

**‘Corruption is criminal, immoral and the ultimate betrayal of public trust.**

**It is even more damaging in the times of crisis’ -**

Antonio Guterres, United Nations Secretary General.

## 1. CORRUPTION AND THE GLOBAL GOALS



The Political Declaration adopted by the United Nations General Assembly Special Session against Corruption<sup>1</sup> recognized that corruption is a local and a transnational phenomenon that affects all societies and undermines economies, making international cooperation to prevent and combat it essential. Member States also recognized that the loss of resources caused by corruption at all levels and in all its forms, including when it involves vast quantities of assets, may constitute a substantial proportion of the resources of States, with a particularly negative impact on developing countries. This can undermine citizens’ trust, have a negative impact on governance and the enjoyment of all human rights by all persons affected by corruption, including the victims of corruption, and facilitate various forms of crime. The achievement of Target 16.5 “Substantially reduce corruption and bribery in all their forms”, is critical to addressing these challenges.

Across the world, corruption is eating away at the achievement of the Global Goals. As much as 25% of global public spending is estimated to be lost to embezzlement, nepotism, bribery, extortion, influence peddling, and fraud, which directly translates in poorer economic, social, and environmental outcomes.<sup>2</sup> Multiple recent global and regional crises have further weakened the capacity for oversight and resulted in reduced transparency in the allocation of public funds.<sup>3</sup>

At the same time, we are – as the UN Secretary General reminds us - truly at a crossroads, “writing our own history with the choices we make right now”.<sup>4</sup> For this very reason, transparency and effectiveness in public spending is needed more than ever as large sums must be

urgently allocated to the Triple Planetary Crisis and to Agenda 2030, while investors may be discouraged by insufficient guarantees to protect their funds and reputation.

**We must therefore recommit to “stamping out corruption as an indispensable requirement for the effective implementation of all the SDGs”.**

In support of the country’s anti-corruption efforts, the UN Country Team in Serbia prepared this thematic update to support the engagement with the national counterparts and the development community about outstanding challenges in progress towards SDG 16.<sup>5</sup> The update highlights progress made at national, regional, and global levels, in connection with the 4th SDG 16 Conference (Rome, 30-May 1st June 2023), and the ECOSOC event “Unleashing the transformative power of SDG16: Improving governance and reducing corruption” (New York, May 2023).



1 See: Political declaration “[Our common commitment to effectively addressing challenges and implementing measures to prevent and combat corruption and strengthen international cooperation](#)” 7 June 2021.

2 Economic and Social Council (ECOSOC) “[Unleashing the transformative power of SDG16: Improving governance and reducing corruption – Special meeting 2 May 2023](#)”.

3 Ibidem, page 1.

4 [Secretary-General’s Oath of Office](#) 18 June 2021. (A/RES/S-32/1)

5 The present document does not review the links between corruption and organized crime, and other wider connected issues including money laundering.

## 2. REGIONAL AND INTERNATIONAL COOPERATION



**Corruption is most commonly defined as “the misuse of public office for private gain, including but not limited to embezzlement, nepotism, bribery, extortion, influence peddling, and fraud”. (see UNODC, “[Corruption, a baseline definition](#))**

Serbia signed the **United Nations Convention against Corruption (UNCAC)** in December 2003 and ratified it in December 2005. The country actively participates in the work of the Conference of the States Parties to the UNCAC, which has become an integral part of Serbia's legal system following its ratification by the National Assembly. The Convention ranks high among statutory instruments, namely its provisions override any other contrary provision in domestic law.

Serbia is additionally a party to all international and regional anti-corruption conventions and efforts.

- Serbia joined the Council of Europe's Group of States against Corruption (**GRECO**) in 2003 as well as a Co-ordination Body for Steering Activities in the Implementation of GRECO recommendations. Serbia has participated in all rounds of evaluation and received many recommendations.
- Serbia has completed the first cycle of the **UNCAC Implementation Review Mechanism (IRM)**, assessing the implementation of chapters III and IV of the Convention and is now undergoing the second review cycle.
- Serbia is a part of the **UNODC Regional Programme for South Eastern Europe (2020 – 2023)** and of the Regional Roadmap on Anticorruption and Illicit Finance Flows adopted in Ohrid, North Macedonia, in 2021 aimed at fast tracking the implementation of the UNCAC in support of the achievement of SDG 16 in the Western Balkans.
- Serbia is a member of the **Regional Anti-Corruption Initiative (RAI)**, a regional intergovernmental organization that deals solely with anti-corruption issues and covers Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Moldova, Montenegro, North Macedonia, Romania and Serbia.

- Serbia is a member of the **OECD Anti-Corruption Network for Eastern Europe and Central Asia (OECD/CAN)** established in 1998 to support its member countries in their efforts to prevent and fight corruption.
- Serbia participates in the **European Partners against Corruption (EPAC)**, and the **European contact-point network against corruption (EACN)**, an independent forum for practitioners united in the common goal of preventing and combating corruption.



Serbia is also a **beneficiary of multiple bilateral/regional cooperation and development programs**. Anti-corruption and good governance projects and initiatives are carried out, or funded by the European Commission, the Council of Europe, the United States Agency for International Development (USAID), United Nations Development Program (UNDP), the Swedish International Development Cooperation Agency (SIDA), Swiss Cooperation Office (SCO), as well as by the World Bank.

6 <https://www.unodc.org/unodc/en/corruption/COSP/conference-of-the-states-parties.html>

7 <https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/ExecutiveSummaries/V1401187e.pdf>

8 <https://www.oecd.org/corruption/acn/resources-for-the-anti-corruption-network-for-eastern-europe-and-central-asia.htm>



### 3. SERBIA'S STRATEGIC ANTI-CORRUPTION POLICY FRAMEWORK

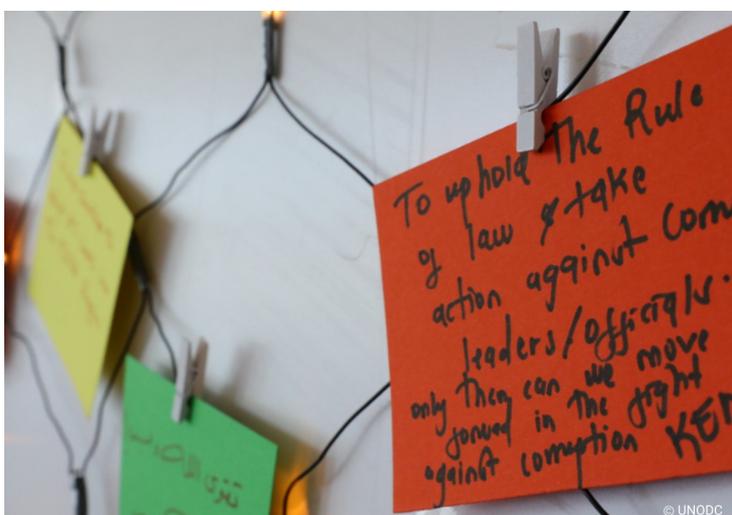
The fight against corruption is recognized as a key priority for Serbia on its EU accession path. Accordingly, the “**Action Plan for Negotiations of Chapter 23 “Rule of Law”**” is a strategic document for the fight against corruption. It was first adopted in 2016 and last revised in 2020. The strategic policy documents foreseen in the Action Plan have substantially been adopted, albeit with delays, as follows:

The [Law on Prevention of Corruption](#), entered into force in 2020. It was last amended in 2021.

- The **National Anti-Corruption Strategy of the Republic of Serbia** for the period 2013-2018 and its Revised Action Plan (2016-2018) expired more than five years ago. The working group for the development of the new Strategy - which will be valid from 2023 to 2028 – [met for the first time in March 2023](#). A new planning document for areas with particular corruption risk, the [Operational Plan for Prevention of Corruption](#), was then adopted in October 2021.

The monitoring of the implementation of these documents remains an area for improvement.<sup>9</sup>

In addition to the above, other policy frameworks – although not directly related to the fight against corruption – play an important supporting role. The most important of these frameworks is that related to public procurement. As recognized in the UNCAC Convention, public finance management and public procurement are crucial for combating corruption, because they contribute to ensure that public resources are allocated, utilized, and accounted for in responsible and accountable manner.



By implementing robust financial control mechanisms, such as budgetary discipline, comprehensive financial reporting, risk management and rigorous auditing, the government can minimize opportunities for corruption to occur. In Serbia the priority of fighting corruption informs:

The [Law on Public Procurement](#): sets out the procedures for open tendering, evaluation criteria, and contract awarding, all aimed at preventing corruption and favoritism, and promoting fairness, competition, and integrity.

The [Law on the State Audit Institution](#), adopted in 2005, which covers, amongst others, the audit of financial statements, operations, regularity and performance of public funds beneficiaries and public funds spending.

The [Law on the Protection of Whistleblowers](#), adopted in 2015, provides mechanisms for reporting irregularities in both the public and private sectors and protects legal entities and individuals in connection with whistleblowing.

The [Law on Free Access to Information of Public Importance](#), adopted in 2004, and widely used by CSO, media and individuals.

The [Law on Lobbying](#) - one of the last anti-corruption related regulations to be put in place – entered into force in 2018.

<sup>9</sup> According to the assessment of the Anti-Corruption Agency, out of 250 activities included in the Anti-Corruption Strategy, 92 (37%) were implemented; 149 (60%) activities were partially implemented. The Agency was not able to assess the implementation of 9 (3%) of the measures



## 4. INSTITUTIONAL FRAMEWORK

The main corruption prevention institutions are the:

**Agency for the Prevention of Corruption** an independent public body which reports to the National Assembly, tasked with:

- ⇒ scrutinizing assets and income and dealing with conflicts of interest of public officials;
- ⇒ overseeing the financing of political activities;
- ⇒ preparing the guidelines for the development and implementation, and monitoring the implementation of the integrity plans of public institutions;

The **Anti-Corruption Council**, an expert and advisory body of the Government tasked to oversee the implementation of anti-corruption activities, propose anti-corruption measures,

The **Commissioner for Information of Public Importance and Personal Data Protection**, the **State Audit Institution**, the **Protector of Citizens**, and the **Public Procurement Office** which have anti-corruption responsibilities within their respective mandates.

The **Coordination Body for the Implementation of the Action Plan for the National Anti-Corruption Strategy** of the Republic of Serbia for the period 2013-2018, established in early August 2014. This body held only two meetings in four and a half years.

**Investigation** of corruption in Serbia is under the competencies of the **police**, which is tasked to detect corruption offences, and **public prosecutor's offices**, tasked to persecute them. It should be noted that investigation of corruption offences is under the competencies of four specialized public prosecutor's anti-corruption departments located in the Higher Public Prosecutor's offices in Belgrade, Niš, Novi Sad and Kraljevo, which are supported by the anti-corruption department of the police, as part of the Criminal Police Directorate. The same configuration exists in the court system: so, four specialized court departments are formed in the Higher courts of these four main cities. Following the adoption of the Law on organization and competence of state authorities in suppression of organized crime, terrorism, and corruption in 2016, the **Organized Crime Public Prosecutor's office** is responsible for investigations of so called "grand corruption cases" which involves higher ranked public officials.

Additionally, in 2013, a **Financial Investigation Unit** was established under the Department for fight against organized crime in the Criminal Police Directorate. The core mandates of the Unit is to conduct financial investigations, identification, tracing and seizing of proceeds of crime. With the latest amendments to the law in 2016, the Unit assumed the duties of an Asset Recovery Office in Serbia, in line with the EU Directive on freezing and confiscation of instrumentalities and proceeds of crime.<sup>10</sup>

The **Commissioner for Information of Public Importance and Personal Data Protection** was established as an independent state authority reporting to the National Assembly by the Law on Free Access to Information of Public Importance mentioned above in Paragraph 3. The Commissioner competencies include monitoring the implementation of the above-mentioned Law by the public authorities and reporting to the public and National Assembly; considering complaints against the decisions of public authorities that violate the rights regulated by this Law; informing the public of the content of this Law and related rights. In July 2019, the new Commissioner for Information of Public Importance and Personal Data Protection was appointed by the National Assembly for a 7-year mandate.

The **State Audit Institution** – established in 2005 as an independent state body – is the highest authority for auditing of public beneficiaries in the Republic of Serbia, with the role among others, to make audit plans and perform audit of public beneficiaries. For the first time since its establishment, the annual activity report of the State Audit Institution was discussed in the relevant parliamentary committee, as well as in the plenary in June 2019. Consequently, the National Assembly adopted a conclusion recommending the Government to act within its powers to ensure the implementation of State Audit Institution recommendations. However, there is room for stronger parliamentary oversight through the use of public hearings.



<sup>10</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014L0042>



## 5. ANTI-CORRUPTION, HUMAN RIGHTS & GENDER

In its resolution on 7/11 of 2008, the UN Human Rights Council recognized that **effective anti-corruption measures and the protection of human rights are mutually reinforcing**. The Council further adopted resolution 29/11 of 2015 on "The negative impact of corruption on the enjoyment of human rights," which invited the Office of the United Nations High Commissioner for Human Rights and UNODC to exchange views to deepen the understanding of the nexus between corruption and human rights. The position paper entitled "UNODC and the Promotion and Protection of Human Rights" underlines the importance of taking a rights-based approach to anti-corruption.

Additionally, global and regional evidence shows that corrupt practices can exacerbate gender discrimination, and there are numerous examples<sup>11</sup> of how women can be disproportionately affected by bribery and extortion, particularly in accessing public services or navigating legal systems, for example, because service providers consider women to be more susceptible to coercion, or less aware of where or how to file a complaint. The [UN-OV/UNODC Strategy for Gender Equality and Women's Empowerment \(2022-2026\)](#) and the UNODC strategy 2021-2025, both **underline the linkages between gender and corruption**, including how corruption can affect women and men differently.

This was also underlined during a special session of the United Nations General Assembly in 2021, specifically, in the political declaration entitled "Our common commitment to effectively addressing challenges and combat corruption and strengthen international cooperation".

While **gender disaggregated data about corruption is still missing for Serbia**, according to surveys for the South Eastern Europe region, women are more exposed to corruption in specific sectors, such as education and health. In the SEE regional survey including Serbia, for example, 58% of respondents recognize sexual extortion in higher education as a form of corruption that affects women.<sup>12</sup>

The importance of mainstreaming gender in anti-corruption activities is starting to be better understood by the Serbian authorities, as evidenced amongst others by public commitments towards the implementation of gender measures in the work of the Agency for the Prevention of Corruption (see for example: <https://acas.rs/lat/news/58>).

Similarly, there is limited awareness in Serbia of the interlinkages between corruption and the protection of human and civil rights, and data on the impact of corruption on vulnerable, multi-discriminated groups is lacking. Authorities that primarily have a mandate to protect and react to human rights violations do not yet fully recognize corruption as a potential threat and do not sufficiently exploit the opportunities for cooperation with the anti-corruption institutional framework. Advocacy and awareness raising initiatives based on a human-rights informed and gender-responsive approach have been undertaken, including within the regional project SEE-TAC ([South East Europe - Together Against Corruption](#)).



<sup>11</sup> For more information about this topic see: [The Time Is Now: Addressing the Gender Dimensions of Corruption](#), UNODC, Vienna, 2020.

<sup>12</sup> As a follow up to this finding, in April 2023, a Regional Event for Higher Education and Public Enterprises Sectors on Corruption Risk Assessment and Corruption Proofing of Legislation was organized by the Regional Anti-Corruption Initiative (RAI).



## 6. RESULTS OF ANTI-CORRUPTION EFFORTS SO FAR AND REMAINING GAPS

Serbia implemented significant legal and institutional reforms, made large financial investments, and carried out numerous anti-corruption initiatives in the last two decades. Still, public opinion polls show that **corruption is still on the top of society's concerns**, with more than half of the population (52%) assessing corruption as widespread, and 62% expressing concern at corruption's influence on Serbian society. Even as the **fight against corruption has been a key topic in Serbian public discourse since 2000** and dominated election campaigns of all political parties for the last 20 years, according to the EU Progress Report for 2021 (a similar evaluation has been repeated for years), "Serbia has some level of preparation in the fight against corruption. Limited progress has been made during the reporting period".

**To further Serbia's anti-corruption efforts, the following opportunities have been identified:**

- ⇒ **Strengthen political commitment to ensure impartial and comprehensive enforcement of existing legislation and to ensure its proactive implementation by the public administration.**
- ⇒ **Elevate awareness about the negative implications of corruption on the everyday lives of citizens and the positive impact of anti-corruption measures.**
- ⇒ **Bolster protections for reporting persons by enhancing safeguards against retaliation and expanding channels for anonymous reporting.**
- ⇒ **Advance measures to proactively prevent conflicts of interest within principal public executive functions.**

According to the latest EU assessments and GRECO reports, Serbia should further intensify its efforts and step up the prevention and prosecution of corruption and in particular increase the final confiscation of assets in cases related to conflict of interests.

**Cooperation with the private sector** is also important in supporting the implementation of preventive measures against corruption, including through the promotion of standards, procedures, and codes of conduct for private sector activities, good practices for contractual relations with the State, and inter-institutional and international cooperation.<sup>13</sup>

This is an area where action by Serbia remains needed, as evidenced amongst others by a Survey, carried out by the Serbian Association of Employers (SAE) with the technical support of the International Labour Organization (ILO).<sup>14</sup> Almost 60 per cent of EESE survey respondents disagreed completely or partly that existing anti-corruption bodies are effective in addressing complaints made by the private sector. Some 37 per cent of survey respondents admitted that bribery and other forms of corrupt payments were often or occasionally an accepted way of engagement with public servants, especially those representing inspection bodies or when applying for various permits or licences. A particularly critical area that is most prone to corruption was assessed as public procurement, as evidenced by the dwindling number of competitors in public tenders (the average number of bids per tender fell from 3.0 in 2017 to 2.6 in 2020).

Finally, it should be recognized that the recent **innovations in public finance management**, implemented among others by the UN, and aimed at the simplification of administrative procedures (e.g. the establishment of e-portals to facilitate electronic applications) have brought as co-benefits the reduction of opportunities for extorting bribes. This notwithstanding, public procurement remains an area of concern. The institutions supervising the process reportedly lack staff capacity and do not always coordinate effectively and efficiently.

<sup>13</sup> See for reference Art. 12 of the UNCAC Convention.

<sup>14</sup> The comprehensive assessment – finalized and completed in December 2019 - consisted of a national-wide Enabling Environment for Sustainable Enterprises (EESE) survey of 450 enterprises aimed at identifying key constraints for enterprise development in Serbia. <https://www.poslodavci.rs/wp-content/uploads/2021/12/esse-eng.pdf>



## 7. CONCLUSIONS AND RECOMMENDATIONS

The **key anti-corruption action to be undertaken in the upcoming period is the development, adoption, implementation and monitoring of the new National Anti-Corruption Strategy** for the period 2023 – 2028. The development of the document, its objectives, goals, activities and indicators of success should be fully gender mainstreamed and informed by a rights-based approach. All relevant state and public institutions, CSO, academia, media, professional associations, and international stakeholders need to be involved in the drafting process to provide their inputs and share their knowledge, experiences, and expectations.

While the anti-corruption framework is generally adequate, there is a **need for strengthening the institutional and human resources capacities and ensure that anti-corruption institutions are free from undue influence**. Additionally, capacities for a **proactive approach** to corruption prevention, monitoring and enforcement should be further strengthened, particularly as regards the implementation of complex measures.

The **effective coordination and cooperation** among anti-corruption institutions needs to be more effective. Precise statistics on the number of cases that have not been examined must be developed and maintained.

Progress in the track record field on investigations, indictments, and final convictions in high-level corruption cases, should be accelerated including the seizure and confiscation of criminal assets.

Integrity standards responding to the specific functions of principal executive functions should be codified in a code of conduct, accompanied by practical guidance and sanctions in case of breach.

Other recommendations from the latest GRECO report include the regulation of conflicts of interest among advisers to the President, Prime minister and Ministers and strengthening of the system for controlling the asset declaration of high-level officials, expanding the jurisdiction of the Prosecutor's Office for organized crime, and strengthening the Anti-Corruption Council among others.

The report also recommends implementing measures to prevent political influence in the deployment of police officers and in the selection and appointment of high-level police managers.

New programs for civil society and the private sector are needed to strengthen their efforts to support the government in the anti-corruption agenda, especially at the local level.

Coordination between the public institutions and donors/project implementers, and donors themselves, needs to be strengthened to benefit from the synergy of multiple anti-corruption initiatives and activities.

**Raising awareness** of corruption, the damage it can cause and the importance of being an active part of anti-corruption efforts is a permanent need that should be addressed through tailor-made gender-responsive campaigns and other activities to change attitudes toward corruption. In this regard, the focus should be on youth projects, partnering with schools, universities, students' parliaments and youth CSOs.

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