

REGIONAL ANTI-CORRUPTION INITIATIVE

23rd STEERING GROUP MEETING



Summary, Conclusions and Decisions

*Sarajevo, Bosnia and Herzegovina
23 – 24 September, 2016*

23rd Regional Anti-corruption Initiative (RAI) Steering Group Meeting took place in Sarajevo, Bosnia and Herzegovina on 23 – 24 September, 2016. It was organized by RAI Secretariat in cooperation with the Ministry of Security of Bosnia and Herzegovina.

Participants

23rd RAI Steering Group Meeting was attended by 9 member states' representatives:

- **Albania** – Ms. Lorena Pullumbi – Deputy Senior Representative, Adviser to the Minister, Minister of State on Local Issues/National Coordinator on Anti-Corruption;
- **Bosnia and Herzegovina** – Ms. Branka Banduka – Expert Adviser, Department for Combating Organized Crime and Corruption, Ministry of Security of Bosnia and Herzegovina;
- **Bulgaria** – Mr. Rosen Kukushev – Expert in EU and International Cooperation Directorate, Ministry of Interior;
- **Croatia** – Ms. Maja Baricevic - Head of Anti-corruption Sector, Ministry of Justice (replaced by Deputy Senior Representative Mr. Tomislav Matoc in the agenda item 5 – Selection procedure for Head of Secretariat position, in accordance with the RAI Institutional Mechanism¹);
- **Macedonia** – Ms. Elena Dimovska – Associate, Unit for Coordination of Anti-corruption Activities, Ministry of Justice;
- **Moldova** – Ms. Lidia Carchilan – Superior Inspector, legislation and anti-corruption expertise Division, National Anti-corruption Center;
- **Montenegro** – Ms. Svetlana Rajkovic – Deputy Director, Agency for Prevention of Corruption;
- **Romania** – Ms. Anca-Luminita Stroe – Legal counsellor, National Office for Crime Prevention and Asset Recovery, Ministry of Justice;
- **Serbia** – Ms. Katarina Nikolic, International Co-operation, Ministry of Justice.

The Central Anti-corruption Bureau of Poland, as an observer to RAI, was represented by Mr. Paweł Rutkowski, Expert Coordinator for International Cooperation.

RAI Secretariat was represented by:

- Mr. Tomislav Curic – Anti-corruption Expert / Acting Head of Secretariat;
- Ms. Aida Bulbul – Finance and Administrative Officer;
- Ms. Jasna Panjeta – Program and Outreach Officer;
- Ms. Iva Komsic – Programme Officer

¹ At the 18th Steering Group Meeting it was decided that a Senior Representative who applied for the position at the RAI Secretariat is not allowed to participate in the selection process

Summary of Discussions

RAI Chairperson Mr. Davor Dubravica welcomed and greeted all members of the Steering Group, new representatives to the Steering Group, and former Head of Secretariat, Mr. Radu Cotici.

On behalf of the hosting authority, Deputy Minister of Security of Bosnia and Herzegovina, Mr. Mijo Kresic opened the Steering Group Meeting and welcomed all participants. Mr. Kresic greeted all Steering Group members in the name of Bosnia and Herzegovina as the host country of RAI Secretariat and mentioned the great cooperation with RAI through a number of activities. Mr. Kresic pointed out that regional cooperation in the anti-corruption field is very important and useful in regards to exchange of expertise and best practices. He also expressed readiness for the future joint cooperation with RAI and its member countries. Mr. Kresic concluded his speech by wishing a successful and fruitful meeting.

After the welcoming remarks, RAI Chairperson introduced the Agenda which was adopted by the members of the Steering Group.

1. Information from Mr. Radu Cotici, former Head of Secretariat

Mr. Cotici started by presenting what has been happening in RAI and the Secretariat for the past three and half years. He emphasized the importance of teamwork and thanked former and new members of the RAI Secretariat for their contribution to the organization. He gave an overview of all the changes that were introduced since 2012, stressing out the importance of the Protocol amending the Memorandum of Understanding concerning Cooperation in fighting Corruption through the South Eastern European Anti-corruption Initiative. Mr. Cotici emphasized the importance of 18th Steering Group Meeting held in Munich in February 2014, which resulted in many important decisions. All of these strategic changes led to improvements within the organization which adopted a result-oriented approach. Visibility of the organization was enhanced, external and internal communication improved, expenditures decreased and the overall efficacy increased.

When it comes to programmatic activities, Mr. Cotici stressed that official events organized by RAI followed a result-oriented approach with an outcome and a follow-up activity in mind, what made them more sustainable.

Speaking of building partnerships, Mr. Cotici mentioned that RAI became a dimension coordinator of the SEE 2020 Strategy, became partner and strengthened partnerships with the United Nations Development Programme (UNDP) Regional Hub, RACVIAC - Centre for Security Cooperation, the Organisation for Economic Co-operation and Development (OECD), Regional Cooperation Council (RCC), and got closer to Civil Society Organizations. Within these partnerships, RAI has the leading role with active participation in organisation and implementation of activities.

Speaking about the financial sustainability of the organization, Mr. Cotici emphasized that the Secretariat had been working on improving its fundraising activities which resulted in getting financial support from numerous donors and consequently increasing the scope of its activities.

When it comes to future, Mr. Cotici emphasised the importance of RAI's geographical expansion as well as internal extension with more staff members. As an RCC representative, Mr. Cotici expressed readiness to cherish the relationship with RAI in the future. Finally, Mr. Cotici thanked the former and current members of the Steering Group and to RAI Chairperson, Mr. Davor Dubravica. He expressed gratitude to the members of the Secretariat for their assistance and work in RAI.

2. Information from RAI Secretariat

Mr. Tomislav Curic greeted all members of the Steering Group and presented the information from RAI Secretariat as Acting Head of Secretariat. Mr. Curic presented the ongoing and past activities implemented by the Secretariat.

When speaking about the upcoming activities, Mr. Curic pointed out the Workshop on Presenting Objectives and Potentials of the Regional Programme in Bosnia and Herzegovina, scheduled for September 26, 2016 in Sarajevo as part of the Regional Programme implementation, implementation of the project "Whistleblowers are important: Raising Awareness about the Whistleblowing in South East Europe", 3rd Regional Meeting of Oversight Bodies for Asset Disclosure scheduled for October 20-21 in Sofia, Bulgaria, where the updated draft legal instruments on data exchange and asset disclosure will be discussed and best practices in the field of asset disclosure and conflict of interest will be exchanged.

Speaking of building partnerships, Mr. Curic emphasized that RAI intensified activities on building partnership with ReSPA, and that MoU is to be signed with them, upon approval by

the Steering Group. RAI's request for an observer status in European Partners against Corruption (EPAC) will be discussed in November 2016. As for the SEE Police Cooperation Convention Secretariat, Mr. Curic informed the Steering Group on outcomes of the joint meeting held in August, in accordance with decision at the 22nd RAI Steering Group Meeting.

3. Adoption of the Budget for 2017

Finance and Administrative Officer, Ms. Aida Bulbul, presented Budget proposal for 2017 and expressed gratitude to all members of the Steering Group for their active involvement and efforts in making sure that all countries pay their contributions in a timely manner.

Ms. Bulbul gave a brief overview of the changes that incurred to the proposed budget for 2017, as compared to the 2016 Budget.

In the end, Ms. Bulbul pointed out that the actual planned budget for 2017 is much bigger due to secured funding from the Austrian Development Agency (ADA) and planned projects with other donors. She presented each segment of ADA funding to be utilized in 2017 and how it would be spent. Ms. Bulbul concluded her presentation by emphasizing that RAI and the Secretariat is no longer fully dependent on member countries' contributions, that sources of funding have been diversified and that the Secretariat will pursue this path in the future as well.

The Steering Group decided to increase budget line referring to the staff development and adopted Budget for 2017.

4. Exchange of information with Agency for the Prevention of Corruption and Coordination of the Fight against Corruption of Bosnia and Herzegovina

Representatives of Agency for the Prevention of Corruption and Coordination of the Fight against Corruption (APIK) of Bosnia and Herzegovina, Mr. Mevludin Dzindo and Mr. Vladica Babic, greeted the members of the Steering Group and thanked RAI Secretariat for the invitation. They introduced their current activities and past work to the members of the Steering Group.

They explained that APIK is currently in the process of development of capacities at different levels of authority in the country for the purpose of implementing the anti-corruption strategies.

They mentioned positive examples in implementation of the Law on Whistleblower Protection in Institutions of Bosnia and Herzegovina, which covers 22.000 employees and so far, there have been 13 requests for whistleblower protection status. Steering Group members exchanged their views with the representatives of APIK, and agreed to continue cooperation and exchange of good practices.

APIK Representatives informed on the recent amendments of the Law on Conflict of Interest Prevention and current activities in developing an electronic database for asset declarations.

5. Selection procedure for the Head of Secretariat position

RAI Chairperson, Mr. Davor Dubravica informed Steering Group members about the selection process for the position of Head of Secretariat, and he presented the results of the technical evaluation of applications that was previously conducted by the RAI Secretariat and the Chairperson. Mr. Dubravica informed the Steering Group that three shortlisted candidates will be present in person for the interview, while the other two would be interviewed via Skype.

Questions for the interview were designed to evaluate and reflect the necessary competences and values listed down in the ToR for the position and were approved by the Steering Group.

After the Interviews of shortlisted candidates, members of the Steering Group decided by consensus to reopen the call for applications in order to broaden and strengthen the pool of applicants.

It was decided to organize the next Steering Group meeting back-to-back with some other RAI event planned until the end of the year.

It was also decided that additional efforts would be invested to promote the call for applications and attract more candidates, and that the Steering Group Members will be of assistance in order to promote the call region-wide.

6. Adoption of amendments to the RAI Strategic Document – Annexes 1, 2 and 3, Office Policies Manual and Finance Management Manual

Mr. Tomislav Curic started the discussion regarding the amendments by pointing out that the first set of amendments to internal documents was adopted during 22nd RAI Steering Group Meeting that took place in Bucharest in April 2016. During that Steering Group Meeting, it

was also decided that the second set of amendments shall be prepared and discussed during the next Steering Group Meeting.

Amendments to the Institutional Mechanism, Terms of Reference of RAI Chairperson, Office Policies Manual and Finance Management Manual were discussed and adopted by the Steering Group, with the suggestions provided by members of the Steering Group.

Other Business

Under this Agenda item, Mr. Tomislav Curic informed the Steering Group that RAI Secretariat has worked on strengthening partnership with the Regional School for Public Administration (ReSPA) which resulted in draft Memorandum of Understanding on Cooperation between RAI and ReSPA. After reviewing the proposed text, the Steering Group approved text of the draft MoU and decided to proceed with signing of the MoU.

Conclusions and Decisions

The RAI Steering Group:

- Took note of the information from RAI Secretariat regarding the past, ongoing and planned activities;
- Adopted the Budget for 2017;
- Decided to re-open the call for the position of Head of RAI Secretariat as of October 1, 2016.
- Adopted proposed amendments to RAI Documents (ToR of RAI Chairperson, Institutional Mechanism, Office Policies Manual and Finance Management Manual) with observations and suggestions provided by Steering Group members (available in Annex 1).
- Endorsed the Secretariat's proposal to sign Memorandum of Understanding with the Regional School for Public Administration (ReSPA) and approved proposed text of the MoU.

Amendments to RAI's internal regulations

Annex 1

INSTITUTIONAL MECHANISM

1. In Chapter “Powers”, 2nd paragraph shall be amended as follows:

„The Steering Group elects RAI Chairperson and approves prolongation of the Chairperson's mandate. It approves amendments to the Terms of Reference (ToR) of the Chairperson.“

2. Chapter “Chairperson” shall be amended as follows:

“The Chairperson is a leader of regional cooperation who advocates for RAI commitments. He/she provides leadership and strategic support to the organization.

He/she will:

- **Represent** RAI and its Steering Group in relation with all international partners and **promote** the implementation of the RAI's strategic objectives;
- **Foster** the dialogue with RAI stakeholders;
- **Convene** once per year (or whenever necessary) the Steering Group Meetings and **chair** them;
- **Issue** decisions taken by the Steering Group of the Initiative;
- **Oversee** the enforcement of decisions taken by the Steering Group of the Initiative;
- **Give strategic guidance** to the RAI Secretariat in order to ensure the achievement of its mission and objectives;
- **Ensure** overall coordination and supervision of RAI Secretariat on behalf of the Steering Group;
- **Chair** high-level regional events;
- **Promote** human rights based approach within the Organization.

The Terms of Reference for the Chairperson are attached (Annex 2)“

Annex 2
Terms of References - Chairperson

1. **In Terms of Reference – Chairperson Mission Statement with the following content:** *“The Regional Anti - corruption Initiative gives impetus to the fight against corruption in South East Europe by building on existing actions, through better coordination of all efforts, and by relying on high level political commitment provided by the Regional Cooperation Council (RCC) and South East European Cooperation Process (SEECF). Its objective is to assist and support the countries of the region to adopt efficient legislation, to establish effective institutions and to develop best practices in civil society for a joint sustained fight against corruption.” shall be removed.*

2. **Section „Mission and goal description“ shall be renamed into “Mission” and shall be amended with the content as follows:**

“The Chairperson is a leader of regional cooperation who advocates for RAI commitments. He/she provides leadership and strategic support to the organization.”

3. **Section “Role and responsibilities” shall be amended as follows:**

“He/she will:

- **Represent** RAI and its Steering Group in relation with all international partners and **promote** the implementation of the RAI’s strategic objectives
- **Foster** the dialogue with RAI stakeholders
- **Convene** once per year (or whenever necessary) the Steering Group Meetings and **chair** them
- **Issue** decisions taken by the Steering Group of the Initiative
- **Oversee** the enforcement of decisions taken by the Steering Group of the Initiative
- **Give strategic guidance** to the RAI Secretariat in order to ensure the achievement of its mission and objectives;
- **Ensure** overall coordination and supervision of RAI Secretariat on behalf of the Steering Group;
- **Chair** high-level regional events;
- **Promote** human rights based approach within the Organization.

4. **Section „Qualifications“ shall be renamed into “Qualifications and Competencies” and shall be amended with the content as follows:**

„The Chairperson should be a prominent figure well known and accepted within the South East Europe and who shares vision and values of the organization.

The Chairperson shall:

- *Have citizenship of a Regional Anti-corruption Initiative member country.*

- *Have university degree in Law, Criminal Justice, Political Science, International Relations or related field.*
- *Have ten years of professional experience in law, law enforcement, legislative, judicial or related anti-corruption fields.*
- *Have good knowledge of political, social, economic and security landscape in South East Europe.*
- *Have previous experience on leadership positions.*
- *Have solid knowledge and working experience in the international multilateral arena and with national and international organizations involved in anti-corruption.*
- *Be experienced public speaker and advocate.*
- *Demonstrate integrity by modelling the universal and EU values and ethical standards;*
- *Display cultural, gender, religion, race, nationality and age sensitivity and adaptability;*
- *Treat all people fairly without favouritism;*
- *Fulfil all obligations to gender sensitivity and zero tolerance for harassment.*
- *Have an excellent oral and written English.*

5. Section “Mandate and selection procedure” shall be amended as follows:

„The mandate of the Chairperson is for one year, with prolongation for additional year if there are no objections by the members of the Steering Group.

Same person can be appointed as a Chairperson for not more than 4 consecutive years.

The election procedure shall start not later than 60 days before the current Chairperson’s mandate ends. Call for applications shall be launched by the Secretariat and promoted by the member countries.

The Steering Group shall consider all applications that were determined as responsive/ compliant/ acceptable by the Secretariat, and elect the Chairperson at the Steering Group meeting.

If the Chairperson is not able to continue his/her functions before the ending of the mandate, then he/she should inform the Steering Group and the Secretariat. The procedure to select a new Chairperson shall start no later than 10 days after the notification by the Chairperson. In the interim period, the role of the Chairperson shall be assumed by the member state Representative with the longest experience as a Senior or Deputy Representative..

If new Chairperson is not appointed at the time the mandate of Chairperson expires, the latter shall assume the role of Acting Chairperson, until the new Chairperson is appointed. “

Present amendment shall enter into force 90 days before the current Chairperson’s mandate ends, whilst in case that current Chairperson is not able to continue his/her functions before the ending of mandate, it shall enter into force 8 days after the notification by the current Chairperson.

Annex 3

Terms of References - Secretariat

1. Article V “*Human Resources*”, sentence: “*The Secretariat shall provide housing benefit to international positions staff without permanent residence within the range of minimum 80km from the Secretariat premises at the moment of employment.*” **shall be removed.**

I. In “Introduction” of the Office Policies Manual:

1. Paragraph 1 with the following content „*This Manual is a compilation of policies and best practices for resident “and international staff from relevant similar Initiatives in SEE as well as from partner international organizations such as the American Bar Association’s through it Rule of Law Initiative (ABA ROLI)“ shall be removed.*

2. Paragraph 2 shall be amended as follows:

„The Secretariat’s Office Policies Manual incorporates best practices in line with the overall values and mission of Regional Anti-corruption Initiative. The Manual establishes a framework and sets standards that guide how the processes are conducted in the RAI Secretariat. It also includes how personnel conduct themselves, make decisions, interact with one another and manage the operations of the Secretariat. It also prescribes hiring procedures.

Unless otherwise noted, Head of Secretariat is accountable for policies contained within this manual. All personnel are responsible to apply the policies equitably and fairly, and all personnel share an obligation to adhere to the norms of behaviour that promote efficient work environment and are respectful to diversities.

Office Policies Manual is intended to be ongoing, however, the Secretariat reserves the right to amend, modify or terminate items within the Manual at any time following the approval of the RAI Steering Group. If there are any discrepancies between the information contained in this Office Policies Manual, respective legislation in Bosnia and Herzegovina and the Strategic Documents, the Strategic Documents and respective legislation in Bosnia and Herzegovina will prevail.

II. In “Chapter 3: Staffing Procedures”:

1. In Article 3.3.3 “Selection of International staff”, following sentence shall be added in the beginning of the paragraph:

„The selection procedure shall start not later than 90 days before the current mandate of international staff member ends. “

2. After Article 3.3.4, new article 3.3.5 shall be added, with the following content:

“3.3.5 Complaint Procedure

Candidates have right to lodge a complaint through Secretariat within the time period of 7 days upon receipt of notification. The Chairperson shall be immediately notified by the Secretariat if any complaints are received. In consultations with the Steering group, Chairperson shall consider received complaint and act upon it. The Outcome should be communicated to the candidate through the Secretariat not later than 30 days after the complaint was received.”

3. Article 3.3.5. “References” shall become Article 3.3.6, while Article 3.3.6 “Anti-Nepotism” shall become article 3.3.7.

4. In Article 3.3.7. “Hiring”, which shall become Article 3.3.8, the following sentence shall be added after the last bullet point:

“Personnel file shall be kept for three years period after termination of the service.”

5. Article 3.3.8. “Temporary staff” shall become Article 3.3.9, while Article 3.3.9 “Probation” shall become article 3.3.10.

III. In „Chapter 4: Attendance and Leave Policies”:

1. Article 4.2.2. “*Unscheduled and Excessive Absences*”, in Paragraph 2, words: *„even if their absences are caused by chronic illness or other factors beyond their control”* shall be deleted, while words: *„BiH law“* shall be replaced with words *“applicable legislation in Bosnia and Herzegovina.”*

2. Section 4.4. “*Public and Religious Holidays*” shall be amended as follows:

“The Secretariat will publish a list of observed holidays for the forthcoming year in December of the current year.

Holidays observed by the RAI Secretariat are: FBiH public holidays, Orthodox Christmas, Catholic Easter, Orthodox Easter, Eid al-Fitr, Eid al-Adha and Catholic Christmas. In addition to above mentioned, all staff members are entitled to additional two days for observance of other holidays. All staff members are accountable for submission of the list of these specific holidays for the current year, immediately after signing the working contract with the Secretariat. International staff members are entitled to observe national public holidays in their respective countries. International staff member needs to provide the Secretariat the dates of respective national public holidays at the beginning of the calendar year.”

3. Section “4.9. *Overtime and Compensatory Leave*”, bullet point 2), after word: “supervisor”, word “Annex 11.4.” in brackets shall be added.

4. New Section shall be added after Section 4.9. with the following content:

“4.10 Staff Development and Team Building

Staff development opportunities will be provided to all staff. This may include professional trainings, development seminars and/or different capacity building activities that build personal and professional competencies and skills. Development opportunities may be provided in-house but also with other organizations and institutions and it can involve more staff or it can be individual.

Secretariat will record development needs and requests during the staff performance

evaluation process. The needs will be considered and Secretariat will strive to include all Secretariat staff wherever feasible. Upon written request of a staff member, Head of Secretariat may grant time and/or funding for individual capacity building actions taking full account of the budgetary and human resources constraints.

With a view to continue integration of the Secretariat, team building activities will be developed on an annual basis. Team building events may include: in-house team building exercises, workshops and presentations, as well as specially designed field trips. Team building activities will take full account of budget constraints.”

IV. “Chapter 5: Salary Administration and Pay Procedures”:

1. Section “5.1. Compensation”, in paragraph 2 sentence: *“In case of international staff, the amount for permanent housing will also be included in this total compensation amount. “ shall be removed. Word “housing” shall be removed accordingly through the entire document.*

2. Section “5.1. Compensation”, new paragraph 3 shall be added with the following content:

“In the unpaid absence of the Head of Secretariat for longer than 30 days uninterruptedly, Acting Head of Secretariat is entitled to the additional compensation in amount of 10% to the current monthly gross salary.

3. Section “5.1. Compensation”, paragraph 3 shall be amended as follows:

“A Secretariat’s staff member shall be entitled to a child’s allowance of 80 Euro per month. This allowance is paid for dependent children up to eighteen years of age. A dependent child is meant any unsalaried child, who is born to, or adopted by, or who is given a home by the staff member or his spouse and who is dependent on the staff member or his/her spouse for main and continuing support.”

4. Section “5.1. Compensation”, paragraph 4 shall be amended as follows:

“If a staff member or his/her spouse receives under his or her country’s laws or regulations an allowance whose purpose is the same as that of the allowance provided for in this rule, the amount of that allowance shall be deducted from the allowance payable under this rule. Employee shall submit a request for child allowance annually, accompanied by child’s birth certificate and statement that the staff member or his/her spouse does not receive child allowance from another source.

5. Section “5.3. Telephones”, after word “Article 3 “Telephones”, after words “Secretariat and”, words: “BAM 20.00” shall be added, while words: “only for the official phone calls“ shall be removed.

V. In “Chapter 7: Business Conduct Standards”:

1. Section “7.3. Sexual Harassment” shall be renamed as “Harassment”, and shall be amended as follows:

“Harassment shall be deemed to be a form of discrimination, when unwanted conduct on the grounds of religion or belief, disability, age or sexual orientation, as regards to employment and occupation takes place with the purpose or effect of violating the dignity of a person and of creating an intimidating, hostile, degrading, humiliating or offensive environment².

Further on, sexual harassment is defined as any form of unwanted verbal, non-verbal or physical conduct of a sexual nature occurs, with the purpose or effect of violating the dignity of a person, in particular when creating an intimidating, hostile, degrading, humiliating or offensive environment.

The Secretariat is committed to providing enabling environment to victims of harassment. Thus Secretariat is committed to upholding the principals laid down in the Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation.

Staff members, who believe they are a victim of harassment in the workplace, should immediately report the incident to the Head of the Secretariat. Alternatively, the employee or intern may report the incident to another Secretariat’s staff member or to the Chairperson, as appropriate.

After an investigation, employees who are found to have engaged in harassment will be subject to disciplinary sanctions including suspension, demotion or involuntary termination.

It is the responsibility of the aggrieved staff member to follow this procedure:

- A. An employee who experiences harassment should:*
- *Make it clear that such behavior is offensive to him or her; and*
 - *Bring the matter to the attention of Head of the Secretariat or to the attention of another Secretariat’s senior staff member.*
- B. An employee who experiences harassment from the Head of the Secretariat should:*
- *Make a reasonable effort to resolve the matter with the Head of the Secretariat, or if that is not possible;*
 - *Make the matter known orally or in writing to another senior Secretariat’s staff member; or*
 - *Make the matter known orally or in writing to the Chairperson.*

The Secretariat’s staff assists in implementing this policy against harassment in the workplace by:

- *Receiving, reviewing, and working with appropriate personnel in investigating all complaints of harassment made either to a Head of the Secretariat or to another Secretariat’s senior colleague; and*
- *Determining the corrective or disciplinary sanction to be taken against the offender following a review of the facts.*

² [Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation](#)

Finance Management Manual

I

1. On the cover page of Finance Management Manual, “2014” shall be replaced with “2016” and “February 2014” shall be replaced with “September 2016”.

II. In Chapter 1. “Financial reporting”:

1. In Article 1.1. “Submission of Budgets”, 2nd paragraph shall be amended as follows:

“The Secretariat shall comply with the capital budget categories contained in the approved budget. The additional approval from Steering Group will be necessary in cases of any deviation from those categories adopted within the budget in terms of:

1. *Allocation of the saved funds between the capital budget categories due to the program necessity or specific Secretariat needs, which are to be reported within the financial report.*
2. *Any budget over-spending over 10% per total approved budget amount. Under-spending of over 10% of approved budget is to be described within the financial report.”*

2. In Article 1.2. “Financial report compilation”, 2nd paragraph, 2nd bullet point “Detail Expense report” shall be replaced with “Transaction Detail by Account”.
3. In Article 1.2. 2nd paragraph, after 2nd bullet point, a new bullet point shall be added with the content as follows: “Reconciliation report for RAI Bank Account(s)” and shall become 3rd bullet point.
4. In Article 1.2. 2nd paragraph, “Summary Monthly Financial report (shows cumulated expenses for the current month)” shall be removed.
5. In Article 1.2. 2nd paragraph, in bullet point “Petty cash reconciliation table (shows the expenditures and payments done in cash for the current month)”, “table” shall be replaced with “report”.
6. In Article 1.2. 3rd paragraph, 2nd bullet point with the content “Each receipt needs to be glued to plain paper one side only. More than one receipt can be placed on each page but the receipt cannot overlap.” Shall be replaced with “Employees may be reimbursed for eligible expenses upon submission and approval of request for payment (Annex1). “
7. In Article 1.2. 3rd paragraph, in the last bullet point, “meals” shall be replaced with “allowable hospitality expenses”.

III.

1. After Chapter 1, a new Chapter “Internal Control System” shall be introduced and it shall become Chapter 2. The content of that Chapter shall be as follows:

“The RAI Secretariat organizes its activities in accordance with the principles of sound financial and technical management and good practice to provide for an efficient control system of the entire RAI Secretariat, taking into account the importance, magnitude and complexity of activities managed under its authority.

An internal control system provides reasonable assurance that the implementation of RAI activities will not be hindered in achieving its defined objectives. It encompasses the policies, processes, tasks, behavior and other aspects that, taken together, ensure effectiveness of financial accounting and reporting processes, documentation validity, payment liquidation and exactness. This includes:

- *Safeguarding of donors’ funds from inappropriate use or from loss and fraud;*
- *Assuring of the quality of internal and external reporting, which requires the maintenance of proper records and processes that generate a flow of timely, relevant and reliable information from within and outside the RAI Secretariat;*
- *Assuring of compliance with applicable laws and regulations and donor rules, and also with policies with respect to relevant code(s) of ethics.*

A sound system of internal control reduces (but cannot eliminate):

- *The possibility of poor judgment in decision-making,*
- *Human error,*
- *Control processes being deliberately circumvented by employees and others,*
- *Management overriding controls,*
- *Occurrence of unforeseeable circumstances.*

In the context of the management of the RAI Secretariat, a system of internal control is a process designed to provide the Head of Secretariat/RAI Steering Group with reasonable assurance regarding the achievement of objectives in terms of:

- *Effectiveness and efficiency of the operations;*
- *Reliability of financial data and reports;*
- *Compliance with donors regulations;*
- *Proper protection of financial interests of the donors.*

2.1 Responsibilities

Bank Signatures

The RAI Secretariat bank accounts will be operated on the basis of a double signature system, as explained under Chapter 3.

Processes

Authorization of expenditure:

The requestor fills the Purchase Requisition form requesting goods or services. The Finance and Administrative Officer verifies the availability of funds, the budget and the advances outstanding (if any). The Head of Secretariat or delegate gives the final approval.

Performing of payments

Payment orders are prepared by the Finance and Administrative Officer. By the time the payment order is prepared, all other supportive documents need to be in place, as explained in Procurement Guidelines below. The Head of Secretariat or delegate gives the final approval.

Registering expenses and payments

The Finance and Administrative Officer handles the registration of the expenses into the accounting system and prepares the reconciliation with monthly reports. The Head of Secretariat or delegate signs the financial reports.

2.2 Guidelines for Dealing with Irregularities

“Irregularity” shall mean any infringement of a provision of RAI, donor or relevant laws resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the funds received and managed by RAI Secretariat by an unjustified item of expenditure.

All funds are to be administered in accordance with the relevant legislation, in accordance with guidelines set out in this document, donors’ rules for administering grants, and in accordance with sound management practices.

Irregularities involving loss of donors’ funds and all irregularities committed intentionally must be reported to the donor/RAI Steering Group.

Irregularities arising from errors that have been detected and corrected before the donors’ funds have been paid do not need to be reported.

Administrative measures and penalties may be applied to the economic operators, namely all natural or legal persons or other bodies recognized by relevant law (private individuals, enterprises, public establishments or State regional and local authorities), where their activity may have led them to attempt to harm the RAI Secretariat funds.

Everyone has the right to report any irregularities or unacceptable circumstances. It is the responsibility of all employees of the RAI Secretariat to participate in the discovery and reporting of irregularities:

- Employees of the RAI Secretariat will report all irregularities including suspected irregularities;*
- Prompt action is essential when dealing with irregularities;*
- All irregularities regardless of the size of the irregularity and regardless of whether the irregularity is caused by error or fraud are to be reported;*
- Errors that have been detected by internal controls and proper management procedures will not normally have to be reported as irregularities although this type of error may require additional employee training or disciplinary action;*
- The employee detecting or suspecting an irregularity will keep securely all documentation relating to the irregularity;*
- When an employee suspects or discovers an irregularity he/she will report the irregularity to the Head Secretariat, delegate or RAI Chairperson.*
- If the employee has indications that the irregularity is committed by one of the instances he/she will report to the level above. This may be done formally or anonymously in writing or by phone, letter etc., and the employee should have no further involvement in the irregularity process for the security reasons.”*

IV.

1. Chapter 2. “Banking Information” shall become Chapter 3. and shall be amended as follows:

“The management of the financial resources granted by different donors will be done through the separate bank accounts according to the relevant currency of the certain grant. Therefore, the RAI Secretariat has one EUR and one BAM bank account for the financial contributions from the member countries. In addition to these accounts, additional bank accounts may be opened for managing grants/ contributions from other donors.

Head of the Secretariat, Finance and Administrative Officer and Anti-Corruption Expert have officially registered signatures in the bank database. RAI Secretariat manages all bank transactions through electronic banking system due to cost effectiveness, functionality and better access to transactions.

All payments including bank transfers or payments in cash must be approved in advance by the Head of the Secretariat or delegate. At the time of approval of payment the approved supporting vouchers must be available (e.g. Travel Claim form, Petty Cash voucher or approved Purchase Requisition form). Upon receiving approval, Finance and Administrative Officer is in charge of entering and signing all bank transactions into electronic system. All bank transactions are reviewed by the Head of the Secretariat or Delegate on a monthly basis.

All official payments should be done via bank as often as possible, especially for purchases and services higher than 150 EUR. For any bank transaction, bank forms should be properly recorded in the files.

Under the special circumstances, payments greater than 150 EUR can be done in cash (e.g. for reimbursements to participants or different vendors during international events organized and financed by the Secretariat).

At the end of each month the Secretariat shall have issued monthly bank statements by the relevant bank showing all incurred expenses and bank charges within that period of time. All expenditures should be reconciled to bank statements on a 5monthly basis.”

V. In Chapter 4. “Cash Management”:

1. In 1st bullet point, “400 USD” shall be removed.

2. In 4th bullet point, after “Annex”, “1” shall be replaced with “2”.

3. 5th bullet point shall be amended as follows:

“Petty cash records. Each payment, reimbursement, or petty cash deposit must be recorded in the monthly petty cash report based on petty cash vouchers. These records shall be reconciled at the end of each month. Any cash remaining in petty cash box after the monthly report is transferred forward as the next month’s petty cash.”

4. In 6th bullet point, after “Annex” “II” shall be replaced with “3” and new sentence shall be added to the end:

Upon completion of the mission, Reconciliation of Cash Advance Form (Annex 4) shall be completed and signed by the relevant persons.

VI.

1. Chapter 4. “*Financing of Conferences/Workshops*” shall be renamed into “*Financing of Events*” and shall become Chapter 5.
2. Introductory part of the Chapter shall be amended as follows:

“Expenses related to the events organized or supported by the RAI Secretariat mainly consist of conference facilities, translation/interpretation services and equipment, and working materials. Expenses related to the participation of the member countries’ representatives including international travel, lodging, official meals, and Visa expenses shall be considered to be covered by the Secretariat according to the availability of funds.

Costs related to participation of trainers or international experts which do not include per diems, shall be considered for the reimbursement by RAI Secretariat. For purchases of any goods/services in relation to organized events (except airfares, hotel accommodation, restaurant services and interpreting services), please refer to the procurement guidelines (Chapter 7).”

3. Article 4.1. “*International travel expenses*” shall become Article 5.1. and shall be amended as follows:

3.1. In the introductory sentence, “*the*” shall be replaced with “*RAI*”.

3.2. Section “*Train/bus*” shall be amended as follows:

“Train/bus: Payment/reimbursement shall be done in accordance with the invoices or payment requests submitted by the participants.”

3.3. Section “*Airfare*”, subsection 2 shall be amended with the content as follows:

“All penalties resulting from any change of the airfare that has already been purchased cannot be covered from RAI budget. Any cancellations of already purchased airfares need to be properly documented and supported by the notification from the participant who is cancelling the flight. In exceptional cases, due to illness of the person traveling, the Secretariat can be charged for air travel penalties, supported by official notification from the participant who is canceling the flight.”

3.4. In section “*Car*”, subsection 2, sentence 1 shall be amended as follows:

“Reimbursement based on European Commission’s Rules on the reimbursement of expenses. Finance and Administrative Officer is in charge of annually reviewing any changes to applicable mileage rates.”

4. Article 4.2. “Lodging” shall become Article 5.2. and shall be amended as follows:

4.1. The last sentence shall be amended as follows:

“For multiple lodgings at one location, an invoice must be supported by a rooming list.”

5. Article 4.3. “Official lunches” shall become Article 5.3.

6. Article 4.4. “Conference/Workshop Co-financing” shall be renamed “Event Co-financing” and become Article 5.4. and it shall be amended as follows:

“RAI Secretariat shall seek to share costs related to organization of events with other partner organizations/NGOs. The funds for co-financing can be put in use in three ways:

- *To be transferred via bank to the co-organizer’s account. In this case, the co-organizer is obliged to report on the expenses incurred in accordance with the RAI Secretariat’s financial rules. The basic programmatic and financial provisions related to event co-financing are set forth in the Sub grant Agreement/Arrangements Letter that should be signed by both parties prior to the transfer of the funds.*
- *To be incurred directly by the RAI Secretariat in accordance with the agreed budget and obligations between the two parties. [Last update: February 2014].*
- *To be incurred by the RAI Secretariat and be reimbursed by the co-organizer upon RAI Secretariat’s request for payment. In this case, RAI Secretariat is obliged to report on the expenses incurred in accordance with the RAI Secretariat’s and co-financer’s financial rules. The basic programmatic and financial provisions related to conference co-financing shall be set forth in the Sub grant Agreement/Arrangements Letter that should be signed by both parties.”*

VII

1. Chapter 5. “Financial Provisions Related to the Secretariat’s Staff” shall become Chapter 6.

2. A new Article 6.1. “Salaries” shall be introduced with the content as follows:

“Personnel contracts will treat the personnel engaged as local officials (residents of Bosnia and Herzegovina) or non-resident officials, according to the RAI Host Country Agreement with Bosnia and Herzegovina.

All personnel contracts must be signed by the Head of Secretariat or a Delegate. The contract of Head of Secretariat must be signed by the RAI Chairperson.

International staff members are engaged under the specific regulations of the Host Country Agreement with Bosnia and Herzegovina. Each international staff member is personally responsible for any income tax and social security obligations in their respective country of residence.

Salaries must be paid into bank accounts either in Bosnia and Herzegovina or the country of residence.”

3. Article 5.2. “Travel Management” shall become Article 6.2. and shall be amended as follows:

3.1.In the 1st sentence, “*International*” shall be decapitalized and “*and*” shall be added after “*justified*”.

3.2.Article 5.1.1. “*Ticket Reservations*” shall become Article 6.2.1. and shall be amended as follows:

“All ticket reservations are made by the Finance and Administrative Officer. Other staff members should not confirm ticket reservations with the travel agent. Tickets for official travel are bought through travel agencies or online purchases. For more details in regard to the international travels, please refer to the line 5.1. - International travel expenses.”

3.3.Article 5.1.2 “*Taxi transport*” shall become Article 6.2.2. and shall be amended with the content as follows:

“The Secretariat staff is allowed to take taxi where necessary for business travel or other operational reasons and be reimbursed for the expenses. Where 2 or more staff is traveling on the same mission, they are expected to share the same taxi.”

3.4.Article 5.1.3 “*Hotel reservations*” shall become Article 6.2.3.

4. Article 5.1.4. “Private travel” shall become Article 6.2.4. and in the first sentence “IIP” shall be replaced with “6”.

5. In Article 6.2.4., 3rd sentence shall be amended as follows:

“The staff member must pay for all private travel. It is not permitted to use the Secretariat’s means for private travel.”

6. In Article 6.2.4, a comma shall be added in the last sentence after “Since the Secretariat is based in Sarajevo”.

7. In Article 6.2.4, a news sentence shall be added after the last sentence with the content as follows:

“These exceptional circumstances need to be properly justified.”

8. Article 5.1.5. “Travel Request Form (TRF)” shall become Article 6.2.5. and shall be mended as follows:

8.1. In paragraph 1, the following sentence shall be added after the 1st sentence:

“TRF is also used as a proof for claiming compensatory days due to business travel during weekends or holidays.”

8.2. In paragraph 2, the first sentence shall be amended as follows:

“Before any travel arrangements are made, the TR form must be completed by the traveler and signed by:”

8.3. In last paragraph, “Annex III section” shall be replaced with “Annex 6a.”

9. Article 5.1.6. “Travel Claim Form” (TCF)” shall become Article 6.2.6. and shall be amended as follows:

9.1. “Annex IV” shall be replaced with “Annex 7”.

9.2. 2nd sentence shall be amended as follows:

“The expenses made in foreign currency will be exchanged into EUR by Finance and Administrative Officer in accordance with the EU exchange rates available at [InforEuro](#) website.”

9.3. In 2nd paragraph, in bullet point 3 “and” shall be replaced with “or”.

9.4. In 2nd paragraph, bullet point 4 shall be amended as follows:

“it has attached e-tickets and original boarding cards for each flight leg or copies of travel agency confirmation if e-ticket was used. “

9.5. In the last sentence “Annex IV” shall be replaced with “Annex 7a”.

10. In Article 5.1.7. “Per diems” shall become Article 6.2.7. and shall be amended as follows:

10.1. 1st paragraph shall be amended as follows:

“Due to the financial contributions from different donors, Per Diems paid out of the different grants will be proceeded in accordance with the rules proposed by the certain donor. As for the financial resources provided by the member states, Per Diems are paid to the Secretariat’s staff, to Senior Representatives or their substitutes from member countries (one representative per country) during Steering Group meetings, as well as to the RAI Chairperson when he/she travels on this quality and for the Initiative’s representation. Per Diems are paid in accordance with the European Commission applicable rates to the per diems available at the official EC website, [Per Diems section](#) and calculated according to the rules set in Annex 8.” Finance and Administrative Officer is in charge of reviewing any changes to applicable per diem rates on annual basis.”

10.2. In sentence *“In calculation, the meals offered free by the organizer shall be taken into consideration as well.”*, *“in calculation”* shall be replaced with *“When calculating per diems”* and *“partner/host”* shall be added after *“organizer”*.

11. Article 5.1.8. “Hospitality Expenses Form (HEF)” shall be renamed “Hospitality Expenses”, shall become Article 6.2. and shall be amended as follows:

“Hospitality expenses can be charged only to “Allowable Hospitality Expenses” budget line which has a very limited amount and therefore must be strictly controlled. Each hospitality cost has to be approved prior to the organization of the event itself through Purchase Requisition Form (in Annex 9) accompanied by event description and justification where the business purpose has to be clearly explained. It is strongly recommended to have less than 50% participants from the RAI staff members.

Alcohol drinks are not eligible cost on the hospitality claim.

After the event, the cost will be claimed by the requestor using a Hospitality Expense Form (HEF) (Annex 10). It is obligatory to have a bill or invoice attached to the claim.

The HEF is not complete unless:

- *the business purpose of the hospitality expense is clearly stated,*
- *there is a complete list of participants.”*

VIII

1. Chapter 6. “Procurement Guidelines” shall become Chapter 7.

2. In introductory part of Chapter 7, in 2nd bullet point, “his” shall be replaced with “a” before “delegate.

3. After 4th bullet point, a new bullet point shall be added with the content as follows:

“The Secretariat shall obtain a minimum of three bids (or price quotes) from different vendors for purchase of goods/services greater than net 800 EUR. For procurement of goods/services with value higher than net 10,000 EUR, a public invitations to tender shall be issued. Translation and interpretation services, airfare tickets, hotel and restaurant services are not subjected to a bidding process. The bids need to be attached to the Purchase requisition form (PRF).”

4. Article 6.1. “The Selection of Bids” shall be renamed “Selection of Vendor” and shall become Article 7.1.

5. In Article 7.1. a new Article “General rules” shall be introduced and shall become Article 7.1.1. with the content as follows:

“When selecting a product and a supplier, the following factors shall be taken into consideration:

- *Price: the financial value of the product or service including transport costs, insurance etc.;*

- *Payment conditions and payment period. All payments greater than 150 EUR will be made via bank transfer. Payment is made in full after delivery. Advance payments are acceptable up to 30% unless specific circumstances justify a greater amount;*
- *Delivery time;*
- *Service level. The supplier must be able to provide the necessary (after sales) service;*
- *Quality: there must be a guarantee in writing of the quality of a product for a reasonable time period.”*

6. After Article 7.1.1. a new Article “Selection Criteria” shall be introduced and shall become Article 7.1.2. with the content as follows:

“The vendor for goods/services is selected in one of the following two ways:

- *under the automatic award procedure - lowest bidding price is selected, while being in order and satisfying the conditions laid down in 7.1.1,*
- *under the best-value-for-money procedure (may not be the lowest price offer). In this case, a brief statement justifying the choice must be approved by the Head of Secretariat or a delegate.”*

7. After Article 7.1.2. a new Article “Exceptions to general procurement rules” shall be introduced and shall become Article 7.1.3. with the content as follows:

“The RAI Secretariat will use the negotiated procedures on the basis of a single bid in the following cases:

1. *For reasons of extreme urgency brought about by events which the RAI Secretariat could not have foreseen. The circumstances invoked to justify extreme urgency must in no way be attributable to the RAI Secretariat.*
2. *For extension of contracted activities or introduction of new activities not included in the main contract, but which, because of unforeseen circumstances, have become necessary;*
3. *For additional deliveries by the original supplier, where a change of supplier would oblige the RAI to acquire equipment having different technical characteristics which would result in either incompatibility or disproportionate technical difficulties in operation and maintenance;*
4. *When the individual or vendor has successfully completed this work before, has a thorough understanding of the work to be accomplished and charges fees that have been determined to be reasonable and competitive in the local market.*
5. *When the tender procedure has been unsuccessful, that is where no qualitatively and/or financially worthwhile tender has been received. In such cases, after cancelling the tender procedure, RAI Secretariat may negotiate with one or more tenderers of its choice, from among those that took part in the tender procedure, provided that the initial terms of the tender procedure are not substantially altered;*

A justification stating and explaining the reason for a single bid needs to be written and approved and be included in the financial expense report.”

8. **Article 6.2. “Purchase Requisition” shall become Article 7.2.**
9. **In Article 7.2, in 1st sentence “Annex VI” shall be replaced with “Annex 9”**
10. **In Article 7.2. after 1st bullet point, a new bullet point shall be added and shall become 2nd bullet point with the content as follows: “Tender evaluation documentation in case of open tender procedure.”**
11. **In Article 7.2. in 3rd bullet point, “(memos etc.)” shall be removed.**
12. **In Article 7.2. the last bullet point shall be amended as follows: “Head of the Secretariat (or delegate) who, seeing that all procurement guidelines had been followed, approves the purchase.”**

IX

1. **Chapter 7. “VAT Reporting” shall be renamed “Value Added Tax (VAT)”, shall become Chapter 8. and be amended as follows:**

*“In accordance with Article 29 of the VAT Law of Bosnia and Herzegovina, an entity with a diplomatic status is entitled to VAT refund for all purchases of goods with the value above 200 KM (approx. 100 EUR).
An application for VAT refund shall be submitted monthly. The documents shall be approved by the Head of Secretariat or delegate, and submitted by the Finance and Administrative Officer.”*

X

1. **A new Chapter “Customs” shall be added and shall become Chapter 9, with the content as follows:**

“Customs Policy Law of BiH (Official Gazette of BiH number 57/04) and its Annex containing explanations for goods relieved from import duty (Article 28), prescribes customs relieves pursuant to the Vienna convention on diplomatic relations of 18 April 1961; the Vienna convention on consular relations of 24 April 1963 or other consular conventions. In accordance with Article 36 of Vienna Convention, entities with diplomatic status are exempted from customs duties and fees for importation of equipment intended for operations use. The required documentation for exemption is the protocol issued by the Ministry of Foreign Affairs of BiH proving the diplomatic status of RAI Secretariat.”

XI

- 1. Chapter 8. “Inventory” shall become Chapter 10. and its introductory paragraph shall be amended as follows:**

“RAI Secretariat is required to maintain an inventory register of all equipment purchased and reconcile it with accounting records.

The Secretariat shall maintain an inventory register of all non-expendable equipment with a value of 250 EUR or more.

Each RAI Secretariat employee is personally responsible for the physical security and care of all equipment allocated to her/him. Inventory Assignment Form (Annex 11) shall be signed when assigning any inventory item to employees.

Upon return of previously assigned inventory items, employees shall fill-out the Inventory return Form (Annex 12).

The Finance and Administrative Officer is responsible for maintaining an accurate inventory register of all office equipment and furniture. The register shall specify quantity, locations and conditions of all inventory. Identified obsolescence are also noted.

Inventory counts shall be performed on a semi-annual basis.”

- 2. In Chapter 10. Article 8.1. “Inventory Item Disposal” shall be renamed “Inventory Item Disposal and Write-off” and shall become Article 10.1. with the content as follows:**

“Any write off of assets due to obsolescence, loss or damage must be documented in writing and approved by the Head of Secretariat or a delegate.”

- 3. Article 8.1.1. “Disposal of items with no fair market value” shall become Article 10.1.1. and its content shall be amended as follows:**

*“Items with no fair market value (due to obsolescence or damage) can be disposed. The inventory register must be updated to indicate the manner and date of disposal.
“*

- 4. Article 8.1.2. “Disposal of items with substantial value” shall become Article 10.1.2.**

- 5. Article 8.1.3. “Donating items” shall become Article 10.2. and shall be amended with content as follows:**

“If the Secretariat wishes to donate inventory items to other organization(s), a permission must be obtained from the donor. In addition, a signed statement from

the organization certifying receipt of the items must be provided and kept in inventory files for future reference. “