

REPUBLIC OF SERBIA

FIGHT AGAINST CORRUPTION - KEY ACHIEVEMENTS AND NEXT STEPS -

Sveti Stefan, 5-6 May, 2004

STARTING POSITION

- GDP per capita below 1,000 USD: a 60% drop in last 10 years
- 27% official unemployment rate, actual unemployment closer to 50% according to IMF estimates
- Inflation reached 112% in 2000
- Average wage at 40 EURO per month
- Close to 1 million refugees and displaced persons for a population of 8.5 million
- **According to the TI CPI Corruption Index in the year 2000. Yugoslavia occupied the 89th position, one before last**

STRATEGY

➤ To implement the variety of measures that reflect the society, the economy and the political system as a whole, with a purpose of creating the environment that would demotivate an appearance and development of corruption

FIVE BASIC PILLARS OF THE STRATEGY FOR FIGHT AGAINST CORRUPTION

- I SECURING THE INSTITUTIONAL FRAME
- II REFORM OF THE PUBLIC ADMINISTRATION
- III ECONOMIC REFORM
- IV MOTIVATING THE PARTICIPATION OF CIVIL SOCIETY
- V AFFIRMATION OF THE POLITICAL ENVIRONMENT THAT FAVORS THE FIGHT AGAINST CORRUPTION

I SECURING THE INSTITUTIONAL FRAME FOR FIGHT AGAINST CORRUPTION (1)

I.1 REFORM OF THE JUDICIAL SYSTEM

- New laws on courts and public prosecution that secure a complete independence of judges and prosecutors
- Amendments of Criminal Code (New chapter on Corruption Crimes and Trafficking) and Code of Criminal Procedure (Modern secret investigative techniques, witness protection regulations, etc)
- Special Prosecutor and Special Court for Fight against Organized Crime
- Judicial Education and Training Center

I SECURING THE INSTITUTIONAL FRAME FOR FIGHT AGAINST CORRUPTION (2)

I.2 STRENGTHENING OF THE PARLAMENTARIAN CONTROL

- Activities of Parliament committees in control of the Government activities
- Establishment of several special committees on corruption scandals

I.3 CAPACITY BUILDING OF GOVERNMENT BODIES IN CHARGE FOR FIGHT AGAINST CORRUPTION

- Reforms of the Ministry of Internal Affairs (26 anti-corruption fighting units, internal control, special trainings etc), Ministry of Finance (Public Revenue Agency, Customs Administration, Anti-Money Laundering Unit) and other relevant institutions

II REFORM OF THE PUBLIC ADMINISTRATION

- CONTEMPORARY MODELS OF INTERNAL CONTROL
- NEW BUDGET SYSTEM LAW; INTRODUCTION OF INTERNAL AND EXTERNAL BUDGET AUDIT
- PUBLIC PROCUREMENT LEGISLATION
- NEW LAW ON AVOIDING CONFLICT OF PRIVATE AND PUBLIC INTERESTS IN PERFORMANCE OF PUBLIC DUTIES
- ESTABLISHMENT OF AGENCY FOR PUBLIC ADMINISTRATION REFORM
- INCREASED TRANSPARENCY OF GOVERNMENT ACTIVITIES, BUDGET FORMULATION PROCESSES AND PUBLIC SPENDINGS
- IMPLEMENTATION OF MERIT SYSTEM IN PUBLIC SERVICE AND DEVELOPMENT OF HUMAN RESOURCES DEPARTMENTS

III ECONOMIC REFORM

- PRICE LIBERALIZATION AND LIBERALIZATION OF EXPORT AND IMPORT TRADE
- MACROECONOMIC STABILITY
- TAX REFORM (NUMBER OF PRIVILEGES AND EXAMPTIONS HAVE BEEN CANCELED) AND IMPOSED FISCAL DISCIPLINE
- PRIVATIZATION AND RESTITUTION
- PREVENTION OF ILLEGAL TRADE AND FIGHT AGAINST GREY ECONOMY
- ANTI-MONEY LAUNDERING REGULATIONS
- NEW CUSTOMS LAW AND LAW ON TAX PROCEDURE AND TAX ADMINISTRATION
- POVERTY REDUCTION STRATEGY
- CORPORATE GOVERNANCE AND BUSINESS INTEGRITY REGULATIONS

IV MOTIVATING THE PARTICIPATION OF CIVIL SOCIETY

- **AFFIRMATION OF MEDIA FREEDOM**
New Law on Public Information and Broadcasting Law,
Draft Law on Free Access to Public Information
- **NGO – GOVERNMENT JOINT ACTIVITIES IN FIGHT
AGAINST CORRUPTION** (Anti-corruption Coordination Unit
attached to the Ministry of Finance)
- **CIVIL SOCIETY COUNCIL FOR FIGHT AGAINST
CORRUPTION** (Government advisory body)
- **MASSIVE PUBLIC AWARENESS RAISING CAMPAIGNS
AGAINST CORRUPTION**
- **ESTABLISHMENT OF SEVERAL NGOs SPECIALIZED IN
FIGHT AGAINST CORRUPTION** (TRANSPARENCY
INTERNATIONAL SERBIA, INTERNATIONAL ANTI-
CORRUPTION CENTER, CENTER FOR MANAGEMENT)

V AFFIRMATION OF POLITICAL ENVIRONMENT THAT FAVORS FIGHT AGAINST CORRUPTION

- **NEW, VERY STRICT, POLITICAL PARTIES FINANCING
LAW** (Compliant with Council of Europe Recommendations and
other international standards)
- **AVOIDING CONFLICT OF INTEREST REGULATIONS**
- **CONTINUOUS PUBLIC DEBATE ON GOOD GOVERNANCE
AND ANTI-CORRUPTION ISSUES**
- **ESTABLISHED BROAD COALITIONS AND
PARTNERSHIPS IN PROMOTION OF ANTI-CORRUPTION
REGULATIONS**

INTERNATIONAL ACTIVITIES

- COOPERATION IN ESTABLISHMENT OF SPAI SECRETARIAT IN SARAJEVO
- ACTIVE PARTICIPATION IN GRECO, PACO, MONEYVAL, SPOC, ACN, OCTOPUS etc
- SIGNED COUNCIL OF EUROPE CRIMINAL LAW CONVENTION ON CORRUPTION AND UN CONVENTION ON FIGHT AGAINST CORRUPTION
- COOPERATION WITH COUNCIL OF EUROPE, EUROPEAN COMMISSION, THE WORLD BANK, DFID, USAID, OECD, OSCE AND OTHER RELEVANT INTERNATIONAL INSTITUTIONS IN DRAFTING AND IMPLEMENTATION OF ANTI-CORRUPTION STRATEGIES AND REGULATIONS

NEXT STEPS

- IMPROVEMENT OF EXISTING AND ADOPTION OF NEW ANTICORRUPTION LEGISLATION, FURTHER HARMONIZATION WITH INTERNATIONAL STANDARDS, CONVENTIONS AND RECOMMENDATIONS
(Law On Free Access To Public Information, Ombudsperson Law, Anti-Monopoly Law, Law on Supreme Audit Institution, Amendments of Criminal Code, Criminal Procedure Code and Civil Service Act, etc)
- ESTABLISHMENT OF SPECIALIZED ANTI-CORRUPTION BODY (Agency for Fight against Corruption)
- FURTHER CAPACITY BUILDING OF AND BETTER COORDINATION BETWEEN GOVERNMENT BODIES IN CHARGE FOR FIGHTING CORRUPTION
- REGIONAL AND INTERNATIONAL NETWORKING IN FIGHT AGAINST CORRUPTION AND ORGANIZED CRIME