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Economic Crime Division
Directorate General of
Human Rights and Legal Affairs

Technical cooperation against economic crime – Activity report 2008

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The opinions expressed in this technical report do not necessarily reflect official positions of the Council of Europe.

1 Introduction

Economic crime undermines democracy, the rule of law, human rights and economic and social progress, that is, the very objectives which the Council of Europe stands for. This includes corruption, organised crime, trafficking in human beings, cybercrime, money laundering and other forms of serious crime.

The 3rd Summit of Heads of State and Government (Warsaw, 2005) confirmed the important role of the Council of Europe in ensuring the security of European citizens. The Declaration and the Action Plan adopted at the Summit tasked the Council of Europe to undertake specific measures against economic and other forms of serious crime, including technical cooperation projects.

The Council of Europe has been taking measures against such crimes for some three decades, and not merely to prevent and control crime but to make a positive contribution to democracy, the rule of law and human rights.

The strategy of the organisation is implemented through an approach consisting of three inter-related elements:

- Setting European standards, in particular in the form of conventions, protocols, recommendations and resolutions aimed at the prevention and control of crime in general or particular forms of crime
- Monitoring compliance with European or other international standards. Relevant monitoring mechanisms include in particular the Group of States against Corruption (GRECO), MONEYVAL (focusing on international anti-money laundering and counter-terrorist financing standards) and now also GRETA with regard to trafficking in human beings
- Technical cooperation aimed at building capacities to enable countries to ratify and implement relevant standards or to follow up on recommendations resulting from monitoring exercises. Technical cooperation, in turn, informs monitoring and standard setting mechanisms of relevant issues and new questions arising.

In 2008, a large number of technical cooperation activities against economic crime were carried out involving a wide range of countries and organisations. The purpose of the present report is to make the Council of Europe's work in this area more transparent and to inform partners of the activities implemented. It not only covers measures funded by the Council of Europe from its regular budget, but also all economic crime-related projects financed through extra-budgetary contributions.

2 Projects and activities in 2008

2.1 Overview

In 2008, close to 400 activities were carried out under 13 projects. One of these has been fully funded from the regular budget of the Council of Europe and is subject to the annual approval of the Council of Europe budget. All others were either joint multi-annual projects of the Council of Europe and the European Commission or funded through voluntary contributions. The combined budgets of all projects on economic crime underway in 2008 amounted to some € 23 million while expenditure in 2008 amounted to approximately € 7 million.

The Project on Economic Crime (2008/DGHL/1429) is also known as the "Octopus Programme" and is funded from the ordinary budget of the Council of Europe. Its budget is rather limited but it nevertheless serves as an umbrella linking all other economic crime-related projects funded by extra-budgetary contributions, and it provides resources for the development of new projects and for pragmatic responses to emerging needs. In 2008, more than half of its budget was used as the Council of Europe input to the Project on Cybercrime, including the Octopus Interface Conference.

The Project on Cybercrime is co-financed by voluntary contributions from Microsoft and Estonia. It has global coverage and is aimed at the implementation of the Convention on Cybercrime and its Protocol on xenophobia and racisms. It feeds into the work of the Cybercrime Convention Committee (T-CY).

The MOLI projects are aimed at the strengthening of systems against money laundering (AML) and the financing of terrorism (CFT) in line with Council of Europe and other relevant standards and MONEYVAL recommendations. In 2008, MOLI projects were implemented in the Russian Federation (MOLI RU2) and Ukraine (MOLI UA2) which build on activities carried out in both countries since 2003. The PACO Serbia project and the MOLICO project in Moldova also contain important AML/CFT components. These projects are joint projects of the Council of Europe and the European Commission.

The PACO Serbia project ended in May 2008. It was aimed at economic crime, cybercrime and AML/CFT. The MOLICO project in Moldova consists of two components, namely corruption and AML/CFT. This is a joint project with the European Commission but is also co-funded by the Swedish International Development Cooperation Agency (Sida).

Other corruption projects aimed at the implementation of Council of Europe standards and GRECO recommendations include the TYEC project focusing on the prevention of corruption in Turkey, and the Project against Corruption in Ukraine (UPAC). Both are joint projects of the CoE and the EC. The GEPAC Project against Corruption in Georgia is funded by the Netherlands and the AZPAC Project against Corruption in Azerbaijan is funded by USAID.

In 2008, two new projects against corruption were launched, namely, the PROSECO Project on Judicial Networking among Prosecutors in South-eastern Europe, and the TRES on the Protection of Women and Children in Ukraine (both are joint project of the CoE and the EC).

Ukraine was supported in the strengthening of its capacity to cooperate internationally against crime through the UPIC joint project of the CoE and the EC. This project was successfully completed in November 2008.

A number of additional projects were designed in 2008 and are expected to be launched in 2009.

Projects underway in 2008

<i>Title</i>	<i>Start</i>	<i>End</i>	<i>Budget (Euro)</i>	<i>Source of Funding</i>
Economic crime/Octopus 2009 (2008/DGHL/ 1429)	01/01/08	31/12/08	120 000 ¹	CoE
Project on Cybercrime	01/08/06	28/2/09	1 100 000	Microsoft/ Estonia/CoE
Project against corruption and money laundering in Moldova (MOLICO)	01/08/06	31/07/09	3 500 000	EC/Sida (Sweden) /CoE
PACO Serbia Project against economic crime	01/12/05	31/05/08	1 565 000	EC/CoE
Ukraine – International cooperation in criminal matters (UPIC)	01/12/05	30/11/08	1 680 000	EC/CoE
Ukraine – Project against corruption (UPAC)	01/06/06	31/05/09	1 750 000	EC/CoE
Project against money laundering in Ukraine (MOLI-UA 2)	01/05/06	30/04/09	5 300 000	EC/CoE
Project against money laundering and terrorist financing in the Russian Federation (MOLI-RU 2)	01/1/07	30/06/10	3 150 000	EC/CoE
Project against corruption in Georgia (GEPAC)	01/09/07	31/08/09	700 000	Netherlands
Turkey: Ethics for the prevention of corruption	01/12/07	30/11/09	1 500 000	EC/CoE
Project against economic crime in Azerbaijan	01/10/07	30/09/09	700 000	USAID
PROSECO	17/04/08	17/04/10	1 650 000	EC/COE
Protecting women's and children's rights in Ukraine	01/09/08	31/08/10	1 200 000	EC/COE

¹ The budget of Project 2008/DGHL/1429 was Euro 262 000 in 2008. Approximately 142 000 of this was used for cybercrime (see Project on Cybercrime) and 120 000 for other activities related to economic crime as indicated in this section.

2.2 Project on Economic Crime (Octopus)

Title	Effective measures against economic crime and cybercrime (2008/DGHL/1429)
Project area	Europe
Budget	€ 120 000 [from a total of € 262 000]
Funding	Council of Europe cooperation programme
Implementation	Economic Crime Division (Directorate General of Human Rights and Legal Affairs, Council of Europe)
Duration	2008-2010
Objective	To strengthen capacities against economic crime and cybercrime
Activities and results in 2008	<ul style="list-style-type: none"> ▪ Management of 12 joint and voluntary contribution funded projects under the umbrella of this project ▪ Preparation and launch of two new projects on judicial networking in South-eastern Europe and on the protection of women and children in Ukraine, including mobilisation of €2.7 million in extra-budgetary resources ▪ Preparation of additional projects on cybercrime in Georgia and in Turkey, on corruption in Albania and initiation of preparation of new projects on economic crime in Bosnia and Herzegovina and Serbia. These projects are to be launched in 2009 and 2010 ▪ Advice provided to Montenegro on anti-corruption legislation, the corresponding institutional and policy framework and the implementation of GRECO recommendations through a conference in Podgorica (April 2008), expert opinion on draft law on conflict of interest (May 2008), working group meeting on the draft law (July 2008), expert opinion on amendments to criminal legislation (Nov/Dec 2008) ▪ Advice provided to Armenia regarding the draft anti-corruption strategy ▪ Contribution to an OSCE conference on international cooperation in criminal matters in Armenia (February 2008) ▪ Support to the development of regulations on lobbying in the Russian Federation (seminar in Moscow, May 2008) ▪ Review of the draft law on money laundering and financing of terrorism of San Marino (expert meeting in Strasbourg, October 2008) ▪ Contribution to the meeting of Ministers of Justice and Interior on the South-eastern European Cooperation Process (Sofia, April 2008) ▪ Participation in the 77th Interpol General Assembly (St. Petersburg, October 2008) ▪ [See Project on Cybercrime for cybercrime related activities funded from the budget of Project 1429]
Assessment and follow up	<ul style="list-style-type: none"> ▪ Although modest in budget, this project provides a most useful umbrella to ensure coherence of all economic crime related projects. It provides a minimum of resources to respond to emerging needs (such as in Montenegro and the Russian Federation in 2008) and to design and launch new projects. ▪ The launch of the TRES project on the protection of women and children was important as it is the first one to focus on the implementation of the Convention on Trafficking in Human Beings and the Convention on the Protection of Children from Sexual Exploitation and Abuse. ▪ Given the value and impact of Project 1429 it is of concern that budget allocations are declining year by year.

2.3 Project on Cybercrime

Title	Project on Cybercrime
Project area	Europe
Budget	€ 1.1 million
Funding	Council of Europe and Microsoft (additional contributions required)
Implementation	Economic Crime Division (Directorate General of Human Rights and Legal Affairs, Council of Europe)
Duration	September 2006 – February 2009
Objective	To promote broad implementation of the Convention on Cybercrime (ETS 185) and its Protocol on Xenophobia and Racism (ETS 189)
Activities and results in 2008	<p>In terms of expected Output 1 – Legislation implementing the Convention on Cybercrime and its Protocol on Xenophobia and Racism:</p> <ul style="list-style-type: none"> ▪ Since the inception of the project, the Convention on Cybercrime was presented to representatives from more than 150 countries around the world through different types of meetings. In 2008, some 40 activities were carried out, including the Octopus Interface Conference on Cybercrime in April 2008 which included a workshop taking stock of legislative developments around the world. ▪ Specific advice was provided to: <ul style="list-style-type: none"> ▪ Montenegro, Bosnia and Herzegovina, Georgia, Kosovo, Philippines, Sri Lanka, Malaysia, Benin, Niger, Argentina, Brazil, Costa Rica and the Dominican Republic through country-/area-specific workshops or legislative opinions ▪ 17 countries of Latin America through a legislative review workshop in cooperation with the Organisation of American States ▪ 11 countries of Western Africa through a workshop in cooperation with the United States Department of Justice ▪ 14 countries of the Caribbean through a legislative review workshop in cooperation with the OAS and the US Department of Justice ▪ 8 countries of ASEAN through a legislative review workshop in cooperation with the European Commission and ASEAN ▪ In addition, the Convention on Cybercrime was presented at a large number of public and private sector events on all continents. ▪ In order to facilitate the analysis of cybercrime legislation against the provision of the Convention, “profiles” have been prepared and are now available for more than 70 countries. These serve as bases for in-country workshops and guide legislative reforms ▪ In sum, the legislative processes that the project was able to support and initiate since 2006 exceeded the expectations, in particular considering that with many of the non-European countries, the CoE had little contact before. The Convention is used as a guideline or “model law” in some 100 countries worldwide ▪ In 2008, the Philippines and the Dominican Republic were invited to accede to the Convention on Cybercrime. <p>In terms of expected Output 2 – Strengthening of capacities for the investigation, prosecution and investigation of cybercrimes:</p> <ul style="list-style-type: none"> ▪ Legal basis strengthened: The focus of the project has been on creating the legal basis for more effective investigations, prosecution and adjudications in line with the procedural law provisions of the Convention. ▪ Training of police and prosecutors: Several hundred police officers and prosecutors participated in activities around the world where the procedural provisions of the Convention were explained. The project

contributed to a number of training events specifically aimed at forensic investigators and others at prosecutors

- The CoE participated actively in the working group for harmonised law enforcement training coordinated by Europol and also involving the private sector
- Training of judges: While law enforcement officers of many countries have made much progress in developing their subject-matter skills and while this is also partly true for prosecutors, the judiciary is clearly lacking behind. Training courses for judges and prosecutors were supported for example in Romania, Turkey, Egypt, Brazil and "the former Yugoslav Republic of Macedonia". A standard training manual for judges has been developed
- Law enforcement – ISP cooperation: A key achievement was the adoption of guidelines for law enforcement – Internet service provider cooperation in the investigation of cybercrime at the global Octopus Interface Conference in April 2008. These guidelines were also supported by the European Union's JAI Council in November 2008

In terms of expected Output 3 – Capacities of criminal justice bodies to cooperate internationally re-enforced:

- The Octopus Interface Conference in April 2008 also comprised a workshop for 24/7 points of contact. In November 2008, a joint directory of contact points of the G8 High-tech Crime Subgroup and the CoE was prepared
- A study on good practices in international cooperation against cybercrime was completed and presented at the Octopus Interface Conference in April 2008. A follow up study on the effectiveness of 24/7 points of contact is being completed. An international workshop on this question was held in Ohrid ("the former Yugoslav Republic of Macedonia") in November 2008
- Additional contact points were established in Armenia and Bosnia and Herzegovina
- The CoE contributed to a wide range of events worldwide to promote international cooperation on the basis of the Convention on Cybercrime, and continued to cooperate with other international organisations in this matter such as APEC, ASEAN, Europol, Interpol, United Nations and others.

Assessment and follow up

The Project on Cybercrime since its inception in September 2006 helped establish the Convention as the primary reference standard for cybercrime legislation globally. In some 100 countries around the world legislative amendments have been completed or are underway using the Convention and/or its Protocol as a reference. In terms of additional ratifications by European countries, the progress made in 2008 has been less satisfying although legislative work is underway in many of them. Only two countries completed the ratification process in 2008 (Slovakia and Italy). 13 of the 27 EU countries still need to ratify the Convention, and five member States of the Council of Europe (Andorra, Monaco, San Marino, Russia and Turkey) have not yet signed the Convention. On the other hand, the Dominican Republic and the Philippines have been invited to accede, which means that now eight non-member States have either ratified (USA), or signed or been invited to accede. The current project will end in February 2009. A follow up project has been prepared. Subject to financing, it will continue the work started under the present project but also put a stronger focus on child protection, data protection and the training of judges.

2.4 Project against Corruption, Money Laundering and the Financing of Terrorism in Moldova (MOLICO)

Title	Project against corruption, money laundering and the financing of terrorism in Moldova (MOLICO)
Project area	Moldova
Budget	€ 3 500 000
Funding	European Commission/Swedish International Development Cooperation Agency (Sida)
Implementation	Economic Crime Division (Directorate General of Human Rights and Legal Affairs, Council of Europe)
Duration	36 months (August 2006–July 2009)
Objective	<p>Project objective 1 – To ensure the implementation of Moldova’s anti-corruption strategy on the basis of annual action plans</p> <p>Project objective 2 – To strengthen the anti–money laundering/counter-terrorist financing (AML/CFT) system of Moldova in accordance with international standards and good practices as well as MONEYVAL recommendations</p>
Activities and results in 2008	<p>A large number of activities was carried out in 2008 which contributed to the following results.</p> <p>Under objective 1 of the project (corruption):</p> <p>Output 1.7 – Implementation of the law on the financing of political parties ensured</p> <ul style="list-style-type: none"> ▪ The capacity of the Central Electoral Commission to interact with all relevant institutions was considerably increased through training. This facilitated constructive cooperation with political parties representatives with regard to the new financial reporting requirements. This achievement was particularly important for the pre-electoral period <p>Output 1.10 – Promote active role of civil society and media against corruption and reduce the tolerance of the public to corruption</p> <ul style="list-style-type: none"> ▪ A number of media-awareness training events and a study visit to Germany were conducted for law-enforcement public relations officers. A training on techniques of investigative journalism and a study visit to Latvia were organised for investigative journalists ▪ Subsequent TV talk-shows on corruption demonstrated an increased capacity of law enforcement representatives and investigative journalists to provide and to analyse information related to corruption offenses ▪ A strategy for the anticorruption awareness raising campaign was developed and implementation should start shortly provided funds are available from the beneficiary institutions <p>Output 1.2 – Legislation improved to effectively prevent and control corruption as foreseen in the anti-corruption strategy and action plans and in accordance with GRECO recommendations and European and United Nations standards</p> <ul style="list-style-type: none"> ▪ A new anticorruption law was adopted in line with international standards on the basis of recommendations from COE experts

Under objective 2 of the project (AML/CTF):

Output 2.1 – Relevant legislation in line with international standards and best practices:

- The Council of Europe Convention on Prevention of Terrorism was ratified by Moldova in March 2008
- In order to implement this Convention the amendments to laws on combating terrorism, criminal and criminal procedure codes and other laws were adopted in June 2008
- Changes to the criminal code also improved the confiscation regime, inter alia the confiscation of assets of equal value to crime proceeds. This helped improved the AML and anti-corruption framework as well

Output 2.2 – Competencies, status and organisational set-up of the FIU in line with Moneyval recommendations and international best practices:

- The FIU is now operational and conducts exchange of information with other FIUs according to Egmont Group standards

Output 2.3 – System of collection, processing, analysis, protection and exchange of information on transactions designed and procured for the FIU.

- The project provided the FIU with computer equipment – servers, network equipment, workstations, printers

Output 2.4. Capacity of the FIU to co-operate with the FIUs of other countries in accordance with the Egmont Group standards increased:

- In May 2008 FIU was accepted as Egmont Group member and in October participated in Egmont workgroup meetings. Moldova was selected as hosting country for Egmont workgroup meeting in 2010.

Assessment and follow up

The main progress reached under the AML/CFT component is the accession of the Moldovan FIU to the Egmont Group and that it is now operating under Egmont standards. The delivery of IT equipment to beneficiaries of €177 122 provides a good basis for the development of the analytical system. Moldovan authorities now possess good expertise in AML/CFT legislation, training of reporting entities and investigations. In 2009, the project will concentrate on the improvement of interagency coordination, conducting national money laundering/terrorism financing risks assessments, delivery of software for the analytical system and ensuring national ownership of project results.

With regard to the anti-corruption component important legislation was adopted and the year 2008 saw important progress with regard to the capacities of civil society and media. The results regarding corruption within the framework of political finances are encouraging in view of the 2009 elections and GRECO evaluations. Results in the area of corruption proofing of legislation and risk assessment methodologies in Moldova now serve as examples for other countries.

In both fields (corruption and money laundering/financing of terrorism) Moldova made much progress since the start of the MOLICO project. The challenge during the remaining months of the project will be to ensure the sustainability of achievements. The current project will end in mid-2009. It is not excluded that further international support will be required in the future.

2.5 PACO Serbia Project against Economic Crime

Title	Project against Economic Crime in the Republic of Serbia (Serbia and Montenegro)
Project area	Criminal justice, money laundering and terrorist financing, cybercrime
Budget	€ 1 578 200
Funding	European Agency for Reconstruction
Implementation	Economic Crime Division (Directorate General of Human Rights and Legal Affairs, Council of Europe)
Duration	24 months (December 2005 – May 2008)
Objectives	<ol style="list-style-type: none"> 1. To strengthen the institutional and legislative framework for preventing and combating economic crime (including money laundering, terrorist financing and cyber crime) and its effective implementation 2. To increase the human and infrastructural capacities of institutions involved in detection and prevention of money laundering and terrorist financing 3. To increase the capacities of institutions involved in detection and prevention of cyber crime
Overall assessment	The PACO Serbia Project ended in May 2008. The overall assessment is as follows:

The project began with a slow start, but once the long-term adviser took up his post (1 June 2006) and the project office was established (end of July 2006) the project took off and by the end of the project the expected results had been delivered.

The Project assisted the Serbian authorities in the drafting of legislation aimed at combating economic crime. Within the framework of the project objective 1, the following draft laws were prepared:

- Law on Managing Seized Assets
- Law on Agency for the Prevention of the Corruption
- Law on Organisation and Authorities of the State Bodies in Combating Organised Crime
- Law on Liability of Legal Persons
- Law on the Ratification of the Cybercrime Convention and its Additional Protocol
- Law on Prevention of Money Laundering and Terrorism Financing.

The above-mentioned legislation was prepared in accordance with international standards, while taking existing national legislation into account. Council of Europe experts played a significant role in its preparation by assisting the Serbian authorities through legal opinions and round table discussions.

During the implementation period there were two Parliamentary elections – in January 2007 and May 2008 respectively – which adversely affected the project outputs – especially project objective 1 – as none of the above mentioned draft laws were adopted during the lifetime of the project. However, in the second half of 2008, these draft laws were finally before Parliament for adoption. Once adopted, Serbia will be able to ratify a number of relevant CoE treaties and have a much stronger legislative framework for to the prevention and combating economic crime.

Furthermore, the project provided Serbian authorities with legislative

expertise on the harmonisation of the Serbian Criminal Code and Criminal Procedure Code with international standards in relation to the prevention of money laundering, financing of terrorism, search, seizure and confiscation of proceeds from crime, corruption and cybercrime. The National Anti-Money Laundering and Terrorism Financing Strategy was drafted as well with project support.

Significant progress was made with regard to institutional capacity building related to prevention of money laundering, terrorism financing and cybercrime. Numerous technical seminars, workshops and courses were organised for APML, judges and prosecutors, which considerably increased the professional capacity of criminal justice officials to combat economic crime.

The topics of events that were organised, not only in Belgrade but also in other cities of the Serbia covered the implementation of legislation, case studies, strengthening of inter-governmental institutional co-operation and awareness raising. The media often showed great interest in these events, especially with regard to cybercrime. It is worth mentioning that private sector representatives participated in events where they have particular responsibility, such as anti-money laundering and cybercrime.

National authorities showed a high level of commitment with regard to measures against economic crime (including money laundering, terrorism financing and cybercrime). Local experts demonstrated a very high level of professionalism and knowledge on various topics covered by the project. However, short-comings in legislation, human resources and infrastructural capacities of institutions suggest that there is need for continued support in this area.

Follow up

It seems that the draft laws developed with project support are now being adopted by the Parliament. This will provide Serbia with a stronger legislative framework against economic crime.

In terms of technical cooperation, the following areas may require follow up:

1. Prevention of corruption. Serbia is implementing preventive measures present in the existing legislation. It is important to stress that they have made important progress in this field, for example, by amending laws and implementing international standards, codes of conduct, adoption of the national strategy in fight against corruption and the action plan. Once the Law on the Anti-Corruption Agency is adopted, the fight against corruption will become even more effective. When the agency starts its activities, it would be important to assist Serbian authorities in the implementation of the law itself and in the strengthening of human and infrastructural capacities.
 2. Anti-money laundering and financing of terrorism. The practical application of the AML/CTF law (once it is adopted), implementation of the AML National Strategy, provision of further training and further IT improvements. Possible action should focus on the implementation of the AML/CTF law, preparation of sub-laws and guidelines, preparation of manuals on the strengthening of cooperation of all institutions involved in the prevention of the AML/CTF and further AML/CTF training. A review
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of the usage of IT system should also be foreseen which might possibly reveal further needs for advice and/or training/

3. Measures against cybercrime. The activities under the project focused on awareness raising and the role of law enforcement, prosecution and judiciary. At the beginning of 2007, the Special Prosecution Office for Combating Cybercrime started its work. Follow-up activities are required to strengthen the institutional capacities of the Criminal Police Department for the Investigation of Cybercrime, law enforcement – Internet service provider cooperation in the investigation of cybercrime, and the capacity of Serbia to cooperate internationally.
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2.6 Russia – Project against Money Laundering and Terrorist Financing (Moli–Ru 2)

Title	Follow up project "Protection against money laundering and terrorist financing " (MOLI–RU2)
Project area	Crime prevention/money laundering
Budget	€ 3.15 million
Funding	European Commission (TACIS Regional Co-operation Programme)
Implementation	Economic Crime Division (Directorate General of Human Rights and Legal Affairs, Council of Europe)
Duration	42 Months (January 2007 – June 2010)
Objectives	<p>The Council of Europe is supporting the Russian financial intelligence unit (Rosfinmonitoring) in achieving the following objectives:</p> <ul style="list-style-type: none"> ▪ The overall objective is to contribute to the prevention and control of money laundering and terrorist financing in the Russian Federation in accordance with European and other international standards and best practices ▪ The direct objective is to enhance the human capacities of key institutions of the anti-money laundering system of the Russian Federation (Rosfinmonitoring, judiciary, prosecution, law enforcement and financial sector). This includes the improvement of the legislative basis on which these institutions operate.
Activities and results in 2008	<p>In view of Output 1 (Legislation of the Russian Federation compliant with all applicable European and international standards; the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism applied in practice), the following activities were carried out in 2008:</p> <ul style="list-style-type: none"> ▪ 2nd Legal Working group combined with the AML/CTF Inter-agency working group ▪ Round table on "Practice of application and perspectives of development of the legislation of the Russian Federation and other European countries regulation screening of current legislation and draft laws for corruption risks" ▪ Round table at the State Duma of the Russian Federation on confiscation procedures ▪ Round table at the General Prosecutor's office of the Russian Federation on confiscation procedures <p>In view of Output 2 (Rosfinmonitoring training strategy elaborated and implemented), the following activities were carried out in 2008:</p> <ul style="list-style-type: none"> ▪ A study visit to the Netherlands (Europol & Dutch FIU) for Rosfinmonitoring and MVD analysts ▪ A study visit for the Rosfinmonitoring analytical and supervisory staff to the Czech FIU ▪ Seminars on the organisation of interaction between Rosfinmonitoring and law-enforcement agencies in investigation of economic crimes in the Central, Southern and Siberian federal districts ▪ Seminar to develop further Rosfinmonitoring supervision activities

With regard to Output 3 (AML/CTF Training Centre further developed)

- Seminar on the AML/CTF system in Russia and international best practices for insurance sector compliance officers and supervisors in co-operation with Rosfinmonitoring training centre
- Seminar on the AML/CTF system in Russia and international best practices for Rosfinmonitoring staff in co-operation with Rosfinmonitoring training centre
- Translation and publication of the 1-3 Directives on money-laundering
- Seminar for pawn shop compliance officers of the Central federal districts on money-laundering related cases
- Meeting with the designated representatives of the Ministry of the Interior on the training needs assessment, development of training plans, curricula and training materials
- 2 seminars for law-enforcement agencies on the basics of money-laundering
- 2 computer-based training courses on AML/CTF offences

In view of Output 4 (law enforcement agencies, and in particular the Ministry of Interior and Federal Security Service as well as prosecutors and judges, have their training plans in investigating and dealing with money laundering and terrorist financing cases and are able to implement them) the following activities were carried out in 2008:

- Round table "Legal nihilism, corruption and legalisation (laundering) of illegally gained proceeds: interlinks and ways of countering"
- Conference on combating the financing of terrorism (Giessbach II)
- Conference on "Combating money laundering as a threat to economic security of Russia: Harmonisation of international and national legal AML mechanisms"
- Publication on the results of the Conference on "Combating money laundering as a threat to economic security of Russia: Harmonisation of international and national legal AML mechanisms"
- Seminar for Rosfinmonitoring and law enforcement agencies of the Central federal district on the new trends in money-laundering and terrorist financing

In view of Output 5 (regulators and supervisors of the financial and legal services sector supported in elaborating and implementing training plans in countering money laundering and terrorist financing including national legislation and international standards and best practices), the following activities were carried out in 2008:

- Seminar on cooperation between Rosfinmonitoring and supervisory bodies in AML/CTF in the Central, Southern and Siberian federal districts
- Improvement of supervisory practices in the sphere of AML/CTF
- Conference on "Exchange of information between FIUs"
- Seminar organised jointly with the Association of Russian banks for regulators and supervisors to highlight the best practices available in other European countries

Assessment and follow up	<p data-bbox="500 189 1341 331">Good progress towards achieving the overall objective of contributing to the prevention and control of money laundering and terrorist financing in the Russian Federation in accordance with European and other international standards and best practices the project is being made.</p> <p data-bbox="500 384 1341 640">Rosfinmonitoring has been further supported in developing its training strategy and that of its training centre through a number of seminars both at headquarters and in the regions, through study visits and the work of the legal working group which led to the revision of the legislation on AML/CTF. Based on this, training was provided to law enforcement agencies, financial monitoring specialists and obliged institutions which will enable them to take active part in the development of detailed training plans and strategies.</p> <p data-bbox="500 693 1341 951">The FATF and its regional bodies, Moneyval and the Eurasian Group, measured the Russian Federation's compliance with international standards during their evaluation rounds. The evaluation reports of 2008 showed that Russia has made important progress in recent years, in particular with regard to the capacity of the FIU. However, a number of areas of non- and partial compliance were identified. The Russian authorities with the support of the project will need to focus on these areas in 2009.</p>
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2.7 Ukraine – Project against Money Laundering and the Financing of Terrorism (Moli-Ua 2)

Project title	Follow-up Project against Money Laundering and Terrorist Financing in Ukraine (MOLI-UA 2)
Project partner	State Committee for Financial Monitoring of Ukraine (SCFM)
Funding	European Commission (TACIS Regional Co-operation Programme)
Implementation	Economic Crime Division (Directorate General of Human Rights and Legal Affairs, Council of Europe)
Budget	€ 5 300 000
Duration	36 months (1 May 2006 – 30 April 2009)
Objectives	<p>The project contributes to the prevention and control of money laundering and terrorist financing in Ukraine in accordance with the European and other international standards and best practices and its specific objectives are:</p> <ol style="list-style-type: none"> 1. To make Ukraine's legislation compliant with the 3rd EU Directive on the Prevention of the Use of the Financial System for the Purposes of Money Laundering or Terrorist Financing, and the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism 2. To enhance the human capacities of key institutions of the anti-money laundering system of Ukraine (State Committee for Financial Monitoring, law enforcement agencies and judiciary and financial sector regulators/supervisors) 3. To develop the organisational and technical infrastructure of the anti-money laundering and counter terrorist financing system.
Activities and results in 2008	<p>The following results were achieved in 2008:</p> <ul style="list-style-type: none"> ▪ Completion of the new draft AML/CTF law which has passed the first reading in the Parliament ▪ Completion of AML/CTF training strategies for the FIU, financial institutions, law enforcement and the judiciary ▪ Upgrading the level of IT system at the SCFM and its regional offices through procurement of computers, servers and network equipment ▪ Enhancement of the SCFM capacity to manage, analyse and archive financial intelligence information through procurement of specialised software ▪ Enhancement of the training capacities of the international training centre INTC and its branches through procurement of IT equipment and furniture ▪ Enhancement of human capacities of the key institutions in the AML/CTF system through provision of specialised training to their staff ▪ Research on AML/CTF training system in Ukraine. <p>Some 80 activities in 2008 helped produce these results, including:</p> <ul style="list-style-type: none"> ▪ Procurement of analytical software and equipment for the FIU ▪ Procurement of equipment and furniture for the AML training centre ▪ Assistance in the preparation of AML/CTF training curricula for the INTC- 4 meetings ▪ Assistance to the SCFM in the preparations for FATF evaluation ▪ Conference on the AML/CTF training strategies in Ukraine ▪ Working Group on the national AML/CTF training strategy - 1st meeting ▪ Preparation of AML/CTF training strategy for the law enforcement agencies - 3 meetings

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- Preparation of AML/CTF training strategy for judges - 3 meetings
 - Working Group on the national AML/CTF training strategy - 4 meetings
 - Needs assessment: development of the Single Information System
 - Legal Working Group - 5 meetings
 - Preparation/production of training materials for the INTC
 - Support for the INTC library
 - IT Working Group – 6 meetings
 - E-learning Working Group - 5 meetings
 - On-site visits by Procurement Adviser to assess the scope and monitor the execution of repair work in the SCFM regional offices
 - AML/CTF training for prosecutors
 - AML Seminar for Banking Regulators
 - Multiagency study visit to Poland
 - AML/CTF training for financial regulators and banks
 - AML/CTF training for judges
 - II Annual AML Conference: typologies meeting - advanced AML/CTF training for law enforcement agencies and financial institutions
 - Training seminar for law enforcement authorities “cooperation of law enforcement authorities in the sphere of counteraction to legalisation (laundering) of the proceeds from crime”
 - Seminar on operational issues and legal standards for the MoI and SBU (with the University of Int. Affairs)
 - Participation in the 27th MONEYVAL plenary meeting for a member of SCFM
 - Renovation and installation work in the premises of six regional offices of the SCFM
 - AML/CTF Training for Judges
 - Workshop on implementation of the International AML/CTF Standards and monitoring of the AML/CTF system effectiveness
 - AML/CTF Training for Judges
 - Participation of Ukrainian experts in the Conference on Combating the Financing of terrorism (Giessbach II)
 - AML Seminar for financial markets regulators
 - Quality check of equipment/evaluation mission to the AML Training Centre
 - Needs assessment of equipment. Mission to the AML Training Centre
 - Research on methods of effective implementation of the AML/CTF Training Strategies for Financial Sector
 - AML Training for non-financial obliged institutions
 - Study visit to Sweden
 - Production of AML/CTF training materials for financial sector
 - Participation of Ukrainian AML/CTF professionals in Joint Typologies meeting with the FATF (Monaco, 24-26 November 2006)
 - Preparation and publication of an AML/CTF handbook for the MOI Academy
 - Advanced AML/CTF training for law enforcement agencies and financial institutions
 - Series of expert meetings on implementation of AML/CTF training strategies
 - Conference at the Legislative Institute of Verkhovna Rada of Ukraine on current issues related with the AML/CTF legislation

Assessment and follow up	Implementation of this and the previous MOLI-UA project helped create a fully functioning system against money laundering and terrorist financing in Ukraine. It also contributed to the creation of a sound legal framework for the functioning of that system in line with applicable international standards and
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MONEYVAL recommendations. Capacities of key institutions have been enhanced both in terms of human resources development and of physical infrastructure.

To further increase this impact, activities in 2009 will focus on the implementation of the new training strategies, assistance in practical implementation of the new legislation and continuation of infrastructural investments (procurement of equipments, renovation work). As some new needs emerged in the course of project, and in order to further enhance the impact of the project, the Steering Group requested the Project Team to launch the procedure for extending the Project until the end of 2009.

2.8 Ukraine – International Cooperation (UPIC)

Title	Ukraine - International Cooperation in Criminal Matters (UPIC)
Project area	Ukraine
Budget	€ 1 680 000
Funding	European Commission/Council of Europe
Implementation	Economic Crime Division (Directorate General of Human Rights and Legal Affairs, Council of Europe)
Duration	36 months (1 December 2005 – 30 November 2008)
Objectives	<p>Overall objective: To strengthen the capacities of Ukraine to fully implement European treaties on co-operation in criminal matters</p> <p>Project objectives:</p> <ol style="list-style-type: none"> 1. To strengthen the legal basis for international cooperation in criminal matters 2. To strengthen the human and institutional capacities of the Ministry of Justice and the Prosecution Service for international cooperation in criminal matters 3. To promote networking and direct contacts between Ukrainian Ministry of Justice officials and prosecutors with those of neighbouring countries and other European countries
Activities and results in 2008	<p>In terms of Project objective 1 (to strengthen the legal basis for international co-operation in criminal matters), with the support of the project:</p> <ul style="list-style-type: none"> ▪ a legislative review of a provisions of Ukrainian legislation relating to ratification of the Convention on the Protection of the Environment through Criminal was completed (October 2008) ▪ a legislative review of provisions of the Draft Criminal Procedure Code relating to execution and recognition of foreign sentences was completed (October 2008) <p>In terms of Project Objective 2 (to strengthen the human and institutional capacities of the Ministry of Justice and the Prosecution Service for international co-operation in criminal matters) with the support of project:</p> <ul style="list-style-type: none"> ▪ a software application for registration systems in the Ministry of Justice and Office of the Prosecutor General was developed and installed. The software application enables the electronic processing of incoming requests for mutual legal assistance, the creation of data base and access from all the regional offices of the Ministry of Justice and Office of the Prosecutors General. As a part of the contract training on how to use the software application was organised for officials from the Ministry of Justice and Office of the Prosecutor General (March – November 2008) ▪ two servers were provided to the Ministry of Justice and Office of the Prosecutor General in order to allow the installation and running of software for registration systems (November 2008) ▪ a national level training seminar on the confiscation of criminal assets, extradition and mutual legal assistance took place in Kyiv, with 98 participants from central and regional offices of the Ministry of Justice, Office of the Prosecutor General, Ministry of Interior and the Judiciary (February 2008) ▪ a national level training seminar on execution and recognition of foreign sentences took place in Truskavets, with 47 participants from the Ministry of Justice, Office of the Prosecutor General and Ministry of

Interior (June 2008)

- language courses in English and French languages for the academic year 2007/2008 were completed in July 2008. The total number of judiciary officials and prosecutors who attended the courses was 66, out of which 15 were officials and prosecutors from central offices of the Ministry of Justice and Office of the Prosecutor General
- a co-operation manual was developed and published in 450 copies in Ukrainian and 100 copies in English language
- two study visits for officials from the Ministry of Justice, the Office of the Prosecutors General, Ministry of Interior and Courts to benefit from the experience of the other European countries in judicial cooperation and in particular on view of the roles and responsibilities of different bodies in the judicial cooperation chain were organised to Italy and Switzerland (April 2008) and Poland (July 2008).

In terms of Project Objective 3 (to promote networking and direct contacts between Ukrainian Ministry of Justice officials and prosecutors with those of neighbouring countries and other European countries) with the support of project:

- In July an international conference on economic crime took place in Warsaw, Poland. Because of the topic, this activity was co-organised with the MOLI UA 2 project for Ukraine. Delegations from Israel, Latvia, Lithuania, Poland, Sweden, Turkey, Ukraine and United States took part. The total number of participants was 83.

Assessment and follow up

In 2008 most achievements were related to strengthening the human and institutional capacities of the Ministry of Justice and Offices of the Prosecutors General, although some other institutions benefited to a smaller extent from the project training seminars, international conference and study visits.

A major result in 2008 was the installation of software and two servers for registration systems in the Ministry of Justice and Office of the Prosecutor General.

The Project was completed on 30 November and apart from one legislative review, all activities foreseen in the workplan were implemented.

2.9 Ukraine – Project against Corruption (UPAC)

Title	Ukraine – Support to Good governance: project against corruption (UPAC)
Project area	Ukraine
Budget	€ 1 750 000
Funding	European Commission/Council of Europe
Implementation	Economic Crime Division (Directorate General of Human Rights and Legal Affairs, Council of Europe)
Duration	36 months (8 June 2006 – 7 June 2009)
Objectives	<p>Overall objective: To contribute to the prevention and control of corruption so that it no longer undermines the confidence of the public in the political and judicial system, democracy, the rule of law and economic and social development in Ukraine.</p> <p>Project objectives:</p> <ol style="list-style-type: none"> 1. To improve the strategic and institutional framework against corruption 2. To enhance capacities for the prevention of corruption 3. To strengthen the anti-corruption legal framework and effective and impartial enforcement of the criminal legislation on corruption
Activities and results in 2008	<p>With regard to:</p> <p>Output 1.1 (Anti-corruption strategy and action plan available):</p> <ul style="list-style-type: none"> ▪ A round table on "Effectiveness of the National anti-corruption policy, role of the civil society and private sector" was held on 16 October 2008. Representatives of civil society/private sector from all Ukraine discussed ways to strengthen their role and reviewed the national anticorruption policy <p>Output 1.2 (effective monitoring, co-ordination and management of anti-corruption measures ensured):</p> <ul style="list-style-type: none"> ▪ Expert comments to the Ministry of Justice draft resolution "Concerning Anti-corruption Policy" and regulations "On a Government Agent on Anti-corruption Policy" were provided and submitted to the Minister of Justice on 18 April 2008 ▪ An expert opinion comparing drafts of Regulations "On a Government Agent on Anti-corruption Policy" of the Ministry of Justice and the Cabinet of Ministers was submitted to the Ministry of Justice in July 2008 ▪ A roundtable "Looking for the Optimal Model of a System of Anti-corruption Bodies in Ukraine", organised in cooperation with the Ministry of Justice and the OECD project "Strengthening the Capacity for Investigation and Prosecution of Corruption in Ukraine" was held on 22 April 2008 ▪ Support to the Inter-institutional working group meeting (an auxiliary body of the President of Ukraine elaborating and examining proposals to improve interagency co-ordination, anti-corruption legislation and plan of actions on corruption) was provided from April 2008 ▪ A delegation of Ukrainian representatives participated in a study visit to Paris and Ljubljana from 26 to 30 May 2008 to study models of preventive and law enforcement anti-corruption bodies of France, Slovenia and Croatia

Output 1.3 (proposals available to ensure the implementation of Article 6 of the United Nations Convention against corruption – UNCAC - regarding preventive anti-corruption body or bodies):

- A roundtable on implementation aspects of Article 6 of the UNCAC and relevant GRECO recommendations on the establishment of the anti-corruption body took place on 15 January 2008
- Expert opinion on the draft "Methodology for Expert Examination of Normative and Legal Acts and Draft Normative and Legal Acts with regards to corruption" (anti-corruption proofing) was prepared and submitted to the Ministry of Justice in April 2008

Output 2.1 (anti-corruption concerns incorporated into the process of public administration reform – "anticorruption mainstreaming"):

- Expert opinions on the Draft Law on Civil Service of the Main Civil Service Department were provided in November 2008
- A roundtable on "Legislation on civil service and conflicts of interest" took place on 5 December 2008

Output 2.4 (conflicts of interest reduced in the political process):

- A workshop on analysis of GRECO materials, Venice Commission and COE standards/guidelines on the regulations and practices in financing political parties and election campaigns took place on 29 January 2008.
- The translation into Ukrainian of the CoE's "Financing of Political Parties and election campaigns-Guidelines" publication was provided
- A conference on political corruption was organised on 1-2 July 2008. Recommendations on funding of political parties and electoral campaigns, lobbying, immunities, conflicts of interest and declarations of assets of elected representatives were adopted
- Following this conference and the elaboration of a Concept paper by Ukrainian experts, an expert workshop aimed at formulating amendments to legislation on enhancing transparency of the funding of political parties and election campaigns was held on 18-20 December.

Three system studies to assess corruption risks within the Public Administration, in particular the field of administrative services, control and supervision (Output 2.1), the judiciary (Output 2.2) and the bodies in charge of investigation and prosecution of corruption offences (Output 2.3; 2.4) were launched in December 2008. They are conducted by Ukrainian organisations, support the reforms of the civil service, judiciary and criminal justice and will lead to recommendations aimed at enhancing capacities to prevent corruption

Output 2.5 (capacities enhanced at the level of local and regional authorities for the prevention of corruption and strengthening of integrity):

- The National Handbook on Public Ethics at Local Level ("Introduction of standards of public ethics at local and regional level: Ukrainian practices and European experience"), the model Code of Conduct and the Model Regulations was endorsed in January 2008
- The National Handbook was published in May 2008

Output 3.1 (Draft laws available to improve the prevention and control of corruption in accordance with the CoE Criminal and Civil Law conventions on corruption, the UN Convention against corruption and other relevant international legal instruments):

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- In March 2008, all MPs, members of the Committee on Fighting Organised crime and Corruption received booklets in Ukrainian containing the GRECO report (March 2007), all CoE expert opinions provided through UPAC project and materials on UPAC activities
 - Expert comments on the draft laws of the "Anti-corruption package" (Draft Law "On the principles of prevention and counteraction of corruption", Draft Law "On the responsibility of legal persons for corruption offences" and Draft Law "On amending certain legal acts regarding responsibility for corruption offences") were provided in April and June 2008. The project contributed to a series of working meetings of the Parliamentary Committee on Fighting Organised Crime and Corruption to discuss the finalisation of these drafts
 - The project supported the parliamentary hearing "Anti-corruption policy and practice: problems of legislative framework" held on 4 June 2008 and dedicated to the "Anti-corruption Package" of laws finalised for the second reading
 - An expert opinion on amendments to the Criminal Code and Criminal Procedure Code of Ukraine "On improving confiscation procedures" was submitted to the Ministry of Justice in August 2008
 - Following this expert opinion, a roundtable on "Identification, seizure and confiscation of proceeds from corruption" was organised on 19 September 2008 in cooperation with the Embassy of France

Output 3.2 (Judges trained and specialised in adjudication of corruption, law enforcement officials trained in the investigation and prosecution of corruption offences):

- A roundtable on specialised anticorruption body was held in December 2008. Recapitulative tables on the models presented during the study visit of May 2008 were distributed.

Assessment and follow up

As project implementation was slowed down in 2007 by the political situation, in December 2007 an intense programme of activities was agreed upon for 2008 that the project successfully carried out. In 2008, the project supported the establishment of specialised anticorruption bodies, the elaboration of anticorruption legislation as well as the enhancement of the preventive capacities against corruption within public authorities and in the political sphere. The activities contributed to strengthen the role of the civil society/private sector in the national anticorruption efforts. The project supported the improvement of the system of identification, seizure and confiscation of proceeds from corruption.

As decided at the Steering Committee of November 2008, the project will, in 2009 particularly focus on training and specialisation of law enforcement officials, judges in investigating, prosecuting and adjudicating corruption offences. The system studies on corruption risks will be completed and followed by training activities to present the results and recommendations. A case management scoping study is also planned. The issues of the anti-corruption legislation, in particular the anti-corruption package and civil service legislation as well as the issue of specialised anticorruption bodies will also be addressed in 2009.

Although the somewhat volatile political situation had caused delays in 2006 and 2007, it now seems that this project will reach its objectives and deliver the expected results before its conclusion in June 2009.

2.10 Turkey – Project on Ethics for the Prevention of Corruption

Title	Ethics for the Prevention of Corruption in Turkey
Project area	Turkey
Budget	€ 1 500 000
Funding	EC/CoE
Implementation	Economic Crime Division (Directorate General of Human Rights and Legal Affairs, Council of Europe)
Duration	24 months (1 December 2007– 30 November 2009)
Objectives	<p>Overall objective: The prevention of corruption in Turkey in accordance with European and other international standards</p> <p>Specific objective: To ensure the effective implementation of the Code of Ethics for public officials and the adoption of such codes by other categories of officials</p>
Activities and results in 2008	<p>Three project planning workshops were held on 21, 23 and 24 January 2008 for the preparation of the detailed workplan, identification of the short term experts and proposals for the implementation aspect of the project. The project's start-up conference was held on 7 February 2008. The Prime Minister of Turkey addressed the conference thus ensuring high-level political support to this project.</p> <p>In terms of expected Output 1 - The staff of the Council of Ethics is trained and have the necessary working tools and procedures to better exercise their mandate:</p> <ul style="list-style-type: none"> ▪ Interviews and responses to a questionnaire by members of the Council of Ethics for Public Service resulted in a draft paper on the work of the Council of Ethics for Public Service ▪ On 13 March 2008 a Round Table held on the current status and working procedures of the Council of Ethics for Public Service ▪ 2 Technical Papers on the future work of the Council of Ethics for Public Service and a review of the Code that established it. On 13 May 2008 Round Table Discussion on the basis of these reports ▪ On 27 May 2008 an International Conference on the Principles of Ethics was organised ▪ In April 2008 manual on the receipt and management of complaints prepared: Complaints Guide to Possible Inquiry Procedures; followed by a seminar for members of the Council's Secretariat (June 2008) ▪ Study visit to Dublin (9 to 13 June 2008) to review the working procedures of the Council of Ethics and to improve it <p>In terms of expected Output 2 - A training package/module is available to support the application of the code of ethics for public officials:</p> <ul style="list-style-type: none"> ▪ Training of trainers material from Canada, OECD, Australia, United Kingdom, UNPAN, and USA was reviewed. The comprehensive package approach of the Public Standards Commission of the State of Victoria, Australia was considered as the most suitable approach to emulate ▪ By mid-May an adaptation of the abovementioned training material to Turkish context. A Guide for facilitators of Ethics Training, an Implementation Guide and a Pocket Guide were drafted ▪ In August/September, the training materials were translated into Turkish and were submitted to two Turkish academics for review and amendment

- A "Training Strategy" paper was prepared in order to embed the training within ministries and to ensure sustainability of the training beyond the life of the project

In terms of expected Output 3 - Train the trainers programme is available (At least 25 trainers have been trained and are able to deliver ethics training):

- Calls for applications of trainers were developed and circulated, and candidates were selected
- From September to November 2008 several training sessions for trainers were held
- On 12 and 13 November 2008, the first pilot training exercise was carried out

In terms of expected Output 6 - At least 10 research studies are available on the risks of corruption in relation to unethical behaviour and have been discussed in public:

- In March 2008 a workshop was held to identify the 10 research studies themes and expected outcomes. Six of the studies were to be undertaken in 2008 and four in 2009 in the following areas:
 - Conflict of Interest in Public Administration
 - Public Bidding and Ethics
 - Planning at Local Level
 - Ethical Conduct in Law Enforcement
 - Ethical Conduct in the Health Services
 - Ethical Standards and the Title/Land Registry
 - The Shadow Economy
 - Professional Associations and Ethics
 - Ethics and the Customs Services
 - Ethics, Culture, and Society
- In July 2008, four of the research studies were commissioned to the successful applicants. In September 2008, the remaining 6 research studies were advertised

In terms of expected Output 7 - The development of codes of conduct for elected office holders and the judiciary will have been supported:

- Two Working Papers prepared: working paper on a judicial code of code and working paper on a code for the legislature
- Possible international consultants for work under this output have been identified

In terms of expected Output 8 - The effectiveness of codes of conduct and other anti-corruption measures in Turkey will have been evaluated and recommendations for future prevention strategies are available:

- In August 2008, work on the gap analysis and system studies commenced concerning the legislation and the effectiveness of the Anti-Corruption measures through Code of Ethics, the Public Information Action, Criminal Law, and disciplinary provisions

In terms of expected Output 9 - Coordination of measures to promote ethics with other anti-corruption measures in Turkey ensured

9.1 Support the organisation of regular meetings with the Technical Commission assisting the Inter-ministerial Anti-corruption Commission;

9.2 Develop proposals for improved management, coordination and

monitoring of anti-corruption strategies in Turkey:

- Initial work under Output 8 established that neither the Technical Commission nor the Inter-ministerial Commission are currently operational. Initial contact has been made, however, with those involved in the work of the technical commission and informal agreement has been reached to cooperate in Activity 9.2

Assessment and follow up

- The project began its substantive work in March 2008 when the Resident Advisor took up his position. The relationship with the beneficiary institution (the Council of Ethics) is positive, as it is with the EU delegation in Turkey and the CFCU (Central Finance and Contract Unit, contracting authority)
 - Much of the initial work was dedicated to translating the project specification into an implementation plan and addressing those areas where the specification has required amendment or adaptation
 - The work of the project is very much shaped by the discussions within the Council of Ethics as to its future direction, its relations with the Ethics Commissions and its staffing requirements. The Council of Ethics and Ethics Commissions now share a common interest and focus on the delivery and implementation of the training but there have been – and there are likely to be more – amendments to the project specification to ensure a sustainable training strategy and critical mass of trained trainers that will embed the common interest and focus
 - The work with the Legislature and the judiciary may also attract a receptive audience and likely to lead to further developments in this area
 - The research studies are expected not only to inform the future work of the Council of Ethics for Public Service but also produce practical information relevant to Outputs 8 and 9. Work will begin visiting relevant ministries with the project director and the Turkish STE to assess the anti-corruption work currently underway and to consider how the project may best assist the updating and development of a national anti-corruption strategy
 - It is envisaged that the project will continue to face challenges to ensuring a successful implementation but it is also clear that, overall, the project has the potential to deliver its objectives as well as providing the basis from which further projects on anti-corruption may develop.
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2.11 Georgia – Support to the Anti–corruption Strategy of Georgia (GEPAC)

Title	Support to the Anti–corruption Strategy of Georgia (GEPAC)
Project area	Georgia
Budget	€ 700 000
Funding	The Netherlands (Ministry for Development Cooperation)
Implementation	Economic Crime Division (Directorate General of Human Rights and Legal Affairs, Council of Europe)
Duration	24 months (1 September 2007 – 31 August 2009)
Objectives	<p>Overall objective: To contribute to democracy and the rule of law through the prevention and control of corruption in Georgia in accordance with European and other international standards as well as GRECO (Group of Countries against Corruption) recommendations</p> <p>Specific project objective: To support the implementation of Georgia’s Anti–corruption Strategy and Action Plan</p>
Activities and results in 2008	<p>In support of Output 1 (capacity of the Office of the State Chancellery to manage, coordinate and monitor the implementation of the Anti-Corruption Action Plan reinforced), the following activities were carried out:</p> <ul style="list-style-type: none"> ▪ Round table discussion on tools of reporting, co-operation and monitoring the implementation of AC measures in line with the new AC Action Plan (Tbilisi, 28 January 2008). Participants expressed their willingness to review and reshape in detail the Anti-corruption Strategy and Action Plan, in order to foster the implementation of the activities foreseen in the Action Plan ▪ The Project Office in Tbilisi was provided with office furniture and IT equipment in April/May 2008. The delivery of equipment was delayed due to the political situation in the country at the end of 2007 and the delayed allocation of office space ▪ The Project Team supported the Ministry on Reforms Co-ordination in the elaboration of a special webpage on anti-corruption activities which ceased to exist in February 2008 with the abolishment of the Ministry on Reforms co-operation and its web site (www.reforms.ge). However, a special webpage, dedicated to the implementation of the project, was created within the Economic Crime Division web site in February 2008: www.coe.int/gepac ▪ Round table discussions on possible models of the future specialised Anti-corruption structure of Georgia were held in Tbilisi on 6 March 2008. Participants agreed that instead of creating a new anti-corruption body, it would be more appropriate to assess and analyse the functioning of the existing structures and possibly redefine their functions and increase their capacities. In addition, several working meetings and discussions on the elaboration of the law on the specialised Anti-corruption Structure of Georgia were held and a draft law was prepared. At the 2nd Steering Group Meeting of the project, the Georgian Government informed the Council of Europe that a special anti-corruption body is no longer a priority for Georgia. Therefore, this activity was suspended <p>In support of Output 2 (anti-corruption Strategy reviewed and Action Plan updated), the following activities were carried out:</p> <ul style="list-style-type: none"> ▪ The Anti-corruption Strategy and Action Plan had neither been reviewed nor updated in 2008, the main reason being the difficult political situation in Georgia and the lack of a national institution responsible for monitoring this

process. The Council of Europe nevertheless prepared, together with its experts, a possible course of action for reviewing and up-dating the Strategy and the Action Plan

- At the October Steering Group meeting the Government the importance of the Strategy and Action Plan and committed to re-launch the review process
- Two different questionnaires, provided by the Government of Georgia and aimed at assessing the quality of public services in Georgia, were reviewed and up-dated in accordance with current country needs. A round table discussion on different survey methodologies was also organised jointly with the project "Support to the Anti-corruption Strategy of Azerbaijan" in Baku on 16 and 17 July 2008. The implementation of both surveys was delayed due to the situation in Georgia

In support of Output 3 (at least 6 draft amendments and regulations elaborated in co-operation with the Office of the State Minister on Reforms Coordination and relevant partner institutions), the following activities were carried out:

- Amendments to the Law on Conflict of Interests and Corruption in the Public Service were drafted in January 2008, approved by the Government and subsequently submitted to the Parliament for adoption. These amendments aim at fulfilling also recommendations 9 and 10 of the GRECO addressed to Georgia in 2007
- The Project's National Advisers supported also the State Ministry in the drafting of amendments on the Criminal Code of Georgia (Annex 5). The amendments would introduce the criminalisation of the violation of the accounting rules (Article 1/ Article 204), which is not the case in the existing Code
- Workshop on the newly adopted Law on Legalisation of Property and Law on Legalisation of Land and their implementation was organised on 22 February 2008 in Tbilisi
- Three Workshops on Free Access to Public Information for Local Authorities (30 June 2008, Signaghi, 2 July 2008, Kutaisi, 3 July 2008, Batumi)
- Training for Prosecutors on the implementation of the amendments on the Criminal Code of Georgia related to liability of legal persons (8 July 2008, Tbilisi)

In support of Output 4 (capacities for the Prosecution to investigate and prosecute high level corruption strengthened), the following activities were carried out:

- The Project Team in Tbilisi held discussions (in July and October 2008) with representatives of the Ministry of Interior and the Prosecutor's Office in order to identify their needs for training related to investigation and prosecution of corruption cases. A workshop on the use of Special Investigative Means was held in Tbilisi on 9 and 10 December 2008
- A Study visit for representatives of specialised units (prosecution/law enforcement) to the Department of Internal Investigations of the Ministry of Interior of Hamburg, Germany, and the Croatian Prosecutor's Office Specialised in countering Organised Crime and Corruption (USKOK) was scheduled for 22-26 September 2008. Due to the conflict which broke out in Georgia in August 2008, it was postponed to January 2009

In support of Output 5 (integrity and institutional capacity for preventing corruption strengthened), the following activities were carried out:

- Round table discussion on the elaboration of risk/integrity assessment for the Ministry of Interior and the Prosecutor's Office took place on 4-5 March
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2008, Tbilisi. Both MoI and Prosecutor's Office were reluctant concerning the implementation of risk assessment plans for lack of human and financial resources, as well as the duration of the process (around 10 month). This activity was replaced with training for prosecution/law enforcement agents on mechanisms for the prevention of corruption

- Two workshops on the Code of Ethics for prosecutors were conducted on 20 and 21 April 2008 in Tbilisi

Miscellaneous

- Steering Group Meeting (Tbilisi, 22 April 2008)
- Steering Group Meeting (Tbilisi, 8 October 2008)

Assessment and follow up

The project has been operating against the background of a difficult political situation. This and the institutional restructuring prevented the timely implementation of a number of project activities. While some activities were carried out under Outputs 3, 4 and 5, no or very little progress has been made under the main Outputs 1 and 2 which aim at reviewing and up-dating the Anti-corruption Strategy and at up-dating the Anti-corruption Action Plan.

The fact that the project operated for 6 months without a main national partner, responsible for the Anti-corruption Strategy and Action Plan (the State Ministry on Reforms Coordination, main counterpart institution, was abolished in early February 2008), created difficulties in the coordination and organisation of activities. In July 2008, the Prime Minister of Georgia decided to appoint the State Chancellery as the main counterpart institution of the GEPAC Project and also of GRECO.

At the Second SGM (Tbilisi, 8 October 2008), a number of issues were clarified. The Head of State Chancellery of Georgia confirmed that corruption was still high on the agenda of the Government. Concrete steps would be taken towards the establishment of a working group responsible for the review and up-date of the Anti-corruption Strategy and Action Plan, towards legislative reviews in order to bring Georgian legislation in line with international standards, and providing training for different institutions, in particular the Chamber of Control.

The Georgian authorities highlighted the need focus GEPAC activities even more on GRECO recommendations in the future, as well as the ratification and implementation of the United Nations Convention against Corruption (UNCAC).

Should the authorities indeed follow up on the commitments made at the October Steering Group meeting, the GEPAC project will achieve important results in 2009.

2.12 Azerbaijan – Support to the Anti–corruption Strategy (AZPAC)

Title	Support to the Anti–corruption Strategy of Azerbaijan (AZPAC)
Project area	Azerbaijan
Budget	US\$ 800 000
Funding	USAID
Implementation	Economic Crime Division (Directorate General of Human Rights and Legal Affairs, Council of Europe)
Duration	24 months (30 September 2007 – 30 September 2009)
Objectives	<p>Overall objective: To contribute to democracy and the rule of law through the prevention and control of corruption in Azerbaijan in accordance with European and other international standards and GRECO and MONEYVAL recommendations</p> <p>Project objective: To enhance the implementation of GRECO and MONEYVAL recommendations and compliance with European and international anti–corruption standards</p>
Activities and results in 2008	<p>In support of Output 1 the following activities were implemented:</p> <ul style="list-style-type: none"> ▪ With regard to Activity 1.1 (Introduction of the new Anti-corruption Strategy and its Action Plan): Four workshops were held on the 'Introduction of the new Anti-corruption Strategy and its Action Plan' at the following locations and dates: Baku, 21 February 2008; Sheki, 17 March 2008; Ganja, 18 March 2008; Yevlakh, 10 April 2008; Lankaran, 14 May 2008 ▪ As regards Activity 1.2 (Support the Commission on Combating Corruption during GRECO evaluation) the GRECO Compliance Report submitted during the 39th Plenary Meeting has been translated as per request of the relevant authorities of Azerbaijan ▪ Regarding Activity 1.3 (Assist the relevant government authorities and institutions on implementing the relevant measures against corruption within the new Anti-corruption Action Plan): A seminar was held on 18 June 2008 with the Commission on Combating Corruption (CCC) and a wide range of state institutions at which the latter were provided with a template developed by the Council of Europe for reporting on implementation of anti-corruption measures under the Action Plan. Furthermore, a seminar was held on 12 December 2008 with the CCC and other state institutions to provide them with another template developed by the Council of Europe for formulating state body anti-corruption action plans In September the Civil Service Commission was provided with a model presentation for training local government officials on implementation of the Law on Rules of Ethical Conduct ▪ Regarding Activity 1.4 (Develop a template system of guidelines on reporting and monitoring tools from the Commission/Cabinet of Ministers vis-à-vis all relevant institutions), the AZPAC Project Long-Term Advisor (LTA) developed and submitted 'Proposed guidelines and templates for reporting and monitoring of implementation of the National Anti-corruption Strategy of the Republic of Azerbaijan' to the CCC on 11 March 2008. The guidelines and templates, with minor changes, were approved by the CCC in April 2008 ▪ With regard to Activity 1.5 (Support by advice and share of practice with the AC Commission on drafting and conducting Surveys on anti-corruption perception and attitudes), a seminar was held on 16 July

2008, at which surveys conducted in Azerbaijan were presented while the survey best practices were presented by the LTA. A document was subsequently submitted by the LTA with recommendations for future surveys commissioned by the CCC

In support of Output 2 the following activities were implemented:

- With regard to Activity 2.2 (Advice and/or RTD in support the elaboration of draft laws):

The relevant international standards and best practices in lobbying and plea bargaining were translated into Azerbaijani language in July 2008.

In September an opinion/analysis on the possibilities of introducing plea-bargaining in Azerbaijan was received from a national expert, prior to a second opinion commissioned from an international expert by the US Department of Justice

In September an opinion on the possibilities of regulating lobbying in Azerbaijan was received by a national expert. After an event on the integrity of the legislative process (planned for February 2009) the LTA will submit a second opinion on how lobbying should be regulated in Azerbaijan

In November 2008 the LTA submitted an opinion on the draft 'Law of the Azerbaijan Republic on the Prevention of Conflicts of Interest in the Activities of Public Officials'

- Concerning Activity 2.3 (Review of national legislation on its compliance with the provisions of the CoE Civil Law and Criminal Law Conventions on Corruption and United Nations Convention Against Corruption) the following activities were implemented:

Reports on the compliance of Azerbaijani legislation with the requirements of the three conventions were received from two local experts in November 2008.

Two international experts completed missions to Baku on 3-8 November 2008 to assess compliance and the information provided by the local experts, prior to preparing the final reports which were submitted by them in mid December 2008.

In support of Output 3 (Establishment of a network and system to prevent the use of the financial system for money laundering and terrorism financing purposes and enable the authorities of Azerbaijan to cooperate nationally and internationally in fighting money laundering and terrorism financing in accordance with European and international standards), due to the delay to date in the passage of an anti-money laundering law, the following activity was implemented:

- An awareness-raising event was held on 22 July in cooperation with the US Department of Justice and attended by all relevant institutions to provide feedback on the draft law as it then stood, and to provide the relevant institutions with international experience on what will be needed to implement the legislation. Comments and criticisms on the draft law presented at the event were largely incorporated into a later draft passed in its second reading in Parliament on 29 October 2008.

In support of Output 4 the following activities were implemented:

- With regard to Activity 4.1 (Conduct 3 repeat micro-system studies in order to identify corruption-prone areas, and recommend measures for systemic improvement aimed at preventing corruption and increasing application of efficient rules on ethics and streamlining procedures):
-

Three institutions were selected for the studies: the ministries of Taxes, Education and Health

A methodology for the studies was drafted in July 2008 and finalised in October after feedback from the relevant institutions

The Basel Institute on Governance was commissioned to conduct the studies, and 7 Local experts were commissioned to assist with the studies

A first visits by the Basel Institute to conduct interviews and research took place in December 2008

- Regarding Activity 4.4 (Support the elaboration and implementation of a national strategy and action plan with respect to training on ethics and conflict of interest for the civil service commission):

On 31 January 2008 a workshop was held in Baku to support the elaboration and implementation of a Strategy with respect to training of ethics and conflict of interest for the Civil Service Commission

On 20 February 2008 the LTA submitted a proposed National Strategy and Action Plan for training on ethics and conflict of interest to the Civil Service Commission, that the Commission agreed with

In March 2008 the LTA submitted a Technical Paper on the Civil Service Commission's Draft Regulations for Evaluating the Performance of Civil Servants

- Regarding Activity 4.5 (Provision of pilot trainings and methodology with relevance to the Ethics, Appraisal and Performance Assessment), the following activities were implemented:

On 11 April 2008 introductory training was provided by the LTA to the Civil Service Commission and senior human resources officials of state bodies on implementation of rules on ethics and conflict of interest

On 15-16 April and 7-8 May two more training events on ethics and conflict of interest were provided by Latvian and German experts

On 15-16 September training was provided by a German expert on the Civil Service Commission's draft performance evaluation regulations and how to implement them. The training was supplemented by a summary technical paper with recommendations.

Assessment and follow up

Progress was made in Azerbaijan in the anti-corruption field with project support. Activities were implemented in 2008 according to the Workplan with the exception of Output 3, which can only be carried out after the passage of an anti-money laundering legislation. MONEYVAL and the Committee of Ministers of the Council of Europe have expressed their concerns regarding the delay in the adoption of the legislation in line with MONEYVAL recommendations.

In 2009 the project will mainly focus on the completion of the micro-systems studies and to the specialisation of law enforcement officials in investigating, prosecuting and adjudicating corruption offences. Furthermore, the project will continue to support anti-corruption efforts in the legislative process and provide expert opinions on draft legislation in the anti-corruption field.

2.13 Support to Prosecutors' Network in South Eastern Europe - PROSECO

Title	Support to Prosecutors' Network in South Eastern Europe – Regional PROSECO Project
Project area	Albania, Bosnia and Herzegovina, Croatia, Kosovo ² , Montenegro, Serbia, "the former Yugoslav Republic of Macedonia".
Budget	€ 1 666 669
Funding	European Commission/Council of Europe
Implementation	Economic Crime Division (Directorate General of Human Rights and Legal Affairs, Council of Europe)
Duration	24 months (17 April 2008 – 16 April 2010)
Objectives	<p>Overall objective: To strengthen the capacities of the CARDS countries to develop and implement judiciary cooperation against serious crime based on the EU <i>acquis</i> and other European and international standards and practises by supporting the Prosecutors' Network. In particular, the project will focus on strengthening the legislation and institutional capacities of General Prosecutor Offices of South Eastern Europe in view of a more effective co-operation against serious crime. To achieve its objective, the project will implement in-project area and regional activities split into four outputs:</p> <p>Output 1 – Draft Laws available aimed at making investigation and prosecution of serious crime cases more effective and facilitating cross-border cooperation</p> <p>Output 2 – Human capacities of prosecution services strengthened in view of more effective cooperation, investigation and prosecution of serious crime cases</p> <p>Output 3 – Cooperation Manual and other tools available for more effective cooperation against serious crime</p> <p>Output 4 – Contact points for judicial cooperation strengthened.</p>
Activities and results in 2008	<p>During the Inception Phase of the Project the following activities were undertaken in close co-operation with the Ministry of Justice of Italy, the Council's partner on project's implementation:</p> <ul style="list-style-type: none"> ▪ visits to all seven project areas to present project and its objectives and to discuss with the counterpart institutions about activities to be implemented in each project-area and at the regional level (May-June 2008) ▪ a Start-up Conference and First Steering Committee Meeting was held in Italy (June 2008) <p>In terms of Project Outputs 1 and 3 with the support of project:</p> <ul style="list-style-type: none"> ▪ a Regional Conference on Financial Investigations and Confiscation of Proceeds of Crime took place in Cavtat, Croatia (September 2008). Total number of participants was 40. The results of this conference were

² All reference to Kosovo, whether to the territory, institutions or population, in this text shall be understood in full compliance with the United Nations Security Council Resolution 1244 and without prejudice to the status of Kosovo.

presented at the EU-Western Balkans Forum of Ministers of Justice and Home Affairs in Zagreb in November 2008

- a Regional Conference on Cybercrime – Training Workshop for judges and prosecutors and Workshop on Review of Effectiveness of international co-operation against cybercrime took place in Ohrid, “the former Yugoslav Republic of Macedonia”, (November 2008)
- training seminars for prosecutors on international co-operation in took place in Belgrade and Nis (September 2008)
- a legal opinion was provided on the draft Law on International Co-operation of Bosnia and Herzegovina, Serbia and “the Former Yugoslav Republic of Macedonia” (September – December 2008)
- A roundtable with members of the working group on legislative review of Draft Law on MLA of Bosnia and Herzegovina took place in Sarajevo, Bosnia and Herzegovina (October 2008)
- A training seminar for prosecutors, accountants and auditors on reporting corruption related offences, inter-agency cooperation and data exchange took place in Podgorica, Montenegro, (November 2008)

Assessment and follow up

In 2008 the foundation was laid for the project with the appointment of contact persons from all the project areas, except from Kosovo, and the creation of working relations with these points and with representatives from the Ministry of Justice of Italy, which is the Council of Europe’s partner for project implementation.

Two major regional conferences took place involving representatives from all project areas.

In 2009 the project needs to focus, in close co-operation with Prosecutor’s Offices, on involving the prosecutors from the Prosecutorial Network in project activities. It is necessary to assess the existing networks of prosecutors and legal basis for their cooperation. The first of these meetings is scheduled for January 2009.

2.14 Strengthening and Protecting Women's and Children's Rights in Ukraine (TRES)

Title	Ukraine - Strengthening and Protecting Women's and Children's Rights (TRES)
Project area	Ukraine
Budget	€ 1 200 000
Funding	European Commission/Council of Europe
Implementation	Economic Crime Division (Directorate General of Human Rights and Legal Affairs, Council of Europe)
Duration	24 months (1 September 2008 – 31 August 2010)
Objectives	<p>The overall objective is to undertake a strategic approach and detailed mapping of the problems and needs relating to women's and children's rights that will have to be addressed in order for Ukraine to be able to meet its obligations under the relevant international instruments. It encompasses a range of needs, in particular the need to focus on issues of gender equality and Revised European Social Charter (non-discrimination, violence against women), the protection of children's rights (child labour, ill-treatment and abuse of children), the protection of children, including from trafficking and sexual exploitation.</p> <p>To achieve its objective, the project is split into four outputs:</p> <p>Output 1 - To enhance skills on standards and required reforms with regard to gender equality and children's rights and issues in line with the Revised European Social Charter;</p> <p>Output 2 - To draft a legal compatibility study which will address to what extent relevant Ukrainian legislation is in line with European standards and identify areas that need improvement with regard to prosecution and prevention of violence against women and children;</p> <p>Output 3 - To prepare new scenarios regarding the existing legal framework for the prosecution and prevention of violence against women and children;</p> <p>Output 4 - To revise and reform legal framework, policy and practices for dealing with sexual exploitation and abuse of children in line with the standards of the Convention of the Council of Europe on the Protection of Children against Sexual Exploitation and Sexual Abuse (CETS 201).</p>
Activities and results in 2008	<p>During the Inception Phase of the project, the following activities were undertaken:</p> <ul style="list-style-type: none"> ▪ Press conference together with UNDP and ILO projects on Women's and Children's Rights in Ukraine to launch these projects (September 2008); ▪ Bilateral meetings with representatives of the counterpart institutions to present the project (October-November 2008); ▪ Identification of the Steering Committee members (October-November 2008); ▪ First Steering Committee Meeting with all counterpart institutions to discuss the project objectives, to establish co-operation and mutual expectations (December 2008); ▪ Adoption of the work plan (December 2008); ▪ Start-up Conference with a brief overview of the project, a presentation of the Council of Europe's Convention on Action against Trafficking in Human Beings and of the Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse to ensure that all project

partners have a full understanding of their responsibility in the implementation of the project and to heighten public awareness of the problem of women's and children's rights (December 2008).

Assessment and follow up

The project commenced in September 2008 with a three-months inception phase that ended with the launching conference in December. This phase established the basis for the project.

At the start up event, the Ministry for Family, Youth and Sports, which is the main partner institution, recalled the importance of this project and reaffirmed its full involvement and support, as it is of major importance for Ukraine to improve the rights regarding women and children in order to reach the European standards in this matter. It also informed that the National action plan for the implementation of the Convention on the Rights of the Child is currently under discussion in the Verkhovna Rada.

The following steps will now be taken to implement the work plan:

- As to output 1: Translation of excerpts from the case law of the European Committee of Social Rights (December 2008 – May 2009)
- As to output 2: First fact-finding mission of CoE experts to collect information and legislation and conduct interviews and discussions with key actors (December 2008 – March 2009)
- As to output 3: Legal Expert Opinion with regard to issues concerning prosecution of violence against women and children (March 2009)
- As to output 4: Development of a national strategy for the protection of children against sexual exploitation and abuse, including legislative and institutional sector areas (judiciary and prosecution services) (December 2008 – October 2009)

UNDP, ILO and UNICEF, which will operate a programme on related topics also funded by the European Commission, have been invited as observers to the Steering Committee. NGOs were included in all target groups of the project.

3 Analysis and conclusions

The Council of Europe's technical cooperation activities against economic crime need to be assessed in terms of their contribution to the objectives of the organisation, and more specifically to those defined in the Warsaw Declaration and Action Plan of the Heads of State and Government of the Member States of the Council of Europe (May 2005) and the Annual Programme of Activities for 2008.

The Warsaw Declaration states:

8. We are determined to ensure security for our citizens in the full respect of human rights and fundamental freedoms and our other relevant international obligations. The Council of Europe will continue to play an active role in combating terrorism, which is a major threat to democratic societies and is unjustifiable under any circumstances and in any culture. It will also further develop its activities in combating corruption, organised crime – including money laundering and financial crime – trafficking in human beings, cybercrime, and the challenges attendant on scientific and technical progress. We shall promote measures consistent with our values to counter those threats.

The Warsaw Action Plan (under heading II. Strengthening the security of European citizens) underlines the need to take action against corruption and organized crime through GRECO, MONEYVAL and technical assistance programmes, as well as against trafficking in human beings and against cybercrime.

In the Programme of Activities for 2008, technical cooperation activities against economic crime and cybercrime fall under Programme II.3.2 (European standards for crime control) which is aimed at developing "effective measures to combat crime, in particular economic and organised crime; to ensure their proper implementation and effective international cooperation (...)".

Within Programme II.3.2, Project 2008/DG-HL/1429 (Effective measures to fight economic crime and cybercrime) serves as umbrella for all other economic crime related projects. The objective of this project is "To strengthen legislation and institutional capacities aimed at the prevention and control of economic crime, including corruption, organised crime, money laundering, trafficking and cybercrime."

Indicators of success are the effective implementation of European and other international standards, the the number of ratifications, the number of meetings and training events, the effectiveness of strategies and policies against economic crime in member states and the levels of crime.

All projects against economic crime contribute to these objectives. Close to 400 activities were carried out in 2008 under 13 joint projects or voluntary contribution funded projects linked to ordinary budget project 1429. The total budget of these projects was approximately € 23 million with estimated expenditures in 2008 amounting to some € 7 million.

It is important to note that only some 15% of this amount is provided for in the ordinary budget of the Council of Europe (including operational activities, cost of 3 staff, co-funding to joint projects, overheads etc.). Thus, with minimum investment from the ordinary budget, considerable extra-budgetary resources are generated and hundreds of activities are implemented in pursuance of Council of Europe objectives. They also meet the organisation's criteria for cooperation projects as shown in the following analysis.

3.1 Relevance

The projects are aimed at corruption, money laundering/terrorist financing, cybercrime, trafficking in human beings, the sexual exploitation of children and other forms of economic and organized crime.

As indicated above, all projects are logically linked to the third-summit action plan and the Programme of Activities, are aimed at supporting the implementation of CoE conventions and recommendations in the criminal field (corruption, money laundering, trafficking in human beings, exploitation of children, cybercrime, judicial cooperation), and follow up on recommendations resulting from monitoring (GRECO and Moneyval) or convention mechanisms (Cybercrime Convention Committee). As a rule, these projects are designed and implemented in cooperation with national authorities and thus reflect very much their needs.

In 2008, new projects were launched in strategic areas, such as the TRES project on the protection of women's and children's rights in Ukraine. This will help implement the Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse (CETS 201) and the Convention on Action against Trafficking in Human Beings (CETS 197) and provide an entry point for the development of a larger portfolio in this field. In South-eastern Europe, the PROSECO project on judicial networking among prosecutors was launched to help countries in south-eastern Europe implement relevant Council of Europe treaties.

3.2 Added value

The effectiveness of CoE projects against economic crime is very much due to their symbiotic relationship with standards (conventions or soft-law recommendations) set by the organisation which establish benchmarks, and monitoring mechanisms which evaluate compliance with these standards and adopt recommendations to a given country, backed up by continued policy dialogue.

Thus, technical cooperation activities add considerable value. This approach combining standard setting, monitoring and technical cooperation has been successfully implemented with regard to economic crime for many years. It is most visible with regard to corruption and money laundering where clear standards and strong monitoring mechanisms are complemented by successful technical cooperation projects.

An added value of the Council of Europe has also been the ability to respond to emerging needs. This pragmatism has also been honored by donors. For example, in October 2008 a Project on Cybercrime in Georgia was designed and funds were raised; it is to commence in early 2009.

It is essential that project design, approval and fund-raising can be managed in a pragmatic and flexible manner also in the future.

3.3 Effectiveness and efficiency

Considering the number of activities carried out and the results achieved in 2008, projects were highly effective and efficient: the number of activities increased by 25% compared to 2007 (from some 300 in 2007 to close to 400 in 2008) and budgetary spending from approximately € 3.7 million in 2007 to some € 7 million in 2008. This is due primarily to the procurement of equipment under some of the projects.

Approximately 15% were funded from the CoE budget while the remaining 85% were funded from voluntary contributions. Most of these were contributed by the European Commission, while the Netherlands, the United States Agency for International Development (USAID), Sweden (Sida) and

Estonia were bi-lateral donors. Substantial contributions were also received from the private sector (Microsoft) for measures against cybercrime.

In 2008, some 45 staff and long-term advisers were involved in the management and implementation of these projects. Of these, 18 were based in Strasbourg and 27 in project countries. Only three staff were covered by the ordinary budget of the Council of Europe while the remaining 42 were solely funded from project budgets under fixed-term or consultant contracts. In addition, a large number of short-term consultants were employed for specific tasks.

In terms of cost/results ratio Council of Europe projects are on the one hand rather cost efficient when compared with technical cooperation projects carried out by bi-lateral organisations or consulting firms, and effective through their links to standard setting and monitoring activities.

On the other hand, it should also be noted that the CoE internal reporting and administrative requirements increased considerably in the course of 2007 and 2008 which reduces the time available for proper project management and the delivery of results.

Administrative and financial procedures are heavy. They may meet the needs of intergovernmental activities but are too cumbersome for technical cooperation work. The results are thus achieved at the cost of overburdening project and administrative staff.

In the medium run, the staffing cost will become too high in relation to the operational budget of projects, and the Council of Europe risks to become non-competitive.

While sufficient staff was available and provided for in project budgets for the implementation of projects, it should be underlined that the shortage of management and support staff funded from the Council of Europe budget (in the Economic Crime Division only 3 out of more than 40 project staff and long-term advisers are CoE funded) meant that the necessary quality control was not always possible. This led to a number of problems regarding reporting in 2008.

3.4 Impact and sustainability

The following examples illustrate the results achieved in 2008 with long-term impact and sustainability:

With regard to **corruption**:

- In the Russian Federation, the impact of activities carried out under the RUCOLA projects from 2005 to 2007 became particularly visible in 2008 when the President of the Russian Federation signed the anti-corruption action plan and when a series of legislative amendments passed the first reading in the State Duma. In December 2008, the first report for the Russian Federation was on the agenda of GRECO. Membership in GRECO had been facilitated by the RUCOLA project when it supported the ratification of the criminal law convention on corruption by Russia in 2006
- In Turkey, the Project for the Prevention of Corruption helped the Council of Ethics for the Public Service to become fully operational in 2008
- In Georgia, in spite of a number of difficulties, the GEPAC project helped bring the anti-corruption agenda back on track
- In Azerbaijan, the AZPAC project helped raise awareness of the new anti-corruption strategy, develop tools which will allow the Commission for Combating Corruption monitor the strategy, train civil servants in the prevention of corruption, identify gaps showing the compliance of both - domestic legislation and the institutional set-up with relevant international instruments, and through number of activities directly supported the implementation of GRECO recommendations

- In Ukraine, the UPAC project supported the establishment of specialized anti-corruption bodies, the enhancement of preventive capacities within public authorities and in particular the prevention of political corruption, and the role of civil society in the anti-corruption effort. Continuous expert advice in the process of improvement of the anti-corruption related draft laws have been provided
- In Moldova, a more active role of civil society and media against corruption was promoted and proper implementation of the law on the financing of political parties was supported. The anti-corruption legislation was brought further in line with European standards. The risk assessment methodology for public institutions was successfully implemented.

With regard to **money laundering and counter-terrorist financing**:

- An AML/CTF law was drafted in Ukraine and is now in parliament which – once adopted – will bring Ukraine ahead of most other European countries with regard to the implementation of 3rd EC Directive
- AML/CTF training strategies have been produced and adopted in Ukraine for law enforcement sector, prosecutors and judges and for the financial sector which will help consolidate the so far dispersed and uncoordinated AML/CTF training process
- The MONEYVAL report on the Russian Federation adopted in 2008 shows clear evidence of progress made (reflected among other things in the increase in investigations and proceeds confiscated) since 2003 when the Council of Europe began to provide targeted assistance
- Draft laws on AML/CTF, seized assets management and liability of legal persons were drafted in Serbia which are now before parliament and which will allow Serbia to ratify the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (CETS 198)
- In Moldova, the financial intelligence unit was strengthened through the delivery of equipment. The MOLICO project assisted in Moldova's accession to the Egmont Group.

With regard to **financial investigations and the confiscation of proceeds from crime**:

- The Council of Europe has been supporting efforts to strengthen financial investigations aimed at the confiscation of crime proceeds in south-eastern Europe since 2001. A workshop carried out under the PROSECO project in Croatia in September 2008 clearly demonstrated the impact made since 2001. This is reflected in terms of legislation in place, institutional capabilities to carry out such investigations and the amounts seized and confiscated. This field is also a good example of cooperation between the Council of Europe and the European Commission. The results of this work were presented by the Council of Europe at the EU-Western Balkans Ministerial meeting in Zagreb in November 2008.

With regard to **cybercrime**:

- In terms of cybercrime legislation, the Project on Cybercrime has helped make the Convention on Cybercrime the primary reference standard globally. More than 100 countries from all regions of the world have strengthened their legislation or are in the process of doing in line with Convention. It is important that in 2008, the Philippines and the Dominican Republic have been invited to accede. Others will follow in 2009
- In Serbia, the Law on the Ratification of the Cybercrime Convention and its Additional Protocol was prepared under the PACO Serbia Project and is now before the Parliament of Serbia
- Guidelines for the cooperation between law enforcement and Internet service providers have been adopted by a global conference organized by the Council of Europe in April 2008. They are now being fully implemented in France. In November 2008, the EU Justice and Home Affairs Council of Europe expressed its support to these guidelines. The preparation of these guidelines is an indicator of the Council of Europe's involvement in public-private cooperation

- The Project on Cybercrime has helped strengthen the network of 24/7 points of contact. Additional contact points have been established in Armenia and Bosnia and Herzegovina. A combined directory of contact points of the G8 and the Council of Europe has been created
- The global Octopus conference held in Strasbourg in April 2008 underlined the role of the Council of Europe as an "interface" between different stakeholders.

With regard to **judicial cooperation**:

- In Ukraine, training of officials of the Ministry of Justice and the prosecution, legislative amendments and the installation of software and hardware for the management of mutual legal assistance requests will help make judicial cooperation more efficient
- In south-eastern Europe, the start of the PROSECO project re-launched direct judicial cooperation among prosecutors in line with the 2nd Additional Protocol to the Convention on Mutual Legal Assistance in Criminal Matters (ETS 182).

With regard to **trafficking in human beings and the sexual exploitation of children**:

- The launch of the TRES project on the protection of women's and children's rights in Ukraine in September 2008 was of crucial importance. It will facilitate the preparation of further projects aimed at supporting the implementation of the Convention on Action against Trafficking in Human Beings (CETS 197) and the Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse (CETS 201).

These examples show that in 2008 important and sustainable results have been achieved with an impact at institutional, legislative and operational levels.

3.5 Cooperation with other organisations

In the implementation of projects against economic crime the CoE cooperated with a large number of international organisations and public and private institutions. In most countries of central and eastern Europe, the Council of Europe and the European Union pursue similar objectives regarding economic crime. Thus, as in previous years, the European Commission was the main partner also in 2008 and provided the largest share of contributions to joint programmes. The Memorandum of Understanding between the European Union and the Council of Europe of May 2007 will certainly provide a basis for a further expansion of such cooperation. In 2008, cooperation with the European Union also grew stronger with regard to cybercrime.

Cooperation with bi-lateral development agencies, such as the Swedish International Development Cooperation Agency (Sida), the Netherlands Ministry of Development Cooperation and the United States Agency for International Development (USAID) was rather positive. The CoE should broaden its cooperation with development cooperation organisations in the future.

Cooperation in 2008 was also strengthened with non-European organisations such as the Organisation of American States, ASEAN, the Secretariat of the African Union Commission and others, in particular with regard to cybercrime.

Civil society organisations participated in a number of anti-corruption projects and the private sector in projects against money laundering (financial sector) and cybercrime.

3.6 Conclusions and the way ahead

A critical number of projects against economic crime is underway or in the pipeline which allowed the Council of Europe to further expand its activities in 2008 and thus to pursue the goals set at the 3rd Summit of Heads of State and Government.

These projects were relevant in terms of their contribution to the objectives of the Warsaw Summit Declaration and Action Plan, they provided added value through their close links to standards set by the Council of Europe and monitoring mechanism, they were effective in terms of results and achieved considerable impact.

Technical cooperation activities against economic crime received a large amount of media coverage and thus contributed significantly to the visibility of the Council of Europe and its partners.

This was only possible because of a responsive, pragmatic, pro-active and result-oriented approach. Donors continued to honour this approach and contributed substantial extra-budgetary resources for measures against economic crime in Europe and beyond.

In many ways, the year 2009 will be a year of transition: several projects will end, new projects will need to be prepared and launched, the internal restructuring of the Secretariat will need to be completed and solutions to administrative challenges to be established.

Although the number of activities increased in 2008 (as compared to 2007), further efforts need to be undertaken to make internal rules and procedures more efficient and to adjust them to the needs of technical cooperation. More staff needs to be allocated from the Council of Europe budget to ensure proper management and quality control.

New projects will need to be developed and funding sought in order to help countries implement the Convention on Action against Trafficking in Human Beings (CETS 197) and the new Convention on the protection of Children against Sexual Exploitation and Sexual Abuse (CETS 201).

With regard to corruption, new projects will need to be developed and funding secured in Armenia, countries of South-eastern Europe, the Russian Federation and Turkey. New projects in South-eastern Europe should also cover issues related to money laundering, cybercrime and organised crime (such as financial investigations, witness protection and use of special investigative techniques).

Additional projects need to be prepared and funding sought for measures against money laundering (including terrorist financing) in Armenia, Georgia and Azerbaijan.

With regard to cybercrime, Phase 2 of the global Project on Cybercrime will be launched in March 2009, and the portfolio of cybercrime related activities would need to be enhanced through additional projects. In this area, horizontal synergies will be sought with issues such as financial investigations, protection of personal data, protection of children against sexual exploitation, or international cooperation in criminal matters.

It is clear that most of these projects would need to be funded through voluntary contributions or joint projects. The experience to date shows that such an investment is effective and produces results.

