



Organization for Security and  
Co-operation in Europe  
Mission to Serbia

## Reducing Corruption Risks in Serbia through Legislation

Laura B. Sherman  
Anti-Corruption Adviser  
OSCE Mission to Serbia  
Berlin May 19, 2016

## Second Dimension Efforts in Serbia

- ▶ Economic Transparency Unit
  - Improvements in Public Procurement
  - Government transparency and accountability
  - Training of law enforcement in criminal investigation and prosecution
  - Improvement of Criminal Code
- ▶ Environmental Unit
  - ▶ Developing a sustainable partnership between the authorities and civil society on environmental issues
  - ▶ Capacity building for judiciary, police, local administrations, and other institutions to implement environmental legislation
  - ▶ Assists the authorities in developing their disaster preparedness and response system

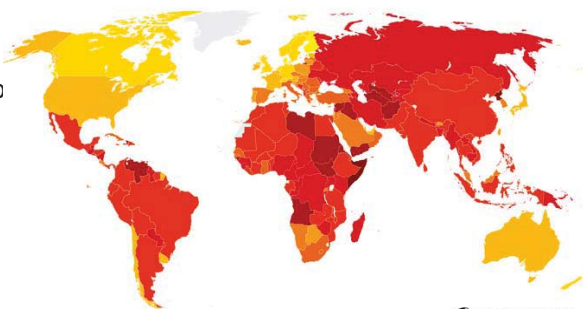
2

## Corruption in Serbia

2015 (2014)

- ▶ 35 (39) Slovenia
- ▶ 50 (61) Croatia
- ▶ 58 (69) Romania
- ▶ 61 (76) Montenegro
- ▶ 66 (64) Macedonia
- ▶ 69 (69) Bulgaria
- ▶ **71 (78) Serbia**
- ▶ 76 (80) Bosnia-He
- ▶ 88 (110) Albania
- ▶ 103 (110) Kosovo

### CORRUPTION PERCEPTIONS INDEX 2015

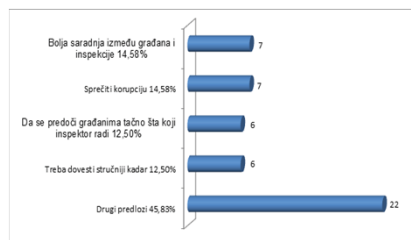


TRANSPARENCY INTERNATIONAL

3

## Corruption in Serbia

- ▶ 2012 UNDP Survey – 13.7% have direct/indirect experience with bribes
- ▶ E&Y 2015 Fraud Survey – 84% of those surveyed believe corruption happens widely in business
- ▶ World Justice Project Rule of Law Survey 2014 – 54 out of 99 but on corruption – 67 out of 99
- ▶ USAID Business Survey: 2015 – **23% of businesses surveyed perceive bribery “as a regular part of inspection oversight”**
- ▶ 2014 Citizens’ Survey of Inspectors -



4

## Reducing the Demand Side of Bribery

- ▶ Why and when do Government officials demand bribes?
  - Low salaries
  - No fear of prosecution
  - Lots of red tape
  - Lots of discretion
  - Lack of transparency in procedures and requirements
  
- ▶ Serbia's Law on Inspectors focuses on discretion and transparency
  
- ▶ Entered into force in April

5

## Law on Inspection Oversight Increases Transparency

### Requirement for Public Availability of Information

- ❖ 5(6) - ability of persons to obtain information from inspection bodies
- ❖ 10 - development and publication of inspection oversight plans
- ❖ 13 - publication of relevant laws and regulations, oversight plans, checklist forms, findings of serious risks, assured opinions, annual reports
- ❖ 14 - checklists specific to each type of inspection, applied consistently and updated annually
- ❖ 16 - inspection oversight warrant setting out parameters for inspection



6

## Law on Inspection Oversight Increases Transparency

### Requirement to provide information to the entities subject to inspection

- ❖ 24 – certificate of impoundment
- ❖ 31 – assured opinion
- ❖ 35 – comprehensive minutes of inspection, including checklist used and findings presented in a uniform manner
- ❖ 36 – right of entity to review and correct the minutes of inspection oversight
- ❖ 43 – maintenance of inspection records in uniform, electronic format



7

## Law on Inspection Oversight Decreases Discretion

- ❖ 9 – Requirement for risk assessment
- ❖ 12 – coordination of inspection oversight to eliminate duplication and harmonize inspections
- ❖ 13 – Advisory visits
- ❖ 14 – use of checklists
- ❖ 16 - detailed warrant for inspection, including information on inspectors
- ❖ 17 – 3 days' prior notice of inspection and applicable checklist



Risk HIGH  
Heightened Scrutiny



Risk SLIGHT  
No Inspections

8

## Law on Inspection Oversight Decreases Discretion

- ❖ 20 - detailed provisions on rights of persons subject to inspection
- ❖ 31 – assured opinion
- ❖ 37 – use of precedents in procedural decisions or explanation why not
- ❖ 38 – consent by silence
- ❖ 43 – extensive record keeping requirements in uniform format and electronically

9

## QUESTIONS??

Laurie Sherman – [laura.sherman@osce.org](mailto:laura.sherman@osce.org)

381-63-325-525

10