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## Eastern Partnership-Council of Europe Facility Project on “Good Governance and Fight against Corruption”

### Overview of activities (2011 – October 2014)

***Expected Result 1: Eastern Partnership countries have defined and are committed to apply policy and prevention measures to enhance good governance and fight against corruption***

#### **Regional Activity: “Improving and Designing Anti-Corruption Policies”**

Two **Regional Workshops** on “Designing of national anti-corruption policies” and on “Mechanisms of implementing and monitoring of anti-corruption strategies, including education and public awareness” were held in Strasbourg (3-4 November 2011) and Warsaw (15-16 December 2011).

The Workshops brought together around 25 national experts from all EaP countries, mostly staff of government units responsible for policy design, as well as representatives of civil society organisations. Both events compared practices in EaP and other countries and focused on an exchange of good practices. Countries that were in the process or intended to draft new anti-corruption policies in 2012 (Azerbaijan, Armenia and Belarus) emphasised the practical impact these two workshops would have on their future work.

The Project prepared a Handbook “Designing and Implementing Anti-Corruption Policies”, which compiles good practices and serves as a resource for drafting anti-corruption policies not only in EaP, but also in other countries.

The results of the two Workshops and the draft handbook were presented and reviewed at a **Regional Conference** on “Good practices of designing, implementing and monitoring anti-corruption policies”, held in Kyiv, on 29 March 2012.

#### **Regional Risk Assessment: “Typologies of underlying causes of corruption”**

The aim of this multi-action regional activity was to assess corruption risks and identify weaknesses and causes of corruption in integrity systems of the Eastern Partnership countries by addressing a specific sector in each beneficiary country. It consisted of a regional workshop on methodology and of country visits to identify corruption risks in the following sectors:

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|-------------|--|
| Armenia:    | Asset declarations (21-23 November 2012)               |
| Azerbaijan: | Ethics in civil service (23-27 April 2012)             |
| Belarus:    | Ethics in public service (November 2013)               |
| Georgia:    | Prosecution services (December 2013)                   |
| Moldova:    | Integrity of local governments (August-September 2012) |
| Ukraine:    | Asset declarations (25-27 September 2012)              |

The first country risk assessment was carried out in **Azerbaijan** in the period of 23-27 April 2012. The aim of this activity was to identify typical ethical dilemmas and weaknesses in the delivery of public services in Azerbaijan, and needs for action (regulatory, institutional, training, etc.). As a result of this exercise, an assessment report has been prepared analysing the weaknesses of the system and providing recommendations for its further improvement. According to the Civil Service Commission, some of the recommendations have been incorporated in draft legal amendments submitted to the government and aimed at ensuring higher independence of Ethics Commissioners.

The Project carried out the risk assessment of integrity of local governments of the **Republic of Moldova** in close co-operation with the local NGO – Institute of Urban Development (IUD) – in two selected District Councils through a participatory approach. The exercise consisted of preparatory stage (small surveys among civil servants and NGOs based on two questionnaires developed by IUD) and participatory workshops (21 and 24 September 2012) to analyse the results of the surveys, assess corruption risks and identify areas most vulnerable to corruption. As a result of this exercise, diagnostic/assessment reports were prepared for each District containing a detailed analysis of areas most vulnerable to corruption. The risk assessment was followed by a Pilot Activity under which local strategies addressing the identified corruption risks were developed for each District. These strategies were available on the District Councils' websites for public discussion and were reviewed and examined by experts of the National Anti-corruption Centre (NAC – formerly “CCCEC”) and another Moldovan NGO – Resource Centre for Human Rights (CReDO).

The aim of the risk assessments carried out in **Ukraine** and **Armenia** was to assess corruption risks and potential weaknesses in their income and asset declaration systems, by focusing on financial supervision of public officials, and to identify needs for action (regulatory, institutional, training, etc.). (Kyiv, 25-27 September 2012; Yerevan 23-25 November 2012). As a result of this exercise, assessment reports were prepared each containing an analysis of the system and recommendations for its further improvement. The Ministry of Justice of Ukraine has already incorporated some of the recommendations into draft amendments to legislation on income and asset declarations. The Armenian risk assessment has been complemented by two Pilot Activities for the Ethics Commission for High-Ranking Officials on processing and verifying asset declarations (see below Pilot Activities 3.1) and A Manual for the Ethics Commission for High-Ranking Officials of Armenia on Processing and verifying financial declarations has been prepared and is available in English and Armenian Languages.

The results and findings of the above-mentioned four country risk assessments have been incorporated into a regional Typology Study on underlying institutional causes of corruption and presented at the Regional Conference “Presentation of risk assessment: Typologies of underlying causes of Corruption” in Chisinau on 11 April 2013. The Conference brought together about 60 representatives of government bodies responsible for policy advice and prevention of the six Eastern Partnership countries, including international organisations and civil society, and allowed for a cross-regional exchange on the risk assessments, thus putting their results at use beyond each country.

Following the country visit carried out in Belarus, the Project prepared and published a risk assessment report on Ethics in public service of **Belarus**. The report provides an extensive overview of national legislation and its implementation, and suggests recommendations for improvement in line with European and international standards. For **Georgia**, the assessment focused on the legal framework and actual exercise of discretion in the prosecution services. As a result of this exercise, an assessment report was prepared containing an analysis of the system and recommendations for its further improvement.

The results and findings of the two country risk assessments were incorporated into the Regional Study and will be presented at the Final (closing) Conference of the Project.

The regional workshop on methodology was held in Strasbourg on 19 June 2012 and brought together national experts from anti-corruption policy units. It was a combination of discussions of theoretical methods and concepts of corruption risk assessment and group work on practical exercises. The aim of this workshop was to strengthen the capacities of national experts to assess corruption and analyse its causes, identify weaknesses in countermeasures and translate the assessment results into actions. Guidance on the methodology of risk assessment and practical exercises were translated into Russian and disseminated to the Project's National Anti-corruption Focal Points to ensure impact of the workshop in national Anti-Corruption policy units.

**Regional Workshop I – extension phase: Reviewing and sharing of good practices on processing and verifying assets declarations (Istanbul, 28-29 May 2014)**

The activity focused on training professionals and civil society representatives, such as investigative journalists or NGOs, on how to analyse declarations financially and to detect hidden income and expenditures. The workshop also provided an opportunity to share good practices and different methods of processing financial declarations in the EaP region. The event brought together 24 representatives from all 6 EaP countries. This activity allowed participants to further deepen their knowledge and to also use their newly acquired skills as training multipliers in their respective countries by using the training material available in English and Russian. As for civil society representatives, the workshop enabled them to better carry out their watchdog functions with regard to asset declarations.

***Expected Result 2: Eastern Partnership countries are provided with the tools for effective law enforcement and implementation of legal frameworks when fighting economic crime***

**Regional Training: Implementing standards on detection, investigation and criminalisation of economic and financial crimes (Syracuse, 12-16 March, 2012)**

On 12-16 March 2012, the first regional specialised training on “Implementing standards on detection, investigation and criminalisation of economic and financial crimes” was conducted by the International Centre for Asset Recovery of the Basel Institute on Governance (ICAR-BIG) at the International Institute of Higher Studies in Criminal Sciences (Syracuse, Italy). The training focused on capacity building of 26 law enforcement officials in investigating and prosecuting large scale international money laundering and corruption cases and was a combination of foundation building lectures, discussions, practical exercises and group work on a complex financial investigation and asset tracing case. As a follow up, a training manual (English/Russian) was prepared by ICAR-BIG that will allow participants to refresh and deepen their newly acquired skills, and will support further vocational trainings in the six Eastern Partnership countries on this subject.

**Regional Activity: Analysis and typologies on laundering the proceeds of corruption in transition economies**

This is another multi-action regional activity which consisted of regional workshops and country missions aimed at analysing and researching patterns on laundering the proceeds of corruption in the Eastern Partnership region and preparing a regional typology study on this subject.

The 1st Regional workshop was held in Strasbourg on 3 July 2012 and brought together experts and analysts from the Financial Intelligence Units (FIU) of the six Eastern Partnership countries.

The Head of the FIU/Operations of Lichtenstein provided input on the rationale and methodology of the activity, and a representative of the Financial Action Task Force (FATF) presented related work and research carried out by his organisation. The participants reviewed and adopted the methodology and the questionnaire on collecting and analysing the information. The FIUs were requested to complete the questionnaire in order to allow for the country missions to start in October 2012.

The first country meetings with the representatives of FIUs and Prosecutor General's Offices of Azerbaijan, Armenia and Ukraine were held in Baku on 18 October 2012, Yerevan on 23 November 2012 and in Kyiv on 27 March 2013 respectively with the aim to discuss in detail the cases reported in the questionnaire and to obtain further information.

The Regional Workshop on "Analysis and typologies on laundering the proceeds of corruption in transition economies" took place on 19 September 2013 in Strasbourg, France, with representatives from the six Eastern Partnership Financial Intelligence Units (FIUs) to review and adopt the country studies.

Following a series of activities, a regional Study (English/Russian) was prepared and adopted at the Regional Conference in Minsk on 27 November 2013. The document provides cases and patterns of laundering proceeds of corruption in the EaP countries, which assist FIUs in broadening their perception and understanding of cases involving their jurisdictions. The Project used the opportunity of the Conference to exchange good practices on how FIUs in the region and other countries scrutinise information on politically exposed persons (PEPs). Furthermore, an exchange with a money-laundering expert from a private bank working in the region allowed the present representatives of FIUs a deeper understanding of the challenges and needs the private sector faces in terms of cooperation with FIUs.

### **Regional Training: Implementing standards concerning criminal and civil liability for legal persons (Kyiv, 11-12 June 2013)**

The aim of this interactive training was to enhance the knowledge and understanding of the liability of legal persons for corruption offences and is primarily targeted at investigators and prosecutors of the six EaP countries dealing with such cases, and to some extent to law drafters and policymakers. The training was a combination of presentations and classroom discussions on international standards and good practices, and group work on practical exercises. The Project prepared a training manual (English/Russian) to allow participants to reinforce their newly acquired skills as well as to support further vocational trainings.

### **Regional Training: Political party and electoral campaign financing (Chisinau, 18-19 June 2013)**

The 3rd Evaluation Round by the Council of Europe's Group of States against Corruption (GRECO) has entailed numerous changes to the laws on political finance in the Eastern Partnership region. The effective application of those new laws depends on the skills of experts responsible for supervising and auditing political party and electoral campaign financing. The training aimed at building the respective capacity.

The training focused on strengthening capacities of 27 representatives of structures/institutions responsible for oversight and auditing of political party and electoral campaign financing in the six Eastern Partnership countries. The participants looked at red flags and patterns of illegal cash-flow to and from political parties and campaigns, and at possible leads to uncover the illicit financing from the perspective of a financial analyst or investigator. The Project prepared a training manual

(English/Russian) to allow participants to reinforce their newly acquired skills as well as to support further vocational trainings.

### **In-country follow-up trainings (Baku, Chisinau, Kyiv, Minsk, Tbilisi, and Yerevan)**

The above mentioned regional trainings on “Political party and electoral campaign financing” and “Liability of legal persons for corruption offences” were highly rated by participants for the interactive approach and the use of simulated investigative scenarios. Thus, the Project, in its extension phase 2014 organised follow-up trainings in each EaP region countries. The aim of these activities is to reach out to a larger pool of 150 professionals and civil society representatives in improving and enhancing their skills in the relevant domains. The extension phase of the Project is particularly focused on the involvement of CSO in the training activities.

The country specialised trainings on “Liability of legal persons for corruption offences” took place in Baku (15-16 September 2014), Tbilisi (17-18 September 2014) and Minsk (21-22 October 2014).

The Training on “Political party and electoral campaign financing” was implemented in Chisinau on 12-13 June 2014.

### **Expected result 3: Eastern Partnership countries efficiently apply and implement European and international standards on good governance and the fight against corruption when addressing their specific needs**

#### **ARMENIA**

The aim of these pilot activities was to assist the newly established Ethics Commission for High-Ranking Officials of Armenia with establishing a verification procedure of income and asset declarations of public officials in line with international standards. To this end, the Project drafted a Manual on processing and verifying financial declarations which includes all aspects of implementing the declarations system, such as standard procedures for analysing declarations, red flags, cooperation with other institutions, implementing sanctions, etc. It is aimed to serve as a guideline for the future work of the Ethics Commission. Besides an English version, it is now also available in Armenian language.

Furthermore, on 20 March 2013, the Project organised a capacity-building workshop on good practices of verifying financial declarations aimed at presenting and discussing with Ethics Commissioners the methodology and good practices of verifying financial declarations. The participants also reviewed the first draft of the Manual to allow for its ensuing finalisation.

The Manual contains an extensive chapter on verification methodology which will be of use not only in Armenia, but throughout the EaP region and beyond. For that purpose, the Project extended the Manual into a regional version targeted for an audience in all EaP-countries. The regional manual was used together with practical case exercises during the 2-day Regional workshop on asset declarations which took place on 28-29 May 2014 in Istanbul, Turkey (see above “Regional Workshop I”).

#### **AZERBAIJAN**

On 2 March 2012, a Roundtable on the draft “**National Action Plan** on Increasing Transparency and Combating Corruption of the Republic of Azerbaijan” was held in Baku as one of the Pilot activities in Azerbaijan. The Roundtable provided an opportunity for a public discussion and review

of the draft Action Plan with the representatives of civil society and international organisations. In addition, the Project worked with the Secretariat of the Commission for Combating Corruption on the further improvement of the draft Action Plan through a Technical Paper prepared by the Project's Long-Term Adviser.

On 16-17 October 2012, the Project organised two one-day interactive trainings of trainers on **ethics** in public service in co-operation with the Civil Service Commission under the President of the Republic of Azerbaijan (CSC). The trainings consisted of presentations, group work and discussions of ethical dilemmas faced by public officials. Approximately 50 participants, namely ethics commissioners, representatives of the CSC and staff of human resources departments of central and local government agencies took part in the trainings. The Project used the training materials developed by another EU/CoE Joint Project on Ethics for the Prevention of Corruption in Turkey (TYEC) and tailored the trainings to the specific needs of Azerbaijan as identified during the risk assessment visit to Baku (23-27 April 2012; Activity 1.4) on ethical weaknesses in the delivery of public service. Furthermore, the Project translated the core documents of the training material into Azerbaijani language.

On 26 April 2012, the Project organised a Workshop on good practices of **e-government** as another Pilot Activity in Azerbaijan with the aim of facilitating the implementation of a new presidential decree under which all central agencies have to introduce e-government tools for government-to-citizen applications. A variety of international examples of current and future interfaces between the state and citizens were presented to and reviewed with approximately 35 representatives from all central state bodies of Azerbaijan. Three comprehensive presentations document international good practices and are available on the Project's website.

## **BELARUS**

Following the risks assessment mission to the Republic of Belarus on **ethics** in public service and its findings, the Project organised training for civil servants on basic anti-corruption concepts including ethics (Minsk, 30 September – 3 October 2013). The 4-day event brought together 40 participants. Part of the training was dedicated to the issue of ethics and to training ethics including topics such as: What is ethics? How to regulate ethics? How to solve ethical dilemmas? How to engage civil servants in an ethical culture? The ethics part is directly linked to the risk assessment activity. The training consisted of presentations, classroom discussions and practical exercises focusing on the analysis, prevention, and criminalisation of different forms of corruption.

As another pilot activity, the Project is currently carrying out a risk assessment of online auctions as a tool of public procurement in Belarus.

## **GEORGIA**

Following recommendations by GRECO and with regard to the European Commission's "Action Plan on Visa Liberalisation with Georgia" of February 2013, Georgia introduced amendments into the Law on Public Service and into the Law on Conflicts of Interest for further regulating **protection of whistleblowers** in 2009. The project prepared an expertise on legislative amendments to improve the protection of whistleblowers in line with European standards.

A number of recommendations provided by the Project's experts was taken into account by the version as adopted by the Parliament of Georgia. EU accepted the final law as good practice, and confirmed that Georgia had fulfilled this criterion of the Visa Liberalisation Action Plan.

Georgia is in the process of drafting a new **Anti-Corruption Strategy/Action Plan** for the years 2014 onwards. In order to support this process, the Project organised a public roundtable in cooperation with the Ministry of Justice of Georgia on 2 May 2014 in Tbilisi. Its aim was to discuss the self-Assessment Report on the implementation of the current Anti-Corruption Action Plan as well as to review the Draft Strategy and Action Plan for 2014 -2016.

The roundtable also focused on the development of the indicators of the Anti-Corruption Action Plan to insure its effective implementation. To this end, the Project provided recommendations on how indicators could measure success of actions quantitatively and qualitatively; the Project also pointed to the limits of indicators and to the need of avoiding indicators becoming a non-pragmatic and bureaucratic overhead. About 40 representatives of relevant governmental agencies, members of the Anti-Corruption Working group responsible for the preparation of the draft document, and representatives from civil sector and international organisations discussed the draft Strategy/Action Plan and contributed to the event.

The Project contributed to the meeting of the inter-agency working group organised by the Civil Service Bureau with the participation of other relevant structures and organisations (MoF, MoJ, CSB, Taxes, GIZ, World Bank) on the verification system of **asset declarations**. The project provided its expertise and advice on how to facilitate implementation of the verification methodology. The verification methodology is largely based on a technical paper prepared by the Project in 2014.

## **MOLDOVA**

The Republic of Moldova was the first country to start implementation of Pilot activities. One of them was designed to bring the law on **political finance** in line with GRECO recommendations. Two Roundtables on Political Finance were held in Chisinau on 1 November 2011 and 27 February 2012 and were attended by representatives of state institutions, civil society and international organisations, as well as national and international experts. Based on the findings of the Roundtables, a Working Group elaborated a legislative draft, which was presented to the public on 7 May 2012. The draft Law on financing political parties and electoral campaign was approved by the Parliament in first lecture on 17 July, 2014. It was acknowledged by national and international stakeholders that the draft law is a major step forward in bringing the Moldovan political finance legislation in line with GRECO recommendations.

Another Pilot activity in the Republic of Moldova is the development of **anti-corruption strategies for local governments**. A methodology was adopted on 31 October 2011 based on a Technical Paper prepared by the Project's Long Term Adviser. Following this decision, workshops for designing anti-corruption strategies in local governments had been prepared in co-operation with local NGOs and will be combined with a risk assessment exercise aimed at developing a model anti-corruption strategy for local governments.

This activity is a follow up to the risk assessment carried out in the two District Councils under the Project's regional risk assessment activity (Activity 1.4). On 4 and 5 October 2012, one-day participatory workshops were held in Căușeni and Telenești District Councils allowing approximately 30 representatives of the District Councils, NAC and civil society to actively participate in the process of developing local strategies aimed at addressing the corruption risks identified during the risk assessment exercise. These strategies were publicly discussed by the District Councils' commissions and examined by experts of the NAC and another Moldovan NGO – Resource Centre for Human Rights (CReDO). They were adopted by the respective District Councils in 2013. Furthermore, based on the two strategies, a Model Integrity Plan for Moldovan

local governments has been drafted. The National Anticorruption Centre has sent letters of notification to the local authorities of second level, which aim at recommending them to adopt and implement the Model Anticorruption Action Plan in their districts. The local authorities of second level will be trained by the representatives of the National Anticorruption Centre in the area of implementing their Action Plans.

At the request of the National Anticorruption Centre of the Republic of Moldova The Project prepared and published technical papers on how the revised Criminal Code and other laws comply with international standards regarding **illicit enrichment, extended confiscation, special confiscation and integrity testing**. This Technical Paper is a follow-up to an Opinion provided by the Council of Europe Secretariat as of 8 January 2013. The Technical Paper will be available in Moldovan language.

## **UKRAINE**

For several years Ukraine has been trying to introduce **liability of legal persons**. On 5 March 2013, the Project organised a Roundtable in co-operation with the Ministry of Justice of Ukraine aimed at raising awareness among Ukrainian lawmakers and other relevant stakeholders of the normative and financial benefits of liability of legal persons and thus facilitating adoption of the draft law by the Verkhovna Rada. The Roundtable brought together over 40 participants from various government institutions, as well as representatives of civil society and academia. The participants had the opportunity to familiarise themselves and discuss with Project experts international standards and experiences, and the draft law on liability of legal persons. Comments and suggestions for further improvement of the draft law expressed at the Roundtable were taken into account during the second reading in the Verkhovna Rada. A number of recommendations provided by the Project were taken into account by the version as adopted by the Verkhovna Rada of Ukraine.

Pilot activity entitled **Expertise and workshop on the new Action Plan (“State Program”) 2011-2015** was implemented by the Project. The Project translated the new Anti-Corruption Action Plan into English and drafted an assessment which was finalised at a working meeting with representatives of the Ministry of Justice of Ukraine on 1 February 2012. As a result of this activity, advice and recommendations on further improvement of the National Anti-Corruption Action Plan was provided. According to the Ukrainian authorities, the findings and recommendations formulated by the Project as regards better definition of progress indicators and more active involvement of civil society in the monitoring of the implementation were taken into account during the recent review of the Action Plan.

### **Upcoming activities – extension phase**

**(November-December 2014)**

According to the draft Workplan, the Project intends to organise the following activities:

#### **Expected Result 2: Eastern Partnership countries are provided with the tools for effective law enforcement and implementation of legal frameworks when fighting economic crime**

The country specialised trainings on “Political party and electoral campaign financing” will be implemented in Yerevan, Armenia, on 2-3 December 2014 and in Kyiv, Ukraine on 9-10 December 2014. The aim of the activity would be to reach out to a larger pool of 150 professionals and civil society representatives in improving and enhancing their skills in the relevant domains.

### **Expected result 3: Eastern Partnership countries efficiently apply and implement European and international standards on good governance and the fight against corruption when addressing their specific needs**

In order to assist EaP countries in the implementation of European and international standards which are in line with their reform priorities, the Project will provide expertise on the topics selected by respective beneficiary country. Until the end of 2014, the Project will finalise expertise of the draft law on the Protection of Whistleblowers upon the request of the Commission on Combating Corruption of **Azerbaijan**, will review and provide opinion on the function of electronic auctions and procurement in Belarus and will organise a training on the verification methodology of asset declarations for the CSOs in cooperation with the Ethics Commission for High-Ranking Officials of **Armenia**. In **Ukraine**, the Project will assess the revised asset declaration system.

### **Regional Stocktaking Conference (3.7): Exchange on reforms and good practices during the implementation of the Project (Tbilisi, 12 December 2014)**

The Closing Conference will be an opportunity for assessing the progress of anti-corruption reforms related to project activities. In addition, the Closing Conference will allow for looking ahead for next steps of anti-corruption reforms and activities to be undertaken in the region.

### **Co-operation**

The Project established very good working relations with all National Anti-Corruption Focal Points and effectively co-operates with all participating beneficiary institutions.

Feedback received from participants in the regional activities and their lively participation shows that the Project fulfils a real need for exchange of good practices and for reflecting on national approaches in the light of other regional examples. At the same time, the comparison of practices introduces competitive element motivating further reforms.

Counterparts and beneficiaries particularly appreciate the coherent approach to the regional and country specific dimension and the possibility to address their specific reform needs and priorities through the Pilot activities, while maintaining a regional setting of intervention.

The interactive training activities using simulated investigative scenarios and case exercise received a particular positive feedback; thus the Project plans to further build on this training method and broaden its use in forthcoming trainings.

### **Civil society involvement; European expertise**

Civil society participation in all activities of the Project has been strong: representatives actively participated in almost all regional and Pilot Activities implemented so far. To this end, the Project consults with representatives of the EaP Civil Society Forum with a view to providing advice and assistance in the selection of NGO representatives in relevant project activities. At the same time, most of the independent Council of Europe experts involved in the implementation of the activities are also members of international or local civil society organisations. Furthermore, the Project has been cooperating with non-governmental organisations in implementing two activities. The Project plans to continue this inclusion of civil society in all future activities wherever possible.

The Project has so far engaged for past and some future activities experts from a variety of European countries (Bulgaria, Czech Republic, Denmark, Estonia, Georgia, Germany, Italy, Latvia, Republic of Moldova, Portugal, Poland, Romania, Switzerland, Turkey, and United Kingdom), in addition to the national experts that have been involved in the above-mentioned activities.