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**DIRECTORATE GENERAL OF HUMAN RIGHTS AND LEGAL AFFAIRS  
DIRECTORATE OF CO-OPERATION  
ECONOMIC CRIME DIVISION**

**Project against Corruption, Money Laundering and  
Terrorism Financing in the Republic of Moldova**

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**PROGRESS REPORT No. 3**

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## 1. BACKGROUND INFORMATION, MAIN FINDINGS OF THE PROGRESS REPORT

The MOLICO project addresses two objectives:

### 1.1 Objective 1 – To ensure the implementation of Moldova’s anti-corruption strategy on the basis of annual action plans

With regard to corruption, the project addresses a range of needs that include providing support in the implementation of Moldova’s national anti-corruption strategy; strengthening of legislation; strengthening of law enforcement capacities, including inter-agency co-operation; strengthening of preventive capacities and internal controls in institutions at risk; preventing corruption in the political process; promoting an active role in civil society and involvement of local government in the strategy. The needs are addressed in ten specific outputs through specific activities.

The implementation of the anti-corruption objective of the project continued to be very dynamic during the first half of the 2008. Following the annual report approved by the Steering Group in December 2007, the MOLICO project addressed as main priorities the work related to:

- increasing the efficiency and transparency of mechanisms established for the implementation of the national anti-corruption strategy in the Republic of Moldova – **Output 1.1**;
- raising public and mass media awareness towards the phenomenon of corruption by providing specialised media training for PR officers from law enforcement agencies and for investigative journalists – **Output 1.10**.

In relation to output 1.1, the efficiency of the monitoring mechanism, established under the national strategy, was not substantially improved, as only a few recommendations made by the Council of Europe, in December 2007, were properly addressed by the public authorities. Furthermore, the key aspects of inter-institutional co-ordination addressed in the petition submitted by the civil society representatives to the top management of the Republic, following the Annual Anti-corruption Conference, remain unresolved. Within the next six months, MOLICO project activities will aim to speed up the process for revising the normative acts in relation to the Monitoring Group. This will include the improvement of working methods and procedures of the MG, as well as the more sensitive issues of institutional relations between the Monitoring Group and the Coordinative Council and other monitoring groups. The changes which are expected under this output in the next six months shall be subject to a major public consultation and debate, with the participation of all relevant stakeholders.

In relation to output 1.10, the activities were successfully initiated and are currently implemented according to the action plan. Each of the activities had its own specific outcomes, providing knowledge or skills in respective field of the training. The ongoing multidisciplinary training programme is proving to have a long term impact on the overall performance of journalists and law enforcement representatives. All events had high participant satisfaction and the Council of Europe experts received a high evaluation of their performance, as well as requests to continue to provide input to the training. Activities under output 1.10 will be expanded by involving Moldovan counterparts in the process of developing a national anti-corruption (AC) awareness-raising campaign over the next six months.

**Corruption proofing of legislation and risk assessment activities remained major successes reached in the framework of the MOLICO project and gained international notoriety within GRECO.**

The first half of the year also marked the adoption by Parliament and entry into force of relevant **anti-corruption legislation that benefited from Council of Europe’s expertise**: Law on Political Parties, law on Conflict of Interest and Law on Preventing and Combating Corruption. Whilst the listed pieces of legislation do not fully incorporate the recommendations of the Council of Europe, their adoption represents an important step forward which needs to be backed up by proper allocation of resources for efficient implementation into practice.

Additional amendments or subsequent legislation need to be drafted and adopted in order to complete the anti-corruption legal framework: **law on establishing the Main Ethics Commission and template declaration of interests, amendments on conflict of**

competences between various law enforcement agencies, incrimination of electoral corruption, etc.

## **1.2 Objective 2 - To strengthen the anti-money laundering/counter-terrorist financing (AML/CTF) system of Moldova in accordance with international standards and good practices as well as MONEYVAL recommendations**

This includes: strengthening AML-CTF legislation and FIU capacities; promoting interagency co-operation and national AML/CTF strategy, strengthening the capacities of obliged institutions and their regulators and supervisors, strengthening the capacities of law enforcement and criminal justice bodies. The specific activities are addressed in seven outputs of the project.

Egmont Group membership is the major achievement under the AML/CTF component. The FIU was equipped by the MOLICO project with a server to build an IT system. After the adoption of the new legislative framework in 2007, the project organised AML trainings that covered both state agencies and most of the reporting entities. Trainings for reporting entities were conducted together with FIU and supervisors to ensure the uniform understanding of AML requirements. Training activities and providing technical equipment for the FIU remain priorities for 2008.

The support of interagency AML co-operation was slowed down by delays with adoption of Moldova National AML/CFT action plan for 2008. The project had to address this issue through the Special Representative of the Secretary General of the Council of Europe. This plan was only adopted in June and has still not been published.

In the second half of 2008 the project will support multi-agency AML actions in order to review the compliance with MONEYVAL recommendations and to prepare the national AML/CFT risk assessment according to FATF guidelines.

This report describes the progress reached under each objective during the first half of 2008 of the project implementation. Impact of the project is evaluated in the scope of specific activities organised under the different outputs and assumptions are identified. Proposals to increase the efficiency of the implementation are provided on the basis of the evaluation of the impact.

### **Project steering group 17 July 2008**

As a result of the project steering group, the action plan for the second half of 2008 was approved and some additional proposals from beneficiaries have been integrated. Some of them are still subject to discussions taking into consideration current human and financial resources of the project.

## **2. PROGRESS IMPLEMENTATION**

### **2.1 Objective 1 - To ensure the implementation of Moldova's anti-corruption strategy on the basis of annual action plans**

#### **Main indicators under the anti-corruption component:**

- seven seminars with up to 150 participants;
- three public debates/conferences with up to 170 participants
- three series of five working group meetings with participation per series of up to 100 presidents and vice-presidents of 51 courts and 12 representatives of the National Institute of Justice under the implementation phase of the risk assessment methodology for judiciary.
- two working group meetings with up to 35 participants under the trainers programme on risk assessment for representatives of law enforcement agencies, Ministry of Justice and subordinated units,
- one workgroup meeting on developing the guide for investigators and prosecutors with up to 18 participants
- one workgroup meeting for drafting the new regulation of the National Anti-corruption Monitoring Group, with up to 20 participants;
- follow up English language course for up to 60 law enforcement and judiciary representatives;

- supporting the participation of eight Moldovan experts at three GRECO plenary sessions, one international conferences and one international summer school ;
- one study visit for eight Moldovan investigative journalists to Riga, Latvia;
- two expert assessment visits;
- two expert opinions regarding the draft methodology for conducting risk assessment within public authorities;
- launching the new the CCCEC website which incorporates dedicated modules to the National Anti-corruption Monitoring Group and Financial Intelligence Unit;
- one TV show on anti-corruption issues – efficiency of law enforcement agencies in combating corruption; one press conference held by CoE experts and national experts on risk assessment methodology; two interviews of MOLICO staff for the Monthly Anti-corruption Journal published the Association of Independent Press
- one CD published on corruption proofing of legislation

<p><b><i>OUTPUT 1.1 - Efficient monitoring, co-ordination and management of the anti-corruption strategy ensured and annual action plans available</i></b></p>
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Since December 2007, limited progress was reached by the National Anti-corruption Monitoring Group (MG) in implementing the Council of Europe recommendations for Reinforcing the MG Institutional Capacity to Monitor and Co-ordinate the Anti-corruption Efforts in the Republic of Moldova. On **27 December 2007**, the Parliament adopted the Decision for updating the National Anti-corruption Strategy and Action Plan. The revised Anti-corruption Strategy and Action plan offers limited answers to the co-ordination issue between various existing monitoring mechanisms. The adopted amendments envisage that the Chairman of the Threshold Country Plan (MCC programme) will submit just two reports per year to the MG meeting. In addition, in **February 2008**, the President of the Republic of Moldova signed a new Decree for appointing the new members of the Monitoring Group, without substantial changes regarding the level of participation of civil society representatives.

The Monitoring Group continued to receive assistance from the MOLICO project to further improve its capacity to interact with the public, ensure the active participation of the civil society in the monitoring process, and inform the public about its work and the latest developments in the fight against corruption. The MG and its Secretariat supported the organisation in **February 2008** of the public debate that marked the conclusion of the seminars on risk assessment for high level officials from law enforcement agencies and justice sector institutions.

**April 2008** marked the launch of the new website of the Monitoring Group – part of the CCCEC official website – produced with the support of the MOLICO Project. The section dedicated to the MG hosts detailed information regarding its mission, background documents, members, activities carried out and reports. Although media representatives are invited to and attend MG meetings on regular basis, the activity of the MG was only reflected on a few occasions. The access of media representatives, as well as the public reflection of MG activities, may be further improved by identifying a larger conference room and also by organising periodic briefings and press conferences.

In **May 2008**, a series of bilateral and working group meetings were organised with the support of the MG Secretariat and participation of MG Chairman of Council of Europe experts in order to speed up the process for strategically revising the documents of the Monitoring Group. As a main outcome, an agreement was reached that the basic documents of the Monitoring Group must be redrafted in order to further ensure a standardised working procedure for the Monitoring Group, both with regard to the progress reporting and audit components. Subsequently, in **June 2008**, the MG approved the creation of an expert group tasked to elaborate the first draft amendments of the MG regulations and working methods. Unfortunately, the composition of this workgroup fails to ensure a wide involvement of all relevant stakeholders from both governmental and non-governmental sectors. As a short term priority, the composition of the workgroup needs to be further considered, especially by involving high level national experts. The product of the expert group will be reviewed in September – October 2008 by national and CoE experts, as well as being subject to a wide high-level public debate. Also, the clarification of institutional relations between the Monitoring Group and Coordinative Council on the one hand, and in relation with other Monitoring Groups, on the other hand, still remains unaddressed and requires further attention. On **14 July 2008**, during a bilateral meeting with the Special Representative of the Secretary General, the

Chairman of the MG reconfirmed once again his personal support for undertaking substantial changes to the current state of affairs and set **September 2008**, as the deadline for a review of all existing ongoing AC activities in the Republic of Moldova, and also for finishing the first draft amendments to the MG regulations. The issue of relations between Coordinative Council and Monitoring Group is also expected to be addressed at the highest political levels in the following months.

An important highlight of the MG activities in 2008 is the effort for ensuring synergies between the Anti-corruption Strategy and the Public Administration Reform. Representatives of the specialised governmental unit co-ordinating the implementation of the public administration reform periodically attended the MG meetings and delivered updated reports on progress reached, as well as advance proposals for joint efforts in promoting the newly adopted code of ethics for public servants. This approach is in line with a specific GRECO recommendation made under the second evaluation round for Republic of Moldova. In this respect, the MOLICO project is supporting the launch of an anti-corruption module for training trainers within local public administration, which is envisaged to be carried out in the second half of 2008. Additional activities to promote the implementation of the new code of ethics for public servants will be implemented, including dissemination of new rules of ethics.

According to its action plan, during the first half of 2008, the MG held four meetings and reviewed progress reports presented by top management of Ministry of Defence, Border Guards Service, Material Reserves, Public Acquisitions and Humanitarian Aid Agency, Ministry of Agriculture and Food Industry, Ministry of Economy and Commerce. In addition, MG members reviewed the control report elaborated by the multidisciplinary workgroup that completed the on-site evaluation visit to the Ministry of Transport and Road Management. Two new multidisciplinary workgroups were formed and tasked to conduct an on-site evaluation visit to the Ministry of Agriculture and Food Industry and Ministry of Defence.

In addition, MG meetings hosted brief presentations from various NGOs and international organisations on anti-corruption related issues: reports on the status of GRECO evaluations on Moldova regional co-operation under the Anti-corruption Initiative; status quo in implementing the MOLICO Action Plan for 2008; new programme for reducing corruption in local public administration implemented by the UNDP; an evaluation of the impact of anti-corruption hot lines hosted by public authorities – report prepared by CAPC.

***OUTPUT 1.2 - Legislation improved to effectively prevent and control corruption as foreseen in the anti-corruption strategy and action plans and in accordance with GRECO recommendations and European and United Nations standards***

In the first half of 2008, three new important anti-corruption laws that had been reviewed by the Council of Europe expertise, entered into force:

- Law on Political Parties (reviewed by MOLICO and Venice Commission experts in **February 2007**, adopted by Parliament on **21 December 2007** and published in the Official Gazette on **29 February 2008**);
- Law on Conflict of Interest (reviewed by MOLICO and Venice Commission experts in **October 2007**, adopted by Parliament on **15 February 2008** and published in the Official Gazette on **30 May 2008**);
- Law on Preventing and Combating Corruption (reviewed by MOLICO experts in **September 2006**, adopted by Parliament on **25 April 2008** and published in the Official Gazette on **13 June 2008**).

Whilst the listed pieces of legislation do not fully incorporate the recommendations of the Council of Europe, their adoption represents an important step forward which needs to be doubled by proper allocation of resources for an efficient implementation into practice.

According to the new action plan for 2008, the MOLICO project financially supported the participation of additional Moldovan officials in three GRECO Plenary sessions (**11 – 15 February, 31 March – 4 April, 9 – 13 June**). The February session of GRECO also addressed the Addendum to the Compliance report, submitted by the Republic of Moldova under the first evaluation round. Following the review of the Moldovan progress report, the GRECO Plenary



concluded that **recommendations 1, 8 and 11<sup>1</sup>** were implemented in a satisfactory manner. The **5th recommendation remains implemented only partially** and the Republic of Moldova is requested to continue to pay attention to it. The 5th recommendation requires that the code of conduct for public servants is adopted and regularly circulated among public servants and the public at large. The MOLICO project is envisaging support for further implementing this GRECO Recommendation.

The MOLICO project continued to support CCCEC and CAPC in implementing the methodology for corruption proofing of legislation. Both organisations were also actively involved in disseminating this preventive measure as best practice in two very important international meetings:

- a team of two experts from CCCEC and CAPC delivered a presentation in front of GRECO Plenary on Moldovan experience in implementing the corruption proofing of legislation (**June 2008**). In addition, Moldovan delegates disseminated a CD published by the MOLICO project, including the Corruption Proofing Methodology implemented by CCCEC and the Corruption Proofing Guide developed by CAPC.
- a team of five experts from CCCEC and CAPC attended and delivered presentations within the International Roundtable on Practices and Prospects of development of the legislation regulating anti-corruption expertise of legal acts and draft laws in Russia and other countries of Eastern Europe and Asia, (**Moscow, Russian Federation, June 2008**). The final declaration of this roundtable includes the agreement reached by participants regarding concrete follow-up activities, including the creation of an informal international network of experts on corruption proofing, as well as a follow up international event for these specialists (possibly to be organised in Chisinau in spring 2009).

Nonetheless, it should be mentioned that due to ongoing restructuring of CCCEC and instability regarding the structure of the main beneficiary unit (Prevention, Analyses and Prognosis), one training event on corruption proofing of legislation, scheduled for February, was cancelled following a request by the CCCEC management. This situation, as well as the understaffing of this respective unit, needs to be addressed as soon as possible as it has a negative impact on the implementation of the project activities.

***OUTPUT 1.3 - Strengthen the capacity of anti-corruption prosecutors to prosecute, supervise and manage corruption-related offences***

Elaboration of the Guide for anti-corruption prosecutors and investigators was the most important activity under the output. In **April 2008** the MOLICO project, in co-operation with the Anti-corruption Prosecutor's office, organised the 2nd meeting of the Working Group established in order to develop the Guide for anti-corruption prosecutors and investigators. During the meeting the outline of the Guide was agreed and tasks were allocated to all members in order to provide first substantial narrative inputs. The first draft was made available for translation in mid-July 2008, and will be submitted for review to CoE experts during **July – August 2008**. A subsequent visit of the short term expert is expected for the second half of the year. It should be highlighted that the second meeting of the workgroup did not benefit from the participation of the experts from the Ministry of Internal Affaires. The issue was raised by the MOLICO project to the top management of the Ministry and a reaction is expected in the following days. In the framework of the ongoing co-operation with National Institute for Justice in developing the AC curricula and training outline, the proposal was advanced to include one

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<sup>1</sup> **GRECO Recommendation 1** - necessary studies to be carried out in order to gain a clearer insight into the scale of corruption and its various features so that anticorruption initiatives and plans can be targeted more effectively;

**GRECO Recommendation 8** - the anti-corruption unit within the Public Prosecutor's Department (or any other anti-corruption body of the Public Prosecutor's Department) be organised in such a way to provide interface with the Centre for Fighting Economic Crimes and Corruption, for example by creating regional divisions.

**GRECO Recommendation 11** - necessary financial and technical resources be allocated to the operational directorate of the Customs Department and that officers be given initial and in-service training in regulations and professional conduct.

representative of this institution into the working group. Furthermore, it was agreed that once finalised, the Guide will also serve as training material for the initial training for junior prosecutors and judges attending the INJ courses.

Two CoE experts conducted needs assessment visits on SIMS in **March 2008** at the AC Prosecutor's Office, CCCEC and the Ministry of Internal Affairs. The mission report constitutes the basis for assessing the possibility of procuring SIMS under the MOLICO Project.

In **July 2008**, the MOLICO project also supported the participation of one anti-corruption prosecutor to the Second International Anti-Corruption Summer School (IACSS 2008) taking place in Austria and organised by the Austrian Federal Ministry of Interior. More than 50 participants from all over Europe and overseas attended the event, themed "Practice meets Science". The primary goal of the IACSS 2008 is an interdisciplinary transfer of knowledge from science to practice. Apart from criminology, the fields of business administration, political economics, political science, psychology and others are also treated.

Activities related to procurement of equipment for the AC prosecutor's office are ongoing, several units having already delivered (printers and multifunctional copy machines) while computers and laptops are yet to be delivered. Additional procurement procedures were initiated in particular for acquiring: a limited amount of special investigative means, analytical software and case management software – GO case.

***OUTPUT 1.4 – Improve co-operation among law enforcement and criminal justice bodies through joint training on investigation, prosecution and adjudication of corruption offences as well as international co-operation***

In close correlation with the process of developing the guidelines for investigating and prosecuting corruption cases, the MOLICO project, in co-operation with the General Prosecutor's office and the National Institute of Justice, organised in **April 2008** a joint training for prosecutors and judges on national and international experiences in combating corruption. The event constituted a follow up to the series of trainings organised in **October 2007**, and brought together 40 judges and prosecutors. The event focused on national and international experiences on dealing with concrete corruption cases. Six case studies were subject to analysis and problem-solving in joint workgroups.

In addition, the MOLICO project, in co-operation with the INJ, is currently supporting the process of developing the AC – AML curricula and training outline for the initial training. The first draft papers are expected to be available for review by CoE experts in July and an advanced draft in **September 2008**.

In order to consolidate the capacity of the law enforcement agencies to co-operate on an international level, English language courses were provided to representatives of different law enforcement institutions. The courses were carried out by the International Language Course Centre and up to 43 participants from law enforcement agencies and prosecution office successfully attended the courses (**January - July 2008**). An average of 15% of participants did not complete the courses due to absences or failure to pass the periodic examinations.

***OUTPUT 1.5 – To strengthen the capacities of the CCCEC to analyse corruption-related phenomena and trends, as well as to design and implement measures for the prevention of corruption***

In **February 2008**, GRECO reviewed the Addendum to the Compliance Report submitted by the Republic of Moldova under the first evaluation round. This report also referred to the recommendation made by GRECO to carry out "necessary studies...in order to gain a clearer insight into the scale of corruption and its various features so that anti-corruption initiatives and plans can be targeted more effectively". Following the analysis of progress reports submitted by the Republic of Moldova on this subject, GRECO concluded that that activities conducted by CCCEC in analysing corruption-related phenomena are in line with the first recommendation made in 2003. Furthermore, GRECO considers that the Moldovan authorities now have "further tools (not just based on opinion polls) to help them fine-tune and focus their anti-corruption reforms more effectively".



Needs assessment for developing the training curricula of the analytical unit was conducted during **February – March 2008** and areas of interest for CCCEC experts were identified. Consequently, CCCEC advanced new proposals to address these needs:

- supporting the participation of three analysts to a series of basic and advanced trainings delivered by Greater Manchester Police,
- conducting research on the characteristics of corruption phenomenon within the education system.
- organising two days training on analysing corruption within public tender systems.

All three proposals are currently under consideration.

In **May 2008**, the MOLICO project organised a series of training events dedicated to the staff of the Department for Prevention, Analytics and Anti-corruption Programs, CCCEC.

- The first training addressed the best practices in preventing corruption – the Latvian model. CCCEC experts gained knowledge regarding KNAB's experience in implementing preventive measures (codes of conduct, management of conflict of interest, etc.); monitoring the impact of anti-corruption strategies; analyses and prognosis of the corruption phenomenon, education and awareness-raising campaigns. The event also set the basis for further developing the direct interaction between CCCEC and KNAB.
- The second training aimed at developing the risk assessment training modules for public authorities. The training event was dedicated to the staff of the Unit for Prevention and Analytics – the unit that will be in charge with ensuring the implementation at national level of the risk assessment methodology for public authorities. Following the inputs received from the CCCEC staff, the MOLICO project, in co-operation with the short term experts, will develop a training module on risk assessment methodology that will be implemented at the beginning of September 2008. Following the implementation of this training module, CCCEC staff will be capable to replicate the training in all central public authorities.

The MOLICO project, in co-operation with CCCEC, initiated the procedure for selecting the participants to the Anti-corruption Summer School for Youth. 30 students from law, political science and journalism faculties are expected to attend the one week training in **20 – 27 July 2008**. The training will provide the young participants with basic knowledge about measures to prevent and combat corruption. Furthermore, participants will assist CCCEC Preventive Department in conducting an on-site awareness-raising campaign and will also run a series of interviews with students on impact of corruption for the youth. The summer school is part of the National Action Plan adopted by the Government regarding the Youth Year.

Activities related to procurement of equipment for the Department for Prevention, Analytics and Anti-corruption Programs are ongoing, several units having already delivered (printers and multifunctional copy machines), while computers and laptops are yet to be delivered. Additional procurement procedures were initiated, especially for analytical software, servers, case management software – GO case and equipment for the training room.

***OUTPUT 1.6 - Prevention plans implemented and internal controls reinforced within the judiciary, prosecution, police, CCCEC and other bodies at risk***

The implementation of the risk assessment methodology remained a top priority for the MOLICO project, substantial resources being allocated for supporting the dissemination of this practice in the Republic of Moldova.

In **January 2008**, the second round of national trainers in risk assessment were certified by MOLICO experts following the third series of back-to-back seminars on risk assessment for high level officials from law enforcement agencies and justice sector institutions. Among the graduates of the training we can mention high ranking officials such as the Deputy General Prosecutor, Deputy Director of CCCEC, Deputy Minister of Internal Affairs, and Deputy Director of Customs Service. A high-level one-day event was organised in **February 2008**, aiming to ensure the reinforcement of the commitment from the top management of beneficiary institutions for the implementation of the risk assessment methodology. The event was organised in co-operation with the National Anti-corruption Monitoring Group and benefited from high-level participation from all the involved institutions: Chairman of the Monitoring Group, Minister of Justice, Director of CCCEC, President of the Supreme Council of Magistrates,

Deputy General Prosecutor, Deputy Minister of Interior, Deputy Director of Customs, Deputy Director of Border Guards.

**Between February and June 2008, three out of four implementation phases were completed for 51 courts and the National Institute of Justice.** This included three rounds of sessions for 51 courts, represented in four working groups by presidents and vice-presidents, as well as a working group of the National Institute for Justice. Although initially received with reservation and resistance, all workgroup sessions were concluded positively in all five locations. All participating institutions received extensive homework for the phase two and three of the program. Activities were carried out with important and positive developments. During working group meetings, all project leaders provided updated reports on the status of implementation of tasks established after phase one. All courts and the National Institute of Justice undertook the following measures:

- ✓ formal endorsement of the integrity plan by each president of court and Director of the INJ;
- ✓ appointment of the members of implementation teams in each institution;
- ✓ informing the employees about the initiation of the risk assessment;
- ✓ collection of relevant legislation and incorporation within the provided template;
- ✓ preparation of organisation charts and job descriptions;
- ✓ analysis of vulnerable job positions and work processes, including the level of risk.

Furthermore, an important part of the phase three included the dissemination of the integrity questionnaire at national level, for all employees. Currently the results and analyses of the conducted evaluations are submitted to the MOLICO project and Superior Council of Magistrates. The last phase is envisaged to take place in **October 2008**. The final report is expected to be available, as well as the integrity plans, in **mid-November 2008**.

The MOLICO project also supported the process of developing the national methodology for conducting risk assessment within central public authorities. Two expert opinions were provided by CoE experts on the risk assessment methodology developed by CCCEC. The document is expected to be adopted by the Government within the next weeks. Following the adoption of this Governmental Decision, the MOLICO project will further provide assistance to CCCEC by training its staff. Following the implementation of this training module, CCCEC staff will be capable to replicate the training in all central public authorities.

<p><b><i>OUTPUT 1.7 - Implementation of the law on the financing of political parties ensured</i></b> <b><i>OUTPUT 1.8 - Corruption and conflicts of interest in the political process reduced</i></b></p>
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The activities under the outputs 1.7 and 1.8 are postponed due to the delays in adoption of the relevant legislative framework. Following the adoption of laws on political parties and conflict of interest, MOLICO project initiated the discussions with the beneficiaries related to potential assistance.

During **March 2008**, a needs assessment visit to the Central Electoral Commission was conducted by CoE experts. The aim of the assessment visit was to identify the exact areas of assistance where the MOLICO project can be active in supporting the proper implementation of the newly adopted Law on Political Parties. Based on the requests of the beneficiary, the following activities were identified as priorities for the second half of 2008:

Trainings:

- National training for general secretaries and treasurers of political parties on new requirements under the Law on Political Parties;
- Training for control and audit authorities;
- Training for law enforcement agencies, prosecutors and judges on detecting electoral fraud and corruption of electorates.

Support for CEC:

- Expert support on developing new reporting templates for political parties, in line with the new requirements of the Law on Political Parties.
- Elaborating and publishing a guide for political parties on reporting requirements under the new Law of the Political Parties.

In addition, the MOLICO project will include “Financing of political parties” in the list of topics for the TV anti-corruption shows on public television. The edition on this topic is envisaged to take place in **September - October 2008**.

The situation of the **Law on Corruption of Electorates**, relevant for output 1.7 requires special attention, as no clear answer is provided by the authorities as to whether its adoption is still a priority. In 2006 a draft was approved by the Government and submitted to the Parliament. Similarly to the draft law on transparency of the decision making process, no progress on this law was further noted.

***OUTPUT 1.9 - Enhance capacities of local government for the prevention of corruption and strengthening of public ethics***

Detailed progress reports are periodically submitted to the Project Manager via the Directorate for Local and Regional Democracy on the activities conducted under output 1.9.

***OUTPUT 1.10 - Promote active role of civil society and media against corruption and reduce the tolerance of the public to corruption***

Starting in **March 2008**, activities were carried out under all sub-objectives envisaged under output 1.10. Each of the activities had its own specific outcomes providing knowledge or skills in respective field of the training. The overall programme is proving to have a long term impact on the overall performance of journalists and law enforcement representatives. All events had high participant satisfaction. Council of Europe experts received a high evaluation of their performance and requests to continue to provide input to the training.

**Work with investigative journalists and code of ethics**

During assessment visits conducted by CoE experts, an agreement was reached with main counterparts regarding the action plan for developing the guide for investigative journalists, supporting the implementation of the code of ethics as well as for developing the training program for investigative journalists.

The MOLICO project organised the first event under the anti-corruption training program for investigative journalists in **March 2008**. The topic of the first event was: “Political finance – how to follow the money and produce first page articles on financing of political parties”. CoE media experts introduced the concept of political finance to the investigative journalists and provided guidance on getting and disseminating information on financing political parties and electoral campaigns. The Central Electoral Commission was represented to the event by its Secretary.

In **May 2008**, the MOLICO project, in co-operation with the National Union of Journalists, organised a wide public debate on implementation of the code of ethics for journalists: *Power of Moldovan Journalism to Contribute to the Fight Against Corruption: Hidden Variable of Ethics*. More than 80 journalists from the Republic of Moldova attended the debate and addressed the relation between reporting corruption in media and ethics as well as the activity of the Integrity Commission of the National Association of Journalists. Participants highlighted the negative impact for media activities determined by the lack of activity of the Integrity Commission. A report from the Center for Investigative Journalists listed a series of breaches of the code of ethics, pointing out the absence of any reaction from a dedicated board in charge of ensuring the observance of ethical rules by journalists. The director of the Independent Press Association mentioned that the current state of affairs cannot be accepted anymore and that his association is looking for alternative solutions in creating an Integrity Board. Furthermore, the Congress of the National Union of Journalists took place at the same time as this public debate. Among the decisions taken, the Union elected nine new members to the Integrity Commission, who are expected to start their activities as soon as possible.

In **July 2008**, the MOLICO project also organised a study visit for eight Moldovan investigative journalists to Riga, Latvia. The goal of the visit was to provide the Moldovan journalists with best practice of investigative journalism in transition society. In order to reach this goal, the journalists met with the best investigative colleagues in Latvia and shared the stories, as well as working techniques: work with sources, legal protection of journalists, preparation of the material, etc. Additional activities helped participants to better understand the reality of investigative journalism in transition society:

- role of editorial (media organisation) support for investigative journalism;
- political context of a transition society (selection of stories);
- role of general communication of governmental organisations with mass media.

#### **Work with PR officers from law enforcement agencies**

In **March 2008**, the MOLICO project organised the start-up event of the training programme for PR officers from law enforcement agencies. The first seminar used both directive and interactive methods and provided an overview of the application of the best PR practices within law enforcement agencies in a transition society. Participants also engaged in an interactive discussion, in working groups, and were asked to express their own vision on most of the topics covered during the course. In the long run, the programme aims to provide the PR officers of the law enforcement agencies with a better understanding of their role in a democratic society, build capacities to develop strategies for promoting the institution and work more effectively with communication in daily practice. In addition, the programme aims to contribute to building a stronger relationship between law enforcement officers of different institutions.

Training sessions continued in **April 2008** when the MOLICO project organised the follow up training events for PR officers from law enforcement agencies. Such training sessions were organised for CCCEC, in partnership with MCC project, including a one-day conference with participation from investigative journalists and other media representatives. Also in **April 2008**, public prosecutors and representatives of the Ministry of Internal Affairs received training and coaching support on public communication, including press release writing and appearances on TV; all participants to the training sessions received a personal DVD of their performance, with expert guidance for improving their skills in dealing with TV media. A pilot half-day workshop on delivering a TV message was also delivered to CCCEC.

#### **Start up of the series of thematic anti-corruption TV shows**

**April 2008** marked the start up of the series of anti-corruption TV shows supported by the MOLICO project on a public TV station. The first TV show addressed the current status of fighting corruption in the Republic of Moldova from the perspective of law enforcement agencies and judiciary. The TV show brought together the First Deputy General Prosecutor of the Republic of Moldova, President of the Superior Council of Magistracy, the Deputy Director of CCCEC, as well as CoE short term and long term experts; The TV show is available on DVD.

#### **Anti-corruption media campaign**

The work on developing the anti-corruption media campaign was initiated. The first focus groups were organised in **July 2008**, during the Summer School for Youth. A first exercise for identifying campaign slogans was also initiated at the same occasion. The campaign will seek to approach specific areas of interest and focus on providing alternatives and solutions to the public in addressing the corruption within various vulnerable sectors, such as judiciary, education, health, etc. The campaign is planned to be carried out nationwide and aims to contribute to the reduction of public tolerance towards corruption.

**Activities conducted under the anti-corruption component**

**January – July 2008**

<b>Output</b>	<b>Activities implemented in order to reach the result</b>
<p>1.1 Efficient monitoring, co-ordination and management of the anti-corruption strategy ensured and annual action plans available</p>	<ul style="list-style-type: none"> <li>- A major public debate was organised in <b>February 2008</b>, in co-operation with the National Anti-corruption Monitoring Group, in order to mark the conclusion of the seminars on risk assessment for law enforcement agencies and justice sector institutions.</li> <li>- In <b>April 2008</b> the new website of the CCCEC was launched. The new website includes one distinct and visible section dedicated to Monitoring Group activities.</li> <li>- With the support of the MG Secretariat, in <b>May 2008</b>, the MOLICO project organised bilateral and group expert meetings on measures to strengthen the capacity of the National Anti-corruption Monitoring Group to co-ordinate and assess the implementation of the National Anti-corruption Strategy.</li> <li>- The MOLICO long term anti-corruption advisor attended all four meetings of the Monitoring Group and closely observed the status of the implementation of the Action Plan. Upon request, permanent specialised advice was available to the members of the Monitoring Group.</li> </ul>
<p>1.2 - Legislation improved to effectively prevent and control corruption as foreseen in the anti-corruption strategy and action plans and in accordance with GRECO recommendations and European and United Nations standards</p>	<ul style="list-style-type: none"> <li>- Following the new action plan for 2008, the MOLICO programme financially supported the participation of additional Moldovan officials to three GRECO Plenary sessions (<b>February, March, April, June 2008</b>).</li> <li>- In <b>June 2008</b> a team of two experts from CCCEC and CAPC delivered a presentation in front of the GRECO Plenary on Moldovan experience in implementing the corruption proofing of legislation. In addition, Moldovan delegates disseminated a CD published by the MOLICO project, including the Corruption proofing methodology implemented by CCCEC and the Corruption Proofing Guide developed by CAPC</li> <li>- A team of five experts from CCCEC and CAPC attended and delivered presentations within the International Roundtable on Practices and Prospects on development of the legislation regulating anti-corruption expertise of legal acts and draft laws in Russia and other countries of Eastern Europe and Asia, (Moscow, Russian Federation, <b>in June 2008</b>)</li> </ul>
<p>1.3 - Strengthen the capacity of anti-corruption prosecutors to prosecute, supervise and manage corruption-related offences</p>	<ul style="list-style-type: none"> <li>- <b>March 2008</b>, an assessment visit was carried out by CoE experts in order to evaluate the needs for special investigative means in dealing with corruption and money laundering cases (event relevant also for Project Objective 2).</li> <li>- <b>April, 2008</b> – the MOLICO project, in co-operation with the Anti-corruption Prosecutor's office, organised the 2nd meeting of the Working Group established in order to develop the Guide for anti-corruption prosecutors and investigators.</li> <li>- <b>July 2008</b>, the MOLICO project also supported the participation of one anti-corruption prosecutor to the Second International Anti-Corruption Summer School (IACSS 2008), taking place in Austria and organised by the Austrian Federal Ministry of Interior.</li> </ul>
<p>1.4 - Improve co-operation among law enforcement and criminal justice bodies, through joint training on investigation, prosecution and adjudication of corruption offences as well as international co-operation</p>	<ul style="list-style-type: none"> <li>- <b>April 2008</b> – in co-operation with the General prosecutor's office and National Institute of Justice, the MOLICO project organised the joint training for prosecutors and judges on national and international experiences in combating corruption.</li> <li>- <b>April 2008</b> – GO case presentation – CoE expert presented Go Case software to Moldovan agencies involved in creating the Informational System of law enforcement and justice bodies (event relevant also for Project Objective 2)</li> <li>- Up to 43 participants from law enforcement agencies and prosecution office are continuing to attend successfully the English language courses (<b>January - July 2008</b>). An average of 15% of participants did not complete the courses due to absences or failure to pass the periodic examinations.</li> </ul>



<p>1.5 - Strengthened the capacities of the CCCEC to analyse corruption-related phenomena and trends, as well as to design and implement measures for the prevention of corruption</p>	<ul style="list-style-type: none"> <li>- Between <b>May 2008</b>, the MOLICO project organised a series of training events dedicated to the staff of the Department for Prevention, Analytics and Anti-corruption Programs, CCCEC.             <ol style="list-style-type: none"> <li>1. training on best practices in preventing corruption – the Latvian model</li> <li>2. training on developing the risk assessment training modules for public authorities</li> </ol> </li> </ul>
<p>6 - Prevention plans implemented and internal controls reinforced within the judiciary, prosecution, police, CCCEC and other bodies at risk</p>	<ul style="list-style-type: none"> <li>- The third round of back-to-back training sessions for high level officials from law enforcement agencies and justice sector institutions was organised in <b>January</b>. The training sessions were completed by representatives of CCCEC, prosecution office, Ministry of Internal Affaires, customs service and border guards, Ministry of Justice, Judicial Execution Department, Penitentiaries, Centre for Judicial Expertises;</li> <li>- Press conference related to the concluding event of the train the trainers course was held in <b>February</b>;</li> <li>- Three phases were completed in implementing the risk assessment methodology within 51 Moldovan courts and the National Institute for Justice (<b>February, March, June</b>).</li> </ul>
<p>1.7 - (Implementation of the law on the financing of political parties ensured)</p>	<p>Needs assessment visit was conducted in <b>March</b> and an entire training plan was agreed with the Central Electoral Commission.</p>
<p>1.8 - (Corruption and conflicts of interest in the political process reduced)</p>	<p>Activities under this output pending due to the delays in adopting the relevant legislative framework.</p>
<p>1.9 - (Enhance capacities of local government for the prevention of corruption and strengthening of public ethics enhance).</p>	<p>Separate progress reports are periodically submitted by the Directorate for Local and Regional Democracy on the activities conducted under this output.</p>
<p>1.10 - Promote active role of civil society and media against corruption and reduce the tolerance of the public to corruption</p>	<ul style="list-style-type: none"> <li>- <b>March 2008</b>, half-day seminar on investigative journalism tools for advanced journalists – event conducted in co-operation with AED;</li> <li>- <b>March 2008</b>, first event under the anti-corruption training programme for investigative journalists. The topic of the first event was: “Political finance – how to follow the money and produce first page articles on financing of political parties”;</li> <li>- <b>March 2008</b>, start-up event of the training programme for PR officers from law enforcement agencies;</li> <li>- <b>April 2008</b> marked the start up of the series of anti-corruption TV shows supported by the MOLICO project on a public TV station;</li> <li>- <b>April 2008</b>, follow up training for PR officers from CCCEC, including a one-day conference with participation of investigative journalists and other media representative, in partnership with MCC project;</li> <li>- <b>April 2008</b>, public prosecutors and representatives of the Ministry of Internal Affairs received training and coaching support on public communication, including press release writing and appearance on TV. All participants to the trainings received a personal DVD of their performance with expert guidance for improving their skills in dealing with TV media. A pilot half-day workshop on delivering a TV message was also delivered to CCCEC;</li> <li>- <b>May 2008</b> the MOLICO project, in co-operation with the National Union of Journalists, organised a wide public debate on implementation of the code of ethics for journalists: <i>Power of Moldovan Journalism to Contribute to the Fight Against Corruption: Hidden Variable of Ethics</i>. The event was organised back</li> </ul>



	<p>to back with the Congress of the Union – <b>May 2008</b>;  - <b>June - July 2008</b> the MOLICO project organised a study visit for eight investigative journalists to main media institutions in Latvia.</p>
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**2.2 Objective 2 - To strengthen the anti-money laundering/counter-terrorist financing (AML/CTF) system of Moldova, in accordance with international standards and good practices as well as MONEYVAL recommendations**

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

Recent amendments in 2007 to the tax amnesty law removed the controversial provisions of the initial law (April 2007) that caused the denial of Egmont accession and the MONEYVAL compliance enhancing procedure. Initial law as well as draft amendments were the subject of expertise organised by the MOLICO project. The 25th MONEYVAL Plenary in December 2007 has decided to lift the compliance enhancing procedure.

After a large number of changes in AML/CFT legislation in 2007, the year of 2008 is expected to be the period of implementation of new legislation.

In February the project organised a workshop in Chisinau on current compliance of Moldova AML/CFT legislation with the Council of Europe Warsaw Convention and the 3rd EU AML/CFT directive. It was a follow-up to the expertise of legal acts conducted by project experts in 2008 and helped Moldovan participants to detect deficiencies in AML/CFT legislation that should be improved later.

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

The FIU of Moldova was accepted as an Egmont Group member in May 2008, which opens possibilities to exchange information with more than 100 Egmont FIUs.

The number of FIU permanent staff now makes 15 officers, and another 10 CCCEC officers have some AML/CFT functions. The FIU workload is quite large:

- Analysis of transactions reports (9.6 million in 2007);
- Control functions over reporting entities;
- Investigations in money laundering cases (FIU in Moldova is a police-type one);
- Co-ordination of AML/CFT actions in Moldova;
- Exchange of information with FIU.

One of the possible solutions in case of limited human resources is the creation of a strong IT system and creating standard procedures for as many functions as possible.

Procurement of an IT system by the MOLICO project is under its way. The project also started the development of a number of guides for the FIU that provide recommendations and best practices on FIU procedures. To ensure the proper functioning of the FIU project, training of FIU staff started for the creation of a quality management system.

The project funded the printing of the FIU annual report for 2007 (an annual report of the FIU is required by FATF).

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

The procurement procedure for hardware started in November 2007. Delivery of servers, network equipment and printers to FIU, Department of Analysis and Prevention (CCCEC) and for the Anti-corruption Prosecutor's office was finished in June 2008 and workstations are to be delivered by the end of summer. Specifications for software have been defined and the procurement procedure is planned to start in July 2008.

In April 2008 the project organised the visit of an IT expert to Moldova to prepare specifications for enhancing CCCEC premises and equipment security and to establish a secure electronic exchange of information with the Ministry of Interior, Security and Information Service, Financial Markets Commission and Customs Service.

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

In May 2008 the FIU was accepted as an Egmont Group member at the plenary meeting in Seoul (Korea). During the same plenary, the Memorandum of Understanding (MOU) was signed with the FIU of the Netherlands.

Study visits to FIUs of the Netherlands, Poland and Italy were organised by the MOLICO project in January 2008. The visits had three purposes:

- Get experience on processing large amounts of transaction reports and building an IT system for FIU;
- Establish contacts with FIUs;
- Support Moldova's accession to the Egmont Group (visit was done before Egmont workgroup meeting in March).

As a result of the visit, specifications for analytical software for Moldova FIU have been created, the Netherlands FIU supported Moldova at the Egmont Legal workgroup meeting in March, and finally an MOU with the FIU of the Netherlands has been signed.

Further study visits for the FIU were postponed until the Egmont Group plenary meeting.

Output 2.5. National AML/CTF strategy including effective mechanisms to ensure co-operation between the FIU and law enforcement, criminal justice and regulatory authorities adopted and implemented.

National AML/CTF strategy was adopted by the Government in June 2007. Delay with the adoption of Moldova AML/CFT action plan for 2008 hindered MOLICO actions for interagency co-operation. The plan was finally adopted by the Government in June 2008.

Outputs 2.6, 2.7. To improve the capacity of reporting entities, regulators and supervisors, law enforcement and criminal justice bodies to comply fully with obligations under the AML/CTF law.

In the first half of 2008, the project started initial AML/CFT training for reporting entities. The purpose of this first round of training is to ensure that reporting entities:

- Have basic knowledge on AML/CFT concept;
- Know their AML/CFT obligations;
- Know how to send transaction reports to FIUs.

It was important to ensure that the FIU, supervisors and reporting entities have the common understanding of AML/CFT issues, so training sessions were conducted together with the FIU and respective supervisors.

Training sessions covered:

- All securities market participants (March, together with Financial Markets Commission);
- All insurance companies (March, together with Financial Markets Commission);
- All banks (June, together with National Bank) – this training was dedicated to risk-based approach, taking into account advanced level of AML/CFT competence in banks;
- Notaries (June, together with Ministry of Justice).

Also AML/CFT trainings were conducted for state agencies:

- Financial Markets Commission (February);
- Judges and Prosecutors ( April, National Institute of Justice).

Trainings were supported by the publication of book of AML/CFT legislation including the STR reporting guide.

As far as combating corruption, money laundering and terrorist financing requires use of IT tools and special investigation equipment, the project organised:

- Demonstration of goCase software for law enforcement and judiciary authorities (April);
- Expert mission to evaluate needs of special investigation means for CCCEC, Ministry of Interior and Anti-corruption Prosecutor's office (March).

**Activities conducted under the AML/CFT component: January 2008 – June 2008.**

Output	Activities
2.1. Relevant legislation in line with international standards and best practices	Workshop on current compliance of Moldova AML/CFT legislation with Council of Europe Warsaw Convention and 3rd EU AML/CFT directive – <b>February</b> , 2 experts Visit of Moldova extended delegation to MONEYVAL Plenary ( <b>April</b> )
2.2. Competencies, status and organisational set-up of the FIU in line with Moneyval recommendations and international best practices	Annual report of FIU printed – <b>June</b> Training for quality management system for FIU – <b>April</b> , one expert Study visit to FIUs of the Netherlands, Poland, Italy – <b>January</b> (also for outputs 2.3, 2.4) Presentation of money laundering typologies to the Club of Investigation Journalists – <b>May</b> (together with MCC)
2.3. System of collection, processing, analysis, protection and exchange of information on transactions designed and procured for the FIU	Procurement of hardware at the final stage (servers, network equipment and servers already delivered by <b>June</b> , workstations – to be delivered). Procurement of software to start in <b>July</b> . Visit of IT expert to Moldova to prepare specifications for CCCEC security equipment and exchange of information with other agencies – <b>April</b>
2.4. Capacity of the FIU to co-operate with the FIUs of other countries in accordance with the Egmont Group standards will have increased	Study visit to FIUs of the Netherlands, Poland, Italy – <b>January</b> .
2.5. National AML/CTF strategy including effective mechanisms to ensure co-operation between the FIU and law enforcement, criminal justice and regulatory authorities adopted and implemented	Moldova AML/CFT action plan was adopted only in <b>June</b>
2.6. Capacity of reporting entities and their regulators and supervisors to meet their obligations under the AML/CTF legislation will have increased	AML/CFT Training for Financial Markets Commission – <b>February</b> AML/CFT Training for securities companies – <b>March</b> AML/CFT Training for insurance companies – <b>March</b> AML/CFT Conference on Risk-Based Approach for banks – <b>June</b> AML/CFT Training for notaries – <b>June</b> Publication of book of AML/CFT legislation
2.7. Capacity of law enforcement and criminal justice bodies to meet their obligations under the AML/CTF legislation will have increased	AML/CFT Training for judges and prosecutors – <b>April</b> goCase software demonstration – <b>April</b> Visit of three CCCEC specialist to software exhibition Docflow-2008 (Moscow) Expert mission to evaluate needs of special investigation means – <b>March</b> , two experts

### 3. IMPACT OF THE PROJECT TO DATE

#### 3.1 Objective 1 - To ensure the implementation of Moldova's anti-corruption strategy on the basis of annual action plans

OUTPUT	PROGRESS	ASSUMPTIONS	UPDATED INDICATORS
1.1 - Efficient monitoring, co-ordination and management of the anti-corruption strategy ensured and annual action plans available	<p>On <b>27 December</b> 2007, the Parliament adopted the Decision for updating the National Anti-corruption Strategy and Action Plan. The revised Anti-corruption Strategy and Action Plan offer limited answers to the co-ordination issue between various existing monitoring mechanisms. The adopted amendments envisage that the Chairman of the Threshold Country Plan will submit just two reports per year to the MG meeting.</p> <p>In <b>February 2008</b>, the President of the Republic of Moldova signed a new decree for appointing the new members of the Monitoring Group without substantial changes regarding the level of participation of civil society representatives.</p> <p>The MG adopted decision to create a working group for drafting amendments to its regulations.</p> <p>Website of MG was launched in April 2008</p> <p>Efforts were initiated for ensuring synergies between Anti-corruption Strategy and Public Administration Reform</p>	<p>The performance capacity of the Anti-corruption Monitoring Group is improved by increased efficiency in monitoring, co-ordinating and managing the national anti-corruption strategy and annual action plans; This improved performance capacity should be based on:</p> <ul style="list-style-type: none"> <li>- adoption of clear working methodologies;</li> <li>- enforcement of clear procedures for conducting evaluation on the implementation of the National Action;</li> <li>- identification of performance indicators;</li> <li>- implementation of National Risk Assessment Methodology ensured within all public institutions vulnerable to corruption.</li> <li>- The Monitoring Group shall ensure the periodicity of its meetings.</li> <li>- The Monitoring Group will undertake concrete measures to address the findings of the public perception survey by adopting concrete measures aimed at tackling high level corruption, promotion of transparency in the activity of the public institution, as well as by providing direct access for the public and mass media to the information regarding its activity.</li> </ul>	<ul style="list-style-type: none"> <li>- By month 36, two action plans and three annual anti-corruption conferences</li> <li>- By month 36, annual surveys on the corruption perception and attitudes</li> <li>- By April 2008, anti-corruption strategy website by the Secretariat of the Monitoring Group</li> <li>- By December 2008, MG functions according to improved regulations adopted following wide public debates;</li> <li>- By December 2008, report on the links and synergies between anti-corruption and public sector reform strategies</li> <li>- Frequency, quality and level of participation in meetings of the Monitoring Group</li> <li>- Quality of reports on the implementation of the action plans by relevant institutions</li> </ul>

		<ul style="list-style-type: none"> <li>- Full transparency will be ensured for the management of the anti-corruption strategy and related action plan.</li> <li>- Clarifications will be provided with regard to the relations between the Monitoring Group and the Coordination Council (which have been established in the framework of the anti-corruption strategy), thus avoiding the lack of transparency in the relations and exchange of information between the Coordination Council and the Monitoring Group.</li> <li>- The political decision to monitor the implementation of the anti-corruption action plans in the framework of the national monitoring group will be supported.</li> <li>- Sustainable solutions will be found to address the current overlapping and duplication of monitoring activities conducted under the National Anti-corruption Strategy and Threshold Country Plan (USAID).</li> </ul>	
<p>1.2 - Legislation improved to effectively prevent and control corruption as foreseen in the anti-corruption strategy and action plans and in accordance with GRECO recommendations and</p>	<p>Three new important anti-corruption laws that were subject to Council of Europe expertise, entered into force: Law on Political Parties, Law on Conflict of Interest, Law on Preventing and Combating Corruption</p> <p>Republic of Moldova implemented satisfactory GRECO</p>	<ul style="list-style-type: none"> <li>- The proper implementation of the CCCEC corruption proofing methodology will be ensured by : <ul style="list-style-type: none"> <li>• streamlining the internal governmental procedures as well as the transparency of the process;</li> <li>• conducting detailed monitoring of the degree of implementation by the</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Number and quality of draft laws/amendments to anti-corruption laws for submission to Government and Parliament</li> <li>- By December 2008, study on the effectiveness of existing anti-corruption legislation and institutional framework</li> <li>- By month 15, methodology for the</li> </ul>

European and United Nations standards	<p>recommendations nos. 1, 8 and 11<sup>2</sup> and only partially Rec. no. 5</p> <p>Methodology for conducting corruption proofing of legislation was disseminated internationally as a best practice in preventing corruption (in front of GRECO Plenary and within the International)</p>	<p>draft law initiator of the CCCEC recommendations;</p> <ul style="list-style-type: none"> <li>• reporting formally on the degree of implementation;</li> <li>• transparency of the monitoring findings;</li> <li>• availability of sufficient, well-trained and specialised experts for conducting corruption proofing.</li> </ul> <p>- The following legislative amendments or new laws are adopted by the Parliament:</p> <p>establishment of the Main Ethics Commission and adoption of template declaration of interests; incrimination of corruption of electorates, clarification of conflict of competences between various law enforcement agencies.</p> <p>- Once adopted the legislation will be properly implemented.</p>	<p>Ministry of Justice and the CCCEC for corruption proofing of legislation</p> <p>- By month 36, draft laws published regularly on the website of the Ministry of Justice, permitting public scrutiny</p>
1.3 - Strengthen the capacity of anti-corruption prosecutors to prosecute, supervise and manage corruption-related offences	<p>First draft paper regarding the guidelines for investigating and prosecuting corruption cases was prepared by the Inter-institutional Working Group</p>	<p>The working group on elaboration of the guidelines includes all stakeholders: Ministry of Interior, general Prosecutor's office and the CCCEC.</p> <p>The capacity of the unit to undertake sustainable investigation and prosecution of cases, especially the ones</p>	<p>- Number of prosecutions and convictions for corruption</p> <p>- By December 2008, the Guide for investigating and prosecuting corruption cases is finalised and adopted.</p> <p>- By June 2008, anti-corruption prosecutors provided with up to 15 sets of computers</p> <p>- By March 2009,</p>

<sup>2</sup> **GRECO Recommendation 1** - necessary studies to be carried out in order to gain a clearer insight into the scale of corruption and its various features so that anticorruption initiatives and plans can be targeted more effectively;

**GRECO Recommendation 8** - the anti-corruption unit within the Public Prosecutor's Department (or any other anti-corruption body of the Public Prosecutor's Department) be organised in such a way to provide interface with the Centre for Fighting Economic Crimes and Corruption, for example by creating regional divisions.

**GRECO Recommendation 11** - necessary financial and technical resources be allocated to the operational directorate of the Customs Department and that officers be given initial and in-service training in regulations and professional conduct.

**GRECO Recommendation 5** - code of conduct for public servants is adopted and regularly circulated among public servants and public at large.



		<p>dealing with high-level corruption will be increased through:</p> <ul style="list-style-type: none"> <li>- allocation of substantial human and financial resources from state budget or international donors,</li> <li>- structural and functional changes in the unit.</li> </ul>	<p>methodology and software for the registration and handling of corruption cases</p> <ul style="list-style-type: none"> <li>- By month 18, up to 20 anti-corruption prosecutors trained through three training events and one study visit</li> </ul>
<p>1.4 - Improve co-operation among law enforcement and criminal justice bodies through joint training on investigation, prosecution and adjudication of corruption offences as well as international co-operation</p>	<p>A first national joint workshop for prosecutors and judges was organised.</p> <p>Up to 43 experts attended and graduated the second English language course.</p>	<p>AC – AML curricula and training outline for the initial training under INJ program is elaborated and implemented</p> <p>Legislative framework will be improved in order to avoid conflict of competences among law enforcement institutions to investigate cases related to corruption.</p> <p>The capacity of the anti-corruption prosecutor's office to undertake the sustainable investigation and prosecution of cases, especially the ones dealing with high level corruption, will be increased.</p>	<ul style="list-style-type: none"> <li>- Number of investigations, prosecutions and convictions for corruption-related offences</li> <li>- Number of law enforcement and criminal justice staff trained</li> <li>- Number of additional staff of the CCCEC, prosecution, police and judiciary able to communicate in English (by month 24, assessment of impact of training)</li> <li>- Quality of co-operation among prosecutors, CCCEC and Ministry of Interior</li> <li>- Level of international co-operation with foreign authorities</li> </ul>
<p>1.5 - Strengthened the capacities of the CCCEC to analyse corruption-related phenomena and trends, as well as to design and implement measures for the prevention of corruption</p>	<p>GRECO recommendation on carrying out research studies on corruption phenomenon was implemented satisfactorily</p> <p>CCCEC experts received training on Latvian experience on preventing corruption</p> <p>Needs assessment on training programme for analysts was conducted</p>	<p>Specialised hardware and analytical software will be provided to the Analytical Unit of the CCCEC. DAPP's capacity to analyse corruption-related phenomena and trends will be consolidated.</p> <p>Allocation of additional human and financial resources to design and implement measures for the prevention of corruption from the state budget or from international donors will be ensured.</p>	<ul style="list-style-type: none"> <li>- By month 8, the service for analysis and prognosis and for prevention are established and operating</li> <li>- Number of studies carried out by the CCCEC per year</li> <li>- Quality of the preventive measures elaborated by the CCCEC for the action plan</li> <li>- Number and quality of advice provided by CCCEC on preventive measures to other institutions</li> </ul>

<p>1.6 - Prevention plans implemented and internal controls reinforced within the judiciary, prosecution, police, CCCEC and other bodies at risk</p>	<p>Superior Council of Magistracy endorsed the plan of conducting risk assessment in all 51 courts of the Republic of Moldova. A similar plan was also endorsed by INJ. Three phases of implementation were successfully implemented in first half of 2008</p> <p>High level officials from law enforcement agencies and justice sector institutions concluded successfully the basic training on risk assessment.</p> <p>CCCEC finalised the risk assessment methodology for public institutions. Government is expected to adopt it during July 2008</p>	<p>The methodology will be adopted by the Moldovan authorities in 2008 as a legal binding document for all public institutions in the Republic of Moldova.</p> <p>Commitment of the top level of each institution to implement the methodology and the integrity plan.</p> <p>The CCCEC will be provided with appropriate resources to ensure its nation wide application of risk assessment methodology.</p>	<ul style="list-style-type: none"> <li>- By December 2008, reports on risks of corruption within judiciary and respective integrity plans are available</li> <li>- By July 2009 reports on risks of corruption within law enforcement agencies (CCCEC, prosecution office, Ministry of Internal Affaires) as well as respective integrity plans are available</li> <li>- By July 2009, analytical report and recommendations for improvement of the systems of internal control, audits and reporting corruption within CCCEC, the Ministry of Interior, Prosecution</li> <li>- By July 2009, guidelines for the implementation of codes of conduct and law on conflict of interest available</li> <li>- By month 36, level of implementation of recommendations and guidelines, including number and impact of training conducted to strengthen the internal control mechanisms</li> </ul>
<p>1.7 (Implementation of the law on the financing of political parties ensured)</p>	<p>Law on Political Parties was adopted</p> <p>Needs assessment for supporting public authorities to implement the law on political parties was conducted</p>	<p>Training programme for supporting the implementation of law on political parties is conducted before the next electoral campaign</p> <p>Parliament will adopt changes to existing legislation by incriminating the corruption of electorates</p>	<ul style="list-style-type: none"> <li>- Adoption of new law in line with Council of Europe and Venice Commission recommendations</li> <li>- Level of transparency of political finances, including of accounts of political parties - compliance with law during election phases</li> <li>- Number of training sessions on new reporting procedure conducted</li> </ul>
<p>1.8 (Corruption and conflicts of interest in the political process reduced)</p>	<p>Law on Conflict of Interest was adopted</p> <p>According to new amendments to current law, assets declarations should be made public on websites</p>	<p>The additional legislation for making the conflict of interest law enforceable is adopted</p> <p>Main Ethics Commission is established and benefits of proper human and financial resources</p>	<ul style="list-style-type: none"> <li>- Adoption of relevant legislation and internal regulations</li> <li>- Level of declaration of assets by elected office holders</li> <li>- Level of implementation of regulations on conflicts of interest</li> <li>- Level of implementation</li> </ul>

		<p>Template declarations of interests are adopted</p> <p>The assets declarations templates are also refined</p>	<p>of recommendations on the systems of immunities</p>
<p>1.10 - Promote active role of civil society and media against corruption and reduce the tolerance of the public to corruption</p>	<p>Media component was successfully initiated. A number of training sessions, including interactive trainings, were organised for different target groups on investigative journalism and communication and PR culture in the law-enforcement institutions.</p>	<p>The capacities of the law enforcement agencies and other public institutions to interact with the civil society and mass media will be increased through training and the adoption and implementation of communication strategies.</p> <p>The capacity of the representatives of civil society and the media will be increased in addressing and investigating the issues and cases linked to corruption through training.</p> <p>The media campaign will be designed and carried out nation wide to reduce the tolerance of the public to corruption.</p> <p>The public television will support broadcasting of the campaign.</p>	<ul style="list-style-type: none"> <li>- Level of implementation of prevention measures by local government</li> <li>- Documentation of good practices available for dissemination</li> <li>- Number and quality of news reports on corruption, including investigative reports</li> <li>- Number of research studies on corruption</li> <li>- Increased public awareness</li> <li>- Reduced public tolerance of corruption</li> </ul>

**3.2 Objective 2 - To strengthen the anti-money laundering/counter-terrorist financing (AML/CTF) system of Moldova in accordance with international standards and good practices as well as MONEYVAL recommendations.**

Output	Progress	Assumptions	UPDATED INDICATORS
<p>2.1. Relevant legislation in line with international standards and best practices</p>	<p>Major changes to AML/CTF legislation introduced that make the national AML/CTF system compliant with international standards. Some changes were induced by negative reactions from the international bodies on the controversial tax amnesty. Compliance</p>	<p>The stability of the new AML/STF legislation will be ensured through appropriate implementation mechanisms and drafting of the secondary legislation.</p>	<ul style="list-style-type: none"> <li>- Progress report adopted by MONEYVAL in 2008</li> </ul>

Output	Progress	Assumptions	UPDATED INDICATORS
	enhancing procedure of MONEYVAL was lifted in December 2007. Moldova is requested to provide the progress report to MONEYVAL by December 2008 Plenary.		
2.2. Competencies, status and organisational set-up of the FIU in line with Moneyval recommendations and international best practices	FIU of Moldova is fully operational and capable of exchange of information with other FIUs. The FIU is an Egmont Group member.	The implementation of new AML/CTF legislation in Moldova will be efficient.  Timely establishment of new IT system to enable the FIU to process increasing amount of reports.  FIU has enough human resources to carry out all everyday tasks and building a new system (valid also for 2.3).	<ul style="list-style-type: none"> <li>- Moldova FIU connected to Egmont Secure Web System of information exchange (ESW);</li> <li>- Number of requests sent/received through ESW by the end of 2008;</li> <li>- FIU has internal regulation on processing reports</li> </ul>
2.3. System of collection, processing, analysis, protection and exchange of information on transactions designed and procured for the FIU	IT equipment procurement was initiated. Servers and printers are delivered.	Current IT human capacity of the CCCEC will be able to make the new equipment and software operational. Software to be procured by the end of 2008. Internal procedures will be developed by FIU in 2008.	<ul style="list-style-type: none"> <li>- Equipment and software purchased, installed and functioning by the end of project</li> <li>- Number of suspicious transaction reports received, analysed and processed by end of 2008</li> </ul>
2.4. Capacity of the FIU to co-operate with the FIUs of other countries in accordance with the Egmont Group standards will have increased	FIU is capable of co-operating with foreign FIUs, especially with police FIUs, but not on clearly established formal procedures.	FIU will have formal procedures for exchange of information by the end of 2008 as well as new IT system.	<ul style="list-style-type: none"> <li>- MOUs signed with other FIUs</li> <li>- Number of requests received from and sent to foreign FIU</li> <li>- Number of FIU employees that can read/write in English (at the level enough for communicating with other FIUs)</li> </ul>
2.5. National AML/CTF strategy, including effective mechanisms to ensure co-operation between the FIU and law enforcement,	National Strategy and Action Plan-2007 were adopted. Interagency workgroup in AML area was approved by the CCCEC	Government will support national AML strategy, and the Action Plan – 2008 will be published at least by end of August 2008.	<ul style="list-style-type: none"> <li>- Annual action plan for AML/CTF Strategy fulfilled</li> <li>- Joint orders or MOU concluded with relevant agencies</li> </ul>

Output	Progress	Assumptions	UPDATED INDICATORS
criminal justice and regulatory authorities adopted and implemented	order. Action Plan - 2008 has been adopted in June 2008.		<ul style="list-style-type: none"> <li>- Number of investigations and prosecutions into money laundering instituted by law enforcement and criminal justice system on the basis of FIU reports.</li> <li>- Information on new trends and methods of money laundering exchanged between FIU and co-operating authorities</li> <li>- National AML/CTF statistics in place</li> <li>- Moldovan agencies will have an action plan for the national AML/CFT risk assessment in 2009</li> </ul>
2.6. Capacity of reporting entities and their regulators and supervisors to meet their obligations under the AML/CTF legislation will have increased	Further training on the issues relevant to the output 2.6 is required.	Supervisory agencies for every type of reporting entities (e.g. gambling) will be identified. Human capacities of AML/CTF units in supervisors will be sufficient to control compliance of reporting entities. Supervisors will ensure periodical (and initial) AML/CTF training of reporting entities.	<ul style="list-style-type: none"> <li>- Supervisory agencies for every type of reporting entities defined</li> <li>- Every supervisor has AML/CTF unit or dedicated AML/CTF specialists</li> <li>- Every type of reporting entity has AML/CTF regulations issued by supervisor/regulator or</li> <li>- Number of AML/CTF specialists trained</li> <li>- Number of controls (off-site and on-site) of reporting entities by supervisors</li> <li>- number of reports from both banking and non-banking sector</li> </ul>
2.7. Capacity of law enforcement and judicial bodies to meet their obligations under the AML/CTF	Further training on the issues relevant to the output 2.6 is required.	Law enforcement and judicial bodies will identify specialised units on AML/CTF.	<ul style="list-style-type: none"> <li>- Every AML/CTF-related law enforcement and criminal justice agency has</li> </ul>

Output	Progress	Assumptions	UPDATED INDICATORS
legislation will have increased			AML/CTF unit or dedicated AML/CTF specialists - Number of AML/CTF specialists trained - Number of investigations, prosecutions and adjudications for money laundering



#### **4. PROPOSALS TO INCREASE THE IMPACT OF THE PROJECT**

##### **4.1 Objective 1 - To ensure the implementation of Moldova's anti-corruption strategy on the basis of annual action plans**

###### **4.1.1. Increase the quality of the monitoring process by establishing transparent and efficient mechanism to ensure the effective implementation of the anti-corruption strategy and action plan.**

Since December 2007, limited progress was reached by the National Anti-corruption Monitoring Group (MG) in implementing the Council of Europe recommendations for Reinforcing the MG Institutional Capacity to Monitor and Coordinate the Anti-corruption Efforts in the Republic of Moldova. As a consequence, project activities under output 1.1 should focus on finalising the process of amending the MG regulations, no later than September – October 2008. This process needs to be carried out with the active involvement of all relevant governmental and NGO stakeholders, and with the support of CoE experts. The revised documents will be subject to a wide high-level public debate. Also, the clarification of institutional relations between the Monitoring Group and Coordinative Council on the one hand, and in relation with other Monitoring Groups on the other, still remains unaddressed and requires further attention. Following the expressed commitment of its Chairman, the MG will initiate, in **September 2008**, a substantial review of existing ongoing AC activities in Republic of Moldova with the aim of incorporating all relevant such initiatives within the next action plan to be adopted in **December 2008**. The MG Chairman and the MOLICO project will co-operate in order to address, at the highest political levels, the role of Coordinative Council in ensuring the proper implementation of the National Anti-corruption Strategy.

###### **4.1.2. Support to the Anti-corruption Prosecutor's Office to draft, adopt and implement the coherent strategy to enhance the capacity to fight high level corruption**

In order to achieve measurable results under output 1.3 – “Strengthening the capacity of anti-corruption prosecutors to prosecute, supervise and manage corruption-related offences”, including the high level ones, a series of measures need to be adopted, both at legislative and institutional level. Such measures have been already identified during 2007 by the anti-corruption prosecutors, following a series of training activities carried out by the MOLICO project. Among them, the most relevant were the following: introducing legislative amendments to ensure the use of undercover agents and for corruption cases; reinforcement of the competence of the Prosecutor's Office to conduct the criminal investigation regarding high-ranking officials; dividing the activities of criminal investigation and court proceedings by specialising both investigative prosecutors and court prosecutors; ensuring access for AC prosecutors to all public institutions' databases within Moldova; designating a General Prosecutor Counsellor or Deputy General Prosecutor to be in charge of the control of the Anti-corruption Prosecutor's Office activities.

No substantial or concrete actions followed up these proposals. All these measures, together with a substantial training program for implementing – once adopted – the Guidelines for investigating and prosecuting corruption cases, should be incorporated into a coherent strategy to enhance the capacity of anti-corruption prosecutors to fight high level corruption. The related action plan should be implemented within the remaining months of the MOLICO project.

###### **4.1.3. To address at a high political level the adoption of relevant AC legislation**

The timely adoption of the legislation should be addressed at a high political level through the Council of Europe monitoring mechanisms (PACE, Committee of Ministers, GRECO), as well as through the Special Representative of the Secretary General. Three outputs of the project are currently not fully addressed due to the delay in adoption of the relevant laws (1.2, 1.7 and 1.8): clarification of the criminal procedural rules related to the conflict of competences between various law enforcement agencies, as well as the incrimination of corruption of electorates, regulation for establishing the Main Ethics Commission, adoption of template declaration of interests and refined assets declaration.

#### **4.1.4 Conducting a peer review on the efficiency of the anti-corruption legislation and institutional framework in the Republic of Moldova**

This activity is absolutely necessary in order to provide an in-depth expert analysis of the current situation in the Republic of Moldova. The peer review will mainly address the criminal and criminal procedural laws, the division of competences among law enforcement agencies, the role and mandate of the prosecutor in the court proceedings, results of investigations carried out by investigators and prosecutors and the court decisions. From this perspective, this review constitutes a complementary action for the development of the guidelines for prosecutors and investigators when dealing with corruption cases. In addition, the peer review can also address the efficiency of the adopted preventive measures and the current state of affairs following the adoption of new laws related to anti-corruption: conflict of interest, law on prevention and combat of corruption, law on political parties, etc. The report that will be developed following the review will offer an objective image of how well the Moldovan institutions are fit for implementing the current anti-corruption policies.

#### **4.1.5 Allocation of additional human and financial resources to CCCEC preventive department**

Allocation of additional qualified human resources for CCCEC Department for Prevention, Analytics and Anti-corruption Programmes needs to be addressed as a top priority, as lack of experts, as well as stability in function of personnel, starts to have a negative impact on implementing project activities. One training event scheduled for **February 2008** was cancelled due to lack of personnel. The work on updating the CCCEC website (which incorporates MG and FIU modules) is also advancing in a slow manner due to the same lack of human resources. Additional financial resources for CCCEC need to be ensured in order to efficiently design and implement measures to prevent corruption. These financial resources should come not only from international donors but also from the state budget. The MOLICO project is currently exploring the possibility of hiring an additional fifth member to the team, in order to support some of the activities of the CCCEC, especially related to Monitoring Group activities.

#### **4.1.6 Ensuring wide involvement of all relevant stakeholders in developing the national awareness-raising campaign and securing support of national TV and radio broadcasters**

The design of this campaign needs to relate to the situation in the Republic of Moldova and to take into consideration the regional and international fatigue connected to similar campaigns. No real impact of such a media campaign was recorded in recent years, especially due to a very general approach, as well as low support in ensuring wide, national level dissemination. In this regard, the support from the public television in broadcasting the campaign will be of crucial importance.

#### **4.2 Objective 2 - To strengthen the anti-money laundering/counter-terrorist financing (AML/CTF) system of Moldova in accordance with international standards and good practices as well as MONEYVAL recommendations**

In the first half of 2008 most of AML/CFT MOLICO activities in Moldova developed according to the plans described in December 2007 progress report – hardware procured, AML trainings started, Moldova became an Egmont Group member. So below we describe only the issues that emerged in the first half of 2008.

The main problem was the long delay with adoption of the National AML/CFT plan for 2008. The project had to request an intervention of the Council of Europe Special Representative of the Secretary General. The plan was finally adopted in June 2008, but by the end of June it was still yet to be published.

So after the publishing of this plan, the project will also concentrate on issues of interagency co-operation, namely:

- Support of regular meetings of AML/CFT interagency workgroup;
- Creation of plan for AML/CFT legislation and regulations improvement;
- Defining supervisors for all groups of reporting entities;

- Creation of national AML/CFT statistics;
- Support of preparation of progress report for MONEYVAL.

## 5. RELATIONS WITH OTHER DONORS

### 5.1 Objective 1 - To ensure the implementation of Moldova's anti-corruption strategy on the basis of annual action plans

#### EU funded projects

The MOLICO team initiated an exchange of information and consultation, in order to identify synergies among EU-funded projects implemented in the Republic of Moldova. In this respect, direct contact was established and maintained with the implementation teams of the following projects:

- *Joint Programme between the European Commission and the Council of Europe for Moldova on "Increased independence, transparency and efficiency of the justice system"*. The areas of co-operation and interaction with this project include: the process of drafting the law on the Prosecutor's Office, the national strategy for strengthening the judiciary in the Republic of Moldova (with focus on point number 9 – Anti-corruption), the risk assessment module for judiciary and the development of the training curricula for the National Institute for Judiciary;
- *Joint Ukrainian-Moldovan Action Plan to fight corruption within customs and border service* supported by EUBAM. The following areas where EUBAM and MOLICO can work together were identified: the risk assessments already conducted under the EUBAM project, the creation of an informal steering group to monitor the implementation of the Joint Action Plan supported by EUBAM; training from custom and border guards on preventing and combating corruption, perception surveys on corruption in border and customs services.

#### MCC-USAID Project

The MCC programme provides 24 million USD assistance for anti-corruption activities in five major areas:

- Strengthening the capacity of the judiciary in preventing and combating corruption;
- Strengthening the monitoring capacity of civil society and mass-media;
- Preventing and curbing corruption in the health protection system;
- Curbing corruption in the tax and customs administration and the police bodies;
- Reforming and improving the capacity of the Center for Combating Economic Crimes and Corruption.

Several activities under this project can overlap and duplicate the MOLICO activities. In order to avoid this situation, during 2007 progress was reached in establishing a tripartite mechanism for ensuring co-ordination between anti-corruption technical assistance projects implemented by Council of Europe and US donors. This includes an informal agreement reached to increase the level of co-operation and to establish a timetable for regular exchange of information on ongoing activities.

#### Examples of co-operation:

- Half-day seminar on investigative journalism tools for advanced journalists – event conducted in co-operation with AED – March 2008;
- Joint training for CCCEC on media outreach – April 2008;
- Permanent co-operation with the MCC Media Program in relation to investigative journalists;
- Participation of MOLICO long term advisor to activities organised under media component – Public Policy Forum, as well as observer to the working group on establishing the civilian board;
- MCC representatives were invited to attend the Steering Group meeting of the MOLICO project.

## **5.2 Objective 2 - To strengthen the anti-money laundering/counter-terrorist financing (AML/CTF) system of Moldova in accordance with international standards and good practices as well as MONEYVAL recommendations**

### **US Department of Justice (US DOJ) and Millennium Challenge Corporation (MCC)**

The US DoJ and MCC do not seem to have a significant overlap of activities with AML component of project. The only common activity was presentation of money laundering typologies by FIU to the Club of Investigating Journalists in May.

### **World Bank (WB)**

WB AML/CTF activities in Moldova are mainly focused on training, especially on the 'train the trainers' principle that may be useful in the Moldovan situation. In April the WB conducted the last (third) training of AML trainers. The MOLICO project used those trainers in further AML/CFT trainings in Moldova.

The World Bank is going to finalise methodology of national AML/CFT risk assessment. The Project, together with beneficiaries, will consider the possibility of conducting such assessment in Moldova together with the WB (as a pilot).

### **IMF**

The IMF is to resume AML/CFT training activities in July. It was agreed to have a joint IMF-MOLICO-NBM training for bankers in July. NBM has a close co-operation with IMF on AML/CFT. The Project will co-ordinate with IMF and NBM in order to avoid duplication of efforts and also to ensure the compliance with MONEYVAL recommendations.

### **UN**

MOLICO organised a demonstration of goCase – software for law enforcement/judiciary agencies developed by UNODC.

Contacts were established with BUMAD – EC-funded and UNDP-implemented program against drugs in Belarus, Ukraine and Moldova. It was agreed to co-ordinate training activities for analysts of law enforcement agencies.

## **6. ADMINISTRATIVE ISSUES**

### **Project Budget issues:**

The delivery of project activities from 2006 to 2008 was very intensive. On average, 100 activities are being implemented per year. Most of them are training activities in response to needs and requests of target groups. Numerous requests for additional training activities on the prosecution, adjudication and investigation of crimes related to corruption have been addressed to the project team. All additional activities have been initiated according to the project outputs and were carefully analysed before the approval as well as discussed during the Steering Group meetings.

The risk assessment of public institutions and corruption proofing activities received high-level support from the Moldovan authorities and now also serve as examples to other countries. Activities in this field have therefore intensified.

In 2008, a number of important legislative acts have been adopted such as the law on the funding of political parties, the law on combating and prevention of corruption, the law on conflict of interest, normative acts concerning the risk assessment methodology and its implementation in public institutions. Following the adoption of these acts, action plans have been elaborated, in close cooperation with National Authorities, including the organisation of training activities for the target groups responsible for the implementation of these acts in 2009.

Concerning the anti-money laundering component, the number of activities will also increase in 2009 in order to make up for the delay caused by the absence of the AML long-term adviser in the beginning of the project and to address urgent training needs expressed by beneficiaries.

All of this is a very positive reflection of the credibility of the project and the momentum it created in Moldova. It also demonstrates high interest towards the project on behalf of beneficiaries.

On the other hand, the increased number of activities also entail additional cost in terms of consultant inputs, organisational cost, interpretation, publications and others.

The project therefore runs the risk of overspending the current project budget:

Total project budget (in Euro)	3,500,000
Actual expenditure by 31 July 2008	1,059,007
Amount committed by 31 July 2008	1,520.993
Sub-total: Available by 31 July 2008	920. 000
Forecast expenditure August 2008 to ... 2009 (scheduled end of the project)	1,170.000
Forecast final total expenditure	3,750,000

An additional amount of Euro 250,000 would thus be required for all activities under the Action Plan [see Action Plan in Appendix I] in 2008 and 2009. This takes into account important expenditure for the media campaign and the procurement of IT equipment for the FIU planned for the second half of 2008.

The following options could be envisaged to address the problem of overspending:

1. Reduce the number of activities implemented under the project

This option is a difficult one as it would imply a loss of momentum and opportunities. For example, the media campaign is necessary before the elections campaign starts either at the end of 2008 or at the very beginning of 2009. Activities related to the risk assessment and corruption proofing have gained momentum and should be implemented according to the action plan already negotiated with the National Authorities. AML laundering activities related to the training in the use of the IT equipment or those related to the Egmont group post-accession must be implemented before the end of the project in order to address urgent needs.

2. Increase the project budget by 250.000 Euros through an amendment of the contract

This is of course only feasible if funding is available and would involve renegotiating the contract.

3. Draft a follow-up project to start in early 2009

This would mean that the current project would end earlier and be immediately followed by a new project. This is only possible if such a new project can be elaborated and agreed upon by the end of 2008 and if funding is available.

4. As an alternative to 2 and 3, the current project could be extended by 6 to 10 months and its budget increased by some Euro 500,000

This option could be envisaged if the time available for the preparation of a new project is considered insufficient and funding for a full new project is not available.

These options are listed here for further discussions with all stakeholders.

#### **Other issues:**

In April-May the software MS Groove was installed in Chisinau and Strasbourg offices of the project to enhance team work on documents and reduce the amount of e-mail correspondence.



The framework contract with the travel agency for the organisation of the events inside and outside the country proved to be helpful from the side of logistics (renting conference premises, providing local transportation, etc.). Still the large burden of work on content of events lies with project staff. Two interagency workgroups (Anti-corruption Monitoring Group and AML/CFT one) require support, and regular updates of data on project activities on the Internet is necessary. So it will be very useful to have a one more project assistant who will take care of the support of monitoring groups (for the benefit of CCCEC and AP) and also take care of website updates and take some logistics tasks from project staff.

ANNEX I

ACTION PLAN JULY – DECEMBER 2008 (SUBJECT TO REVIEW BASED ON STEERING GROUP RESULTS)

Activity	Description	Time Frame	Comments
<p><b>Output 1.1</b>  <b>Efficient monitoring, coordination and management of the anti-corruption strategy ensured and annual action plans available</b></p>	<p>Expert opinion and wide public debate on adoption of revised MG regulation which shall provide:</p> <ul style="list-style-type: none"> <li>- clarification of the relation with the Coordinative Council as well as with other AC monitoring bodies</li> <li>- clear and standardised working methodologies and procedures for reporting and conducting on-site evaluations of the way the National Action Plan is implemented</li> <li>- identification of performance indicators;</li> <li>- implementation of National Risk Assessment Methodology is ensured within all public institutions vulnerable to corruption</li> </ul>	<p>September - October 2008</p>	<p>The public debate shall involve high level officials and representatives of relevant NGOs and media associations</p>
<p>1.1.2 Support the Secretariat of the Monitoring Group at the CCCEC in the development of a website on the anti-corruption strategy and the work of the Monitoring Group</p>	<p>Website is fully operational and updated periodically by the Secretariat of the Monitoring Group</p> <p>Organisation of periodic press conferences by the Monitoring Group</p>	<p>Following each meeting of the monitoring group</p> <p>Following each meeting of the monitoring group</p> <p>October – December</p>	
<p>1.1.3 Support surveys on perception and attitudes to corruption in order to determine the impact of the anti-corruption strategy</p>	<p>Conducting a national survey and research paper on characteristics of corruption phenomenon within education system in the Republic of Moldova</p>		<p>The survey and research will be carried out by Republican Social Work Resource Center in co-operation with CCCEC</p> <p>First findings will be available during the Annual AC Conference</p>

			Final Report is expected in first quarter of 2009
1.1.4 Carry out in-country training workshops for members of the Monitoring Group and of contact points of different institutions	Training for MG members organised back to back with the public debate on adoption of revised MG regulation.	October 2008	
1.1.5 Support annual anti-corruption conferences as well as other events of the Monitoring Group and its Secretariat	Annual Anti-corruption Conference	8-9 December 2008	
1.1.6 Commission a study to be followed by a roundtable discussion on links and synergies between the Anti-corruption Strategy and strategies related to public sector reform and good governance.	<p>Activity was not supported by Monitoring Group</p> <p>Alternative proposals for activities were submitted:</p> <ol style="list-style-type: none"> <li>1. AC train the trainers courses for up to 40 public officials from local public administration <ul style="list-style-type: none"> <li>- Start up seminar</li> <li>- Concluding seminar, evaluation and certificates</li> <li>- Replication of the AC course in local public administration by the trainers</li> </ul> </li> <li>2. AC seminar for promotion of the code of ethics for public officials</li> </ol>	<p>September 11 -12, 2008</p> <p>October 24 – 25, 2008</p> <p>Starting November 2008</p> <p>November 2008</p>	<p>Activities will be implemented in co-operation with Monitoring Group, CCCEC, Ministry of Public Local Administration, Unit for Administrative Reform and Academy of Public Administration</p> <p>Activities are connected also with 1.5.7</p>
1.1.7 Close follow-up of elaboration of the anti-corruption strategy and action plan for 2008.	<p>Meetings of the Steering Group and with the beneficiaries in order to adopt the action plan supported by MOLICO</p> <p>The National Strategy is updated and the new Action Plan for 2009 is adopted</p>	<p>July 17, 2008</p> <p>December 2008</p>	

Activity	Description	Time Frame	Comments
<b>Output 1.2</b> <b>Legislation improved to effectively prevent and control corruption as foreseen in the anti-corruption strategy and action plans and in accordance with GRECO recommendations and European and United Nations standards.</b>			
1.2.1 Support in providing expertise on draft laws and publication of draft laws by the Ministry of Justice and the Parliament on the Internet and organise up to four workshops to review draft laws and effectiveness of legislation in force, and to promote the adoption of new legislation with the participation of NGOs and members of parliament	Post-adoption expert opinion on Law on Political Parties, Law on Preventing and Combating Corruption, Law on Conflict of Interest	July – September 2008	
1.2.2 Provide CCCEC and local NGOs with support for carrying out “corruption-proofing” of legislation and disseminate their experience in the field	Publishing and disseminating a booklet on corruption proofing of legislation incorporating CCCEC and CAPC experience in the field  CCCEC and CAPC are conducting corruption proofing of legislation and organise trainings for central and local public authorities  One day conference for the Moldovan Parliament deputies and representatives of the Government  Creation by CAPC of an online forum for legal specialists  Conducting an in-country regional training on corruption proofing methodology  Draft report available for comments	Starting in September 2008  July – December 2008  September – October 2008  July-September 2008  October 2008	
1.2.3 Conducting peer review on effectiveness of existing anti-corruption legislation and institutions	Final report available for discussion during Annual AC Conference	October 2008  December 2008	Connected with outputs 1.2.1, 1.3, 1.5., 1.7 and 1.8

1.2.4 Disseminating information on GRECO standards and recommendations	Publishing and disseminating two booklets: - CoE Anti-corruption instruments - GRECO evaluation reports on Republic of Moldova  Ensuring the participation of a CCCEC expert as second Moldovan representative to the GRECO meetings.	Starting in September 2008  Periodically	
Activity	Description	Time Frame	Comments
<b>Output 1.3 Strengthen the capacity of anti-corruption prosecutors to prosecute, supervise and manage corruption-related offences</b>			
1.3.1 Support the preparation of guidelines for the prosecutors and investigators on handling of corruption cases	First working draft available for comments  3rd working group meeting to finalise the Guide	July 2008  September - October 2008	
1.3.2 Provide the anti-corruption prosecution unit with IT equipment and know-how to improve the management of corruption cases	In connection with activity 2.3.2	Ongoing activity	
1.3.3 Train prosecutors and the CCCEC staff in the handling of corruption cases	Training for prosecutors and investigators on topics relevant to the guidelines for handling corruption cases	October 2008 (please see comment)	Trainings will be further organized only upon completion of the work on developing the Guide
<b>Output 1.4 Improve co-operation among law enforcement and criminal justice bodies through joint training on investigation, prosecution and adjudication of corruption offences as well as international co-operation</b>			
1.4.1 Organise up to two joint in-country training events for law enforcement and criminal justice officials on specific issues related to the investigation, prosecution and adjudication of corruption offences	Training for prosecutors and investigators on interagency co-operation and use of special investigative means	October 2008 (please see comment)	Trainings will be further organized only upon completion of the work on developing the Guide for AC investigators and prosecutors

<p>1.4.2 Identify national anti-corruption trainers and train them in-country as well as through one study visit</p>	<p>Selection completed and dedicated training outline to be drafted in co-operation with the National Institute for Justice and CCCEC and other interested institutions</p> <p>Study visit to an education institution from Europe with developed anti-corruption curricula</p> <p>International Anti-corruption Agencies Conference for investigators, prosecutors and judges on sharing experiences in fighting high level corruption</p>	<p>December 2008 – July 2009</p>	<p>Topics to be further refined in co-ordination with the National Institute for Justice</p> <p>Topics to be identified and activities to be co-ordinated with the National Institute for Justice and CCCEC</p>
<p>1.4.3 Organise an international anti-corruption training event in Moldova with the participation of law enforcement and criminal justice officials from other countries of the region</p>	<p>The Conference will be further organised only upon completion of the work on developing the Guide for AC investigators and prosecutors</p>	<p>October – November 2008</p>	<p>Additional training materials produced within the MOLICO project will be available to support the course:</p> <ul style="list-style-type: none"> <li>- Guidelines for investigators and prosecutors to deal with corruption cases;</li> <li>- Guidelines for dealing with anti-money laundering cases and suspicious transactions;</li> <li>- two booklets including relevant national and international standards in fighting corruption and money laundering (AC international standards</li> </ul>
<p>1.4.4 Develop anti-corruption modules for inclusion into the curricula of training institutions for law enforcement and criminal justice officials</p>	<p>Elaborating the AC-AML curricula for initial training within National Institute for Justice</p> <ul style="list-style-type: none"> <li>- Draft curricula and training outline produced by national trainers</li> <li>- Expert opinion on draft curricula and training outline</li> <li>- Publishing INJ - AC AML curricula and training materials</li> </ul>	<p>July – August 2008</p> <p>September 2008</p> <p>November 2008</p>	<p>Additional training materials produced within the MOLICO project will be available to support the course:</p> <ul style="list-style-type: none"> <li>- Guidelines for investigators and prosecutors to deal with corruption cases;</li> <li>- Guidelines for dealing with anti-money laundering cases and suspicious transactions;</li> <li>- two booklets including relevant national and international standards in fighting corruption and money laundering (AC international standards</li> </ul>



					booklet is in the editing phase the AML one already published).
1.4.5 Arrange English language training for up to 60 staff of the CCCEC, prosecutors, judges and police officers involved in international co-operation, as well as the Secretariat of the MG	English courses			September - December 2008	
<b>Output 1.5</b> <b>Strengthened the capacities of the CCCEC to analyse corruption-related phenomena and trends, as well as to design and implement measures for the prevention of corruption</b>	Description	Time Frame			
1.5.1 Carry out a review of the function and the organisational set up of the analytical and preventive units of the CCCEC	In connection with 1.2.3 (peer review on effectiveness of existing anti-corruption legislation and institutions)				
1.5.2 Develop and implement a training plan for Analytics Service of the CCCEC	Training plan is drafted and adopted in consultation with CCCEC following the needs assessment conducted in February – March 2008  One study visit organised for analytical department  Training on legal and institutional best practices in public procurement and methods for detecting and analysing infringement of procedures  Supporting the participation of three analysts to a series of basic and advanced trainings delivered by Greater Manchester Police,  One more training is organised according to the training plan  In connection with activity 2.3.2	July - September 2008  October – December 2008  October – November 2008  November – December 2008  October – December 2008			TBC
1.5.3 Procure IT equipment and software for this unit on the basis of the request received from national authorities					
1.5.4 Support the preparation of research	Research on characteristics of corruption			October 2008 – March 2009	The survey and research will

<p>studies by the CCCEC or by co-operating institutions (including civil society institutions) on the analytics, prognosis and prevention</p>	<p>phenomenon within education system in the Republic of Moldova</p>	<p>be carried out by Republican Social Work Resource Center in co-operation with CCCEC</p> <p>This research was also requested by the Chairman of the Monitoring Group</p> <p>Assistance available upon request</p>
<p>1.5.5 Financially support publication of booklets and other polygraph products elaborated by the CCCEC strictly in the framework of the project and assessed as useful by the experts</p>	<p>Activity connected to the media campaign under 1.10</p>	<p>-</p>
<p>1.5.6 Support the organisation of trainings with participation of foreign experts, study visits in other states for exchange of experience in analytics, prognosis and prevention</p>	<p>Support the participation of six CCCEC experts and anti-corruption prosecutors to the 3rd International Conference of the Anti-corruption Agencies – Kiev, Ukraine</p> <p>Supporting the organisation of the Steering Group of Regional Anti-corruption Initiative – back to back with Ministerial Conference on Justice and Home Affaires organised by SEECF</p>	<p>October 3 – 6, 2008</p> <p>October 30-31, 2008</p> <p>Request made by CCCEC and Prosecutor's Office</p> <p>Request made by CCCEC in consultation with Ministry of Foreign Affaires</p>
<p>1.5.7 Financially support the organisation of courses and round tables for representatives of central and local public institutions</p>	<p>Support the organisation of a National Anti-corruption Summer School for Youth</p> <p>AC train the trainers courses for up to 40 public officials from local public administration</p> <ul style="list-style-type: none"> <li>- Start up seminar</li> <li>- Concluding seminar, evaluation and certificates</li> <li>- Replication of the AC course in local public administration by the trainers</li> </ul> <p>AC seminar for promotion of code of ethics for public officials</p>	<p>July 20 – 27, 2008</p> <p>September 11 -12, 2008</p> <p>October 24 – 25, 2008</p> <p>Starting November 2008</p> <p>November 2008</p> <p>The event is part of the Action plan dedicated to the year of youth in the Republic of Moldova</p> <p>Activities will be implemented in co-operation with Monitoring Group, CCCEC, Ministry of Public Local Administration, Unit for Administrative Reform and Academy of Public Administration</p> <p>Activities are also connected with 1.1.6</p>

1.5.8 Financially support the creation of decent conditions for training process through fitting out and equipping a room in the CCCEC premises with necessary equipment	Activity	Feasibility study and design Procurement of necessary equipment	First half of 2008 Until the end of 2008	Activity pending until the adoption of a decision by CCCEC management regarding the premises for such training room	Comments
<b>Output 1.6</b> <b>Prevention plans implemented and internal controls reinforced within the judiciary, prosecution, police, CCCEC and other bodies at risk</b>		<b><u>Implementation phase of risk assessment for the judiciary</u></b>		Events will be held in Cahul, Balti and Chisinau	
1.6.1 Complete the risk analyses within the judiciary, the police, the tax inspection, customs and health and education institutions		Phase four <ul style="list-style-type: none"> <li>one day workshops for presidents and vice-presidents of 51 courts</li> <li>one day workshop for INJ representatives</li> </ul> Final report and public debate on outcomes of the risk assessment conducted within all 51 courts and NIJ	September – October, 2008 November 2008		
1.6.2 Develop and implement prevention plans on the basis of these analyses and – once adopted – the laws on conflicts of interest and the code of conduct for public officials		<b><u>Implementation phase of risk assessment for the public prosecutor's office, Ministry of Internal Affaires and CCCEC</u></b> In connection with 1.6.1	Starting November 2008	TBC	
1.6.3 Strengthen the internal control mechanisms within the judiciary, the prosecution, the CCCEC, the police, customs and the tax inspectorate through training and advice		In connection with 1.6.1			
1.6.4 Support broad dissemination of the code of conduct		Publishing dedicated booklets upon approval of relevant codes of conduct	Consultations to be initiated in September 2008	GRECO Recommendation on publishing and	

<p>1.6.5 Support CCCEC in developing and implementing the Methodology strengthening the institutional integrity through self risk assessment</p>	<p>Train the trainers from CCCEC on implementing the risk assessment methodology (two training sessions)</p> <p>Supporting CCCEC trainers in implementing the risk assessment methodology in three pilot institutions</p>	<p>September – November 2008</p> <p>Starting November 2008</p>	<p>disseminating Code of ethics for public servant is only partially implemented</p> <p>Activities pending until adoption of risk assessment methodology by the government</p>
<p><b>Output 1.7</b></p> <p><b>Implementation of the law on the financing of political parties ensured</b></p>			
<p>1.7.1 Train stakeholders responsible for implementing the law on the financing of political parties and electoral campaigns</p>	<p>Following the needs assessment visit carried out by CoE experts, the following activities were identified as priorities:</p> <p>Trainings:</p> <ul style="list-style-type: none"> <li>- national training for general secretaries and treasurers of political parties on new requirements under the Law on Political Parties;</li> <li>- training for control and audit authorities;</li> <li>- training for law enforcement agencies, prosecutors and judges on detecting electoral fraud and corruption of electorates.</li> </ul>	<p>September – December 2008</p>	<p>Incrimination of corruption of electorates needs further to be addressed.</p>
<p>1.7.2 Provide support for the implementation of law on funding of political parties by training of staff responsible for administering the law in co-operation with IFES</p> <p>1.7.3 Provide training for political parties secretary generals and treasurers on new accounting procedures</p>	<p>Support for Central Electoral Commission</p> <ul style="list-style-type: none"> <li>- expert support on developing new reporting templates for political parties, in line with the new requirements of the political parties law.</li> <li>- Elaborating and publishing a guide for political parties on reporting requirements under the new Law on Political Parties.</li> </ul>		
<p>Time Frame</p>			
<p>Comments</p>			

Activity	Description	Time Frame	Comments
<b>Output 1.8</b> <b>Corruption and conflicts of interest in the political process reduced</b>			
1.8.2 Workshop / conference and expert advice to support the implementation of obligations of elected office holders to declare assets and other measures to reduce conflict of interests	In connection with output 1.10 – training for investigative journalists	Second half of September 2008	Inese Voika and Center for Investigative Journalism  Activity is also part of the peer review on effectiveness of existing anti-corruption legislation and institutions – output 1.2
1.8.3 Workshop / conference and expert review of the system of immunities for judges, parliamentarians and other elected office holders	The training may be organised back to back with the training for prosecutors and investigators on topics relevant to the guidelines for handling corruption cases	October 2008	The training will be further organised only upon completion of the work on developing the Guide for AC investigators and prosecutors
<b>Output 1.10</b> <b>Active role of civil society and media against corruption promoted and tolerance of the public to corruption reduced</b>			
1.10.1 Sponsor regular TV programmes and the production of TV clips on corruption	TV programmes with the participation of public authorities, journalists, and representatives of civil society	On a monthly basis	Participants will debate top issues, such as financing of political parties, conflict of interest and other relevant preventive measures, transparency, efficiency of AC agencies, perception of corruption and measures adopted in vulnerable sectors

<p>1.10.2 Organise in-country workshops for investigative journalists</p>	<p>Designing and implementing a coordinated anti-corruption media campaign for raising public awareness on costs and consequences of corruption</p>	<p>Starting September 2008</p>	<p>The campaign will be subject to wide public debate involving beneficiaries of MOLICO project, NGOs and Media experts as well as selected PR agency and COE media experts</p>
<p>In connection with</p>	<p>Two-day workshop on fight against high level corruption with focus on political corruption, conflict of interests, assets disclosure and immunity regime;</p>	<p>Second half of September 2008</p>	<p>Inese Voika and Center for Investigative Journalism</p>
<p></p>	<p>Two-day workshop on role of prevention in the fight against corruption and impact of existing methods implemented in Republic of Moldova Area of focus – analysing financial data</p>	<p>October 2008</p>	<p>Inese Voika and Center for Investigative Journalism</p>
<p></p>	<p>Two-day high level public workshop for investigative journalists on how to use freedom of information law in uncovering corruption, including the analyses of judgements of the European Court of Human Rights.  Event will address among other issues:</p> <ul style="list-style-type: none"> <li>• ECTHR case studies on political &amp; high-level economic corruption together with lawyers and journalists that logged complaints.</li> <li>• ECTHR and corruption case studies with involved high-level international participants</li> </ul>	<p>20 – 21 November 2008</p>	<p>Inge Bell, Inese Voika and Center for Investigative Journalism</p>



<p>1.10.3 Prepare and publish a manual on investigative journalism (if possible by adapting or improving existing manuals)</p>	<p><u>A 3-stage project “student-journalist-international expert – learning from experience”</u>  1) A joint two-day training programme for students of journalism and journalists from CIJ and <i>Ziarul de Garda</i>. The main focus – analyses of CIJ, presentation and discussion on topics such as use of sources, sequence of investigation, use of documents, shaping the story, role of follow-up.  2) Students work on their own investigations under supervision of CIJ journalists and the international expert.  3) A one-day conference with investigative journalists from Europe who have covered similar topics – presentation of results, discussion on methodology, story and the follow-up.</p>	<p>Starting with January 2009</p>	<p>Inese Voika and Center for Investigative Journalism</p>
<p>1.10.4 Support the development of a code of ethics for journalists</p>	<p><u>Handbook for investigative journalists</u>  1) The first draft text of the handbook is prepared by the international expert based on the two existing handbooks in Moldovan – by TI Moldova and CIJ.  2) Inputs from work group of Moldovan investigative journalists and brainstorming session on what needs to be included and what is realistic for the handbook in terms of topics.  3) The book is presented at the international seminar (Action 2.3.) when presenting investigation results.</p> <p><u>Project “We need real Code of Ethics”</u>  Monitoring the breaches of code of ethics within written and TV media – follow up activity to the public debate on implementation code of ethics for journalists: Power of Moldovan Journalism to</p>	<p>July – August 2008   September – October 2008   2009   Starting with October 2008</p>	<p>Inese Voika and Center for Investigative Journalism            Center for Investigative Journalism</p>

<p>1.10.5 Support up to five public workshops on specific topics related to corruption (such as reporting on corruption)</p>	<p>Contribute to the Fight Against Corruption: Hidden Variable of Ethics</p> <p>One-day international seminar with high ranking officials of the three respective law enforcement agencies on developing media relations policies/strategies as part of modern law enforcement culture, including the aspect of access to information</p>	<p>December 9, 2008</p>	<p>Inese Voika and Center for Investigative Journalism</p> <p>Event is part of the Annual Anti-corruption Conference and will address also progress reached in relation between law enforcement agencies and investigative journalists</p>
<p>1.10.7 Train staff of the CCCEC, Anti-corruption Prosecution and Ministry of Interior in media relations and in providing the public with access to information.</p>	<p>Five-day study visit to Germany (Munich/Bavaria, Hamburg, Berlin) for PR officers from the Public Prosecutors Office, the Ministry of Internal Affairs and the CCCEC. Agenda will include:</p> <ul style="list-style-type: none"> <li>- PR-work in the Ministries of Justice and Interior (Munich/Bavaria and Berlin), General Prosecution and Federal Police (Bavaria).</li> <li>- Know-how transfer both in Bavarian capital's and province's law enforcement institutions</li> <li>- Practical case study on combating corruption with the "SIEMENS"-Case (Munich/Bavaria).</li> <li>- Work of investigative journalists (Hamburg) in SPIEGEL Magazine and other media ("Network Research" association, Hamburg).</li> <li>- Know-how-transfer on the cooperation between investigative journalists and law-enforcement bodies in Germany.</li> </ul> <p>Three-day follow-up training for restricted group of PR officers from the Public Prosecutors Office, the</p>	<p>October 13 – 17, 2008</p>	<p>Inge Bell</p>
		<p>November 17-19, 2008</p>	<p>Inge Bell</p>

	<p>Ministry of Internal Affairs and the CCCEC. Agenda will include:</p> <ul style="list-style-type: none"> <li>- Repeating, reactivating and intensifying the participants' practical experience of the first course (interviews, press releases, statements) camera training (one day).</li> <li>- Empowering the participants to develop a PR-conception and strategy in a law enforcement body: profound introduction into mechanism and principles of PR-conception and -strategies (one day).</li> <li>- First steps in identifying and developing individual PR-visions, a fruitful PR strategy and concrete PR measures and instruments (one day).</li> </ul>		
	<p>December 2008 – April 2009</p>		
	<p>December 2008</p>	<p>In connection with the international seminar with high ranking officials from MIA, CCCEC, Prosecutor's Office</p>	
	<p>Providing technical assistance to the office of CCCEC, Prosecution Office and the Ministry of Internal Affairs, in conjunction with the international seminar.</p> <p>Sign "integrity pact" to develop and monitor policy of access to information between responsible government agencies and NGO coalition</p>		

Activity	Description	Time Frame	Comments
<b>Output 2.1</b>			
<b>Relevant legislation in line with international standards</b>			
<b>2.1.1</b> – Assist the competent authorities of Moldova in reviewing the existing legislation against European and international standards	Expert review of Moldova regulations on implementing UN Security Council Resolutions	Sep-Oct 2008	
	Expert review of Moldova regulations for implementation of FATF SR-VIII (NPOs and terrorist financing)	Sep-Oct 2008	
<b>2.1.2.</b> Assist the competent authorities of Moldova in preparing the necessary proposals for amendments and follow-up the legislative process and implementation	Workshop on implementing UN Security Council Resolutions and FATF SR-VIII	Oct-Dec 2008	
	Workshop on preparation of Moldova progress report for MONEVAL	Oct 2008	
	Training of Moldova AML/CFT evaluators, EAG+FATF+WB+IMF training course	Sep-Dec 2008	Exact dates to be defined
	Expert review of current Financial Markets Commission AML/CFT regulations	Jul-Sep 2008	
<b>2.1.3.</b> Provide the necessary legal expertise for the preparation of further amendments of laws and regulations throughout the project duration	Expert review of Financial Markets Commission AML/CFT revised/new regulations	Sep-Nov 2008	
<b>Output 2.2</b>			
<b>Competencies, status and organisation of the FIU in accordance with Moneyval recommendations and international best practices</b>			
<b>2.2.3.</b> Assist the FIU in establishing internal working procedures and rules on storage, processing, exchange and protection of data	Preparation of guidelines for the FIU on: <ul style="list-style-type: none"> <li>• Data quality</li> <li>• FIU workflow</li> <li>• Search for public data</li> <li>• Exchange of information with FIUs</li> <li>• Information security and data protection</li> </ul>	Jul-Nov 2008	Search for public data guide will be also adopted for reporting entities (especially banks and notaries)
<b>2.2.5.</b> Support implementation of a	Training workshops for FIU staff in Moldova	Sep-Dec 2008	Trainings based on

Activity	Description	Time Frame	Comments
training plan			guidelines prepared See also 2.4.1 – workshop for exchange of information
<b>2.2.6</b> Train trainers including organisation of up to four internships within foreign FIUs for the key staff of the FIU of Moldova	Training of one FIU analyst in UK (National Intelligence Analysis Training course)	Oct-Dec 2008	
<b>2.2.7</b> Contribute to improvement of physical security of the FIU premises	Procurement and installation in CCCEC of: <ul style="list-style-type: none"> <li>• Fire extinguishing system in server room</li> <li>• Advanced access control and video surveillance system</li> </ul>	Jul-Dec 2008	Expert visit already done in April 2008
<b>Output 2.3</b>			
<b>Design and procure a system of collection, processing, analysis, protection and exchange of information on transactions for the FIU</b>			
<b>2.3.2</b> Procure hardware, software and services in line with the results of activity 2.3.1	Software procurement	Jul - Oct 2008	Specifications for software created in first half of 2008
<b>2.3.3</b> Provide the necessary training in using the IT equipment and software	Full system (hardware and software) deployment Initial trainings for software use	2 <sup>nd</sup> half of 2008 Sep-Oct 2008	Initial trainings immediately follow the installation of software Advanced trainings done based on questions raised during the use of software
<b>Output 2.4</b>			
<b>To improve the capability of the FIU to co-operate with the FIUs of other countries in accordance with the Egmont Group standards</b>			
<b>2.4.1</b> Organise in-country training seminar on information exchange between FIUs	Workshop for information exchange	Sep 2008	Based on guidelines prepared – see 2.2.5
<b>2.4.2</b> As a follow up to the seminar, arrange four study visits for FIU staff responsible for international co-operation to FIUs of other European countries to establish direct contacts, promote the conclusion of MOUs and to train FIU staff	Four study visits	Sep-Nov 2008	Visits to the groups of countries (three countries in one week)
<b>Output 2.5</b>			

Activity	Description	Time Frame	Comments
<b>To adopt and implement the national AML/CTF strategy including effective mechanisms to ensure co-operation between the FIU and law enforcement, criminal justice and regulatory authorities</b>			
2.5.2. Support the FIU in setting up an interagency co-ordination body and organising its meetings on specific issues of concern to law enforcement, criminal justice and regulatory authorities and on strategically important issues of AML/CTF regime	Meetings of Steering Group / key beneficiaries to adopt MOLICO action plans	July 2008	National AML action plan for 2008 was adopted in June 2008, so MOLICO actions should be adjusted to support this plan
2.5.3. Organise two interagency study visits for 16 persons to countries having effective co-ordination mechanisms in place	Study visit to Croatia	Sep-Nov 2008	Croatia has established AML inter-ministerial working group that works on high-level (annual meetings) and on operational level. There is also a practice of joint investigation teams. Croatia interagency AML co-operation system was positively evaluated by MONEYVAL
2.5.4 Assist the FIU in organising two annual typology meetings	Typologies workshop	Oct-Dec 2008	For law enforcement and supervisory agencies, and reporting entities
2.5.5 Assist FIU / other state agencies to develop national statistics in AML/CTF area	Expert visit to assist FIU in drafting concept of national AML/CTF statistics	Sep-Oct 2008	
2.5.6 Assist Moldova to conduct national money laundering/terrorist financing risk assessment	Workshop on FATF ML/TF risk assessment strategy	Oct-Dec 2008	FATF risk assessment strategy adopted in June 2008
	Workshop on AML/CTF effectiveness assessment and statistics	Nov 2008	See also 2.1.2 – workshop for progress report
<b>Output 2.6</b>			
<b>Improve the capacity of persons subject to the law, their regulators and supervisors to meet their obligations under the AML/CTF legislation</b>			
2.6.1 Assist the FIU and regulators in elaboration of guidelines for obliged	Publishing AML guidelines	Aug – Sep 2008	Guidelines prepared in 2007 by Romanian expert



Activity	Description	Time Frame	Comments
entities on identification and analysis of suspicious transactions and reporting obligations.			
<b>2.6.2</b> Assist the FIU in further development of reporting system and procedures.	Expert visit to define necessary improvements of reporting system	Sep-Oct 2008	
<b>2.6.3.</b> Support the FIU in organising eight training activities for 100 staff on reporting and other obligations for obliged entities in accordance with the guidelines and in co-operation with professional associations and educational institutions	Three training workshops on reporting	Sep-Dec 2008	For lawyers, real estate agencies, credit and microfinance institutions
<b>2.6.4.</b> Organise two study visits for 14 representatives of supervisors and regulatory authorities to counterpart organisations of other European countries.	Two study visits for supervisors to 2-3 countries each	Oct-Dec 2008	Each visit should cover 2-3 neighbouring countries (see e.g. 2.4.2 activity)
<b>2.6.5.</b> Organise two study visits for 14 compliance officers to counterpart organisations of other European countries	AML training for compliance officers, ATTF, Luxembourg	15-19 Dec 2008	
<b>2.6.6.</b> Assist the FIU and supervisors in building training system for reporting entities	Expert recommendations on creating training system	Oct-Nov 2008	
<b>Output 2.7</b>			
<b>To increase the capacity of law enforcement and criminal justice bodies to meet their obligations under the AML/CTF legislation</b>			
<b>2.7.1.</b> Design a training strategy for law enforcement bodies, prosecutors and judges on AML/CTF	Development of AML curricula	Sep-Nov 2008	
<b>2.7.2</b> Organise six targeted in-country training events for law enforcement bodies, prosecutors and judges on criminal law aspects of money laundering, provisional measures and	Training on assets recovery in Moldova with Basel Institute for Governance	Nov-Dec 2008	

Activity	Description	Time Frame	Comments
confiscation, management of seized assets and other issues resulting from international standards.			
<b>2.7.3</b> Organise four training for law enforcement, prosecutors and judges on technical, methodological and procedural aspects of AML/CTF cases.	Training for law enforcement, FIU and FMC on investigating money laundering, insider trading and market manipulation cases with securities	Sep-Oct 2008	Also for 2.6
	Training for FIU, supervisors and law enforcement for combating terrorism financing (Giesbach-II seminar)	1-3 Oct 2008	
	AML training in Joint Vienna Institute for law enforcement and prosecutors	1-5 Sep 2008	Organised by IMF, MOLICO can finance visit of larger group
<b>2.7.4</b> Organise four study visits for 24 judges, prosecutors and law enforcement officers to counterpart organisations of other European countries	Study visit to EuroPol and EuroJust	Sep-Dec 2008	
<b>2.7.5</b> Foster regional cooperation between law enforcement agencies in AML/CTF area	Workshop on trade-based money laundering for CEFTA/CIS countries	Nov 2008	