

Action Summary

Action against Economic Crime in Montenegro (HFII-AEC-MNE)

Project title	Action against Economic Crime in Montenegro (HFII-AEC-MNE)
Project area	Montenegro
Budget	€700,000
Funding	European Union / Council of Europe
Implementation	Economic Crime and Cooperation Division, DG I, Council of Europe
Duration	36 Months

I. Background

The European Union/Council of Europe Horizontal Facility for the Western Balkans and Turkey (also referred to as: Horizontal Facility phase II or HF II) is a co-operation initiative of the European Union and Council of Europe for South East Europe. The first phase of the Horizontal Facility ran from May 2016 to May 2019, and was succeeded by Horizontal Facility phase II, which will be implemented from May 2019 to May 2022. The second phase of the Horizontal Facility will continue to build on the Statement of Intent signed on 1 April 2014 by the Secretary General of the Council of Europe and the European Union Commissioner for Enlargement and European Neighborhood Policy, in which both Organizations agreed to further strengthen their co-operation in key areas of joint interest.

The Horizontal Facility includes Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia, Serbia and Turkey. Beneficiaries and counterparts include governmental bodies at all levels, notably specialized structures within the Ministries of Justice, Interior and Finance; anti-corruption bodies; Judicial and Prosecutorial Services, supervisory bodies; Financial Intelligence Units (FIUs), and representatives of civil society.

According to reports issued by Council of Europe monitoring bodies (GRECO and MONEYVAL), as well as EU Progress Reports, all countries in the region continue to suffer from weaknesses in their respective corruption/money laundering/terrorist financing prevention and suppression systems. Identified shortcomings have resulted in 2 participating jurisdictions being listed by the Financial Action Task Force (FATF) as jurisdictions with significant systemic deficiencies.

* This designation is without prejudice to positions on status and is in line with UNSC 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

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and the Council of Europe



Implemented
by the Council of Europe

II. Action in Montenegro

Within Horizontal Facility II, the Action against Economic Crime (HFII-AEC-MNE) looks to enhance rule of law and governance by strengthening economic crime prevention and enforcement tools. This overall objective is expected to be achieved through tailored interventions that will lead to:

- (1) Improved legal and operational framework on preventing and combating corruption;
- (2) Enhanced AML/CFT prevention mechanisms.

The Action will last for 36 months with an estimated budget of €700,000 Euros and will provide participating jurisdictions with expert advice on regulatory and operational reforms, skills development training, and platform for discussion on best practices regarding exchange of information. All interventions will reflect relevant human rights factors and will take into consideration the needs of different groups.

III. Action's Objectives and Outcomes

Anti-corruption	Intermediate Outcome 1	Improved legal and operational framework on preventing and combating corruption
	Immediate Outcome 1	Oversight of political expenditure at the central and local level is operational
	Immediate Outcome 2	Proposals to strengthen lobbying regulatory and oversight framework available
	Immediate Outcome 3	Ensured follow up of State Audit' findings and recommendations
	Immediate Outcome 4	Cooperation among different oversight authorities enhanced
	Immediate Outcome 5	Enforcement capacities of Tax Authorities developed
AML/CFT	Intermediate Outcome 2	Enhanced AML/CFT prevention mechanisms
	Immediate Outcome 1	Regulation governing non-financial supervision improved
	Immediate Outcome 2	Online games of chance and ML/TF risks regulated
	Immediate Outcome 3	Risk based supervision tools for high-risk non-financial sectors developed
	Immediate Outcome 4	IT analytical capacities of the Financial Intelligence Unit strengthened
	Immediate Outcome 5	National ML/FT risks identified, and mitigation measures introduced

Immediate
Outcome 6

FIU regulatory and operational framework built

IV. Implementation Arrangements

As a key actor in this thematic area, the Council of Europe's Economic Crime and Cooperation Division (ECCD) is in charge of implementing the activities under HF II-AEC-MNE.

For the purpose of implementing various specific activities, the Action engages international experts with demonstrated experience in the field of fighting against economic crime as well as local experts from Horizontal Facility countries in order to ensure that the project delivers high quality assistance to the beneficiaries.

V. Contacts

Economic Crime and Cooperation Division

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