

European Commission  
Commission européenne



Council of Europe  
Conseil de l'Europe

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

Final version EN  
13 November 2004

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

**FIRST  
QUARTERLY REPORT**

**REPORTING PERIOD:  
JULY – NOVEMBER 2004**

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)

## TABLE OF CONTENTS

<b>1</b>	<b>PROJECT SUMMARY</b> .....	<b>1</b>
<b>2</b>	<b>GENERAL INTRODUCTION</b> .....	<b>4</b>
2.1	General project activities carried out during the reporting period.....	4
2.1.1	Overview.....	4
2.1.2	Communication and coordination between Module 1 and Module 2.....	5
2.1.3	PMU in-country missions.....	5
2.1.4	Senior Representatives (SRs) and Module Coordinators.....	5
2.1.5	Local project officers (LPOs) and other staff issues.....	6
2.2	Assessment of the progress made in the implementation of the project and next steps.....	6
<b>3</b>	<b>MODULE 1</b> .....	<b>8</b>
3.1	Introduction.....	8
3.2	Output 1.1.....	9
3.2.1	Specific activities carried out during the reporting period.....	9
3.2.2	Conclusions and next steps.....	12
3.3	Output 1.2.....	12
3.3.1	Specific activities carried out during the reporting period.....	12
3.3.2	Conclusions and next steps.....	15
3.4	Output 1.3.....	15
3.4.1	Specific activities carried out during the reporting period.....	15
3.4.2	Conclusions and next steps.....	16
3.5	Output 1.4.....	17
3.5.1	Specific activities carried out during the reporting period.....	17
3.5.2	Conclusions and next steps.....	19
3.6	Output 1.5.....	20
3.6.1	Specific activities carried out during the reporting period.....	20
3.6.2	Conclusions and next steps.....	20
<b>4</b>	<b>MODULE 2</b> .....	<b>22</b>
4.1	Introduction.....	22
4.2	General activities carried out during the reporting period.....	22
4.3	Specific Output 2.1 activities carried out during the reporting period.....	24
4.4	Specific Output 2.2 activities carried out during the reporting period.....	25
4.5	Conclusions and next steps.....	25
<b>5</b>	<b>FINANCIAL STATISTICS (DISBURSEMENTS)</b> .....	<b>27</b>

For any additional information please contact:

COUNCIL OF EUROPE  
Project Management Unit (PMU)  
Project “Development of reliable and functioning policing  
systems and enhancing of combating main criminal activities  
and police co-operation”  
Department of Crime Problems,  
Directorate General I – Legal Affairs  
67075 Strasbourg Cedex, France

## 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 Montenegro<sup>1</sup> 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.

---

<sup>1</sup> 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).

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.

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

Besides the overall responsibility of the activities implemented under module 1, the Project Management Unit (PMU) has continued to keep in close contact with the International Organisation of Migration (IOM) to ensure the best co-ordination possible regarding the planning, budget management and implementation between module 1 and module 2 activities. IOM for its part has made sure to properly inform the PMU on the progress of its programme of activities.

The consortium partners more specifically concerned by module 1 (the Directorate for Anti-Mafia Investigations from Italy, the General Prosecution, the Office for Money Laundering Prevention and the Criminal Police from Slovenia and the Directorate General of Police from Spain) have been regularly informed by the PMU on the development of the project and closely associated to the concrete implementation of a number of activities.

The PMU has continued to ensure, in close co-ordination with the European Commission, a proper co-ordination between the CARDS Police project and the CARDS Judiciary project “Establishment of an independent, reliable and functioning judiciary, and the enhancing of the judicial co-operation”. The necessary co-operation between both projects seems particularly relevant for the activities under outputs 1.4 (witness protection) and 1.5 (international co-operation) of the CARDS Regional Police project and the activities foreseen within CARDS Judiciary project’s module 3 (International and European judicial co-operation) and the respective cross-module activity (support to the regional measures against organised crime on networking of prosecutors). A series of meetings have taken place in this respect to envisage potential synergies and avoid as much as possible overlapping between the two projects. The PMU will study in the coming weeks which joint activities could be supported by both projects and make some proposals accordingly.

Among other initiatives undertaken since the end of the inception phase, the PMU has continued to explore the possible ways of co-operation with the International Centre for Migration Policy Development (ICMPD). In the framework of the “Programme for Enhancement of Anti-Trafficking Responses” implemented by ICMPD and two NGOs from Croatia and Serbia (Serbia and Montenegro), the Local Project Officer (LPO) in Croatia has taken part in a workshop regarding the Implementation Strategies for National Anti Trafficking held from 6 to 9 October in Opatija (Croatia). The CoE could be involved in the drafting of a regional comparative study on legal framework and its implementation including victim and witness protection and compensation.

Intensive contacts have also been developed by the PMU with both UNODC and Europol for their possible contributions in the field of output 1.1 (more specifically on crime analysis) regarding the development of methodologies and training models. The prospects of having both organisations more involved in the project are likely.

More recently, the PMU has participated in the SPOC meeting held on 4 November in Bucharest (Romania). The objective of the meeting was to ensure consistency with the strategies developed at the regional level in the field of organised crime and to brief the participants on the status of implementation of different project activities’ to avoid as much as possible any duplication.

Among the coming activities, the preparation of the second Advisory Board Meeting scheduled for 13 December 2004 in Strasbourg is well on track. A two-days meeting with the LPOs from each project areas scheduled for 16-17 December 2004 will also take place in Strasbourg with the objective to reflect on the first six months' period of activities and to prepare an efficient implementation of the project in 2005.

### *2.1.2 Communication and coordination between Module 1 and Module 2*

The PMU and IOM's project coordinator for module 2 have on a frequent basis exchanged information and reviewed the progress made in implementing module 2 activities. They have also ensured a proper co-ordination with other projects and initiatives launched in the field covered by this module.

### *2.1.3 PMU in-country missions*

In the project initial inception phase, from March to May 2004, a series of in-country missions in six project areas - Albania, Bosnia and Herzegovina, Serbia (Serbia and Montenegro), Montenegro (Serbia and Montenegro), Kosovo (Serbia and Montenegro) and "the former Yugoslav Republic of Macedonia". The mission planned to Croatia (mid May 2004) had to be cancelled by the PMU due to time constraints and lack of availability on the Croatian side and was consequently conducted on 16-17 September. The purpose of the mission was to hold meetings and discussions with the main relevant counterpart institutions and beneficiaries in Croatia on the implementation of the project, in particular with the chairman of the Project's Advisory Board, Mr Boris SPUDIC, Assistant Director of the Criminal Police Directorate of the Ministry of Interior of the Republic of Croatia. In addition, the meeting was used to finalise setting up of an office for the local project officer in Croatia (since Croatia is the only beneficiary country where the CoE does not have an office which could facilitate this task).

### *2.1.4 Senior Representatives (SRs) and Module Coordinators*

The nomination of an effective SR and two local module coordinators in Bosnia and Herzegovina has been delayed since the project started. This concern has already been underlined in the Inception Report. Despite the efforts deployed by the PMU in the recent months to speed up this process, with the support of the CoE's office in Sarajevo, the situation remained unchanged. Consequently, the PMU has faced serious difficulties to implement the in-country activities and to have the Bosnian participants nominated for the regional activities. Following information received in the recent days, a SR with full power and support from the authorities has been appointed by the Committee of Ministers of Bosnia and Herzegovina. This decision remains to be officially confirmed, in the meantime, the PMU has taken contact with the SR to agree with him on the urgent measures to be taken to catch up the delay.

For the other project areas, the PMU has continued to benefit from an excellent level of co-operation by the SRs and their module coordinators.



### *2.1.5 Local project officers (LPOs) and other staff issues*

Following their appointment (June 2004), the LPOs have been tasked with updating existing information on legal, institutional and operational aspects relevant to different project outputs per project area. By end September 2004 a compilation of relevant information on each project area (fiches consisting of relevant legislation, organisational charts, existing strategies and action plans, publicly accessible reports, and other in-country technical assistance projects) had been finalised and serves as an information tool for short-term experts conducting project activities.

With the support of CoE's offices in the project areas, the LPOs have had numerous coordination meetings with the most important beneficiary institutions. Under the supervision of the PMU, they have been closely associated in the organisation and implementation of the activities held under module 1.

The LPO for Croatia (Ms Vladimira DUKIC) has been appointed on 15 September 2004. Since CoE does not have any office there, the PMU has agreed upon a Memorandum of Understanding with IOM's office in Zagreb allowing the LPO to benefit from their premises starting October 2004.

After the resignation for personal reasons of the LPO for Bosnia and Herzegovina end of September 2004, the PMU has immediately start searching for his replacement. A new LPO (Ms Vesna EFENDIC) has been appointed on 1 November 2004.

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

After the completion of the inception phase, the PMU has been actively involved in the preparation and co-ordination of the numerous activities foreseen under module 1. The work plan and timetable foreseen in the inception report for modules 1 and 2 have been followed so far.

The PMU has continued to deploy particular efforts to mobilise the partners in the project areas and to keep the momentum at a high level. The support it has received from the authorities in the project areas and specially the SRs and their local coordinators should be commended. This commitment has facilitated the organisation and success of the activities.

Through the different contacts it has established with the relevant authorities and beneficiary institutions in the project areas as well as with other international organisations/partners in the field of serious crime, the PMU considers it has communicated to a large extent on the outcomes of the project and favour as much as it could the co-operation between connected initiatives taking place in the region.

The final process of nominating the members of the four WGs in each project area has been slower than expected by the PMU. This has certainly been the case in Bosnia and Herzegovina. One of the reasons being the rotation among the civil servants in these countries. The PMU has constantly underlined the importance of having stable WGs. There are good reasons to hope that this process will come to an end in the coming weeks. Since it is essential for the success of the project, the PMU will ensure that the WGs function properly in each project area and fulfil the tasks assigned to them.

The PMU will also confirm to the Advisory Board and all the partners in the project areas the work plan and outline of activities for the year 2005. Synergies with other initiatives and projects (specially with the CARDS Judiciary project and ICMPD for activities under module 2) and possible joint activities will continue to be further seek and developed.

On the financial side, matters are in good standing. The PMU, thanks to strict management, has succeeded to organise all the activities within the limit of the budgetary resources and will continue to pay the utmost attention to the financial aspects to ensure a strict respect of the budget resources.

### 3 MODULE 1

#### 3.1 Introduction

The PMU is of the opinion that the activities under module 1 have been implemented according to the schedule presented in the initial inception report and have succeeded to fulfil its proclaimed objectives. Some activities, however, have been delayed for one or two months as expressly anticipated in the inception report. This was due to objective factors already stipulated in the inception report and the consolidation of the logistical and human resources network (such as LPO, SR, composition of the WGs in each project areas, experts involved in specific activities, etc.) to support the implementation of an intensive mission schedules. Given the number and subject matter scope of planned activities under Module 1 the delay will likely continue into 2005. However, we estimate that during the second phase (provision of training materials) the project timeline will draw close to the original programme implementation work plan.

During this reporting period, 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, and Senior Representatives, managed to implement a substantive number of specific activities:

- **7 regional events – seminars & workshops** (in addition to the 4 regional events carried out during the inception period);
- **3 study visits for** the members of different local working groups to selected EU countries (4 more arranged and scheduled to take place by the end of 2004);
- **13 in-country workshops & seminars** (4 more are arranged and scheduled to take place by the end of November).

In this reporting period we have also strengthened a pool of experts and make further steps in consolidating local WGs under different outputs to support the implementation of project activities under Module 1.

Accordingly, the project has succeeded to establish a positive momentum (especially for outputs 1.1, 1.2, 1.4 and 1.5) within the project areas, and progress towards intermediate objectives – drafting and adoption of country-specific implementation strategies under specific outputs – is well on track.

Some risk factors, however, remain, especially in relation to some project areas where the project faces a challenge to commit direct beneficiaries of the project activities, that is local officials, members of different working groups, not only to actively participate in different specific activities (study visits, in-country and regional workshops), but also to undertake concrete work-related tasks (e.g. drafting the implementation strategies, reviewing the legislation, etc.). In some countries it took a couple of activities and additional interventions from the PMU to formalise membership within WGs. This has now been largely achieved and in most project areas we obtained a commitment of the members of the WGs to fulfil also the “obligation” part of their involvement. In the following months the PMU will invest additional efforts to sustain this commitment as well as to obtain (for some project areas again) a more active involvement of the SR in the implementation of the project.

While the project is, of course, a regional project, the PMU also believe that it is necessary to retain a flexible approach towards specific project areas and respond when necessary to their immediate needs related to specific outputs.

Next steps under Module 1 will continue to follow the programme implementation work plan as presented in the inception report.

### 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) had been **implemented after the inception phase to date** (July– 15 November 2004):

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

<i>Activity:</i>	<i>Description:</i>	<i>Status / Place / Date:</i>
1.1.1.1	<b>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</b>	<b>Completed</b> [during inception phase]
1.1.1.2	<b><u>Albania</u>: in-country visit by short-terms experts to assist the working groups in the analysis of country-specific data</b>	<b>Completed</b> Tirana, Albania 27-28 September 2004
1.1.1.2	<b><u>Bosnia and Herzegovina</u>: in-country visit by short-terms experts to assist the working group in the analysis of country-specific data</b>	<b>Completed</b> Sarajevo, Bosnia and Herzegovina 20-21 September 2004
1.1.1.2	<b><u>Croatia</u>: in-country visit by short-terms experts to assist the working group in the analysis of country-specific data</b>	<b>Completed</b> Zagreb, Croatia 16-17 September 2004
1.1.1.2	<b><u>“the former Yugoslav Republic of Macedonia”</u>: in-country visit by short-terms experts to assist the working group in the analysis of country-specific data</b>	<b>Completed</b> Skopje, “the Former Yugoslav Republic Of Macedonia” 23-24 September 2004
1.1.1.2	<b><u>Serbia and Montenegro</u>: In-country visit by short-terms experts to assist the working group in the analysis of country-specific data</b>	<b>Completed</b> Podgorica, Montenegro 5-6 October 2004
1.1.1.2	<b><u>Serbia and Montenegro</u>: in-country visit by short-terms experts to assist the working in the analysis of country-specific data</b>	<b>Completed</b> Belgrade, Serbia 4-5 October 2004
1.1.1.2	<b><u>Serbia and Montenegro</u>: in-country visit by short-terms experts to assist the working in the analysis of country-specific data</b>	<b>Completed</b> Pristina, Kosovo 29-30 September 2004
1.1.1.3	<b>Follow up regional seminar for the members of the working groups for further training and to work on the regional analysis</b>	<b>Completed</b> Ohrid, “the Former Yugoslav Republic Of Macedonia” 8-9 November 2004
other output 1.3.2.2	<b>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</b>	Scheduled for 1-3 December 2004 London, UK

1.3.2.2 output 1.3.2.2	<b>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</b>	Scheduled for early January 2004 Madrid, Spain
------------------------------	---	--

Following the first regional seminar on Crime Analysis and establishment of WGs on Crime Analysis which took place in Strasbourg, right after the Start-up conference, the activities of the project focused **on gathering additional information on the state of knowledge on the economic and organised crime situation in South-eastern Europe (including corruption) in the project areas, on the existing institutional settings on crime analysis and crime intelligence and on the methodologies used in particular countries.** In parallel a pool of experts has been created to follow up on the activities within this output. These activities took place between July and September 2004, after which **a series of in-country meetings (in the form of a two-day workshops)** were held in all project areas from 17 September to 8 October. They were conducted by Ms. Hemon, a consultant to the project in cooperation with various experts from consortium and non-consortium countries (Belgium, Germany, The Netherlands and the United Kingdom). The objective of the workshops was to have the visiting teams work closely with the WGs to identify institutional capacities, and training and other needs so that each project area improves the quality of data collection and analysis over the following 6-8 months. It was also to present the Questionnaire on organized crime in South eastern Europe (SEE) which the WGs will have to fill up by end of November 2004. The purpose of such capacity building was to create a basis for a sustained and improved public policy making against serious crime and corruption both in country and the region. The workshops were to a large extent successful as they identified a list of needs for each project area in terms of training and other assistance that will be delivered during the course of the program to create an in-depth analysis. However, due to a rather different level of understanding of the problem and different levels of institutional reform in the area of crime analysis and crime intelligence in various project areas some workshops needed to focus more on presenting good comparative practices in the area of collecting, analysing and using intelligence and other information related to serious crime.

The workshops, which were country-tailored, prepared the ground for the regional seminar in Ohrid (8-9 November 2004), the aim of which was to present and discuss methodology of proper collection and collation of crime intelligence and other crime related data that can serve as basis for strategic as well as other crime analysis. Such methodology is crucial for a long term capacity-building for crime analysis of SEE countries. In addition to methodology, this part will also address differences and complementarities of tactical/operative crime analysis and strategic crime analysis. In addition, the regional seminar included several presentations and elaborations of examples of analysis of crime markets and organized crime groups/networks in other countries and discussions on the policy implications of such an analysis. The seminar contributed to enhancing the skills of members of the WGs to complete a preliminary situation report (research and analysis of serious crime and corruption data) and proposals for the next regional seminar scheduled within the project's implementation programme.

**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	<b>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</b>	<b>Completed</b> [during inception phase]
1.1.2.2	<b>Setting-up indicators and adoption of a template for the country compliance reports</b>	<b>Completed</b>

1.1.2.2	<b>Short-term experts to assess the current level of compliance by countries with these instruments on the basis of existing reports</b>	on-going [in-house]
1.1.2.3	<b>Regional seminar to establish benchmarks and agree on the indicators and a template for the country compliance reports</b>	<b>Completed</b> Durrës, Albania 3-4 November 2004

Already in May 2004, the PMU initiated a process to determine the requirements and the relevant European and other international instruments with regard to the priority fields of crime and tools as well as to establish the appropriate benchmarks in this regard. With the input of two short-term experts, recruited for this task, the PMU prepared a **draft Table of Benchmarks and Standards** that was later discussed at the First Consortium meeting and at the Start-up Conference. Following the “adoption” of the draft table of benchmarks (submitted as an appendix to the inception report in July 2004) the PMU initiated a **process of preparing provisional country compliance reports and indicators for assessment of country compliance** under specific outputs through short-term experts and advisers to the project. Provisional compliance reports built primarily on existing evaluation sources of the CoE monitoring tools and reports of other international organisations. However, this process highlighted specific gaps with the existing table of benchmarks, in particular regarding those Outputs where benchmarks are not clearly set by the international instruments, but diverge largely even among members of the EU and are based primarily on good practices. Especially, outputs 1.1, 1.3, and 1.4 (crime analysis, special investigative means, and witness protection) fall under this category. Accordingly, in-house advisers and external short-term experts prepared **draft amendments to the table of benchmarks and proposed a methodology for compilation of compliance reports**. Those were subsequently presented, discussed and further improved at the **regional seminar** held in Durrës (Albania, 3-4 November 2004). As a result of the preparatory work and the regional seminar the project now has a broad consensus from the project areas on extended and more precise benchmarks and on the methodology for compliance reports.

#### **ACTIVITY 1.1.3: DEVELOP THE REGIONAL STRATEGY AND REVIEW PROGRESS MADE**

<i>Activity:</i>	<i>Description:</i>	<i>Status / Place / Date</i>
1.1.3.1	<b>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</b>	on-going [permanent task]
other	<b>Work on the draft template and main elements of the regional strategy</b>	on-going

In April 2004, the PMU initiated a process of **assessment of activities underway in the countries of the region in fields covered under the present project in order to avoid as much as possible duplication and seek synergies**. This effort is part of the on-going process and the PMU seeks (to the extent possible) to ensure that during all in-country and regional activities information on other technical cooperation or monitoring activities are taken into consideration and an open flow of information with other international organisations continues to exist.

In addition, following their appointment (June 2004), LPOs have been tasked with updating existing information on legal, institutional and operational aspects relevant to different project outputs per project area. By end September 2004, a compilation of relevant information on each project area (fiches consisting of relevant legislation, organisational charts, existing strategies and action plans, publicly accessible reports, and other in-country technical assistance projects) had been finalised and serves as an information tool-box for short-term experts conducting project activities.



### 3.2.2 Conclusions and next steps

Activities under 1.1.1 have been conducted at a high cadence respecting the timeframe foreseen in the inception report. The PMU considers that the objectives assigned have been met: mainly to mobilise the WGs on crime analysis by a thorough exchange of information on the economic and organised crime situation in SEE as well as on the legislative, institutional and staff capacities of the project areas to collect and analyse data on serious crime and on good practices in this field. The theoretical and practical knowledge acquired in both in-country workshops and during the first regional seminar was necessary and valuable considering the discrepancies and levels of approach towards crime analysis between the different project areas. It has also constituted an excellent framework in view of the preparation, for each project area, of a preliminary report on the situation of economic and organised crime based on the questionnaire mentioned above. The participants to the recent regional seminar have particularly underlined the added value of such event facilitating the networking and opening the way to a more direct co-operation among the project areas.

As far as activities under 1.1.2 are concerned, it is also our assessment that they are well on track and have reached their goals. The technical process of drafting benchmarks and reviewing their level of compliance by each project area has been positively received by the participants to the regional seminar. The improvement of the draft benchmarks accomplished in the period reviewed by in-house advisers and external short-term experts with the support of the project areas predicts to constitute, with the preliminary situation reports, a solid basis for the development of a regional strategy against economic and organized crime.

### 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) were **implemented after the inception phase to date** (July– 15 November 2004):

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

<i>Activity:</i>	<i>Description:</i>	<i>Status / Place / Date</i>
1.2.1.1	<b>Regional thematic seminar to review relevant European and other international standards and reach agreement on the approach to financial investigations for confiscation</b>	<b>Completed</b> [during inception phase]
1.2.1.2	<b><u>Albania</u>: decision maker seminar in view of the establishment of working groups "financial investigations"</b>	Scheduled for 22-24 November 2004
1.2.1.2	<b><u>Bosnia and Herzegovina</u>: decision maker seminar in view of the establishment of working groups "financial investigations"</b>	<b>Completed</b> Sarajevo, Bosnia and Herzegovina 28 - 29 October 2004
1.2.1.2	<b><u>Croatia</u>: decision maker seminar in view of the establishment of working groups "financial investigations"</b>	Scheduled for December 2004
1.2.1.2	<b><u>"The former Yugoslav Republic of Macedonia"</u>: decision maker seminar in view of the establishment of working groups "financial investigations"</b>	<b>Completed</b> Skopje, "the former Yugoslav Republic Of Macedonia" 26 October 2004

1.2.1.2	<b>Serbia and Montenegro: decision maker seminar in view of the establishment of working groups "financial investigations"</b>	<b>Completed</b> Belgrade, Serbia 4 October 2004
1.2.1.2	<b>Serbia and Montenegro: decision maker seminar in view of the establishment of working groups "financial investigations"</b>	<b>Completed</b> Podgorica, Montenegro 7 October 2004
1.2.1.3	<b>Albania: technical level seminar to identify gaps and opportunities in legislation (back-to-back with decision-maker seminars)</b>	Scheduled for 22-24 November 2004
1.2.1.3	<b>Bosnia and Herzegovina: technical level seminar to identify gaps and opportunities in legislation (back-to-back with decision-maker seminars)</b>	<b>Completed</b> Sarajevo, Bosnia and Herzegovina 28 October 2004
1.2.1.3	<b>Croatia: technical level seminar to identify gaps and opportunities in legislation (back-to-back with decision-maker seminars)</b>	Scheduled for December 2004
1.2.1.3	<b>"The former Yugoslav Republic of Macedonia": technical level seminar to identify gaps and opportunities in legislation (back-to-back with decision-maker seminars)</b>	<b>Completed</b> Skopje, "the former Yugoslav Republic Of Macedonia" 27 October 2004
1.2.1.3	<b>Serbia and Montenegro: technical level seminar to identify gaps and opportunities in legislation (back-to-back with decision-maker seminars)</b>	<b>Completed</b> Belgrade, Serbia 5 October 2004
1.2.1.3	<b>Serbia and Montenegro: technical level seminar to identify gaps and opportunities in legislation (back-to-back with decision-maker seminars)</b>	<b>Completed</b> Podgorica, Montenegro 8 October 2004
1.2.1.4	<b>Study visits on financial investigations</b>	<b>Completed</b> Stuttgart, Germany 10-13 October 2004
1.2.1.4	<b>Regional workshops for members of the working groups in view of developing implementation strategies for each country</b>	<b>Completed</b> Stuttgart, Germany 14 October 2004
other	<b>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, vetted by the countries and adopted</b>	<b>Completed</b> October 2004

Following the first regional seminar on Financial Investigations which took place in Strasbourg, right after the Start-up conference, the activities of the project focused **on gathering additional information on legal and institutional framework and capacities in the are of financial investigations**. These activities took place from July to September 2004, after which **a series of in-country visits (in the form of a two-day workshop and a roundtable with decisions makers)** were scheduled between September and November 2004 (most were completed, the rest will be by the end of November). They were managed by Mr. Klemencic, long-term adviser to the project in cooperation with various experts from consortium and non-consortium countries (Slovenia, Germany).

The objective of the in-country workshops was three-fold:

- to discuss with the law enforcement and criminal justice practitioners obstacles and opportunities for the adoption and implementation of the concept of integrated financial and criminal investigation in serious criminal cases;
- to brainstorm necessary legal, institutional and operational elements for a successful implementation of such a concept; and



- to initiate a review of legislation governing identification, seizure and confiscation of proceeds from crime.

The objective of the roundtable was:

- to get an agreement of relevant decisions-makers within the law enforcement and criminal justice sector on the concept of integrated financial and criminal investigation and consequently a commitment to support the creation and work of a WG tasked with the preparation of the implementation strategy in this field.

In sum, the workshop succeeded to a large extent to fulfil the proclaimed objectives under the project for all of the participating countries. However, it proved that the level of understanding the concept of integrated financial and criminal investigations is rather new to all the project areas, therefore during the in-country activities there was not an in-depth review of the legislation as most of the time was dedicated to discussing the concept of integrated financial and criminal investigations itself and ways to overcome institutional and operational, rather than legislative obstacles for its adoption. The in-country activities in most cases also unveiled gaps in the membership of the local WGs on financial investigations. Accordingly, one of the results of most workshops and roundtables was to adjust the composition of the WGs (in particular to enlarge them with relevant representatives from the Prosecution Service). The activities, however, did result in a higher level of understanding of the concept of integrated financial and criminal investigations; the identification of main obstacles for its adoption and implementation in the host-country; consensus on a need for a project strategic approach for reform in this area; and the establishment of the WG to prepare an implementation strategy by March 2005 as planned under project.

Due to the fact that the concept of financial investigations aimed at confiscation of proceeds from crime is complex and largely non-existing in the project areas, the PMU recruited in August 2004 a short-term expert to prepare in cooperation with the project's advisers **a detailed guideline and template for in-country implementation strategy in the area of financial investigations**. The draft of which was completed by October 2004, was presented, discussed and adopted at the **regional seminar** held in Stuttgart on 14 October 2004.

A successful (and from the side of participants highly welcomed) **study visit** on financial investigations took place in Stuttgart (10-13 October 2004), hosted by the Landeskriminalamt Baden-Württemberg.

**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	<b>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</b>	<b>Completed</b> Brdo, Slovenia 18 October 2004
1.2.3.2	<b>Regional training seminar for staff of FIUs on information exchange, in particular in view of Egmont Group and other relevant standards and practices</b>	<b>Completed</b> Brdo, Slovenia 19 October 2004

The first **regional seminar** and the first **training seminar** under this output were held jointly in Brdo (Slovenia, 18 - 19 October 2004). They were organised by the Slovenian Office for Money Laundering Prevention and the Center of Excellence in Finance with the support of the project. More than 60 anti-money laundering experts from SEE and international experts participated.

### 3.3.2 *Conclusions and next steps*

It is our assessment that activities under 1.2.1 are on track (except that they were prolonged for one month – as anticipated already in the previous inception report) and that important progress has been made during the first quarter towards the intermediate project objective -- preparation and adoption of country specific implementation strategies promoting financial investigations for confiscation in line with European requirements. A combination of targeted in-country workshops with study visits (building on the results of the previous PACO-Proceeds project) conducted in a relatively short time-span have resulted in a momentum and commitment of relevant actors for reform in this area in most project areas. It was recognised for all countries that main obstacles do not lie in the legislation but in the lack of awareness, project approach and training. Additional problems, specific for some countries (e.g. “the former Yugoslav Republic of Macedonia”, Bosnia and Herzegovina), also lie in the complex institutional relationships between regular police, Financial Police and Tax & Custom Administration and lack of interagency cooperation.

Immediate steps forward include the consolidation of WGs on Financial Investigations (the creation and “formalisation” of which proved to be a problem during September-October 2004 and required additional intervention by the PMU) and their further support in preparing the draft implementation strategies according to the adopted template and guidelines. The deadline for these was set to March 2005 when a regional meeting will take place with the aim to facilitate regional exchange on the substance and to finalise the strategies.

As for activities under 1.2.3 it is also our assessment that it is on track; no specific or serious obstacles were encountered in the implementation of activities to date. Discussions in Brdo showed that considerable progress has been made in SEE in terms of the institutional and legal bases of anti-money laundering systems, and that conditions for enhanced information exchange among FIUs are rather favourable. Existing cooperation and information exchange among the FIUs of the region shows that such cooperation is not necessarily dependent on the conclusion of a regional Memorandum of Understanding (MoU). Nevertheless, such a regional MoU could add impetus to regional information exchange, in particular with FIUs which are not members of the Egmont Group. The MoU should in particular address the question of confidentiality of data exchanged. It was stressed during the seminar that this MoU should not lead to the creation of a new, additional mechanism but should reinforce existing initiatives and full implementation of applicable international standards.

Further meetings among the FIUs of the region will be organised to provide training on specific questions related to exchange of information, implementation of confidentiality rules, and typologies of money laundering and terrorist financing. The next regional seminar under the project is proposed to be held in Croatia in February 2005 (provisional dates: 10 – 12 February). The seminar should offer training on the above topics and prepare a draft regional MoU. The third meeting is proposed to be held in the second half of March 2005 in Skopje or Ohrid (“the former Yugoslav Republic of Macedonia”). At that meeting the regional MoU could be finalised and adopted.

## 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) had been **implemented after the inception phase to date** (July – 15 November 2004):

**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	<b>Regional thematic seminar to review relevant European and other international standards and reach agreement on the approach to the issue of special investigative means</b>	<b>Completed</b> [during inception phase]
1.3.1.2	<b>Establish working group SIMS</b>	<b>Completed</b>
other	<b>Updating information on the institutional and legal framework governing SIMS in all project areas</b>	<b>Completed</b> August – October 2004
1.3.1.2	<b>Study visits for members of working group on the use of SIMS</b>	Scheduled for 15-17 November 2004 Rome, Italy
1.3.1.2	<b>Study visits for members of working group on the oversight mechanisms over the use of SIMS</b>	Scheduled for December 2004 Ljubljana, Slovenia

Following the first regional seminar on Special Investigative Means which took place in Strasbourg, right after the Start-up conference, the activities of the project focused on **updating information on the institutional and legal framework governing SIMS in all project areas** (replies to the past CoE project PACO-SIMS questionnaire were used a starting point and accordingly updated), as well as on arranging **two study visits** in two consortium countries (Italy, Slovenia) which are planned to take place before the end of 2004 – one focusing on undercover activities and the other one on oversight mechanisms.

**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	<b>Regional thematic seminar to review relevant European and other international standards and reach agreement on the approach to the enhance of the use intelligence</b>	<b>Completed</b> Ohrid, “the former Yugoslav Republic of Macedonia” 8-9 October 2004
1.3.2.2	<b>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</b>	Scheduled for 1-3 December 2004 London, UK
1.3.2.2	<b>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</b>	Scheduled for January 2005 Madrid, Spain

Current and past activities under this output are closely associated with Output 1.1.1. Other in-country activities will start in 2005 as scheduled by the implementation programme.

**3.4.2 Conclusions and next steps**

Main in-country activities under 1.3.1 have been scheduled for the year 2005, so for the moment it is not possible to assess progress in this area. While this fact is likely to create some vacuum in the momentum under Output 1.3, it is estimated that implementing in-country activities already in 2004 in parallel with other on-going project activities would not be prudent

and would not contribute to final objectives. Namely, we need to take into consideration limited human resources and capacities in most project areas (many most relevant law enforcement officials and prosecutors are already taking part in and have specific obligations associated with activities Outputs 1.1, 1.2 or 1.4.).

As for activities under 1.3.2 the regional and in-country activities carried out within the scope of Output 1.1 proved that activities under 1.1.1 and 1.3.2 overlap to a large extent -- the target groups are similar, as is the case with the subject matter. Accordingly, implementation of activities under the two outputs requires close coordination – which full we take into account in selecting participants and experts for regional and in-country activities. On the other hand, criminal intelligence and use of SIMS are necessary linked and the focus of both (also though activities under 1.3.1) will be towards a system of selecting targets of SIMS on the basis of intelligence (e.g. intelligence driven policing of serious crimes rather than event and ad hoc driven use of SIMS as has been established to be the present case in most project areas). Consequently, we have - also on the advice of external experts from consortium and non-consortium countries involved in the project - decided to merge a number of activities from both outputs. This will not hinder, but rather strengthen final objectives under each output. By beginning of December – following the planned study visits to UK on this subject - a more detailed report and analysis on this issue will be reflected in the 2005 work-plan.

### 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) were **implemented after the inception phase to date** (July– 15 November 2004):

#### **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	<b>Regional seminar to review relevant European and other international standards and reach agreement on the approach to witness protection</b>	<b>Completed</b> [during inception phase]
1.4.1.2	<b>Establish working groups on "witness protection"</b>	<b>Completed</b>
1.4.1.2	<b>Study visit for members of the WG on specialised witness protection units</b>	<b>Completed</b> Bratislava, Slovakia 27-28 September 2004
1.4.1.2	<b>Study visit for members of the WG on specialised witness protection units</b>	<b>Completed</b> Bratislava, Slovakia 29-30 September 2004
1.4.1.2	<b>Study visit for members of the WG on specialised witness protection units</b>	Scheduled for February 2005 Bonn, Germany
1.4.1.3	<b><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</b>	Scheduled for 29-30 November 2004 Tirana, Albania
1.4.1.3	<b><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</b>	Scheduled for 15-16 November 2004 Sarajevo, Bosnia and Herzegovina

1.4.1.3	<b>“The former Yugoslav Republic of Macedonia”</b> : 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	<b>Completed</b> Skopje, “the former Yugoslav Republic of Macedonia” 31 August – 1 September 2004
1.4.1.3	<b>Serbia and Montenegro</b> : 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	<b>Completed</b> Belgrade, Serbia 20-21 October 2004
1.4.1.3	<b>Serbia and Montenegro</b> : 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	<b>Completed</b> Podgorica, Montenegro 8-9 November 2004
1.4.1.3	<b>Serbia and Montenegro</b> : 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	Scheduled for 30 November – 1 December 2004 Pristina, Kosovo
Other	<b>“The former Yugoslav Republic of Macedonia”</b> : short-term experts prepare a written expertise on the draft Witness Protection Law on the request of the Government.	<b>Completed</b> August 2004
Other	<b>Serbia and Montenegro/Serbia</b> : short-term experts prepare a written expertise on the draft Witness Protection Law on the request of the Government.	<b>Completed</b> 27 September 2004

Following the first regional seminar on Witness Protection which took place in Strasbourg, right after the Start-up conference, the project activities during the period July – September 2004 focused on the **preparation of the study visits and in-country workshops**. In the meanwhile two project areas, Serbia (Serbia and Montenegro) and “the former Yugoslav Republic of Macedonia” officially requested that the CoE provide them with **expert opinions on their draft laws on Witness Protection**. For this purpose the PMU recruited four experts who prepared written expertise on the draft law – from the perspective of law enforcement, and the opinions were later presented and further discussed during the in-country workshops which took place in September and October respectively in Skopje and Belgrade.

A successful **study visit**, hosted by the Slovakian Witness Protection Unit, was conducted end of September 2004; another is planned for February 2005 (host institution: German Federal Witness Protection Unit).

**In-country workshops** to support the WGs on witness protection in the development of implementation strategies, in particular in view of the creation of specialised witness protection units in each country were scheduled from September to November 2004 (most were completed, the rest will be by the end of November). They were managed by Mr. Klemencic, long-term adviser to the project in cooperation with two experts from Croatia. The objective of the workshops was three-fold:

- to outline main elements of the comprehensive implementation strategy for institutional, organizational and legal aspects of the protection of witnesses of serious crimes (procedural and non-procedural measures);
- to discuss the existing legal basis for creation of specialised witness protection units in a host country;
- to discuss necessary institutional, financial and operational elements for setting up a witness protection unit / discussion on a project of the implementation of the Witness Protection Laws (recently adopted or in final stages of adoption in most countries).



The workshops fully succeeded to fulfil the proclaimed objectives under the project work-plan and highlighted important gaps and opportunities in this field as well as brought a consensus of the template of how the implementation strategy for each beneficiary country should look like.

### 3.5.2 *Conclusions and next steps*

It is our assessment that activities under 1.4 are well on track (except that they were prolonged for one month – as already anticipated in the previous inception report) and that important progress has been made during the first quarter towards the intermediate project objectives -- preparation and adoption of country specific implementation strategies encompassing reforms in various aspects of witness protection; supporting the creation of specialised witness protection units.

The area of witness protection has been an extremely dynamic one in the region and has primarily focused on the creation of specialised witness protection units within the police. All countries in the region have adopted (or the adoption is imminent) Witness Protection Laws – which on paper are in line with the European standards (for Serbia and “the former Yugoslav Republic of Macedonia” we have also provided written expertise on the draft laws and conducted workshops with the drafting teams in September and October 2004).

However, the project activities in this area signalled a number of concerns:

- procedural protective measures remain very weak (and are subject to amendments of the Criminal Procedure Code) in most countries;
- typical-police protective measures of victims in general lack legislative basis (pending adoption of the new Police Acts and reorganisation of the police structures – delayed in most project areas, especially in Bosnia and Herzegovina, Serbia and Montenegro, and “the former Yugoslav Republic of Macedonia”);
- the legal basis for the creation of specialised witness protection units has in most countries preceded preparations for the implementation of the law and actual creation of the functioning and operational witness protection unit;
- serious peril exist that the new Witness Protection Units will be under pressure to undertake much broader protection (including protection of judges, prosecutors and experts involved in specific cases) that what is usually the case of Witness Protection Units worldwide.

We intend to give due attention to the issues enumerated above in future activities under Output 1.3, especially by supporting and steering the drafting of the implementation strategies in beneficiary countries. It is also worth underlining that the in-country missions resulted in consensus to address the above issues in more details in the preparation of a comprehensive implementation strategy on witness protection for each project areas.

Some project areas have made more progress in this field than other - especially Croatia, and partly Serbia (Serbia and Montenegro - therefore the PMU wishes to retain a flexible attitude towards provision of assistance to them (e.g. ad hoc specific workshops or study visits per request).

Finally, it should be mentioned that regarding the establishment of the witness protection units, the PMU will continue to build on the Croatian experience and lessons learned as well as on the Croatian short-term experts in the field – the practice that has been welcomed during recent project activities by all other beneficiary countries.

### 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) were **implemented after the inception phase to date** (July – 15 November 2004):

**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	<b>Regional seminar on opportunities offered by ETS 182</b>	<b>Completed</b> Pristina, Kosovo (Serbia and Montenegro) 2-3 September 2004
1.5.1.2	<b>Review by short term experts of the gaps and opportunities in legislation and institutional capacities for the ratification and implementation of ETS 182</b>	<b>On-going</b>
1.5.1.3	<b>Regional seminar to elaborate implementation plans for each country</b>	Scheduled for February 2005

The regional seminar on opportunities offered by ETS 182 was organised in Pristina (Serbia and Montenegro), in co-operation with UNMIK, from 2 to 3 September 2004. It aimed at providing an opportunity to the relevant experts from the region to thoroughly examine the means available under ETS 182, to discuss the issues at stake in its implementation and the aspects to be considered in the process of review of their legislation and institutional capacities. The meeting gathered successfully around 50 participants from Albania, Bosnia and Herzegovina, Croatia, Serbia<sup>2</sup> and Montenegro, “the former Yugoslav Republic of Macedonia” and UNMIK. All delegations were adequately composed and the relevant institutions were represented (Ministry of Justice, Ministry of Interior, general Prosecutor’s Office, Interpol sections...) and CoE experts from Belgium, Slovenia, the United Kingdom and EUROJUST. During this event, the content of the questionnaire to be used for the review exercise was agreed upon and it was decided that the review exercise shall start following the submission of the completed questionnaire from each participating project area.

#### 3.6.2 Conclusions and next steps

The first regional seminar was positively assessed by the participants and the organizers, especially taking into consideration the context and environment in which it took place. In addition, the seminar succeeded to strengthen networking and to facilitate direct co-operation. Several delegations (e.g. Albania, Croatia, Serbia, “the former Yugoslav republic of Macedonia”) used this opportunity to discuss concrete on-going cases and problems of co-operation and processing of requests, in particular with UNMIK, not only during the seminar but also in parallel.

<sup>2</sup> Despite a late registration of five participants from the Republic of Serbia followed by 3 cancellations for “security reasons”, 2 officials attended the meeting representing the Ministry of Justice and the Ministry of Human Rights and Minorities (the current central authorities).

However, the deadline for the submission of the replies to the review questionnaire by the participating project areas had to be extended due to difficulties experienced by national experts to provide comprehensive or complete answers. In certain cases the quality of the replies and of the information provided required that the PMU undertake further research and proofreading and the questionnaire had to be translated into English.

Therefore, the PMU tried to adopt a flexible and constructive approach – while not departing from the framework of the original activity outline – in order to overcome the above difficulties. Given that the accuracy of the information compiled in the questionnaire is a condition *sine qua non* directly impacting on the quality of the review and the expected results of subsequent activities for the elaboration of country specific implementation plans, the PMU has considered it important to adjust the timetable in order to ensure that the main objective of the activity is achieved. Therefore, the review exercise shall be continued until mid January 2005 and the regional seminar aiming at elaborating implementation plans for each country is scheduled to take place in Serbia (Serbia and Montenegro) mid February 2005. The adjustment of the timetable shall be of benefit to both international and national experts and allow a further strengthening of the consultation and cooperation process, without impacting on the other project activities under the other outputs.



## **4 MODULE 2**

### **4.1 Introduction**

During the first phase of the project implementation, all partners involved have underlined the extent to which the CARDS Regional Police Project is to be seen as a substantial tool of the EU Stabilisation and Association Process for the Western Balkans. This project supports and enhances the rapid evolution of the Stabilisation and Association Process. The status of Croatia as an official candidate for EU membership as well as the progress of the other Western Balkan states in adopting EU standards - in particular, “the former Yugoslav Republic of Macedonia” (Stabilisation and Association Agreement in force since 1 April 2004) - has further emphasized its importance in bringing these states closer to the EU. Module 2 of this project undertakes this effort in a two-fold approach:

**On the level of the practitioners**, the project foresees the development of a training manual and material based on the individual and regional needs of the participating countries, focusing on illegal migration and smuggling of human beings, as well as trafficking in human beings. These steps are in line with the provisions of the Brussels Declaration on Preventing and Combating Trafficking in Human Beings (2002), to which all EU and beneficiary states have committed themselves.

**On the academic university level**, the project focuses on developing curricula for a master’s degree in security and migration policies, on the causes, characteristics, and effects of organised crime. This degree should be a model in order to educate a new and gifted generation of people preparing to take up positions in ministries and government agencies and to prepare them for the challenges in fields of combating organised crime, security and human rights.

During this reporting period, the structures and WGs have been set up jointly with IOM offices in the project areas, and the first-phase research on a) current standards of training in the CARDS countries and in the EU member states and b) current academic curricula on migration phenomena in the CARDS countries and the EU member states has been conducted together with the recently appointed IOM project officers as well the SRs and Module 2 co-ordinators in the national administrations. It is apparent that though national action plans within the project areas exist and have begun to be implemented, there is a strong need to deliver training in order to counter trafficking in human beings, illegal migration and smuggling of people on a level comparable to European standards. In carrying out this project, IOM ensures that no new and costly structures are created – rather, it is using the synergies with other EU-funded projects in the field of Justice and Home Affairs to the utmost advantage. The project team is making intense use of its network of missions in the countries engaged in the project – both in the beneficiary and in the partner consortium countries, and in carrying out the project activities, it is using the existing IOM infrastructure and liaison personnel on a daily basis.

### **4.2 General activities carried out during the reporting period**

- ***Working structures established***

The Assistant Project Coordinator was appointed and joined the work of the Project Team from the beginning of August 2004. National project officers working in the IOM offices in the beneficiary countries were also appointed and have begun their work. Their Terms of Reference are set and agreed upon.

The project Reflection and Advisory Group was created and launched in a meeting on 8 October 2004. This group has the task to steer and monitor the activities under module 2. In this meeting, general project developments were discussed, in particular, the harmonised introduction in the EU and the beneficiary states of academic curricula on the phenomena of organised crime and migration management. The decision was taken to concentrate on the introduction of a master's degree and/or an optional specialisation course. For this, a "centre of excellence" with a leading role should be established in a university in an EU member-state close to the region. Three universities in Budapest were reaffirmed to be very competent and adequate potential partners for the academic side of the project.

Train trainers from the beneficiary states in the Western Balkans have been identified and selected and came together in a study visit and project coordination meeting in Rome on 30 September and 1 October 2004 (see also below). A working session was organised, during which the project was presented to the delegates, and they reported on training needs and gaps as well as existing best practices in their countries. This activity was originally planned for spring 2005 but carried out at this date due to synergies with the EC JHA/ IOM AGIS 2003 project.

Following the envisaged structures of the project, the core members of project Research and Drafting Groups for both the manual on countering illegal migration, smuggling and trafficking in human beings (THB) and for the drafting of academic curricula were selected. Additional members to strengthen the groups will join according to the needs of the project.

The Research and Drafting Group for the manual on combating smuggling and illegal migration held a working session on October 28 and 29, 2004, at the IOM Brussels premises; draft tables of content have been elaborated for all three criminal phenomena – illegal migration, smuggling, and trafficking in human beings.

The Research and Drafting Group for the academic master's degree curricula is to be constituted in December 2004; suggestions for curricula are currently under review and are to be evaluated by the Research and Drafting Group at their meeting and via correspondence.

- ***Lines of communication and coordination established with IOM offices in the Balkan states, representatives from the project areas, the European Commission, the Council of Europe, and other international organisations***

Aside from its already existing close coordination with the European Commission (DG Justice and Home Affairs, External Relations, and EuropeAid and Cooperation Office) and its CoE counterparts, the OSCE and the Stability Pact (in particular, MARRI Regional Forum), as well as the UN and its specialised agencies, IOM Brussels has established very constructive working relationships with the newly appointed project officers in the IOM missions as well as the appointed interlocutors in the national administrations in Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro, Kosovo (Serbia and Montenegro) and "the former Yugoslav Republic of Macedonia" who have been selected for the implementation of the project. Upon the request of the European Commission, IOM has undertaken extensive efforts to discuss joint projects with ICMPD, to ensure that no duplication of projects takes place on either side.

IOM partners in all missions involved have dedicated considerable effort to assisting in carrying out the tasks and the research required for this phase of the project. Meetings are currently being organised for the Project Coordinator and Assistant Project Coordinator to take place in Belgrade/ Podgorica, Sarajevo, Skopje, Pristina, and Zagreb between 16 and 26 November 2004, during which the project will be discussed to assess the progress and agree upon the way

forward with the SRs, Module 2 Coordinators, and IOM Project officers as well as LPOs of the CoE.

IOM Brussels has presented the project plan, aims and objectives to the diplomatic missions of all beneficiary countries to the EU and has established an excellent working relationship with them. Emphasis should be laid on the fact that for the success of this project, and given a general sentiment of “project fatigue” in the Western Balkan states, it is crucial to convey a strong message of project ownership and strong local influence.

A first coordination meeting with the relevant interlocutors in the Stability Pact was held on 24 September 2004, in which areas of cooperation were determined and future cooperation and coordination were agreed upon. The interlocutors in the relevant Working Tables (Justice and Home Affairs, Security Policy) provided very useful overviews as to the activities and efforts currently being undertaken by the Balkans states as well as pertinent assessments of the current gaps and training needs in the field. IOM Brussels likewise shared its information on these subjects, and future meetings and cooperation were agreed upon.

#### 4.3 Specific Output 2.1 activities carried out during the reporting period

The following specific activities under Output 2.1 (develop and adopt a training strategy based on a thorough analysis of needs and capacities) were **implemented after the inception phase to date** (July – 15 November 2004):

<i>Activity:</i>	<i>Description:</i>	<i>Status / Place / Date</i>
2.1.2	<b>Short-term experts to carry out detailed analysis in terms of training needs of countries and target groups and capacities of existing training institutions and training activities</b>	on-going
2.1.3	<b>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</b>	on-going

Information on training needs and best practices is currently being collected both at the local levels in the project areas (LPOs, Module 2 coordinators) and at central level (Project Coordinator and Assistant Project Coordinator). This information is the basis for the training strategy to be discussed and processed by the Research and Drafting Groups in close collaboration with the project coordinators and module 2 coordinators/ SRs. Moreover, a number of bilateral and multilateral meetings took place with experts and representatives of relevant institutions and organisations to discuss these issues and collect information.

The preliminary assessment has shown that while there are considerable gaps in training against illegal migration and smuggling, the response to the counter-trafficking training needs is more articulate. Therefore, in developing training modules, IOM will use and build upon the existing base of instruments developed by expert organisations active in the Western Balkans.

On 30 September and 1 October 2004, IOM Rome and IOM Brussels, in close cooperation with the appointed interlocutors in the national administrations, jointly organised a study visit for trainers and police officers from the beneficiary countries, in order to gather information and lessons learned from Italian policies and practices in combating organised crime and trafficking, smuggling, and illegal migration in particular. Italy has been supporting this initiative on the basis of its long experience and well-established and highly efficient practices in combating these and other crime phenomena. Organised under the auspices of the National Anti-Mafia

Directorate, this visit made it possible for the delegates to learn about the border management systems and efficient tools used in Italy in the fight against organised crime in the framework of and in line with European standards and international conventions. The participants also made use of this visit to deepen the dialogue with their Italian counterparts and widen their network to come to a common understanding of the crime phenomena and of how to co-operate more closely in dealing with them. The participants visited the National Antimafia Directorate, the Italian Ministry of the Interior, and the Borderguard Services at Fiumicino airport (see report attached).

Concerning the development of academic curricula, IOM Rome and IOM Brussels jointly held a meeting with Professor Maria Paola Colombo Svevo, Professor and former Member of the European Parliament, to discuss the status of current research and teaching programmes on organised crime issues. It was agreed that Professor Colombo Svevo would produce a more detailed overview of the academic curricula and research the status of the TransCrime project, which has been developed by Professor Ernesto Savona, University of Trento.

#### 4.4 Specific Output 2.2 activities carried out during the reporting period

The following specific activities under Output 2.2 (develop, tested and make available for further training curricula and training materials on trafficking in human beings, smuggling and illegal migration) were **implemented after the inception phase to date** (July – 15 November 2004):

<i>Activity:</i>	<i>Description:</i>	<i>Status / Place / Date</i>
2.2.1	<b>Short-term experts and consultants to develop modules for law enforcement training on trafficking, smuggling and illegal migration</b>	on-going
Other	<b>Building a pool of short-term experts to participate in project activities</b>	on-going

The recruitment of the expert for the development of training modules against trafficking in human beings has been successfully concluded, and the draft has been elaborated on the basis of the assessment of needs and best practices, and submitted for input from project officers and interlocutors in the field. A pool of short-term experts has been established, which is subject to change depending on the time constraints and availability of the individual experts. The developed modules shall be tested in 14 training events in close coordination with local IOM offices, the CoE, and the train trainers selected by the local IOM offices and module 2 coordinators in the field.

In close collaboration with the local IOM offices, three trainers from each beneficiary country have been identified, who will follow the project developments closely and submit information on training needs and existing best practices. Some of these trainers will be available to carry out the regional and in-country trainings.

IOM Brussels has already identified several short-term experts who will finalise the training materials in the later stage of the project. The terms of reference for the experts have been set; they are, however, still subject to changes as the project continues to develop.

#### 4.5 Conclusions and next steps

During the reporting period, all activities were carried out in compliance with the project planning as well as the budget planning (see the financial report).

In general, it should be emphasised that the project activities are well on track, due in particular to the valuable assistance and constructive cooperation by all partners and actors in the field, in particular the European Commission, the CoE, and all local IOM offices in the project areas and partner countries. The main project structures are in place and functioning very well, and the first meetings and events carried out have produced concrete results and further guidelines for the next steps.

From the preliminary research carried out by the IOM offices and IOM Brussels, it is apparent that there are a number of training instances and seminars currently being carried out on the ground on the subject of fighting the crime of trafficking in human beings by various actors in the field. However, there continues to be a clear need for training of law enforcement officers to effectively combat illegal migration and smuggling of human beings. Thus, module 2 of the CARDS Regional Project should lay a distinct emphasis on developing a training strategy and manual against these two phenomena in particular. As part of the strategy to combat THB, on the other hand, the project will develop the material taking into account all existing training modules and activities, and coordinate very closely with other international and bilateral projects currently being carried out in the project areas.

Furthermore, the project team has discussed the overview and planning of the further steps in the project, comparing the possible content of trainings with the given time frame, and concerns have been raised regarding the feasibility of carrying out training sessions as per the initial planning (4 regional and 10 in-country training events for 2 days each). In order to address this concern, a suggestion would be to reduce the number of training events and subsequently extend the duration. This issue will be further examined during the next reporting period.

- From November 15 to November 26 2004, the Project Coordinator and Assistant Project Coordinator are to undertake a visit to all participating Western Balkan countries, during which they will meet and discuss the project with the appointed module 2 coordinators, IOM and CoE LPOs, and other counterparts and relevant interlocutors for activities in the framework of the CARDS Regional Police Project.
- Finally, the working group on university curricula will convene in December to discuss a number of concrete proposals for university curricula to be introduced on the subjects of preventing and combating illegal migration, trafficking and smuggling of human beings
- The Research and Drafting Groups will convene again in January 2005 in preparation for the presentation of the first draft material at the Second Regional Thematic Seminar to be held in Budapest at the beginning of 2005. The exact date of this meeting, which will be closely coordinated and carried out together with IOM Budapest, will be communicated in the following, as it is dependent on the availability of the external experts who will be attending this event.

The next steps will be planned in close consultation and coordination with the CoE and the European Commission.

## 5 FINANCIAL STATISTICS (DISBURSEMENTS)

### CARDS REGIONAL POLICE PROJECT : FIRST FINANCIAL REPORT (as at 18/10/2004)

Expenses	First year budget	First year budget revised	Expenditure
<b>1. Human Resources</b>			
1.1 Salaries (gross amounts, local staff) <sup>4</sup>			
1.1.1 Technical		146 400	60 367
1.1.2 Administrative/ support staff		141 600	7 774
1.2 Salaries (gross amounts, expat/int. staff)		334 500	138 860
1.2.1 Fees LT experts			32 238
1.2.2 Fees ST experts			20 525
1.3 Per diems for missions/travel <sup>5</sup>			
1.3.1 Abroad (staff assigned to the Action)		78 570	21 745
1.3.2 Local (staff assigned to the Action)		16 200	
1.3.3 Seminar/conference participants		329 508	60 342
<b>Subtotal Human Resources</b>	<b>1 046 778</b>	<b>1 046 778</b>	<b>341 850</b>
<b>2. Travel<sup>6</sup></b>			
2.1. International travel	0	322 950	120 609
2.2 Local transportation	0	21 200	
<b>Subtotal Travel</b>	<b>344 150</b>	<b>344 150</b>	<b>120 609</b>
<b>3. Equipment and supplies<sup>7</sup></b>			
3.1 Purchase or rent of vehicles	0		
3.2 Furniture, computer equipment	0		
3.3 Spare parts/equipment for machines, tools	0		
3.4 Other (please specify)	0		
<b>Subtotal Equipment and supplies</b>	<b>0</b>		
<b>4. Local office/Action costs<sup>8</sup></b>			
4.1 Vehicle costs	0		
4.2 Office rent	0		
4.3 Consumables - office supplies	0	52 800	323
4.4 Other services (tel/fax, electricity/heating, maintenance)	0		
<b>Subtotal Local office/Action costs</b>	<b>52 800</b>	<b>52 800</b>	<b>323</b>
<b>5. Other costs, services<sup>9</sup></b>			
5.1 Publications <sup>10</sup>	0	24 000	
5.2 Studies, research <sup>10</sup>	0	35 000	
5.3 Auditing costs	0		
5.4 Evaluation costs	0		
5.5 Translation, interpreters	0	24 000	5 466
5.6 Financial services (bank guarantee costs etc.)	0		
5.7 Costs of conferences/seminars <sup>10</sup>	0	253 000	13 684
5.8 Visibility actions	2 000	2 000	9 110
<b>Subtotal Other costs, services</b>	<b>338 000</b>	<b>338 000</b>	<b>28 260</b>
<b>6. Other</b>	<b>8 000</b>	<b>8 000</b>	
6.1 Additional publication costs and related training			
<b>Subtotal Other</b>	<b>8 000</b>	<b>8 000</b>	

<b>7. Subtotal direct costs of the Action (1-6)</b>	<b>1 458 220</b>	<b>1 789 728</b>	
8. Administrative costs (maximum 7% of 7, total direct eligible costs of the Action)	102 075		<b>6 509</b>
<b>9. Total eligible costs of the Action (7+ 8)</b>	<b>1 560 295</b>		<b>497 551</b>