

BUILDING INTEGRITY: PROCESS AND IMPACT SERBIA



FOREWORD

AMBASSADOR THRASYVOULOS TERRY STAMATOPOULOS

NATO Assistant Secretary General for Political Affairs and Security Policy

At the NATO Summit in Wales, Heads of State and Government reaffirmed the Alliance as a community of values, committed to the principles of democracy, human rights and the rule of law. This includes civil and democratic control of the armed forces that provide effective security and offer value for taxpayers.

Countries are faced with the challenges of reforming and strengthening institutional and operational capabilities to be able to meet the challenges of an increasingly interconnected world. Together with Partners, Allies have built cooperative security based on the rule of law and a shared common vision for security.

The NATO Building Integrity (BI) Programme has become one of the most effective NATO tools to support Allies and Partners in the process of reforming defence institutions and developing capabilities at a time of serious financial constraints. It was launched within the Euro-Atlantic Partnership Council (EAPC) in 2007 in the framework of the Partnership Action Plan on Defence Institutions Building (PAP-DIB), which helps Partners develop effective and democratically responsible defence institutions. The Wales Summit reaffirmed BI as a key component of the Defence Capacity Building Initiative (DCBI).

From the outset, the NATO BI Programme has focused on developing practical tools to support nations in strengthening integrity, transparency and accountability and reducing the risk of corruption. Through dialogue, exchange of experience and education and training, this programme provides nations with mechanisms and capabilities to make defence and security institutions more effective and smarter.

Fostering good governance and strengthening accountability is an objective that requires continuous long-term efforts. In this regard, BI underpins defence reforms by reinforcing their effectiveness and sustainability. At the same time, it is broader in scope as it involves inducing and sustaining change of the institutional mindset and organisational culture of defence establishments.

As a driving force for change, the NATO BI Programme provides a strategic approach to building integrity through the application of proven values, norms and principles as well as through identifying good practices and policies that countries apply in order to minimise the risk of corruption in the area of defence. The Programme thus promotes dialogue among countries, both Allies and Partners, to share their experience and to transfer knowledge.

The NATO BI Programme also creates synergy between national ownership of defence reforms and international cooperation to promote good practices. Political will at a national level is vital for initiating and sustaining reforms by drawing upon available tools and methodology developed at an international level, such as the Self-Assessment Questionnaire (SAQ) and the NATO Peer Review Process. Subsequently, a strong vision and a clear strategy are essential for the implementation of recommendations and priorities at a national level.

I would like to commend the consistent efforts of the Ministry of Defence of Serbia and its leadership to strengthen the integrity, transparency and accountability of its defence and security sector. Serbia is an active beneficiary of the NATO BI Programme since 2012 and has systematically pursued the implementation of the different steps of the BI process, resulting in the adoption of the Integrity Plan of the Ministry of Defence and the Serbian Armed Forces for the period of 2015. I would also like to praise Serbia for its significant contribution to the Programme by sharing its experience with other NATO BI participating countries.

I trust that the present publication would contribute to consolidating the BI community of practice based on our common values.



Ambassador Thrasyvoulos Terry Stamatopoulos



FOREWORD

BRATISLAV GAŠIĆ

Minister of Defence, Serbia

It is with great pleasure that I note on this occasion that the process of building integrity to reduce the risk of corruption has been intensified within the Ministry of Defence and the Serbian Armed Forces, which contributes greatly to the implementation of defence reform.

In the past period, the Republic of Serbia put in place a comprehensive regulatory framework for building integrity and reducing the risks of corruption. Having in mind that the Republic of Serbia is resolved to apply high standards in the fight against corruption, the Ministry of Defence and the Serbian Armed Forces cooperate actively, within the framework of building integrity, with other state bodies of the Republic of Serbia as well as with civil society.

The main goal of building integrity in the Ministry of Defence and the Serbian Armed Forces is to provide the highest level of protection to individuals, processes and organizations against dangers that may lead to abuse in the interests of personal gain. To this end, the proper and rational use of resources at the disposal of the Ministry of Defence and the Serbian Armed Forces is essential.

The Ministry of Defence and the Serbian Armed Forces have adopted a preventive approach to building integrity, imposing repressive measures in established cases of corrupt conduct in line with the policy of “zero tolerance for the phenomena of corruption and organized crime”.

The Ministry of Defence and the Serbian Armed Forces have implemented building integrity activities primarily in the fields of human resource management, procurement, surplus property sale and management, financial control, and medical support and administration.

The institutions of the Ministry of Defence and the Serbian Armed Forces have elaborated thirteen integrity plans to start implementing measures and activities aimed at building integrity, including identifying the most sensitive positions in terms of risks of corruption.

For the process of building integrity to be comprehensive, the Ministry of Defence and the Serbian Armed Forces support initiatives and projects carried out on an international scale in this field. Participation in the NATO Building Integrity Programme is of particular importance in this respect. Within the framework of the Programme, the Ministry of Defence and the Serbian Armed Forces have drafted, together with the NATO Building Integrity expert team and other state institutions, a document entitled Self-assessment in Building Integrity and reducing risks of corruption in the Republic of Serbia within the competences of the Ministry of Defence and the Serbian Armed Forces.

Thanks to the NATO Building Integrity Programme and the NATO Building Integrity Tailored Programme for South Eastern Europe, the Ministry of Defence and the Serbian Armed Forces have connected the most important international institutions which are active in the areas of anti-corruption and building integrity; which has greatly helped Serbia to establish a position for itself in the region and in the world.

Committed to the goal of increasing efficiency and effectiveness by fully implementing building integrity and anti-corruption measures, we are convinced that we will contribute in the best possible way to enhancing security in the Republic of Serbia and the region of South Eastern Europe and that we can help countries exposed to security risks by contributing staff of the Ministry of Defence and the Serbian Armed Forces to serve in peace-building and peacekeeping operations in the world.



Bratislav Gašić

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I. About the NATO Building Integrity Programme

THE BUILDING INTEGRITY PROGRAMME: AN OVERVIEW

The BI Programme is a NATO-led capacity building programme providing practical tools to help nations strengthen integrity, transparency and accountability and reduce the risk of corruption in the defence and security sector.

BI promotes good practice, processes and methodologies, and provides nations with tailored support to make defence and security institutions more effective.

The programme was established by the Euro-Atlantic Partnership Council in November 2007 in the framework of the Partnership Action Plan on Defence Institution Building (PAP-DIB), which helps partners to develop effective and efficient defence institutions under civilian and democratic control.

At the Chicago Summit (2012), the NATO Heads of States and Government, noting the progress of BI and the need for a more structured approach, established BI as a NATO discipline and agreed on the BI E&T Plan.

In December 2013, when NATO foreign Ministers identified defence capacity building support to partners and, potentially, non partner countries as a key objective, BI was earmarked as an instrument to help promote democratic values and human rights, contribute more generally to security and stability, and help develop or enhance interoperability.

At the Wales Summit (2014), BI has been reaffirmed as a key component of the Defence Capacity Building Initiative (DCBI).

The BI Programme also supports the implementation of the United Nations Security Council resolution 1325 on Women, Peace and Security and has integrated a gender perspective into its methodology and practical tools.

BI is tailored to meet national needs and requirements. It is demand driven and participation is on a voluntary basis. It is open to NATO Allies, Euro-Atlantic Partnership Council members, Mediterranean Dialogue, Istanbul Cooperation Initiative and Partners Across the Globe. Requests from other nations are reviewed on a case by case basis by Allies.

There are 17 Nations are currently engaged in the SAQ (as of February 2015): Afghanistan, Armenia, Bosnia and Herzegovina, Bulgaria, Colombia, Croatia, Georgia, Hungary, the Kyrgyz Republic, Latvia, the Republic of Moldova, Montenegro, Norway, Poland, Serbia, the former Yugoslav Republic of Macedonia¹ and Ukraine.



THE BUILDING INTEGRITY TOOLKIT

The BI Programme focuses on developing practical tools to help nations strengthen integrity, transparency and accountability, and reduce the risk of corruption in the defence and security sector. The toolkit includes:

- The BI Self-Assessment and Peer Review Process;
- Tailored Programmes;
- Education and Training Activities;
- Publications.

THE BI SELF-ASSESSMENT QUESTIONNAIRE AND PEER REVIEW PROCESS

The BI Programme includes a set of tools available to help nations assess their risk of corruption and strengthen good governance. Participation is on a voluntary basis and BI support is tailored to meet national needs and requirements.

The BI Self-Assessment Questionnaire (SAQ):

Completing the SAQ is the first step in the process. Countries that decide to take part in BI can, on a voluntary basis, fill it in. It is a diagnostic tool that, when completed, provides nations with a snap shot of existing procedures and practices. It addresses current business practice in the defence and security sector. This includes:



- Democratic control and engagement;
- National anti-corruption laws and policy;
- Anti-corruption policy in the defence and security sector;
- Personnel-code of conduct, policy, training and discipline;
- Planning and budgeting;
- Operations;
- Procurement;
- Engagement with defence companies and suppliers.

While primarily intended for Ministers of Defence, some nations have used the SAQ for other ministries in the defence and security sector.

The completed SAQ is forwarded to the NATO IS who is responsible for the conduct of the Peer Review and in-country consultations. The NATO-led expert review team does not share information with third parties. All activities and recommendations are coordinated with the country, as well as the composition of the peer review team.

The Peer Review and in-Country Consultations:

The completed SAQ is reviewed in-country with representatives of the government. The aim of the peer review is to better understand the current situation, exchange views on best practices and on practical steps to strengthen the transparency, accountability and integrity of the defence and security sector.

Each peer review is tailored to the individual nation. It is strongly recommended that the SAQ and peer reviews be developed with contributions from Parliamentarians and the civil society including NGOs, media and academics.

The Peer Review Report:

The **Peer Review Report**, prepared on the basis of the completed SAQ and consultations in capitals, identifies good practice as well as recommendations for action. This is intended to help nations develop a BI Action Plan and make use of existing BI and other NATO mechanisms.

The Peer Review Report in principle covers three areas:



The Action Plan:

Having completed the SAQ and Peer Review Process, many nations proceed with the development of a national action plan. In doing this, nations are recommended to make full use of NATO resources and partnership tools. Nations are also encouraged to take advantage of expertise of civil society organisations from within their own country and region. Such an approach helps promote transparency and build local capacity.

Where possible, the BI programme is integrated and aligned with national processes as well as NATO partnership mechanisms, including the Individual Partnership Cooperation Programme, Membership Action Plan, Individual Partnership Action Plans, Partnership Planning and Review Process, and for Afghanistan the Enduring Partnership. This also includes identifying opportunities to link with other ongoing programmes such as the Professional Development Programme for Georgia and Ukraine.

Countries can request BI support without being obliged to proceed to the next phase. The whole process can be conducted on a one-off basis or as part of a repeated cycle.

TAILORED PROGRAMMES

Two tailored programmes aimed at meeting the specific needs and requirements of the countries concerned were developed by BI: the Tailored BI Programme on South Eastern Europe (SEE) - under the auspices of the South Eastern Europe Defence Ministerial (SEDM) process, and the Tailored BI Programme for Building Integrity and Reducing the Risk of Corruption in the Afghan National Security Forces (ANSF).

EDUCATION AND TRAINING (E&T)

E&T are key to making and sustaining change and to producing long term benefits: courses are organized to assist and train nations in building capacities and enhance institutions in the spirit of co-operative security.

A large spectrum of tailored educational activities can be offered to assist the country: these include residence, online and mobile courses, activities organized periodically and others on demand to address special needs, pre-deployment and professional development training, “train-the-trainers” activities. They are aimed at personnel in the defence and security sector (civilian and military) and can be held in different languages. Some courses are organised directly by NATO and others by the NATO BI implementing partners.

As tasked by the North Atlantic Council, work has focused on developing a structured and sustainable approach to education and training. The BI Education and Training Plan, developed in cooperation with the NATO Military Authorities and agreed by the North Atlantic Council, addresses NATO’s current and future operations and ongoing NATO civilian and military efforts to contribute to good governance in the defence and security sector.

Working in cooperation with Allied Command Transformation, the NATO IS serves as the Requirement Authority for BI E&T, meaning that it defines the required capabilities and performance competencies to be developed through the E&T activities. The Centre for Integrity in the Defence Sector (CIDS, Norway) serves as the Curricular Department Head and is responsible for translating operational requirements into education and training objectives with a subject, programme, module and/or course.

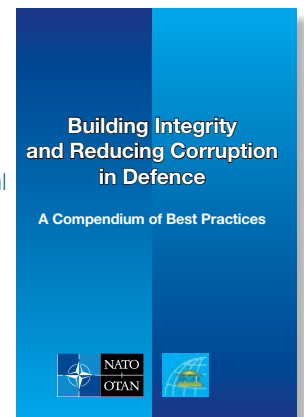
PUBLICATIONS

The book “Building Integrity and Reducing Corruption in Defence: a Compendium of Best Practices” provides a strategic approach to reducing corruption risks. It focuses on practicalities of designing and implementing integrity-building programmes in defence, while taking into account the cultural specifics of defence organisations.

“Building Integrity in Defence Establishment: a Ukrainian Case Study” offers the final results of a BI project in the form of a policy paper with practical recommendations for the Ukrainian government on the ways of decreasing the risk of corruption.

In addition to these publications, others are regularly produced and distributed by NATO and implementing partners.

The BI Website (<https://verity.hq.nato.int/BuildingIntegrity>) includes information on the BI Programme, the latest events and related publications, as well as a community of experts.



THE ACTORS



NATO STAFF

The BI Programme is developed and managed by the NATO International Staff. The NATO civilian staff work in close cooperation with NATO Military Authorities, including the NATO Military Staff as well as Allied Command Transformation, Allied Command Operations and subordinated commands. They meet regularly in the framework of a task force led by NATO-International Staff.

BI IMPLEMENTING PARTNERS

BI is supported by a network of implementing partners drawn from NATO and non NATO countries, civil society and other international organisations: they provide expert advice, host events and conduct research and analysis.

- United Nations Office on Drugs and Crime (UNODC, Vienna)
- Centre for Integrity in the Defence Sector (CIDS, Norway)
- Defence Resources Management Institute (DRMI, USA)
- EUPOL Mission to Afghanistan
- Geneva Centre for Democratic Control of the Armed Forces (DCAF, Switzerland)
- Geneva Centre for Security Policy (GCSP, Switzerland)
- Ministry of Defence Bulgaria
- Ministry of Defence Norway
- NATO School Oberammergau (NSO, Germany)
- Naval Postgraduate School (NPS, USA)
- Norwegian Agency for Public Management and Government
- PFP Training Centre for Governance and Leadership (UK)
- Turkish PFP Training Centre (Turkey)
- Peace Support Operations Training Centre (PSOTC, Bosnia and Herzegovina)
- Swedish National Defence College
- Transparency International UK Chapter (TI, United Kingdom)

The NATO International Staff also work closely with the Organization for Security and Co-operation in Europe (OSCE), the Asian Development Bank (ADB, Kabul office) and the World Bank (Kabul Office). This is consistent with the BI approach to add value and offer contributions that complement the efforts of others, in particular those working in a theatre of operation.

BI POOL OF SUBJECT MATTER EXPERTS

BI is supported by a pool of Subject Matter Experts (SMEs) drawn from national civilian and defence ministries, international organisations and civil society. These experts provide advice and take an active role in the development and implementation of all aspects of the BI Programme. SMEs are called on as required and have taken an active role in conduct of Peer Reviews, conduct of BI E&T as well as development of factsheets and documenting good practice.

FINANCIAL CONTRIBUTORS

The BI Programme is supported by voluntary contributions to a Trust Fund managed by NATO International Staff and led by Belgium, Bulgaria, Norway, Poland, Switzerland and the United Kingdom. Contributions to the BI Trust Fund are used for ministerial capacity building and are considered as Official Development Assistance (according to the OECD principles).

Financial contributions are provided by: Austria, Belgium, Bulgaria, Czech Republic, Finland, Iceland, Ireland, Lithuania, Netherlands, Norway, Poland, Slovakia, Switzerland, United Kingdom, United States.

In addition, BI is also supported by in-kind contributions provided by Allies and Partners.



Signing Ceremony (2013): Representatives of Lead Nations and NATO Deputy Secretary



II. SERBIA: NATO Peer Review Report



ASSISTANT SECRETARY GENERAL FOR POLITICAL AFFAIRS AND SECURITY POLICY
LE SECRÉTAIRE GÉNÉRAL ADJOINT POUR LES AFFAIRES POLITIQUES ET LA POLITIQUE DE SÉCURITÉ

PASP(2012)0898
10 December 2012

Dear Minister,

I have the pleasure to provide you with the Building Integrity Peer Review Report that was reviewed and adopted in your presence during consultations conducted in Belgrade on 2nd November 2012.

On behalf of the expert team led by Ambassador van Hoorn I would like to express my appreciation for your personal support for the Building Integrity Programme and the openness shown by your Ministry. The consultations in Belgrade were well prepared by your experts in the capital and the Mission to NATO.

I am very pleased to be informed of your decision that the BI Peer Review Report will be made available on the MoD website. This is another example of Serbia's commitment to good practice and sends a strong message to other nations of the South Eastern Defence Ministerial (SEDM) Process to enhance transparency accountability and integrity in the defence and security sector.

I look forward to welcoming your authorities to the upcoming launch of the BI Tailored Programme for South Eastern Europe at NATO Headquarters on 13 -14 December 2012.

The Building Integrity Team at NATO HQ remains at your disposal. We look forward to continuing an active cooperation with you and your authorities.

Yours Sincerely,

Dirk BRENGELMANN
Ambassador

H.E. Mr Miroslav Jovanović
Assistant Minister for Defence Policy
Republic of Serbia



BUILDING INTEGRITY

SELF ASSESSMENT

PEER REVIEW REPORT

SERBIA

Belgrade, 2th November 2012

SERBIA BUILDING INTEGRITY SELF ASSESSMENT PEER REVIEW REPORT

OVERVIEW

1. The Building Integrity Self-Assessment Process is a part of the practical tools developed in the framework of the Building Integrity (BI) Programme. The BI Self-Assessment Questionnaire provides nations with a snapshot of current structures and practices. The subsequent BI Peer Review helps nations to confirm areas of good practice and those that may require further effort.
2. In line with the government's support of the Building Integrity Programme within the South Eastern Defence Ministerial (SEDM) framework, the Serbian Minister of Defence expressed the interest to carry out a Self-Assessment. It was submitted to NATO by the end of March 2012.
3. The reply of the Republic of Serbia to the Self-Assessment Questionnaire was thorough and provided essential information in most areas. The commitment shown by senior leadership and MoD officials in the Peer Review meetings demonstrate Serbia's commitment to reform and promote integrity, transparency and accountability within the MoD.
4. The Defence and Internal Affairs Committee of the Parliament of the Republic of Serbia stressed that the new Government and Parliament are strongly committed to counter corruption. This determination is also shown by the appointment of the Minister of Defence who has also been appointed as the Government's coordinator in fighting corruption.
5. This report is focused on the Peer Review of the Self-Assessment Questionnaire completed by the MoD of the Republic of Serbia. Extensive meetings and interviews were conducted between 25 - 27 June, and 17 - 20 September 2012 and on 2nd November 2012.
6. The Ministry of Defence has assessed the most vulnerable areas of corruption to be: procurement, medical support and administration, conscription, emoluments regarding travel expenses, housing, compensation for combat injuries and management of facilities and resources.
7. A National Anti-Corruption Strategy² is in place, and the MoD is implementing an internal anti-corruption/integrity plan and 13 subordinate units have been tasked to develop their own independent plans by the 1st December 2012. The National Strategy should be developed into an action plan which will allow a systematic implementation. NATO BI programme assistance is available, if requested.
8. There appear to be a framework of legal and other policies in place in Serbia related to anti-corruption which provides the tools and mechanisms for policy implementation³. The appointment of the Minister of Defence as the governmental coordinator on anti-corruption issues may be an indication of the government's determination to fight corruption and would consolidate the political support.
9. The national anti-corruption efforts are led by the Anti-Corruption Agency (Agency), an authority which reports directly to Parliament⁴. It is engaged in several meaningful prevention measures which are seen as essential and are in the main welcomed by society. However, the Agency has not yet recruited to the agreed staffing level and currently 22 of the authorised 97 posts remain vacant⁵.
10. The Peer Review Team noted that there is no planned anti-corruption awareness education for civilian or military personnel. The potential risk of encountering corruption while on operations is not specifically highlighted during pre-deployment training. In particular, it was noted that no training is available for contracting personnel who may in the future, be deployed in support of Serbian units. This has to be seen on the fact that SAF units deployed abroad are embedded in a multinational logistical framework and do not have any responsibility for independent procurement.
11. The Peer Review Team noted several examples of good practices and these are highlighted in the detailed findings and comments.
12. The Peer Review Team offers the following general recommendations for Serbia's consideration:
 - a. The NATO Peer Review Team recommended that Serbia consider the appointment of a Government official to coordinate the implementation of the "National Anti-corruption Strategy" and to provide a focal point for the development of an Action Plan within the MoD. This recommendation has been implemented and work should now concentrate on planning, implementing and monitoring the effect of the strategies and plans being put into action.
 - b. The Action Plan should address the recommendations from this report to strengthen transparency, accountability and integrity. It is further recommended that a progress report is produced after approx. 6 month of implementation for further discussion with NATO IS / PASP.

2 http://www.rai-see.org/serbia/index.php?option=com_content&view=category&layout=blog&id=34&Itemid=54

3 Anti-Corruption Agency Act, unofficial translation OSCE Mission to Serbia, amended November 2008, www.osce.org/serbia/82789.

4 www.acas.rs

5 This paragraph is not within the responsibility of the Ministry of Defence.

- c. Initiate systematic and comprehensive anti-corruption awareness education for all civilians and military personnel. Encourage senior leadership to openly promote programmes to build integrity and increase transparency and accountability.
- d. Consider harmonizing the Budget Law and the Public Procurement Law with a view to achieving the best value for money⁶.
- e. Further develop and refine the system of Planning, Programming, Budgeting and Execution (PPBE), introduced in 2008.⁷
- f. Develop a pre-deployment anti-corruption education module for all deploying units and consider specialist training on procurement and financial management for those personnel being sent abroad.
- g. Invite Serbia to make a follow-up report on implementation in spring 2013.
- h. Establish a BI point of contact to follow-up with NATO IS/PASP to take advantage of its programmes and activities.
- i. Recommend a follow-up visit to review the progress.
- j. Recommend to publish this report on the MoD website.

DETAILED FINDINGS AND COMMENTS

DEMOCRATIC CONTROL AND ENGAGEMENT

- 13.** Democratic control of the Serbian Armed Forces is regulated by the Constitution of the Republic of Serbia. The Law on Defence stipulates that the President of the Republic, in accordance with the law, commands the Armed Forces of Serbia and appoints and dismisses the Chief of the General Staff of the Armed Forces of Serbia, with the advice of the Defence Minister.
- 14.** The National Assembly has the authority to: issue decisions in respect of wartime and peacetime, and declare the state of war or state of emergency, adopt the basic strategic documents in the field of defence, enact laws on ratification of international treaties in the field of defence and military cooperation, decide on the use of the Armed Forces of Serbia outside the borders of the Republic of Serbia, adopt the defence budget, and supervise the work of security services. In addition, since 2007, there is an Ombudsman who can submit proposals for laws to Parliament and Government. The National Security Strategy⁸ and Defence Strategy⁹ of the Republic of Serbia were adopted by the National Assembly in October 2009 and are public documents.
- 15.** The Parliamentary Defence and Internal Affairs Committee has a range of powers but has not fully deployed all its influence to address the questions of reinforcing the independent authorities with adequate resources¹⁰.
- 16.** Currently, they lack the experience to deal with all the issues they face and to introduce all the changes required¹¹.
- 17.** According to the Committee, transparency is insufficient in the defence system of the Republic of Serbia. The main areas of concern are public procurement, trade in armaments and military equipment and the sale of surplus assets (real estate and equipment). The major irregularities are perceived to be within the MoD and not within the General Staff and its subordinate units.
- 18.** Concern was expressed at the lack of transparency of the ownership of the media. It was agreed that this is something which needs to be investigated¹².
- 19.** The Law on Defence, the Law on the Armed Forces of Serbia, the Law on the Basis of Security Services Organization of the Republic of Serbia and the Law on the Military Security Agency and Military Intelligence Agency guide the functioning of the MoD and the armed forces. The General Staff of the Armed Forces of Serbia is within the Defence Ministry and is required to perform its duties in accordance with the law and under the authority of the President and Defence Minister.
- 20.** Unlike most EU security agencies, and in accordance with the provisions of the Law on the Military Security Agency (MSA) and Military Intelligence Agency, the MSA detects, investigates and documents, among other things, criminal corruption acts within the MoD and the SAF. It can apply special investigation techniques in

⁶ This recommendation is not within the responsibility of the Ministry of Defence.

⁷ The PPBE system was introduced in the Ministry of Defence and the Serbian Armed Forces in 2008, when the first Rulebook on planning, programming, budgeting and execution in MoD and SAF was approved. This Rulebook regulates planning, programming, budgeting and execution of plans and programs within the responsibility of the Ministry of Defence and the Serbian Armed Forces. After the finalization of optimization of PPBE system, the Defence Minister approved the new Rulebook on PPBE in MoD and SAF in 2011.

⁸ http://www.mod.gov.rs/eng/dokumenta/strategije/Strategija_nacionalne_bezbednosti_RS_eng.pdf

⁹ http://www.mod.gov.rs/eng/dokumenta/strategije/Strategija_odbrane_RS_eng.pdf

¹⁰ This paragraph is not within the responsibility of the Ministry of Defence

¹¹ This paragraph is not within the responsibility of the Ministry of Defence

¹² This paragraph is not within the responsibility of the Ministry of Defence

accordance with the provisions of the Criminal Procedure Code. The MSA is a separate legal entity and informs the Minister of defence directly of ongoing investigations¹³.

21. The Law on the Military Security Agency and Military Intelligence Agency gives this institution access to personal records and related data including telephonic records (Articles 12 and 13). According to a ruling by the Constitutional Court of the Republic of Serbia¹⁴, elements of these articles violate the Constitution of the Republic of Serbia. The Court ordered amendments to be made to the law accordingly. The amendments to the current legislation are under preparation.

22. The Communication Strategy of the MoD is based on the Constitution of the Republic of Serbia, the Public Information Law and the Law on Free Access to Information of Public Importance¹⁵. The Ministry of Defence informs the public on the regular basis about its activities and attained results on the Internet site of the Ministry of Defence (within responsibility of the Department for Public Relations). A number of guidelines and documents produced by the MoD confirm that there is an active program related to public information. Serbian media have shown significant interest in defence issues. Corruption and criminal activities are also reported proactively by the department of the MoD.

23. The Independent Ombudsman of the Government of the Republic of Serbia has a total of 67 positions, all of which are filled. Due to the increasing number of pending cases, he estimates that he needs additional 30 inspectors¹⁶.

24. The Ombudsman mentioned that a significant number of court rulings concerning MoD decisions have not yet been implemented. These include decisions relating to housing and pensions.

25. It was pointed out that the Defence Inspectorate's mandate does not include the investigation of complaints relating to soldier's/employees rights in the MoD. However, it was suggested that, instead of going to court, many complaints could be dealt with by the MoD administratively.

26. Concerns were expressed about the legal and administrative arrangements regarding security clearance and the classification of documentation which are currently totally inadequate. This leaves the system open to abuse and arbitrary decision. These problems have been highlighted in other discussions¹⁷.

27. According to the MoD, there is no basis for concern regarding legal and administrative arrangements with regard to security clearance. The area of security clearance is regulated for access to classified information at all levels of classification by the Data Secrecy Law, as well as for all other areas, such as recruitment, regulation of military obligation and appointing, which are completely regulated by the Rule Book on security clearance for personnel, which MSA executes.

28. The Commissioner for Information of Public Importance and Personal Data Protection¹⁸ is an autonomous public authority, who exercises his powers independently and whose competences are set by Article 44 of the Law on Personal Data Protection¹⁹. The Commissioner primarily has two main areas of responsibilities: freedom of access to information and protection of personal data. This covers all ministries including the MoD²⁰.

29. The Commissioner's office receives from 400 to 500 requests per month; currently 3000 are waiting to be processed. Currently only 37 positions have been filled out of the approved and funded staffing level of 69. However, despite funding being available to recruit the additional staff to reach the ceiling of 69, suitable office accommodation has not been provided by Parliament. This has been an outstanding requirement for seven years. Recruitment is currently stopped until additional accommodation is provided²¹.

30. The serious lack of personnel, only 46% recruited of the approved ceiling, has had a significant effect on implementing its mandate. This in turn may have a detrimental effect in terms of confidence in the institution but also in the wider public administration²².

31. The two main areas for concern were identified as: firstly the lack of a legally defined document classification system, this in turn leads to the second area for concern, which is the arbitrary withholding of information by government institutions which if correctly classified could be released. Conversely, this situation may also lead to a leakage of sensitive information²³.

32. The number complaints against the MoD are few. However, those raised relate to sensitive issues such as procurement and financial management.

33. The Commissioner expressed concern regarding the lack of transparency in the Serbian system of government. This was highlighted by the dismissal of between 700 and 800 out of 2500 state prosecutors and judges in 2009 and 2010. It was reported that no justification was given to individuals for their dismissal. After

13 <http://www.vba.mod.gov.rs/index.html>

14 <http://www.ustavni.sud.rs/page/home/en-GB>

15 <http://www.lexadin.nl/wlg/legis/nofr/eur/lxwesoer.htm>

16 This paragraph is not within the responsibility of the Ministry of Defence

17 This paragraph is not within the responsibility of the Ministry of Defence

18 <http://www.poverenik.org.rs>

19 <http://www.lexadin.nl/wlg/legis/nofr/eur/lxwesoer.htm>

20 This paragraph is not within the responsibility of the Ministry of Defence

21 This paragraph is not within the responsibility of the Ministry of Defence

22 This paragraph is not within the responsibility of the Ministry of Defence

23 This paragraph is not within the responsibility of the Ministry of Defence

complaints received, all dismissed judges had to be reinstated. However, he was concerned that this episode has damaged the Serbian judicial system and has a detrimental effect on public confidence²⁴.

RECOMMENDATIONS:

- a. Consider developing a strategic communication plan to ensure that society is informed of progress in the MoD's efforts on implementing the "National Anti-corruption Strategy".
- b. In the twice a month magazine which are distributed to all units and civilian staff it is recommended to promote integrity, accountability and transparency.

NATIONAL ANTI-CORRUPTION LAWS AND POLICY²⁵

34. Serbia has ratified numerous U.N. and Council of Europe conventions on anti-corruption instruments. There is a range of anti-corruption legislation and policy guidance contained in the National Strategy for Combating Corruption. There is the Action Plan for implementation of the National Strategy for Combating Corruption, and a Memorandum of Understanding between the Anti-Corruption Agency (Agency) and Government of the Republic of Serbia on cooperation in fulfilling their obligations under the National Strategy for Combating Corruption. The accountability of government to Parliament on this topic can not be assessed. The situation is primarily due to the high degree of dependence of MPs on political parties, or more specifically the party leadership; however progress is being made in this area.

35. The Agency is autonomous from the Government and reports directly to Parliament. Reports are generally submitted to Parliament through the Ministry of Justice who has no jurisdiction to make changes or alter any reports designated for Parliament.

36. The government's anti-corruption efforts are led by the Agency. It is engaged in several focused anti-corruption prevention measures including management of the system of asset declaration, elaboration of integrity plans and whistle blower protection.

37. The Agency was initially envisaged to have up to 150 positions, but this number was subsequently reduced to 97 of which 75 positions are actually filled²⁶.

38. In order to protect whistle-blowers, the Agency can offer assistance in accordance with the law and it can protect the anonymity of such individuals. For the time being, the legal framework is not fully in place. However, the actual occurrence of whistle-blowing is still very limited. During the past two years the Agency has only registered 16 reports, of which several seem to involve abuse of the whistle-blower scheme.

39. The registration and verification of asset declaration of public officials are two of the Agency's most important competences. The current legal framework means a strengthening of many relevant provisions, including the Agency's competency to verify the declarations and the designation as a misdemeanour the failure to provide information about assets. The Agency maintains an electronic register of asset declarations. A total of 20,000 public officials are under the obligation to declare assets. In 2011, a total of 650 declarations have been verified and about 2,000 in September 2012. Almost every new government official has met this obligation after the general elections in May 2012 by submitting their asset declaration form. The Agency stressed the importance of having strong judicial support and improved cooperation with the Republic Public Prosecution.

40. The Agency monitors the progress of the procedures and policies for implementation of the current Anti-Corruption Strategy which was adopted in 2005. A new Strategy is under discussion at Government level. Proper monitoring of the effectiveness is difficult to assess or perhaps even impossible without well developed ministry-level action plans against which performance can be measured.

41. The Agency has been invited to assess draft legislation to meet the requirements of propriety and regularity.

42. Actions taken to date in reducing the risk for corruption include the following: developing a plan for integrity in state bodies, adoption of regulations on adequate salaries, rotation of persons in sensitive positions, financial disclosure reporting requirements for persons in senior positions and those who work in sensitive positions, respect for the rules on conflict of interest, obligation to report gifts received by officials and employees in state bodies during protocol activities, as well as other measures and activities to eliminate opportunities for corruption. The level of implementation of these measures can not be currently assessed.

43. The government is attempting to raise awareness, educate the public and gain public support for the implementation of its anti-corruption strategy. There are two units within the Agency, one which is responsible for providing information to the public, ensuring that there is maximum exposure of the work being carried out in anti-corruption and of the policies and regulations which have been passed. The second unit is the Training and

²⁴ This paragraph is not within the responsibility of the Ministry of Defence

²⁵ Paragraphs 34 to 43, including the recommendations are not within the responsibility of the Ministry of Defence.

²⁶ As of September 20, 2012.

Education Unit who work both internally and also with external partners, for example NGOs. The Anti-Corruption website is well established, provides a great deal of information, and is regularly updated. Currently the website is not in English but work is underway to complete the translation.

RECOMMENDATIONS:

- a. Analyse all bodies currently involved with building integrity measures and good practices and consider options to improve efficiency.
- b. Review the cooperation between Agency and Republic Public Prosecutor in order to optimise the effectiveness of the Anti-Corruption Strategy.

ANTI-CORRUPTION POLICY IN DEFENCE AND SECURITY

44. The Ministry of Defence is committed to implement anti-corruption measures of the National Strategy, the Anti-Corruption Action Plan and the Memorandum of Understanding. The Minister of Defence and the CHOD have, through their staff, developed and put in place a Code of Honour of the SAF Members. An extract of this documentation has been produced as a small card which must be carried by all military personnel.

45. Based on the Law on the Anti-Corruption Agency, 13 institutions within MoD have been tasked to develop and adopt their own integrity plans by the 1st December 2012. Within the Ministry of Defence there is a unit responsible for internal audit. It is crucial that auditors are trained in order that they are able to advice on transparency, accountability and integrity of the financial system.

46. There are a significant number of regulations and policies related to ethical behaviour and integrity that apply to MoD personnel, both civilian and military. Apparently, knowledge of all the rules, regulations and procedures has improved significantly with the promulgation of the Code of Honour and the issuing of the individual cards to personnel. The aspect of whistle blowing and protection for such individuals who report suspicious activity is addressed by regulations contained in the Anti-Corruption Agency Act²⁷, which states that a civil servant or a person employed by bodies of the Republic of Serbia who in good faith reports possible corruption cannot suffer adverse consequences.

47. In order to protect whistle-blowers, the Agency can offer assistance in accordance with the law and it can protect the anonymity of such individuals. Whistle-blowers can contact the Agency directly without escalating concerns through the military chain of command.

48. The government appoints the Inspector General for a period of five years, following the proposal of the Defence Minister, and the advice of the National Security Council. The Inspector General is accountable to the Defence Minister, and submits a report on the conducted control to the competent committee of the National Assembly at least once a year. The Inspector General must not be a member of a political party, or perform any other public function. The introduction of the Inspector General within the MoD and the reorganizing of internal controls in the Military Security Agency and Military Intelligence Agency have reinforced oversight and control mechanisms. The Inspector General's office appears to be well organised although understaffed to carry out the number of planned inspections.

49. The Defence Inspectorate has a wide remit and examples include areas such as inspections within the Serbian Armed Forces relating to operations and functions and implementation of the decisions and acts affecting the system of defence management. The organizational units of the Ministry of Defence which are responsible for inspection (Defence Inspectorate) and internal audit (Internal Audit Section) execute a wide range of regular and unscheduled controls and audits, within their functional responsibilities. They also enjoy close cooperation with a number of public sector organisations such as The Public Procurement Office and the Inspectorate of Labour from the Ministry of Labour and Social Policy.

PERSONNEL, EDUCATION AND TRAINING

50. The Law on the SAF, Book of Rules of the SAF, and the Directive for Protocol guide civilian and military personnel in their actions that may concern gift giving and provision of hospitality, conflict of interest and other practices that are corruption risks. These have been distributed to all organizational units of the MoD and SAF and are available to all personnel. The Code of Honour of the SAF Members has been distributed to each member of the MoD and SAF. However, education to promote good practices as well as ethics in the defence system is ongoing at the Military academy, but it is necessary to organize ethical education on all levels in the Mod and SAF on the values and norms of the Code of Honor of SAF Members.

- 51.** Frequency of rotation of the staff in “sensitive posts” has not been specifically regulated. When professional military officers are concerned, staying at certain positions is preconditioned by meeting the promotion requirements and assigning to some other position and it significantly shortens the time they spend at certain duty (average time an army officer spends at certain assignment is from four to seven years). When talking about civilian staff, there are not special time limitations, and their fluctuation is far less frequent than with the military officers, usually being related to organizational changes and individual professional development.
- 52.** A new model of selection within MoD and SAF is in progress. A proposal of the criteria and instructions for its implementation have been written, and part of it has been being experimentally implemented from the beginning of 2011 in the area of selection and ranking of candidates for certain forms of education and professional development as well as for assignment to some specific duties.
- 53.** The new selection and recruitment programme was fully in place earlier this year defines criteria for recruitment and promotion is fully transparent. There is also a self check system online where candidates can see positions available and check promotion potential for a position, this is in no way a guarantee of promotion or selection for a position - a formal application is required where appropriate.
- 54.** Candidates are assessed by a Personnel Commission, and a report with recommendations and justifications are submitted to the CHOD for a final decision on promotions. There is transparency in the new system and information which can be made public is available.
- 55.** Personnel employed within Procurement are also subject to additional checks and disclosures of any interest in any companies by them or their families which may adversely affect their position. Personnel are also rotated on a regular basis as an anti corruption measure.
- 56.** Accepting corporate hospitality is limited to the transport, accommodation and meal costs during some activities. A special agreement is sometimes concluded which contains an obligatory clause noting the absence of any future mutual obligations relating to the activity. After the agreement is confirmed, the final decision on participation in some activities is made based upon an order signed by the Minister of Defence, the Section Head, or MoD and SAF Independent Departments.
- 57.** The Accounting Centre, an internal organizational unit of the Budget and Financial Department of the MoD, calculates salaries and other payments for personnel, makes payroll and salary reports, pays the salary and keep records on salaries and other income. It was confirmed that the Accounting Centre only pays what is authorised by the Personnel Department, and this is in accordance with the normative acts by which employee benefits are regulated.
- 58.** Organizational units of the Ministry of Defence, in the process of realization of their activities and tasks according to their functional responsibilities, contribute to building integrity and reducing corruption risks.

RECOMMENDATIONS:

- a. Consider a MoD public information campaign to promote integrity, accountability and transparency of the personnel recruitment system.
- b. Establish and review regularly the list of all sensitive posts within the MoD.
- c. Review procedures and develop a system to manage the rotation of these posts.
- d. Establish a BI point of contact to follow-up with NATO IS / PASP to take advantage of its programmes and activities.
- e. Identify training and education needs and make use of existing resources for both civilian and military personnel, eg. NATO BI Training and Education Plan; Professional Development workshops within the framework of NATO's Tailored Programme for South Eastern Europe, Defence Leadership Course in Building Integrity at NATO School Oberammergau etc).

PLANNING AND BUDGET

- 59.** In the Ministry of Defence, the Planning, Programming, Budgeting and Execution (PPBE) system has been established based upon the Rule Book on PPBE in the MoD and the Serbian Armed Forces (SAF), by which planning, programming, budgeting and execution of plans and programs within competence of MoD and SAF have been regulated. Based on this Regulation, long-term, mid-term and short-term plans have been developed and financial needs of programmes determined for the next budget year.
- 60.** The Department for Budget exercises procedural controls over the budget and acquisition. Within the Budget and Finance Department is a member of staff who underwent training in PPBE at the Naval Postgraduate School, Monterey (US). This member of staff has worked with a small team of managers in the Department and has assisted in putting in place checks and balances to ensure that regulations of propriety and regularity are followed.

61. The Ministry of Defence prepares a Draft Financial Plan of Defence for each budget year based on the annually expressed needs of programs (organizational units of the MoD and SAF), Report on fiscal strategy and the Instructions of the minister responsible for finance in the Government of the Republic of Serbia for creating budget. This is in conjunction with budget laws issued by the Ministry of Finance.

62. Financial data from reports on MoD expenditures are public documents and available through the Ministry of Finance, which makes all payments on behalf of the MoD. Quarterly reports on the execution of the financial plan of the MoD are made to the Ministry of Finance.

63. Surplus real estate and equipment may be sold. A new law adopted in Parliament in September 2012 stipulates that the revenue from these sales will go back to the Treasury and will be allocated as part of the regular resource allocation and budget cycle.

64. Surplus real estate can be a significant drain on the budget as costs covering the minimal utilities and guarding must be budgeted for. The MOD is entering into agreements with local communities to use surplus real estate and therefore take on the financial implications.

65. The MoD's Internal Audit Section has adopted a strategic work plan for the period 2011-2013, and this serves as the basis for the development of annual work plans. The main objectives for the period 2011-2013 include raising awareness of risk management in the MoD, conducting audits of the main areas of the MoD in order to develop an overview of the effectiveness of the system, conduct training for individuals to acquire a certificate as a licensed internal auditor in the public sector and advanced training of staff.

66. In addition, the State Audit Office carries out audits of government agencies on the basis of an Annual Audit Program. The MoD was subjected to such audits in 2009 and 2011. Three persons within the Defence Inspectorate have passed training for auditors and one of them has been transferred to the MoD.

RECOMMENDATIONS:

- a. Consider harmonizing the Budget Law and the Public Procurement Law with a view to achieving the best value for money.
- b. Training of additional auditors.

OPERATIONS

67. There is no specific military doctrine on how to address corruption issues on operations. An education module which highlights the impact of corruption on operations and addresses good practices should be included in pre-deployment training for SAF. NATO's Building Integrity Education and Training Plan²⁸ may serve as a basis.

RECOMMENDATIONS:

- a. Consider developing an education module on the basis of the NATO Building Integrity Education and Training Plan.

PROCUREMENT

68. The Law on Public Procurement sets out a number of principles to include transparency of public procurement procedures. This requires the compulsory announcement or publishing of public procurement, and also the encouragement of competition between bidders. In addition, there are numerous rule books covering all aspects of the procurement process.

69. Procurements defined as confidential or sensitive are carried out in accordance with the provisions of a decree on special purpose items. These concern goods specified in the national control list of arms and military equipment and the national control list of dual purpose goods. Procedures are in place to deal with special or confidential procurements and the details are protected.

70. Arms and military equipment are procured from national Serbian producers in accordance with the regulations on arms and military equipment production and trade, and abroad only if such acquisitions cannot be made in the country. Procurement from abroad is made from producers or individuals established and registered for such sales with the authorized body of the exporting country.

71. Procurement in general is conducted centrally through the Procurement and Sales Directorate of the Supply Department of the MoD. Subordinate units have the authority to purchase some items based upon cost effectiveness and routine requirements such as maintenance and food.

- 72.** The complete defence procurement cycle is a complex process which includes several phases: submission by subordinate commands of a procurement study to the Supply Department, initiating the procurement procedure, announcing the public call, creation of tender documents, submission of offers, opening offers, selection of the best offer and contracting with the selected bidder.
- 73.** Upon receiving the request for the public procurement, an authorised official of the Procurement and Sales Directorate makes a decision on initiating the procurement, and forms a procurement commission which creates the tender documents and detailed specifications of conditions to be met by the procurement in question. Members of a procurement commission include: a lawyer responsible for the legal implementation of processes and procedures, meeting deadlines, fulfilment of offer conditions in compliance with regulations in force for bidders; an engineer, a professional from the tactical-technical level or the function holder who is responsible for assessing the quality of delivered goods or services; and an financier responsible for ensuring bidders fulfil all financial conditions, and for performing financial calculations and evaluations of the offer.
- 74.** Personnel working in the procurement department are interviewed and only after successfully meeting all the criteria are certified to be employed in that department. All staff is required to declare any interests they or their families have in companies who are or may be listed on the list of Companies who may tender for the supply of goods and services. This list is maintained by the Ministry of Finance and Economy and only companies on that list can tender. Staff are also rotated to ensure propriety and regularity and as building integrity measure.
- 75.** A military quality control unit under the Department of Logistics is responsible for determining the quality of procured goods and services. However, there are serious concerns that the procurement system is not transparent. The Defence and Internal affairs Committee of the Parliament of the Republic of Serbia expressed concern that there is evidence that one company who had followed tender procedures and had their papers approved but later subjected to further investigation resulting in a tender being rejected for non-compliance.
- 76.** The Public Procurement Law clearly stipulates the conditions when the supplier can be put on the negative list for procurement. Criminal proceedings for misusing power in public procurement have not been initiated so far by the MoD.
- 77.** Legislation specifies that government agencies which have a budget in the Republic of Serbia are currently not allowed to use offsets in the process of contract implementation.
- 78.** In accordance with the Rule Book on Material Operations in the MOD and SAF, all personnel in the chain of the procurement process must sign a statement that there is no conflict of interest in performing their duties in the process.

ENGAGEMENT WITH DEFENCE COMPANIES AND OTHER SUPPLIERS

- 79.** The Supply Department in the MOD, is responsible for; the preparation of tender documents; validation of the financial aspects of the returned tenders and ensuring fulfilment of contractual obligations. Currently the Ministry of Finance and Economy maintains the list of those companies who after completing an annual questionnaire are approved for use by the Ministry of Defence. The Ministry of Defence can request the removal of a company from the approved list but must produce a case outlining the reason for this request to the Ministry Finance and Economy.
- 80.** Prior to a specific tender being announced the Ministry of Defence can state that a negative reference applies to that specific company. However if that company lodges a complaint with the Ministry of Finance and Economy all tender action will cease until an investigation is undertaken.
- 81.** The MoD is obliged to publish an advance announcement for those public procurements whose approximate value exceeds 50,000,000 RSD (450,000 euros). The Ministry of Finance and Economy has sole responsibility for managing the list of companies who are on the approved list.
- 82.** There is no obligation for companies to have an ethics programme, but the possibility to require this exists. If, under the Public Procurement Law, a company or individual has been known to previously default on a contract or provide substandard goods or services, the MoD can inform the Ministry of Finance and Economy. The Ministry of Finance and Economy may decline to accept such a company in the procurement process, if justified.
- 83.** If a bidder believes that his rights have been violated in the public procurement process, he may file a request for the protection of his rights. This is in accordance with the provisions of the Public Procurement Law which regulates procedures related to the protection of bidders' rights and public interest. The bidder submits his request to the MoD in compliance with the provisions of the law. It should be noted that the bidder can file the request in any phase of the procurement process.
- 84.** In addition, filing a request for the protection of rights suspends any further procurement activity. In 2011 6 complaints were made, of these the Commission for the Protection of Rights supported 4 cases and a further 2 are under review.

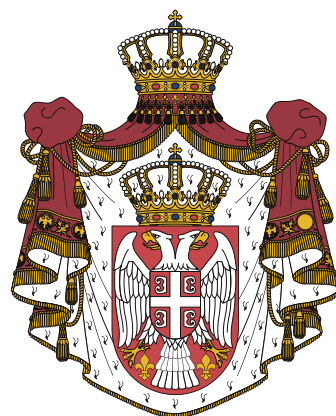
RECOMMENDATIONS:

- a. Review system of maintaining the list of potential bidders on the Ministry of Economics list of approved companies to whom tenders can be submitted²⁹.
- b. Review the Public Procurement legislation³⁰ for compliance with established international standards³¹.
- c. Consider development of an approved register by MoD of companies and suppliers which are authorized to provide services to the MoD.
- d. Review procurement procedures with a view to simplify the process for lower value contracts by establishing a monetary limit below which the procedure is less involved.
- e. Determine if legislation is necessary in order to require companies which do business with the MoD to have a written code of ethics.
- f. Review the composition of tender boards particularly to ensure transparency, propriety and regularity.
- g. Review current procedures to ensure that there is full transparency.
- h. Produce plan for management of staff ensuring that the regulations for rotation are in place and are operated.

²⁹ This recommendation is not within the responsibility of the Ministry of Defence.

³⁰ This recommendation is not within the responsibility of the Ministry of Defence.

³¹ For example: Directive 2009/81/EC on Defence and Security Procurement, July 2009. This recommendation is not within the responsibility of the Ministry of Defence.



III. Integrity Plan of the Ministry of Defence and the Serbian Armed Forces



1. INTRODUCTION

To attain the Building Integrity goals, the Ministry of Defence of the Republic of Serbia has carried out, among other things, the following activities:

- Implementation of Integrity plans under the supervision of the Anti-Corruption Agency;
- Participation (since 2012) in two surveys by Transparency International UK on the risks of corruption;
- Participation in a survey on building integrity levels in security institutions organized by the Belgrade Centre for Security Policy; and
- Participation in the NATO Building Integrity Programme: within this framework, the document Self-assessment on Building Integrity to Reduce Risks of Corruption in the Republic of Serbia within the competences of the Ministry of Defence and the Serbian Armed Forces was drafted in cooperation with the NATO expert team.

Bearing in mind the importance of the above-mentioned surveys and the recommendations contained in them, as well as the need to coordinate building integrity activities in the Ministry of Defence and the Serbian Armed Forces, the Strategic Planning Department of the Defence Policy Sector has drafted the Action Plan for Building Integrity in the Ministry of Defence for 2015.

In this context, the participation of the Ministry of Defence and the Serbian Armed Forces in the NATO Building Integrity Programme is particularly important as it provides practical support to Building Integrity. It has helped to raise awareness of the importance and possible scope of the fight against corruption in the Ministry of Defence and the Serbian Armed Forces. The Self-Assessment of Building Integrity to Reduce Risks of Corruption in the Republic of Serbia and the analysis of the Self-Assessment carried out in cooperation with the NATO expert team has ensured a better exchange of information, increased transparency and continuous monitoring of all Building Integrity activities within the Ministry of Defence and the Serbian Armed Forces.

The publication of the report on Self-assessment (in Serbian and English) on the website of the Ministry of Defence has enabled to monitor the situation regarding the fight against corruption and comparing it with other countries. It has also allowed civil society organizations and other international organizations dealing with building integrity to have access to information on building integrity within the Ministry of Defence and the Serbian Armed Forces.

The Action Plan on Building integrity in the Ministry of Defence and the Serbian Armed Forces enabled for activities to be consolidated and properly coordinated throughout the defence system. This practice will continue in the years to come in order to further rationalize and unite the bodies taking part in implementation at national level, as well as within the framework of international cooperation in the field of defence.

The training and education of staff of the Ministry of Defence and the Serbian Armed Forces have made it possible to set up a network of skilled individuals committed to the successful implementation of anti-corruption measures.

2. GOALS

The following goals are to be achieved by implementing the Integrity Building Action Plan for 2015:

- Raised awareness of the need to fight corruption among staff of the Ministry of Defence and the Serbian Armed Forces;
- Efficient coordination of Building Integrity Activities to reduce the risks of corruption in the Ministry of Defence and the Serbian Armed Forces;
- Staff of the Ministry of Defence and the Serbian Armed Forces are acquainted with internal and external methods of reporting corruption.

3. BODIES IN CHARGE

The following bodies are in charge of the activities under the Action Plan for Building Integrity in the Ministry of Defence and the Serbian Armed Forces for 2015: the Ministry Secretariat, Defence Policy Sector, Defence Inspectorate, Inspector General Services, Military Security Agency, Internal Audit Unit, Military Police Department, Centre for Peace Operations of the Joint Operational Command of the Serbian Armed Forces General Staff and the Human Resources Department (J-1) of the Serbian Armed Forces General.

I DEMOCRATIC CONTROL						
Num.	Goal	Activity	Body in charge	In cooperation with	Timing	
1	Efficient implementation of the Anti-Corruption Strategy in the Republic of Serbia	11.	Planning, implementation and monitoring of compliance with the obligations of the Ministry of Defence and Serbian Armed Forces (MoD and SAF) under the national Anti-Corruption Strategy	Ministry Secretariat	Military Security Agency (VBA) and competent MoD and SAF organizational units	In the course of the year
		21.	Implementing measures and activities with the aim of reducing the institution's exposure to risks of corruption	MoD and SAF Organizational Units in charge of implementing integrity plans ³²	-	In the course of the year
		22.	Introducing measures and activities of Integrity Plans into regular annual work plans of the MoD and SAF Organizational Units	Organizational Units of the MoD and SAF ³³	-	In the course of the year
2	Efficient implementation of Integrity Plans	23.	Implementing recommendations on the implementation of Integrity Plans in accordance with the methods and deadlines set out in the Anti-Corruption Agency Report on Quality and Objectivity Control of the MoD Integrity Plan in 2014	Ministry Secretariat	MoD and SAF Organizational Units in charge of implementing Integrity Plans	By March 2015
		31.	Operationalizing building integrity activities in the MoD and SAF in cooperation with the Anti-Corruption Agency	Ministry Secretariat	Organizational units of the MoD and SAF	In the course of the year
3	Cooperation developed with the Anti-Corruption Agency in Building Integrity in the MoD and SAF	31.	Operationalizing building integrity activities in the MoD and SAF in cooperation with the Anti-Corruption Agency	Ministry Secretariat	Organizational units of the MoD and SAF	In the course of the year
4	Evaluation of progress in the field of Building Integrity in accordance with the recommendations of the NATO expert team	41.	Organizing and holding meetings with NATO representatives on progress in building integrity in the MoD and SAF	Defence Policy Sector	Organizational units of the MoD and SAF	First quarter of 2015

32. Ministry of Defence, Serbian Armed Forces General Staff (Army, Air Force and Air Defence, Training Command), Defence Inspectorate, Military Security Agency, Military Health Department (Military Medical Academy, Military Medical Institutions Centre Belgrade, Military Medical Centre Novi Sad and Military Hospital Nis) and Military Academy

33. Ministry Secretariat, Defence Policy Sector, Human Resources Sector, Budget and Finance Sector, Material Resources Sector, Serbian Armed Forces General Staff, Defence Inspectorate, Military Security Agency, Military Intelligence Agency, Military Health Department, Public Relations Department and Defence University

Num.	Goal	Activity	Body in charge	In cooperation with	Timing
5.	Properly assigned confidentiality level to documents in official use	51. Staff training or briefings on the proper implementation of the Law on Confidentiality of Information to avoid arbitrary assignment of confidentiality level to documents	MoD and SAF organizational units	Ministry Secretariat	February-March 2015
6.	Activities of the second phase of the NATO Building Integrity Tailored Programme for South Eastern Europe implemented	61. Aligning the results of research on the risk of corruption level in the Defence system of the Republic of Serbia (needs analysis) in cooperation with representatives of the Kingdom of Norway MOD	Defence Policy Sector	MoD and SAF organizational units	February-December 2015
		62. Organizing and implementing activities of the second phase of the NATO Building Integrity Tailored Programme for South Eastern Europe together with the representatives of the Kingdom of Norway MOD	Defence Policy Sector	MoD and SAF organizational units	February-December 2015
7.	Cooperation developed in the field of Building Integrity with the UK Defence Academy and Transparency International United Kingdom	71. Holding meetings on building integrity with representatives of Transparency International United Kingdom	Defence Policy Sector	MoD and SAF organizational units	In the course of the year
		72. Providing training in the field of building integrity for representatives of the MoD and SAF in cooperation with Transparency International United Kingdom	MoD and SAF organizational units	-	In the course of the year
8.	Strategic Communications Plan developed to inform the public on MoD and SAF progress in the implementation of anti-corruption measures	81. Drafting the Strategic Communications Plan to inform the public on MoD and SAF progress in the implementation of anti-corruption measures	MoD Public Relations Department	Defence Policy Sector	By March 2015
9.	Promotion of Building Integrity, Accountability and Transparency within the competence of the MoD and SAF in the national and international media	91. Publishing articles and contents promoting building integrity, accountability and transparency within the competence of the MoD and SAF in the national and international media	MoD Public Relations Department	MoD and SAF organizational units	In the course of the year
		92. Promoting, in public speeches of the Minister of Defence and other high-level MoD and SAF officials, the activities and importance of building integrity and reducing the risk of corruption	MoD and SAF organizational units	-	In the course of the year

II ANTI-CORRUPTION POLICY IN THE MoD AND SAF						
Num.	Goal	Activity	Body in charge	In cooperation with	Timing	
1.	Coordination Group established for the Implementation of building integrity activities in the MoD and SAF	11. Considering possible organizational changes through establishing, in one of the MoD organizational units, a Group (of up to 4 persons) to coordinate the implementation of building integrity activities in the MoD and SAF	Defence Policy Sector	Defence Inspectorate, Military Security Agency other organizational units of the MoD and SAF	January-March 2015	
2.	Working group established for coordination of activities relating to all aspects of building integrity in the MoD and SAF	21. Considering possible establishment of a MoD Building Integrity working group in order to efficiently coordinate activities relating to all aspects of building integrity in the MoD and SAF	Defence Policy Sector	Ministry Secretariat and MoD and SAF organizational units	January-June 2015	
3.	Contracting procedure regulated with clearly defined duties and responsibilities of persons involved in this process	31. Regulating the contracting procedure through the adoption of internal guidelines with clearly defined duties and responsibilities of persons involved in this procedure	Ministry Secretariat	Budget and Finance Sector, Material Resources Sector	By October 2015	
4	Full and efficient implementation of the Law on Protection of Whistle-Blowers by ensuring the protection of persons who report corruption, ethically and professionally unacceptable conduct and other irregularities on the part of officials and employees	41.	Ministry Secretariat	Military Security Agency, Military Police Department of the General Staff of the SAF	By 4 May 2015	
		4.2.	Ministry Secretariat	Military Security Agency, Military Police Department of the General Staff and SAF	By 4 May 2015	
		4.3.	Ministry Secretariat	Military Security Agency, Military Police Department of Serbian Armed Forces General Staff	By 4 May 2015	

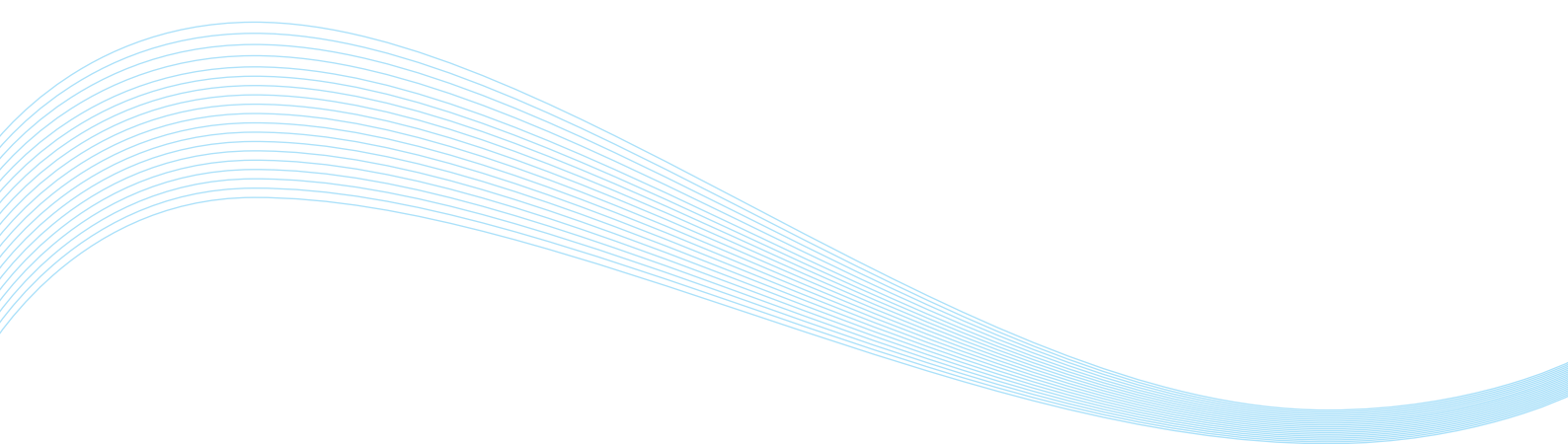
III HUMAN RESOURCES, EDUCATION AND TRAINING

Num.	Goal	Activity	Body in charge	In cooperation with	Timing
1.	Use of a list of "sensitive positions" in the MoD and SAF for the needs of Building Integrity and reducing risks of corruption within the MoD and SAF organizational units	11. Analysing, updating (as required) and submitting to the competent MoD and SAF organizational units the list of "sensitive positions" within the MoD and SAF in terms of Building Integrity and reducing risks of corruption	Organization Department, Defence Policy Sector	Military-security Agency, Defence Inspectorate	January-March 2015
2.	Procedures reviewed and a system of rotation management of "sensitive positions" developed	21. Developing procedures and a system of rotation management of "sensitive positions" in the MoD and SAF to support building integrity	Personnel Department of the Human Resources Sector	Organization Department, Defence Policy Sector, Military-security Agency, Material Resources Sector, Defence Inspectorate	By the end of 2015
3.	Regulation of the issue of conflict of interest among members of the recruitment commission	31. Introducing the obligation for every member of the recruitment commission to sign, once applications are received, a statement that neither he/she nor any anyone related to him/her has any private interest in the applicants	Personnel Department,	Military-security Agency, Ministry Secretariat, Defence Inspectorate	In the course of the year
4.	More transparent procedure for admission of candidates for employment or education	41. Strict and consistent adherence to regulations when admitting candidates for employment or education, in particular the Law on Serbian Armed Forces and the Law on Civil Servants	Organizational units of the MoD and SAF	Personnel Department of the Human Resources Sector, Human Resources Department (J-1), SAF General Staff	In the course of the year
5.	Higher transparency level in relation to vacancies and the ranking list of persons eligible for promotion	51. Periodically publishing on the internal network of the MoD and SAF of all vacancies within the MoD and SAF and of the ranking list of professional service personnel eligible for promotion	Personnel Department of the Human Resources Sector	Organizational units of the MoD and SAF	By June 2015
6.	Training in financial management as a part of internal and external training plans and programmes	61. Introducing training in financial management into internal and external training plans and programmes	Budget and Finance Sector	Organizational units of the MoD and SAF	In the course of the year
7.	Training in public procurement management as a part of internal and external training plans and programmes	71. Introducing training in public procurement management into internal and external training plans and programmes	Material Resources Sector	Organizational units of the MoD and SAF	In the course of the year

Num.	Goal	Activity	Body in charge	In cooperation with	Timing
8.	Education and training module adopted for building integrity at the level of the MoD and SAF	81. Based on the needs of the MoD and SAF, developing and adopting an education and training module for building integrity and regulating its implementation	Military Academy, Human Resources Sector	Training and Doctrine Department (J7) of the SAF General Staff	By June 2015
9.	Training and education of MoD and SAF staff completed in the field of building integrity in cooperation with NATO	91. Training and education of MoD and SAF staff in the field of building integrity by using the existing resources of the Republic of Serbia and NATO	Defence Policy Sector	Organizational units of the MoD and SAF	In the course of the year
10.	Education and training of MoD and SAF staff completed in the field of building integrity in cooperation with NATO and Transparency International UK	101. Organizing, in cooperation with NATO and Transparency International, a course in order to educate MoD and SAF staff who will be providing training courses in the field of building integrity	Military Academy, Human Resources Sector	Defence Policy Sector, Personnel Department, Human Resources Sector, Training and Doctrine Directorate (J7) of the SAF General Staff	In the course of the year
		102. Organizing a Building Integrity course on reducing the risks of corruption in public procurement procedures in the Material Resources Sector for MoD and SAF staff	Material Resources Sector	Organizational units of the MoD and SAF	By May 2015
11.	Persons authorized to receive information and conduct procedures related to whistle-blowers are adequately trained to perform their duties	111. Training of persons authorized to receive information and conduct procedures related to whistle-blowers	Ministry Secretariat	Military Security Agency, Military Police Directorate	By April 2015
IV PLANNING AND BUDGET					
1.	Additional staff trained to perform internal audits	11. Training of up to 5 persons to perform internal audits	MoD Internal Audit Unit	Organizational units of the MoD and SAF	In the course of the year
2.	Upgraded educational level of staff performing audits	21. Continuous upgrading of the educational level of staff performing internal audits	MoD Internal Audit Unit	Defence Inspectorate and Budget and Finance Sector	By the end of 2015

V MULTINATIONAL OPERATIONS					
Num.	Goal	Activity	Body in charge	In cooperation with	Timing
1.	Anti-corruption educational module completed in the course of training prior to deploying declared forces abroad	11. Adopting and implementing the anti-corruption educational module in the MoD and SAF by providing training as part of mandatory courses delivered before sending individual SAF members or contingents abroad	Peace Operations Centre of SAF Joint Operational Command General Staff	Training and Doctrine Department (J-7), SAF GS Budget Department, Budget and Finance Sector, Procurement Department MRS	In the course of the year
VI TRANSACTIONS WITH THE DEFENCE INDUSTRY COMPANIES OF THE REPUBLIC OF SERBIA AND OTHER SUPPLIERS					
1.	Annual public procurement plan developed on the basis of the needs analysis	11. Introducing the obligation to develop annual public procurement plans based on the needs analysis	Procurement Department, Material Resources Sector	Organizational units of the MoD and SAF	In the course of the year
2.	In the field of public procurement, full implementation of the Law on Public Procurement through MoD and SAF internal acts	21. Adopting necessary internal acts on public procurement in accordance with the Law on Public Procurement	Procurement Department, Material Resources Sector	Organizational units of the MoD and SAF	In the course of the year
3.	Clear and proper advertising on the official portal of the Public Procurement Department as well as on the MoD website	31. Analysing advertising methods used so far on the official portal of the Public Procurement Department in different MoD and SAF Organizational Units and aligning them with the law where required	MoD and SAF organizational units in charge of public procurement	Procurement Department Material Resources Sector	In the course of the year
4.	Adoption of monitoring mechanism for the implementation of contracts, appointment of a person responsible for monitoring and adoption of the reporting method on procurement implementation and quality	41. Establishing and consistently implementing the monitoring mechanism for the implementation of contracts, appointing a person responsible for monitoring and adopting reporting methods regarding procurement implementation and quality	Procurement Department, Material Resources Sector	Organizational units of the MoD and SAF	By June 2015
5.	Staff management plan developed in the Procurement Directorate of the Material Resources Sector to ensure the implementation and applicability of the regulations on staff rotation	51. Developing a staff management plan to ensure implementation and applicability of the regulations on staff rotation	Procurement Department, Material Resources Sector	-	By October 2015

Num.	Goal	Activity	Body in charge	In cooperation with	Timing
6.	Code of Ethics adopted, to be binding for all companies that have transactions with the MoD and SAF	61. Considering the adoption of a Code of Ethics, to be binding for all companies that have transactions with the MoD and AS	Procurement Department, Material Resources Sector	Ministry Secretariat	By September 2015
7.	Adoption of the Code of Ethics for the MoD and SAF staff in contacts with representatives of defence industry companies of Serbia and other suppliers	71. Developing and adopting the Code of Ethics for MoD and SAF staff regarding their relations with representatives of the defence industry of Serbia and other suppliers	Defence Technologies Department, Material Resources Sector	Procurement Department, Material Resources Sector	By the end of 2015
8.	Completion of MoD participation in research on risks of corruption in defence companies (Transparency International UK)	81. Exchanging information with representatives of Transparency International UK to ensure objectivity of the results of research on the level of risks of corruption in defence companies	Defence Technologies Department, Material Resources Sector	Organizational units of the MOD and SAF	By April 2015



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