



Directorate General I – Legal Affairs
30 September 2005

**Programme against Corruption and Organised Crime in South-eastern Europe (PACO)
Implementation of Anti-corruption Plans in South-east Europe (Impact)**

SUMMARY

PACO IMPACT MID-TERM REVIEW MEETING

STRASBOURG, AUGUST 2005



PC/TP (2005) 15

Table of Content

1	Mid-Term Review Background	3
2	Summary of Comments from the Project Management Unit.....	3
2.1	Project Management Observations.....	3
2.2	Overall achievements	4
2.3	General Observations.....	5
3	Comments from Expert/Consultant Reviews	6
4	Conclusions	9
5	Agenda.....	10

For any additional information please contact:

Council of Europe, Crime Problems Department
Directorate General I – Legal Affairs
67075 Strasbourg CEDEX, France

Tel +33-3-8841-2354
Fax +33-3-8841-3955
E-mail ardita.abdiu@coe.int

**The views expressed in this technical
report do not necessarily reflect official
positions of the Council of Europe**

1 MID-TERM REVIEW BACKGROUND

In accordance with the project workplan and agreement with the project's donor the Swedish International Development and Cooperation Agency (Sida), a mid-term review meeting took place in Strasbourg, on 30 August 2005. The meeting was attended by all PACO Impact Country Project Directors and the seven Local Project Officers as well as a representative from Sida' headquarters. The meeting was organised by the Project Management Unit in Strasbourg.

The aim of the meeting was to review the progress made so far under the project's workplan, its impact in the region and in specific project areas. In addition, discussions with Sida and Country Project Directors were expected to provide guidelines and recommendations to the Project Management Unit for the remaining project period.

The question of an extension of PACO Impact beyond the scheduled completion date (February 2006) or a follow up project was also discussed.

Two Council of Europe consultants that were involved previously in project activities were invited to address different agenda items and make recommendations as to the way ahead.

More specifically the meeting was to:

- Analyse and assert the project's impact over the region and in each project area in accordance with the 1st and 2nd Semi-Annual Reports;
- Provide an overview the added value of Council of Europe's involvement (as the project implementing organisation) in the region and in countries of south-eastern Europe;
- Provide an overview of the regional and country specific project component[s] and their added value within the framework of the objective and its outputs envisaged;
- Provide recommendations for strengthening further the current implementation and management of the project in view of its planned activities, their timeline and the priorities for each project area;
- Provide recommendations and guidelines on a potential second phase of PACO Impact.

2 SUMMARY OF COMMENTS FROM THE PROJECT MANAGEMENT UNIT

2.1 Project Management Observations

The Project Management Team feels that this report provides an opportunity to also discuss a number of difficulties encountered. (Project area specific problems will be covered in the respective sections below):

- There continues to be reason for concern over the delay of certain activities or certain actions as agreed upon under the Workplan. Reason for these delays are, *inter alia*, the limited human resources in each project area, leading to country experts being involved in multiple other international and donor activities on behalf of their governments, not all of which are equally important. Other delays or lack of action (especially endorsement of strategies or legislation from the government and parliament) are explained by our counterparts in the region by weak political will and support to such reforms.
- The project implementation during the reported period continued to be evidently **very complex** and intensive in terms of managing, organising and reporting the large range activities within the context of unpredictable political, social and economic developments.
- One should note that in the very beginning the project idea and the initiation of PACO Impact was to ensure satisfactory "impact" in terms of measurable results and based on previous projects and measures in different countries of the region.

- The project relies on a network of professionals, experts, and government officials who support the implementation of project activities;
- **Regional and country-specific activities complement each other.** It should be noted that country-specific activities are more numerous than regional measures. This is due to the fact of specific responses are required for each project area;
- PACO Impact follows up on **standard setting activities** which countries have subscribed to as well as on recommendations resulting from **GRECO evaluation**. The five countries are members of the Group of States against Corruption;
- PACO Impact has also fed into the Stabilisation and Association Process for its relevant countries and PACO reports were shared with EC Delegations in the region and other colleagues in EC Headquarters. Interaction with the EC also pointed at needs for PACO assistance in specific fields. PACO Impact cooperated in a similar way with other organisations such as the OSCE, OECD, WB and UN (especially with UNODC and UNDP);
- PACO Impact contributed to strengthening the role and effectiveness of anti-corruption services and to anti-corruption capacities in general within the region. This includes also the Local Project Officers and the Country Project Directors who acquired additional skills and experience in the course of the project. Many activities are now organised locally with lesser involvement of CoE HQ.

2.2 Overall achievements

For the six months (1 February – 31 July 2005) covered by this report, PACO Impact carried out 29 activities, bringing the total of activities implemented so far to 74 (from a total of 130 foreseen under the current workplan).

Over the past 16 months, the project resulted in the following:

Anti-corruption strategies/plans have been elaborated or improved

- In Albania and "the Former Yugoslav Republic of Macedonia", the Anti-corruption Strategies have become well established institutionalised documents; their implementation and monitoring has now entered the phase of standard-setting and measuring of impact and progress of governmental reforms and commitments in the field of anti-corruption;
- In Croatia and Bosnia and Herzegovina, PACO Impact initiated a revision of the countries' existing Anti-corruption Strategies; preliminary results of these reviews have been submitted for endorsement and support at technical and political levels;
- In Kosovo, the finalised Strategy and Anti-corruption Action Plan have recently been put forward for full political and operational endorsement from the PISG and UNMIK; the Strategy and Action Plan themselves have become one of the established UN standards for implementation by the Kosovo authorities; and
- In Serbia and in Montenegro, the Anti-corruption Strategies, which were finalised with support of PACO Impact, while in Montenegro it was recently endorsed by the government, in Serbia is now pending endorsement by the National Assembly following its endorsement by the Council of Ministers; these endorsement are expected to then pave the way for the elaboration of operational level Anti-corruption Action Plans.

Institutional mechanisms relevant for the fight against corruption have been strengthened

- In Albania, Montenegro, and "the Former Yugoslav Republic of Macedonia", the relevant Anti-corruption Services have become institutionalised and further strengthened; the services in these countries are now the only driving forces for the design and monitoring of anti-corruption measures and reforms;

- In Kosovo, PACO Impact contributed to the drafting of the recently promulgated Anti-corruption Law, which foresees the establishment of an Anti-corruption Agency for Kosovo, a process which is now about to start;
- In Bosnia and Herzegovina, Croatia, and Serbia, policy discussions initiated by PACO Impact started at different levels; Working Groups have made first progress in assessing the feasibility of the establishment of the necessary anti-corruption mechanisms;
- Regional dialogue, exchange of best practices, identification of priorities as well as dissemination of information and regional networks throughout have been strengthened during the first regional thematic seminar on anti-corruption services; follow-up actions have been agreed upon with stakeholders.

Legislative reform has been brought into line with international standards

- A series of trainings and information sessions about the application of relevant legislation and international standards recently adopted have been organised in all project areas, except Croatia;
- As a direct result of technical assistance provided through PACO Impact (legal opinions and/or policy dialogue between the Council of Europe and the project areas' respective authorities), new legislation and/or amendments have been introduced and/ or adopted in Albania, Croatia, Serbia, and Kosovo;
- Regional peer review and compliance with relevant international Anti-corruption Conventions, as well as training on the transposition of treaty law into domestic legislation has been part of the second regional thematic seminar on treaty law application of anti-corruption standards; follow-up recommendations for reform were issued and agreed upon.

Pilot activities are getting underway

- In Albania, Bosnia and Herzegovina, and Montenegro, pilot activities have been initiated;
- In Kosovo, Serbia, and "the Former Yugoslav Republic of Macedonia", the pilot activities will be initiated according to plan between September and November 2005;
- The currently allocated funds for specific office equipment for USKOK and Ministry of Interior are now ready to be disbursed for the purchase of those selected needed equipments taking into consideration that EC also is providing other additional funds for other relevant crime investigation equipments.

2.3 General Observations

- The authorities of each project area are fully involved within the framework of this project, and support and continue to seek the partnership and assistance provided by the project. Additionally, in Albania, Montenegro, Kosovo, Serbia and "the Former Yugoslav Republic of Macedonia", PACO Impact (and earlier PACO) interventions have made the project a true partner supporting technical level counterparts to pursue and lobby for the reforms which they deem necessary;
- Through its technical/legal advice component, PACO Impact has so far issued 20 Technical Papers (Legal Opinions/Policy Advice Papers) on various issues related to the anti-corruption reform process; these papers are being used not only by the project area concerned, but also by other interested parties;
- All general and technical information with regard to the PACO Impact project activities and its reporting, as well as information related to the visibility of Sida as a donor and the Council of Europe has been placed on a special Council of Europe website under <http://www.coe.int/paco-impact>);
- Solid partnership and co-organisation of several activities with EC delegations and headquarters, OECD, OSCE, UNODC and SPAI continue to the added value of this project in the region, which, as a result, has helped avoid duplication of efforts by international actors;

- It should be stressed that implementing a project in a very sensitive and complex region such as South-eastern Europe, any action and achievement requires considerable efforts and time in order to secure results and impact. The PACO Impact management team is of the opinion, that this regional project so far also created a positive spirit of cooperation and fostered regional network among relevant stakeholders;
- PACO Impact furthermore made use of expertise available within the region. Concretely, PACO Impact engaged several local experts (from Albania, Bosnia and Herzegovina, Kosovo, "the Former Yugoslav Republic of Macedonia") to participate as Council of Europe experts in several PACO Impact activities. Twining of these local experts with other regional experts and institutions, especially from Slovenia, Bulgaria, and Bosnia and Herzegovina, Serbia has been another feature. It is strongly believed that this will increase the sustainability of the project's impact in the future;
- Finally, the project implementation, management and its so far results have been only possible due to the recruited and trained seven Local Project Officers from each project area, who by now have been trained and prepared to represent, manage, and locally coordinate in a very effective way with all national and international counterparts. In addition, the support and the coordination provided by almost all Country Project Directors (excluding Bosnia and Herzegovina), has been an invaluable partnership in this project.

3 COMMENTS FROM EXPERT/CONSULTANT REVIEWS

Mr. Bertrand de Speville
Consultant, United Kingdom

This consultant has had occasion to attend a number of the activities of this project. His presence was in the capacity of expert but also provided the opportunity to observe the results of the planning of the activity.

The impressions he gained were:

- The agendas were well thought out and adequately covered the different aspects of the subject under discussion.
- The participants included representatives of almost all concerned agencies. Occasionally the absence of an agency or institution stood out, but it was difficult to know if the absence was for operational reasons or through a reluctance to participate.
- Meetings were well chaired and allowed for ample contribution and discussion by participants. Discussions were animated, frank, sometimes even heated, but usually resulted in constructive suggestions to be taken forward. On the whole the standard of simultaneous interpretation provided was good.
- The coordination between the country project director and the Council of Europe's local project officer appeared to be working satisfactorily in all cases so far as this consultant could see.
- In implementing a complex project such as this, it is perhaps inevitable that some slippage in the holding of activities should occur, especially when affected by factors outside the control of the project management team. There are numerous activities still to be held, probably too many to complete by the end of February 2006 when the project is scheduled to come to an end. Some of these activities can be combined, some will have been overtaken by events, but it would be sensible for the remaining activities to be held if the project timetable can be extended by a few months.
- In the more recent activities it was evident that awareness of the need to measure progress was growing, given that action plans and implementation mechanisms have been in place for some time in most of the countries concerned. Further reference to this matter is made later in this note.
- It has been noticeable over time that the regular meetings of the country project directors and the local project officers has increased the level of understanding, both between themselves and of the numerous anticorruption issues that arise. For the personnel of usually understaffed and

overworked anticorruption units, the sharing of implementation problems does seem to provide well-needed support.

- There is no doubt that the management team, comprising headquarters staff and local project officers, is effectively lead and provides an essential driving force.
- The advantages of information sharing and implementation comparison have become obvious – a point made more than once by country project directors at the mid-term review meeting in Strasbourg. This form of cooperation could be complemented by a systematic comparison of results.
- There can be no doubt that the countries involved in this project have advanced their respective programmes against corruption, some very considerably. The project cannot claim the sole credit for these advances but a fair assessment would have to recognise the dynamism it has brought to the efforts of the countries themselves.

Measuring progress

Progress achieved in this project is measured by the satisfactory completion of the activities initially proposed and agreed. But the project has the wider objective of helping countries achieve a significant reduction in corrupt activity. Whether that objective is being met should be measured by all the means available. Quantitative and qualitative measurement is not specifically provided for in this project, except by the satisfactory and timely completion of activities already mentioned. What is suggested now may therefore have to be a component of a future project.

- The cost of state resources invested in fighting corruption should be calculated and compared to the investment (as a percentage of the government's annual recurrent budget) made in countries that are succeeding in the fight.
- Statistical data would give a fuller picture of what is being achieved in all three elements of the national strategy, namely enforcement, prevention and public education and support.
- The measurement of public perception of the corruption situation, of the public's personal attitude to corruption and of the level of public support for the anticorruption authorities should be initiated as soon as possible to provide a management tool for the progress of a country's anticorruption programme and a benchmark against which to measure future progress.

It could be a significant contribution by a future project if it were to encourage the adoption of standard best practices in devising these measures. Standardisation would also have the advantage of providing a valid comparison between countries.

Political will

It has been evident that the anticorruption efforts of a number of countries have been hampered by inconsistent and fragile political will (not, however, a problem unique to South East Europe). Political will goes to the heart of combating corruption. It is for consideration whether a future project should include activities designed to support the resolve of the political leadership to beat corruption. Of the many factors affecting political will, four should receive emphasis: the damage to the country caused by corruption, the benefits to be gained from getting on top of the problem, the technical feasibility of achieving that objective, and the options available for minimising the pain that successful anticorruption treatment entails. The need for activities that would get these points across to the leadership is clear if it is accepted that political will at the top is the sine qua non of success and that the determination to tackle the problem effectively has fluctuated.

A growing realisation

A number of countries have reported the difficulties they have faced in bringing prosecutions and securing convictions for corrupt activity. Effective prosecution must, of course, start with competent and impartial investigation. With the exception of Croatia which has a specialised anticorruption

prosecution unit (USKOK) with investigative powers, none of the other countries has a body with the power to investigate corruption independently, impartially, effectively and competently. They all rely on the national police. Where countries, through their project directors, convey the wish to create an independent body equipped with the powers needed to investigate allegations of corruption, a future project should include activities that would help realise that objective.

Ms Vera Devine
Consultant, Belgium

This expert has participated in a number of the project activities, although so far mainly through desk review of draft legislation and policy documents. The following comments are based on this involvement, but also against the background of own project management experience.

General Impressions:

Countries/project areas participating in the project seem to be generally committed to the project. The comparative strength of the project is clearly to be able to deliver technical assistance on short notice, upon request from the countries/project areas on problems specific to their situation.

Management:

The project has trained local country officers to manage this project; staff is now able to deliver in an efficient and effective way agreed outputs, and has in most cases established a sound relationship with the respective country directors necessary to fully and successfully participate in the project.

At headquarters level, the project is managed by one extremely committed and hard-working project officer. Yet, the management of such a large-scale and ambitious project should rely on more than one person, and on sufficient support staff.

Way ahead:

The project should seriously consider offering expertise and advice to countries to perform measurement of success of anti-corruption legislation and reforms undertaken. This is an issue increasingly recognized and discussed in the anti-corruption debate, and there is an emerging consensus that the best legislative framework will not make an impact if it is not enforced; yet enforcement efforts need to be monitored in an efficient way over time. While this is a methodological and technical challenge, there appears to be no alternative to it. Assistance on this subject should be extended to counterparts in the anti-corruption services, with view to improving their capacities.

The project might benefit from making clearer its contribution to the achievement of overall standards set by the Council of Europe.

4 CONCLUSIONS

At the end of the meeting, the following issues were left to be subject of further discussions in November between Sida, the Council of Europe and the Project Management Team:

- With respect to activities to be carried out in 2005, agreement and approval from Sida is needed for the foreseen Regional Thematic Seminar of Prosecutorial Services and Networks scheduled to be held in Germany;
- In view of the number of activities and the slower than anticipated speed of reforms in some project areas, a potential extension of the implementation period by 5-6 months beyond February 2006 would ensure the achievement of the project's objectives and its successful completion. Such an extension would be possible within the existing budget and thus come at no additional cost to Sida. Should the decision be possible, this would require an addendum to the existing agreement between Sida and the Council of Europe;
- Given the dynamics of the reform process and developments related to Anti-Corruption Strategies and Action Plans, the project areas' main stakeholders – and particularly those from Albania, Serbia, Montenegro, and "the Former Yugoslav Republic of Macedonia" - have expressed strong interest in continued Council of Europe's assistance and suggested that the Council of Europe seek donor funding for separate country projects to follow up on PACO Impact;
- The PACO Impact project management team is of the opinion that follow up assistance should build on the momentum created by the current project and focus on directly assisting the newly established Anti-corruption services, so they can become more efficient, independent and sustainable.

In view of the above, the PACO Impact Management Team will be following up with additional discussions with Sida during November and December 2005.

5 AGENDA

Strasbourg (30 August 2005)
 "Palace" Building, Salle 10

PLENARY SESSION	
09:00-09:15	<p>Opening and general remarks</p> <ul style="list-style-type: none"> ▪ Mr Alexander SEGER, Head of Technical Cooperation, Crime Problems Department ▪ Sida representative
09:15-09:45	<p>Reporting on the project implementation aspects and progress made (1st and 2nd Semi-Reports)</p> <ul style="list-style-type: none"> ▪ Ms Ardita ABDIU, Project Manager of PACO Impact
09:45-10:45	<p>Review and Comments on the project's Impact in each area, issues of concern, recommendations for the ongoing implementation and future needs of assistance (contd)</p> <ul style="list-style-type: none"> ▪ Mr Edmond Dunga - Project Director (Albania) ▪ Mr Srdjo VRANIČ - Project Director (Bosnia and Herzegovina) ▪ Ms Zorka FUMIČ - Project Director (Croatia) ▪ Ms Vanja MOHAJLOVA - Project Director ("the Former Yugoslav Republic of Macedonia")
10:45-11:00	Coffee Break
11:00-12:00	<p>Review and Comments on the project's Impact in each area, issues of concern, recommendations for the ongoing implementation and future needs of assistance</p> <ul style="list-style-type: none"> ▪ Mr Habit HAJREDINI (PISG) / Mr Francesco CARACCILO (UNMIK) - Co-Project Directors (Kosovo) ▪ Ms Ana NIKOLIČ - Project Director (Montenegro) ▪ Ms Aleksandra POPOVIČ – Project Director (Serbia)
12:00-13:00	<p>Questions and Answers and Comments regarding the Project implementation and progress made</p> <ul style="list-style-type: none"> ▪ Questions raised by Sida representatives to Project Directors ▪ Ms Vera DEVINE, PACO Impact Consultant (Belgium) ▪ Mr Bertrand de SPEVILLE, PACO Impact Consultant (United Kingdom)
13:00-14:30	Lunch Break (Blue restaurant)
14:30-15:30	<p>Initial Observations and Recommendations (Project's progress, impact and its continuity)</p> <ul style="list-style-type: none"> ▪ Sida representatives ▪ CoE Management Unit
SESSION ONLY WITH: COUNCIL OF EUROPE' MANAGEMENT UNIT AND SIDA	
15:30-16:30	<p>Initial proposals on the way forward of PACO Impact (Extension and Possibility of a Second phase)</p> <ul style="list-style-type: none"> ▪ CoE Project Management Unit ▪ Sida representatives