

Horizontal Facility for Western Balkans and Turkey



ACTION SUMMARY

ACTION AGAINST ECONOMIC CRIME IN MONTENEGRO (AEC-MNE)

v. 10.11.2016

Action title	Action against Economic Crime in Montenegro (AEC-MNE)
Action area	Montenegro
Budget	650,000 Euro
Funding	European Union / Council of Europe
Implementation	Council of Europe
Duration	36 Months (as of 24 May 2016)

1 BACKGROUND ON HORIZONTAL FACILITY

The European Union and Council of Europe signed Horizontal Facility for the Western Balkans and Turkey (hereafter referred to as "Horizontal Facility") on 23rd of May 2016. The Horizontal Facility builds on the CoE and EU Policy priorities in the context of the Western Balkans and Turkey and on the CoE expertise in standard-setting, monitoring and cooperation methodologies. It aims to improve implementation of key recommendations of relevant Council of Europe monitoring and advisory bodies in the areas indicated in 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 Neighbourhood Policy.

The Horizontal Facility beneficiaries and counterparts are governmental bodies at all levels, notably specialised structures within the Ministries of Justice, Interior and Finance; specialised agencies/bureaux/commissions involved in the prevention and fight against corruption and economic crime; Judicial and Prosecutorial Services, supervisory bodies; Financial Intelligence Units (FIUs), and representatives of civil society.

Sector interventions to be undertaken in the SEE Member States/ IPA II Beneficiaries were designed based on recommendations emanating from Council of Europe monitoring and opinion advisory bodies, prioritised according to the needs within the enlargement negotiations of the countries with the European Union.

In the field of fight against economic crime, three specific actions were designed within the Horizontal Facility Programme to support tailored reform processes in Albania, Montenegro and "the former Yugoslav Republic of Macedonia". Those actions will aim to improve implementation of key recommendations of the Council of Europe Group of States against Corruption (GRECO) and

Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), and to further strengthen institutional capacities regarding the code of conduct of public officials, whistleblower protection, financing of political parties and election campaigns and other measures to counter and prevent corruption; money laundering; the financing of terrorism in accordance with European standards. The actions have the duration of 36 months.

2 ACTION APPROACH IN MONTENEGRO

The Action against Economic Crime in Montenegro (AEC-MNE) will aim to improve implementation of specific key recommendations of the Council of Europe’s Group of States against Corruption (GRECO) and Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), and to further strengthen institutional capacities to counter and prevent corruption; money laundering; and the financing of terrorism in accordance with European standards.

The action will focus on supporting the authorities in several directions including:

- Support for the strengthening of legislative and regulatory frameworks;
- Institutional capacity building;
- Support enhanced inter-agency and international cooperation

3 OVERALL AND SPECIFIC OBJECTIVES

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

The specific objectives of the action are:

Specific Objectives (SO) and Expected Results (ER)		Ref to monitoring Recommendation
SO 1:	Improve the legal framework to prevent corruption	MNE/GRECO/2010
ER 1.1 Capacity to implement legislation on prevention of corruption and political party financing is raised through awareness raising and capacity building		
SO 2:	Enhance institutional capacities to prevent corruption (Enhance capacities of the Agency for Prevention of Corruption)	MNE/GRECO/2006 MNE/GRECO/2010 MNE/GRECO/2015
ER 2.1 A track record system for political party and election campaign funding compliance and oversight/enforcement is reviewed and strengthened		
ER 2.2 The capacities of the Agency for Prevention of Corruption (APC) to implement and enforce legal provisions on asset declarations and conflict of interest are enhanced		
ER 2.3 APC has effective information exchange frameworks with competent authorities to undertake its control functions		
ER 2.4 Awareness and capacity of MPs, judges, prosecutors and police to comply with and implement/enforce legal provisions on ethics and prevention of conflict of interest enhanced		

ER 2.5 Capacities of civil servants, law enforcement and judiciary to implement legal provisions on whistleblowing are enhanced		
SO 3:	Enhance capacities of law enforcement authorities, prosecution and judiciary in combating economic crime	MNE/GRECO/2010
ER 3.1 Capacities and skills of the LEA/prosecution and judiciary in investigating, prosecuting and adjudicating corruption/ML/FT cases are enhanced		
ER 3.2 The regime of seized and confiscated corruption related assets is improved		
SO 4:	Improve AML/CFT strategic planning and analysis mechanisms, and strengthen capacities of FIU and supervisory authorities	MNE/MVAL/2015
ER 4.1 The internal procedures and methodology for the analytical process of the FIU are upgraded		
ER 4.2 FIU's employees analytical skills are enhanced		
ER 4.3 AML/CFT supervisory authorities implement a risk-based supervisory approach in the MVTS and DNFBP sectors		
ER 4.4 Capacities of reporting entities to identify and monitor high-risk relationships are enhanced		
ER 4.5 AML/CFT capacities of the DNFBP sector are enhanced		
ER 4.6 AML/CFT National Risk Assessment (NRA) reviewed and upgraded		

4 IMPLEMENTATION AND ARRANGEMENTS

As the key actor in this thematic area and the IPA region, the Council of Europe, and more specifically the Action against Crime Department, through its Economic Crime and Cooperation Division (ECCD) will be in charge of implementing the activities under this action.

A Project Officer will be based in the Council of Europe Programme Office in Podgorica. He/she will work directly with the beneficiaries and will be supervised by the Administrator and Project Manager of the Horizontal Facility Programme based in Strasbourg at the Economic Crime and Cooperation Division.

In addition based on the activity needs and intervention profiles the Council of Europe will engage a number of international long-term and short-term consultant/experts and local consultants/experts, service providers and suppliers, so as to ensure the proper implementation of the action.

<p>Economic Crime and Cooperation Division Action against Crime Department Information Society and Action against Crime Directorate Directorate General Human Rights and Rule of Law, DG I Council of Europe F-67075, Strasbourg, Cedex, FRANCE</p> <p>www.coe.int/corruption www.coe.int/HF-AEC</p>	<p>Mustafa Ferati Head of Unit I Tel: + 33 3 90 21 45 50 Fax: + 33 3 88 41 39 55 Mustafa.Ferati@coe.int www.coe.int/corruption</p> <p>Ana Selic Project Officer Council of Europe Programme Office in Podgorica Blvd. Dzordza Vasingtona 98, floor I, Capital Plaza, 81000 Podgorica, Montenegro Tel: +382 20 673 868 ext.115 E mail: Ana.Selic@coe.int</p>
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