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Economic Crime Division
Directorate General of
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**Technical cooperation against
economic crime –
Activity report 2009**

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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 that 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 2009, 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 keep the Council of Europe's work in this area transparent and to inform member States and 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 2009

2.1 Overview

In 2009, some 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 2009 amounted to some € 24 million while expenditure in 2009 amounted to approximately € 6 million.

The Project on Economic Crime (2008/DGHL/1429) 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 2009, 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 first phase of the Project on Cybercrime was co-financed by voluntary contributions from Microsoft and Estonia, while the second phase that was launched in March 2009 is co-funded by Microsoft and McAfee while Romania seconded an expert. It has global coverage and is aimed at the implementation of the Convention on Cybercrime and its Protocol on xenophobia and racism, but also standards to protect children from sexual exploitation as well as data protection. 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 2009, MOLI projects were implemented in the Russian Federation (MOLI RU2) and Ukraine (MOLI UA2) which built on activities carried out in both countries since 2003. These projects are joint projects of the Council of Europe and the European Commission.

The MOLICO project in Moldova consisted of two components, namely corruption and AML/CFT. This was a joint project with the European Commission but was 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 was funded by the Netherlands and the AZPAC Project against Corruption in Azerbaijan by USAID. The new PACO joint project against corruption in Albania was launched in September 2009.

The PROSECO Project on Judicial Networking among Prosecutors in South-eastern Europe, and the TRES on the Protection of Women and Children in Ukraine are joint projects of the CoE and the EC.

Several of these projects were successfully completed in 2009. A number of additional projects were designed and are expected to be launched in 2010.

Projects underway in 2009

<i>Title</i>	<i>Start</i>	<i>End</i>	<i>Budget (Euro)</i>	<i>Source of Funding</i>
Economic crime/Octopus 2009	01/01/09	31/12/09	100 700 ¹	CoE
Global Project on Cybercrime (Phase 1)	01/09/06	28/02/09	1 100 000	Microsoft/ Estonia/CoE
Global Project on Cybercrime (Phase 2)	01/03/09	30/06/11	1 400 000	Romania/ Microsoft/ McAfee/CoE
Project against corruption and money laundering in Moldova (MOLICO)	01/08/06	31/12/09	3 500 000	EC/Sida/ 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 money laundering in Ukraine (MOLI-UA 2)	01/05/06	30/04/09	5 300 000	EC/CoE
Ukraine – Project against corruption (UPAC)	01/06/06	31/12/09	1 750 000	EC/CoE
Project against corruption in Georgia (GEPAC)	01/09/07	31/03/10	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 project on judicial networking in South-eastern Europe	17/04/08	17/04/10	1 666 000	EC/COE
Project on cybercrime in Georgia	01/06/09	31/05/10	220 000	EC/COE
Project against corruption in Albania	01/09/09	28/02/12	2 130 000	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 240 700 000 in 2008. Approximately 140 000 of this was used for cybercrime (see Project on Cybercrime) and 100 700 for other activities related to economic crime.

2.2 Project on Economic Crime (Octopus)

Title	Effective measures against economic crime and cybercrime (2008/DGHL/1429)
Project area	Europe
Budget	€ 100 700 [from a total of € 240 700]
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 2009	<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 the PACA Project against Corruption in Albania and the Project on Cybercrime in Georgia ▪ Preparation of new projects in Bosnia and Herzegovina, Russian Federation, Serbia, South-eastern Europe (regional), Turkey and Kosovo² ▪ Following the conclusion of the AZPAC Project (October 2007-September 2009), the Council of Europe and the Commission on Combating Corruption of the Republic of Azerbaijan held a conference on "Advancing the Anti-corruption Reforms in Azerbaijan" (Baku, 19 November 2009) ▪ Promotion of the Civil Law Convention on Corruption in Montenegro (training workshop in April 2009)
Assessment and follow up	<ul style="list-style-type: none"> ▪ Although modest in budget, this project serves as a most useful umbrella to ensure coherence of all economic crime related projects. It provides a minimum of resources to respond to emerging needs and to design and launch new projects ▪ Project proposals with a volume of more than Euro 15 million were thus prepared ▪ Given the value and impact of Project 1429 it is of concern that budget allocations are declining year by year (in 2009 a reduction of 10% compared to 2008, and in 2010 a further reduction of 30%).

² Reference to Kosovo in this document, with regard to territory, institutions, population, and communities shall be understood as in line with United Nation's Security Council Resolution 1244

2.3 Global Project on Cybercrime (Phase 1)

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	<p>The Project ended in February 2009. Since September 2006 it helped create and sustain a global momentum towards stronger legislation. As a result, more than 100 countries around the world either have cybercrime laws in place or are in the process of preparing legislation using the Convention on Cybercrime as a guideline or "model law". Examples are:</p> <ul style="list-style-type: none"> ▪ Albania: Amendments to substantive and procedural criminal law adopted in 2008 ▪ Argentina: Amendments to substantive criminal law adopted in 2008 ▪ Azerbaijan: Signed Convention on Cybercrime in 2008 ▪ Chile: Request for accession received in February 2009 and invitation extended subsequently ▪ Colombia: Amendments to substantive criminal law adopted in January 2009 ▪ Dominican Republic: Legislation adopted and entered into force in 2008; Dominican Republic invited to accede to the Convention in 2008 ▪ Georgia: Signed Convention on Cybercrime in 2008 ▪ Germany: Amendments to legislation and ratification law adopted by Parliament in 2008. Ratified in March 2009. ▪ India: Amendments to Information Transaction Act adopted by Parliament in December 2008 ▪ Indonesia: Act on Information and Electronic Transactions adopted by Parliament in 2008 ▪ Italy: Ratified Convention on Cybercrime in 2008 ▪ Philippines: Draft law before Parliament and Philippines invited to accede to the Convention on Cybercrime in 2008 ▪ Serbia: Legislative amendments and ratification law adopted by Parliament in early 2009. Ratification in 2009 ▪ South Africa: Signed the Protocol to the Convention on Xenophobia and Racism in 2008 ▪ Sri Lanka: Cybercrime Act adopted and entered into force in 2008. <p>The project thus helped establish the Convention as the primary standard of reference globally.</p> <p>Results also include:</p> <ul style="list-style-type: none"> ▪ the preparation of guidelines for law enforcement – Internet service provider cooperation which were adopted by the global conference in Strasbourg in April 2008 and which have since been made use of by the European Union and different countries, and reflected in the case law of the European Court of Human Rights ▪ the promotion of the training of judges and prosecutors

- the establishment of 24/7 points of contact in countries that are parties to the Convention
 - the strengthening of multi-stakeholder cooperation, among other things through the global Octopus conferences.
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Assessment and follow up Results show that the pragmatic approach of the project has been very effective and that much has been achieved with limited resources (approximately Euro 1.1 million in total). The funds entrusted to this project have been used in an efficient manner and yielded a high return on investment.

The project ended in February 2009. Building on its achievements, the Global Project on Cybercrime (Phase 2) was launched in March 2009.

2.4 Global Project on Cybercrime (Phase 2)

Title	Global Project on Cybercrime, Phase 2 (DGHL/2009/2079)
Project area	A global project to support countries worldwide in the implementation of the Convention on Cybercrime (ETS 185) and its Protocol on Xenophobia and Racism (ETS 189)
Budget	Up to EURO 1.4 million (not yet secured)
Funding	Council of Europe (Project 1429 – economic crime) Contributions from Romania, Microsoft and McAfee Additional funding required
Implementation	Economic Crime Division (Directorate General of Human Rights and Legal Affairs, Council of Europe)
Duration	28 months (1 March 2009 – 30 June 2011)
Objective	To promote broad implementation of the Convention on Cybercrime (ETS 185) and its Protocol on Xenophobia and Racism (ETS 189) and related international standards
Activities and results in 2009	<p>Phase 2 of the Global Project on Cybercrime was launched at the Octopus Interface Conference in March 2009. Activities and results in 2009 include the following:</p> <p>Output 1 – Legislation and policies: Cybercrime policies and legislation strengthened in accordance with the Convention on Cybercrime and its Protocol</p> <ul style="list-style-type: none"> ▪ Germany, Moldova and Serbia ratified the Convention on Cybercrime ▪ Chile was invited to accede to the Convention ▪ Romania and Serbia ratified the Protocol on Xenophobia and Racism committed through Computer Systems ▪ In Portugal, the laws on the ratification of the Convention and the Protocol as well as implementing legislation were adopted and published ▪ Reforms in Bosnia and Herzegovina and “the former Yugoslav Republic of Macedonia” have been initiated. Both are parties to the Convention on Cybercrime but legislation does yet not comply fully with the treaty ▪ Constructive cooperation with Indonesia continued and this country could seek accession to the Convention ▪ Cooperation with Morocco was taken up again and Morocco could seek accession to the Convention ▪ The dialogue with Australia continued. Legislation in this country is such that it could seek accession to the Convention ▪ Legislative advice was provided to Senegal. Given the law on cybercrime adopted in 2008, Senegal could seek accession to the Convention on Cybercrime ▪ Legislative advice was provided to Nigeria and Uganda. Unless support to reform efforts in Africa is intensified, Africa will become a major source of cybercrime given the expansion of fibre optic networks on this continent ▪ Legislative advice was also provided to Montenegro, Vietnam and Korea. <p>Output 2 – International cooperation: Capacities of 24/7 points of contact, high-tech crime units and of authorities for mutual legal assistance strengthened</p> <ul style="list-style-type: none"> ▪ The study on the functioning of 24/7 points of contact and the workshop held at the Octopus conference helped clarify the role and limitations of 24/7 points of contact and encouraged the more recently created contact points in Europe to become more active

- Measures to render contact points more effective were identified
- While cooperation between the G8 High-tech Crime Subgroup and the CoE will require further discussion by the Cybercrime Convention Committee, the Project on Cybercrime should focus not only on contact points but also on other channels of cooperation (such as Interpol) and on making mutual legal assistance more efficient.

Expected Result 3 – Investigation: Law enforcement – service provider cooperation in the investigation of cybercrime improved on the basis of the guidelines adopted in April 2008

- The LEA-ISP guidelines adopted at the Octopus conference in 2008 are yielding an impact in several countries and at the level of the European Union
- The Project on Cybercrime helped create a working group in Ukraine to improve LEA-ISP cooperation
- LEA-ISP cooperation was also promoted in India
- Discussions at the MAAWG (Messaging Anti-abuse Working Group) event showed that pragmatic solutions to further enhance cooperation between service providers, private sector initiatives and law enforcement (specifically high-tech crime units) need to be found while taking into account the roles of existing networks and contact points.
- During the conference on EU-US cooperation in cybercrime matters (5-6 November 2009, Brussels) it was agreed that a contact list/facebook-style secure cooperation platform for law enforcement, ISPs and hotlines should be established with funding from the EC
- The LEA-ISP guidelines were reflected in the case law of the European Court of Human Rights.

Output 4 – Financial investigations: enhanced knowledge among high tech crime units and FIUs to follow money flows on the internet and stronger cooperation between financial intelligence and investigation units, high-tech crime units and the private sector

- The Octopus workshop on criminal money flows on the Internet (March 2009) prepared the ground for the design (in July/September 2009) of a typology exercise in cooperation with MONEYVAL
- New typology exercise on criminal money flows on the internet: methods, trends and multi-stakeholder counteraction - On 24 September 2009, the Council of Europe's Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) decided to undertake a typology exercise on criminal money on the internet. It will be carried out between November 2009 and December 2010 and will examine criminal money flows and methods of money laundering through information and communication technologies (ICT), including the Internet. It will furthermore document good practices such as multi-stakeholder action aimed at the search and confiscation of crime proceeds and prevention.

Output 5 – Judges and prosecutors: Training for judges and prosecutors in cybercrime and electronic evidence institutionalised

- Between March and September 2009 a concept for the training of judges and prosecutors on cybercrime and electronic evidence was developed and finalised under the Project on Cybercrime in cooperation with the Lisbon Network of the CoE, a range of judicial training institutions and private sector representatives. This is a major
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achievement and may yield considerable impact

- The concept for the training of judges and prosecutors on cybercrime and electronic evidence was adopted by the Lisbon Network of judicial training institutions and the Consultative Council of European Prosecutors welcomed the paper and invited the relevant authorities in the member states to make the best use of it)
- Judges and prosecutors trained through workshops in Albania, Germany, Portugal and Egypt.

Output 6 – Data protection and privacy: Data protection and privacy regulations in connection with cybercrime investigations improved in line with Council of Europe and other relevant international standards

- The authorities of Morocco were encouraged in July 2009 to seek accession to the CoE's Convention on data protection (CETS 108) since new legislation is now in place in this country
- Following an exchange of letters, the Project on Cybercrime will participate in the meetings of the OECD's Working Group on Information Security and Privacy
- A presentation was made on "privacy and security: what are the issues?" at the meeting of the European Dialogue on Internet Governance (EuroDIG) in Geneva on 14 September 2009.
- The decisions of the CoE's Committee on Data Protection (T-PD) to work towards a modernisation of the data protection convention CETS 108 and of the Committee of Ministers to encourage non-member States of the CoE to accede to this treaty (and its Protocol CETS 181) are positive developments. Data protection legislation and systems in line with this treaty and accession to this treaty should be of interest to non-European countries as it would indicate that they meet European data protection standards which in turn facilitates off-shoring of services from Europe as well as law enforcement cooperation with Europe.

Output 7 – Exploitation of children and trafficking in human beings: Enhanced knowledge of standards against the sexual exploitation and abuse of children and trafficking in human beings on the internet

- Between March and September 2009, the Project on Cybercrime organised or contributed to six events through which implementation of Article 9 of the Convention on Cybercrime and of the Convention on the Sexual Exploitation and Sexual Abuse of Children (CETS 201) was promoted
- A comparative study on substantive criminal law provisions related to the sexual exploitation and abuse of children was launched
- Cooperation with APEC, the European Commission, the OECD and a range of other organisations and the private sector was sought to create synergies and enhance the impact of these standards with the support of the Project on Cybercrime.

Assessment and follow up

The aim of the project is to promote broad implementation of the Convention on Cybercrime (CETS 185) and its Protocol on Xenophobia and Racism (CETS 189) and related international standards, that is, in particular the Convention on the Sexual Exploitation and Sexual Abuse of Children (CETS 201) and the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data (CETS 108).

Progress towards the project objective during the first six months was

satisfactory with Germany, Moldova and Serbia ratifying the Convention on Cybercrime, Romania and Serbia ratifying the Protocol on Xenophobia and Racism and Chile having been invited to accede to the Convention on Cybercrime. While legislative reforms continue in many countries, often with the support of the project.

At the same time a major concern remains: The fact that 22 CoE member States have not yet ratified the Convention and five member States have not yet signed it weakens the credibility of this important treaty in other regions of the world.

It is therefore essential to intensify the dialogue with member States and countries already invited to accede to complete the ratification/accession process.

As in phase 1, the project has been able to cooperate with a large number of public and private sector stakeholders which enhances markedly the impact of this project. Links between measures against cybercrime and the promotion of fundamental rights and the rule of law have been reinforced.

The judicial training concept developed during the first six months of the project, the promotion of measures for the protection of children against sexual exploitation and abuse, the activities on international cooperation and law enforcement – service provider cooperation, and the initiation of activities related to criminal money flows on the internet as well as data protection are promising. Priorities have been set to achieve measurable progress in these areas by March 2010.

However, it will be difficult to pursue these priorities if additional funding for this project is not made available.

2.5 Georgia - Project on Cybercrime

Title	Project on Cybercrime in Georgia
Project area	Europe
Budget	€ 220,000
Funding	European Commission/Council of Europe
Implementation	Economic Crime Division (Directorate General of Human Rights and Legal Affairs, Council of Europe)
Duration	June 2009 – May 2010 (12 months)
Objective	The overall objective of the project is to contribute to the security of and confidence in information and communication technologies in Georgia. The purpose of the project is to help Georgia develop a consistent policy on cybercrime in view of implementing the Convention on Cybercrime (ETS 185).
Activities and results in 2009	<p>During the planning visit (3-4 June 2009) it was agreed that the project should focus in 2009 on strengthening the legislation (output 1) and institutional capacities (output 3). Outputs 2 (training) and 4 (law enforcement/internet service providers cooperation) will be implemented during the second part of the project when adequate legislation would be in place.</p> <p>Output 1 – Legislation: Legislative proposals will be available to bring Georgian legislation fully in line with the Convention on Cybercrime and related European standards on data protection:</p> <ul style="list-style-type: none"> ▪ The workshop on cybercrime legislation (16 July 2009) analysed the existing cybercrime legislation in order to identify the provisions that need further reform to comply with the Convention on Cybercrime ▪ Two expert reports on cybercrime and data protection legislation: assessed the existing provisions and formulated proposals in view of implementing the Convention on Cybercrime (ETS 181), the Convention on Protection of Personal Data (ETS 108) and relevant European standards ▪ The second workshop on legislation (29 September 2009) discussed the two reports with the counterparts responsible for drafting amendments ▪ 16 October 2009: a Working Group for drafting amendments to cybercrime legislation was established by a Decree of the Minister of Justice which sets 15 December 2009 as the deadline to present to the Minister the draft laws fully implementing the Convention on Cybercrime. The same deadline applies to the already existing Working Group on data protection legislation ▪ November 2009: The reports on cybercrime and data protection legislation were translated into Georgian and sent to the working groups on drafting amendments. <p>Output 2 – Training: Training policies and modules are available for standard training courses for law enforcement authorities, prosecutors and judges regarding the investigation, prosecution and adjudication of cybercrime:</p> <ul style="list-style-type: none"> ▪ Georgia was involved in the elaboration of a concept paper for the cybercrime training of judges and prosecutors prepared under the Global Project on Cybercrime with the view to implement it in Georgia ▪ The information gathered throughout the preparation of the concept paper (two questionnaires and one workshop to finalise the concept paper on 3-4 September 2009) provided important information on the current training needs for judges and prosecutors in Georgia ▪ Further activities will be carried out in the future under this project.

Output 3 – Institution building: Proposals available for the creation of a 24/7 point of contact for international police cooperation, the establishment of a high-tech crime unit within the police and competent authorities for international judicial cooperation in cybercrime cases:

- Round Table on the establishment of a high tech crime unit within the Georgian police (15 July 2009): evaluated the current situation in Georgia in order to formulate proposals
- August 2009: expert report submitted making proposals for establishing a high tech crime unit
- Second Round Table (28 September): the conclusions of the report were presented and discussed with representatives from the relevant Ministries and further steps. During the meeting the Head of the International Department of the Ministry of Internal Affairs announced that a decision to create such a unit could be made soon
- November 2009: the Deputy Minister of Interior agreed on initiating the measures to create a high tech crime unit within the Criminal Police Department of the Ministry of Internal Affairs. The normative acts necessary for its creation are currently under preparation and the official establishment of the unit is expected by the end of 2009.

Output 4 (law enforcement/service provider cooperation) will be implemented during the second part of the project as agreed during the planning visit and confirmed during the first Steering Committee meeting (28 September 2009).

- Second workshop on legislation (29 September 2009): Microsoft was invited to attend the meeting and to make a presentation on public-private cooperation on cybercrime
- Further activities will be carried out in the future under this project.

Assessment and follow up

In 2009, the project successfully implemented the proposed activities pursuant to its workplan and the priorities defined during the planning visit and its first Steering Committee meeting. The cooperation with Georgian counterparts was excellent and their commitment to implement the project strong.

The strengthening of the current legislation is a major objective of the project and a precondition for the successful implementation of the other outputs.

The establishment of a Working Group responsible for drafting amendments to the cybercrime legislation by 15 December 2009 and the decision to create a high tech crime unit are two positive indicators for the prospect of achieving the project's objectives.

In 2010, the project will continue to work on enhancing the legislation and establishing the high tech crime unit, but will also need to focus on training activities and law enforcement – service provider cooperation.

The project's implementation is therefore fully in line with its workplan and calendar of activities as updated during the Steering Committee meeting. All activities foreseen under the project will therefore be carried out by May 2010 assuming that the Georgian counterparts' commitment will remain in 2010 as consistent as in 2009.

2.6 Moldova – MOLICO Project against Corruption, Money Laundering & Financing of Terrorism

Title	Project against corruption, money laundering and the financing of terrorism in Moldova (MOLICO)
Project area	Moldova
Budget	€ 3.5 million
Funding	European Commission/Swedish International Development Cooperation Agency (Sida)/CoE
Implementation	Economic Crime Division (Directorate General of Human Rights and Legal Affairs, Council of Europe)
Duration	Initial: 36 months (August 2006–July 2009) Extension granted until 31 December 2009 (for the purposes of completing the procurement of software)
Objective	Project objective 1 – To ensure the implementation of Moldova’s anti-corruption strategy on the basis of annual action plans 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
Activities and results	<p>The project ended in 2009. It achieved most of the objectives set out in its Terms of Reference, and went beyond these in several cases.</p> <p>With the support of the project the Moldovan authorities implemented two innovative measures of corruption prevention: corruption proofing with regard to legislation and risk assessment methodologies that cover the most vulnerable sectors.</p> <p>As a tangible result of the corruption proofing effort, 317 draft laws were reviewed, of which 258 were subsequently adopted by the parliament reflecting the recommendations made.</p> <p>The risk assessment methodology for the judiciary was implemented at a national level: the entire Moldovan judiciary is now implementing institutional integrity plans. As of July 2008 the risk assessment methodology has become mandatory for all central public authorities in Moldova. The final reports and integrity plans expected by December 2009 will form the basis for a new national strategy in this area.</p> <p>The Centre for Combating Corruption and Economic Crime of the Republic of Moldova (CCCEC – the main project beneficiary) has created a service for analytical work – an important novelty for an institution that was created as a repressive one. New training curricula for various target groups such as the public administration, mass media and young people were developed by the CCCEC with the support of the project.</p> <p>Important progress has been made in the reform of the system of financing of political parties.</p> <p>The National Corruption Perception Surveys carried out within the framework of the project in 2007 and 2009 indicate that the wider public still regards corruption as one of the most serious problems of the country. They also revealed that the resistance of the population to petty corruption has increased. According to the surveys the CCCEC enjoys a wide recognition and a higher level of public confidence than other law enforcement institutions. At the same time the public awareness of the anti-corruption agenda of the government remains rather low. These findings are consistent with the Transparency International Corruption Perception Index. The overall progress in the anti-corruption area was confirmed by GRECO evaluation reports.</p>

The main project goals for building an effective AML/CFT regime were also achieved. Moldova AML/CFT legislation was brought in line with international standards; its FIU became a member of Egmont Group, it now has a sound IT system. Moldovan agencies have a number of AML/CFT trainers trained with the project assistance.

The project assisted Moldova in conducting a national assessment of money laundering and terrorist financing risks according to FATF methodology as a basis for updating the National AML/CFT Strategy.

The main body of project activities was completed on 31 July 2009.

Activities in 2009 (January-July) included:

- A series of events related to the implementation of the risk assessment methodology within central public institutions
- Meetings of the National Anti-corruption Monitoring group
- Guide for political parties on the financing of electoral campaigns printed and distributed
- Preparation of expert opinions on the draft Guide for AC prosecutors and investigators; the Guide was amended accordingly
- CCCEC received a special software and an e-template for case management of corruption-proofing reports
- 3rd National Corruption Perception Survey conducted and its results published
- National Integrity Report on Judiciary produced by project experts
- A series of trainings for the FIU staff on internal procedures
- Start-up activities for the national ML/TF risk assessment
- Trainings on anti-corruption and AML/CFT for students of the National Institute of Justice; the relevant curricula and training materials were printed with the assistance of the UNDP.

Assessment and follow up

The project developed further and consolidated the results that were achieved under PACO Moldova project in 2005.

The Anti-Corruption component's greatest impact has been through the creation of a comprehensive and elaborate methodology for the mandatory proofing of legislation against potential loopholes for corruption. For the Anti-Money Laundering component, the impact is tangible and strong: a functioning FIU and sound legislation have been created to provide the basis for international cooperation in the framework of the Egmont Group, a member of which Moldova has become as a result; more than 99% of the reporting entities are supervised in their comprehensive reporting of transactions; the number of actual indictments, convictions, or instances of money seized has increased. Sufficient institutional capacities were developed and knowledge transferred to ensure sustainability of the processes initiated by the project.

However, a follow-up should be considered in the following areas:

Anti-corruption:

- feeding the findings of the risk assessment process into the new National Anti-Corruption Strategy;
- supporting the analytical unit of the CCCEC and accompanying its further development;
- resolving key integrity issues – such as the conflict of interest and asset disclosure regimes.

AML/CTF:

- providing further expert advice to bring legislation further in line with MONEYVAL recommendations and with the 3rd EU AML Directive;
- providing expert advice and training on the professional use of the software purchased by the project;
- supporting a national money laundering/terrorist financing risk assessment and thus the National Anti-Money Laundering/Terrorist Financing Strategy;
- carrying out a study on and providing advice and trainings for any shortcomings possibly detected in the process of investigating and prosecuting money laundering crimes;
- supporting the Monitoring Group in the further coordination of implementing the National Strategy;
- assisting the beneficiary in establishing supervision for the gambling sector.

Any further technical assistance should be made conditional on the Moldovan authorities making a genuine attempt to achieve progress and ensure full transparency in the areas concerned.

2.7 Russia – Project against Money Laundering and Terrorist Financing (Moli–Ru2)

Title	Follow up project against money laundering and terrorist financing in the Russian Federation (MOLI–RU2)
Project area	Crime prevention/money laundering
Budget	€ 3.15 million
Funding	European Commission (TACIS Regional Co–operation Programme) and CoE
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 2009	<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), one activity was carried out in 2009 on the practical implementation of FATF Recommendations VII and IX and to exchange best practices with the Baltic States FIUs (Warsaw, Poland)</p> <p>In view of Output 2 (Rosfinmonitoring training strategy elaborated and implemented), the following activities were carried out in 2009:</p> <ul style="list-style-type: none"> ▪ Study visit to the FIUs of Belgium, Switzerland, Poland, Spain, Italy, Liechtenstein to examine the analytical functions and capabilities of the relevant FIUs and to explore common objectives for co-operation ▪ Seminars for the Urals Federal District Inter-Regional office of Rosfinmonitoring and their partners. The seminars gave an opportunity to law enforcement and supervisory agencies to look into the issue of corruption in the public administration and to discuss the resulting money laundering offences ▪ Seminars for the Far East Federal District Inter-Regional office of Rosfinmonitoring and their partners in law enforcement and supervisory agencies, Vladivostok. The seminars brought together experts from law enforcement agencies and NGOs to discuss crimes related to the illegal use of natural resources and the attendant ML and corruption offences in the Far East region ▪ The study visit for the General Prosecutor’s office and Rosfinmonitoring staff enhanced their co-operation on tackling corruption with the Finnish authorities as well as examined the multi-agency approach to deal with the corruption offences.

Output 3 (AML/CFT Training Centre further developed) has been addressed by

- Supporting the project beneficiary in the organisation of seminars for their staff and the insurance sector compliance officers and supervisors on the AML/CTF system in Russia and international best practices
- Publication of the Barnaul conference papers for use as a training resource
- Facilitating the attendance of 5 representatives of Rosfinmonitoring to the International cyber crime conference in Strasbourg.

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)

- Further work was undertaken to support the development of the e-learning platform by the Nizhniy Novgorod Ministry of Interior Academy as well as providing training for their staff and police officers on the ML trends, terrorist financing and corruption issues
- The annual Conference on corruption, money laundering and terrorist financing was organised in cooperation with the Krasnoyarsk Ministry of Interior Academy.

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) assistance provided to Rosfinmonitoring to participate in:

- International Conference in Amsterdam with Association of Russian Banks where the participants discussed AML/CFT regulations, new trends in ML/FT and the practical issues of compliance drawing on the EU experiences
- Seminar on EU Banking and Financial Law in cooperation with the European Institute for Public Administration in Maastricht, Netherlands. It helped the participants to look into the financial services sector from the EU
- International conference in Moscow with the Association of Russian Banks with the main objective to see the practical changes in legal developments in the banking industry and the impact of the global credit crisis
- Training course for bank compliance officers and ITMC staff in Luxembourg in association with Luxembourg authorities. Along with other important achievements the representatives of the training centre of Rosfinmonitoring examined the delivery of training in AML matters for them to develop similar courses.

Assessment and follow up

The project is well on track towards achieving its objectives as outlined in the Terms of Reference. The work under all Outputs is well advanced and further progressed in 2009. The activity plan for 2009/10 was designed to ensure the achievement of the expected results of the project in 2010. Since its beginning the projects significantly contributed to the enhancement of professional skills and AML/CFT awareness in the Russian Federation and do the development of training methodologies by the specialised training centre.

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 as well as study visits. More attention was paid to the areas deemed to be a priority for action by the Russian authorities. Rosfinmonitoring as well as law enforcement agencies, financial monitoring specialists and obliged institutions with which the project cooperated extensively in 2009 continue to develop their human resources, skills and abilities in countering money-laundering and terrorist financing.

The project will continue to support the Russian authorities in addressing the areas of non-compliance and partial compliance as identified in the international monitoring process and in particular in the work of MONEYVAL (the last Progress report was adopted in September 2009). The Financial Action Task Force (FATF) will measure the compliance of the Russian Federation with international standards during their evaluation round in June 2010.

Due to very a tight agenda of Rosfinmonitoring and heavy workloads on key staff and in order to assist Rosfinmonitoring in addressing non-compliance issues that might be revealed by FATF, an extension of the project to the end of 2010 shall be considered.

2.8 Ukraine – Project against Money Laundering and the Financing of Terrorism (Moli-UA2)

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	€ 5.3 million
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.
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Activities and results	<p>The project ended in 2009. Over 150 activities were completed during the project's lifetime which helped produce the above results. Activities in 2009 (January – April) included:</p> <ul style="list-style-type: none"> ▪ Completion of an AML/CTF interactive training course for financial institutions (CD) ▪ Production of training materials for MOI ▪ Completion of procurement of software and equipment to enhance the SCFM capacity to manage, analyse and archive financial intelligence information ▪ Completion of procurement of software and equipment for MOI to enhance their capacities to exchange data through Single Information System ▪ Completion of renovation and equipment of regional offices of SCFM ▪ Completion of the Training of Trainers process.
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From May 2006 to April 2009, the project produced all outputs foreseen in the Terms of Reference; this was confirmed by the Steering Group at the closing conference. The main achievements of the Project include:

1. A new draft of AML/CTF Law prepared by the SCFM and National Bank of Ukraine (NBU) supported by a mixed working group of Ukrainian and international experts established by the Project. By the end of the Project the draft had not been adopted although it passed the first reading in the Ukrainian Parliament (September 2008) – this was due to the political situation in Ukraine. That Law, when adopted and fully implemented, will make the Ukrainian AML/CTF system largely compliant with the majority of international standards. It is worth

emphasizing that the Project mobilised the main partners and supported the effective co-operation between the two main players – the SCFM and NBU – during the legislative process. However, in December 2009, the President of Ukraine vetoed the law after its adoption by the Parliament. This puts Ukraine in a difficult situation in terms of international monitoring as the legislation in force does not meet relevant standards. The vetoed law, although not ideal, would cover certain non-compliance issues.

2. In addition to a large number of training activities organised under outputs 2 to 5, the Project produced comprehensive AML/CTF training strategies for the SCFM, financial institutions, law enforcement agencies and the judiciary. Given the high level of formalisation and fragmentation of AML/CTF education in Ukraine, these strategies will ensure that all training institutions will include in their curricula the same basic information on international standards, national law, their interpretation and practical application.

The project supported the implementation of these strategies through a series of training events and by contributing to training events organised by Ukrainian training institutions. A core group of 50 trainers from all sectors of the AML/CTF system has been trained, which will be the key factor in ensuring sustainability of the project results and further development of the AML/CTF system.

Training manuals were produced for the all AML/CTF professionals and more specifically the law enforcement agencies. An interactive e-learning course on a CD has also been produced for the financial institutions. Another CD has been produced and distributed containing a set of seminar materials and presentations.

3. The Project provided significant support to the activities of the International and National Training Centre of the SCFM. In May 2006, the INTC was in the initial phase of organisation. The Project delivered specialised training to both the management and staff of the INTC; helped develop training materials and methodologies and supported the technical development to the INTC by procuring modern technical equipment (work stations for the staff and students, laptops, projectors, printers and copy machines) to support the training process. A number of books have been purchased for the INTC library and certain training materials were translated from foreign languages.
4. The Project significantly supported the development of the technical infrastructure of the SCFM and of the Single Information System of Ukraine.

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. In particular, the capacities of key institutions have been enhanced both in terms of human resources development and of physical infrastructure. Substantial training potential has been created within the national AML/CTF training centre, which is however not fully used yet due to external factors that could have not been influenced by the project (overregulation and fragmentation of AML training system). Once these factors overcome, the centre can become the central specialised training institution in Ukraine or in the region. Due to the political situation in

Ukraine the impact of the project in the legislative field was somewhat delayed as the legislative draft elaborated with the support of the project was only adopted by the Parliament after the completion of the Project and subsequently vetoed by the President. This put the country in a difficult situation in terms of international monitoring procedures. The CoE is available to provide further advice regarding the legislation should this be requested.

2.9 Ukraine – Project against Corruption (UPAC)

Title	Support to Good Governance: Project against Corruption in Ukraine (UPAC)
Project area	Ukraine
Budget	Euro 1.75
Funding	85% EC, 15% CoE
Implementation	Corruption and Fraud Unit, Economic Crime Division Department of Information Society and Action against Crime, Directorate of Co-operation, DGHL, Council of Europe)
Duration	42 months, June 2006 – December 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: To improve the strategic and institutional framework against corruption in Ukraine; to enhance capacities for the prevention of corruption; to strengthen the anti-corruption legal framework and effective and impartial enforcement of the criminal legislation on corruption</p>
Activities and results	<ul style="list-style-type: none"> ▪ During the reporting period, project activities were implemented in accordance with the Workplan and the agreement reached during the Steering Committee meetings. ▪ The continued support to anti-corruption reforms in line with European standards and GRECO recommendations has not only been provided at the technical level, but a tangible impact on reform of legislative and institutional framework has also been made. ▪ Two major achievements, to which UPAC considerably contributed throughout the whole project, include: Setting up of a national policy level anticorruption body – Government Agent for Anticorruption policy (established on 24 April 2009); and adoption of the Anti-corruption package of Laws on 11 June 2009 by Verkhovna Rada of Ukraine. The President of Ukraine has signed the package of three Anti-corruption laws (“anticorruption package of laws”) on 14 July 2009 thus enabling their entry into force as from 1 January 2010. The Council of Europe has continuously supported the Parliament in preparation of these laws and largely contributed to their compliance with the relevant international instruments and standards. ▪ Moreover the project made an important contribution to the public administration reform (through the system studies, support of relevant legislative initiatives and raising awareness among professionals and general population) and criminal justice reform (through the relevant system studies). ▪ The project continued to strengthen capacities aimed at enhancing transparency in funding of political parties and electoral campaigns (through the finalisation of the relevant draft concept) thus contributing to prepare Ukraine for its 3rd Round of GRECO Evaluation. ▪ Training activities for law enforcement and judicial authorities were implemented as scheduled (except the training manual which is under preparation) including the first time use of an organised videoconference (polycom) which enabled participation of more than 200 agents from different regions. ▪ Since September 2009 a number of awareness raising seminars concerning the contents of the laws of the new anti-corruption package

were held in different regions of Ukraine. Parallel to these activities the project supported the publication and dissemination of the laws of the anti-corruption package and also contributed to awareness-raising events on these laws organised by the Verkhovna Rada's Committee on Combating Organised Crime and Corruption and the Main Department of Civil Service.

- Moreover, the project continued to provide expert opinions on important draft legal acts. In November 2009 expert opinions on three draft legal acts submitted by the Office of the Anti-corruption Agent were provided: the opinion on the Draft Anti-corruption Strategy; the opinion on the Draft Resolution on Civic Council by the Agent's Office; and the opinion on draft law and draft resolution regarding internal control units.
- Following the system studies conducted (in public administration, criminal justice and judiciary) the follow-up reports on corruption risks in these areas were published and publications shall soon be distributed to the relevant institutions.
- In late September 2009 the second expert opinion on the Draft Criminal Procedure Code of Ukraine (version of 10 March 2009 - prepared by the Ukrainian National Commission for Strengthening Democracy and the Rule of Law) was submitted for Council of Europe review upon request received from the Minister of Justice. The Draft Law was positively assessed by the CoE expertise which underlined that it "has laid a well designed and generally acceptable foundation for a new Ukrainian criminal procedure code".
- The Closing Conference of UPAC took place on 9 December 2009.

Assessment and follow up

During the period under review project activities have been fully carried out and implemented as according to the workplan and also contributing to further improvements towards country's compliance with the relevant international standards and GRECO recommendations. Significant impact has been provided in facilitating the important legislative and institutional reforms: the adoption of the anti-corruption package of laws and the setting up of the Government Agent for Anti-corruption Policy.

The in-depth impact has also been made in the reform process of the public administration, the criminal justice system and judiciary (through system studies of corruption risks and support to relevant legislative initiatives). The project supported efforts aimed at introducing European standards of transparency in funding of political parties and electoral campaigns and enhancing the system of prevention of corruption in local self-government. The training activities continued to strengthen the capacities of the law enforcement and judicial authorities to fight corruption.

In addition to the relevant legislative and institutional reforms, the project's impact has also been strengthened through activities aimed at ensuring sustainability of achieved results. For instance, activities such as those on *awareness raising with relevance to the new anti-corruption legislation* created conditions for further sustainable use of this project's outputs by the authorities even after the implementation period of the project.

Given the success of the UPAC Project, it has been proposed that a follow-up phase, UPAC 2, be launched with funding of the EC /JP partnership. A project concept outline is awaiting its finalisation to become a proposed Description of Action and enable the launching of phase two of the project in early 2010.

2.10 Turkey – Project on Ethics for the Prevention of Corruption

Title	Ethics for the Prevention of Corruption in Turkey (TYEC)
Project area	Turkey
Budget	€ 1.5 million
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	<p>The project ended in 2009. From January to November 2009 activities and results included:</p> <ul style="list-style-type: none"> ▪ A Study visit was carried out to the Netherlands (28 September – 2 October 2009) to review the working procedure of the Council of Ethics for Public Service. The purpose of the second study tour was to focus on prevention. The National Integrity Office of the Netherlands (BIOS) was identified as counter-part institution. Overall, the study visit especially highlighted how to develop the relations between Council of Ethics for Public Service and Ethics Commissions. ▪ 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. This was included in the Implementation Guide. In addition to this, an Ethics Training Package "Ethical Way- Ethical Leadership Programme" which contains: the Trainer's Guide, the Implementation Guide, the Facilitators guide and the Ethics Reminder was finalised and made available to different institutions and ministries for in-service training. The Guides are also available on CD-Rom. ▪ In 2009, the training of trainers' activities which started in 2008 continued. In March and April 2009 a total number of 60 trainers were trained and in October 2009 a number of 25 more trainers were added to these. ▪ More training events targeting governors, deputy governors, and district governors on the application of the Code of Ethics and implementation aspects of complaining procedures were carried out in 10 regions throughout Turkey. At the end of November 2009 a total number of 388 public officials of those categories received Ethics Training. ▪ Further training events were held with the chairs and members of the Ethics Commissions as well as senior managers from central institutions and organisations responsible for implementing of the code of ethics. As a result of these activities a number of 278 participants were trained. ▪ The Project continued to support Turkey to undertake researches into causes and types of corruption. 10 research studies were carried out on the risks of corruption in relation to unethical behaviour 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.

The results have been discussed at workshops on May and October 2009 and made available to public.

- The Project further assisted the development of codes of conduct for elected office holders and the judiciary through reports (working paper on a judicial code of code and working paper on a code for the legislature) and workshops (16-17-18 February 2009).
- Another significant contribution of the Project has been the evaluation of the effectiveness of codes of conduct and other anti-corruption measures in Turkey and providing recommendations for future prevention strategies. In June 2009, a national short-term expert submitted a "System Studies Report" that reviewed the key corruption measures implemented in recent years in Turkey. Drawing on the result of these, the Long Term Advisor of the project prepared a "Background Review" and a "Corruption Report: Findings, Analysis and Recommendations". The findings of these reports were presented to the public during the closing conference of the project on 25 November 2009.
- The Closing Conference of TYEC Project took place on 24 November 2009.

Assessment and follow up

Beyond the delivery of nearly all the Activities and Outputs of the project, the project has delivered some wider and possibly lasting achievements: The Research Studies have collectively reinforced the importance about the ethics training. The Ministers who have been involved in the research and whose senior staff have been exposed to ethics training have begun developing their own ethics programmes on their own initiative. The System Studies Report evaluated the effectiveness of the anti-corruption measures implemented in recent years. In addition, the Corruption Report provided clear and evidenced guidance on the improved management, coordination and monitoring of anti-corruption strategies in Turkey. This approach is very likely to be adopted by those involved in the further development and delivery of the National Anti-Corruption Strategy.

The project has had impact. The core work of the project has been the development of Turkey-relevant training materials and a potentially sustainable pool of trainers. Ethics Commissions have been thoroughly included in this process. Support has been provided to the Legislature and Judiciary through reports and workshops. To this extent, the Specific objective of the project - To ensure the effective implementation of the Code of Ethics for public officials and the adoption of such codes by other categories of officials - has been achieved. In addition, the project has drafted its Corruption Report which provides findings, analysis and recommendations to Turkish authorities. This work, together with the work in support of the implementation of the proposed National Anti-corruption Strategy also means that the Overall Objective of the project - To contribute to the prevention of corruption in Turkey in accordance with European and other international standards - has also been achieved.

Throughout the duration of the project, the project has had the support of the main beneficiary, Council of Ethics for Public Service. In addition to the above activities, the project identified needs for further work to ensure both the impact and the sustainability of this project. As a consequence a follow-up project (TYEC-2) was developed to:

- Embed and consolidate the work from this project
- Extend the cascade training and prevention of corruption awareness
- Focus on key ministries and areas to develop ethics work.

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	30 months (1 September 2007 – 31 March 2010)
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 2009	<p>During the reporting period GEPAC activities were implemented according to the initial workplan and later on according to the revised workplan dated 25 June 2009. The original duration of the project was up to 31 August 2009. Considering certain delays of project activities due to the fragile political situation in 2008, the Steering Group meeting of 25 June 2009 decided to prolong the implementation period until 31 March 2010. In spite of the difficult context, the project carried out a range of activities:</p> <ul style="list-style-type: none"> ▪ Under the output of strengthening further capacities of law enforcement agencies, and more specifically for the General Prosecutor’s Office and the Ministry of Internal Affairs to European Partner Institutions: Two Study visits, that is, one to the Office for the Prevention of Corruption and Organised Crime (USKOK) in Zagreb and one to the Department of Internal Investigations of Hamburg took place between 12-16 January 2009. ▪ The workshop on “good practices” in establishing anti-corruption bodies that took place on 11 March 2009 in Tbilisi provided modalities and tools of operation used by different types of anti-corruption structures. Advantages and disadvantages and models that could be applicable to Georgia in the future were discussed. In addition, the main shortcomings in the Georgian system were identified as follows: limited independence and autonomy of anti-corruption structures, limited freedom from pressure; lack of secretariat and non-allocation of budgetary means aimed at securing further independence of these institutions. ▪ Two important surveys took place during the second half of the year. More specifically, one addresses and measures “Perception of Corruption in Georgia” as a General Public Survey; and the one addresses “Public Perception on Public Officials that serve in Georgia”. Both surveys will serve as baselines to identify sectors towards which further good governance and anti-corruption reforms need to be focussed and addressed through future technical assistance projects. ▪ Provision of policy advice regarding the compliance of Georgian legislation with the provisions of the Council of Europe Criminal Law (CETS 173) and Civil Law (CETS 174) Conventions on Corruption, as well as with the UN Convention against Corruption (UNCAC). ▪ Technical support and advice to a newly established working group to

review and discuss the inclusion of corruption prevention clauses when drafting the amendments to the Law on Public Procurement (11 August 2009).

- Legal advice and technical support on the review of the new Law on Financing of Political Parties continuous to be provided through GEPAC. In December 2008, the Parliament of Georgia adopted "the Organic Law of Georgia on Changes and Additions to the Organic Law of Georgia on Political Unions of the Citizens". In May 2009, the GEPAC project provided legal and policy advice on the political party financing provisions of the Organic Law, and election campaign finance provisions of the Unified Electoral Code of Georgia. Additionally, the Venice Commission adopted an opinion in June 2009.
- During the reported period, the CFU Secretariat and counterpart institutions as well as the donor organisation (the Netherlands Embassy) organised and attended the Steering Group Meetings which took place in Tbilisi on 25 June 2009; and 21 September 2009.

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, especially those related to the review of the Anti-corruption Strategy and Action Plan.

However, the establishment of the Coordination Council for Fighting against Corruption in January 2009 (the project operated for 6 months without a main national partner as the former main counterpart the State Ministry on Reforms Coordination was abolished in early February 2008), which is in charge, among other things, to review the Anti-corruption Strategy and Action Plan, is a welcomed development that facilitates project implementation.

Taking into account the above-mentioned difficulties, the Third Steering Group Meeting of GEPAC (Tbilisi, 25 June 2009), after reviewing the progress made, decided to extend the period of the implementation of the project activities until 30 March 2010. At the same meeting, the Steering Group also agreed on the main amendments to the work plan and to the calendar of activities. The Georgian counterparts also expressed their commitment to the project.

Should the Georgian authorities follow up on the commitments made at the Steering Group meeting, the GEPAC project will achieve important results and will possibly provide a basis for a follow-up project in the future.

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	United States Agency for International development (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	<p>The project ended in September 2009 after having completed its two-year term. It was implemented according to the workplan with the exception of delays regarding activities under Output 3 related to money laundering. This was due to the delays in the passing of anti-money laundering legislation by the Parliament.</p> <p>With regard to the overall objective project activities provided the Azerbaijan authorities – the Commission on Combating Corruption and other counterparts and beneficiaries of specific activities – with a wealth of tools and information that has enhanced their capacities to follow up on GRECO and MONEYVAL recommendations. More specifically:</p> <ul style="list-style-type: none"> ▪ The project delivered the reporting and monitoring templates (Activity 1.4) that can be used by the authorities to significantly improve the formulation and implementation of the anti-corruption policy. If used systematically, these templates can play an essential part in making the formulation, implementation and monitoring of implementation of anti-corruption policies easier and more efficient. ▪ The Project delivered important advice on the conducting of future surveys (Activity 1.5). This advice can be used to make important improvements in raising the reliability and relevance of the information yielded by such surveys as a vital input into the anti-corruption policy process. ▪ Under Output 2 of the project, important recommendations concerning the reform of the legislative process in Azerbaijan were provided. The activities conducted as part of this component – and especially the February 2009 event organised in the Parliament – stimulated an important debate on this issue. This created a favourable context for valuable reforms of the legislative process to be initiated. ▪ The project provided advice on a number of draft laws– for example on the draft Conflict of Interest Law. The opinions and recommendations offered valuable input for the authorities in determining if and how to move forward in the areas of plea-bargaining, regulation of lobbying and conflict of interest. ▪ A series of activities delivered detailed analyses of the compliance of the

legislation of Azerbaijan with the requirements of international anti-corruption conventions. In the context of the continuing implementation of GRECO recommendations, the upcoming 3rd Round Evaluation, and future review mechanisms for the United Nations Convention against Corruption, these outputs will be a valuable tool for improving compliance with Council of Europe conventions and the UNCAC.

- The activities under Output 3 of the project have been providing key advice and training on the establishment of a system to prevent money laundering and terrorism financing, as well as improving the prosecution of economic crime and corruption. A large number of state agents from different institutions (judiciary, prosecution, police, National Bank, etc) have been provided with an opportunity to learn and discuss international standards and good practices in investigating techniques, mutual legal assistance in criminal matters, use of special investigative means, financial investigations, inter-agency cooperation, thus significantly raising the institutional capacities to better combat corruption and money laundering. Also, at the early stages of the implementation of the new anti-money/terrorism financing legislation, the assistance represented a valuable asset to the authorities.
- The micro-systems studies delivered under Output 4 included a detailed analysis of the vulnerability to corruption of three key sectors – tax, health and education. The comprehensive reports not only analysed the situation in these institutions but also recommended a number of actions to be undertaken. These recommendations are of significant importance for the authorities in their effort to formulate reform policies.
- Several other activities under Output 4 also supported the drafting of a national strategy for training the Civil Service on ethics and conflict of interest, and provided key pilot trainings to the Civil Service Commission and senior human resources officials. These activities are a vital investment to provide Azerbaijan with the tools it needs to implement a proper ethics framework in the Civil Service.
- Finally, important guidelines and training on the facilitation of whistle-blowing and protection of whistleblowers were provided that can be used to draft or modify relevant legal acts – including specifically relevant provisions in the draft Conflict of Interest Law.
- The Closing Conference of AZPAC project took place on 19 November 2009 (funded from the budget of the CoE).

Assessment and follow up

In all areas in which the project operated, it fulfilled the goals in terms of meeting its specific objectives as foreseen and carrying out the activities as planned under the workplan. For the project to be implemented optimally – that is, for the indicators stated in the workplan to be fulfilled – it is necessary for the assumptions as stated in the logical framework to hold, including commitment by the Azerbaijan authorities to use the outputs of the project to implement specific measures or reforms. While it is premature to make a comprehensive assessment in terms of developments in the anti-corruption reforms and other activities by the authorities on the basis of the project outputs, it may be concluded that the AZPAC project has provided the tools necessary for such implementation to be completed.

2.13 Albania – PACA Project against Corruption

Title	Project against Corruption in Albania (PACA)
Project area	Albania
Budget	Euro 2.13 million
Funding	93.9% EC, 6.1% CoE funding
Implementation	Economic Crime Division (Directorate General of Human Rights and Legal Affairs Council of Europe)
Duration	30 months (1 September 2009 – 31 March 2012)
Objectives	<p>Overall objective: To contribute to democracy and the rule of law through the prevention and control of corruption</p> <p>Project objectives: To enhance the implementation of anti-corruption policies and strategies (Anti-corruption Strategy and Action Plan 2007-2013) in line with GRECO and MONEYVAL recommendations and European Partnership commitments; to contribute to the prevention of corruption in the education sector by improving transparency, accountability and social participation in the education system</p> <p>(One of the two project's components is implemented in close cooperation with the Directorate of Education as it involves the prevention of corruption in the education sector.)</p>
Activities and results in 2009	<ul style="list-style-type: none"> ▪ During the first four months of the project, the Inception Phase of the PACA project has been implemented largely as envisaged by the project logframe. Certain activities have been slightly delayed beyond the date originally envisaged for the Inception Phase (30 November) due to objective constraints. In particular the fact that the new Government of Albania deriving from the June elections only took office on 16 September 2009 made it impossible for the Department of Internal Administrative Control and Anti-corruption (DIACA), the main project counterpart, to act as rapidly as it otherwise could have done, leading to inevitable but small delays. ▪ From September to November 2009 recruitment procedures for the PACA Project team took place in Strasbourg and Tirana for the positions of Team Leader, Long-term Adviser, and Local Project Officer. ▪ During October meetings were held in Strasbourg and Tirana between CFU Secretariat, PACA project team and representatives and the main project counterparts. From 18-23 October 2009 several meetings were held in Tirana between PACA team representatives, project counterparts and beneficiaries, NGO representatives and other international organisations, and the US Embassy's OPDAT Programme to discuss the specific content of the Workplan. ▪ The Workplan was adjusted and completed on the basis of these meetings and their inputs and is has been submitted to DIACA as main counterpart and the EC Delegation of Tirana for approval as according to the agreement. The meetings were of very high quality in terms of both input from counterparts and beneficiaries on the one hand, and their cooperative nature on the other. ▪ According to the funding agreement with the EU and the Government of

Albania and the Council of Europe, DIACA has now allocated a new office for the project within the premises of the Council of Minister's building. The office is expected to become operational in terms of furnished and equipped not later than 20 December 2009.

- The Start-up Conference of the project adopting the workplan, the calendar of activities and the steering committee membership took place on 15 December 2009 and it was chaired by the Minister of State for coordination of reforms in Albania.
- The project inception report is now available including the proposed workplan of activities and calendar of events and which will be the leading documents of the project to guide its implementation for the next two years.

Assessment and
follow up

During the period under review the project's Inception Phase has been implemented smoothly. The full Project Team in Tirana has been recruited and located in Tirana. The logframe was transformed into a logically structured and appropriately detailed workplan, and the meetings held to this end have been assessed as highly fruitful. Certain activities have been delayed slightly due to objective constraints. The project activities in terms of initiating the implementation of the newly adopted workplan are expected to commence as of end of December. Periodical updates on the project's website (www.coe.int/paca) and on the project's quarterly newspaper will take place in the future and present progress made throughout each activity on the project's implementation.

2.14 Support to the 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 ³ , Montenegro, Serbia, "the former Yugoslav Republic of Macedonia"
Budget	€ 1.6 million
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.</p> <p>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.</p>
Activities and results in 2009	<p>In terms of expected Output 1 – Draft Laws available aimed at making investigation and prosecution of serious crime cases more effective and facilitating cross-border cooperation:</p> <ul style="list-style-type: none"> ▪ Expert opinions were provided in relation to the following legislation: <ul style="list-style-type: none"> - Provisions related to confiscation of proceeds from crime and provisions on cybercrime of the Criminal Code of Montenegro - Draft Criminal Code of Serbia - Provisions on cybercrime of Bosnia and Herzegovina - Provisions on cybercrime of "the former Yugoslav Republic of Macedonia" - Draft Law on the Prevention of Money Laundering and Terrorist Financing of Kosovo - Draft Law on International Co-operation in Criminal Matters of Albania. ▪ Legislative roundtables were organised as a follow-up to provision of written expertises: <ul style="list-style-type: none"> - Roundtable on cybercrime provisions in laws of Bosnia and Herzegovina (Sarajevo, April 2009) - Roundtables on draft Law on the Prevention of Money Laundering and Terrorist Financing of Kosovo with the Eulex⁴ working group (Pristina, July 2009) and with the Ministry of Economy and Finance and relevant stakeholders from international organisations (Pristina, November 2009). ▪ Assessment of compliance of legislation of seven project areas with the Second Additional Protocol to the European Convention on Mutual

³ 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.

⁴ EULEX – European Union Rule of Law Mission to Kosovo.

Assistance in Criminal Matters and EU MLA Convention from 2000 finalised by:

- Collection and analysis of relevant information through questionnaires completed for each project area (April – August 2009)
- Organisation of a regional Workshop on assessment of compliance (Tirana, Albania, September 2009)
- Publication of Compliance Report (November 2009).

In terms of expected Output 2 – Human capacities of prosecution services strengthened in view of more effective cooperation, investigation and prosecution of serious crime cases:

- The Project facilitated the participation of 20 practitioners (prosecutors, judges and law enforcement officers) from seven project areas, in the annual Octopus Cybercrime conference (Strasbourg, France, March 2009);
- Regional thematic training on practical application of measures foreseen by the Second Additional Protocol to the European Convention on Mutual Assistance in Criminal Matters (CETS 182) were organised for prosecutors and officials from Ministries of Justice (Tirana, Albania, September 2009)
- Training seminars on practical application of special investigative means (SIMS) for prosecutors, judges and law enforcements officers organised in Bosnia and Herzegovina (Sarajevo, March 2009) and "the former Yugoslav Republic of Macedonia" (Skopje, April 2009)
- A training seminar on application of new Cybercrime legislation of Albania organised for prosecutors, judges and law enforcement officers (Durrës, April 2009)
- A two-week internship organised for prosecutors to Portugal (Lisbon, Almada, Amadora, Cascais and Oeiras, July 2009).

In terms of expected Output 3 – Cooperation Manual and other tools available for more effective cooperation against serious crime:

- The Project published and distributed to all project areas the Inventory of multilateral and bilateral agreements in the field of international cooperation in criminal matters, in Albanian, Croatian, Macedonian and Serbian languages (August 2009).
 - The Project provided translations of the explanatory reports to the following Council of Europe Conventions in the field of international cooperation:
 - European Convention on Extradition - Albanian, Bosnian and Macedonian languages;
 - European Convention on Mutual Assistance in Criminal Matters - Albanian, Bosnian and Macedonian languages;
 - European Convention on the Transfer of Proceedings in Criminal Matters – Albanian, Macedonian and Serbian languages;
 - European Convention on the Transfer of Sentenced Persons – Albanian, Macedonian and Serbian languages;
 - Second Additional Protocol to the European Convention on Mutual Assistance in Criminal Matters – Albanian, Bosnian and Macedonian languages;
 - Council of Europe Convention on Laundering, Search, Seizure and
-

Confiscation of the Proceeds from Crime and Financing of Terrorism –
Croatian language.

- The Project published and distributed to all project areas the updated Manual on International Co-operation.

In terms of expected Output 4 – Contact points for judicial cooperation strengthened:

- The document “Assessment of existing co-operation networks, contact points and legal frameworks for their co-operating” was published and distributed to all project areas (May 2009)
- The following meetings of the Prosecutors’ Network were organised:
 - 5th Meeting of Prosecutors’ Network with presence of SEEPAG (Southeast European Prosecutorial Advisory Group) Contact Points with aim to assess current state of play of two networks for prosecutorial co-operation in SEE (Strasbourg, France, January 2009);
 - 6th Meeting of Prosecutors’ Network on Second Additional Protocol to the European Convention on Mutual Assistance in Criminal Matters (Zagreb, Croatia, April 2009);
 - 7th Meeting of Prosecutors’ Network to prepare amendments to the Memorandum of Understanding for Regional Co-operation against Organised Crime (Strasbourg, France, November 2009).

Assessment and
follow up

The year 2009 was a very active and fruitful period in terms of the number of the activities organised and their impact on strengthening legislative frameworks and human capacities to co-operate in cases of cross border serious crime. A number of practical tools, such as the inventory of multilateral and bilateral agreements, translations and relevant CoE Conventions in the field of international co-operation, as well as an updated Manual on International Cooperation were provided to all seven project areas. However, the major achievement is certainly the resuming of regular meetings of the Prosecutors’ Network (from January 2009), which had not met in the period since the completion of the former CARDS Judiciary project in spring 2007.

Until the scheduled end of the project in April 2010 (an extension within the existing budget is under discussion) , the focus will be on facilitating the formal endorsement by General Prosecutors⁵ of the amended Memorandum of Understanding and further strengthening of human capacities of prosecutors offices by providing a number of project areas specific training sessions on topics such as: practical application of joint investigation teams, role of public prosecutors in leading criminal investigations, confiscation of proceeds from crime and similar. All these activities foreseen will lead to increased capacities of project areas to co-operate and combat cross border organised and other forms of serious crime.

⁵ General Prosecutors of Albania, Bosnia and Herzegovina, Croatia, Montenegro, Serbia and "the former Yugoslav Republic of Macedonia".

2.15 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	€ 1.2 million
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	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 the 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.
Activities and results in 2009	<p>In terms of 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> <ul style="list-style-type: none"> ▪ Two workshops and one round table were organised. The Ukrainian beneficiaries attended meetings on gender issues organised by the Council of Europe and other Organisations. About 300 representatives from central and regional authorities, responsible for the implementation of standards and required reforms with regard to gender equality (the Ministry of Labour and Social Policy, the Ministry for Family Youth and Sport, the Department of Equal Opportunities and Women's Rights in Ukraine, the Sub-committee on International and Legal Issues and Gender Policy of the Verkhovna Rada Committee on Human Rights, the Ministry of Justice, the Ministry of Interior) were trained on the international standards and practical instruments for protecting gender equality; some areas that need legislative changes in line with the European Social Charter (revised) and other European standards were identified. Relevant excerpts from the case law of the European Committee of Social Rights were translated and disseminated during workshops and seminars. <p>In terms of 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> <ul style="list-style-type: none"> ▪ The activities carried out under Output 1 and Output 4 of the project contributed to review some legislative provisions and identified areas for improvement with regard to prosecution and prevention of violence against women and children in order to comply with European standards. National experts were identified, who prepared a legal compatibility study. <p>In terms of Output 3 - To prepare new scenarios regarding the existing legal framework for the prosecution and prevention of violence against women and children:</p>

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- Data on social support for families with children in the European countries were collected upon request of the Committee of Verkhovna Rada on Social Policy and Labour. National experts prepared a legal opinion on issues concerning prosecution and prevention of violence against women and children.

In terms of 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 Council of Europe Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse (CETS 201):

- Two workshops on Preventive and Protective Measures and Assistance to Victims as foreseen by the Convention took place and the first effective measures to establish a national child help line were taken by setting up a Task Force within the State Social Service. Ukraine obtained the status of potential member of the Child Helpline International network. A discussion at national level on issues concerning cybercrime and the sexual exploitation of children was initiated and a preliminary action plan on the needs related to the ratification of the CoE Convention No. 201 was prepared during a workshop in this field. An international conference on protecting children from sexual exploitation and sexual abuse was successfully completed. An interministerial working group to prepare the ratification of the CoE Convention CETS 201 was set up. A text for guidelines on how to discuss human trafficking issues with children and youths were prepared. The project team attended several events related to the objectives of Output 4 which contributed to the establishment of a network of national and international experts available for co-operation with the project and enhanced its visibility.

Assessment and follow up

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

During 2009, the activities were implemented in line with the project work plan adopted during the inception phase. A consolidated work plan was submitted to the Steering Committee in November 2009. Continued support to reforms in the field of gender equality, prevention and prosecution of violence, including domestic violence and assistance to child victims was provided at technical level, and a first analysis of the relevant legislation was made.

The Council of Europe facilitated workshops on possible ways of implementing Article 13 of the Convention CETS 201 and, as a direct result, a Task Force was formed and an action plan for implementing this instrument was set up. The Ukrainian authorities were provided with detailed recommendations concerning this implementation. The project will prepare the ground for including Ukraine in the Child Helpline International network as a full member.

In August 2009, the Ukrainian authorities set up an interministerial working group in view of the ratification of the Convention CETS 201.

To improve child protection, the project assists Ukrainian authorities in drafting guidelines offering classrooms "best practice" to explain the perils of sexual and labour trafficking. The project also assists the Ministry of Internal Affairs in publishing the manual on "Violent treatment of children: legal, organisational and methodological aspects".

The implemented activities helped to identify areas in the Ukrainian legislation and practices in need of improvement in the light of the provisions of the Council of Europe Conventions CETS No. 197 and 201 and the

European Social Charter (revised).

Specific result-oriented activities were initiated under Outputs 2 and 3 of the project, namely, a legal study on the compatibility of the relevant Ukrainian legislation with international standards in the field of women's and children's rights was prepared by national experts.

The project launched regular meetings between international organisations dealing with activities in the field of women and children protection in Ukraine (CoE, ILO, UNDP and UNICEF) with the aim to promote best practices on the women's and children's rights protection mechanism.

UNDP, ILO and UNICEF, who operate programmes 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.

The Steering Committee meeting in November 2009 led to a consolidation the workplan to ensure a clearer focus of activities towards the achievement of results. The full implementation of the consolidated work plan should lead to the achievement of the project objectives.

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 2009.

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 2009, technical cooperation activities against economic crime and cybercrime fall under Programme II.3.2 (European standards for crime control) which is aimed at fighting "crime, in particular economic and organised crime, including money laundering and financing of terrorism, corruption and cybercrime; to monitor, follow up and support effective implementation of CoE and other international standards in this respect; (...)". Performance indicators and milestones for 2009 include "increased number of parties to relevant CoE instruments (...). Good practices disseminated. Successful implementation of technical co-operation projects against economic crime (...). Greater awareness in Europe and globally of the added value of CoE instruments (...). Successful implementation of technical co-operation projects against economic crime (...). The Convention on Cybercrime promoted as a global instrument (...)".

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 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 2009 under 13 joint projects or voluntary contribution funded projects linked to ordinary budget project 1429. The total budget of these projects was more than € 24 million with estimated expenditures in 2009 amounting to some € 6 million.

It is important to note that only some 10-15% 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 organised 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.

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. With regard to the information society and internet governance in general, the Project on Cybercrime (since March 2009 in its Phase 2) not only contributed to security in cyberspace but also promoted the protection children against sexual exploitation and abuse, the protection of personal data and a rights-based approach to internet governance in general. The results of this project have very much influenced the actions of other organisations, such as the European Union.

An added value of the Council of Europe has also been the ability to respond to emerging needs. This pragmatism has been honoured by donors. For example, in June 2009, a Project on Cybercrime in Georgia was launched; and in December 2009 ad hoc assistance was provided to Azerbaijan through a review of anti-money laundering legislation.

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 2009, projects remained highly effective and efficient.

Approximately 15% of activities 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. Romania seconded a national expert to the Project on Cybercrime. Important contributions were also received from the private sector (Microsoft and McAfee) for measures against cybercrime.

In 2009, some 35 staff and long-term advisers were involved in the management and implementation of these projects. Half of these were based in Strasbourg and the others in project countries. Only three⁶ staff were covered by the ordinary budget of the Council of Europe while the remaining 32 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/result 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's internal reporting and administrative requirements increased considerably between 2007 and 2009 which reduces the time available for proper project management and the delivery of results.

As indicated in previous years, 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.

Personnel and administrative cost are becoming too high in relation to the operational budget of projects, and the Council of Europe risks to become non-competitive.

3.4 Impact and sustainability

The following examples illustrate the results achieved in 2009 with long-term impact and sustainability:

With regard to **corruption**:

- In Albania, a new CoE/EU project against corruption was launched in September 2009 which is aimed at the implementation of anti-corruption strategy but also to prevent corruption specifically in the education sector.
- In Azerbaijan, the AZPAC project (funded by USAID) was successfully completed. It provided the authorities with the tools to implement the national anti-corruption strategy, to carry out surveys, to improve anti-corruption legislation (for example on conflicts of interest and lobbying) and to establish a functioning anti-money laundering institutional and legislation system. It carried out corruption risk analyses with regard to the tax, health and education sectors, and it contributed to a national strategy for the civil service with regard to ethics and conflicts of interest. The project thus followed up on GRECO and MONEYVAL recommendations.

⁶ In September/October 2009, two additional staff were assigned following a restructuring.

- In Georgia, the GEPAC project (funded by the Netherlands) provided analyses on the compliance of legislation with the anti-corruption conventions of the Council of Europe and the United Nations and supported the strengthening of legislation regarding political finances. The project furthermore supported the creation of the Coordinating Council for Fighting Against Corruption as well strengthening its capacities to implement and further improve its Anti-corruption National Strategy.
- In Turkey, under the TYEC joint CoE/EU project on ethics for the prevention on corruption, a training strategy to embed ethics training within ministries was prepared and supported by an implementation guide and a full training package. More than 80 trainers have been trained and a series of training events were carried throughout Turkey. The effectiveness of codes of conduct and other anti-corruption measures was analysed, and the project assisted in the development of codes of conduct for elected officials and the judiciary. The project was completed successfully in November 2009 and is expected to be followed up by two new projects from mid-2010 onwards.
- In Ukraine, the UPAC joint CoE/EU project against corruption contributed to the reform of the public administration, the judiciary and the criminal justice system through systems studies and support to relevant legislative initiatives. The project helped bring the Criminal Procedure Code back on the reform agenda as a priority and it is expected that it will soon be submitted by the Government to the Parliament. The project also supported efforts to enhance transparency in political financing. The two main achievements of the project in 2009, however, were the setting up of the office of the Government Agent for Anti-corruption Policy in April 2009 and the adoption of the anti-corruption package of laws by the Parliament in June 2009. These laws are to enter into force on April 2010, as they were being subject to a constitutional challenge in December 2009. The project was completed successfully in December 2009. A follow up project is in preparation.
- In Moldova, the MOLICO project of the Council of Europe, the EU and the Swedish International Development Cooperation Agency (Sida) introduced a methodology for corruption-proofing of legislation under which more than 300 draft laws were analysed and recommendations accepted by parliament for more than 250 of them. Risk analyses were completed for the judiciary which were followed by institutional integrity plans. Progress was made in the reform of the system of political finances, and a new national corruption perception survey was completed in 2009. The overall progress made was confirmed by GRECO evaluation reports.

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

- In Moldova, the MOLICO project also helped bring national anti-money laundering and counter-terrorism financing (AML/CFT) legislation in line with international standards, supported accession of the financial intelligence unit in the Egmont Group, helped set up a functioning information technology system and conducted a national risk assessment as a basis of an AML/CFT strategy.
- In the Russian Federation, the MOLI-RU 2 project of the Council of Europe and the European Union contributed to the training strategy of the financial intelligence unit (ROSFINMONITORING), the strengthening of the AML/CFT training centre, and the training of law enforcement agencies as well as regulators and supervisors. The progress made by the Russian Federation in recent years is documented in MONEYVAL reports.
- In Ukraine, the MOLI-UA 2 joint project of the Council of Europe and the European Union was successfully completed in April 2009 after more than 150 activities. Due to the project substantial progress was made towards a fully functioning anti-money laundering system, including human resources development and the improvement of the physical infrastructure and information technology system. The training centre is operational but would need to become more efficient. A major achievement had been in 2009 the adoption of components of the anti-money laundering law by the parliament. However, this law was subsequently vetoed

by the President and the fate of this law and of further amendments that would be required was therefore unclear at the end of 2009

With regard to **cybercrime**:

- A global Octopus Conference on cooperation against cybercrime was held in March 2009 in Strasbourg with more than 300 participants. It prepared the ground for project activities on training, international cooperation, criminal money flows on the internet and the online protection of children against sexual exploitation and abuse. This multi-stakeholder approach was further pursued through support to the European Dialogue on Internet Governance (Geneva, September 2009) and the Internet Governance Forum (Egypt, November 2009) where the Project on Cybercrime contributed to seven events.
- In terms of cybercrime legislation, the Project on Cybercrime 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 so in line with the Convention.
- Progress made in 2009 includes that Germany, Moldova and Serbia ratified the Convention on Cybercrime, Chile was invited to accede to the Convention, Romania and Serbia ratified the Protocol on Xenophobia and Racism committed through Computer Systems, in Portugal, the laws on the ratification of the Convention and the Protocol as well as implementing legislation were adopted and published, reforms in Bosnia and Herzegovina and "the former Yugoslav Republic of Macedonia" have been initiated, and that legislative advice was provided to a wide range of countries.
- In terms of international cooperation, a study on the functioning of 24/7 points of contact and the workshop held at the Octopus conference helped clarify the role and limitations of 24/7 points of contact and encouraged the recently created contact points in Europe to become more active; measures to render contact points and judicial cooperation more effective were identified.
- The law enforcement and internet service providers guidelines adopted at the Octopus conference in 2008 were yielding an impact in 2009 in several countries (such as India, Romania and Ukraine) and at the level of the European Union.
- With regard to financial investigations, a typology study was launched in September 2009 as a cooperative effort of the MONEYVAL Committee, the Project on Cybercrime and the MOLI-Russia project. This effort is led by the Russian Federation and is an excellent example of synergies that can be created.
- With regard to judicial training, between March and September 2009 a concept for the training of judges and prosecutors on cybercrime and electronic evidence was developed and finalised under the Project on Cybercrime in cooperation with the Lisbon Network of the CoE, a range of judicial training institutions and private sector representatives. This is a major achievement and may yield considerable impact.
- Following the decision of the Committee of Ministers in 2009 to open up the data protection Convention CETS 108 to non-member States, the Project on Cybercrime started to promote this instrument globally.
- The Project on Cybercrime actively promoted the Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse in many fora and launched a global study on compliance of national legislation with this important treaty.
- In Georgia, a specific joint project of the Council of Europe and the European Union was launched in June 2009 which initiated the reform of cybercrime and data protection legislation as well as the creation of a high-tech crime unit.

With regard to **judicial cooperation**:

- In South-eastern Europe, the PROSECO regional project on judicial networking supported direct judicial cooperation among prosecutors in line with the 2nd Additional Protocol to the Convention on Mutual Legal Assistance in Criminal Matters (CETS 182).
- An updated version of a cooperation manual was prepared as a practical tool.
- Prosecutors were trained through internships and training events in view of the application of key provisions of CETS 182 such as cross-border observations, joint investigative teams or audio-video hearings.
- An inventory of multilateral and bilateral agreements was compiled.
- A study on legislative compliance with CETS 182 was prepared.
- Three meetings of the contact points of the network were held in 2009 and a proposal for an updated memorandum of understanding was drafted for signature by the prosecutors general of the region in January 2010.

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

- The TRES joint CoE/EU project on the protection of women's and children's rights in Ukraine in 2009 important steps were taken towards implementation of the Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse (CETS 201).
- The compatibility of Ukrainian legislation with international standards was analysed in view of compliance with the Convention on Action against Trafficking in Human Beings (CETS 197) and the revised Social Charta.
- A range of preventive measures to protect children from violence and abuse was supported.

These examples show that in 2009 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 2009 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 served as a basis. In 2009, cooperation with the European Union also grew stronger with regard to cybercrime. The Stockholm Programme of the European Union reflects the added value of the Council of Europe with regard to justice and home affairs and should thus provide a basis for increased cooperation in this field.

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.

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

With regard to cybercrime, the Council of Europe pursued a multi-stakeholder approach and cooperated with a wide range of public and private sector institutions, with initiatives such as the Anti-Phishing Working Group, InHope, the London Action Plan, the 2Centres of Excellence and many others and international organizations such as ASEAN, the European Commission, Europol, INTERPOL, the OECD, the Organisation of American States and others, with internet service

provider associations such as EuroISPA, ECO (Germany) or AFA (France), and with industry such as Microsoft, McAfee, and many others. This approach was also very much reflected in the Council of Europe contributions to the Internet Governance Forum and the European Dialogue on Internet Governance (EuroDIG).

3.6 Conclusions and the way ahead

A critical number of projects against economic crime was underway in 2009 that allowed the Council of Europe to pursue the goals set at the 3rd Summit of Heads of State and Government and the objectives of the Programme of Activities for 2009.

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 they achieved considerable impact.

Technical cooperation activities against economic crime received a high level 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.

The second half of 2009 was and the first six months of 2010 will be a period of transition: six projects ended in 2009 and five more are scheduled to end by June 2010. Only three of the current projects will continue. At the same time, at least six new projects with a volume of €11 million are scheduled to commence in the course 2010. With the expected increase in project activities from Spring 2010, urgent efforts will need to be undertaken to make internal rules and procedures more efficient and to adjust them to the needs of technical cooperation. In addition, closer cooperation between standard setting, monitoring and technical cooperation activities related to economic crime – for which three different directorates are responsible – will need to be ensured.

While corruption, money laundering and the financing of terrorism will remain priority areas for technical cooperation, activities against cybercrime will need to expand to cover not only the Convention on Cybercrime (CETS 185) and its Protocol on Xenophobia and Racism (CETS 189) but also to promote implementation of the Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse (CETS 201) and of the data protection convention (CETS 108) and protocol (CETS 181) at the global level. Following the adoption of the European Union's "Stockholm Programme on an open and secure Europe" with its clear links to the instruments of the Council of Europe, there is certainly scope for further joint programmes in these and other fields.

It is clear that most of these activities 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. However, the Council of Europe needs to provide a minimum of its own resources in terms of staff and operational budgets, and reverse the trend experienced in recent years of declining funding for economic crime.

