

IPA National Programme 2010 – Bosnia and Herzegovina

Fiche 5 "Anti-Corruption"

1. Basic information

1.1 CRIS Number: 2010 / 022-259

1.2 Title: Implementation of the Anti-Corruption Strategy and Action Plan

1.3 ELARG Statistical code: 01.24 Political criteria/ Justice, Freedom and Security

1.4 Location: Bosnia and Herzegovina

Implementing arrangements:

1.5 Contracting Authority: The European Union represented by the European Commission for and on behalf of the beneficiary country

1.6 Implementing Agency: N.A.

1.7 Beneficiary:

Ministry of Security

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Agency for Prevention of Corruption and Coordination in the Fight against Corruption

Secondary beneficiaries:

State Investigation and Protection Agency (SIPA); Ministry of Interior, Federation of Bosnia and Herzegovina, Ministry of Interior, Republic of Srpska; Police Directorate, Brcko District ; Prosecutors' Office (state and entity level and Brcko District); Ministries of Justice (state and entity level, Brcko District Judicial Commission); Public Administration Reform Coordinator's Office (PARCO), Central Electoral Commission; Civil Service Agency; Agency for Public Procurement, and other public institutions mandated to fight corruption.

Financing:

1.8 Overall cost (VAT excluded): EUR 2 000 000

1.9 EU contribution: EUR 2 000 000

1.10 Final date for contracting: Two years following the date of the conclusion of the Financing Agreement.

1.11 Final date for execution of contracts: Two years following the end date of contracting.

1.12 Final date for disbursements: One year following the end date for the execution of contracts.

2. Overall Objective and Project Purpose

2.1 Overall Objective:

Contribute to the fight against corruption and effective corruption prevention in Bosnia and Herzegovina.

2.2 Project purpose:

To support the institutions in Bosnia and Herzegovina to effectively implement the Anti-Corruption Strategy and its Action Plan in cooperation with civil society organisations and business associations.

2.3 Link with AP/NPAA / EP/ SAA

The European Partnership identifies under the short term priorities (Section 3.1.) related to the political criteria (Democracy and rule of law) the following measures:

Anti-corruption policy

- Adopt and implement a detailed action plan against corruption, based on the national anti-corruption strategy;
- Implement the recommendations made by the Group of States against Corruption (GRECO) and the obligations resulting from international conventions on corruption;
- Prosecute corruption vigorously and adopt a zero-tolerance policy towards corruption;
- Ensure proper implementation of the law on conflict of interests.

According to Article 78 of the Stabilisation and Association Agreement (SAA) on the Reinforcement of institutions and rule of law "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. Co-operation shall notably aim at strengthening the independence of the judiciary and improving its efficiency and institutional capacity, enhancing access to justice, developing adequate structures for the police, customs and other law enforcement bodies, providing adequate training and fighting corruption and organised crime."

According to Article 84 of the SAA on Preventing and combating organised crime and other illegal activities "the Parties shall cooperate on combating and preventing criminal and illegal activities, organised or otherwise, such as: ...c) corruption, both in the private and public sector, in particular linked to non-transparent administrative practices;..."

The Bosnia and Herzegovina 2009 Progress Report points out that "Bosnia and Herzegovina has made little progress in fighting corruption. However, considerable further efforts remain necessary in this area. The implementation of the corruption-related aspects of the 2006-2009 Strategy for fight against organised crime and corruption has shown very limited results.

Insufficient implementation of the legal framework and problems in coordination between the Entities constitute an issue of concern".

As part of its efforts to achieve benchmarks in the visa liberalisation process the Council of Ministers adopted the National Anti-Corruption Strategy (ACS) 2009-2014 and Action Plan (AP) as well as the Law on the Agency for Corruption Prevention and Coordination of the Fight against Corruption.

2.4 Link with MIPD

The MIPD 2009 – 2011 states that "the assistance to comply with the political criteria will also build on the judicial reform strategy, the strategy of public internal financial controls, the strategy against corruption and organised crime, and others."

Objectives and choices in the field of Rule of Law are to "support the police reform, the reform of the judicial system and assist in the implementation of the anti-corruption policy."

Expected results and indicators are that "the anti-corruption policy is implemented. The recommendation made by the Group of States against Corruption (GRECO) and the obligations resulting from international conventions on corruption are implemented. Corruption is vigorously prosecuted and the law on conflict of interest is implemented."

In the field of Fight against organised crime including money laundering and drug trafficking, fight against terrorism and corruption expected results are that "The capabilities of the law enforcement agencies are improved. The conditions to achieve visa liberalisation are met."

Moreover, the fight against corruption is considered a cross cutting issue. "Specific action instruments for the good governance, with particular attention to fight against corruption, will be incorporated on a horizontal basis."

2.5 Link with National Development Plan

Bosnia and Herzegovina has completed drafting of the National Development Strategy 2008 - 2013 and Social Inclusion Strategy that will serve as the basis for the National Development Plan. Both strategies are expected to be adopted at the beginning of 2010.

The project is linked to the strategic goal: "2. Competitiveness" and the strategic sub goal "2.4. Single Economic Space".

In the 2006 EU Integration Strategy of Bosnia and Herzegovina under chapter 2.1.2, Democracy and Rule of Law, the necessary measures foresee to "ensure that all political subjects and institutions in BiH implement and apply provisions of the law on conflict of interest."

Under chapter 2.3.8, Justice and Home affairs, measures include to "adopt and implement a state strategy to combat corruption."

3. Description of project

3.1 Background and justification:

The capacity of potential candidate countries in the Western Balkans to design and implement anti-corruption policies is an important political criterion required by the European Commission for future accession to the European Union.

The Bosnia and Herzegovina 2009 Progress Report points out that "overall, corruption in Bosnia and Herzegovina is prevalent in many areas and continues to be a serious problem, especially within government and other State and Entity structures, linked to public procurement, business licensing, in the health, energy, transportation infrastructure and education sectors. Private sector corruption is also prevalent. The establishment of an anti-corruption body, the implementation of the updated Strategy and Action Plan, as well as consequent investigation and prosecution of corruption cases, need to be ensured."

According to Transparency International various corruption scandals along with the lack of implementation and enforcement of anti-corruption reforms are likely factors in Bosnia and Herzegovina having the lowest score (3.0) in South Eastern Europe in the 2009 Corruption Perception Index (CPI).

Even though there are not many quantitative assessments of corruption in Bosnia and Herzegovina available, there is evidence for widespread petty and administrative corruption as well as for political and grand scale corruption.

One of the root causes of the latter in Bosnia and Herzegovina goes back to the close ties between a criminal elite emerging from the war and the political elite. Economic power accumulated during the war was turned into political capital; close links between the business sector and politics and a high level of state capture are the consequences; anti-corruption reforms thus might constitute a direct threat to parts of the political elite. A highly politicised public sector and different administrative layers with their respective legislation and competencies don't favour the enforcement of accountability of governmental structures and facilitate abuse of office and the diversion of public funds. Moreover, the practice of "ethnic" appointments in the public administration contributes to its vulnerability to corruption.

Petty or low-level corruption in public sector service delivery such as health and education seems to be widespread. Fragmentation and the lack of common oversight structures and government enforcement of standards and performance render even the collection of data and the detection of abusive practices difficult. Petty corruption in these sectors can constitute a heavy burden on the individual household and undermines trust of citizens in the institutions. Since the distribution of negative effects on the population is always to the detriment of the most vulnerable groups, such as the un-employed, low-income groups or the elderly, corruption exacerbates poverty and inequality in the society. The same can be said about the effect of corruption in the judiciary and the enforcement sector. Fragmentation and undue influence of the political level on the police and the judiciary undermine the rule of law and discourage recourse to legal action.

Corruption is also perceived by both EU and domestic enterprises as being the chief hurdle to investing in the region and doing business efficiently. According to recent research carried out by the EUROCHAMBRES' initiative "Partners for Investment", three main factors are identified as being the source of such a situation: a not enough developed anti-corruption strategy and legal framework, a not reliable enough public administration and, finally, a lack of adoption of international conventions.

In September 2009 the Council of Ministers adopted the National Anti-Corruption Strategy (ACS) 2009-2014 and Action Plan (AP) as well as a Draft Law on the Agency for Corruption Prevention and Coordination of the Fight against Corruption. All three documents have been drafted by an interdepartmental working group with the participation of state, entity and Brcko District representatives. The Law on the Agency for Corruption Prevention and Coordination of the Fight against Corruption was adopted in December 2009 by the Parliamentary Assembly of Bosnia and Herzegovina.

The establishment of the Agency shall remedy the lack of a sound information base on corruption and its measurement and thus allow getting an overview of the situation with regard to corruption in the country. Even though the new body will not have enforcement competencies it will emphasise the importance of corruption prevention and might create a new momentum with regard to combating and preventing corruption in the country. The Agency will be responsible for the implementation of the Anti-Corruption Strategy 2009-2014 and Action Plan and the coordination of strategies of institutions mandated to fight corruption at the entity and local level. The Agency will be supported under IPA 2009 through a project that focuses on creating policy development and implementation capacities in public institutions at the state and entity level (Anti-corruption I).

The current project will go a step further. It will support overall assessment of the ethic infrastructure and status of implementation of the AC-Strategy and Action plan. It will focus on public sector integrity and thus effect the functioning of the public administration. It will further address corruption in public-private relations by improving ethics in public procurement and working with the business sector.

The members of the working group that was developing the Anti-corruption Strategy and Action Plan including representatives of the state, entity and Brcko District level administration, PARCO, the Central Electoral Commission, Agency for Civil Service, Agency for Public Procurement, law enforcement agencies and representatives of the Parliament and Civil society participated in the design of this project.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact

Anti-corruption efforts and political will to address the issue in Bosnia and Herzegovina so far are weak. The steps undertaken recently to build anti-corruption policy development and implementation capacities and the development of a national strategy and action plan were driven by the visa liberalisation dialogue. However, effective implementation of the above is needed to achieve measurable progress. IPA 2009 supports the Anti-corruption Agency and thus helps to create the necessary capacities to effectively manage and implement this project.

By supporting anti-corruption measures throughout the public sector the project contributes in the longer run to more efficient and effective public management. Addressing private-public corruption and working with the business sector will have a positive effect on business and economic development opportunities.

Sustainability will be ensured through the creation of institutional capacity for Anti-corruption policy development and implementation through IPA 2009. The implementation of this project will further strengthen the capacities of the beneficiary institutions to implement anti-corruption measures.

Throughout the project emphasis is put on incorporating anti-corruption measures into the existing institutions in order to ensure sustainability; anti-corruption training capacities will be developed within existing training institutions and programmes with the same aim. Thus a sustainable anti-corruption system will be set up.

3.3 Results and measurable indicators:

Result 1: The Anti-Corruption Strategy is updated and implemented.

Result 1.1: Assessment of implementation status, capacity needs assessments, legislative review and assessments of ethic infrastructure are carried out.

Result 1.2: Capacities of relevant institutions in Bosnia and Herzegovina for the implementation, coordination, monitoring and evaluation of the ACS/AP are strengthened.

Result 1.3: Amendments to the legislative framework are formulated with particular attention to regulating the private-public interface and to whistleblower protection.

Indicators:

1. 70 % of the measures foreseen in the ACS and AP are implemented within the foreseen timeframe.
2. 70 % of the implemented measures and activities were carried out with the participation of civil society, business associations, media, local government representatives and other stakeholders.
3. The legislative framework regarding whistleblower protection and forfeiture of corruption proceeds is fully compliant with international conventions.

Result 2: Business sector integrity is strengthened.

Result 2.1: Codes of good (responsible) business practices are enforced and business associations are involved in the fight against corruption at all levels.

Result 2.2: Anti-corruption mechanisms in public procurement procedures are strengthened.

Indicators:

1. At least seven PR events the Chamber of Commerce/business associations are organised to promote the values of integrity, transparency and accountability in the way business is done in Bosnia and Herzegovina.
2. Codes of conduct developed, discussed with stakeholders and adopted by business association.
3. At least 15 % of companies registered in the Chamber of Commerce having incorporated integrity standards.
4. Public procurement procedures reviewed and measures to reduce corruption integrated.

Result 3: Strengthened integrity in public service through the building of an effective and efficient ethics infrastructure.

Indicators:

1. At least three institutions at the central, three at the entity level and three in Brcko District have implemented a set of measures to improve their ethics infrastructure.
2. PARCO and the Civil Service Agency at state level and agencies at entity level and Government of Brcko District have incorporated proposals for strengthening the ethics infrastructure in their daily operations.
3. Hotline established for ethics enquiries.

Result 4: Training processes and capacities strengthened; AC and integrity training mainstreamed in the existing training programs.

Indicators:

1. Training programs for all public servants include anti-corruption modules.
2. Anti-corruption training programs are mandatory.

3. 70 % of political level personnel, civil servants and employment-based contracts having received anti-corruption training.
4. Anti-corruption modules included in regular management training.
5. AC and integrity training is mainstreamed in the existing training programs of the training institutions – such as police academy, public administration training centre, the Prosecutors training centres etc.
6. Training programmes drafted and adopted.
7. Number of Trainers trained and carrying out trainings.
8. Civil servants adequately equipped with anti-corruption skills.

3.4 Activities:

All activities are carried out in several components of one service contract (TA) of an indicative amount EUR 2 000 000. The activities of the project include the following activities, but should not be strictly limited to them.

Activities related to Result 1:

- 1.1.1. Assess the needs and the current situation regarding the implementation of the ACS and the AP;
- 1.1.2. Assess the institutional capacity of all institutions involved in policy implementation, coordination, monitoring and evaluation;
- 1.1.3. Perform a review of the legislative framework with regard to identifying inconsistencies that need addressing;
- 1.1.4. Perform a review and issue recommendations on the application of the disciplinary procedures, management & leadership issues in the public service; on training in the public service; on the Freedom of information and open government legislation and practices; Conflicts of Interest management policies at political and administrative level; the interface between political level and administration; integrity of the Election campaign and political parties funding in the political process;
- 1.1.5. Review the needs and practices of integrity and anti-corruption related training in the public service;
- 1.2.1. Support the identification and implementation of relevant measures of the ACS and AP in at least three institutions at central, three institutions at entity level and three institutions in Brcko District;
- 1.2.2. Develop an inclusive process for introducing amendments to the ACS/AP to ensure the participation of all stakeholders; prepare a manual on conducting stakeholder consultations;
- 1.2.3. Carry out stakeholder consultations for the assessment and amendment of the strategy at all administrative levels;
- 1.3.1. Formulate amendments to the ACS/AP and the legislative framework with particular attention to regulating the private-public interface and to whistleblower protection;
- 1.3.2. Assist in drafting legislation on Lobbying (including obligations for the lobbyists to register, to openly declare who their employers are, whom they are lobbying, with what means and to what effect);

- 1.3.3. Develop and introduce whistleblower protection legislation;
- 1.3.4. Assist in developing of legal regulations on forfeiture corruption proceeds;
- 1.3.5. Assist in developing of a public communication strategy – in order to educate the public at large on the dangers of corruption and the means to combat it and on the individual responsibilities of every citizen;
- 1.3.6. Propose different procedures for different acts of corruption to perform more effective investigation.

Activities related to Result 2:

- 2.1. Identify the relevant stakeholder organisations (business associations); establish contact and work together to identify the integrity issues that may be subject to regulation (self-regulation);
- 2.2. Develop codes of good (responsible) conduct (business practices) and involve the business associations in the fight against corruption at all levels;
- 2.3. Develop Integrity standards for the way business is done in the country;
- 2.4. Organize a process of advocacy for adoption of the codes of conduct;
- 2.5. Review the public procurement legislation and suggest measures to reduce corruption.

Activities related to Result 3:

- 3.1. Prepare an assessment of the public service ethic infrastructure including a review of the application of disciplinary procedures, management & leadership issues, training and freedom of information and open government issues;
- 3.2. Formulate in cooperation with the stakeholders specific proposals and assist in undertaking actions for the improvement of the public service ethics infrastructure (fitted to the ACS/AP);
- 3.3. Support on a continuous basis selected institutions in implementing the recommendations formulated as a result of the assessment of the ethics infrastructure;
- 3.4. Support in drafting a code of conduct, free hotline and establishing an Ethics Board.

Activities related to Result 4:

- 4.1. Analyse existing public servants' training programs; suggest and develop AC modules/integrity training programs to be included;
- 4.2. Organise advocacy for the mandatory inclusion of these (integrity) training programs in existing training programs throughout the public sector;
- 4.3. Develop modules and provide AC (integrity) training for political level personnel, civil servants and employment-based contracts;
- 4.4. Organise advocacy for the mandatory inclusion of AC (integrity) modules in the regular management training;
- 4.6. Develop curricula, training materials and pedagogical tools to deliver training on selected issues (such as conflict of interest management);

4.7. Perform trainings and provide support to the development of the e-learning platform; ensure that the training is available also in web-based format;

4.8 Develop AC training capacities within the existing training structures.

3.5 Conditionality and sequencing:

The following conditions to be met or actions to be undertaken or approved before the service contract can start:

- The Agency for Prevention of Corruption and Coordination in the Fight against Corruption has to be established and functioning:
 - its internal legal framework has to be developed and adopted (Rulebook, Code of Conduct, Guidelines, Standard Operative Procedures, Manuals as well as bylaws relating to the affairs of the authority of the Agency and on the coordination of the Anti-Corruption Strategy implementation, on the preventive and educational programs of the Agency)
 - it has to be provided with sufficient financial/material and human resources (office space, dedicated budget, staff necessary for Agency functioning appointed).
- The designated bodies in charge of preventing corruption as defined in Article 23 of the Law on the Agency for Corruption Prevention and Coordination of the Fight against Corruption have to have staff appointed for developing and implementing AC strategies and Action plans.
- Sufficient involvement and motivation of institutions and staff has to be demonstrated.

First a comprehensive review of the implementation of the ACS/AP as well as of the status of the legal framework and actual situation in main fields of anti-corruption prevention will be carried out; on the basis of this assessment, proposals for further regulation will be formulated. In this first phase the ethics infrastructure on the public service and the procurement procedures will be assessed. On the basis of this assessment specific proposals for improvement will be developed and selected institutions will be supported in the implementation of the proposed measures.

3.6 Linked activities

The project *“Strengthening the capacities of BiH institutions to combat and prevent corruption”* under IPA 2009 aims to strengthen the capacities of Bosnia and Herzegovina institutions to enforce accountability and to effectively fight and prevent corruption. It focuses on the reinforcement of AC policy development and implementation capacities. It will support the new Anti-corruption Agency as well as other public institutions mandated to fight corruption at different administrative levels.

The project "Support to the Area of Law Enforcement" under IPA 2010 includes a component "Fight against corruption". It will focus on strengthening the capacities and capabilities of police bodies and prosecutors to effectively investigate and prosecute corruption and is thus complementary to this project.

Component II of the *“Grant Scheme to CSOs on Anti-Corruption”* aims at supporting CSOs to become more aware of various types of corruption and what the measures for anti-corruption are. This component is comprised of a grant scheme for CSOs in the amount of EUR 750 000 and technical assistance to the final grant beneficiaries in the amount of EUR 250 000. This project is a follow up to the IPA 2009 (EUR 500 000) anti-corruption

component. IPA 2008 focuses on small grants provided for CSOs (plus TA to final grant beneficiaries), whereas IPA 2009 will focus on several large grants on specific topics that arise as key areas from the IPA 2008 project.

IPA Programme on Civil Society Facility – Horizontal Activities (Technical Assistance, People 2 People, Partnership Actions) through its 3.3 subsection “Fight against Corruption, Organised Crime and Trafficking“ (Indicative Budget 1,7 Mill EUR) aims to achieve the following results: improved position of CSOs with respect to public information and policy advice; improved cooperation between CSOs and States about elaboration and implementation of measures against corruption, organized crime and illegal trafficking; enlarged citizens participation in civil society activity.

The EC financed project *"Assessment of Corruption and Crime in the Western Balkan"* implemented by UNODC aims at providing an evidence-based assessment of corruption nature and patterns in the region and in each Western Balkan country/territory, as well as to strengthen capacity to conduct sustainable and regionally comparable assessments.

3.7 Lessons learned

The approach of the donor community in the past was to integrate corruption concerns into comprehensive sectoral reform efforts and the overall establishment of rule of law, the introduction of legislation focusing on repression and the strengthening of law enforcement and judiciary institutions in general. Only few explicit anti-corruption programs and projects were carried out mainly focusing on Public relations campaigns and hotlines in the law enforcement sector. While it is still a valid consideration that corruption cannot be fought independently from sector reforms and has to be linked to overall institution and capacity building efforts, there is also a risk that without addressing it explicitly it might not be taken into consideration sufficiently; a sound information base – data, information and analysis – regarding the phenomenon of corruption in different sectors as well as knowledge and skills on how to build anti-corruption measures into overall reforms is a necessary precondition for a holistic approach.

As experience in other countries showed, there is a certain risk that a new anti-corruption agency will only serve to avoid addressing the root causes and tackling the problem in a more efficient way. However, given the very specific and very complex institutional set up of the country, a specialised structure with a clear mandate vis-à-vis other institutions and well established monitoring and cooperation mechanisms is indispensable. Also, the project will not only work with the new Agency but also with all other relevant institutions mandated to fight corruption and different administrative levels.

4. Indicative Budget (amounts in EUR)

			SOURCES OF FUNDING									
			TOTAL EXP.RE	IPA EU CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	% (2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Activity 1 - 5	X		2 000 000	2 000 000	100							
Contract 1. 1 (Service Contract)	-	-	2 000 000	2 000 000	100							
TOTAL IB			2 000 000	2 000 000	100							
TOTAL INV												
TOTAL PROJECT			2 000 000	2 000 000	100							

Amounts net of VAT

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

5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1.1 (Service Contract)	Q1/2011	Q3/2011	Q3/2013

6. Cross cutting issues

6.1 Equal Opportunity

Due to traditional role pattern women are often more vulnerable to corruption than men. It widens the gender gap because it is often redistributed from the poor (disproportionately women) to office holders (mostly men). There are also ways in which corruption has a particular harsh effect on women, since it might add to already existing social, political, institutional and cultural discrimination.

Therefore the project should assess the implications for men and women of any planned action, thereby ensuring that women's as well as men's concerns and experiences are reflected in the design, and implementation of activities, so that men and women benefit equally.

Based on the fundamental principles of promoting equality and combating discrimination, participation in the project will be guaranteed on the basis of equal access regardless of sex, racial or ethnic origin, religion or belief, age or sexual orientation.

6.2 Environment

The project is not anticipated to have negative effects on the environment within the prevailing laws.

6.3 Minorities

There is a risk that the most vulnerable members of minority groups are more adversely affected by corruption than others, especially the very poor, who have no resources to compete with those willing to pay bribes. Therefore the project should assess specific implications for minorities when designing and implementing actions.

ANNEXES

- I Log frame in Standard Format
- II Amounts contracted and Disbursed per Quarter over the full duration of Programme
- III Description of Institutional Framework
- IV Reference to laws, regulations and strategic documents
- V Details per EU funded contract

ANNEX I: Logical framework matrix

LOGFRAME PLANNING MATRIX FOR Project Fiche	Programme name: IPA National Programme 2010 – Bosnia and Herzegovina Fiche 5 " Anti-Corruption"		
	Contracting period expires: Two years following the date of the conclusion of the Financing Agreement		Disbursement period expires: One year following the end date for the execution of contracts
		Total budget : EUR 2 000 000	IPA budget: EUR 2 000 000
Overall objective	Objectively verifiable indicators	Sources of Verification	
Contribute to the fight against corruption and effective corruption prevention in Bosnia and Herzegovina.	<p>Increased integrity and more effective anti-corruption prevention in Bosnia & Herzegovina;</p> <p>Increased effectiveness of the institutions in counteracting corruption and other wicked practices;</p> <p>Increase in the number of corruption cases revealed and prosecuted;</p> <p>More effective legislation in relation to Integrity promotion and AC prevention elaborated and adopted;</p> <p>Improved cooperation between public administration, business sector and NGOs in promotion of integrity and fighting corruption.</p>	<p>Statistical data;</p> <p>Improved corruption level indices 0 TI CPI, WB WGI;</p> <p>Effective legislation and strategic documents promoting integrity, accountability and corruption prevention in Bosnia & Herzegovina adopted.</p>	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
To support the institutions in Bosnia and Herzegovina to effectively implement the Anti-corruption Strategy and its Action Plan in cooperation with civil society organisations and business associations.	<p>Effective application of the principles (pillars) included in the ACS/AP: Education and Public Awareness; Elimination of Corruption Opportunities; Transparency and Reporting; Controls and Penalties</p> <p>Amendments in AC legislation made and active AC legislation applied</p> <p>Ethics Infrastructure improved</p>	<p>Successfully realised joint projects in promotion of integrity and prevention on corruption</p> <p>Protocols and reports of the undertaken initiatives</p> <p>Evaluation of integrity related initiatives undertaken under the project</p> <p>Revised legislation</p>	<p>Political stability within the country</p> <p>Political commitment to promoting integrity</p> <p>Desire and will of all the interested parties in Bosnia & Herzegovina to counteract on corruption and promote integrity, accountability and openness</p> <p>Sufficient resources available from the side of the Government</p>

	<p>Work effectiveness of the institutions in Bosnia and Herzegovina improved</p> <p>People are fully aware of the advantages in promoting integrity and fighting corruption</p> <p>Trainings and workshops organized in promotion of integrity (AC)</p>	<p>Reports of external monitoring and inspection</p> <p>Publications and reports</p> <p>Protocols and minutes</p>	
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<p><u>Result 1:</u> The Anti-Corruption Strategy is updated and implemented.</p> <p>Result 1.1: Assessment of implementation status, capacity needs assessments, legislative review and assessments of ethic infrastructure are carried out.</p> <p>Result 1.2: Capacities of relevant institutions in Bosnia and Herzegovina for the implementation, coordination, monitoring and evaluation of the ACS/AP are strengthened.</p> <p>Result 1.3: Amendments to the legislative framework are formulated with particular attention to regulating the private-public interface and to whistleblower protection.</p> <p><u>Result 2:</u> Business sector integrity is strengthened.</p> <p>Result 2.1: Codes of good (responsible) business practices are enforced and business associations are involved in the fight against corruption at all levels.</p> <p>Result 2.2: Anti-corruption mechanisms in public procurement procedures are strengthened.</p>	<p>1. 70 % of the measures foreseen in the ACS and AP are implemented with the foreseen timeframe.</p> <p>2. 70 % of the implemented measures and activities were carried out with the participation of civil society, business associations, media, local government representatives and other stakeholders.</p> <p>3. The legislative framework regarding whistleblower protection and forfeiture of corruption proceeds is fully compliant with international conventions.</p> <p>1. At least seven PR events the Chamber of Commerce/business associations are organised to promote the values of integrity, transparency and accountability in the way business is done in Bosnia and Herzegovina.</p> <p>2. Codes of conduct developed, discussed with stakeholders and adopted by business association.</p> <p>3. At least 15 % of companies registered in the Chamber of commerce</p>	<p>Project documentation:</p> <p>Progress interim reports, protocols and minutes.</p> <p>Documentary products under the project</p> <p>External monitoring reports;</p> <p>Revised and acting legislation</p> <p>Respective enactments of legislation published</p> <p>Assessment reports;</p> <p>Training lists;</p> <p>Evaluation forms;</p> <p>Training evaluation reports;</p> <p>Publications and photos;</p>	<p>Cooperation of the Bosnia and Herzegovina institutions.</p> <p>Readiness for fulfilment of the AC reforms.</p> <p>Timely mobilisation of all necessary resources</p> <p>Commitment of all the interested parties in fulfilment of the tasks and assignments.</p>

<p>Result 3: Strengthened integrity in public service through the building of an effective and efficient ethics infrastructure.</p> <p><u>Result 4:</u> Training processes and capacities strengthened; AC and integrity training mainstreamed in the existing training programs.</p>	<p>having incorporated integrity standards.</p> <p>4. Public procurement procedures reviewed and measures to reduce corruption integrated.</p> <p>1. At least three institutions at the central, three at the entity level and three in Brcko District have implemented a set of measures to improve their ethics infrastructure.</p> <p>2. PARCO and the Civil Service Agency at state level and agencies at entity level and Government of Brcko District have incorporated proposals for strengthening the ethics infrastructure in their daily operations.</p> <p>3. Hotline established for ethics enquiries.</p> <p>1. Training programs for all public servants include anti-corruption modules.</p> <p>2. Anti-corruption training programs are mandatory.</p> <p>3. 70 % of political level personnel, civil servants and employment-based contracts having received anti-corruption training.</p> <p>4. Anti-corruption modules included in regular management training.</p> <p>5. AC and integrity training is mainstreamed in the existing training programs of the training institutions – such as police academy, public administration training centre, the Prosecutors training centres etc.</p>		
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	<p>6. Training programmes drafted and adopted.</p> <p>7. Number of Trainers trained and carrying out trainings.</p> <p>8. Civil servants adequately equipped with anti-corruption skills.</p>		
Activities	Means	Costs	Assumptions
<p><u>Activities related to Result 1:</u></p> <p>1.1. Assess the needs and the current situation regarding the implementation of the ACS and the AP;</p> <p>1.1.2. Assess the institutional capacity of all institutions involved in policy implementation, coordination, monitoring and evaluation;</p> <p>1.1.3. Perform a review of the legislative framework with regard to identifying inconsistencies that need addressing;</p> <p>1.1.4. Perform a review and issue recommendations on the application of the disciplinary procedures, management & leadership issues in the public service; on training in the public service; on the Freedom of information and open government legislation and practices; Conflicts of Interest management policies at political and administrative level; the interface between political level and administration; integrity of the Election campaign and political parties funding in the political process;</p> <p>1.1.5. Review the needs and practices of integrity and anti-corruption related training in the public service.</p> <p>1.2.1. Support the identification and implementation of relevant measures of the ACS and AP in at least three institutions at central, three institutions at entity level and three institutions in Breko Ditric;</p> <p>1.2.2. Develop an inclusive process for introducing amendments to the ACS/AP to ensure the participation of all stakeholders;</p>	<p>Service Contract</p> <p>Implementation through a proposed team of experts:</p> <p>3 Long Term Experts – 18 months each</p> <p>Pool of Short Term Experts</p>	<p>Contract 1.1 : EUR 2 000 000</p>	<p>Strictly following the principles of good project management – partnership, effectiveness and sustainability</p>

<p>prepare a manual on conducting stakeholder consultations;</p> <p>1.2.3. Carry out stakeholder consultations for the assessment and amendment of the strategy at all administrative levels.</p> <p>1.3.1. Formulate amendments to the ACS/AP and the legislative framework with particular attention to regulating the private-public interface and to whistleblower protection;</p> <p>1.3.2. Assist in drafting legislation on Lobbying (including obligations for the lobbyists to register, to openly declare who their employers are, whom they are lobbying, with what means and to what effect);</p> <p>1.3.3. Develop and introduce whistleblower protection legislation;</p> <p>1.3.4. Assist in developing of legal regulations on forfeiture corruption proceeds;</p> <p>1.3.5. Assist in developing of a public communication strategy – in order to educate the public at large on the dangers of corruption and the means to combat it and on the individual responsibilities of every citizen;</p> <p>1.3.6. Propose different procedures for different acts of corruption to perform more effective investigation.</p> <p><u>Activities related to Result 2:</u></p> <p>2.1. Identify the relevant stakeholder organisations (business associations); establish contact and work together to identify the integrity issues that may be subject to regulation (self-regulation);</p> <p>2.2. Develop codes of good (responsible) conduct (business practices) and involve the business associations in the fight against corruption at all levels;</p> <p>2.3. Develop Integrity standards for the way business is done in the country;</p> <p>2.4. Organize a process of advocacy for adoption of the codes of conduct;</p> <p>2.5. Review the public procurement legislation</p>			
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<p>and suggest measures to reduce corruption.</p> <p><u>Activities related to Result 3:</u></p> <p>3.1. Prepare an assessment of the public service ethic infrastructure including a review of the application of disciplinary procedures, management and leadership issues, training and freedom of information and open government issues.</p> <p>3.2. Formulate in cooperation with the stakeholders specific proposals and assist in undertaking actions for the improvement of the public service ethics infrastructure (fitted to the ACS/AP);</p> <p>3.3. Support on a continuous basis selected institutions in implementing the recommendations formulated as a result of the assessment of the ethics infrastructure;</p> <p>3.4. Support in drafting a code of conduct, free hotline and establishing an Ethics Board.</p> <p><u>Activities related to Result 4:</u></p> <p>4.1. Analyse existing public servants' training programs; suggest and develop AC modules/integrity training programs to be included;</p> <p>4.2. Organise advocacy for the mandatory inclusion of these(integrity) training programs in existing training programs throughout the public sector;</p> <p>4.3. Develop modules and provide AC (integrity) training for political level personnel, civil servants and employment-based contracts;</p> <p>4.4. Organise advocacy for the mandatory inclusion of AC (integrity) modules in the regular management training;</p> <p>4.6. Develop curricula, training materials and pedagogical tools to deliver training on selected issues (such as conflict of interest management)</p> <p>4.7. Perform trainings and provide support to the development of the e-learning platform;</p> <p>ensure that the training is available also in web-</p>			
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based format; 4.8 Develop AC training capacities within the existing training structures.			
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ANNEX II Amounts (in EUR) Contracted and disbursed by quarter for the project

Contracted	Q3/2011	Q4/2011	Q1/2012	Q2/2012	Q3/2012	Q4/2012	Q1/2013
Contract 1.1 (Service)	2 000 000						
Cumulated	2 000 000						
Disbursed	Q3/2011	Q4/2011	Q1/2012	Q2/2012	Q3/2012	Q4/2012	Q1/2013
Contract 1.1 (Service)	600 000			700 000			700 000
Cumulated	600 000			1 300 000			2 000 000

ANNEX III

Description of Institutional Framework

There are several institutions with anti-corruption competency:

The Ministry of Security established the Department for Organised Crime and Corruption which is dealing with policy development, monitoring and reporting on law enforcement, as well as international cooperation, in the anticorruption field.

The competencies for investigating and prosecuting corruption are shared by investigative agencies State investigation and protection agency (SIPA), Border Police, the Indirect Taxation Authority, Customs and the Ministries of Interior) and the Prosecutor's Office.

The Ministry of Security and in particular SIPA (see Article 3 of the Law on SIPA, which mentions serious financial crimes and therefore includes corruption) may be considered the strongest mechanisms available to coordinate anti-criminal and anti-corruption efforts in Bosnia and Herzegovina.

SIPA has established a special organisational unit for fighting corruption, the team for Economic crimes and anti-corruption. This team is part of the Department of criminal investigations within the Criminal investigation unit. In addition, there is within the Department of criminal intelligence activities and analysis a section for the analysis of economic crime and corruption.

Within the State border service it is the Central investigation office that is responsible for the fight against corruption as well as the Department for internal control.

The Prosecutors' office has a special Department for Corporate crime, organised crime and corruption, responsible for investigating and prosecuting perpetrators of corporate crime, organised crime and corruption as defined in the legislation of Bosnia and Herzegovina, when that legislation prescribes the jurisdiction of the State Court of Bosnia and Herzegovina.

Departments for organised crime and corruption of the Entities' Ministries of Interior and Brcko District Police are other relevant institutions. Anticorruption departments within entity ministries of interior have concrete operational competences to undertake investigations according to relevant criminal procedure codes.

ANNEX IV

Reference to laws, regulations and strategic documents:

Legislation and international instruments

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

- United Nations Convention against Corruption (signed on September 16, 2005, ratified on October 26, 2006)
- Criminal Law Convention on Corruption (dated January 27, 1999, signed March 3, 2000, ratified January 30, 2002 and implemented since July 01, 2002).
- Civil-law convention on corruption from November 04, 1994, (signed on March 01 2000, ratified January 30, 2002 and implemented as of November 01, 2003).
- UN Convention against Trans-national organised crime dated November 15, 2000, (signed on December 12, 2000, ratified on April 24, 2002)
- Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism CETS No.: 198 (signed on January 19, 2006, ratified on January 11, 2008)

It should be emphasized that Bosnia and Herzegovina has initiated the procedure for the signing of the Additional Protocol to the Council of Europe's Criminal Law Convention on Corruption (CETS No. 191), as well as the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, dated November 21, 1997.¹

In the framework of criminal legislation of Bosnia and Herzegovina, corruption has been primarily criminalised in the Criminal Codes of Bosnia and Herzegovina, where all criminal acts of corruption and other criminal acts against official and other responsible duties have been placed in a particular chapter of the Law. Stipulated charges are in line with the provisions of the essential international documents pertaining to corruption, which have been ratified by Bosnia and Herzegovina and are in accordance with international standards. There are Laws on conflict of interests adopted at the State², Entity³ and District⁴ levels, but their enforcement remains weak. Investigation procedures of corruption criminal offences are stipulated by the Criminal Procedure Codes (Bosnia and Herzegovina CPC, entities CPC, CPC of Brcko District).

In June 2008 Bosnia and Herzegovina adopted the Law on changes and amendments to the Law on Criminal Procedure („BiH Official Gazette“ No. 58/08). Changes of the Law enable the use of special investigative techniques for all criminal offences for which imprisonment sentences of 3 years could be rendered. This provides for the application of special investigative techniques during investigations on criminal offences connected with corruption and money laundering. The same amendments have been adopted at the entity level.

¹ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. (Considering the fact that Bosnia and Herzegovina is not an OECD member access to the Convention would be made possible upon gain full membership in the OECD Working Group against Bribery of Foreign Public Officials in International Business Transactions).

² Law on conflict of interests in the institutions of the Bosnia and Herzegovina government, “Official Gazette of BiH” number 13/02-323; 16/02-404; 14/03-310.

³ Law on conflict of interests in the institutions of the BiH government, “Official Gazette of Republic of Srpska”, number 34/02-14; 36/03-15, and “Official Gazette of Federation of Bosnia and Herzegovina”, number 25/02-1049 and 1053; and 44/03-2267.

⁴ Law on conflict of interests, “Official Gazette of the Brcko District” number: 11/02-704; 9/03-555, and the Law on the conflict of interests in the institutions of the Brcko District of Bosnia and Herzegovina (BD BiH), “Official Gazette of BD BiH” number 2/03-17.

Other relevant legislation in the anticorruption field are the Laws on Conflict of Interests at the State, Entities and Brčko district level, the Law on Financing of Political Parties and the Law on Public Procurement.

The latest GRECO Compliance Report (adopted in February 2009) concludes that Bosnia and Herzegovina has implemented satisfactorily or dealt in a satisfactory manner with only a quarter of the recommendations contained in the Second Round Evaluation Report.⁵

Reference documents:

National Anti-Corruption Strategy 2009-2014 and its Action Plan (adopted in September 2009)

Law on the Agency for Prevention of Corruption and Coordination of the Fight against Corruption (adopted December 2009)

GRECO, First Evaluation Round. Comments on Bosnia and Herzegovina, Strasbourg, May 2005

Analysis of the progress of implementation of (the) strategy of Bosnia and Herzegovina for (the) fight against organised crime and corruption, Ministry of Security (adopted September 2008)

⁵ GRECO adopted the Second Round Evaluation Report on Bosnia and Herzegovina at its 31st Plenary Meeting (8 December 2006). In accordance with Rule 30.2 of GRECO's Rules of Procedure, the authorities of Bosnia and Herzegovina submitted their Situation Report (RS-Report) on the measures taken to implement the recommendations on 11 September 2008 and 19 December 2008. At its 41st Plenary Meeting (Strasbourg, 16-19 February 2009) GRECO adopted a Compliance Report on Bosnia and Herzegovina. The objective of the RC-Report is to assess the measures taken by the authorities of Bosnia and Herzegovina, to comply with the recommendations contained in the Evaluation Report. Recommendations vii, xii, xiii and xv have been implemented satisfactorily. Recommendations ii, iii, iv, v, viii, ix, x, xiv, xvi have been partly implemented and recommendations i, vi and xi have not been implemented.

Annex V - Details per EU funded contract

The project will be implemented through a Service Contract (Technical Assistance).

The contractor shall support the Bosnia and Herzegovina institutions to develop and implement measures to combat and prevent corruption.

Key Experts

3 Long Term Experts: 18 months each

Pool of Short Term Experts