



STABILITY PACT FOR SOUTH EASTERN EUROPE

ANTI-CORRUPTION INITIATIVE

***7th SPAI
Steering Group Meeting***

5&6, May, 2004

Sveti Stefan, Republic of Montenegro

FINAL MINUTES

This document has been prepared by the Regional Secretarial Liaison Office in Sarajevo. It summarizes the discussion and decisions taken at the 7th SPAI Steering Group meeting on 5-6 May 2004 in Sveti Stefan.

You are invited to provide comments and suggestions by 31 May 2004 to SPAI RSLO

Josip Brkić, Executive Secretary

Cornel – Virgiliu Calinescu, Anticorruption Expert

Nedzma Džananović, Administrative Assistant

Phone 0038733.550.220, Fax0038733.550.221

E-mails brkicj@lsinter.net, calinescucv@lsinter.net, džananovicn@lsinter.net

VENUE AND ORGANIZERS

1. The 7th Steering Group Meeting took place in Sveti Stefan, Republic of Montenegro. It was organized by the Stability Pact Anticorruption Initiative Regional Secretariat Liaison Office in Sarajevo in cooperation with the Montenegrin Government represented by the Anticorruption Initiative Agency.

MEETING'S OBJECTIVES

2. The previous Steering Group Meeting marked the beginning of the transition of the Initiative to regional ownership. A visible benchmark of this process was the official opening of the Regional Secretariat Liaison Office (RSLO) that took place during the Regional Meeting of the Ministers of Justice under the South-East European Co-operation Process, on 27-28 October 2003.
3. In this context the main objectives of the 7th Steering Group were to:
 - assess the progress made both at national and regional level in the implementation of the SPAI Strategy adopted in September 2003;
 - debate and approve the SPAI RSLO DRAFT WORK PLAN for 2004;
 - identify the short and medium term priorities for the SPAI member states and areas of assistance;
 - debate and adopt a decision on the role of the SPAI in SEECP Joint Campaign to Fight Organized Crime and Corruption.

PARTICIPANTS

4. The Steering Group (SG) meeting was chaired by Professor Ugo Draetta, Chairman of the Stability Pact Anti-Corruption Initiative (SPAI).
5. All SPAI member countries were represented at the meeting by their countries Senior Representatives - Albania, Bosnia and Herzegovina (BiH), Croatia, Macedonia, Montenegro, Moldova, Romania and Serbia.
6. Participating SPAI supporting countries - France, Norway, Spain, Switzerland Slovenia and the United States were represented.
7. The following organisations were represented: ABA/CEELI, 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), Organisation for Security and Cooperation in Europe (OSCE), World Bank, Transparency international and Open Society Institute.

First day - 5 May 2004

OPENING AND ADOPTION OF THE AGENDA

8. Opening by Professor Ugo Draetta, SPAI Chairman and welcome remarks by Miroslav Ivanisevic, Deputy Prime Minister, on behalf of Montenegrin government, emphasized clear determination of the countries in the region to fight corruption and cooperate in the process.
9. After the introductory remarks the Steering Group members approved without modification the draft agenda prepared by the Regional Secretariat Liaison Office.

PROGRESS REPORTS – REGIONAL LEVEL

10. **Chairman Ugo Draetta** reviewed the progress made at regional and national level during the last 6 months, underlining the importance of newly established Regional Secretariat Liaison Office in Sarajevo and its crucial role to move the fight against corruption into the region. Also, it was commended the progress made by the countries of the region in improving their anticorruption institutional and legal framework. Professor Draetta addressed an open invitation to the SPAI partner countries and organisations to support and assist the new office in Sarajevo and the SPAI countries in further implementing their strategies.
11. **Mr. Josip Brkic, SPAI RSLO** Executive Secretary delivered a brief report on the administrative and operational steps undertaken by the SPAI RSLO. The SPAI RSLO Executive Secretary stressed that the office in Sarajevo is fully staffed and operational starting with 15 March 2004. For its operational costs (staff salaries, computers, communication lines, specialized training) at this moment the office is financially supported by the US Government, but its structure allows other donor countries or/and organizations to provide financial assistance for carrying out substantive anticorruption activities. RSLO representative expressed commitment to further facilitation of cooperation between the SPAI member-countries, as well as interest in continuing cooperation with CoE and OECD.
12. Information on ongoing activities in the framework of the SPAI were provided by SPAI partner countries and organizations:
 - a. **U.S. State Department, Mr. David Hodgkinson:** Considers the RSLO as an important step in fighting corruption in the region and is ready to support it. US will continue to support the initiative and the Regional office. It was launched the call for support to other donors, as US doesn't want to remain the only one although the 300,000 USD will secure activity till the end of the next year for the Office and its projects. In this respect US representative invited other donor countries and organizations to be involved in supporting the RSLO. This can be done either directly by

signing an MOU with RSLO or indirectly with the assistance of the ABA CEELI

- b. **USAID, Mrs. Susan Kutor:** Recognized the importance of regional approach and the opening of the RSLO. Expressed hope that the RSLO could be funded directly in near future. Also, she highlighted the ongoing regional “rule of law” projects/programs.
- c. **ABA/CEELI, Ms. Molly Innam:** Explained the mission of the organization along with the specific relationship it has with the RSLO momentarily. Regional Institutional Building Advisor (RIBA) assists RSLO in the following fields: multiple grant, fundraising, strategic planning, program design. Also, ABA CEELI activities carried out in the SPAI framework were mentioned. (full report attached within the regional reports section) :
- d. **OECD, Ms. Inese Gaika:** Supported the opening of the RSLO and presented current activities of the organization: “Conflict of Interest Management: from Policy to Practice”, “Budget reviews, budget transparency and financial control”. A new OECD publication was recently released under the title “Managing Conflict of Interest in the Public Service”. Another publication on this issue – handbook for Investigative journalists covering Conflict of Interest - is planned for this Autumn. Additional activities: involvement of SPAI countries in the Anti-Corruption Network for Transition Economies (ACN), that has helped to acquire expertise on UN Convention, workshop for investigative journalists (within the "conflict of interest" program). Also, it is envisaged that the RSL Office will be involved in the promotion of the ACN activities with the SEE. (report on Conflict of Interest project attached within the regional reports section).
- e. **CoE, Ms. Ardita Abdiu:** presented the steps undertaken in implementing two multilateral projects for Albania, Bosnia & Herzegovina, Croatia, Macedonia, Serbia & Montenegro: Anticorruption Plans in South Eastern Europe and Strengthening police capacities against serious crime in South Eastern Europe (full report attached within the regional reports section)
- f. **World Bank, Mrs. Sandra Bloemenkamp:** World Bank carries out projects for supporting good governance, transparency, anticorruption efforts, budget management, conflict of interest, public administration in SEE. SPAI-RSLO is recognized as a partner for cooperation. World Bank will consider using the Office from Sarajevo in the future studies/activities in the region. Were suggested video-conference facilities as a mean of communication between the member states and RSLO. Also, WB representatives announced the release of the Second report on Anticorruption in Transition – Corruption in Enterprise - State Interactions in Europe and Central Asia 1999- 2002.
- g. **European Commission, Mr. David Hudson:** presented the message from Brussels in which it was stated that EC is ready to continue and develop activities with all the countries in the Western Balkans (developing European partnerships, like with Romania), where to involve the Regional Secretariat. It was underlined the complementary role of the Stability Pact

in the association process. European Commission endorsed the new strategy of SPAI and recognized the opening of the RSLO in Sarajevo as instrumental for broader stabilization, regional cooperation and creating the feeling of ownership. Also, agreed with the RSLO TOR, but suggested to balance ambition with a sense of reality. RSLO has a potential role in identifying ad-hoc projects to be funded through TAIEX. Additionally, European Commission recommended that SPAI representatives to be included in the Advisory Board of the CARDS Justice regional project.

- h. **TI Secretariat, Ms. Catherine Woollard:** Expecting to see greater involvement of the TI national chapters with the SPAI-RSLO, and cooperation from the RSLO side. Expressed was the need for developing system that would involve civil society. Suggested SPAI-RSLO promo campaign that would raise people's awareness of the Secretariat as well as of the issue. TI representatives presented the activities of the TI especially those related to the Advocacy and legal assistance centres, accountability, national integrity system and corruption perception studies.
- i. **Open Society Institute** (Montenegro Foundation), **Ms. Tamara Srzentić** will start working with the secretariat in Sarajevo and will include it in its future activities

PROGRESS REPORTS – NATIONAL LEVEL

13. High representatives of SPAI countries (Albania, Bosnia and Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Romania and Serbia) presented reports on progress made in implementing the national strategies against corruption, short and medium term priorities and areas of assistance. (full reports attached within the national reports section).
14. Within their interventions all representatives supported the opening of the RSLO and expressed expectations that it will facilitate regional cooperation in this area.

REGIONAL CAMPAIGN TO FIGHT ORGANIZED CRIME AND CORRUPTION

15. **Stability Pact - Pieter Vreebek, Working Table III director**, provided the Steering Group with a background presentation of the SEECP Joint Campaign to fight organized crime and corruption in SEE. The main objective of this campaign is to bust the Thessaloniki process. The role of the Stability Pact will be to provide SEECP with mechanisms able to implement in the region the tasks identified by the ministers of justice and home affairs. To this end it is expected that the declaration will identify the Stability Pact's fora - SPAI, SPOC, THB and Police Forum – as main facilitators for the implementation of the Declaration. SPAI and SPAI RSLO will play an important role in implementing those activities related to the fight against corruption in the region.
16. The following priorities of this Campaign were identified:
 - a. making full use of, and where necessary, strengthening of mechanism for regional cooperation;

- b. encouraging political decision-makers to sign and ratify relevant international agreements and to put in place sound legal and law enforcement institutions to fight organized crime and corruption;
 - c. identifying action-oriented measures and ensuring their implementation.
17. It is expected that SPAI will be represented by the RSLO team at the SEECP Justice and Home Affairs Conference that is to be held on 17 - 18 May 2004 in Bucharest, Romania. RSLO representative will contribute to the drafting process of the Joint statement on fighting against organized crime and corruption in SEE, which is to be endorsed at the end of the Conference.

Second day - 6 May 2004

SPAI RSLO WORK PLAN

18. The second day of the Steering Group Meeting was mainly oriented to discuss and approve the SPAI RSLO Work Plan for 2004 and 2005. The document was presented by the Executive Secretary and the Anti-Corruption Expert.
19. Following are the questions and comments after the presentation:
- a. **OECD** representative shared the experience of the organisation in ensuring the Secretariat for the SPAI and suggested to maintain the SPAI web-site, network of contacts of experts and participants to different events organized, increasing the visibility of regional activities and events, and the tools to capture the progress of the SPAI countries. Also, requested RSLO to name 3-4 coming activities so it could give idea of how it is envisaged;
 - b. **Norway, Mr. Thor Gislesen** stressed the importance of ensuring a close cooperation among RSLO, OECD and Council of Europe. Also, it was underlined that the work plan should be result-oriented and these objectives need to be described. The WP should be redrafted and have some elements based on the OECD presentation (country strategies, impact analysis, well-structured contacts between the country representatives, so on);
 - c. **France, Mr. Dominique Chassard** agreed with the previous comment, lacking proper introduction, asked about additional funding;
 - d. **USA** agreed with previous comments, reminded that the US expects more partners to support the process and the activities;
 - e. **Switzerland, Mr. Patrick Etienne**: The WP needs more work, to be specific about where we are now, include more indicators on monitoring the development, define the value added by the RSLO (sharing experiences and expertise). Switzerland will assess its future contributions to the SPAI during the second semester of 2004. This year will end the Swiss contribution to the CoE and the OECD for the Anticorruption activities. Switzerland is very much appreciating the progress done by SPAI and the work of the experts and is supporting the added-value of SPAI as a forum for coordination. Considering the issue of absorption capacities of all the

on-going initiatives and programs, the SPAI should focus on "how to do better with existing resources?" rather than on developing new activities or programs

- f. **Slovenia, Mr. Boštjan Penko:** Some donor countries have problems with funds but could provide experts to support certain activities, Slovenia namely;
- g. **Serbia, Mrs. Alexandra Drecun:** The countries of the region have worked together and developed cooperation. More needed on the side of measuring impact. Also, references were made with regard to the Steering Group in Washington and the project proposals elaborated by the SPAI countries representatives.
- h. **Croatia, Mrs. Mikica Munjin-Wertag** agreed with Serbian representative. Stressed the achieved level of cooperation. RSLO is perceived as an instrument for ensuring better contacts among the experts of the region, building networks and specialized databases able to ensure exchange of information. Also, were mentioned the problems encountered by the SPAI countries in implementing the projects identified in 2002, especially those related to the lack of proper financial support;
- i. **Romania, Mr. Ivan - Cucu** stressed that it is not necessary to readdress the issue of the RSLO mission or mandate. The RSLO mandate is clear and was approved in September 2003 by the Steering Group;
- j. **Stability Pact, Working Table III, Mr. Pieter Verbeek:** Suggested possible secondments to the Secretariat by member-states for developing the database, papers, and particular workshops. Reminded that donors are looking for visibility of the activities and suggested stronger outreach. Stressed the importance of facilitation rather than project implementation. The RSLO should bring the parties together, offer facilities and be involved in measurable activities. Mr. Vreebek also highlighted that the Regional Secretariat Liaison office in Sarajevo is expected to become, in time, a "Centre of Excellence", where regional experts in the fight against corruption to be trained and best practices and lessons learned to be shared;
- k. **World Bank, Mrs. Sandra Bloemenkamp:** Emphasized that the main goal of the RSLO should be bringing the countries together.

20. Later all activities listed within the SPAI RSLO schedule for 2004 and 2004 were discussed and approved one by one.

21. The following general comments were made:

- a. SPAI RSLO should take undertake its operational role and in close cooperation with SPAI countries and SPAI supporting countries/organisations to set out clearly the priorities so as to draw the best out of the regional initiatives. In this respect it is very important to avoid any overlapping between the programs foreseen under SPAI RSLO initiative and other programs introduced by other organizations for each specific country.
- b. It was stressed the necessity of addressing separately the RSLO administrative aspects and the substantial activities.

- c. Most questions focused on the way the RSLO identified its priorities and needs.
 - d. RSLO should ensure a permanent contact with the SPAI countries
 - e. The work plan should include the regional priorities based on the national priorities.
 - f. It is necessary to further elaborate the schedule of activities based on an assessment.
22. The following comments and specific suggestions were made with regard to some activities included in the RSLO schedule:
- a. 8th SPAI Steering Group Meeting – participants agreed that if no other proposal will be made the next meeting will be organised in Sarajevo, Bosnia Herzegovina;
 - b. Workshop on UN Convention against corruption – approved with observation that the event should be reschedule; USA offered financial support in organizing this workshop;
 - c. Regional Anticorruption Program for Raising Public Awareness – TI offered assistance to further developing the project with the support of the TI Chapters. Further explanation were provided by the RSLO staff on the envisaged approach: the campaign should have two levels of implementation – **regional** with focus on the role of SPAI and SPAI RSLO and **national** with focus on two or three priorities identified by the high representatives and TI chapters.
 - d. Workshop on investigating high level corruption cases – approved. It was suggested that a follow-up workshop to be organised focusing on the trial stage and sharing the regional experience of the judges in solving high level corruption cases;
 - e. Regional Anticorruption data base – approved. USA offered financial support in building the database. Also, in order to ensure a better analyze of the progress in implementing the national anticorruption strategies it was discussed the need to have uniformed country reports.
 - f. Assessment of the regional anticorruption needs and specific requirements – approved. The draft assessment is to be presented by RSLO during the next Steering Group Meeting.
 - g. Regional exchange of anticorruption experts – approved. The deadline was changed, the activity becoming a permanent task for the SPAI and SPAI RSLO.

CONCLUSIONS

The following decisions were taken by the 7th SPAI Steering Group meeting in Sveti Stefan on 5-6 May 2004:

23. All SPAI member countries agreed to provide during the next Steering Group Meetings a standard progress report on recent activities and developments in the fight against corruption. To this end the Regional Secretariat Liaison Office will elaborate a template progress report that will be circulated and approved by the Steering group members prior to the 8th Steering Group Meeting.

24. All the activities proposed by the Regional Secretariat Liaison Office were approved by the participants. SPAI RSLO will redraft the Work plan for 2004 - 2005 according to the inputs provided by the Steering Group members. The document will be circulated and open for approval through silent procedure.
 25. SPAI RSLO team will participate at the SEECF Justice and Home Affairs Conference that is to be held on 17 - 18 May 2004 in Bucharest. RSLO representatives will contribute to the drafting process of the Joint Declaration to Fight against Organized Crime and Corruption in SEE.
 26. The next Steering Group meeting is scheduled for December 2004. No final decision was taken by the group on the precise date or location of the meeting. In case that in due time additional proposals will be made, the next Steering Group Meeting will be organised in Sarajevo, Bosnia Herzegovina.
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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:

- final agenda
- list of participants
- regional progress reports
- national progress reports