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**Project: Development of Reliable and Functioning Policing Systems
and Enhancing of Combating Main Criminal Activities
and Police Co-operation**

Final version EN

20 June 2005

**Strengthening police capacities
against serious crime in South-eastern Europe**

**THIRD
QUARTERLY REPORT**

**REPORTING PERIOD:
MARCH – JUNE 2005**

Project title	Development of reliable and functioning policing systems, and enhancing of combating main criminal activities and police co-operation
Project area	South-eastern Europe: Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro, "The former Yugoslav Republic of Macedonia"
Budget	EURO 4 444 000
Funding	European Commission CARDS Programme & Council of Europe
Implementation	Council of Europe (Department of Crime Problems/DGI – Legal Affairs) for overall management and Module 1 International Organisation for Migration for Module 2
Duration	30 months (March 2004 – August 2006)

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1 PROJECT SUMMARY

The Project “Development of reliable and functioning policing systems and enhancing of combating main criminal activities, and police co-operation” is a joint project between the European Union and the Council of Europe, under the CARDS Regional Programme 2002 – 2003.

The project started in March 2004 and will last until August 2006 (30 months).

The project areas are: Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro¹ and “the former Yugoslav Republic of Macedonia”.

The objective of the project is to strengthen the capacities of the above-mentioned beneficiary countries to develop and implement regional strategies against serious forms of crime, based on the *acquis* of the European Union and other European standards and practices by:

- providing them with the necessary tools against economic and organised crime (**Module 1**);
- enabling them to deliver comprehensive training against trafficking in human beings, smuggling and illegal migration (**Module 2**).

The project covers, through a series of in-country and regional activities (e.g. seminars, study visits, trainings) **the following issues:**

- the development of a regional strategy on economic and organised crime;
- the strengthening of financial investigations capacities aimed at the confiscation of proceeds from crime and experience exchange among the financial intelligence units in the region;
- the use of special investigative means and intelligence in accordance with human rights standards;
- the creation of effective mechanisms to protect witnesses of serious crime;
- the strengthening of capacities for co-operation in criminal matters;
- the development of training strategies in all matters related to trafficking in human beings, smuggling and illegal migration;
- the development of curricula and training materials on trafficking in human beings, smuggling and illegal migration.

The overall intervention logic of the project can be summarised as to:

- develop regional strategies and benchmarks;
- develop country-specific implementation plans for specific tools and fields of crime;
- develop, test and produce training materials in local languages to support the implementation of the strategies;
- review progress made in the implementation of the strategies and thus in the progress made towards the *EU acquis* and European standards and practices.

Through the two modules, the project **combines a horizontal approach** (tools which are common to most forms of economic and organised crime) **with a vertical approach** (trafficking in human beings, smuggling and illegal migration as the specific field of crime).

Finally, **close co-ordination and synergies with other organisations and projects** supporting measures against economic and organised crime, trafficking in human beings, smuggling and illegal immigration are sought in the implementation of the project.

¹ The project area includes also Kosovo (Serbia and Montenegro), currently under the interim administration of UNMIK in accordance with the United Nations Security Council resolution 1244 (1999).

MODULE 1 - PROVIDE TOOLS AGAINST ECONOMIC AND ORGANIZED CRIME		MODULE 2 - DELIVER COMPREHENSIVE TRAINING AGAINST TRAFFICKING IN HUMAN BEINGS, SMUGGLING AND ILLEGAL MIGRATION	
<p>Output 1.1 Develop a regional strategy on economic and organized crime</p>	<p>Output 1.2 Strengthen capacities for financial investigations aimed at confiscation of proceeds from crime</p>	<p>Output 1.3 Support effective use of special investigative means and intelligence</p>	<p>Output 1.4 Support the creation of effective mechanisms to protect witnesses of serious crime</p>
<p>Output 1.5 Strengthen capacities for international co-operation in criminal matters</p>	<p>Output 2.1 Develop and support a training strategy</p>	<p>Output 2.2 Develop and test training curricula and materials on trafficking in human beings, smuggling and illegal migration</p>	
<p>=> Analysis of the economic and organized crime situation</p>	<p>=> Implementation strategy for financial investigations</p>	<p>=> Implementation strategy to enhance the use of SIMS</p>	<p>=> Implementation strategy for the ratification and implementation of ETS 182</p>
<p>=> Benchmarks to meet European standards and practices on economic and organized crime</p>	<p>=> Training Materials on financial investigations and confiscation</p>	<p>=> Implementation strategy to enhance the use of intelligence</p>	<p>=> Training Materials on international co-operation in criminal matters</p>
<p>=> Regional strategy and review of progress</p>	<p>=> Information and experience exchange among FIUs</p>	<p>=> Training Materials on the use of SIMS and intelligence</p>	<p>=> Training curricula and materials on trafficking in human beings, smuggling and illegal migration</p>

2 GENERAL INTRODUCTION

2.1 General project activities carried out during the reporting period

2.1.1 Overview

During the reporting period (March - June 2005), the Project Management Unit (PMU) continued to implement a large number of activities under Module 1 following the timing foreseen in the inception report and implementation programme. With the full co-operation of Local project officers (LPOs), CARPO long-term adviser and consultant, a special attention has been given to supporting the working groups in each project areas in developing implementation strategies / action plans. Despite the fact that the quality of the implementation strategies / action plans obviously varies between the project areas, working groups' members should be commended for their commitment and contributions in this respect. An important step of the project has been crossed in the recent months allowing for positive developments and results in the project areas.

Under Module 2, with the completion of the analysis, development and preparation phase, the project has entered its implementation phase. Activities implemented by the International Organization for Migration (IOM Brussels) have been proceeding as planned, and Module 2 is running according to the scheduled work plan. The PMU and IOM Brussels co-ordination team have continued to work closely together in order to ensure coherence between both modules' activities and a smooth implementation. The exchange of information between both teams has continued to be excellent.

The consortium partners for Modules 1 and 2 and in particular the Office for Money Laundering Prevention and the Criminal Police from Slovenia, Belgium and the Ministry of Interior from Hungary, were actively involved in the implementation of a number of activities. The PMU continued to inform them regularly on the project's state of play.

The PMU and the co-ordination team of IOM Brussels have pursued their intensive efforts to associate other relevant international organisations involved on similar issues to exchange information and explore possibilities for common actions. Regular contacts were pursued with the Europol, International Centre for Migration Policy Development (ICMPD), SECI Center, OSCE and CEPOL. Some of these international partners were closely associated to certain project activities and will remain so in the coming months. The PMU's permanent concern to ensure consistency with other strategies and initiatives developed both at national and regional levels in the field of fighting economic and organised crime in order to facilitate synergies and avoid as far as possible duplication remains strong.

2.1.2 Advisory Board activities

The 3rd Advisory Board meeting is scheduled for 29 June 2005 in Strasbourg. Invited participants will include all the Senior Representatives, Module 1 and 2 local co-ordinators from the project areas, representatives from all the consortium partners and observers (SPOC, CARDS Justice project, CEPOL, Europol, ICMPD and UNODC).

The main objectives of the meeting are:

- to elect a new Chairman and two Deputy Chairmen/Chairwomen for the coming six-month period,
- discuss the project achievements under both Modules since the 2nd Advisory Board meeting and key factors to the road map,

- present the second part of 2005 workplan,
- prepare the Brijuni High-level meeting scheduled for 22-23 September 2005.

2.1.3 Communication and coordination between Module 1 and Module 2

The PMU and IOM Brussels project and assistant project co-ordinators have reviewed on a regular basis the progress made under Module 2 activities. They continued to ensure a proper co-ordination and facilitate co-operation with other projects and initiatives launched in the field covered by this module.

2.1.4 Senior Representatives and Module Co-ordinators

The PMU and IOM Brussels have continued to enjoy a solid support from the Senior Representatives and module co-ordinators in each project areas, including in Bosnia and Herzegovina where the situation in this regard improved significantly following the recently appointment of the module 1 co-ordinator. The mobilisation of the working groups' members, the proper follow-up to their work, and the active participation of the counterpart institutions in the project's activities was made possible through the serious involvement of the Senior Representatives and module co-ordinators.

As briefly mentioned above, following the PMU's mission to Sarajevo early March 2005, the co-operation of Bosnia and Herzegovina in the project has undoubtedly improved. Authorities in the country at the highest level have taken the appropriate decisions allowing the staff and counterparts from the Ministries of Interior and Security to fully benefit from the opportunities offered by the project. A special credit for this should also be given to the recently appointed Module 1 co-ordinator for Bosnia and Herzegovina.

2.1.5 Local project officers (LPOs) and other staff issues

With the support of Council of Europe's offices in the project areas, the LPOs for Module 1 continued to conduct numerous coordination meetings with the main counterparts. They also frequently ensured to inform the European Commission Delegations in their respective project area as well as other international organisations present, through regular contacts, co-ordination meetings, briefings or reports. Under the supervision of the PMU, they remain to be closely associated in the organisation and implementation of the activities held under Module 1.

The LPOs for Module 1 have taken a special responsibility in facilitating the meetings of the working groups in their preparation of the implementation strategies to be delivered under outputs 1.1 to 1.4 of Module 1. Their active and positive support in this regard has been commended by many participants.

For each of their project areas, the LPOs continued to update the existing information on legal, institutional and operational aspects related to the different project's outputs. They were tasked to prepare twice a month a compilation of information on developments in the field of the fight against organised crime, which constitutes a useful tool for the PMU, partners and short-term experts associated to the project.

Following the resignation of the LPO in Croatia end of January 2005, the PMU has been able, with the valuable support of the IOM Office in Croatia, to recruit a new LPO, who started working on 2 March 2005.

The LPOs for Module 2 were on their side closely associated with IOM Brussels in the elaboration of the training strategy and the outlined training materials. In each project area, they deepened their contacts with the relevant counterparts involved in Module 2 activities and other local institutions such as police academies, higher education facilities or universities. Regular co-ordination meetings or contacts have taken place between Module 1 and 2 LPOs and the European Commission Delegations.

2.2 Assessment of the progress made in the implementation of the project and next steps

The work plan and timetable foreseen in the inception report for Modules 1 and 2 and recalled in the first and second quarterly report have continued to be followed so far. The PMU expects this to continue.

The mobilisation by the PMU of all the partners in the region and communication on the project's achievements has continued to deliver good results. This strategy was further strengthened through the direct involvement of regular activities' participants (mainly the working groups' members) in a networking which fostered the co-operation between the project areas in the fight against organised crime, the development of a close partnership with the working groups and the increasing use of performing tools such as the web site and the "Newsletter".

Following the adoption by the Advisory Board of the outline of activities for 2005 in its December 2004 meeting, close co-operation with consortium partners and other initiatives and projects supported by international organisations in the region continued. The joint activity - Regional Round Table organised by the CARDS Police and CARDS Justice projects in Strasbourg (18-19 May 2005) to increase a more efficient co-operation between the Public Prosecution and the Police in fighting organised crime in the region is a good example of practical co-operation. The PMU will also continue to develop a flexible approach towards the project areas and their immediate needs related to specific outputs.

Activities related to preparation of the regional strategy and situation report are in its final stages. Drafts of both have been prepared and will be further elaborated at the 28 June 2005 regional meeting in Strasbourg. Following the conclusions of the seminar and additional input by project areas during the summer, the final draft regional strategy on tools against economic and organised crime with country specific actions will be presented for adoption at the high-level decision makers' regional meeting on 22-23 September in Brijuni (Croatia).

Activities related to preparation of national implementing strategies / action plans are likewise in their final stages. All planned regional and in-country activities as well as study visits aimed at exposure of members of local working groups to good European practices and assisting them in identification of gaps and opportunities in line with European standards with aim of preparing implementation strategies under specific outputs have been implemented to date. An intermediate objective – implementation strategies under each output per project area – has been largely achieved; and the strategies will form the backbone of the regional strategy to be discussed at the June regional meeting in Strasbourg and adopted at the September meeting in Brijuni (Croatia). It has to be underlined, however, that the quality of the national action plans vary significantly in substance and depth of identification of gaps and needs for remedial actions. This can be attributed to the different level of commitment and capacity of local working groups as well as level of development of a particular project area under a particular output. The experience showed that – given the differences among project areas – additional support to the working groups on the development and in particular implementation of action plans is required. Accordingly, the PMU will – within the possibilities and flexibilities

offered by the project's framework – continue to support short bilateral study/working visits for selected working groups and continuous assistance by short-term experts.

Activities related to identification of training needs and preparation of training materials have been initiated already in November 2004 – by devising the internal work plan and identifying the pool of experts. Starting in March 2005, a series of regional seminars have been conducted for relevant outputs under Module 1 with the objective to review training needs and opportunities and agree on the regional and country-specific elements of the training modules. Conclusions of the first three such regional workshops/seminars proved that further activities related to preparation and implementation of training will have to be very flexible and strictly project-area tailored – with additional support of established specialised operational European services. In particular this is true for outputs dealing with sensitive subjects of witness protection and undercover operations where public training materials cannot be prepared. Accordingly, the PMU has been successful in establishing close cooperation with EUROPOL and specific European witness protection units and department for special operations to assist us in the training of trainers. Nevertheless, specific common regional elements and modules that would require a production of a Handbook-type materials for training have been identified, in particular in the area of financial investigations and procedural measures for witness protection. Accordingly, the PMU has already identified short term experts for the task and the process is on track.

Activities related to the provisions of expertise in relation to the improvement of legal and institutional framework present a flexible element of the project. Depending on requests from project areas we will continue (as we did in the past with success) to provide support in the form of expert opinions and ad-hoc in-country workshops and meetings on questions related to the legislative framework.

On the financial side, a consolidated annual financial report has been submitted to the European Commission covering the period March 2004 - March 2005. This report shows that the project spent 1.180.579 € instead of the 1.789.728 € foreseen by the budget. These figures demonstrate that the PMU has, since the start of the project, managed the budget resources in an efficient way to ensure a strict respect of its engagement towards the European Commission and the Council of Europe. A request was sent early April to the European Commission in order to receive the second instalment which will greatly facilitate the further implementation of the work plan under Modules 1 and 2.

3 MODULE 1

3.1 Introduction

The PMU is of the opinion that the activities under Module 1 continue to be implemented according to the schedule and have succeeded to fulfil its proclaimed objectives.

Since the inception of the project, the PMU in cooperation with project's consultant and long-term adviser, experts from consortium and non-consortium countries, and with the support of our Local Project Officers (LPOs), and Senior Representatives, managed to implement a substantive number of specific activities:

- **20 regional events – seminars & workshops**
 - of which 7 were implemented during present reporting period;
- **9 study visits** for the members of different local working groups to selected EU countries
 - of which 2 were implemented during the present reporting period;
- **21 in-country workshops & seminars**
 - of which 3 were implemented during present reporting period.

3.2 Output 1.1

3.2.1 Specific activities carried out during the reporting period

The following specific activities under Output 1.1 (development of a regional strategy on economic and organised crime) have been implemented after the inception phase to date [activities implemented during this reporting period (March – June 2005) are highlighted]:

ACTIVITY 1.1.1: PREPARE AN ANALYSIS OF THE ECONOMIC AND ORGANISED CRIME SITUATION

Activity:	Description:	Status / Place / Date:
1.1.1.1	Regional meeting to establish a working group of crime analysts and intelligence officers, to review the current state of knowledge on the economic and organised crime situation in South-eastern Europe (including corruption), to train participants in new methodologies, and to agree on the framework for a regional in-depth analysis	Completed [during inception phase]
1.1.1.2	Albania: in-country visit by short-terms experts to assist the working groups in the analysis of country-specific data	Completed [during first reporting period]
1.1.1.2	Bosnia and Herzegovina: in-country visit by short-terms experts to assist the working group in the analysis of country-specific data	Completed [during first reporting period]
1.1.1.2	Croatia: in-country visit by short-terms experts to assist the working group in the analysis of country-specific data	Completed [during first reporting period]
1.1.1.2	“the former Yugoslav Republic of Macedonia”: in-country visit by short-terms experts to assist the working group in the analysis of country-specific data	Completed [during first reporting period]
1.1.1.2	Serbia and Montenegro: In-country visit by short-terms experts to assist the working group in the analysis of country-specific data	Completed [during first reporting period]
1.1.1.2	Serbia and Montenegro: in-country visit by short-terms experts to assist the working in the analysis of country-specific data	Completed [during first reporting period]
1.1.1.2	Serbia and Montenegro: in-country visit by short-terms experts to assist the working in the analysis of country-specific data	Completed [during first reporting period]
1.1.1.3	Follow up regional seminar for the members of the working	Completed

	groups for further training and to work on the regional analysis	[during first reporting period]
1.3.2.2	Study visit for analysts and intelligence officers on criminal intelligence systems, crime analysis and pro-active policing as well as data protection, in view of country-specific implementation plans	Completed [during 2 nd reporting period]
1.3.2.2	Study visit for analysts and intelligence officers on criminal intelligence systems, crime analysis and pro-active policing as well as data protection, in view of country-specific implementation plans	Completed [during 2 nd reporting period]
1.1.1.4	Regional seminar to finalise the preparation of a situation report on economic and organised crime in South-eastern Europe	Completed 15-16 March Strasbourg, Council of Europe

In March 2005, a **regional seminar to finalise the preparation of a situation report on economic and organised crime in South-eastern Europe** took place in the Council of Europe. The seminar brought together about 45 participants, mainly members of the Working Groups on Crime Analysis representing various Organised Crime Departments, Anti-Money Laundering Departments, General Police Directorates, Crime Intelligence Departments, Ministries of Finances, and General Prosecutor's Offices from each project area, as well as experts from Spain, the Netherlands and United Kingdom.

The objective of the meeting was, firstly, to present the institutional and legal framework for collecting and managing intelligence and data on organised crime. An enriching exchange took place between the participants following the presentation by the Croatian Delegation of its experience in collection and management of intelligence and data. Various experts then shared their views on the ways to estimate proceeds of crime and loss of public revenues and drug earnings as well as the levels of consumption in the project areas.

The second part of the seminar was dedicated, with the support of Council of Europe consultant, to the lessons learned from the process of preparing an analysis of the economic and organised crime situation in Western Balkans based on the project areas' replies to the Organised Crime questionnaire. The delegations representing each project area presented their views on the process and the way they handled it before splitting in working groups in order to work, with Council of Europe experts, on the improvement of their replies to the above mentioned questionnaire.

ACTIVITY 1.1.2: ESTABLISH BENCHMARKS IN TERMS OF MEETING EUROPEAN STANDARDS AND PRACTICES ON ECONOMIC AND ORGANISED CRIME

<i>Activity:</i>	<i>Description:</i>	<i>Status / Place / Date</i>
1.1.2.1	Regional meeting of experts from consortium partners to determine requirements under relevant European and other international instruments with regard to the priority fields of crime and tools	Completed [during inception phase]
1.1.2.2	Setting-up indicators and adoption of a template for the country compliance reports	Completed
1.1.2.2	Short-term experts to assess the current level of compliance by countries with these instruments on the basis of existing reports	on-going [in-house]
1.1.2.3	Regional seminar to establish benchmarks and agree on the indicators and a template for the country compliance reports	Completed [during first reporting period]
other	Short-term experts and PMU to finalise the benchmarks	Completed [during 2 nd reporting period]

ACTIVITY 1.1.3: DEVELOP THE REGIONAL STRATEGY AND REVIEW PROGRESS MADE

<i>Activity:</i>	<i>Description:</i>	<i>Status / Place / Date</i>
<u>1.1.3.1</u>	Short-term experts to assess activities underway in the countries of the region in fields covered under the present project in order to avoid duplication and seek synergies	on-going [permanent task]
<u>other</u>	Work on the draft template and main elements of the regional strategy	Completed [during 2 nd reporting period]

3.2.2 Conclusions and next stepsActivity 1.1.1:

Most of activities under 1.1.1 are completed. Since the inception of the project and even more significantly following the Strasbourg's seminar and the working groups' discussions, the replies of all project areas to the Organised Crime questionnaire have substantially improved allowing for the finalisation of a solid situation report on economic and organised crime in Western Balkans.

During the above mentioned seminar in Strasbourg in which Europol was closely associated, all participants expressed their willingness to have two crime analysts/police officers from the Organised Crime Departments from each project areas taking part in a study visit to Europol. The PMU in close co-ordination with Europol's Serious Crime Department, has managed to respond to this request and to organise a two and a half days visit to The Hague (early July) dedicated to further deepen the knowledge on data protection, confidentiality and security, as well as analytical methodologies and techniques of operational and strategic analysis. A special session will also be spent on practical analysis exercises.

Activity 1.1.2:

Most of the activities under 1.1.2 are completed. The assessment of the current level of compliance by countries with the finalised benchmarks and indicators is an on-going process.

Activity 1.1.3:

The draft consolidated situation report prepared by Council of Europe consultant will be presented to the coming regional seminar on 28 June 2005 dedicated to the development of a draft regional strategy on economic and organised crime and for information to the coming Third Advisory Board.

The main next step for the following reporting period includes, resulting of the outcome of Strasbourg regional seminar on the draft regional strategy on economic and organised crime, the preparation of the high-level meeting in Brijuni (Croatia) where the final strategy will be officially adopted and endorsed at the political level by each of the seven project areas.

3.3 Output 1.2

3.3.1 Specific activities carried out during the reporting period

The following specific activities under Output 1.2 (strengthening of financial investigations capacities aimed at the confiscation of proceeds from crime and experience exchange among the financial intelligence units in the region) have been implemented after the inception phase to date [activities implemented during this reporting period (March – June 2005) are highlighted]:

ACTIVITY 1.2.1: DEVELOP AND SUPPORT AN IMPLEMENTATION STRATEGY FOR FINANCIAL INVESTIGATIONS

Activity:	Description:	Status / Place / Date
1.2.1.1	Regional thematic seminar to review relevant European and other international standards and reach agreement on the approach to financial investigations for confiscation	Completed [during inception phase]
1.2.1.2	Albania: decision maker seminar in view of the establishment of working groups "financial investigations"	Completed [during 2 nd reporting period]
1.2.1.2	Bosnia and Herzegovina: decision maker seminar in view of the establishment of working groups "financial investigations"	Completed [during first reporting period]
1.2.1.2	Croatia: decision maker seminar in view of the establishment of working groups "financial investigations"	Completed [during 2 nd reporting period]
1.2.1.2	"The former Yugoslav Republic of Macedonia": decision maker seminar in view of the establishment of working groups "financial investigations"	Completed [during first reporting period]
1.2.1.2	Serbia and Montenegro: decision maker seminar in view of the establishment of working groups "financial investigations"	Completed [during first reporting period]
1.2.1.2	Serbia and Montenegro: decision maker seminar in view of the establishment of working groups "financial investigations"	Completed [during first reporting period]
1.2.1.3	Albania: technical level seminar to identify gaps and opportunities in legislation (back-to-back with decision-maker seminars)	Completed [during 2 nd reporting period]
1.2.1.3	Bosnia and Herzegovina: technical level seminar to identify gaps and opportunities in legislation (back-to-back with decision-maker seminars)	Completed [during first reporting period]
1.2.1.3	Croatia: technical level seminar to identify gaps and opportunities in legislation (back-to-back with decision-maker seminars)	Completed [during 2 nd reporting period]
1.2.1.3	"The former Yugoslav Republic of Macedonia": technical level seminar to identify gaps and opportunities in legislation (back-to-back with decision-maker seminars)	Completed [during first reporting period]
1.2.1.3	Serbia and Montenegro / Montenegro: technical level seminar to identify gaps and opportunities in legislation (back-to-back with decision-maker seminars)	Completed [during first reporting period]
1.2.1.3	Serbia and Montenegro / Serbia: technical level seminar to identify gaps and opportunities in legislation (back-to-back with decision-maker seminars)	Completed [during first reporting period]
1.2.1.4	Study visits on financial investigations	Completed [during first reporting period]
1.2.1.4	Regional workshops for members of the working groups in view of developing implementation strategies for each country	Completed [during first reporting period]
Other	Harmonised template for the national implementation strategy on financial investigation with guidelines for its drafting prepared by the short-term experts and advisors to the project,	Completed [during first reporting period]

	vetted by the countries and adopted	
<u>1.2.1.3</u>	Serbia and Montenegro / Kosovo: technical level seminar to identify gaps and opportunities in legislation (back-to-back with decision-maker seminars)	Completed 5-6 May 2005 Pristina, Kosovo
<u>1.2.1.4 b</u>	Regional workshops for members of the working groups in view of developing implementation strategies for each country	Completed 5-6 April 2005 Sarajevo, BiH
<u>1.2.2.1</u>	Regional workshop to review training needs regarding financial investigations aimed at confiscation of proceeds from crime	Completed 5-6 April 2005 Sarajevo, BiH
<u>1.2.2.2</u>	Short-term experts to assist working groups in developing target-group specific training materials in each project area	on-going

During this reporting period, an **on-site mission** to Kosovo in the form of a workshop and a roundtable with decisions makers that was delayed in the previous reporting period took place. Participants at the workshop included: International advisor of the Department of Justice, international prosecutor specialised in economic crime, criminal investigator from Kosovo police service (KPS) and director of organised crime directorate of KPS; also representatives from KPS, tax and customs service were present. Issues elaborated during the meeting: raising awareness and understanding of the concept of financial investigations, gaps in legislation, necessity for specialisation within the law enforcement, and the role of tax and customs authority in financial investigations. Conclusions of the meeting were reflected in the revised draft strategy prepared by the working group following the workshop.

In April 2005 a **regional workshop/seminar to discuss draft implementation strategies and review training needs in the field of financial investigations** took place in Sarajevo, BiH. The seminar brought together over 30 participants, members of the Working Groups on Financial Investigation and representatives of selected law enforcement or criminal justice training institutions from each project area, as well as experts from Germany and Slovenia.

The objective of the first part of the workshop was to present and elaborate through a regional exchange and input from the Council of Europe experts first draft implementation strategies / action plans on financial investigations aimed at confiscation of proceeds from crime which the working groups in all project areas prepared within the framework of the CARPO project. During the workshop each working group presented main elements of their draft strategies / action plans – focused on identification of existing legislative, institutional and operational gaps and plans for remedial steps with an assessment of needs -- according to the Guidelines/Template that was adopted during the 2004 Stuttgart study visit and later submitted to the working groups.

The objective of the second part of the workshop was to review training needs and opportunities in the area of financial investigation and agree on the regional and country-specific elements of the training modules. To fulfil this objectives of the members of the working groups were requested in advance of the workshop to: a) identify the existing, planned or needed training in the area of financial investigation (training of selected police officers, as well as prosecutors and judges); b) indicate institution(s) in their project area which could include the training in its curriculum and implement it; c) indicate persons and institutions that could participate in the process of drafting and compiling specific training modules for their project area. The objective was partially fulfilled and the conclusions of the workshop are now guiding further CARPO activities under output 1.2.2 which consist of preparation of target-group and project area specific training modules in the area of financial investigation, implementing at least on training event for future trainers and translation and publication of training materials in local languages.

Following the outcomes of the Sarajevo regional seminar, the drafting of a training handbook on general concepts and elements of financial investigation and an outline of a more detailed

outline of country specific elements of training materials have been initiated with the contribution of short-term experts who participated in the past activities under Output 1.2.

ACTIVITY 1.2.3: FACILITATE INFORMATION AND EXPERIENCE EXCHANGE AMONG THE FINANCIAL INTELLIGENCE UNITS IN THE COUNTRIES OF THE REGION

<i>Activity:</i>	<i>Description:</i>	<i>Status / Place / Date</i>
1.2.3.1	Regional seminar for members of the FIUs of the region to review problems and opportunities, as well as training requirements, with regard to information exchange among them	Completed [during first reporting period]
1.2.3.2	Regional training seminar for staff of FIUs on information exchange, in particular in view of Egmont Group and other relevant standards and practices	Completed [during first reporting period]
1.2.3.3	Regional training seminar on information exchange among FIUs in view of Egmont Group and other relevant standards and practices and reach an agreement on a draft MOU on information exchange	Completed [during 2 nd reporting period]
1.2.3.4	International seminar on co-operation between financial intelligence units, the police and public prosecution and training seminar on information exchange	Completed Ohrid, "the former Yugoslav Republic of Macedonia" 22-23 March 2005

The last seminar under this output was held in Ohrid ("the former Yugoslav Republic of Macedonia", 22-23 March 2005). It was organised by the Council of Europe in partnership with the Directorate for Money Laundering Prevention of the Ministry of Finance of "the former Yugoslav Republic of Macedonia". Considering the importance of enhancing cooperation on information exchange in a broader forum than only the project areas of the CARPO project, national experts from Romania, Ukraine, Poland, Slovenia and Belgium were also invited. Consequently, the seminar was co-funded by the CARPO project and the Project against Money Laundering in "the former Yugoslav Republic of Macedonia"(MOLI-MK).

This activity was also aimed at addressing the question of a possible elaboration of a Memorandum of Understanding, as mentioned in the Presidency statement at the EU-Western Balkans JHA Ministerial Meeting regarding the regional fight against organised crime (Brussels, 3 December 2004). Prior to the seminar, a questionnaire was sent for completion to each financial intelligence unit on possible issues which could be dealt with through a regional Memorandum of Understanding. Over 50 experts from financial intelligence units, public prosecution and police services actively involved in activities aimed at combating money laundering took part in this seminar.

3.3.2 *Conclusions and next steps*

Activity 1.2.1:

Activities under 1.2.1 are on track. Local WGs have been fully consolidated and have with the assistance of LPOs and short-term experts prepared draft implementation strategies according to the adopted guidelines. Draft strategies were elaborated during the regional workshop in Sarajevo, 5-6 April 2005. Following the input received at the workshop most working groups have by May 30 improved their implementation strategies and submitted them to the PMU; the documents are currently in the process of further review by short-term experts and its main elements will be included in country specific actions within the regional strategy to be discussed at the upcoming regional meeting on 28 June in Strasbourg.

Activity 1.2.2:

Activities related to identification of training needs and preparation of training materials have entered the implementation stage by the Sarajevo regional seminar. Its objective – to review training needs and agree on the regional and country-specific elements of the training modules - has been accomplished. Without exception, the concept of integrated financial and criminal investigations is new to all project areas and existing training capacities in the area of financial investigations for law enforcement officials, prosecutors and judges are close to non-existent. At the same time, need for training is of the highest priority on all project areas' action plans. Accordingly, it was agreed that further country-specific identification of training approaches, institutions, target groups and trainers is conducted. In parallel, short-term experts who have participated in the past activities under Output 1.2.1 have started preparing a detailed outline of training modules on financial investigations with summary of contents as well as a general Handbook/Guideline on the concept of integrated financial and criminal investigations aimed at confiscation of proceeds from crime: explanation of the concept, international standards, good practices, roles and responsibilities of different institutions, legal basis, procedures, etc..

The next steps for the following reporting period include:

- Following the outcome of the Sarajevo regional seminar conduct – via a questionnaire – a more detailed identification of training approaches, institutions, target groups and trainers in each project area (by August 2005);
- Draft -- with the assistance of the short-term expert – a general Handbook/Guideline on the concept of integrated financial and criminal investigations aimed at confiscation of proceeds from crime (by September 2005);
- Prepare with the assistance of the short-term expert a detailed outline of training modules on financial investigations with summary of contents (by September 2005);
- Conduct a regional training seminar for future trainers on general concepts of integrated financial and criminal investigations to test the general part of training materials (November 2005);
- Assist working groups in developing target-group specific training materials in each country (missions of short-experts per request);
- Implement one training event per project area by local trainers with expert support to test and further improve training materials (November 2005 – April 2006);
- Per request continue to provide legal expertise in development of amendments to legislation and implementing the national action plan under Output 1.2.

Activity 1.2.3:

Activities under 1.2.3 are completed. The last seminar under this output was held in Ohrid ("the former Yugoslav Republic of Macedonia", 22-23 March 2005) and was partly aimed at addressing the question of a possible elaboration of a Memorandum of Understanding (MoU).

Between November 2003 when the idea of a regional Memorandum of Understanding was first expressed at the EU-Western Balkans JHA Ministerial Meeting in Brussels and spring 2005, an important number of bilateral Memoranda of Understanding were signed between financial intelligence units in the region. Consequently, FIUs experts concluded that a regional Memorandum of Understanding would not bring in any added value to the existing situation.

Between Zagreb and Ohrid's seminar, the following bilateral Memoranda of Understanding have been signed:

- Bosnia and Herzegovina and "the former Yugoslav Republic of Macedonia" (signed during the Zagreb seminar)
- Bosnia and Herzegovina and Croatia

- Croatia and Montenegro (Serbia and Montenegro) (signed during the Ohrid seminar).

Memoranda of Understanding between "the former Yugoslav Republic of Macedonia" and Kosovo (Serbia and Montenegro), Slovenia and Kosovo (Serbia and Montenegro), Bosnia and Herzegovina and Slovenia as well as Croatia and Serbia (Serbia and Montenegro) were under negotiations. The current situation of existing MoUs is presented in the table below.

A draft agreement was prepared and presented during the Ohrid seminar, which participants considered to be a very good model to follow by the project areas which had not signed bilateral Memoranda of Understanding yet. An appendix on co-operation in the field of countering terrorist financing was also a very valuable contribution to the future cooperation among financial intelligence units. The project areas were encouraged to extend their bilateral Memoranda of Understanding by adding terrorist financing appendix to them at their earliest convenience.

The participants concluded that they did not need a regional Memorandum of Understanding as a multilateral document and decided to communicate with their respective foreign ministries to make sure the proposal of a regional Memorandum of Understanding would not be reiterated at a ministerial meeting in the future.

	Albania	Bosnia and Herzegovina	Croatia	Serbia (S&M)	Montenegro (S&M)	Kosovo (S&M)	"the former Yugoslav Republic of Macedonia"	Slovenia
Albania			MOU	MOU	MOU		MOU	MOU
Bosnia and Herzegovina			MOU	(draft MOU)			MOU	(draft MOU under negotiation)
Croatia	MOU	Info exchanged		(draft MOU under negotiation)	MOU		MOU	MOU
Serbia (S&M)	MOU	(draft MOU)	Info exchanged (draft MOU)		MOU		MOU	MOU
Montenegro (S&M)	MOU		Info exchanged	MOU		MOU	MOU	MOU
Kosovo (S&M)					MOU			(draft MOU under negotiation)

In addition, representatives of financial intelligence units exchanged information on what sort of information the financial intelligence units in individual countries had access to and what information they could get upon request. This discussion was very important and will certainly contribute to further improvement of operational co-operation between the financial intelligence units in the region.

3.4 Output 1.3

3.4.1 Specific activities carried out during the reporting period

The following specific activities under Output 1.3 (use of special investigative means and intelligence in accordance with human rights standards) have been implemented after the inception phase to date [activities implemented during this reporting period (March – June 2005) are highlighted]:

ACTIVITY 1.3.1: DEVELOP AND SUPPORT AN IMPLEMENTATION STRATEGY TO ENHANCE THE USE OF SIMS

<i>Activity:</i>	<i>Description:</i>	<i>Status / Place / Date</i>
1.3.1.1	Regional thematic seminar to review relevant European and other international standards and reach agreement on the approach to the issue of special investigative means	Completed [during inception phase]
1.3.1.2	Establish working group SIMS	Completed
other	Updating information on the institutional and legal framework governing SIMS in all project areas	Completed [during inception phase]
1.3.1.2	Study visits for members of working group on the use of SIMS	Completed [during 2 nd reporting period]
1.3.1.2	Study visits for members of working group on the oversight mechanisms over the use of SIMS	Completed [during 2 nd reporting period]
1.3.1.3	Short-term experts to support project groups in the drafting of implementation strategies	Completed [during 2 nd reporting period]
1.3.1.3 b	Regional workshops for members of the working groups in view of developing implementation strategies for each country	Completed 18-19 May 2005 Tirana, Albania
1.3.3.1	Regional seminar to review training needs on the use of SIMS and undercover operations	Completed 18-19 May 2005 Tirana, Albania
Other	Serbia and Montenegro/Serbia: short-term experts prepare a written expertise on the draft Government's Order on obligations of service providers regarding the interception of telecommunications	Completed June 2005

In May 2005 a **regional workshop/seminar to discuss draft implementation strategies and review training needs in the field of special investigative means** took place in Tirana, Albania. The seminar brought together over 30 participants, members of the Working Groups on Special Investigative Means (SIMS) from all project areas (senior police officers specialised in special investigative means, in particular in handling and employment of undercover agents, specialised prosecutors and investigative judges), as well as experts from Germany, Slovenia, and United Kingdom.

The objective of the first part of the workshop was to present and elaborate through a regional exchange and input from the Council of Europe experts first draft implementation strategies / action plans on special investigative means which the working groups in all project areas have prepared within the framework of the CARPO project. During the workshop each working group presented main elements of their draft strategies / action plans focused on identification of existing gaps and plans for remedial steps, needs for improvement or reform with an assessment of needs along each of the benchmarks and sub-benchmarks under Output 1.3 that had been adopted within the framework of the CARPO project.

The objective of the second part of the workshop was to review training needs and opportunities in the area of special investigative means with emphasis on the training in the area of deployment

and handling of undercover agents and agree on the regional and country-specific elements of the training modules. Conclusions of the workshop now guide further CARPO activities consisting of preparation of target-group (specialised police officers, undercover agents and their handlers, prosecutors, judges) and project area specific training modules in the area of SIMs, implementing at least on training event in each project area for future trainers and translation and publication of training materials in local languages. In advance of the workshop members of the working groups were requested to: a) identify the existing, planned or needed training in the area of SIMs (for all relevant groups – specialised police officers, undercover agents and their handlers, prosecutors, judges); b) indicate institution(s) in their project area which could include the training in its curriculum and implement it for different target groups; c) suggest persons and institutions that could participate in the process of drafting and compiling specific training modules for their project area. The objective was partially fulfilled and the conclusions of the workshop are now guiding further CARPO activities under output 1.3.2 which consist of preparation of target-group and project area specific training modules in the area of financial investigation, implementing at least on training event for future trainers and translation and publication of training materials in local languages.

ACTIVITY 1.3.2: DEVELOP AND SUPPORT AN IMPLEMENTATION STRATEGY TO ENHANCE THE USE OF INTELLIGENCE

<i>Activity:</i>	<i>Description:</i>	<i>Status / Place / Date</i>
1.3.2.1	Regional thematic seminar to review relevant European and other international standards and reach agreement on the approach to the enhance of the use intelligence	Completed [during first reporting period]
1.3.2.2	Study visit for analysts and intelligence officers on criminal intelligence systems, crime analysis and pro-active policing as well as data protection, in view of country-specific implementation plans	Completed 1-3 December 2004 London, UK
1.3.2.2	Study visit for analysts and intelligence officers on criminal intelligence systems, crime analysis and pro-active policing as well as data protection, in view of country-specific implementation plans	Completed [during 2 nd reporting period]

For additional information on past, current and planned activities under this output see Output 1.1.1 which is closely associated with Output 1.3.2 and activities on both are run in parallel.

3.4.2 Conclusions and next steps

During this reporting period the working groups have successfully completed draft strategies / action plans focused on identification of existing gaps and plans for remedial steps, needs for improvement or reform with an assessment of needs along each of the benchmarks and sub-benchmarks under Output 1.3 that had been adopted within the framework of the CARPO project. These drafts were presented and elaborated at the regional seminar in Tirana; the documents are now in the process of further review by short-term experts and its main elements will be included in country specific actions within the regional strategy to be discussed at the upcoming regional meeting on 28 June in Strasbourg.

All project areas have by now adopted a basic regulatory framework for the use of various SIMs within their Criminal Procedure Code (however, in “the former Yugoslav Republic of Macedonia” and Bosnia and Herzegovina, existing provisions on technical SIMs have not been used in practice due to the need for additional specialised legislation and implementing instructions); in all of the project areas (except Kosovo) equipment for implementation of technical SIMs is in the custody of national security intelligence services’ rather than law enforcement. In general

significant discrepancies exist among project areas in the field of SIMs: on one side of the spectrum is Croatia with rather successful long practice in using technical and non-technical SIMs for the purpose of criminal prosecution; on the other side are Bosnia and Herzegovina and “the former Yugoslav Republic of Macedonia” where there is close to no experience with using technical SIMs, etc.

The regional seminar in Tirana identified a number of objectives that are common for most project areas:

- Establish specialised police units for handling operations with undercover agents where they don't exist.
- Adopt internal guidelines / by-laws regulating internal authorisation procedures, record-keeping rules and rules on handling of the material obtained, measures securing confidentiality of investigations, and other guiding principles.
- Adopt internal guidelines and regulations for conducting undercover operations including for managing and directing undercover agents.
- Adopt internal guidelines for law enforcement officials working with registered informants.
- Create a national reporting system on the use of SIMs.
- Adopt (internal) regulatory framework governing the use of financial resources in regard to financing undercover operations, agents and informers and ensure efficient supervision over the use of such funds.
- Study different models of external oversight mechanisms with aim to introduce systemic external oversight mechanisms for the use of SIMs (in addition to court supervision) either through special judicial surveillance panels, special parliamentary committees, Ombudsman or other forms.
- Organise a general training on SIMs for the relevant law enforcement officials, prosecutors and judges.
- With the assistance of foreign experts and foreign specialised units train the trainers in the area of deployment and handling of undercover agents.
- Subject to financial capacities ensure police with technical and human resources to implement SIMs independently from state security institution.

It is worth pointing out that the regional seminar in Tirana had rather exceptional participation – among others it brought together Heads of Undercover Units and Units for Special Operations from the region as well as Heads of similar units from some EU member countries as experts.

The next steps for the following reporting period include:

- Prepare an annotated checklist / outline for the use in the recruitment of undercover agents and their handlers (by September 2005);
- Prepare a detailed outline of training modules for undercover agents with short summary of contents (by September 2005);
- Conduct in-country missions in selected project areas to work on the drafting of by-laws and implementing regulations for the use of SIMs (July – December 2005);
- Organise a regional workshop for selected project areas focused on technical SIMs in relation to internal safeguard procedures and obligations of telecommunication providers (October 2005);
- Facilitate and financially support bilateral training events -- participation UCA and their handlers as well as specialists in technical SIMs in regular training courses of established foreign specialised services (August 2005 – March 2006);
- Per request continue to provide legal expertise in development of amendments to legislation and implementing the national action plan under Output 1.3.

3.5 Output 1.4

3.5.1 Specific activities carried out during the reporting period

The following specific activities under Output 1.4 (creation of effective mechanisms to protect witnesses of serious crime) have been implemented after the inception phase to date [activities implemented during this reporting period (March – June 2005) are highlighted]:

ACTIVITY 1.4.1: DEVELOP AND SUPPORT IMPLEMENTATION STRATEGIES FOR WITNESS PROTECTION MEASURES IN EACH COUNTRY

<i>Activity:</i>	<i>Description:</i>	<i>Status / Place / Date</i>
1.4.1.1	Regional seminar to review relevant European and other international standards and reach agreement on the approach to witness protection	Completed [during inception phase]
1.4.1.2	Establish working groups on "witness protection"	Completed
1.4.1.2	Study visit for members of the WG on specialised witness protection units	Completed [during first reporting period]
1.4.1.3	<u>Albania</u> : in-country workshop to support the working group in the development of implementation strategies, in particular in view of the creation of specialised witness protection units in each country	Completed [during 2 nd reporting period]
1.4.1.3	<u>Bosnia and Herzegovina</u> : in-country workshop to support the working group in the development of implementation strategies, in particular in view of the creation of specialised witness protection units in each country	Completed [during 2 nd reporting period]
1.4.1.3	<u>"The former Yugoslav Republic of Macedonia"</u> : in-country workshop to support the working group in the development of implementation strategies, in particular in view of the creation of specialised witness protection units in each country	Completed [during first reporting period]
1.4.1.3	<u>Serbia and Montenegro</u> : in-country workshop to support the working group in the development of implementation strategies, in particular in view of the creation of specialised witness protection units in each country	Completed [during first reporting period]
1.4.1.3	<u>Serbia and Montenegro</u> : in-country workshop to support the working group in the development of implementation strategies, in particular in view of the creation of specialised witness protection units in each country	Completed [during first reporting period]
1.4.1.3	<u>Serbia and Montenegro</u> : in-country workshop to support the working group in the development of implementation strategies, in particular in view of the creation of specialised witness protection units in each country	Completed [during 2 nd reporting period]
Other	<u>"The former Yugoslav Republic of Macedonia"</u> : short-term experts prepare a written expertise on the draft Witness Protection Law on the request of the Government.	Completed [during first reporting period]
Other	<u>Serbia and Montenegro/Serbia</u> : short-term experts prepare a written expertise on the draft Witness Protection Law on the request of the Government.	Completed [during first reporting period]
<u>1.4.1.2</u>	Study visit for members of the WG on specialised witness protection units	Completed 14-16 March 2005 Merckheim, Germany
<u>1.4.1.2 b</u>	Bilateral study/working visit for two members of the newly established witness protection unit of FYROM to the Croatian WPU	Completed 3-4 April 2005 Zagreb, Croatia
<u>1.4.1.4</u>	Regional workshops for members of the working groups in view	Completed

	of developing implementation strategies for each country	5-6 April 2005 Zagreb, Croatia
1.4.2.1	Regional workshop to review training needs regarding witness protection	Completed 5-6 April 2005 Zagreb, Croatia

In March the German BKA Witness Protection Unit in Meckenheim, Germany, hosted a **study visit** for the members of the working groups on witness protection from each project area. The study visit was complemented by a side meeting of all participants and a representative of the PMU to discuss the “guidelines” for drafting the national implementation strategies on witness protection.

Pending the adoption of the Law on witness protection in the Parliament, “the former Yugoslav Republic of Macedonia” in March designated the first Head of the newly established witness protection unit with a mandate to prepare the project / action plan for the operationalisation of the unit. On the request of the “the former Yugoslav Republic of Macedonia” authorities and in agreement of the Croatian WPU, the PMU financed a **bilateral study/working visit** for two members of “the former Yugoslav Republic of Macedonia” WPU to Zagreb.

In April 2005 a **regional workshop/seminar to discuss draft implementation strategies and review training needs in the field of witness protection** took place in Zagreb, Croatia. The seminar brought together over 30 participants, members of the Working Groups on Witness Protection, as well as experts from EUROPOL, Latvia, Czech Republic, and the Netherlands.

The objective of the first part of the workshop was to present and elaborate through a regional exchange and input from the Council of Europe experts first draft implementation strategies / action plans on comprehensive systems of witness protection which the working groups in all project areas have prepared within the framework of the CARPO project. The objective of the second part of the workshop was to review training needs and opportunities in the area of witness protection and agree on the regional and country-specific elements of the training modules.

3.5.2 *Conclusions and next steps*

Activities under 1.4 are on track. From the inception of the project, all project area have made significant progress towards establishing specialised witness protection units; a year ago Croatia was an exception in the region having a comprehensive legal framework and a WPU in the process of establishment; today all project area have passed specialised laws on witness protection (except in Serbia where adoption is expected in the following months) and have formally established WPUs. During the reporting period, the witness protection law was adopted in “the former Yugoslav Republic of Macedonia”.

During the regional workshop in Zagreb each working group presented the main elements of their draft strategies / action plans focused on identification of existing gaps and plans for remedial steps with an assessment of needs along the benchmarks under Output 1.4:

- Procedural protective measures: identification of legislative and institutional gaps and main problems and proposals for possible legislative reform; pressing needs the area of institutional framework, material and human resources, and training.
- Non-procedural protective measures -- the status of the Law on Witness Protection or similar legal basis and the establishment and staffing of the Witness Protection Unit: identification of legislative and institutional gaps and main problems and proposals for short- and long-term remedial action; pressing needs in institutional framework, material and human resources, and training.

- International and legal cooperation: identification of legislative and institutional gaps and main problems and proposals.

In the area of non-procedural measures the challenge now is to make the newly established units operational in line with European standards and to enhance regional cooperation. The Zagreb regional seminar in April 2005 was possibly the first event that brought together Heads of all witness protection units across the region. Bilateral contacts of local practitioners established during the implementation of past activities have proved highly beneficial in this regard and we will continue to support – on request by the countries – additional bilateral short-term expert visits and exchange of experience. We also highly appreciate the support of EUROPOL and specialised WPU services from Germany, Czech Republic, Slovakia, and Latvia, which have assisted us with expertise in implementing some activities under this output.

One of the conclusions of the Zagreb seminar was also that the area of procedural protective measures and ordinary police-type protection measures remain weak. Accordingly, this will be addressed through awareness raising activities among prosecutors and judges, training as well as improvement of legislation in future activities within CARPO. Some project areas, notably BiH, Serbia and Croatia already had some practice in using video-link testimonies of protected witnesses; to facilitate such practices in cross-border cooperation and in to enhance regional international cooperation in witness protection and witness relocation a regional seminar to promote co-operation for witness protection is scheduled in Podgorica (Serbia & Montenegro) in September/October 2005. The aim is to involve not only project areas, EUROPOL, and EU Member States WPUs, but also other countries from the Balkan and Eastern Europe as well as other international organisations working in the area (e.g. SECI).

The next steps for the following reporting period include:

- Draft the Handbook/Guidelines on procedural protective measures and basic police protection (by September 2005);
- Finalise the identification of training modules with summary descriptions of their contents for specialists working in witness protection units (by August 2005);
- Facilitate and financially support bilateral training events -- participation of specialists working in the newly established WPUs in the region in regular training courses of established WPUs (July – December 2005);
- Organise (in cooperation with other international organisations) a regional seminar on international and regional cooperation in witness protection (September 2005);
- Organising a regional workshop to finalise training materials and concept (October 2005);
- Conduct a regional training for future trainers on procedural protective measures to test the training materials and concepts (October 2005);
- Implement in-country training events by local trainers with expert support to test and further improve training materials (October 2005 – April 2006);
- Per request continue to provide legal expertise to countries in the are of procedural protective measures;
- Per request continue to support bilateral study/working visits of newly established WPUs in the region aiming at making them operational.

3.6 Output 1.5

3.6.1 Specific activities carried out during the reporting period

The following specific activities under Output 1.5 (strengthening of capacities for co-operation in criminal matters) have been implemented after the inception phase to date **[activities implemented during this reporting period (March – June 2005) are highlighted]**:

ACTIVITY 1.5.1: DEVELOP STRATEGIES FOR THE RATIFICATION AND ACTUAL IMPLEMENTATION OF THE 2ND ADDITIONAL PROTOCOL TO THE EUROPEAN CONVENTION ON MUTUAL LEGAL ASSISTANCE IN CRIMINAL MATTERS (ETS 182)

<i>Activity:</i>	<i>Description:</i>	<i>Status / Place / Date</i>
1.5.1.1	Regional seminar on opportunities offered by ETS 182	Completed [during first reporting period]
<u>1.5.1.2</u>	Review by short term experts of the gaps and opportunities in legislation and institutional capacities for the ratification and implementation of ETS 182	Completed² February 2005
<u>1.5.13</u>	Regional seminar on elaboration of a strategy for the ratification and implementation of ETS 182	Completed 24-25 February 2005 Belgrade, S&M
<u>Other</u>	<u>Serbia and Montenegro/ Serbia</u>: Workshop on the elaboration of a strategy for the ratification and implementation of the 2nd additional protocol to the European convention on mutual assistance in criminal matters (ETS 182)	Completed 18 May 2005 Belgrade, S&M

The **review of the gaps and opportunities** in legislation and institutional capacities for the ratification and implementation of ETS 182 was completed by three experts from Belgium, Slovenia and United Kingdom and reports were elaborated concerning Albania, Croatia, Serbia (Serbia and Montenegro), Montenegro (Serbia and Montenegro), Kosovo (Serbia and Montenegro) and “the former Yugoslav Republic of Macedonia”.

The conclusions of the reviews were discussed during the **regional seminar** organised in Belgrade (Serbia and Montenegro) from 24 to 25 February 2005.

Furthermore, upon specific request of the Serbian and Montenegrin authorities, the PMU agreed to facilitate the organisation of a workshop on the elaboration of a common strategy for the ratification and implementation of the ETS 182, which gathered representatives of various institutions from the Union and level of Republics: Ministry for Human and Minority Rights, Ministry of Justice of Serbia, Ministry of Justice of Montenegro, judges (Serbia & Montenegro), Interpol, prosecutors office (Serbia). The **workshop** was held in the Council of Europe office in Belgrade on 18 May 2005.

3.6.2 *Conclusions and next steps*

The regional seminar, which gathered approximately 50 national experts and three short term experts, was aimed at discussing the conclusions and recommendations of the reviews, as well as the comments provided in each analysis. Participants exchanged views on the necessary legislative developments and institutional capacity-building measures and committed to prepare action plans by mid- June 2005.

In addressing the issue of the implementation of the Convention, one has to consider the particular situation of Serbia-Montenegro and the difficulties arising from the fact that the Union level is in charge of the ratification of treaties while their implementation is in hands of two Republics. The workshop organised following the regional seminar revealed that participants had a good understanding of the problems which need to be addressed in relation to the implementation of the convention, however it was perceived that certain issues should be addressed at a higher level (e.g. separate Law on international co-operation or amendments to the Criminal procedure Codes of Serbia and Montenegro respectively). Nevertheless,

² With the exception of Bosnia and Herzegovina.

considering the difficulties experienced so far under output 1.5's activities in Serbia and Montenegro, this meeting was a major step forward.

It is to be noted that given that officials from Bosnia and Herzegovina did not return the completed questionnaire on time, the review on Bosnia and Herzegovina could not be completed prior to the seminar. Furthermore, only one of the six members of the Bosnian delegation managed to attend the regional seminar. Consequently, in order to fill in the gap, the PMU proposed to the Bosnian authorities to organise a bilateral activity on the capacities for ratifying and implementing the mother convention (ETS 030) and the additional protocols. The final date of this bilateral meeting is yet to be scheduled, hopefully before September 2005.

The next steps for the following reporting period include:

- The organisation of a workshop in Bosnia and Herzegovina on the elaboration of a strategy for the ratification and implementation of the 2nd additional protocol to the European convention on mutual assistance in criminal matters (July – September 2005 tbc);
- The organisation of workshops on the drafting of identified legislative amendments in each project area, upon specific request (until December 2005);
- The organisation of missions in each project area to review training needs in the field of international mutual legal assistance in criminal matters and training concepts. The missions shall be completed by 15 September 2005;
- A regional seminar will be held early October 2005 to discuss common elements of training modules in this field and launch the development of training materials.

4 MODULE 2

4.1 Introduction

During this reporting period, the module 2 of the project took a major step from the analysis, development and preparation phase to the implementation phase, a step which was formally confirmed by the participants from all project areas and consortium partners at the Second Regional Seminar in Budapest on 9 and 10 March 2005. Project activities are proceeding as planned, and module 2 is running according to the scheduled work plan. The training strategy and outlined training material (1, training modules to combat illegal migration and smuggling of human beings; 2, interactive training modules for specialist investigators to combat trafficking in human beings, based on the work of IOM Zagreb and IOM Kiev as well as on the existing manuals in this field; and 3, a post-graduate degree curriculum on migration-related organized crime, to be tested in the framework of this project in the course of a summer/winter school programme), which had been shared with all project partners on a continual basis with the help of the IOM staff in the project areas, was formally adopted at this meeting.

In the project areas, the IOM Local project officers (LPOs) have been holding regular consultation and briefing meetings with the authorities responsible for the project and other members of the working groups as well as representatives from the European Commission, other international organisations, and the police academies and universities. Overall, the feedback has been very positive, and several constructive suggestions have already been made by our counterparts on ways to ensure sustainability of the results of the project after its ending.

In Brussels, the short-term experts have been meeting on a regular basis and after the last preparatory drafting sessions in April 2005, all sent in their contributions by the agreed deadline of mid-May, in order for the editing work to proceed.

The inclusion of the universities in the training and education aspects of this project has been particularly welcomed by the counterparts. IOM offices have received several requests from the Western Balkans academia as well as from university professors in other countries to take a first step in implementing a higher education curriculum focusing on migration-related organized crime for members of higher management of law enforcement but also the judiciary and policymakers. The decision to test a shorter version of the developed curricula in pilot summer or winter courses has been accepted by all as a viable solution to paving the way for future involvement of higher education institutions in the training and education of law enforcement officers to better understand and research the phenomena of illegal migration, trafficking and smuggling of human beings, and thus to arrive at more comprehensive solutions to combating this phenomenon.

Following the conclusion of the Second Regional Thematic Seminar, IOM distributed the Action Plan for the implementation of project plans concerning the development of the training material to all project partners. IOM is currently corresponding formally with the interlocutors in each individual project area, in order to ensure in writing the understanding on both sides of mutual tasks and responsibilities to carry out the good preparation, carrying out and follow-up of all train trainer events (regional and in-country) from now until the end of the project duration.

4.2 General activities carried out during the reporting period

Following the perceived need for increased coordination and the unification of efforts on the parts of all international organisations involved in training activities for law enforcement to combat trafficking in persons in the Balkans, IOM Brussels invited colleagues to a Coordination

Meeting at the IOM Brussels office on 15 February 2005. This meeting was attended by representatives of nearly all organisations active in this field (participants included ICITAP, ICMPD, Interpol, ILO, IOM, KPSS (Kosovo Police Service School), OSCE, UNHCR, Council of Europe as well as independent experts). The meeting was viewed as a very useful opportunity to share and exchange information on the respective activities and to establish a contact list of persons for further following up these activities and exploring possibilities for future joint actions. The participants agreed to make enhanced efforts toward coordinating their activities with other actors in the field and decided to hold meetings of this kind on a more regular basis, while corresponding by e-mail/ telephone in the meantime.

In the Western Balkan project areas, IOM LPOs have been deepening their contacts with the national authorities (Senior Representatives and Module 2 co-ordinators) and module 2 working groups as well as external experts and representatives of police academies and higher education facilities or universities. Moreover, regular coordination meetings have been taking place with the Module 1 LPOs and the European Commission Delegations, respectively EAR and EUPM offices. In general, the perception of Module 2 has been very positive. The training modules on combating illegal migration and smuggling of human beings and the draft curriculum for higher education institutions has been met with particular interest.

Likewise, for the training modules on combating trafficking in human beings, the project partners have fully endorsed the decision to base the work within the framework of this project on the example given by IOM Zagreb's excellent co-operation with the Croatian Ministry of Interior in creating and realizing a long-term multimodular training course and network for specialist police investigators with equal interest and enthusiasm. Moreover, the lessons learned from IOM Tirana and IOM Pristina's experience in training has been taken into account, just as the good work of other organisations active in this field.

In the course of this reporting period, close cooperation has also continued on an excellent basis with the consortium partners, in particular Hungary, as the leading center of excellence and partner for organisation of the second regional thematic seminar (9 and 10 March 2005), the second study visit (8-11 May 2005), and the regional train trainer event scheduled for the second half of October 2005. The recent internal redistribution of regional responsibilities within the IOM, which has shifted the regional responsibility for the Western Balkans region to the IOM Mission with Regional Functions in Budapest, Hungary, and the subsequent emphasis on Hungary's prominent role as consortium partner has proved very beneficial in this respect. In particular, the experience of the Hungarian authorities and law enforcement agencies (in particular, Ministry of the Interior, Criminal Police, Border Guards, Prosecutor's Office, etc) in adopting and implementing the EU *acquis communautaire* before the accession of Hungary in May 2004 has proved very valuable to the counterparts in the beneficiary Western Balkan project areas.

On the central project management level, individual meetings have also been held in the course of the reporting period, in particular with a representative from the Judicial Training Centre in Montenegro, with external experts on EU immigration law and with a representative professor of the Law Faculty in Skopje ("the former Yugoslav Republic of Macedonia"). Furthermore, in order to strengthen the involvement of the Montenegrin authorities in the project and to ensure the continued participation of representatives and trainers from this particular project area, a series of constructive meetings were held with representatives at the Ministry of the Interior, the Foreign Ministry, the Police Academy, and the OSCE office. It was apparent that while the interest and willingness to be committed within this project is quite pronounced, the shortage of staff and frequent rotation of officials had created problems in ensuring the proper follow-up of the individual project activities. During the meetings and in the subsequent correspondence with the authorities, these questions have been addressed and should be resolved in the near future.

Moreover, following an invitation from the South East European Police Chiefs Association (SEPCA), a presentation on the CARPO project and in particular, the training planned in the framework of Module 2, was also held at this organisation's General Annual Assembly in Ohrid on 20 May 2005, in order to ensure the police chiefs' support for the project and endorsement of the outline of the main training material.

4.3 Specific Output 2.1 activities carried out during the reporting period

The following specific activities under Output 2.1 (Develop and Support a Training Strategy based on a Thorough Analysis of Needs and Capacities) were implemented in the second reporting phase:

ACTIVITIES		
2.1.1	Regional thematic seminar to review relevant European and international standards against which to provide training	COMPLETED 29-30 June 2004
2.1.2	Short-term experts to carry out detailed analyses in terms of training needs of countries and target groups and capacities of existing training institutions and training activities	COMPLETED July – September 2004
2.1.3	Short-term experts to compile information on existing good practices in the European Union as well as in South-eastern Europe which could be reflected in training materials	COMPLETED July – September 2004
2.1.4	1 st Regional seminar to finalise needs analysis and adopt training strategy	COMPLETED 30 June 2004 Budapest, Hungary
	2nd Regional seminar to present and discuss the draft training strategy for the project areas	9-10 March 2005 Budapest, Hungary

On the basis of the analysis of needs and capacities in the Western Balkan states participating in the project, a regional training strategy and training modules to combat trafficking in human beings, illegal migration and smuggling have been developed in accordance with the project plan. Building on the knowledge existing in the countries previously, as well as from the input from other organisations involved in enhancing police capacities to fight migration-related organized crime (such as EUPM, Europol, ICITAP, ICMPD, ILO, Interpol, OSCE, UNDP, UNODC, and others), IOM is developing training modules designed to be implemented in a pyramidal train-trainer approach: On the basis of the developed material which should by then be translated into all local languages, trainers from all project areas will receive a refresher instructor development course on training methodology, combined with content training on combating illegal migration, smuggling of people, and trafficking in human beings. This training

At the Second Regional Thematic Seminar in Budapest, 9 and 10 March 2005, this approach and the outlined contents of the material were approved by the project partners. At the same time, the meeting in Budapest provided an opportunity for joint discussions among all project partners on the current status of implementation of criminal legislation on migration-related crime, in particular concerning the standards of the EU *acquis communautaire*, as well as cross-border co-operation. The project partners made use of the occasion to meet and discuss the training strategy and manual contents with the short-term experts and authors of the training manuals who also attended the meeting.

4.4 Specific Output 2.2 activities carried out during the reporting period

The following specific activities under Output 2.2 (develop, test and make available for further training curricula and training materials on trafficking in human beings, smuggling and illegal migration) were **implemented to date**:

Activity:	Description:	Status / Place / Date
2.2.1	Short-term experts and consultants to develop modules for law enforcement training on trafficking, smuggling and illegal migration	ONGOING
Other	Building a pool of short-term experts to participate in project activities	COMPLETED
2.2.2	Study visits for train trainers from the region: 1st study visit 2nd study visit	COMPLETED

During the reporting period, the drafting groups of short-term experts for the training manual to combat smuggling and illegal migration and the reference material for training on combating trafficking in human beings as well as the working group on a higher education curriculum on migration-related phenomena of organized crime came together in three separate meetings (working group illegal migration and smuggling: 11-12 April 2005; working group trafficking in human beings: 13 April 2005; and working group on curricula on migration-related phenomena of organized crime: 22 April 2005) to review the existing draft material and adopt the relevant changes.

Following the Second Regional Thematic Seminar on 9 and 10 March 2005, a detailed action plan outlining the tasks and responsibilities of the individual IOM offices and the module II coordinators in view of setting up the training events was circulated for comments and distributed. The process of identifying and selecting the train trainers in the individual project areas was completed in close co-operation with the national module 2 coordinators and senior representatives, though some of the selections may have to be revised ahead of the regional train trainer seminar. The identified train trainers then took part in the subsequent study visit (8-11 May 2005) to Hungary (demonstrations of border management practices at the Border Guard Directorates of Orozhasa and Gyula, as well as presentation of training methodologies at the Hungarian Crime Prevention Academy), where they had the chance to familiarize themselves further with the project and get acquainted with the training strategy and training material. During the study visit, furthermore, self-evaluation questionnaires were distributed to the train trainers in the Bosnian, Croat, Serbian, Albanian and Macedonian language. On the basis of the results of these questionnaires, which have since been carefully evaluated by short-term experts and IOM staff, the regional train trainer event will be planned according to the exact level of these instructors.

4.5 Conclusions and next steps

As in the previous reporting periods, all activities were carried out in complete accordance with the project planning as well as the budget planning. The working groups and project teams in the project areas continue to function well, and the IOM project officers have created liaison networks with the Council of Europe offices as well as the responsible officials in the European Commission Delegations resp. EAR offices and the relevant international organisations working in similar fields. Where possible, synergies with other CARDS projects, IOM projects and the

work of other international organisations have been made use of, in particular concerning lessons learned in curricula development as well as in the continuous review of training needs.

Given its long-standing experience in dealing with the assistance of trafficked persons, IOM has previously established excellent working relationships with the relevant authorities in the individual project areas. The working relationships built up with the national authorities and other international organisations in the course of the years, during which IOM offices have also been carrying out numerous capacity building and training projects, have proved to be of significant value in strengthening relations with the national counterparts and ensuring the necessary support for the project activities.

Immediate next steps:

- The drafting group on developing training modules to combat trafficking in human beings will come together in a joint meeting with representatives of the Croatian Ministry of the Interior to discuss the next steps in the regional application of the example set by IOM Zagreb and the Ministry by the Multi-modular Training Project. The material draws also on the experience of IOM Kyiv and IOM Kosovo.
- The edited version of the training manual on combating illegal migration and smuggling will be completed by an instructor's manual over the summer and translated into the local languages by early September 2005

The next steps will be planned in close consultation and coordination with the consortium partner countries and the Council of Europe.