



ENPI (Support to the Panel against Corruption) - Bridge Activities Project (August - November 2010) Summary

Version of September, 2010

Project title	Eastern Neighbourhood Partnership Initiative (ENPI): EaP Bridge Activities
Project area	Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine (Eastern Partnership countries)
Budget	30,000.00 Euro (Agreed)
Funding	Direct EU Grant Agreement
Implementation	Corruption and Fraud Unit, Economic Crime Division, Directorate of Co-operation (DGHL) Council of Europe
Duration	4 months (1 August-30 November 2010)

1 BACKGROUND AND JUSTIFICATION

The Eastern Partnership (EaP) was launched by the EU at a Summit meeting with the Eastern partners on 7 May 2009 in Prague. It sets out an ambitious path for deeper relations with Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine, through a bilateral and a multilateral dimension. The EaP is based on mutual commitments to the rule of law, good governance, respect for human rights, and respect for the rights of minorities, the principles of market economy and sustainable development. The level of ambition of the EU's relationship with the Eastern partners will take into account the extent to which these values are reflected in national practices and policy implementation.

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

Democratic stability is an essential element for economic development, for the improvement of living conditions of the population and the creation of pre-conditions to greater European integration. It is intrinsically linked with the respect of human rights and the rule of law principle. The fight against corruption provides a crucial contribution to democratic stability, economic development, and enhancement of the rule of law, areas in which the EaP countries have pledged to make progress.

The Democratic Governance area links three major components: the Judiciary, the Public Administration, and the Fight against Corruption. In view of this, and also of the on-going procedures under the recently established Panel on the Fight against Corruption under EaP's Platform 1, it is necessary to conduct a review on the existing reforms and projects currently deployed in the region in the context of the EaP Work Programme. A stock-taking of initiatives and their results so far will be the precondition for peer review and exchange of good practices on the fight against corruption among countries. Moreover, a "Council of Europe Facility Programme" is being prepared in order to support these efforts through an extended range of components, among which the fight against corruption and serious crime will have a high priority. To this end, a set of "Bridge Activities"-- aimed at initiating action in this direction and in support of the preparatory work of the Expert Panel against Corruption under the EaP Platform 1-- is being carried out for a period of 4 months prior to the CoE Facility. The follow up from the CoE Facility Programme, scheduled for a period of 24 months, will then carry out actions, advice and exchange of good practices as well as peer reviews on specific sector areas in a framework of regional activities.

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

2 RATIONALE

Since their accession to the Council of Europe, five EaP countries have been monitored in their efforts of compliance with the relevant European standards, and have received extensive support to implement the recommendations resulting from the monitoring mechanisms. This work contributed to facilitating the relations of EaP countries with the EU, making them better aware of the requirements necessary for expanding cooperation and integration with EU. New EU Member States and applicant states have worked close with the Council of Europe to fulfil the necessary criteria for accession to the EU, notably in the fields of democracy, human rights, and the rule of law. Such experience has established common tools on addressing and approaching anti-corruption and good governance related reforms.

As far as concerns the area on the fight against corruption, five EaP countries are currently member states in the Council of Europe's Group of States against Corruption (GRECO). GRECO was established in 1999 by the Council of Europe to improve the capacity of its members to fight corruption by monitoring their compliance with Council of Europe anti-corruption standards¹ through a process of mutual evaluation and peer pressure. GRECO helps to identify deficiencies in national anti-corruption policies, and prompts necessary legislative, institutional and practical reforms. GRECO monitoring is comprised of a "horizontal" evaluation procedure leading to recommendations aimed at furthering necessary legislative, institutional and practical reforms as well as a compliance procedure designed to assess the measures taken by its members to implement the recommendations. GRECO Recommendations are issued as a result of monitoring rounds which refer to fundamental issues, such as national strategies and policies, specialised law enforcement agencies on economic crime, legislative incriminations, conflicts of interest in the public administration and immunities of public officials, as well as political financing. Recent evaluation and compliance reports highlight the level and the identified needs for technical assistance in each of the EP countries. GRECO also provides a platform for the sharing of best practice in the prevention and detection of corruption. Currently, GRECO comprises of 48 member States, including all EU members and four of the five EP countries; while Belarus has recently initiated its membership procedures.

With reference to financial crime issues, and more specifically money laundering and of relevance to Council of Europe's five EaP countries, the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) monitors Member State's compliance with the relevant international standards and the effectiveness of their systems to counter money-laundering and terrorist financing. MONEYVAL is an FATF-type regional body and undertakes regular peer evaluations of its Member States. All countries covered by the Eastern Partnership (except for Belarus)² are members of this mechanism.

The European Commission is regularly supporting joint programmes with the Council of Europe, within the framework of a strategic partnership which has been reconfirmed in the Memorandum of Understanding between the EU and the Council of Europe signed in 2007. This EU/Council of Europe co-operation has led to positive experiences in a number of areas, such as in human rights and in capacity-building of the judiciary system, and in the fight against economic crime (anti-corruption and anti-money laundering). The Council of Europe when taking a good use of its monitoring mechanisms (recommendations issued from country and theme evaluations) has been able to specifically address needs in each area (i.e., corruption, money laundering, organised crime, cybercrime etc) and carry out a wide range of activities aimed at strengthening capacities in the fight against corruption and its prevention in the framework of reforms to combat economic crime and to enhance good governance. These activities include legal expertise, legislative assessments and support of legislative reforms, on-site expertise, regional and national peer-reviews and advice, networking of specialised structures, training programmes, conferences and workshops. In view of this, the proposed action builds on the results of a previous EU and other voluntary contributions which funded Council of Europe joint and implemented projects in Azerbaijan (AZPAC), Georgia (GEPAC), Moldova (MOLICO), and Ukraine (UPAC)³.

3 DESCRIPTION OF ACTION

The proposed action is considered as a Bridge Activity due to its linkage between the previous and on-going reforms and programmes carried out in the EaP region through the Council of Europe's assistance and other donors, and the forthcoming "CoE Facility programme" for EaP (including "Prevention of Corruption" component) which is expected to take place before the end of year 2010.

The Bridge Activities will provide EaP partner countries with a stock-taking exercise and analytical review of the on-going reforms and their impact. It furthermore, will be identifying and seeking tools for tangible implementation of the reforms and of the European standards in preventing and fighting corruption while enhancing good governance. It will strengthen the basis and deepen the relations between the partner countries and the EU, and create a solid platform to carry out theme-oriented activities under the planned "CoE Facility programme".

Mostly and often the EaP countries face similar challenges in complying with obligations stemming from their adherence and commitments undertaken from the European standards/memberships. Therefore, through the present action, it is envisaged to organise up to 2-3 regional activities (through the EaP Platform 1 Panel Meetings) aimed at peer review and discussion through dialogue among practitioners' and experts to address issues of concern in the policy area of the fight against corruption. Networked discussions and analysis and preparation of the platform items and themes will take place during the first 2 months where questionnaires to facilitate information collection and review will be distributed and circulated to each EaP partner country. EU member states are also invited to provide information on their good practices and models/tools/approaches used to prevent and combat corruption. Consequently, reports containing, country profiles, stock-taking of current reforms, and good practices will be discussed through regional *fora.*, resulting with recommendations for regional and country specific activities

¹ The Criminal Law Convention on Corruption (ETS173) and its Additional Protocol (ETS 191), the Civil Law Convention on Corruption (ETS 174), Twenty Guiding Principles for the Fight against Corruption (Res (97)24), the Model Code of Conduct for Public Officials (Rec No. R (2000)10) and Common rules against corruption in the funding of political parties and electoral campaigns (Rec(2003)4).

² Belarus is a member of Eurasian Group (another FATF-style body).

³ For further information on these projects please visit: www.coe.int/corruption

that would address needs and issues of reforms in partner countries. EU member states relevant structures, experiences and expertise will be invited to part take and used when needed as identified during this exercise.

4 OVERALL OBJECTIVE, COMPONENTS AND EXPECTED RESULTS

Overall Objective	The overall objective of the Bridge Activities is to enhance the anti-corruption and good governance reform processes in the six EaP countries through a multilateral approach, in order to bring them closer to the Council of Europe and EU standards by strengthening capacities in the fight against corruption.
Specific Objective	The Bridge Activities' specific objective is to review processes and reforms in order to improve national and regional capacities of EaP countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) to prevent and combat corruption. More specifically, it will analyse the current status of national strategies and policies aimed at good governance and prevention of corruption in the Eastern Partnership countries. It will provide recommendations for intervention and reform to be followed by the specifically tailored "CoE facility programme" assistance.
Component 1:	Eastern Partnership's regional review and analysis on anti-corruption efforts
Result 1.1	Assembling of Questionnaire Template
Result 1.2	Available information and peer exchange of analysis and networking among EaP national focal points and other European experts
Component 2	Issuance of Recommendations through proposed Work programme of EaP Panel
Result 2.1	Draft Review/Analysis and Peer -Practices Recommendations Report
Result 2.2	Regional Conference on: "Reviewing National Policies and Strategies on Good Governance and on the prevention of corruption"
Result 2.3	Finalisation of Country Profile Reports and Workprogramme for the Panel

5 PROPOSED COUNTERPARTS/BENEFICIARIES

The main proposed beneficiaries and stakeholders for the Bridge Action, that would be required to be confirmed by each partner country through the relevance of the Action and its regional *fora* (as per its themes) will be:

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

6 PROPOSED IMPLEMENTATION ARRANGEMENTS

Being a key actor in the thematic area, and in the EaP region, the Council of Europe, and more specifically the Directorate of Human Rights and Legal Affairs (DGHL), Directorate of Cooperation (Economic Crime Division) will be entrusted to carry out the implementation of activities under the above mentioned components. Co-operation with the Council of Europe is a key element for further progress in the relations between the EaP countries and the EU. The Bridge Activities will be implemented according to the General and Special Conditions applicable to the European Community's contribution agreements with international organisations. Involvement of Council of Europe short-term experts in the field of anti-corruption as well as with knowledge of the EaP countries will be secured in order to carry out the preliminary reviews and analysis which in the end will serve as the basis and facilitate the regional peer-reviews, discussions, and recommendations. During the period of implementation of the Action, the Council of Europe secretariat will ensure full progress and final reporting to the Platform 1 Expert's Panel in the Fight against Corruption. Furthermore, the Bridge Activities will seek complementarities with the ongoing as well as planned initiatives from the EU member states, and the Council of Europe assistance programmes in the partner countries. Those activities will be carried out in order to prepare the ground and create momentum until the launch of the "CoE Facility" actions which are envisaged to be initiated before the end of year 2010.

7 CONTACT

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