



# SELDI.net

Southeast European Leadership for  
Development and Integrity

## ANTI-CORRUPTION NEWSLETTER

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**NEWS BY  
SELDI  
MEMBERS**



## BIH'S "VENTILATORS" AFFAIR – FIGHT AGAINST CORRUPTION OR ANOTHER POLITICAL QUARREL?

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What do raspberries and medical ventilators have in common? If you cannot think of an answer, here is a hint: corruption. How this is possible will hopefully be answered by the prosecution and the judiciary of Bosnia and Herzegovina. A major scandal emerged in the midst of the Covid-19 pandemic, from BiH's procuring of lifesaving, China-imported medical equipment from the company "FH Srebrna malina" ("FH Silver Raspberry") that produces raspberries. The procurement was conducted by the Federal Department for Civilian Protection which bought 100 medical ventilators for intensive care units, paying 5,3 million EUR to the agricultural company "FH Srebrna malina" from Srebrenica. The public may have smelt a rat early on, as "FH Srebrna malina", as the name indicates, processes and produces raspberries, and has questionable experience with medical equipment. **(SELDI / EWB portal, 5 June 2020)**



## MONTENEGRIN CITIZENS DO NOT KNOW WHAT PUBLIC PROCUREMENT MEANS

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Survey results on public opinion have showed that the number of citizens who do not know the meaning of public procurement has almost doubled. 71% of citizens polled explicitly stated that they did not know what public procurement means and were unable to describe the term in a few words. A total of 51% of the population believes that abuse is frequent. There is also believed to be illicit links between political and economic actors. Most citizens believe that public procurement procedures are mainly implemented in an unfair, non-transparent, non-objective and partial manner and that they are guided more by partisan rather than public interests. **(IA, 9 June 2020)**

## CDT PRESIDENT HOSTS IN THE TV SHOW "REFLEKTOR"

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CDT's President Milica Kovačević served as a host in the TV show "Reflektor" which addressed the subject: are there conditions for holding elections? According to Milica Kovačević, if the legislative framework is observed, the conditions for the elections do not significantly differ compared to 2016, since the most important regulations remain largely unchanged. However, the key institutions are not the same – some are in a much worse condition today, with employees enjoying vip status and dealing with disputed mandates. The political environment for the elections is also much less unfavorable than in 2016, when the last Parliamentary elections were held. **(CDT, June 2020)**

## CCI OPENED CALL FOR PROJECT PROPOSALS IN COMBATING BIH HEALTHCARE CORRUPTION

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Centers for Civic Initiatives (CCI) announced a public call for CSOs in BIH to submit project proposals in the field of combating corruption in healthcare. The current “Let’s Cure Health” project within the Small Grants Program is funded by the European Union and USAID. Project proposals may include watchdog activities, public campaigns in the field of anticorruption in healthcare, as well as the investigation of cases of corruption in healthcare institutions. **(CCI, 1 June 2020)**

## PUBLIC PROCUREMENT 2019: INCREASING SPENDING, DECREASING COMPETITIVENESS

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According to the latest 2019 Public Procurement Report issued by the Ministry of Finance, the competitiveness of public procurement procedures in Montenegro has reached a new low. As a rule, low competition intensity means low quality of procured goods, works and services. This, coupled with the high public procurement budget expenditure, does not look promising. **(IA, 6 June 2020)**

# ANTI-CORRUPTION NEWS FROM THE SEE REGION

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*The current section of the Newsletter presents a summary of the latest anti-corruption news from the SEE region, based on consolidated information from multiple sources, such as media outlets and narratives received by the SELDI project partners.*

## SPAK DIVIDES ALBANIAN PROSECUTORS INTO TWO CATEGORIES

SPAK, the newly established organisation in Albania to fight corruption and organized crime, has finally started operating this year – albeit only with the Special Prosecution Office (National Bureau of Investigation has not met the quorum yet). SPAK has categorised prosecutors into two operating sections. The section against Organized Crime and the section against Corruption will now be separated. This change has been prompted by the fact that specialization for certain categories of criminal offences is an influential element in efficient criminal prosecution.

(SPAK, 1 June 2020)



## ELECTIONS IN SERBIA: MEASURES ADOPTED IN EP-MEDIATED DIALOGUE PROVE TO BE INSUFFICIENT

Although the Serbian Progressive Party is not in danger of losing power in the 21 June elections, the current campaign has seen a resurgence of almost all activities that made previous election cycles problematic, leading to a boycott by the opposition and eventual inter-party dialogue mediated by the Members of the European Parliament. Among the main discussed issues was the practice of using public resources – buildings, vehicles, websites – belonging to all citizens, in favor of promoting the ruling party, in addition to the already-documented unequal media coverage on the national television channels. This has been compounded by the intensive organization of seemingly neutral activities of public officials, which actually aim to promote the ruling parties. The so-called “Implementation Timetable” of measures, prepared by MEPs, was an attempt to solve these problems but has apparently failed.

(EWB portal, 10 June 2020)

## SERBIAN GOVERNMENT UNWILLING TO DISCUSS DISMAL NATIONS IN TRANSIT REPORT

The Government of Serbia recently published a detailed rebuttal to this year’s Nations in Transit Report of Freedom House, in which 0.25 points were subtracted from Serbia in one area, downgrading it to the category of hybrid regimes. There are no indications, however, that the Government is willing to discuss the reasons for which Serbia has been pulled to the very brink of democracy in the first place.

(EWB portal, 26 May 2020)

## VUČIĆ AND THAÇI BELIEVE THAT THERE IS AN OPEN SPACE FOR DIALOGUE

The American expert of the Balkans, Daniel Serwer, stated that the United States of America will put great pressure for an agreement between Kosovo\* and Serbia to be reached by September, the daily Danas reports. Speaking about the new Kosovo\* government, Serwer voiced his opinion that the new government, led by Prime Minister Avdullah Hoti, will not be able to take the lead in the dialogue, but that the President will be the main actor.

(EWB portal, 8 June 2020)

## NEW GOVERNMENT OF KOSOVO\* REVOKES THE RECIPROCITY MEASURES ON SERBIAN IMPORTS

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Newly appointed Prime Minister of Kosovo\* Avdullah Hoti called a Government meeting on Saturday morning, which resulted in the lifting of reciprocal measures on Serbian goods introduced by his predecessor, Albin Kurti, Gazeta Express reports. In his address to the media after the Government meeting, Hoti called the decision to revoke tariffs an important step aimed at removing all obstacles of the dialogue process and called on Serbia to also do the same. "We have an agreement with our international friends and they will pressure Serbia to remove all obstacles in order for the dialogue to resume," Hoti said. **(EWB portal, 6 June 2020)**

## THE INSTITUTE FOR THE DANUBE REGION AND CENTRAL EUROPE REGULARLY DISCUSS EFFECTS OF COVID-19 PANDEMIC

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The Institute for the Danube Region and Central Europe regularly addresses current questions regarding the Danube region, Central, and Southeast Europe, in order to enhance knowledge about this region and promote good neighbourly relations. Due to the actual Covid-19 pandemic and global lockdown, the Institute has also developed new online formats such as IDM onSite on its Youtube channel. On this platform, they discuss the current situation, including state and political structures, socio-economic developments, healthcare, freedom of media, and corruption in East and South Eastern European states. **(Institute for the Danube Region and Central Europe, 3 June 2020)**

## REFORM OF THE ELECTORAL CODE IN ALBANIA

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Discussions between the government and opposition representatives began on 26 May 2020, focusing on the need for electoral reform and finding a common language for the opposition's participation in the next election. The discussion emphasized the fact that the opposition boycotted the 2019 local elections due to allegations of vote-stealing. Only minor proposals have been approved, such as the reducing the allowed amount of private funds on financing political parties, as well as gender quotas and shortening of the electoral period. No major decision has been achieved regarding the opposition's requested conditions – the creation of a technical government for pre-elections or reformatting of the Central Election Commissions. Remaining issues to be discussed include the de-politicization of electoral administration, the electoral system and use of technology in elections. Electoral reform and its implementation are among the basic conditions for the opening of EU membership negotiations with Albania. **(ACER, June 2020)**

## BOSNIA'S STATE PROSECUTOR ACCUSED OF OFFICIAL MISCONDUCT

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Bozo Mihajlovic, Bosnia's state prosecutor, was sentenced in a first-instance verdict to five years in prison. He is accused of official misconduct with malfeasance in office by failing to oversee the work of his personal secretary in the period 2006-2015. In this period, he acted as the state prosecutor and head of the Department for Organised Crime, Commercial Crime and Corruption. According to the indictment, this enabled the assistant to steal an amount of 225,762 marks (more than EUR 110,000). This case was taken over by the Sarajevo Canton Prosecutor's Office. **(CCI, 9 June 2020)**

## CANNABIS LEGALIZATION FOR MEDICAL PURPOSES IN ALBANIA

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The executive director of the Albanian Center for Economic Research, Zef Preci, noted in a recent interview that he regards the draft legalization of cannabis from two different perspectives. First, as a contributor to Albania national economy and the role of this informal source of money, and second, the government's efforts to increase budget revenues in times of crisis. He dismisses the law change as a product of Albania entering an election year, acknowledging the fact that about half of the Albanian economy is informal. According to him, the government's inability to collect taxes is evident and the introduction of components of this nature in the law may distort the cultivation of agricultural plants, while the price of bread may increase due to the orientation towards profit.

**(Voice of America, 29 May 2020)**

## EC IS EVALUATING ITS FINANCIAL SUPPORT ALLOCATED TO BOSNIA'S TOP JUDICIAL INSTITUTIONS

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The European Commission (EC) reported that they are currently reviewing the effectiveness of the financial support allocated to Bosnia's top judicial institution. EC has provided more than 30 million Euro to strengthen the independence, integrity and efficiency of Bosnia's judiciary. This financial assistance passed through direct allocations to the High Judicial Prosecutor Council throughout the past 15 years. EC voiced their regret that there has been no progress on the establishment of a meaningful system of integrity checks, in line with findings of the Independent Expert Report on the Rule of Law issues in Bosnia and Herzegovina. According to EC, the limited results in implementing judicial reforms risks undermining the effectiveness of EU support to the Judiciary and to the HJPC. **(EC, 8 June 2020)**

## BOSNIAN COURT RELEASES STATE OFFICIALS FROM CUSTODY

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During the pandemic, the medical equipment for the needs of the FBiH's healthcare system was procured by private agricultural company "Srebrena Malina." The value of the procurement of 100 Chinese ventilators was 10.5 million Bosnian marks, which is over EUR 5 million. The investigation commenced in March following a journalist's discovery. Members of Bosnia's special police agency SIPA conducted a search on several locations according to the order of the Prosecutor's Office. Bosnian authorities have arrested two high-ranking state officials (Prime Minister of Federation of BiH and a top state civil protection official) and the owner of a private company which imported 100 ventilators from China that were found to be useless for Covid-19 patients. All three of them were arrested on 29 May 2020. After being detained overnight for questioning, they were sent to prison. The Bosnian Court decided on Sunday (May 31) to release Fadil Novalic, the Prime Minister of the Bosniak-Croat Federation (FBiH) entity, as well as other two suspects, in an allegedly illicit procurement of ventilators after the Prosecution demanded a 30-day custody for them. The Court prohibited all three from meeting with witnesses to discuss the case. **(BA, May 2020)**

## WHO PAID EUR 12,935 TO ZORAN JELIĆ?

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Zoran Jelić, member of the Senate of the State Audit Institution (SAI), earns EUR 12,935 and reports it to the Agency for Prevention of Corruption through his assets declaration. As a source of income, he states "Regular job, Institution". Take a look at the infographic regarding his mysterious sources of income.

**(IA, 20 May 2020)**

## PROACTIVE INFORMING WITHIN PUBLIC AUTHORITIES IS STILL AT A LOW LEVEL IN THE WESTERN BALKANS

It is worrying that trends in the limited information made available to citizens of the Western Balkans by their governments, as indicated in the baseline PAR Monitor 2017/2018, have shown little change. Although some online information is easily accessible in most of the countries included, limited open data practices and transparency in annual reporting and budgets, as well as low accessibility in the presentation of information, are still common. As in the PAR Monitor 2017/2018, the information published by national authorities was assessed using a sample of seven institutions and with same key criteria – this allows for the comparison of results over time using several criteria: completeness of information, whether the available information was up-to-date, the accessibility of information, and the citizen-friendliness of its presentation. Overall, countries scored fewer points for completeness of the information and up-to-dateness of information – these comprised 33% of all points, compared to 38% in the first monitoring cycle. **(IA, 15 May 2020)**

## COVID-19 AND CSO WORKSHOP IN THE WESTERN BALKANS

Ten members took part at the closed-door workshop “The Covid-19 Pandemic in the Western Balkans: Effects on Democracy, Rule of Law, and Civil Society”, organised by the Aspen Institute Germany. The workshop gathered an expert community from the region, along with the officials from the EU and its member states. As a basis for discussion, six TEN representatives presented a working paper which addressed possible long-term effects of the Covid-19 pandemic in the countries of the region for critical democratic principles and the rule of law. **(IA, 9 June 2020)**

## EVEN AFTER TWO YEARS, THE STATE COMMISSION FOR PREVENTION OF CORRUPTION OF NORTH MACEDONIA LACKS OFFICES, PERSONNEL, AND PROPER SOFTWARE

Despite SCPC's efforts, no proper premises were provided in 2019 and the only upgrade was the slight rise of the number of employees in the Secretariat, states SPCP's annual report. The Commission stressed that the software for electronic submission of the asset declaration and registering for appointed and chosen persons is not functioning. Moreover, there are no links with the databases of other institutions, as stipulated by the Law on Prevention of Corruption and Conflict of Interest. Out of 51 planned job positions at the Commission, only 24 have been filled, which represents 47% of capacity. Within these, 10 employees are directly involved in working on cases. Regarding the completed tasks, for a period of 9 months, there were 1,172 denouncements by citizens, associations, institutions, on suspicions of corruption, misuse of public office and the existence of a conflict of interests, out of which 245 cases were started on SCPC's initiative. **(SCPC, June 2020)**

## THIS CSOS PLATFORM AGAINST CORRUPTION WILL MONITOR SCPC'S WORK

The Macedonian anti-corruption platform Antikorupcija is monitoring SCPC's work within the project funded by Foundation Open Society Macedonia (FOSM) in the period between May and December 2020. The main goal of the project is to reduce corruption by improving institution integrity, involving all stakeholders to actively fight corruption, creating a methodology for prioritizing SCPC cases and so on. **(IDSCS, May 2020)**



**REPORTS  
AND  
ANALYSIS**



## POLICY PAPER “CRITICAL POINTS IN THE FURTHER DEVELOPMENT OF MONTENEGRIN SOCIETY”

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This document is the contribution by the Center for Democratic Transition’s (CDT) to the dialogue that the Government has initiated with relevant social stakeholders. The drafting of these suggestions was one of the tasks accomplished at a meeting with Prime Minister Duško Marković, held within the scope of the “Alliance for Europe” Initiative on 19 February 2020. The document is not centered around accomplishments made in the development of Montenegrin society thus far, but around the obstacles that delay, threaten or hinder such development, in line with the main ideas behind the initiated dialogue. A common solution to all these key problems lies in resuming the initiated dialogue as soon as possible. The success of the ensuing dialogue will be measured only by positive changes to the current state of play, both before and after the coronavirus. Some of the problems can be solved within a fairly short time frame, while others will take more time. The success of the “Alliance for Europe” Initiative depends on the will, openness and determination of all stakeholders, especially major ones. Although there is little time left, we believe that there is still room for Montenegro to take steps toward becoming a modern democracy. **(Center for Democratic Transition, May, 2020)**

## MONTENEGRO: PUBLIC OPINION ON PUBLIC PROCUREMENT

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The Public Opinion on Public Procurement report provides an overview of the public opinion present in the Montenegrin public concerning the public procurement process. It also points to any changes in attitudes that may have occurred over the past five years.

In comparing the two survey rounds, the most striking finding was that the share of the citizens who demonstrate a lack of awareness concerning public procurement has almost doubled. While the share of those who provided no explanation of the term in 2015 was 37%, in 2020 71% of adult population are not able to define public procurement. The share of citizens who cannot distinguish between abuse in high and low-value procurement in 2020, or specify their level of satisfaction with public procurement review, has also increased. **(IA, May 2020)**

## RULE OF LAW STANDARDS IN EU MEMBERSHIP: BOTH PRE- AND POST-ACCESSION CONTEXTS

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The paper discusses the nexus between EU pre-accession conditionality and membership obligations in guaranteeing respect for the rule of law as a founding value of the EU. It does so through the prism of the notions of legal uniformity and differentiation. The paper examines how the EU’s promotion of rule of law in the accession process converges with and potentially inspires a progressive articulation of standards applicable to the Member States. By focusing on the judicial dimension of the rule of law, it is argued that while a certain diversity is conceivable in the manner in which the rule of law is observed – and more specifically in how judicial independence is achieved at the national level – there is a functional rationale for the EU to circumscribe the heterogeneity of national judicial systems – that is, to elaborate common rule of law standards in the Union. **(IDSCS, May 2020)**

## **A JOB WELL PREPARED IS A JOB HALF DONE: CHALLENGES FOR NORTH MACEDONIA IN ACCESSION NEGOTIATIONS**

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This policy brief discusses the current status of North Macedonia in the screening process, as well as the novel experiences related to this stage of negotiations as compared with Montenegro and Serbia. It discusses in detail the preparations, expectations and challenges regarding the implementation of a bilateral screening, under the circumstances of a new Methodology, in order to enhance accession negotiations. In the end, recommendations are put forward, which are divided according to the two phases of the screening process. This will hopefully enhance political will for negotiations and potentially shorten the time needed to enter the EU family. **(IDSCS, May 2020)**

## **SECOND REPORT ON THE OPERATION OF THE STATE COMMISSION FOR PREVENTION OF CORRUPTION (OCTOBER – DECEMBER 2019)**

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Second Report on the Operation of the State Commission for Prevention of Corruption (October – December 2019) The data that this report is gathered from the website of the State Commission for Prevention of Corruption, as well as from information obtained by submissions to SCPC requesting access to public information. This report analyses the last three months of 2019, during which SCPC held two sessions and reached 96 decisions. **(IDSCS, 20 May 2020)**

## **MONTENEGRO: 2019 PUBLIC ADMINISTRATION REFORM MONITORING REPORT**

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IA prepared Public Administration Reform Monitoring Report within the project “FAR - Evidence for Better Administrative Reform”, supported by the European Union within the sector budget support for public administration reform. **(IA, May 2020)v**



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