



Stability Pact Anti-Corruption Initiative

**6th SPAI STEERING GROUP MEETING
23 SEPTEMBER 2003
SARAJEVO**

FINAL MINUTES

This document has been prepared by the OECD-based SPAI Secretariat. It summarizes the discussion and decisions taken at the 6th SPAI Steering Group meeting on 23 September in Sarajevo.

The 6th Steering Group meeting was held in the Common Institutions Building in Sarajevo, Bosnia and Herzegovina. It was organised by the OECD-based SPAI Secretariat in co-operation with the Ministry of Foreign Affairs of Bosnia and Herzegovina.

The principal objective of the meeting was to discuss and adopt a new strategy for the SPAI and terms of reference for the SPAI Regional Secretariat Liaison Office (RSLO). The decision to transfer the Secretariat to the region was first taken by the Steering Group in September 2002 in Rome, reconfirmed in April 2003 in Brussels, and finally endorsed at the Meeting of the Stability Pact Working Table and Regional Table in May 2003 in Cavtat.

PARTICIPANTS

1. The Steering Group (SG) meeting was chaired by Professor Ugo Draetta, Chairman of the Stability Pact Anti-Corruption Initiative (SPAI).
2. The SPAI Senior Representatives from Albania, Bosnia and Herzegovina (BiH), Croatia, Montenegro, Romania and Serbia participated in the meeting; Moldova and Macedonia were not represented. Of the SPAI supporting countries, the Czech Republic, France, Germany, Norway, Sweden, Switzerland and the United States (Department of State, USAID) were represented; also represented were the Council of Europe (CoE), the European Commission, the Office of the Special Co-ordinator of the Stability Pact for South Eastern Europe, the Organisation for Economic Cooperation and Development (OECD), and the World Bank.
3. Representatives of the American Bar Association/Central Europe and Eurasian Law Initiative (ABA/CEELI) attended as observers.

OPENING

4. Professor Draetta stressed in his opening remarks the important task of the Steering group meeting to adopt the future strategy for the SPAI and to define the mandate of the SPAI Regional Secretariat. The Chairman asked SPAI representatives to discuss the proposed strategy and terms of reference for the Regional Secretariat, and then to consider adopting both documents, which would subsequently provide a successful basis for the implementation of the SPAI 'regional ownership' objective.

ADOPTION OF THE SPAI STRATEGY

5. The draft SPAI Strategy "SPAI: 2003 and beyond" (see attached), which was prepared by the OECD-based SPAI Secretariat in June 2003, was presented to the Steering Group by the Chairman and the Secretariat. The three main components of the SPAI strategy proposal are: outcomes of the Initiative since its adoption in 2000, challenges for the SPAI in a changed environment; and the future role and structure of the SPAI. The document suggests that the SPAI becomes a depository of political commitments, an internationally acknowledged forum for policy dialogue, and a mechanism for knowledge transfer. It is proposed to achieve these roles by developing activities at both the senior political and technical expert levels. The Chairman highlighted that the Regional Secretariat will have to implement the strategy, and invited regional representatives to take responsibility for shaping it.

6. Participating representatives from SPAI countries, supporting countries and international organisations approved the strategy proposal “SPAI: 2003 and beyond” in principle, subject to further revision that would incorporate the comments of the group.
7. The Senior Representatives of the SPAI highlighted the positive role of the SPAI for their countries and strongly supported the establishment of the Regional Secretariat.
8. During the round-table discussion, the following comments were made by the SPAI countries:
 - **Albania** proposed to improve information exchange between the SPAI countries on existing policies and institutions in order to harmonise legal and institutional frameworks in the region; the representative also supported the proposed OECD/SPAI Integrity Initiative because the business community had not yet been sufficiently targeted in the framework of anti-corruption initiatives in the region.
 - **Serbia** agreed that countries of the region should work together to foster legal reforms and draw on the regional legal experience;
 - **Bosnia and Herzegovina, Croatia, and Montenegro** stressed the importance of strengthening regional ownership and networking;
 - **Croatia** mentioned the important role of expert workshops in order to implement the strategy.
 - On the structure of the strategy, **Serbia** suggested delineating outcomes of the Initiative according to local, regional and international levels, and presenting future objectives on the basis of whether they served short-, medium- or long-term purposes.
9. Representatives of supporting countries and international organisations made the following comments:
 - **France** pointed out that, at this stage of implementation of the SPAI, it is essential to take into account complementarities with other actors working in this field;
 - The **Czech Republic** expressed openness to cooperate with the SPAI countries and offered technical expert assistance;
 - **Switzerland** noted that according to the SPAI Senior representatives, the Initiative remains a useful instrument, although the environment in which the Initiative operates has changed since its inception; the Swiss representative also called for the development of benchmarks to measure the results of the Initiative and of progress in the fight against corruption in the region;
 - The **United States** reiterated its continued support for the SPAI and for regional collaborative efforts to tackle corruption;
 - The **Office of the Special Coordinator of the Stability Pact for South Eastern Europe** agreed with the growing importance of the fight against corruption and of its ‘regionalisation’ for the Stability Pact as a whole.
 - The **World Bank** expressed its support for transferring the ownership of the SPAI to the region.

ESTABLISHMENT OF THE REGIONAL SECRETARIAT LIAISON OFFICE

10. The representative of **Bosnia and Herzegovina** briefed the Steering Group on administrative and technical aspects of the establishment of the RSLO. The group was subsequently informed about the agreement between Bosnia and Herzegovina and the Office of the Special Coordinator of the Stability Pact for South Eastern Europe, signed on 15 September 2003, setting the legal basis for the RSLO (see the Agreement attached).

The Agreement gives legal personality to the RSLO and extends diplomatic immunities and privileges, which are foreseen under the 1961 Vienna Convention, to all members of the RSLO.

11. The Ministry of Foreign Affairs of Bosnia and Herzegovina, which is the responsible institution for the implementation of the Agreement, confirmed that the opening of the RSLO is scheduled for 27-28 October 2003 during the regional meeting of the Ministers of Justice under the South-East European Co-operation Process.
12. The Steering Group addressed the issue of visibility of the Initiative. **Bosnia and Herzegovina** committed to seek high-level regional and international participation at the opening ceremony, as well as wide media coverage. The **United States** stressed that the opening ceremony should become a high-profile event and welcomed the presence of ambassadors of the SPAI and the supporting countries.
13. The group took note of the draft terms of reference of the RSLO (ToR), presented by the **US** representative (see Terms of Reference attached). It defines objectives, phases of implementation and the staff structure of the Secretariat, including an executive secretary and an anticorruption expert (the ToR are modified accordingly). An Action Plan of the RSLO is not part of its Terms of Reference. The group decided that the preparation of such a plan should be one of the first tasks of the RSLO.
14. The **US** representative confirmed that the US contribution will be channelled through USAID and will cover the salaries and office expenses from the establishment of the RSLO until 30 September 2004. The project will be implemented by **ABA/CEELI**, which will receive the funding in the form of a sub-grant. ABA/CEELI will assist in the establishment of the office, as well as ensure its financial oversight. The United States called upon other donor countries to consider supporting the RSLO after September 2004.
15. The Chairman informed the group about the two candidates for RSLO staff positions (see attached nomination letters). The National Coordinator for the Stability Pact of Bosnia and Herzegovina proposed Mr Josip Brkić, head of the cabinet of the Ministry of Foreign Affairs and SPAI Senior Representative, to the post of executive secretary, with the support of the government of Bosnia and Herzegovina. The Minister of Justice of Romania proposed Mr Cornel Virgiliu Călinescu, chief of division for the prevention of criminality and corruption of the Ministry of Justice and SPAI Senior Representative, as a candidate for the position of anti-corruption expert.
16. The Chairman invited regional countries to consider the idea of rotating RSLO staff members, tentatively on a 2-year-basis.
17. The Steering group approved the proposed Terms of Reference, subject to a revision incorporating the comments and suggestions made by the group. The candidacies of Bosnia and Herzegovina and of Romania for the positions of RSLO staff member were adopted by the group, as well as the principle of staff rotation.
18. The group took note that the RSLO has the capacity to hire its staff members as stated by the agreement on the RSLO establishment.
19. During the discussion on the Terms of Reference, the following comments and suggestions were made by the SPAI countries:

- **Albania** emphasised the important role of coordination among the RSLO and the regional governments and reiterated that the development of a regional data base on legal and institutional developments in the anti-corruption area should be an important task of the RSLO;
 - **Bosnia and Herzegovina** noted that the ToR should be clear and transparent. **Croatia agreed and** suggested clarifying that SPAI country governments are not supposed to fund RSLO staff members;
 - **Montenegro** pointed out the role of the RSLO in training regional human resources;
 - **Romania** highlighted the importance of preparing an action plan, which would contain clear criteria to evaluate the results, set timeframes for activities and thereby facilitate the transition of the RSLO towards a self-sustainable Secretariat, co-funded by national governments;
 - **Serbia** suggested that, in order to attract highly professional staff, it would be preferable to recruit on the basis of an open competition rather than by nomination, and to establish salaries that are higher than the pay scale for local civil servants in the region.
20. **Czech Republic, France, Germany, Norway, Sweden and Switzerland** expressed their support to the RSLO and agreed to consider ways and means to incorporate the RSLO in their anti-corruption activities in the region. The following key points to secure donor support were outlined: preparation of an action plan, elaboration of indicators for measuring the progress achieved, co-operation with other existing initiatives to avoid duplication of efforts, and greater visibility.
21. **France** stressed that the capacity of the SPAI/RSLO to operate in close relation with other actors involved in the fight against organised crime (Table III) and in the Investment Compact (Table II) within the framework of the Stability Pact will be an indicator of its success.
22. The representative of the **Office of the Special Co-ordinator of the Stability Pact** pointed out that the National Coordinators of the Stability Pact and the SPAI Senior Representatives should be seeking to raise awareness about the SPAI in their respective countries.
23. The **OECD** stated the organisation's support for the successive transfer of the SPAI secretariat function to the RSLO and the OECD's readiness to assist in the transition process.
24. Serbia suggested making better use of the SPAI website¹ in order to facilitate communication and information exchange among the SPAI countries. It has been decided that, in the short-term, the OECD will be responsible for the maintenance of the website. The site will be up-dated in the forthcoming months, and then handed over to the RSLO in mid-2004.
25. In response to the Croatian delegate, the Chairman clarified that the governments of the SPAI countries are not expected to absorb the costs of the RSLO.
26. In response to the Council of Europe's question on the link between the strategy and the ToR, the Chairman concluded that the ToR should refer to the strategy and specify the

¹ <http://www1.oecd.org/daf/SPAIcom>

related objectives. The US representative indicated that the ToR is subordinate to the strategy and represents guidelines for its implementation.

27. The US representative agreed to revise the ToR, taking into account comments and suggestions made by the group such as the need for criteria to evaluate the progress achieved, re-definition of the status of foreign experts (p.5, Terms of Reference), and the issue of funding for regional experts. The United States also expressed the hope that it would be among the donors to the RSLO beyond 2004.

WIDENING DONOR SUPPORT FOR THE REGIONAL SECRETARIAT

28. The discussion on the possibilities to widen donor support to the RSLO was led by the **Office of the Special Co-ordinator of the Stability Pact**. The present supporting countries and international organisations were invited to express their views.
29. The representative of the Office of the Special Co-ordinator of the Stability Pact stated that anti-corruption is a key activity under the sub-table on Justice and Home Affairs of the Stability Pact and that regional cooperation is the cornerstone of this framework agreement. Justice and Home affairs is also one of the priority areas of the European Union cooperation with this region. Clear political will of the regional countries and regional cooperation were identified as important preconditions for donor support. In this regard, the RSLO was invited to organise donor conferences and to address the business community to become fully self-sustainable. Donors were invited to provide not only funding, but also technical expertise.
30. The representative of the **European Commission** (EC) mentioned that there are now several CARDS Justice and Home Affairs projects with anti-corruption components both at regional and national levels. The regional CARDS 2003 Justice Program, which has such components, foresees an advisory and coordinating role for the SPAI in its implementation. The SPAI countries were also invited to discuss implementation of the EC initiatives through contacts at the EC delegations and the European Agency for Reconstruction, when it comes to national projects.
31. **Switzerland** stated its general readiness to continue supporting the SPAI; **Germany** committed to look into possibilities to provide assistance, although it would have to define what form its support would take; **France** indicated that an Action Plan of the RSLO will help it to make a decision on possible support.

REPORTING ON ACTIVITIES IN THE FRAMEWORK OF THE SPAI

32. The OECD, ABA/CEELI and the CoE were invited to report on their activities, which are implemented in the framework of the SPAI work plan, adopted in May 2003 in Brussels.
33. The **OECD** reported on the SPAI Conflict of Interest project 2003-2004, for which two specialist seminars were held in Zagreb and in Istanbul. The project is based on OECD-developed tools for policy-drafting and implementation in the area of conflict of interest in the government and in the public sector. The project is implemented through voluntary contributions from Switzerland, Norway and Finland. A training workshop on conflict of interest for senior investigative journalists is scheduled for late 2003. The new OECD/SPAI Business Integrity Initiative was presented to the group (see the project attached). This initiative, which would target the SPAI business community, was welcomed by the

countries of the region. A number of comments, such as the sequencing of the Initiative and the role of foreign and local companies, will be reflected in the revised version of the project.

34. **ABA/CEELI** briefed the group on progress to date under US technical assistance projects in Croatia, Macedonia, Moldova, Montenegro, Romania, Serbia and on the project to assist the establishment of the RSLO in Bosnia and Herzegovina (see Activity Update attached). Implementation of these projects, which are part of the SPAI work program, will start in October 2003.
35. The **Council of Europe** informed participants that it continues to focus on corruption in the region through its PACO program, which was started in 1999 in Bosnia and Herzegovina. The program is based on the judicial cooperation manual, funded by France and Switzerland and guided by GRECO, as well as by other instruments of the CoE. The group took note of the forthcoming Europe-wide seminar OCTOPUS INTERFACE, scheduled for November 2003 in Strasbourg. The seminar will focus on specialised anti-corruption agencies and will seek agreement on 'best practices' in this area. The CoE concluded that there appears to be better co-ordination of the relevant international actors, contributing to complementarities of activities instead of overlap.

CONCLUSIONS

The following decisions were taken by the 6th SPAI Steering Group meeting in Sarajevo on 23 September 2003:

36. The group adopted the new SPAI strategy "SPAI: 2003 and beyond" in principle. The OECD-based SPAI Secretariat will revise the text and circulate it electronically for final approval (see the revised and adopted document attached);
37. The group adopted the Terms of Reference of the Regional Secretariat Liaison Office in principle. The US representative will revise the document and circulate it for final approval (see the revised and adopted document attached);
38. The group agreed to the staff structure of the RSLO, which will consist of two members: an executive secretary and an anti-corruption expert. The group approved the two candidates nominated for these positions.
39. It was decided that RSLO staff members will draft an RSLO Action Plan in collaboration with ABA/CEELI. The Action Plan should contain a more detailed job description for the RSLO staff members. The Action Plan should be prepared in the forthcoming months and circulated to the group for approval.
40. It was decided that the RSLO should receive visiting regional and international experts, funded by their respective countries or through specific projects.
41. In view of the opening ceremony of the RSLO, which is scheduled for 27-28 October 2003, Bosnia and Herzegovina committed to insure high-level participation and media coverage of the event.
42. The group took note of the US funding for the RSLO from its establishment until September 2004. A number of donor countries expressed interest in supporting the RSLO, which was

also invited to organise donor conferences and seek support from the business community. The group concluded that the RSLO will most probably be able to continue its work after September 2004.

43. The group took note of the OECD's support during the transition of the SPAI Secretariat to the region. The OECD committed to liaise with the RSLO members as long as necessary to ensure the continuation of its work.
44. The next Steering Group meeting is scheduled for March 2004. Serbia proposed to host the meeting in Belgrade. However, no final decision was taken by the group on the precise date or location.

TO: SPAI Senior Representatives of Albania, Bosnia and Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Romania and Serbia, SPAI donors and supporting countries, participating international organisations and observers.

ATTACHMENTS:

1. Agenda of the Steering Group Meeting
2. List of participants
3. Revised and approved Strategy "SPAI: 2003 and beyond"
4. Revised and approved Terms of Reference of the RSLO
5. Revised OECD/SPAI Business Integrity Initiative proposal

DOCUMENTS AVAILABLE UNDER REQUEST:

1. Agreement on SPAI RSLO Headquarters, signed by Bosnia and Herzegovina and the Office of the Special Coordinator of the Stability Pact for South Eastern Europe on 15 October 2003
2. Letter of nomination of Mr Josip Brkić, Bosnia and Herzegovina
3. Letter of nomination of Mr Cornel Virgiliu Călinescu, Romania
4. ABA/CEELI Activity Update, September 2003