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Southeast Europe

Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, the former Yugoslav Republic of Macedonia, Malta, Romania, Turkey, the Federal Republic of Yugoslavia (Serbia and Montenegro)

Dejan Jovic

Overview

The countries of Southeast Europe witnessed high levels of corruption in the past 12 months, much of it attributable to ineffectual state institutions and the weak implementation of legislation. Nevertheless, many countries in the region are consolidating state institutions as they proceed with the transition to liberal democracy.

The transition is being accelerated by international pressure, which continues to be a major force behind anti-corruption efforts. Civil society initiatives also gained momentum through international programmes, such as the Cavtat process launched at a conference of the Stability Pact Anti-corruption Initiative (SPAI) in September 2001.

Yet corruption continues to be widespread in Southeast Europe: old networks of influence and 'parallel systems' offer a semi-legal or illegal way of gaining access to services or products. In former Yugoslavia, where the wars of the 1990s served to reinforce corrupt networks, new states are still perceived as too weak to defend their citizens legally and physically. While parallel systems provide a sense of security and continuity, they simultaneously perpetuate older patterns of corrupt behaviour.

Corruption remains endemic at the borders of the states of former Yugoslavia, as was highlighted by the arrest in May 2002 of the head of Kosovo's customs service on corruption charges.[1] Money laundering in privatisations and corruption in the trafficking of women also continued, despite improvements in law and order.[2]

International and regional

Despite extensive international efforts to curb corruption, discernible progress has been limited. The Open Society Fund recently concluded that international assistance in terms of money invested in Bosnia and Herzegovina since 1995 'has little chance of producing a country that will be based upon the rule of law, a free-market economy and a democratic political system'.[3]

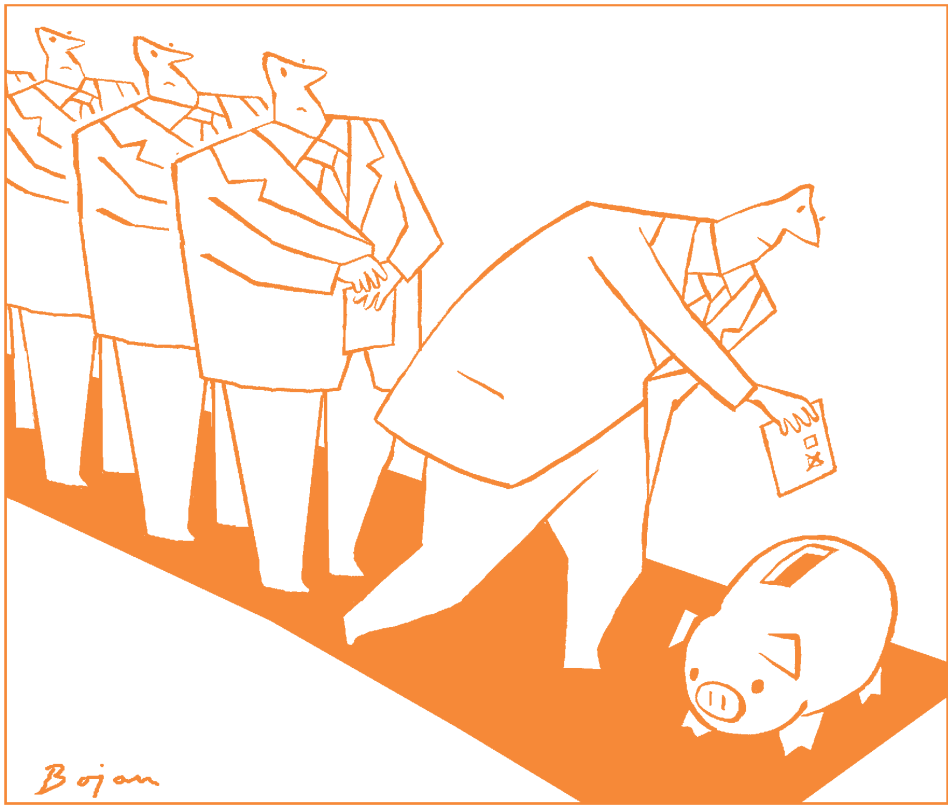
International actors continued to focus on anti-corruption initiatives, such as the European Union's Stabilisation and Association Agreements. The EU also iden-

tified relevant anti-corruption activities through its Community Assistance for Reconstruction, Development and Stabilisation Programme.[4] The Council of Europe's Group of States against Corruption, or GRECO, has also been active, sending teams to the region to make national recommendations based on the evaluations of corruption in Macedonia and Romania carried out in March 2002.

Other anti-corruption programmes have been put in place through the Southeast Europe Partnership on Accountancy, funded by the Organisation for Economic Co-operation and Development (OECD), the United States Agency for International Development (USAID) and the EU Stability Pact for South Eastern Europe.[5]

Programmes of the Council of Europe, the EU and the OECD continued to promote best practice throughout Southeast Europe. These initiatives serve as instruments to prepare the countries for accession to the EU, particularly in Bulgaria and Romania, whose accession progress is being closely monitored.

International actors have critical influence on domestic policy-making in Albania, Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia (FRY), Macedonia and Romania through the mechanisms of SPAI.[6] At the SPAI



Bojan Jovanovic, Serbia

conference in September 2001, which focused on the role of civil society, member governments selected up to three priorities in the fight against domestic corruption, for which SPAI is now attempting to secure funds. SPAI has also promoted policy-making initiatives. In Croatia and Romania, election laws are being revised to increase transparency in campaign and party financing and SPAI has also urged the FRY government to provide more information about its anti-corruption activities.[7]

Curbing corruption at international border crossings is one goal of the Trade and Transport Facilitation in Southeast Europe Programme, a collaborative effort between the national governments, the World Bank, the United States and the EU. A survey measuring the perception of corruption at border posts was conducted in autumn 2001 in Albania, Bosnia and Herzegovina, Croatia, Macedonia and Romania; follow-up surveys will be used in project monitoring.[8]

International actors are also supporting country-specific anti-corruption programmes. In June 2002, the World Bank praised Romania's judicial reform and announced it would provide technical assistance, a US $250,000 grant and a loan of US $18 million solely for the fight against corruption.[9]

In Bosnia and Herzegovina, where the international community has ultimate responsibility for domestic policy, the anti-fraud department in the Office of the High Representative has launched a number of activities against bribery. In his inaugural speech in May 2002, the new High Representative, Lord Ashdown, announced his determination to fight corruption and admitted that 'the grip of criminality and corruption is strengthening'.[10]

National

Several governments in Southeast Europe last year established anti-corruption units or amended legislation to reflect international standards, but promises to fight corruption were sometimes perfunctory. A case in point is Croatia, where efforts to bring legislation in line with the latest UN Security Council resolution on anti-terrorist measures resulted in amendments to the law on money laundering in December 2001.[11] When President Stipe Mesic criticised the government for refusing to investigate the finances of 'those who had built houses worth DEM 5 million [US $2.5 million]', however, the government responded that an investigation would not be possible.[12]

More explicit is the case of Macedonia, where the media widely reported on government officials – both ethnic Macedonian and ethnic Albanian – who benefited from kickbacks, customs and licensing rackets, cigarette smuggling and illegal privatisation deals. The International Crisis Group, which monitors conflict areas, charged that the Albanian minority in the current coalition gets 'one third of the spoils enjoyed by the Macedonian leadership'. The NGO claimed that both Macedonian and Albanian political leaders 'connive at siphoning off national assets'.

Though corruption appears to be holding the bi-ethnic government together, it seriously threatens the viability of the state.[13]

In response to such accusations, President Boris Trajkovski called for more effective efforts and legislation in April 2002, and Prime Minister Ljubco Georgievski set up a unit to investigate what happened to money allocated for the housing of displaced persons and refugees during the 1999 Kosovo conflict. Georgievski may have been thinking of Trajkovski, who was responsible for the funds while serving as deputy foreign minister.[14]

The FRY's new measures against 'extra profiteers', entrepreneurs who benefited from their ties to former president Slobodan Milosevic, have been more successful. The government imposed a tax on businesses that benefited from favours under Milosevic. The commission in charge of investigating the abuses regularly publishes lists of extra profiteers – 271 persons in February 2002 – and ensures that the tax is collected.[15] In September 2001, the FRY also enacted legislation to make money laundering a criminal offence and requires banks and financial institutions to report all transactions in excess of 600,000 dinars (about US $9,500) as of July 2002.[16]

These efforts dovetailed with the Serbian government's creation of the Committee for the Fight against Corruption, which began steering the administration's anti-corruption efforts under the chairmanship of Prime Minister Zoran Djindjic. In a sign that action is being taken, Serbia arraigned 1,216 policemen on suspicion of receiving bribes or involvement in other criminal acts in 2001 alone.[17]

Serbia also formed 26 anti-corruption fighting units to gather information through hotline numbers. Each team is composed of three officers, representing public security, state security and the public attorney's offices, and has full authority to prosecute offenders. In January 2002, their first month of existence, the units investigated more than 250 cases of corruption.[18] More than 1,100 people reported instances of corruption in the first three months, though fewer than 80 were prepared to press charges. According to the teams' findings, the ministry of internal affairs and customs office are Serbia's most corrupt institutions.[19]

Turkey is also working on a national strategy for fighting corruption and poor governance. New regulations on political campaign finance and the disclosure of political donations form part of the new action plan, which the International Monetary Fund agreed to finance with funds from a US $16.3 billion loan in February 2002. The system of awarding contracts is earmarked for reform from January 2003 under a new public procurement law that was a precondition for the loan. Turkish contractors have traditionally been asked to pay up to 15 per cent of the value of state contracts as 'campaign contributions', according to a 2001 World Bank report.[20]

Corruption also featured as a theme in election campaigns across the region. In Bulgaria, Prime Minister Simeon Saxe-Coburg-Gotha – the former king Simeon II – won the July 2001 elections on an anti-corruption ticket that exploited public disenchantment with the conservative government of Ivan Kostov. In January 2002

Bulgarian newspapers published a list of former ministers in Kostov's cabinet against whom the prosecutor-general had filed charges.[21] One month later, the government established an interministerial anti-corruption commission, called the White Commission, chaired by the minister of justice, with support from the World Bank. Though it has no power to investigate, the commission researches cases of corruption by examining written evidence and witness statements. Members also make proposals for legislative changes.[22]

Bulgaria has also targeted the problem of the trafficking of women. Corrupt police officers, court officials, border guards and government officials – including employees of international organisations – allegedly facilitate the trade by taking bribes and cooperating with traffickers. 'Police in Bulgaria … have reportedly extorted bribes from those who have tried to report cases of trafficked women and to ask for appropriate investigations,' observed the Vienna-based NGO International Helsinki Federation for Human Rights in February 2002. 'Police are often in collusion with criminal traffickers, for example in forcing women back to brothels from which they have escaped, or receiving sexual favours and bribes in return for such cooperation with traffickers.'[23] Proposed amendments to the criminal code include the creation of a new unit to combat the traffic in human beings and a national commission on trafficking at the Council of Ministers.[24]

Financial transparency was improved by Bulgaria's Financial Intelligence Bureau, which investigates money laundering cases, and amendments to the law for the National Audit Office (NAO) in June 2002. Staff at the NAO, which serves as an independent external auditor of projects funded by international donors, are being trained with assistance from the EU and USAID, which also aims to enhance access to the financial declarations of officials on the public registry website. Anti-corruption measures adopted through legal reforms include the criminalisation of trading in influence, tougher sentences for bribery, wider definitions of bribery and the confiscation of assets gained as a result of corruption.[25]

Romania established a National Anti-corruption Prosecution in spring 2002, in the wake of the World Bank's corruption assessment (see box, p. 195).[26] After NATO warned that the failure to combat corruption could cost Romania its invitation to join, President Ion Iliescu set up a committee to investigate complaints against serving or former officials in October 2001. The president asked the committee to launch a formal investigation into former agriculture minister Ioan Muresan, who was accused of selling 5,000 tonnes of sunflower oil from the state's reserves to a private company before he left office.[27] The party of another former minister under investigation, however, protested his indictment on charges of fraud in June 2002, claiming that the prosecution was politically motivated. The minister, Radu Sarbu, was responsible for privatisation in the previous government and had been charged with fraud that cost more than 133 billion lei (US $4 million) in losses.[28]

In Albania, anti-corruption units were established in the ministries of public order, finance, justice and in the prosecutor's office with mixed results. In June 2002,

Romania's anti-corruption body: more than a political tool?

In April 2002, the Romanian government issued a controversial decree establishing the office of the National Anti-corruption Prosecution (PNA). The lower house of parliament approved the decree two months later, with a 75 per cent vote in favour, but all opposition representatives voted against.

In a country beleaguered with routine bribery, the impartiality of the new body has already been called into question, as indicated by the opposition's unanimous 'no' vote. Romanians have witnessed the failure of previous governments' anti-corruption campaigns; why would Prime Minister Adrian Nastase's strategy be any more viable?

Only four months before the vote, Nastase admitted that his Social Democratic Party had launched its 2001 anti-corruption campaign as if it were a 'struggle against corruption in other parties'.[1] The premier had called then for unity among all political parties and determined to meet with opposition leaders to discuss changes to party finance legislation.

The opposition was not appeased by Nastase's new inclusive approach. When the latest decree came up for debate in June, an opposition deputy said the PNA might as well be renamed the office of the National 'Anti-constitution' Prosecution. He argued that judicial institutions should be established by organic, or constitutional, law, not government decree.

The office of the PNA will comprise 75 prosecutors, all with at least six years' experience as prosecutors or judges. The prosecutor-general, whose mandate can be extended only once, must have at least 10 years' related experience. With a total of 320 employees, the PNA also has 150 judicial police officers who are to report to the interior minister. The institution is to investigate corruption cases involving sums of at least €100,000 (about US $95,000).

The media responded sceptically to the PNA's structure and investigative powers, arguing that the prosecutor-general would be controlled by the ruling party. Indeed, the prosecutor-general is appointed to a six-year mandate by the president at the suggestion of the justice minister, to whom the PNA reports. The country's largest daily, the Bucharest-based *Adevarul*, argued that the government would use the PNA 'to punish political opponents' and convince international donors that the authorities are fighting corruption, given that corruption is an important item on the NATO and European Union accession agendas.

The nascent PNA will have to prove its impartiality and professionalism if it is to silence these critics. The test case is likely to be a highly publicised scandal surrounding one of Romania's wealthiest businessmen, Sorin Ovidiu Vantu. In early 2002, the media alleged that Vantu masterminded and benefited from the collapse of the National Investment Fund and used his personal contacts with politicians and the Romanian intelligence services to evade charges. Reports also linked Vantu's financial interests to the collapse of two Romanian banks.

If the PNA is to have any measurable impact on corruption in Romania, it will first have to test its mettle by investigating allegations of corruption such as those levelled at Vantu.

Zsolt-Istvan Mato

1 RFE/RL, 7 February 2002.

Access to information in Southeast Europe

In the past year, the Stability Pact Anti-corruption Initiative (SPAI) promoted access to information throughout the region. In Albania, SPAI called for revised freedom of information legislation that would encourage journalists to cover corruption; in Bosnia and Herzegovina, it pushed for more independence in media ownership; and in Macedonia it helped to develop minority media by increasing subsidies to Albanian-language outlets.[1]

International actors and national governments are also promoting access to government information. In June 2002, USAID began funding the US $6.8 million Open Government Initiative, a three-year programme aimed at supporting the Bulgarian government's anti-corruption efforts.[2] Serbia is promoting government transparency through its official website and, in 2001–02, 11 of the 17 ministries also created their own websites.[3]

NATO, which has been advising aspirant members on freedom of information legislation, came under attack when it defined policy and standards for the protection of classified information – in a document that was itself secret.[4] A new law on classified information protection was approved by the Bulgarian parliament in April 2002 as part of an effort to join NATO. Critics have argued that the act threatens to undermine the development of a culture of openness since it allows those empowered the discretionary power to classify a broad scope of information.[5] Opposition parties appealed to the constitutional court in May 2002 to overturn the law, arguing that it violates the constitutional right to information.[6]

Among the countries to pass recent freedom of information legislation was Bosnia and Herzegovina, where an act came into effect in February 2002.[7] Romania approved its first piece of freedom of information legislation – under which authorities must respond to information requests within 10 days – in October 2001.[8] Serbia's public information law was suspended in 2001 so that new regulations corresponding to European standards could be prepared in cooperation with the Independent Union of Journalists.[9]

Despite freedom of information legislation, however, investigative journalists continue to face obstacles and

the government drafted an anti-corruption bill that will lead to the creation of a special oversight body tasked with investigating the property holdings of some 5,000 high- and medium-ranking officials. Members of the body, who will be elected by parliament, will enjoy broad jurisdiction and have access to data from banks and private enterprises. Officials found to have lied about their property holdings will be subject to prosecution.[29]

Croatia's national strategy was reinforced in autumn 2001 with the creation of a special office for corruption and organised crime, known as USKOK, in the prosecutor's office. A bill on conflict of interest is expected to be passed by the end of 2002. All government officials, from president to county prefect, will be legally required to submit reports on their assets, income and the assets of their close relatives if the law is approved.[30]

In February 2002, Bosnia and Herzegovina established a working group to fight corruption and organised crime, comprising ministers and representatives

threats throughout Southeast Europe. In Romania, a number of journalists were threatened with violence after exposing alleged corruption by provincial politicians in mid-2002. A regional leader of the ruling Social Democrats publicly threatened to break a reporter's leg, prompting party officials to vow to take action. Several pieces of secondary legislation were adopted, making it easier for journalists to be criminalised for 'tarnishing' a politician's reputation.[10]

In Albania, where the government has failed to decriminalise libel, journalists investigating corruption face security risks – arbitrary arrest, severe beatings and intimidation – and are denied fair trials in defamation cases. In November 2001, the publisher of the independent Tirana daily *Koha Jone* was assaulted and threatened after the paper published allegations that a Durres hotel had been built illegally. Since compliance with existing freedom of information legislation is poor, journalists must routinely bribe government clerks to obtain official documents.[11]

A recent Human Rights Watch report charges that Albanian officials misuse state advertising to put financial pressure on media outlets and interfere with editorial freedom.[12]

A survey conducted by the Organization for Security and Co-operation in Europe Mission in Kosovo in December 2001 shows that 78 per cent of the investigative journalists questioned are concerned about their physical safety. These fears have been vindicated by the recent murders of two Kosovo journalists and numerous cases of journalists being threatened while investigating corruption and other wrongdoing.[13]

1 SPAI.
2 www.csd.bg/news/usaid_memorandum.htm.
3 SPAI.
4 The NATO document is C-M (55) 15 (Final); ONG Romania, press release, 14 June 2002.
5 ONG Romania, press release, 14 June 2002; David Banisar, Privacy International, 'Freedom of Information and Access to Government Records around the World', posted 2 July 2002 on www.freedominfo.org.
6 RFE/RL, 30 May 2002.
7 Banisar.
8 Centre for Independent Journalists, Romania.
9 SPAI.
10 RFE/RL, 24 July 2002.
11 Committee to Protect Journalists, 'Europe and Central Asia Report 2001 – Albania', www.cpj.org/attacks01/europe01/albania.html.
12 Human Rights Watch, www.hrw.org/reports/2002/albania.
13 www.osce.org/kosovo/features/in_focus/journalists_restricted.php3.

of Interpol, the judiciary and police. One month later, in cooperation with the World Bank and the Office of the High Representative, the Bosnia and Herzegovina Council proposed a national anti-corruption action plan.[31] At the same time, however, a major scandal erupted when the Bosnian Serb minister of finance resigned in a case of customs fraud that deprived the budget of US $15 million.[32]

Another customs scandal erupted in May 2002 in Kosovo, where, after a two-year investigation, the UN arrested the top customs official on charges of fraud and abuse of his official position. His arrest formed part of an increased UN effort to fight corruption in the province, and his subsequent release in June on technical grounds met with harsh criticism.

Another current UN investigation concerns the province's power company, which allegedly misused US $4.1 million of aid earmarked for the purchase of electricity.[33]

In February 2002 the Council of Europe's GRECO committee described Cyprus as 'a country that has not been influenced to a great extent by corruption, since it has the necessary legislation for combating or preventing this phenomenon'.[34] Nevertheless, a simmering corruption scandal boiled over in June 2002, when public figures were incriminated in money laundering schemes that reportedly involved millions of dollars belonging to Slobodan Milosevic and his family. Fuelled by allegations from Belgrade that the Cypriot authorities had refused to assist its inquiries, the scandal lingers in the courts.[35]

Private sector

The presence of foreign investors in Southeast Europe's private sector can sometimes be a positive factor in controlling corruption because these relatively new actors do not form part of the traditional networks or parallel systems that operate there. The lack of transparent legal and political systems has largely deterred foreign investors from deeper engagement in the region, however. Corruption costs Romania billions of dollars a year, according to a report by PricewaterhouseCoopers which claimed that foreign direct investment of US $1.3 billion in 2001 was one third of what the country could attract.[36] The Foreign Investors Council of Romania acknowledges corruption as a major stumbling block to foreign investors in its 'White Book' of June 2002.[37]

Corrupt practices in privatisation deals continued to come to light in 2001–02. In a case currently under investigation by the prosecutor's office in Sofia, bidders in the sale of Bulgartabak charged the tobacco company's executive director with demanding a US $500,000 bribe.[38] A recent review in Croatia, meanwhile, reveals that only 19 of 99 firms up for privatisation adhered to the legal procedures.[39]

In early July 2002, a Turkish court convicted three former senior energy officials of rigging state power contracts and sentenced them to 10 years in prison. The officials had allocated a 1997 tender for an electrical transmission line to preferred companies and taken bribes from entrepreneurs.[40] Corruption is perceived as a key element in Turkey's current economic crisis, signalled by the collapse of more than a dozen private banks since February 2001 and the prosecutions of officials for siphoning off bank funds.[41]

Sensitising small and medium-sized enterprises (SMEs) in Serbia to the negative economic consequences of corruption and raising awareness of it in the business community are among the goals of the employers' union. Working with TI Serbia and the chamber of commerce, the union recently began participating in the panel of experts on public procurement issues established by the government. The chamber of commerce also collaborated in drafting a number of laws to regulate corruption.[42]

In Croatia, Integra Foundation published a 'Coping with Corruption Toolkit' for SMEs, following a survey of small businesses in 2001. The project is part of

a larger anti-corruption programme by the Integra Venture in Central and Eastern Europe.[43]

The Bulgarian Business Leaders Forum also embraced the anti-corruption cause when it presented a code of business ethics at a meeting with government officials and representatives of more than 300 domestic and international companies in September 2001.[44]

Civil society

A survey by the Southeast European Legal Development Initiative (SELDI) reveals the surprising fact that Serbs are more optimistic than any of their neighbours in their belief in their society's capacity to cope with corruption, though they score poorly in other areas (see the SELDI report, p. 285).[45] That optimism may be linked to the country's prominent anti-corruption strategy, which was drafted in October 2001 and has encouraged civil society to become involved in the fight against corruption. Among Serbia's most active NGOs is the Belgrade-based Centre for Free Elections and Democracy, which recently began monitoring the efficiency and transparency of service delivery in five municipalities, a project soon to expand to 90 more. The Centre for Liberal Democratic Studies has analysed corruption trends in the federal customs administration and is working on a general study of corruption in Serbia. The National Resistance Movement (OTPOR), a student democracy movement that launched an anti-corruption programme in June 2001, is collaborating with state customs offices to monitor the work of officials at border crossings. In a noteworthy step, the government invited NGOs such as OTPOR to attend sessions of the legislature from January 2002.[46]

Anti-corruption initiatives elsewhere in the region include the Albanian Coalition against Corruption, established to promote judicial reform, freedom of information, property issues and other anti-corruption activities.[47] Encouraged by SPAI, Bosnia and Herzegovina enacted a law on associations and foundations in December 2001 that allows NGOs to register at the state level; the law conforms to Council of Europe and other international standards.[48] The Macedonian NGO Forum Centre for Strategic Research and Documentation (CSRD) has been involved in designing an anti-corruption strategy. Together with TI Macedonia, the CSRD promotes cooperation between civil society and the international community in the implementation of international anti-corruption standards. Macedonia's civil society also established the Corruption-Free Coalition, which alerts policy-makers to the problem of corruption.[49]

The Turkish media were particularly active in highlighting the role that corruption plays in everyday life. In a live broadcast watched by millions, two officials were filmed as they negotiated for kickbacks and slipped cash into their pockets. The men found out they had been tricked only when policemen stepped forward to handcuff them.[50]

The media is also active in Malta, where in May 2002 the newspaper *Malta Today* published a report on how a late Labour minister and his associates had orchestrated illicit bank loans and defrauded individuals until 1994. The government reportedly refused to respond to the pleas of whistleblowers, who lived in constant fear of reprisals. Investigative reporters at *Malta Today* uncovered information 'on a plethora of judges, magistrates, lawyers, notaries, businessmen and politicians who appear to have been involved in this network of corruption and deceit', but lamented that other 'journalists and newspaper columnists have chosen to steer clear of it'.[51]

Civil society organisations concerned with combating corruption received considerable assistance from international actors in the past year. USAID's Open Government Initiative, launched in June 2002, supports the advocacy and public awareness efforts of Coalition 2000, a Bulgarian anti-corruption NGO partnership that runs a national-level corruption monitoring system.[52] The SPAI Small Grant Programme for civil society organisations has been supporting anti-corruption efforts throughout the region. In Albania, it is helping unions fight corruption through the Trade Union Federation of Education and Science. In Bosnia and Herzegovina, it supports TI's efforts to train investigative journalists to cover corruption issues.[53]

As required under the SPAI Compact and Action Plan, the Serbian government established a council for anti-corruption efforts, composed of 11 representatives of civil society, in December 2001. Council members have the right to request oral and written information on the work of civil servants and state officials. At its first session on 12 December, the council advised the government on the drafting of three laws: on the declaration and registration of civil servants' real estate, conflicts of interest and political party finance.[54]

The EU delegation to Croatia has lent support to two one-year anti-corruption projects that began in March 2002. In the first, developed by the NGO Partnership for Social Development, citizens in five towns are informed about anti-corruption practices and encouraged to be active through public outreach activities and campaigning. The second project relates to SMEs and was implemented by the Ruke Association and the Integra Foundation. Small businesses and agencies are equipped to reduce corruption in their immediate stakeholder circle through ethics initiatives, policy proposals to support the national anti-corruption programme and networking with other SMEs.[55]

1 UNMIK media monitoring, *Koha Ditore* (Kosovo), 11 June 2002; www.unmikonline.org/press/2002/mon/june/lmm110602.htm#1.

2 Aaron Rhodes, executive director of the International Helsinki Federation, says that the problem of sex slavery in post-communist countries is largely the result of 'corruption among officials'. Reuters (Britain), 12 February 2002.

3 Žarko Papić, 'International Support Policies to SEE Countries: Lessons (Not) Learned in Bosnia-Herzegovina' (Sarajevo: Open Society Fund Bosnia-Herzegovina, August 2001).

4 Four of the programme's five priorities involve anti-corruption activities: justice and home affairs,

administrative capacity building, economic and social development and democratic stabilisation. CEPS Europa South-East Monitor, no. 31, January–February 2002.
5 www.seepad.org.
6 Created in Sarajevo in February 2000, SPAI supports and coordinates anti-corruption activities of governments, NGOs, international organisations and donors. In the first 18 months it was engaged in monitoring activities; since then it has been making policy recommendations and implementing them. Among participants in the initiative are the Council of Europe, the European Commission, the U.S. government, the OECD and the World Bank. *SPAI Newsletter* 2, no. 14, 15 December 2001; www1.oecd.org/daf/SPAIcom.
7 www1.oecd.org/daf/SPAIcom.
8 www.seerecon.org/RegionalInitiatives/TTFSE/ttfse-achievements.htm.
9 RFE/RL, 6 June 2002.
10 www.ohr.int.
11 www1.oecd.org/daf/SPAIcom/croatia/general.htm.
12 *Feral Tribune* (Croatia), 10 June 2002.
13 BBC News (Britain), 12 March 2002; www.crisisweb.org/projects/showreport.cfm?reportid=575.
14 Vladimir Jovanovski, 'Macedonia: Government Reluctant to Tackle Fraud', Institute for War and Peace Reporting, 4 April 2002; www.globalpolicy.org/nations/launder/regions/2002/0404mace.htm.
15 SPAI General Assessment Report for FRY: Serbia Final Report, 29 April 2002.
16 The Money Laundering Act, 'Official Gazette FRY', no. 53 (28 September 2001); SPAI; RFE/RL Crime and Corruption Watch, 14 June 2002, no. 23.
17 SPAI.
18 Ibid.
19 BKTV, Belgrade, BBC Monitoring Service, 25 April 2002.
20 *Financial Times* (Britain), 6 February 2002.
21 RFE/RL, 28 June 2002.
22 RFE/RL, 6 December 2001; for information on Bulgaria's national anti-corruption strategy, see www.government.bg/English/Priorities/PublicOrder/166.html.
23 'Anti-trafficking Efforts Crippled by Corruption and Lack of Proper Official Response to the Victims' Needs', International Helsinki Federation for Human Rights, Vienna, 2002.
24 The amendments were scheduled for a second reading by the Council of Ministers in September 2002. See www.government.bg and the sites of Bulgaria's ministry of justice (www.mjeli.government.bg), ministry of foreign affairs (www.mfa.government.bg) and ministry of the interior (www.mvr.bg).
25 See the 2001 GRECO report on Bulgaria on www.government.bg. See also www.mfa.government.bg and www.online.bg/coalition2000/eng/hotnews.html.
26 www.worldbank.org.ro.
27 www.balkantimes.com, 7 December 2001; RFE/RL, 12 February 2002.
28 Associated Press (US), 15 June 2002.
29 RFE/RL, 12 June 2002.
30 www.vlada.hr/bulletin/2001/march/focus-full.html.
31 www1.oecd.org/daf/SPAIcom/bih/general.htm.
32 Associated Press (US), 14 June 2002.
33 Dow Jones, 17 May 2002; UNMIK media monitoring, *Koha Ditore* (Kosovo), 11 June 2002.
34 Cyprus News Agency, 6 February 2002.
35 *Financial Mirror* (Cyprus), 5 June 2002.
36 Associated Press (US), 29 April 2002.
37 The Foreign Investors Council represents about 90 foreign investors in Romania, www.fic.ro; *Financial Times* (Britain), 19 June 2002.
38 RFE/RL, 28 June 2002.
39 Report of the State Revision Office submitted to the Croatian parliament; *HRT Vijesti* (Croatia), 28 February 2002.
40 Associated Press (US), 12 July 2002.
41 Ibid., 7 December 2001.
42 SPAI.
43 The toolkit is posted on www.integra.sk. See also www1.oecd.org/daf/SPAIcom/croatia/general.htm.
44 www.bblf.bg/downloads/BBLFcode_eng.pdf.
45 www.seldi.net/indexes.htm.
46 SPAI.
47 www.usaid.gov/country/ee/al/182-0220.html.
48 www1.oecd.org/daf/SPAIcom/bih/general.htm.
49 www1.oecd.org/daf/SPAIcom/fyrom/general.htm.

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50 Associated Press (US), 7 December 2001.
51 *Malta Today* (Malta), 19 May 2002.
52 www.csd.bg/news/usaid_memorandum.htm.
53 www1.oecd.org/daf/SPAIcom/news/spnews.htm.
54 SPAI.
55 OECD Newsletter, no. 16, March 2002.