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Eastern Partnership – Council of Europe Facility

Good Governance and Fight against Corruption

Project Summary

August 2011 PMM# 2524

Project title	Eastern Partnership – Good Governance and the Fight against Corruption
Project area	Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine
Budget	EURO 1,126.365
Funding	European Union (ENPI)
Implementation	Council of Europe–DGHL (Directorate of Cooperation/Economic Crime Division)
Duration	30 months (March 2011-September 2013)

BACKGROUND

The present project is one of the Programme components funded under the Eastern Partnership through a Council of Europe Facility Programme. It addresses good governance and the fight against corruption as one of the four components of the CoE Facility.¹

The Eastern Partnership was launched by the EU at a Summit meeting with the Eastern European partners on 7 May 2009 in Prague. It sets out an ambitious path for deeper relations with Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine, through both bilateral and multilateral dimensions.

In its second meeting, the Eastern Partnership Platform 1 adopted its Work Programme for 2009-2011, which mainly focuses on cooperation in the following areas: Democratic Governance; Improved Functioning of the Judiciary; Public Administration; Fight against Corruption; Flagship Initiative on Integrated Border Management; Flagship Initiative on Prevention, Preparedness and Response to Natural and Man-made Disasters.

The Democratic Governance area links three major components: the Judiciary, the Public Administration, and the Fight against Corruption. In view of this, and also of the on-going procedures under the recently established **Panel on the Fight against Corruption** under EaP's Platform 1, it was agreed that it is necessary that a Panel Review² on the existing reforms and project results deployed in the region takes place initially as a stock-taking exercise and peer review through exchange of good practices in the region. Consequently, the CoE Facility then would ensure technical assistance and advice through regional cooperation and multilaterally approached activities, in order to sustain the current reforms and further strengthen capacities in the region with regard to good governance and measures to fight corruption. To this end, a set of "Bridge Activities" – aimed at initiating action in this direction and in

¹ The CoE Facility contains four components: 1) Electoral Standards; 2) Support to the Judiciary and respect for Human Rights in the delivery of Criminal Justice; 3) Support measures against serious forms of Cybercrime; 4) Good governance and Fight against Corruption.

² 1st Meeting Panel on the fight against corruption took place in Brussels in September 2010, while the 2nd Meeting of the Panel which confirmed the Expected of the CoE Facility workplan on good governance and anti-corruption took place in mid-November 2010.

support of the preparatory work of the Panel against Corruption under the EaP Platform 1 – were carried out initially during year 2010 for a period of 4 months, during which, among other things, participation of EaP partner countries was ensured and more specifically in designing the direction, which the workplan of activities should take and based on priority areas.

The Corruption component within the Eastern Partnership (EaP) Platform 1 stems from the realisation that there is a need to further enhance co-operation with Eastern partner countries that face similar challenges in complying with commitments originating from the membership in the Council of Europe and its standard-setting instruments. The “Bridge Activities” are the first step in contributing to look at the progress made so far of the reform processes in the six partner countries through a multilateral approach, and to facilitate those processes by bringing them closer to the Council of Europe and EU standards in the areas covered by Platform 1.

The Facility aims at strengthening the implementation and follow-up to the findings of Council of Europe monitoring and advisory bodies in the areas of corruption and money laundering. It will allow for the mobilisation of Council of Europe expertise, peer-to-peer advice, and the exchange of good practices among participating countries.

NEEDS TO BE ADDRESSED

The six EaP countries are currently member states in the Council of Europe’s Group of States against Corruption (GRECO). GRECO was established in 1999 by the Council of Europe to improve the capacity of its members to fight corruption, by monitoring their compliance with Council of Europe anti-corruption standards³ through a process of mutual evaluation and peer pressure. GRECO helps to identify deficiencies in national anti-corruption policies, and prompts legislative, institutional, and practical reforms. GRECO monitoring is comprised of a “horizontal” evaluation procedure, as well as a compliance procedure designed to assess the measures taken by its members to implement the recommendations. GRECO Recommendations are issued as a result of monitoring rounds which evaluate key issues, such as national strategies and policies, specialised law enforcement agencies on economic crime, legislative incriminations, conflicts of interest in the public administration and immunities of public officials, as well as political financing. Recent evaluation and compliance reports highlight the level and the identified needs for technical assistance in each of the EP countries.

With reference to financial crime issues, and more specifically money laundering, and of relevance to the Council of Europe’s five EaP member states, the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL)⁴ monitors Member States’ compliance with the relevant international standards and the effectiveness of their systems to counter money-laundering and terrorist financing.

In addition to the reforms that ought to be taken in line with the CoE’s monitoring mechanisms, the recent “EaP Bridge Activities” provided a list of issues and areas which consist of current challenges and priorities of EaP partner countries where cooperation, assistance, and sharing of good practices through a multilateral approach is necessary in order to keep the momentum and continue to sustain the way ahead for these reforms. Therefore, the EaP/CoE Facility project will address through its result-oriented activities the following areas:

³ The Criminal Law Convention on Corruption (ETS 173) and its Additional Protocol (ETS 191), the Civil Law Convention on Corruption (ETS 174), Twenty Guiding Principles for the Fight against Corruption (Res (97)24), the Model Code of Conduct for Public Officials (Rec No. R (2000)10) and Common rules against corruption in the funding of political parties and electoral campaigns (Rec(2003)4).

⁴ MONEYVAL is an FATF-type regional body and undertakes regular peer evaluations of its Member States. All countries covered by the Eastern Partnership (except for Belarus) are members of this mechanism.

- Good governance and measures to prevent corruption, including the role of education and public awareness;
- Law enforcement and implementation of legal frameworks when fighting economic crime; and
- Pilot: specific country needs/legal reforms.

APPROACH

All activities will follow mainly a regional approach, and will combine technical advice with assessments of measures taken and provide guidelines and methodologies to share as good practices for each identified expected result. Furthermore, the rationale of the approach will be as follows:

- **Regional Technical Workshops – 4 (four)**: involving up to 25/35 participants
- **Regional Training – 3 (three)**: involving 25/35 participants
- **Pilot/Country Tailored Activity – 6 (six)**: involving different technical and decision making participants from each Pilot country and possibly international and regional experts
- **Regional Specific Theme Conferences – 4 (four)**: involving up to 60/70 Participants

The regional workshops and trainings will be organised to initiate analysis, peer reviews and provide technical advice and trainings among the practitioners and experts on priority and selected themes/disciplines. Further on, those workshops and training results will build up the content and support the subject matter covered by Regional Theme Conferences by also disseminating and sharing good practices and tools in a larger scale that will be attended by decision makers in addition to EaP national experts and practitioners.

The Pilot Activities will be dedicated to each Eastern Partnership country and provide specifically tailored assistance and support in respond to the country's individual needs and priorities which will be confirmed and further identified during the inception phase of the project.

The first Regional Conference, in addition to its dedicated theme, will serve as the launching event of the project, while the last Regional Conference will serve as the closing event of the project.

Between these five conferences and the regional workshops/trainings the focus of action will be on:

- Corruption-prevention legislation;
- Anti-corruption polices and tools;
- Judicial and law enforcement training;
- Economic and financial crime investigations;
- Analysis and typologies that, in turn, will provide identified tools and recommendations; and
- Country specific actions addressing legislative and institutional reform issues.

Each Eastern Partnership country will host one Regional Conference, and more than one regional workshop or/and training. Furthermore, each country will be visited to carry out peer reviews, study/typology assessments, and for purposes of pilot activities, in order to provide advice. The inception phase would constitute a period of 3 months out of 30 months of the implementation period, where the 1st Regional Launching Event would take place at the end of third month of the inception. The inception phase would allow that the first in-country visits initiate direct dialogue with experts and policy makers in confirming identified individual country priorities that will be addressed through Pilot Activities but also through the foreseen regional workshops and trainings. The result reports, technical papers and legal advise documentation from all these actions including here all relevant information (tools, methodologies, and practices shared, and analysed) will be presented and disseminated in the form of a publication at the final regional conference.

OBJECTIVE, EXPECTED OUTPUTS AND ACTIVITIES

Overall objective of CoE Facility	To enhance the reform processes in the six partner countries through a multilateral approach and to bring them closer to Council of Europe and EU standards in core areas covered by the Eastern Partnership Platform 1.
Specific project objective	To enhance good governance and strengthen the capacities of the public administration and criminal justice sectors in the Eastern Partnership countries in order to effectively prevent and fight corruption in line with European and international standards and practices.
Result 1	Eastern Partnership countries have defined and are able to apply policy and prevention measures concerning enhancement of good governance and the fight against corruption
Activities	
1.1	Regional Workshop I: Improving the designing of anti-corruption policies
1.2	Regional Workshop II: Mechanisms of implementing and monitoring anti-corruption policies, including education and public awareness
1.3	Regional Conference I: Good practices of designing, implementing and monitoring anti-corruption policies
1.4	Regional Workshop III: Risk assessment: Typologies of underlying causes of corruption
1.5	Regional Conference II: Presentation of risk assessment: Typologies of underlying causes of corruption
Result 2	Eastern Partnership countries are provided with the tools for effective law enforcement and implementation of legal frameworks when fighting economic crime
Activities	
2.1	Regional Workshop IV: Analysis and typologies on laundering the proceeds of corruption in transition economies
2.2	Regional Conference III: Laundering the proceeds of corruption in transition economies
2.3	Regional Specialised Training I: Implementing standards concerning detection, investigation and criminalisation of economic and financial crimes
2.4	Regional Specialised Training II: Implementing standards concerning criminal and civil liability for legal persons
2.5	Regional Specialised Training III: Political party and electoral campaign financing
Result 3	Pilot: Eastern Partnership countries efficiently apply and implement European and international standards on good governance and the fight against corruption
Activities	
3.1 - 3.6	Pilot: Specialised activities for each country in accordance with their needs and reform priorities (details are subject to confirmation).
3.7	Regional (Closing) Conference IV: Share of peer countries on reforms and good practices during the implementation of the Project.

PROPOSED COUNTERPARTS/BENEFICIARIES

The main proposed beneficiaries and stakeholders for the implantation aspects of this project /programme component would be required to be confirmed by each partner country through the relevance of the action. However, the expected and proposed beneficiary and counterparts are:

- Governmental bodies at all levels, notably specialised structures within the Ministries of Justice, Interior, and Finance;
- Relevant and specialised structures at the Ministries responsible for public administration and civil service management;
- Specialised agencies/bureaux/commissions involved in the prevention and fight against corruption and economic crime (i.e., Anti-corruption Agency);
- Financial investigation units (FIUs);
- Judiciary and Prosecutorial Services, supervisory bodies (i.e., Judicial Council/Prosecutors Council); and
- Civil Society.

PROPOSED IMPLEMENTATION ARRANGEMENTS

Being a key actor in the thematic area, and in the EaP region, the Council of Europe, and more specifically the Directorate of Human Rights and Legal Affairs (DGHL), Directorate of Cooperation (Economic Crime Division) will carry out the implementation of activities under this project. The project as a part of an overall Facility Action will be implemented according to the General and Special Conditions applicable to the European Community's contribution agreements with international organisations. Involvement of Council of Europe key and short-term experts in the field of anti-corruption and economic crime as well as of expertise of the EaP countries will be secured to carry out and implement the proposed activities.

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