

## Standard Summary Project Fiche – IPA centralised national programme

### **Project number 1: Capacity building of the Directorate for Confiscated Property and improving the system of Criminal Asset Confiscation**

#### **1. Basic information**

- 1.1 CRIS Number: 2009/021-638**
- 1.2 Title:** Capacity building of the Directorate for Confiscated Property and improving the system of Criminal Asset Confiscation
- 1.3 ELARG Statistical code:** 01.23
- 1.4 Location:** Republic of Serbia

#### **Implementing arrangements:**

- 1.5 Contracting Authority:** EC Delegation (ECD) to the Republic of Serbia
- 1.6 Implementing Agency:** Council of Europe
- 1.7 Beneficiary:**

Ministry of Justice, Nemanjina 22-26, Belgrade

The Project Manager is the Assistant Minister at the Ministry of Justice of the Republic of Serbia.

#### **Financing:**

- 1.8 Overall cost (VAT excluded):** 2,500,000 EUR
- 1.9 EU contribution:** 2,500,000 EUR
- 1.10 Final date for contracting:** 2 years after the signature of the FA
- 1.11 Final date for execution of contracts:** 4 years after the signature of the FA
- 1.12 Final date for disbursements:** 5 years after the signature of the FA

#### **2. Overall Objective and Project Purpose**

##### **2.1 Overall Objective:**

To contribute to democracy and the rule of law by suppressing organized crime and corruption in accordance with EU/international standards and MONEYVAL/GRECO recommendations for the Republic of Serbia.

## **2.2 Project purpose:**

Enhance the institutional capacity and efficient functioning of the Directorate for Confiscated Property Management as well as other key institutions involved in the search, seizure, management and confiscation of the proceeds from crime in the Republic of Serbia.

## **2.3 Link with AP/NPAA / EP/ SAA**

**The European Partnership 2008** as a short-term priority of the Republic of Serbia in chapter *Fight against organised crime and terrorism*, states the following: “Adopt outstanding legislation, develop the capacity to seize assets, implement a national strategy against organised crime and strengthen criminal intelligence.”

**The Stabilisation and Association Agreement** Article 80 underlines the importance of consolidating the rule of law and the reinforcement of institutions at all levels in the areas of administration in general and law enforcement and the administration of justice in particular. Article 84 *addresses* Money laundering and the financing of terrorism) providing the following concrete measures:

“1. The Parties shall cooperate in order to prevent the use of their financial systems and relevant non-financial sectors for laundering of proceeds from criminal activities in general and drug offences in particular, as well as for the purpose of financing terrorism.

2. Cooperation in this area may include administrative and technical assistance with the purpose of developing the implementation of regulations and efficient functioning of the suitable standards and mechanisms to combat money laundering and financing of terrorism equivalent to those adopted by the Community and international fora in this field, in particular the Financial Action Task Force (FATF). “

## **2.4 Link with MIPD**

The Multi-annual Indicative Planning Document - MIPD for 2009-2011 underscores importance of developing capacities necessary for confiscation of illegally acquired property .( 2.3.1.1 paragraph 7, MIPD 2009-2011).

## **2.5 Link with National Development Plan (where applicable)**

N/A

## **2.6 Link with national/ sectoral investment plans (where applicable)**

**The National Program for Integration of the Republic of Serbia into the European Union** - Under Chapter 4, Administrative and Judicial Capacities for Implementation of Acquis Communautaire, the importance of the Directorate for Confiscated Property Management to tackle organised crime and the necessity for significant capacity building of this newly established institution, is underlined.

The National Anti-Corruption Strategy and its Implementation Action Plan (adopted by National Assembly on 8. December 2005) under chapter 2: Judiciary and Police System identifies which recommends the mandatory confiscation of benefits deriving from corruption and the formation of a separate organisational unit for managing temporarily seized, frozen and confiscated assets;”

The National Judicial Reform Strategy was adopted by Serbian National Assembly in May 2006. Its basic objective is to restore public trust in the judicial system of the Republic of

Serbia by establishing the rule of law and legal certainty. The Strategy relies on four key principles: judicial independence, transparency, accountability and efficiency.

### **3. Description of project**

#### **3.1 Background and justification:**

The fall-out from the break-up of the former Yugoslavia created the environment for the emergence of organised criminal gangs in Serbia. These criminal gangs are involved in a range of activities that cost the State of Serbia substantial revenues annually. According to the Anti-Money Laundering Agency approx. Eur 1.7 bn is laundered in Serbia annually with the majority of cases linked to real estate investments. Organised criminal gangs are also active in securities fraud, false use of non-existing front offices and offshore company transactions. Money laundering alone costs the Serbian economy between 3%-5% of GDP each year.

The organised criminal gangs' activities are not limited just to the territory of Republic of Serbia but they range widely in collaboration with domestic criminal groups from Serbia's neighbouring countries and beyond (e.g. Russia). The fight against organised crime was seen as an absolute priority from the very beginning of the democratic reform process in Serbia. A Special Unit for the Fight against Corruption and Organised Crime was formed back in 2000. It mapped out organised criminal groups as well as the persons responsible for mainly politically motivated assassinations linked to organised crime and state security prior to October 2000. A new organisational unit, the Organised Crime Directorate (OCD) was formed in 2001, the only operational unit reporting directly to the political/ministerial level. In 2005, the OCD was put under the umbrella of the police service and renamed to the Organised Crime Service (OCS). One of the aims of such restructuring was de-politicization by putting all police units within the police service out of direct political control. OCS has achieved some impressive results, but requires further tools to tackle the problem of organised crime. Targeting and siezing the proceeds from crime has been a successful weapon in the fight against organised crime and corruption in the EU. Recognising the severe damage that organised crime is inflicting on the Serbian economy, much effort has been invested by the Serbian authorities in developing the necessary regulatory framework to create, a Directorate to seize criminal assets.

Until the adoption of the new Criminal Procedure Code in June 2006, effective from 1<sup>st</sup> June 2007, the Serbian legal system contained a limited number of solutions for seizure and disposal of the proceeds of crime. No overall system with clear procedures and specialised bodies was in place to ensure the efficient seizure and management of confiscated assets. Due to the scale of organised criminal activities, the need for efficient seizure and management of seized property is constantly growing. Numerous cases related to organised crime and corruption have been initiated in the Serbian judicial system.

According to official statistical data of the Special Court for Organized Crime in Serbia, 357 individuals were processed during the period from 2004 to 30th June, 2008. For 332 individuals condemnatory judgement was issued, 329 individuals were sentenced to prison, there was one probation judgement, 8 acquittals, 17 no suits and proceeds were confiscated from 106 individuals.

Confiscation of the assets ordered by the first-instance courts during the period between 2006. and 2007, was as follows: for the criminal act of misconduct in office in 2006 there were 30 decisions on the confiscation of the proceeds, while in 2007 there were 5 decisions on the confiscations of the proceeds. For the criminal act of receiving bribes, in 2006 there were 6

decisions on the confiscation of the proceeds, while in 2007 there were 2 decisions on the confiscation of the proceeds. For the criminal act of giving a bribe, in 2006, 2 decisions were passed regarding the confiscation of the related proceeds.

When it comes to corruption cases, in the period 2004 - 30.06.2008 one first-instance prison sentence was imposed for the criminal act of receiving a bribe and one decision on the confiscation of the proceeds.

After the adoption of significant legislative changes, the intensity of financial investigations and cases of seizure of assets is expected to increase as well as the need for efficient conduct of this process in all its stages since the scope of criminal cases in which seizure of assets could be imposed widened significantly according to this new legislation.

#### *Preconditions established for seizure of assets in Serbia*

On 9 December 2004, the Serbian Government endorsed a Decision on Establishment of the Commission for Implementation of the Action Plan for Combating Organized Crime. This Commission is coordinating activities on completion of tasks set forth in the Action Plan for Combating Organized Crime, adopted at the Ministerial Conference for the Western Balkans States held in Brussels on 23rd of November 2003. The Action Plan proposes forms of cooperation with representatives of international organizations; introduces initiatives, strategic measures, programmes, engaged in combating organized crime. The Action Plan also includes measures related to the harmonization of legislation required for combating organized crime which is a precondition for EU approximation. The Commission is responsible for monitoring implementation of proposed programmes and measures as well as cooperation with competent international, and domestic organizations.

In July 2006, the Serbian Government endorsed a Decision on Establishment of the Commission for Implementation of the National Anti-Corruption Strategy and Recommendations of the Council of Europe Group of States against Corruption (GRECO). The National Anti-Corruption Strategy, which has been adopted by the National Assembly, provides for an autonomous and independent body to be established under a special Law for the purpose of implementing the Strategy and Action Plan. The Government adopted a Law on the Agency for Fight against corruption on 23rd of October 2008. The Agency is an autonomous and independent state body. It is responsible to the National Assembly for the performance of the duties assigned to it and has the status of a legal entity based in Belgrade.

The existing legal framework in the Republic of Serbia, both the Criminal Code and the Criminal Procedure Code, both passed in 2005, allow and order the confiscation of the proceeds from crime.

Criminal Code (articles 91-93) and Criminal Procedure Code (articles 513-520), as well as laws regulating criminal, misdemeanour and liability of legal entities for criminal offences prescribe that no one can retain proceeds from criminal acts, misdemeanours and corporate crime. Courts ruling in these proceedings are obliged to determine and seize proceeds through these acts by virtue of office. Since the primary task of the courts in these procedures is not to determine proceeds from said crimes, nor to manage this property, but rather to establish criminal, i.e. misdemeanour liability of perpetrators, there is a need for establishment of a separate specialized state body to assist courts in determining of this proceeds and to manage seized property. Such specialized bodies exist in many EU countries (Belgium, The Netherlands, UK, Ireland) and have so far shown very good results, which justifies the reasons for the establishment of a similar institution in Serbia.

Traditional methods of law enforcement through due process and prosecution, are not sufficient, despite efforts made in the judicial system, to stop prosecuted criminal offenders

and their accomplices to retain the proceeds from crime. As with EU countries, criminal financial investigation must become the usual method of conducting investigation aimed at identification of assets originating from criminal activities.

The Ministry of Justice prepared a Draft Law on the Confiscation of the Proceeds from Crime which was adopted by the Government in July 2008. The National Parliament adopted the Law on the Confiscation of the Proceeds from Crime on 23rd of October 2008 and it entered into force on 1st March 2009. By adopting the Law on the Confiscation of the Proceeds from Crime, the Republic of Serbia fulfilled one of its obligations ensuing from international conventions relevant to this area.

This Law governs the conditions, procedures and bodies competent for detection, seizure and management of the proceeds from criminal acts. The competent bodies are the Special Unit for Financial Investigation within the framework of the Ministry of Interior and Directorate for Confiscated Property Management (a body supervised by the Ministry of Justice). The main role of the Directorate will be to manage confiscated property derived from criminal offences, the proceeds from crime and the property given in pledge to a third party from criminal proceedings. The Directorate takes part in the provision of international legal aid in connection with the seizure of property stemming from criminal acts. The Directorate is also managing the proceeds derived from business criminal offences. Tasks of the Directorate are carried out ex officio or upon request of the Public Prosecutor and the Court. The Directorate is headed by a Director who is appointed by the Government at the recommendation of the Minister of Justice and based on the Act on Internal organization, adopted by the Government in March 2009. At full staffing the Directorate will have over 20 employees.

The Special Unit for Financial Investigation within the Ministry of Interior will carry out financial investigations, i.e. which would work on identifying and tracing proceeds, and the provisional seizure of the proceeds from crime, in cooperation with the competent Prosecutor.

This Law also sets forth criminal offences to which the provisions thereof may apply, in particular the criminal offences containing the element of organized crime, some criminal offences committed against commerce, humanity as well as against crimes against public office (corruption related criminal offences).

The Law on the Confiscation of the Proceeds from Crime is a very important step by the state authorities of Serbia in the fight against organized crime and corruption. The law creates the regulatory framework for the confiscation of proceeds from perpetrators of serious criminal offences when they fail to prove that they have been obtained lawfully (reversal of burden of proof). Should suspects be unable to do so, the state seizes the property and the revenues end up in the state budget. During their trial, those facing prosecution will not be able to sell or dispose of assets. The law also blocks suspects from sending money abroad and from transferring property to their friends and relatives.

In addition to this, the Serbian Law on Prevention of Money Laundering envisages that there is an obligation of banks and other financial institutions, insurance organizations, investment funds, lawyers, legal entities and persons responsible for book keeping or who work in tax counselling, to take measures and activities significant for detection and prevention of money laundering.

In accordance with the Law on Prevention of Money Laundering within the Ministry of Finance, a Directorate for Prevention of Money Laundering has been established. The new Law on Liability of Legal Entities for Criminal Acts that has been passed at the Parliament towards the end of 2008. also contains provisions on seizure and repossession of assets of legal entities involved in criminal acts.

### *Necessary future activities*

With the regulatory framework in place since March 2009 (Law on the Confiscation of the Proceeds from Crime/by-law on processing of confiscated assets) and the Directorate for Confiscated Property set up (a Director has been appointed), the provision of capacity building support to the Directorate is very timely. The Directorate is a new institution in the Serbian law enforcement system whose reliability, public trust and efficiency will depend on its initial performance. With the lack of domestic experience and expertise in this field, it will be important for the Directorate, the Ministry of Justice, as well as the Ministry of Interior and other relevant stakeholder to receive adequate external support and know-how transfer. This support will be required in the following key areas:

- Efficient implementation of legislation, establishment of efficient protocols and management mechanisms
- Establishment of efficient and effective inter-agency coordination and investigation techniques (with regards to domestic, regional and international coordination)
- Awareness raising for all key target groups

The implementation of this proposed project should provide support to Directorate for Confiscated Property Management to create the technical conditions for keeping relevant records on permanently or temporarily seized property, enhance cooperation between relevant institutions responsible for financial investigations (Specialised Organizational Unit for Financial Investigation) and for seizure of property, which is Directorate for Confiscated Property Management. There is a need for training in regard to the seizure of property for institutions involved in that process. There is also a lack of understanding of the possibilities given by existing legal solutions pertaining to seizure of proceeds from crime. Implementation of the project will raise awareness of financial investigations, seizure of property and their significance amongst citizens and relevant public and commercial entities (banks, investment funds, etc).

So far Council of Europe has been very supportive to effort of the Ministry of Justice in the process of introducing modern legal instruments in the Republic of Serbia and they have expertise in the area tackled with this project. Given the previous experience of the Council of Europe in the implementation of similar projects, including in Serbia, and the fact that Serbia has ratified the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime of 1990 and is participating in the Moneyval evaluation mechanism, the Council of Europe is well placed to implement this project under a direct grant agreement. The Memorandum of Understanding between the Council of Europe and the European Union of 2007 – which among other things calls for strong cooperation between the two organisations in justice and home affairs matters and the implementation of joint programmes - provides added justification for the implementation of this project by the Council of Europe.

### **3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)**

The implementation of the project will provide significant support to the process of strengthening the rule of law and democracy in the Republic of Serbia. This project will develop the capacity to trace money and conduct investigations which will ensure confiscation of illegally acquired property. This has major positive economic impacts on the Serbian economy, the introduction of a similar law last year in Italy, netted EUR 4 Billion for the state treasury. The rule of law and legal security are important preconditions for

economic growth providing for a level playing field. Corporate investment acquired through illegal activities is toxic to sustainable economic growth.

The threat of asset confiscation, followed by efficient action by competent state bodies as a result of this project will have a strong preventive effect against organised crime and acts of corruption. It also imposes greater barriers to the entry of dirty money into legal channels, while eliminating money that could be used in future crimes (purchase of drugs, weapons). The existence of effective mechanisms for the fight against organised crime and corruption will contribute to the promotion of Serbia as a safe place to invest and grow businesses. On the other hand, efficient financial investigation, seizure and management of seized property would provide significant resources to state budget and property that could be used for further improvements in law enforcement sector as well as for socio- economic improvements.

The Law on seizure and confiscation of the proceeds from crime envisages in the Article 49. that: “Upon deduction of managing costs in respect of seized assets and the payment of damages to the injured party, pecuniary funds obtained by sales of permanently seized assets shall be paid into the Republic of Serbia budget and allocated in the amount of 20% each to finance operations of courts, public prosecutor's offices, the Unit and the Directorate.

Remaining pecuniary funds specified in paragraph 1 of this Article shall be used for financing social, health, educational and other institutions, in accordance with the Government Act.

This project will enhance the co-operation between bodies involved in the detection of different offences with a view to exchanging information on a continuous basis and co-ordinate action taken by administrative and judicial authorities. Especially it is expected that this project will improve inter agency cooperation and information flow between the Serbian authorities and other law enforcement agencies from the Western Balkan region and EU member states.

In practice, through international agreements with neighbouring countries Republic of Serbia/ Directorate for Confiscated Property Management will be in position to seize assets illegally acquired in foreign countries which are on the territory of the Republic of Serbia. International legal aid in seizure and confiscation of proceeds from crime based on international agreements and letters rogatory of the other state's competent bodies, is stipulated by the new Law as one of the main competences of the Directorate. To avail of these powerful legal competences in the fight against organised crime, the Directorate must increase its capacities and capabilities and meet its responsibilities to the region and the wider EU.

Under the Act on Internal Organisation the necessary resources in terms of staff and budget to secure sustainability of the project after its completion is ensured The Directorate will also collect revenue from seized assets and by improving its efficiency during the project implementation; its self-sustainability an expected outcome.

For 2009, which will be the first year of the Directorate's operation, over RSD 6 Million is being made available under the budget law. The Directorate will be fully operational with a staff of over 20 persons by March 2010.

### **3.3 Results and measurable indicators:**

Result 1:

Legal framework developed in cooperation with relevant partner institutions, in line with EU/international standards and implemented through multi-agency cooperation.

Measurable indicators:

- *Necessary legislative drafts prepared and adopted*
- *Legislation complies with GRECO, Moneyval and other international standards*
- *Multi agency Implementation mechanisms and rules of procedures developed and adopted*
- *Monitoring and evaluation system designed and developed to track implementation*

#### Result 2:

The Directorate for Confiscated Property Management and Financial Investigation Institutions utilise proven methodologies and procedures for investigation, estimation of the value of the seized assets, seizure and management of criminal assets.

#### Measurable indicators:

- *Institutionalisation and absorption of EU/International methodologies and procedures in Criminal Asset seizure*
- *Capacity building actions including outputs of training modules for Staff of the Directorate for Confiscated Property Management, Financial investigation unit and other relevant institutions*
- *Outputs of study tours to similar EU organisations*
- *Improved Interagency coordination and more efficient data/information exchange measured on an actual case basis.*

#### Result 3:

Specific seizure and management of criminal assets measures and operational protocols for the exchange of information between Directorate for Confiscated Property Management, Unit for financial investigation of Ministry of interior and other relevant institutions developed and implemented.

#### Measurable indicators:

- *Operation protocols are in daily usage*
- *Reduced time necessary for completion of financial crime cases at the courts, comparing to previous 3 years*
- *Number of financial investigations and cases brought to the court increased*
- *International co-operation improved (exchange on information, joint investigations, etc)*

#### Result 4:

Citizens are aware of the importance and efficiency of the mechanism of the search, seizure, management and confiscation of criminal assets in the process of fight against organized crime and corruption and they are supporting those measures.

#### Measurable indicators:

- *Public Relations and Information Strategies Prepared for the Directorate*
- *Number of publicity and information actions carried out*
- *Increase in support of the civil society and other relevant stakeholders (local communities, other public institutions, public in general) measured by questionnaires or other methods*

### **3.4 Activities:**

#### **Activities related to the result 1.**

- 1.1. Conduct comprehensive impact analysis of existing legislation and identify gaps in implementation and recommend improvements in relation to GRECO, MONEYVAL recommendations and EU legislation;
- 1.2. Draft (through consultative process with all relevant institutions) the necessary additional legislation including assessment of financial/budgetary implications of new legislation and rule of procedures with clear implementation mechanisms;
- 1.3. Organize multi-agency workshops for employees responsible for implementation of new regulations, including judges and public prosecutors;

#### **Activities related to the result 2.**

- 2.1. Conduct Training Needs Analysis (TNA) and design curriculum for training of staff in the Directorate, Financial investigation unit and relevant state institutions in seizure of criminal assets;
- 2.2 Organize and deliver multidisciplinary training for employees of the Directorate, Financial investigation unit and relevant state institutions;
- 2.3 Organize study visits aimed at exchange of experience with other countries in the area of financial investigations and seizure of property
- 2.4. Identify and set-up hardware/software solutions for keeping records on the property managed by the Directorate, as well as for case management and statistical records on proceedings related to seizure of property and train staff how to use it.
- 2.5 Procure adequate IT and electronic equipment necessary for the efficient work of the Directorate for Confiscated Property Management and Financial investigation unit of the Ministry of Interior and if needed to other key state institutions;

#### **Activities related to the result 3.**

- 3.1. Analyze current mechanisms of information exchange between institutions relevant for the seizure of proceeds and property in court proceedings in the scope of the system which should be set up according to the Law on the Confiscation of the Proceeds from Crime;
- 3.2. Recommend measures for improvement of coordination and exchange of information between institutions engaged in financial investigations and state bodies engaged in seizure of proceeds and property;
- 3.3. Preparation of the information exchange protocols which define exact procedures
- 3.4. Prepare and deliver seminars and workshops for training of staff in all relevant institutions regarding coordination mechanisms and improvement of efficiency in fight against organized crime in both national and international coordination procedures.
- 3.5 Elaborate effective sectoral diagnostic and monitoring mechanisms that will assess gaps, establish baselines, indicate progress and provide ongoing data for regular periodic assessments of the impact of seizure of assets measures.

#### **Activities related to the result 4.**

- 4.1. Create and implement national information campaign aimed at raising awareness of the significance of financial investigations and proceeds seizure in court proceedings, for the purpose of combating corruption and organised crime;
- 4.2. Organize two public opinion surveys with the aim to identify level of awareness, support and satisfaction of citizens to new methods in fight against organized crime
- 4.3 Support the work of the Directorate in order to increase its transparency and its openness to all relevant stakeholders,;

This project will be implemented through one direct agreement with the Council of Europe (COE) and one supply contract that will be contracted by the ECD.

The Council of Europe has unique and extensive experience in this legal sector and has already supported the Ministry of Justice in the drafting of legislation on confiscation of proceeds from crime. The Council of Europe is the author and host of the first international convention dealing with the modern model of assets recovery, including confiscation (Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism).

### **3.5 Conditionality and sequencing:**

In accordance with relevant legislation, a key precondition for this project is a fully operational Directorate for Confiscated Property Management. It is expected that the Directorate will be fully operational by March 2010.

The project is based on the assumption that there is a sustainable and consistent political will to undertake anti-corruption reforms and combat organized crime through seizure of assets. For the successful implementation of this project it is of the utmost importance that corruption-prevention measures are sufficiently coordinated with the wider reform of the Public Service.

Cooperating institutions in this project must nominate their contact persons, and successfully implement the activities of the project action plan under their responsibility.

The necessary legal reforms are undertaken in due time, that is, that the Government submits draft laws prepared to the Parliament for adoption as duly planned and needed.

### **3.6 Linked activities**

Numerous initiatives and permanent international advisory and monitoring mechanisms were established in relation to fight against all sorts of organized crime and confiscation of the proceeds from crime.

**FATF** - an inter-governmental body with world wide membership whose purpose is the development and promotion of national and international policies to combat money laundering and terrorist financing.

The FATF is a "policy-making body" created in 1989 working to generate the necessary political will to bring about legislative and regulatory reforms in these areas. The FATF has published the Forty recommendations on money laundering and Nine special recommendations on financing of terrorism in order to set the standards and to meet its objective. FATF has also produced the methodology for mutual evaluation process, which is used also by MONEYVAL.

Recommendation 3 of the FATF 40 Recommendations deals with measures for confiscation and encourages countries to consider confiscation measures 'without requiring a criminal conviction or which require an offender to demonstrate the lawful origin of the property alleged to be liable to confiscation'. Recommendations 27, 28 and 32 are dealing with institutional and other measures and statistics also related to confiscation of proceeds.

**MONEYVAL** - The Council of Europe Select Committee of Experts on the Evaluation of Anti-Money Laundering Measures - MONEYVAL (formerly PC-R-EV) - was established in 1997. This evaluation and peer pressure mechanism reviews the anti-money laundering measures (including confiscation measures) and measures to counter the financing of terrorism

in Council of Europe member States (and Council of Europe applicants which apply to join the terms of reference) which are not members of the Financial Action Task Force (FATF).

The evaluation is conducted based on the common AML/CFT methodology, agreed between MONEYVAL and the IMF and the World Bank. In the evaluation reports the efficiency of the measures in place is evaluated and recommendations are made for the improvement.

**GRECO** - a committee of the Council of Europe which aims to improve its members' capacity to fight corruption by monitoring the compliance of States with their undertakings in this field. In this way, it will contribute to identifying deficiencies and insufficiencies of national mechanisms against corruption, and to prompting the necessary legislative, institutional and practical reforms in order to better prevent and combat corruption.

GRECO is responsible, in particular, for monitoring observance of the Guiding Principles for the Fight against Corruption and implementation of the international legal instruments adopted in pursuit of the Programme of Action against Corruption (PAC). Since the Criminal Law Convention on corruption also incorporates provisions concerning the confiscation of proceeds, GRECO monitors also this field. Its findings, conclusions and recommendations can be an important source of information on the deficiency of confiscation measures in a given country.

Relevant projects that are being implemented or will be implemented in the future are following:

**Support to Prosecutors' Network in South Eastern Europe, PROSECO (2008 – 2010) -**

The overall objective of the project is to strengthen the capacities of the CARDS countries to develop and implement judiciary co-operation against serious crime based on the European Union *acquis* and other European and international standards and practices by supporting the Prosecutor's Network. In particular, the project will focus on strengthening the legislation and institutional capacities of General Prosecutors' Offices of South Eastern Europe in view of a more effective co-operation against serious crime. Within this project, Council of Europe organised a Regional Thematic Conference on "Financial Investigations and Confiscation of Proceeds from Crime" in September 2008. The main topics of the Conference were: legislative and technical preconditions for financial investigations cross border financial investigations and confiscation of proceeds from crime and agencies for handling seized or confiscated property.

Through IPA 2007 and 2008 the Ministry of Justice will be supported in terms of the improvement of efficiency and transparency of work in courts, prosecutorial offices and penal correctional facilities.

The following projects will be implemented by the Ministry of Justice under **IPA 2007**:

*"Support to the National Judicial Academy"* - the objective of the project is to provide technical assistance for the establishment of the initial and continuous mandatory training for Judges, Prosecutors and other relevant staff in the Serbian Judiciary. This project will be in correlation with proposed project with regards to training component for relevant judicial and law enforcement institutions.

*"Improvement of efficiency and transparency of judiciary system"* - the objective of the project is to provide assistance to the Ministry of Justice to improve the efficiency and transparency of the Serbian Courts through the development of a case management system, including document handling and data collection.

*“Improvement of the penalty system”* - the objective of the projects to provide assistance for the design, tender dossier preparation and supervision of works for the Administration for Enforcement of Penal Sanctions.

Through **IPA 2008** programming package the Ministry of Justice will be supported through the following projects:

*“Fight against Corruption”* - the project will contribute to reducing the level of corruption by supporting the operational functioning of a comprehensive Agency that will coordinate the fight against corruption, i.e. Agency for fight against corruption. Mentioned project is in correlation with this project on the basis of their mutual purpose-efficient fight against organized crime.

*“Improvement of transparency and efficiency (prosecutors and penal system)”* - the objective of the project is to provide assistance to the Ministry of Justice to improve the efficiency and transparency of the Serbian prosecution and penalty service through the development of a case management system, including document handling and data collection. This project will have interconnections with this proposed project with regards to case management and efficient exchange of information between prosecution and the Directorate for Confiscated Property Management.

### **3.7 Lessons learned**

Several projects and initiatives in the fight against organized and financial crime took place in Serbia and in the region in the past years. The most relevant ones for the implementation of this proposed project include the following:

**The Project against Economic Crime PACO-Serbia** was implemented within the Ministry of Justice, and financed by the EC through the European Agency for Reconstruction (EAR). The project has been implemented by the Council of Europe in the period from December 2005 until May 2008. The goal of this project was to build capacities for preventing and combating commercial crime in the Republic of Serbia in accordance with European and international standards and best practices. Within this project a Draft law on assets recovery and management has been produced in addition to numerous training activities relating to financial investigation and seizure of assets. FIU, law enforcement staff, prosecutors and judges were trained in issues related to money laundering and terrorist financing (assistance through regular CoE budget). This project provided significant support in establishment of legislative preconditions for new system of seizure of proceeds from crime as well as improvement of skills and capacities of judiciary and law enforcement agencies in this respect. Proposed project should use results achieved within PACO –Serbia and build upon its lessons learned.

**CARDS Regional Police Project - CARPO** (2004-2007) included as one of its outputs: Strengthening of financial investigations capacities aimed at the confiscation of proceeds from crime and experience exchange among the financial intelligence units in the region. Within this project over 20 in-country and regional activities were organised and each project area has adopted the strategy on financial investigations which became a part of the Brijuni Strategy signed by Minister's of Interior of the respective countries/project areas. This strategy should be referred to in proposed project implementation, where applicable.

This project should also use the experience and lessons learned gained in the implementation of following projects:

- Project against Money Laundering and Terrorist Financing in "the Former Yugoslav Republic of Macedonia", *MOLI-MK* (2004-2006)

- Project against Money Laundering and Terrorist Financing in the Russian Federation, *MOLI-RU (2003-2005)*
- Project against Money Laundering and Terrorist Financing in Ukraine, *MOLI-UA (2003-2005)*
- Follow-up Project against Money Laundering and Terrorist Financing in the Russian Federation, *MOLI-RU-2 (started in 2007)*
- Follow-up Project against Money Laundering and Terrorist Financing in Ukraine, *MOLI-UA-2 (started in 2006)*
- Support to good governance: Project against corruption in Ukraine, *UPAC (started in 2006)*  
- one of the expected results is the enhancement of the legal and institutional system of identification, seizure and confiscation of proceeds from crime;
- Harmonisation of Russian anti-corruption legislation with international standards, *RUCOLA (2004-2005)* - the aim is to draft legislative amendments produced to ensure conformity of the RF legislation on the recovery of the proceeds from corruption and other related crimes.

#### 4. Indicative Budget (amounts in EUR)

			TOTAL EXP.RE	SOURCES OF FUNDING								
				IPA COMMUNITY CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	% (2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Contract 1 - Direct Agreement with CoE	x		2,000,000	2,000,000	100							-
Contract 2 - supplies		x	500,000	500,000	100							
TOTAL IB			2,000,000	2,000,000	100							
TOTAL INV			500,000	500,000	100							
<b>TOTAL PROJECT</b>			<b>2,500,000</b>	<b>2,500,000</b>	<b>100</b>							

Amounts net of VAT

(1) In the Activity row use "X" to identify whether IB or INV

(2) Expressed in % of the **Total** Expenditure (column (a))

## 5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract/agreement	Project Completion
Contract 1 - Direct Agreement with CoE	N+1Q	N+2Q	N+8Q
Contract 2 – supplies	N+3Q	N+5Q	N+7Q

## 6. Cross cutting issues (where applicable)

### 6.1 Equal Opportunity

Equal opportunities for men and women will be guaranteed as an integral part of the implementation of this project. It is expected that gender equality will be fully observed in the recruitment of Directorate staff so all capacity building activities will be available equally to men and women in the Directorate. This will also apply to the Ministry of Interior and other relevant State institutions, accordingly. All research and analyses will be conducted using gender-sensitive methodologies.

### 6.2 Environment

This project is harmonised with national environmental regulations and standards. It will not have any negative impact on the environment nor jeopardise environment, health and security in the future. The project will be delivered in the most environmentally friendly way possible.

### 6.3 Minorities

Minorities and vulnerable groups are suffer disproportionably from corruption and organised criminal activities. The seizure of illegally acquired assets is expected to lead to a general improvement in the socio-economic environment of Serbia, which will be particularly beneficial to vulnerable groups. Public awareness campaigns will help inform minorities and vulnerable groups of their rights under law and the role of the Directorate in relation to organised crime activities. This will in turn enhance civic responsibility among these groups which are often marginalised and socially excluded.

## ANNEX I: Logical framework matrix in standard format

Programme name and number:			
<b>Capacity building of the Directorate for Confiscated Property and Improving the system of Criminal Asset Confiscation</b>		Contracting period expires: <b>2 years after the signature of the FA</b>	Disbursement period expires: <b>5 years after the signature of the FA</b>
		Total budget : <b>2,5 million EUR</b>	IPA budget: <b>2,5 million EUR</b>
<b>Overall objective</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	
To contribute to democracy and the rule of law through the suppression of organized crime and corruption in accordance with European and other international standards and GRECO recommendations for the Republic of Serbia	Improvement of the system for fight against organized crime and corruption in Republic of Serbia verified by the EC and other relevant international institutions	<ul style="list-style-type: none"> <li>▪ The EC Annual Progress Report</li> <li>▪ Legal documents regulating to this area</li> <li>▪ GRECO evaluation reports for Serbia</li> <li>▪ Reports and interviews with courts, police and prosecutor offices</li> <li>▪ Official reports of police organizational units, prosecutors and courts and their statistical reports available at MoI and MoJ</li> </ul>	
<b>Project purpose</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
Enhance the institutional capacity and ensure more efficient functioning of the Directorate for Confiscated Property Management and other key institutions involved in the search, seizure, management and confiscation of the proceeds from crime in the Republic of Serbia	<ul style="list-style-type: none"> <li>▪ Number of financial investigations and cases completed at the court increased</li> <li>▪ Reduced time necessary for completion of financial crime cases at the courts, comparing to previous 3 years</li> <li>▪ Directorate for Confiscated Property Management, police and judicial bodies efficiently implementing new working methods on the daily level without problems.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Official reports of DCPM</li> <li>▪ Court statistics</li> <li>▪ Evaluation reports and interviews with judges, police officers and prosecutors.</li> <li>▪ Official reports of police branches, prosecutors and courts and their statistical reports</li> </ul>	<p>There is a sustainable and consistent political will to undertake anti-corruption reforms and combat organized crime through seizure of assets.</p> <p>Corruption-prevention measures are sufficiently coordinated within overall public administration reform</p>

Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<p>1. Legal framework developed in cooperation with relevant partner institutions, in line with EU/international standards and implemented through multi-agency cooperation</p>	<ul style="list-style-type: none"> <li>▪ <i>Necessary legislative drafts prepared and adopted</i></li> <li>▪ <i>Legislation complies with GRECO, Moneyval and other international standards</i></li> <li>▪ <i>Multi agency Implementation mechanisms and rules of procedures developed and adopted</i></li> <li>▪ <i>Monitoring and evaluation system designed and developed to track implementation</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Legal documents regulating this area</li> <li>▪ Reports of the Parliament and line ministries</li> <li>▪ Official reports of DCPM</li> <li>▪ Reports and interviews with judges , police officers prosecutors and other trained persons</li> <li>▪ GRECO evaluation report for Serbia</li> </ul>	<p>Necessary legal reforms are undertaken in due time, that is, that the Government submits draft laws prepared to the Parliament for adoption as duly planned and needed.</p> <p>Adequate number and type of staff hired at DCPM</p>
<p>2. The Directorate for Confiscated Property Management and Financial Investigation Institutions utilise proven methodologies and procedures for investigation, estimation of the value of the seized assets, seizure and management of criminal assets.</p>	<ul style="list-style-type: none"> <li>▪ <i>Institutionalisation and absorption of EU/International methodologies and procedures in Criminal Asset seizure</i></li> <li>▪ <i>Capacity building actions including outputs of training modules for Staff of the Directorate for Confiscated Property Management, Financial investigation unit and other relevant institutions</i></li> <li>▪ <i>Outputs of study tours to similar EU organisations</i></li> <li>▪ <i>Improved Interagency coordination and more efficient data/information exchange measured on an actual case basis</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Operation protocol document</li> <li>▪ Reports on project implementation referring to usage of installed equipment.</li> <li>▪ Official reports of police branches, prosecutors and courts and their statistical reports</li> </ul>	<p>Active interest of the representatives of the relevant institutions to be involved in the capacity building process.</p> <p>Willingness of the staff of relevant institutions to participate in trainings in order to improve their knowledge.</p>
<p>3. Specific seizure and management of criminal assets</p>	<ul style="list-style-type: none"> <li>▪ Operation protocols are in daily usage</li> </ul>	<ul style="list-style-type: none"> <li>▪ Official reports of DCPM</li> <li>▪ Official reports of police branches,</li> </ul>	

<p>measures and operational protocols for the exchanging of information between Directorate for Confiscated Property Management, Unit for financial investigation of Ministry of interior and other relevant institutions developed and implemented</p>	<ul style="list-style-type: none"> <li>▪ Reduced time necessary for completion of financial crime cases at the courts, comparing to previous 3 year</li> <li>▪ Number of financial investigations and cases brought to the court increased</li> <li>▪ International co-operation improved (exchange of information, joint investigations)</li> </ul>	<p>prosecutors and courts and their statistical reports</p> <ul style="list-style-type: none"> <li>▪ Court statistics</li> <li>▪ Official reports of police organizational units, prosecutors and courts and their statistical reports available at MoI and MoJ</li> </ul>	
<p>4. Citizens are aware of the importance and efficiency of the mechanisms of the search, seizure and management and confiscation of criminal assets in the process of fight against organized crime and corruption and they are supporting those measures.</p>	<ul style="list-style-type: none"> <li>▪ <i>Public Relations and Information Strategies Prepared for the Directorate</i></li> <li>▪ <i>Number of publicity and information actions carried out</i></li> <li>▪ <i>Increase in support of the civil society and other relevant stakeholders (local communities, other public institutions, public in general)</i> <i>measured by questionnaires or other methods</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Press clipping and media monitoring</li> <li>▪ Public opinion surveys</li> </ul>	

Activities	Means / Costs	Assumptions
<p><b>1. - 1.1.</b> Conduct comprehensive impact analysis of existing legislation and identify gaps in implementation and recommend improvements in relation to GRECO, MONEYVAL recommendations and EU legislation;</p> <p>1.2. Draft (through consultative process with all relevant institutions) the necessary additional legislation including assessment of financial/budgetary implications of new legislation and rule of procedures with clear implementation mechanisms;</p> <p>1.3. Organize multi-agency workshops for employees responsible for implementation of new regulations, including judges and public prosecutors;</p> <p><b>2. 2.1.</b> Conduct Training Needs Analysis (TNA) and design curriculum for training of staff in the Directorate, Financial investigation unit and relevant state institutions in seizure of criminal assets;</p> <p>2.2 Organize and deliver multidisciplinary training for employees of the Directorate, Financial investigation unit and relevant state institutions;</p> <p>2.3 Organize study visits aimed at exchange of experience with other countries in the area of financial investigations and seizure of property</p> <p>2.4. Identify and set-up hardware/software solutions for keeping records on the property managed by the Directorate, as well as for case management and statistical records on proceedings related to seizure of property and train staff how to use it.</p> <p>2.5 Procure adequate IT and electronic equipment necessary for the efficient work of the Directorate for Confiscated Property Management and Financial investigation unit of the Ministry of Interior and if needed to other key state institutions;</p> <p><b>3. - 3.1.</b> Analyze current mechanisms of information exchange between institutions relevant for the seizure of proceeds and property in court proceedings in the scope of the system which should be set up according to the Law on the Confiscation of the Proceeds from Crime;</p> <p>3.2. Recommend measures for improvement of coordination and exchange of information between institutions engaged in financial investigations and state bodies engaged in seizure of proceeds and property;</p>	<p>One direct agreement with CoE 2,000,000 euro</p> <p>Supply contract – 500,000</p>	

Activities	Means / Costs	Assumptions
<p>3.3. Preparation of the protocols which defines information exchange procedures</p> <p>3.4. Prepare and deliver seminars and workshops for training of staff in all relevant institutions regarding coordination mechanisms and improvement of efficiency in fight against organized crime both in national and international coordination procedures.</p> <p>3.5 Elaborate effective sectoral diagnostic and monitoring mechanisms that will assess gaps, establish baselines, indicate progress and provide ongoing data for regular periodic assessments of the impact of seizure of assets measures.</p> <p><b>4.</b> - 4.1. Create and implement national information campaign aimed at raising awareness of the significance of financial investigations and proceeds seizure in court proceedings, for the purpose of combating corruption and organised crime;</p> <p>4.2. Organize two public opinion surveys with the aim to identify level of awareness, support and satisfaction of citizens to new methods in fight against organized crime</p> <p>4.3 Support the work of the Directorate in order to increase its transparency and its openness to all relevant stakeholders.</p>		
<p><b>Precondition:</b> Fully operational work of the Directorate for the Management of Confiscated Proceeds</p>		

**ANNEX II: amounts (in million €) Contracted and disbursed by quarter for the project**

<b>Contracted</b>	<b>N+1Q</b>	<b>N+2Q</b>	<b>N+3Q</b>	<b>N+4Q</b>	<b>N+5Q</b>	<b>N+6Q</b>	<b>N+7Q</b>	<b>N+8Q</b>	<b>TOTAL</b>
Contract 1 Direct Agreement with CoE		2.00							<b>2.00</b>
Contract 2 Supplies					0.50				<b>0.50</b>
<b>Cumulated</b>	<b>0.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>
<b>Disbursed</b>									<b>TOTAL</b>
Contract 1 Direct Agreement with CoE		1.80						0.20	<b>2.00</b>
Contract 2 Supplies					0.30		0.20		<b>0.50</b>
<b>Cumulated</b>	<b>0.00</b>	<b>1.80</b>	<b>1.80</b>	<b>1.80</b>	<b>2.10</b>	<b>2.10</b>	<b>2.30</b>	<b>2.50</b>	<b>2.50</b>

### **ANNEX III: Description of Institutional Framework**

The **Ministry of Justice** is in charge of the implementation and monitoring of this project. The work, mandate and authorization of the Ministry are regulated by the Law on Ministries.

The Ministry of Justice consists of the following departments:

- Sector for the Judiciary and Minor Offences
- Normative Affairs and International Cooperation Sector
- European Integration and International Projects Sector
- IT Sector
- Material and Financial Operations Sector
- Administration for the Execution of Penitentiary Sanctions
- Ministry Secretariat

**Directorate for Confiscated Property Management** is direct beneficiary of the project and according to law is supervised by the Ministry.

**Other relevant stakeholders** are:

- Ministry of Interior (Special Unit for Financial Investigation)
- Judiciary system in all (courts and prosecution)
- Ministry of Finance (Directorate for Prevention of Money Laundering)
- National Bank of Serbia
- Commission for the Implementation of the National Strategy for Fight against Corruption
- Agency for Fight against Corruption
- Republican Committee for Resolving Conflicts of Interest
- Commissioner for Information of Public Importance and Personal Data Protection
- Public Procurement Office
- Ombudsman of Republic of Serbia

## **ANNEX IV: Reference to laws, regulations and strategic documents**

Key laws, regulations and strategic documents in the area of judiciary:

### *General:*

- Constitution of the Republic of Serbia
- Law for the Implementation of the Constitution of the Republic of Serbia
- National programme for integration with the European Union (NPI)
- Action Plan for the Implementation of the European Partnership Priorities
- Stabilisation and Association Agreement

### *Rule of law:*

- Law on the Confiscation of the Proceeds from Crime (Official Gazette of Republic of Serbia 97/08)
- Law on Agency for Fight against corruption (Official Gazette of Republic of Serbia 97/08)
- Law on the Liability of Legal Entities for Criminal Acts (Official Gazette of Republic of Serbia 97/08)
- Criminal Code (Official Gazette of Republic of Serbia 85/05)
- Civil Procedure Code (Official Gazette of Republic of Serbia 125/04)
- Criminal Procedure Code (Official Gazette of Republic of Serbia 85/05)
- Law on Civil Enforcement Procedure (Official Gazette of Republic of Serbia 125/04)
- Law on Organisation of Courts (Official Gazette of Republic of Serbia 116/08)
- Law on Public Prosecution (Official Gazette of Republic of Serbia 116/08)
- Court Rules of Procedure (Official Gazette of Republic of Serbia 50/06)
- Law on Public Procurement (Official Gazette of Republic of Serbia 116/08)
- Law on the Prevention of Conflicts of Interest in the Performance of Public Functions (Official Gazette of Republic of Serbia 43/04)
- Law on Free Access to Information of Public Importance (Official Gazette of Republic of Serbia 120/04 and 54/07)
- Law on the Ombudsman (Official Gazette of Republic of Serbia 79/05)
- Law on the Police (Official Gazette of Republic of Serbia 101/05)
- Law setting the Organisation and Competences of Government Agencies in suppression of Organised Crime (Official Gazette of Republic of Serbia 42/02, 27/03, 39/03, 67/03, 29/04, 45/05, 61/05)

**National Anti-Corruption Strategy** and its Implementation Action Plan (adopted by National Assembly on 8. December 2005) under chapter 2: Judiciary and Police System identifies following recommendation:

“- Consistent application of regulations on mandatory confiscation of benefits deriving from corruption;  
- Transferring the burden of proof to the defendant in cases of seizure of material gain;  
- Forming of a separate organisational unit for managing temporarily seized, frozen and confiscated assets;”

**National Judicial Reform Strategy** was adopted by Serbian National Assembly in May 2006. Its basic objective is to restore public trust in the judicial system of the Republic of Serbia by establishing the rule of law and

legal certainty. The Strategy relies on four key principles: judicial independence, transparency, accountability and efficiency.

**Poverty Reduction Strategy** as a key strategic document in sustainable reform activities in Serbia is also relevant to this project.

Republic of Serbia ratified the following international conventions which envisage international cooperation in this area:

- United Nations Convention against Transnational Organised Crime (the Palermo Convention);
- United Nations Convention against Corruption;
- United Nations Convention Against Illegal Traffic in Narcotic Drugs and Psychotropic Substances;
- UN Security Council Resolution 1373 on prevention and suppression of the financing of terrorist acts;
- Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime;
- Council of Europe Criminal Law Convention on Corruption;
- Council of Europe Additional Protocol to the Criminal Law Convention on Corruption;
- Civil Law Convention on Corruption;
- European Convention on Mutual Assistance in Criminal Matters with Additional Protocols;
- Council of Europe Convention for the Suppression of the Financing of Terrorism

#### **Reference to AP /NPAA / EP / SAA**

**European Partnership** 2008. as a short-term priority of the Republic of Serbia in chapter: Fight against organised crime and terrorism, states following: “Adopt outstanding legislation, develop the capacity to seize assets, implement a national strategy against organised crime and strengthen criminal intelligence.”

**National Program for the Integration** of the Republic of Serbia into the European Union under Chapter 4: Administrative and Judicial Capacities for Implementation of Acquis Communautaire, on page 623. explicitly describes roll of the Directorate for Confiscated Property Management and necessity for significant capacity building of this newly established institution.

**Stabilisation and Association Agreement** in Article 80.- Reinforcement of institutions and rule of law, underlines the importance of consolidating the rule of law and the reinforcement of institutions at all levels in the areas of administration in general and law enforcement and the administration of justice in particular and in Article 84 - Money laundering and financing of terrorism, provides for concrete measures in this respect, as follows:

*“1. The Parties shall cooperate in order to prevent the use of their financial systems and relevant non-financial sectors for laundering of proceeds from criminal activities in general and drug offences in particular, as well as for the purpose of financing terrorism.*

*2. Cooperation in this area may include administrative and technical assistance with the purpose of developing the implementation of regulations and efficient functioning of the suitable standards and mechanisms to combat money laundering and financing*

*of terrorism equivalent to those adopted by the Community and international fora in this field, in particular the Financial Action Task Force (FATF). “*

**Reference to MIPD**

Multi-annual Indicative Planning Document - MIPD for 2009-2011 indicates as one of main priorities the strengthening of cooperation and exchange of information between state bodies aimed at more successful combat against organized crime, corruption, money laundering and seizure of proceeds of criminal acts, misdemeanour and corporate crime.( 2.3.1.1 paragraph 7. MIPD 2009-2011).

## **ANNEX V: Details per EU funded contract**

### **1. Direct Agreement with CoE will include:**

- Conduct comprehensive impact analysis of existing legislation and identify gaps in implementation and recommend improvements in relation to GRECO, MONEYVAL recommendations and EU legislation;
- Draft (through consultative process with all relevant institutions) necessary additional legislation including assessment on financial/budgetary implications of new legislation and rule books with clear implementation mechanisms;
- Organize multi-agency workshops for employees responsible for implementation of new regulations, including judges and public prosecutors;
- Conduct TNA and design curriculum for training of staff in the Directorate, Financial investigation unit and relevant state institutions in the area of seizure of assets;
- Organize and deliver multidisciplinary training for employees of the Directorate, Financial investigation unit and relevant state institutions;
- Organize study visits aimed at exchange of experience with other countries in the area of financial investigations and seizure of property
- Analyze current mechanisms of information exchange between institutions relevant for the seizure of proceeds and property in court proceedings in the scope of the system which should be set up according to the Law on the Confiscation of the Proceeds from Crime;
- Recommend measures for improvement of coordination and exchange of information between institutions engaged in financial investigations and state bodies engaged in seizure of proceeds and property;
- Preparation of the information exchange protocols which define exact procedures
- Prepare and deliver seminars and workshops for training of staff in all relevant institutions regarding coordination mechanisms and improvement of efficiency in fight against organized crime (including national and international coordination procedures).
- Elaborate effective sectoral diagnostic and monitoring mechanisms that will assess gaps, establish baselines, indicate progress and provide ongoing data for regular periodic assessments of the impact of seizure of assets measures.
- Create and implement national information campaign aimed at raising awareness of the significance of financial investigations and proceeds seizure in court proceedings, for the purpose of more efficient combating against all forms of crime;
- Organize two public opinion surveys with the aim to identify level of awareness, support and satisfaction of citizens to new methods in fight against organized crime
- Support the work of the Directorate in order to increase its transparency and its openness to all relevant stakeholders, in particular those from civil society;
- Set-up of the software solutions for keeping records on the property managed by the Directorate, as well as for case management and statistical records on proceedings related to seizure of property and train staff how to use it.

### **2. The supply contract will cover**

Procurement of IT and electronic equipment necessary for the efficient work of the Directorate for Confiscated Property Management and Financial investigation unit of Ministry of interior and if needed to other key state institutions;