



Republic of Serbia
ANTI-CORRUPTION AGENCY

ANNUAL REPORT
OF THE ANTI-CORRUPTION AGENCY
FOR 2012

Belgrade, March 28, 2013

The Annual Report on the work of the Agency for 2012, comprising the Report on the Implementation of the National Anti-Corruption Strategy, is submitted by the Agency to the National Assembly in accordance with the provision of Article 26 of the Law on the Anti-Corruption Agency.



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ABOUT THE REPORT

The Report on the work of the Agency for 2012 is the third document of the kind submitted by the Anti-Corruption Agency to the National Assembly of the Republic of Serbia and made available for public scrutiny.

Unlike the previous two reports, the topics covered in the present document are not organized according to the arrangement and scope of competences as set forth by the Law (as in the Annual Report for 2011), nor according to the organizational distribution of activities within the Agency (as in the Annual Report for 2010). Instead, the contents of the report are presented in such a way as to follow the logical structure of the purpose of the competences conferred to this independent public body by the Law on the Anti-Corruption Agency,

The part of the Report entitled “Summary” gives an outline of the Agency’s mission, its organizational structure, and a description of its competences, as well as a summary of specific results and activities which marked 2012. Forecasts for the chief directions of the Agency’s work are also given in this section, as well as recommendations related to the systemic factors essential for a more efficient functioning of the Agency. The framework of the remaining parts of the Report consists of a more exhaustive description of the Agency’s work, and the results attained in the implementation of the competences assigned to it. Also contained herein is the financial overview of the budget and donation funds used by the Agency to carry out its planned activities.

Lastly, appended to this report in the form of an annex (Annex 1) is the Report for 2012 on the Implementation of the National Anti-Corruption Strategy and Action Plan which the Agency is required to submit to the National Assembly. The Report provides insight into the activities of the authorities responsible for the Strategy, undertaken to achieve the goals set therein in 2012.

FOREWORD

Results and Challenges

The activities of the Anti-Corruption Agency, and particularly its image and the public attitude of distrust toward it throughout 2012 were significantly influenced, among other things, by two key events: (1) the call for presidential, parliamentary, provincial, and local elections, virtually representing “a test of effectiveness and readiness” of the Agency with regard to controlling the legitimacy of the flow of money in politics, as well as (2) the dismissal of Zorana Marković, former Director of the Agency.

In a public unaccustomed to “internal shifts” with no outward political motives and conditioning, the primary importance and the largest share of mostly positive publicity was garnered by the Director’s dismissal. However, the perception of the reasons and motives for the dismissal, as well as of the dismissal itself, was distorted by a fundamental misunderstanding and simplification. Namely, the widespread public opinion was that the disputes were brought about only by the former Director’s morally objectionable intent to obtain a state-owned apartment, and the Board’s adamant resistance to such an option, which would, had the opposition not arisen, have resulted in bringing the Agency into serious disrepute.

It is unquestionable that the manipulation and concealment of information regarding the procurement and allocation of housing, along with persistent avoidance and delay by the former Director to submit documentation on previous announcements of job vacancies in the Agency, related decisions and complaints, were “the final straw”.

In the course of the proceeding which had been instituted, a number of other, legal reasons for the Director’s dismissal emerged, significantly undermining the Agency’s reputation.

Among the key reasons, according to the assessment of the Board, as well as of the entire professional public sphere, was the fact that the Agency entered the electoral year inadequately prepared. Namely, even before the call for elections, it was apparent that there were no conditions or capacities for the Agency to analyze and present the election supervision results within a reasonable timeframe, with the human resources hitherto engaged, and without an administrator of the corresponding organizational unit. Furthermore, the procedure for the implementation of the request for additional financing of election monitoring and supervision was not transparent or timely, the procurement of appropriate equipment was late and poorly coordinated, and finally, the engagement of electoral campaign observers was not carried out in due time. The former director not only ignored all warnings directed to her, but advocated the position that election supervising shouldn’t be significantly engaged with, nor should parties be held accountable, and that a comprehensive report on the supervision and monitoring of the election campaign need not be submitted at all.

Upon finalizing the proceeding for her dismissal, it was again necessary to collect considerable data, and organize additional analysis and discussions, i.e. to put in a great

deal of extra effort and bring in the assistance of outside donors and experts, in order to create the conditions for filing motions to institute misdemeanor proceedings, six months after the misdemeanor committed in regards to financial report filing

The Board also found reasons for dismissing the Director in her “style” of managing Agency operations, characterized by a persistent intent to evade any kind of distribution of accountability and control. Above all, it was the matter of her categorical refusal to act in line with the imperative provision of the Law on the Agency dealing with the selection of a deputy director, as well as the “omission”, i.e. intentional avoidance to providing the Board with adequate working space and conditions. Consequently, the environment and idea that every activity ought to be approved by the Director, and that everything was to be her decision, were systematically being created in the Agency. On the other hand, reticence and distrust were being encouraged toward the Board members’ efforts to get involved in program activities, as well as toward the employees and their initiatives.

In the abovementioned circumstances, the Agency could not build sufficient standing and recognition, or the reputation of an independent institution having the credibility and capacity required to carry out the fight against systemic political corruption in the ranks of the government. Within this framework, instituting the proceeding and the Director’s dismissal itself were, although unduly postponed, logical and the only possible decision of the Board.

Despite serious difficulties, it must be emphasized that during the previous period, when its work was managed by the dismissed Director, the Agency achieved good results in significant areas of its competences. The area of prevention should be mentioned in particular, especially the integrity plans, regulation analysis, and monitoring the implementation of the National Anti-Corruption Strategy, as well as the development of and participation in the development of a new, more functional strategy. Good results were also achieved in the area of education, upon which largely depend the shift of public opinion regarding corruption, and the affirmative relation towards legal obligations within the competences of the Agency.

Satisfactory results were not achieved in a highly significant area – acting on complaints from the citizens – due to procedural impediments and the inadequate number of staff engaged with those activities. Upon improving the conditions and enhancing work quality, this area, too, has already begun seeing noticeable improvements. By expanding the Agency’s openness to citizen initiatives and a joint fight against corruption, the conditions for establishing genuine mutual trust and cooperativeness between the public and the Agency can be met.

Lessons Learned

It is clear that the Agency’s oversights and lack of readiness to decisively confront systemic modes of corruption, especially when this could have led to confrontation with the corrupted parts of the political elite, cannot be attributed solely to the former Director.

The Board of the Agency bears its own share of responsibility. This is primarily reflected in the fact that, due to insufficient determination, that is to say, the Board’s conciliatory

attitude to the Director's actions, based on the expectation – which would prove unrealistic – that the criticism and warnings directed to her would suffice to overcome the errors observed in the management of the Agency, the opportunity to raise and resolve the issue of her role in undermining the Agency's reputation was missed at a time when the negative consequences could have been prevented, or at least mitigated.

Nevertheless, it was shown, although belatedly, that there was a willingness and capability otherwise rare in our society to speak out openly and publicly about internal disputes, as well as to correct one's own omissions, thus confirming that we are prepared to acknowledge our errors, and learn from them. It is simultaneously an argument supporting the claim that we will be able to use previous experience to strengthen our organization, integrity and accountability to the citizens.

The best evidence, in our opinion, of this not being a mere verbal commitment are three practical steps which have been taken: (1) the Board of the Agency has submitted a comprehensive and substantiated draft proposal of amendments to the Law on the Anti-Corruption Agency, based on the experience gained heretofore; (2) the representatives of the Agency have been participating at full capacity in (all the phases of) the development of the new national anti-corruption strategy; (3) due to corruption risks, the Board has presented a proposal to the Government that the right to settle housing needs of parties who have been selected and appointed for a limited term of office by renting them apartments with rights of purchase, should be excluded from the Decree on addressing housing needs of parties selected, appointed and employed by the users of state owned assets, as well as to investigate and determine the apartments assigned up to this point, their number, whom they were assigned to and by which criteria.

These and other performed activities, along with greater openness and public presence of the Agency, have resulted within a relatively short period of time in its greater visibility and recognition in the public sphere, and in a growing, although, in our opinion, still unsatisfactory trust in the Anti-Corruption Agency among the Serbian citizenry. These are only the first steps on a long road toward the realization of the Agency's mission and goals – making Serbia a state and society with zero tolerance of (systemic) corruption.

Chairman of the Board
Zoran Stojiljković

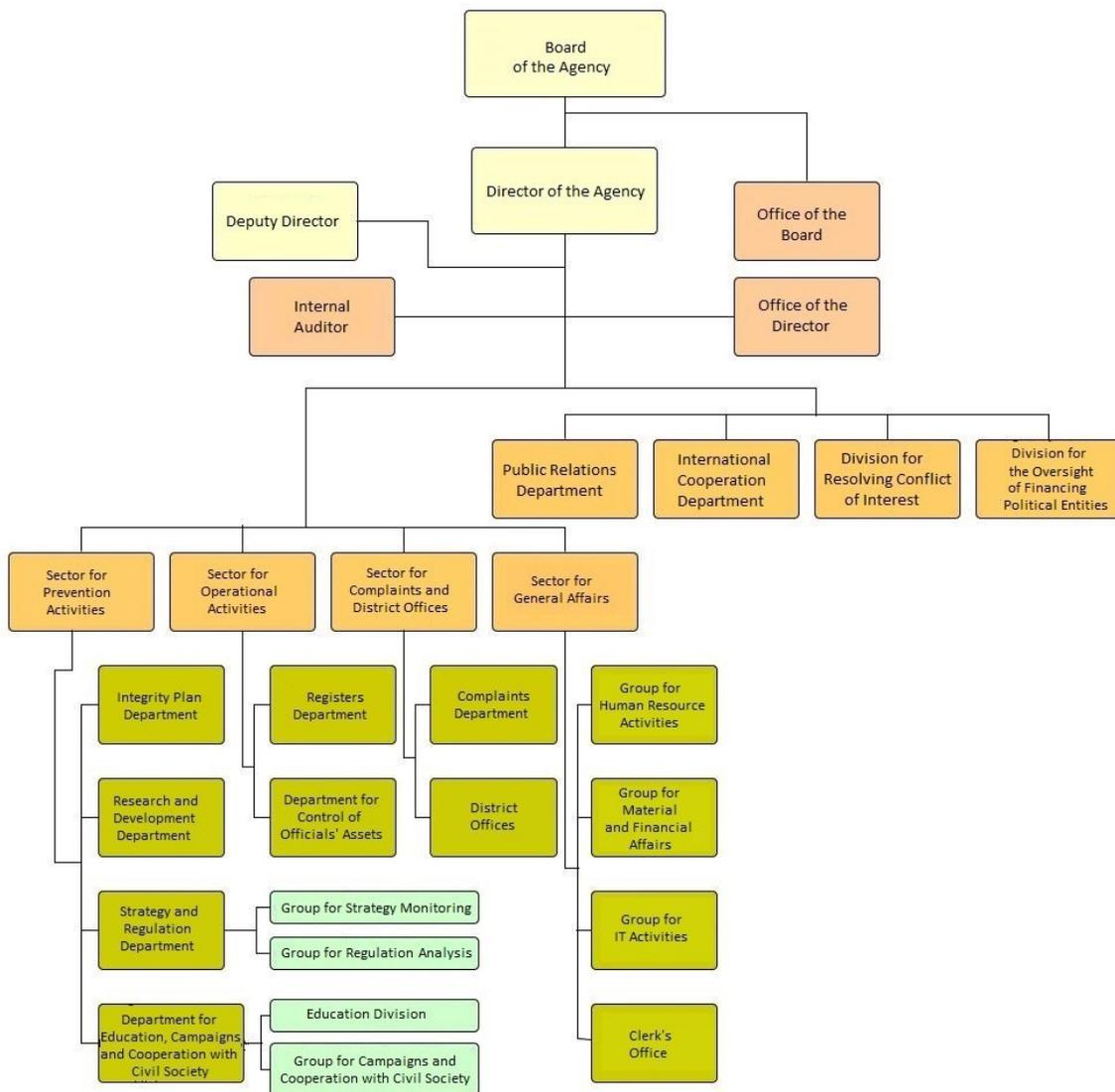
SUMMARY

Mission

The Anti-Corruption Agency is a service of the Serbian public, which by eliminating the causes of corruption creates conditions for building the integrity of public authorities, and personal integrity of the Serbian citizens, particularly public officials.

Organizational Structure

The Agency was founded under the Law on the Anti-Corruption Agency, adopted in October 2008, and implemented from January 2010, as an independent public body, accountable to the National Assembly and to the Serbian public.



Competences of the Agency

The Law on the Anti-Corruption Agency confers upon this independent public body a range of competences, a number of which, by their nature and character, belong to the sphere of preventive anti-corruption activities. Prevention activities comprise the identification of occasions and situations which offer incentives for corrupt behavior. Such incentives do not necessarily lead to corrupt acts; nonetheless, their existence is a constant form of temptation for those working in such corruption-inducing environments. Besides identification, prevention activities comprise the design and establishment of mechanisms aimed at eliminating corruption-inducing conditions before they lead to corrupt actions.

The Agency was also conferred with the competences intended for the establishment and implementation of monitoring and oversight of the correct and appropriate exercise of public authority given to public officials so they would ensure the protection of public interest in the sphere of their responsibilities. The objective of the monitoring and overseeing competences is to examine whether the existing environment already contains irregularities with regard to exercising public authority susceptible to developing into corrupt conduct, and, should the examination outcome turn out to be positive, to undertake measures to eliminate those irregularities and their consequences, as well as to institute proceedings in order to determine responsibility and sanction the persons who have caused or contributed to them.

The Agency is also responsible for revealing irregularities which are fundamentally corrupt in character, or represent instances of corruption in its classical form. Given that the nature of these irregularities requires that they be carried out in a small circle of immediate participants, the knowledge of the persons prepared to indicate corrupt practices in their working environment for the sake of public interest is of paramount importance to the fight against corruption, and therefore the possible effects of this competence are substantial. Moreover, the implications of the cases reporting corrupt practices have a significant role in public policy development, both in the area of prevention activities, and in the supervision and overseeing functions of the Agency.

The competences entrusted to the Agency by the Law are aimed at the accomplishment of the following goals:

1. Public Spending Oversight, on account of which the Agency is responsible for:
 - resolving incompatibility of public offices, and conflicts of interest;
 - monitoring of public officials' assets, and keeping the register of public officials, assets, and gifts;
 - monitoring the financing of political entities;

2. Disclosure of irregularities committed by individuals and/or groups, regardless of status, on account of which the Agency is to act on complaints and charges by legal and natural persons;
3. Education of public sector representatives and other target groups, including the general public, regarding issues significant to anti-corruption action;
4. Providing mechanisms for the establishment and improvement of integrity in the institutional and regulatory framework, on account of which the Agency is responsible for:
 - coordinating the process of introduction and overseeing the implementation of integrity plans in the public sector;
 - overseeing and reporting on the implementation of the national anti-corruption strategy;
 - corruption risk analyses of regulations, and launching initiatives for amending and adopting regulations so as to eliminate corruption risks;
 - conducting research and analysis in order to provide empirical knowledge needed to develop anti-corruption public policies;
5. Establishing and strengthening connections with the environment it operates in, on account of which the Agency is responsible for:
 - cooperating with international community representatives and international authorities;
 - cooperating and coordinating its operations with other independent public and regulatory bodies;
 - cooperating with civil society organizations;
 - conducting anti-corruption campaigns;
6. Ensuring its accountability to the public, on account of which the Agency is to enable and guarantee:
 - lawful and efficient action in the issues within its purview;
 - transparency of its activities and accessibility of the information in its possession;
7. Strengthening of its capacities, so as to efficiently manage its competences.

Review of 2012

The Agency's work in 2012 was marked by activities pertaining to the sphere of the following general goals:

Providing mechanisms for the establishment and improvement of integrity in the institutional and regulatory framework,

The previous year was the last preparatory phase of the integrity plan introduction in approximately 4,500 state authorities and organizations, territorial autonomy and local self-government authorities, public services and public enterprises.

The purpose of the work done by the Agency in this area, entirely new to the Serbian public sector, is to provide the authorities which are required by Law to implement integrity plans in their daily operations with a service available in all situations, according to their needs. In order to achieve this goal, a complete user package (including software, guides, manuals, instructions, training, advice, models of documents and instruments for data collection, along with other components) was prepared and made available to all interested parties, so as to facilitate the process of introducing integrity plans as much as possible.

Relevant Achievements

- through direct engagement with the target group, knowledge, information and advice relating to the idea and introduction of integrity plans was provided for 3,102 representatives of 1,902 public authorities in Serbia;
- user names and passwords for accessing the integrity plan development application were emailed to 4,500 state authorities and organizations, territorial autonomy and local self-government authorities, public services and public enterprises;
- in approximately 2,500 telephone calls, information and instructions regarding the integrity plan development procedure were provided, making an average of 208 working hours, i.e. 30 work days (the average call duration being five minutes) dedicated to this form of support to the parties responsible for the introduction of integrity plans.

Public Spending Oversight

In the previous year particular attention was given to activities aimed at improving public spending oversight.

In the area of incompatible offices and conflict of interests, 785 of the 872 cases received were acted upon and resolved.

In order to increase the efficiency of the oversight of public officials' assets, the Agency is networked with the database of the Republic Geodetic Authority. In addition, based on an agreement reached with the Business Registers Agency, Tax Police, and the Central

Securities Depository and Clearing House, the technical execution of information interchange with their databases was initiated.

Relevant Achievements

- proceedings were resolved in 90% of the cases received concerning the incompatibility of offices and conflict of interest;
- proceedings were resolved over 785 cases concerning incompatible offices and conflict of interest, compared to 492 in 2011;
- the share of assets and income declarations processed and published was 74% of the total declarations received;
- 6,606 assets and income declarations were received, and 4,906 were processed and published, compared to 3,853 declarations received, and 1,262 processed and published in 2011, making for a fourfold increase in the efficiency of assets and income declaration processing and publishing.

Education

In order to comply with the duty entrusted by the Law on the Agency, there has been an increase in the number of activities, subject areas and scope of target groups provided with the foundation for adopting and improving knowledge and skills regarding the corruption phenomenon, ethics, personal and institutional integrity, corruption prevention mechanisms, and specific obligations deriving from the Law, such as conflict of interest prevention, registering assets and gifts. The target groups included in the educational events comprised of public officials and employees, young people, and media representatives.

Relevant Achievements

- 3,679 participants underwent various educational programs, of which 3,546 (96%) were public authority representatives, compared to the 1,883 participants, of which 1,244 public authority representatives in 2011, making for a double increase in the participant number, and a triple increase in public authority representatives;
- the duration of educational events in 2012 was a total of 91 days, compared to 75 days in 2011

Ensuring Accountability to the Public

Last year was marked by events that tested the Agency's ability to initiate internal mechanisms for ensuring its accountability to the Serbian public. A separate part of the mechanisms foreseen by the Law concerns the competences at the disposal of the Agency Board, including the election and dismissal of the Director of the Agency, making decisions on increasing his/her salary, deciding on appeals against the Director's decisions on the

rights and obligations of public officials, adopting the annual report on the Agency's work, monitoring the work and property status of the Director, and proposing budget funds for the Agency's work. Simultaneously, the Board carries out monitoring functions by reviewing the report on the Agency's work, as well as general act proposals made by the Director.

Relevant Achievements

- functionality of internal mechanisms for instituting proceedings and determining accountability of the Agency representatives was provided;
 - Report on the Agency's work for 2011 was adopted
- Financial Report of the Agency for 2011 was adopted.

Plans and recommendations for the forthcoming year

Plans

The Serbian Government expects the final establishment of the new strategic anti-corruption framework in the forthcoming year. From the point of view of the Agency, in charge of overseeing whether the measures and activities of the anti-corruption strategy and action plan are actually being implemented, it is particularly important whether efficient mechanisms for determining individual accountability of those who ignore the obligations set in these documents will be arranged. In this sense, the Agency will direct considerable capacities to adjustments to systemic changes required by the new anti-corruption strategy, and to the operationalization of additional competences to be conferred upon the Agency based on this framework.

At the same time, in case the amendments to the Law formulated by the Agency in 2012, aimed at strengthening the Agency's role in prevention and enhancing the efficacy of its work, are adopted, it will be necessary to put in additional effort to incorporate the decisions set forth by these amendments into everyday practice.

Furthermore, in 2013 particular attention will be paid to:

- intensifying and enhancing the efficacy of monitoring the activities of political entities;
- improving oversight of the transfer of managing rights in companies owned by officials;
- increasing the number of cases wherein the procedure to oversee officials' assets will be initiated and conducted ex officio;
- strengthening the mechanisms for acting on complaints;

- improvement of capacities for the analysis of corruption risks, both at the normative and operational level, in the areas and processes where most citizen complaints are received;
- increasing the number and quality of opinions and reports on risk of corruption in draft laws, especially the ones regarding the national anti-corruption strategy and ratified international treaties;
- designing training programs centered on the development of staff knowledge and skills related to the implementation of specific anti-corruption mechanisms in the areas susceptible to corruption.
- developing a methodology for assessment of the quality of adopted integrity plans;
- human resource and technical capacity strengthening

Recommendations

With the purpose of enabling a more efficient performance, the Agency proposes the following recommendations to the National Assembly and the Government:

- giving the Agency the competence to develop and publish a methodology for the analysis of corruption risks in regulations, and obligating regulation nominators to apply this methodology in the course of regulation drafting;
- providing the Agency with direct and unrestricted access to the databases in the possession of state authorities and economic entities, for the purpose of overseeing public officials' assets;
- giving the Agency the competence to stipulate training programs for public authorities, so as to make anti-corruption education mandatory and consistent;
- extending the circle of parties for whom a public official is required to submit an asset declaration;
- making it mandatory for public officials to file an extraordinary declaration immediately upon an increase in their assets exceeding a certain amount;
- giving the Agency the competence to perform extraordinary checks of the officials' assets, outside the annual verification plan;
- improving the material status and strengthening the accountability of the Agency staff, and subjecting them to the same duties and prohibitions applicable to public officials;
- introducing the prohibition of election, nomination, or appointment to an office to parties who had been subject to a public measure imposed by the Agency.

- introducing public hearings in the proceedings conducted by the Agency due to the violation of the Law on the Anti-Corruption Agency.

introducing public hearings during deliberation of the report on the implementation of the anti-corruption strategy.

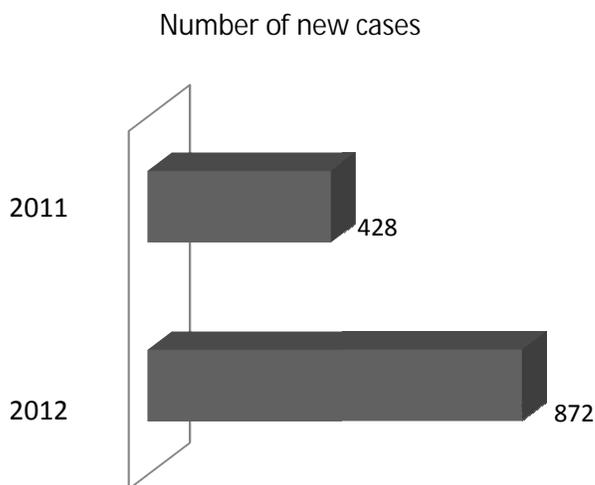
PUBLIC FUNDS MANAGEMENT CONTROL

Incompatibility of Offices and Conflict of Interest

Key Results

- 90% of all cases received were resolved;
- The number of cases resolved was 785, compared to 492 in 2011.

Acting upon Incompatibility of Offices and Conflict of Interest



General elections for republic authorities, territorial autonomy and local self-government authorities, announced and held in the previous year, led to a significant increase in the number of cases to be acted upon regarding the incompatibility of offices and conflict of interest. The number of new cases was 872, compared to 428 in 2011.

The initiation of proceedings was undertaken predominantly upon requests or reports filed by natural or legal persons (795 cases), while the proceedings ex officio were fewer (77 cases). At the same time, there was a noticeably growing trend in the number of requests sent electronically (by e-mail): there were 185 in 2012 and 59 in 2011.

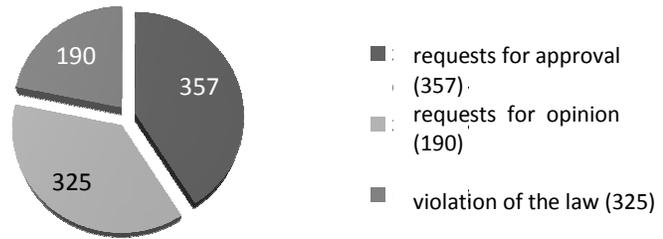
Structure of Cases by Content

With respect to the structure of the cases from the point of view of their content, the most numerous were the requests for approval to hold another public office, or to engage in other jobs or activities; membership in association bodies; employment or business cooperation upon the termination of the public office (*pantouflage*). These were followed by requests seeking an opinion on the interpretation and implementation of the Law on the Agency. The parties submitting such requests mostly sought opinions on whether a person in a particular case might be considered a public official, and if so, whether the person in question had certain obligations stipulated by Law. The third group of cases by quantity were the cases wherein proceedings were instituted on account of suspicion of violation of the law, originating either from reports or ex officio.

Structure of Cases by Content

In 2012 the Agency adopted:

- 323 opinions on law implementation;
- 228 decisions granting approval of holding a second public office, or engaging in other employment or activities;
- 61 decisions rejecting requests for approval of holding a second public office, or engaging in other employment or occupation
- 17 decisions ascertaining the taking of a second public office contrary to the provisions of Article 28 of the Law on the ACA, and stipulating the termination of the latter office by force of law;
- 14 decisions determining violations of law, and pronouncing measures of caution against officials;
- 7 decisions determining violations of law, and pronouncing measures of public announcements recommending dismissal against officials;
- 10 decisions determining violations of law, and pronouncing measures of public announcement of the decision on the violation of law.

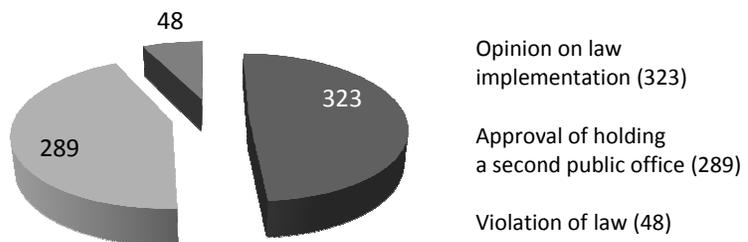


Structure of Disposed Cases in the First Instance

Of the total number of resolved cases, in terms of their content, the largest group was comprised of the cases seeking an opinion on the interpretation and implementation of the Law on the Agency. Second in number were the cases seeking approval to hold a second public office, or engage in other employment or activities, whereas the smallest number of cases concerned determining whether a violation of law had occurred.

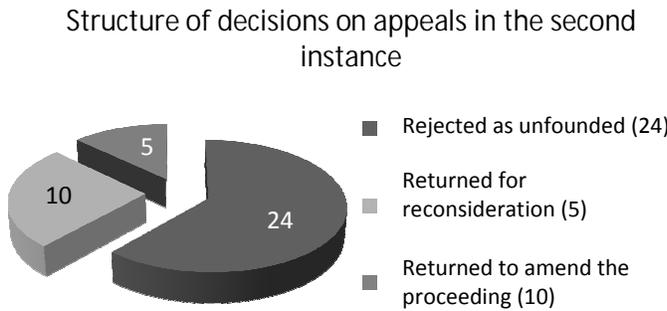
There were 660 cases resolved by substantive decisions, accounting for 84% of the total cases resolved, compared to 125 cases resolved by procedural decisions.

Structure of disposed cases in the first instance by content



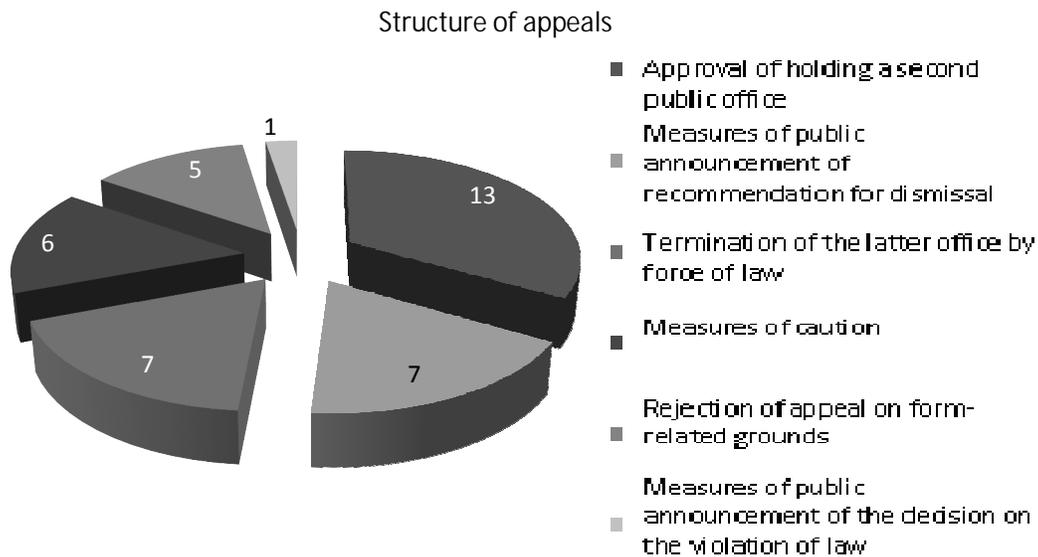
Structure of Cases Disposed of in the Second Instance

In the course of 2012 the Agency acted upon 39 appeals of public officials against decisions of the Director. Of the total number of appeals which were acted upon, 24 were rejected as unfounded. First instance decisions were vacated on 10 appeals because conclusive facts were not fully determined, and the cases were returned to the first instance authority for reconsideration. Acting on 5 appeals, decisions were issued to remand the cases to the first instance authority for supplementation.



With regard to the structure of appeals, in terms of types of decisions appealed against, most appeals were filed against decisions rejecting approval of holding a second public office or engagement in other employment (13); next in number were the measures of public announcement of recommendation for dismissal against officials (7), the decisions determining the taking of a second public office contrary to the

provisions of Article 28 of the Law on the Anti-Corruption Agency, and stipulating the termination of the latter office by force of law (7), decisions pronouncing measures of caution (6), and decisions pronouncing measures of public announcement of the decision on the violation of law (1). In five cases appeals were filed against conclusions rejecting requests for approval of holding a second public office or engagement in employment on form-related grounds (lapse, incomplete request).



As in previous years, merely instituting a proceeding led certain officials to comply with the obligation they had disregarded. A number of officials redressed the violation of law upon the initiation of a proceeding pronouncing a measure of caution or a measure of termination of the second office being held.

Moreover, pursuant to the Law in force, the implementation of measures of recommendation for dismissal is under the competence of the authority which appointed, nominated, or elected the official. In this regard, it has been observed that when it comes to certain officials who had been subject to such measures, the dismissal proceedings were being protracted or excluded from the agenda deliberately or due to negligence; consequently, the imposed measures did not lead to the expected outcomes. In one case, with regard to the Agency's decision determining the appointment of an official to a second public office to be contrary to the provisions of the Law, the National Assembly, responsible for having appointed the official to the latter function, passed a decision on terminating the said position more than a year after receiving the Agency's decision, despite the obligation stipulated by the Law to do it within eight days.

Review of the Situation in the Relevant Area

Within the current regulatory framework, the Agency was given the competence to act upon cases of conflict of interest among public officials. Although a large number of decisions is issued annually in cases formally defined by the Law on the Agency as "resolution of conflict of interest", the question remains as to how many of those decisions actually deal with situations wherein public officials had subordinated public interests to private ones. Considering the fact that positive law has opted for a concept focusing on the issue of incompatibility of offices, jobs, or activities, while casting aside the central issues regarding conflicts of interest, the decisions issued by the Agency are required to comply with this proportion established by the law, and mainly deal with the granting of approvals to discharge a second office, job or activity, and deciding on violations of law, which, in fact, are not intended for examining whether a public official has subordinated public to private interests, but whether he or she has formally fulfilled the duty determined by the law.

The Law on the Agency does not regulate in a straightforward and precise manner situations which ought to be considered conflicts of interest

Within the existing regulatory framework, the public official's duty to discharge his or her function without subordinating public interests to private ones has not been sufficiently reinforced; consequently, determining the occurrence of conflict of interest in a number of cases comes in the form of an incidental issue, alongside determining other, formal duties of the official.

Clearly this kind of legislative solution and action on the part of the Agency is a form of prevention, which should, to a certain extent, serve as a deterrent to the application of public authorities to private purposes, but the question remains whether this actually changes the situation as regards conflicts of interest potentially facing public officials. In other words, there is still space for reasonable doubt as to whether the solutions in the

current regulatory framework are oriented toward an efficient detection and resolution of cases of conflict of interest among public officials.¹

Another problem related to the elimination of conflicts of interest in the Serbian public sector, over which the Agency has no competence, is the fact that conflict of interests is not prohibited when it comes to parties other than public officials (employees of public services, institutions, organizations, public enterprises, local self-government, etc.). In other words, from the positive law point of view, it is a legally allowed situation, not recognized as conduct which might cause damaging consequences to public interest, and additionally erode citizen trust in public authorities. Even though the Law on Civil Servants contains provisions which generally prohibit conflicts of interest among civil servants, without an elaborate legal framework to impel this general obligation, the existence of these provisions speaks only of the lack of action on conflicts of interest among parties employed in the public sector, that is to say, lack of efficient prevention.

This kind of regulatory framework managing conflicts of interest in the public sector marks only its initial phase, in need of considerable improvement and development. It is necessary to include a much wider circle of entities in the conflict of interest regulation system in order to efficiently address this issue. The sole fact that an authority with “legally incomplete” competences has been established to manage conflicts of interest of a particular group of entities in the public sector does not mean that the prevention of conflicts of interest has been brought to completion in a satisfactory manner.

Oversight of Public Officials’ Assets; Registers of Public Officials, Assets, and Gifts

Key Results

- The share of processed and published income and asset declarations was 74% of the total declarations received;
- 6,606 asset and income declarations were received, and 4,906 published, compared to 3,853 declarations received and 1,262 published in 2011, amounting to approximately a four-fold increase

Oversight of Public Officials’ Assets in 2012

In 2012 the Agency checked 496 asset declarations of public officials, following the annual asset declaration verification plan, along with filed complaints or claims. The decrease in

¹ The Anti-Corruption Agency initiated seven proceedings against public officials in 2012 for violations of Article 27 of the Law on the Agency (the violation of this article refers to situations in which public officials had conflicts of interest, i.e. they subordinated public to private interests, and thus undermined public trust in the conscientious and responsible discharge of public office) of which three cases were resolved by substantive decisions in the first instance by the end of the report period.

the number of checked declarations compared to 2011, when their number was 586, is due to changes in methodology of the public officials' asset and income declaration oversight, by way of which additional security measures have been introduced to collect comprehensive and accurate data necessary for the implementation of oversight procedures. The methodological changes introduced a mandatory step requiring verification and comparison of the data contained in asset and income declarations with the data held by at least four authorities: the Ministry of the Interior, the Tax Administration, the Business Registers Agency, and the Republic Geodetic Authority. As an additional option, the methodology also proposes the comparison of the data from the declarations with that held by the Central Securities Depository and Clearing House, harbormasters' offices, commercial banks, and other bodies which may be necessary for efficient and quality oversight in particular cases.

In 2012 two legal paragraphs were adopted regarding the obligation of public officials to disclose their assets to the Agency.

One of the paragraphs indicates that data on royalties collected by public officials (the Dean and Faculty Board Members) from the publishing of their books, based on publishing contracts with a faculty founded by the Republic of Serbia, falls within the category of data concerning the income which the public official received from the budget and other public sources; this data is public, i.e. available on the Agency's web page. This category also comprises data on royalties collected by other public officials, specified by the Law on the Agency, from the publishing of their books, based on publishing contracts with faculties founded by the Republic of Serbia.

The second paragraph indicates that data on shares and stakes of legal entities, wherein a public official owns shares or stakes, is data pertinent to the implementation of the Law on the Agency. Consequently, although it is not an explicit legal requirement, from the point of view of public interest it is necessary for public officials to disclose such data in asset and income declarations. The transparency of data on all parties connected by interest enables the control of public officials' activities, concurrently reinforcing public trust in the conscientious and accountable discharge of public offices. In the case a public official fails to disclose the specified data in the asset and income declaration, the Agency may require it of the public official during the examination of conflicts of interest. The legal paragraphs, adopted by the Agency Board in January and November 2012, are available at: http://www.acas.rs/sr_cir/praksa-agencije/odluke-direktora.html

The Anti-Corruption Agency and the Republic Geodetic Authority signed a protocol on business and technical cooperation, which will provide the Agency with access to the electronic database of the real estate cadaster. Furthermore, an agreement has been reached with the Business Registers Agency, Tax Police, and the Central Securities Depository and Clearing House on information interchange with their databases, and its technical implementation has been initiated.

Following the annual verification plan, public prosecutors' asset declarations were checked, as well as those of directors and members of administrative boards of 17 public enterprises. In addition, the declarations of public officials reasonably suspected of not containing complete and accurate information on declared assets and income were subject to ad hoc oversight. Of

By the end of 2012, the register of officials contained 23,411 officials, while this number in 2011 was 20,617. The total number of processed and published notices in the register of officials was 23, 451 in 2012

the total number of checked declarations, the oversight of 214 declarations has been concluded. The remaining declarations are still undergoing oversight procedures.

Outcomes of the Oversight Proceedings

In the course of checking the asset declaration of an official, a reasonable doubt was encountered that the said official did not disclose the assets acquired in 2011, with the purpose of concealing information on assets. On this account, criminal charges were filed against him to the competent prosecutor's office, under reasonable suspicion that he had committed a criminal offence specified by the Law on the Agency. Acting on the criminal charges,

the prosecutor's office submitted a request for collection of necessary notices to the Ministry of the Interior, but the report containing the outcomes of completed checks was not submitted by the end of the Agency's' annual report period.

During the proceeding of the check of the official's assets, two requests for instituting misdemeanor proceedings were filed for failure to meet the asset declaration submission deadline. At the time of writing this report, the proceedings over the filed requests were still pending. Also, in 2012 the High Misdemeanor Court, acting on the appeal of the Agency, rescinded a judgment acquitting an MP of misdemeanor charges for failing to transfer managing rights, and returned the case to the Misdemeanor Court in Belgrade for reconsideration. In another proceeding, upon the Agency's request, the Misdemeanor Court in Belgrade found that a Member of the Assembly of the AP Vojvodina failed to transfer managing rights, or evidence thereof, within the timeframe established by law. In the meantime, a misdemeanor proceeding was suspended due to a statute of limitations.

Registers of Officials, Assets and Gifts

The purpose of the establishment and functioning of registers, the keeping of which was entrusted to the Agency by the Law, is to increase the transparency of public authorities' and public officials' operations, and to improve oversight of their work.

The Agency keeps:

- a register of public officials;
- a register of assets of public officials and associated persons;
- a catalogue of gifts receive by officials;
- records of legal entities wherein officials hold more than 20% of the stakes;
- records of public procurement procedures of legal entities wherein officials have more than 20% of the stakes.

In 2012 the Agency received approximately 16,000 notices on public officials' assumption or termination of office, as well as 2,043 new cases. Compared to 2011, when 12,000

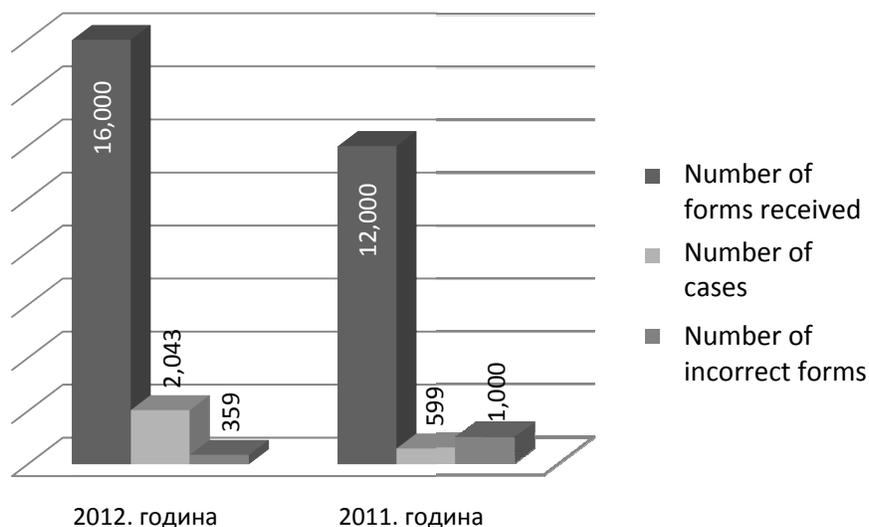
notices and 599 new cases were received, this amounts to a 33% increase in the number of notices received, and more than a threefold increase in the number of new cases. On the other hand, the number of completed forms to be updated and corrected (administrative correction of data) was lower than before.

The agency also monitors the regular and extraordinary disclosure of officials' assets. In 2012 the Agency received a total of 6,606 asset and income declarations, of which 4,906 were processed and published on the Agency's web page.

In the period of this report, 160 officials carried out a transfer of managing rights to another natural or legal person (excluding associated persons), who was to effectuate those rights in his or her own name, on behalf of the official, until the termination of the latter's office.

The records of legal entities, wherein public officials had more than 20% of the share, together with the records of public procurement procedures of these legal entities, by the end of 2012 contained information on eleven legal entities which disclosed information regularly, and which had participated in a total of 134 public procurement procedures. In comparison, in 2011 the records contained information on five legal entities which had taken part in 69 public procurements.

Register of officials by year



In addition, a catalogue of gifts consisting of 705 gifts was published, while the 2011 catalogue contained 485.

The structure of received gifts remained practically unaltered compared with the previous period. Most frequently disclosed gifts in 2012 were: books, paintings, photographs, plaques, various types of wine, and other alcoholic beverages.

Most of the gifts were protocol gifts. Most gifts were disclosed by: the General Secretariat of the President of the Republic, the Government, the Mayor of Belgrade, the National Assembly, and the Ministry of Foreign Affairs.

Review of the Situation in the Relevant Area

Adopting the Law on the Anti-Corruption Agency, the legislature opted for a legal mechanism model entrusting a mandate to this authority to oversee public officials' assets and the accuracy of the information in their asset declarations, while excluding the possibility of also giving it investigative competences corresponding to the purpose of the oversight functions. The abovementioned model, in fact, requires the Agency to conduct the oversight relying mainly on information on public officials' assets which is in the possession of other public authorities and economic entities. This leads to the conclusion that the efficacy and success of the Agency in this domain are conditioned upon there being accurate and complete information on public officials' assets in the possession of the aforementioned entities.

However, the biggest challenge in terms of data quality is the fact that the tax system and the system for keeping records of movable and immovable assets of natural and legal persons cannot supply necessary, comprehensive and accurate data even for their own needs, or establish organized and updated databases.

Another factor influencing the efficiency of the oversight of public officials' assets has to do with the bureaucratic aspects of the proceedings for providing the data necessary to check asset declaration information, since they can be obtained only by way of correspondence.

The inevitable conclusion is that the reorganization of the abovementioned systems is a precondition without which efficient oversight of public officials' assets cannot be expected, unless the legislature opts for the previously mentioned model, which would also entrust investigative competences to the Agency, i.e. the possibility to check public officials' assets in other ways, and not exclusively by comparing the received information with information supplied by other public authorities and economic entities.

Oversight of the Financing of Political Entities

Key Results

- The newly established legal framework has enabled the financing of political entities to exit from the sphere of non-transparency and evolve into a system of officially recorded transactions, subject to the rules specified by positive law;
- Monitoring of election campaigns was carried out, helping create a database which, along with the data collected by filing requests to state authorities and legal entities, has enabled the comparison and oversight of information concerning election campaign expenses indicated by political entities in their reports.

Monitoring Election Campaigns

Regular elections for members of the National Assembly of the Republic of Serbia, members of the Assembly of the AP Vojvodina, members of local self-government assemblies, were called for 13 March, 2012, and early presidential elections 5 April, 2012. All elections were held on 6 May, 2012.

Considering the Agency's duties as regards the financing of both the regular activities and the election campaigns of political entities, the election-related preparatory activities which had begun already in 2011 were continued in the beginning of 2012 with training for observer candidates. The training was conducted in February and March, and involved 209 qualified candidates, who had previously passed a selection process. After eight trainings carried out in five locations

in Serbia, and a final examination, 165 observers were selected. The observers were organized and trained as on-site observers, coordinators and central coordinators, and distributed around 23 cities (22 cities and Belgrade). This type of observer organization is based on a hierarchical principle. On-site observers monitored political entities' activities at the city location assigned to them, and recorded public events, election material, and the local media.

They submitted reports to their coordinator, who beside overseeing and orienting their work, directly participated in the monitoring of the election campaign in the city assigned to him. The coordinator was also responsible for submitting his report, along with those of the on-site observers, to the central coordinator. Each central coordinator led and oversaw the work of coordinators assigned to him, received their reports, and systematized the received information connecting it to every political entity to have participated in

the election campaign. Each central coordinator was in charge of unifying the information regarding a particular party collected on-site throughout Serbia.

In the annual financial reports *political entities report on all financial activities throughout the calendar year, including election campaign income and expenses for the report year, if they took part in it.*

The election campaign expenditure report *comprises the financial activities of a political entity lasting from the day of calling for elections to the day of the announcement of final election results.*

A Brief Overview of Terms

Political activities *comprise regular activities and the election campaign;*

Election campaign *is a set of activities undertaken by a political entity starting with the day of the call for elections, and ending with the announcement of final election results;*

Regular activities *are the political activities of political entities unrelated to the election campaign;*

Political entities *are registered political parties, coalitions, and citizen groups.*

Aside from the data provided by the observer network, the data needed for the election campaign expenditure oversight was collected from state authorities and legal entities. The Agency submitted 435 requests to state authorities, banks, and legal entities which had provided services to political entities in the course of the election campaign. In roughly 90% of the cases, the entities acted on the requests and submitted the requested information to the Agency, which then processed and prepared it for use in the oversight of financial reports and election campaigns.

Financial Reports of Political Entities

The Law on the Financing of Political Activities gave a mandate to the Agency regarding two types of reports of political entities. The first type are annual financial reports, and the second the reports on election campaign expenses. The competences of the Agency regarding annual financial reports of political entities encompass their receipt, analysis, and publication, while as regards the election campaign expenditure reports, apart from the aforesaid competences, the Agency's mandate involves the verification of reported expenses, i.e. checking the information contained therein. The Agency has, with the intention of carrying out duties related to the election campaign expenditure reports, established a methodology for their examination.

In order to facilitate the transition to the new system (established by the rules of the Law on Financing Political Activities) for political entities, the Agency set up an electronic support mechanism for the purposes of submitting the annual financial report, and the election campaign expenditure report. This support involves advice on filling out new forms for submitting reports created by the Agency. Furthermore, the Agency has introduced a special section on its web page, dedicated, among other things, to the meaning of particular articles of the Law on Financing Political Activities, unclear to political entities, on which 38 opinions are given. The Agency has formulated these opinions based on frequently asked questions by the representatives of political entities, or on its own initiative.

In 2012, of the 83 political parties required to submit annual financial reports, 69 complied with this obligation. Reports received were scanned and published on the Agency's website.

With regard to election campaign expenses, 1,035 reports were submitted in compliance with the regulations by the end of 2012, of which 1,020 have been verified and published on the Agency's website. This was not the case for the remaining 15 reports, since these were collective reports, i.e. reports referring to several electoral units. In the reports, political entities disclosed campaign expenses of parliamentary, presidential, provincial, and local elections. Despite the high number of reports received, a certain number of political entities ignored their legal obligation.

In 2012 the Agency submitted 53 requests to institute misdemeanor proceedings: one request on account of misuse of funds; 13 requests for submitting the annual financial report after the expiration of the deadline set by law; and 39 requests for failing to submit the election campaign expense report.

Review of the Situation in the Relevant Area

The first year's experience in the implementation of the new legal framework regulating the financing of political entities in the existing public administration concept in Serbia points to a large number of situations wherein certain aspects of oversight are being confined by the tendency toward bureaucratized and inefficient interpretation of the provisions regulating the competences of public authorities, whose involvement in the oversight chain would be difficult to circumvent.

The financing of political entities and their activities creates connections between different social, economic, and political areas, and relations founded therein. Since the financing of political entities is a phenomenon confronted by the public administration in the context of preventing corrupt behavior, the inevitable conclusion is that dealing with this subject requires intensive cooperation among various bodies (election committees of different levels, local self-government units, tax authorities, the State Audit Institution, and others).

In a situation where each of the public administration bodies has a narrow and strictly formal view of its position in the process of the oversight of financing political entities – only and exclusively from the standpoint of its primary competence, and not from the standpoint of solving a complex social problem – there is greater probability of failure to obtain results in that area. On the other hand, complex social phenomena cannot be successfully solved if the dominant view is that the domain of a body's competences defines and limits its part in dealing with the problem.

The situation where the assigned competences are being interpreted in such a way as to define a limit on the extent which a state authority is to take up certain problems, in circumstances where this issue is not in fact addressed by the formal provisions, results not in its solution, but in the creation of a set of excuses for different forms of failure to perform or act.

The financing of political entities is but one of the examples of the public administration taking advantage of the non-existence of formal provisions on competence as possibly a means of avoiding action and obtaining comfortable effects of self-censorship (“If you don't do anything, you can't make mistakes”).

In the course of the oversight of electoral campaign financing, the Agency encountered the abovementioned approach of formal interpretation of provisions on competence upon trying to establish cooperation with the municipal electoral committees. In one of the cases confirming this tendency, a municipal electoral committee was asked to supply information on authorized parties who had been opening accounts and making money transactions for the account of a local-level political entity under supervision. Since the delivery of such information is not explicitly specified in the list of the municipal electoral committee's formal competences, the Agency did not obtain the information, even though providing it does not constitute a breach of regulations, nor a fundamental breach of competence provisions, and the Agency cannot complete the resolution of the problem observed in financing the political entity in question without the said information.

DISCLOSURE OF IRREGULARITIES

Complaints

Key Results

- The number of the cases resolved was 313, compared to 295 in 2011;

Action on Complaints

One of the competences conferred upon the Agency is acting on complaints by natural or legal persons. The analysis of the assertions included in the received complaints provides important indicators of frequency of corruption occurrence and corruption risks in certain areas, and may point to situations where public policies should be introduced or amended in order to prevent corruption. Based on these analyses, the Agency has created a database categorized by area and public authority bodies that were addressed most frequently by citizens on account of irregularities. This database is continually being expanded, and its data comparison methods improved.

The analysis of all the complaints received from 2010 to 2012 shows that the citizens most often reported irregularities in the work of public administration and judicial bodies, when it comes to public authority bodies, as well as in the areas of privatization, inspection supervision, and public procurement.

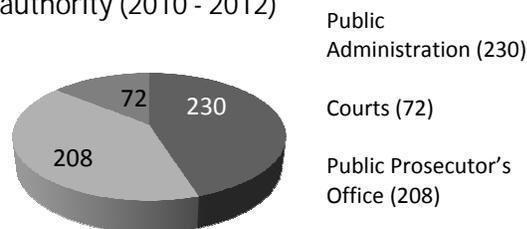
The analysis of the complaints resolved in 2012 demonstrates the same trend, with minimal variations.

In 2012 there were a total of 966 cases, formed on the basis of the submitted complaints, of which 98 cases had been transferred from 2010, 291 from 2011, while in 2012 there were 577 new cases formed. Of the total number of cases acted upon in the reporting period, 313 have been resolved.

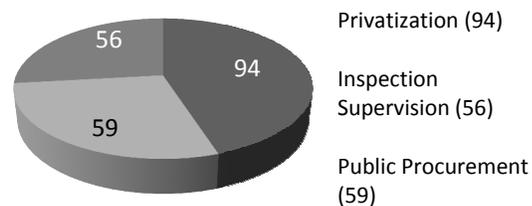
A complaint is a document whereby natural and legal persons indicate corrupt activity or report suspicion of irregularities of a corrupt character within public authority bodies, in a well-reasoned manner

A special type of complaint allows citizens acting in good faith to report suspicion of corruption in the public authority they work for

Number of complaints by public authority (2010 - 2012)



Number of complaints by area (2010 - 2012)



The Agency has a legal obligation to provide assistance to civil servants or public authority staff who submit an application for reasonable belief of there being corruption in the authority they work for. The number of persons requesting the approval of whistleblower status from the Agency saw a considerable increase: 31 persons submitted such a request in 2012, compared to 4 in 2011.

In 2012, the Agency continued the efforts to improve internal mechanisms for managing cases formed on the basis of submitted complaints. Within the framework of the Judicial Reform and Government Accountability Project, the Agency was provided with recommendations aimed at the improvement of the system of acting on complaints.

Contribution to the Development of Public Policy on the Protection of Whistleblowers

There are people in Serbia who are brave enough to report abuse in their working environment. The experiences of those who have taken such a step demonstrate that these people are subject to retribution in a significant number of cases. The lack of efficient mechanisms for protection and compensation of persons who are prepared to expose themselves to risks in order to protect common interests, contributes to further victimization and marginalization of whistleblowers.

Contributing to state efforts to formulate public policy on the protection of whistleblowers, the Agency, in cooperation with the UN Development Program, presented its Report on the Protection of Whistleblowers in Serbia in September 2011, containing an analysis of the existing regulations and recommendations for a viable model of the future legal framework for the protection of persons disclosing irregularities in public interest.²

A whistleblower is a civil servant, or person employed in an authority of the Republic of Serbia, autonomous province, local self-government unit, and in public enterprises, institutions, and other organizations, founded by the Republic of Serbia, the autonomous province, or local self-government unit, or in the bodies of economic entities whose founder or member is the Republic of Serbia, the autonomous province or local self-government unit, who in good faith reports suspicion of corruption within the authority he or she works for.

Rules on the Protection of Persons Reporting Suspicion of Corruption, Article 2.

Review of the Situation in the Relevant Area

The Agency's options for securing adequate protection to whistleblowers are considerably narrowed and determined by the lack of efficient norms which would regulate the nature, content and scope of the right being protected; type and manner of public interest disclosure; content, character, and type of the corresponding protection. Moreover, in the current regulatory framework, the Agency

² The Report on the Protection of Whistleblowers in Serbia is available at: http://acas.rs/sr_cir/aktuelnosti/748-agencija-predstavlja-izvestaj-pola-stivensona.html

Confidentiality entails that the identity of the party making a public interest disclosure is known to the authority the suspected abuse is being reported to, but shall not be revealed to others without the whistleblower's consent.

An anonymous application refers to cases in which the identity of the person reporting suspected abuse is not known to anyone, including the authority to which the application was submitted.

lacks competences to investigate the circumstances stated in the submitted complaints. As a result, it is obligated to rely on data and information provided on request by the competent authorities to a considerable extent. This kind of slow, ineffective communication, and the complete lack of accountability on the part of the authorities ignoring the Agency's requests, reduce the chances of successful resolution of these cases.

The Law on the Agency also stipulates that the Agency not act on anonymous complaints, thus the only option is forwarding such complaints to competent authorities. This type of solution is not in accordance with the standards established by the UN Anti-Corruption Convention. Namely, the Convention requires member states to enable referential national bodies to act on anonymous applications on corruption cases, so as to afford the highest possible degree of protection, both for the applicant and the disclosure done in public interest.

EDUCATION

Key Results

- Educational programs have included 3,679 participants, of which 3,546 (96%) public authority representatives, compared to 1,883 participants, of which 1,244 public authority representatives (approximately 66%) in 2011, doubling the number of participants, and seeing a threefold increase in public authority representatives;
- The duration of educational events in 2012 was a total of 91 days, compared to 75 days in 2011.

Seminars

During April and May 2012, two seminar cycles were held simultaneously in 21 cities and municipalities in Serbia. The first cycle was organized on the subject of the integrity plan adoption process, and the target group was local self-government members of work groups in charge of integrity plan development, in all the administrative districts of Serbia. These seminars were attended by 1,085 participants. The second cycle on individual and institutional integrity and ethics was aimed at persons dealing with public authority human resource issues at the level of local self-government, and it covered 455 participants.

104 educational events were organized in 28 cities and municipalities in Serbia in 2012.

The Agency has become distinguished as a resource for the dissemination of knowledge and values regarding prevention of and fight against corruption, and the topics offered by its educational programs have increased the range of interested target groups.

In September and October 25 seminars were held in 22 cities and municipalities of Serbia. The seminars were intended for public officials in the authorities of the Republic of Serbia, autonomous province, local self-government units, as well as in public enterprises, economic associations, institutions, and other organizations, whose founders or members are the Republic of Serbia, the autonomous province, or a local self-government unit. The target group was given training on rights and obligations deriving from the Law on the ACA, concerning registers and conflicts of interest. These seminars were attended by 770 participants.

Another cycle of seminars on integrity plan development was organized from September to December. The Agency held 24 seminars for members of integrity plan development work groups, but also for representatives of public authorities who had not attended earlier seminars on this topic, in 16 cities and municipalities of Serbia. This cycle included 817 persons.

Other Training

In May 2012, the Agency held 2 two-day seminars for journalists working in electronic and print media. The topics of these seminars concerned the Agency's role and mandate in monitoring election activities of political entities, as well as journalist ethics and integrity. The seminars were attended by a total of 23 participants. Another seminar whose target group was journalists, along with media employees, was organized in May, in response to an invitation by the director of RTV Vranje, with the topic of individual and institutional integrity of media employees. The seminar included 25 attendees.

On the invitation of Social Work Center in Stara Pazova, a seminar was organized in June, addressing the role of the ethical code as a mechanism for strengthening institutional integrity. The seminar was attended by 22 employees of the Center.

Cooperation with the Human Resource Management Service

The Agency cooperated with the Government Human Resource Management Service in training civil servants in 2012 as well. The topics of the trainings held by Agency staff were: "Corruption Prevention Mechanisms", "Monitoring and Implementation of Activities Aimed at Eliminating Corruption", "Speaking Openly About Corruption", "Integrity Plan and Guidelines for its Development", and "Ethics in Public Administration". A new cooperation program for 2013 has also been arranged with the Service.

Interns, Intern Candidates, and the Peer Educator Team

In 2012, three groups of seven interns were organized for a four month internship at the Agency, within a project funded by the Ministry of Foreign Affairs of the Kingdom of Norway. In the final phase of this project component, 21 interns (of the 326 who applied), acquired knowledge about the fight against corruption, and the functioning of public administration, together with skills for working in public authorities.

In November and December, four groups of internship candidates not having passed the selection process were offered a three day seminar program on corruption prevention mechanisms. An additional seminar was organized for other students who had expressed an interest in undertaking this kind of education in the meantime. These trainings were attended by 85 participants.

A group of interns and internship candidates from 2011 and 2012 was offered a three day training program, in the form of training for instructors, based on which a group of peer educators on fight against corruption would be formed. After the training a team was formed consisting of 22 educators whose primary activity was promoting a competition launched by the Agency on the occasion of the International Anti-Corruption Day. The educators promoted the competition in primary schools and high schools in Belgrade. A project was planned for this group, with activities such as visits to schools and organization

of lectures about the fight against corruption, for which a methodology and program had been elaborated. Some team members, who were also members of non-government youth organizations, took on the project idea, and applied for donations in partnership with the Agency.

Review of the Situation in the Relevant Area

With regard to the educational programs organized by the Agency, a growing trend in the number of public authority representatives responding to its invitations can be observed every year. On the one hand, this can be seen as an indicator of a certain change of awareness among public sector representatives concerning the significance of education as such, and the familiarization with new trends, both in the public sector and in the environment in which it operates, exercises its competences, and in which it ought to solve particular problems. On the other hand, the present system regulating civil servant status is apparently still not managing to efficiently introduce the obligation of education for public authority representatives into the mechanism for their evaluation, performance assessment, and in this respect, their career progress.

The training system for public sector representatives is such as to keep taking up the issue of their motivation, interest, and the practical value of knowledge and information obtained in this way. For the most part, the obligation of civil servants to pursue professional specialization has remained at the level of a legal formality, seeing as a considerable number of public sector representatives undergoes training reluctantly, for “instrumental” reasons. In other words, this makes it easier to comply with the rules determined by the regulation, which might prove useful later on, if an advancement opportunity comes along, which in fact would not be the result of performance, but of a mere passing of the official number of years required by law in order to obtain a higher rank or salary category. At the same time, there are a number of civil servants who understand the importance of professional specialization, and who constantly pursue it through training. The current system does not favor such individuals, nor does it reward them for being prepared to apply the newly acquired knowledge and skills in their working environment.

In the best case scenario, the fact that certain public officials attend some trainings may be considered a sign of their opportunism, that is to say, of the awareness that this might be a shortcut to get information on what needs to be done so as to formally implement certain legislative provisions, but not to understand the essence of the phenomenon which that legislative provision seeks to regulate.

PROVIDING MECHANISMS FOR ESTABLISHING AND IMPROVING INTEGRITY IN THE INSTITUTIONAL AND REGULATORY FRAMEWORK

Integrity Plan

Key Results

- Through direct work with the target group, knowledge, information, and advice on the idea and introduction of integrity plans have been provided for 3,102 representatives of 1,902 public authorities in Serbia;
- User names and passwords for accessing the application for integrity plan development were sent to the email addresses of 4,500 public authorities and organizations, territorial autonomy and local self-government bodies, public services and public enterprises;
- In approximately 2,500 telephone calls, information and instructions on the integrity plan procedure were provided, making for an average of 208 working hours, i.e. 30 work days (with an average call duration of five minutes) dedicated to providing this type of support to parties responsible for introducing integrity plans.

Introduction of Integrity Plans into the Serbian Public Sector

In the process of integrity plan adoption and implementation, the Law entrusted the Agency with a consultative and supervisory role. The consultative role consists of the coordination and direction of the process of creating conditions for introducing integrity plans to public authorities that are under the obligation to do so. This role also involves the education of parties in charge of the development and implementation of integrity plans in their institutions. The supervisory role involves monitoring and supervising integrity plan development and implementation in public authorities, quality and objectivity checks of developed plans, as well as of the degree of implementation of the measures adopted for improving institutional integrity.

Considering the fact that integrity plans are a completely new concept for the absolute majority of public sector entities, providing support to persons who are going to be working on integrity plan development in public authorities was a primary goal in 2012. At the beginning of the year public authorities under this obligation were sent usernames and passwords for accessing the draft integrity plan, so they could begin developing their own plans. Persons to be directly in charge of working on integrity plans for their public authorities, were given support in the form of standard educational events,³ meetings with

During 2012, the Agency organized and held 61 special briefings for 147 public authority representatives.

³ Statistical information on the number of conducted seminars and their attendees is given in the section of the Report dealing with education.

With the purpose of assisting institutions in the adoption of their integrity plans, the Agency drew up 69 draft integrity plans (models) adapted to different types of institutions. According to this typology, institutions are classified in a total of 14 systems.

Draft integrity plans were made in the form of an electronic application located at the Agency server, and are accessible to all institutions with a username and password.

By responding to the questions from the draft integrity plan, intended for the system it belongs to, the institution in fact automatically generates its own integrity plan.

and published, and 2,000 Integrity Plan Development Manuals have been distributed in print.⁴

members of working groups for integrity plan development, providing advice and other necessary information via telephone, email, and correspondence.

The largest share of seminar participants came from primary schools and high schools, social work centers, and judicial authorities. Furthermore, an increase in the number of participants was observed after each cycle.

Apart from direct work with parties to be in charge of integrity plan development, a special package of documents to help working groups throughout this process has been arranged and published.

Thus, models of decisions being made in the process of integrity plan development have been worked out; questions required by the working group for interviewing staff, which constitutes a separate step in the process of integrity plan development in public authorities, have been formulated. In addition, the Guide through the Procedure of Integrity Plan Development, and the Integrity Plan Sample have been prepared

Regulatory Framework

Key Results

- An almost entirely completed document containing the draft national anti-corruption strategy and action plan was submitted to the new government;
- The mechanism enabling the Agency to analyze risks of corruption in bills and applicable law, and to check their conformity with the objectives and measures of the national strategy, and standards of ratified international treaties regarding the fight against corruption, moved into the final stage of development.

⁴ Document package available at: http://www.acas.rs/sr_cir/component/content/article/41/323.html

Strategy

New National Anti-Corruption Strategy

Development of the new national anti-corruption strategy continued in 2012. The Agency played one of the key roles in the process, which underwent three phases in 2012:

1. The continuation of the work done by the previous working group.⁵ – In February 2012, the second draft of the strategy, drafted by the working group set up in June 2011, was sent to the European Commission for comments, which came in at the end of March. The general evaluation was that the new document showed significant improvement compared to the previous version, that the overall text structure was good, that most relevant sectors had been taken into consideration, and that the parts of the text containing analyses were useful. On the other hand, according to the European Commission, before adopting the final version, further improvements were possible, based on the received comments. Comments to this version of the Strategy were also sent to the working group by the USAID Judicial Reform and Government Accountability Project, the UN Office on Drugs and Crime, and the UN Development Program consultant. In May 2012 the previous working group for new strategy development held its last two meetings, where the allocation of tasks regarding the introduction of comments, was agreed upon.

2. Introduction of comments. – By the end of October 2012, the Agency incorporated amendments to the draft text based on the comments received at working group meetings, developed mechanisms for implementing, overseeing, reporting, and the accountability for implementing the future strategy and action plan, detailing them in the draft text. It also designed a system for strategy implementation within the section on good management, which would be implemented through an analysis of risks in particular sectors, and through the development of sector action plans based on the analysis. In addition, the corresponding section of the future action plan was developed, and, with the support of the USAID Judicial Reform and Accountability Project, a focus group of relevant interested parties from the media was organized, with the aim of completing these priority areas of the strategy, and developing the corresponding section of the action plan.

In the beginning of November 2012, the document containing the draft anti-corruption strategy and action plan, almost entirely completed, was given to the Ministry of Justice and Public Administration.

3. New working group. – The Ministry of Justice and Public Administration formed a new working group for the development of the new strategy, among the members of which is the Anti-Corruption Agency. In November 2012, the working group held two meetings which, alongside public authorities selected by the Ministry itself, were attended by the same representatives of the international community in Serbia who had followed the work

⁵ For information on activities regarding the development of the new anti-corruption strategy in 2011, see “Annual Report of the ACA for 2011”, available at:

http://www.acas.rs/images/stories/Godisnji_izvestaj_o_radu_Agencije_za_2011.pdf.

of the previous working group. On the other hand, none of the Serbian private or civil sector representatives attended these meetings.

Considering the fact that the new working group was clearly going to begin drafting a completely new document, after these two meetings, the Agency submitted a document to the Ministry outlining seven minimum standards for a quality strategy which, in its opinion, should not be overlooked, and which the Agency insisted upon in the work of the previous working group as well, so as to avoid all the weaknesses of the current Anti-Corruption Strategy in the new process. Afterward, the Agency organized a round table where it expounded this opinion. Representatives of the Ministry, and the non-governmental organizations Transparency Serbia and the Bureau for Social Research also spoke at the round table.

The Agency was not invited to take part in drafting the initial draft of the Strategy, and only after its public response to the presentation of the new draft strategy in the media, did the Ministry of Justice and Public Administration submit this document to the Agency for comments. This time, too, the Agency pointed out some important shortcomings: among other things, that the document failed to come across as a strategic document; that it lacked a clear connection between the analysis and evaluation of the condition in certain areas, and the measures set out to eliminate the problems observed; that it lacked sections on the plan and methodology for implementation, oversight, and reporting, as well as the components relating to the system of accountability for failing to implement the duties of the future strategy. The deficiencies observed in the strategic document drafting process itself bear at least partial responsibility for these shortcomings.

Report on the Implementation of the Strategy and Action Plan for 2012

The second report on the implementation of the Strategy and Action Plan was submitted to the National Assembly in March 2012, within the Annual Report on the Work of the Agency for 2011. Due to elections held in May 2012, the Committee on the Judiciary, Public Administration, and Local Self-Government did not deliberate on this report until the session held on October 31.

Based on the experience from the previous reporting process, when modified methodology provided the Agency with more specific information for analyzing the compliance with the Strategy and Action Plan, this year, too, a list of specific questions about the implementation of these documents has been sent to a selected sample of public authority bodies. The criterion for the selection of responsible parties to which the questions were addressed was again the evaluation that, considering their competences, a particular public authority or group of public authorities may provide answers of crucial importance to the analysis of compliance with the recommendations of the Strategy and the activities of the Action Plan. Compared to last year, this reporting cycle contains more questions concerning certain recommendations, in order to make the answers more focused on the essential meaning of the recommended measures. Thus, as an initial basis for the report, the Agency used questionnaires answered by the National Assembly of the Republic of

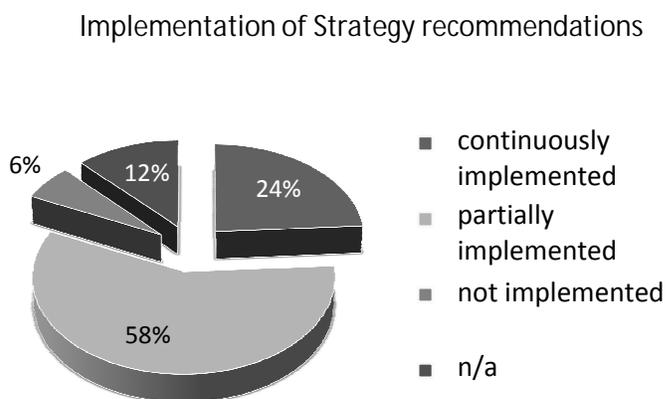
Serbia, the Assembly of the Autonomous Province of Vojvodina, the Government of the Republic of Serbia, all the ministries, 40 local self-governments, and 17 other selected public authorities. The Agency was assisted by the Standing Conference of Towns and Municipalities in contacting local self-government units. The obligation of reporting was complied with by only a negligible number of public authorities, based on the old form or last year's questionnaire.

According to the conclusion of the Anti-Corruption Agency, out of 140 recommendations examined, 33 are being implemented continuously (24%), 81 are partially being implemented, leaving room for improvement in those areas (58%), while 9 recommendations were not complied with (6%). The Agency could not obtain any data for the analysis of as many as 17 recommendations (12%).

Similar to previous years, this year, too, the largest number of recommendations was only partially implemented. Aside from this being its third reiteration for the entire document, this trend is again present in all the Strategy systems as well, reinforcing the impression that the tasks from the strategic document are not being approached seriously and systematically, and that these areas still lack capacities for the efficient functioning of public authorities and other institutions.

On the other hand, it is impossible to estimate the real effect that even the 24% of the recommendations being implemented continuously are having on combating corruption in practice. Of special concern is the fact that the Agency could not obtain data for the analysis in 12% of the cases, caused by the public authorities simply not submitting answers to all the questions in the questionnaire, or submitting answers unrelated to the recommendations or questions asked, while no additional source of information was found for the respective subject.

Therefore it might be concluded that after seven years of the Strategy being in force, and three years of institutionalized oversight of its implementation, almost 2/3 of the Strategy recommendations subject to research still remain partially implemented (58%), or not implemented (6%).



Nonetheless, although these conclusions undoubtedly help in forming a general picture of the compliance with the Strategy, it is important to mention they are a result of numerical indicators, which assign the same value to all recommendations, and which do not necessarily correspond to the significance of each recommendation for attaining Strategy goals.

Review of the Situation in the Relevant Area

The Process of Drafting the New Strategic Framework

In the course of monitoring the implementation of the current Strategy and participating in the process of drafting the new one, the Agency identified several standards to be used when evaluating the process of drafting any strategic document, in view of the fact that to a certain extent they guarantee better quality, and that their compliance enables the implementation of the strategy as soon as it is adopted. In addition, participation introduces the assumption that a wide social consensus on what needs to be done and how has been achieved in advance, hence a strategy formulated in this manner is possibly the best strategy a society can produce at a given point.

A very important aspect of opening up the process of adopting such documents to the public, and the participation of a wide circle of interested parties, is that these standards come at practically no cost. Even though they can extend the process, this potential lack of efficiency is compensated, on the other hand, by the positive effects afforded by this practice in the long term.

Finally, as regards the formulation of the anti-corruption strategic document, it is important to emphasize that public participation and debate are in themselves important anti-corruption mechanisms in the strategic document adoption process. Consequently, they should constitute an important part of the anti-corruption strategy, because only in this way can it be ensured that there are no hidden motives or particular interests behind strategies, laws, and similar documents, and that they are not inadvertently exposed to risks of corruption and other misuse due to inattention in the development process. Thus it would be unjustified if the strategy itself required these standards, whereas they had not been met during its adoption.

Another important element of the process is the working group writing the strategic document, because its quality greatly depends upon the group's composition. For that

1. Basing the content of the strategic document on a needs analysis;

2. Public participation in the drafting process

3. Development of a clear, thorough, and realistic action plan, to be adopted along with the strategy;

4. Development of a financial component of the action plan, which ought to contain a detailed budget necessary for the implementation of this document;

5. Development of a clear plan and methodology for the implementation and oversight of the implementation of the strategy and action plan, and reporting on them;

6. Establishment of a system of infringement liability in case of failing to comply with the obligations contained in strategic documents;

7. Organization of a public debate on the final version of the draft strategy, as a phase of the process in which the opinion of everyone who is going to experience social changes to be brought by the strategy is sought.

The document presenting minimum standards for a quality strategy is available in its entirety at: http://www.acas.rs/sr_cir/praksa-

reason, it is important to ensure the following procedural guarantees of its legitimacy from the very beginning:

1. Upon forming the working group, clearly defining its mandate, expected product, and time frame the product is expected in, mode of operating and decision-making, type of communication with each other and with the public and other interested parties and partners;
2. The composition of the working group should include persons with expertise and experience in writing strategic documents and conducting this process, as well as persons with expertise and experience in supervising the implementation of strategic documents.

Although initially all the recommendations stated seem implicit, unfortunately these standards are still not being taken seriously in practice in Serbia, and are either ignored or complied with sporadically and partially, only to observe the rules of what, at the present stage of social and intellectual development of Serbia, are considered principles of democracy and rule of law.

Implementation of the Current Strategy

The challenges characteristic of the process of drafting the first and second report on the implementation of the Strategy and Action Plan have to a large extent remained present in the third round of reporting. Although the responses, considering the focus of the questions asked, as was the case last year, provide much more specific material for analysis than the forms in the first cycle of reporting, and there is some improvement of the response quality compared to last year, the negative aspects of the reporting process have surfaced for the third time in a row. Namely, the responses differ in quality and usability, are not direct and are often descriptive, and do not focus on the problem which had been the reason of the strategic document recommendation. Consequently, in a number of cases the reporting adds up to a mere enumeration of activities which are often very distantly related to the activities or the recommendation. Such a situation gives the impression that the activities were not being undertaken with the intention of complying with the strategic document obligations, i.e. fighting corruption, but that they were regular activities of the responsible parties, which in some sense can be viewed as related to the subjects dealt with by the Strategy and Action Plan. This situation, nevertheless, is also the responsibility of the Strategy itself, and particularly the Action Plan, and the relation between these two documents, for they leave many doubts in terms of the activities that need to be undertaken in their implementation, and of way the Action Plan activities correspond to the respective Strategy recommendations.

Another highly significant problem related to the reporting process is the fact that public authorities still do not submit their responses to the questionnaire in due time, while the Agency must submit its report to the National Assembly with no possible extension to the deadline. For this reason, the Agency finds itself in a situation where it does not have

sufficient information at its disposal, or else, considering the considerable shortage of time, particularly given the scope and complexity of the Strategy and Action Plan, and the diversity of subjects covered, it cannot carry out all parts of the analysis with equal quality. This is why, as was the case in the previous two years, the Agency collected additional information from various reports of international organizations and development agencies, reports of national non-governmental and professional organizations, and different research and analyses.

By applying the methodology to corruption risk estimation in regulations, ten draft laws were analyzed:

- 1. Draft law on Special Conditions for the Registry of Ownership Rights over the Facilities Built without Construction Permits*
- 2. Draft Law on the Protection of Patients' Rights;*
- 3. Bill on Public Procurement;*
- 4. Draft Law on Amendments to the Law on Judges*
- 5. Draft Law on Amendments to the Criminal Code*
- 6. Draft Law on Amendments to the Law on the Seizure of Proceeds from Crime;*
- 7. Draft Law on Mediation*
- 8. Draft Law on Civil Action Proceedings*
- 9. Draft Law on Infraction;*
- 10. Bill on Public Enterprise.*

Regulations

Analysis of Corruption Risks in Draft Laws

In the opinion of the Agency, recognizing and eliminating risk of corruption in regulations is an important prevention measure. Namely, if legislative provisions are clear and precise, there is less room for interpreting and implementing regulations in such a way as to use public competences for private interests of civil servants or public officials implementing the regulation. The methodology for estimating risk of corruption in regulations should be applied by law nominators, so as to pay closer attention to eliminating from the text the elements which could generate incentives to corruption in real life, during the regulation drafting process itself. The Agency's part in this process would be that of a "quality supervisor", i.e. checking whether the nominators correctly implemented the methodology when writing the regulations.

Although the obligation to apply the methodology in the regulation drafting process has not yet been determined for public authorities, the Agency developed the methodology for its own use in the analysis of draft laws. In 2012 the Agency analyzed ten draft laws, and submitted opinions containing specific conclusions and recommendations for the improvement of the text to competent authorities, besides presenting them to the public on its web page and through public appearances of its representatives.

The Agency still cannot measure the effect of the given analyses, since many of the drafts have not yet entered the parliamentary legislative procedure, at the time of writing this report, and the nominators have not provided information on whether they accepted the

opinions in their entirety or only partially, and whether they incorporated the recommendations into the analyzed drafts.

Analysis of Corruption Risks in Regulations and Regulation Implementation

Along with the draft laws, the Agency has drafted reports which analyzed corruption risks contained in regulations in force. The Agency submitted reports in the area of health and education to the competent ministries, the Government, and the National Assembly. Both reports contain recommendations by the Agency on ways to improve the regulations regulating certain areas in the health care system, as well as certification procedures and textbook selection in primary schools and high schools, in order to limit or eliminate corruption possibilities in the course of these processes. By the time of the completion of this report, the Agency had not received any feedback on what the competent bodies intend to do as regards the given recommendations.

1. Report on the Forms, Causes, and Risks of Corruption in the Health Care System. – submitted to the Ministry of Health, and presented to the public in September 2012. In producing the report, the Agency used its own data base, as well as the data base of public authorities in the health care area compiled by the Agency for the adoption of integrity plans. Apart from the ones already mentioned, the Agency used questionnaire responses submitted by the Serbian Medical Chamber, and the Ministry of Health. In addition to the cases which had been reported to the Agency, the report also indicated cases of health care corruption covered by the media, some of which were processed by other authorities (public prosecutor's office, court).

Report on the Forms, Causes, and Risks of Corruption in the Health Care System, and the Report on the Analysis of the School Textbook Selection and Approval Procedure are available at:
http://www.acas.rs/sr_cir/praksa-agencije/analize-propisa-na-rizike-od-korupcije.html

The report consists of several units (parts), with a brief overview of the health care system, competent authorities and legal system, an outline of corruption types which amount to criminal offences; subsequently, cases of corruption in the health care system which had been reported to the Agency by way of complaints, and those covered by the media, are reported. Causes and risks of corruption are identified, and recommendations and measures defined, leading to a reduction of corruption risks, and improvement of the health care system,

2. Report on the Analysis of the School Textbook Selection and Approval Procedure. – presented to the public in December 2012, and submitted to the Government, the National Assembly, and the Ministry of Education, Science, and Technological Development. In addition to the analysis of regulations in this area, the Agency conducted interviews with the relevant institutions and establishments participating in the textbook approval procedure. For the needs of the analysis, the Agency used data from the documentation of

the “Free Textbooks” Project, submitted by the Ministry of Education, Science, and Technological Development.

Review of the Situation in the Relevant Area

As regards the assessment of the legal framework regulating the functioning and exercising of conferred competences, it might be concluded that it is opportunistic in character. In domestic practice, general legal acts are not adopted and implemented as programmatic acts which ought to lead to the accomplishment of a certain legitimate general objective, but are considered a product of legal technique, and are implemented primarily through different variations of semantic interpretation, the outcomes of which vary depending on the public authorities (and even the individuals therein) that interpret them, and the needs of the situation. It is for this reason that the legal practice of the Serbian public administration does not find it legally unsustainable that the implementation of the same legal norm to identical or similar legal and/or factual situations should lead to diametrically opposite outcomes, while it fails to grasp certain basic principles (such as the principle of proportionality, or the principle of legitimate expectations) which have long formed a part of the standard body of administration work in stable democracies.

The process of drafting general normative acts directly reflects their quality. Public authorities still do not perceive general legal acts as instrument which should serve for the definition and protection of public interest. In consequence, the process of drafting the acts has numerous deficiencies, which primarily stem from the fact that they are mainly created in a very narrow and closed circle of public authorities. Even if such cases are brought to a public hearing, remarks and suggestions of the interested public are seldom taken into consideration and incorporated into the draft text. The authorized nominators do not clarify their consideration of the given suggestions and proposals, as they are not legally obliged to do so, and cannot themselves see the need or reason for doing so. The issue of normative act drafting quality is to a large extent the result of the so called “legislative idleness”, that is to say, the absence of capacity and will to think creatively and long term in throughout the drafting of the acts, and to incorporate clear criteria into the regulations, which would reduce the need for interpretation and discretionary powers to the minimum. In such a circumstance, the outcome of the drafting process is a general normative act in which corruption risks are already incorporated.

The conclusion from all of the above is that there is a high probability that the introduction of the obligation to conduct corruption risk evaluations in the procedure of drafting general normative acts would result in the same outcome as other existing obligations determining rules on drafting general normative acts, i.e. being reduced to the level of a mere formality by parties authorized to draft and adopt them. Therefore, it is important to bear in mind that the need to preserve the status quo, in this area as well, will overcome any attempt at introducing innovations, until basic standards guaranteeing the participation of all interested parties are incorporated and implemented in the process of drafting and adopting general normative acts, from the moment of analyzing the needs and the situation in a particular area, to the adoption of the final text of the general act.

Research

Key Results

- A total of 1,732 representatives from four different target groups were surveyed as to the outlook and perception of public interest regarding prevention and fight against corruption, and the place and role of the Anti-Corruption Agency.

The research of the perception of public interest regarding prevention and fight against corruption, and the place and role of the Anti-Corruption Agency was carried out from March to June 2012. Since the Law gives the Agency a mandate to conduct a wide range of different anti-corruption policies and mechanisms for their implementation, the aim of the research was to provide an empirical foundation for focused action of the Agency, considering the assessed attitudes, opinions, expectations and experiences of different public target groups concerning corruption, as well as the place and the role of the Agency in preventing and combating corruption. The focus of the research was determining the place and the role of each of the covered target groups in the process of preventing and fighting corruption, and the cooperation with the Agency in that area.

The research covered a sample of 1,000 public authorities, 386 of which had filled out questionnaires; 103 non-governmental organizations from all over Serbia; 51 media companies and 1,210 citizens. For sampling requirements, the Agency relied on its own resources, i.e. on data bases developed in the process of integrity plan adoption, and on data bases of non-governmental organizations and the media. During the research of the citizen target group for the requirements of field data collection, the organization Center for Free Elections and Democracy was engaged.

Judging by the responses, corruption constitutes the main problem in the Serbian society. The number of respondents identifying this phenomenon as endemic is quite uniform across all examined target groups. Although all target groups regard civil servants (in the more general sense of the term, encompassing public officials and public authority employees in executive positions) and citizens as more or less equally responsible for the emergence of corruption, it may be more noteworthy to point to the fact that a considerable number of all target group representatives identified civil servants as primarily responsible for the emergence of corruption, and that the proportion of those who “carry more responsibility for corruption” is almost equally distributed across the target groups.

Unlike almost every dogmatic conclusion in the Serbian public discourse regarding the pervasiveness

In the opinion of 77% of public officials, 97% of media representatives, 82% of respondents from the NGO sector, and 77% of citizens, corruption is the biggest social problem.

91% of citizens considers that prevention and fight against corruption are matters of general social interest; 51% of them believe that preventing and combating corruption are of a fundamental value to public interest, while for 36% it has a significant, although not crucial importance.

The reports on the research are available at:
http://www.acas.rs/sr_cir/component/content/article/41/698.html

of corruption as a consequence of the citizens' "weak character", the representatives of the surveyed target groups consider the causes of corruption are "built into the system", that is to say that the "system" was made in such a way as to favor corrupt acts, i.e. to enable non-detection and impunity of corrupt practice. Supporting the view that the pervasiveness of corruption is most likely on the side of the system, is the fact that 74% of Serbian citizens believe institutions are incapable of defining, protecting and promoting public (general) interest.

ESTABLISHING AND STRENGTHENING CONNECTIONS WITH THE ENVIRONMENT THE AGENCY OPERATES IN

Connections with the Community

Key Results

- Increased recognition of the Agency among citizens, and enhanced public trust in the results of its work.

Communication with Target Groups

The previous year was characterized by a more intense communication between the Agency and the media, non-governmental organizations, and citizens.

Prior to the call for general elections, journalists and editors of print, electronic and online media in Serbia were provided with facts and clarifications concerning the Agency's mandate and function in monitoring election activities of political entities. In this way, the Agency tried, relying on the media as a communication channel, to transmit the message about allowed and disallowed actions of political entities during the election campaign to the widest possible circle of parties within the general

In 2012 the Agency responded to 82 journalist requests, held 8 press conferences, and published 40 press releases.

public. Likewise, frequent conferences were held, three of which thematically addressed the election campaign, while the remaining five dealt with the results and observed phenomena within other competences of the Agency. On the occasion of the International Anti-Corruption Day a conference was organized where the Agency summarized the results of monitoring the election campaign, and its first findings. Apart from media representatives, the Agency presented the results and the first observed phenomena to representatives of national and international institutions, NGOs, experts in the field of monitoring and financing election campaigns, and other interested public parties.

In order to familiarize citizens with other areas of its work, and with its manner of acting in certain situations, the Agency published 40 press releases. Special attention was paid to shifting the public focus from the level of disallowed conduct as such, to seeing the essence of these kinds of problems dealt with by the Agency. As feedback, the number of citizen and media requests for clarification and assessment of particular situations increased. A confirmation of the Agency's success in this field was findings of the research conducted by the UN Development Programme and the Center for Free Elections and Democracy, referring to the last quarter of 2012. The research report contains a part stating that the number of citizens who acknowledged the Agency's work rose from 60% to 77%.

At the same time a slight shift in communication trends, from the one where information goes from the Agency to the media, to the establishment of a dialogue, can be observed in the example of journalist requests addressed to the Agency, especially from local media. In the reporting period there were 23 such requests. The increased number of requests may be attributed to the effects of a more active presence of the Agency representatives in local media. The Agency replied to a total of 82 journalist requests during 2012, giving more detailed analyses and evaluations of certain competences, answering questions about specific actions of public officials or institutions, and presenting the decisions and acts it had adopted to the public.

In 2012, four thematic meetings with national media journalists and editors were designed and held, in order to focus the public's attention on the competences of the Agency which are less appealing to the media, and do not find their way to the public in everyday reporting, but do represent a significant part of the mandate entrusted to this public body.

Publishing

Publishing was another way for the Agency to approach the interested public. In 2012, a two-volume publication, the "Annual Report on the Work of the Anti-Corruption Agency for 2011", and the "Report on the Implementation of the National Anti-Corruption Strategy and the Action Plan for the Implementation of the National Anti-Corruption Strategy for 2011", was published in Serbian and English. Before the holding of the general elections and before the obligation of public officials to submit assets and income declarations came into force, the second editions of the "Public Officials' Guide" (circulation: 5,400), and the "Information Booklet for Declaring Public Officials' Assets and Income" (circulation: 6,000) were published. All printed editions are also available on the Agency's web page.

New Media

An innovation in the communication with the interested public offered another possibility for the citizens to contact the Agency in real time by using the new media, i.e. the social networks Facebook and Twitter. This type of communication has allowed the Agency to connect with a new audience, but also stay up-to-date when it comes to acting on particular cases. Simultaneously, in order to ensure the accuracy of the information exchanged through social networks, the Agency's web page followed the exchanged content, giving a more comprehensive elaboration of the listed information.

Campaigns

In 2012, the Agency issued a call for applications on the occasion of International Anti-Corruption Day, open to primary, high school, and university students in the Republic of Serbia. Prizes were awarded in four categories: literary or journalist text, artwork, audio-visual work, and slogan; each category was divided into three age groups.

520 works of participants coming from 72 locations in Serbia were submitted to the competition titled “Changing Myself – Changing the World!”

Ten schools, which had motivated and encouraged their pupils to participate in the competition for the third consecutive year were awarded special prizes. The winners were awarded 20 annual subscriptions to “Politikin Zabavnik”, and “National Geographic”, books published by the sponsors – the Institute for Textbook Publishing and Teaching Aids, Belgrade, and the Creative Center Belgrade, along with promotional material with the logo of the Anti-Corruption Agency (t-shirts, notebooks, pens).

Review of the Situation in the Relevant Area

The public discourse on problems and events confronting Serbian society, the search for adequate solutions to current problems, and ways of solving them, is being conducted in an environment where information on the ownership structure of the media is unavailable to the public. In this legally allowed situation, there is a pronounced fragmentation of the media towards the positions they advocate; these positions conform to the interests of their effective owners and diverge through the selection, type and quality of information to be disseminated to the public. At the same time, the interests of these entities are reflected in a subtle form of influence through the selling of advertising space in the media, which constitutes a substantial part of financing their work.

In this framework, the opportunity to give information on its mandate, results, and action in specific situations, is presented to the Agency, as to most of the other actors in society, only when, on a separate occasion, there is a dispute or affair relating to a person, institution or event, in some way related to the phenomenon the Agency wishes to call attention to.

It is not seldom the case that information presented by the Agency in its reports, conferences, or press releases, takes a long period of time to reach the public. However, if such information coincides with the events reported by the media, which finds them in some way convenient, it would be covered only if it could support the position advocated by a particular media outlet.

Cooperation with Civil Society

Key Results

- An internal regulatory framework for cooperation between the Anti-Corruption Agency and civil society organizations was established;
- Two small grants of RSD 4,216,000.00 were implemented.

Guidelines for cooperation with civil society

At the end of 2012, the Agency developed and published guidelines for cooperation with civil society organizations.⁶ These guidelines determined the principles, conditions, and procedure of cooperation, starting from the fact that civil society is one of the strategic partners of the state in the fight against corruption and strengthening social integrity. In its cooperation with civil society organizations so far, the Agency sought to implement the cooperation principles from the Code of Good Practice for Civil Participation in the Decision-Making Process, adopted by the Conference of International NGOs of the Council of Europe. The conditions, criteria, and process determined by the adopted guidelines derive from former practice, established requirements of civil society organizations, donors, and the Agency.

Within the activities aimed at improving the quality of cooperation with civil society organizations, an e-mail list was set up, containing the data on 60 organizations to which information on the Agency's activities are being sent, especially regarding the domain of cooperation with civil society, and the fight against corruption.

Competition for Support to Civil Society Organization Projects

Another call for proposals for support to civil society organization projects regarding capacity strengthening of the society in the fight against corruption was issued and implemented in February 2012.⁷ Of a total of ten proposals applied, the competition was won by two, coming from partner organization networks. The project of the Green Initiative of Vojvodina, titled "Green Patrol in Action – Seen, Shot, Exposed" was awarded funds in the amount of RSD 2,108,000.00, while the project of the Toplica Democracy and Human Rights Center titled "Civil Society and the Media Together Against Corruption: Strengthening Professional and Journalist Association Members for Efficient Anti-Corruption Activism" was awarded funds in the amount of RSD 2,107,380.00.

Both projects awarded financial support at the 2012 competition were completed within the specified deadline, and the results are available on the web pages of the project

⁶ The guidelines are available at: http://www.acas.rs/sr_cir/podizanje-antikorupcijske-svesti/833.html

⁷ All information on the competition available at: http://www.acas.rs/sr_cir/podizanje-antikorupcijske-svesti/756.html

implementing agencies.⁸ The project of the Belgrade Center for Security Policy titled “Mapping and Monitoring of the Security Sector of the Republic of Serbia” which was given financial support and a two month deadline extension in 2011, was completed in September 2012, and all project results were published on this organization’s official web page.⁹

Partnerships and Support to Civil Society Organization Projects

According to the Guidelines, there are three possible cooperation models between the Agency and civil society organizations: the general support model, cooperation model, and project partnership model.

The Agency signed partnership statements with two civil society organizations which had participated in the call for proposals of the EU Delegation to Serbia for granting funds to anti-corruption projects. Partnerships were established with the Association of Independent Electronic Media and the Western Balkans Socio-Economic Center. In November 2012, the Association of Independent Electronic Media signed an Agreement on the implementation of the “Illustrated Glossary of Corruption” Project with the EU Delegation to Serbia, while the project of the Western Balkans Socio-Economic Center was not assisted by the European Union. The Agency became a partner of the UN Development Program on the “Young Investigators: Serbian Youth Engagement in the Fight against Corruption via Investigative Journalism and Social Media” project.

In 2012 the Agency endorsed the project proposal titled “Prevention: an Effective Instrument for Reducing Corruption”, approved within the USAID Judicial Reform and Government Accountability project. This project was submitted by the New Policy Center from Belgrade. Along with this one, the Agency supported the projects of three other organizations applying with the same donor. Projects of the Center for Civil Society Development “Protecta”, Center for Development Policy and Cooperation, and the Bureau for Social Research were also supported.

International Cooperation

Key Results

- The Agency’s presence in the work of the most important international institutions and bodies, such as the UN, the Council of Europe and the Group of States against Corruption (GRECO), the Organization for Economic Cooperation and Development (OECD), the

⁸ Detailed information available at: <http://www.vojvodjanskazelenainicijativa.org.rs/> and http://www.topcentar.org.rs/gradjansko_drustvo_mediji.htm

⁹ Detailed information available at: <http://www.bezbednost.org/Svi-projekti/570/Mapa-rizika-od-korupcije-u-sektoru-bezbednosti.shtml>

Organization for Security and Cooperation in Europe (OSCE), European Partners against Corruption (EPAC), and the International Anti-Corruption Academy (IACA) was ensured.

Cooperation with the United Nations Office on Drugs and Crime (UNODC)

The implementation of the UN Convention against Corruption is overseen by UNODC – a Conference of the States Parties, founded to improve the capacity of and cooperation between states parties to achieve the objectives set forth in this Convention and to promote and review its implementation. The first phase of the review process is self-assessment of the implementation of the Convention by states parties, followed by a visit by expert teams, with the assignment to clarify any ambiguous questions and assess the implementation of the Convention. In this respect, the Agency had several meetings with expert delegations from the UNODC, interested in the implementation of certain provisions of the Convention in practice.

Cooperation with the Council of Europe (GRECO)

Monitoring the compliance with the Council of Europe anti-corruption standards includes the evaluation process (based on which GRECO gives recommendations for further legislative, institutional and practical reforms), and the compliance procedure, which is essentially an assessment of measures undertaken by a member state in order to implement the recommendations.

Given that the subject of the third evaluation round was related to the transparency of financing political parties, where Serbia received ten recommendations for complying with the Council of Europe standards, the Agency actively participated in GRECO reporting and plenary meetings. The Compliance Report for Serbia was adopted in the 57th plenary meeting, where all of the recommendations relating to the transparency of the financing of political parties received satisfactory evaluations.

Cooperation with the Organization for Economic Cooperation and Development (OECD/ACN)

The Anti-Corruption Network was founded within the Organization for Economic Cooperation and Development as a regional program open to countries in Eastern Europe and Central Asia. The main counterparts are the representatives of national governments and independent anti-corruption institutions. The Agency took part in drafting the “Fighting Corruption in Eastern Europe and Central Asia: Progress and Challenges” report, developing the work program for the ensuing period, and drafting and adopting strategic steps of the Network for the period of 2012-2014.

Cooperation with the Organization for Security and Cooperation in Europe (OSCE)

Beside the numerous projects and activities carried out with the assistance of OSCE in the previous period, a major event was the 20th Economic and Environmental Forum, organized by the Office of the Coordinator of OSCE Economic and Environmental Activities – the second preparatory meeting focused on “Promoting Good Governance and Combating Corruption in Support of Socio-Economic Development”, where the Agency presented its results in this field. The Economic and Environmental Forum is a meeting at the highest level in the area of economic and environmental matters, where 56 member states consider practical solutions to common problems.

Cooperation with European Partners against Corruption (EPAC)

EPAC is an independent, informal, non-political network of operational bodies for the oversight of police and independent institutions in charge of preventing and combating corruption, EU member states, and the Council of Europe. The Agency participated in the work of the EPAC Annual Assembly, where it presented its key results. A common declaration calling upon all member states to follow fundamental holistic principles and international standards in the fight against corruption.

Cooperation with the International Anti-Corruption Academy (IACA)

The first session of the International Anti-Corruption Academy Assembly was held in Vienna in November. The representatives of the Agency and the Ministry of Foreign Affairs, forming the Serbian delegation, took part in its work. The Resolution on the Rules of Procedure, the Resolution on the Election of the Board of Governors, and the Resolution on General Matters of the Academy’s work were adopted at the first session. During the plenary session, nearly all the delivered presentations focused on the measures and mechanisms implemented at the national level by member states with the purpose of efficiently preventing and combating corruption.

Institutional Cooperation

The delegation of the State Commission for the Prevention of Corruption from Macedonia, and the delegation of the Agency for the Prevention of Corruption and Coordination of the Fight against Corruption from the Federation of Bosnia and Herzegovina came to an official visit to the Agency, with a view to contributing to the development of regional and institutional cooperation. The Macedonian delegation was mainly interested in learning about the Agency’s activities related to the integrity plan introduction process, while the delegation of Bosnia and Herzegovina expressed particular interest in the Agency’s practice in the protection of whistleblowers. Future cooperation possibilities were also considered at the meetings.

Projects and Cooperation with Donors

The most important activities in the previous year were also accomplished with the assistance of international partners, mainly the USAID Judicial Reform and Government Accountability (JRGA) project, the UN Development Program, GRECO, the EU funded IPA 2008 Project, the project financed by the Government of the Kingdom of Norway, and the KAS Project.

The first donor meeting was organized in July 2012, where the Agency presented its key missions and activities, resulting in several implemented projects.

ENSURING ACCOUNTABILITY TO THE PUBLIC

Key Results

- Functionality of internal mechanisms for initiating proceedings and determining accountability of Agency representatives for their work was provided;
- The Financial Report of the Agency for 2011 was adopted.

Dismissal of the Director

The Board, as one of the two Agency bodies specified by the Anti-Corruption Agency Act, played a key part in 2012 concerning the compliance with the obligation of this institution, as well as of its representatives and staff, to give an account of the effects of their work to the public. Determining responsibility, and the dismissal of the former Director, initiated and conducted within the Agency, were among the rare instances in the institutional framework of the Serbian public sector of a public authority having sufficient capacity to exercise such powers.

At the same time, the Agency Board acknowledges its own share of responsibility, reflected in the fact that due to insufficient decisiveness on its part, and a conciliatory attitude toward the Director's actions, the opportunity to take up and resolve the issue of her role in damaging the Agency's reputation was missed, at a time when the consequences to the Agency could have been averted or diminished. Conversely, in the existing conditions, the Agency did not get the opportunity to acquire the status and recognition expected by the public, nor the reputation of an independent and bold institution capable of combating high-level corruption in the ranks of the government.

The introduction to the proceeding of determining the Director's responsibility was the session held in September, where the Agency Board issued a conclusion to suspend the Decision on establishing the Anti-Corruption Agency Housing Commission, along with all the decisions and acts passed by it. The board made this decision considering the allocation of housing to Agency staff and appointed parties¹⁰ unacceptable, because it goes against the very idea, essence and purpose of the Agency, and creates an illusion, that is to say it indicates the possibility of corruption, particularly in view of the provision of the Agency Act stipulating that an official may not use a public office for any private gain or convenience, whether for him or herself, or for an associated person.

At the same session, the Board demanded that the Director submit data and documentation concerning the Agency's work. The requested data concerned the work of the Agency Appeals Commission, funds spent on supervising election campaign expenses in 2012, information on drafting the final report (analysis) on the financing of political entities

¹⁰ The official legal grounds for the Director's decision to establish the Housing Commission was the Decree on addressing housing needs of parties selected, appointed and employed by the users of state owned assets (Official Gazette of RS no. 102/10)

during the election campaign, information on the human resource structure of the Agency compared to the current classification of posts of employment (the number of civil servants and persons engaged on other grounds, with their job designations, and the data on vacancies), and the information on the planned announcements of vacancies.

At the session held in October the Agency Board issued a unanimously adopted conclusion instituting the proceeding for the Director's dismissal, on the suspicion that she damaged the Agency's reputation, violated the provisions of the Law, and performed her duties negligently. Pursuant to the Law and Rules of Procedure, upon the expiry of the 15 day deadline, a new Board session was held, offering the Director the chance to comment on the proposal, and give opinions or evidence in favor of her declaration.

During the proceeding, other reasons for the dismissal of the Director were determined, which were also damaging to the Agency's repute. One of the reasons, according to the Board, was the fact that the Agency entered the electoral year inadequately prepared. Namely, it was apparent that the Agency had no capacities to present the results of the election supervision within a reasonable timeframe with the human resources engaged up to that point, and, due to the absence of an administrator of the relevant organizational unit of the Agency, the motion to institute misdemeanor proceedings could not be filed even six months after the infringement in regards to annual financial report filing. Moreover, the procedure of the request for additional financing of election monitoring and supervision was not transparent or timely, the procurement of appropriate equipment was late and poorly coordinated, and the engagement of electoral campaign observers was not carried out in due time.

The Board also determined that the adoption and publishing of proposals of regulations determining public offices, jobs and activities which public officials may undertake without the approval of the Agency had led to harmful consequences, resulting in misleading public officials and the public as regards the prospects of assuming particular public offices, jobs and activities, without the approval of the Agency. The Board was not given the option to comment and provide its expert advice on the proposal of this general act in a timely manner.

The Board found additional reasons in the Director's disregard of the imperative provision of the Agency Act dealing with the Deputy Director, and in the failure to provide the Board with adequate workspace, intended exclusively to serve its needs.

At the session held in November the Agency Board unanimously dismissed the Director. The person hitherto Secretary to the Board was appointed Acting Director, and ordered to undertake all the required measures to return the apartments allocated to the Agency to the Government of the Republic of Serbia without delay, and within three days at the latest.

In the course of the same month, the apartments were returned to the Government, and the decision was passed to announce a public competition for the election of a new Agency Director.

Activities related to Ensuring the Accountability of the Agency for its Work

Within the activities aimed at informing the public of its work, the Agency adopted the Annual Report on the Work of the Agency for 2011, submitted to the National Assembly, and the Financial Report of the Agency for 2011.

In addition to the abovementioned documents, the Agency developed a draft amendment to the Anti-Corruption Agency Act. Work was ongoing regarding the amendments, and many of the sessions of the Agency Board considered ideas for the improvement of the legal framework. Work on the amendments to the Anti-Corruption Agency Act was particularly intensified throughout 2012, and the amendments proposed are aimed at enhancing the efficiency of the mechanisms entrusted to the Agency.

During the proceeding for the dismissal of the Director, the Agency Board also analyzed the provisions of the Decree on addressing housing needs of parties selected, appointed and employed by the users of state owned assets. According to the assessment of the Board, said Decree has great corruption potential, since it allows for apartments to be assigned to public officials. For this reason, the Board addressed a proposal to the Government in September 2012 to exclude from the Decree the right to settle housing needs of parties selected and appointed for a limited term of office by renting them apartments with rights of purchase.

CAPACITY STRENGTHENING

Key Results

- The Agency was provided with human resources, material, financial, and technical conditions necessary for its functioning.

Staff

In 2012 there was an open application procedure to recruit new staff for executive positions on a permanent basis. The application procedure was announced and conducted in accordance with the 2012 Human Resources Plan, and of the nine announced positions, six were filled. Additionally, four civil servants were engaged on a permanent basis based on an agreement on exchange with other public administration bodies.

Overview of the Agency Staff

Structure of Staff as of 01/01/2012			Structure of Staff as of 31/12/2012		
Staff employed on a permanent basis	Staff employed on a temporary basis	Staff engaged based on a special service agreement	Staff employed on a permanent basis	Staff employed on a temporary basis	Staff engaged based on a special service agreement
59	2	3	68	6	2
64			76*		

* Note: one civil servant has left the Agency in the meantime

In 2012 the Agency drafted the Human Resources Plan Proposal, as part of the 2013 Financial Plan Proposal

Training

The professional service staff of the Agency have undertaken 15 trainings on topics defined by the Agency Staff Training Plan, developed in 2011, based on the staff needs analysis. The training was carried out as part of the IPA 2008 Project of the European Commission, and the lecturers were domestic and foreign experts in relevant fields.

Study Tours

During 2012, the Agency staff attended four study tours.

Three Agency employees have attended a five day study tour to Australia, visiting the Independent Commission Against Corruption – New South Wales in November 2012. The

visit was financed by the United Nations Development Programme (UNDP) in Serbia. The purpose of this visit was getting acquainted with the competences and work of this institution, and the exchange of good practices.

Five employees attended a three-day study tour to the Latvian Corruption Prevention and Combating Bureau in November 2012. The goal of this visit was getting acquainted with the competences and work of this institution, and exchanging good practices. The visit was financed by IPA 2008.

Four employees attended a ten-day study visit to the United States of America in November 2012, within the Open World Program of the US Library of Congress, conducted by the American Councils for International Education. The program focused on the rule of law and good governance, and included visits to institutions, and experience exchanges in combating corruption with their representatives.

Five employees attended a two day visit to the Netherlands in December 2012, arranged and financed by the OSCE Mission to Serbia. The institutions which trained them are holders of integrity control systems in the Dutch public administration. This visit was focused on learning about institutional mechanisms for preventing corruption in Dutch public institutions, in view of the fact that the Anti-Corruption Agency implements this type of mechanism in the form of an integrity plan.

Library

The Anti-Corruption Agency is working on the organization and development of its library. The Agency Library contains 1,300 library units, and an internal document for its use and promotion has been prepared.

Information Technology

The establishment of an independent information system, entirely administered by the Agency staff, was completed in 2012. New application software and the DMS system were introduced in order to completely automate the Agency's work processes. The introduction of an optical line leading to the building provides efficient internet access and a digital telephone switchboard (SIP Trunc).

With the donation of the IPA 2008 Project, an acquisition worth EUR 757,000.00 was made, integrating and expanding the information system.

Finances

Financial Report

The 2012 Budget Law allocated funding to the Agency amounting to a total of RSD 731,035,000.00. By the end of 2012, a total of RSD 687,637,000.00 was implemented, accounting for 94% of total approved funds. In addition, funds for election campaign monitoring were allocated from the current budget reserves of the Republic of Serbia (letter no. 401-00-1/2012-03/6).

The 2013 Agency Financial Plan Proposal was drafted in 2012, with projections for 2014 and 2015.

EXPENDITURE OVERVIEW FOR THE PERIOD OF 01/01 TO 12/31/2012				
Source of Financing 01 – Budget of the Republic of Serbia (in thousands)				
Economic classification	Budget Line	Revenue (RSD)	Expenses (RSD)	Unspent (RSD)
411	Staff salaries	94,000	88,066	5,934
412	Social contributions pertinent to salaries	16,858	15,748	1,110
413	Benefits in kind, gifts for employees' children	450	320	130
414	Social benefits provided to employees	3,000	1,852	1,148
415	Transportation allowances	2,700	2,165	535
416	Employee rewards and other special expenditures	300	48	252
421	Fixed expenditures – telephone lines, utilities, staff insurance, vehicle insurance	12,200	8,025	4,175
422	Costs of national and international travel	4,200	3,278	922
423	Contracted services (expenditure 43,746),	60,556	55,543	5,013
	Fees for Board Members (expenditure 11.,797)			
425	Regular repairs and maintenance	400	278	122
426	Stationery and technical literature	3,199	1,700	1,499
481	Grants to NGOs	4,216	4,215	1
482	Taxes, tax fees and penalties	140	62	78
483	Fines and penalties on the basis of court decisions	20	1	19
511	Facilities and buildings	523,576	504,449	19,127
512	Machines and equipment	4,920	1,887	3,033
515	Intangible assets	300	0	300
Total:		731,035	687,637	43,398

OVERVIEW OF ESTIMATED AND ACTUAL EXPENSES – ELECTION MONITORING Source of Financing 01 – Budget of the Republic of Serbia
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(in thousands)				
Economic classification	Budget Line	Revenues (RSD)	Expenses (RSD)	Unspent (RSD)
421	Fixed expenditures – telephone, other expenditures	1,200	222	978
422	Transportation costs	750	25	725
423	Contracted services – observers, external audits, and other expenditures	38,556	36,711	1,845
426	Stationery, fuel expenses, associated equipment	1,999	270	1,729
512	Machines and equipment – costs of mobile phones, cameras, sound recorders, etc.	970	1,168	-198
Total:		43,475	38,396	5,079

EXPENDITURE OVERVIEW FOR THE PERIOD OF 01/01 TO 12/31/2012 - DONATIONS				
Source of Financing 05 – Foreign donations – REVENUE – 8,732				
Source of Financing 15 – Unspent funds from last year – 653				
(in thousands)				
Economic classification	Budget Line	Expenses 05 (RSD)	Expenses 15 (RSD)	Total expenses for 05 and 15 (RSD)
421	Fixed expenditures	400	-	-
422	Costs of national and international travel	427	-	-
423	Contracted services + application software development service	6,423	647	7,070
Total:		7,250	647	7,897

Public Procurement

In 2012 the Agency decided to entrust public procurement to the Administration for Joint Services of the Republic Bodies, in accordance with the Law on Public Procurement.

1. The first public procurement procedure concerned Software Design Services Solicited for ACA's purposes. It was a negotiation procedure without prior publication of a contract notice, where the price of the service was subject to negotiation. The contract with PROZONE Ltd from Novi Sad was practically supplemented by this procedure. Total contract value was RSD 2,800,000.00. 80% of the total value was financed by the Support to the ACA in Combating Corruption Project (source of financing 05 – foreign donations), while the remaining 20% was financed from budget funds (source of financing 01 – budget revenues).

2. The second public procurement procedure regarding the requirements of office premises maintenance was conducted by the Administration for Joint Services of the Republic Bodies back in 2009 for a validity period of three years for all government facilities. The contract was awarded to the joint-stock company BMK. For the ACA's requirements, the Administration has made an annex to the basic contract, so that the Agency pays a net price of RSD 125,000.00 per month for the maintenance of its office facilities.

In 2012, the Agency purchased basic assets which accounted for an amount smaller than the threshold which requires initiation of a procurement procedure.

- 165 mobile phones for the needs of election campaign observers;
- 65 cameras for the needs of election campaign observers;
- 65 sound recorders for the needs of election campaign observers;
- 2 paper shredders;
- 2 mobile phones for staff needs.