



PRESS RELEASE

Zagreb, 5 March 2013

Current Environment and Major Corruption Challenges in South-East Europe

On 5 March 2013, the city of Zagreb, Croatia, hosted the Opening Conference of the South-East Europe Leadership for Development and Integrity (SELDI) network. Under the topic of “Good Governance in South-East Europe and Turkey: Sharing the Anti-Corruption Experience”, civil society organisations from the region shared their experience in the area of combating corruption and outlined necessary measures for greater involvement of civil society, as a catalyst for improving anti-corruption policy implementation and impact. SELDI is an anti-corruption and good governance coalition of likeminded CSOs in Southeast Europe, involving partners from **nine participating countries** (Albania, Bosnia and Herzegovina, Bulgaria, Croatia Kosovo, Macedonia, Montenegro, Serbia and Turkey). The Network will be operating on the basis of joint strategy and agreed action agenda. The objective of the regional initiative is to contribute to a **dynamic civil society in the region, capable of participating in public debate and influencing policy and decision-making process in the area of anti-corruption and good governance**, by: (i) Enhancing CSOs 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 regional and national levels; (ii) Promoting the state-civil society dialogue and improve the environment for civil activism at regional and national level; (iii) Contributing to an enhanced cross-country public/civic support and participation for good governance and anti-corruption measures; (iv) Helping the CSOs themselves to improve their legitimacy, transparency and accountability.

The Network’s partners analysed the current regional environment and the state of corruption in their respective countries. Corruption has become among the most debated issues, which societies in SEE face. The problem of corruption has risen above national borders, turning into a threat to international relations and regional economic development. There are a number of historical factors and economic developments that have affected and, thus, shaped the manifestations of corruption in the region. While notable differences exist between countries in SEE in terms of their economic development, they share similar problems, even if to a different extent. These include a privatisation course that bred corruption, difficulties with attracting foreign investment, high levels of unemployment, which have been highlighted by the global economic crisis, sizeable gray economies, and favourable environments to organised crime groups.

SELDI

South-East Europe Leadership
for Development and Integrity



CSD
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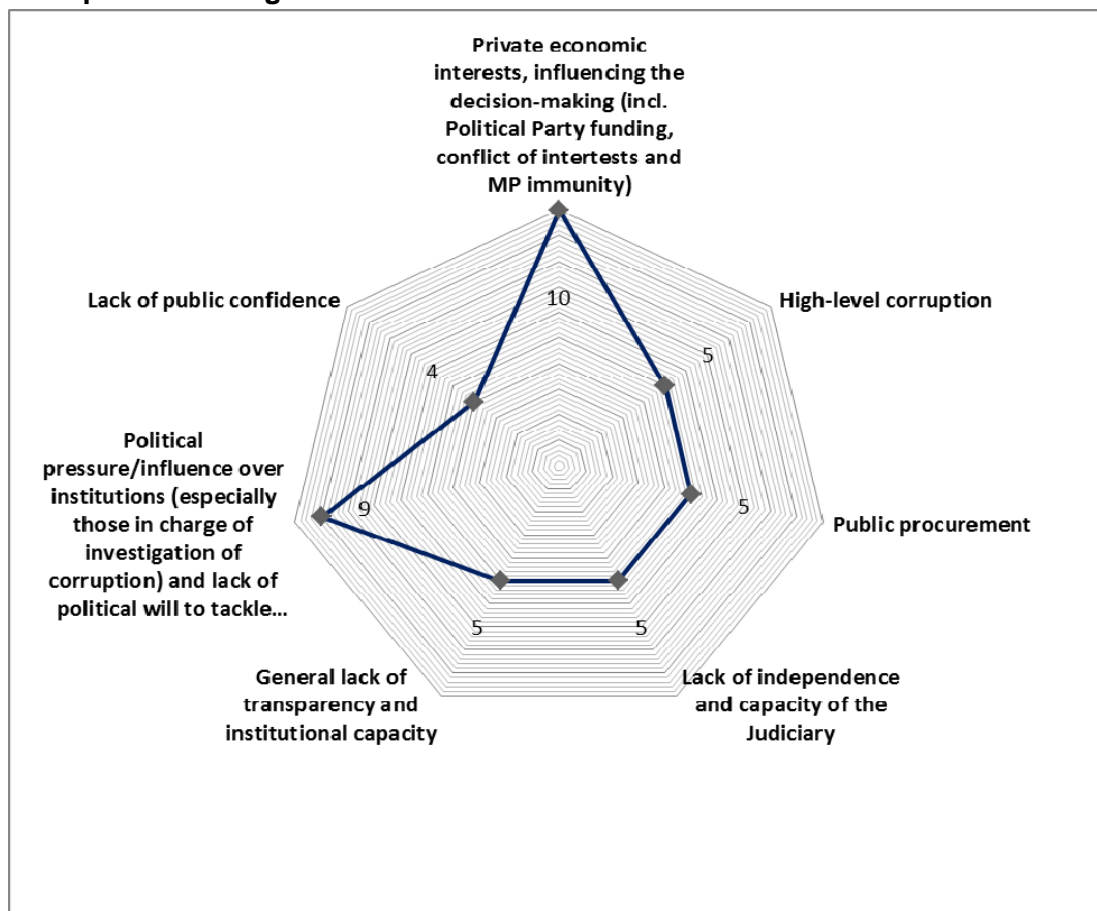
The European Commission is the EU's executive body.

“The European Union is made up of 27 Member States who have decided to gradually link together their know-how, resources and destinies. Together, during a period of enlargement of 50 years, they have built a zone of stability, democracy and sustainable development whilst maintaining cultural diversity, tolerance and individual freedoms. The European Union is committed to sharing its achievements and its values with countries and peoples beyond its borders”.

Corruption is **continuously ranked among the major challenges**, faced by the SEE countries. Despite the positive efforts of establishing regulatory and institutional base for fighting corruption, including specialised anti-corruption agencies, which are being introduced in the majority of the countries in the region, significant problems persists, especially with regard to the practical implementation of the existing legal framework and institutional enforcement. Though it is hard to generalise in the context of the different national historical and institutional environments in the South-East European countries, **several underlying issues** seem to draw a distinct picture of the major corruption problems in the region. **Political pressure** continues to influence the institutional environment, which is especially problematic with regard to the work of judicial system and the national anti-corruption agencies. In addition, the latter often lack the necessary institutional capacity. Combined, the lack of political will to pursue corruption and the **limited institutional independence and capacity** result in **slow implementation of anti-corruption policies**. Another related outcome is the **high-level political corruption**, often the investigation of which is hindered by wide-reaching **immunity** legislation.

Transparency of political party funding is another major challenge in many SEE countries, which aids the presence of strong **external economic influence**, where private interests are being allowed to affect the course of governance. **Lack of transparency** in managing and distributing State finances, mainly with regard to **public procurement** contracts, is also a significant argument for corruption allegations. Conflicts of interest (despite the fact that some legislation on the topic is available in most countries, full implementation remains an issue) and integrity concerns give further ground for the overall **lack of public trust**. These core issues render the existence of legal and institutional framework against corruption inefficient. The **business environment is also affected**.

Figure. Number of SEE Countries, which have identified the following problems as major corruption challenges



Source: SELDI, 2013

The **prospects for joining the EU** have provided the strongest incentives and opportunities for SEE countries to gain speed in their fight against corruption. The fight against corruption and the establishment of effective judiciary have always been of essential importance towards EU accession. The **2012-2013 EU Enlargement Strategy** firmly puts the **strengthening of the rule of law** and democratic governance as **central to the enlargement process**. Countries that wish to become Members of the European Union have to start early on reforms of their judicial and public administration systems, ensuring that strong frameworks are in place to prevent corruption. A **new approach** to enlargement negotiations proposed by the European Commission and endorsed by the Council of the European Union, explicitly positions rule of law issues, including the **fight against organised crime and corruption**, as the centrepieces of the EU's enlargement policy. The new approach provides for the judiciary and fundamental rights, and justice, freedom and security (Chapters 23 and 24 of the *acquis*) to be tackled early in the enlargement process, and reaffirms the need for solid track records of reform implementation to be developed throughout the negotiation process, with the aim of ensuring sustainable and lasting reforms.

Regional cooperation in the Western Balkans is central to the EU Enlargement strategy. Next to the importance of governmental dialogue and collaboration in the SEE region, **CSO cooperation is essential**. Tackling corruption calls for active civil society organisations' involvement, which is the central objective of the South-East Europe Leadership for Development and Integrity (SELDI) network. In light of potential impact, productive CSO collaboration in the region also largely depends on the **cooperation between civil society organisations and governmental institutions**. The **effective dialogue between CSOs and the State however is largely limited** in many SEE countries. Significant gaps exist in terms of disregard of CSOs on the part of the government, lack of interest, as well as State capture of civil society organisations.

Croatia continues adopting and implementing EU legislation and is now completing its alignment with the *acquis*, awaiting to become the 28th Member State of the European Union on 1 July 2013. After a **notable and steady progress** during the last years, an **adequate legal and institutional framework is firmly place** and a track record of implementation continues to be developed. Law enforcement bodies are largely proactive, especially on higher-level cases, area which remains an essential problem in other SEE countries. Croatia has also improved its track record of strengthened prevention measures by means of a number of legal instruments.

The job of Croatia, however, is far from over. Local-level corruption needs attention, particularly in the area of public procurement. Efforts are needed to ensure a sustained track record of efficient, effective and unbiased investigation, prosecution and court rulings of corruption cases. Lack of political integrity and strong accountability mechanisms lead to State capture and the presence of vast private economic interests, affecting policy-making and influencing the judicial process. Conflict of interest legislation is not fully implemented. Issues related to civil society capture and biased media also constitute a problem, which leads to effective lack of public discussion on policies of strategic importance.

About the project

Civil Society for Good Governance and Anti-Corruption in Southeast Europe: Capacity Building for Monitoring, Advocacy and Awareness Raising

The good governance and anti-corruption CSO coalition has been formed by an initial 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 tank in the region. Partner organisations will aim to serve as “network mobilisers” liaising with other stakeholders.

Specific objectives

- Build an anti-corruption and good governance coalition of likeminded CSOs in Southeast Europe based on a joint strategy and agreed action agenda;
- Enhance CSOs 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 regional and national levels;
- Promote the state-civil society dialogue and improve the environment for civil activism at regional and national level;
- Contribute to an enhanced cross-country public/civic support and participation for good governance and anti-corruption measures;
- Help the CSOs themselves to improve their legitimacy, transparency and accountability.

Project activities

- Coalition building for the development and endorsement of a regional CSO strategy and action agenda;
- Good governance monitoring (including CSOs trainings, production of comparative studies, Country Specific and Regional Anti-Corruption Reports);
- Public awareness and outreach (including Regional Good Governance and Anti-Corruption Policy Forums, media outreach).

Results expected

- Civil society strategy and action plan in the area of good governance and anti-corruption have been adopted;
- The CSO coalition resources have been pooled together to produce regional corruption monitoring, quality policy research and to advocate and raise awareness on good governance and anti-corruption;
- The CSO coalition has been recognised as a valuable partner by government institutions.

Project partners



Associated partners



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