SELDI Strategy and Action Agenda

for Good Governance and Anticorruption in Southeast Europe

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Southeast Europe Leadership
for Development and Integrity

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The SELDI Strategy and Action Agenda sets the mission and the aims of the SELDI coalition until the end of 2016 and outlines the specific actions of the network. SELDI is an open initiative, constantly aiming to expand and attract civil society organisations, policy-makers, and other stakeholders, which can contribute to its goals, share experience and support good governance and anti-corruption measures in Southeast Europe.

140 anti-corruption stakeholders (Civil Society Organizations (CSOs), policy-makers, international organisations, researchers and journalists from nine countries) were consulted and provided valuable feedback for the improvement of the *SELDI Strategy and Action Agenda.*

SELDI coalition founding members:
Albanian Center for Economic Research (ACER), Albania
Center for Democratic Transition (CDT), Montenegro
Center for Investigative Reporting (CIN), Bosnia and Herzegovina
Center for Liberal-Democratic Studies (CLDS), Serbia
Center for the Study of Democracy (CSD), Bulgaria
Forum of Civic Action FORCA Pozega, Serbia
House of Europe (HoE), Albania
Institute Alternative (IA), Montenegro
Institute for Democracy 'Societas Civilis' Skopje (IDSCS), Republic of Macedonia
Instituti Riinvest, Kosovo
Kosovo Law Institute (KLI), Kosovo
Macedonian Center for International Cooperation (MCIC), Republic of Macedonia
Ohrid Institute for Economic Strategies and International Affairs, Republic of Macedonia
Partnership for Social Development (PSD), Croatia
Regional Anticorruption Initiative (RAI) Secretariat, Bosnia and Herzegovina
"Syri i Vizionit", Kosovo
Turkish Economic and Social Studies Foundation (TESEV), Turkey

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1. BACKGROUND

Corruption is one of the most pressing issues in Southeast Europe. According to the United Nations Organisation on Drugs and Crime (UNODC) corruption is an issue of particular concern for the countries of the Western Balkans, because of its detrimental impact on their social and economic development. In 2010, on average, one in six citizens of the region has had either direct or indirect exposure to an act of bribery with a public official on a yearly basis.[1]

According to the Corruption Perception Index of Transparency International for 2012,[2] Albania has the highest levels of perceived public-sector corruption in Southeast Europe with a rank of 113 (from 176 countries), followed by Kosovo – at place 105, Serbia (rank 80), Bulgaria and Montenegro (both ranked at 75th place), and Bosnia and Herzegovina (rank 72). At place 54 Turkey ranks best in the region but its score still denotes that the country is perceived as "corrupt" rather than "clean" by its citizens. Countries in the region face common issues in fighting corruption. Most countries in the region have set up governmental strategies and institutions to fight corruption but enforcement remains weak.[3] Based on an analysis of the European Commission (EC) reports on the association and enlargement progress of the countries in the region the following have been identified as the most **common problems in the fight against corruption in Southeast Europe**:

- legislation on financing of parties not arranged or with no impact (8 countries);
- dissatisfactory or problematic cooperation and coordination between institutions (6);
- low investigative capacity and weak prosecution (6);
- weak public procurement legislation and law enforcement (6);
- low administrative capacity of public financial inspections (5);
- lengthy or suspended trials, few convictions, inconsistent or dissatisfactory sentences (5);
- weak monitoring mechanisms for anti-corruption policies (5), etc.

Corruption is the negation of rule of law and good governance, and an impediment to efficient law enforcement and to the effective functioning of public institutions. Concerned CSOs in the region need to find a common platform with the institutions of the state to work to prevent it. Reducing corruption requires not only relevant institution-building measures but also creating the social preconditions for establishing the rule of law. This is a daunting task for CSOs in a region strapped of

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[1] UNODC, Corruption in the Western Balkans: Bribery as Experienced by the Population, Vienna, 2011.

[2] Transparency International, Corruption Perception Index, 2012.

[3] Stefanov, R., D. Hristov, Corruption in South East Europe, in: Sternad, D. and Doering T. (eds), *Handbook of Doing Business in South East Europe*, Palgrave Macmillan 2012. The numbers in the brackets denote the number of countries, in which the EC has outlined the respective issue as a problem. The total number of countries reviewed is 9.

public finances and low on private sector capacity and initiative. **CSOs in the region face a similar set of capacity shortfalls and problems in their developmen**t, such as:

- inadequate human resources;
- financial weakness;
- poor management and strategic planning;
- lack of information on national policies;
- low levels of analytical capacity;
- weak public and constituency support;
- ineffective and unsustainable networks.[4]

There are many opportunities for cross-country learning and know-how exchange in good governance and anticorruption in the region. And the **Southeast Europe Leadership for Development and Integrity (SELDI) network** gathers the leading CSOs in the area to help build upon existing and create new opportunities for improving governance and anticorruption.

The European Union accession prospect has created an overall favourable political framework for addressing corruption in Southeast Europe. Aided by the international community and most notably by the European Commission and other European institutions, the Western Balkan countries and Turkey have undertaken a number of steps to counter corruption.

There have been many anti-corruption and good governance initiatives supported by the European Commission as well as by UNODC, the United Nations Development Programme (UNDP), the World Bank, the United States Agency for International Development (USAID), the Central European Initiative (CEI), the Regional Anticorruption Initiative (RAI), etc. A key common lesson they have all drawn has been that international pressure and funding needs to be complemented by indigenous, dynamic platforms of CSOs capable of continuously monitoring the situation, raising awareness on issues of concern, learning from regional peers and gathering coalitions of governmental, non-governmental and international partners to act on specific issues.

This *Strategy and Action Agenda* aims to establish one such platform, using as a stepping-stone the previous efforts and outputs of the Southeast Europe Legal Development Initiative in 2001 – 2002 and taking note of the efforts of transforming the Stability Pact for Southeast Europe into the Regional Cooperation Council with its Regional Anti-Corruption Initiative. The proposed strategy will also benefit from the increased attention on anti-corruption in the EU Enlargement Strategy and in the EU itself in the past decade. The European Commission (EC) has introduced in 2007 for the first time in its history a post-accession mechanism for monitoring anti-corruption progress in Bulgaria and Romania – the Cooperation and Verification Mechanism. Chapters 23 Judiciary and Fundamental Rights and 24 Justice, Freedom and Security have become the linchpin of Croatia's

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[4]   Sterland, B., G. Rizova, Civil Society Organisations' Capacities in the Western Balkans and Tutkey: a Comparative Summary of the Eight Country CSO Needs Assessment, TACSO, 2010.

Figure 1. Common corruption-related vulnerabilities in SEE

Privatization course that bred corruption

Difficulties with attracting foreign investment

Favourable environments to organized crime groups

Sizeable grey economies

High levels of unemployment, which have been highlighted by the global economic crisis

EU accession negotiations, and will remain the key focus of future accession negotiations. The fight against corruption has been identified among the key challenges in the EU Enlargement Strategies for 2011, 2012 and 2013.[5] At European level the European Commission has outlined in 2011 an ambitious Communication on Fighting Corruption in the EU, which foresees the introduction of a mechanism for periodic assessment of EU States' efforts in the fight against corruption – the EU Anti-Corruption Report.[6] The first report is due to appear in 2013.

2. SOUTHEAST EUROPE LEADERSHIP FOR DEVELOPMENT AND INTEGRITY NETWORK STRATEGY

The *SELDI Strategy and Action Agenda* outlines the mission and sets the aims of the SELDI coalition until the end of 2016. It spells out the specific actions of the network during the upcoming two years until the end of 2014. This document will be updated as needed in the second half of 2014. SELDI is an open initiative, constantly aiming to expand and attract CSOs, policy-makers, and other stakeholders, which can contribute to its goals, share experience and support anti-corruption measures in the region.

The **SELDI founding members** include 17 CSOs from nine countries in the region:

1. Center for the Study of Democracy (CSD), Bulgaria – coordinator
2. Albanian Center for Economic Research (ACER), Albania
3. House of Europe (HoE), Albania
4. Center for Investigative Reporting (CIN), Bosnia and Herzegovina
5. Partnership for Social Development (PSD), Croatia
6. Instituti Riinvest, Kosovo
7. "Syri i Vizionit", Kosovo

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[5] European Commission, Enlargement Strategy and Main Challenges 2011 – 2012, COM(2011) 666 final, Brussels, 12.10.2011 and European Commission, Enlargement Strategy and Main Challenges 2012 – 2013, COM (2012), 600 final.

[6] Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee *Fighting Corruption in the EU*, COM/2011/0308 final.

8. Macedonian Center for International Cooperation (MCIC), Republic of Macedonia
9. Institute for Democracy 'Societas Civilis' Skopje (IDSCS), Republic of Macedonia
10. Ohrid Institute for Economic Strategies and International Affairs, Republic of Macedonia
11. Center for Democratic Transition (CDT), Montenegro
12. Institute Alternative (IA), Montenegro
13. Center for Liberal-Democratic Studies (CLDS), Serbia
14. Forum of Civic Action FORCA Pozega, Serbia
15. Turkish Economic and Social Studies Foundation (TESEV), Turkey
16. Regional Anticorruption Initiative (RAI) Secretariat, Bosnia and Herzegovina
17. Kosovo Law Institute (KLI), Kosovo

3. MISSION

The mission of the Southeast Europe Leadership for Development and Integrity is to strengthen the capacity of CSOs in the region to collaborate, monitor and impact good governance and corruption in Southeast Europe and Turkey through public-private partnership.

4. OBJECTIVES

The *SELDI Strategy and Action Agenda* aims to serve as a blueprint for the CSO coalition but also as a value statement, which can be used to attract new partners and to inform and motivate other stakeholders. The *Action Agenda* aims to boost the partnership's legitimacy and will improve its transparency and accountability. In addition the *Action Agenda* puts a focus on improving the environment for civic activism and state-civil society dialogue at regional and national level, upon which CSOs and other stakeholders will agree to act.

The **specific objectives** of the *Strategy and Action Agenda* are:

• to build an anti-corruption and good governance **coalition** of likeminded CSOs in Southeast Europe;
• to enhance CSO **capacity, knowledge and commitment** to provide analysis, monitoring and advocacy on policy, measures and reforms related to good governance and anti-corruption and to boost CSO cooperation and understanding beyond the national and regional levels;
• to promote the **state-civil society dialogue** and improve the environment for civic activism at regional and national level;
• to contribute to an enhanced **cross-country public/civic support** for and participation in good governance and anti-corruption measures;

- to help the **CSOs themselves** to improve their legitimacy, transparency and accountability.

5. TOOLS

The *Strategy and Action Agenda* is based on three main pillars:

- **Institution building**: setting up the CSO coalition through the development and endorsement of the current *CSO Strategy and Action Agenda* and the constitution of the governance structures of the CSO coalition – the Steering Committee and the International Advisory Board. CSD will act as a secretariat to the initiative. The interaction between the coalition members will be operationalised through:
    o participation in SELDI events;
    o consultation on the main advocacy outputs – national and regional anti-corruption reports; and
    o outreach, including through the web site and the media.

- **Watchdog**: implementing a biannual round of the *Corruption Monitoring System (CMS)*. The CMS has been designed and developed by the Center for the Study of Democracy. The CMS was the first of its kind in post-socialist countries to combine significant research resources and powerful anticorruption potential. The purpose of the CMS is to measure the level of corruption in a country, as well as to identify related public perceptions, opinions, and expectations. The CMS was first put to use in 1998 and one of its notable benefits is the accumulation of data on the structure and dynamics of corrupt practices in Bulgaria and in Southeast Europe. It has several important advantages:
    o Coherence with the UN victimization approach to measuring administrative corruption levels;
    o Reliance on diverse sources of information and combining quantitative and qualitative methods for monitoring and assessment;
    o Use of nationally and internationally established methods and indicators for assessment of the actual spread of corruption and its public perception;
    o Dynamic comparability of the monitoring findings regarding the scope, areas, and forms of corruption.

The CMS is described in Annex 2. A detailed outline of the CMS methodology can be found in *Clean Future. Anti-Corruption Action Plan for Bulgaria. Monitoring. Corruption Assessment Indexes*, Center for the Study of Democracy, Sofia, 1998, and in *Crime without Punishment: Countering Corruption and Organized Crime in Bulgaria*, Center for the Study of Democracy, Sofia, 2009.

The CMS will provide the main input into national *Corruption Assessment Reports,* the *Regional Anti-Corruption Report,* as well as for the policy brief series *Good Governance in SEE.*

- **Advocacy**: the initiative foresees public consultations on possible anti-corruption measures and awareness raising on a regional scale, through high-profile events, press-conferences, policy briefs, and reports. Each event will be used to gather stakeholders to move forward along the *Action Agenda*.

6.   ACTIONS

Action Line 1: Coalition Building, Networking and Stakeholder Consultations

- **Setting up the CSO coalition governance**: Steering Committee (SC) and International Advisory Board on Good Governance and Anti-Corruption.
- **Reaching out to other CSO coalitions** in SEE to enable broader CSO, stakeholder and citizen relations. Ensuring a high degree of awareness and collaboration will guarantee higher recognition on the side of governmental institutions for the value of the CSOs' participation in the reform process.
- **Stakeholder consultations** on the *Strategy and the Action Agenda* will be conducted through sending out the draft document to a predefined list of stakeholders (CSOs, government, public administration, and international organisations). CSO coalition members will also embark on **open consultations** or **crowdsourcing** ideas from the wider community.

Action Line 2: Capacity Building

- **Setting up of training materials and a methodological pack** on the *Corruption Monitoring System* based on available toolkits and reports.
- **Holding a corruption monitoring capacity building workshop**, to train the CSO coalition members in corruption monitoring methods, present practical examples and prepare the CSOs for carrying out corruption surveys and presenting the results to policy-makers, the media and other stakeholders.

Action Line 3: Corruption Diagnostics and Monitoring

- **Gathering of available data and information** on: (a) mechanisms of corrupt practices that need to be further analysed and surveyed; (b) the effectiveness of the efforts of the government to combat corruption and country-specific problems that need to be addressed; (c) specific needs for change in the anticorruption policy design and anticorruption legislation in order to better structure the project's strategy and focus of future reports and policy recommendations; (d) focus on country-specific problems, as well as the methodology to make the main data and results more targeted and relevant, if necessary.

- **Desk research** to complement the *Corruption Monitoring System (CMS)*. It will aim to research and analyse in depth the data and information gathered in the previous step. It will identify policy and legislative shortcomings and needs, latest developments and best practices, possible policy recommendations. The research will produce a **report on the key good governance and anti-corruption gaps identified**. The desktop research will complement the results of the *Corruption Monitoring System* and will be used to inform the national *Corruption Assessment Reports (CARs)* as well as the *Regional Anti-Corruption Report (RAR)*.
- **Corruption diagnostics – carrying out corruption monitoring** through the *Corruption Monitoring System* in all coalition countries to identify corruption trends and hotspots. The monitoring will reveal the level of corruption victimisation, corruption pressure from the public administration, acceptability of and susceptibility to corruption, as well as expectations on the prospects of success in fighting corruption.

Action Line 4: Support for Data-Driven Policy Making and Advocacy

- Based on the desktop research and the results of the CMS SELDI will produce country specific **Corruption Assessment Reports**. The *Corruption Assessment Reports* will present a comprehensive and unique policy document for each country. The draft findings of the reports will be **consulted with relevant national and regional stakeholders** to help bring together both public and private perspectives in a consensus building effort. The CARs will be finalised taking into consideration the provided stakeholder feedback. This will form an additional facet of the advocacy efforts of the coalition.
- National CARs will then be summarized in the **Regional Anti-Corruption Report**. The latter will be published and distributed in the coalition countries. A special chapter of the report will discuss measures for improving the environment for civic activism and state-civil society dialogue at regional and national level in the area of good governance and anti-corruption. The report will also follow up on the issues outlined in the *Action Agenda*.
- CARs and the RAR will be focused on the main anti-corruption issues, national and regional institutional and legislative anti-corruption gaps and necessary measures along the following **topics**:
    - o Creating a favorable institutional and legal environment for curbing corruption;
    - o Measures for improving the environment for civic activism and state-civil society dialogue at regional and national level in the area of good governance and anti-corruption;
    - o Reforming the Judicial System;
    - o Curbing Corruption in the Economy;
    - o Enhancing Civic Control in the Fight Against Corruption;
    - o Changing Public Perceptions of Corruption;
    - o International Cooperation.

Action Line 5: Advocacy and Outreach

SELDI will organise a number of events, aiming to exchange best practices, present policy recommendations and increase public awareness with regard to corruption and anti-corruption in the region:

- **Inception conference**, including a policy workshop and the first Steering Committee meeting, will serve for final consultations and approval of the *Strategy and Action Agenda*.
- **Policy and advocacy workshop** and the second Steering Committee meeting with gather CSOs and other stakeholders to discuss and endorse initial findings in the national reports and the *Regional Anti-Corruption Report (RAR)*. The discussion will have as focus the most pressing issues identified, including such topics as: public procurement and concessions, corruption in the customs, corruption in the police, etc. Special attention will be devoted to measures for improving state-civil society dialogue and the environment for civic activism.
- **Closing conference/Regional good governance and anticorruption policy forum** will have as objective the sharing of the experience gathered during the implementation of the initiative in its first two years, and discuss follow up activities. The event will serve as a platform to exchange experience, best practices and to present the main findings and policy recommendations elaborated as result of the implementation of the regional *Corruption Monitoring System*. The forum will be the closing advocacy event in the first bi-annual cycle of monitoring, analysis and advocacy and will endorse the findings of the RAR. Stakeholders will assess progress in implementing the *Action Agenda* and will identify the main areas requiring further attention.

Action Line 6: Public Awareness

The public awareness campaign will be implemented by all coalition members through:
- High-profile events, complemented with press conferences with stakeholders and media, and media articles. Press releases will be distributed at all key events of SELDI.
- Setting up virtual working groups around the most relevant good governance and anti-corruption topics for the region and the elaboration of a policy brief series *Good Governance in SEE*.
- Update and publicity through the SELDI website.

7. ORGANISATIONAL AND KNOWLEDGE EXCELLENCE

Organisational Excellence

SELDI achieves **organisational excellence** through:

- Pooling together the **resources** of its 17 partner CSOs who share similar values and are deeply involved in good governance and anti-

corruption at national level. The diversity of the partners, which include both established, elite CSOs and local, grassroots organisations will enable the coalition to interact easily with and attract other stakeholders;

- Relying on the prior **partnership experience** of its members. The strategy rests upon, and partially replicates the successful best practices of Bulgaria's anti-corruption initiative *Coalition 2000* as well as the regional CSO capacity building initiative *Southeast European Legal Development Initiative*. The core CSO coalition partners have worked together in the past in the area of good governance and anti-corruption and have proven track record and experience in the area.

- Employing an **institutional approach** to stakeholder consultations and advocacy. It can be summarised as follows:
  - o **Multi-country beneficiary group**, justified in terms of the disconcerted national efforts in the region in the area of improving governance and curbing corruption;
  - o **Innovative approach** in bringing public and private sector institutions to work together on democratic reform issues, specifically anti-corruption and good governance;
  - o **New regional institutional platform** – the *Regional Anti-Corruption Report* and the Regional Good Governance and Anti-Corruption Forum for co-operation on good governance and anti-corruption.

- An **open governance structure** that allows the utilisation of additional expertise by various external experts and stakeholders, management and coordination of all expert teams from the multiple CSO partners at local level, accountability and monitoring of the quality of work and its timely delivery according to the time-schedule. The proposed governance structure allows both interdependence between partners and relative freedom to organise their resources and time according to their needs and the local demands.

- Providing multiple **venues and opportunities for advocacy** and awareness. The bi-annual work cycle of the coalition is framed by two major advocacy opportunities. SELDI's documents and events will provide transparent account of what has been planned in the beginning and what has been achieved in the end, including in the area of improving the environment for civic activism and state-civil society dialogue at regional and national level. More importantly, as they will be endorsed by both CSO and other stakeholders, they will improve mutual understanding and trust between state and civil society.

- **Tapping into existing resources at regional level**. Involving RAI, the regional inter-governmental anti-corruption body, into the initiative will provide an indispensable venue for collaboration with national and regional public stakeholders. It will also contribute to the sustainability of the initiative and its wider and better outreach.

Knowledge Excellence

SELDI achieves **knowledge excellence** through:

- Employing the **state of the art** *Corruption Monitoring System* to analyse corruption and anti-corruption progress in the region, which will provide the coalition with strong metrics to advocate for needed changes and to raise awareness on specific policy solutions. Reliable monitoring data will back up the watchdog function of the coalition and increase its legitimacy among other stakeholders and the general public. It will also provide the CSO community, but also national and international policy makers with an instrument to monitor anti-corruption progress and diagnose the most problematic sectors or areas in need of intervention. The data will empower the organisations involved in the process: they will obtain a relevant analytic description of the situation (making it possible to draft appropriate anti-corruption action plans and strategies) and strong justification that corruption is a problem worth political and civil society attention. Producing the corruption diagnostics reports at the regional level reinforces the potential of the coalition of CSOs to act as an effective regional civil society unit.
- Combining **diversity of skills** and comprehensive knowledge. SELDI bridges one of the most serious knowledge gaps in the region in the area of good governance and corruption – between theoretical, desktop knowledge and practical, on the field experimentation. Fusing the two will produce a potent and credible narrative to influence public debate and to impact the policy and decision making process on anti-corruption and good governance in Southeast Europe.
- Producing **executive, policy statements** in the form of reports and briefs, which outline the main knowledge findings in plain language for citizens, policy-makers and the media to grasp. Written statements have the benefit of storing and transmitting knowledge effectively across time and geography, which will allow better stakeholder consultations and peer review.
- Ensuring **rigorous peer review and public endorsement** procedures. The gathering of an International Advisory Board will ensure that all policy reports and briefs delivered by SELDI receive the highest possible scrutiny and peer review feedback. In addition, the texts of the *Action Agenda* and the *Regional Anti-Corruption Report* will be consulted in advance with major stakeholders to ensure adequate buy-in and public endorsement of and agreement upon the policy recommendations provided. These two quality assurance processes have proven one of the most potent tools for strengthening the capacity for analysis and advocacy.
- Applying a **regional approach**. The coalition will not only pinpoint the key challenges in each country, but, more importantly, will identify the problematic areas, which represent the greatest threat for the development of Southeast Europe. Cross-country comparisons and the regional perspective provide powerful learning opportunities and incentives for excellence on national level. This framework of mutual sharing and assistance will initiate a constant exchange of ideas, will strengthen the spirit of cooperation among

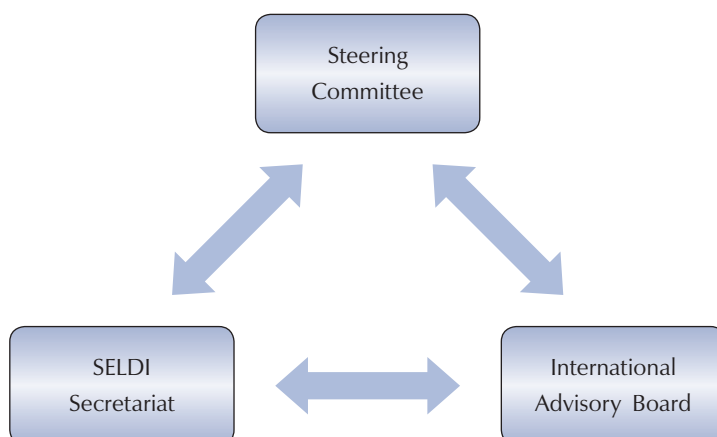the SELDI`s partners and will result in plausible and effective policy recommendations for the region.

8.   SELDI GOVERNANCE

SELDI has been founded by a group of 15 civil society partner organisations and 2 associated partners from Southeast Europe. Together they employ more than 180 staff – potentially the biggest anti-corruption and good governance think and action tank in the region. Partner organisations serve as "network mobilisers" liaising with other stakeholders and CSOs. SELDI is part of a larger network of 18 networks supported under the Civil Society Facility of the EU's Instrument for Pre-Accession Assistance, which provides a large potential for further synergies in countering corruption in the region.

The three key elements of the SELDI governance structure are:

- **Steering Committee**, which includes representatives from all coalition members. The Steering Committee is the prime decision-making body in order to ensure an efficient management of the coalition. It will meet at least once annually.
- **International Advisory Board** of established regional and international anticorruption leaders, who will provide strategic guidance and advice;
- **Secretariat,** which will ensure SELDI's institutional anchor.

On substantive level, each coalition member will be involved in a **bi-annual monitoring and policy cycle**, culminating in the Regional Good Governance and Anti-Corruption Policy Forums, which will endorse the *Regional Anti-Corruption Report*. This two-tracked participation will ensure high transparency and accountability of the coalition. It will be complemented by stakeholder consultations and citizens' involvement throughout the SELDI's duration.

FIGURE 2.   SELDI GOVERNANCE

Table 1.   Key government anti-corruption stakeholders by country

Country	Government Institution(s)
Albania	Department of Internal Administrative Control and Anti-Corruption, Council of Ministers; Joint Investigative Units – Tirana and 6 others; High Inspectorate for Declaration and Audit of Assets.
Bulgaria	Commission for Prevention and Counteracting Corruption; Parliamentary Commission for Counteracting Corruption; Supreme Judicial Council's Commission for Counteracting Corruption; Commission for Establishing of Property Acquired from Criminal Activity; Specialized Prosecution Office and Court on Corruption and Organised Crime.
Bosnia and Herzegovina	Department for Combating Organized Crime and Corruption, Ministry of Security; Agency for the Prevention of Corruption and Coordination of the Fight against Corruption (not yet fully operational); Department for Organized Crime, Corruption and White Collar Crimes of the Prosecutors' office.
Croatia	National Council for the Monitoring of the Implementation of the Anti-Corruption Measures; Committee for the Monitoring of the Implementation of Anti-corruption Measures; Anti-corruption Department, Ministry of Justice; The State Attorney's Office/Office for Prevention of Corruption and Organized Crime; National Police Office for Suppression of Corruption and Organized Crime; Court departments for dealing with corruption and organized crime cases; The State Commission for Supervision of Public Procurement Procedure; The Commission for the Prevention of Conflict of Interest; Government Office for Cooperation with NGOs.
FYR Macedonia	Public Prosecutor's Office and the Basic Public Prosecutor`s Office for the Fight against Organised Crime and Corruption; State Commission for Prevention of Corruption; Anti-Corruption Unit within the Organized Crime Department of the Ministry of Interior; State Audit Office; Ministry of Justice; Cross Sector Body for Coordination of Activities in Fight Against Corruption in the Republic of Macedonia; Broadcasting Council; State Election Commission.
Montenegro	Directorate for Anti-Corruption Initiative; Commission for Prevention of Conflict of Interest; Special Prosecutor for Organised Crime, Corruption, Terrorism and War Crimes; Tripartite Commission for Corruption and Organised Crime; State Audit Institution; State Election Commission (Financing of Political parties); Parliamentary Committee for Anti-Corruption.
Serbia	Anti-Corruption Agency; Anti-corruption Council; departments for corruption offences within the Police and the Public Prosecutor`s Office; State Audit Institution; State Commission for Protection of Bidders' Rights; Commissioner for Information of Public Interest and Personal Data Protection; the Police; Ministry of Interior; Public Procurement Office; Administrative Court; Administration for Prevention of Money Laundering at the Ministry of Finance and Economy.
Kosovo	Anti-Corruption Agency; European Special Representative; Kosovo anti-corruption Task Force; Office of the State Prosecutor.
Turkey	Executive Committee for Increasing Transparency and Fighting Corruption; Committee of Ministers on Anti-Corruption Policy; Prime Ministry Inspection Board; Ethics and Reputation Association of Turkey; Hacettepe University.

9. SYNERGIES WITH OTHER EU AND INTERNATIONAL INITIATIVES

The SELDI *Strategy and Action Plan* seeks synergies with a number of other EU bodies and initiatives in the area of anticorruption such as:

- Anticorruption Policies Revisited: Global Trends and European Responses to the Challenge of Corruption (ANTICORRP), the largest yet research project funded under the EU's Seventh Framework Programme for research;
- DG Home Affairs, DG Justice, European Anti-Fraud Office (OLAF), European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (FRONTEX) and initiatives to implement the *Stockholm Programme* and *Action Plan* e.g. EU Group of Experts on Corruption, etc.;
- Additional synergies might be sought with the Council of Europe's Strategy for Innovation and Good Governance at Local Level and the European Label of Governance Excellence.

SELDI will identify contact persons from the EU bodies for consultations on the elaboration of the country and regional *Corruption Assessment Reports*.

SELDI will seek to involve in its activities international and European bodies and CSOs with significant influence on anti-corruption in the region will also be involved, such as: the European Commission (DG Enlargement, DG Home Affairs), the Council of Europe, OLAF, Group of States against Corruption (GRECO), UNDP and UNODC, RAI, CEI, Southeast European Cooperative Initiative (SECI), South-East European Cooperation Process (SEECP), Transparency International, the World Bank and European Bank for Reconstruction and Development (EBRD).

10. EXPECTED RESULTS AND IMPACTS

The *Strategy and Action Plan* are expected to produce the following **outputs and results**:

- Enhanced CSO and civil society capacity to monitor, analyse and propose anticorruption and good governance measures.
- Provision of corruption monitoring mechanisms and training materials, experience and knowledge for CSOs and citizens in order to empower them with statistical data and analytical information they need to state clearly the need of policy change.
- Implemented *Corruption Monitoring System* and production of comparative corruption statistical data and indexes in all target countries.
- Country specific *Corruption Assessment Reports* and *Regional Anti-Corruption Report*, including review of anti-corruption strategies; assessment of the implemented policies; inventory of best practices; policy recommendations.

- Launch of a regional joint internship between the CSO coalition members, which will not require financial assistance from the initiative. It will be based on the established contacts between CSOs. The main concept of the programme will be the offering of joint unpaid internships at the CSOs in SELDI that can be held in more than one country or institution.
- Put the transparency, good governance and corruption issue on the policy agenda in Southeast Europe and initiated change in the attitudes of societies in the region towards decreasing the tolerance of corruption through public advocacy and awareness campaign.
- Government institutions will recognise the importance and value of civil society participation in the reform processes on good governance and anti-corruption. This result will be achieved through monitoring, research excellence and advocacy. Governments tend to recognise excellence and reckon with it in particular when it comes from diversified CSO networks, capable of leveraging their resources internationally such as SELDI.

The action is expected to achieve the following **impact**:

- Provide CSOs with appropriate methodology and training and thus empower the wider CSO community (at least 60 CSOs) and citizens with statistical data and analytical information they need to state clearly the need for policy change in the area of good governance and anticorruption.
- Enhance the civil society capacity to monitor, analyse and propose transparency and good governance measures through producing state of the art policy reports: a *SELDI Strategy and Action Agenda*, a *Regional Anti-Corruption Report* and nine national *Corruption Assessment Reports*; having them endorsed by the national governments; and agreeing with the governments to implement at least five specific anti-corruption measures (e.g. legislation, codes of conduct, etc.).
- Create a virtual regional good governance and anti-corruption think and action tank, which has been recognised through letters of endorsement by governments in the region, by the European Commission and by other regional public stakeholders.
- Put the corruption issue on the policy agenda in SEE; reduce susceptibility and increase intolerance to corruption in the region;
- Increase the publication quality and activity of the media on this issue; help mount at least four regional corruption investigation reports.
- Initiate a change in the attitudes of the society and decrease the tolerance of corruption, which would lower the corruption pressure; target to contribute to the reduction in the average regional values of corruption pressure and corruption victimisation by at least 10 %.

11. SUSTAINABILITY

SELDI activities are already a continuation of two previous successful initiatives, aiming at anti-corruption monitoring and advocacy. The possibility of its further extension is very high, provided that the appropriate funding is secured. The *Corruption Monitoring System* is an established methodology, used in Bulgaria for regular corruption surveys and the elaboration of annual *Corruption Assessment Reports* (published since 1999). The same methodology was applied in 2001 and 2002 in the countries of Southeast Europe. The current initiative has very high chances for achieving a multiplier effect as it will feed into the piloting of the EU Anti-Corruption Report in 2013. The latter is likely to use similar metrics and analysis, which will allow better integrating of the results of the current action into it. Moreover so, that all countries beneficiaries to the action have firm EU accession prospects. The use of the same methodology for this round of corruption monitoring in 2013 – 2014 as in 2001 – 2002 in SEE ensures the **comparability of results**, identification of **trends**, and assessing the **policy impact** of the applied anti-corruption measures. Another venue for multiplier effects will be sought through the involvement of RAI, which can make SELDI an important regional platform for anti-corruption monitoring, analysis and advocacy.

The results will be disseminated through a number of channels to ensure the highest possible impact: events, targeted mailing of policy reports, the SELDI web site, the web sites and dissemination networks of the CSO coalition members, etc.
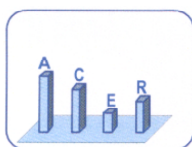
ANNEX 1.   SELDI FOUNDING MEMBERS

Secretariat

Center for the Study of Democracy (CSD), Bulgaria, Non profit organisation

Website: www.csd.bg

SELDI Members

Albanian Center for Economic Research (ACER), Albania, Non profit organisation

Website: http://www.acer.org.al/

House of Europe (HoE), Albania, Non profit organisation

Website: www.houseofeurope.org

Center for Investigative Reporting (CIN), Bosnia and Herzegovina, Association of citizens (equivalent to NGO)

Website: www.cin.ba

Partnership for Social Development (PSD), Croatia, Non profit making, nongovernmental organisation

Website: www.psd.hr

INSTITUTI RIINVEST, Kosovo, Non Profit Organisation

Website: www.riinvestinstitute.org

"Syri i Vizionit", Kosovo, non profit making organization (NGO)

Website: www.syriivizionit.org

Macedonian Center for International Cooperation (MCIC), Republic of Macedonia, Foundation (civil society organisation)

Website: www.mcms.mk

Institute for Democracy 'Societas Civilis' Skopje (IDSCS), Republic of Macedonia, Association of citizens
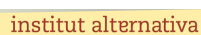
Website: www.idscs.org.mk

Ohrid Institute for Economic Strategies and International Affairs, Republic of Macedonia, Association of citizens

Website: www.oi.org.mk

Center for Democratic Transition, Montenegro, Non-governmental organisation

Website: www.cdtmn.org

Institute Alternative, Montenegro, Nongovernmental organisation (association)

Website: www.institut-alternativa.org

Center for Liberal-Democratic Studies (CLDS), Serbia, Non-governmental organisation

Website: www.clds.rs

Forum of Civic Action FORCA Pozega, Serbia, Non profit organisation

Website: www.forca.rs

Turkish Economic and Social Studies Foundation, Turkey, Non-governmental organisation

Website: www.tesev.org.tr

Associates

Regional Anticorruption Initiative (RAI) Secretariat, Bosnia and Herzegovina, Legal entity with diplomatic status

Website: www.rai-see.org

Kosovo Law Institute (KLI), Kosovo, Not for profit non-governmental organisation

Website: http://www.kli-ks.org/

ANNEX 2. THE CORRUPTION MONITORING SYSTEM

The data for the SELDI national *Corruption Assessment Reports* and the *Regional Anticorruption Report* for Southeast Europe will be collected via field surveys using face-to-face interviews with households in accordance with the **methodology of the *Corruption Monitoring System***. For the sampling procedure, the most recent estimates of the population in each country will be used. As a general rule SELDI will use for the survey a two-stage, stratified, random sample, taking into consideration the settlement type and the geographic and economic regions classifications. The sampling procedure will be designed after the Regional Corruption Monitoring surveys carried out by SELDI in 2001 and 2002 in several countries in Southeast Europe. The total sample size per country will be 1,000 respondents. The survey method will remain unchanged for both the 2001/2002 and the 2013/2014 surveys.

Background

The Corruption Monitoring System (CMS) was introduced by the Center for the Study of Democracy in 1998, and incorporates **a system of empirical studies and analytical reports**. The main objective of the CMS is to periodically present information, which would enable conclusions about the scope of corruption in a country and the related public attitudes, assessments, and expectations.

The basic functions of the CMS are related to its major output – the Corruption Indexes. The Corruption Indexes are based on surveys included in the CMS and summarise the most important corruption indicators to evaluate/measure the level of proliferation of corrupt practices in different social spheres.

The CMS is based on national representative surveys of the population aged 18 and over. Information is collected on the following main issues:

- Public attitudes towards corruption;
- Identification of different types of corrupt behaviour;
- Personal experience and involvement of the respondents in corrupt practices;
- Levels and scope of corruption;
- Spread of corruption among different occupational groups and in the public institutions;
- Corruption-related expectations, etc.

Theoretical Underpinning of Corruption Indexes

The corruption indexes are a system of synthetic indicators, which present the results from the quantitative surveys of the CMS in a summarised form. The main objective in constructing the corruption indexes is to reduce the multidimensionality of corruption, as a social phenomenon, to a limited set of synthetic indicators. The advantages of such an approach are at least the following:

- synthetic indicators (corruption indexes) facilitate public presentation of the results, thus making analysis easier to perceive;
- the use of synthetic indicators is a prerequisite for establishing time series and, thus, for analysing and assessing change.

The **four types of corruption indexes** are based on a relatively simple theoretical reconstruction of the elements of social action:

- social action has its specific prerequisites, among which the more important are: social actors' attitudes, internalised values, and the way actors perceive their social environment;
- social action itself presupposes a specific interrelationship of actors, in which they exchange the resources they possess in order to achieve a specific objective;
- results from these actions include certain specific characteristics: 1) they change or preserve the initial (pre-action) prerequisites; and 2) they leave a specific "trace" in the social environment (change or preserve its structural components);
- the fulfilment or non-fulfilment of the objectives generates expectations among actors about the character and the structure of social action in its subsequent cycle. Based on these expectations, each actor constructs or changes his/her behavioural strategy.

Applied to corruption, this model of social action could be reduced to several basic components.

TABLE 2. BASIC COMPONENTS OF CORRUPTION BEHAVIOUR

Action Components	Components of Corruption Behaviour
Action Prerequisites	**Attitudes towards corruption** Include the identification of corruption as a social phenomenon, the assessment of its normative (value) permissibility, and the degree of willingness to override the norms of legitimate social behaviour.
Actor Interaction	**Corrupt practices** Include actors' activities in creating a pre-condition for corrupt practices (i.e. exercising pressure), and the actual acts of corrupt behaviour.
Action Results	**Assessments of the magnitude of corruption** Include the assessment of the level of proliferation (involvement) of public officials in different forms of corrupt behaviour, as well as the assessment of the levels of transformation of corruption into a behavioural norm (into a socially effective instrument for solving personal problems).
Expectations	**Assessment of the perspectives on corruption** Include assessments of the capabilities of society (i.e. its potential) to combat corruption.

It should be noted that the application of the general model of social action (even in its simplified form) to corruption (in constructing the methodology of the quantitative studies) is a subject to multiple restrictions. Therefore, the model on which the study of corrupt behavior is based, is simplified. In constructing the set of indicators that was used in reality, the objective was to use the indispensable minimum in a way that would make it possible to maintain professional standards of fieldwork.

Structure of Corruption Indexes

The CMS includes four types of indexes:

- **Attitudes towards Corruption**
  - o (Principle) Acceptability of Corruption: the index reflects the degree to which the population accepts, at a value level, certain acts of corrupt behaviour on behalf of members of Parliament and public officials.
  - o Susceptibility to Corruption: this index measures the inclination to compromise on values, principles, and legality, in order to perform corrupt acts, such as giving or accepting money and/or gifts for the purpose of solving certain personal problems.
- **Corrupt Practices**
  - o Corruption Pressure on the General Public: this index shows the degree to which the citizens are subject to a direct or indirect pressure to participate in corrupt practices with public officials. It accounts for cases, in which public officials wanted or showed they were expecting corrupt behaviour from the citizens.
  - o Personal Involvement in Acts of Corrupt Behaviour (general public): this index reflects self-confessions about cases, in which citizens have offered public officials money and/or gifts.
- **Magnitude of Corruption**
  - o Spread of Corruption: this index reflects citizens' assessment of the spread of corruption in the country. It could also be computed for specific groups of public officials and public institutions.
  - o Practical Effectiveness of Corrupt Behaviour: this index shows the extent to which citizens perceive corruption as an efficient tool for solving personal problems. It is based on the registered probability of citizens offering money and/or gifts in order to successfully resolve their problems.
- **Expectations about the Future of Corruption**: this index reflects the expectations of the general public about the capacity of society to curb corruption in the country.

Interpretation of Corruption Indexes

Corruption is a complex and multidimensional phenomenon, associated with several differing definitions. The operational definition adopted by CMS defines corruption as abuse of power (economic, political, and administrative) in the interest of personal or group gain and at the expense of the individual, specific groups or the society as a whole. This

rather broad definition is warranted by the character of the phenomenon itself, as well as by wide-scope initiatives against corruption on a national and international level (including both citizens' and governments').

The reproduction of corruption presupposes the existence of four necessary components: 1) state/public officials; 2) discretionary power; 3) abuse of public power; and 4) private gain for officials. Depending on the manifestations of these components, different forms, levels, spheres, and mechanisms for corruption exist.

Corruption manifests itself mainly through the interactions between the public sector, on the one side, and citizens and private business, on the other. There are two basic **types of corruption**:

- grand corruption (often also referred to as "political"), which involves top state officials, politicians, and business people, and refers to the allocation of substantial resources; and
- petty corruption, which usually includes lower-level public officials, and refers to the daily interactions between them and citizens and businesses (small and medium size). This second type is more widespread, and is associated with smaller payments and/or a system of favours and gifts.

Keeping in mind the specific objectives of corrupt behaviour, two specific **cases of corruption** should be considered:

- First, abuse of power for private gain in cases, where officials are obliged to provide a certain service by law. This type of corruption, known as "greasing the wheels," is targeted at the faster or more expedient delivery of services, or greater safety in the resolution of problems.
- A second case is when an official provides services/rights to which the citizen (business) is not entitled by law, or even services that are in a direct violation of the law.

From an economic perspective, the proliferation of corruption follows the classic market principles of supply and demand: a larger demand and a larger discretionary power of officials produce an environment that facilitates and encourages corruption. The value of the bribe depends on the expected profit or benefit. In this respect, corrupt behaviour could be regarded as mutually beneficial economic transactions. However, these transactions eliminate the rules of competition and the legal regulations, and thus distort market principles and criteria for efficient economic action and decision-making.

The definition of corruption as a negative social phenomenon allows several assumptions to be made, as regards the interpretation of the indicators included in the CMS:

- In an ideal state of society (the practical absence of corruption), corruption attitudes should assume minimal values: i.e. citizens should perceive corrupt behaviour as morally inadmissible and should not

be inclined to compromise their moral values. Intensity of corrupt behaviour should also be minimal, and corrupt behaviour should be rated low, as an effective problem-solving practice.

- It would be logical to assume that the existence of a certain level of tolerance of corrupt behaviour (moral admissibility) would have several consequences:
    - o First, readiness to compromise would increase, as the level of tolerance increases.
    - o Second, the frequency of practical acts of corruption would also increase with the level of tolerance (due to the "natural intensity" of social conformity).
    - o Third, in cases when the frequency of corrupt behaviour surpasses the level of "single isolated cases" it is likely that assessments of the pervasiveness of corruption would substantially surpass the frequency of practical acts of corrupt behaviour (only one case of "taking a bribe" would be sufficient to socially label an official as "corrupt").
    - o Fourth, the existence of a social environment, where acts of corrupt behaviour exceed the level of "single isolated cases," is very likely to produce the perception that corruption is a normal component of the social environment. The chances of that perception being firm and widespread increase with the limited implementation of sanction mechanisms.

One of the basic theoretical assumptions for the construction of the CMS is that it is more important to **track the dynamics of corruption** in several dimensions, than to analyse its initial/current values. Because corruption has been identified as a problem for society, it would be important to assess its gravity. However, it is more important to know its dynamics: i.e. whether corruption is evolving in a positive or in negative direction in comparison to its initial baseline values.

Corruption indexes provide an approximation about the scope and aspects of corruption based on the assessments of citizens and public officials. These assessments are the starting point for their practical behaviour and the way they perceive their social environment. Corruption indexes could not be a base for making direct conclusions about the exact level of proliferation of corrupt practices.

As the index of personal involvement in corrupt practices is based on the anonymous admissions of respondents, it comes closest to indicating the "level of proliferation of corruption." Also, to a certain extent, the specific legal characteristics of corruption (that both sides act illegally) make this index one of a few actual measures of **the real level of proliferation of corruption**. In comparison with the information available from law enforcement institutions in SEE region, the accuracy level of empirical survey estimates of the realities of corruption is substantially higher.

Method of Computation of Corruption Indexes

The method used to construct the corruption indexes includes the following steps:

1. A rank (ranging between 0-3) is assigned to each value of an indicator, which in turn is derived from survey questions.
2. Each rank is weighted by the percentage of respondents, who have chosen the respective answer option (excluding the "don't know" and "no answer" categories).
3. The value of the indicator is computed as a sum of the weighted ranks.
4. Each corruption index summarises the values of several indicators and is presented in a statistically normalised form: from 0 (no corruption) to 10 (max corruption).

Example: The index for the spread of corruption is constructed based on the question below.

TABLE 3. ACCORDING TO YOU HOW WIDESPREAD IS CORRUPTION IN THIS COUNTRY? (ONE ANSWER ONLY)

	Rank	Valid percent
1. Almost all state officials are involved in it	3	19 %
2. Most state officials are involved in it	2	42 %
3. Only a few state officials are involved in it	1	38 %
4. Hardly any state officials are involved in it	0	1 %
9. DK/NA	-	-

$$I = 3 \times 0.19 + 2 \times 0.42 + 1 \times 0.38 + 0 \times 0.01 = 1.79$$

The value of the index ranges between 0 and 3. The closer this value is to 3, the more widespread is corruption (according to respondents' assessments).

In order to construct aggregate indexes, the values of the individual indexes are normalised by adjusting their values to fall in the range between 0 and 10. Normalised values are then summed up. For example, the index for the spread of corruption is normalised by dividing its current value (1.79) by its maximum value (3.00), obtaining its normalized value (0.60). This value is then recalculated to fit into a scale ranging between 0 and 10.