



Project Against Economic Crime in the Republic of Serbia PACO Serbia

Start-up conference

Belgrade, 22 March 2006

Press release

The Project Against Economic Crime in the Republic of Serbia (Serbia and Montenegro) is a new initiative of the European Agency for Reconstruction and the Council of Europe to assist the Serbian authorities in increasing their capacities to fight economic crime. The Project will focus on three issues: the legislative and institutional framework to fight economic crime; the system to combat money laundering and the financing of terrorism, and the detection and prevention of cybercrime.

The main counterpart institutions in Serbia are the Ministry of Justice, the Administration for Money Laundering Prevention of the Ministry of Finance and the Ministry of Interior. The project will last until November 2007 with a budget of Euro 1.6 million funded by the European Agency for Reconstruction with co-funding by the Council of Europe.

The Start up Conference will be held in Belgrade, Intercontinental Hotel (Adriatic Room) on 22 March 2006 from 9.30 to 13.00. It will be opened by the Minister of Justice.

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Please also see www.coe.int/economiccrime ; www.ear.eu.int





Project Against Economic Crime in the Republic of Serbia PACO Serbia

– project summary –

Project title	Project against Economic Crime in the Republic of Serbia (Serbia and Montenegro)
Project partner	Ministry of Justice and Administration for the Prevention of Money Laundering (DMLP)
Funding	European Agency for Reconstruction / Council of Europe
Implementation	Council of Europe (Department of Crime Problems, DG Legal Affairs)
Budget	EURO 1 578 200 €
Duration	24 months (1 December 2005 – 30 November 2007)

BACKGROUND

In the recent years, despite considerable efforts, the legislative reforms aiming at preventing and combating economic crime and modernising the judicial sector were to a great extent hampered by the lack of sufficient experience and necessary resources within the Ministry of Justice and other state agencies responsible for these reforms. Therefore, continuation of a comprehensive review is necessary to ensure the compatibility of the current legislation with existing international standards and to remove inconsistencies. Efforts are required to ensure that best practices in the legislation of criminal justice and law enforcement systems are more widely known among law-makers and that law enforcement, judges and prosecutors benefit from training.

With regard to anti money laundering and countering terrorist financing policies, the Republic of Serbia (S&M) has a well established and efficient FIU - Administration for the Prevention of Money Laundering (APML), part of the Ministry of Finance and member of the Egmont Group. It is sufficiently staffed and has the basic equipment to perform its tasks even if its IT department needs strengthening. The staff is sufficiently trained to deal with the money laundering cases. However, as indicated inter alia by the Moneyval evaluators, Money laundering prevention must be harmonized with international standards in this field, which are contained in Council of Europe Conventions, EU Directives, FATF 40+9 recommendations and UN Security Council resolutions related to combat against transnational organized crime on one hand, and terrorism financing on the other hand. Hence the need to criminalize terrorist financing as an autonomous criminal offence. Better co-ordination of AML/CTF actors should be ensured and specialised training provided to the law enforcement agencies and obliged institutions.

Capacity to fight cybercrime should be enhanced through provision of training and assistance in complying with international standards.

The project will support the Republic of Serbia (Serbia and Montenegro) in the ratification and implementation into national law of European Treaties (Convention on money laundering and terrorist financing and Convention on Cyber crime) to which it is not yet party.

OBJECTIVES AND EXPECTED RESULTS

Project objective	To contribute to the improvement of the capacities to prevent and combat economic crime in the Republic of Serbia (Serbia and Montenegro) in accordance with European and international standards and best practices.
Project objective 1	To strengthen the institutional and legislative framework for preventing and combating economic crime (including money laundering, terrorist financing and cyber crime).
Project objective 2	To increase the human and infrastructural capacities of institutions involved in detection and prevention of money laundering and terrorist financing.
Project objective 3	To increase the capacities of institutions involved in detection and prevention of cyber crime.

INPUTS

The project will provide funding for:

- a long-term technical adviser, a number of short-term advisers
- in-country training events
- the preparation of training materials and guidelines
- legal opinions
- international study visits, internships and training in FIUs of other countries
- procurement of the necessary IT equipment for the FIU

Partnerships with FIUs from a number of other European countries will ensure experience exchange and international cooperation, and facilitate the delivery of short-term inputs.

IMPLEMENTATION ARRANGEMENTS

All project activities are carried out through the APMI and Ministry of Justice (the project partners) with the support of the Council of Europe.

The Council of Europe is responsible for the implementation of the project and the use of the project funds under a contract with the European Agency for Reconstruction.

The Council of Europe makes available a long-term project adviser and local support staff based in Belgrade and working directly with the local authorities.

Within the General Secretariat of the Council of Europe in Strasbourg, the Technical Cooperation Section of the Directorate General of Legal Affairs is responsible for management, coordination and supervision of the project.

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Council of Europe activities against economic crime

Background information

Economic crime undermines democracy, the rule of law, human rights and economic and social progress, that is, the very objectives which the Council of Europe stands for. This includes corruption, organised crime, trafficking in human beings, cybercrime, money laundering and other forms of serious crime.

The Council of Europe has been taking measures against such crimes for some three decades, and not merely to prevent and control crime but to make a positive contribution to democracy, the rule of law and human rights. The strategy of the Organisation is implemented through an approach which consists of three inter-related elements:

- Setting European standards, in particular in the form of conventions, protocols, recommendations and resolutions aimed at the prevention and control of crime in general or particular forms of crime.
- Monitoring compliance with European or other relevant international standards. Monitoring mechanisms include in particular the Group of States against Corruption (GRECO) and MONEYVAL (focusing on international anti-money laundering and counter-terrorist financing standards).
- Technical cooperation aimed at building capacities to enable member States to ratify and implement relevant standards or to follow up on recommendations resulting from monitoring exercises.

Following the 2nd Summit of the Heads of State and Governments in 1997, the activities in all three areas gained momentum. With regard to technical cooperation, the Octopus Programme against Corruption and Organised Crime in States in Transition – a joint activity of the Council of Europe and the European Commission – was the principle capacity building measure from 1996 to 2000. Since Council of Europe projects against crime have multiplied.

It can be expected that the technical cooperation programmes against economic crime will further expand in the near future. The Declaration and the Action Plan adopted at the 3rd Summit (Warsaw, May 2005) task the Council of Europe to undertake specific measures against corruption, organised crime, money laundering, cybercrime, trafficking in human beings and other forms of serious crime. These measures are to include technical cooperation projects.

In 2005, technical cooperation activities against economic crime again involved a wide range of countries and organisations. Some 230 activities were carried out under 12 programmes and projects. Some of these are annual programmes and subject to the annual approval of the Council of Europe budget (including the Octopus programme). Others are fully funded or co-financed through voluntary contributions and may have a duration of several years.