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Programme against Corruption and Organised Crime in South-eastern Europe (PACO)
Implementation of Anti-corruption Plans in South-east Europe (Impact)

Conclusions: Initiation of Revision of the Anti-corruption Strategy Chapter and its Action Plan for BiH

By:

Ms. Kristina Hemon, United Kingdom

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For any additional information please contact:

Council of Europe, Crime Problems Department
Directorate General I – Legal Affairs
67075 Strasbourg CEDEX, France
Tel +33-3-8841-2354 / Fax +33-3-8841-3955
e-mail ardit@coe.int

The views expressed in this report are solely those of the experts' one and do not necessarily reflect official positions of the Council of Europe

1 INTRODUCTION

The third PACO Impact¹ activity in Bosnia and Herzegovina, a half-day discussion meeting on ways to proceed with revision of the Anti-Corruption Strategy and the Action-Plan took place in Sarajevo on 24 June 2005 in the Council of Europe office. The purpose of the workshop was to:

- Provide and discuss an update on the activities and actions taken since February 2005 when last PACO Impact meeting in BiH was held. Namely, an update of actions taken following the feedback of the institutions represented at the February meeting and others to the anti-corruption action plan as per the invitation letter of the Unit for Economic Policy Planning and Implementation of BiH Medium Term Development Strategy (EPPU) sent after the February meeting. Also, an update as to the status of the revision process was also to be given.
- Provide substantive comments to the anti-corruption strategy and the action – plan, both in terms of content, as well as a conceptual and methodological approach to revising the documents so to meet standards of international best practices in this area.
- Discuss ways ahead in revising anti-corruption strategy and the action-plan and further assistance that Council of Europe could provide to help this process in the future.

2 COMMENTS

As per the update provided by EPPU, following the February meeting, the letters inviting comments to the anti-corruption strategy and the action plan were sent to the workshop participants. The feedback apparently was not as numerous or substantive as hoped. Unfortunately, the EPPU representative did not present any additional information as to the details of the institutions that had provided comments nor about the substance of the comments provided.

The previous expert comments and recommendations by Ms. Vera Devine to the strategy and the action plan for 2004 and 2005 (in both Bosnian and English language) were presented to the participants and were provided in a written to all the participants and in the electronic form to the EPPU. Ms. Abdiu and Ms. Hemon also provided oral comments to the current strategy and the action plan and their methodology by submitting the model as enclosed in this document. In brief, the recommendations related to an update of the strategy are as follows:

2.1 ISSUES OF CONCERN RELATED TO THE ANTI-CORRUPTION STRATEGY

The Strategy needs an improvement in terms of expanding its baseline data and providing stronger evidence from the ground on the manifestation of corruption, both in terms of substance and a variety of sources, as well as the impact of efforts on corruption made since 2002.

The Strategy also needs to focus on and further elaborate preventive and educational aspects of fighting corruption to balance out the current emphasis on the repressive measures.

¹ The PACO Impact Project is funded by the Swedish International Development Agency (Sida) and is implemented by the Council of Europe. It targets the countries of the South east Europe - Albania, Bosnia & Herzegovina, Croatia, "the Former Yugoslav Republic of Macedonia" Serbia and Montenegro (including Kosovo). The project, which is running from March 2004 until February 2006, aims at assisting countries design and/or improve anti-corruption strategies/plans and implement aspects of it as identified by the countries in agreement with Council of Europe.

In brief, the recommendations related to the anti – corruption action plan(s)² related to the following issues:

Issues related to 2003 – 2004 Progress Report and the original Action-Plan

- There is a discrepancy between the original Action Plan and the progress report of its implementation in terms of actions concerning improving business climate and building public trust in governance institutions missing from the progress report and the actions planned for 2005.
- There seem to be the lack of intra-governmental awareness and co-ordination in terms of which institutions would be responsible for implementing a certain action as well as the level of government responsible for its implementation.
- The participants also commented on the actual accuracy of the anti-corruption action reported to have been completed as well as of the institutions responsible for their implementation.

Issues related to the Action Plan for the period between December 2004 and December 2005

- There is a discrepancy between the original Action Plan and the 2004 – 2005 Action Plan in terms of certain action specified in the former documents and missing in the latter. Although it is understandable that specific actions may change from one year to another, the lack of indication as to what was the outcome of the previously identified action which are missing in the subsequent documents, and how the decision to erase the action from the document was made and why, creates a confusion amongst those to whom the progress reports are presented, and therefore hurts the credibility of the documents and the actions taken.
- There is a need for greater detail and clarity of the proposed activities which appear somewhat vague and general (e.g., ‘Ensure strict adherence to the code of conduct of the police’ and ‘Strengthen transparency in the work of public institutions’), without specifying actions as to how to achieve such objectives.
- There is a lack of information on efforts undertaken by the International Community in BiH or information on the co-ordination of ongoing efforts which may be aided or partly implemented by the international organizations operating in BiH.
- Timelines for the implementation need to be made more realistic and the institutions in charge of implementing certain actions need to be better identified.
- The progress report in the Bosnia and the English language differ greatly, while in some cases the legal terminology used also seems inadequate. This undermines the credibility of the documents and the presentation of successes BiH has achieved so far, especially to the English speaking audience.

2.2 GENERAL COMMENTS

² BiH Anti-Corruption Action Plan is an amalgamation of several action plans. The general action plan was created in 2003 as an integral part of the PRSP documents. The two subsequent action plans are an elaboration of the initial document done every year, namely for 2004 and 2005.

Given the shortcomings of the current action-plan, the revised action-plan should include a variety of indicators and categories so to account for visibility, transparency, accountability, and continuity of the anti-corruption reforms. More specifically, as one of the best practice tools, BiH should consider utilizing a template for the revised action plan widely used amongst the countries in the region and the EU provided at the workshop. The template as attached offers representation of:

- **Clear categorization of different sectors** which anti-corruption reforms should target, including optional sub-categorization within each sector so to achieve full visibility and clarity of tasks, including preventive and public outreach efforts.
- **Clear identification of institutions** involved in the implementation so to ensure transparency, accountability, and coordination
- **Risk factors** which may be involved in the implementation to ensure accountability and better monitoring
- **Timelines and state of play of the implementation** to ensure accountability and better monitoring as well as visibility in continuity of anti-corruption efforts
- **Indicators of success** to measure the impact of the reforms on corruption

As suggested by the participants, there is a need to expand the composition of the current EPPU working group on anti-corruption, so to improve knowledge on substance of anti-corruption reforms needed in different sectors as well as to improve accuracy of progress made in the implementation of the reforms. Given that the permanent membership of such an expanded working group may be difficult to achieve, other options that do not require permanent membership should be explored.

In terms of improving the institutional capacity to fight corruption, there is a need to develop evaluation skills of those who monitor the strategy implementation, currently a task of EPPU.

It was preliminary agreed during the discussions at this workshop that the Council of Europe could, if requested, provide assistance during the practical process of revising the strategy and the action-plan, as well as provide and suggest the additional tools in monitoring, measuring, and evaluating impact of anti-corruption measures as per the above comments and the expert opinions already provided.

The EPPU has scheduled a meeting to discuss a method for the anti-corruption strategy and action plan revision for 1 July 2005, where the attached suggested format template of the strategy may be discussed as well.

NAME OF THE INSTITUTION THAT HAS DRAFTED IT
COUNCIL OF MINISTERS

TITTLE
“ACTION PLAN ON PREVENTION AND FIGHT AGAINST CORRUPTION”

“YEAR.....”

Implementation of National Anti-corruption Plans in SEE (PACO Impact)

NR.	ANTI CORRUPTION MEASURES	RESPONSIBLE/ COOPERATING INSTITUTIONS	DEADLINE	RISKS	STATUS REPORT (YEAR)	SUCCESS INDICATORS
SPECIFIC ANTI-CORRUPTION MEASURES						
A. LAW ENFORCEMENT						
A.1. Reforms in the Public Administration						
A.2. Rule of Law, Judiciary, Prosecution Office						
A.3. Business Operations and the Privatisation Process – Their Transparency and Integrity						
B. PREVENTION						
B.1. Reform in Public Administration						
B.2. Rule of Law, Judiciary, Prosecution Office						

Implementation of National Anti-corruption Plans in SEE (PACO Impact)

NR.	ANTI CORRUPTION MEASURES	RESPONSIBLE/ COOPERATING INSTITUTIONS	DEADLINE	RISKS	STATUS REPORT (YEAR)	SUCCESS INDICATORS
B.3.	Management and Control of Public Finances and Funds					
B.4.	Business Operations and the Privatisation Process – Their Transparency and Integrity					
C.	PARTICIPATION AND EDUCATION OF THE PUBLIC					
C.1.	Business Operations and the Privatisation Process – Their Transparency and Integrity					
C.2.	Civil Society, Media, Transparency, and Public Participation					
GOOD GOVERNANCE						
1	Reform in the Public Administration					
2	Rule of Law, Judiciary, Prosecution Office					

Implementation of National Anti-corruption Plans in SEE (PACO Impact)

NR.	ANTI CORRUPTION MEASURES	RESPONSIBLE/ COOPERATING INSTITUTIONS	DEADLINE	RISKS	STATUS REPORT (YEAR)	SUCCESS INDICATORS
	3 Management and Control of Public Finances and Funds					
	4 Business Operations and Privatisation Process – Their Transparency and Integration					
	5 Civil Society, Media, Transparency, and Public Participation					

Implementation of National Anti-corruption Plans in SEE (PACO Impact)

4 TEMPLATE FOR REPORTING AND MONITORING

<p>LEGAL AND INSTITUTIONAL DEVELOPMENTS</p>	
<p>Accession to international agreements</p>	
<p>Mutual assistance in criminal matters</p>	
<p>STRENGTHENING LEGISLATION AND RULE OF LAW</p>	
<p>Criminalisation of corruption</p>	
<p>Criminalisation of money laundering</p>	
<p>Strengthening the Judicial Sector to fight corruption</p>	
<p>Public procurement system</p>	<p>Issue: The Public Procurement Agency needs to further increase the capacity and ensure proper enforcement of the Public Procurement Law.</p>

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<p>Public expenditure management system</p>	<p>Issues: Secondary legislation, however, needs additional improvements. Many of the regulations required to implement the Organic Budget Law have either not been drafted or need updating to bring them in line with good international practice.</p>
<p>Financial control</p>	
<p>Public sector external audit system</p>	
<p>PROMOTION OF TRANSPARENCY AND INTEGRITY IN BUSINESS OPERATIONS</p>	
<p>Preventing Bribery of Public Officials in Business Transactions</p>	
<p>Promoting integrity in businesses</p>	
<p>CIVIL SERVICE CAPACITIES</p>	
<p>CIVIL SOCIETY PARTICIPATION AND INTEGRATION</p>	