

**Standard Summary Project Fiche – IPA centralised National and CBC programmes**  
**Fight against organised crime and corruption**

**1. Basic information**

- 1.1 CRIS Number:** 2007/19300  
**1.2 Title:** Fight against organised crime and corruption  
**1.3 Sector:** Justice, Freedom and Security 01.24  
**1.4 Location:** Podgorica, with nationwide project activities

**Implementing arrangements:**

**1.5 Contracting Authority (EC)**

The Contracting Authority is the EC Delegation in Montenegro

**1.6 Implementing Agency:**

The Implementing Agency is the European Commission

**1.7 Beneficiary (including details of project manager):**

The Beneficiaries are the Police Directorate, the Ministry of Interior, the Police Academy, the Administration for the prevention of money laundering, the Directorate for the Anticorruption Initiative.

The Project Managers are the Police Directorate, the Administration for the prevention of money laundering, the Directorate for the Anticorruption Initiative.

**1.8 Overall cost:**

€3.6 million.

**1.9 EU contribution:**

€3 million.

**1.10 Final date for contracting:**

Two years from the date of conclusion of the Financing Agreement

**1.11 Final date for execution of contracts:**

Four years from the date of conclusion of the Financing Agreement

**1.12 Final date for disbursements:**

Five years from the date of conclusion of the Financing Agreement

## **2. Overall Objective and Project Purpose**

### **2.1 Overall Objective**

The overall objective is to combat organised crime and corruption by improving the performance and cooperation of the various law enforcement agencies.

### **2.2 Project purpose**

The project purpose is the provision of advisory and material support to strengthen the strategic, institutional and operational capacity of: 1) the Criminal Police Directorate; 2) the Administration for the prevention of money laundering; and 3) the Directorate for the Anticorruption Initiative.

### **2.3 Link with AP/NPAA / EP/ SAA**

All strategic programming documents highlight the need to strengthen the efficiency of law enforcement agencies to fully play their role in the fight against organised crime and corruption (for further details see Annex III).

The **EP** stresses the need to establish efficient institutional mechanisms for inter-agency cooperation in the area of the fight against organised crime and upgrade the capacity of the police department in the fight against organised crime. It emphasises the need to further strengthen the professional capacity of the police, by specialised training, development of intelligence and risk analysis tools and ensure the proper functioning of the police academy. Moreover, it underlines the need to ensure efficient implementation and coordination of the anti-money-laundering legislation and strengthen the financial intelligence unit.

The **SAA** states under art 80 that in their co-operation on justice, freedom and security, the Parties shall attach particular importance to the consolidation of the rule of law, law enforcement and the administration of justice in particular. The article stresses that co-operation will aim at strengthening the independence of the judiciary and improving its efficiency. Under art. 84 it is prescribed that the Parties shall co-operate in order to prevent the use of their financial systems for laundering of proceeds from criminal activities in general and drug offences in particular, as well as for the purpose of financing terrorism and under art. 86 that the Parties shall co-operate on combating and preventing criminal and illegal activities, organised or otherwise, giving a list of typology of crimes.

### **2.4 Link with MIPD**

The MIPD states:

Support to the implementation of the governmental strategy and action plan for the fight against corruption and organized crime; capacity building to the Ministry of Interior, Police Directorate and to the Police Academy including provision of equipment and other infrastructure (for further details see Annex III).

## **2.5 Link with National Development Plan (where applicable)**

The Republic of Montenegro has not yet approved a National Development Plan.

## **2.6 Link with national/ sectoral investment plans (where applicable)**

The project directly links to a key strategy and action plan in the sector: the Strategy and Action Plan for the Fight against Corruption and Organised Crime (for further details see Annex III).

# **3. Description of project**

## **3.1 Background and justification:**

The government adopted a strategy for the fight against corruption and organised crime in July 2005 followed by an Action Plan in August 2006. The Implementation of the Action Plan will be monitored by a high level National Commission established on the 15<sup>th</sup> February 2007 and due to meet four times annually. The National Commission (NC) will be chaired by the Deputy Prime Minister for EU integration, and by line Ministers, the Police Director, and representatives of civil society.

The Action Plan constitutes a two fold approach to enforcement, linking the resources to deal with organised crime with those to deal with corruption. The proposed project follows the same approach, although will address only some of the objectives foreseen in the Action Plan, namely: the work of the police; the administration for the prevention of money laundering; and the Directorate for the Anticorruption Initiative. The project will focus on both enforcement and prevention. There has been progress on the necessary legislative and institutional frameworks, these recently established/reformed institutions are facing important challenges which require additional assistance.

## **POLICE**

The overall political responsibility for policing lies with the Minister of Interior. An autonomous Police Directorate has been created as the main law enforcement agency under the overall auspices of the Ministry. These changes were introduced after the adoption of the 'Vision Document on Police Reform', the Law on Police (April 2005), and the Government Decree'Amendments to the Decree on Organisation and work of Public Administration' (October 2005). The Director of Police reports annually to the competent Parliamentary committee.

The creation of a framework to improve the internal organisation of the police service has been established and is in the process of being implemented. The Police Director has five specific areas of responsibility, each under the control of an Assistant Director. They are: General Police Duties; Criminal Investigation Police; Border Police; Human Resources, Legal Matters, Telecommunications and Information Systems; and Persons and Building Security.

In the Criminal Investigation Police Directorate, the reorganisation of the department for fighting organised crime is well under way with new units being established in order to concentrate on specific areas of organised crime. However, the recent TAIEX - JLS mission, has underlined the need to strengthen criminal intelligence and to share information in a structured way between law enforcement agencies<sup>1</sup>. Further training is required. And specialised equipment is needed to improve the quality and analysis of the data gathered, thus increasing the department capacity to operate on intelligence led policing principles.

Cooperation amongst the actors involved in the fight against organised crime is still weak, although the legal framework is now quite well developed. As laid down by the Criminal Procedure Code of the Republic of Montenegro, the role of the police in the criminal justice system is basically to initiate and conduct pre-trial proceedings. The Code authorises the police to gather evidence and submit crime reports that may then be used in prosecutions. The Criminal Procedure Code and the Law on Police as 'lex specialis' specify the jurisdiction and co-operation between the police, public prosecutors and investigative judges. Furthermore, upon initiation of the criminal procedure, and by the word of investigative judges, the police can take certain additional investigative measures.

The TAIEX – JLS Mission noted<sup>2</sup> that on corruption, cooperation was even weaker between the prosecutors and the Economic Crime Department (also part of the Criminal Investigation Directorate). The Department has only four officers based in Podgorica, and 64 officers within the districts. A specialised prosecution service for corruption offences does not exist and corruption cases are within the jurisdiction of the Specialised Department for Combating Organised Crime, if they have any element of criminal organisation. The emphasis of both the police and prosecutors seems to be on economic crime with elements of organised crime, and corruption is only a peripheral issue.

## DIRECTORATE FOR ANTICORRUPTION INITIATIVE

Apart from the structural and organisational deficiencies, legal powers to tackle corruption need further attention. For example, special surveillance measures are very restricted and there are limited powers of confiscation. The Directorate for Anticorruption Initiative (DAI) is very active in putting forward proposals for legislative changes in this field which is also providing technical expertise for the Action Plan.

The Directorate for Anti-Corruption Initiative was established by Governmental Decree in 2001 and the Ministry of Finance is the supervising body regarding the legality and efficiency of the Directorate's work. The DAI, staffed with one Director and two advisors, is in charge of:

- undertaking promotional and preventive activities aimed at effectively combating corruption;
- working towards adoption and implementation of European and international standards and instruments, regarding the anti-corruption initiatives;

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<sup>1</sup> *'It is essential to accept and adopt the principle that criminals engaged in organised crime will deal in any commodity, be it human trafficking, cigarette smuggling or illicit firearms – whatever brings them the greatest financial reward will be the subject of their trade. Therefore, the principle is clear; target the criminal and not the commodity'* TAIEX JLS Report on Policing and Organised Crime, March 2007.

<sup>2</sup> *The judicial and prosecuting authorities face a number of challenges in fighting corruption cases. The first is the appointment system. The second, in the case of prosecutors is the lack of a specialist unit. The third would be the level of co-operation between the police and the prosecuting authorities. The fourth would be the capacity of investigative judges to deal with any such cases. The last layer is the inherent complexity of corruption cases, especially at high level'* TAIEX JLS Report on Economic Crime and Corruption, March 2007.

- enhancing the transparency in business and financial operations;
- performing other activities that arise from the membership in the Stability Pact for South-Eastern Europe and other international organizations and institutions (e.g. SPAI and GRECO, after accession in 2006);
- other activities delegated to its competence.

Apart from the need to further strengthening the legislative anticorruption framework, there is also a need to create capacity for working more intensively on anti corruption awareness/communication, and on the network of relevant anticorruption authorities.

#### ADMINISTRATION FOR THE PREVENTION OF MONEY LAUNDERING

Apart from the police and prosecution service, the other law enforcement agency in this field is the Administration for the Prevention of Money Laundering (APLM - equivalent of a Financial Investigation Unit).

The Law on Prevention of Money Laundering, adopted in 2003, established the APLM with 19 staff. It has administrative powers but no investigative powers. It can suspend suspicious transactions for up to 72 hours, prepare a report, and take other similar measures following a court application by a prosecutor. The Law was amended in March 2005 to include terrorist financing, and to create reporting duties (Article 3 contains a list of obliged reporting entities) arising from a suspicion of laundering or terrorist financing, or transactions individually or cumulatively exceeding €15,000.

Further capacity building is required. So far banks are the most active in reporting regularly (e.g. in 2006, 186 suspicious transaction reports were received of which 183 came from banks). However, it is widely recognised that the real estate market is a real problem. Increased active supervision of the under reporting sectors is required. It should not be solely reliant on a reactive approach, but should also include a strong element of risk led supervision/criminal intelligence based on inter agency cooperation.

Moreover, a clear network development strategy with the FIUs of Member States is still missing, although the APML is now a member of the Egmont Group, Moneyval and has signed several regional level cooperation agreements.

#### POLICE ACADEMY

Professional and specialised training for police and other law enforcement agencies staff is organised by the National Police Academy located in Danilovgrad. The institution was created in March 2006 as a public institution and a legal entity by transforming the Police School already existing and it is staffed with 65 people.

The rationalisation of the training is already having positive financial implications for the budget of the Ministry and is helping to bring the outdated police education system up to European standards. All types of training (basic, advanced and specialised) for all profiles of police officers, including border and special units police officers, comes under the Police Academy. The training programmes are agreed between the Police Directorate and the Academy with participation of competent departments. The Academy is also undertaking research activities to ensure that all requirements of an efficient and professional police service are met through the continuous development of adequate curricula. CARDS funds are

supporting the creation of a forensics centre which is located in the Academy premises. However, further significant investment is required to extend training facilities space since the number of trainees and activities has and will continue to increase.

The project will provide formal training sessions delivered through the Police Academy, as well as advisory support to specialised departments and directorates. Past assistance experience shows that there is also a need to institutionalise training activities and bring law enforcement agencies together in order to increase cooperation, and increase efficiency.

### **3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)**

The project will seek to strengthen the efficiency of law enforcement agencies in the fight against organised crime and corruption as well as their capacity to operate more closely according to EU standards, thus increasing citizens' confidence in the system and to improve cooperation within the region and the EU.

### **3.3 Results and measurable indicators:**

The project consists of advisory services to support the implementation of the Strategy and Action Plan for the Fight against Corruption and Organised Crime for the part concerning the work of the Criminal Police Directorate, the Administration for the prevention of money laundering and the Directorate for the Anticorruption Initiative and investment to increase Police Academy training facilities and equipping the organised crime department.

The main general results following the implementation of the activities will be:

- higher rates of crime and corruption detection and quicker response rates to events;
- improved and more efficient functioning of the Criminal Police Directorate, Administration for the prevention of money laundering and the Directorate for the Anticorruption Initiative as well as higher level of EU compliancy in all aspects of their work ;
- improved coordination of law enforcement agencies in Montenegro and within the region and EU;
- increased space for training and higher quality of data gathered by organised crime department thanks to specialised equipment procured.

The main general measurable indicators will be:

- number of cases brought before justice;
- case files that show an increased cooperation amongst law enforcement agencies as well as an intense exchange of information at international level to counter organised crime;

- final acceptance of works carried out to extend training space of the Police Academy and number of cases processed which show higher precision in data gathering thanks to procured equipment.

For further details on results and measurable indicators per activity please refer to Annex 1.

### **3.4 Activities:**

The primary target of the assistance delivered to the different departments and directorates will be the development of technical and management capacities. This will include devolved management; planning and management of personnel and material resources; tasking and resource allocation, case-file management; transparency of process and accountability; the implementation of operational procedures and the efficiency and effectiveness of inter-institutional cooperation in line with EU good practises.

**Activity 1:** Strengthening the intelligence and investigation service of the Criminal Police Directorate and enhancing undercover investigations

- Training staff on information gathering and intelligence, modern techniques of investigation, intelligence management, handling of informants, undercover operations management, as well as their ability to use special investigative means;
- Support the Criminal Police Directorate in developing internal procedures, rulebooks, operating procedures with the aim of enhancing the inter-institutional cooperation in the fight against organized crime;
- Support the Criminal Police Directorate (in particular the organised crime and economic crime departments) in reviewing, implementing and monitoring of key objectives of the Strategy and Action Plan for the Fight against Corruption and Organised Crime as well as the related action plan.

**Activity 2:** Improving the operational capacity of the Administration for the prevention of money laundering, with particular emphasis on risk led supervision

- Support the capacity building of the Administration for the prevention of money laundering and its networking with others authorities (Economic Crime department of Police, Public Prosecution, Public Revenue Office, Customs Administration, Central registry of Companies, National Bank, etc) involved in the prevention of anti-money laundering in accordance with international standards and best practices, in order to centralise intelligence and conduct risk led supervision;
- Strengthen the analytical skills of the staff and their capacity of recognising transactions related also to terrorism financing;
- Further develop the international cooperation capacity with the aim of achieving higher precision and accuracy in international information exchange

**Activity 3:** Strengthening the operational capacity of the Directorate for Anticorruption Initiative, in particular in regard to its legal advisory functions and public awareness functions

- Further develop capacities in coordinating legislative improvement in the area of economic crime with the aim of introducing a specific anticorruption framework ;
- Strengthen the national cooperation capacity with the relevant anti corruption authorities (offices of the Supreme State Prosecutor, the Police Directorate, the Ombudsman, the Public procurement Commission, the Administration for the Prevention of Money Laundering, the Commission for the determination of Conflicts of Interest, Tax Administration);
- Strengthen capacity in planning and implementing public awareness activities amongst target groups and general public.

**Activity 4:** Upgrading Police Academy facilities and ensuring appropriate equipment for the organised crime department

- Construction/extension of training facilities in Danilovgrad
- Selected priorities for investment in supplies necessary for investigation and surveillance will be addressed (e.g. audio, video surveillance equipment for tracing).

Activities 1, 2 and 3 will be implemented with a twinning which will have three components. The main project partner will be the Police Directorate.

However, given the different, although interrelated activities, and respecting the institutional autonomy of certain directorates, it is not feasible to provide permanent or continuous advisory representation at all operational departments and directorates.

A resident twinning advisor will sit in the Criminal Police Directorate and a single mobile team is envisaged, with ad-hoc and needs-dependent tasking, to perform an advisory and operational support to the Criminal Police directorate, the Administration for the prevention of money laundering and the Directorate for Anticorruption Initiative.

The formal training activities will be delivered in the Police Academy in Danilovgrad thus ensuring an improvement of the curricula already delivered by the Academy. Sustainability and value for money will also be increased by the inclusion of Police Academy trainers in the capacity building exercise.

Training whenever appropriate will include prosecutors, investigative judges, relevant administration and Ministry of Justice representatives as target groups to enhance inter-agency cooperation and address legislative improvements deemed necessary.

Should a twinning not result in the sourcing of the required expertise, alternative methods of recruiting expertise will be employed. These may include a service contract, twinning light or a grant agreement with an EU member state institution (official or mandated body) following a call for proposals and whereby the EC contribution will cover 100% of the eligible cost of the contract.

Activity 4 will be implemented with a works and 3 supply tenders. Design and technical specifications are under preparation. The co-financing for these activities will be assumed by the Ministry of Interior.



### **3.6 Conditionality and sequencing**

Key policies and main legislative framework are in place. The project-level conditions are:

- 1) Appointment of counterpart personnel, allocation of working space and facilities by the beneficiary before the launch of the tender process;
- 2) Formal evidence that the necessary co-funding required for implementation of Activity 4 has been secured and arrangement by the beneficiary of all legal procedures to allow construction (e.g. construction permits, urban plan amendments), refurbishment activities before the launch of the tender process;
- 3) Participation by the beneficiary in the tender process as per EU regulations;
- 4) Appointing the relevant staff by the beneficiaries to participate in capacity building activities as well as in working groups, steering and coordination committees as per work plan.

In the event that these conditions are not met, suspension or cancellation of projects will be considered.

### **3.7 Linked activities**

To date, the CARDS programme, with a total of approx. €5 million, has focussed mainly on creating border management capacity in police, following the handover of green and blue borders from the Federal Army to civilian forces. It has also supported the transformation of the Police Academy, including provision of equipment and other infrastructure, including the construction of a forensics centre.

The assistance helped introduce at all levels the concepts and principles of modern border management as practised within the EU, thus contributing to the adoption of the integrated border management strategy. It also helped bring about the Vision Document on Police Reform, addressing professional development. Moreover, specific anti-trafficking training has been provided for border officials and outputs have been taken into account in the preparation of the government strategy on anti-trafficking.

In addition, two light twinning exercises financed by CARDS, are being launched for the provision of border police training and prosecutorial training, with a particular emphasis on fight against organised crime. In summary, the overall programme has so far tackled a number of organised crime and corruption issues but only from the specific perspective of a few specialised agencies such as the border police. This project will now allow the specific results of that earlier work to be included in the wider strategic goal of building overall capacity in the law enforcement system to counter organised crime and corruption.

The project will also complement EC regional assistance, in particular CARDS 2003 “Development of reliable and functioning Community Policing systems and enhancing of

combating main criminal activities and police cooperation”, in creating capacity for cooperation amongst law enforcement services. Complementary will also be ensured with the results obtained under the CARDS regional programmes on fighting organised crime and corruption implemented with the Council of Europe on the legislative framework, and the ongoing CAFAO programme, which has been tackling also smuggling, corruption and irregularities relating to the taxation.

Some training for specific units of the organised crime department has already taken place, financed by the USA Government and bilateral donors, in particular Swedish Sida which supported criminal investigations and Police Academy work with approx 3M euro; but now we are building a broader dimension of it. The State Department donated equipment (worth €60,000) to the Centre for Fight against Drugs and Smuggling for providing evidences by using body-recorders and training for the use of the equipment by FBI agents. Over the past 2 years, the US Embassy enabled 3 courses on organised crime and one on Financial Crime Investigations through ICITAP (International Criminal Investigative Training Assistance Programme) The ICITAP office in Montenegro provided the Forensic Laboratory of Montenegro with Automatic Fingerprint Identification System as well as with different trace evidence equipment (€60,000). In 2006, the Forensics Centre was provided with equipment mostly financed by the Norwegian Government (€300,000). Scenes of Crime training is being undertaken with the assistance of Sweden and Norway. Within the framework of 2007 Programme the OSCE will continue with various training sessions (with approx. €143,000 from the OSCE budget). The Federal Republic of Austria supported the Sector for International Police Cooperation with the provision of IT and office equipment.

Frequent consultations and coordination meetings will be organised with donors involved in the same sector, such as Sida and OSCE.

### 3.8 Lessons learned

Although impact realised through the previous assistance overall is satisfactory, a number of challenges remain:

- *Enforcement:* There has been large focus on establishing the legal frameworks in the country. The capacity to enforce the law, however, has received insufficient attention. Thus, the legal reform is rather well advanced, but in practice – law enforcement and implementation - has not followed. The project will put also more emphasis on inter-agency cooperation, necessary to ensure proper implementation.
- *Conditionalities:* Often project implementation is hampered by both insufficient staff and resources allocated to (newly established) institutions/departments which does not allow for appropriate implementation of the mandate of the concerned department. The project will put a stronger conditionality in assuring that sufficient operational funds are available in the government budget.
- *Coordination within the government:* Further improvements – in line with the spirit of EU accession– could be realised in a stronger government leadership in the coordination efforts among the ministries and departments and a stronger focus on operational coordination and harmonisation of policies. The project, whenever possible, will facilitate the coordination amongst stakeholders.
- *Balance between capacity building and investment:* The provision of advisory services for capacity building remains a very high priority. However, it will not be effective if the working environment of the counterparts is not up to standards. Therefore

the project has a balanced approach, reflective of the needs, between advisory support and material support to realise the expected impact.

- *Institutionalisation of training activities:* Past assistance experience shows that a properly organised training effort as opposed to ad hoc organised training is crucial. Therefore, the project will emphasise the role of the Police Academy.
- *Advocacy and Awareness:* Need for engaging the general public in the fight against corruption exists. Development of partnerships with other international agencies, organisations, bilateral donors but also civil society active in the same field, will be encouraged in the project for raising awareness and decrease the level of tolerance to petty corruption.
- *Cross cutting issues:* An important lesson learned during the CARDS period is that appropriate mainstreaming of cross-cutting issues would significantly be stimulated through the mobilisation of specific expertise. In a similar vein as above, specific expertise may be mobilised under the twinning covenant to target support for the mainstreaming of cross-cutting issues (see also further below).

#### 4. Indicative Budget (amounts in M€)

Activities	TOTAL COST (Million Euro)	SOURCES OF FUNDING										
		EU CONTRIBUTION				NATIONAL PUBLIC CONTRIBUTION					PRIVATE	
		Total	% *	IB	INV	Total	% *	Central	Regional	IFIs	Total	% *
Activity 1,2,3	1.2	1.2	100	1.2	0	0						
contract 1 – twinning	1.2	1.2	100	1.2	0	0						
Activity 4	2.4	1.8	75	0	1.8	0.6	25	0.6				
contract 2 - supply	0.4	0.3	75	0	0.3	0.1	25	0.1				
contract 3 - works	2.0	1.5	75	0	1.5	0.5	25	0.5				
<b>TOTAL</b>	<b>3.6</b>	<b>3.0</b>	<b>75</b>	<b>1.2</b>	<b>1.8</b>	<b>0.6</b>	<b>25</b>	<b>0.6</b>				

**NOTE:**

Depending on the type of supplies required, contracts 2 may be split in more than 1 contract.

\* expressed in % of the Total Cost

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

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1	Q2 2008	Q1 2009	Q1 2010
Contract 2	Q2 2008	Q3 2008	Q2 2009
Contract 3	Q2 2008	Q3 2008	Q1 2009

#### 6. Cross cutting issues (where applicable)

The mainstreaming of the cross cutting issues is addressed on two levels:

- 1) How the internal policies, structure or operating procedures of the beneficiary will conform with or promote the cross cutting issues set out
- 2) How the project's outputs (e.g. laws, regulations, policies, action plans, etc.) will address the cross cutting issues set out below.

## **6.1 Equal Opportunity**

The project shall contribute to a gender-sensitive approach in the law enforcement agencies' work, and help to combat clandestine female emigration, the spread of the sex industry and the trafficking of women and girls which pervades the whole region.

Equal treatment and opportunities for women in the law enforcement agencies will be taken into account in policies and practices that reflect the working capacities and family obligations of their staff. In particular, considering that the majority of the project is devoted to capacity building, curricula and delivery mechanisms, the place and time schedules of training programmes will be designed so as to encourage women's participation

In general, gender needs will be considered as an analytical instrument, from programme design onwards.

## **6.2 Environment**

Not applicable.

## **6.3 Minorities**

Montenegro has demonstrated its commitment to respect minorities, refugees and IDPs rights both at policy and legislative level. In order for this to be implemented, effective law enforcement agencies are essential.

In order to develop a fair and accountable police, the project shall assist beneficiaries in implementing mechanisms to ensure equitable representation of ethnic minorities in the system, so as to reflect the ethnic diversity of Montenegrin society.

## **ANNEXES**

- 1 - Log frame in Standard Format
- 2 - Amounts contracted and Disbursed per Quarter over the full duration of Programme
- 3 - Reference to laws, regulations and strategic documents:
  - Reference list of relevant laws and regulations
  - Reference to AP /NPAA / EP / SAA
  - Reference to MIPD
  - Reference to National Development Plan
  - Reference to national / sectoral investment plans
- 4 - Details per EU funded contract

## ANNEX 1: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche	Programme name and number Justice and Home Affairs	
<b>Organised crime and Corruption</b>	Contracting period expires 2 years after signing of the FA	Disbursement period expires 5 years after signing of the FA
	Total budget : 3.6 M€	IPA budget: 3 M€

Overall objective	Objectively verifiable indicators	Sources of Verification	
Ensure effective organised crime and anticorruption functions of law enforcement agencies as well as an increased level of cooperation amongst them	.		
<b>Project purpose</b> Strengthen the strategic, institutional and operational capacity of the: 1. Criminal Police Directorate 2. Administration for the prevention of money laundering 3. Directorate for the Anticorruption Initiative	<b>Objectively verifiable indicators</b> Professionalism and efficiency of the Criminal Police Directorate, Administration for the prevention of money laundering and Directorate for the Anticorruption Initiative increased	<b>Sources of Verification</b> EC reports Independent assessment including civil society reports	<b>Assumptions</b> Law enforcement agencies commitment to follow the implementation of the Action Plan for the fight against organised crime and corruption
<b>Results</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
1.1 Improved and more efficient functioning of the Criminal Police Directorate 1.2 Higher rates of crime detection and quicker response rates to events 1.3 High level of EU compliancy in all aspects of work of the Criminal Police Directorate	1.1 Number of police officers trained (50 to 80) 1.2 Number of cases brought before justice 1.3 Number of case management files which show an increased international cooperation	1.1 EC reports Monitoring Reports of the Commission for fight against organised crime and corruption Independent reports/verification of level of compliance with EU standards Training reports 1.2 Crime statistics 1.3 Case management files	Police Directorate commitment to reform Willingness of police to participate in training
2.1 Improved functioning of the Administration for the prevention of money laundering in collecting, analysing, processing and disclosing of information about suspicions of money laundering 2.2 Quicker response rates to suspicious transactions 2.3 Increased supervision of the under reporting sectors 2.4 Improved cooperation with foreign financial intelligence units	2.1, 2.2 and 2.3 Number of cases processed by the Administration for the prevention of money laundering 2.4 Number of case management files show higher precision in the international information exchange	2.1 EC reports Monitoring Reports of the Commission for fight against organised crime and corruption Independent reports/verification of level of compliance with EU standards 2.2 Statistics 2.3 Case management files	Willingness of APML staff to participate in training
3.1 DAI's improved coordination of legislative improvement in the area of economic crime 3.2 Increased public awareness about corruption amongst target groups and general public	3.1 Number of legislative proposals put forward for anticorruption legislation 3.2 Number of public awareness activities organised and number of participants (100 to 150 participants including different target groups) 3.3 Number of phone calls done by the citizens on the special anticorruption hotline	3.1 Government legislative proposals in the field 3.2 EC reports Monitoring Reports of the Commission for fight against organised crime and corruption Media coverage 3.3 Hotline anticorruption phone listing	Willingness of DAI staff to participate in training
4.1 Increased space for training in the Police Academy 4.2 Higher quality of data gathered	4.1 Works finalised timely and in line with international standards	4.1 Final acceptance of works 4.2 Final Acceptance certificate	

by organised crime unit thanks to specialised equipment	4.2 Equipment procured in line with EC procedures		
<b>Activities</b>	<b>Means</b>	<b>Costs</b>	<b>Assumptions</b>
<p>Activity 1: Strengthening the intelligence and investigation service of the Criminal Police Directorate and enhancing undercover investigations</p> <p>Activity 2: Improving the operational capacity of the Administration for the prevention of money laundering, with particular emphasis on risk led supervision</p> <p>Activity 3: Strengthening the operational capacity of the Directorate for Anticorruption Initiative, in particular in regard to its legal advisory functions and public awareness functions</p> <p>Activity 4: Upgrading Police Academy facilities and ensuring appropriate equipment for the organised crime department</p>	<p>Activities 1,2 and 3: Twinning</p> <p>Activities 4 :Works and supplies</p>	<p>Activities 1,2 and 3: 1.2 M Euro (EU contribution)</p> <p>Activities 4: 1.8 M Euro ( EU contribution) +0.6 M Euro Government contribution</p>	<p>Beneficiaries commitment to prepare design for works, technical specifications for equipment and ensure co-financing</p>

**ANNEX 2: amounts (in million €) Contracted and disbursed by quarter for the project**

<b>Contracted</b>	2007 Q4	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1
Contract 1.1						1.2				
Contract 1.2				0.3						
Contract 1.3				1.5						
<b>Cumulative</b>				<b>1.8</b>	<b>1.8</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>
<b>Disbursed</b>										
Contract 1.1						0.720		0.360		0.120
Contract 1.2				0.180	0.090	0.030				
Contract 1.3				0.200	0.600	0.700				
<b>Cumulative</b>				<b>0.380</b>	<b>1.070</b>	<b>2.520</b>		<b>2.880</b>		<b>3.0</b>



### ANNEX 3: Reference to laws, regulations and strategic documents

- Reference list of relevant laws and regulations
  - Law on Police
  - Criminal Code
  - Criminal Procedure Code
  - Government Decree ‘Amendments to the Decree on Organisation and work of Public Administration
  - Law on Public Procurement
  - Law on Budget
  - Law on Courts
  - Law on Business Organizations
  - Law on Accountancy and Audit
  - Law on Witness Protection
  - Law on State Prosecutor
  - Law on Prevention of Money Laundering and Terrorism Financing
  - Law on Conflict of Interests
  - Law on Financing the Political Parties
  - Law on National Auditing Institution
  - Law on Free Access to Information
  - Law on Liability of Legal Persons for Criminal Offences
  - Law on Civil Servants and Public Employees
  - Code of Ethics of Civil Servants and State Employees.
  
- Reference to EP and SAA

In line with the EP of 2007, Montenegro has to meet the following priorities in short-term period (1-2 years):

- *Establish efficient institutional mechanisms for inter-agency cooperation in the area of the fight against organised crime and upgrade the capacity of the police department in the fight against organised crime.*
  
- *Upgrade capacity to use special investigative means in line with appropriate guarantees and strengthen criminal intelligence.*
  
- *Adopt the legislation and develop the capacity to seize assets and proceeds of crime.*
  
- *Ensure efficient implementation and coordination of the anti-money-laundering legislation and strengthen the financial intelligence unit.*
  
- *Further strengthen the professional capacity of the police, by specialised training, development of intelligence and risk analysis tools.*
  
- *Ensure the proper functioning of the police academy.*

The SAA states under:

*Article 80*  
*Reinforcement of institutions and rule of law*

*In their co-operation 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. Co-operation will 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 organised crime (page 42).*

*Article 84*  
*Money laundering and financing of terrorism*

- 1. The Parties shall co-operate in order to prevent the use of their financial systems for laundering of proceeds from criminal activities in general and drug offences in particular, as well as for the purpose of financing terrorism.*
- 2. Co-operation in this area may include administrative and technical assistance with the purpose of developing the implementation of regulations and efficient functioning of the suitable standards and mechanisms to combat money laundering and financing of terrorism equivalent to those adopted by the Community and international fora in this field, in particular the Financial Action Task Force (FATF).*

*Article 86*  
*Preventing and combating organised crime and other illegal activities*

The Parties shall co-operate on combating and preventing criminal and illegal activities, organised or otherwise, such as:

- smuggling and trafficking in human beings;
- illegal economic activities, and in particular counterfeiting of cash and non-cash means of payments, illegal transactions on products such as industrial waste, radioactive material and transactions involving illegal, counterfeit or pirated products;
- corruption, both in the private and public sector, in particular linked to non-transparent administrative practices;
- fiscal fraud;
- identity theft;
- illicit trafficking in drugs and psychotropic substances;
- illicit arms trafficking;
- forging documents;

- smuggling and illicit trafficking of goods including cars;
- cyber crime.

- Reference to MIPD

Main objectives and priorities under the **MIPD 2007-2009** include the following:

- *Implement governmental strategy and action plan to fight corruption at national and local levels, with due consideration to coordination among law enforcement bodies and other entities, and to the involvement of civil society organisations; the latter to create a balance between preventive and law enforcement actions.*
- *Support police reform to fight terrorism, drugs, organised crime, trafficking of human beings.*

Among the expected results the MIPD lists the following:

- *Fully fledged new organisation of police, functioning according to EU standards including: upgraded capacity of the departments fighting drugs and organised crime; upgraded capacity of the Police Academy; active regional and international cooperation.*

MIPD recommends the following programmes to be implemented:

- *Support to the implementation of the governmental strategy and action plan for the fight against corruption and organized crime; capacity building to the Ministry of Interior, Police Directorate and to the Police Academy including provision of equipment and other infrastructure.*

- Reference to National Development Plan

Not applicable.

- Reference to national / sectoral investment plans

The project directly links to a key strategy and action plan in the sector: the Strategy and Action Plan for the Fight against Corruption and Organised Crime.

The Action Plan is divided in six chapters: 1. Introduction 2. Analysis of actual situation 3. Political obligation of acting 4. International obligation of acting 5. General goals (efficient prosecuting and prevention) 6. Specific measures against corruption and organized crime.

Links of activities proposed in the project fiche and the Action Plan are evident under chapter 5 (especially the parts concerning efficient prosecuting and prevention) and chapter 6 (especially the parts concerning specialised institutions, cooperation between investigation and prosecution officials).

## **Annex 4: Details per EU funded contract**

### Twinning covenant:

Under the twinning covenant Member States expertise will be mobilised to support the implementation of the Plan for the Fight against Organised Crime and Corruption for the part concerning the work of the Criminal Police Directorate, the Administration for the prevention of money laundering and the Directorate for the Anticorruption Initiative.

The experts will need to strengthen the work of the law enforcement agencies along the lines of intelligence led principles and inter-agency cooperation.

Since there are strict connections between the operational implementation and the policy context, a part from the activities to be performed and indicated under paragraph 3.4, the experts mobilised will be required for maintenance of day-to-day co-operation and co-ordination with institutional entities, and the analysis and ad-hoc reporting of contextual factors that might affect the process of fighting against organised crime and corruption. Additionally, for a project of this scale and organisational diversity, a dedicated-function of Project Administrator is proposed.

### Profile of the Resident Twinning advisor (RTA)

- a) A senior police officer with at least ten years of professional experience, including some experience in the key areas covered by this assignment under activity 1
- b) Sound knowledge of EU standards on those issues
- d) Strong written, oral and inter-personal communication skills
- e) Excellent oral and written English
- f) Experience in managing team
- g) Experience in similar technical assistance assignments in third countries will be considered an asset.

In addition to the RTA, the Members State Partner (MSP) must have quick and flexible access to a pool of short and medium-term experts from the EU MS. These experts shall either work as advisors and trainers or perform specific studies or assignments within the scope of the twinning project.

### Profile of short and medium term experts

- a) Relevant University degree
- b) Minimum of 5 years professional experience in their respective field
- c) Relevant experience in at least one of the area and subjects covered under activities 2 and 3
- d) Good written and oral command of English
- e) Proven contractual relation to public administration or mandated body
- d) Experience in organizing and providing training preferably for police officers

### Supply Contract

Draft of technical specifications submitted. To be revised in order to check compatibility with our procurement rules.

### Works Contract

The Police Academy has launched the tender for the detailed design preparation. According to the tender the detailed design is due to be ready by mid of June 2007.

### Co-financing

Refer to Section 3.5 (Activity 3) of the Project Fiche

### Ownership of assets (current and after project completion)

The training facilities will be constructed in Danilovgrad, in the complex (land and buildings) belonging to the Police Academy, and will continue to be within the ownership of the Police Academy.