



Public Procurement A decade in two weeks

Serbia has covered a significant part of the long journey in the field of public procurement. Participation of public procurements through tenders increased to 77 percent, and number of bidders rose from fewer than three to almost eight per tender. Thanks to the new procedure, Serbia saves 20% of the tax payers' money.

During the past two years in the field of public procurement, Serbia has covered a better part of the journey that ten countries that became members of the European Union this year had taken during the nineties. The analysis of an expert of SIGMA, a joint program of Organization for European safety and cooperation and European Commission, Peter Blomberg, indicates that it is possible to identify three phases in the reform of the system of public procurements in transition countries.

The first phase, during the first half of the nineties, was characterized by maximum ineffectiveness in expenditure of tax payers' money, especially in the field of public procurements. The number of companies who had the privilege to work with the state was very limited, and there was no competition between them to speak of. The procedure of public procurements was entirely non-transparent, non-regulated and there was no institutional framework.

This situation was also to be found in Serbia until mid 2002, when the Law of Public Procurement was enacted. Namely, the public procurement procedure prior to that date had mostly been carried out by collecting three bids, and often even fewer, so that average of fewer than three bidders took part in a tender, which points out the fact that there had been practically no competition. Along with this, procurements had been announced very rarely and sporadically, so that the entire process had largely been hidden from the eyes of the public.

Towards European Integrations

Blomberg names the second phase in the development of public procurements system in transition countries, the one that lasted from mid nineties through 2000, 'Towards

European Integrations'. This phase is characterized by adopting the Laws on Public Procurements, beginning of publicly announcing tenders in daily newspapers and official gazettes, increase in the number of bidders taking part in the tenders, as well as increase in numbers of closed contracts. The public is increasingly more familiar with cases of corruption that, in the case of public procurements, falls in the category of 'major corruption', and reacts most negatively to abuse in this field, which in effect creates an increased demand for respect of the regulations.

In this phase, the EU candidate countries begin to harmonize domestic regulations in the field of public procurements with EU directives. Special bodies are formed, Public Procurement Offices, to which the work on implementation of the new regulation is entrusted. These bodies are qualified, personnel wise, not only to work on the harmonization of regulations with those in the EU, but also to take an active part in the effective application of these regulations in practice. Also, the increasingly significant part in the process of monitoring and control of public procurements is entrusted to these bodies. The regulatory framework is entirely completed in this phase by enacting all necessary sub legal bills, whilst training programs, textbook preparation etc is carried out, in order to make as many bidders and purchasing entities familiar with the regulations.

The Law on Public Procurements Yields Results

It could be said that, as far as these development parameters are concerned, a system established in Serbia has the same characteristics as those in candidate countries which had been intensely preparing for entering the EU in late nineteen nineties. Legal

regulation is entirely finalized by passing all the necessary sub legal acts specified by the law. Over 12 thousand opinions were given during the year and a half in which the Public Procurements Office of Republic of Serbia has been operating, with a primary goal of realizing as many procurements as possible in an open procedure where transparency and competition are most visible. As a result, 70% of procurements in the year 2002 was realized following a public announcement, whilst their participation increased to 77% in 2003. Significant growth has been noted in the number of companies that participate in tenders on average – average of 7,5 companies per tender in 2002 which grew to 8,5 companies in 2003, which clearly indicates that the increased number of companies has confidence in the system and believes they could get work. Furthermore, this implies that the circle of companies who get the deals is expanding significantly and that the position of 'privileged companies' who had all state deals reserved for them is seriously undermined. Intensified competition, based on the increased participation of companies in tenders resulted in savings of 9% in 2002 and 12% in 2003. In other words, what the state paid a hundred dinars for can now be bought for 80! This means that, in the field of public procurements, Serbia has made the journey (since mid 2002 until today) that it took a decade for other transition countries to complete (from early ninety nineties through 2000)!

The third phase in development of the system of public procurement in the countries that have joined the EU this year begins in 2000 and is still in progress. P. Blomberg calls this phase 'Millennium and Beyond – Joining the EU' and it is characterized by the continuation of harmonization of local regulations with those of the EU, and, at institutional level, existence of a strong and competent Public

Procurement Office that encompasses the functions of: advising, monitoring and controlling public procurements and also the leading the work of complete harmonization of the Law on Public Procurement with EU directives. A relatively high degree of corruption in these countries justifies preservation of strict legal solutions, as well as strengthening the control regime.

A Change in Course of the European Union

At a recently consultation of high representatives of Public Procurement Offices from Croatia, Albania, Bosnia and Herzegovina, Macedonia, Montenegro and Serbia, held in Ohrid from September 20 to 23, representatives of European Commission have clearly stated that when evaluating the degree of harmonization of public procurement systems in countries that are to become candidates for joining the EU, the capacity of a country to apply adopted legal solutions will be valued a lot more highly than the degree to which the local regulations formally coincide with the directives. This change in course occurred upon the realization that many of the recent candidate countries simply copied the directives and thereby met the conditions only formally, not having the capacities necessary to effectively bring them to life at the same time, which became more than clear after joining the EU. One of the best examples is Slovenia that, after fulfilling formal and legal conditions and joining the EU, abolished Public Procurement Office, which signified a major step backwards as far as the capacities for effective application of harmonized regulations are concerned.

It was also noted that the situation in Western Balkan countries is not satisfactory in terms of implementation, whereas the still insufficient effectiveness and operational faculty of Public Procurement Office are identified as some of the basic reasons. Public Procurement Office and its effectiveness and being operational play a central part in this particular phase of system development in which it is necessary to establish full harmonization with EU directives and, which is a lot more important and difficult to accomplish, make it possible for these regulations to be more effectively carried out in practice. The results of the work of Public Procurement Office of the Republic of Serbia as an institution that plays a crucial part in the implementation of regulations of public procurements, have been evaluated very highly by colleagues from the region and it was also remarked that our Office can serve as a role model and a positive example to others in the region of how these bodies should operate.

MURKY/CLEAR

Clear: A Commissioner for Access to Information Nominated

The fact that the Board in Charge of National Parliament has nominated a representative for free access to information is a first sign that actions necessary for implementing this Law are being taken. On the other hand, there are no news on appointing authorized persons in the government bodies, nor indications about which funds will be appropriated for the implementation of legal norms. Since the proposal of a candidate has not included an explication, it cannot be judged whether the candidate meets the requirements, whilst on the other hand the very act of nominating speaks of the existence of the necessary level of political support. It is certain, however, that Mr. Sabic will have to resign from his partisan position prior to being inaugurated to his duty as a Commissioner. If the candidate were to resign his partisan position straight away, the possibilities of political controversies jeopardizing the process of elections within legal timeframe would be minimized.

Murky: Incomplete Information about management of the Army assets

The openness of the process of managing the state assets, whether it relates to selling the assets or procurements made from the budget, is a key prerequisite for achieving the greatest degree of public interest and removing the doubts about existence of corruption. Since there is no independent and expert control of public finances (supreme auditing institution), it is necessary to provide the participation of the public in the process of evaluating the purposefulness of managing the public property. This, however, is impossible to do in this particular case, because there are contradictory information regarding even the very management (whether the obligations have yet been enacted or there is only a provisional agreement). In order to sort this situation out, it is necessary for the organs of Serbia and Montenegro, who have taken part in decision making thus far, to publicize all relevant data (for example, those regarding the estimate of the assets' value, decision making process, selecting business partners), and the organs of Republic of Serbia should consider all available legal means of protecting the public interest.

Problems in Public Procurement

The public procurement system, the full, and the resistance for opinion that the Public Procurement entities strives to carry out

However, by analyzing data from yearly report on public procurements for the year 2003, as well as through immediate contact with tender participants, the Office perceived that there are also some shortcomings in the very application of the Law. Namely, it has been noted that the number of public announcements published in "Official Gazette" and daily newspapers does not reflect the increasing number of procedures that include public announcing, which points to the conclusion that not all public announcements for tenders that would, according to the Law, have to be announced actually are. Along with this, some cases in which the purchasing entity asks for a positive opinion for a procedure with bargaining without previous announcements due to urgency, and then they don't initiate the procedure for a month or two afterwards, have also been observed. A not very rare case of purchasing entities justifying their request for bargaining with a precisely specified bidder by claiming that it is only this particular bidder who can satisfy their need and that they enclose the statement of this selfsame bidder as a proof of that!

In order to eradicate all possibilities for undermining the basic principles of public procurements – transparency, equality of bidders and assuring competition among them – the Public Procurement Office will pay special attention to control and prevention of abuse in realization of public procurements. It is also very important to make sure not to jeopardize the fourth principle – that of economic and effective use of public funds, that implies that public procurements should be realized with as little expenditure and as quickly as possible. If not, it could happen that, in really urgent cases, the bidders cannot perform a shortened procedure, which would be negatively reflected in their regular functioning, or they could not obtain very specific goods, services or

the Application of the Law on Requirements

System has been set to its own feet. The regulatory framework is completed to the Law is reduced to a very low level. The increasing number of requests Procurement Office receives indicates that the increasing number of purchasing the procurement procedure in accordance with the Law.

work in those, albeit quite rare, cases when there is really one bidder on the market.

Thus the goal of the Office is twofold – to prevent potential abuse of public procurements but in such a way as to create prerequisites for a more efficient functioning of purchasing entities through procurements under favorable conditions, as far as both quality and prices and payment, servicing maintenance et al. are concerned. Bearing that in mind, Alterations and Amendments to the Law on Public Procurements of July first this year puts new instruments that should enable more efficient monitoring and control to Office's disposal. Concretely, the Office was authorized to submit requests for protection of public interest, as well as ask purchasing bidders' reports on every single contract. Thus the Office will continue to further cooperation with institutions who play a significant part in prevention of abuse in expenditure of budget funds, such as budget inspection and Ministry of Internal Affairs.

In the case of reconstruction of Terminal 2 of Belgrade airport, it was demonstrated how the early discovering of irregularities in the public procurement procedure makes it possible to unveil major abuse in the process of investigation. Thus, at the beginning of this year, the Council for Battle Against Corruption, Commission for protecting the Bidders Rights, and the Office pointed out to irregularities in the procedure of closing the contract on reconstruction of Terminal 2. Through a more detailed control by the MIA, that followed, and with full cooperation of the Airport as the purchasing entity, a conclusion was reached that the value of the work has meanwhile magically grown from 17 to 47 million euros! This clearly speaks of how significant it is for taxpayers that such abuse and irregularities are discovered in time, as well as how to only expect efficient results if a full cooperation of all institutions in charge is realized, as was

the case here.

In order to strengthen the transparency of public procurements procedures and competition at tenders, the Office will continue its preventive actions, so that the number of procedures with bargaining, without previous announcement, could be minimized as much as possible. In order to prove that they are the only ones able to meet the needs of the purchasing entity, a bidder must enclose an adequate document issued by the Chamber of Commerce or other institution in charge that unequivocally confirms such a statement. In such a way one of the most frequent bases for bargaining requests is regulated and at the same time an equal opportunity is offered to all bidders who wish to participate in public procurements. Recent Alterations and Amendments to the Law enabled a significantly more restrictive interpretation of extraordinary and unplanned events as bases for bargaining.


With the objective of strengthening transparency, the Office will also perform check ups of the ordering parties' obligation to publicize public announcements in "Official Gazette".

Along with this, after a certain period of time has elapsed, the Office will request the ordering parties who pleaded urgency when requesting opinions for initiating procedures with bargaining to provide the documents on the bases of which it will check whether a procurement was indeed urgent or not.

Even though the Office is not entitled to perform field checkups relating to how a procurement contract is realized in practice, perceiving irregularities in the public procurement processes early on is more often than not a very reliable indicator that, if there is abuse in the procurement process, there most probably are other irregularities in appropriating and expenditure of

budget funds. The aforementioned case of reconstruction of Terminal 2 of the Belgrade Airport is a good illustration of a case in which it turned out that the scope of abuse later to be discovered by far surpassed the shortcomings discovered at the beginning. A similar example is the last year's control of the municipality of Sabac, performed by the budget inspection due to the failings in the field of public procurements, during which it turned out that had merely been 'a tip of the iceberg'.

It is therefore important, where the irregularities in procedures of public procurements point to failures larger in scope, to efficiently include other institutions in charge, such as budget inspection and Ministry of Internal Affairs that would look into the cases thoroughly.



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Free Access to Information From Norm to Practice

What the Law on Free Access to Information brings and difficulties in its implementation

What does the law bring?

The Law on Free Access to Information, among other things, increases the citizens' interest in public affairs and thus decreases the possibility of covering corruption, shortcomings of work and ineffectiveness. In that way a support for necessary reforms is created in the long run on the one hand, and increases the risk to those who would, shrouded in mystery, wish to extort bribe from citizens or cover for already performed malversations on the other.

This law introduces the right to access and prescribes procedure for realizing this right, which will make it possible to obtain information that had thus far been only accessible in principle. For example, many journalists have stated their problem in the previous months to obtain information about salaries of certain state officials, information that are not secret in its nature, but they could not find an agency that would be authorized to give them such data. The Law sets foundations for the proactive role of the authorities as well, in which they would provide information that may be of use to citizens, companies and others themselves, even if nobody asks it of them. They would thus facilitate search and shorten the time necessary for everyone who's interested in it to reach these information. This is also of great use to journalists who find the deadlines of 15 to 40 days too long (where it should not be forgotten that these are extreme deadlines and that a government body is obliged to enable access at once whenever possible).

Difficulties on the journey of realization

In the parliament debate there has been some little talk about what needs to be

done prior to the enactment of the Law, in order to realize its goals in practice. It should be noted that implementing laws in Serbia is the most problem ridden part of the reform related operations. Even when the solutions are possible to implement, ones that are sufficiently precise and harmonized with other regulations, it so happens that the necessary sub legal bills are not enacted, that a control body is not elected, that the norms are interpreted in an arbitrary fashion and the like. Such examples abound in Serbia in the past several years, where it also can't be said that such things ensue from bad intentions, but they can also certainly stem from the lack of political will, readiness to be involved, capacities or resources.

And while the authorities take pride in front of their voters and international organizations in having passed reform laws, little of these laws remains in practice. Thus the worry that a similar thing could happen with the Law on Free Access to Information is not slight. The phases of implementation of the law are 'risky' for the following reasons:

In order for government organs to enable access to information in practice, they should further their system of record keeping, conceive the possibilities for providing citizens with an insight into the files without it undermining their regular works, prepare information sheets on the types of information they possess, appoint adequate persons to proceed in accordance with demands. It is rightfully claimed that 'the existence of the right to access information does not make much sense if the files are chaotic or unreliable'. Of course, education within the government organs themselves regarding their new obligations comes first, in order to prevent cases such as those in Albania (that has a very highly estimated Law on Free Access to Information), where non-government activists sometimes found themselves

in a situation in which an official they ask the information of is not aware of the existence of such a law at all, from taking place. In order for citizens to familiarize with the rights that the Law entails and be encouraged to make use of them, a wide range campaign should be carried out. In Romania, for example, the Law had been used very seldom used after being adopted, until the ministry in charge, together with non-government organizations, carried out an adequate campaign.

In order for the law to be implemented, additional budget funds should be provided – not only for the newly established institution of the Commissioner and her or his office, but also for acting in accordance with demands in government organs, publishing information sheets and the like. Since the Law is adopted at the point when the budget for 2005 had already been prepared, a major question remains of whether and how much the new obligations of budget users were taken into consideration when making the calculation.

A significant part in the implementation of the new law will be played by the first Commissioner for access to information, on whose authority, expertise and vision the future reach of the law will largely depend. The experience of Slovenia and Bosnia and Herzegovina indicate that this person gives a strong personal mark to the way in which the law is implemented. The prerequisite for success of the Commissioner's 'mission' is her or his political indisputableness – political bias, or lack of it being denied by a significant political party can jeopardize the entire concept. It should not even be mentioned on how difficult it will be to find such a person considering how politicized the public life in Serbia has been in the past 15 years.

What are we to do?

Some of the difficulties can be gleaned from this brief overview. The existence of these difficulties, however, should by no means be an excuse for giving up the implementation of the Law, because the potential gain in case its goals are realized is immeasurably greater. On the contrary, awareness of the problems that can arise is a prerequisite for them being solved in favor of public interest, and an encouragement that each agent (government organs, political parties, journalists, companies, non government organizations...) recognize their part in this important work. ■

Nemanja Nenadić

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Accessibility of Information Relating to Funding of Parties

How to build democracy is known better than how to fund it. Secret monies and corruption affect economic and political life of a country, destroy the confidence in politicians, hamper development and weaken citizens' belief in democracy. There is a belief that many officials actually make decisions in order to please those who fund them, and not those who elected them.

In many countries, the obligation of submitting a report on funding of the parties exists merely on paper. Only 13 percent of analyzed countries can be said to have a high level of accessibility of information about funding parties an election campaigns.

In order to control the funding of political parties, the states draw various moves: they prescribe parties funding from public funds, they introduce bans on certain sources of financing, limit expenditure, amount of donations, complete exposure of information on income and expenditure. Of all these measures, publicizing information on funding is the most important, because it makes the functioning and control of other measures possible. It also helps monitoring carried out by the media and civil society, education of the electorate and building confidence in democratic system. When party accounts are not made public, governments and citizens risk never finding out the price of their democracy and the most influential agents behind it, be it corporations, federations, interest groups or drug dealers and criminal associations.

"Total publicizing" includes reporting on the income, amounts of donations in services and loans, names and addresses of donors, types and amounts of expenditure, names of persons with whom the party

has performed payments during a campaign, reporting financial interests (property and debts) of candidates as a requirement for taking part in the elections and setting a threshold for compulsory reports on donations.

Political funding is an essential issue of democracy and development. Regardless of other significant factors, such as election system, civil society activity, money in politics undoubtedly influences the quality of democracy and government. Only through higher transparency can we understand the nature and scope of this influence to the full.

Conflict of interests and controlling the media in Italy

The role of the media in contemporary democracies becomes extremely delicate due to its relations with high finance. Prime minister of Italy, Silvio Berlusconi, has often been a target of accusations due to the laws he intended to pass or had passed. The lack of the Law on Preventing the Conflict of Interest enabled him to preserve control over his media empire even while performing a public duty. Along with this, his government controls three state television channels. In most democratic countries this

situation would be illegal because it impacts forming of citizens' attitudes and undermines the concept of public responsibility. Along with this, alterations of the law of July 2003 abolished all bans relating to ownership of printed media and limiting the income coming from advertisements, which enables further expansion of 'the empire'. The prime minister's opponents claim that the control of the media is also used to diminish monitoring the corruption, as well as to exert pressure on judiciary. The prime minister is criticized in international institutions for this condition, as well as for removing several journalists who were critical about the operations of the government from state television. Along with this, he sued many a journalist for slander because they had accused him of corruption, while on the other hand, by alterations in the Law of Immunity of 2003, a possibility of criminal proceedings against him is abolished. Due to nonexistence of limits relating to the number of mandates, such condition can be prolonged indefinitely.

The role of NGO in monitoring the costs of election campaigns

The Latvia branch of Transparency International has been carrying out the monitoring of funding of election campaigns for years now. While

monitoring the latest parliamentary elections, a dramatic increase in expenditure is discovered, especially those relating to TV campaigns and billboards. The expenditure has been tripled as compared to that of previous elections and reached the figure of 7 dollars per voter, which is many times more than is spent in the United Kingdom or France.

The first part of the work on the project has been to strengthen the regulations of the Law on Publicizing the Sources of Party Funding. Parties are now obliged to publicize on the Internet every donation and names of the donors within 10 days. During the work on the project a 120 000 dollar donation has been discovered and it also had a court epilogue— the party had to return the irregular donation, and criminal proceedings against several persons took place on the charges of forging signatures.

One of the main goals of the project was to identify hidden advertising in the media. While earlier it was a frequent practice to advertise political options in the form of news or entertaining programs, a number of articles and TV reports labeled 'paid for' increased at the latest elections. Currently, the activists strive to limit or entirely prohibit political advertising on TV, but the major opponents to such changes are the TV stations themselves, who find the election a lucrative source of income. ■

Corruption in Sector is Infe

Transparency International's Most countries with product

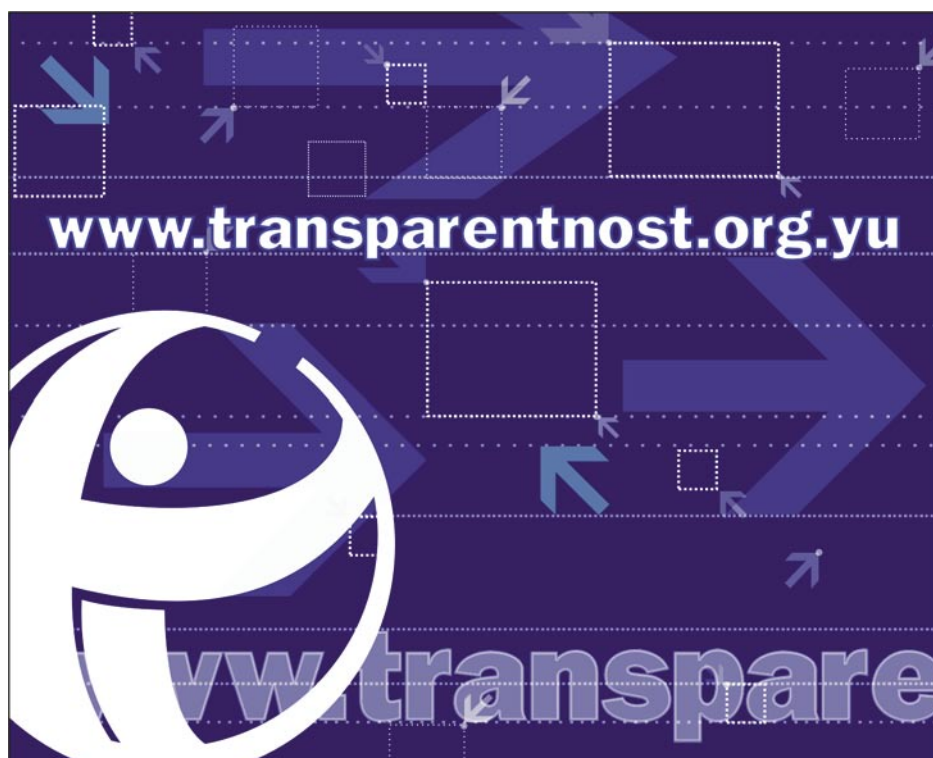
"Corruption in major public projects is a frightening obstacle to sustainable development and results in huge losses of public funds needed for education, healthcare and decrease of poverty, both in developed and developing countries", concludes the chair person of Transparency International (TI), Peter Eigen.

"If we intend to achieve the millennium development goal by cutting the number of people living in extreme poverty in half by the year 2015, governments must seriously deal with corruption in public procurements" said Eigen. TI estimates that the sum lost due to bribery in public procurements reaches as much as 400 billion dollars a year.

As many as 106 of 146 countries have less than 5 of maximum 10 points in the Corruption Perception Index (CPI) for this year, the leading non-government organization in the struggle against corruption estimates. Sixty countries have index of less than 3, which indicates that corruption flourishes in these countries. The most overwhelming corruption problems are found in Bangladesh, Haiti, Nigeria, Chad, Myanmar, Azerbaijan and Paraguay, with the index of less than 2.

"Corruption robs potential states", Eigen said. "As CPI for 2004 indicates, countries rich in oil such as Angola, Azerbaijan, Chad, Ecuador, Indonesia, Iran, Iraq, Kazakhstan, Libya, Nigeria, Russia, Sudan, Venezuela and Yemen have very low results. In these countries, public work in the oil sector is flooded with income that vanishes in the pockets of western oil directors, intermediaries and local officials'.

TI invites western governments to compel their oil companies to publicize fees, taxes and other payments to oil countries and their state owned oil companies. "Access to these vital information will diminish the possibility of covering for payments that ensure winnings in oil



ourishes in 60 Countries, and Public ected by Bribery

s 2004 Corruption Perception Index includes a record number of 146 countries.
ion of oil are corruption prone

related tenders, which is a widespread practice in oil industry of transition and post-war economies", Eigen pointed out.

"The future of Iraq depends on transparency of oil sector", Eigen explains. "The needs for immediate postwar reconstruction intensifies the need for convincing transparent public procurements. Without inexorable anti-corruption measures, the reconstruction of Iraq will undergo a wreckage thanks to indulgent use of resources by the corrupt elite".

According to the words of TI vice president, Rosa Ines Ospina Robledo, "inter-

introduced, sanctions including loss of contract and blacklisting future bids".

Tenders must include objective criteria for evaluating and publicness of the entire process. Exceptions must be minimal and have to be explained and documented, since limited bids and direct contracts are particularly prone to manipulation and corruption. Public procurements must be supervised by independent supervisory agencies and civil society.

"OECD countries companies must fulfill obligations they assumed through OECD Anti-corruption Convention and stop

CPI demonstrates business persons' and analysts' perception of certain countries, both domestic and international. This year's CPI is based on 18 researches that were available to TI between the years of 2002 and 2004, researches carried out by 12 independent institutions. Countries with index higher than 9, with very low perception of corruption, are mostly wealthy countries, primarily Finland, New Zealand, Denmark, Iceland, Singapore, Sweden and Switzerland. "The poorest countries, that mostly have index lower than 5, require the most support in the struggle against corruption", said Eigen.

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Sve veći broj dokaza ukazuje na povećani stepen korupcije u PRAVOSUDNOM SISTEMU u mnogim delovima sveta.
Korupcija u pravosuđu stvara negativnu sliku države i legitimnost vlasti. Tradicionalno pravosuđe omogućuje organizovane kriminalne delatne da se isprave svi korupcije.

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Potrebna je JAKA POLITIČKA VOLJA I POSVEĆENOST za borbu protiv korupcije.
Korupcija je ozbiljan problem koji treba rešiti. Potrebna je jaka politička volja i posvećenost za borbu protiv korupcije.

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Based on the data from the sources used for creating CPI in 2003 and 2004, increase in corruption was noted in Bahrain, Belize, Cyprus, Dominican Republic, Jamaica, Kuwait, Luxembourg, Mauritius, Oman, Poland, Saudi Arabia, Senegal and Trinidad and Tobago.

Based on the same data, decrease in corruption was noted in Austria, Botswana, Czech Republic, El Salvador, France, Gambia, Germany, Jordan, Switzerland, Tanzania, Thailand, Uganda, United Arab Emirates and Uruguay.

The Index only includes the countries that were included in the researches during the past three years. As a result, many countries, among which those that can be considered the most corrupt, are missing for the very reason of lack of information.

national donors and national governments throughout the world must ensure transparency in public procurements by including anti-corruption mechanism in all major projects. Serious sanctions for companies caught in bribing must be

bribery in their countries and abroad", said Rosa Ines Ospina Robledo. "By strengthening anticorruption legislation, corporate management and anticorruption rules, managers have no more excuses for bribery."

NEWS

Uncertain Funding Of The Anticorruption Laws In 2005

Demand for Access to Information of Public Significance

Transparency – Serbia, wishing to encourage the use and application of the Law on Free Access to Information, has submitted the identical text of demand for access to information to republic, province and city organs, public companies and institutions, who were obliged to appoint an official person for acting on request for access to information by December 13 (if not, on the basis of article 38, paragraph 3 of the Law, the manager of the authority organ is authorized to do so – for instance, minister, mayor, company manager).

The goal of this undertaking is to establish which actions have been taken during the first month of the Law being implemented, and to encourage activities in the government organs in order to carry out these necessary actions.

Information we requested pertains to the following: whether certain official persons were appointed, whether they have commenced their work and if they have other duties except this one; whether the training of the employees about carrying out the Law in the organs of authority has been planned or carried out; whether the estimate of expenditures necessary for applying the Law in the organs of authority has been made; which information is publicized on web presentations of the authorities.

Transparency – Serbia will publicize the data collected from organs of authority following the expiration of legal time frame allowed for the reply. Together with other non-government organizations, members of the Coalition for freedom of information, Transparency – Serbia will participate in many other actions whose goal is efficient realization of the right to access to information. ■

Transparency – Serbia points out that the Law on the Budget for 2005 does not include sufficient funds for funding implementation of important anticorruption laws (those about preventing conflict of interests, free access to information and funding of political parties) and that it will be necessary to appropriate significant amount of money from budget reserves in order for these laws to be implemented adequately.

Preventing conflict of interests

The Law on Preventing Conflict of Interests was enacted in April this year, but many of its regulations are not implemented due to months long delay of election of the ninth member of the Conflict of Interests Solution Board. On the basis of this law, the Government had the obligation to provide space, material, technical and other material conditions for the beginning of the work of Republic Board. The newly adopted budget, however, does not contain a statement about funding the work of this body, probably because it hasn't been constituted yet. On the basis of article 41, paragraph 3 of the Law on Budget System, the funds for funding the work of this body can only be appropriated from the budget reserves, the decision which is made by the Government of Serbia.

We particularly point out that the work of this body will require significant funds, that include, among others: salaries for 9 members, costs of expert service, expenditures of keeping and checking records on the properties and income of around 40 000 officials and their family members.

Free access to information

The Law on Free Access To Information of Public Significance is adopted a few weeks prior to the Law on Budget for 2005, but the funds for its application are apparently not included in the budget. Also, it should be noted

that expenditures for the work of Commissioner for Access to Information and his or her expert service (the foundation of which is projected in this law) is only a minor part of the expenses that need to be covered. Atop of it, all 'organs of authority' (state organs, public companies...) will have significant costs of their own: authorizing at least on person to act on demand, preparation and publishing information sheets, maintaining 'information carriers' (documents, archives, databases, internet presentations) and free of charge copying of documents for journalists and organizing trainings for employees regarding application of this law.

It can be guessed with quite a bit of certainty that these costs were not taken into account when the amount of funds for certain budget users has been appropriated and that many of them will have to look for adequate funds from budget reserves very soon.

Funding of political parties

Even though the Law on the Budget cites the Law on Funding of Political Parties when appropriating the funds for funding regular work of parliamentary parties and funding campaign for elections of members of parliament of Serbia and Montenegro, the funds for these purposes are not appropriated in accordance with the regulations in this law. Thus, 330 million dinars has been provided for regular financing (our provisional calculation tells us that a much larger sum is necessary – around 370 million dinars), whilst financing of election campaigns includes 82 instead of roughly 250 million dinars. We should remind that funding from the budget has the goal of decreasing dependency of parties on private donors and this is one of the crucial anticorruption regulations of this law. True, the amount of funds appropriated to this purpose can be diminished, but only if a certain party is effectively sanctioned for breaking the regulations of the law. ■