



CENTRE FOR SECURITY COOPERATION

International and Regional Cooperation with focus on Euro-Atlantic Integration Pillar

“Regional Workshop on Corruption Risk Assessment and Institutional Integrity”

29-31 May 2017

Podgorica, Montenegro

Introduction

On 29-31 May 2017 the Regional Workshop on Corruption Risk Assessment and Institutional Integrity was held in Podgorica, Montenegro. The event was jointly organized by the Regional Anti-Corruption Initiative (RAI) and RACVIAC – Centre for Security Cooperation, and hosted by the Ministry of Defence of Montenegro.

This Workshop was a continuation of a series of activities previously organized by RACVIAC - Centre of Security Cooperation in cooperation with RAI and was intended as a capacity building endeavour for a new generation of experts involved in the subject of building integrity and fighting corruption.

The purpose of the Workshop was to increase the capacity of public authorities in the field of corruption risk assessment and integrity, as well as to strengthen

cooperation between anti-corruption bodies and ministries of defence in South East Europe.

The target audience included mid-level representatives of the respective anti-corruption agencies and ministries of defence (departments in charge of building integrity and preventing misconducts). In total, there were 44 participants coming from the Republic of Albania (3), Republic of Austria (1), Bosnia and Herzegovina (3), Republic of Croatia (2), the former Yugoslav Republic of Macedonia*(3), Montenegro (9), Moldova (1), Republic of Serbia (2), Republic of Slovenia (1), Romania (2), Kosovo**(2), as well as RAI (4) and RACVIAC (3) staff. During two days seven experts and guest speakers from different institutions were included in the sessions, including the Ministry of Defence of Montenegro; Center of Excellence in Finance; Centre for Integrity in the Defence Sector; POINTPLUS Network for Security Studies, and Belgrade Centre for Security Studies.

* Turkey recognizes the Republic of Macedonia with its constitutional name.

** This Designation is without prejudice to positions on status and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

Execution

The Workshop was meant to enable participants to gain a better understanding of the specific elements related to corruption risk assessment, integrity measures, identification and mitigation of corruption risks, prevention of corruption in public procurement and financial control management.

It also aimed to increase awareness about the current anti-corruption mechanisms and tools, but also the needed legal solutions. During two days the participants had an opportunity to exchange national practices and gain a better understanding of the current situation related to integrity plans and integrity measures in place in the process of public procurement and financial control management within relevant institutions (ministries of defence).

Opening the Workshop on behalf of RACVIAC - Centre for Security Cooperation, Mrs. Ana Ezhova Krzhaloska, RACVIAC Programme Manager in International and Regional Cooperation with a focus on Euro Atlantic Integrations Pillar, said: *“According to the available international and regional assessments and reports, corruption is still one of the main challenges in SEE. Thus, continuous efforts in curbing corruption are needed, both as regards prevention as well as suppression, in order to reduce corruption and eliminate potential risks of any kind of misbehaviour. In accordance with RACVIAC mission to foster dialogue and cooperation on security matters in SEE region, we see this Workshop as an excellent opportunity for further development of regional cooperation on Corruption Assessment and Institutional Integrity and to promote the enhancement of the existing national structures through the exchange of information and sharing of available training opportunities”* pointed out Mrs. Ezhova Krzhaloska.



Opening session (from left to right): Mrs. Alma Adrović, Mrs. Ana Ezhova Krzhaloska, Mr. Davor Dubravica and Mr. Tomislav Ćurić

Mrs. Alma Adrović, Head of NATO & EU Department at the Montenegrin Ministry of Defence, said that *“this topic requires attention of all of us focused on developing global partnership and active exchange of information in order to properly prevent and combat corruption. In today’s world, corruption is a threat to stability, it is a crime of its own, and it supports the appearance of other crimes. It erodes trust in public institutions and political processes, and undermines the functioning of the markets. In one way or another, corruption affects us all by endangering national security and representing one of the major threats to stability.”*



First day of the Workshop, Podgorica, 30 May 2017

Greeting the participants on behalf of the Regional Anti-Corruption Initiative Mr. Davor Dubravica, Chairperson of RAI, stated that *“corruption presents one of the main challenges in SEE and anti-corruption is a priority for all the RAI member*

countries' governments.” He emphasized that cooperation with other institutional levels is crucial in joining efforts to curb corruption.

Participants were taking an active part in delivering and elaborating on case studies. They also took an active part in presenting the latest developments from their native institutions in the field of corruption prevention and sharing their knowledge and experience on matters of corruption risk assessment as an efficient preventive tool in public institutions, regarding integrity in public procurement, and financial management control (FMC).

Among others, topics such as Development and implementation of Integrity plans, Anti-corruption assessment of legislation (corruption proofing), Prevention of Conflict of Interest, Outcomes and findings of the regional study, Main challenges in the defense sector, financial control mechanisms, etc., were presented by the Center of Excellence in Finance.

During the second day of the Workshop the participants were divided into working panels and discussed international and EU standards on corruption fighting, public procurement practices and conflict of interest, corruption reporting and whistleblower protection, as well as the current/common challenges and possible solutions (training, legal expertise, etc.).

Regarding the main challenges in the implementation of anti-corruption preventive tools, the group concluded that there are many challenges region-wide, including the following:

Unique approach to preparation of integrity plans/unique methodology: countries usually have one methodology that is being applied to all institutions, which is not possible due to differences in nature and size of the different institutions. Therefore, institutions should consider

adapting the methodology to its own circumstances and needs.

Nonexistence of IT application/tools:

Many countries are lacking this tool which would enable the public authorities in charge of monitoring the implementation of integrity plans. Moreover, the tool is easier to use, it is economical and provides statistical data for getting the overall picture regarding the state of integrity within the country.

Capacity & lack of resources:

Most of the institutions neither have the people nor the sufficient funds to carry out the CRA (corruption risk assessment) and monitoring of implementation. Existing officials need more knowledge and experience.



Second day of the Workshop, Podgorica, 31 May 2017

As far as the main features of a good system for corruption risk assessment (integrity plans) are considered, it was stated that the main precondition for a successful system for CRA is management commitment. In addition, education and raising awareness is crucial. It should include different levels so that all people involved in CRA are aware of these anti-corruption measures and are guided by certain integrity principles. It was also added that external and internal pressure for the implementation of CRA measures is in the hands of institutions that must seek to avoid that the CRA is carried out pro form, and need to make sure that everyone understands that integrity plans are put in place for their own good. There

should be a culture of improving integrity and fighting corruption levels within the institution.

The activities on the regional level that could assist countries in enhancing institutional integrity and prevention of corruption are seen in international cooperation, as a very important factor as the countries region-wide have some similar experiences and can help each other find the best solutions. Countries could benefit from these kinds of activities as experience-sharing would enable them to adjust these findings to their own circumstances. NGOs and international organizations are particularly important as they act as external sources of information.

Financial Management and Control: The authorities should merge these processes into corruption risk assessment, so as to avoid the overlapping of activities. The FMC should be included into all integrity plans. The group also concluded that all persons responsible for the implementation of these measures should be independent, properly trained and perform their duties in accordance with their job description. Special attention should be paid to the anti-corruption assessment of laws (corruption proofing) as an integral part of the overall CRA process.

The participants agreed that some activities on the regional level could assist countries in strengthening financial management control. There should be a holistic approach to Financial Management and Control (FMC) and risk assessment in general, while when it comes to the government/institutional context, a coordination mechanism between Anti-corruption Agencies, Ministry of Finance (Central Harmonization Units) and Supreme Audit Institutions should be established. The mandate of this body would include: *Analysis of status of internal control systems in particular sectors; Discussion about systemic risks; Providing*

recommendations; Coordination with the judiciary; International cooperation – preparations for Anti-Fraud Coordination Service (AFCOS) Group and coordination of preparations for international requirements.

It is the institutions' managers' responsibility to establish proper internal controls and make sure that there is no duplication of work and efforts within the institution. Therefore, the group concluded that the following should occur:

Establish an internal coordination mechanism between compliance officers, FMC coordinators, internal auditors, integrity officers (where applicable) and the management. Additionally, clear responsibilities should be assigned to the above-mentioned actors in order to avoid parallel systems, duplication of work, and ensure effectiveness of the mechanism as well as to raise awareness and train people about the FMC, its importance, and the importance of the overall coordination.

When talking about sectoral risk assessment in public procurement, the group concluded that a checklist of potential risks is a good start. There should be an assessment made of the public procurement systems of the countries in the region. This would enable sector specific assessments as well. The checklist can be used to identify sector-specific sensitive issues.

Concerning the main challenges in preventing corruption in public procurement it was said that a lack of political will followed by the lack of public pressure and proper implementation of public procurement rules are the main factors of concern. Transparency is the key challenge in public procurement. E-procurement portals are essential, but their existence is not a sufficient guarantee against corruption, as they are usually designed to accept many exceptions to the general practice. Also, E-portals tend to be underused, as they are not designed in a

user-friendly manner (usually, the search option within the portal is not available as there are many scanned documents). Finally, lack of preparation and poor training of procurement officers – standard 1-2 day trainings - are insufficient and are not specific enough.

SEE countries would benefit from a cross-country comparative analysis. This comprehensive study would include an analysis of laws, bylaws, directives, and processes, but would analyze the institutional frameworks too. This would enable countries to understand where they stand when compared to others in the

region, but also to look into all the different levels of implementation and understand general corruption risks region-wide.

A catalogue of risks, consequences and actions could be of importance, especially in understanding the typical risks and designing a standard training program for procurement officers (possibly peer to peer). In designing the program, it was said that RAI and partners should work and consult each country in order to adjust the training program accordingly.



Group photo

Conclusions

In their closing remarks the participants stressed that they have gained a better understanding of the specific elements related to integrity plans, integrity measures, identification and mitigation of corruption risks as well as a clearer picture

of efforts in prevention of corruption in public procurement and financial control management.

Participants also praised RAI's and RACVIAC efforts in organizing this event.

**RACVIAC - Centre for
Security Cooperation**