership and twining agreement;</li> <li>▪ Exchange of expertises on other relevant issues and legislations concerning prevention and combating of corruption</li> </ul>
<b>Inputs</b>	<ul style="list-style-type: none"> <li>▪ Organisation of theme workshops and individual meetings with main counterparts in Estonia and Italy;</li> <li>▪ Travel expenses covered for 8 participants from the SACC (4 members of the Commission and 4 members of its Secretariat) for each study visit.</li> </ul>

Actions/Activities	Time-line	Venue	Estimated Cost	Expected Results/outcomes	Notes
Meeting with SACC to re-confirm the need for such activity.	17 Nov 2004	Skopje	N/A	Need for activity re-confirmed	
Coordination with the Estonian and Italian counterparts on the precise agenda of the study visits.	August 2005	Skopje	N/A	Concrete dates of the activities confirmed and study visits' agendas defined	
Workshop held in Estonia	October 2005	Tallinn, Estonia	4,800.00 EURO	Acquisition of best practices and exchange of experience in prevention and monitoring of Corruption. Twining of Offices	
Workshop held in Italy	December 2005	Rome, Italy	2,160.00 EURO	Acquisition of best practices and exchange of experience in prevention and monitoring of Corruption. Twining of Offices	
<b>Impact Expected as of February 2005 and in the future</b>					
Other general data	Increased capacities of the State Anticorruption Commission through twining activities				
Quality Indicators	<ul style="list-style-type: none"> <li>▪ Foreign experiences considered and modelled where appropriate in the implementation of national measures for suppression and prevention of corruption;</li> <li>▪ Increased knowledge and information at disposal of SACC in managing their offices and initiating legislative and policy advice reforms related to anti-corruption.</li> </ul>				
Quantity Indicators	<ul style="list-style-type: none"> <li>▪ Number cooperation activities in the future between the two offices with each country;</li> <li>▪ Number of contacts with members of those offices on individual cases as per topic when being dealt by the SACC</li> </ul>				
Number of Users	8 persons per study visit (4 members of the SACC and 4 members of its Secretariat). The Commission's Secretariat members are also scheduled for participation to these activities as they are the permanent staff of the SACC that can stream institutional memory to the future members of the SACC once the current members' term finishes.				

#### 4.4.3 Observations/Comments

Compared to the initial phase of the project in "the former Yugoslav Republic of Macedonia", the period covered by this report (February to July 2005) marked an enhanced efficiency and implementation of all planned activities with only slight adjustments in their timing. The cooperation with all relevant

counterparts and institutions in most cases has been very good and efficient and no major obstacles were noticed.

Additionally, progress as per each output of the PACO Impact project itself has been made and acknowledged also by members of the international community, for example during the Annual Evaluation of the Implementation of the State Anti-corruption Programme held in late June 2005. Recommendations and policy advice for improving the current setting of the State Anti-corruption Programme including its monitoring and reporting have been taken on board by the State Commission and other government authorities.

There are only a few issues of concern:

- There is a slowdown witnessed in the implementation of the planned activity under Output 2: Publication of an Information Package on the SACC, reports/framework for public and institutional use and information dissemination, and other promotional activities for the SACC. This is caused due to time constraints of the availability of the Members of the Commission. Therefore, some stages of this activity will need to be delayed, as a successful implementation requires full-time dedication (such as in the conceptualisation of the PR activities, participation and facilitation at the Roundtable with Editors-in-Chief of domestic media, etc).
- In addition, the limited financial resources available for a PR-related activity as described above has somehow limited the desired scope of actions taken or to be taken. The way forward with this activity is to seek a more clear commitment from the SACC in order to enable its completion, whilst at the same time seeking other ways to increase the available budget for this costly but essential activity for the anti corruption efforts and public awareness in the country;
- Complementary to the PR activity already envisaged in the PACO Impact Workplan, it has been suggested on several occasions by SACC members as well as international experts working on behalf of the Council of Europe to conduct Anti-corruption Survey[s] that would provide a critical and reliable overview of public perceptions of the anti-corruption efforts and the overall corruption-related situation in the country. Ways to incorporate this activity in the PACO Impact plan of activities for the upcoming period could be considered.

Accordingly, PACO Impact will consider the following priorities for the forthcoming period:

- Continue the implementation of the remaining activities as foreseen under the project's Workplan;
- Initiate the organisation of the Pilot Activity (Output 4) as the only activity which is foreseen to start in Autumn 2005;
- Thorough discussion with Sida, seek ways of adjusting the Workplan slightly by possibly allocating additional funds for the PR-related activities without additional funding from the donor, but within the existing resources;
- Initiate dialogue and conduct a feasibility study in order to determine the cost and other additional resources that the Council of Europe could seek in order to secure funding and support with reference to the Anti-corruption Survey activities as proposed by the State Anti-corruption Commission.

## **4.5 Kosovo (Serbia and Montenegro)**

### **4.5.1 Project Orientation**

There are several issues of concern linked with the UNMIK's reserved powers covering the preventive and repressive measures against corruption and organized crime. Such an arrangement possesses a challenge in adequately addressing and contributing to preventive measures against corruption in the short and medium term.

Main Goal: Support the drafting and then implementation of a new Anti-corruption plan for Kosovo, by supporting the institutional building of an opted anti-corruption agency, and its legal framework.

Expected actions: Initiate, develop, strengthen and implement the Anti-corruption Plan for Kosovo based on the newly introduced Anti-corruption Strategy. Assist and support the creation of anti-corruption mechanisms in Kosovo and their legal framework, which will ensure monitoring and reporting as well as provide the policy advice with respect to anti-corruption efforts in Kosovo. Support the current working Group by training and office equipment in order to increase their capacities and enable them to independently embrace anti-corruption reforms in Kosovo.

### **4.5.2 Activities by Outputs**

**Output (1)**                      ***Anti-corruption plans improved or elaborated***

**Activity 1:**                      *Launching of the Anti-corruption Strategy for Kosovo: Pristina, 24 May 2004.*

Following the endorsement of the Anti-corruption Strategy for Kosovo by PISG institutions, a launching Anti-corruption Conference organised by PISG institutions, mainly the Advisory Office for the Good Governance, Human Rights and Equal Opportunities took place on 24 May 2004. The Conference brought together about 50 participants from all different relevant institutions of UNMIK, PISG, and other international organisations in Kosovo, but also representatives from anti-corruption services from, Croatia, "the Former Yugoslav Republic of Macedonia", Bulgaria, and Slovenia as main counterparts in the process exchange of experiences and twinning during the proves of drafting the Anti-corruption Strategy.

References and *modus operandi* on European and international standards for a way forward to this new Strategy were made during the speeches held by Wolfgang Rau, GRECO Executive Secretary, on behalf of the Council of Europe. Other opening statements were delivered by Bajram Rexhepi, former-Prime Minister of Kosovo, Jean Christian Caddy, Deputy of the UN Special Representative of the Secretary General, and Thiery Bernard Guile, Head of Center of the European Agency for Reconstruction.

The finalisation and the launching of the Anti-corruption Strategy for Kosovo, was considered as one of the most successful cooperation activities (initiated and followed up by Council of Europe PACO Programme since 2002), and later on in coordination with the assistance of UNMIK and GTZ.

The Conference concluded that an Anti-corruption Plan and an Anti-corruption Law to establish mechanisms necessary for monitoring and preventing corruption will be the next steps in the agenda of PISG in cooperation with UNMIK and through the assistance of PACO Impact project.

**Activity 2:** *The establishment of the working group to draft the Anti-corruption Action Plan: Pristina, 27 August 2004.*

The aim of this activity was initiate the policy dialogue and encourage UNMIK and PISG authorities on establishing an inter-ministerial working group which will carry on for drafting the Anti-corruption Action Plan based on the Anti-corruption Strategy of Kosovo. The meeting brought together 10 representatives from UNMIK and PISG institutions.

Issues discussed and agreed in this meeting were as follows:

- PISG and UNMIK Institutions acknowledge now the final Document of the Anti-corruption Strategy for Kosovo and for its implementation there is a need to initiate the drafting of its Action Plan;
- The establishment and endorsement of the 10 member Working Group in drafting the Anti-corruption Action Plan;
- The members of the Working Group discussed and agreed upon the Workplan calendar of activities that sought to be carried out starting during September-October 2004; and
- Issues related to the preparations for the anti corruption campaign which will start officially on August 31, 2004 in cooperation with UNDP.

The outcome of the meeting was the decision that members of the new inter-ministerial working group, which was initially involved in drafting the Anti-corruption Strategy for Kosovo since October 2003, will be the responsible group for reviewing and drafting the Anti-corruption Action Plan. The working sessions will be led and coordinated by Kosovar experts in cooperation with Council of Europe expertise and assistance (when needed).

**Activity 3:** *First workshop of the working to initiate the drafting of the First Part of the Anti-corruption Action Plan: Pristina, 25-26 October 2004.*

The aim of the workshop was to provide the opportunity to all members of the Working Group to discuss tools and guidelines, as well as best practices. The Council of Europe expert and other representatives of UNMIK institutions as well as PISG presented their ideas about the modalities that need to be followed in the way forward for writing a comprehensive Action Plan. However, lack of action and need for a better coordination and commitment within the Working group itself was identified among several workshop attendees.

In view of this, during the month of November 2004 a different approach was agreed considering the conclusions of the workshop. The new approach which was concluded in agreement between the PACO Impact Management Team and the Advisory Office for the Good Governance, Human Rights and Equal Opportunities agreed on the following actions:

- Nomination of three local experts in Kosovo tasked to Draft the Anti-corruption Action Plan by the end of January 2005;
- Presentation of the Draft Action Plan by local experts to all working group members for review during 1-20 February 2005;
- Workshop to discuss the first Draft of Anti-corruption Action Plan on 21-22 February 2005.
- Inclusion of additional amendments and second review following the workshop of February 2005.
- Assessment and evaluation of the Second Draft of the Anti-corruption Action Plan by Council of Europe experts in March 2005.
- Finalisation of the Anti-corruption Action Plan in April 2005.

During December 2004 and January 2005, three local experts were identified by the Advisory Office for the Good Governance, Human Rights and Equal Opportunities, as experts and through the assistance

of PACO Impact Management Team initiated the drafting of the Anti-corruption Plan to be later on presented and then reviewed by the Inter-ministerial Anti-corruption Working Group which is now scheduled for 21-22 February 2005.

**Activity 4 (Update):** *Second workshop for discussion on the draft of the Anti Corruption Plan: Pristina, 21 – 22 February 2005.*

As of early November 2004, the two local consultants (representing two very pro-active NGOs in Kosovo) were engaged on drafting the Anti-corruption Action Plan for Kosovo, by cooperating and interviewing, as well as compiling feed back from all relevant institutions the inclusion of which was foreseen to be provided in the forthcoming Anti-corruption Action Plan. Following this three months exercise, the first draft of the Anti-corruption Action Plan for Kosovo, was submitted to the Inter-governmental Working on Anti-corruption.

In view of this, a workshop with the participation of all relevant institutions from PISG, UNMIK, independent bodies, as well as representatives from civil society and media was held to review and provide the initial comments to the first Anti-corruption Action Plan for Kosovo.

The two days workshop which brought together about 60 participants created the possibility of the exchanges of the opinions, and recommendations from all involved institution representatives in terms of the technical content of specific measures as included in the draft Anti-corruption Action Plan.

In the final conclusions of the workshop, all participants agreed that, a second review from the consultants working group need to be made over the first draft by the inclusion of the following items:

- Incorporate all the specific institutional recommendations/changes and the feedback as received and suggested during the discussions of the workshop;
- Incorporate and provide additional changes that may be raised during other forthcoming communications with relevant institutions of PSIG and UNMIK with reference to additional measures that need to be inserted within the Draft Two of Anti-corruption Action Plan;
- Identify and indicate within the text of the Action Plan all UNMIK *Reserved Power* and *Transfer Power* related measures; and
- Incorporate additional sections/chapters in the Action Plan covering the Public Finance and Economy related anti-corruption measures.

In addition, it was decided that once the Second Draft of the Anti-corruption Action Plan is finalised and approved by the Office of Good Governance (as the body in charge to coordinate all this process), the text will submitted to Council of Europe (PACO Impact) for an expert assessment not later than 15 April 2005.

**Activity 5 (Update):** *Advisory Paper—Comments and Recommendations on the Second Draft of the Anti-corruption Action Plan of Kosovo: Strasbourg, May 2005.*

Following the submission of the Second Draft of the Anti-corruption Action Plan for Kosovo by the Office of Good Governance to the Council of Europe, an advisory paper commenting/assessing and providing recommendations for improvements of the Draft was prepared by two Council of Europe experts/consultants during the month of May 2005.

The Advisory Paper<sup>23</sup> provides an evaluation and recommendations for improvements for each chapter/sector of the Anti-corruption Action Plan in relation with the Anti-corruption Strategy of Kosovo, which was endorsed only by the government of the PISG in May 2004.

In their conclusions, the experts express the following opinion:

“...Due to the fact that the draft Action Plan is substantially not following the structure of the draft strategy, not all measures from the draft strategy are handled in the draft Action Plan – the number of measures in the draft strategy is 151 and the number of measures in the draft Action Plan is only 110. That basically means that not all of the measures given in the draft strategy will be implemented. Therefore, the most serious problem of consistency appears which can be solved only through a thorough comparison on measures provided by the draft strategy and by the draft action plan and with the inclusion of all measures provided by the draft strategy into the draft action plan.

The fact that parallel reading of the draft strategy and of the draft Action Plan and their comparison is impossible could cause serious problems in understanding of the general approach of Kosovo towards corruption.”

After submission of the Advisory Paper to the PISG and UNMIK authorities, it is expected that issues of concern as specifically listed in this paper, will be taken into consideration in order to further improve the Second Draft of the Anti-corruption Action Plan. In view of this, the planned Round Table Discussion has been now postponed to take place in September 2005. This delay is also linked to other restructuring and reforms that are taking place currently within the PISG and their recently increased “transferred powers” as well as legislative developments in relation to anti-corruption efforts.

The promulgation of the draft Anti-Corruption Action Plan by UNMIK and PISG authorities is now scheduled for October 2005.

**Output (2)                      *Institutional mechanisms for the monitoring and management of anti-corruption plans strengthened***

***(Update):***

The one activity under this output has merely been of a policy discussion nature and consisted also of support to the increase of the capacities of the Financial Investigation Unit (FIU). Since the beginning of the project, this issue has been attempted many times to be addressed to the office of the SRSG to Kosovo, in order to initiate a policy dialogue, but so far no results have been obtained. Nevertheless, it should be acknowledged that the FIU mandate shall be terminated in February 2006, and any discussion on this matter will have budgetary implications which could determine its fate.

Therefore, during the mid-term review it will be suggested that this activity be replaced with another activity which could be supplementing the Output 4 activities aimed at providing assistance to the establishment of the Anti-corruption Services for Kosovo. Such an idea has been initially supported by both Project Directors in Kosovo.

**Output (3)                      *Draft laws/amendments available to bring the criminal legislation on corruption in line with European standards***

***(Update):***

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<sup>23</sup> See, Advisory Paper, PC-TC(2005)7, May 2005.



Activities under this output have been postponed due to the slow process on finalising the Anti-corruption Action Plan, the finalisation of which is a precondition for the activities planned under Output 3.

It should, however, be noted that the previous activities, such as the campaigning and the drafting of the Anti-corruption Action Plan, as well as other policy discussions with the authorities of Kosovo did affect and speeded up the process of finalisation and promulgation of the newly introduced Anti Corruption Regulation No. 2005/26 by SRSG on 12 May 2005, which foresees the establishment of an Anti-Corruption Agency. Following the introduction of this new legislation, it is expected that both activities under Output 3 and Output 4 will now have the necessary legal framework to be implemented and have an impact on the precise target as provided by this new law.

**Output (4): Pilot Activity Supported**

**Activity 1 (Update):** *Provide assistance and support to the establishment of the new office of ACA in Kosovo (including the purchase of equipment): Pristina, September 2005-February 2006.*

<b>Pilot Activity</b>	Provide assistance and support to the establishment of the new office of ACA in Kosovo (including the purchase of equipment)				
<b>Objective</b>	The technical assistance with the purpose of establishing the Anti Corruption Agency of Kosovo and its human resources, with preventive and law enforcement tasks, which will ensure the implementation of the anti corruption strategy.				
<b>Start-up</b>	September 2005				
<b>Duration Period</b>	September 2005 - February 2006				
<b>Estimated Cost</b>	20,000.00 Euro				
<b>Available Funds</b>	Pilot Activity allocated funds: 45,000.00 Euro				
<b>Beneficiaries</b>	<ul style="list-style-type: none"> <li>▪ The Office of Good Governance, Human Rights, Equal Opportunities and Gender Issues;</li> <li>▪ The newly to be established Anti-corruption Agency (ACA)</li> </ul>				
<b>Implemented by</b>	<ul style="list-style-type: none"> <li>▪ PACO Impact Management Team Unit;</li> <li>▪ The Office of Good Governance, Human Rights, Equal Opportunities and Equal Gender Issues / Kosovo Government</li> </ul>				
<b>Outputs</b>	<ul style="list-style-type: none"> <li>▪ Purchase of Equipment</li> <li>▪ Available tools for the establishment of ACA office as a specialised anti-corruption agency (services);</li> <li>▪ ACA starts to become operational as one of PISG/UNMIK Institutions by December 2006.</li> </ul>				
<b>Inputs</b>	<ul style="list-style-type: none"> <li>▪ Purchase and donation of Office Equipment necessary for a start up of the Anti-corruption Agency;</li> <li>▪ Technical Advice on drafting the necessary internal procedures and other acts in line with the Law on Anti-corruption (still to be enforced), and international standards;</li> <li>▪ Provide initial training and rules for the staff of ACA.</li> </ul>				
<b>Actions/Activities</b>	<b>Time-line</b>	<b>Venue</b>	<b>Estimated Cost</b>	<b>Expected Results/outcomes</b>	<b>Notes</b>
Pre-assessment of needs and drafting of	September	Pristina	N/A	- List of pre-	

Action Plan for Pilot Activity with the Office of Good Governance, Human Rights, Equal Opportunities and Gender Issues	2005			assessed needs. - Draft of Action plan for Pilot Activity	
Preliminary estimation of cost	October 2005	Pristina	30,000.00 Euro		
Procurement Decision for Purchase	October 2005	Pristina	N/A	Joint decision for the purchase of <u>selected equipment</u>	Pending on the Official decision for the creation of the ACA
Order, Purchase and Delivery of Equipment	October 2005	Pristina	N/A	Purchase Order Confirmed	Pending on the Official decision for the creation of the ACA
Draft Internal Rules of Procedure for ACA	November 2005	Pristina	1,500.00 Euro	Rules of Procedure and other acts in place	Pending on the Official decision for the creation of the ACA
2-3 Induction Training Course on ACA management for ACA staff	November-December 2005	Pristina	3,000.00 Euro	Initial training accomplished	Pending on the Official decision for the creation of the ACA
<b>Impact Expected in April 2005 and in the future</b>					
<b>Other general data</b>	Strengthened ACA capacities in the fight against corruption together with other law enforcement agencies in Kosovo				
<b>Quality Indicators</b>	The effective work of ACA in suppression of anti corruption				
<b>Quantity Indicators</b>	Number of employed and strained staff of ACA, number of reports, and activities carried out from the day of becoming operational.				
<b>Number of Users</b>	The equipment and the office of ACA will be used by its sole personnel in service to the anti-corruption services in Kosovo in accordance to the legal framework. Expected number of employees which will be operating in these offices will be: 10-20 staff members.				

#### 4.5.3 Observations/Comments

The main priorities of the new Government – following the resignation as Prime Minister of Ramush Haradinaj in March 2005 - are the implementation of the UN Standards for Kosovo.

UNMIK outlined a further transfer of reserved powers to the Provisional Self Institutions of Government (PISG). In view of this, two new ministries are expected to start functioning by the end of 2005, namely the Ministry of Justice and the Ministry of the Interior. The recent transfer of many other powers from UNMIK to the PISG is expected to bring additional counterparts for the PACO Impact project.

During the reported period, progress has been noticed under the activities of Output 1 and Output 2 as follows:

- Increased cooperation and coordination between relevant institutions of the PISG and UNMIK in designing and decision-taking in the field of anti-corruption reforms;
- Drafting and finalisation of the Anti-corruption Action Plan of Kosovo;
- Wide discussions among all institutional representatives and experts on the current draft of the Anti-corruption Action Plan;
- The succeeding of bringing together UNMIK and PISG institutions during the process of preparation and finalisation of the Anti-corruption Action Plan through open and public Round Table Discussions of the draft Action Plan; and
- Promulgation – with a one year delay - of the new “Anti-corruption Law”, which foresees the establishment of a new Anti-corruption Agency for Kosovo under PISG authority.

However, the following issues of concerns have presented obstacles for carrying out many activities under the Workplan:

- The lack of human resources within the office of Good Governance at the PISG has created delays and caused not always continuous actions/communications with reference to the committed reforms (for instance the delay in finalising the Anti-corruption Action Plan);
- The unresolved status of the Anti-corruption Strategy of Kosovo, which still remains un-promulgated by the Assembly of Kosovo and UNMIK/SRSG, but only BY the PISG as a fundamental document leading anti-corruption legislative and institutional reforms;
- The delay of promulgation of the new Anti-corruption Law will cause a delay in all necessary actions foreseen to be taken in the PACO Impact Workplan. The only activity under Output 2 (the SRSG and PISG policy dialogue) as foreseen in the Workplan did not take place, and it has always been an issue of lack of political will to undertake the required reform. However, recommendations for replacing the activity with other immediate needs/assistance activities have been made already from PISG and UNMIK Project Directors;
- There has been limited participation from Kosovo, in particular from the PISG, in regional activities, as a political response/statement to the Council of Europe’ addressing of the territory of Kosovo.

Considering the latest developments, PACO Impact will consider the following priorities for the forthcoming period:

- Immediately initiate the implementation of the activities under Output 3 and Output 4 as directly linked to the implementation of the new Anti-corruption Law;
- Increase the policy dialogue with PISG and UNMIK authorities with reference to the endorsement and then promulgation of the Anti-corruption Action Plan of Kosovo;
- Support dialogue between PISG, the Assembly of Kosovo and UNMIK authorities concerning the prolonged promulgation of the Anti-corruption Strategy of Kosovo;
- During its mid-term review, discuss and agree with Sida as well as with the Kosovo counterparts the possibility of replacing the only activity under Output 2 with another activity, which could be a more efficient contribution to the implementation of the new Anti-corruption Law and the Anti-corruption Action Plan (once it is endorsed and promulgated).

## 4.6 Montenegro (Serbia & Montenegro)

### 4.6.1 Project Orientation

Main Goal: Capacity building in drafting, monitoring, and coordinating anti-corruption programme and an action plan. Also, ensure capacity building in applying preventive corruption measures such as public education and debates, and other targeted workshops to increase substantive understanding of both repressive and preventive anti-corruption reforms carried out by ACIA while reported and monitored by the National Anti-corruption Commission (NAC).

Expected actions: Improved (and separate) Anti-Corruption Programme and draft action plan with comprehensive and measurable anti-corruption actions; support ACIA and establishment of NAC by strengthening their monitoring and managing capacities while providing the and inclusion of measurable indicators of success in the action plan; increasing policy and reform advising capacities, support institutional memory and information, as well as support production and publication of anti-corruption programme and its action plan.

### 4.6.2 Activities by Outputs

#### **Output (1)**                      ***Anti-corruption plans improved or elaborated***

**Activity 1:**                      *Consultancy workshop for the working group under the coordination of the Ministry of Interior in order to finalize necessary changes in the Anti-corruption and Organised Crime Programme: Podgorica, 13-14 September, 2004.*

The main aim of this activity was to restructure and review the Programme on Combating Corruption and Organized Crime in Montenegro which has been in the status of reviewing since late December 2003. The two-day activity brought together all the members of the Working Group and representatives from the civil society, while involving two CoE experts (one under PACO Impact Project and one under CARPO project). The expert' recommendations during this workshop address issues related to the content and final form on how the Programme should be composed. Furthermore, the matrix form was presented to the 10 members of the WG and it was agreed that the form should be part of the new draft. As a result of this, a new form and outline of the Programme, by considering the insertion of a comprehensive Matrix later on were agreed and decided. Also the preliminary deadlines for finalising the draft Programme upon the recommendations and issues as agreed on this workshop were established and follow up review on line from both experts was agreed prior to a broader Round Table Discussion on this issue which took place in November 2004.

**Activity 2:**                      *Round Table Discussion on the Finalization of the Draft Programme of Anti-corruption and Organized Crime for Montenegro: Podgorica, 15 November 2004.*

The main aim was to discuss the final draft of the Programme on Combating Corruption and Organized Crime for Montenegro following its the recent changes based on the recommendations issued during the month of September and October by the working group in consultancy on line with the two Council of Europe experts.

The Round Table Discussion on the Finalization of the Draft Programme of Anti-corruption and Organized Crime for Montenegro, brought together about 20 participants, and involving a CoE expert. The activity was opened and attended by the Deputy Prime Minister of Montenegro (and the Minister of Interior)

Furthermore, the members of the Working Group, and all other representatives from other institutions civil society as well as representatives of the international organisations largely contributed with their views to further improving the new structure of the draft Programme. The CoE expert explained which parts of the Programme should need a last review/improvement, putting the emphasis on the Public Finances and the Private Sector. Furthermore, the special attention was given to the discussions related to the need for having a Matrix/Action Plan—especially issues related to the indicators of success.

Finally it was decided that the working group will reflect the last changes based on the Round Table Discussions and suggestions. In addition a policy advice paper<sup>24</sup> on addressing specific issues with respect to those necessary improvements that needed to be made was submitted after the activity by the two Council of Europe experts for their considerations. In light of this, it was agreed that the final version, will be submitted to the Government by the end of December. The drafting of the Anti-corruption Matrix will initiate on February 2005, and later on will go through the same procedures until it becomes a solid part of the AC and OC Programme.

**Activity 3:** *Training Seminar on the tools and guidelines of “Implementation, monitoring and management of the Programme of Anti-corruption (and Organized Crime) for Montenegro: Podgorica, 16 November 2004.*

The Seminar was aimed at discussing tools and guidelines which should lead a successful implementation, monitoring and management of an Anti-corruption Programme, with special attention toward the efficiency of Anti-corruption measures. This activity brought together 25 participants which included the working group members for drafting the programme and representatives from all relevant institutions which will be tasked under the current draft Anti-corruption Programme to take necessary institutional measures, and monitor the programme such as the Office for Anti-corruption Initiative (OACI).

Participants were provided guidelines and overview by two Council of Europe experts. Issues discussed and addresses were as follows:

- General analysis of the (draft) Programme’s section with the emphasis on the anti-corruption specific measures;
- The legal and practical approaches that were followed in other countries (re-assurance of the political commitment; efficient law enforcement; good governance; and full participation of civil society);
- Assessing the needs and elements that need to be considered in and by a clear strategy on combating corruption that would, as its starting point, have an equal assessment of each case of corruption no matter who committed it – high level official or the ordinary citizen;
- Crucial items that need to be considered when drafting a Matrix of Action Plan with specific anti-corruption measures.

In addition, following this seminar and upon the request of the participants, and especially of the working group (which drafted the Programme), the one of the Council of Europe experts was asked to provide in written the specific guidelines as discussed in the seminar. In view of this, a Policy Advisory Paper<sup>25</sup> on

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<sup>24</sup> See, also Policy Advice Paper, TP-51 (2004).

<sup>25</sup> See, also Policy Advice Paper, TP-50 (2004).

"Issues and practical implementation of a national anticorruption programme: methods of measuring its progress" was submitted to the Montenegrin authorities and for the consideration of the working group tasked to draft the Anti-corruption Matrix as scheduled during February 2005.

**Update:**

It should be noted that activities planned to be carried under this output have been all carried out as reported. Since February 2005, (the government authorities continued to express their commitment several times for the endorsement and adoption of the *Programme of Anti-corruption (and Organized Crime) for Montenegro* as prepared by the working group. Only recently (28 July 2005), the government of Republic of Montenegro endorsed the Programme and subsequently this endorsement though with some delay will allow the initiation of the drafting of the Anti-corruption Action Plan.

**Output (2)**                      ***Institutional mechanisms for the monitoring and management of anti-corruption plans strengthened***

**Activity 1 (Update):**    *Assistance on strengthening the capacities of Office of the Anti-corruption Initiative to monitor and coordinate anti-corruption efforts and establish the PR component: Podgorica, July 2005.*

Following the Initial meeting and discussions in early July between the OACI Director and PACO Impact management team with regard to this activity, and considering the limited resources that OACI receives from the state budget, finally it was decided that the modus of providing such assistance to OACI will be as follows:

- PACO Impact will fund at the amount of 4000 € the recruitment of a PR Officer who fully will be working under the auspices of OACI, and will report to both the Director of the OACI (PACO Impact Director) and PACO Impact management team/Council of Europe Office in Podgorica;
- The recruited officer (under OACI's rules of recruitment) will be fully supported and trained by Council of Europe in terms of PR strategy and implementation;
- OACI and PACO Impact will initiate and finalise the terms of reference for the PR strategy of OACI until September 2005, which will serve as terms of reference for the work of PR Officer; and
- The recruitment of the PR officer will take place during the month of September, and the period of recruitment will be until February 2006. Prolongation of such recruitment and assistance will be subject to the PACO Impact project continuation and its potential prolongation beyond February 2006.

**Output (3)**                      ***Draft laws/amendments available to bring the criminal legislation on corruption in line with European standards***

**Activity 1 (Update):**    *Seminar on Implementation Issues of corruption-related offences in Accordance with the newly adopted Criminal Code and Criminal Procedure Code, Podgorica, 8 February 2005.*

The seminar aimed at providing a possibility for discussion among local practitioners and the Council of Europe expert of aspects and issues related to the implementation of the newly introduced criminal offences, and amendments to the criminal proceedings for corruption-related offences/violations.

The activity brought together 18 participants. The opening remarks on the implementation of the new Criminal Code and Criminal Procedure Code were given by the Supreme Public Prosecutor, who addressed issues of concern faced so far in practice when implementing the new provisions during criminal proceedings against corruption and other economic crime. Similar remarks were presented by other representatives of the Montenegrin public institutions (such as Ministry of Justice, Ministry of Interior, and representatives from the judiciary).

The Council of Europe expert (a Slovenian prosecutor) stressed the fact that the political commitment as well as the efficient law enforcement were of crucial importance for anti-corruption initiatives. With regard to Criminal Code, he put the emphasis on the lack of legal regulations regarding the corruption in the private sector. In relation to the Criminal Procedure Code, he explained that the use of SIMS should be clearly provided for by the law and be used in a unified way. He also addressed as a concern the lack of sub-legal acts and by-laws, which need to lead the proper use of SIMs. Special attention was given to the existing models and practices in the region and other western countries in view of implementing the standards set by international conventions in this field.

Participants stressed that additional and specific training is needed to be provided on the basis of recent changes of the legislation for law enforcement officers, and financial investigators as well as for prosecutors and judges.

**Output (4): Pilot Activity Supported**

**Activity 1 (Update):** *Provide assistance and support to the Strengthening operational capacities and increasing effectiveness of the Special Prosecutor Office. Podgorica, February-April 2005.*

<b>Pilot Activity</b>	Strengthening operational capacities and increasing effectiveness of the Special Prosecutor Office
<b>Objective</b>	Capacity building and support of the efficient functioning of the new structure aimed at efficient criminal proceedings related to economic crime and corruption offences
<b>Start-up</b>	June 2005
<b>Duration Period</b>	June-December 2005
<b>Estimated Cost</b>	30,350.00 Euro <sup>26</sup>
<b>Available Funds</b>	Pilot Activity allocated funds:45,000.00 Euro Other Office Equipment allocated funds: 10,000.00 Euro Total Possible Funds: 55,000.00 Euro
<b>Beneficiaries</b>	Office of the Supreme Public Prosecutor, and the Office of Special Prosecutor
<b>Implemented by</b>	PACO Impact Management Team Unit; Office of the Supreme Public Prosecutor/Office of the Special Prosecutor
<b>Outputs</b>	<ul style="list-style-type: none"> <li>▪ Increased and Efficient Criminal Proceedings against corruption and economic crime;</li> <li>▪ Drafted and implemented Internal Rules of Procedure that will increase</li> </ul>

<sup>26</sup> This estimate is done without the inclusion of some other requested equipment (related to SIMs) which are still subject of estimation of price, and decision on the decision whether or not they should be purchased.

	<p>the quality and quantity of work performed;</p> <ul style="list-style-type: none"> <li>▪ Efficient internal organization of the Special Prosecutor Office;</li> <li>▪ Increased office equipment capacities and number of users.</li> </ul>				
<b>Inputs</b>	<ul style="list-style-type: none"> <li>▪ Purchase of the office equipment for the Office of Special Prosecutor;</li> <li>▪ Drafting/training and legal expertise on the Internal Rules of Procedure for the newly established structure.</li> </ul>				
<b>Actions/Activities</b>	<b>Time-line</b>	<b>Venue</b>	<b>Estimated Cost</b>	<b>Expected Results/outcomes</b>	<b>Notes</b>
<p>- Provide legal expertise and assessment concerning the application of the Law on Supreme Prosecutor/ and on Organised Crime Law</p> <p>- Advice on the process of drafting the Internal Rules of Procedure and the institutional set up of the newly established Office of Special Prosecutor</p>	July 2005	Podgorica	4,000.00 Euro	<p>- Recommendations for Improvement of the current system;</p> <p>- Implemented new Rules of Procedure;</p> <p>- The new structures are ready to be operational.</p>	√
			3,000.00 Euro		√
Publication and Informative Session to the staff on Internal Rules of Procedure	October 2005	Pogdorica	1,500.00 Euro	Published Internal Rules of Procedure Informed Staff Members through sessions held	
Order of Equipments for the Office of Special Prosecutor	July-September 2005	Podgorica	16,850.00 Euro	Fully use of the equipment; Increase of the effectiveness of the staff work	√
Additional training/actions that will be determined after the assessment/recommendations report has been agreed upon by the Montenegrin authorities.	October-December 2005	Podgorica et al	5,000.00	Increased capacities of Prosecutors, law enforcement as well as Money Laundering Agency in investigating economic crime and corruption related offences.	
<b>Impact Expected in February 2006 and in the future</b>					
Other general data	Increased efforts/law enforcement in fighting corruption and economic crime				
Quality Indicators	Enforced and implemented Internal Rules of Procedures				
Quantity Indicators	<p>Number of investigations and criminal proceedings compared to previous years;</p> <p>Number of Structures and Units at the office of SP that are fully operational, equipped, effective and sustainable.</p>				
Number of Users	Increased number of users at the SP Office in charge of investigation and				



**Activity 2 (Update):** *Expert assessment/recommendation mission for the launch of the Pilot Project for Montenegro: Podgorica 4-6 July 2005.*

The initial activity scheduled to be held under the Pilot Activity was an expert assessment mission to determine the current situation of the institutional and legislative set-up of those structures that would be the activity's beneficiaries. The assessment mission also intended to give advice on more specific assistance that could be provided during the course of the Pilot Activity.

Within the framework of the Montenegro Pilot Project, PACO Impact is expected to support the Supreme Public Prosecutor's Office, and more specifically, the Special Prosecutor on the following:

- Legal expertise and review of the existing legislation and system (recommending necessary new provisions and/or legal acts) with regard to drafting a new Law on Organised Crime for Montenegro;
- Advice on the implementation of the relevant provisions related to the work of Supreme Public Prosecutor's Office in relationship with the Special Prosecutor's Office;
- Advice on the on-going drafting process of the Internal Rules of Procedures;
- Discuss and agree on the purchase of office equipment in order to assist the furnishing of the newly established Department; and
- Advice on what specific technical assistance needs to be provided through the implementing phases such as: training of staff, publications, follow-up legal expertise, etc.

During the mission, the experts' team provided comments, analysis, and recommendations for future actions on:

- Issues concerning the prosecution of organised crime;
- Issues concerning the prosecution of corruption and money laundering;
- Issues concerning the Department of the Special Prosecutor; and
- Issues concerning the Internal Rules of Procedures.

The recommendations as provided on the Assessment and Recommendations report suggest follow up actions which require the approval of the Supreme Public Prosecutor, political will, and accordingly, could be implemented under the framework of the Pilot Activity by adding some additional items, within the allocated funds.

The Council of Europe Experts' Report on the "Assessment and Recommendations regarding the Strengthening of the Prosecutorial Services in Montenegro"<sup>27</sup>, will be formally submitted by the Council of Europe to the Office of the Supreme Public Prosecutor in late July 2005, and it is hoped that feedback will be received in order to revise the Action Plan of the Pilot Activity for the continuation of any additional action.

#### **4.6.3 Observations/Comments**

The second implementation phase of the PACO Impact Project in Montenegro was not fully efficient as far as it concerns the anti-corruption reform process. Albeit the stable political situation, the actions that the Government had committed itself to did not result in much accomplishment. Nevertheless, some progress has been made with regard to the activities under Output 1 which were finalised with the recent endorsement of the Programme against Corruption and Organised Crime. The initiation of the Pilot

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<sup>27</sup> See, Council of Europe experts' Report, PC-TC(2005) 12, July 2005

Activity under Output 4 aimed at strengthening the Department for Combating Organised Crime of the Supreme Public Prosecutor's Office took place in early summer 2005. Still, there continue to be concerns regarding the current capacity of the law enforcement institutions (i.e., the Supreme Public Prosecutor, the Special Prosecutor for Organised Crime, Police, the Office for the Prevention of Money Laundering), to implement the new legislation in place.

The following issues remain to be obstacles for implementing a number of activities as envisaged:

- Subsequent delays caused by the delay in the adoption and endorsement of the Programme of Anti-corruption and Organised Crime are now suffered for the preparation of the Anti-corruption Action Plan (Matrix);
- Lack of progress in implementing relevant reforms that the Montenegrin authorities had committed to since 2004, such as the drafting of a new Law on Conflict of Interests, and the review of the Internal Rules of Procedure for Public Prosecutor, seem to clearly suggest that they are no longer considered to be a priority; and
- With regard to Output 2, the actions related to establishment of the National Commission for Prevention of Corruption have now been proposed by the government authorities to be shifted into another action which has not been made yet clear what kind of other necessary actions needs to be taken, since the need for establishing such a Commission no longer appear to be in line with the current policy approach.

Considering the current situation, PACO Impact will consider as priorities the following actions:

- Continue and intensify its political dialogue with the Office of the Prime Minister of Montenegro and the EC Delegation in Belgrade (which covers Montenegro as well), in order to raise the awareness of the needed political support for relevant reforms, namely the adoption of the Programme and its subsequent Anti-corruption Plan;
- Continue the dialogue and awareness raising, and offering technical advice to the Assembly of Montenegro and its commission in charge of drafting a new law on Conflict of Interests. The drafting of a new law has been another protracted action that the high-level authorities of Montenegro had committed to undertake;
- Intensify its assistance and resources within the allocated funds to strengthen further the capacities of the OACI, which lack human and financial resources for carrying out even routine tasks and activities as required by the law. For instance, in light of the activity under the Output 2, PACO Impact will assist in further improvement and strengthening of the PR component of OACI; and
- By proposal of OACI and other counterparts in Montenegro, and also following a discussion with Sida, envisage the shifting of the activity under Output 2 (the establishment of a National Commission), into a new potential activity - the establishment of a new structure (similar to the Triangle Commission in the Albania Project Area). Following the preliminary discussions with OACI, this is expected to furthermore harmonise the anti-corruption efforts and to establish the exchange of information between key institutions such as the Office of Anti-corruption Initiative, the Supreme Public Prosecutor's Office and civil society.

## 4.7 Serbia (Serbia and Montenegro)

### 4.7.1 Project Orientation

Main Goal: Drafting of anti-corruption strategy and an action plan. Educating and raising awareness amongst legal drafters and stakeholders in anti-corruption reforms about international and European standards and practices in repressing and preventing corruption.

Expected actions: Drafted anti-corruption strategy and an action plan; strengthened capacities of the anti-corruption services, improved understanding of substance of international and European standards and practices in repressing and preventing corruption.

### 4.7.2 Activities by Outputs

**Output (1)**                      ***Anti-corruption plans improved or elaborated***

**Activity 1:**                      *Establishment of the Working Group to draft the National Anti-corruption Strategy under the coordination of the Ministry of Justice: Belgrade, July-August 2004.*

The aim of this activity was to initiate firstly the political dialogue among all relevant institutions in establishing a working group with major membership from the Anti-corruption Council (ACC), but at the same time be coordinated and led by the Ministry of Justice as the institution in charge for reform in the field of anti-corruption. Thus, during July several individual meetings took place between Ministry of Justice and ACC, which concluded on the issuance of a Decision from Ministry of Justice appointing members to the very first Working Group to be in charge of drafting the National Anti-corruption Strategy (and later on the Action Plan). The Working Group is composed of competent officers from various relevant institutions namely: Ministry of Justice, ACC, Ministry of Interior, Ministry of Finance, Public Procurement Office, Association of Judges, and civil society. The Working Group is now composed of 15 members, and initiated its work in the end of August 2004.

**Activity 2:**                      *Constituting Workshop to initiate the Drafting of the National Anti-corruption Strategy. Belgrade, 22-24 September 2004.*

Following initial reviews of potential approaches on writing the National Anti-corruption Strategy, the working group organised its first Constituting Workshop which aimed at the following issues:

Main objective was assistance to the WG re drafting of the National Strategy (NS). The issues to be addressed in particular:

- Presentation of the proposed guidelines to be decided and then followed in the drafting process;
- Elements that need to be included in the outline of the NS, as well as headings / sub-headings ;
- Methodology of drafting;
- Monitoring of the drafting process; and
- Finally exchange views and opinions with the Council of Europe expert on drafting the very first outline of document.

The three day activity brought together 22 participants which represented all relevant institutions, and participated actively through out the entire exercise in deciding the modalities, and approaches of writing a strategy. As a result of this exercise, an outline (skeleton) of how the future National Anti-corruption

Strategy will composed was produced and agreed upon all participants. As such the outline was decided to be the leading headline document for the Working Group drafters on certain sections. A calendar of work and necessary Technical Workshops with Council of Europe experts assisting the preparatory and information phase for the carrying out of the process of drafting within the framework of the PACO impact project was also decided among all members of the Working Group.

**Activity 3:** *Technical Workshop (no.1) on the guidelines that could be used during the drafting of the Anti-corruption Strategy: Belgrade, 6-7 October 2004.*

This technical workshop brought together 15 the members of the drafting Working Group and was aimed to provide discussions and advice focused on the following issues:

- the content, methodology and format of approval of the Strategy;
- the approach of drafting a technical document as such where multi-disciplinary input is required;
- the relation between the National Anti-corruption Strategy and Action plan as closely linked and if they will be two separate documents, than the Implementation Chapter in the Strategy should contain clear specification who / which body will be in charge of monitoring the implementation as well as the composition and jurisdiction of that body;
- the inclusion of risk assessment regarding the implementation process and its status;
- the issue of responsibility and accountability of various state bodies/organs/authorities tasked to implement and report on the Action Plan measures;

During this workshop, the issue of methodology was accentuated as the most important one considering the stage of the drafting process for the working group. It was decided that a uniform methodology needs to be applied, and that the Strategy must not be too excessive. In addition attention was given to the fact that each Chapter should or may start with general principle/s based on the international standard/s, and then be followed by brief analysis of the current state of play and than forwarding the necessary strategic plans, and recommendations. While as per the issue of Action Plan it agreed that as such it need to be as the one of making the Strategy operational and effective. The fact that some duplication may be foreseen in the implementation phase, requested to stress one more time the need to have the body in charge of monitoring the implementation of the Strategy and Action Plan. Finally it was decided that as per importance of such document, the option of a Parliamentary submission, discussion and then adoption of the National Anti-corruption Strategy should be the most preferable one.

**Activity 4:** *Technical Workshop (no 2) on the legal framework and the mandate of the ACC: Belgrade, 9 October 2004.*

This technical workshop brought together 25 participants from the relevant institutions including here all the members of the drafting Working Group and was aimed to provide discussions and advice focused on the following issues:

- current status/position of the ACC;
- potential needs for a specialised body;
- the ACC's role and position in relation to other already existing bodies, and the future Strategy; and
- the role of bodies which are tasked on monitoring and reporting the implementation of the Strategy (and the Action Plan).

Under the moderation and guidance of the Council of Europe experts all participants agreed on the following issues and as such they should be taken into consideration during the process of drafting the

National Anti-corruption Strategy and its Action Plan, and be presented to the government for its approval:

- that there is an evident need for separate, specialized, independent body;
- that the legal framework regulating such body, shall be only by law and not by regulation or other secondary acts;
- that further particularities and potential features of the “specialized body” need to be further addressed and discussed in depth;
- that the modus operandi of enacting a separate Law on corruption, like in some other European states, needs to be tackled in view of the constitutional law safeguards.

In conclusion, it was decided that the above agreed issues among experts will be addressed throughout the Strategy drafting process and more in depth and appropriate analysis will have to serve as policy advice to the government in order to approve such new reform.

**Activity 5:**                    *Technical Workshop (no.3) on the issues related to Prevention of Corruption: Belgrade, 19-20 October 2004.*

This technical workshop brought together 20 members of the drafting Working Group, which with assistance of the Council of Europe experts analysed thoroughly the following prevention strategy related issues:

- Seven basic requirements and their inter-relation aimed at a comprehensive and efficient preventive anti-corruption strategy, namely: political will, values in the law, distinction between good governance and anti-corruption measures, co-ordination of the efforts, public support, resources, and endurance.
- The relation between enforcement, prevention and community relations;
- The concept of prevention and its subsystem[s];
- Possible procedures and modalities that need to be taken into consideration in order to eliminate the possibilities for corruption, and make every part of the system corruption-proof.

During this technical discussion workshop, the working group members were provided with the necessary basic tools and guidelines on the requirements that need to be fulfilled in order to manage and provide a successful National Anti-corruption Strategy. In addition, the members of the working group were provided with the knowledge and practices of establishing the linkage (within the Strategy and its implementation) on enforcement – prevention – community relations, as well as the ways in gaining public support and participation throughout the process.

In view of the above stated issues, and upon the request of the members of the Working Group, the Council of Europe expert provided a Policy Advice Paper<sup>28</sup>, were more in depth analysis and the way forward aimed at ensuring the inclusion of these issues during the process of drafting as made available.

**Activity 6:**                    *Technical Workshop (no.4) on the issues related to the role of Law Enforcement Agencies in the fight against corruption: Belgrade, 30 October 2004.*

This technical workshop brought together 15 members of the drafting Working Group, which with assistance of the Council of Europe experts analysed thoroughly the following law enforcement strategy related issues:

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<sup>28</sup> See, also Policy Advice Paper, TP-47 (2004).

- Current practical and legal capacities of the law enforcement agencies to fight corruption in Serbia;
- The status of the existing department for combating organized crime at the Ministry of Internal Affairs;
- The issues of the obsolete Law on Police which is non-existent yet;
- The relation between police and prosecutors (plus the Criminal Procedure Code aptitude); and
- The potential relation of the police with a new specialized body whose establishment had been proposed and technically agreed at the previous technical workshops.

Participants agreed that the law enforcement issue needs to be re-visited again especially in light of the new upcoming Law on Police. In addition participants addressed the issue that the police and the investigative power with respect to corruption probably should stay within police, but upon the condition that improvement in the number of areas need to be assured. Finally, with respect to this topic there has been no definite position reached as far as it deals with the authorization of the new specialised anti-corruption body to monitor, coordinate, and have secondments from and with police structures at the Ministry of Internal Affairs.

**Activity 7:** *Working group session to review the first draft of the National Anti-corruption Strategy of Serbia. Palić, 12-14 December 2004.*

During 12 to 14 December 2004 the Working Group established to draft the National Anti-corruption Strategy met in Palić and through lengthy discussion sessions, reviewed the first integral draft of the Serbian Anti-Corruption Strategy on the basis of submitted proposals from different Serbian authorities.

The technical review with the assistance of the Council of Europe expert included that every specific item of the strategy, especially the anti-corruption measures needed, was discussed in length and checked according to its compliance with other parts of the strategy. Certain unnecessary parts were deleted in order to prepare as precise and concise document as possible. There was an unanimous agreement with all parts of the document.

In addition to the technical review of the given draft text, the following preliminary issues were addressed and agreed:

- the first draft of this strategy when finalised technically will be submitted to all the relevant ministries and the parliamentary political parties for additional proposals and comments;
- after the inclusion of the relevant proposals, the final draft will be prepared and submitted to the government (by early February 2005) for approval;
- since the format of texts delivered by different ministries had considerable differences, the structure of the draft was discussed first and some guidelines in this concern were adopted – basically already accepted structure was agreed upon again;
- having in mind conclusions from the October 2004 meeting in Belgrade probable form, position, authorities and powers of the future central anti-corruption institution in Serbia were discussed;
- the decisions brought were almost the same as those during the October meeting, thus they were included in the text of the strategy.

At the end of the Working Group Session it was agreed that the Ministry of Justice of Serbia will make the last reading of the document which then will be submitted to the ministries and political parties for their comments and inputs if necessary.

**Activity 8:** *Conference to present and review the Final Draft of the National Anti-corruption Strategy of Serbia: Belgrade, 31 January 2005.*

The conference, opened by Deputy Minister of Justice of Serbia Mr. Branislav Bjelica, and was attended by members of the ACC, officials from various ministries, judges, and private sector and NGO representatives. The purpose of this conference was to discuss and comment on each of the sections of the final draft of the National Anti-corruption Strategy, with the assistance of the two Council of Europe experts, and to agree on the way forward.

After brief opening statements by the representatives of the Council of Europe and the OSCE, participants commented on each section of the Strategy. The two Council of Europe experts added their comments as necessary.

Even though the final draft was considered as such the certain issues were addressed as important for further improvement by the Council of Europe experts on the following way:

- Anti-corruption and good governance
- Application of the National Anti corruption Strategy
- Features of the independent anti-corruption body
- Policy decision not to give the anti-corruption body an investigative mandate
- Relationship with the Anti-Corruption Council
- The way forward and next steps

In addition during the discussions it was envisaged that the addressed issues in accordance to the above topics will be improved/included and after the endorsement of the Strategy by the Legislature, the Government will be asked to approve the Action Plan. The draft law amending the penal code and establishing the new body will then be introduced into the Legislature. While the draft law is under consideration in the Legislature and in anticipation of its enactment, the identification and selection of the head of the new body, his/her deputy and the senior personnel should be done. Appointment can then immediately follow the promulgation of the new law.

Finally, according to all this process, progress in the development and implementation of Serbia's national anti-corruption strategy has been now described as steady but hardly rapid. Also, it has been difficult to gauge the strength of political will to get to grips with the problem. The final draft of National Anti-corruption Strategy following this conference and its further agreed improvements is to be considered by the Government before the Legislature's approval is sought. This is expected to give some indication of the Government's determination to take effective steps.

#### **Update:**

All activities planned to be carried under this output have been all implemented and reported. However, it remains an issue of concern for PACO Impact that the endorsement of the National Anti-corruption Strategy by the National Assembly has not taken place, yet since end of January 2005.

A number of actions had been undertaken with the aim to provide additional impetus for the Government to endorse the Strategy. Meetings and dialogue facilitated by the Council of Europe, and other international and local partners (i.e., the Judges Association, the Prosecutor's Association, the Department for Organised Crime at the Ministry of Interior, Transparency International, BETA News Agency, and especially the office of the EC Delegation in Belgrade) have been taking place as planned to contribute to an acceleration of the process of endorsement.

In addition, the feasibility study of the EU in the part that deals with corruption issues stressed that "commitment to fight corruption has remained rather rhetorical....that it is "indispensable to achieve rapid improvements...", while in its National Communication, the European Commission accentuated that "sustained efforts must be made" and that "*fight against organised crime and corruption must be*

*stepped up and it should deliver concrete results...since at the moment Serbia is still at a rather early stage”.*

At its 74<sup>th</sup> Session, held on May 26, 2005 the Government of Serbia adopted its Decision on the “Endorsement of the National Strategy for the Fight against Corruption”. This Decision has been interpreted by the Government as a step forward to becoming an EU member. The Strategy has been sent to the National Assembly as a “first document to provide mechanisms for the fight against this (corruption) evil”.

Unfortunately, the discussion on the Strategy has not been inserted in the agenda of this summer’s session of the Assembly; it is now hoped and expected that it will be discussed in the early autumn session.

It remains to be seen when the actions related to the Action Plan will start, since in its Decision the Government has undertaken the obligation to: 1) adopt an Action Plan for the implementation of the Strategy, 2) to provide resources for the implementation of the Action Plan, 3) to provide for the adoption of sub-sector based Action Plans and 4) to propose a new law on Anti-corruption.

**Output (2)                      *Institutional mechanisms for the monitoring and management of anti-corruption plans strengthened***

***Update:***

Various activities held in the first half of 2005 under Output 1, but also associated to Output 2, contributed to the progress, although this was only small in relation to the establishment of a mechanism for implementation and monitoring of the National Anti-corruption Strategy that has by now already been drafted, but not yet endorsed by the National Assembly. It is worth while mentioning that the possibility of discussing and elaborating on different models of Anti-corruption services in SEE during the Regional Thematic Seminar on “Strengthening anti-corruption services and their role in implementing national anti-corruption strategies” in Spring 2005, as well as the distribution of the Council of Europe publication on the “European Models of Anti-corruption Services” provided a good background for all interested parties in Serbia. Such information was considered relevant and necessary for the drafting of a new law which could establish an Anti-corruption body in Serbia.

Accordingly, the PACO Impact Country Project Director initiated the establishment of a working group which was tasked with the initiation of the drafting process for the Anti-corruption Law. However, it should be mentioned that the Anti-corruption Council (which during the drafting of the National Strategy was an active partner) refused to take part in the composition of this working group. The reasons behind this decision were the dissatisfaction and disappointment toward the speed and the lack of progress made in relation to the Draft National Strategy since its public presentation in January 2005.

It is expected that in early September, one of the first activities envisaged under this output will take place in order to serve as an initial guideline-giving forum for the working group which is tasked to draft the new Anti-corruption law.

**Output (3)                      *Draft laws/amendments available to bring the criminal legislation on corruption in line with European standards***



**Activity 1:** *Expert opinion<sup>29</sup> on the “Law on Prevention of Conflict of Interests in Discharge of Public Office” (Published in the “Official Gazette of the Republic of Serbia” no. 43/2004, 20 April 2004. Strasbourg, October-December 2004.*

By the request of the Ministry of Justice and in accordance to the workplan of activities under PACO Impact an expertise opinion of existing new legislation in place on Conflict of Interests was initiated during October –December 2004. More specifically, a joint written expert opinion of CoE and OECD/SIGMA experts was submitted for consideration to the Serbian authorities in the end of December 2004. The joint experts’ opinion provides comments and analysis of several issues of concern for the Serbian authorities with respect to the implementation of this law.

In short the expertise opinion findings are as follows:

- That the law represents a solid base for the establishment of a higher level of integrity of Serbian functionaries;
- A strict implementation of the law would represent a major achievement in the country where public functionaries were never perceived as the most ethical profession
- Also that some major flaws can be found in the law and that they can cause the law to become meaningless through its implementation.
- The rules on the establishment and functioning of the Republic Board somehow seem to be rigid and the Republic Board has too many discretionary powers, especially related to procedural issues

The expertise opinion concludes with the recommendation that the functioning of the Republic Board or other institutions with similar powers should be considered as the most significant element in the proper implementation of the law. In addition recommended possible solutions for further improvement of the law itself may need to be soon addressed in order that the law is brought to life as soon as possible.

**Activity 2:** *Expert opinion<sup>30</sup> on the “Law on Financing of Political Parties” (Published in the “Official Gazette of the Republic of Serbia” No. 72/2002, 18 July 2003. Strasbourg, December 2004-January 2005.*

By the request of the Ministry of Justice and in accordance to the workplan of activities under PACO Impact an expertise opinion of existing new legislation in place on Financing of Political Parties was initiated during December 2004-January 2005. The expert opinion was submitted to the Serbian authorities for their consideration in the end of January 2005.

In short the expertise opinion findings are as follows:

- That the “Law on financing of political parties” of the Republic of Serbia is a good piece of legislation in general;
- unequal position of political parties seem to need further improvements;
- that there is a potential that despite of having this law, a weak enforcement system due to the non-existing Commission can generate.

The expertise opinion concludes by drawing the attention to the fact that the addressed deficiencies should be considered as essential requirement for the improvement of the general value of the political parties and electoral financing in the Republic of Serbia.

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<sup>29</sup> See, also Expert Opinion, TP-49 (2004).

<sup>30</sup> See, also Expert Opinion, PC-TC (2005)4.

Therefore, the Serbian authorities have been urged to consider the idea of reviewing/amending/improving the law, also in order to introduce as soon as possible the *Commission* or any other institution responsible for the monitoring of financing of political parties and financing of electoral campaigns. The text of the law itself will not bring any changes by itself. The rules have to be followed by their implementation in practice. This can be ensured only through an efficiently functioning institution, which will set the standards and monitor their implementation. The establishment of such institution is important also because through its functioning other possible deficiencies of the system will be identified and then further improvements could be introduced. Until then, the financing of political parties and electoral campaigns in Serbia will be far away from the theoretical goals set by this current law.

**Update:**

With regard to the expert opinion on the existing “Law on Financing of Political Parties”, the opinion has now been reviewed by the Ministry of Justice and the National Assembly’s Committee for Finance for consideration and action. In spring 2005, the National Assembly’s Committee for Finance established a Working Group to initiate amendments aimed at improving the existing law. It has been already requested to the Council of Europe PACO Impact, that once the draft amendments are finalised in accordance with the suggested recommendations by the expert opinion, a second expert opinion would be needed to assess the new draft.

**Output (4): Pilot Activity Supported**

**Activity 1 (Update):** *Developing the Pilot Activity Action Plan for establishing and introducing a new Integrity Plans Manual for judiciary: (District Court and District Prosecutors Office), Belgrade, June 2005.*

<b>Pilot Activity</b>	Developing new Integrity Plans Manual for judiciary
<b>Objective</b>	Establishment of the “Integrity Plans” as a preventive anti-corruption measure, consisting also as a part of the National Anti- corruption Strategy.
<b>Start-up</b>	September 2005
<b>Duration Period</b>	September 2005-February 2006
<b>Estimated Cost</b>	12,000.00 EURO
<b>Available Funds</b>	Pilot Activity allocated funds: 45,000.00 EURO
<b>Beneficiaries</b>	<ul style="list-style-type: none"> <li>▪ The District Court and the Office of the District Prosecutor in Belgrade</li> <li>▪ Whole judiciary</li> <li>▪ Civil Society and Public/relevant NGOs</li> </ul>
<b>Implemented by</b>	<ul style="list-style-type: none"> <li>▪ The Anti- corruption Council</li> <li>▪ The District Court in Belgrade</li> <li>▪ The Office of the District Prosecutor in Belgrade</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>▪ Increased efficiency of preventive measures that will contribute to the implementation of the Anti-corruption Strategy;</li> <li>▪ Drafted and implemented internal plans aimed at reducing and preventing corruption within judiciary;</li> <li>▪ Decrease of the officials’ unprofessional conduct and improvement of the prevention;</li> <li>▪ Trained /educated officials with ability to help the other state courts and offices of prosecutors in drafting and implementing the “plans of integrity”; and</li> <li>▪ Model to be used by other courts and prosecutors office.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Initial expert assistance with regard to assessment of the current</li> </ul>

<b>Inputs</b>	<p>framework and suggesting standard guidelines used with respect to designing integrity plans;</p> <ul style="list-style-type: none"> <li>▪ Drafting the guidelines and master plan for integrity plans;</li> <li>▪ Compilation and publication of Integrity Plans package;</li> <li>▪ Initiation of application of Integrity Plans within the District Court of Belgrade and District Prosecutor' Office of Belgrade; and</li> <li>▪ Training of the users and monitors of integrity plans.</li> </ul>				
<b>Actions/Activities</b>	<b>Time-line</b>	<b>Venue</b>	<b>Estimated Cost</b>	<b>Expected Results/outcomes</b>	<b>Notes</b>
<p>Expert assistance to evaluate current framework and situations with respect to the corruption within judiciary;</p> <p>Issuance of guidelines and suggestions for action.</p>	September–October 2005	Belgrade	3000 EURO	Expert Assessment Report containing recommendations for actions and guidelines.	
<p>Establishment of a consultancy local group to initiate the drafting of the integrity plans in accordance to the given guidelines;</p> <p>Drafting of integrity plans, by setting of rules for the conduct in accordance to the existing legal framework-(User Instructions)</p>	October–December 2005	Belgrade	3500 EURO	<p>5 Member Consultative Working Group is established;</p> <p>Draft of Integrity Plans</p>	
<p>Workshop on finalising the Manual of Integrity Plans and issuing any necessary recommendations with respect to the existing legal framework.</p>	December 2005	Belgrade	1000 EURO	<p>Final Manual of Integrity Plans is approved</p> <p>Follow up recommendations are submitted for endorsement to the relevant authorities</p>	
<p>Publication of the Manual along with instructions for use.</p> <p>Dissemination in general and to other Courts/Prosecutorial offices as a sample.</p>	January 2006	Belgrade	1500 EURO	<p>Manual published in 400 Copies.</p> <p>All relevant authorities receive the copies.</p>	
Informative Session to	January 2006	Serbia	1000 EURO	Information	

the officials on “integrity plans”.		3 cities		disseminated, but also other offices of Judiciary initiate similar initiatives.	
Training the trainers in order to encourage sustainability of information and knowledge for similar initiatives	January-February 2006	Belgrade	2000 EURO	2 Activities held, and trainers are equipped with knowledge, capacities and guidelines for continuation of reform.	
<b>Impact Expected in February 2006 and in the future</b>					
Other general data	Strengthened internal and autonomous capacities of judiciary in the fight against corruption				
Quality Indicators	Increased effectiveness in through new policies and regulations by preventing corruption				
Quantity Indicators	<ul style="list-style-type: none"> <li>▪ Number of judges and prosecutors at the mentioned offices included in the integrity plans;</li> <li>▪ The number of effected judges and prosecutors by such plans;</li> <li>▪ Number of “plans of integrity” applied during the first year and compared to the second year of its application;</li> <li>▪ Number of trained personnel</li> </ul>				
Number of Users	Number of judges and prosecutors at the mentioned offices; Session being attended and manual being used by judges and prosecutors interested in these activities or representatives Number of other Courts/Prosecutors offices which initiated the application of Integrity plans				

#### 4.7.3 Observations/Comments

The situation in Serbia as reported during the inception period has not changed much. Although with some improvements during the first phase, there are still ongoing concerns caused by the lack of coordination and cooperation at the inter-ministerial level, which adds to the already complex situation. Currently, there appears to be a standstill on the political dialogue on some of the committed reforms between involved institutions at the technical level, and the high level of the government administration and parliament in Serbia.

However, all activities foreseen under Output 1, and some under Output 2 have been carried out and show the initial progress made as follows:

- Open and transparent process of drafting the National Anti-corruption Strategy by a technical multidisciplinary and a representative Working Group of experts;
- Presentation and thorough discussions with other government levels as well as parliamentarians concerning the introduction of this new document;
- Full initial involvement of the Anti-corruption Council in the process;

- Adoption of all recommendations provided during the course of drafting and finalisation by the Council of Europe experts; and
- Initiation of the review for improving and amending the existing legislation: Law on Conflict of Interests and the Law on Financing of Political Parties.

Nevertheless, PACO Impact still remains concerned about the following issues, which slow down the reform process:

- Slow and unclear political will from the government and parliament with respect to the embracing of new reforms as suggested by the final National Anti-corruption Strategy;
- Several activities launched by the Anti-corruption Council (ACC) on its own have created a strain in its relationship with the Government, while at the final stages of the process the appropriation of the Strategy by the Ministry of Justice has led to dissatisfaction and criticism from the ACC;
- The rapid decision for the initiation of drafting a new law establishing an Anti-corruption independent Body on the part of the Ministry of Justice, while there is not yet a proclaimed Anti-corruption Strategy, nor an adopted Anti-corruption Action Plan, may be a premature action, which could result in the creation of non-sustainable and inefficient structures;
- There has been also a recurring concern on the part of the ACC that by supporting the idea of establishing a new independent anti-corruption body, the Government, is aiming to dissolve the ACC. Cooperation and coordination between ACC and the Ministry of Justice on this issue has clearly been non-existent as lately reported.

Considering the current situation, PACO Impact will consider the following priorities for the forthcoming period:

- Continue to provide the technical assistance foreseen within the Workplan in the same manner, i.e. through facilitation and mediation, as opposed to imposing, but at the same time by constantly communicating and discussing with the interlocutors to guide them in the right direction;
- Serve as a balance between various Assembly bodies, political parties in order to create the momentum for future discussion/s that will lead to the adoption of the Strategy and other policy decisions that need to be taken concerning the Anti-corruption Action Plan and the new legislation;
- Intensify efforts in facilitating and mediating between the ACC and Ministry of Justice in order to manage to keep those two important institutions in contact as the only decision makers at the technical level in terms of required reforms;
- Continue to involve more new partners in the process of discussion with the government such as various Committees within National Assembly, judges and prosecutors' associations and civil society; and
- Initiate immediately the Pilot Activity which finally has been proposed by the Serbian authorities.

## 5 ANNEX I: CALENDAR OF ACTIVITIES (UPDATE- 31/07/2005)

**Note:** This document reflects all carried or scheduled to be carried activities in accordance to the outputs of the workplan.

- PMU** - Project Management Unit = HQ and Field Office Secretariat of CoE  
**HTS** - Head of Technical Cooperation Section  
**PM** - Project Manger  
**LPO** - Local Project Officer in each project area (part of the PMU)  
**CPD** - Country Project Director nominated by authorities in each project area  
√ - Accomplished  
↑ - Keeps Postponing  
? - Possibility to be cancelled or merged with another activity

TIMING	ACTIVITY	VENUE	NO. OF PARTICIP.	COE INVOLVEMENT/INPUTS
<b>February 2004</b>				
18-20 February √	<ul style="list-style-type: none"> <li>▪ "Start up" workshop</li> <li>▪ Bilateral meetings/visits with ACMG, ACU and office of Minister of State, PG, MOJ and international organisation partners</li> </ul>	Tirana, Albania	30 total	Activity Funding PM 1Consultant (K. Hemon) LPO
<b>March 2004</b>				
3 - 5 March √	<ul style="list-style-type: none"> <li>▪ "Start up" workshop</li> <li>▪ Bilateral meetings/visits GTZ/EAR, UNMIK/OLA, UNMIK/DOJ, PM Office for GGG, AC Ministerial WG, NGO rep.</li> </ul>	Pristina, Kosovo	20 total	Activity Funding Activity Funding PM 1Consultant (K. Hemon)
<b>April 2004</b>				
21-23 April √	<ul style="list-style-type: none"> <li>▪ "Start up" workshop</li> <li>▪ Bilateral meetings/visits OHR, MOJ, Ministry of Security, Prosecutorial Services, EUPM, NGO rep., HJPC</li> </ul>	Sarajevo, BIH	28 total	Activity Funding PM 1Consultant (K. Hemon)
<b>May 2004</b>				
5-7 May √	<ul style="list-style-type: none"> <li>▪ "Start up" workshop</li> <li>▪ Bilateral meetings/visits AC Initiative Agency, MOJ, Prosecutorial Services, Ministry of Interior, NGO reps</li> </ul>	Podgorica, Montenegro	25 total	Activity Funding PM 1Consultant (K. Hemon)
24 May √	Launching of the Anti-corruption Strategy of Kosovo	Pristina, Kosovo	50 total	Partly Activity Funding PM, GRECO Ex. Secretary Coop.w/ UNMIK/GTZ
31/05- /06 May/June √	<ul style="list-style-type: none"> <li>▪ "Start up" workshop</li> <li>▪ Bilateral meetings/visits AC Council, Ministry of Interior, MOJ, Ministry of Finances, Judicial Training Institute, Bar</li> </ul>	Belgrade, Serbia	28 total	Activity Funding PM 1Consultant (K. Hemon) LPO
<b>June 2004</b>				
3-5 June	<ul style="list-style-type: none"> <li>▪ "Start up" workshop</li> </ul>			Activity Funding

TIMING	ACTIVITY	VENUE	NO. OF PARTICIP.	COE INVOLVEMENT/INPUTS
√	▪ Bilateral meetings/visits USKOK, MOJ, Parliamentary Commission, Ministry of Interior, NGO reps	Zagreb, Croatia	20 total	PM 1 Consultant (K. Hemon)
23-25 June √	Annual Evaluation Conference on the Implementation of the State Programme for Prevention and Repression of Corruption	Ohrid, FYROM	50 total 2 (Serbia) 3 observers	Activity Funding TP-Recommendations 1 Consultant: K. Hemon PM, CPD, LPO
<b>July 2004</b>				
8-11 July √	<b>1<sup>st</sup> Regional “Start-up” Conference</b>	Budva, Montenegro	100 total 5 Observers	Activity Funding (TP-Inception report) 2 Consultants: K. Hemon; B.D Speville 3 Experts: D. Kreutzer; D. Kos; J P Bueb; (PMU)
28 July √	Establishment of the WG for drafting/finalising the AC strategy and action plan	Belgrade, Serbia	15 total	Meeting Facilitation Activity Synopsis CPD, LPO
<b>August 2004</b>				
Mid-August and on- going ?	Start Policy dialogue with SRSG re: increase of number of specialised investigators	Pristina, Kosovo	5-10 total	Meeting facilitation Activity Synopsis CPD, LPO
27 August √	Establishment of the WG for drafting the Action Plan on AC	Pristina, Kosovo	9 total	Technical assistance to the Meeting /funding Activity Synopsis CPD, LPO
<b>September 2004</b>				
13-14 September √	Workshop sessions with M <sup>r</sup> authorities to re-structure initiate the final draft of AC and OC programme	Podgorica, Montenegro	10 total	2 consultants: K. Hemon; G. Klemencic (CARDS) Activity funding CPD, LPO
22, 23, 24 September 3 days √	1 <sup>st</sup> Constituting Workshop for the WG to discuss the drafting issues and review the AC strategy and action plan ( <i>this activity shall be followed by 3 other technical workshops—see logical framework</i> )	Belgrade, Serbia	20 total	Meeting Facilitation/Funding 1 Expert: D. Kos Activity Synopsis CPD, LPO, PM
20-30 September √	Initiate Expert Review on the “Monitoring and Improvement of Indicators of Success in the AC Plan”	Tirana, Albania	ACU	1 Consultant: V. Devine TP-Written Opinion CPD, LPO
27 September –October √	Initiate the Policy Dialogue on the Establishment of the WG for review and update of the AC Programme <i>The WG will be meeting in 3 follow up workshops during October, November, December</i> )	Zagreb, Croatia	5 total	Activity Funding LPO, CPD, PM

TIMING	ACTIVITY	VENUE	NO. OF PARTICIP.	COE INVOLVEMENT/INPUTS
End of September √	Technical support on translation of the AC law and AC Programme. Preparation of a CD available for public distribution	Skopje, FYROM	SACC MOJ	Written report Activity Funding CPD, LPO
<b>October 2004</b>				
6-7 October √	(1) Technical Workshop on guidelines that will be used by WG when developing further the AC Strategy draft	Belgrade, Serbia	15 total	1 Consultant: G. Klemencic Activity funding Activity Synopsis CPD, LPO
9 October √	(2) Technical Workshop to Review the Legal Framework and Mandate of the ACC and the need for additional services and bodies	Belgrade, Serbia	25 total	Meeting Facilitation/Funding 1 consultant: D. Kos TP-Expert Opinion Activity Synopsis CPD, LPO
19-20 October √	(3) Technical Workshop on Prevention and Public Awareness	Belgrade, Serbia	20 total	1 consultant: B. D Speville Activity funding Activity Synopsis TP-Paper CPD, LPO
20 September √	Submission of Policy Advice Paper on the "Monitoring and Improvement of Indicators of Success in the AC Plan"	Strasbourg, France	ACU	TP-Policy Advice Paper CPD, LPO Translation in Albanian
20 October - 20 December √	Initiate Expert review on the draft law of Conflict of Interests and existing provisions in the Albanian legislation	Tirana, Albania	ACU	1 CoE Expert (V. Devine) 1 OECD expert (H. Whitton) TP-Expert Opinion
October - December √	Initiate expert review of: <ul style="list-style-type: none"> <li>▪ Law on funding of Political Parties</li> <li>▪ Law on Conflict of Interests</li> </ul>	Belgrade, Serbia	MOJ	1/2 Experts/Consultants; TP-Expert Opinion CPD, LPO Col--D. Kos (CoE) Col-A. Freiberg (OECD); FPP-D. Kos (CoE)
25-26 October √	1 <sup>st</sup> Workshop on reviewing the first draft of PART I of the Anti-corruption Action Plan	Pristina, Kosovo	36 total	Activity Funding 1 Expert: D. Kos Activity Synopsis CPD, LPO
25 October √	RTD on the effectiveness of the revised Action Plan on AC IoS based on the expertise opinion	Tirana, Albania	35 total	Activity Funding Activity Synopsis TP-Paper CPD, LPO, PM
30 October √	(4) Technical Workshop on Law Enforcement and Specialised Bodies	Belgrade, Serbia	15 total	1 consultant: D. Kos Activity funding, CPD, LPO
<b>November 2004</b>				
Early November	<b>Pilot Activity for Albania:</b> Establishment of the WG for the	Tirana, Albania	PG/WG	Activity report LPO



TIMING	ACTIVITY	VENUE	NO. OF PARTICIP.	COE INVOLVEMENT/INPUTS
✓	Case Management pilot Activity for Albania by a decision of the PG			
15-16 November ✓	(1) <u>RTD</u> of the <u>WG</u> on the finalisation of the AC and OC programme (1 day) (2) <u>Training Seminar</u> on the AC Plan tools and guidelines (IoS) when implementing the AC Programme (1 day)	Podgorica, Montenegro	20 total	3 consultants: G. Klemencic(CARPO); K. Hemon; B. de. Speville Activity funding, Activity Synopsis CPD, LPO
15 November ✓	Translation into English of the Law on the Financing of Political Parties	Skopje, FYROM	SACC, MOJ	LPO assistance
November ✓	Purchase of Computer equipment for the State Anticorruption Commission	Skopje, FYROM		Purchase funding Written Report LPO, CPD
<b>December 2004</b>				
7-8 December ✓	Workshop on the Policy Discussion re: AC Coordinating and Monitoring Body	Sarajevo BiH	18 total	Activity Funding 1 Consultant/Expert Activity Synopsis CPD, LPO
9-10 December ✓	4 <sup>th</sup> National Anti-corruption Conference to review impact and update AC Plan and Strategy	Tirana, Albania	80 total	Activity Funding Activity Synopsis CPD, LPO, PM, HTS
9 December ✓	Establishment of the Working Group and organisation of the Constituting Meeting: procedures and timetable on the new AC Strategy and Policy Advise	Zagreb, Croatia	20 total	Activity Synopsis Dialogue Facilitation CPD, LPO
13-15 December ✓	Working Group Session to Review the first Draft of AC Strategy of Serbia	Palic, Serbia	15-20	Meting facilitation 1 consultant: D. Kos TP-Expert Opinion CPD, LPO
29/11/04-3/12/04 ✓	Funding of CPD (member) from SACC to participate to the GRECO plenary Session when evaluating FYROM compatibility report of GRECO	Strasbourg, France	1 total	Funding of Participation CPD (V. Mihajlova), PMU, LPO
20 December ✓	Submission of the Expert Opinion on the Albanian draft Law on Conflict of Interests to the Albanian authorities for consideration.	Strasbourg, France	ACU	Technical Paper LPO Translation into Albanian
21-22 December ✓	Seminar on the Implementation issues on the corruption related offences in accordance to the newly enforced Criminal Procedure Law	Skopje, FYROM	50 total	1 Expert: P.Cornu 3 Local Experts Activity funding Written Report LPO, CPD
25 December ✓	Submission of the Expert Opinion on the Serbian Law on Conflict of Interests to the Serbian authorities for consideration.	Strasbourg, France	MOJ	Technical Paper LPO

TIMING	ACTIVITY	VENUE	NO. OF PARTICIP.	COE INVOLVEMENT/INPUTS
December √	<b>Pilot Activity for Albania:</b> Drafting the Calendar of activities for Pilot activity and review of forms on case management;	Tirana, Albania	PG/WG	Activity report LPO
December √	<ul style="list-style-type: none"> <li>▪ Publication of the Information Package on SACC reports/framework for public and institutional use;</li> <li>▪ Information dissemination</li> </ul>	Skopje, FYROM	SACC	Publication Funding Activity report CPD, LPO
<b>January 2005</b>				
January -early February √	<ul style="list-style-type: none"> <li>▪ Publication of <u>leaflets</u> with the materials on the Fight Against Corruption;</li> <li>▪ Purchase of the Albanian Jurisprudence Program (JURIST)</li> </ul>	Tirana, Albania	ACU	Publication and purchase funding Written report LPO, CPD
13 January √	Submission of the Policy Advisory Paper on Implementing and Monitoring Future Anti-corruption Efforts in BiH to the BiH authorities for consideration.	Strasbourg, France	MOJ	Technical Paper LPO
27-29 January √	Compilation and Review of institutional comments on the Final Draft of Anti-corruption Strategy of Serbia and Advocacy Committee Meeting with MOJ	Belgrade, Serbia	MOJ/WG Other institutions	1 consultant: D. Kos Activity report CPD, LPO
30 January √	Submission of the Expert Opinion on the Serbian Law on Financing of Political Parties to the Serbian authorities for consideration.	Strasbourg, France	PRSP Coordination Board	Technical Paper 2 Consultants: K. Hemon; V. Devine LPO Translation in Bosnian
31 January √	Round Table Discussion to present and discuss Final Draft of the National Strategy against Corruption for Serbia	Belgrade, Serbia	25 total	2 consultants: D. Kos and B. de Speville Activity Report CPD, LPO; (w/OSCE & EC)
<b>February 2005</b>				
8 February √	Initial Meeting of the working group to discuss on the new Anti-corruption Programme for Croatia and ToR for the AC Commission	Zagreb, Croatia	WG / MOJ 15 total  (SPAI/RSL O)	Activity funding 1 Consultant: B.de Speville Activity Report LPO, PM
8 February √	Training Seminar on the Implementation issues on the corruption related offences in accordance to the newly enforced CC and CPC	Podgorica, Montenegro	18 total	1 Expert: B. Penko Activity funding Written Report LPO, CPD
9 February √	Training Seminar on investigation and criminal proceedings of corruption related offences	Sarajevo, BiH	25 total	Activity funding 1 Expert: B. Penko; 1 Local Expert

TIMING	ACTIVITY	VENUE	NO. OF PARTICIP.	COE INVOLVEMENT/INPUTS
				Written report CPD, LPO
9-10 February √	Training Seminar on the Implementation issues on the corruption related offences in accordance to the newly enforced Criminal law	Skopje, FYROM	50 total	2 Local Experts: Kambovski; Tupancevski Activity funding Written Report LPO, CPD
Mid- February √	<b>Initiation Pilot Activity for BiH:</b> Initiation of the Manual on the Practical Tools and guidelines in relation to the relevant legal provisions of Investigation and Prosecution of corruption related offences – Manual of Tools	Sarajevo, BiH	Prosec. Services	Activity funding 2 local consultants/twinning with 1 intl' consultant (R. Huremagic; V. Tegeltija; B. Penko LPO
21-22 February √	2 <sup>nd</sup> Workshop on reviewing the second draft of the Anti-corruption Action Plan	Pristina, Kosovo	36 total	Activity Funding 2 Local experts: Velija; Berisha Written report CPD, LPO, PM
23 February √	Workshop on streamlining the Anti-corruption services knowledge and relevant policy advice for the relevant bodies, media and public representative groups.	Sarajevo, BiH	23 total	Activity Funding 1 Consultant K. Hemon 1 Expert: D. Kos Activity Synopsis TP-Recommendations LPO, PM
<b>March 2005</b>				
11 March √	1 <sup>st</sup> meeting of the drafting Working Group to initiate the drafting of the Anti-corruption Programme for Croatia	Zagreb, Croatia	15total	Activity Funding Written Report CPD, LPO
16-17 March √	Start up workshop on the Newly Established Unit for Combating Corruption within the Public Prosecutors' Office	Mavrovo, FYROM	25 total	Activity Funding, Activity report 2 Consultants: R. Wyss; D. Thelesklaf Activity Synopsis; CPD, LPO
18 March √	2nd meeting of the Working Group to initiate the drafting of Anti-corruption measures in the National Strategy against Corruption	Zagreb, Croatia	11 total	Facilitation of Activity Activity Synopsis LPO
31/03-1/04 √	<b>1<sup>st</sup> Regional Thematic Seminar: On the AC Services in SEE</b> 7 Country delegations High Level Meeting (second day)	Skopje, FYROM	70 total (46 -funded)	Activity funding 3 Experts/consultants D. Kos, B. de Speville, K. Hemon, Published TP; PMU, LPOs
<b>April 2005</b>				
5 April	Submission of the Advisory Paper on the Anti-corruption Strategy and	Strasbourg/ Sarajevo,	EPPU	Activity Funding 1 Consultant: V. Devine

TIMING	ACTIVITY	VENUE	NO. OF PARTICIP.	COE INVOLVEMENT/INPUTS
	Action Plan of (MTDS) of BiH.	BiH		LPO
15 April -1 May	Advisory Paper on the Second Draft of the Anti-corruption Action Plan of Kosovo.	Strasbourg-Pristina, Kosovo	Office of GG	Activity Funding TP-Advisory Paper 2 Consult's: K. Hemon;D. Kos
18 April	3 <sup>rd</sup> Working Group meeting to review the first draft of the National Anti-corruption Strategy	Zagreb, Croatia	10 total	Facilitation of Activity Activity Synopsis LPO
<b>May 2005</b>				
5-6 May √	Training Seminar on Public Information Law for local and regional government elected officials	Tirana, Albania	40 total	1 local expert: G. Ibrahim Activity funding Written Report CPD, LPO
May - September √	Publication of information package on SACC and initiation of a new PR campaign with media (including other several promotional activities).	Skopje, FYROM	SACC and Media/Other institutions	Publication Funding Activity report CPD, LPO
11-12 May √	<b>Pilot Activity (BiH):</b> Inception meeting of consultants for to draft the Outline of the "Manual of Tools".	Sarajevo, BiH	3 total	Activity funding 2 local consultants/twinning with 1 intl' consultant (R. Huremagic; V. Tegettija; B. Penko; LPO
13, 14 May √	Regional Conference on the new measures for prevention of corruption concerning the Drafting of the new Annex of State Programme on local government related measures	Ohird, FYROM	45 total	2 local experts from SACC Activity Funding Activity report CPD, LPO
<b>June 2005</b>				
6 June 14 June 14 June √	3 Training Seminars for Court Administration Staff (Law clerks) on anti-corruption measures within administration of judiciary	3 regional areas Skopje, Stip, Bitola FYROM	SACC Supr. Ct 30 prs/ x 3; 90 total	Activity Funding 2 Local Experts from SACC Written report CPD, LPO
10-11 June √	<b>2<sup>nd</sup> Regional Thematic Seminar: On the Legislation Reform Services</b>  Note: 2 additional delegations (Moldova + Romania) within the framework of SPAI	Durres, Albania	50 total	Activity funding 2 CoE Experts: G. Klemencic; Gj. Rouchev 1 UNODC Expert : V. Labaux Written report; PMU, LPO Co-funded w/SPAI/RSLO
13 June √	RTD to discuss implementation issues related to new Law on the Prevention of the Conflict of Interests and its necessary secondary legislation	Tirana, Albania	50 total	Funding of the Activity TP- Recommendations OECD Experts. A. Freiberg CPD, LPO, PM
24 June	Consulting Workshop on the "Initiation of Revision of the Anti-	Sarajevo, BiH	10 total	Activity funding Consultant: K. Hemon

TIMING	ACTIVITY	VENUE	NO. OF PARTICIP.	COE INVOLVEMENT/INPUTS
√	corruption Strategy and Action Plan” for EPPU			Written report; LPO, PM
29-30 June √	Annual Evaluation Conference on the Implementation of the State Programme for Prevention and Repression of Corruption	Ohrid, FYROM	60 total	Activity Funding TP- Recommendations 1 Consultant: B.de Speville CPD, LPO
30/June – 1 July √	<b>Pilot Activity for Albania:</b> Visit of the Working Group on the best practices from the German case management	Celle, Germany	PG/WG 7 total	Activity funding 2 Experts: E. Nochlin; H. Range Final Recommendations LPO, PM
<b>July 2005</b>				
Early July √	Publication of the Albanian National Anti-corruption Strategy and Acton Plan (2005)	Tirana, Albania	ACU	Publication and Translation Funding LPO
5-7 July √	<b>Initiation of Pilot Activity for Montenegro:</b> Expert Assessment and Review s of procedures for the office of the Supreme Public Prosecutor and Special Prosecutor	Podgorica, Montenegro	Supreme Prosecutor Special prosecutor Other institutions	2 Experts: E. Nochlin & B. Penko Activity funding TP- Expert Opinion LPO, CPD, PM
July-August √	<b>Pilot Activity for Montenegro:</b> Purchase of office equipment for the newly established office of SP	Podgorica, Montenegro	SP	Purchase funding Written Report LPO
29 July √	RTD on the implementation aspects of the international standards applied to the corporate liability provisions in the BiH legislation	Sarajevo, BiH	37 total	Activity funding 1 Expert: B. Penko Activity report LPO
30 July √	<b>Pilot Activity (BiH):</b> Consultation meeting on the first draft of the “Manual of Tools”.	Sarajevo, BiH	3 total	Activity funding 2 local consultants/twinning with 1 intl’ consultant (R. Huremagic; V.Tegeltija; B. Penko; LPO
<b>August 2005</b>				
12 August	RTD of the WG on the establishment and the nature of the AC Agency in accordance to the new Anti-corruption Law	Pristina, Kosovo	30 total	1 Expert: D. Kos Activity funding TP-Recommendations CPD, LPO
11 August	<b>Pilot Activity for Montenegro:</b> Submission of the Advisory Paper on the Assessment and Recommendations regarding the Strengthening of the Prosecutorial Services in Montenegro	Strasbourg-Podgorica, Montenegro	State Prosecutor  Special Prosecutor	Technical Advisory Paper LPO
End-August	RTD to seek the approval of all involved institutions for the Final version of the Action Plan on Anti-corruption	Pristina, Kosovo	35 total	Activity Funding Written Report CPD, LPO

TIMING	ACTIVITY	VENUE	NO. OF PARTICIP.	COE INVOLVEMENT/INPUTS
Mid-August	On practice training on strengthening the capacities of OACI to monitor and coordinate the implementation of the AC programme ( <u>Initiation of the PR component support</u> )	Podgorica, Montenegro	OACI	1 short term PR officer Written MoU with OACI CPD, LPO
End-August ?	Presentation of the National Strategy to government authorities, media, and representatives of Civil Society	Belgrade, Serbia	30-40 total	Activity Funding TP-Activity Report CPD, LPO
Mid-August	<b>Pilot Activity (BiH):</b> Consultation meeting on the second draft of the “Manual of Tools”.	Sarajevo, BiH	3 total	Activity funding 2 local consultants/twinning with 1 intl' consultant (R. Huremagic; V. Tegeltija; B. Penko; LPO)
30 August	Mid-term Review of PACO Impact Project	Strasbourg, France	20 total	Sida HQ representatives CoE HQ - PMU; 7 LPOs, CPDs
August	<b>Pilot Activity for FYROM:</b> Setting up networks and coordination with the Estonian and Italian counterparts on the “Twining Activity” with SACC	Strasbourg France	AC Service Estonia Italy	PMU
<b>September 2005</b>				
1-2 September	Project Management Training for PMU Team	Strasbourg, France	10 total	CoE HQ – PMU 7 LPOs HRD funded training
5 September	Training Seminar on Public Information Law for Judiciary administration (Courts Clerks, and Chancellors)	TBD, Albania	40 total	1 Local expert: G. Ibrahim Activity funding Written Report CPD, LPO
15 September	<b>Pilot Activity for Albania:</b> Final Master Plan submission to the Office of PG; production of the final forms of CM; initiation of the preparation of the software in accordance to the Action Plan of the Pilot Activity	Tirana, Albania	PG office	Activity funding Activity report WG Coordinator; LPO
20 September ?	Training on Treaty law on setting up standards and implementing the relevant AC and Mutual assistance CoE conventions/instruments	Zagreb, Croatia	15-20 total	Activity funding 1 CoE Expert Written report CPD, LPO
September	Technical Workshop for the WG on guidelines and tools of drafting Action Plan on Anti-corruption and review of the draft of National Anti-Corruption Strategy	Zagreb, Croatia	25 total	Activity Funding 1 Consultant: G. Klemecic TP-Expert Opinion/Rec CPD, LPO
20-21	Joint Training with	Belgrade,	20 total	Activity Co-funding Funding

TIMING	ACTIVITY	VENUE	NO. OF PARTICIP.	COE INVOLVEMENT/INPUTS
September <b>?</b>	OSCE/UNODC/SPAI relevant Anti-corruption Conventions and their implementation.	Serbia		1 CoE as contribution CPD, LPO, PM OSCE + SPAI/RSLO + UNODC
25 September	Finalise recruitment of the PR officer for OACI aimed at strengthening capacities of OACI to monitor and coordinate the implementation of the AC programme and maintain PR contacts.	Podgorica. Montenegro	OACI	1 short term PR officer Written MoU with OACI CPD, LPO
September - February 06	<b>Kosovo Pilot Activity:</b> Initiate the support and financial provision (based on a previous Plan of Assistance in detail) in support of the establishment of the new office of AC Agency. (Provision of Office Equipment)	Pristina, Kosovo	ACA OGG	Activity funding Written report CPD, LPO, PM
22 September	RTD on the international standards to be applied in the new draft law of Conflict of Interests	Sveti Stefan, Montenegro	30 total	Activity funding 1 CoE Consultant; OECD Expert CPD, LPO- In coop. with OECD
End September	<b>Pilot Activity (BiH):</b> Finalisation of the “Manual of Tools”; proofreading; and publication of the Manual of Tools. Organisation of a promotion RTD on the “Manual of Tools”	Sarajevo, BiH	3 total  30-40 total	Activity funding 2 local consultants/twinning with 1 intl’ consultant (R. Huremagić; V. Tegeltija; B. Penko; LPO
30/9-2/10	<b>3<sup>rd</sup> Regional Thematic Seminar: On the AC Services [and Col Law—OECD]</b>  Note: 2 additional delegations (Moldova + Romania) within the framework of SPAI	Belgrade, Serbia	50 total	Activity funding 2 Consultants: B. De Speville; V. Devine + OECD expert and co- funding Written report PMU, LPOs; CPD; + OECD
September- October	<b>Pilot Activity for Serbia:</b> Expert evaluation and recommendations on the current legal framework regarding the “Integrity Plans” to be used in the judiciary (Belgrade district Court and Prosecutors office)	Belgrade, Serbia	Working Group DC + DP	Activity funding Working Group (5 members) 1 CoE Expert LPO, CPD
September <b>?</b>	High level meeting to initiate a policy dialogue and recommendation referring to the establishment of the National Commission for the Prevention of	Podgorica, Montenegro	15-20 total	Meeting facilitation 1 Expert/consultant TP-Expert Opinion CPD, LPO, PM

TIMING	ACTIVITY	VENUE	NO. OF PARTICIP.	COE INVOLVEMENT/INPUTS
	Corruption			
<b>October 2005</b>				
October	<b>Pilot Activity for FYROM:</b> Conduct the twinning activity with the counterpart AC institutions in Estonia: Organisation of RTD	Estonia	15 total	Activity Funding Written report PM, CPD, LPO
October	RTD on the strengthening of Triangle Commission's structure and functions	Tirana, Albania	30-35 total	Funding of the Activity TP- Recommendations CPD, LPO
October	Training Seminar for the administrative staff at the Office of Special Prosecutor	Podgorica, Montenegro	SP + Staff of Supreme Prosecutor	1 Expert/Consultant Activity funding Activity report LPO, CPD
October	WG Workshop to review and present Recommendations on Policy Advise on establishing the AC Monitoring Body	Zagreb, Croatia	25 total	Activity Funding 1 Consultant: G. Klemecic TP-Expert Opinion/Rec CPD, LPO
October	National Conference on Endorsement of the Redefined National Anti corruption Strategy	Zagreb, Croatia	30 total	Activity funding Written report CPD, LPO
October	Training Seminar on the substance and Treaty law on setting up standards and implementing the relevant AC and Mutual assistance CoE conventions/instruments	Pristina, Kosovo	30 – 35	Activity funding 2 Expert/Consultant 1 Local expert Written report CPD, LPO
October	Expert review on of the policy and legal framework of the ACU and ACMG status (structure, composition, accountability)	Tirana, Albania	ACU	1 Expert (on line) TP-Expert opinion LPO, CPD
October <b>?</b>	RTD on operational tools and practices to be used among relevant bodies: ACIA, SP, MoI, under the coordination of the National Commission for the Prevention of Corruption	Podgorica, Montenegro	15-20 total	Activity funding 1 expert/consultant Written report, and conclusions (chart) CPD, LPO
End of October	<b>Pilot Activity for Albania:</b> Preparation of the Manual on the Use of Case Management System	Tirana, Albania	PG office	Activity funding 1 local expert Activity report WG Coordinator; LPO
End of October	<b>Pilot Activity for Kosovo:</b> Order and purchase of equipment (delivery) for the ACA	Pristina, Kosovo	ACA	Activity funding Inventory equipment report LPO
October	Workshop on the review and mandate of the ACC in view of the new National Strategy against corruption and other committed reforms.	Belgrade, Serbia	35 total	Activity funding 1 consultant: B. de Speville/V. Devine LPO, PM, CPD
<b>November 2005</b>				



TIMING	ACTIVITY	VENUE	NO. OF PARTICIP.	COE INVOLVEMENT/INPUTS
November	<b>Pilot Activity for Serbia:</b> Drafting of the “Integrity Plans” plan and setting up rules for the existing legal framework to be used in the judiciary (Belgrade district Court and Prosecutors office): Production of Manual of Users	Belgrade, Serbia	Working Group DC + DP	Activity funding Working Group (5 members) 1 CoE Expert LPO, CPD
November ?	<b>Pilot Activity for Croatia:</b> Purchase of Video-Conference Equipment for USKOK	Zagreb, Croatia	USKOK and field offices	Purchase funding
November ?	<b>Pilot Activity for Croatia:</b> Provide SIMS Equipment for the Economic Crime Dept at the MoI	Zagreb, Croatia	MoI ECD	Purchase funding
November	Expert Review on the final draft law amending the Law on the Funding of Political Parties.	Tirana, Albania	ACU and WG 20-25 Total	Written Expertise TP-Expert Opinion LPO
November	Training Seminar “Case Study” practicalities of initiating and proceedings against a corruption related offence	Zagreb, Croatia	20-25 total	Activity funding 1 Expert/consultant Activity report LPO
November	Initiation of the legal assessment of the Law on Public Information Access of Serbia	Strasbourg, France – Belgrade, Serbia	MOJ	2 Local Experts: G. Ibrahim; N. Nenadic Activity Funding Technical Paper LPO, CPD
mid-November ?	<b>4<sup>th</sup> Regional Thematic Seminar: On Prosecutorial Services</b>	Hamburg, Germany	35-40 total	Activity funding 3-5 Experts/consultants Written report PMU, LPO
November ↑	Two RTDs on the follow up of the expert opinions on the laws on Funding of Political Parties and Conflict of Interests.	Belgrade, Serbia	25 total	Activity Funding Written report LPO
November ↑	Assist on the initiation of the establishment of the Anti-corruption Coordinating and Monitoring Commission to review of the part of the anti-corruption plan and strategy within the PRSP	Sarajevo, BiH	20 total	Activity funding and facilitation 1 Expert/Consultant Written report CPD, LPO
November	Drafting of the under-statutory act under the Anti-corruption Law in Kosovo	Pristina, Kosovo	20 total	Activity funding and facilitation 1 Expert/Consultant Written report; CPD, LPO
<b>December 2005</b>				
December	Expert review on the existing legislation related to Immunities of High Officials (including judges and prosecutors)	Tirana, Albania	ACU	1 Expert/Consultant TP-Expert Opinion CPD, LPO

TIMING	ACTIVITY	VENUE	NO. OF PARTICIP.	COE INVOLVEMENT/INPUTS
December	RTD on the final recommendations seeking approval based and expert review of the existing legislation related to Immunities of High Officials (including judges and prosecutors)	Tirana, Albania	ACU	Activity Funding TP-Final Recommendations CPD, LPO
December	Initiation Publication and dissemination of the Final version of the AC Programme (AC Plan and Strategy)	Zagreb, Croatia	MOJ	Publication Funding Report LPO
December	<b>Pilot Activity for FYROM:</b> Conduct Twining activity with the counterpart AC institutions of Italy Organisation of RTD	Italy	15 total	Activity Funding Written report CPD, LPO
Decemb./05 January 06	<b>Pilot Activity for Albania:</b> Organisation of 4 Regional Seminars to Introduce the Manual and the Case management forms to all district prosecutors	Shkoder Durres Vlore Gjorokaster	200 total	Activity funding 1 international expert 1 local expert CPD, LPO, PM
December	<b>Pilot Activity for Serbia:</b> Workshop on finalising the Integrity Plans under the Manual of Users and Recommendations for improvement	Belgrade, Serbia	Working Group DC + DP	Activity funding Working Group (5 members) 1 CoE Expert LPO, CPD
<b>January 2006</b>				
January	<b>Pilot Activity for FYROM:</b> Continuation of Twining activities deriving from twining with counterpart AC institutions of Estonia and Italy	Skopje, FYROM	35 total	Activity funding 1 Expert CPD, LPO
January	<b>5<sup>th</sup> Regional Thematic Seminar on the AC Services</b>	Zagreb, Croatia	50 total	Activity funding 2 Experts/consultants Written report; PMU, LPO
January	Training Seminar of the ACMG members and contact points on the monitoring and management of the AC Action Plan (2 days)	Durres, Albania	35-40 total	Activity Funding 1 Expert/consultant Written report CPD, LPO
January	<b>Pilot Activity for Serbia:</b> Finalisation and Publication of the Manual of Users and dissemination to Courts/Prosecutors office	Belgrade, Serbia	Working Group DC + DP	Activity funding Working Group (5 members) 1 CoE Expert; LPO, CPD
January	Legal Expertise or/and Workshop on envisaging additional anti-corruption institutions	Belgrade, Serbia	35 total	Activity funding 1 consultant: B. de Speville/V. Devine LPO, PM, CPD
<b>February 2006</b>				
End of February	<b>6<sup>th</sup> Regional Project Evaluation and Final Conference</b>	Strasbourg, France	100 total	Activity funding 2 Experts/consultants

TIMING	ACTIVITY	VENUE	NO. OF PARTICIP.	COE INVOLVEMENT/INPUTS
3 days				2 Evaluators Written Final Project report PMU, CPDs, Observers
February	<b>Pilot Activity for Serbia:</b> Organisation of training on Train the Trainers on the integrity plans with other Courts and Prosecutors office.	Belgrade, Serbia	Working Group DC + DP	Activity funding Working Group (5 members) 1 CoE Expert LPO, CPD
February ↑ ↓	Following the establishment of the Anti-corruption Coordinating and Monitoring Commission provide training on Monitoring Anti-corruption measures and policy development on anti-corruption issues.	Sarajevo, BiH	20 total	Activity funding and facilitation 1 Expert/Consultant Written report CPD, LPO

## 6 ANNEX II: LIST OF TECHNICAL PAPERS (UPDATE)

Version of 31 July 2005

TP Number	Date	Project Area/Title	Prepared by: Expert/Consultant
<b>TP-44 (2004)</b>	28 January 2004	<b>Montenegro (S&amp;M):</b> The 1 <sup>st</sup> Draft Programme for Combating Corruption and Organised Crime in Montenegro	Ms. Kristina Hemon, United Kingdom Mr. Goran Klemencic, Slovenia
<b>TP-45 (2004)</b>	30 August 2004	<b>PACO Impact:</b> Analysis Report on Gender and Corruption in SEE countries	Ms. Kristina Hemon, United Kingdom
<b>TP-46 (2004) Eng   Alb</b> <b>TP-46 (2004) Annex</b>	18 October 2004	<b>Albania:</b> Improving Success Indicators of the Albanian Anti-corruption Action Plan Matrix 2004	Ms. Vera Devine, Belgium
<b>TP-47 (2004)</b>	20 October 2004	<b>Serbia (S&amp;M):</b> Prevention and Public Awareness Issues of the National Anti-corruption Strategy for Serbia	Mr. Bertrand de Speville, United Kingdom
<b>TP-48 (2004) Annex OECD/SIGMA</b>	25 November 2004	<b>Albania:</b> The draft Law on Prevention of Conflicts of Interest In the Exercise of Public Functions	Ms. Vera Devine, Belgium + OECD/ <u>SIGMA</u>
<b>TP-49 (2004) Annex OECD/SIGMA</b>	20 December 2004	<b>Serbia (S&amp;M):</b> The Law on Prevention of Conflict of Interests in Discharge of Public Office	Mr. Drago Kos, Slovenia + OECD/ <u>SIGMA</u>
<b>TP-50 (2004)</b>	20 December 2004	<b>Montenegro (S&amp;M):</b> Issues and practical implementation of a national anti-corruption programme: methods of measuring its progress	Mr. Bertrand de Speville, United Kingdom
<b>PC-TP-51 (2004)</b>	20 December 2004	<b>Montenegro (S&amp;M):</b> The 2 <sup>nd</sup> Draft Programme for Combating Corruption and Organised Crime in Montenegro	Ms. Kristina Hemon, United Kingdom Mr. Goran Klemencic, Slovenia
<b>PC-TC(2005) 2</b>	11 January 2005	<b>PACO Impact:</b> Inception Report (March-July 2004) and workplan guiding project implementation	Project Management Unit
<b>PC-TC(2005) 3</b>	13 January 2005	<b>BiH:</b> Implementing and Monitoring Future Anti-corruption Efforts	Ms. Vera Devine, Belgium Ms. Kristina Hemon, United Kingdom

<b>PC-TC(2005) 4</b>	31 January 2005	<b>Serbia (S&amp;M):</b> The Law on Financing of Political Parties of the Republic of Serbia	Mr. Drago Kos, Slovenia
<b>PC-TC(2005) 5</b>	23 February 2005	<b>BiH:</b> Policy advice for the Relevant Bodies	Ms. Kristina Hemon, United Kingdom Mr. Drago Kos, Slovenia
<b>PC-TC(2005) 6</b>	10 April 2005	<b>BiH:</b> Advisory Paper. Comments on AP + ACS & Progress Rep.	Ms. Vera Devine, Belgium
<b>PC-TC(2005) 7</b>	30 May 2005	<b>Kosovo:</b> The 1 <sup>st</sup> Draft Advisory Paper Kosovo. Com on AP of Kosovo	Ms. Kristina Hemon, United Kingdom Mr. Drago Kos, Slovenia
<b>PC-TC(2005) 8</b>	April-June 2005	<b>Compendium of AC Services in SEE:</b> Strengthening Anti-corruption services and efforts in South-East Europe	Project Management team + Ms Vera Devine, Belgium
<b>PC-TC(2005) 9</b>	June 2005	<b>BiH:</b> Initiation of revision of the anti-corruption strategy chapter and its action plan for BiH.	Ms Kristina Hemon, United Kingdom
<b>PC-TC(2005) 10</b>	24 June 2005	<b>"the Former Yugoslav Republic of Macedonia":</b> Evaluation and recommendations on the implementation of the State Programme for the prevention and repression of corruption. National Conference, Ohrid, June 2005	Mr Bertrand de Speville, United Kingdom
<b>PC-TC(2005) 11</b>	June-July 2005	<b>Pilot activity (Albania):</b> Initiating the implementation of the case management reform aimed at preventing corruption within the prosecutorial services, Celle, Germany	Ms Elizabeth Nochlin, United States Mr Harald Range, Germany
<b>PC-TC(2005) 12</b>	July 2005	<b>Pilot activity (Montenegro):</b> Assessment and Recommendations regarding the strengthening of the prosecutorial services in Montenegro	Ms Elizabeth Nochlin, United States Mr Bostjan Penko, Slovenia
<b>PC-TC(2005) 13</b>	31 July 2005	<b>PACO Impact:</b> 2 <sup>nd</sup> Semi Final Report (February-July 2005)	Project Management Unit

