



RAI Secretariat's

NARRATIVE PROGRESS REPORT

July - September 2008

Sarajevo, BiH

October 27, 2008



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I. INTRODUCTION

Following a period of transformation in the leadership and ownership of the Regional Anti-corruption Initiative, as well as the change inside the Stability Pact and the launch of the Regional Co-operation Council in Sarajevo, RAI Secretariat started the implementation of the new Work Plan for 2008 – 2009 by conducting activities in several key areas:

- providing Secretariat services for the Regional Anti-corruption Initiative;
- executing and implementing RAI specific decisions, policies and strategies;
- assessing the individual country needs and priorities on the anti-corruption field and enhancing the regional cooperation in the fight against corruption;
- assisting the member countries in the process of adopting and implementing the international standards related to the fight against corruption;
- consolidating the relations with partner organizations.

The current report is analyzing the main activities conducted by RAI Secretariat in the third quarter of 2008.

II. RAI SECRETARIAT'S PROGRAMMATIC ACTIVITIES

During the observed period of 3 months RAI SECRETARIAT carried out activities on the following programmatic objectives, envisaged within the Work plan for 2008 – 2009:

Objective 1 – Supporting the process of adoption and implementation of the UN Convention against Corruption by the RAI countries

During the period on focus, RAI Secretariat made significant steps to set up closer relations with UNODC that serves as a Secretariat to UNCAC, building upon the already established partnership between the two organizations. Mr. Stanislav Aleksandrov – RAI Secretariat Anti-corruption Expert held a meeting with Ms. Carla Ciavarella – Regional Program Coordinator in UNODC Regional Project Office for South Eastern Europe (SEE) in Sofia, Bulgaria, on September 1, 2008. It was followed by a return visit to Sarajevo paid by Ms. Ciavarella on September 17, 2008. The main topic discussed was related to the strengthening the partnership between UNODC and RAI Secretariat and in particular the application for common projects in front of the donor community. The two offices have already started to apply for mutual projects. The first one is “Development of Monitoring Instruments for Judicial and Law Enforcement Institutions in the Western Balkans”



supported by European Commission. The proposal was submitted in July 2008. The procedure for selection of applications is still pending.

Objective 2 - Supporting the process of developing and implementing Regional and National Anticorruption Programs for Raising Public Awareness

Based on its experience in this area, RAI Secretariat reformulated this programmatic objective included in the Work plan for 2008 – 2009. Having in mind that RAI Secretariat has no resource to finance the expensive public awareness campaigns, as well as that, it is impossible to persuade donors for their support in that regard, national resources for public awareness should be identified and ensured by member countries. RAI Secretariat will focus more on supporting existing initiatives and involving the national counterparts in developing further activities as video clips, posters, banners etc.

As a major pillar in its raising public awareness activity, RAI Secretariat maintained and regularly updated its official web site. The web site is set to serve as comprehensive Resource Center for all the people, who show interest in the fight against corruption. It contains information about relevant events, publications, anti-corruption country resources and library, etc. In the third quarter of 2008, the staff of RAI Secretariat further proceeded to work on the new web site of the Initiative, which can be found on www.rai-see.org. A new design, content and conception are envisaged in order to match the changes within the Initiative and the Secretariat and to respond to certain anti-corruption needs in South – Eastern Europe. Each RAI member country has a separate web page providing relevant anti-corruption information about the country. Projects like Anti-corruption Consultancy Project, On-line News Center and Forum will be implemented in the new web site as well. For the period July – September the Anti-corruption Resource center was further improved with additional content.

Envisaged activity: RAI Secretariat and UNODC Regional Project Office in Sofia discussed and came out with the idea to organize together an event marking the International Anti-corruption Day. The **International Conference on “Anti-corruption Policies and Practices in South Eastern Europe”** will take place in Sofia, Bulgaria, on December 9, 2008. The Conference aims to increase awareness of corruption and its negative impact within the public institutions and the civil society. In this regard, all relevant actors from SEE region involved in developing anti-corruption policies and best practices will be invited to attend the event.

Objective 3 - Assessment of the regional anti-corruption needs and specific requirements

The activities undertaken by the RAI Secretariat have been always based on precise assessment of the member states' concrete needs and requirements. This philosophy was implemented in the preparation of the Work Plan for 2008 – 2009, which was established after comprehensive inputs made by SEE countries.

As a further step in following this principle, RAI Secretariat organized a **Preliminary Meeting** to the Steering Group Meeting envisaged to take place in the end of October, in



Moldova. National representatives from 8 member states took part in the Preliminary Meeting on September 11 – 12, in Sarajevo, Bosnia and Herzegovina. This event was attended also by Mr. Ivan Cucu - Justice and Home Affairs senior expert of the recently established Regional Cooperation Council (RCC) Secretariat. The meeting was envisaged as preparatory forum, where the ideas for the future functioning of the Initiative should be raised in order to be transformed into decisions two months later in the 12th Steering Group Meeting.

The Preliminary Meeting consisted of 3 sessions dealing on the following topics: Promotion and support to the Anti-corruption Resource Center maintained by RAI Secretariat including two web projects – On-line News Center and Anti-corruption Consultancy Project; Presentation of the project on Justice Integrity and High Level Corruption Survey; Implementation of MoU; Reporting Process; RAI Annual Events; Planned or ongoing anti-corruption activities, etc.

RAI Senior Representatives discussed the proposed issues and agreed on reaching final decisions in the Steering Group Meeting in Chisinau at the latest.

For details, please check the agenda, the list of participants and the summary, conclusions and decisions of the SG Preliminary meeting attached to the report.

The on-line Resource Center contains sections with information on internal reports on the implementation of the respective anti-corruption strategies and monitoring reports made by structures like European Commission, GRECO, World Bank and SIGMA, as an integrated part in the web page of each RAI member country. Collecting all the relevant information on anti-corruption makes easier the process of analyzing the data and the assessment of the real needs of the countries.

Envisaged activity: 12th RAI Steering Group Meeting

12th RAI Steering Group Meeting will take place on October 30 – 31, 2008, in Chisinau, Moldova. The event will be hosted by the Centre for Combating Economic Crimes and Corruption and the Ministry of Foreign Affairs of Moldova. It represents the main decision-making forum of RAI. The national Senior Representatives are expected to reach decisions on the following issues: the reporting process and on the ways to optimize and make it more efficient and helpful; the problems of the Anti-corruption Resource Center and the related On-line News Center; the two projects introduced during the Preliminary Meeting: the Anti-corruption Consultancy Project and the Justice Integrity and High Level Corruption Survey; filling the existing gaps in the Work Plan for 2008 - 2009 and proposing concrete programmatic activities; submission of RAI candidature to act as an observer in GRECO; hosting of RAI annual events, etc. The Senior Representatives will be also given the floor to present the national achievements in the area of anti-corruption.

Envisaged activity: SEE Regional Conference on “Suppression of Corruption in Public Procurement Systems”

RAI Secretariat will organize a SEE Regional Conference on “Suppression of Corruption in Public Procurement Systems” on November 12 – 13, 2008, in Cavtat, Croatia, with the financial support of USAID through ABA ROLI.



The Conference will focus on the recent developments and problems in PP systems – one of the areas extremely vulnerable to corruption. PP, or the governmental purchases of goods and services from the private sector, has grown substantially in recent decades. In most European States, procurement purchases are estimated at 10-15 per cent of GDP, or some 25-30 per cent of public expenditure, representing many billions of euro. In this light, PP legislation has been improved. EU *Procurement Directives* set legal obligations for national procurement systems and practices. The countries from SEE seeking EU membership made significant reforms in their PP systems in order to prevent corruption and meet the standards of transparency, integrity, and of open, and fair competition. Nevertheless these efforts, PP remains an area exposed to corruption and further anti-corruption measures should be applied.

The conference on PP will have two main components. The first one is dedicated to the European standards in the area of PP. Experts from OECD, SIGMA and OLAF will intervene in topics related to assessment of the existing PP systems, tools to detect and investigate corruption in PP, in particular “red flags”, as a new tool taken from the practice of international organizations and multilateral investment banks, etc. The second component will give floor to the national representatives to present and discuss the strong and the weak points of the respective national PP systems, as well as some current issues like e-procurement, application of “red flags”, etc.

The main objective of the conference is to provide PP practitioners with a more detailed view of the status of the PP systems, to gain from the experience of experts coming from OECD, SIGMA and OLAF, and to enrich them with more ideas in setting up transparent and efficient PP systems towards the main goal – EU accession.

Participants from Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Montenegro, Romania, Serbia and UNMIK/Kosovo are expected to attend the event.

III. FUNDRAISING and FINANCIAL SUSTAINABILITY of RAI SECRETARIAT

The signing of the Memorandum of Understanding on April 13, 2007 in Zagreb, Croatia, and its implementation secured the financial sustainability of RAI Secretariat. Albania, Bulgaria, Montenegro, Romania, Moldova and Croatia already made their annual contribution of 24 000 Euro for 2008, thus financing the operational and programmatic budget of RAI Secretariat. The recent good news is that Macedonia sent a letter through diplomatic channels to the Ministry of Justice of Croatia – the Depositary state – with the notification that **Macedonia is joining the MoU and will further apply its provisions.** The financial sustainability of the Secretariat, as the member states took full responsibility and covered entirely its operational budget, ensured the normal functioning of the office, which gives the opportunity for the staff to undertake some fundraising activities and concentrate on making efforts for attracting additional donors for support of its programmatic objectives.

In the period July – September 2008, RAI Secretariat’s staff held several meetings with Mr. Virgil Constantin Ivan Cucu – Head of the Justice and Home Affairs Unit to the newly established Regional Cooperation Council, discussing the future cooperation and



partnership between RAI, as one of the main initiatives under the former Stability Pact for South – Eastern Europe and RCC, as a successor to the Stability Pact.

On September 17 - 20, 2008, RAI Secretariat was visited by Ms. Jennifer Gauck – ABA ROLI representative, who supported from the very beginning the existence and the functioning of the Secretariat. The main topic discussed was the closure of the grant of USAID through ABA ROLI for financing of RAI programmatic activities, which initially started in 2004.

IV. TRAINING ACTIVITIES

Summer School for Junior Magistrates from South - Eastern Europe

Envisaged activity: Following the 3rd edition of the Summer School for Junior Magistrates that took place in Kotor, Montenegro, on June 9 – 15, 2008, RAI Secretariat already proceeded with the organization of the event in 2009. RAI Secretariat staff established initial contact with Mrs. Tanja Temelkoska – Milenkovic – Executive Director of the Macedonian Academy for Training of Judges and Public Prosecutors and after fruitful negotiations it was agreed to have the 4th edition of the Summer School organized in Ohrid, Macedonia. The event is expected to take place in June, 2009.

V. MULTILATERAL EVENTS ATTENDED by RAI REPRESENTATIVES

1st Coordination Conference of SEE Initiatives on Justice and Home Affairs (JHA)

The 1st Coordination Conference of South - East European Initiatives on Justice and Home Affairs and their international partners was organized by the newly established Regional Cooperation Council's (RCC) Secretariat on September 15 – 16, 2008, in Sarajevo, Bosnia and Herzegovina. The event was envisaged as a forum for strengthening the coordination between the regional initiatives and international organizations acting in SEE on the implementation of JHA projects and reforms.

In his opening words, RCC Secretary General Mr. Hido Bisevic presented the mission of the new organization in setting up bridge between EU and countries of the region in five priority areas: Justice and Home Affairs, Economic and Social Development, Infrastructure and Energy, Security Cooperation and Building Human Capital and Cross-cutting Issues.

The first session of the event was dedicated to the current status of the regional initiatives. The representatives of the Regional Anti-corruption Initiative (RAI), the Migration, Asylum, Refugees Regional Initiative (MARRI), the South East Europe Cooperative Initiative Regional Center for Combating Trans-border Crime (SECI Center), the Secretariat of the South East Europe Police Cooperation Convention (PCC Secretariat), the South East European Prosecutors Advisory Group (SEPAG) and the South East Europe Police Chiefs Association (SEPCA) presented the structure and the activity of each initiative and discussed the necessary steps to be taken in order to improve the coordination and cooperation process in their work. RAI was represented by Ms. Vesna Ratkovic - Chairperson, Mr.



Edmond Dunga – Head of the Secretariat, Mr. Stanislav Aleksandrov – Anti-corruption Expert and Mr. Dusan Drakic – Advisor in Montenegrin DACI.

During the second session of the meeting the initiatives and the international organizations tried to identify common points of interest in order to combine and make efficient their efforts on JHA field avoiding overlapping or unnecessary competition.

Among the main conclusions of the forum were:

- JHA regional initiatives and RCC should continue to work on improving cooperation and coordination of activities;
- RCC will support the initiatives and will assist the implementation of joint regional projects;
- The Coordination Conference will be developed to an annual event, etc.

Recognizing EU membership as a priority for all the countries in SEE, the participants agreed on the fact that establishing efficient cooperation mechanisms in the region would show they could work inside EU as well.

In the framework of the 1st Coordination Conference RAI Secretariat staff had a meeting with Ms. Carla Ciavarella – UNODC Regional Program Coordinator. It was stated that the cooperation between RAI and UNODC had reached a satisfactory level. The main topic discussed was the future cooperation between the two organizations, in particular the possibility of signing of MoU, the mutual application and implementation of regional projects, common activities in marking the International Anti-corruption Day, etc.

Please, find attached the agenda, the list of participants and the conclusions of the 1st Coordination Meeting of SSE initiatives.

Envisaged activity: SEE Workshop “Challenges of Preventing and Prosecuting VAT Fraud in the Enlarging EU Market”

Mr. Edmond Dunga – Head of RAI Secretariat will attend the SEE Workshop “Challenges of Preventing and Prosecuting VAT Fraud in the Enlarging EU Market” organized by OLAF, Governance Monitoring Association, New Bulgarian University and National Revenue Agency of Bulgaria in Sofia, on November 27 – 28, 2008.

The purpose of the seminar is to educate revenue and law-enforcement officers in the countries from SEE on risk management, investigation and prosecution of cross-border VAT fraud. It will pursue the following objectives:

- Review of the effect of various prevention and risk-management instruments;
- Exchange of knowledge and experience on the practical aspects of the application of successful policy and investigation tools in the participant countries and the lessons learned;
- Monitoring and evaluation of the impact of anti-fraud policies with an emphasis on measuring the losses;
- Studying the feasibility of launching an anti-fraud exchange of information network in SEE.



Envisaged activity: “Using Communication Approaches and Techniques to Support Anti-corruption Efforts: A Learning Event for Anti-corruption Agencies”

Mr. Stanislav Aleksandrov – RAI Anti-corruption Expert will attend a Workshop on “Using Communication Approaches and Techniques to Support Anti-corruption Efforts: A Learning Event for Anti-corruption Agencies” organized by UNODC and World Bank on November 17 – 19, 2008, in Vienna, Austria. The main objectives of the event are as follows:

- For participants to develop an appreciation for the integral role and relevance of communication approaches and techniques in anti-corruption efforts;
- For participants to become informed consumers of the services of communication specialists and consultants;
- For participants to cultivate an understanding about the need to build their agencies’ communication capacity;
- For participants to practice skills in framing anti-corruption messages for multiple stakeholders.

VI. RAI SECRETARIAT’S FINANCIAL OVERVIEW