

Partnership for Good Governance



FINAL NARRATIVE REPORT

1 PROJECT DATA

Project title: 2015/DGI/JP/3259

Regional: Fight against corruption and fostering good governance; Fight against money laundering'

Project type: Regional

Target country(ies): Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine

Project duration: 1 January 2015 – 31 December 2018

National partners:

Ministry of Justice of the Republic of Armenia, Commission on Combatting Corruption under the President of the Republic of Azerbaijan, Prosecutor General's Office of Belarus, Ministry of Justice of Georgia, National Anti-Corruption Centre of the Republic of Moldova, Ministry of Foreign Affairs of Ukraine, Financial Intelligence Units in the EaP countries

Final beneficiaries and/or target groups:

Governmental bodies at all levels, notably specialised structures within the ministries of justice, interior, and finance; Ministry units responsible for public administration and civil service; Specialised agencies/bureaux/commissions involved in prevention and fight against corruption and economic crime; Financial intelligence units (FIUs); Judiciary and prosecutorial services; and Civil Society.

Project Team in HQ

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2 OVERALL ASSESSMENT

In line with its overall objective, the PGG Regional Project (PGG-REG) contributed to strengthening of the reform processes in six Eastern Partnership countries aiming to bring them closer to Council of Europe and EU standards in core areas covered by the Eastern Partnership Platform. Regional activities engaging all six countries provided for the exchange of experience and good practices among participating countries while benefiting from Council of Europe expertise, peer to peer reviews and advice and learning on good practices on fight against economic crimes in other Council of Europe member states.

Of specific added value within this phase of the PGG Regional Project were the country specific pilot activities in Armenia, Azerbaijan, Georgia and Moldova which provided tailored assistance in response to individual country priorities.

Within the project's no-cost extension in 2018, the primary focus of the regional interventions remained on fighting corruption, while also integrating anti money-laundering and financing terrorism actions aimed at enhancing transparency of beneficial ownership and non-financial sector supervision.

Overall, the PGG REG contributed to improving the legislative and institutional framework and capacities to prevent and investigate economic crimes, particularly addressing relevant GRECO and MONEYVAL recommendations. Notably, the PGG Regional Project:

- 1) Helped improve anti-corruption/anti-money laundering legislative and institutional frameworks in line with Council of Europe and international standards by equipping EaP national authorities with legislative and practical guidelines in areas such as: a) conflict of interest; b) whistleblower protection; c) integrity testing; d) liability of legal persons; e) lobbying; and, f) corruption proofing of legislation.

The project interventions contributed to legislative processes and reforms in 4 out of 6 EaP countries with the adoption of total of 11 anti-corruption and 1 AML/CFT legislative and regulatory measures as follows:

- a) **Armenia** adopted a package of legislative amendments regulating declaration of assets and interests, as well as legislation on whistleblowing in June 2017; and following legislative and reforms in the public Administration the country began utilising the Anti-Corruption Curriculum and Handbook developed within the PGG REG in trainings for civil servants;
- b) **Azerbaijan** introduced criminal procedure provisions for the enforcement of the liability of legal persons in 2016; added whistleblower protection norms to the Law on Combatting Corruption; and Azerbaijan's State Agency for Public Service and Social Innovations reviewed existing internal regulations on risk management in view of the guidance provided through the Project;

- c) **Georgia** improved its conflict of interest and asset declaration system through amending legislation regulating corruption and conflict of interest in public service in late 2015; and (v) fostered corruption prevention in the health sector by completing development and refining the user interface for a web-based system on benefits pursuant to a recommendation from the CoE corruption risk assessment;
 - d) **Moldova** adopted legislative amendments aiming to update and strengthen the framework for disclosure of financial and private interests, and that of the National Integrity Commission in 2015; addressed integrity testing concerns raised by its Constitutional Court through legislative amendments in 2016; adopted Law on Prevention and Combatting of Money Laundering and Terrorist Financing in 2017; and adopted the law on whistleblower protection in 2018;
 - e) **Ukraine** strengthened regulatory framework regulating conflict of interest and asset declaration
- 2) Strengthened expertise and policy formulation capacities of national authorities through sectorial corruption risk assessments;
 - 3) Identified corruption risks and vulnerabilities into health sector (five countries participated) and public procurement (four countries participated), results of which are aimed at informing policy, regulatory, and organisational reforms;
 - 4) Increased professional capacities of criminal justice sector and law enforcement authorities to: a) conduct financial investigations; b) understand money laundering and financing of terrorism and other economic crime typologies; c) ensure protection of whistleblowers; d) use special investigative techniques; and, e) seek and respond to informal and formal mutual legal assistance requests; f) address illicit enrichment and apply internal control tools to prevent corruption;
 - 5) Established a network of administrative, criminal justice, and law enforcement representatives able to cooperate in accordance with common set of standards discussed throughout the project cycle;
 - 6) Established a baseline of the independence and effectiveness of anti-corruption bodies in the EaP region;
 - 7) Increased common understanding on effective implementation of standards of transparency of Beneficial Ownership (BO) and AML/CFT supervision of non-financial sectors.

The regional intervention was achieved through total of 49 actions, whereby 98% of the planned project interventions for a three year period were completed. In doing so, the project produced 27 technical papers, and organised 21 events including capacity-building workshops, trainings and roundtable discussions. In total 448 participants, of which 65%

were men and 35% were women representing institutions from EaP countries, benefited from the project activities. Full list of individual interventions is provided in Annex I.

3 ASSESSMENT OF PROJECT RESULTS

3.1 Achievements of project outcomes and expected results (2018)

3.1.1 Expected Result 1 – Improved effectiveness of the specialised anti-corruption bodies and prevention structures

Pursuant to project actions, a total of 47 representatives with prosecutorial, policy-making and financial intelligence functions in the EaP region were trained in addressing illicit enrichment and applying internal control tools to prevent corruption. Additionally, a preliminary assessment of operational effectiveness and organisational standing of anti-corruption bodies for all EaP countries was conducted, and results discussed at a regional workshop.

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| Expected Result 1: Improved effectiveness of the specialised anti-corruption bodies and prevention structures |
| Status: <i>Fully achieved</i> |
| <p>Description <i>(based on evidence/feedback/evaluation sources)</i></p> <p>Responding to the significant challenges to investigation and prosecution of illicit enrichment and confiscation of illicit proceeds across the EaP region, the PGG-Regional project provided policy-makers, representatives of prosecution authorities and financial intelligence units with guidance on effective investigation, prosecution and subsequent confiscation of illicit gains, and complementary or alternative ways to target illicit enrichment. Likewise, a thematic paper provided recommendations and solutions to address unexplained wealth including through civil proceedings to freeze and forfeit illicit gains, and non-court mechanism.</p> <p>In order to support the countries in putting in place appropriate safeguards to reduce risks to integrity, 23 representatives of corruption prevention, policy and enforcement bodies enhanced knowledge about designing and implementing effective controls within their institutions to identify and counter corruption breaches and to mitigate potential conflict of interest and incompatibilities.</p> <p>To establish a baseline of the independence and effectiveness of anti-corruption bodies in the EaP region, the Project conducted a preliminary assessment of their formal independence and effectiveness. The assessment indicates that the levels of formal independence of anti-corruption bodies and their effectiveness vary among EaP countries, and may not always be positively correlated, largely depending on the role and functions of such bodies. Reform of systems of selection and dismissal of the management of anti-corruption bodies is desirable in a number of EaP countries, in order to mitigate the risk of political interference. While</p> |

resourcing is not a major problem in anti-corruption bodies in the region, full access to information from other institutions, enhanced training, transparency, publicity and inclusion of civil society is still needed.

Outcome indicator(s) under Expected Result 1:

- Number of trained staff of specialised anti-corruption structures
- Level of implementation of recommendations provided in connection with the anti-corruption specialised bodies/prevention structures

Status (fully achieved, partially achieved, not achieved) - Fully achieved

Description (based on evidence/feedback/evaluation sources)

Policy-makers, and practitioners with prosecutorial and financial intelligence functions enhanced knowledge about tools to address the illicit enrichment, including criminal prosecution and eventual criminal confiscation of assets, civil proceedings to freeze and forfeit illicit gains, and non-court mechanisms to target enrichment. Additionally, the representatives of anti-corruption bodies increased understanding about the common integrity issues and the objectives of the internal control system in order to develop practical instruments within their institutions. Furthermore, the review of Anti-Corruption Bodies' effectiveness generated a number of recommendations for the institutions, in addition to setting up a baseline for future programming. While change in capacities is documented, the progress towards implementation of specific recommendations and proposed solutions needs to continue to be monitored over-time to ascertain the impact of actions.

3.1.2 Expected Result 2. – Increased common understanding on effective implementation of standards of transparency of Beneficial ownership and AML/CFT supervision of non-financial institutions

Within this Expected Result, the Project provided guidance and facilitated discussions on introduction and effective implementation of beneficial ownership requirements in line with the FATF standards, EU 4th AML Directive and international good practices. Additionally, the AML/CFT supervisory agencies participated in a regional workshop and were provided with **Guidance on Establishing a Risk Based Supervisory Framework for DNFBP Sectors** aiming to enhance the effectiveness of Anti-Money Laundering/Countering Financing of Terrorism (AML/CFT) regimes.

Expected Result 2: Increased common understanding on effective implementation of standards of transparency of Beneficial ownership and AML/CFT supervision of financial institutions

Status (fully achieved, partly achieved, not achieved) – Fully achieved

Description (based on evidence/feedback/evaluation sources)

Eighteen project beneficiaries participated in the International Conference on Transparency of Beneficial Ownership (Tirana, Albania), organised jointly by PGG and another EU/CoE Programme (Horizontal Facility for South East Europe), which allowed for exchange of practices and lessons learned among representatives from nineteen jurisdictions from Eastern Partnership (EaP) and South-East Europe (SEE) jurisdictions, as well as representatives from EU countries and the European Commission. The Conference enhanced understanding of beneficial ownership compliance and transparency of information on beneficial ownership requirements and good practices in order to support the authorities in preventing criminal misuse of legal persons and arrangements.

By participating in a regional workshop, twenty four (24) representatives of Anti-Money Laundering/Countering Financing of Terrorism supervisory authorities from the Eastern Partnership jurisdictions increased their understanding of Financial Action Task Force (FATF) requirements related to AML/CFT obligations and money laundering and terrorist financing risks of non-financial businesses and professions. Participants enhanced their knowledge about characteristics that make each non-financial sector vulnerable to money laundering and terrorist financing and explored a risk-based supervisory framework for conducting sectorial and institutional assessments.

Outcome indicator(s) under Expected Result 2:

- Number of countries which have introduced measures to increase transparency of BO.
- Extent to which onsite/offsite supervision is improved
- Level of implementation of treaty law obligations concerning supervision of financial institutions.

Status (fully achieved, partially achieved, not achieved) - Fully achieved

Description (based on evidence/feedback/evaluation sources)

The PGG-Regional actions offered a springboard for promoting common understanding towards integrating and enforcing beneficial ownership transparency and risk-based approach to AML/CFT supervision which remain a challenge across the EaP region.

By participating in the dedicated regional intervention, senior policy makers from the EaP region increased their understanding of international and European standards regarding transparency of beneficial ownership and their application in practice. Additionally, they acquired solutions for guiding the development of roadmaps to establish effective registration of beneficial ownership of legal persons and entities, highlighting current practices and lessons learned within the EaP as well as in European jurisdictions with more advanced systems.

Likewise, the Project provided government officials with anti-money laundering supervisory responsibilities from the EaP region with a risk-based AML/CFT supervisory framework and risk matrices in order to improve and enhance existing supervisory systems

for non-financial sectors – an area where all Eastern Partnership jurisdictions rate either non-compliant or partially compliant with the applicable Financial Action Task Force (FATF) recommendation in mutual evaluation reports.

3.2 Achievement of project outcomes and expected results (2015-2017)

3.2.1 ER1. – Strengthened anti-corruption preventive measures within the public sector/administration

Within the Expected Result 1, the Project developed 4 pieces of model legislation on: (1) liability of legal entities; (2) integrity testing; (3) conflict of interest; and (4) lobbying regulation. Furthermore a **training module on whistle-blower protection** and a **guide on lessons learned and good practices in corruption proofing** in EaP region were developed and made available to national authorities. Development of all written outputs were accompanied by regional workshops on each respective topic, attended by total of 76 participants representing policy makers, practitioners, and legislative drafters from 6 EaP countries. The table below provides a more detailed account on these.

Expected result 1: Strengthened anti-corruption preventive measures within the public sector/administration

Status (fully achieved, partly achieved, not achieved) – *Fully achieved*

Description (based on evidence/feedback/evaluation sources)

The PGG-REG equipped EaP national authorities with comprehensive **legislative and implementation toolkits** and knowledge of good comparative practices in respect to **(1) conflict of interest, (2) whistle-blower protection, (3) integrity testing, (4) liability of legal persons; (5) lobbying regulation; and (6) corruption proofing of legislation** which supported on-going reforms in EaP countries.

In connection with the above and pursuant to advice provided within the PGG regional project several countries adopted measures linked to recommendations provided in legal and policy paper as follows:

Armenia:

- (1) Adopted a package of legislative amendments regulating declaration of assets and interests, as well as legislation on whistleblowing in June 2017;

Azerbaijan

- (1) Improved its legislative framework on corporate liability by introducing amendments to the Criminal Procedure Code to enable enforcement of criminal liability of legal entities, which was established in 2012; and

(2) Added whistle-blower protection norms to its anti-corruption system, thus providing for the protection of those reporting corruption. While the new provisions represent first positive step towards enabling whistleblowing, there remains room for enhancement to help facilitate reporting and the protection of whistleblowers in line with international best-practice and standards; for instance by establishing access to confidential advice, extending the right to report to private-sector entities, etc.

Ukraine

- (1) Strengthened regulatory framework for conflict of interest and asset declarations in an effort to address applicable international standards, including e-declarations;
- (2) Currently Ukraine is in the process of regulating integrity testing as part of internal controls; and
- (3) The authorities are considering adopting legislation on whistle-blower protection in line with [Rec\(2014\)7 of the Committee of Ministers to member States on the protection of whistleblowers](#) ;

Moldova

- (1) Addressed integrity testing concerns raised by its Constitutional Court through legislative amendments in 2016;
- (2) Adopted legislation on whistleblower protection in 2017;

Georgia

- (1) Improved its conflict of interest and asset declaration system through amending legislation regulating corruption and conflict of interest in public service in late 2015.

In addition, the legislative toolkit and guidance on regulating lobbying, enabled legal drafters in the region to enhance their capacities in implementing Council of Europe recommendation on regulation of lobbying activities in the context of public decision making, as well as complying with GRECO recommendations during the on-going 4th Evaluation Round.

Lastly, through complementary country pilot activities further described under Expected Result 4, individual EaP countries were provided with hands on, country-specific advice on individual legislative and regulatory changes in the anti-corruption field at the time when such reforms were taking place.

Outcome indicator(s) under ER1:

- Level of reinforcement and streamlining of anti-corruption preventive administrative measures through the use of good governance tools;
- Level of control mechanisms within the public sector;

Status (fully achieved, partially achieved, not achieved) - Fully achieved

Description (based on evidence/feedback/evaluation sources)

Four out of six EaP countries introduced total of 8 legislative and regulatory changes in line with relevant international standards and good comparative practices pursuant to PGG assistance efforts, as outlined above. PGG REG undertook assessment of control mechanisms and provided advice for strengthening of these mechanisms in 8 subject matter areas across the EaP region.

3.2.2 ER2. – Reinforced national institutions to provide policy advice, to co-ordinate and monitor anti-corruption- and good governance-related reforms

Risks were assessed in health and public procurement sectors to support the national institutions in the design and putting in place strategies to prevent and control corruption. For health sector corruption risk assessment, a regional workshop was organised ahead of the in-country assessments to provide methodological guidance to policy makers and practitioners from five EaP countries and to identify priority areas for assessment. Evidence collected during country assessment visits in both thematic areas fed into development of reports in 2017; 5 country specific reports in the case of health sector assessment and 1 report on public procurement corruption risk assessment, covering both regional and individual country analysis and recommendations were developed.

Expected result 2: Reinforced national institutions to provide policy advice, to co-ordinate and monitor anti-corruption- and good governance-related reforms

Status (fully achieved, partly achieved, not achieved) – Partly achieved

Description (based on evidence/feedback/evaluation sources)

By taking part in **corruption risk** assessments in the **(1) health** and **(2) public procurement sectors** authorities of the countries that participated in these activities obtained knowledge and skills on evidence-based policy shaping. Azerbaijan did not participate in either of the assessments, whereas Belarus abstained from taking part in the risk assessment in the public procurement sector thus limiting the final outcome of this activity and the information available on this subject at the regional level. Considering the above the specific objective of this expected result is categorised as partially achieved.

Outcome indicator under ER2:

– Level of control mechanisms within the public sector

Status (fully achieved, partly achieved, not achieved): Partly achieved

Description (based on evidence/feedback/evaluation sources)

By undertaking corruption risk assessments in the health and public procurement sectors

the PGG Regional Project supported the participating countries in identifying vulnerabilities or lack of existing control mechanisms which could bring about potential corruption risks. Both assessments provided the competent authorities with a set of recommendations developed following the assessments. The recommendations have a twofold aim: 1) to inform future policy, regulatory, and organisational reforms, and 2) to advice on immediate measures needed to address potential risks of corruption in the two sectors. Pursuant to the recommendations provided in the risk assessment report, in 2018 Georgian authorities took an important step forward in preventing corruption in the health sector by completing development and refining the user interface for a web-based system that enables a citizen to determine exactly what benefits are available for a particular symptom or condition, and where (primary care, vertical program, emergency hospitalisation, elective treatment) the patient must go to obtain the benefit.

3.2.3 ER3. – Improved criminal justice system in relation to its independence and combating corruption

National authorities of EaP countries were provided with Practical Guide on investigating and prosecuting economic crime and Model Training Module on Whistle-blower Protection. The project delivered **regional trainings** and provided reference materials to **72 criminal justice sector officials from all EaP countries**. The focus of the capacity building activities was on enhancing the skills of the trainees in conducting complex economic crime investigations and prosecutions; ensuring the appropriate provision of whistle-blower protection; enforcing liability of legal persons legislation; and improving the international cooperation when handling economic crime cases across two or more jurisdictions.

Expected result 3: Improved criminal justice system in relation to its independence and combating corruption

Status (*fully achieved, partly achieved, not achieved*) – **Fully achieved**

Description (*based on evidence/feedback/evaluation sources*)

The project prepared professional development training programs and operational guidelines as tools to enhance capacities of national prosecuting, regulatory, and law enforcement authorities on: **(1) investigating complex economic crime, (2) facilitating protection of whistleblowers, (3) enforcing liability of legal persons, and (4) cooperating across-borders on corruption and economic crime investigations.**

Over 72 justice sector officials directly benefited from the capacity building activities undertaken within the PGG REG.

While the investigations themselves are not initiated by the project it is worth noting that, criminal justice authorities of the beneficiary countries demonstrated competency to adequately respond to corruption and other economic crime cases by opening up high-

profile financial crime investigations.

As of June 2017, **Ukrainian** National Anti-Corruption Bureau opened 370 corruption related investigations, including against senior government officials, members of the judiciary, and heads of state enterprises, and involving cross border cooperation with authorities of neighbouring and other countries, including jurisdictions such as the US and UK.¹ In **Azerbaijan**, 615 corruption proceedings against senior public and private sector officials were submitted to courts by the Anti-Corruption Directorate of the General Prosecutor's Office in the period 2015-2017, representing a slight increase compared to the previous period (577 for 2012-2014).²

Outcome indicator(s) under ER3:

- Levels of investigations into corruption/white collar crime

Status (*fully achieved, partly achieved, not achieved*): **Fully achieved**

Description (*based on evidence/feedback/evaluation sources*)

Law enforcement and criminal justice sector officials increased specialisation in economic crime investigations, protection of whistleblowers, corporate prosecutions, and cross-border cooperation on corruption and economic crime investigations. The level of investigations into corruption and white collar crime has shown an upwards trend. Following are the statistics recorded in 3 EaP countries in 2015-2017:

- **Azerbaijan** - 615 corruption cases submitted to court, resulting with the seizure of over €45 million from those indicted;
- **Ukraine** - 370 high-corruption investigations opened, resulting with 16 convictions which already came into force;
- **Republic of Moldova** – Only in 2016, the National Anti-Corruption Centre investigated and detected 858 criminal cases including corruption offences in public and private sector and money laundering.³

Insufficient data on Georgia, Armenia and Belarus prevent an assessment to be made in respect to these countries at this time.

3.2.4 ER4. – Strengthened national capacities through pilot activity intervention

Eleven country pilot activities were implemented under the PGG-REG, providing support to legislative and regulatory reforms in respective countries on one hand, and raising

¹ National Anti-Corruption Bureau of Ukraine (2017), [Report: First Half of 2017](#), available at www.nabu.gov.ua, accessed on 24 January 2018

² Webpage of the Anti-Corruption Directorate of the General Prosecutor's Office of the Republic of Azerbaijan, available at www.genprosecutor.gov.az

³ National Anti-Corruption Centre statistics (2016)

professional capacities of criminal justice institutions, on the other. The project provided anti-corruption authorities and policy makers of the **Republic of Moldova** with expert advice on: (1) on-going *legislative reforms of integrity testing*; (2) on *draft amendments to legislation concerning conflict of interest, asset declarations and introduction of the National Integrity Commission*; and (3) *draft law on prevention and combating money laundering/terrorist financing*.

In **Georgia** the project advised on conceptualising public relations activities regarding the countries anti-corruption efforts. Georgian criminal justice authorities were trained on (1) *methods and tools for investigating and prosecuting legal entities for corruption offences*; and, (2) *economic crime investigations*. Anti-corruption training curriculum and manual was developed for civil servants, law enforcement and justice sector officials.

The authorities in **Azerbaijan** were provided with *guidance on development of risk management frameworks* based on internal risk assessments.

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| Expected result 4: Strengthened national capacities through pilot activity intervention |
| Status <i>(fully achieved, partly achieved, not achieved) – Partly achieved</i> |
| <p>Description <i>(based on evidence/feedback/evaluation sources)</i></p> <p>Incorporation of pilot country assistance efforts proved to be an added value of the overall effort as countries extensively relied on this mechanism to obtain advice and needed support in view of addressing their needs for immediate reforms. The Project responded to 11 country-specific pilot interventions during its life span leading to the development of training programmes, support to the amendments of legislation, etc. Following are the areas of intervention and the subsequent results within this expected result by country:</p> <ol style="list-style-type: none"> 1) Armenia: Development of anti-corruption training program for civil servants, law enforcement and justice sector officials. 2) Azerbaijan: Public service risk management system in the State Agency for Public Service and Social Innovations and subordinate ASAN Services (one-stop shops for public services). 3) Georgia: (i) Enhanced prosecutorial capacities to investigate economic crime; (ii) specialisation of members of the Secretariat of the Anti-Corruption Council of Georgia and its Working Groups on sectorial risk assessments and corruption prevention tools and good practices; (iii) formulation of the government Anti-Corruption Strategy Public Relations campaign; and (iv) prosecutorial guidance on investigating and prosecuting legal entities for corruption offences. 4) Moldova: (i) Adopted legislation on combating and preventing money laundering and terrorism financing in line with MONEYVAL recommendations; (ii) improved the integrity testing system in line with the Venice Commission recommendations; (iii) |

improved conflict of interest, asset declarations and oversight solutions; and (iv) is in the process of strengthening sanctioning regime for corruption and money laundering offences.

The Expected result is nonetheless rated as partially achieved due to difficulties in implementing a pilot activity in Belarus, namely a good governance assessment in the education sector.

Outcome indicator(s) under ER4:

- Number and level of legislative and implementation regulations concerning anti-corruption and preventative measures
- Number of procedures of monitoring mechanisms/bodies that are reformed and improved

Status (*fully achieved, partly achieved, not achieved*): **Fully achieved**

Description (*based on evidence/feedback/evaluation sources*)

Four out of six EaP countries introduced a total of 8 legislative and regulatory changes in line with relevant international standards and good comparative practices pursuant to advice provided within the project.

Armenia began applying the Anti-Corruption Curriculum and Handbook in anti-corruption training of civil servants, law enforcement and justice sector officials.

Republic of Moldova addressed several shortcomings raised by both GRECO and MONEYVAL. In 2015, legal opinion on draft amendments to legislation concerning conflict of interest, asset declarations and introduction of the National Integrity Commission was provided. Corresponding legislative amendments were adopted in 2015. Furthermore, the Project helped the Republic of Moldova to revise the draft law on integrity testing system to bring it in conformity with human rights safeguards. The draft amendments were adopted in 2016. In 2016, the project provided recommendations to Moldova on draft Law on Prevention and Combatting of Money Laundering and Terrorist Financing, to address MONEYVAL recommendations and international standards (FATF standards and the 4th EU AML Directive provisions); the law was adopted in 2017.

Azerbaijan's State Agency for Public Service and Social Innovations reviewed existing risk management internal regulations and action plans in view of the guidance provided through the Project.

Georgia improved its conflict of interest and asset declaration system through amending legislation regulating corruption and conflict of interest in public service in late 2015.

3.3 Mainstreaming and cross-cutting issues

Gender statistics were collected for all events conducted under the PGG Regional Project. Of total participants in the project events, 65% were men and 35% were women representing institutions from EaP countries.

Non-governmental organisations took an active part in project activities related to corruption risk assessments in health and public procurement sectors. In particular, the representatives of NGOs from EaP countries provided valuable contribution to the assessments during country-visits.

4 PROJECT GOVERNANCE AND CO-ORDINATION

4.1 Complementarity and co-operation

Cooperation with the Regional Project coordinating institutions was very good. Project Focal Points were responsive to activity planning and implementation requests and facilitated communication between the PGG Project Team and direct beneficiaries. The support of the PGG coordinating institutions was essential in view of two corruption risk assessments conducted in 2017 which involved coordination of country visits and meetings with multiple stakeholders.

The PGG Project Team liaised with international organisations working on the same and similar issues in the EaP countries (e.g. UNDP, UNODC, OECD, GIZ, U.S.DOJ, U.S. DOS/INL, country specific twining projects) in order to ensure complementarity and avoid overlap. Communication was namely focused on exchange of information on respective activities. This is most pertinent for Ukraine which is experiencing an influx of technical assistance programs in the field. The PGG Project Team took part in donor coordination groups and continues to exchange information on activities with organisations represented in the five EaP countries.

4.2 Communication and visibility

Visual identity of PGG Regional Project follows the PGG Communications Strategy, agreed between the European Union and the Council of Europe, and is applicable to all programmatic outputs, including official communication, technical papers, activity agendas and presentations, news/media feeds, and project visibility kits (i.e. banners, folders, notepads, and pens).

The PGG-Regional Project paid particular attention to visibility of its interventions. List of key project documents and information on programmatic events and deliverables (e.g. technical papers on reviewed legislation) can be found on the [webpage](#) of the Council of Europe Economic Crime Cooperation Division and the dedicated [webpage](#) to the PGG-Regional Project.

Lastly, information on PGG Regional Project interventions is readily available within EaP countries through webpages and media feeds of respective partner and beneficiary institutions.

4.3 Challenges, lessons learned and possible follow-up

4.3.1 Challenges

Authorities of Azerbaijan and Belarus opted out from taking part in pilot activities relating to corruption risk assessments. While Azerbaijan did not participate in both health and public procurement assessments, the Belarus abstained from taking part in the public procurement assessment only.

4.3.2 Lessons learned

The implementation the PGG Programme was fully focused on activity implementation through the regional and country level interventions. Providing EaP countries with model legislation and operational guidelines on a number of relevant topics, and conducting sectorial corruption risk assessments have been the major contribution of the PGG- REG Project to the on-going country reforms. This has been recognised by country authorities who are undertaking topics specific reforms. Moreover, the PCF-REG pilot scheme proved to be a well-designed modality for responding to country specific needs as they arise, a prevailing occurrence in the region due to on-going or frequent reforms. Being run under the same programmatic platform, the regional and country components mutually informed one another in an effort to provide individual countries, and the region as a whole, sufficient knowledge and expertise.

5 ANNEX

5.1 Major reports and documentation produced with project support

5.1.1 Regional:

- 1) Legislative Toolkit on Conflict of Interest (ECCU-PCF-REG -2/2015)
- 2) Legislative Toolkit on Liability of Legal Entities (ECCU-PCF-REG 4/2016)
- 3) Model Legislation on Integrity Testing (ECCU-PCF-REG -5/2016)
- 4) Model Training Module on Whistle-blower Protection (ECCU-PCF-REG -8/2016)
- 5) Legislative Toolkit on Lobbying (ECCD-PCF-REG -9/2016)
- 6) Practical Guide on: Investigating and prosecuting economic crime (ECCD-PCF-REG-10/2016)
- 7) Technical Paper on: Corruption Risk Assessment Questionnaire and Methodology for Health Sector Risk Assessment (ECCD-PCF-REG-11/2016)
- 8) Technical Paper on: Health Sector Corruption Risk Assessment in Armenia (ECCD-PGG-REG-4/2017)
- 9) Technical Paper on: Health Sector Corruption Risk Assessment in Belarus (ECCD-PGG-REG-5/2017)
- 10) Technical Paper on: Health Sector Corruption Risk Assessment in Georgia (ECCD-PGG-REG-6/2017)
- 11) Technical Paper on: Health Sector Corruption Risk Assessment in Moldova (ECCD-PGG-REG-7/2017)
- 12) Technical Paper on: Health Sector Corruption Risk Assessment in Ukraine (ECCD-PGG-REG-8/2017)
- 13) Technical Paper on: Corruption Proofing in Eastern Partnership Countries: Overview and Lessons for Good Practice (ECCD-PGG-REG-9/2017)
- 14) Technical Paper on: Corruption Risk Assessment in Public Procurement (ECCD-PGG-REG-14/2017)
- 15) Technical Paper on: Addressing Illicit Enrichment to Fight Corruption in Eastern Partnership countries (ECCD-PGG-REG-TP-01/2018)

- 16) Technical Paper on: Guidance on Establishing a Risk Based Supervisory Framework for Designated Non-Financial Businesses and Professions (DNFBP) Sectors (ECCD-PGG-REG-TP-02/2018)
- 17) Technical Paper on: Assessment of Independence and Effectiveness of Specialised Anti-Corruption Bodies in the Eastern Partnership region (ECCD-PGG-REG-TP-03/2018)

5.1.2 Country-specific:

- 18) Legal Opinion on: Draft Laws of the Republic of Moldova on: 'the declaration of wealth, personal interests, conflicts of interest and gifts'; 'the National Centre for Integrity'; 'Amending and Supplementing Certain Legislative Acts' (ECCU-BO-MO-1/2015)
- 19) Legal Opinion on: Moldovan Draft Law 'On Institutional Integrity Assessment' (ECCU-PCF-1/2015)
- 20) Technical Paper on: Public relations on anti-corruption reforms (ECCU-PCF-REG -3/2016)
- 21) Legal Opinion on: Draft Law on combating and prevention of money laundering and terrorism financing of the Republic of Moldova (ECCU-PCF-REG -6/2016)
- 22) Legal Opinion on: Draft Integrity Law of the Republic of Moldova (ECCU-PCF-REG -7/2016)
- 23) Legal Opinion on: Draft Law of Moldova on amending and supplementing some legislative acts (detering sanctions for corruption and money laundering in the Criminal Code and Contravention Code) (ECCD-PCF-REG -3/2017)
- 24) Anti-Corruption Training Manual (ECCD-PGG-REG-10/2017)
- 25) Anti-Corruption Training Curriculum (ECCD-PGG-REG-11/2017)
- 26) Technical Paper on: Risk and Opportunity Management Procedure (ECCD-PGG-REG-12/2017)
- 27) Technical Paper on: Methodology for assessment of good governance in the secondary vocational and higher education sector in Belarus (ECCD-PGG-REG 15/2017)

5.2 List of activities (title of the activity, dates and location)

5.2.1 Regional:

- 1) **Regional Workshop on Conflict of Interest Legislation**

- 15-16 October 2015 Istanbul, Turkey
Number of participants: 12; Female/Male participants: 4/8
- 2) **Regional Workshop on Cross-border Cooperation between Law Enforcement Agencies on Corruption and Economic Crime Investigations**
19-20 October 2015, Istanbul, Turkey
Number of participants: 12; Female/Male participants: 0/12
- 3) **Regional Workshop on Economic Crime Investigations**
25 – 27 April 2016, Kyiv, Ukraine
Number of participants: 24; Female/Male participants: 1/23
- 4) **Regional Workshop on Liability of Legal Entities**
28 - 29 April 2016, Kyiv, Ukraine
Number of participants: 18; Female/Male participants: 7/11
- 5) **Regional Workshop on Integrity Testing**
23 – 24 June 2016, Tbilisi, Georgia
Number of participants: 21; Female/Male participants: 9/12
- 6) **Regional Workshop on Whistle-blower Protection**
17 – 18 October 2016, Budapest, Hungary
Number of participants: 18; Female/Male participants: 5/13
- 7) **Regional Workshop on Lobbying Regulation**
23 – 24 November 2016, Riga, Latvia
Number of participants: 15; Female/Male participants: 5/10
- 8) **Regional Workshop on Corruption Risk Assessment in the Health Sector**
14 – 15 December 2016, Kyiv, Ukraine
Number of participants: 11; Female/Male participants: 6/5
- 9) **Regional Workshop on Corruption Proofing of Legislation**
22-23 May 2017, Kyiv, Ukraine
Number of participants: 17; Female/Male participants: 9/8
- 10) **Regional Workshop on Corruption Risk Assessment in Public Procurement**
12 March 2018, Tbilisi, Georgia
Number of Participants: 22 ; Female/ Male participants 8/16
- 11) **Regional Workshop on “Possible avenues to address illicit enrichment to fight corruption”.**
18-19 June 2018, Chisinau, Moldova
Number of participants: 24; Female/Male participants: 7/17

- 12) **International Conference on Transparency of Beneficial Ownership**
30-31 October 2018, Tirana, Albania
Number of participants: 18; Female/Male participants: 10/8
- 13) **Regional Workshop on Risk-Based AML/CFT Supervision for Designated Non-Financial Businesses and Professions (DNFBP) Supervisors**
22-23 November 2018, Istanbul, Turkey
Number of participants: 24; Female/Male participants: 12/12
- 14) **Regional Workshop on Assessment of Independence and Effectiveness of Anti-Corruption Bodies in the Eastern Partnership Countries**
17-18 December, 2018, Kyiv Ukraine
Number of participants: 23; Female/Male participants 4/19
- 15) **Regional Workshop on Internal controls as an integrity and corruption prevention tool**
18 December 2018, Kyiv Ukraine
Number of participants: 23; Female/Male participants 4/19
- 5.2.2 Country-specific:**
- 16) **Roundtable discussion on integrity testing reform**
20 January 2015, Chisinau, Moldova
Number of participants: 53; Female/Male participants: 27/26
- 17) **Training on Investigation and Prosecution of Legal Entities for Economic Crimes**
16-17 November, 2015, Tbilisi, Georgia
Number of participants: 21; Female/Male participants: 3/18
- 18) **Training on Anti-Corruption Concepts**
13-14 March 2017, Tbilisi, Georgia
Number of participants: 22; Female/Male participants: 17/5
- 19) **Workshop on international standards and good practices with corruption risk assessments and risk management**
24-25 May 2016, Baku, Azerbaijan
Number of participants: 34; Female/Male participants: 8/26
- 20) **Training on Risk Management: Principles and Guidelines**
15-16 May 2017, Baku, Azerbaijan
Number of participants: 14; Female/Male participants: 3/11
- 21) **Training on Economic Crime Investigations**
18-19 December 2017, Tbilisi, Georgia
Number of participants: 22; Female/Male participants: 8/14