

## Project Fiche – IPA National programmes / Component I

### 1 IDENTIFICATION

<b>Project Title</b>	5 - Prevention and Fight Against Corruption
<b>CRIS Decision number</b>	2013/023-621
<b>Project no.</b>	5
<b>MIPD Sector Code</b>	2. Justice and Home Affairs
<b>ELARG Statistical code</b>	24 – Justice, Freedom and security
<b>DAC Sector code</b>	15113
<b>Total cost</b> (VAT excluded) <sup>1</sup>	6,000,000 EUR
<b>EU contribution</b>	5,500,000 EUR
<b>Management mode</b>	Decentralised
<i>Decentralised mngmt:</i> <b>Responsible Unit or National Authority/Implementing Agency</b>	Central Finance and Contracting Unit (CFCU) - Ministry of Finance and Economy, Department for Contracting and Financing of EU Funded Projects Programme Authorising Officer (PAO) – Assistant Minister at the Ministry of Finance and Economy, Head of Department for Contracting and Financing of EU Funded Projects Mrs Nataša Šimšić
<b>Implementation management</b>	Lead institution: Ministry of Justice and Public Administration Reform. Other institutions involved in implementation: Office of the Deputy Prime Minister responsible for defence, security, the fight against corruption and crime, Ministry of Interior, Ministry of Education, Science and Technological Development, Ministry of Health, Ministry of Finance and Economy, Ministry of Construction and Urbanism, Anti-Corruption Agency and Public Procurement Office.
<b>Implementing modality</b>	Stand-alone project
<b>Project implementation type</b>	Project-type interventions
<b>Zone benefiting from the action(s)</b>	The Republic of Serbia

### 2 RATIONALE

#### 2.1 PROJECT CONTEXT: ISSUES TO BE TACKLED AND NEEDS ADDRESSED

The available data show that corruption in Serbia is still widespread while being an insufficiently researched field.

In 2012 the Anti-Corruption Agency (ACA) conducted a research supported by the IPA 2008 funded project entitled “Perception of public interest in the area of prevention and fight against corruption and perception of the role of the Agency in anticorruption public policy formulating and implementation”. The research showed that 18 % of Serbia's population had participated in bribe giving in the past year. Among them, there are more of those who claimed to have given bribe more times in the past year than those who claimed to have given the bribe only once (ratio 10% to 8%).

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<sup>1</sup> The total project cost should be net of VAT and/or of other taxes. Should this not be the case, clearly indicate the amount of VAT and the reasons why it is considered eligible.

According to an analysis of crimes containing an element of corruption committed in the territory of the Republic of Serbia, which was made by the Serbian Ministry of the Interior, the number of detected criminal offences with the element of corruption had constantly risen over the last several years. In 2011 a total of 3792 offenses with corruption element were revealed, which is 38% more than in the six year period 2000- 2005 (2,748). Abuse of office (1,699) constitutes the largest number of corruption offences. The number of detected criminal offenses of bribery was 152 and a total of 3369 persons were reported. Two organized crime groups with a total of 42 members formed with the aim of corrupt activity were detected.

The Serbian National Assembly has adopted the National Anti-Corruption Strategy (NACS) of the Republic of Serbia for the period 2013 – 2018. Measures and actions required to meet the priorities of the Strategy will be applied directly on the basis of the Action Plan for the implementation of the Strategy. This PF is focused on the implementation of the new NACS 2013-2018 and the Action plan. The strategy is cross-sectoral covering specific issues and good governance issues and needs an inter-institutional effort for its proper and effective implementation, including also a participatory approach with CSOs.

Recently developed new National Anti-Corruption Strategy is structured around following priority areas: Political activities; Public finances, including public revenues, public expenditures and internal financial audit and protection of EU financial interests; Privatisation and public-private partnerships Urban and Spatial Planning, Justice, Police, Education and Sport, Health, Media. The prevention part deals with issues related to monitoring and oversight of the strategy, cooperation with CSOs and other horizontal issues.

Corruption is a society wide phenomenon which severely impacts all sectors of life and negatively impacts on the rule of law, legal certainty, economic development and overall stability and prosperity. Hence, the means and methods to fight corruption must be cross-sectoral and extend across all relevant government institutions, bodies, departments, organizations and society at large. This PF brings together all key stakeholders in this attempt to fight corruption, thus supporting a sector wide approach, clearly indicating the government's resolve to address this issue in a comprehensive, efficient, measurable and cost-effective way.

This PF is designed to support the implementation of the NACS in general, through support of horizontal areas comprised in the prevention of corruption chapter, and sector-based areas, as well as to support the implementation of their associated objectives and measures. Implementation of project will enhance coordination of anti-corruption institutions and develop their capacities for implementation of the National Anti-Corruption Strategy by focusing on corruption risk analysis, integrity plans, protection of whistleblowers, specific awareness campaign as part of preventive activities as well as improvement of quality of coordination and information exchange between relevant state institutions.

The lack of proper capacity to retrieve, share and communicate this data between the related institutions has several consequences. Also current data exchange between the Ministry of Interior, the Ministry of Justice (Republic Public Prosecutors Office, Directorate for management of seized and confiscated assets, courts, Administration for enforcement of criminal sanctions) and other law enforcement institutions is performed by using communication in paper form, resulting in loss of documents, lack of monitoring the flow of cases, inadequate time limits and response actions as an inability to timely update the status of complaints.

There is a need for securing availability of data across the law enforcement sector and in line with the laws through creation of a database in the Republic public prosecutors office, secure

and establishing interoperability of such database with the relevant databases of the Ministry of Interior, and in the subsequent phases enable interoperability with other law enforcement institutions (tax police, customs, etc.).

The Anti-Corruption Agency of the Republic of Serbia has received substantial hardware support through the IPA 2008 project, and hosts three registers that are placed on specific protected servers. The verification of asset declarations and accumulation of posts to be performed by the ACA as per the Law on the Anti-corruption Agency requires improved and more efficient coordination with different national institutions which harbour other registries containing different data ex. tax offices, customs registries, bank system, MoI databases etc.

Therefore this PF aims to provide solutions on the type of tools for more efficient coordination and communication which can be established between institutions in Serbia to support the pre-investigation and investigation capacities of enforcement organs, and will support measures to effectively set up such a network. It will also increase the number of misconduct cases detected by the ACA, improve the speed of investigations in corruption cases conducted by enforcement organs and therefore improve track record of the corruption cases as requested in the Progress report.

## **2.2 LINK WITH MIPD AND NATIONAL SECTOR STRATEGIES**

In the **Multi-annual Indicative Planning Document (MIPD) 2011-2013, Republic of Serbia** 2.6. Selected priorities for EU assistance, essential areas for the political criteria that are contributing to the Europe 2020 strategy and also 3.1 Justice and Home Affairs, 3.1.3 Sector Objectives for EU support over next three years are Strengthening the rule of law and public administration. Within the area of rule of law, special attention is to be paid to judicial reform and the fight against corruption and organised crime. Serbia's public administration needs to turn into an efficient, merit-based and accountable civil service, fully able to cope with alignment and implementation of the EU *acquis*. The new National Strategy for Fighting Against Corruption is to be the key/overarching document with complementary objectives for all sectors (public, private and civil), defined sector priorities, measurable indicators for monitoring, clearly defined tasks and equal responsibility/accountability of all sectors for implementation of their tasks and appropriate sanctioning. Some of the most important competences of the Anti-Corruption Agency are supervision over the implementation of the Strategy, conflict of interest detection and prevention, asset declaration control and party funding control. These are complex issues that require specialized cadre and means, which are important preconditions for efficient and effective carrying out of tasks. Prevention of corruption is the Agency' prevalent role that encompasses strong anti-corruption preventive mechanisms, identification of corruption risks and early detection of possible corruption/incompatibilities- all leading to the accountable and efficient public administration, strong institutional/public integrity, transparency and improved monitoring of the key vulnerable areas such as public procurement, public resource management, public enterprises management, etc. The following specific objectives are that IPA assistance will focus on (*page 17*): To strengthen the independence, efficiency, and accountability of the judiciary; to improve the fight against corruption and organised crime, including through increasing the capacity and expertise of law enforcement bodies – especially in areas such as financial investigations – and enhancing their national and international cooperation. Also, support should be given to help Serbia to strengthen and implement the relevant legislative framework and improve alignment with European standards. **In addition, MIPD says:** "Shortcomings in the fight against corruption and organised crime persist and the relevant authorities need further strengthening. Corruption is prevalent in many areas of the country and is a serious problem. Public procurement, privatisation and public expenditure are particularly affected."

”However, in order for Serbia to meet the conditions for accession, additional efforts are required, inter alia regarding judicial reform, public administration reform as well as the fight against organised crime and corruption.”

In its Executive summary, the MIPD 2011-2013 lists strengthening the rule of law and public administration as essential areas for the Political Criteria (p. 4), highlights the need to combat corruption and to build the public administration into an efficient and accountable civil service, fully capable of coping with the alignment and implementation of the EU *acquis*. Corruption in health care is apparent and must be tackled alongside the range of other areas where corruption persists.

**Priority 1 of the Needs Assessment Document Rule of Law Sector: Improve overall security and efficiency in fighting crime, corruption and terrorism.** This priority focuses on the institutional, legislative and operational preconditions for protection of a safe, secure and democratic society. This priority deals with the issues of efficiency in investigating, prosecuting and adjudicating of criminal cases, as well as improvement of coordination in security and safety protection on a national, regional and international level.

In the Needs Assessment Document (NAD) two measures of the Rule of Law sector are directly tackling issues of corruption. **Measure 1.1 Improving and implementing the strategic and normative framework for crime and corruption prevention.** This measure will focus on further development and implementation of existing strategies and the legal framework in the field of crime, corruption prevention and suppression, as well as development and implementation of new strategic and normative documents and their approximation with EU standards and the UN Convention and the second additional Protocol to the European Convention on mutual cooperation. This measure will support key institutions, such as the Ministry of Interior, specialised departments of the Republic Public Prosecutor, the Anti-Corruption Agency, Public Procurement Administration, Money Laundering Administration, Ministry of Justice, custom authorities and other institutions, in strategic planning and monitoring the impact of the strategic and legal framework in this field. **Measure 1.2 Strengthening the capacities of state authorities for processing cases of organised crime, war crimes, corruption, money laundering and other criminal acts.** The measure will support law enforcement agencies in establishing a high quality of operative work in the disclosure and adjudication of criminal acts. This will include improvement of the knowledge and means for collection of evidence, efficient investigation and adjudication, as well as effective coordination, exchange and synchronisation of information and data amongst state agencies. In addition, this measure will support enhancement of capacities of independent bodies in monitoring and processing of cases of corruption, money laundering, etc.

The project is also associated with the Public Administration Reform Sector measures, which include aspects related to public expenditures and revenues, as well as a strong component on public procurement. These aspects also feature in the NACS, so coordination is important. The PAR sector fiche for IPA 2013 coordination should be established for these measures: **Measure 1.1:** *Support for further development of PIFC and* **Measure 2:** *Support for further improvement of Public Procurement system in Serbia.*

## **2.3 LINK WITH ACCESSION PARTNERSHIP (AP) / EUROPEAN PARTNERSHIP (EP) / STABILISATION AND ASSOCIATION AGREEMENT (SAA) / ANNUAL PROGRESS REPORT**

### ***European Partnership***

Under the Anti-corruption policy heading, the European Partnership highlights the need to:

- Implement the action plan on the anti-corruption strategy and establish an independent and effective anti-corruption agency.
- Ratify international conventions against corruption.
- Further clarify and enforce regulations related to the prevention of conflict of interests, in line with international standards.
- Develop and implement a transparent system of declaration of assets of public officials.

### ***Stabilisation and Association Agreement (SAA)***

According to Article 80 of the SAA (Reinforcement of institutions and rule of law), in their cooperation on justice, freedom and security, the Parties shall attach particular importance to the consolidation of the rule of law, and the reinforcement of institutions at all levels in the areas of administration in general and law enforcement and the administration of justice in particular. Cooperation shall notably aim at strengthening the independence of the judiciary and improving its efficiency, improving the functioning of the police and other law enforcement bodies, providing adequate training and fighting corruption and organized crime. In addition, according to Article 86 (Preventing and combating organized crime and other illegal activities), The Parties shall cooperate on combating and preventing criminal and illegal activities, organized or otherwise, such as: c) corruption, both in the private and public sector, in particular linked to non-transparent administrative practices.

### ***Progress Report (2012):***

The main recommendations from the Progress Report published in 2012 are as follows: “Implementation of the legal framework for fighting corruption has continued. The Anti-Corruption Agency’s operations increased, mostly in relation to the financing of political parties. However, corruption remains prevalent in many areas and continues to be a serious problem. A new Anti-Corruption Strategy and Action Plan are still awaited. The implementation of the legal framework and the efficiency of anti-corruption institutions need to be significantly improved. Further efforts are needed to adopt a more proactive approach to investigating and prosecuting corruption and the judiciary needs to gradually build up a solid track record of convictions, including in high-level cases, particularly in cases of misuse of public funds. Stronger political direction and more effective inter-agency coordination are needed to significantly improve performance in combating corruption.”

As regards the Chapter 23, pertaining to Judiciary and fundamental rights, notably anti-corruption policy, the Report states that “ Serbia has made little progress on anti-corruption policy. The Government has not yet finalised its National Anti-Corruption Strategy for 2012-2016 nor has adopted its corresponding Action Plan. Public procurement, management of public enterprises, privatisation procedures and public expenditure remain areas of serious concern, especially in the Health and Education domains, in which independent supervision and capacity for early detection of wrongdoing are underdeveloped. Comprehensive risk analyses for areas vulnerable to corruption are needed. Coordination between all stakeholders needs to be strengthened to ensure effective prevention and handling of corruption cases. “ Conclusion is that “new Anti-Corruption Strategy and Action Plan are still pending” and that “stronger political direction, more effective inter-agency coordination and a proactive approach in investigating and prosecuting corruption are needed.”

## **2.4 PROBLEM ANALYSIS**

According to the previous National Anti-Corruption Strategy, which was adopted in 2005, and its Action Plan, Republic of Serbia has established the relevant institutional and legal

framework to combat corruption. Its main components are the 2009 Law on the Anti-Corruption Agency, the 2009 Law on the Organisation and Competence of the State Authorities in Suppressing Organised Crime, Corruption and other especially serious criminal offences, the 2008 Law on Seizure and Confiscation of the Proceeds from Crime, amendments of 2007 to the Criminal Procedure Code regarding special investigative measures, the Law of 2005 on Civil Servants, and the amendments of 2009 to the Law on Free Access to Information of Public Importance, and the 2010 Law on Financing of Political Entities. However, the implementation of legislation and practical results are still lagging behind.

The available data show that corruption in Serbia is still widespread while being insufficiently researched field. Most data exist about the so-called ‘petty corruption’, i.e. a form of corruption that the citizens have direct information about. Thus the findings of the *Transparency International* Global Corruption Barometer<sup>2</sup> for 2010 indicate that 17% of respondents, who had had some contact with any of the listed institutions or sectors (education, judiciary, health care, police, licensing or registering services, tax services, customs, public utility companies), had given a bribe in the past year (at least once, directly or through household members).<sup>3</sup> A survey conducted by the UN Office for Drugs and Crime (UNODC) in July 2011<sup>4</sup> showed that 13.7% of Serbia’s population aged between 18 and 64 had had, in the past year, a direct or indirect experience with bribing civil servants.<sup>5</sup> Money was given in 52% of the cases and although this is considered as petty corruption, the amounts involved are by no means insignificant: RSD 15,530 or EUR 165, on average. According to the same survey, one in every three persons giving bribes refuses the request of the official for the bribe, whilst on the other hand a slight number of persons giving bribes (less than 1%) report the case to the authorities.<sup>6</sup>

As one of its competencies is to conduct corruption related researches, in 2012 the Anti-Corruption Agency conducted supported by IPA 2008 “Perception of public interest in the area of prevention and fight against corruption and perception of the role of the Agency in anticorruption public policy formulating and implementation”. The research showed that 18 % of Serbia's population had participated in corruption, i.e. in bribe giving in the past year. Among them, there are more of those who claimed to have given bribe more times in the past year than those who claimed to have given the bribe only once (ratio 10% to 8%).

The perceived level of corruption is even higher than it actually is. Thus, for instance, according to the Global Corruption Barometer for 2010, citizens perceive political parties as very corrupt (average rating 4.1 on a scale of 0 to 5), judiciary (3.9) and public servants (3.8). According to the *UNODC* survey, 45% of Serbian population believes that corruption is growing in their country, 44% believes that the level remained the same, while 10% thinks it falls down. Neither is the perception of corruption outside of Serbia encouraging. According

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<sup>2</sup> [http://www.transparency.org/policy\\_research/surveys\\_indices/gcb/2010](http://www.transparency.org/policy_research/surveys_indices/gcb/2010).

<sup>3</sup> The reply is weighted, after excluding those who said “don’t know” whether they gave bribes. The actual number of bribing cases is probably higher given that, in the scope of the second question, only 60% of respondents explicitly said that they *did not give bribes* in the past year.

<sup>4</sup> *Corruption in Serbia: Bribery as Experienced by the Population*, UNODC and the Serbian Statistical Office, Vienna, Belgrade, 2011.

<sup>5</sup> “When focusing on the cases where the bribe has been given directly, out of the total number of the individuals who had a contact with a civil servant during the last year 9.3% of them gave bribe at least once during that period and when they were doing so, the dynamics was at least once in every ten weeks. The highest prevalence of bribery is observed in Belgrade, while in Sumadija and Western Serbia it is below the national average. “

<sup>6</sup> There are many reasons: some individuals think that bribery does not have the same weight as “real” crime, partly because it is usually accepted as a regular practice (12%) and partly because it represents an expression of gratitude for a service rendered (28%). Individuals do not report bribery cases because they themselves benefited from it (20%) and because they believe nothing would have been done about it (36%).

to the composite Corruption Perceptions Index of the *Transparency International*,<sup>7</sup> Serbia in 2011 had an index of 3.3 which is worse a rating compared to 2010 and 2009 when it was almost 3.5 (on a scale of 0 to 10, where 10 means a society free of corruption).

According to the Anti-Corruption Agency research, Serbian population deems Health Care Sector to be the most corrupt (35%); then Political Sector i.e. political parties and politicians (13%) as well as Justice Sector-Courts and Prosecutors' Offices (13%) and Police (8%).

Individuals can have a limited knowledge of corruption and only with respect to services that they themselves need, so it is also important to consider possibilities of corruption in business transactions. In a survey of the European Bank for Reconstruction and Development (*BEEPS*), administered in Serbia and in many other countries in 2008, whose results were published in January 2010,<sup>8</sup> the respondents were from the business community and the subject of the survey was, among other things, corruption occurring in contact with public institutions. Representatives of 31% of the respondent firms in this survey said that corruption was not amongst the problems that they encountered, whilst 16% of the respondents said bribery was frequent. Illegal payments were reported by 17% of the firms, and bribing costs accounted for 4.1% of the annual turnover, taking into account only the firms giving the bribes. As for the areas where bribing occurred, respondents indicated these were transactions with tax authorities, customs services and courts (the percentage is the same for all areas – 9%). Not more than 9% of the firms took part in procedures whose result was conclusion of a contract with state authorities. According to the findings of this survey, the average value of the amounts given to secure a contract with the state was 1.7% of the contract value.

According to an analysis of crimes containing an element of corruption committed in the territory of the Republic of Serbia, which was made by the Serbian Ministry of the Interior, the number of detected criminal offences with the element of corruption had constantly risen over the last several years. In 2010 3858 criminal offenses with corruption element were found, which is for 40% more than in the six year period 2000- 2005 (2,748). A total of 3814 persons were reported, which is the largest number reported in the last 10 years. The fight against corruption has been intensified especially in the health sector which lead to increased number of register health care workers (3.5 times) than in the previous year, as in the field of education where the number of recorded teachers increased for almost 80%. Special efforts has been made in order to detect corruption in public procurement that are manifested in the form of procurement of goods by the increased prices of the illegal market and favouring the bidder, thus resulting in reduction the number of bidders per tender.

Aldo corruption has been detected within the MoI, available data shows that the number of reported police officers is 26% less than in previous year (87 in 2009 and 64 in 2010) and therefore decreasing. In 2011 a total of 3792 offenses with corruption element were revealed, which is for 38% more than in the six year period 2000 - 2005 (2,748). Abuse of office (1,699) constitutes the largest number of corruption offenses detected in Serbia. The number of detected criminal offenses of bribery was 152 in 2011 and a total of 3369 persons were reported. Two organized crime groups with a total of 42 members formed with the aim of corrupt activity were detected. In the last five years most of the reported perpetrators have been the directors of various companies (36%) and employees of public companies (7%). Around 13% of the reported perpetrators were employees of state authorities and other government authorities (Ministry of Interior, health care institutions, educational institutions, customs, judiciary, public revenue administration, etc.), and 44% belong to other professions.<sup>9</sup>

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<sup>7</sup> [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi](http://www.transparency.org/policy_research/surveys_indices/cpi).

<sup>8</sup> [http://siteresources.worldbank.org/INTECAREGTOPANTCOR/Resources/704589-1267561320871/Serbia\\_2010.pdf](http://siteresources.worldbank.org/INTECAREGTOPANTCOR/Resources/704589-1267561320871/Serbia_2010.pdf).

<sup>9</sup> On the basis of the same document.

Data are the least accurate when it comes to the most dangerous forms of corruption, i.e. so called “state capture” and abuse of public funds for a personal or group interest. That such phenomena exist can be seen from various sources, such as the data about criminal proceedings started or completed, information from the media or other sources, as well as indirectly, according to the principle *cui bono* (“to whose benefit”), by analysing certain decisions passed by the relevant state authorities, based on the unavailability of certain important data for which the public has great interest, as well as information from independent supervisory bodies.

The National Assembly adopted in July the National Anti-Corruption Strategy of the Republic of Serbia for the period 2012 – 2018. Measures and actions required to meet the priorities of the Strategy will be applied directly on the basis of the Action Plan for the implementation of the Strategy. This PF is focused on implementation of the new Anti-corruption strategy 2012-2018 and the Action Plan to be developed. It is cross-sectoral covering all issues not covered elsewhere and needs an inter-institutional effort, including also the CSOs. It includes concrete measures to fight corruption in various fields (political activities, public finances, privatization and public-private partnership, judiciary, police, spatial planning and construction, health, education and sports, media prevention of corruption as well as implementation and monitoring of implementation of the Strategy). New National Anti-Corruption Strategy is structured around 9 priority areas, their associated objectives and measures for implementation of the objectives. Through this PF it is planned to support implementation of the National Anti-Corruption Strategy, but to give the focus on key priority areas as which will be precisely defined within the FWC, and support implementation of their associated objectives and measures.

Based on the Action Plan this PF will focus on a number of aspects relevant to corruption elimination, including the support to the effective implementation of the new NACS and the efficient vertical and horizontal cooperation between prevention and enforcement institutions, through the increase of IT mechanisms for data exchange and verification.

In order to support measures for better coordination of the work of institutions with public authorisations in corruption prevention and prevention of conflict of interest and monitoring the effects of the laws and bylaws aiming at anti-corruption measures, the project will support development of gap analysis, relevant regulatory framework and appropriate methodologies and implementation of other relevant capacity building activities etc. The project should improve the tasking and coordination process to enhance the level of cooperation between relevant authorities (e.g. customs and tax authorities, land and immovable property registries) and develop their ability to conduct high quality joint investigations.

One of the project components aims at increasing the public awareness on the factors leading to and the risks and consequences of corruptions. Besides measures aimed at enhancing the capacity of the state institutions to respond to corruption and reforming the legislation framework, the national awareness campaign is seen as a useful tool for corruption prevention and building public confidence in the state institutions. As such, the national public awareness campaign should raise public awareness about the threat to Serbian society from all forms of corruption, to educate the general public and representatives of public services, the business community, schools, hospitals, the judicial sector, civil society and media about the negative consequences that corruption has for democracy and socio-economic development and to raise awareness of the people of Serbia about their legal and moral responsibility to fight corruption, and about the options for taking action.

Whistleblower protection is essential to encourage the reporting of misconduct, fraud and corruption. The risk of corruption is significantly heightened in environments where the reporting of wrongdoing is not supported or protected. This applies to both public and private



sector environments, especially in cases of bribery. Protecting public sector whistleblowers facilitates the reporting of passive bribery, as well as the misuse of public funds, waste, fraud and other forms of corruption. Protecting private sector whistleblowers facilitates the reporting of active bribery and other corrupt acts committed by companies. Therefore, this project will encourage and facilitate whistleblowing, in particular by providing effective legal protection and clear guidance on reporting procedures.

One of the prerequisites for adequate and timely investigations turned out to be at the same time one of the biggest obstacles in anti-corruption enforcement. As far as processing criminal cases is concerned, currently the legal mandate to initiate and conduct criminal and violations proceedings is under jurisdictions of the MoI (police), in accordance with the Law on Criminal Procedure Code; this responsibility shall be transferred to the prosecuting authorities within the next few months. As such, common role in preventing and combating crime and other illegal behaviour requires daily cooperation and exchange of certain information necessary to proceed to the police, and prosecutors and courts.

The current data exchange between law enforcement institutions (the Ministry of Interior and prosecution), is performed by using communication in paper form, resulting in loss of documents, lack of monitoring the flow of cases, inadequate time limits and response actions as an inability to timely update the status of complaints.

Lack of adequate communication and tools for proper communication between relevant state institutions, as identified by a number of expert opinions represents a serious shortcoming of the Serbian law enforcement and judiciary. Existence of a number of databases which are not electronically available to the prosecution service or which are not shared by different law enforcement institutions poses as an obstacle throughout investigation, prosecution and adjudication of cases. There is a dire need for securing availability of data across the law enforcement sector and in line with the laws through creation of a database in the Republic public prosecutor's office, secure and establishing interoperability of such database with the relevant databases of the Ministry of Interior, and in the subsequent phases enable interoperability with other law enforcement institutions (tax police, customs, etc.)

One of the major reasons for lack of transparency in the judicial system is the fact that at the moment the system to follow up cases is random. There is no systematic way to know the fate of many cases that is why you find that in police, many cases are registered; however for many of them the fates are unknown, whereas the records in police, courts, and prisons do not match. For this reason, the establishment of a network system which would connect the relevant institutions which make up the anti-corruption system in Serbia would increase the capacities of these institutions to process cases, would decrease the pre-investigation and investigations phases, and would directly contribute to the establishment of a track record of cases.

Also, there is a need to harmonize methodologies according to which Ministry of Interior, prosecution offices, courts and Ministry of Justice collect data, report to the Statistical Office of the Republic of Serbia in order to contribute to a greater visibility of performance of each institution, secure insight of the general public into the entire criminal chain process and provide to a greater accountability of each institution. This improvement of harmonizing the statistical reports and making them available not only to the Statistical Office of the Republic of Serbia but also to the Agency for Anti-corruption would contribute to a greater public outreach and liability.

By introducing an electronic system to track corruption cases, and providing access of the Agency to relevant corrupt cases data, will contribute to transparency and fight against corruption. The implementation of the following laws will be improved through this project:

Criminal Code, Criminal Procedure Code, Law on the Organization and Competences of State Bodies in the Suppression of Organized Crime, Law on the Police, Law on the Prevention of Money Laundering and Terrorism Financing, Law on seizure and Confiscation of the proceeds from crime, etc.

Currently, the biggest problems that Agency is facing when checking data submitted by the officials are: incomplete legislative basis to communicate with some important resources (e.g. banks) and because there isn't an efficient coordination with other relevant institutions (kept by other respective state organs, such as: Ministry of Interior, Tax Police, Tax Administration, Republic Geodetic Authority, Business Registers Agency, commercial banks, National Bank of Serbia, Cadastre, Administration for the Prevention of Money Laundering, Foreign Exchange Inspectorate, Customs Administration, Ministry of Finance, Provincial Secretariat for Finance, divisions for finance and budget of local self-government units). The Agency is compelled to rely on high extent on data and information received from competent authorities pursuant to request. Sluggishness and inefficiency of such communication and the absence of enforcement in the outcome of such procedures greatly diminish early detection of corruption cases and therefore accomplishments of the Agency in these activities. Suggested possible IT improvements or other tools for more efficient coordination and access to relevant data would be significant improvement (technicalisation) of mainly established cooperation, which is, on the other side, slow since feedbacks are sometimes incomplete or with errors and outdated considering comparative practices. Proposed improvements would lead to more accurate data exchange, which is of crucial importance for prevention of corruption and an explicit example of coordinated sector cooperation.

The APML has a leading role in the Serbian anti-money laundering and countering the financing of terrorism (AML/CFT) regime, as coordinator, preventive authority, but also in the work on specific cases, particularly in the early, pre-investigative or intelligence gathering stage, where the financial-intelligence unit (FIU) which collects, processes, analyses and keeps the data it receives from the reporting entities, acts as an interface between the private sector and law enforcement agencies, assisting with the flow of relevant financial information.

In case of suspicion on money laundering, the APML disseminates the information and data about the involved persons and transactions to the competent state authorities so that they may take appropriate measures under their competence.

APML is a vital source of information for investigative/prosecutorial authorities in bribery cases. Along with whistleblower reports, APML's information has the potential to launch a corruption investigation. Cooperation between the ACA and the APML should be enhanced by encouraging the ACA staff to also send reports on possible corruptive predicate offences to the APML. ACA has valuable expertise or information that can be useful to the APML. ACA receives reports on income and assets declarations by public officials and these declarations are a very useful source of information to which the APML should have direct access. In addition, ACA has technical expertise that may be useful for the APML in analysing a specific situation.

In 2010 Ministry of Education decided to become a part of OECD project which analysed Integrity of Education System (INTES). The implementation phase of project started in 2011, and as one of results had report with the following name - Strengthening integrity and fighting corruption in education. The report was prepared by team of OECD experts based on Serbian relevant documents and over 100 interviews with different stakeholders in education, and following problems were identified: management of staff and resources, financial transparency, university admission and academic assessment, private tutoring and textbook procurement and approval. The current capacity in the education sector for detection and prevention of corruption is low. There are gaps in availability and use of data and evidence.

In implementation of this PF, national authorities will be guided primarily by the anti-corruption principles specified in the *Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee - On a comprehensive EU policy against corruption*<sup>10</sup>, and by the following principles:

- **Participativeness**, through an effective participation of all relevant and concerned stakeholders from the public, private and civil sectors in the anti-corruption processes;
- **Inter-sectoral approach**, through an equal responsibility of all segments of society in the fight against corruption;
- **Knowledge transfer**, through making available one's own anti-corruption knowledge and experiences to all those requesting such knowledge or experience;
- **Cumulativity**, through reviewing all existing anti-corruption mechanisms in an objective, professional and independent manner, and by continuing the use of verified experiences and practices; and
- **"Zero tolerance" to corruption**, where all public authorities will respond in their environment to manifestations of corruption regardless of their importance and players involved.

## 2.5 LINKED ACTIVITIES AND DONOR COORDINATION

Donor organisations, and in particular the EU, have supported the fight against corruption through numerous projects in the past years. So far, most projects have focused on the development of organisational and institutional capacities of specific institutions dealing with anti-corruption (ACA, MoI, MoJPA). The current PF builds on these efforts, but focuses on the creation of horizontal and vertical links and networks within the Serbian system based on the cooperation and communication among the key stakeholders, and on the efficient implementation of the cross-sectoral NACS.

**IPA 2007 "Improvement of efficiency and transparency of the judiciary system"**, (2009 – 2011) the project purpose was to shorten the length of proceedings in court cases and to reduce the backlog of cases at court by the development of a case management system, including document handling and data collection; to build institutional capacity to better monitor and evaluate the functioning and efficiency of the judicial system; to improve the transparency of court proceedings and the judicial system. With this project a new case management system is being developed, and will be introduced during the year 2012 (hereinafter referred to as the SAPS system) on a pilot basis in Courts of Appeals, Administrative Courts and the Supreme Court of Cassation.

**IPA 2008 "Fight against Corruption"** (2010 – 2012) the project will contribute to reducing the level of corruption by supporting the operational functioning of the Agency for fight against corruption. Overall cost of this project is 2,500,000 EUR. Expected results are:

1. Anti-corruption Agency fully operational with trained staff at all levels in line with the EU best practice in the anticorruption area;
2. Integrated IT system established with appropriate software for management and tracking of cases and complaints;

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<sup>10</sup> Commission of the European Communities, *Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee on a Comprehensive EU Policy Against Corruption*, COM(2003) 317, Brussels, 28.5.2003, annex, p. 25-26.

3. Increased coordination amongst relevant State bodies involved in the fight against corruption
4. Better understanding of Corruption and mechanisms for prevention of it by the citizens and relevant other target groups.

**IPA 2010 “Project against Money Laundering and Terrorist Financing in Serbia” (MOLI-Serbia)** aims to improve Serbia’s anti-money laundering and countering the financing of terrorism (AML/CFT) capacities in terms of legislative provisions, professional training and operative capacities. In addition to the APML as the main beneficiary, other beneficiaries include law enforcement authorities, supervisory and judicial bodies, as well as professional associations and the NGO sector. The main objectives of the MOLI project is to improve democracy and rule of law through the prevention and control of money laundering and terrorist financing, and other forms of economic and financial crime in Serbia, in line with European and other international standards. Even though not concerned directly with anti-corruption issues, MOLI-Serbia supported the Money Laundering National Risk Assessment one of the findings of which was that corruption affects the entire AML/CFT system which is why there needs to be close coordination (exchange of information) between the systems, especially through communication between the respective bodies designated to supervise the implementation of the AML and anti-corruption strategies.

**IPA 2011 “Rule of law“(Component 1, Subcomponent 2: Strengthening the capacities of law enforcement and judiciary in the fight against corruption in Serbia)** Overall objective of this project is to improve capacities and quality of the implementation of institutional reforms aimed at preventing and combating corruption. Overall costs of this project are 2,000,000 EUR. Following are specific objectives of the project that is expected to be implemented in the period 2012-2014. Component I: Subcomponent 2 (Direct agreement with the Council of Europe): Strengthening the capacities of law enforcement and judiciary in the fight against corruption in Serbia. Proposed project will build upon overall sector reform supported through MDTF as well as progress in combating corruption as a significant crime prevention measure.

**IPA2008 “Improvement of Transparency and Efficiency”** (Prosecutors and Penal system), (2012 – 2014) Project purpose is to contribute to the improvement of the efficiency of the prosecutorial and penal systems (including the AEPS) of the Republic of Serbia by introducing an efficient case management and statistical system and increasing public access to information in all judicial branches. If this pilot introduction proves successful, it will be rolled out to the entire court system to replace the relatively outdated AVP, which is introduced in all basic courts and court units.

**UNDP “Policy advice to the ACA”** the project will contribute to strengthening anti-corruption institutions and mechanisms. Planned activities for this project involve advisory services for supporting the Working Group in drafting a new National Anticorruption Strategy and conducting the UNCAC Self-Assessment for Serbia.

**JRGA “Judicial Reform and Government Accountability” (USAID)** (2011 – 2016) Project focuses on strengthening the rule of law, the independence of the judiciary and the administration of the justice in Serbia, increasing public awareness of reforms in the judicial sector and strengthening the ability of the Serbian government, Independent Agencies and the civil society to detect and prevent corruption. Under Component 1 (judicial reform) the Project will assist Serbia in making the administration of justice more efficient, transparent, and responsive to the needs of justice system users, and in increasing public awareness about these improvements; Under Component 2 (government accountability), the Project will assist Serbia in strengthening the capacity of the Independent Agencies and civil society

organizations to promote open, accountable, and efficient government; to fight corruption and poor administrative practices; and to generate public demand for and participation in good governance Total amount approved for this project is 21,885,396\$ and it has been implemented by the USA National centre for State Courts.

**“Support to Anti – Corruption Agency in Fight Against Corruption” (Norway)** is 390.000 euro funded project which covers the period December 2010 – January 2013 also focuses on the increased professional knowledge and skills of employees of the Anti-Corruption Agency (ACA); The ACA provided instruction and trainings on integrity plan for relevant institutions that are directly referred to in the law; Initiated amendments to anti-corruption regulation, the National strategy and Action plan; Applicative software developed; Automatisations of working processes in the Agency; Staff trained to work in a new IT system; Interns acquainted with Agency's mission and competencies; Interns gained general knowledge on anticorruption values.

**Organization for Security and Cooperation in Europe (OSCE)** has also focus in terms of Anti-corruption activities: The Mission helps harmonize Serbian legislation and practice with international anti-corruption standards and build the capacity of the authorities to better respect good governance principles, with special emphasis on management of public funds. Activities focus on introducing a certification system for, in particular related to public procurement officers, drafting of guidelines for developing of integrity plans, the establishment of anti-corruption councils at the local level and the introduction of e-procurement make an important part of the background capacities relevant for the successful implementation of the measures in this PF. The Mission's activities are aimed at enhancing the capacity of anti-corruption institutions to perform their duties effectively (Anti-Corruption Agency, Public Procurement Office, State Audit Institution), promoting the implementation of legislation in this area, increasing the efficiency and transparency of public procurement procedures and further strengthening the capacity of Serbian institutions to suppress economic crime. OSCE (Economic Transparency Program) focus in 2012:

- Enabling anti-corruption institutions to improve the effective implementation of public accountability mechanisms;
- Supporting authorities in improving the prevention, detection and prosecution of economic crime;
- Providing support to the implementation of the National Anti-Corruption Strategy and anti-corruption legislation;
- Encourage civic involvement and awareness raising on economic transparency matters.
- Assistance in mapping the corruption in the field of public procurement

**GIZ “Legal reform” (2011 – 2018)** Project will support the creation of a modern legal and institutional framework as basis for the Rule of Law in Serbia. Three core components are foreseen: implementation of legislation, popularization and dissemination of the laws and legislative drafting process. Donor for this project is The German Federal Ministry for Economic Cooperation and Development (BMZ).

**Programme of Bilateral Assistance – Government of the Kingdom of Netherlands „Criminal Statistic – Specifying the format of databases on crime“.** The project will contribute to improving the quality and use of crime statistics in Serbia. The primary goal is of the project is to prepare two proposals for shared crime database format: 1) an integrated database of operational data for the law enforcement services and their officials, and 2) public

database for all other interested parties. This project is supported by the Ministry of Justice and Ministry of Interior, and will be implemented till the end of 2012.

**IPA Regional Programme “Fight against organized crime and corruption: Strengthening the Prosecutors` Network”** (2012-2014) Purpose of this project is to contribute improved cross-border and international judicial cooperation in the beneficiaries to investigate and prosecute cross-border crime, in particular organized crime and corruption. Implementing Agency for this project is GIZ. Total Amount: 5.000.000 EUR.

Since fight against corruption is cross-cutting subject, it is important that there is a clear link between this project and sector funded projects relevant for the fight against corruption (e.g. public procurement reform, PIFC etc.). Therefore, it is important to establish day to day communication between the projects and maintain regular exchange of information through the Informal Donor Group on Anti-Corruption.

The project fiche and its actions are fully in line with the Key Policy Messages on prevention and combating of corruption, sent by the Informal Donor Group on Anti-Corruption to the Government of Serbia in August 2012. The key priorities include the following:

Priority 1. The Anti-Corruption Council has produced findings that support the conclusion that systemic corruption exists in Serbia and that corruption is pervasive across many sectors. The IDG/AC strongly encourages the Government to commit to reviewing these findings and actively promoting the detection, investigation, enforcement, and deterrence of administrative and criminal corruption cases, especially high-level criminal cases, regardless of political affiliation. An emphasis should be placed on effective horizontal and vertical cooperation and information sharing according to the law, among institutions, including financial institutions, regulatory and oversight bodies, criminal investigators, and prosecutors.

Priority 5. In order to translate political will and policy coordination into action, the IDG/AC encourages the Government to continue the efforts to draft and adopt an Anti-Corruption Strategy and Action Plan, which should reside at the highest level. Lessons learned from the implementation and related weaknesses of the previous strategy should be taken into consideration, including the need for clear prioritization of actions, adequate allocation of resources, the nomination of appropriate responsible institutions, the implementation of case-tracking and other monitoring and evaluation tools, and the definition of relevant indicators to evaluate progress.

## **2.6 LESSONS LEARNED**

The government adopted a National Anti-Corruption Strategy and a respective Action Plan in 2005. The Strategy and Action plan have been implemented slowly and need to be updated. The current Strategy does not cover the education and health sectors, which are areas prone to corruption.

Based on the data collected and analysed, the Anti-Corruption Agency found that evident efforts have been invested to achieve all the objectives given in the Strategy, and that a number of objectives have been achieved to a certain extent. However it also found that most of the achieved objectives were related to the setting-up of the legal and institutional framework for the prevention and suppression of corruption, for the prevention of the conflict of interest in the public sector and for joining regional and international anti-corruption activities.

The Report's assessment of the compliance with the Strategy's recommendations indicates that even after five years of its implementation, a major part of the Strategy still remains relevant, i.e. it is necessary to continue taking appropriate measures in 4 out of 5 tasks

envisaged under the fulfilled and partially fulfilled recommendations and those that are, given the nature of their activities, considered as a permanent task.

External circumstances that are favourable to the implementation of the new strategic document are the following: a certain amount of social consensus has been reached in the process of the Strategy's development, with respect to the set of values that it should promote; it defined the basic monitoring mechanisms, the reporting requirements, and the responsibility for fulfilling the obligations from the Strategy, Action Plan and the sectoral action plans so they have already been made available in advance to all those involved; support of the international community in Serbia for the process of adoption of the Strategy. External challenges for the implementation of the Strategy objectives include a deep-rooted culture of disrespect for legislative acts, possibility of postponement of the adoption or implementation of the Strategy due to the parliamentary, general and local elections, as well as a possible lack of expertise needed to fulfil the obligations stemming from the Strategy.

Corruption is present in the work of state bodies, bodies of territorial autonomy and local self-government, public enterprises, the judiciary and prosecution, health and education institutions.

In the structure of the criminal acts of economic crime, about 40% are criminal offenses with corruption element. Disclosure of criminal offences of corruption has increased in the period 2000-2010. The most common are: official misconduct, falsification of official documents as well as the crimes of bribery. In proportion to the increased detection of corruption offenses, the number of registered persons increased also. These are mostly company directors (responsible persons) and employees of public enterprises. Number of complaints filed in the period 2009 - 2011 is 5827, the number of crimes was 11620, and the number of registered persons was 10 828, of which 143 teachers and 173 health employees.

The Corruption Benchmarking Survey for Serbia conducted by UNDP from June 2012 showed that every third Serbian citizen (35%) has had indirect experience with corruption. Doctors, followed by police officers and civil servants, are the most frequently mentioned professionals given a bribe. The average value of a bribe is 103€.

According to research Corruption in the health done by CeSID in September 2010 citizens believe that the perception of corruption in health care is much more widespread than citizens have direct experience with this phenomenon - for example, citizens believe that the most corrupt area is health care (20%), more than half (58%) believe that most doctors are corrupt (and it is for nurses and technicians considered in 46% of cases). However, on the question whether the past 5 years had the opportunity to bribe someone in the health sector, 64% said it had no such experience, neither they nor their family members. Although 70% of those who claim to have had experience with "corruption" in health care conceded that no one ask anything from them, but they gave themselves a little. Nevertheless, the majority of citizens (55%) believe that what they usually give is not a corruption (e.g. coffee, chocolate), but only a small symbol of appreciation to those who have made them an important service, which influences their health.

Most health workers did not respond to the existence of corruption in their closest environment - the answers are no, or that they do not know. Despite this, most respondents believe that corruption in health care is "elsewhere". For health workers, the main causes of corruption in health care are low wages in this area, the existence of habits in patients for this type of behaviour, and lack of punishment for those who are really determined to receive a bribe. In this regard, the solution of this problem, for employed in health care is improvement in the material standard of health, and education of doctors and patients, punishing those who

actually receive a bribe, as well as better organization of the health system, which will enable the self-health care workers.

The previous anti-corruption project (IPA 2008) which targeted the Anti-Corruption Agency showed that an important challenge is to ensure qualified expertise of consultants. This challenge may be surpassed by reiterating in the ToR expected results and impact of the project, as well as high profile of consultants with great knowledge in this field.

It is for this reason that the current PF will focus on the following key areas identified in the NACS, through horizontal and vertical cooperation and network development of the key institutions that create the anti-corruption system in Serbia. The PF will in particular focus on the implementation of activities which will lead to an increased detection of corruption offences, in areas which have been identified in the past as most corruption prone (health, education, public procurement, and urban and spatial planning) and in their efficient investigation. In this manner it is complementary to projects which will support the efficient prosecution and adjudication of the cases, and contribute to the creation of a better track record of solved corruption cases, especially high corruption cases, in Serbia.

## **2.7 STAKEHOLDERS ANALYSIS**

Since this project includes proposed measures to fight corruption in various fields (e.g. health, education, procurement etc.) it includes several core institutions in its implementation: Office of the Deputy Prime Minister responsible for fight against corruption, Ministry of Justice and Public Administration, Ministry of Interior, Ministry of Education, Science and Technological Development, Ministry of Health, Ministry of Finance and Economy, Ministry of Construction and Urbanism, Anti-Corruption Agency, Republic Public Prosecutors Office and Public Procurement Office, Commissioner for Information of Public Importance and Personal Data Protection and Anti-corruption Council.

Key institutions responsible for implementation would be Ministry of Justice and Public Administration (in charge for overall coordination of the implementation of new Strategy), Anti-Corruption Agency (in charge for monitoring of the implementation of the Strategy), Ministry of Interior, Republic Public Prosecutors Office, other relevant law enforcement institutions, courts, etc. (as it concerns activities related to the Result 3).

Development of the PF will be supported throughout FWC, which will assess indicative areas proposed by the PF and based on the Action Plan suggest concrete measures in specific areas. According to that it Beneficiaries will decide on specific areas, which will be supported under this PF, and relevant institutions will be involved in the project implementation.

For successful implementation of this project of great importance are independent institutions which perform supervision over the activities of state authorities and public officials in different fields , inclusive of the transparency of their work, protection of human rights, legality in spending public funds, conflict of interest, reporting and controlling of property or the integrity of state authorities, such as Anti-Corruption Agency, Commissioner for Information of Public Importance and Personal Data Protection, Ombudsman, State Audit Institution, Public Procurement Office as well as media and CSO.

Bearing in mind cross-cutting nature of anti-corruption measures donor community has important role, since many projects in different field can be used to support anti-corruption activities.

In order to efficiently and effectively manage the project, a Project Steering Committee (PSC) will be established for the supervision and coordination of project activities and for ensuring that an effective coordination takes place between the different components of the project.



PSC will meet quarterly, and ad hoc as required. The PSC will have its chairman, members with voting rights and members with an observer status.

### **3 DESCRIPTION**

#### **3.1 OVERALL OBJECTIVE OF THE PROJECT**

Improve overall efficiency in fight against corruption and reduce all forms of corruption

*Indicators:*

- *Control of Corruption Indicator;*
- *Corruption perception Index.*

#### **3.2 SPECIFIC OBJECTIVE(S) OF THE PROJECT**

Support implementation of the National Anti-Corruption Strategy (NACS) and associated action plan and strengthen the national mechanisms for prevention and fight against corruption.

*Indicators:*

- *Fulfilment of EC recommendations concerning fight against corruption contained in the annual Progress Reports for the Republic of Serbia*

#### **3.3 RESULTS**

The project will work on achieving the following results:

1. Strengthened transparency, efficiency and coordination of anti-corruption institutions and policies in implementing and monitoring measures defined in the National Anti-Corruption Strategy and associated Action Plan in the key nine sectors.

*Indicators:*

- *Level of implementation of Action Plan of National Anti-Corruption Strategy on annual basis;*
- *Decrease in incidents of corruption in key selected areas according to corruption barometer (Judiciary, Police)<sup>11</sup>*

2. Support corruption prevention in line with the strategy and action plan.

*Indicators:*

- *Increase in compliance with integrity requirements (expressed as percentage of National institutions reporting to ACA on integrity plans, from total number of National institutions that are required to report to ACA on this issue)*
- *Enhanced trust of citizens by 15% in state institutions directly dealing with anti-corruption (ACA, Ministry of Interior, Administration for the Prevention of Money Laundering, prosecutors and courts) at the end of project compared with situation at the beginning of the project;*

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<sup>11</sup> Specific areas will be defined according to the results of the FWC and decision on specific areas, which will be subject of the PF

- *Increased total number of public administration employees trained in corruption prevention.*

3. Support to improved quality of the investigation, prosecution and adjudication related to corruption cases

*Indicators:*

- *% of successful<sup>12</sup> indictments out of total amount of PPOs cases compared to previous year;*
- *Introduced IFN (Integrated file number) for easy monitoring of cases;*
- *Adopted relevant legal framework for improved coordination and exchange of data among relevant institutions.*

### **3.4 MAIN ACTIVITIES**

#### **Lists of indicative activities**

##### **Indicative activities related to Result 1.**

1.1. Conduct targeted gap analysis for each of the sectors covered by the project to identify gaps between the provisions of the National Strategy and associated action plan and existing anti-corruption legislative and institutional frameworks and establish step-by-step approach to achievement of the goals of the Action Plan

1.2. Support implementation of gap plugging activities based on the sector gap analysis.

1.3. Support the preparation and implementation of a monitoring and reporting system so as the Anti-Corruption Agency and other relevant institutions are better prepared to monitor and steer implementation of NACS and associated Action Plan.

##### **Indicative activities related to Result 2.**

2.1. Identify target groups and training needs assessment for the relevant bodies and institutions involved in the prevention and fight against corruption for efficient implementation of anticorruption policy in particular the rules on asset declaration, conflict of interests, reporting of financing of electoral campaigns, financing of political parties, prevention of corruption.

2.2.. Implementation of training program, curricula and training materials for all relevant bodies and institutions involved in the prevention and fight against corruption.

2.3. Support to the implementation of the legislation for protection of whistleblowers, and analysis and dissemination of best practices concerning their protection

2.4. Organisation of specific awareness campaign for the most important areas such as health and education or the whistle blowers system. Measures will include public debates, round tables discussions, visibility material, press and TV clippings, TV video production and broadcasting, survey, guide-book.

2.5. Support cooperation of institutions involved in project implementation with media and non-governmental organizations aimed at raising awareness on measures that can be undertaken to combat corruption in the specific area.

2.6. Support CSOs in promoting citizen's rights and obligations related to anticorruption legislation

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<sup>12</sup> “successful refers to indictments followed by the judgments of conviction”

2.7. Conducting surveys (two surveys – at the beginning and at the end of the project) on the visibility of the institutions involved in the prevention and fight against corruption, and on the public trust in respective institutions.

### **Indicative activities related to Result 3.**

3.1. Developing methodology for gathering and processing statistical data relevant for the anticorruption policy and support their gathering and analysis.

3.2. Conduct the human resource assessment within all anti-corruption involved Investigations Units taking into consideration the specificity of the Sector and the scope of investigations.

3.3. Improve the tasking and coordination process to enhance the level of cooperation between relevant authorities (e.g. customs and tax authorities, land and immovable property registries) and develop their ability to conduct high quality joint investigations

3.4. Provide basic and advanced trainings for investigators, prosecutors, judges and lawyers for the processing of corruption and economic crimes related offences based on risk assessment methodology developed in IPA 2011 project.

3.5. Provide advanced training on financial intelligence gathering, detection of corruption through analysis tools and dissemination of different information in order to enhance the analytical capability within all anti-corruption involved Investigation Units and prosecutors.

3.6. Increase the cooperation, consultation and experience exchange between all anti-corruption involved Investigation Units, other criminal and financial intelligence units and where relevant with relevant bodies abroad.

3.7. Assist all anti-corruption Investigation Units and prosecutors to develop crime investigative skills, such as asset tracing.

3.8. Support to the Police Directorate of the Ministry of Interior, the Ministry of Justice and Public Administration and Republic Public Prosecutor's Office of Serbia, Administration for the Prevention of Money Laundering and ACA and other bodies in the establishment of the efficient system for exchange of information and data and improvement of the inter institutional cooperation when it comes to the data exchange. If required legislative changes will be introduced.

3.9. Based on the Action Plan for the NACS conduct analysis of IT software development or improvement needs as well as of IT hardware needs with a step-by-step approach including cost-benefit analysis.

3.10 Implementation of software development components of the analysis under 3.9 including installation, testing, training and monitoring of implementation as required.

3.11. Introduction of a unique identity number of cases, by which case may be tracked through institutions on its way from point of receipt of report on corruption and other crimes to the conclusion of the case.

This project will be implemented through two contracts:

- One service contract 4.000.000 EUR
- One twinning contract 2.000.000 EUR

### **3.5 ASSESSMENT OF PROJECT IMPACT, CATALYTIC EFFECT AND CROSS BORDER IMPACT (WHERE APPLICABLE)**

#### **Catalytic Effect**

The project will involve strengthening the national capacities for fight against corruption. The implementation of the legal provisions for financing of political parties, electoral campaigns, the declaration of assets of the public officials will directly benefit for increased transparency, accountability of the political system, hence strengthening the principles of good governance in the society. The media will continue to be instrumental in boosting public awareness as it reports on cases that will be part of the Anti-Corruption efforts which will be supported by the proposed project. This will be expected to have a catalytic effect in encouraging greater public participation in the battle against corruption.

### **Cross Border Impact**

The project will tackle the issue of serious crime investigation and adjudication, therefore providing significant impact on cross border crime prevention in the region and on EU borders. Project activities should strengthen MoI/MoJPA/ACA networking in regional and global anti-corruption initiatives (IACA and others).

### **3.6 SUSTAINABILITY**

Sustainability of the PF will be ensured through several measures:

Implementation of this project will contribute to the overall efficiency of the fight against corruption and strengthen citizens' confidence in the public institutions.

Implementation of the project will contribute towards development of a harmonized collection, processing and reporting on statistic and analytic indicators between all relevant actors.

Implementation of the project will contribute towards the improved information sharing, exchange of evidences and improved communication between law enforcement and judiciary.

Implementation of the project will enable improved inter-departmental cooperation between different law enforcement agencies, independent institutions, state authorities and judiciary.

Implementation of this project will create the preconditions for better inter-agency cooperation, and will further strengthen capacity for preventive and monitoring anti-corruption initiatives.

Implementation of measures related to public procurement will create financial savings that can be used for other anti-corruption measures and/or job generating investments.

Maintenance of the IT will be ensured by beneficiary institutions.

### **3.7 ASSUMPTIONS AND PRE-CONDITIONS<sup>13</sup>**

Formal adoption of the National Anti-Corruption Strategy 2013-2018 and its Action Plan is precondition to start implementation of this project.

Assumptions relevant for this project are as follows:

- Political environment allows the project to pursue its goals;
- Political willingness to combat corruption and implement relevant reforms;

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<sup>13</sup> Assumptions are external factors that have the potential to influence (or even determine) the success of a project but lie outside the control of the implementation managers. Such factors are sometimes referred to as risks or assumptions but the Commission requires that all risks shall be expressed as assumptions. Pre-conditions are requirements that must be met before the sector support can start.

- Availability of the appropriate staff – full commitment and participation of the senior management of the relevant institutions.
- Sound cooperation and coordination between all relevant institutions;
- Beneficiary institutions provide the necessary human, material and financial support to the project;
- Active interest of the participants on the training sessions;
- Active co-operation among the relevant institutions involved in activities for prevention of corruption;
- Coordination mechanism with other projects on anti-corruption established and continuously updated.

#### **4 IMPLEMENTATION ISSUES**

In order to ensure greater impact of this project and its deeper implementation, in implementation of this contract the contractor will ensure creation of small teams for each of the areas covered by the project. Each team will be placed in institution in charge for specific area. The Ministry of Justice and Public Administration and team leader will ensure close cooperation between these teams in order to ensure complementarity of their work.

##### **4.1 INDICATIVE BUDGET**

- Preliminary estimation of the budget: 5.500.000 EUR
- Overall cost (VAT excluded): 6.000.000 EUR

**Indicative Project budget (amounts in EUR) (for decentralised management)**

PROJECT TITLE			SOURCES OF FUNDING										
			TOTAL EXPENDITURE	TOTAL PUBLIC EXPENDITURE	IPA CONTRIBUTION		NATIONAL PUBLIC CONTRIBUTION					PRIVATE CONTRIBUTION	
	IB (1)	INV (1)	EUR (a)=(b)+(e)	EUR (b)=(c)+(d)	EUR (c)	% (2)	Total EUR (d)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/Local EUR (y)	IFIs EUR (z)	EUR (e)	% (3)
Activity 1			6.000.000	6.000.000	5.500.000	92	500.000	8	500.000				
Contract 1.1 Service contract	X	–	4.000.000	4.000.000	3.600.000	90	400.000	10	400.000				–
Contract 1.2 Twinning contract	X	–	2.000.000	2.000.000	1.900.000	95	100.000	5	100.000				–
TOTAL IB			6.000.000	6.000.000	5.500.000	92	500.000	8	500.000				
TOTAL INV													
<b>TOTAL PROJECT</b>			<b>6.000.000</b>	<b>6.000.000</b>	<b>5.500.000</b>	<b>92</b>	<b>500.000</b>	<b>8</b>	<b>500.000</b>				

*NOTE: DO NOT MIX IB AND INV IN THE SAME ROW. USE SEPARATE ROWS.*

Amounts net of VAT

- (1) In the Activity row, use "X" to identify whether IB or INV
- (2) Expressed in % of the **Public** Expenditure (column (b))
- (3) Expressed in % of the **Total** Expenditure (column (a))

**4.2 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN BY QUARTER)**

Contracts	Start of Tendering/ Call for proposals	Signature of contract	Project Completion
Contract 1.1	T+1Q	T + 3Q	T + 12Q
Contract 1.2	T+1Q	T + 3Q	T + 15Q

**4.3 CROSS CUTTING ISSUES**

**4.3.1 Equal Opportunities and non discrimination**

Equal opportunities for men and women will be guaranteed as an integral part of the implementation of this project. Even though the project is gender-neutral, the implementer shall be required to make sure that any training under the project is available to men and women. Reports on trainings will have to contain gender disaggregated data. Equal gender opportunities will be fully respected in the composition of the Steering Committee and where necessary. In addition to this, the internal policies, structure or operating procedures of the beneficiaries, as well as products and outputs produced by the beneficiaries (e.g. laws, regulations, policies, and strategies) will conform to the relevant principles of equal opportunities and non-discrimination.

**4.3.2 Environment and climate change**

The environmental impact of this project will be limited. It will not have a negative impact on the environment nor jeopardise environment, health and security in the future. The project will be delivered in the most environmentally friendly way possible, including the recycling of paper and the reduction of paper-based activities to the absolute minimum, including through distribution of project materials through uploading them on intranet/internet.

**4.3.3 Minorities and vulnerable groups**

The improvement in the judiciary's operations will enhance the responsiveness of courts towards all citizens including those belonging to national minority groups.

**4.3.4 Civil Society/Stakeholders involvement**

The project will support the reform, which leads to increasing the efficiency against corruption, but the civil society will be involved in the establishment of the measures for assessment of the level of corruption and assessment of the effects of the anticorruption measures, as well as in the measurement of the public awareness and perception of corruption.

