

International and Regional Cooperation: Transcending Borders in the Fight against Corruption



Policy brief No 14, August 2022



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KEY POINTS:

- Corruption in the Western Balkan region remains an overarching challenge that requires a wide variety of mechanisms to help tackle the issue. Aside from the political will of the country, a powerful ally often lies in regional and international cooperation.
- Almost all Western Balkan countries are signatories of the principal international conventions on the fight against corruption and organised crime. Yet, their anti-corruption practices are not entirely aligned. For example, in Albania, Montenegro, and Serbia, illicit enrichment has not been included in their Criminal Codes, as recommended in United Nations Convention Against Corruption (UNCAC), and thus it is not considered a criminal offence.
- Group of States against Corruption (GRECO) in its compliance reports noted further efforts in the fight against corruption are needed in the whole region. In its Fourth Round Evaluation Reports on Bosnia and Herzegovina, Montenegro and Serbia, GRECO warned of the judges and prosecutors lacking independence.
- According to the European Commission reports, neither of the Western Balkan countries has made any progress in the fight against corruption since 2019.
- The most prominent donor of financial and technical assistance in tackling corruption in the region is the European Union. Since 2007, within two cycles of the Instrument for Pre-Accession Assistance (IPA), the EU has allocated more than EUR 8 billion to the Western Balkan countries. With the new IPA III cycle that will last until 2027, the EU will allocate more than EUR 14 billion to the region.
- The COVID-19 pandemic and other urgent challenges, such as the armed conflict in Ukraine, constrained and shifted focus from international and regional anti-corruption cooperation. The pandemic exposed the weakness of governance systems in fighting corruption. For example, in Serbia, in 2020, the National Assembly did not work for 44 days due to the declaration of a state of emergency, which greatly affected its function of adopting legal acts.

THE IMPORTANCE OF INTERNATIONAL AND REGIONAL COOPERATION

International and regional cooperation is a powerful tool for effectively addressing the problem of corruption. Corruption is an intricate issue that requires exchanging experiences and good practices between countries. Numerous areas and activities are part of international cooperation, such as corruption monitoring, practice exchange, verifying asset declarations, educational activities to raise public awareness of the importance of preventing corruption, protection of whistleblowers, conflicts of interest, and many others.

Most Western Balkan countries have signed and ratified the main international conventions against corruption. Yet, their legal frameworks and practices are still not fully harmonised with international standards, which require further reforms in this field, monitored by international partners.

International institutions monitor the progress of countries in achieving compliance with international standards. These reports are of high importance because they represent a periodic and systematic review of everything that has been done in the fight against corruption. Besides, they are affecting the reputation of the monitored countries, putting significant pressure on governments in the foreign and domestic arena to comply with the international standards.

However, the role of international partners does not only consist in providing the professional expertise and monitoring of all reforms undertaken in the fight against corruption but the technical and financial assistance, as well. In the coordinated approach of many parties, a fundamental role is played by the European Union.

Corruption is not a sporadic phenomenon but a practice that immensely affects all countries in the region, so the coordination of efforts in the fight against it is a crucial element in guaranteeing reforms and concrete results. Thus, international and regional initiatives that include governments and CSOs in the Western Balkans are necessary.

INTERNATIONAL ANTI-CORRUPTION STANDARDS AND MONITORING

Almost all Western Balkan countries are signatories of the principal international conventions on the fight against corruption and organised crime. The most important in this domain are *The United Nations Convention Against Corruption (UNCAC)*¹, *The United Nations Convention against Transnational Organised Crime (Palermo Convention)*², *The Council of Europe Criminal Law Convention on Corruption*³, as well as *The Council of Europe Civil Law Convention on Corruption*⁴.

Kosovo is not a signatory due to status-related issues, considering that being a party

1 United Nations Office on Drugs and Crime (2004), *The United Nations Convention Against Corruption*, [online] Available at: https://www.unodc.org/documents/brussels/UN_Convention_Against_Corruption.pdf

2 United Nations Office on Drugs and Crime (2004), *The United Nations Convention against Transnational Organised Crime*, [online] Available at: <https://www.unodc.org/documents/treaties/UNTOC/Publications/TOC%20Convention/TOCebook-e.pdf>

3 Council of Europe (1999) *The Council of Europe Criminal Law Convention on Corruption*, [online] Available at: <https://rm.coe.int/168007f3f5>

4 Council of Europe (1999), *The Council of Europe Civil Law Convention on Corruption*, [online] Available at: <https://rm.coe.int/168007f3f6>

to these conventions is linked with membership in the aforementioned organisations. However, the presence of Kosovo on such international platforms is accomplished through civil society coalitions and initiatives. Also, the current anti-corruption legal framework in Kosovo is mostly aligned with these instruments and relevant European standards, but the practice is lagging.⁵

Although the Western Balkan countries are parties to these instruments, their anti-corruption legal frameworks and practices are not entirely aligned with them.

Monitoring of the country's compliance with international anti-corruption standards is conducted by different institutions. The most important are the **UN Office on Drugs and Crime** (UNODC), the **Group of States against Corruption** (GRECO) and the **European Commission**. Reports published by these institutions are of high importance since they provide systematic and periodic monitoring of the legal and practical alignment with the anti-corruption standards. Consequently, international monitoring bodies are affecting the reputation of the monitored countries, putting significant pressure on governments in the foreign and domestic arena to comply with the international standards.

Monitoring reports show that, in general, laws and other regulations of the Western Balkans have been in line with **United Nations** anti-corruption standards. However, some parts of the legislation are still not

fully harmonised with these standards. For example, in **Albania, Montenegro, and Serbia**, illicit enrichment has not been included in their Criminal Codes, as recommended in UNCAC, and thus it is not considered a criminal offence.⁶ **North Macedonia** has criminalised illicit enrichment under article 359-a, introduced in 2009 to the Criminal Code, but no cases have been prosecuted based on that article.⁷

When it comes to the anti-corruption standards of the **Council of Europe** (CoE), monitoring and evaluation are performed by GRECO. Except for **Kosovo**, all Western Balkan countries are members of GRECO. The level of compliance is different across the Western Balkans, but one thing is clear – further efforts are needed in the whole region.

In its Fifth Round Evaluation Report on **Albania**, GRECO warned of the situation in the State Police. The current transitional vetting in this institution is likely to result in a significant number of qualified staff leaving the force. Its fairness and effectiveness are in question as the process does not adequately capture all possible integrity risks.⁸

In the same report on **Serbia**, GRECO stated corruption is widely perceived as pervasive in this country. GRECO recommended that the central role in preventing corruption in Serbia at the highest level should be played by the Agency for the Prevention of Corruption, as well as that the role of the Anti-Corruption Council in analysing legis-

5 European Commission (2021) Report on Kosovo, [online] Available at: https://ec.europa.eu/neighbourhood-enlargement/kosovo-report-2021_en [Accessed 20 July 2022], p.26

6 SELDI (2020). Western Balkans 2020: State capture risks and policy reforms, [online] Available at: https://seldi.net/wp-content/uploads/2021/05/WB-2020_EN_WEB.pdf [Accessed 20 July 2022], p.59

7 Ibid.

8 GRECO (December 2020), Fifth Evaluation Round, Preventing corruption and promoting integrity in central governments (top executive functions) and law enforcement agencies, Evaluation Report Albania, [online] Available at: <https://rm.coe.int/fifth-evaluation-round-preventing-corruption-and-promoting-integrity-i/1680a0923d> [Accessed 20 July 2022], p.4

lation and identifying systemic problems should be fully acknowledged and put to good use for further prevention.⁹

Besides Albania and Serbia, **North Macedonia** was subject to the Fifth Round Evaluation, as well. In the latest GRECO compliance report, a particular concern was raised about the substantial number of conflict of interests and asset disclosure cases involving all top executive functionaries processed by the State Commission for the Prevention of Corruption. GRECO noted further progress is necessary to demon-

strate an acceptable level of compliance with the recommendations.¹⁰

In its Fourth Round Evaluation Reports on **Bosnia and Herzegovina**¹¹ and **Montenegro**¹², GRECO warned of the issues within the judiciary, with judges and courts lacking independence. It welcomed measures taken by these countries in providing the integrity of judges, prosecutors and members of the parliament and urged the authorities to enhance their efforts and take determined steps in these fields.

Box 1. Introduction of electronic invoices and payments in the Western Balkans

The COVID-19 pandemic had a severe impact on the work of the institutions in charge of further harmonisation of international anti-corruption standards and implementation of legislation in practice.

In **Serbia**, the pandemic exposed the weakness of Serbia's governance systems in fighting corruption. In 2020, the National Assembly of Serbia did not work for 44 days due to the declaration of a state of emergency, which greatly affected its function of adopting legal acts. The pandemic also affected the work of public institutions in **Kosovo** and the progress in the legislative agenda of both executive and legislative bodies. Furthermore, it had negatively impacted the overall justice system - case processing and holding of (and public access to) court hearings. In **Albania**, the work of the vetting institutions was suspended, which led to delays in administrative procedures, reduced productivity and, in some cases, a temporary suspension of the High Prosecution Council, the High Judicial Council and the courts. Similar was the case in **Bosnia and Herzegovina**. The situation also interrupted access to courts and impeded transparency in judicial proceedings, creating and exacerbating backlogs and generating opportunities for abuse or unethical behaviour.

9 GRECO (July 2022), Fifth Evaluation Round, Preventing corruption and promoting integrity in central governments (top executive functions) and law enforcement agencies, Evaluation Report Serbia, [online] Available at: <https://rm.coe.int/fifth-evaluation-round-preventing-corruption-and-promoting-integrity-i/1680a7216b> [Accessed 20 July 2022], p.4

10 GRECO (April 2021), Fifth Evaluation Round, Preventing corruption and promoting integrity in central governments (top executive functions) and law enforcement agencies, Compliance Report North Macedonia, [online] Available at: <https://rm.coe.int/fifth-evaluation-round-preventing-corruption-and-promoting-integrity-i/1680a2278b> [Accessed 20 July 2022], p.18

11 GRECO (December 2020), Fourth Evaluation Round, Corruption prevention in respect of members of parliament, judges and prosecutors, Second Compliance Report Bosnia and Herzegovina, [online] Available at: <https://rm.coe.int/fourth-evaluation-round-corruption-prevention-in-respect-of-members-of/1680a0bb7e> [Accessed 20 July 2022], p.16.

12 GRECO (February 2020), Fourth Evaluation Round, Corruption prevention in respect of members of parliament, judges and prosecutors, Second Compliance Report Montenegro, [online] Available at: <https://rm.coe.int/fourth-evaluation-round-corruption-prevention-in-respect-of-members-of/16809a5bdd> [Accessed 20 July 2022], p.7

In addition, in **Montenegro**, compliance with the international standards in preventing corruption was not always met, particularly in terms of budget transparency¹³ and public procurement. Urgent procurement spending, characteristic of its lack of transparency and competition, tripled in 2020 compared to 2018 and 2019. It has reached almost EUR 60.000 - 10% of the total annual public procurement spending in 2020¹⁴. Transparency in public procurement was also problematic in **Serbia**, where the government has declared all public procurement conducted during a state of emergency confidential, although such secrecy is not in line with either the old or the current Public Procurement Law.¹⁵ In **Bosnia and Herzegovina**, the onset of the COVID-19 pandemic reduced transparency and oversight of government operations, even as spending on relief packages and economic stimulus programs soared

The COVID-19 pandemic significantly impacted the work of CSOs, especially in the domain of international and regional cooperation. In **Bosnia and Herzegovina**, the pandemic has accelerated the ambition to enhance regional partnerships by displaying the fundamental links between markets in the region, as well as between the EU and the six Western Balkan countries.

Given the European perspective of the region, the EU has continued to treat the region as privileged partners by associating them with the Union's mechanisms and instruments. Donor support was of utmost importance for **Kosovo**, where the CSOs remained active thanks to international support. However, in **Albania**, the resources for supporting CSOs have decreased, which led to a significant reduction in funding for anti-corruption projects.

International travel restrictions have exacerbated the intensification of regional and international cooperation. Travel constraints decreased the frequency and the possibility of field visits, conferences and workshops that improved the work of institutions, forcing the international and regional CSO cooperation schemes to shift to online work.

The role of local CSOs in monitoring compliance

The local CSOs in the Western Balkans have substantial roles in monitoring compliance with international standards. The reports published by CSOs provide objective data and assessments of the achievements of the government and state institutions in the fight against corruption. In addition,

the CSOs provide shadow reports assessing the situation and providing valuable recommendations. Even though these reports often do not have a direct impact on policymakers, they are taken into account by international organisations such as the European Commission, GRECO and others that monitor the anti-corruption progress of these countries. Those institutions use shadow reports as sources in writing their

13 Institute Alternative: Coronavirus and Budget – Three Measures for Trust and Accountability, [online], Available on: <https://institut-alternativa.org/en/coronavirus-and-budget-three-measures-for-trust-and-accountability/> [Accessed 20 July 2022].

14 Institute Alternative: Public Procurement 2020: Urgent procurement budget tripled, [online] Available on: <https://institut-alternativa.org/javne-nabavke-2020-utrostrucena-hitna-potrosnja/> [Accessed 20 July 2022].

15 CINS: Medicinska oprema i RFZO: tajni zaključak Vlade i nevidljive nabavke, [online] Available on: <https://www.cins.rs/medicinska-oprema-i-rfzo-tajni-zakljucak-vlade-i-nevidljive-nabavke/> [20 July 2022]

own, which later have a stronger repercussion and are taken into account by the governments of the Western Balkans.

CSOs in **Albania** are performing studies on issues of high public interest, providing periodic monitoring reports and sharing reports with the public to raise public awareness of these issues. The CSOs in this country also assist public institutions in developing anti-corruption mechanisms.¹⁶

In **Kosovo, Bosnia and Herzegovina** and **North Macedonia**, CSOs monitor compliance with international anti-corruption standards by conducting analyses and creating publications and shadow reports. They are available to the public and usually produced with donor support, often from the EU.^{17 18}

In **Serbia**, as well as in **Montenegro**, CSOs are providing shadow reports and monitoring compliance with the international standards, predominantly in the context of the EU accession process, since the fight against corruption is part of the fundamental Chapter 23. Few CSOs are part of networks that deal more precisely with the fight against corruption.¹⁹ In **Serbia**, the most significant is Coalition PrEUgovor which is overseeing and proposing measures to improve the reforms related to the rule of law and democracy.

Three CSOs from **Albania**, four from **North Macedonia** and two from **Kosovo** are part

of the **UNCAC Coalition** - a global network of over 350 CSOs in over 100 countries committed to promoting the ratification, implementation and monitoring of the UN Convention against Corruption (UNCAC).²⁰ Within this platform, the CSOs take an active role in developing and promoting anti-corruption ideas, supporting the implementation of anti-corruption policies and raising public awareness on anti-corruption.

Regional and international anti-corruption initiatives

The regional networks of CSOs play an important role in facilitating their participation in the fight against corruption. One of the most significant in the Western Balkan region is the **Southeast Europe Leadership for Development and Integrity (SELDI) Network**. It involves more than 15 partners from nine countries and numerous associated partners. Its objective is to contribute to a dynamic civil society in the region, capable of participating in public debate and influencing policy and decision-making processes in anti-corruption and good governance.²¹ By developing a Corruption Monitoring System, SELDI provides comparability of data across countries and registers the actual level and trends of direct involvement in administrative corruption.

Another important regional organisation of more than 35 CSOs working in the Western

16 E.g., in December 2019, the Institute for Democracy and Mediation (IDM) developed the Integrity Risk Assessment Methodology for the Central Government, while Albanian Centre for Economic Research (ACER) has developed this methodology in important Institutions such as the General Directorate of Customs.

17 E.g., "The analysis of the compliance of the legal framework for the fight against corruption in BiH with the relevant international standards" conducted within the IPA project "Support to the implementation of anti-corruption strategies in Bosnia and Herzegovina".

18 The analysis of the compliance of the legal framework for the fight against corruption in BiH with the relevant international standards [online] Available at: https://ipak.ba/documents/Analiza_uskla%C4%91enosti_pravnog_okvira_za_suzbijanje_korupcije_u_BiH1605193383.pdf

19 Some of them are the Coalition PrEUgovor, the NCEU Working Group for Chapter 23, the Anti-Corruption Society - BIRODI, as well as the Coalition for Oversight of Public Finances.

20 The list of UNCAC Coalition members from Europe, [online] Available at: <https://uncaccoalition.org/anti-corruption-platforms/europe/> [Accessed 20 July 2022]

21 SELDI.net, Objectives, [online] Available at: <https://seldi.net/about/objectives/> [Accessed 20 July 2022]

Balkans is the **Southeast Coalition on Whistleblower Protection**. As the first regional initiative of its kind, this Coalition supported more than 100 whistleblowers, helped pass six national laws in this field, investigated more than 30 corruption cases, and trained more than 50 public officials in whistleblower protection and anti-corruption practices.

One more example of regional cooperation of Western Balkans' CSOs is **Balkan Tender Watch**. It represents a regional anti-corruption coalition aimed at boosting Western Balkan's CSO impact on anti-corruption policies and practices in public procurement. The Coalition researches and helps with understanding the EU requirements and conditions in the public procurement management, creating tools for greater CSO and other stakeholders' involvement in decision-making and controlling the use of public funds, and building regional civil society public procurement monitoring mechanisms.

State parties to relevant international anti-corruption conventions are obliged to cooperate in preventing and fighting corruption. International and regional anti-corruption initiatives unite governments throughout the region in combating this problem. Those initiatives represent a powerful momentum for reaching compliance with international standards. Except for Kosovo, which remains out of initiatives on anti-corruption due to political reasons, all Western Balkan countries are part of these kinds of networks.

One of those initiatives is the **Regional Anti-Corruption Initiative (RAI)**. RAI represents an intergovernmental, regional organisation dealing with anti-corruption issues in the Western Balkans. It has built a

common regional platform for dialogues between the governments and civil society.²² Albania, Bosnia and Herzegovina, Montenegro, North Macedonia and Serbia are members of this organisation.²³ Kosovo is not a full member of this initiative, yet it is a beneficiary of RAI projects and activities.

Besides RAI, these countries are members of **European Partners against Corruption (EPAC)**, an independent, informal network bringing together more than 70 anti-corruption authorities and police oversight bodies from the Council of Europe member countries.²⁴

Another relevant regional network is the **Corruption Network for Eastern Europe and Central Asia (ACN LEN)**. It aims to support participating countries in their fight against corruption by providing a regional forum for promoting anti-corruption activities, exchanging information, and providing examples of best practices and donor coordination. Bosnia and Herzegovina, Montenegro, North Macedonia, and Serbia are members of this network.²⁵

Technical and Financial Assistance Provided to the Governments and CSOs

Financial and technical assistance provided to the governments and CSOs is of utmost importance when it comes to fighting corruption, as it is a very complex issue which requires an exchange of experiences and good practices between countries.

In the Western Balkans, the most prominent donor is the European Union. Within the EU pre-accession funds – namely, two cycles of the Instrument for Pre-Accession Assistance (IPA), from 2007 until 2020, the EU allocat-

22 Regional anti-corruption initiative, About Us, [online] Available on: <https://rai-see.org/who-we-are/about-us/> [Accessed 21 June 2022]

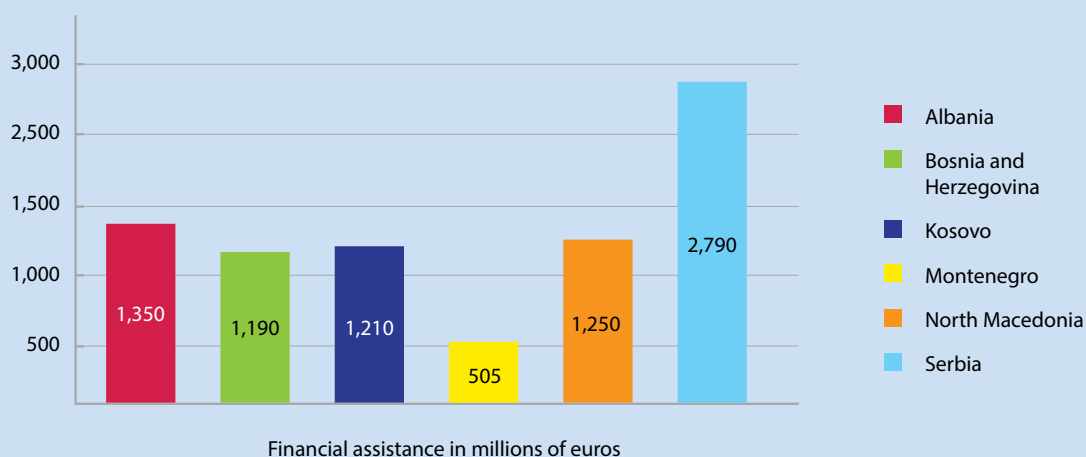
23 UNODC Networks Membership Mapping Chart, [online] Available on: https://globenetwork.unodc.org/globenetwork/uploads/documents/Networks_Membership_Mapping_Chart_280521_formatted_parts12.pdf [Accessed 20 July 2022]

24 Ibid.

25 Ibid.

ed more than EUR 8 billion to the Western Balkan countries. With the new IPA III cycle that will last from 2021 until 2027, the EU will allocate more than EUR 14 billion.²⁶

Figure 1. EU pre-accession funds (2007-2020) IPA I and IPA II

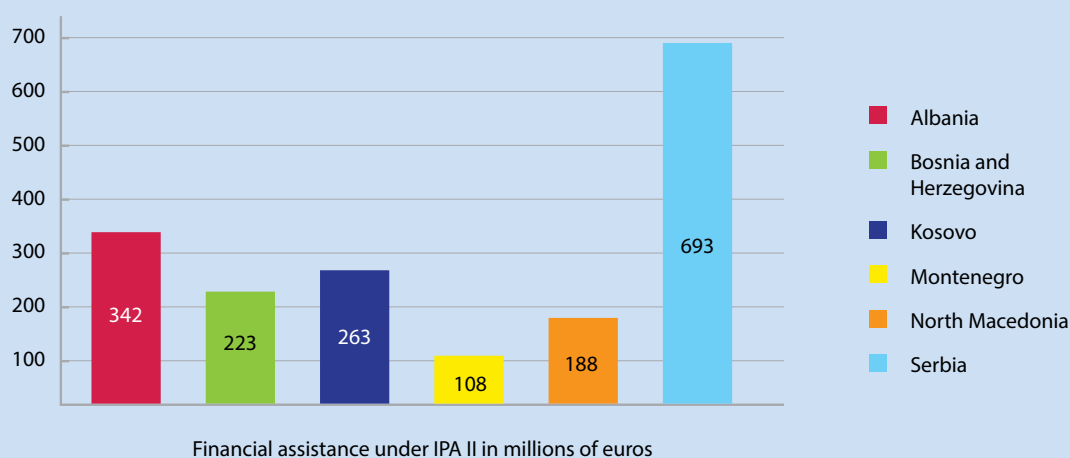


Source: European Commission

In each of the Western Balkan countries, the EU provides the largest financial assistance. During the IPA II, the EU donated more than EUR 1,8 billion under the thematic area of *Democracy and Rule of Law*.

The priority activities were the strengthening of democratic institutions, independent and efficient judiciary, helping police fight organised crime and tackling corruption.

Figure 2. IPA II (2014-2020) Democracy and Rule of Law



Source: European Commission

²⁶ EWB: European Parliament gives green light to IPA III worth EUR 14,2 billion, [online] Available on: <https://europeanwesternbalkans.com/2021/09/16/european-parliament-gives-green-light-to-ipa-iii-worth-14-2-billion-euro> [Accessed 20 July 2022].

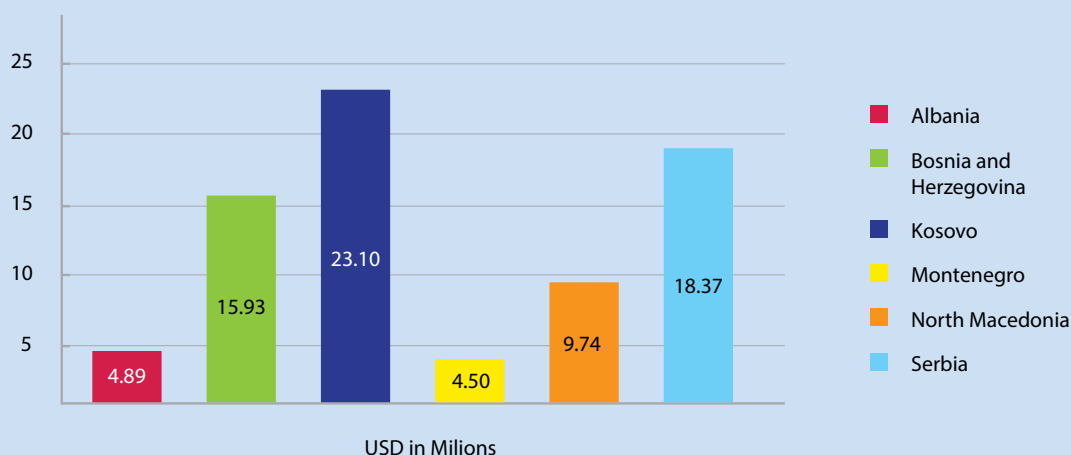
As for the technical assistance, the EU is organising training, seminars, round tables and conferences on financial investigations, strengthening inter-institutional cooperation, conflict of interest management, whistleblower protection, development and implementation of anti-corruption policies. However, throughout the region, it is noted that there are no publicly available reports on the IPA funding expenditure and on the implementation of projects. Results of monitoring and evaluation of the contract implementation mechanisms remain unknown.

Furthermore, the EU, in cooperation with the CoE under the *Horizontal Facility for the Western Balkans and Turkey* initiative, sup-

ports action against economic crime in the region. Through this program, the EU and the CoE assist beneficiaries in reform processes in the rule of law, democracy, and human rights. Preventing and combating corruption represents a fundamental objective of this action. The Horizontal Facility includes **Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia and Turkey.**²⁷

The other significant donor is the **U.S. Agency for International Development (USAID)**. USAID supports various anti-corruption efforts – from strengthening the judiciary, good governance, and the rule of law to ensuring open governance and transparency of procurement processes.

Figure 3. 2020 ACE-Coordinated State/USAID Assistance Democracy, Human Rights and Governance



Source: United States Department of State, Office of the Coordinator of U.S. Assistance to Europe, Eurasia, and Central Asia (ACE), Foreign Assistance Fact Sheet, June 2021

In **Albania**²⁸, USAID supports restructuring the judicial system, creating a Specialised Anti-Corruption Structure, and vetting all judges

and prosecutors. USAID also supports judicial reform through *U.S.-Albania Transparency Academy* - the flagship anti-corruption activ-

²⁷ Horizontal Facility II, [online] Available on: <https://pip-eu.coe.int/en/web/horizontal-facility/home> [Accessed 18 May 2022]

²⁸ State Department (2021) Foreign Assistance Fact Sheet, Albania, [online] Available on: https://www.state.gov/wp-content/uploads/2021/08/Albania_FY-2020-Country-Assistance-Fact-Sheet.pdf [Accessed 19 May 2022]

ity that will help the country fight corruption and bolster citizen engagement toward enhancing transparency and accountability.

In **Bosnia and Herzegovina**²⁹, USAID's "Assistance to Citizens in the Fight Against Corruption" project engages and supports citizens in unveiling and countering corruption while building the credibility of CSOs committed to combating corruption. It also provides support to independent media outlets to produce investigative reports on public corruption. In 2020, USAID supported a wide range of anti-corruption and rule-of-law projects, including training for 277 judicial personnel on corruption cases, financial crimes, and forensic accounting.

In **Kosovo**³⁰, USAID is funding good governance, judicial independence and anti-corruption policy programs. One of the programs supported Kosovo Police reforms to strengthen internal oversight mechanisms and advancement of the Police Inspectorate of Kosovo (PIK) mandate to audit processes and investigate crime and corruption. USAID helped train 110 PIK personnel in investigations, public integrity, and anti-corruption practices.

In **Montenegro**³¹, USAID assistance is directed at anti-corruption efforts, the rule of law, and support for independent media. With the help of USAID, training was held to improve the regional and international cooperation capacities of the Montenegrin criminal justice and law enforcement

institutions. It also played an essential role in establishing *Montenegro's Special Organised Crime Unit*, which has been involved in several high-level corruption and organised crime investigations, which have led to high-level arrests and prosecutions.

In **North Macedonia**³², USAID assistance improves the efficiency, transparency, and accountability of law enforcement and judicial institutions. Assistance was also provided to reduce corruption and increase transparency through the expansion of a digital document management tool to the Ministry of Internal Affairs and accreditation of the Police Training Centre. U.S. support focuses on helping North Macedonia implement its 2021-2025 national anti-corruption strategy, developed with U.S. technical assistance.

In **Serbia**³³, USAID programs aim to improve law enforcement's ability to address organised crime, corruption, and police integrity. In 2020, it provided over 30 courses on financial investigations, whistleblower protection, and internal affairs investigations. USAID's programs also helped the Ministry of Justice and the Republic Public Prosecutor's Office (PPO) to train over 240 PPO staff on standardised corruption case data collection and exchange and facilitate the development of the State Audit Institution and the Anti-Corruption Agency's five-year strategic plans.

Other foreign governments that provide financial and technical assistance to the

29 State Department (2021) Foreign Assistance Fact Sheet, Bosnia and Herzegovina, [online] Available on: https://www.state.gov/wp-content/uploads/2021/08/Bosnia-Herzegovina_FY-2020-Country-Assistance-Fact-Sheet.pdf [Accessed 19 May 2022]

30 State Department (2021) Foreign Assistance Fact Sheet, Kosovo, [online] Available on: https://www.state.gov/wp-content/uploads/2021/09/Kosovo_FY-2020-Country-Assistance-Fact-Sheet.pdf [Accessed 19 May 2022]

31 State Department (2021) Foreign Assistance Fact Sheet, Montenegro, [online] Available on: https://www.state.gov/wp-content/uploads/2021/08/Montenegro_FY-2020-Country-Assistance-Fact-Sheet.pdf [Accessed 19 May 2022]

32 State Department (2021) Foreign Assistance Fact Sheet, North Macedonia, [online] Available on: https://www.state.gov/wp-content/uploads/2021/09/North-Macedonia_FY-2020-Country-Assistance-Fact-Sheet.pdf [Accessed 19 May 2022]

33 State Department (2021) Foreign Assistance Fact Sheet, Serbia, [online] Available on: https://www.state.gov/wp-content/uploads/2021/09/Serbia_FY-2020-Country-Assistance-Fact-Sheet.pdf [Accessed 19 May 2022]

governments and CSOs in the Western Balkans include **Germany, United Kingdom, The Netherlands, Sweden, Norway, Switzerland, Canada, Luxembourg, and Denmark.**

Major donors for projects related to anti-corruption are also the **Balkan Trust for Democracy of the German Marshall Fund of the U.S., Open Society Foundation, Partnership for Transparency Fund, Rockefeller Brothers Fund, National Endowment for Democracy, and Konrad Adenauer Stiftung.**

As for the regional and international organisations, **the World Bank, Regional Anti-Corruption Initiative (RAI), the Organisation for Security and Cooperation in Europe (OSCE), the Council of Europe (CoE), and the United Nations Development Programme (UNDP)** are noted as providers of significant contributions. The financial assistance varies. There is a wide range of small and medium-size grants dedicated to project and institutional support and capacity building, which support the efforts of the government and the CSOs in the fight against corruption.

THE ROLE OF EU ENLARGEMENT

International partners have a vital role in tackling corruption in the Western Balkans. To achieve compliance with international standards and fulfil recommendations, international partners provide comprehensive assistance to the countries of the Western Balkans. One of the most important allies and biggest donors in the fight against corruption in the Western Balkans is the European Union.

To two potential candidates - **Bosnia and Herzegovina** and **Kosovo**, and four candidate countries from the region - **Albania, Serbia, Montenegro** and **North Macedonia**, the EU many times confirmed the European perspective. Western Balkan countries' aspirations to join the European Union represent a valuable stimulus for democratic and economic reforms. To become members, the countries of the Western Balkans must respect European values and fulfil the accession criteria. Although the *Copenhagen criteria* do not explicitly focus on anti-corruption, each class of criteria - political and economic, as well as administrative and institutional capacity, are inextricably intertwined with the fight against corruption.

Therefore, the countries of the Western Balkans must adjust their legal frameworks to the EU standards. They are subject to monitoring by the EC, which publishes annual reports on countries' progress in the harmonisation process organised in 35 negotiating chapters: 33 chapters are grouped in 6 thematic clusters, according to the new methodology adopted in 2020.³⁴ Fight against corruption is part of the negotiating Chapter 23: *Judiciary and fundamental rights*, which falls under Cluster 1: *Fundamentals*.

According to the EC's reports, neither of the Western Balkan countries has made any progress in this area since 2019. The countries are either stagnating or backsliding in the fight against corruption. When it comes to the level of preparation in harmonising with international anti-corruption standards within the EU integration process, most countries have some level of preparation, except **Bosnia and Herzegovina**, which is at an early stage of

³⁴ European Commission, Enhancing the accession process – A credible EU perspective for the Western Balkans, [online] Available on: https://ec.europa.eu/commission/presscorner/detail/en/IP_20_181 [Accessed 20 May 2022]

preparation, and **North Macedonia**, which is moderately prepared for the prevention of corruption.

The European Commission in its reports warned high-level corruption in the region remains a particular issue of concern. Except for **North Macedonia** and **Montenegro**, in which track records on investigating, prosecuting and trying corruption cases at a high level improved, the number of these cases in the rest of the countries was limited.

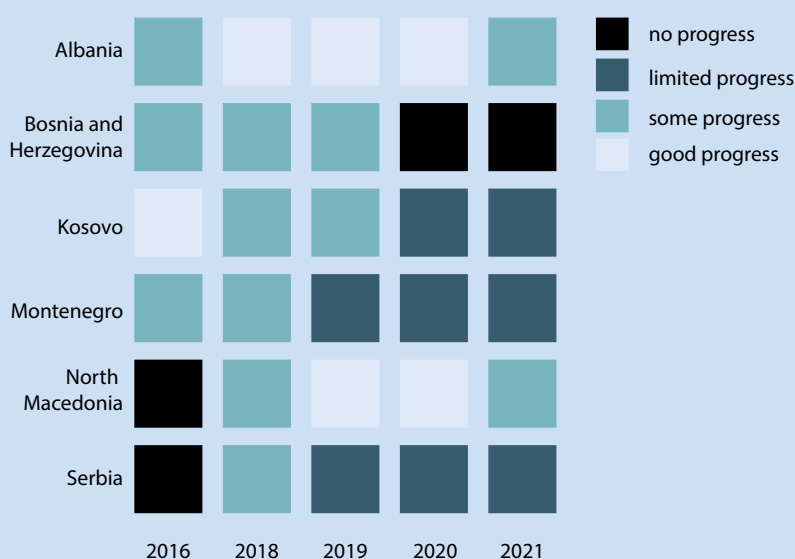
When it comes to the anti-corruption institutional and legislative framework, it is noted progress varies among the enlargement countries. In **Albania**, the vetting of members of the judiciary is bringing results, while measures taken by **North Macedonia** strengthened its strategic and institutional framework. On the other hand, progress in **Kosovo**, **Montenegro** and **Serbia** was limited. In **Montenegro**, the Anti-Corruption Agency demonstrated a more proactive approach, yet challenges related to its

independence, priority-setting, selective approach and the quality of its decisions remained. In **Serbia**, the new *Law on the Prevention of Corruption* has strengthened the capacity of the Agency for the Prevention of Corruption, but the new *Anti-corruption Strategy*, accompanied by an Action Plan, still has not been adopted. **Kosovo** still has to adopt an anti-corruption legal package and the revised *Criminal Procedure Code* and ensure proper implementation of the existing legislation.

Although the results in combating corruption are different, the European Commission concluded - corruption remains widespread in the region. The EC called for more effort and clear political will in investigating and prosecuting corruption.

However, the official opening of the accession negotiations with Albania and North Macedonia is considered a symbolic step forward and a significant incentive for further reforms in the Western Balkans.

Figure 4. European Commission reports 2016-2021 Fight Against Corruption



Source: European Commission

Although the EC reports are of great significance, the main weakness is the periods of reporting, which do not cover the calendar year.³⁵ Under the objective of guiding, supporting, and monitoring changes in countries wishing to join the European Union, the EU helps countries in the region meet the necessary criteria for membership. Some of those actions produced significant changes in combating corruption and thus represent examples of good practice.³⁶

Some of the most important initiatives in this area is the one taken in **Albania** - the reform of the justice system, also known as the vetting process. The reform is performed with the assistance and close cooperation of international partners, the EU and the US. The vetting process aims to secure the independence of the judges and prosecutors, and it has been considered the greatest judicial reform and a significant part of the fight against corruption and organised crime.

Since 2007, the EU has provided more than EUR 60 million to the judiciary to strengthen the rule of law in **Bosnia and Herzegovina**, out of which EUR 18.8 million went to the High Judicial and Prosecutorial Council (HJPC). However, according to the Commission, the HJPC has shown insufficient ambition in pursuing reforms. The European Court of Auditors noted that the imple-

mentation of the key rule of law priorities was obstructed, both by politicians and from within the judiciary.³⁷

Kosovo has worked closely with the EU in strengthening inter-institutional, regional, and international cooperation mechanisms in the prevention of corruption and fight against financial crime, including money laundering and violent extremism. Several multi-beneficiary projects funded by the EU have been implemented for this purpose.³⁸

The EU supported substantial reform of the judicial system and strengthened the police capacities to fight crime and corruption in **Montenegro**.³⁹ EUROL I and EUROL II were implemented from 2014 to 2020 to help Montenegro align with EU standards in justice and home affairs. The number of indictments against perpetrators of high-level corruption and organised crime, the number of financial investigations, as well as the number of asset confiscation cases, significantly increased. EUROL III started in 2021, aiming to improve the track record in fighting organised crime and corruption, and efficiency and performance of the judiciary.

Under IPA II (2014-2020), the EU has provided over EUR 50 million to **North Macedonia** in the areas of justice reform, fight against corruption, organised crime and terrorism, protection of human rights and

35 For example, the country reports for 2016 covered the period from Oct 2015 to Sep 2016, while the following was for 2018, covering the period from Oct 2016 to Feb 2018. These results do not provide comparable data.

36 European Commission, EU Enlargement, [online] Available on: https://ec.europa.eu/info/policies/eu-enlargement_en#actions [Accessed 20 May 2022].

37 European Court of Auditors, Special Report - EU support for the rule of law in the Western Balkans: despite efforts, fundamental problems persist, [online] Available on: https://www.eca.europa.eu/Lists/ECADocuments/SR22_01/SR_ROL-Balkans_EN.pdf [Accessed 20 May 2022].

38 EU funded projects in Kosovo, [online] Available on: http://kosovoprojects.eu/project/?filter_municipality=&filter_sector=77&filter_beneficiary=&filter_start_date=&filter_end_date=&Search=Search [Accessed 20 July 2022].

39 EU support to rule of law in Montenegro: EUROL I and II, Case Study, [online] Available on: <https://ec.europa.eu/neighbourhood-enlargement/system/files/2021-09/20210716%20MNE%20eval%20CS%201%20EUROL.pdf> [Accessed 20 July 2022].

freedom of expression.⁴⁰ The *2021-2025 National Strategy for the Prevention of Corruption and Conflict of Interest* improved the legal framework. Its adoption presents an important step in the European integration process.⁴¹

In January 2022, **Serbia** held a referendum on constitutional amendments in the area of judiciary aimed to improve judicial independence and guarantee the election of judges and prosecutors without the direct involvement of the National Assembly. Despite the lack of full implementation of the Venice Commission's recommendations, this reform represents an important step toward strengthening the independence of the judiciary, in line with Serbia's strategic choice to become a member of the European Union, implemented with its support.

POLICY RECOMMENDATIONS

Compliance with international standards

Regular monitoring and reporting on the implementation of the anti-corruption standards in the Western Balkan countries by international institutions should continue. Reports provided by these institutions are significant because they reflect the alignment of the country's legal framework and practices with the anti-corruption standards while putting considerable pressure on governments of the region.

Inclusion of CSOs in the monitoring of compliance

Negligence of CSOs by the governments remains present in the whole region. CSOs should become included in analysing, monitoring, and reporting corruption. Enforcing anti-corruption policies requires comprehensive collaboration between governmental and non-governmental structures. Thus, it is necessary to establish an adequate environment for and procedures for the inclusion of CSOs in policy-making.

Implementing the recommendations

Governments should articulate the recommendations and priorities of the reports of international bodies such as GRECO and the European Commission. They should translate these recommendations into clear action plans, which will monitor the responsibility of all individual members of the government for successes or failures in its implementation.

Regional and international cooperation of governments

Corruption is not a local and isolated phenomenon but a problem that affects all countries to a large extent. Therefore, regional and international cooperation of governments through networks and initiatives collaboration is essential. Becoming part of different networks allows information sharing and exchanges of good practices.

40 Instrument for Pre-Accession Assistance (IPA II) 2014-2020, Republic of North Macedonia: EU for rule of law, [online] Available on: https://ec.europa.eu/neighbourhood-enlargement/system/files/2020-03/2020_ad4_eu_for_rule_of_law.pdf [Accessed 20 July 2022].

41 Republic of North Macedonia, National Strategy for the Prevention of Corruption and Conflict of Interest 2021-2025, [online] Available on: https://dsk.mk/wp-content/uploads/2021/09/NACS-2021_25-and-Action-Plan-EN-final.pdf [Accessed 20 July 2022].

Kosovo to become a member of international and regional initiatives

Although Kosovo is present on international platforms through CSOs initiatives, becoming a full member in regional initiatives (such as the Regional Anti-Corruption Initiative) and establishing full cooperation with other countries could lead to better results in the fight against corruption.

A systematic approach to foreign technical and financial assistance

Support of international partners is vital, yet the funds provided are not sufficiently transparent. International funded projects,

with particular emphasis on IPA funds, should be carefully evaluated. Governments should report better on their implementation, with special attention to policy evaluation and the impact of implemented projects.

Increasing the capacity of CSOs in the fight against corruption

CSOs are an indispensable factor in the fight against corruption. Therefore, their capability to monitor the implementation of anti-corruption standards, provide expertise in policy-making and utilise advocacy for further strengthening of the anti-corruption processes should be reinforced.

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