



European Commission

Description of the Action

Name of applicant:	The Council of Europe	
Title of the action:	Controlling corruption through law enforcement and prevention (CLEP)- the Republic of Moldova	
Location of the action:	Chisinau, the Republic of Moldova	
Total eligible cost of the action (A)	Amount requested from the Contracting Authority (B)	% of total eligible cost of action (B/Ax100)
2 225 000 EUR	2 000 000 EUR	89%
Total duration of the action:	36 months	
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List of Abbreviations

ABA/ROLI	American Bar Association / Rule of Law Initiative
ACA	Anti-Corruption Alliance
ARO	Asset Recovery Office
CAPC	Centre for Analysis and Prevention of Corruption
CARIN	Camden Assets Recovery Interagency Network
CEC	Central Electoral Commission
CIJ	Centre for Investigative Journalism
CoE/EU JP	Joint Programme between the Council of Europe and the European Union
DNFBP	Designated Non-Financial Businesses and Professions
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EU	European Union
EUBAM	European Union Border Assistance Mission to the Republic of Moldova and Ukraine
GPI	General Police Inspectorate
GPO	General Prosecutor's Office
GRECO	Council of Europe's Group of States against Corruption
IACA	International Anti-Corruption Academy
IFC	International Financial Corporation
IPAS	Department of internal oversight and combating corruption /MIA
MIA	Ministry of Internal Affairs
MOLICO	Project against Money Laundering and Terrorist Financing in Moldova
MONEYVAL	Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism
MP	Member of Parliament
NAC	National Anti-corruption Centre
NIA	National Integrity Authority
NIC	National Integrity Commission
NJI	National Justice Institute
NSPCC	National Strategy for Preventing and Combating Corruption
OECD	Organisation for Economic Co-operation and Development
OPFAML	Office for Prevention and Fight against Money Laundering /NAC
PEP	Politically exposed persons
PPA	Public Procurement Agency
SIDA	Swedish International Development Cooperation Agency
SIM	Special Investigative Measures
TI	Transparency International

UN	United Nations
UNDEF	United Nations Democracy Fund
UNDP	United Nations Development Programme
USAID	U.S. Agency for International Development

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1. PROJECT SUMMARY

Project title	Controlling corruption through law enforcement and prevention (CLEP)-the Republic of Moldova
Duration	36 months
Budget/funding	€ 2 225 000 (EU/EaP-CIB programme), € 225 000 (CoE/JP) CoE co-funding commitment under JP: 10.11% of total budget
Objective	To strengthen the anti-corruption framework in Moldova in line with European and international treaties.
Specific Objective	To support the reform of the anti-corruption regulatory framework and relevant institutions in line with European and international standards and re-enforce national and international co-operation of specialised law enforcement and prevention systems.
Expected Results	<ol style="list-style-type: none"> 1. Gaps and deficiencies in the regulatory framework concerning prevention and fight against corruption and money laundering/terrorism financing are addressed in line with relevant CoE and EU practices; 2. Capacities of authorities to design and implement corruption and money laundering prevention measures are enhanced; 3. Strengthened asset recovery framework and capacities of relevant involved and dedicated structures; 4. Upgraded information sharing systems and capacities for the national mechanisms concerning corruption offences/violations and of tracing of assets and their recovery; 5. National and international co-operation between national and international law enforcement agencies on data exchange and international tracing of crime proceeds concerning corruption and other forms of economic crime are supported and enhanced. 6. Public awareness and participation in the fight against corruption is increased.
Counterparts	National Anti-Corruption Centre (NAC), General Prosecutor Office, Anti-Corruption Prosecutor's Office, National Integrity Authority (NIA), Office for Prevention and Fight against Money Laundering (FIU) Ministry of Internal Affairs (MIA), Ministry of Justice (MoJ), High Judicial Council, Supreme Council of Prosecutors, Combating Organized Crime and Special Cases Prosecutor's Office, Ministry of Finance (MoF), State Tax Service, Customs, Central Bank of the Republic of Moldova, National Justice Institute, Police Academy, Journalists, Civil Society.
Implementation	Council of Europe: Economic Crime Cooperation Division, Action against Crime Department, DG-I

2. BACKGROUND

2.1. Situation in the sector

Corruption in the Republic of Moldova has been well documented over the past decade, and in spite of incremental advances of anticorruption policies, it remains one of the main impediments for development. Corruption affects all sectors of society, and takes place at all levels of the State and society.

The Republic of Moldova's **anti-corruption policy** and **legal framework** have been subject to international monitoring, most notably by the Council of Europe's Group of States against Corruption (GRECO). GRECO's recommendations to the Republic of Moldova have been **implemented slowly**, due to a lack of political will to advance substantial reforms in this area. As a result, there has been a considerable number of specific technical advice extended to the Republic of Moldova by various technical assistance projects, including MOLICO, an earlier Council of Europe-implemented anti-corruption project from 2006-2009.

Many GRECO recommendations continue to be valid, and they provide a sound roadmap for the country on anti-corruption reforms. Many of the technical and legal advice papers provided through Council of Europe technical assistance efforts – for example on anti-corruption legislation – also remain relevant, but they remain for the Moldovan partners to be translated into concrete action.

The Republic of Moldova has most of the formal ingredients of a solid anti-corruption architecture, including institutions in charge of anti-corruption policies and legislation, as well as institutions responsible for prevention and repression. The implementation of reforms is underway. However, they have been hampered by a lack of political will and indirect influence of state officials over the National Anti-corruption Centre, Office of the Prosecutor General, the courts and National Integrity Commission.¹

The cooperation between state institutions in charge of the fight against corruption and the **civil society**, which has formally been in place for some time, needs a new impetus. There are indications that processes that have been established recently remain formal, rather than leading to substantial reforms in which civil society would have a more active role. In a number of cases, the new consultation processes obscure the dependency of line ministries, which lack internal expert capacity, on technical input from NGOs with a developed capacity and experience acquired over many years.

In December 2013, Moldovan Parliament passed a large body of anticorruption legislation in the judiciary field, spearheaded by the signature of an Association Agreement with the European Union in June 2014. In November 2014, Moldovans voted for a new Parliament and the anti-corruption agenda featured high in the electoral campaign.

At present, the Republic of Moldova faces multiple **challenges**, which have a bearing on anti-corruption reforms. The nature of Moldovan coalition government makes it more

¹ EU and anticorruption institutions in Moldova, EPC, 1 August 2014.

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prone to political rather than merit-based appointments. The continuation of reforms will depend on the new parliamentary majority's willingness to carry them out. Given the country's limited economic resources, the commitment of external donors to support reforms is crucial and will largely depend on the credibility of the new government's reform agenda.

In light of the current political situation, but also having in mind the extent of technical advice previously provided to the respective Moldovan authorities, there is a persistent need for further technical assistance in this area, however tied with certain conditionality. The Council of Europe, together with the European Union as the main donor, is an obvious implementation partner for such targeted assistance which would be based on continued support for the implementation of the national anti-corruption and anti-money laundering strategies, as well as judicial reform.

The CoE intervention should, of course, be closely linked to the GRECO review of its recommendations and previous Moneyval evaluation reports.

Current political situation

In November 2014 Moldovan voters went to the polls confirming the majority support for pro-European reforms. The previously ruling three-party coalition however failed to maintain its unity after the elections. Following protracted talks, the Liberal Party withdrew, claiming its proposal to name a foreigner as a Prosecutor was not supported. In February 2015, after a first failed attempt, a new government was voted by a minority Parliamentary coalition of Democrats and Liberal-Democrats with support from the Communists. The Agreement of establishing the 3rd pro-European coalition was initialled on July 22, 2015. The three-party coalition is composed by the Liberal Party, the Democratic Party and the Liberal-Democratic Party.

Since then, the socio-political situation has been further complicated by endemic corruption and widespread financial mismanagement, peaking with the US\$ 1 billion-worth bank fraud. This resulted in 2015 in an anti-corruption grassroots' protest by an estimated 40,000 people, demanding the resignation of the government and conviction of those oligarchs and politicians who were believed to be involved in the fraud scandal, who are mostly affiliated with the leading pro-European coalition and include former Prime Minister Vlad Filat.²

On 13 November 2016 a representative of the Party of Socialists of the Republic of Moldova Mr. Igor Dodon won the presidential election, overcoming Maia Sandu of the Action and Solidarity Party in a second round run-off. The president-elect has called for an early parliamentary election in order to reshape the composition of the government,

Project implementation will likely occur in an environment of political instability and continuing demand of the society for efficiency of anti-corruption measures.

² "The Europeanisation of Moldova: Is the EU on the Right Track?" Clingendael Report, July 2016

2.2. International ratings

The Transparency International's Corruption Perceptions Index (TI CPI)³ shows a steady improvement over the last decade in the Republic of Moldova. This is mainly due to new institutions that have been established and policies that have been applied, as well as increasing media coverage of the issue. In 2015, Moldovan score (33) was below that of the neighbouring Romania (46) but above that of Ukraine (27) whose Maidan protest movement was largely motivated by corruption allegations. As a role-model among Eastern Partnership countries, the Georgian governance reform has brought this country a score of 52 – a realistic target for the Republic of Moldova as well.

Transparency International Corruption Perception Index: the Republic of Moldova 1999-2015



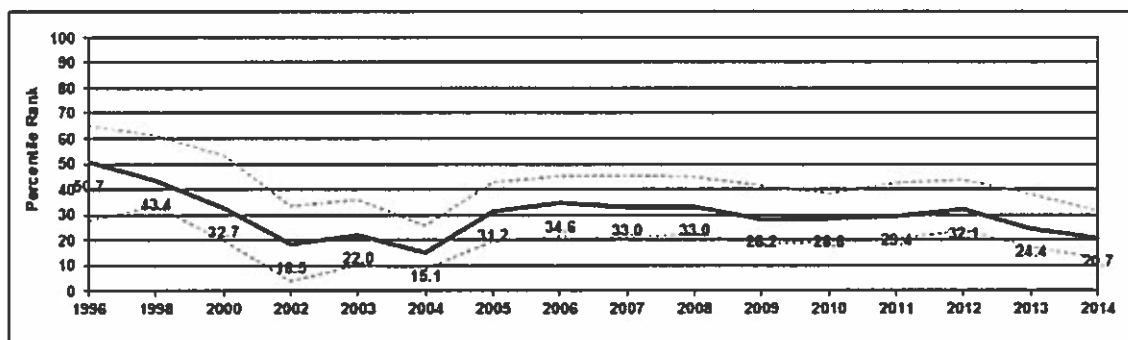
* Since 2012, the TI CPI uses a score from zero to a hundred, where zero means that a country is perceived as highly corrupt and a hundred it is perceived as very clean. The scores for previous years are translated into the new system for convenience.

The World Bank's "Control of Corruption" indicator,⁴ by contrast, reflects stagnation since 2005, pointing out that the on-going reform has not yet produced a clear change.

World Bank aggregate indicator Control of Corruption: the Republic of Moldova 1996-2014

³See [Transparency International](#) website.

⁴See [World Bank](#).



* The indicator reflects perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests. This graph represents the percentile rank of the Republic of Moldova among all countries, on which 0 signifies the weakest governance and 100 the strongest.

The World Bank "Ease of Doing Business" ranking shows an improvement in 2015-2016, the Republic of Moldova moving from 63 to 52 position among 189 countries/economies.⁵ However a number of areas remain highly problematic for business and thus prone for corruption, as shown below:

World Bank "Ease of Doing Business" ranking: the Republic of Moldova 2015-2016

Topics	DB 2016 Rank	DB 2015 Rank	Change in Rank
Starting a Business ✓	26	35	+ 9
Dealing with Construction Permits	170	169	+ -1
Getting Credit	104	100	+ -4
Registering Property	21	20	+ -1
Starting a Small Business	28	24	+ -4
Protecting Minority Investors	36	33	+ -3
Trading Across Borders	78	69	+ -9
Trading Across Borders	33	32	+ -1
Enforcing Contracts	67	66	+ -1
Resolving Insolvency ✓	60	59	+ -1

Other international indexes record the following status and evolutions for the Republic of Moldova:

- Basel Institute of Governance's *Country Risk Ranking for Money-Laundering* shows an improvement for the Republic of Moldova in 2012-2016 from 5.93 to 5.24. The scores range from 0 (low risk) to 10 (high risk).⁶

⁵ See [Doing Business](#).

⁶ See [Basel Institute](#).

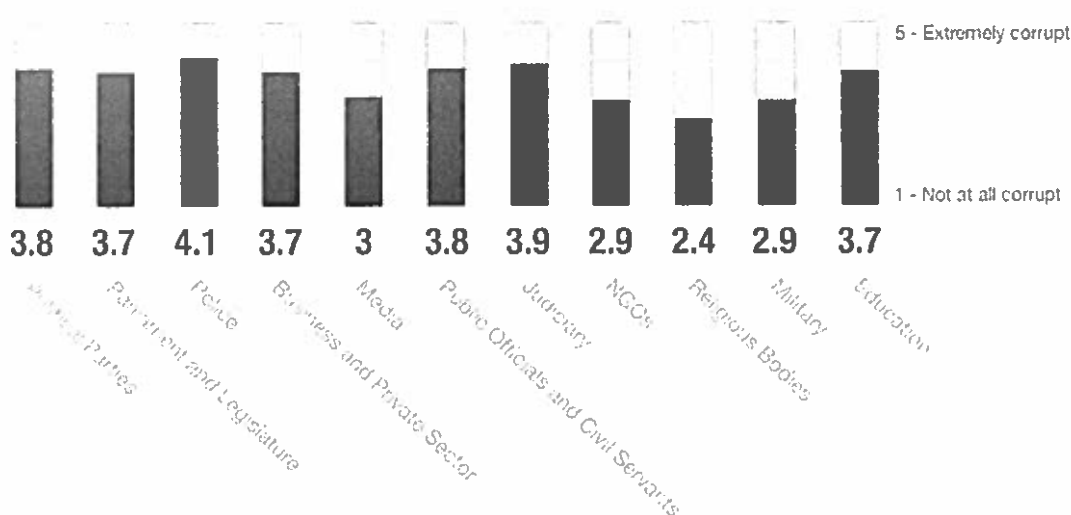
- TRACE's *Global Business Bribery Risk Index 2014* places the Republic of Moldova in the category of High risk countries with a score of 64.⁷
- Freedom House's *Nations in Transition Report 2016 Corruption Index* shows improvement decline for the Republic of Moldova in 2013-2016 from 5.75 to 6.00. The scores range from 1 (best) to 7 (worst).⁸
- Heritage Foundation's *Index of Economic Freedom / Freedom from Corruption Ranking* show an improvement for the Republic of Moldova in 2012-2016 from 29 to 35.⁹

2.3. Forms and sectors

The most corrupt sectors, according to Transparency International's Global Corruption Barometer 2013, are police and judiciary, followed by political parties, public officials, civil servants and members of parliament.¹⁰

TI Global Corruption Barometer: the Republic of Moldova 2013

The extent to which the following institutions are perceived by the public to be most affected by corruption:



According to a 2014 survey, 29% of the respondents, employees of institutions of the central public authorities, said the institution they work for is affected by corruption. The figure, however, is 13% lower than in 2012. About two thirds of those polled are ready to denounce cases of corruption.

The National Integrity System Assessment,¹¹ conducted by TI, indicated that Political Parties are most vulnerable to corruption, followed by Ombudsman, Business, Judiciary and Legislative branches. (We should remember that this ranking does not reflect the

⁷ See [TRACE Matrix Moldova](#).

⁸ See [Freedom House web site](#).

⁹ See [2015 Index of Economic Freedom – Moldova](#).

¹⁰ See [Transparency International's Global Corruption Barometer 2013, Moldova](#)

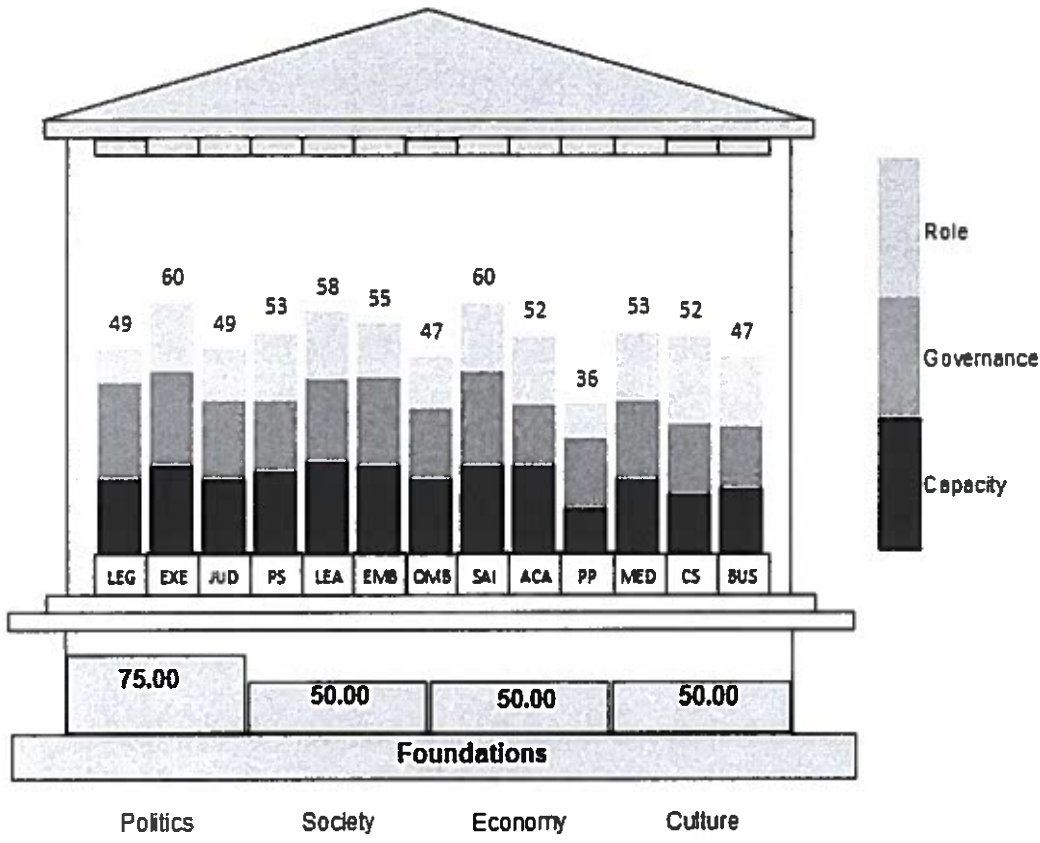
¹¹ [National Integrity System Assessment Moldova 2014, TI-Moldova, page 12.](#)

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level of corruption existing in the fields assessed but rather the capacity to fight corruption.)

TI National Integrity System Pillars: the Republic of Moldova 2014¹²



- | | | | |
|-----|---------------------------|-----|---------------------------|
| LEG | Legislature | SAI | Supreme Audit Institution |
| EXE | Executive | ACA | Anti Corruption Agencies |
| JUD | Judiciary | PP | Political Parties |
| PS | Public Sector | MED | Media |
| LEA | Law Enforcement Agencies | CS | Civil Society |
| EMB | Electoral Management Body | BUS | Business |
| OMB | Ombudsman | | |

According to a study of criminal corruption cases for the period 1 January 2010 - 30 June 2012, the most frequently found corruption crimes were: influence padding - 32%, passive corruption - 26%, abuse of power or abuse of office - 16%, followed by falsifying public documents - 8% and appropriation/embezzlement by use of official position - 6%.¹³ The forms of active corruption are rarely found in the documented criminal cases. Thus, only 3% of corruption cases are filed on active corruption, and 0.4 % on taking bribes.

A further 2015 sociological study, funded by the Ministry of Foreign Affairs of Norway and co-funded by UNDP, ranked both corruption and political instability as amongst the

¹² Idem, page 12.

¹³ Study on criminal corruption cases, October 2013, NAC.

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top four problems in the Republic of Moldova for households and businesses. In the perception of households, corruption was found to be most spread amongst police, prosecutors, medical staff, judges and customs officers. Meanwhile, the business respondents indicated that customs, law courts, police and prosecutors were most affected by corruption bodies.¹⁴

The decline in the 2015 CPI score is also reflective of the country's political instability. The successive fall of three governments in the space of a year, and the failure to address the noted deficiencies of the National Anti-Corruption Strategy, the Strategy for reforming the judicial sector, and the EU – the Republic of Moldova Association Agreement has consequently decreased public faith in the government's capacity to face corruption.¹⁵

2.4. Public awareness and participation

While recognising the threat of corruption, citizens are mostly concerned with the government meeting their basic economic needs. The Public Opinion Barometer elaborated quarterly by the Institute for Public Policy (IPP) shows that in the last ten years corruption (86 %), although it remains among the top concerns of the population, is only the fifth by importance, listed after the problems of low salaries (91%), lack of jobs (89%), poor living conditions (88%) and low pensions (87%).¹⁶

However, the public awareness of corruption was found to be on the increase, with 53.6% of household respondents claiming that corruption had increased over the course of 2015. Likewise, the public comprehension of corruption has significantly evolved: the number of households that are aware of the impact of corruption on poverty has increased from 56.8% in 2008 to 72.3% in 2015. Among businesses, the number has increased from 57.1% to 76.4% in 2015.¹⁷

A number of attention-grabbing cases were started against officials for acts of corruption in the Republic of Moldova in 2013 but, as they were political in character and were not finalised, the general public did not perceive them as an accomplishment in the fight against corruption.

Although still widespread, the bribery phenomena seem to be on a decrease. While 37% of Moldovans reported paying a bribe in 2010, only 30% have done so in 2013. Of these, 52% reported paying a bribe to the police, 38% to medical and health services, 37% to education services and 34% to the judiciary. In 2008-2012, there has been a rapid increase of respondents who do not tolerate bribery. Among household representatives, their share increased from 49.3% in 2008 to 73.1% in 2012, whereas, among businesspeople, it went from 41.2% in 2008 to 76.6% in 2012.¹⁸

¹⁴ Corruption in Republic of Moldova: Perceptions vs. Personal Experiences, TI-Moldova, 2015

¹⁵ See Transparency International's Corruption Perception Index 2015, Moldova press release

¹⁶ The Public Opinion Barometer, April 2014, Institute for Public Policy.

¹⁷ Corruption in Republic of Moldova: Perceptions vs. Personal Experiences, TI-Moldova, 2015

¹⁸ National Integrity System Assessment Moldova 2014, TI-Moldova, page 27.

In a recent survey, 84% of civil servants stated that they lodged personal interest statements in 2013, a considerable increase since 2012. Nevertheless, many of those questioned confused the personal interest statements and the income and property statements.¹⁹ Though the legislation imposes post-employment restrictions, about 74% of those surveyed said there are no such restrictions at their institution for employees. 28% of the respondents said the procedure for assessing the staff is not objective and transparent, while 33% said there are persons at their institution who were employed based on family relations. Based on the findings, TI-Moldova formulated a number of recommendations for the central public authorities, including the need to inform employees about the necessity of reporting conflicts of interest, to prepare a guide for reporting such cases, to ensure transparency in the hiring, assessment and promotion process and to take into account respondents' opinions about the incorrect policies implemented at the institutions of the central public authorities, so as to improve the working environment.

The attention and involvement of civil society with fighting corruption has been on the increase. Ten NGOs registered in January 2006 an Anticorruption Alliance. The association includes several journalist associations, expert and advocacy groups and Transparency International. Its members are actively monitoring the implementation of the National Anti-corruption Strategy, the activity of the National Integrity Commission; undertake journalistic investigations on corruption and money laundering.²⁰

2.5. Gender perspective

Research has consistently shown that in countries where there is greater female participation in public life there is less corruption. A study undertaken in 2002 in the Republic of Moldova has equally shown that women are slightly less tolerant for corrupt behaviour than men.²¹

CoE experts notice a fundamental transformation of gender relations in the Republic of Moldova in the last decade. The driving force which generates such changes is the increase of women's educational level (the gross rate of women enrolment at all educational levels amounts to 65.8% compared to 61.3% - for men), alongside with income increase coming both from wage labour (average wage of women in 2011 counted for 87.8% of men's average wage, compared to 73% in 2008 and 68% in 2006), and from other income-generating activities (entrepreneurship) or from labour abroad.²²

The participation of women in politics in the Republic of Moldova is rising but remains below the European average. For example, in 2014 Moldovan parliament accounted for 20.8% women while the parliaments of the European Union countries had on average 24.2% female MPs. The situation in Chisinau legislature is more gender balanced, however, if compared to neighbouring Romania (11.2%) and Ukraine (8%).

¹⁹ Civil servants on implementation of anticorruption policies, TI-Moldova Survey, March 2014.

²⁰ See Clean Moldova web site (ro).

²¹ Corruption in Moldova: facts, analysis, proposals, Chisinau, 2002.

²² Participation of women in public and political life in the Republic of Moldova, Chisinau, Mai 2013

Women representation at regional and local level mirrors the national parliament: women were 18.51% among mayors, 28.6% - among local councillors and 17.4% among municipal councillors in 2011.

Taking into account the Recommendations of the UN Committee for the elimination of all forms of discrimination against women, Government of the Republic of Moldova adopted a National programme for ensuring gender equality in the Republic of Moldova for 2010-2015 (Government Resolution no. 933 of 31.12.2009) which provides a comprehensive approach aimed at integration of the principle of gender equality in policy documents of all fields and at all levels of decision-making and implementation.

In line with PACE Resolution 1716(2010) on *Increasing women's representation in politics through the electoral system* CoE experts further recommend urgent measures through legal improvements, such as mandatory quotas, sanctions and incentives, to increase women's participation in political life.²³

The "Women in Politics in the Republic of Moldova" programme is implemented during 2014-2016 with a budget of US\$ 2.9 million, provided by the Government of Sweden and implemented by the UN Agencies - UN Women and UNDP in partnership with the East Europe Foundation and the Centre Partnership for Development.²⁴

A gender analysis of the list of convictions for corruption offences available on the NAC web site provides an indicative picture: 82 convictions for men as opposed to 21 for women.²⁵ The gender specific data are collected also by type of corruption acts.²⁶

2.6. Government/Sector policy

Reform process

Driven by diplomatic incentives and burgeoning political will, the Republic of Moldova began addressing corruption in a more systematic way in 2012, according to the Freedom House.²⁷ A newly appointed Minister of Internal Affairs pushed aggressively to modernise the police and tackle abuses of office and corruption among police officers. Legislators also approved drastic reforms of the country's main anticorruption agency, with the aim of making it more efficient, independent and apolitical. The executive branch strove to reduce red tape through the use of e-governance, though governmental websites still fall short of international standards for transparency. In 2013, the Parliament adopted a legislative package to tighten the judicial disciplinary process and tackle corruption in the justice sector, through integrity checks, regulation of judges' communication with third parties and penalties for corruption, including confiscation of unlawfully acquired wealth.

²³ [Resolution 1716\(2010\) on Increasing women's representation in politics through the electoral system](#)

²⁴ See [UNDP web site](#).

²⁵ See [NAC web site \(Rom\)](#).

²⁶ See for example the [Study on Corruption Cases](#).

²⁷ See [Freedom House web site](#).

In August 2014, the Romanian European Policy Centre released a policy brief²⁸ acknowledging progress on justice reform, but also pointing out several key obstacles: lack of political will and informal officials' control over the National Anti-corruption Centre, Office of the Prosecutor General, courts and National Integrity Commission. "The Moldovan politicians comply in a minimalist way with the anti-corruption recommendations of the EU. They create new institutions, but allocate insufficient funds; adopt the required laws, but dilute their content," the report says. The fragility of the anti-corruption institutions in the Republic of Moldova is confirmed by the lack of sentencing of the officials of high rank. "The most of the cases concern officials of low or medium rank. Only a solid series of successes registered in cases with high ranked defendants could diminish the general scepticism of the public in front of such investigations", say the experts.

Preceding the signature of the Association Agreement with the Republic of Moldova, the EU offered 60 million Euros in direct assistance for reforming the justice sector. This assistance allowed raising judges' salaries but also prompted reforms. At the beginning of 2014, a judge was convicted for corruption, which is a first for the Republic of Moldova since its independence. The convicted is currently on hide however, allegedly in Transnistria. Since 2010, one third of the entire number of judges (140) was replaced. The pro-European aspirations of local politicians made them appoint reformist technocrats in key positions, who held a credible anti-corruption background from various NGOs: the General Prosecutor, the President of the National Integrity Commission, the Deputy Director of the National Anti-corruption Centre and the Justice Minister in the previous Cabinet.

TI- Moldova 2014 assessment shows some progress in the field of preventing and combating corruption in recent years. For example, judiciary reform has been initiated and the first cases where judges were held responsible for acts of corruption were initiated. Several laws have been amended to enhance the capacity of judges to order confiscation of property gained from corrupt acts, as well as to conduct integrity tests. Criminal responsibility for illicit enrichment was established and sanctions for corruption were made more severe.²⁹ Many of the Group of States against Corruption (GRECO) recommendations on the transparency of funding of political parties and election campaigns were incorporated in legislation adopted by the Parliament.³⁰

High-profile corruption investigations were launched during the 2014 political crisis and following a package of anti-corruption laws adopted in December 2013 by the Parliament, allowing tougher penalties for bribery and illicit actions committed by law enforcement officers, and providing for a significant increase in judges' salaries. In 2013, the government took on oversight of the National Anti-corruption Centre. In the second half of 2014, the fight against petty corruption increased, and a number of cases were actively publicised. The effectiveness of the other branch of the anti-corruption system, the National Integrity Commission, suffered from the lack of an adequate legal framework and insufficient resources.

²⁸EU and anticorruption institutions in Moldova, EPC, 1 August 2014

²⁹ National Integrity System Assessment Moldova 2014, page 13.

³⁰ See GRECO Second Compliance Report on the Republic of Moldova', 3rd Evaluation Round, 27 March 2015. By the time when this report was prepared, GRECO has not yet had the opportunity to assess the final version of the law and concluded that its recommendations remained partly implemented.

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Despite some reforms, the Republic of Moldova's democratic institutions remain weak and biased. As a result, the general public's trust in bodies such as the parliament, president, government, political parties and the police has slowly diminished over the past ten years. Freedom House rated the functioning of government and rule of law as particularly low in its 2015 country report on the Republic of Moldova, and envisaged a further downward trend in 2016.³¹

Current Legal Framework Developments in the Republic of Moldova: Laws in procedure

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- Draft Law on Integrity, No. 267 (1st reading in the Parliament)³²
- Draft Law on amending and completing certain laws (demotivating sanctions for corruption and money laundering in the Criminal Code and Administrative Code) (registered in Parliament, June 2015)
- Draft Law on Asset Recovery (In consultation)
- Draft Law on Whistleblower Protection (Drafting process)
- Draft law on prevention and combating money laundering and terrorism financing aimed to address the shortcomings identified in the 4th MONEYVAL Evaluation Report and to align the legislation to the revised FATF standards and the 4th EU Directive provisions³³.

With regard to judges' immunity and integrity testing³⁴, laws have yet to demonstrate effectiveness and impact (illicit enrichment, extended confiscation and integrity testing).³⁵

National legislation in the field of preventing and combating corruption

- Act no. 982 on Access to Information from 02.11.2000
- Law no. 1104-XV on the National Anti-corruption Centre from 06.06.2002
- Law no. 1264-XV on declaration and control of income and property of people in positions of public office, judges, prosecutors, public officials and other persons responsible for the management from 19.07.2002
- Law no. 985-XV – Penal Code of the Republic of Moldova from 14.03.2003
- Law no. 122-XV – Code of Penal Procedure from 14.03.2003
- Contravention Code no.218-XVI from 24 October 2008
- Government Decision no. 977 on anticorruption expertise of draft laws and regulations from 23.08.2006
- Law no. 16-XVI on Conflict of Interest from 15.02.2008
- Law no. 25-XVI on the Code of Conduct of the Civil Servant from 22.02.2008

³¹ Freedom House, 2015. Freedom in the World, Country Report on Moldova 2015 and 2016,

³² Legal opinion is currently being prepared under the CoE/EU Eastern Partnership Programmatic Co-operation Framework (PCF) "Fight against Corruption and Fostering Good Governance/Fight against Money-Laundering".

³³ Legal opinion on the compliance of the draft law with the revised FATF standards and the 4th EU Directive provided by the CoE/EU Eastern Partnership Programmatic Co-operation Framework (PCF) "Fight against Corruption and Fostering Good Governance/Fight against Money-Laundering" in August 2016.

³⁴ Professional Integrity Testing Law came into force from 15 August 2014. On 16 April 2015 the Constitutional Court of Moldova declared some key provisions of the Law as unconstitutional.

³⁵ National Integrity System Assessment Moldova 2014, TI-Moldova, page 10.

- Law no. 90-XVI on Preventing and Combating Corruption from 25.04.2008
- Law no.158-XVI on Civil Service and the Status of the Civil Servant from 04.07.2008
- Law no. 239 on Transparency in Decision from 13.11.2008
- Law no.133 on the Protection of Personal Data from 08.07.2011
- Decision of the Parliament no.154 – on Approval of the 2011-2015 National Anti-corruption Strategy from 21.07.2011
- Law no.59 on Special Investigation Activities from 29.03.2012
- Decision of the Parliament no.232 – on Approval of the Institutional Consolidation Strategy of the National Anti-corruption Centre from 25.10.2012.
- Government Decision no. 906 of 28.07.2008 on approving the Methodology of corruption risk assessment within public authorities and institutions
- Government Decision no. 707 of 09.09.2013 approving the framework regulation on whistleblowers
- Law no. 325 of 23.12.2013 on professional integrity testing Law no. 159 on Special Prosecutor's Offices, 07.07.2016
- Law no. 132 on National Integrity Authority, 18.06.2016³⁶
- Law no. 133 on declaration of wealth and interests which extends the circle of subjects and objects of the declaration of wealth and interests, 17.06.2016 Law no. 105 on amendments to the Criminal Code which include sanctions for mismanagement of foreign assistance funds, 26.05.2016.³⁷
- Law no. 102 on institutional integrity assessment (amending the mechanism of professional integrity testing), 26.05.2016³⁸
- Amendments to the Law no. 3 on Prosecutor's Office, 25.02.2016

National legislation in the field of prevention and fight against money laundering and terrorism financing:³⁹

- Law no.190-XVI of 26.07.2007 on prevention and combating money laundering and terrorism financing
- Law no.130 of 06.06.2013 on approval of National Strategy on prevention and fight against of money laundering and terrorism financing for 2013-2017 years and its Action Plan
- Law no. 985-XV – Criminal Code of the Republic of Moldova of 14.03.2003, art. 243 and 279
- Order no.118 from November 11, 2008, regarding approval of Reference book of suspect activities subject of law nr.190-XVI from July 26, 2007
- Order no.117 from November 20, 2007, regarding reporting the activities and transactions subject of law nr 190-XVI from July 26, 2007
- Order no.178 from November 19, 2010, on approval of the Guide(lines) on the identification of politically exposed persons
- Order no.40 from March 18, 2011, on the approval of Guidance for the identification of transactions suspected of financing of terrorism

³⁶ Council of Europe provided legal opinion on the draft law in April 2015.

³⁷ Council of Europe provided legal opinion on the draft law in April 2015.

³⁸ Legal opinion on the draft law provided by the CoE/EU Eastern Partnership Programmatic Co-operation Framework (PCF) "Fight against Corruption and Fostering Good Governance/Fight against Money-Laundering" in October 2015.

³⁹ See NAC.

International legal framework

- Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime (2005)
- Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (Text with EEA relevance) Directive 2005/60/EC of the European Parliament and of the Council on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing
- FATF Recommendations
- UN Convention against Corruption
- UN Convention against Transnational Organized Crime
- International Convention for the Suppression of the Financing of Terrorism
- Council of Europe Criminal Law Convention on corruption
- Council of Europe Civil Law Convention on corruption

Anti-corruption Policies/Strategies

Corruption has been high up on the agenda of all government programs in the last decade. The first National Strategy for Preventing and Combating Corruption, adopted in December 2004, was implemented from 2005-2010 through the application of detailed Action Plans.⁴⁰ The anti-corruption issue has also consistently been on the agenda of the international support for the Republic of Moldova as part of the processes of promoting country's reforms. Policy recommendations concerning the need to enhance and streamline the anti-corruption efforts have been issued by the European Union, the Council of Europe, the UN, NATO and other international bodies.

National Anti-corruption Strategy (2011-2016)

The latest national anti-corruption strategy was adopted by the Parliament in July 2011.⁴¹

The strategy's key objectives are:

- To transform corruption from a low-risk activity with high benefits into high-risk activity which carries serious legal consequences;
- To contribute to the creation of a "zero tolerance" environment on corruption in the Republic of Moldova.

The Action Plans, through which the strategy is implemented, include four components: research, legislation, institutional framework and public communication and education. The TI's Corruption Perception Index, the World Bank's "control over corruption" indicator and other methods were selected as performance indicators for the implementation of the strategy (see the full list and mid-term results in Annex C). The strategy implementation is coordinated by the NAC and supervised by the Parliamentary Committee on National Security, Defence and Public Order.

⁴⁰See www.anticorruption-moldova.org/strategy

⁴¹ [National Anticorruption Strategy \(2011-2015\)](#)

An independent evaluation report of the first action plan for the implementation of the National Anti-Corruption Strategy (2012-2013)⁴² found that around 40% out of planned 59 actions were not implemented in a satisfactory manner. The report states that “this situation may be explained by a very formal attitude of public authorities regarding the process of implementation of actions included in NAS Action Plan, in particular concerning integrity plans, public surveys and research, risk management and financial control systems and partnering with mass-media and civil society.” The report equally provides 120 specific recommendations on how to improve the situation.

With the approval of the new Action Plan 2014-2015⁴³ in May 2014, the Strategy implementation entered its second phase. The Action Plan includes 93 activities with a special focus on healthcare, penitentiary system, border police and the military.

Some 80% of activities under NAS are undertaken on ordinary budget of implementing agencies. For the remaining 20%, funds are sought through cooperation programmes. These activities are usually resource intensive, such as opinion polls and often cancelled because of lack of financing. The National Anticorruption Strategy for 2011 – 2015 was not fully implemented, which is why it was decided to extend the strategy into 2016, without adopting an Action Plan for 2016.

The new National Anticorruption Strategy was drafted under the “Strengthening the Corruption Prevention and Analysis Functions of the National Anticorruption Centre” Project, financed by the Ministry of Foreign Affairs of Norway and implemented by UNDP in the Republic of Moldova. The experts selected for each pillar of the system conducted a comprehensive analysis and drafted the strategy, setting priorities action for the 10 pillars. The new Strategy will include new areas, such as the Ombudsperson and the private sector. The new Action Plan will be adopted together with the Strategy and will cover the entire Strategy implementation period of 3 years. The new draft National Anticorruption Strategy is based on “National Integrity System - Moldova 2014” Report, produced by Transparency International and will undergo extensive debates during 2016. There will be a new pillar-based monitoring mechanism comprising 3 monitoring groups each with separate secretariat meeting on bi-annual basis. Civil society will be actively involved in the monitoring of the implementation of the new Strategy and corresponding Action Plan.

Strategy for Justice Sector Reform 2011-2016

The Strategy for Justice Sector Reform 2011-2016 (SJSR)⁴⁴, adopted by the Parliament in November 2011 has amongst its objectives the promotion and implementation of the principle of zero-tolerance to corruption in the justice sector (Pillar IV. Integrity of Justice Sector Players).

Among the more significant steps in Strategy implementation was the adoption of the anti-corruption package of laws at the end of 2013. The adopted legislation provides for

⁴² Evaluation report of implementation of the national anticorruption strategy for years 2011-2013, Mircea Manoli, East Europe Foundation - Moldova

⁴³ Action Plan 2014 – 2015 for the implementation of National Anti-corruption Strategy 2011 – 2015.

⁴⁴ Strategy for Justice Sector Reform 2011-2016 (rom)

the institution of extended confiscation and heavier fines for corruption-related offences, decreased immunity of judges, mandatory polygraph testing of candidates for the posts of judge and prosecutor and integrity testing of public officials. The effects of implementation of these laws are expected to be noted already in 2014.⁴⁵

According to the latest Annual Report on the Implementation of the Justice Sector Reform Strategy, year 2015 did not register considerable achievements. The 2015 political events resulted in the dismissal of three ministers of justice and other changes in the MoJ management and personnel, including in the team responsible for the coordination and monitoring of JSRS and AP JSRS implementation. It should be mentioned that in 2015 the promotion and application of structural modifications that derived from the JSRS were not achieved in a satisfactory manner; there were only separate achievements and, at the same time, a number of legislative initiatives have considerably deviated from the JSRS objectives.⁴⁶

National Strategy: Fight against Money laundering and Financing of Terrorism 2013-2017

The National Strategy on the Fight against Money Laundering and Financing of Terrorism (2013-2017)⁴⁷ was elaborated based on MONEYVAL recommendations and proposals made during the fourth assessment visit in 2012 and builds on the results of two previous strategies. It covers the following areas:

- Consolidation of the prevention system;
- Optimisation of the repression regime;
- Assurance of national and international cooperation;
- Assurance of transparency and feedback on the measures for the prevention and fight against money laundering and financing of terrorism.

The responsibility for the implementation of the Strategy lies with the Office for the Prevention and Fight against Money Laundering, an independent subdivision of the National Anti-Corruption Centre. The Parliamentary Committee for National Security, Defence and Public Order is responsible for the monitoring and coordination of Strategy implementation at the national level.

A new AML/CFT strategy will be developed based on the results of the National Risk Assessment conducted on the basis of World Bank methodology which is expected to be finalised at the beginning of 2017.

Other relevant national strategies and programmes

The National Development Strategy "Moldova 2020" approved in July 2012 lists an increase in the quality and efficiency of justice and fighting corruption among its seven solutions for economic growth and poverty reduction,⁴⁸

The recently adopted 2015-2018 Activity Program of the Moldovan Government has its first Chapter dedicated to Corruption.⁴⁹ The program establishes the following governance objectives in this field:

⁴⁵ 2013 Annual report on the implementation of the Justice sector reform strategy for the years 2011-2016

⁴⁶ Report can be accessed [here](#).

⁴⁷ National Strategy of Fighting against Money laundering and Financing of Terrorism for 2013-2017

⁴⁸ National Development Strategy „Moldova 2020”

- Strengthening anti-corruption policies, enhancing independence and efficiency of institutions;
- Combating political corruption;
- Combating corruption in the justice sector and in the judiciary;
- Combating illicit enrichment and confiscation of assets acquired through corrupt means;
- Combating fraud in managing foreign aid;
- Control of declarations of wealth, personal interest and conflict of interest;
- Institutional integrity and development of on-line public services.

Among its priorities for 2014-2016, the Republic of Moldova - EU Association Agenda sets the following: "Further reforming the justice sector, in particular ensuring the independence, impartiality, professionalism and efficiency of the judiciary, the prosecution, and law enforcement agencies, which should be free from political or any other undue interference, and intensifying the prevention of and fight against corruption in all its forms and at all levels".⁵⁰

The EU-the Republic of Moldova Association Agreement, states specifically in Title VI: Financial Assistance and Anti-Fraud and Control Provisions, the requirement that "the Republic of Moldova shall carry out approximation of its legislation to the EU acts and international instruments" concerning passive and active corruption, conflict or interest and money laundering.⁵¹

Asset Recovery

The Republic of Moldova does not have a specialised assets recovery office with specialised staff, which causes problems in implementation of some NAC activities. To address this shortcoming, Law on Asset recovery was drafted and is currently in consultation process. It foresees the establishment of the Asset Recovery Office as an independent unit/agency within NAC. Additionally, certain legislative solutions should be upgraded, bearing in mind the fact that many people keep their assets abroad.⁵² The Republic of Moldova needs to establish a specialised asset recovery office which would ease implementation of some anticorruption activities.⁵³

Moldovan legislation on confiscation still shows some gaps with respect to international standards. Such gaps mainly relate to the freezing powers and third party confiscation. The Republic of Moldova should strengthen the current company registration rules and the corporate criminal liability provisions in order to limit the use of "shell" companies to launder the proceeds of crime and hide criminal assets. Based on the statistics on confiscation, the amounts confiscated are low in comparison with the number of convictions. The Moldovan authorities should make an increased use of their confiscation powers. European Commission strongly recommends that the Republic of Moldova should establish a centralised asset recovery office in order to strengthen the identification and tracking of the proceeds of crime resulting from both domestic and

⁴⁹ The 2015-2018 Activity Program of the Government of the Republic of Moldova

⁵⁰ See Moldova-EU Association Agenda

⁵¹ See EU-Moldova Association Agreement

⁵² "Speeding up Moldova's EU integration process through progress in the field of anticorruption / lessons learned from Croatia" July 2014, p.12.

⁵³ *Idem*, p.17.

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cross border criminal activity and expediently exchange information with the asset recovery offices in other jurisdictions.⁵⁴

A series of various specialised trainings for judiciary and law enforcement on confiscation/asset recovery of corruption proceeds should be prioritised by the NAC. The trainings should also include the development of a training module, which is an area which could be covered by the project.

Further activities could also include study visits to other jurisdictions, which have advanced but comparable experience in this area, as well as support in establishing bilateral cooperation and signing of MoUs on data exchange concerning asset tracing and recovery.

Currently, the Moldovan judicial authority that has issued an order for seizure of assets is generally responsible for the seized assets. The management is normally conducted by the agency which has seized the asset, and will generally keep the assets in deposit pending a final confiscation order. Upon the confiscation order, the assets are generally handed over to the State Tax Inspectorate for realisation of the property. It should be noted that there is no body responsible for the management of seized assets in the Republic of Moldova. As a result, using the current model, the assets are dispersed for management throughout the country.⁵⁵ The recent analytical study prepared under UNDP project, advised to vest the management of seized and confiscated assets with the new Asset Recovery Office to be established within NAC.⁵⁶

Trainings would also be needed in the area of international cooperation on confiscation matters with special attention to non-conviction based (NCB) asset confiscation, cross-border investigation and information-sharing concerning asset recovery on corruption, economic crime and money laundering cases.

2.7. International policy considerations

European Union

The latest European Commission progress report on the “Implementation of the European Neighbourhood Policy in the Republic of Moldova: Progress in 2014 and recommendations for action” provides a detailed overview of overall progress made on the implementation of the EU- the Republic of Moldova European Neighbourhood Policy (ENP) Action Plan between 1 January and 31 December 2014, and makes specific references to the anti-corruption agenda.⁵⁷

The Report points out that “the Republic of Moldova’s political and economic development continued to be hampered by systemic and high level corruption. Corruption

⁵⁴ European Commission: “Fourth Report on the implementation by the Republic of Moldova of the Action Plan on Visa Liberalisation”, 21.06.2013., p.17.

⁵⁵ “Analytical Study on Mechanisms for Asset Recovery and Confiscation in Moldova”, Pedro Gomes Pereira, June 2016, prepared in the framework of the UNDP Project “Strengthening the Corruption Prevention and Analysis Functions of the National Anticorruption Centre” Project

⁵⁶ Ibid

⁵⁷ See “Implementation of the European Neighbourhood Policy in the Republic of Moldova Progress in 2014 and recommendations for action”, March 2015.

still remained a major cause of concern, with the sectors most vulnerable to corruption including the judiciary, customs, public procurement, health, the social sphere and education".⁵⁸ Among major concerns were cited the persistent corruption in the judiciary, the stalled reform of the prosecution office and the lack of independence of the National Anti-corruption Centre.

The Justice Sector Reform Strategy implementation continued covering new benchmarks, but the reforms slowed in second half of 2014. The judiciary reform focussed on application of the system for appointing, promoting and performance appraisal of judges, but the impact of the procedure remained so far questionable. A random case allocation and a single courts portal were introduced to increase transparency of the judiciary. In July 2014 the Parliament adopted the Law on judges' disciplinary responsibility and the Concept of the prosecution service reform; and in November, following intense policy dialogue, the draft Prosecution service law was sent to the Venice Commission for review.

Low penalties and some cases of impunity, and the lack of autonomy, capacity and independent decision-making shown by the anti-corruption unit of the General Prosecutor's Office, were among factors hampering the fight against corruption.

EU recommended intensifying the fight against corruption and focussing on corruption prevention. "It is particularly important that the Republic of Moldova reforms the public prosecution service and the judiciary and ensures that the National Anti-corruption Centre and National Integrity Commission are fully independent", concluded the report.⁵⁹

Council of Europe

Group of States against Corruption (GRECO)

The Council of Europe's Group of States against Corruption (GRECO) assessed the Republic of Moldova on four occasions, in 2003, 2006, 2011 and 2016 respectively, covering eight themes throughout four evaluation rounds:

- independence, specialization and means of anti-corruption agencies;
- immunities;
- identification, seizure and confiscation of corruption proceeds;
- anti-corruption measures in the administration;
- prevention of legal persons being used as shields for corruption;
- incriminations;
- political funding;
- corruption prevention in respect of members of Parliament, judges and prosecutors.

The four evaluation rounds' reports have acknowledged the country's steady progress towards implementing GRECO recommendations, but also indicated the Republic of Moldova's challenges ahead.

⁵⁸ *Ibid.*

⁵⁹ *Ibid.*

Concerning the **first evaluation round**, the Addendum to the Compliance Report from 2008, suggested the following outstanding issues:⁶⁰

- *GRECO therefore invites the Republic of Moldova to finalise the adoption of the Code of Conduct for Public Servants and to circulate it widely once it has been adopted. The Code of Conduct was adopted but is not regularly enforced. The Monitoring Mechanism is lacking. Allegedly the State Chancellery would be the appropriate body to perform this task.*

Concerning the **second evaluation round**, the Addendum to the Compliance Report from 2010 suggested the following outstanding issues:⁶¹

- *GRECO regrets that the amendments to the Code of Criminal Procedure and to Law no. 45-XIII of 12 April 1994 on operational investigation activities and special investigative techniques are still before Parliament. Laws were adopted.*
- *GRECO welcomes the new draft legislation to establish supervisory machinery to deal with conflicts of interest and declarations of assets. However, since the legislation has not yet been passed and come into force GRECO cannot consider that an effective monitoring system has been put in place. As a follow-up, specific legislation was adopted and the National Integrity Commission was set-up in 2011.*
- *GRECO notes that new draft legislation on the criminal liability of legal persons for corruption and trading in influence offences has been prepared and that training has been organised for judges. The law was amended.*
- *GRECO ... regrets that action has still not been taken to deal with the concern ... that in no circumstances can public officials report their suspicions of corruption directly to the law enforcement authorities, for example in the event of senior officials' complicity or failure to act. The law was adopted.*
- *With regard to whistleblowers, draft legislation that would incorporate practical forms of protection has reportedly been submitted to the government but given the fact that these proposals have not yet been adopted, GRECO cannot conclude that this part of the recommendation has been implemented satisfactorily. The law was adopted.*
- *GRECO notes that there is new draft legislation on accounting offences. It also notes that certain accounting offences have been introduced into the new Infringements Code, but the range of these offences appears to be insufficiently complete and the penalties laid down in the code insufficiently severe to meet the requirements of the recommendation. GRECO therefore urges the authorities to redouble their efforts to expedite the enactment of the aforementioned draft legislation and to organise relevant training for judges and prosecutors. The law was modified.*

Concerning the **third evaluation round**, with the adoption of the Addendum to the Second Compliance Report on the Republic of Moldova, GRECO concluded that the Republic of Moldova has implemented satisfactorily or dealt with in a satisfactory manner in total fifteen of the seventeen recommendations set out in the Third Round Evaluation Report. The two remaining recommendations have been partly implemented. The adoption of the Addendum to the Second Compliance Report terminated the Third

⁶⁰ GRECO First Evaluation Round. Addendum to the Compliance Report on Moldova, 15 February 2008.

⁶¹ GRECO Second Evaluation Round. Addendum to the Compliance Report on Moldova, 1 October 2010.

Round compliance procedure in respect of the Republic of Moldova. **The Addendum to the Second Compliance Report** suggested the following.⁶²

- *With regard to incriminations, the Second Compliance Report had already concluded that practically all the recommendations had been implemented satisfactorily. Legislative reform had been introduced to extend the scope of the provisions on corruption to national public officials, foreign officials and officials of international organisations, foreign arbitrators and jurors and persons carrying out an activity in the private sector. The provisions on bribery in the public and private sectors and on trading in influence had been brought into line with the standards of the Criminal Law Convention on Corruption (ETS 173). Lastly, training and awareness-raising measures targeting the authorities responsible for enforcing the legislation had been undertaken. The only recommendation which remained and still remains to be implemented concerns the automatic and mandatorily total nature of the exemption from criminal liability in cases of "effective regret" which is granted to perpetrators of active bribery offences who bring these offences to the law enforcement authorities' attention before the latter learn of their existence. On this point, GRECO is still not convinced that sufficient safeguards are in place to prevent the misuse of this defence and it once again invites the authorities to step up their efforts in this respect. Likewise, in view of the specific context in the Republic of Moldova where corruption is perceived as a worrying phenomenon and in the light of the recent changes in the law, GRECO invites the authorities to continue their efforts to ensure that full use is made in practice of the criminal law provisions relating to bribery and trading in influence offences.*
- *With regard to the transparency of political funding, GRECO welcomes the fact that the "Law amending and supplementing legislative instruments" has now been approved by Parliament in its final version and entered into force on 14 April 2015, except for a number of provisions which will enter into force on 1 January 2016. The Republic of Moldova now has a legal framework which aims to ensure transparency in the funding of political parties, electoral contestants and entities related to political parties, in accordance with the relevant provisions of Recommendation Rec(2003) on common rules against corruption in the funding of political parties and electoral campaigns. All the shortcomings identified in GRECO's Evaluation Report have been thoroughly addressed; only a specific draft law extending the limitation period for minor offences in such matters remains to be adopted. The legal improvements made will increase the general transparency of political funding considerably, if applied as intended. In this regard, GRECO reiterates the observation it made in the Evaluation Report calling on the authorities of the Republic of Moldova to seek to ensure that the rules are applied in practice, notably by ensuring that the supervisory mechanism - which is now concentrated in the hands of the Central Electoral Commission - has the necessary resources to implement substantive, proactive oversight of the financing of election campaigns and of political parties in general.*

⁶² GRECO Third Evaluation Round, Addendum to the Second Compliance Report on Moldova, 4 December 2015.

The main objective of the fourth evaluation round report⁶³ was to evaluate the effectiveness of measures adopted by the authorities of the Republic of Moldova in order to prevent corruption in respect of members of Parliament, judges and prosecutors and to further their integrity in appearance and in reality. In view of the findings of the report, GRECO addressed the following recommendations to the Republic of Moldova:

- *Regarding members of Parliament, i. ensuring (i) that draft legislation, all amendments and all supporting documents as required by law are published in a timely manner and (ii) that adequate timeframes are followed to allow for meaningful public consultation and parliamentary debate, including by ensuring that the emergency procedure is applied only in exceptional and duly justified circumstances; ii. (i) adopting a code of conduct for members of Parliament and ensuring that the future code is made easily accessible to the public; (ii) establishing a suitable mechanism within Parliament, both to promote the code and raise awareness among its members on the standards expected of them, but also to enforce such standards where necessary; iii. introducing rules for parliamentarians on how to interact with third parties seeking to influence the legislative process; iv. ensuring a significantly more independent and effective control, by the National Integrity Commission, of compliance by members of Parliament, judges and prosecutors with the rules on conflicts of interest, incompatibilities, statements of personal interests and statements of income and property; v. ensuring that the mechanism by which administrative sanctions are imposed for violations of the rules on conflicts of interest, incompatibilities, statements of personal interests and statements of income and property works effectively in practice, notably (i) by providing the National Integrity Commission with the authority to impose administrative sanctions and (ii) by increasing the limitation period applicable to the violations foreseen in the Contravention Code and clarifying its scope of application; vi. that determined measures be taken in order to ensure that the procedures for lifting parliamentary immunity do not hamper or prevent criminal investigations in respect of members of Parliament suspected of having committed corruption related offences;*
- *Regarding judges, vii. (i) changing the composition of the Superior Council of Magistracy, in particular by abolishing the ex officio participation of the Minister of Justice and the Prosecutor General and by allowing for more diverse profiles among lay members of the Council, on the basis of objective and measurable selection criteria; (ii) ensuring that both judicial and lay members of the Council are elected following a fair and transparent procedure; viii. that decisions of the Superior Council of Magistrates be adequately reasoned and be subject to judicial review, both on the merits of the case and on procedural grounds; ix. (i) that appropriate measures be taken, with due regard to judicial independence, in order to avoid the appointment and promotion to judicial positions of candidates presenting integrity risks; and (ii) abolishing the five-year probation period for judges; x. that additional steps be taken (i) to ensure that cases are adjudicated without unjustified delays and (ii) to increase the transparency and accessibility of information available to the public on judicial activity; xi. (i) that the Code of Professional Conduct and Ethics be communicated effectively to all judges and*

⁶³ GRECO Fourth Evaluation Round Report on Moldova, 1 July 2016.

complemented by further written guidance on ethical questions – including explanations, interpretative guidance and practical examples – and regularly updated; (ii) that dedicated training of a practice-oriented nature and confidential counselling within the judiciary be provided for all judges; xii. that (i) further measures be taken to inform judges about the mechanisms foreseen in the Law on Conflicts of Interest regarding gifts and (ii) that compliance with the rules on gifts, hospitality and other advantages foreseen in this law and other relevant texts be properly monitored; xiii. that the legal and operational framework for the disciplinary liability of judges be revised with a view to strengthening its objectivity, efficiency and transparency;

- *Regarding prosecutors, xiv. (i) expressly notifying all prosecutors in writing that verbal instructions given to hierarchically subordinate prosecutors are not binding, unless they are confirmed in writing, including in such notifications the procedures to be followed in providing timely confirmations and (ii) ensuring that all hierarchical interventions regarding a case are properly documented in practice; xv. that appropriate measures be taken to ensure that the composition and operation of the Superior Council of Prosecutors be subject to appropriate guarantees of objectivity, impartiality and transparency, including by abolishing the ex officio participation of the Minister of Justice; xvi. maintaining, throughout the transitional period until the Constitution is amended, the application of Article 40(7) of Law No. 294 of 2008 on the Public Prosecutor's Office which provides that the Prosecutor General cannot hold more than two consecutive mandates; xvii. (i) that the Code of Ethics and Conduct be communicated effectively to all prosecutors and complemented by further written guidance on ethical questions – including explanations, interpretative guidance and practical examples – and regularly updated; (ii) that dedicated training of a practice-oriented nature and confidential counselling within the prosecution service be provided for all prosecutors; xviii. that additional measures be taken in order to strengthen the objectivity, efficiency and transparency of the legal and operational framework for the disciplinary liability of prosecutors.*

MONEYVAL

The MONEYVAL fourth evaluation report (2012) states that the Republic of Moldova has taken significant steps in order to improve the AML/CFT legal and regulatory framework, as well as the supervisory system. It also indicates that the country has developed its criminal legislation by bringing the money laundering offence more in line with the Vienna and Palermo Conventions.⁶⁴ These recommendations constituted the base of the National strategy for prevention and combating of money laundering and financing of terrorism for 2013-2017.

Legal issues:

The overall rating for the FATF Recommendation on ML criminalisation was *Largely Compliant*. However, the evaluators were critical regarding the judiciary's apparent

⁶⁴ MONEYVAL Report on Fourth Assessment Visit (2012)

insistence on a prior conviction for the predicate offence as a precondition of prosecuting autonomous ML offences. The judiciary stage still presents a bottleneck issue in the system. The implementation of the legal system is still far from being perfect and thus it needs to be addressed by a firm prosecution policy and creation of legislation, particularly on evidence requirements. The current legislation also needs some clarification or completion so as to clearly provide that the financing of terrorism for any purpose (including legitimate activities) is actually covered.

Serious deficiencies (technical and effectiveness) were identified in relation to the provisional measures and the confiscation regime. According to the MONEYVAL report, the confiscation mechanism should be extended to proceeds the perpetrator or a *mala fide* third party has transferred to a bona fide third party without compensation. Inconsistencies were found in the criminal legislation as regards confiscation from third party legal persons and overly high evidentiary standards for the application of sequestration. Following MONEYVAL recommendations, the Moldovan confiscation regime has been improved by amendments brought to the Criminal Code which introduced the extended confiscation regime and the criminalisation of illicit enrichment. However, the rest of the technical shortcomings remain and the effective application still needs improving.

Another area for concern is the terrorist assets freezing regime (UNSCR 1267 and 1373), namely the limited applicability as regards assets not directly involved in transactions and the gaps in the legal framework on freezing of assets beyond the deadline of 30 working days. In addition, there is a need for a clear legal structure for the conversion of designations into the Moldovan law under the procedure initiated by third countries. There are still no procedures for systematically checking whether designated persons have funds or assets in the country, no procedures for de-listing, to challenge a listing decision and to release part of the frozen assets for legitimate purposes. Awareness issues further impede compliance with the international standards.

Law enforcement issues:

Further efforts are needed to familiarise law enforcement and judiciary authorities with the provisional and confiscation measures so that they actually and regularly apply their powers to seize and confiscate proceeds and instrumentalities of crime.

Financial issues:

On the Customer Due Diligence (CDD) obligations, the 2012 report concluded that a domestic ML/TF risk assessment should be conducted in order to have a national understanding of the risks the country is facing and to allow for proper risk based CDD programmes and policies to be adopted and implemented by the financial sector.

The authorities were encouraged to adopt legal provisions in order to oblige all financial institutions to verify the identification documents for all customers, based on reliable and independent sources. Clear AML/CFT procedure in respect of the Post Office and leasing companies on identification measures and verification source should be established.

The 1st Follow-up report submitted by the Republic of Moldova to MONEYVAL in December 2014 has shown satisfactory progress in all areas (legal, law enforcement and financial), but it was concluded that it was too early to consider its removal from the

regular follow-up process. Thus, the Republic of Moldova was requested to submit a second report in December 2015.⁶⁵ The results of the secretariat's analysis of the Republic of Moldova's 2nd follow-up report have shown that the overall situation concerning the progress made in respect of the FATF key/core recommendations has mainly remained unchanged since the time of the first follow-up report. The Moldovan authorities were strongly recommended to adopt and bring into force, as soon as possible, the draft law on the application of international restrictive measures and draft amendments to the Criminal Code, as well as new provisions of the AML/CFT law. The Republic of Moldova was encouraged to seek removal from the follow-up process in December 2016.⁶⁶ Nonetheless, apart from MONEVAL (2012) recommendations (which were partially remedied following the adoption of the report), there is a need to assist the Republic of Moldova in implementing the revised international standards (FATF Recommendations) which now focus on effectiveness and which contain additional obligations (national-risk assessment, transparency and beneficiary ownership of legal entities, financial sanctions related to proliferation and financial investigation measures⁶⁷). The Republic of Moldova has not yet been assessed under the revised FATF standards.

In October 2014 an Assessment Report on the Republic of Moldova was presented to the Conference of the Parties to CETS no. 198 (CoE Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and Financing of Terrorism). This report provides a number of complementary recommendations, particularly in the areas of confiscation, management of frozen and seized property and international cooperation.⁶⁸

CoE Parliamentary Assembly (PACE)

The Parliamentary Assembly of the Council of Europe monitors the honouring of obligations and commitments by the Republic of Moldova. In its September 2013 report the expert committee "*remains concerned about a number of issues that still need to be addressed, such as reform of the Prosecutor's Office, the separation of powers and de-politicisation of judicial institutions, the fight against corruption and the effectiveness and independence of the National Anti-Corruption Center, freedom of the media, combating discrimination, revision of the electoral code, and bringing the statute and legislation of the Autonomous Territorial Unit of Gagauz-Yeri into line with national legislation so that it meets international standards.*"⁶⁹

Venice Commission

Relevant recent Opinions and Amicus Curiae by Venice Commission regarding the Republic of Moldova:⁷⁰

- Joint Opinion on the draft law on changes to the electoral code, adopted by the Council of Democratic Elections at its 55th meeting (Venice, 9 June 2016) and by the Venice Commission at its 107th Plenary session (Venice, 10-11 June 2016);

⁶⁵ Both follow-up reports are restricted.

⁶⁶ MONEVAL Annual Report for 2015, p. 30

⁶⁷ See The FATF Recommendations, February 2012.

⁶⁸ Assessment Report on Moldova to the Conference of the Parties to CETS no. 198

⁶⁹ See PACE Report on The honouring of obligations and commitments by the Republic of Moldova.

⁷⁰ See Venice Commission website.

- Amicus Curiae Brief for the Constitutional Court on the Right of Recourse by the State against Judges, adopted by the Venice Commission at its 107th Plenary Session (Venice, 10-11 June 2016);
- Joint Opinion on the draft Law on the Law on the Prosecution Service of the Republic of Moldova, adopted by the Venice Commission at its 102nd Plenary Session (20-21 March 2015);
- Amicus Curiae Brief for the Constitutional Court of the Republic of Moldova on certain provisions of the law on professional integrity testing (December 2014);
- Joint Opinion on the draft Law on disciplinary liability of Judges of the Republic of Moldova (March 2014);
- Joint Opinion on the draft Law amending the electoral legislation of the Republic of Moldova (March 2014);
- Amicus curiae brief on the Immunity of Judges for the Constitutional Court of the Republic of Moldova (March 2013);
- Joint Opinion on Draft Legislation of the Republic of Moldova pertaining to financing political parties and election campaigns (March 2013);
- Joint Opinion on the Draft Working Text amending the Election Code of the Republic of Moldova (June 2010).

The European Commission for the Efficiency of Justice (CEPEJ)

CEPEJ is currently running a programme on "Enhancing judicial reform in the Eastern Partnership countries". This joint programme, financed by the European Union and implemented by the Council of Europe concerns the reform of judicial systems of the Republic of Moldova, as well as Armenia, Azerbaijan, Belarus, Georgia, and Ukraine. The objective of this programme is to identify legal and practical obstacles to the implementation of the relevant European standards in the areas of concern and to formulate recommendations and best practices to address these obstacles.

In March 2013, CEPEJ published a report⁷¹ on progress made in Eastern partnership: Enhancing judicial reform in the Eastern Partnership countries - Working group on "Efficient Judicial Systems". In relation to the Republic of Moldova, the report states the following:

- Judicial training is of particularly higher priority where the budget has been increased by 122%;
- judicial self-governing bodies are rather limited in terms of their capacity to present the budgetary needs of the judiciary to their governments and parliaments;
- currently undergoing large-scale judicial reforms and rebalancing the role of judges, within the legal system, in relation to a traditionally powerful Prosecution;
- the budget for the judicial system in the Republic of Moldova is adequate (with a positive trend);
- there is a relative overfunding of the public prosecution services;
- the level of remuneration of judges is significantly lower than the European benchmark;
- salary of a prosecutor is also beneath the European benchmark;

⁷¹ Eastern partnership: Enhancing judicial reform in the Eastern Partnership countries - PROJECT REPORT - Working group on "Efficient Judicial Systems" - March 2013

- professional management of courts that uses modern tools for improving the functioning is not yet well developed;
- difficulties in handling annual inflow of cases;
- negative trend in protracting case disposition time is observed as a direct consequence of inability to handle annual inflow of cases.

Transparency International

Transparency International published an assessment of Moldovan National Integrity System 2014.⁷² The assessment suggests that corruption in the Republic of Moldova is a systemic problem existing across the board and at all levels of public administration. Among the institutions which are perceived by the public to be highly corrupt are political parties and the judiciary. The most vulnerable to corruption turned out to be political parties, the ombudsman and the private sector. The report also points out that Moldovan society has a high but decreasing tolerance for corrupt practices. In conclusion to the study, the TI-Moldova recommends accelerating the reform in the judiciary and prosecution, increasing transparency of political party financing, capacity building of the National Integrity Commission and implementation of policies relating to conflicts of interest. Specifically, TI suggests the following priority measures:⁷³

- **Parliament** must ensure greater transparency of its activity, particularly of its decision-making processes, in order to consolidate the integrity of members of parliament and to take prompt action towards violations of legislation committed by MPs. It is important that the legislative body refrains from pressuring the activity of other branches of state power, and adopts the draft anticorruption laws as stipulated in the Strategy for Judiciary System Reform and in the National Anti-Corruption Strategy.
- It is necessary that the **government** increases the transparency of its decision-making processes, particularly in the way it administrates state enterprises and commercial companies (mostly in terms of privatisation and leasing out properties). The government should also take a more active role in supervising the implementation of the National Anti-Corruption Strategy. At the same time, the government should ensure the working out of the normative framework which might make it possible to apply integrity tests and polygraph tests.
- The **judiciary** reforms needs to be catalysed, particularly with regard to the prosecution bodies. The Supreme Council of the Magistracy and the Supreme Council of Prosecutors should take action against cases of improper behaviour of judges and prosecutors, with a view to applying appropriate sanctions.
- **Public sector** authorities need to ensure transparency in their decision-making processes; observe stipulations pertaining to recruitment by contest of the position of deputy manager of a public authority; make transparent the assignments and recruitment to public sector jobs; implement the decisions of the Court of Accounts and make public the measures undertaken; ensure the monitoring of norms of conduct; and deal with conflicts of interest.

⁷² National Integrity System Assessment Moldova 2014, TI-Moldova.

⁷³ *Idem*, page 15.

- Political interventions should be excluded from the activity of **the anti-corruption agencies**. Overlaps of their competencies should also be eliminated. Their capacities of supervision/control should be consolidated, including by providing them with the necessary resources to act efficiently.
- The **Central Electoral Commission** should consolidate its capacity to prevent electoral frauds, in order to ensure the application of the recommendations of GRECO concerning the funding of political parties and electoral campaigns.
- It is necessary to clearly delimit the competences of the various bodies of penal investigation and of some police subdivisions. The **Ministry of the Interior** should ensure the independence of the penal investigation body, apply contest procedures for employment, including for managerial positions, and raise the transparency of its activity.
- The **Ombudsman** institution should consolidate the analytical capacities of problem systematisation in the field and work out proposals to modify public policies, to enhance visibility and actively signal in parliament violations of human rights.
- In the context of the activity of the **Court of Accounts**, it is necessary to urge the adoption of a draft law on establishing sanctions for managerial irresponsibility in using public funds and for the non-execution of the court's decisions, as well as to introduce penal accountability for violation of legislation by the members of collegial decision-making bodies. Also, it is necessary for the government and parliament to take a more active role in supervising the implementation of the Court of Accounts' decisions.
- **Political parties** should develop internal democratic principles, establish principled requirements on the integrity of their members, and comply with the transparency norms regarding funding of political parties and electoral campaigns.
- With regards to **mass media** activity, it is necessary to amend the legislation with the aim to ensure the transparency of mass media ownership and to not let it become excessively concentrated. Also, cases should be monitored where there is apparent manipulation of public opinion by the mass media as well as cases where the media instigates hatred and discrimination which threatens the security of the state. Respective measures towards those culpable should be applied, as well as the undertaking of anti-propaganda measures.
- **Civil society** should develop and apply internal norms of transparency and integrity; enhance its capacities to monitor anti-corruption policies; and mobilise the society towards collaboration with state institutions in the fight against corruption.
- Representatives of the **private sector** should be aware, through the perspective of their activity in Europe, of the advantages of getting out from the shadow economy, as well as the importance of developing and applying higher standards of transparency, ethics and integrity in business. Business people need to participate more actively in monitoring economic and anti-corruption policies. In addition to the above mentioned measures, the majority of state institutions need to apply the preliminary verification of candidates for high-level positions, ensure transparency in the selection or appointment process, as well as ensure the transparency of their decision-making processes.

UN Convention Against Corruption (UNCAC)

The Republic of Moldova ratified the United Nations Convention against Corruption on 1 October 2007. UNCAC evaluation is a review mechanism that allows identifying successes, best practices, and challenges that national authorities are facing during preventing and combating corruption. To date, 175 UN member states have ratified the Convention.

In April 2013, the Republic of Moldova carried out a self-assessment on implementing the UN Convention against corruption. The information was gathered by a working group consisting of representatives from National Anticorruption Centre, National Integrity Commission, Prosecution Office, Ministry of Justice, Ministry of Interior, Ministry of Economy, representatives of civil society etc., and was inserted in a special electronic application which generates a self-assessment report and identifies deficiencies.

The Self-assessment Report was sent to the UNCAC secretariat in early 2014. As a follow-up, in September 2014, the Republic of Moldova was assessed by Norway and Bosnia and Herzegovina.⁷⁴ Final Country Report was published in February 2016.

Self-assessment process aims to stimulate national involvement in anti-corruption efforts, to encourage intra-institutional dialogue and cooperation. This process is a recommendation of the UN and it is conducted in two cycles, five years each, on the following chapters:

- Prevention
- Incrimination
- International cooperation
- Asset recovery

⁷⁴ See, [NAC website](#).

3. BENEFICIARIES AND PARTIES

3.1. National Anti-Corruption Centre (NAC)

The National Anti-Corruption Centre (NAC) is a specialised body to prevent and fight corruption, corruption-related acts and acts of corruptive behaviour.⁷⁵ Established in 2002 by the Law no. 1104, the Centre's mandate was updated in May 2012 by Law no.120. The duties of the Centre are as follows:

- Preventing, disclosing and investigating corruptive acts;
- Preventing and combating money laundering and terrorism financing;
- Providing anti-corruption expertise in draft legislative acts;
- Evaluating institutional corruption risks within the public authorities and elaboration and execution of Integrity Plans;
- Conducting professional integrity testing of public agents, according to the Law 325 of December 23, 2013.

NAC annually reports to the Parliament and the Government. Its director is appointed or dismissed by the President of the Republic of Moldova at the proposal of the Prime Minister.⁷⁶ The candidate for the position of director is selected based on a contest organised by the Parliamentary Legal Committee for appointments and immunities.

In October 2012 the Parliament adopted the Strategy of Consolidation of the NAC 2012-2013 aiming at rendering the Centre more independent, provide additional institutional capacity and create conditions for enhanced public support.⁷⁷

NAC is one of the key implementers of the National Anti-Corruption Strategy and hosts the Secretariat of its monitoring group.

“During 2014-2015, NAC officers detected 1,395 crimes (2014 - 668, 2015 - 727), of which 1,031 are corruption or corruption-related crimes (2014 – 498, 2015 – 533). In 2015, a growth by 8.7% was registered in the number of detected crimes compared to the previous year. According to the seriousness of the detected crimes, 66% of the detected crimes were severe and extremely severe, 24% - less severe and 10% - minor...

...

During the reporting period, NAC jointly with the prosecutors sent to courts 531 criminal cases against 674 persons. Criminal fines were applied in 69% of convictions. Considering the typology of fines applied to defendants and the value of bribes received by them, it can be concluded that the size of the received bribe and the size of the applied fine is

⁷⁵ See [NAC website](#).

⁷⁶ See [Law 1104 from 06.06.2002 amended \(rom\)](#).

⁷⁷ See [Parliamentary Decision 232 from 20.10.2012 \(rom\)](#).

inversely proportional and there is an obvious inefficiency of the Government's criminal policy to deter corruption by excluding its profitable nature."⁷⁸

The NAC efficiency and credibility is affected by political infighting within the governing coalition. During the 2012 crisis in the Republic of Moldova, the NAC was transferred from the Government to the Parliament and then back to the executive. In October 2015, NAC was made again accountable to the Parliament in order to keep the institution as much as possible away from any potential pressure by the executive branch.

Concerning its immediate needs, NAC indicated the need for support to implement the recently adopted/soon to be adopted AC and AML/CFT legislation and develop the relevant secondary legislation.

It also requested assistance in yearly assessment of the new AC Strategy and Action Plan and involving more actively civil society in monitoring their implementation through on-site visits and shadow reports, setting-up a database to keep track of confiscated assets, training for undercover agents, extended confiscation, asset recovery, personal integrity files and file management software etc.

3.2. Office for Prevention and Fight against Money Laundering (OPFAML)

The Office (OPFAML) is an autonomous subdivision unit of the National Anti-Corruption Centre, specialized in the collection, processing and analysis of financial data to identify suspicious transactions related to money laundering and terrorist financing.⁷⁹ The Office is authorised to disseminate the information on suspicious transactions to law enforcement agencies and other competent authorities for further investigations. Furthermore it carries out financial investigations and proposes legislative amendments in line with international regulations and provides methodologies to reporting entities in its area of competence, as well as supervises their reporting.

The Office produces statistical analysis regarding the efficiency of the prevention and countering money laundering and terrorism financing system covering the number of suspicious transactions declaration, number of criminal cases and convicted persons, data on transactions freezing, seizure and confiscation of the proceeds obtained from money laundering and terrorism financing.⁸⁰ The Office is the key authority responsible for the implementation of the National Strategy of Fighting against Money laundering and Financing of Terrorism 2013-2017 and the central point of the national system of fighting against money laundering and financing of terrorism.

The Office for the Prevention and Fight against Money Laundering is finalising a National Risk Assessment on Money Laundering and Terrorism Financing expected to be adopted at the beginning of 2017, as this is a part of the forthcoming FATF and

⁷⁸ Progress Report of the National Anticorruption Centre, 2014-2015

⁷⁹ See www.spcsb.cna.md

⁸⁰ Activity Report 2011 (rom), Office for Prevention and Fight Against Money Laundering, NAC.

Moneyval evaluation process. FIU chose to follow the World Bank's methodology for the NRA process, which started in October 2015.⁸¹

Concerning its immediate needs, NAC indicated improving the methodology of interaction with reporting entities, such as improving their methods of transaction-monitoring. Although already acquired through MOLICO, the Office has expressed the need for the acquisition of goAML⁸² financial intelligence software and servers specifying that goCase⁸³ (software for case management) has already been procured through another technical cooperation project. It is expected that goAML will be procured in the framework of other EU-funded assistance through a Twinning Project. In addition to this, the Office would like to focus on the implementation of the new AML/CFT law including trainings for Designated Non-Financial Businesses and Professions (DNFBPs) with regard to politically exposed persons (PEPs), due diligence, identification of beneficial owners and law enforcement. Assistance will be needed in designing new AML/CFT strategy based on a comprehensive effectiveness-oriented framework in line with the revised FATF Recommendations, and taking into account the findings of the NRA. Furthermore, the Office agreed with the proposal to review the NRA based on the Council of Europe methodology in light of the forthcoming 5th evaluation round by MONEYVAL scheduled for 2018. Last but not least, the Office would welcome all activities focusing on improving cooperation with foreign counterparts, particularly Russian Federation, China and Switzerland on revealing predicate crimes.

The Office has also stated that it currently acts as the responsible Asset Recovery Office (ARO) in the Republic of Moldova and it is a member of the CARIN network. It is their opinion that once the ARO is officially set up, it would be under their authority.

3.3. Anti-Corruption Prosecutor's Office

The Anti-Corruption Prosecutor's Office (ACP) is a specialized office in charge of leading all the criminal investigations conducted by the investigators of the National Anti-Corruption Centre, but it can conduct its own criminal investigations too. The legal reform process in prosecution service has led to the adoption of the Law on Public Prosecutor's Office and the Law on Specialised Prosecutor's Offices, which entered into force on 1 August 2016. ACP currently employs 50 anti-corruption prosecutors and 40 criminal investigation officers from the police and the NAC, who are seconded to the ACP. The structure is based on the Romanian model.

ACP indicated that practical training on concrete cases would be necessary, focusing on investigative methods, based on examples and good practices from other countries. Study

⁸¹ Progress Report of the National Anti-Corruption Centre, 2014-2015

⁸² The United Nations Office on Drugs and Crime (UNODC) standard software system available for Financial Intelligence Units to counter Terrorist Financing and Money Laundering.

⁸³ The United Nations Office on Drugs and Crime (UNODC) software solution for Investigative Case Management. goCASE, part of the government office "go" family of software products, has been developed by UNODC's Information Technology Service (ITS) - Law Enforcement Solutions Team, as an integrated investigative case management and analysis tool for government law enforcement, investigative, intelligence and prosecution agencies of all United Nations Member States.

visits to countries which also carry out investigations based on Joint Investigation Teams would be welcome. Although the legal instruments were recently adopted, some further amendments would be necessary, as the competences of the ACP are deemed to be too narrow. Currently, the ACP is handling more than 300 corruption and corruption-related cases. The ACP also has the authority to deal with grand corruption cases.

In light of the amendments made to Law on Prosecution no. 3 of 25.02.2016 in force as of 01.08.2016, namely, establishment of the Anticorruption Prosecutor's Office, it is necessary to clearly state and delimitate the competences of the newly established body and NAC, so as to avoid overlaps and interferences in the activity of the both institutions.

3.4. National Integrity Authority (NIA)

As a part of the EU visa liberalisation conditionality, a new institutional body was established in 2012 in order to deal with officials' conflicts of interest and to verify the declarations of wealth. The National Integrity Commission's (NIC) main prerogative is to implement and verify the mechanism of control and declaration of income and assets by public servants including high level officials, judges, prosecutors, civil servants and other persons mentioned in the law.⁸⁴ As of 01.08.2016, the National Integrity Commission has been restructured into the **National Integrity Authority (NIA)** (Law no. 132 of 17.06.2016). Under this law, the NIA obtained wider competences in terms of applying sanctions for failure to comply with the requirements to file declarations of wealth and interests. Key concern and area for support is to ensure transparent, merit and professional based appointment mechanisms for the Integrity Council, management and integrity inspectors of the National Integrity Authority. The same is applicable to Anticorruption Prosecutor's Office and National Anticorruption Centre.

As a result of the legislative changes, there have been several organisational changes within the NIA. The decisions are taken by a 5-member Commission and inspectors now have the authority to apply sanctions. The Chairman of the NIA is no longer appointed by the President, but is selected through a competition, ensuring the political independence of the body.

The NIA has introduced online asset declaration system for some 70.000 subjects it monitors, including local councillors, CEC members, Supreme Council of Magistracy and managers of public institutions.

There has been an increase in staff from 12 to 30 integrity inspectors entitled to request confiscation of assets which origin was not legally justified. They are independent and entitled to apply sanctions. Therefore, capacity building in relation to application of sanctions is a priority. The inspectors will have access to all information systems containing data on property and interest of declarants. The NIA would also need assistance in managing its e-declarations system, which is still under development and should be finalised by 2018.

In addition to trainings for the NIA staff, as well as for declaring subjects (e.g. judges, prosecutors, NAC officials and other public officials) the guidelines and procedural handbooks on asset declarations also need to be reviewed and adopted as bylaws. The need to review the recently adopted Integrity Package which entered into force on 1

⁸⁴ See [National Integrity Commission website](#)

August 2016 has been also underlined as some irregularities/shortcomings have been identified and need to be addressed. NIA also deals with issues of civil confiscation of assets and would need additional training in this area.

Strengthening of the coordination and information exchange between the authorities responsible for the fight against corruption is also recommended by establishing clear working arrangements between the National Anticorruption Centre and the National Integrity Authority in order to clearly give powers to and ensure accountability of the management of these institutions.⁸⁵ Concerning its immediate needs, NIA suggested an exchange of experience on revealing and managing the conflict of interest (in procurement, public administration, health and education) and verification of foreign assets (Regional Protocol on verification of Assets, cooperation with ANI in Romania etc.); training on declaration of personal interest (NIA staff, collectors, journalists, judges, prosecutors), enhancing evidence for conflict of interest (90% of convictions are contested), investigating hidden assets (journalists); preparation of an efficient media strategy.

3.5. Ministry of Internal Affairs: Internal Protection & Anti-Corruption Service (IPAS)

An important role in combating corruption is vested in the Ministry of Internal Affairs, which is the key authority in managing the system of domestic affairs bodies. A main role in assuring the integrity mechanisms of police is played by the Internal Protection and Anti-corruption Service of the Ministry of Internal Affairs.

The Department of internal protection and anti-corruption received a new statute in February 2014, becoming a specialised subdivision subordinated to the Ministry of Internal Affairs (MIA) tasked with preventing and combatting acts of corruption among the ministry's staff.⁸⁶ Its mission is to protect the Ministry of Interior, the administrative authorities and institutions under its authority, their staff as well as the information in its custody defined as state secret.

IPAS deals with attacks, threats and risks which could endanger the efficiency of MIA, its supervision and control functions, the compliance and work discipline of employees of MIA central office, of administrative authorities and institutions under the Ministry. IPAS prevents and combats corruption and corruptive behaviour and manages the conflict of interest.

Concerning its needs, MIA requested training on lifestyle monitoring, integrity testing, undercover operations and infiltration, fraud, embezzlement, tax evasion, and trading in influence. It also indicated the desire to reassess internal regulations for investigations, acquire special investigation tools, develop analytical capacities and improve access to databases. It further requested help with risk analysis on systemic and operational levels and with the application of the Ethical Code among police.

⁸⁵ EU and anti-corruption institutions in Moldova, EPC, 1 August 2014.

⁸⁶ See MIA web site

Ministry of Finance, Public Procurement Agency

The Public Procurement Agency (PPA) was established in 1997 and it is in charge of regulation, supervision, control and inter-agency coordination of public procurement. It is pursuing, inter alia, the optimisation of the public procurement system, increased transparency and efficiency and enhanced responsibility of actors involved.⁸⁷ Agency website presents a 2011-2013 action plan,⁸⁸ but no progress reports or statistics are available.

The PPA indicated as a need the training of trainers and staff on litigation, operational procedure, sectorial procurement (water and sanitation, drugs, food, schools, health) and contract follow-up.

3.6. State Tax Inspectorate

State Tax Inspectorate is responsible for audit and control of declaration of the personal income tax, identification of the suspicious activity of legal persons or incomes of private persons from the suspicious sources or expenditures without declared incomes. Improvement of the cooperation and information exchange with law enforcement agencies is needed.

3.7. Customs Service

The Customs Service of the Republic of Moldova is a key agency involved in efforts to combat economic crime, including smuggling and cross-border money laundering. It maintains a number of interagency information exchange agreements, including with the OPFAML, with which it shares its database of cross-border cash declarations⁸⁹. At the same time the findings of Moneyval evaluations have pointed to the need to enhance awareness and capacities of the Customs service in tracing criminal assets.

In terms of anti-corruption, the Customs Service in Moldova is considered to be a high risk area, where other economic crime offences including smuggling and customs/excise fraud are closely entwined.⁹⁰ In this regard the Customs Service will require capacity building in the area of identification of internal corruption risks, as well as training of officers responsible for internal investigations and inspections.

3.8. National Bank of the Republic of Moldova (NBM)

In order to maintain financial stability and to strengthen the banking system and banks to run its operations, NBM promotes an active policy of banking regulation and supervision. Banks' activity is regulated by the Law on Financial Institutions and the Law on the

⁸⁷ See the Public Procurement Agency web site

⁸⁸ Public Procurement Action Plan 2011-2013

⁸⁹ MONEYVAL Report on Fourth Assessment Visit (2012)

⁹⁰ Sarah Chayes. The Structure of Corruption in Moldova. Carnegie Endowment for International Peace. 2016.

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National Bank of the Republic of Moldova. National Bank is also responsible for implementation international supervision standards. To protect the interests of depositors and ensure the stability of the banking system, NBM has supervision of banks by tracking requirements and compliance, as well as other requirements by law. NBM conducts banking supervision of financial institutions both off-site (based on reports submitted by banks) and on-site (spot checks).

A banking crisis occurred in the run-up to the 2014 elections, when up to \$1 billion was issued through non-performing loans by three Moldovan banks. To prevent the bank collapse, the government had to bail them out. This exposed a major failure of regulatory oversight by the National Bank, as well as grand corruption among high-level politicians (both from the government and the opposition) who profited from the affair.

3.9. Parliamentary Committee for National Security, Defence and Public Order

The Parliamentary Committee for National Security, Defence and Public Order is in charge, among other, of fighting criminality, corruption and terrorism. It has the overall coordination and monitoring function for the implementation of the NSPCC.

3.10. Ministry of Justice (MoJ)

The main responsibilities of the Ministry of Justice are the elaboration and assessment of legislation, definition of the framework for legal, notarial and mediation services and bailiffs as well as the legal assistance guaranteed by the state. Currently the MoJ coordinates the implementation of the Strategy for Justice System Reform 2011-2016. The strategy aims to build a justice sector which is affordable, efficient, independent, transparent, professional and accountable to society, which meets European standards, ensures the rule of law and the observance of human rights and contributes to safeguarding society's trust in justice.⁹¹ A report on Strategy's implementation in 2012-2014 provides a critical assessment and recommendations for the future.⁹² The MoJ has equally implemented an Integrity plan 2012-2013 and takes an active part in the implementation of the National anti-corruption strategy.⁹³

3.11. High Judicial Council (HJC)

The Council was set up in 1994 as an independent body to ensure self-administration of the judiciary. HJC competences cover judge's careers and training. It has also responsibilities in dealing with disciplinary and ethical matters concerning judges.⁹⁴ The 2013 activity report emphasises the reform of the judiciary system, consolidation of capacities of HJC, increasing transparency of the law enforcement, improvement of working conditions of magistrates and increasing efficiency of the judiciary.⁹⁵

⁹¹ Strategy for Justice System Reform 2011-2016

⁹² Successes and failures of the reform of the Justice System in Moldova 2012-2014 (rom), Center for Legal Resources in Moldova.

⁹³ See reports on MoJ web site (rom).

⁹⁴ See HJC web site (rom).

⁹⁵ High Judicial Council Activity Report 2013 (rom).

3.12. Supreme Council of Prosecutors (SCP)

The Council is an organ of representation and self-administration of prosecutors consisting of 12 members elected by groups of prosecutors (8) and the Parliament (4) on a 4-year mandate. SCP deals with prosecutors' careers and training, disciplinary and ethical matters. SCP contributes to strategy development and implementation as, e.g. the Plan for Strategic Development of the Prosecutor's Office for 2012-2014.⁹⁶

3.13. National Justice Institute

The Institute was set up in 2006 with the task to train current and future judges, prosecutors, clerks and bailiffs. It provides also training, on contractual basis, to other categories of jurists and prepares and publishes teaching materials.⁹⁷ During 2009-2013 some 103 students obtained the certificate of a prosecutor and 52 that of a judge. In 2013 NJI implemented 333 activities with 7654 beneficiaries.⁹⁸

3.14. Police Academy

The Police Academy is a training and research centre, established in 1990. It trains staff for the Ministry of Internal Affairs and other law enforcement bodies. Training curricula covers penal studies, investigation techniques, police studies, sociology, police special tactics, law and management. The research activity is grouped in three sections: penal law, police law and economic law. In 2007-2013 the Police Academy has issued some 1000 publications.⁹⁹

3.15. Civil society organisations

Transparency International - the Republic of Moldova (TI - Moldova) is active in the country since 2000, encouraging opinion leaders and NGOs to promote transparency, democracy and accountability - the key principles of anti-corruption activities.¹⁰⁰

TI – Moldova has accumulated expertise in the following areas: research, activities aimed at building cooperation with the government and the civil society, information and educational activities for the general public.

The Centre for Analysis and Prevention of Corruption (CAPC) is a non-governmental, non-political organisation, established in 2000.¹⁰¹ CAPC undertakes national and sectorial corruption studies; promotes transparency of the activity of state and political institutions and promotes public oversight over the activity of public bodies. Since 2006, CAPC performed corruption analysis of draft normative acts at the request of the Parliament, Ministry of Justice, Centre for Human Rights of the Republic of Moldova and National Commission for Integrity. Over the years, CAPC developed projects related

⁹⁶ See [SCP web site](#) (rom).

⁹⁷ See [NJI web page](#).

⁹⁸ [National Justice Institute Activity Report 2013](#) (rom).

⁹⁹ See [Police Academy web site](#) (rom).

¹⁰⁰ See [Transparency International – Moldova website](#)

¹⁰¹ See [CAPC website](#)

to transparency of the justice system, assistance in electoral disputes, support to local public authorities in drafting local laws and regulations, social and informational campaigns to combat and prevent corruption, etc.

The Anti-Corruption Alliance (ACA) was created in January 2006 by a joint agreement of ten non-governmental organisations, including the two above, and signed a collaboration agreement with the Government of the Republic of Moldova.¹⁰² ACA's mission is to prevent and fight corruption through influencing public policies, informing the public, promoting governance transparency, as well as the consolidation of the Alliance's members.

The Centre for Investigative Journalism (CIJ) is active since 2003 focusing on corruption, organised crime, contraband, embezzlement, protectionism, corruption among state officials, illegal assets of public servants, human trafficking etc. CIJ investigations are published in 16 national and local newspapers.¹⁰³

4. PROBLEMS TO BE ADDRESSED

Corruption in the Republic of Moldova is a social disease because of its repercussion on economic growth, investment and trade activity and, as a result, on the income inequality and the overall well-being of Moldovan people. In this respect, over the past several years, eradicating corruption became one of the top priorities for the Moldovan Government, which is showing a high level of determination to further advance its reforms on preventing and combating corruption on the national scale.

4.1. Need 1: Regulatory Framework

Address gaps and deficiencies in the regulatory framework concerning prevention and fight against corruption and money laundering and terrorist financing in line with CoE and EU good practices

In terms of the national regulatory framework on anti-corruption and anti-money laundering, there is a need of a full legislative review in the area of anti-corruption, anti-money laundering and asset recovery, as well as on integrity testing package of laws for elected public officials and civil servants. This need stems from gaps and mismatches identified between different legal acts, including those delineating the competencies of different authorities.

Moldovan authorities have made significant efforts to improve the existing legislation. However, it is expected that further reviews will be necessary to bring the Moldovan legislation in line with international standards, especially once the implementation of legislation is under way. This applies to the package of integrity laws, Law on declaration of wealth and interests, amendments to the Criminal Code which include sanctions for mismanagement of foreign assistance funds.

¹⁰² See [Anti-Corruption Alliance website](#)

¹⁰³ See [Center for Investigative Journalism website](#)

Additional legal reviews may also be necessary for pieces of legislation currently being drafted or which are undergoing adoption procedure, such as the:

- Draft Law on Integrity¹⁰⁴
- Draft Law on amending and completing certain laws (demotivating sanctions for corruption and money laundering in the Criminal Code and Administrative Code)
- Draft Law on Asset Recovery
- Draft Law on Whistleblower Protection
- Draft law on prevention and combating money laundering and terrorism financing¹⁰⁵

Regarding the Procedural Codes (Civil Procedure Code, Contravention Code and Criminal Procedure Code), further amendments are expected to take place and address corruption behaviour from other categories.

In addition to this, further reviews and development will be needed on the following pieces of legislation:

- Law on Bar of Advocates (access to profession; performance evaluation; disciplinary responsibility; self-governing institutions);
- Draft the law on establishment of Asset Recovery Office;
- Draft amendments to the national framework to improve investigation and fight against financial crimes (to include a corruption element by judges, prosecutors, investigators, bailiffs and other relevant public officials);
- Draft new amendments to Criminal Procedure Code and Criminal Code to enhance investigation of money laundering offence and terrorism financing;
- Bylaws acts, Regulations and Guidelines necessary to properly implement AML/CFT Law and all integrity-related legislation.

The project should also assist the authorities in creating and developing mechanisms in institutions to be used by whistleblowers for flagging illegalities.

Some of the key issues in fighting corruption as identified by the Ministry of Interior, in addition to the assessment of the existing AC legal framework, is the elaboration of the concept and monitoring mechanism of the lifestyle of civil servants, which would include the development of a legislative act to regulate this area, as well as training for law enforcement on how to conduct monitoring of civil servants and public officials with special status. The Ministry has also expressed an interest in developing further proposals for its alignment to European standards, especially when it comes to regulating its remit and responsibilities.

Concerning asset recovery, a review of the national regulatory framework concerning confiscation and recovery of assets obtained illegally (e.g. freezing powers, third party confiscation and financial investigations) is also a priority. Regarding Special Investigative Means (SIMs), there are certain conflicting provisions in the Criminal

¹⁰⁴ Legal opinion is currently being prepared under the CoE/EU Eastern Partnership Programmatic Co-operation Framework (PCF) "Fight against Corruption and Fostering Good Governance/Fight against Money-Laundering".

¹⁰⁵ Legal opinion provided by the CoE/EU Eastern Partnership Programmatic Co-operation Framework (PCF) "Fight against Corruption and Fostering Good Governance/Fight against Money-Laundering".

Procedure Code and special legislation. Therefore, this area would also need to be looked at through a legal analysis.

Regarding anti-money laundering regulation, it is important to ensure compliance with all international and EU requirements and to increase the regulatory function of the **National Bank of the Republic of Moldova**, ensure transparency and rules for real owners of private banks, improve regulation of the insurance market and enhance the application of asset recovery. The following necessary measures have been identified, among others:

- Enhance Customer Due Diligence measures for reporting entities;
- Supervision of reporting entities (transfer of supervision from the MoJ to the National Chamber of Notaries);
- Introduce extension of freezing period (currently 5 days);
- Dissemination of lists from/to the FIU to reporting entities.

During the scoping exercises, it has been identified that there is a strong need for trainings of judges, prosecutors, investigators, as well as NAC and NIA staff on topics such as economic crime, special investigative means, financial investigation, high-profile corruption investigation, investigating misuse of public funds, political party financing, integrity testing. Apart from traditional trainings in forms of workshops and seminars, the project could also seek to develop Trainings of Trainers, training manuals and E-learning courses.

4.2. Need 2: Capacities on Prevention of Corruption and Money Laundering

Improve capacities of authorities to design and implement corruption and money laundering prevention measures

In May 2014, the Moldovan parliament passed the 2014-2015 Action Plan to implement the National Anti-Corruption Strategy 2011-2015. In May 2014, the Parliament introduced changes to the Criminal Procedure Code which have considerably improved the conditions for corruption and organised crime investigations, removing the previously existing constraint of informing the suspects of being subject of an investigation prior to using special investigation techniques.

In order to further improve the capacities of authorities to design and implement corruption and money laundering prevention measures, the gaps and vulnerabilities in the system need to be identified. In view of this, and at the request of Moldovan authorities, the project will assist in preparing and carrying out sectoral corruption risk assessments in the sectors most exposed to corruption risks (e.g. judiciary/police, tax, customs, healthcare, education, political party financing) and the development of risk mitigation plans. These assessments will require significant efforts and active participation by all project beneficiaries, and while such exercises are extremely useful, they require significant resources in terms of staff and time invested. In this respect, the project will seek to facilitate this process as much as possible.

The National Anticorruption Strategy for 2011 – 2015 was not fully implemented, that is why it was decided to extend the strategy over 2016, without adopting an Action Plan for 2016. The drafting of the new Anticorruption Strategy for 2017-2020 has started with the assistance of the UNDP project. Once adopted, there will be need to support effective monitoring of its implementation with particular focus on civil society participation.

The National Integrity Authority (NIA) will require capacity building on controlling and monitoring of asset declarations. The NIA has started working in 2013 and it has collected a total of 110.000 declarations of assets and personal interests, of which only 3000 were checked. Currently, the NIA is striving to improve its access to databases in order to increase effective control and implementation of online declarations of interest. Concerning NIA, the project will include the formulation of a capacity building plan , training for new and existing staff, as well as development of internal guidelines, .

Training on analytical and operational capacities of the NAC, Anti-corruption prosecutors and MIA will seek to improve the analytical sections of these key institutions in order to help them identify and assess risks and vulnerabilities of institutional corruption. This would include trainings in investigation techniques, as well as in intelligence analysis.

4.3. Need 3: Asset Recovery

Strengthen and develop the institutional framework and capacities of institutions and structures dealing with asset recovery

The Republic of Moldova does not currently have a government agency dedicated specifically to asset recovery and management of seized and confiscated proceeds of crime.

This function is currently managed by the NAC and the General Prosecutor's Office. The Moldovan asset recovery model is comprised of several institutions at the Executive, Parliamentary and Judiciary branches. These include: 1) Financial Intelligence Unit 2) The National Anti-Corruption Centre 3) The General Directorate of Police within the Ministry of Internal Affairs 4) Judicial bodies a) General Prosecutor's Office b) Courts 5) State Tax Inspectorate within the Ministry of Finance. The asset recovery system of the Republic of Moldova is centred in the General Prosecutor's Office, which is responsible for leading the investigation, seizing assets, issuing requests for MLA and initiating the prosecution. Thus, intelligence produced by the relevant intelligence body is to be shared with the General Prosecutor's Office, who will be responsible for the processing of the information.

There is a lack of an integrated asset recovery policy in the Republic of Moldova. As a result, the actions, which are carried out by the numerous stakeholders (National Anti-Corruption Centre, Ministry of Internal Affairs, General Prosecutor's Office of the Republic of Moldova, Courts and State Tax Inspectorate) responsible for collecting evidence, seizing, confiscating and realising proceeds and instrumentalities of crimes, are disjointed.

The Republic of Moldova has comprehensive legislation with regards to the asset recovery process. Seizure and confiscation of assets is provided for in both the Criminal Code and the Criminal Procedure Code of the Republic of Moldova.

While the project will provide any legal review necessary, it can also focus on improving institutional capacities to manage asset recovery, such as providing specialised training on data collection, investigation techniques and the use of Specials Investigative Measures (SIMs), as well as training on asset management.

Given the very early stages of development of a more formalised asset recovery structure, the project should aim to assist as much as possible in inter-agency

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cooperation through the drafting of guidelines, as well as in international cooperation, which would include sharing of international good practices in this field. All relevant state bodies would also benefit from participating in regional events on asset recovery, as asset recovery is very much dependent on functional mutual legal assistance.

An priority in this area would also be to develop guidelines for parallel financial investigations by law enforcement agencies during criminal investigations of offences which generate proceeds (FATF designed offences) and the application of a new confiscation regime recently introduced in the Criminal Code.

In terms of target groups for trainings on asset recovery, NAC, MIA, and prosecutors would be the main target group. However, State Tax Inspectorate and Customs should also benefit from any seminars organised by the project.

Given the interspersed competences on asset recovery, it is recommended that each institutions involved in the application of the law, should nominate a focal point specifically for this issue. This would facilitate any work on asset recovery, but would also provide training for future staff to be recruited by a specialised asset recovery unit/agency, once the legislation is in place.

4.4. Need 4: Information Sharing (e-case)

Introduce and/or upgrade information collection, storing and sharing systems for the national co-operation mechanisms among law enforcement agencies focusing on data-collection, storing and sharing and statistics keeping

The need for an upgrade of IT systems is always a top priority due to the fast-changing nature of technology. In this respect, the NAC and other institutions, have expressed an urgent need for upgrades of the existing infrastructure.

The project can assist the NAC and other national authorities in developing an e-case system (unified system of collection and management of information concerning criminal investigations), in the parameters that do not overlap with the previously procured goCase system. Within this activity, the project would provide support and guidance in the assessment, development and implementation of the new e-case system; assess the capabilities and technical infrastructure of the law enforcement bodies involved; provide support in procuring software and hardware needed for the implementation of the needed infrastructure; and provide support and guidance in establishing the coordination mechanism.

Once the IT needs are assessed by an external expert, the project will procure the necessary equipment and provide training on its use and management to all relevant staff.

4.5. Need 5: National and International Cooperation

Support and enhance the national and international co-operation between the national and international law enforcement agencies on data exchange and

international tracing of crime proceeds concerning corruption and money laundering and terrorism financing.

Concerning national co-operation the project will assess the current situation in terms of inter-institutional co-operations between the agencies involved in the fight against corruption (NIA, NAC, Ministry of Internal Affairs, Anti-Corruption and Organised Crime Prosecution Office, National Bank, State Tax Inspectorate, Customs and in particular, its Internal Security Directorate, General Police Inspectorate, etc.). Based on the recommendations of the assessment, the project should formulate amendments to existing legal framework (laws and under laws) based on CoE and EU good practices. Practical guidelines for co-ordination mechanisms will be developed.

In terms of developing cross-border investigation and information sharing purposes, the beneficiaries of the project should take part in regional events and study visits to neighbouring and other jurisdictions in order to exchange information and good practices in combating all forms of economic crime. Co-operation with Europol and other international and regional bodies facilitating multilateral information exchange will be supported.

4.6. Need 6: Public Participation

Increase public awareness and participation in the fight against corruption

The Action Plan for the period of 2014-2015 on the Implementation of the National Anti-corruption Strategy clearly identifies several key areas in increasing public awareness and participation in the fight against corruption, which can be addressed through this project:

- Organising awareness raising campaigns on corruption;
- Training employees of public institutions and authorities on the subject of corruption;
- Promoting the right of access to information by means of establishing and strengthening partnerships with media and civil society.

These objectives can be achieved through trainings for investigative journalists with a focus on corruption and trainings of Communication Officers/Managers in public institutions. Civil Society organisations should have a more prominent role in legislative drafting process and increased involvement in risk assessment activities, policy design and monitoring of anti-corruption measures, in addition to regular activities such as raising public awareness and increasing citizen participation by encouraging the reporting of corruption cases.

5. EXPECTED RESULTS AND DELIVERABLES

5.1. Rationale of Qualitative Expected Results

It is expected that by the end of the project:

Under Result 1:

- Gaps and deficiencies in the regulatory framework concerning prevention and fight against corruption and money laundering are addressed;

Under Result 2:

- Capacities of authorities to design and implement corruption and money laundering prevention measures are enhanced;

Under Result 3:

- Capacities of the newly established asset recovery structure at the National Anti-Corruption Centre are developed and strengthened.
- Procedures on carrying on financial investigations developed.
- Law enforcement agencies, prosecutors, judges and other relevant professional and institutions will build capacities in performing their duties with regard to search, seizure and confiscation of the proceeds from crime. In particular, they will be trained to perform their duties in line with professional standards and good international practices.

Under Result 4:

- Upgraded information sharing systems for the national co-operation mechanisms (law enforcement and financial intelligence) involved in data-sharing and statistics are introduced;
- Effective interagency cooperation and coordination mechanisms and procedures will be enhanced. Formal and technical conditions, including IT resources, will be supported and applied in practice to ensure the exchange of analysis of the necessary data and information.

Under Result 5:

- National and international co-operation between the national and international law enforcement agencies on data exchange and international tracing of crime proceeds concerning corruption and money laundering and terrorism financing are supported and enhanced
- Study Visits at a transversal level including other project ER profiles.
- Moldovan authorities will enhance their capacities in contributing to the international effort in anti-money laundering asset recovery, but also using foreign sources of information to increase its own efficiency, through effective information exchange with foreign partners in line with applicable international standards;

Under Result 6:

- Public awareness and participation in the fight against corruption is increased.

Achieving of these results will enhance the capacities to prevent and counter corruption and money laundering and therefore it is expected that the quality of investigations,

prosecutions and adjudications for corruption and money laundering offences will increase within short- or mid-term perspective.

The achievement of the above mentioned results will strengthen the anti-corruption and anti-money laundering prevention system, which should lead to an increased level of trust in the judiciary/law enforcement and the state in general and may be conducive for foreign investments.

The Logical Framework (Annex I) presents a detailed structure of the intervention, linking Expected Results, objectively verifiable indicators, activities, means and deliverables.

5.2. Quantified Deliverables

The nature and quantification of means and deliverables by Expected Results, as described in this DoA and its Annex I, is tentative and subject to recalibration during the Inception Phase. The final list and configuration of the deliverables to be produced by the Project will be adopted in the form of a Project Workplan based on consultations and agreement with all Project beneficiaries and stakeholders by completion of the Inception Phase and endorsement by the beneficiary.

Under Result 1 the deliverables will include:	Estimated Quantity
- Legal and Technical Expert advice and recommendations	At least 4
- Assessment reports with concrete recommendations on improvement of existing legislation	At least 2
- Events (multidisciplinary and specialised workshops and trainings)	At least 10
- Regulatory instruments and/or procedures	At least 4
- Publications	At least 1
- Visibility actions	At least 2
Under Result 2 the deliverables will include:	Estimated Quantity
- AC Sectoral Risk assessment reports	At least 4
- AML and AC strategic reviews	At least 2
- Practical guidelines (by set)	At least 3
- Events (multidisciplinary and specialised workshops and trainings)	At least 20
- Publication	At least 5
- Study	At least 4
- Visibility actions	At least 7
Under Result 3 the deliverables will include:	Estimated Quantity

- Asset recovery strategic review	At least 1
- Practical guidelines	At least 3
- Events (multidisciplinary and specialised workshops and trainings)	At least 10
- Publication	At least 1
- Study	At least 1
- Visibility actions	At least 2
Under Result 4 the deliverables will include:	Estimated Quantity
- Needs assessment reports - technical specifications of software and equipment	At least 1
- Procured hardware and software if needed and sustainable	At least 1
- Study	At least 1
- Procurement of licenses if needed and sustainable	At least 1
- Events (specialised IT workshops and trainings)	At least 5
Under Result 5 the deliverables will include:	Estimated Quantity
- Events (multidisciplinary and specialised workshops and trainings)	At least 15
- Regional event (conference)	At least 1
- Practical guidelines (sets)	At least 4
- Study	At least 1
- Study Visits	At least 2
Under Result 6 the deliverables will include:	Estimated Quantity
- Events (multidisciplinary and specialised workshops and trainings)	At least 6
- Publications	At least 2
- Visibility actions	At least 6

6. LESSONS LEARNT

Previous experience of Council of Europe technical assistance projects in the Republic of Moldova and in the region as well has been in overall satisfactory. However, certain good practices and lessons learnt are worth of sharing and being kept under consideration for future actions in order to improve impact and quality of assistance. Those would include:

- Close coordination with EU Delegation;
- Ensure local ownership through involvement to maximum as possible of all main stakeholders and beneficiaries;
- Capacity building of local staff and institutional management involved in project deliveries through direct and indirect “on site” participation;
- Deep consideration of the historical, cultural and ethnic values and circumstances in the field where the project is implemented;
- Ensure sufficient absorption of capacities available and avoid donor congestion when organising activities that may fall under the same theme umbrella with other donors and technical assistance providers;
- Sufficient financial planning of support and management time for project team (in Chisinau and in Strasbourg) in order to ensure smooth and quality result oriented actions;
- Ensure follow up and information dissemination when delivering project results in order to maintain the momentum as well as ensure continuation of reforms.
- Sharing information and planning with other governmental and non-governmental organisations in the Republic of Moldova and in the region in order to avoid duplication, but also ensure joint partnerships and coordination of efforts.

The most relevant anti-corruption/anti-money laundering interventions for the implementation of this proposed project include the following:

- Eastern Partnership Facility: Judicial reform, combat cybercrime, promote good governance and fight against corruption in Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova and Ukraine (2011-2014) / €4.8M financed jointly with the European Commission.
- SC-MLD-MEDIA II: Promoting freedom, professionalism and pluralism of the media in the South Caucasus and the Republic of Moldova (2011-2012) / 0.75M financed jointly with the European Commission.
- MLD-DemSupport: Democracy Support Programme (2010-2012) / €3.4M financed jointly with the European Commission.
- The Republic of Moldova-JU: Increased independence, transparency and efficiency of the justice system in the Republic of Moldova (2006-2010) / €3M financed jointly with the European Commission.
- MOLICO: Project against corruption, money laundering and the financing of terrorism in the Republic of Moldova (2006-2009) / €3.5M financed jointly with the European Commission and the Swedish International Development Agency.
- PACO - the Republic of Moldova: project supporting National Anti-corruption Strategy of the Republic of Moldova (2005) / €0.35M financed jointly with the European Commission, Switzerland and Finland.

7. OTHER INTERVENTIONS AND LINKED ACTIVITIES

7.1. Previous Technical Assistance and Cooperation Programmes

During the past 15-20 years, the Republic of Moldova has benefited from anti-corruption interventions of several major donors, including in particular:

EU

- Support to the Public Procurement System in the Republic of Moldova (2010-2012) / €1M financed by the European Commission, Twinning Programme / implemented jointly by Moldovan and Romanian ministries of finance.¹⁰⁶
- Strengthening Public Financial Management in the Republic of Moldova (2011-2012) / €1,5M financed by the European Commission, Twinning Programme / implemented by Ekonomistyrningsverket.¹⁰⁷
- Support to the Government of the Republic of Moldova in the field of anti-corruption, reform of the Ministry of Internal Affairs, including police and personal data protection (2011-2013) / €2,4M financed by the European Commission / implemented by Deutsche Gesellschaft Fur Internationale Zusammenarbeit (Giz) GmbH.¹⁰⁸
- More recently, the EU has put in place an EU high Level Advisory Mission to the GoM, judiciary, Parliament and other State Institutions

OECD

- Anti-corruption Network (2005-2010)¹⁰⁹

US government / Millennium Challenge Corporation

- The Republic of Moldova Threshold Programme: Project to address areas of persistent corruption including in the judiciary, health care system, and tax, customs and police agencies and enhancing capacities of civil society and the media to play a role in spotlighting corruption (2006-2010) / \$25M.

Transparency International

- Various projects based on bilateral national donations¹¹⁰

The Moldovan Government Aid Management Platform lists 8 projects concerned with corruption (see below):¹¹¹

Project title	Donors	Beneficiary Agencies	Start date	End date	Committed amount (EUR)	Disbursed amount (EUR)
PREVENTING CORRUPTION AND IMPUNITY IN THE FIGHT AGAINST TRAFFICKING	United States of America	Centre for combatting trafficking in persons, Independent Journalism Centre, Ministry Of Labour, Social Protection And Family	Feb 22, 2010	Feb 21, 2013	734,800	734,800
SUPPORT TO THE GOVERNMENT OF THE REPUBLIC OF MOLDOVA IN THE FIELD OF ANTI-CORRUPTION, REFORM OF MINISTRY OF INTERNAL AFFAIRS,	European Union	Ministry of Internal Affairs, National Anticorruption Center	Oct 11, 2011	Oct 10, 2013	2,499,000	2,499,000

¹⁰⁶ See [NCU web site](#).

¹⁰⁷ See [EUD Moldova web site](#).

¹⁰⁸ See [EUD Moldova web site](#).

¹⁰⁹ See [OECD web site](#).

¹¹⁰ See [TI Moldova web site](#).

¹¹¹ See [Moldovan Aid Management Platform](#).

Project title	Donors	Beneficiary Agencies	Start date	End date	Committed amount (EUR)	Disbursed amount (EUR)
INCLUDING POLICE AND PERSONAL DATA PROTECTION						
CONSOLIDATION OF NATIONAL CAPACITIES IN FIGHTING CORRUPTION	United Nations	Ministry of Internal Affairs, TRANSPARENCY INTERNATIONAL	Oct 01, 2001	Nov 29, 2006	225,694	0
SUPPORT TO THE NATIONAL ANTI-CORRUPTION STRATEGY OF THE REPUBLIC OF MOLDOVA	European Union	National Center Anticorruption	Jan 01, 2005	Jan 01, 2006	300,000	0
FIGHT AGAINST CORRUPTION AND MONEY LAUNDERING (2006-2009)	Kingdom of Sweden	National Center Anticorruption	Jan 15, 2006	Dec 15, 2010	482,419	0
REFORM AND CAPACITY BUILDING IN THE CENTER FOR COMBATING ECONOMIC CRIME AND CORRUPTION	United States of America	National Center Anticorruption	Apr 01, 2007	Mar 31, 2009	2,018,477	0
THE COMMON PROGRAMME FOR FIGHT AGAINST CORRUPTION AND MONEY LAUNDERING	Council of Europe	National Center Anticorruption	Aug 15, 2006	Dec 31, 2009	3,532,334	0
SOCIOLOGICAL RESEARCH STUDY AT NATIONAL LEVEL ABOUT EVALUATION OF PERCEPTION OF CORRUPTION IN REPUBLIC OF MOLDOVA	United States of America		Oct 01, 2008	Mar 01, 2009	0	0
Total:					9,792,724	3,233,800

7.2. Current and planned (other donors)

Coordination of donors in the field of anti-corruption is not taking place effectively, yet. However, donors have taken steps to coordinate more formally, including through regular meetings. The following information is mainly based on internet and meeting with donors during the in-country mission:

UNDP

Strengthening the corruption prevention and analysis functions of the National Anticorruption Centre (2015-2017). The goal of the project is to strengthen the institutional and operational capacities of the National Anticorruption Centre of the Republic of Moldova for ensuring effective implementation of its prevention and analytical functions in line with the strategic policy documents, as well as with the international standards. The project will enhance the capacities, independence and empowerment of the NAC to effectively prevent corruption and to develop and implement evidence-based corruption prevention policies. The project will support also the development of accountability and transparency mechanisms and strengthening of integrity of NAC through establishing a platform for cooperation with Civil Society Organisations in order to increase citizens' trust in governance. The Project has the following expected results:

1. Strengthened NAC's operational and institutional capacity to fulfil its prevention and analytical functions;

2. Strengthened NAC's capacity to implement corruption prevention actions as per national and international strategic documents;

3. Strengthened NAC's capacity to perform corruption analysis as per national and international strategic documents.

The project will seek synergies with the other actors active in the field of anti-corruption, especially the Project will cooperate with the ABA/ROLI to elaborate and put in application the corresponding guidelines for the Prosecutors Office and the National Anticorruption Centre and to elaborate and pilot the training courses. The National Anti-corruption Centre will be the key partner for the implementation of this component.

The European Commission:

- EU direct Budget Support to Justice Sector Reforms: €60M
- EU/CoE Regional Programatic Cooperation Framework (PCF) – Corruption, money laundering and good governance
- Sector related projects: European Union Border Assistance Mission to the Republic of Moldova and Ukraine – EUBAM (with an anti-corruption component).
- The Single Support Framework (SSF) for EU support to the Republic of Moldova in 2014-2017 was adopted on 11 June 2014 for an indicative amount of €335M-€410M. The SSF focuses on the following sectors: public administration reform; agriculture and rural development; police reform and border management; complementary support for capacity development.¹¹² SSF finances, inter alia:
 - Support to Public Finance Policy Reforms in the Republic of Moldova (€37 million): to assist the Ministry of Finance, the Parliament and the Supreme Audit Institution of the Republic of Moldova in the process of enhancing good governance, effective fiscal policy, transparent and accountable public finance policy and strengthened public financial management systems.¹¹³
 - Support to coordination of the Justice Sector reform in the Republic of Moldova (2013-2016) / €2.2M financed by the European Commission / implemented by Altair Assessors.¹¹⁴

Other United Nations programmes:

- UNDEF: Joint media-civil society watchdogs to work for transparency and accountability. The project's investigations successfully held local authorities accountable for misuse of school funds, forced the removal of dangerous chemicals stored in an unsafe warehouse, and revealed mismanagement of drinking water (2014-?).¹¹⁵
- UNDP's Strengthening Rule of Law and Human Rights Protection in the Republic of Moldova Project (2014-2015). Strengthening legal framework and knowledge to combat corruption in justice sector. Corruption in justice sector

¹¹² See Single Support Framework for EU support to the Republic of Moldova.

¹¹³ See European Union supports key reforms in the Republic of Moldova, EU press release.

¹¹⁴ See EUD Moldova web site.

¹¹⁵ See UNDEF web site.

violates the right to a fair trial, undermines the protection of property rights, prevents long term investments and business activity thus violating human rights and slowing down economic development. In 2013 the Parliament has approved a package of anti-corruption legislation (laws on testing the professional integrity of the justice sector actors, on criminalization of illicit enrichment, and on introduction of extensive seizure of goods and assets which cannot be justified). The Project is aiming at the following activities:

1.1. Strengthening legislative framework to combat corruption. Develop the secondary legislation for the proper implementation of new legislation on combating corruption. Specifically, there is a need to draft methodological guidelines for the investigation of individual cases, which is envisaged under point 4.1.3 (6) of the Justice Sector Reform Strategy's Action Plan: "Development of methodological guidelines for law enforcement in corruption cases". The activities will also include a mixed focus-group consultations for testing of the guidelines;

1.2. Enhancing staff knowledge to combat corruption. Drafting of training curricular and materials and organization of pilot training courses for the professionals from the National Anti-corruption Centre and Prosecutors Office.

US government / American Bar Association / Rule of Law Initiative

- Anti-corruption programme / 2013 / USD 300.000 / training of prosecutors, judges and magistrates; NIC support: legal amendments, training on declarations; Supreme court of Justice: guidelines on unified application of legislation.
- Expert support for NAC and the Prosecutor / 2015 / Reform of the Prosecutor's office, prosecutors led investigations.

8. THE INTERVENTION

8.1. Overall objective

To strengthen the anti-corruption framework in the Republic of Moldova in line with the European and international treaties.

8.2. Project purpose

The Republic of Moldova has already built a large part of institutions and policies required to fight corruption: NAC, NIC, NSPCC etc. There are numerous donors supporting projects in this field: USAID, SIDA, EU, UNDP etc. The country however advances very modestly in terms of improving specific indicators due to a mix of political instability, and economic constraints.

The Council of Europe can and should provide a targeted intervention at this stage, creating a unifying effect among donors and recipients and a boost in specific sectors of high relevance. Capitalising on the urgent need for reforms by the recently signed Association Agreement with the EU, the existing and to-be formed specialised institutions and specific recommendations of CoE bodies outline the following priority areas to be addressed by this project:

- Approximation of Moldovan legislation to the EU acts and international instruments concerning passive and active corruption, conflict of interest and money laundering and financing of terrorism;
- Institute an efficient penalising instrument for false asset declarations through asset recovery and banning convicted officials from certain public posts;
- Institute an efficient public control over financing of political parties;
- Institute an effective mechanism of encouraging whistleblowing and investigative journalists to expose corrupt acts and influence public opinion.

8.3. Expected Results (ER)

- ER 1: **Gaps and deficiencies in the regulatory framework concerning prevention and fight against corruption and money laundering/terrorism financing are addressed in line with relevant CoE and EU practices;**
- ER 2: **Capacities of authorities to design and implement corruption and money laundering prevention measures are enhanced;**
- ER 3: **Strengthened asset recovery framework and capacities of relevant involved and dedicated structures;**

- ER 4: **Upgraded information sharing systems and capacities** for the national mechanisms concerning corruption offences/violations and of tracing of assets and their recovery;
- ER 5: National and international co-operation between **national and international law enforcement agencies on data exchange and international tracing of crime** proceeds concerning corruption and other forms of economic crime are supported and enhanced;
- ER 6: **Public awareness and participation** in the fight against corruption is increased.

9. ASSUMPTIONS, RISKS AND SUSTAINABILITY

9.1. Assumptions

The main identified challenges to the implementation of anti-corruption measures in the Republic of Moldova would be: the adherence to the reforms of the new government formed after the November elections, weaknesses and indecisiveness of older or newly-formed institutions, under-financing of anti-corruption sector, the limited trust and therefore involvement of civil society in monitoring and investigating.

9.2. Risks

Risks	Mitigations
The newly formed government challenges the NAC and its supporting projects.	Promote the project with the new government in late December or January as a priority and an opportunity.
Measures by NAC and NIA are inefficient and/or targeting exclusively small and mid-level corruption.	Provide peering and assistance to fight high-level corruption within the project.
Civil society remains sceptical and disengaged.	Institute a prize from public money for efficient whistle-blowing administered by an NGO alliance.
IT investments are not efficiently used or previous investments from other donors are not fully accomplished	Ensure all IT investments are supported and based on a feasibility study.
Unstable political support for NAC corruption fighting activities with regard to NAC institutional independence	Encourage the newly-elected government to support NAC's activities and ensure its independence
Legislative obstacles to increase effectiveness of corruption prevention and combating activities	Encourage and support a speedy adoption of the new National Anti-corruption Strategy and Action Plan. Encourage the adjustment of the legal framework needed for effective carrying out of integrity testing.
Insufficient budgeting of NAC activities, especially when it comes to prevention activities, such as awareness raising campaigns	Assist the authorities in creating a detailed budget, as well as indicating responsible institutions for each planned activity under the new Action Plan.
Other international assistance providers (despite information sharing at earlier stage), initiate project interventions with NAC and other main beneficiaries at the same time of the preparation of this project.	Consistent share of request of information pertaining planned and to be planned activities. Active coordination and cooperation with and on certain specific workplan activities in order to avoid duplication and increase possibilities of depth of support and intervention.

9.3. Sustainability

The project does not seek to create new structures but rather to support public services in efficiently carrying out their functions and at the same time to strengthen their capacities and enhance interagency co-operation.

It is expected that the selected intervention logic will ensure the sustainability of results based on the assumption that the government's commitment to effectively prevent and control corruption will be maintained in the future.

Improvement in the legislative and organisational framework of the justice and law enforcement sector with regard to effectively sanctioning corruption and with regard to corruption risks within the justice sector itself will set solid foundations for further developing the system. Given the on-going European integration process and firm political commitment to follow on its track, it is assumed to be very unlikely to see this trend changed.

The risk assessments will be coupled with activities to improve the enforcement of the legislation through training on the one hand and supporting the implementation of legislative and organisational recommendations on the other.

It is expected that this project will prove the value of the justice/law enforcement system and will convince the authorities to make sufficient resources available in the future to follow up on the results of the project and maintain the capacity.

The activities are designed to be sustainable in that the training materials and programmes will be available online once finalised and in the course of the project's implementation and can be updated and used in the future also without external assistance. Strong ownership of these tools by the beneficiary will be ensured. Trainers trained by the project will be available for future trainings. There is of course a risk that these trainers will assume other functions over time and no longer be available. Thus, additional training of trainers may be required in the future.

Therefore, the project will be oriented towards effective establishment and maintenance of institutional memory by also using the National Justice Institute and the Police Academy as two main institutions where institutional memory of training materials will be ensured throughout the project thus leaving behind information and sustainable tools that shall be of use in the future. A similar effect is expected from the introduction of specialised courses in the above mentioned training institutions for law enforcement and judiciary. New generations of professionals will receive the advanced knowledge and specialised training, which will facilitate the mitigation of results through retirement, career changes, etc.

At the end of the implementation period of the project, a clear set of recommendations for further improvement of the capacities of the law enforcement agencies and judiciary will be available.

It is furthermore expected that the activity aimed at increasing the awareness of Moldovan society through the media will produce an additional multiplier effect. The general public is the first instance where corruption offences are perceived and prevented.

Therefore transparency on sanctioning corruption will further enhance the efforts by the government and ensure an efficient mid- and long-term monitoring of the results achieved.

Experience of the previous projects shows that a mix of measures addressing at the same time the whole system – prevention and repression, legislation and its enforcement, support to policies and strategies, training of professionals currently in service, training of trainers and elaboration of training curricula for both public and private sector players – produces very good and sustainable results. This is why it is assumed that the results produced by the project will be sustainable financially, institutionally and policy-wise.

There are no physical, environmental, economic or social risks identified that would be likely to prevent this project from achieving the planned results. Political risks have been discussed above.

10. IMPLEMENTATION

10.1. Methods of implementation and reasons for the proposed methodology

The methodology of implementation of these activities, and thus of the project itself is evident in the above description of activities.

Following the reasons for the proposed methodology and approach, the modus of action includes a mixture of the following types/nature of tools when organising activities and providing support to implement the proposed activities:

The following types of inputs are proposed:

Expert advice – provided by the LT-Adviser within his/her competence/experience or, as necessary, by ST-Advisers selected according to their specific field of competence, through direct conversation with individual officials or groups of officials on the issues specified in the Workplan and wherever necessary.

Expert opinions – will be provided in writing, as necessary, to comment on the pieces of legislation or their drafts or other documents, such as specific recommendations and practical guidelines, by independent experts from the Council of Europe Member States via the CoE Secretariat.

Roundtables and seminars - allowing stakeholders/professional groups and individuals to look at ways in which their own policies can be reformed. They will also be used to contribute specialist knowledge to a broader debate on a given issue.

Workshops - allow a particular task to be undertaken involving multiple co-operating parties. Experts put their knowledge at the disposal of practitioners and officials. Workshops can also be used to provide specific advanced training.

Training courses – allow participants to acquire new knowledge and/or professional skills through interaction with a qualified trainer. Elements of self-education can be included.

Training of trainers – to enhance the sustainability of the Project's results the ToT approach shall be applied wherever possible throughout the Project. National trainers trained by the project will be able to provide the necessary trainings to newly hired staff beyond the Project duration.

Study visits – to allow the beneficiaries of the Project to learn from first-hand experience and best practices from other jurisdictions.

Research – a way to get a comprehensive overview of a given issue to serve a basis for further analysis.

Translations - make important texts and information accessible in local languages and can be used as a tool in training activities and seminars.

Publication and dissemination of texts and/or audio-visual CD-ROMs - ensure that certain expertise or knowledge is made available to the widest possible audience.

Press coverage and visibility actions – to increase public awareness of the subject matter of the Project and to ensure the visibility of the Project, the donor and the implementation agency.

10.2. Physical and non-physical means

To ensure the proper implementation of the Project throughout the period of 36 months, the following means will be made available:

Premises and office equipment

The Council of Europe will make offices available for the Project Team in Strasbourg and in Chisinau. A monthly lump sum will be allocated under the budget direct costs to cover the cost of the Project office running and maintenance.

The following staff will be funded under the Project:

- **Project Adviser** international recruitment based in Chisinau;
- **Senior Project Officer** local recruitment based in Chisinau;
- **Project (Linguistic and Financial) Assistant** local recruitment based in Chisinau;
- **Project Management/Coordination in Strasbourg** (includes units of time of Coordination and Senior Management Supervision/Support at Headquarters).

All above listed members of the project management team will be recruited in line with Council of Europe Human Resource rules. No permanent staff of the Council of Europe will be funded under this Project.

The Project's Consultants/Experts will be selected by the Council of Europe in a transparent procedure based on the consultancy contracts and procurement procedures of the Council of Europe.

During the Inception Phase which will be the first 4 months of the project implementation period, the Project Team will propose a Workplan and Calendar and provide a detailed pool of short-term consultants/experts that will be commissioned for the implementation of specific project activities as indicated in the Logical framework. The Council of Europe will ensure the active participation of local professional skills where available, and a suitable mix of European and local experts in the project team.

All local experts are to be independent and free from conflicts of interest. Civil servants and other staff of the public administration of the Republic of Moldova shall not be

recruited as consultants within the project implementation team. They may provide short-term inputs as necessary but in that case shall not be remunerated.

10.3. Organisation and implementation procedures

Services

Given the nature of the activities undertaken, consultancy and interpretation services will constitute a major input into the Project's implementation.

Contracts

The implementation of the Programme will be based on a Pillar Assessed Grant Agreement between the European Commission (the contracting authority) and the Council of Europe (the implementing partner). The Council of Europe will sign contracts with all consultants/experts, service providers and suppliers.

10.4. Roles and participation by various actors

The European Union Delegation in the Republic of Moldova (EUD)

EUD will be responsible for:

- Providing funds for project implementation;
- Following up the project implementation through a designated Task Manager;
- Exercising *ex-post* control over the expenditures on the contract;
- Approving inception, progress and final (narrative and financial) reports;
- Approving any budget modifications;
- Approving workplan and any modification in the course of the project implementation.

The Steering Committee (SC)

The Steering Committee of this project will consist of representatives of

- Nominated Representative from the National Anti-Corruption Centre (NAC);
- Nominated Representative from the National Integrity Authority (NIA);
- Nominated Representative of the Anti-corruption Prosecutor's Office
- Nominated Representative from the Office for Prevention and Fight against Money Laundering of National Anti-Corruption Centre (NAC),
- Nominated Representative from the Ministry of Internal Affairs (MIA),
- Nominated Representative Ministry of Justice (MoJ),
- Nominated Representative High Judicial Council,
- Nominated Representative Supreme Council of Prosecutors,
- Nominated Representative Civil Society,

- Representative of European Union Delegation in the Republic of Moldova,
- Representative of Economic Crime and Cooperation Division of the Council of Europe.

The Steering Committee meetings will also involve other relevant authorities related to project results and activities. Definite composition of the Steering Committee will be discussed in the inception phase and approved by the start-up conference. The Steering Committee will take strategic decisions and supervise the proper implementation of the Project. It will address major issues that the project might face. The Steering Committee shall be called to meet 6 times during the implementation of the project, and ad hoc whenever such need arises. The responsibilities of the Steering Committee are the following:

- Monitoring the implementation of the project and discussing its achievements;
- Approving workplans and calendar of activities;
- Assessing emerging issues for sound project implementation and approving the resulting guidelines for the Project Management;
- Approving the necessary departures from the original ToR or Workplan;
- Approving specifications for procurement and procurement plans.

The SC chairing will be decided at and during the inception phase.

The Council of Europe

The Council of Europe, through the Project Team will be responsible for the implementation of the project, its monitoring and assessment and for the use of the funds under a contract with the European Commission. In close coordination with the EU Delegation in the Republic of Moldova, the project will be daily managed by the CoE project team based in Chisinau, while substance and quality control concerning workplan reliance with contractual arrangement and reporting will be managed from the HQs in Strasbourg (Economic Crime and Cooperation Division). The Council of Europe is expected to ensure the achievement of the project results as listed above. In order to achieve these results the Council of Europe may propose alternative or complementary project activities to those identified in this section, where it can clearly justify and finance them directly. Within the Council of Europe, the Economic Crime and Cooperation Division will be responsible for co-ordination and supervision of the project.

10.5. Timetable

The envisaged duration of the Project is 36 months. An indicative Project Calendar appears in Annex II. It provides a tentative timeframe for all the activities planned under the Project. It will be updated in the Project's Inception Report and be used as a benchmark in the course of the implementation of the Project to assess the progress made.

10.6. Costs and financing plan

The award is based on the EU Financial Regulation Article XX and Article XX that refers to.....

The total cost of the Project for the 36-month period is €2,225,000. Amount of EU contribution: €2.0 million. A co-financing of 10.11% or in indicative amount of €225,000 will be provided by the Council of Europe.

10.7. National Project Coordinator

The National Project Coordinator (NPC) is to be designated during the Project Inception phase by the Ministry of Foreign Affairs and European Integration (MFA). The NPC will be responsible, in co-operation with the Project Management team for:

- Contributing to the preparation of the workplan.
- Monitoring the proper implementation of activities of the project and reporting to the Steering Committee.
- Mobilising and coordinating other institutions involved in the project.
- Ensuring proper participation and representation of relevant Moldovan institutions in activities organised by the Project.

The National Project Coordinator shall receive the necessary secretarial support from the MFA and not from the Council of Europe.

10.8. Communication and visibility plan

Overall communication objectives

The project communication plan will ensure that the EU/CoE effort to support Moldovan authorities to fight corruption is visible and recognisable by Moldovan authorities, professionals and the general population.

Specific objectives for each target group

- Moldovan general population will learn from the media about the existence of the project, its objectives and deliverables;
- Moldovan anti-corruption experts and stakeholders (judges, prosecutors, trainers etc.) will learn through direct involvement in project activities or through disseminated deliverables the latest European standards and procedures as well as specific recommendations for the Republic of Moldova.

Main activities that will take place during the period covered by the communication and visibility plan

Project implementation includes legislative review, needs and risk assessments, training seminars, workshops, study visit, and regional conference.

The responsibility for these activities lies with the project implementation team as well as Moldovan counterparts.

Communication tools chosen

Given the nature of the project the most appropriate and efficient communication tools are deemed to be:

- Media outreach tools:
 - Regular press releases concerning project activities;
 - Mediatized project opening and closing events.

- Visibility tools:
 - A billboard in the capital city specifying the objective of the project, the EU and CoE role and that of Moldovan partner institutions;
 - A project banner displayed at all project events;
 - Publications of the project, bearing specific information.
- Communication tools:
 - A dedicated project website;
 - Seminars, trainings etc.

Completion of the communication objectives

The project evaluation report will estimate the completion of the communication objectives via:

- A media review of five key publications covering project activities;
- Overview of the feedback of participants in project activities.

Provisions for feedback

The majority of project activities will include evaluation forms by participants. These questionnaires will include, inter alia, the following question:

“Which of these institutions are influencing positively, and to which extent, the fight against corruption in the Republic of Moldova? “					
	Not at all	Slightly	Moderately	Strongly	Very strongly
Council of Europe					
Customs Union					
European Union					
Moldovan Government					
Organization for Cooperation and Security in Europe					
United Nations Development Programme					

Human Resources

The envisaged communication activities will be part of on-going responsibilities of the Project Team. The estimated time allocated to communication/visibility actions this will be an estimated average of 2 working days per month, or 72 days for the entire duration of the project. The Project Management will assume the overall responsibility for communication activities.

Financial resources

Communication and visibility actions, as components of regular activities, will not require separate financing. The allocation for the project billboard and banners should be limited to 1% of the project finance (€20.000).

11. FACTORS ENSURING SUSTAINABILITY

11.1. Policy support

This Project seeks to consolidate and strengthen the work carried out in areas agreed upon with the Project's key stakeholders, with a view to ensuring the full ownership by the national authorities at central and local level, of the initiatives undertaken within the framework of the Project.

11.2. Environmental protection measures

Environmental protection is an indirect benefit of the action. The link between corruption in relevant administrations and environmental harm is obvious.

11.3. Socio-cultural and gender issues

Equal opportunities, including respect for gender and minorities protection, are key values of the Council of Europe. They will be taken into account in all activities of the Project.

11.4. Institutional and management capacity (public and private)

The Council of Europe, an international organisation of 47 European member states has wide experience and expertise in managing co-operation Projects in the field of democratic institutional strengthening, including local self-government. It has a staff of more than 2,000 based in Strasbourg and in field offices in various European countries.

In the Republic of Moldova, the Council of Europe has an office in Chisinau which can provide technical and political support to the Project staff and its expected results. Previous projects implemented by the CoE in the Republic of Moldova were run successfully and achieved their expected results thanks to the support of and co-operation with the government partners.

11.5. Economic and financial analysis

As discussed above, the implementation of this project and maintaining its results does not require any substantial investments of the part of Government. Ensuring the basic operations of the key institutions in terms of staffing, premises and equipment seems to be secured and this is sufficient for the project to run.

12. MONITORING AND EVALUATION

12.1. Definition of indicators

Indicators, sources of verification as well as related assumptions are provided in the logical framework, in Annex I.

12.2. Reports

The following reports will be submitted to the EUD and national authorities in the Republic of Moldova:

All Reports must be approved by the Contracting Authority as stipulated in the applicable General Conditions or superseding provisions.

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The daily implementation and reporting of specific activities of the project will be monitored and the responsibility of the Project Coordinator in Strasbourg. The former will ensure that reports are prepared and submitted as required, and provide all necessary support to the Project Team in Chisinau. The latter will ensure timely feedback on behalf of Moldovan partners. The Council of Europe will submit the following reports:

Nature/ Content	Type	Reporting Period	Recipients
Inception Report English and Romanian Versions	The inception report will contain an update of the AC situation in the Republic of Moldova, a detailed work plan and the names of the Project Team members. In its elaboration, the Logical Framework Approach shall be followed further fine-tuning the links between project objectives, expected results and the activities needed in order to achieve the results. It will contain the proposed detailed composition of the Steering Committee. The inception report will outline the management structure of the project clearly describing the responsibilities of the main players as well as the decision-making process and information flow between the project participants. It will also cover the project activities and progress made in the inception phase. Final version should incorporate any comments of NAC and members of the Steering Committee.	At the end of the inception phase (after four months) Final version within 2 weeks of the Start-up event.	Submitted to: NAC EU Delegation Approved by the EU Delegation
Bi-Annual Progress Reports English Version	These reports will list in detail the activities undertaken and assess the progress toward achievement of project objectives. The update will stress particularly the achievement of results and identify also potential risks during the forehead implementation period. Update of the country situation will also be included.	To be submitted every 6 months not later than 15 days after the end of the reporting period in English. Accompanying further pre-financing payment request when and as foreseen under the Special Conditions. The first report will cover the quarter starting after the period covered by the inception report.	Submitted to: NAC EU Delegation Approved by the EU Delegation
Final Report (Narrative and Financial) English	The final report should follow the inception report format and include an in-depth assessment of project implementation results and the level of achievement of the objectives. The final report will be complemented by an evaluation of the impact of the project aimed at identifying the impact and the achievements of the project at the end of it. The Final Report and the Evaluation Report will contain lesson	Not later than 6 months after the end of the project implementation period and accompanying final payment request	Submitted to: NAC EU Delegation Outline approved by the EU Delegation

and Romanian Versions	learnt and recommendations to be followed up by the beneficiary. The report will be finalised after incorporation of any comments from the NAC and members of the Steering Committee.		
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Progress reports will be considered approved and final if within 15 days of their submission to each party when there have been no comments or objections/recommendations for changes. Inception and Final reports will be considered accepted and final if no comments are received within 30 days of their submission to the EUD.

Financial reports shall be produced whenever payment is requested from the contracting authority and at the end of the project. Their structure shall be the same as that of the budget.

12.3. Evaluations

The contracting authority will monitor the project according to standard EU procedures. Project monitoring and evaluation will be based on periodic assessment of progress on delivery of specified project results and towards achievement of project objectives.

In addition, as part of standard Council of Europe implementation procedures, the project activities will be monitored and evaluated at several levels, as described above. In particular:

at the political level: the project activities will be monitored within the framework of Council of Europe's usual monitoring procedures concerning the implementation of commitments entered into at the moment of accession. In particular, the Programme will draw on the monitoring procedures of the Parliamentary Assembly of the Council of Europe, the Committee of Ministers.

at policy level: the project activities will be monitored by the Project Steering Committee and by the Result Oriented Monitoring (ROM) commissioned by EUD in Chisinau.

at technical level: the Council of Europe will commission an external evaluation of the project three months prior to its scheduled end. The evaluators will be selected in consultation with the EU Delegation. The external evaluation will provide an assessment of the overall project progress from its start until the end against the objectives and indicators of achievement, as well as its overall impact by addressing, among others, the following points:

- Results and impact produced;
- Efficiency/effectiveness of implementation;
- Assumptions/influence of external factors;
- Sustainability potential;
- Relationship with other projects/donor actions;
- Conclusions and implications for future projects.

13. APPENDIX

13.1. Annex I –CLEP Project Logical framework

The quantification of means and costs in this logframe is provided for indicative purposes only and is subject to change throughout the course of the Project depending on the circumstances of implementation. Any *de facto* change in the quantities of means and costs shall not require a change or amendment of this Contract and shall rest within the discretion of the Project team.

Controlling corruption through law enforcement and prevention (CLEP)- the Republic of Moldova		
Overall objective	Objectively verifiable indicators (OVIs)	Sources of verification
To strengthen the anti-corruption framework in the Republic of Moldova in line with the CoE conventions and other international treaties.	<ul style="list-style-type: none"> - Contribution of introduced systems to decrease the level of corruption through strengthened capacities to fight corruption; - Progress in the Republic of Moldova's compliance with CoE conventions and other international AC treaties recorded in comparison with the initial phase. 	<ul style="list-style-type: none"> - EU Annual Progress Report; - GRECO reports; - Official statistics of key institutions.
Project purpose	Objectively verifiable indicators (OVIs)	Sources of verification
To support the reform of the anti-corruption regulatory framework and relevant institutions in line with European and international standards and re-enforce national and international co-operation of specialised law enforcement and prevention systems.	<ul style="list-style-type: none"> - At least 50% of recommendations from risk analyses and assessments are implemented to partial or full compliance; - Capacity of stakeholders is increased through high quality custom made trainings and dedicated consultancy; - National and international cooperation MOUs are developed; - National information sharing system is improved. 	<p>Assumptions</p> <ul style="list-style-type: none"> - Political will to prevent corruption continues to exist; - Political will exists in all beneficiary institutions.

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Organizational activities	Name of the activity	Means
0.1	Start-up activities (inception phase)	<ul style="list-style-type: none"> - Events: 2 workshops
0.2	Launching conference	<ul style="list-style-type: none"> - Events: 1 conference - Visibility actions: 1
0.3	Closing conference	<ul style="list-style-type: none"> - Events: 1 conference - Visibility actions: 1
0.4	Visibility action (TBD)	<ul style="list-style-type: none"> - Visibility actions: 1
Result 1	Objectively verifiable indicators (OVIs)	Assumptions
Gaps and deficiencies in the regulatory framework concerning prevention and fight against corruption and money laundering/terrorism financing are addressed in line with relevant CoE and EU practices.	<ul style="list-style-type: none"> - Legal opinions and legal amendments proposals are available for each of the four areas: anti-corruption, anti-money laundering and financing of terrorism, asset recovery and integrity of public officials; - Trainings and consultancy are provided on implementation of these proposals. - 1 Publication 	<ul style="list-style-type: none"> - Legislative reviews; - Project progress and activity reports; - Reports of partner institutions; - Training feed-back reports. - 1 Publication <p>- Political will to prevent corruption continues to exist.</p>
Activities	Name of the activity	Means
1.1	<p>Carry out a legislative review of the national regulatory framework concerning:</p> <ul style="list-style-type: none"> - Anti-corruption; - Anti-money laundering and financing of terrorism; - Asset Recovery; - Integrity for elected public officials and civil servants. 	<ul style="list-style-type: none"> - 4 (four) legal opinions/technical papers on legislative processes; - STC service days (international consultants): 30 - STC Service days (local consultants): 20 - International Travel: 6 - Events: 3 workshops
1.2	<p>Support further development of the national regulatory framework concerning:</p> <ul style="list-style-type: none"> - Anti-corruption; 	<ul style="list-style-type: none"> - 4 (four) expert reviews/technical papers on regulatory processes; - STC service days (international consultants): 30 - STC Service days (local consultants): 20 - International Travel: 6



	<ul style="list-style-type: none"> - Anti-money laundering and financing of terrorism; - Asset Recovery; - Integrity for elected public officials and civil servants. 	<ul style="list-style-type: none"> - Events: 4 workshops - Publications: 1 - Visibility actions: 2 	
1.3.	Provide training of judges, prosecutors, police and other beneficiaries on the implementation of AC and AML/CFT legislation.	<ul style="list-style-type: none"> - STC service days (international consultants): 25 - STC Service days (local consultants): 10 - International Travel: 8 - Events: 3 trainings 	
Result 2	Objectively verifiable indicators (OVIs)	Sources of verification	Assumptions
Capacities of authorities to design and implement corruption and money laundering prevention measures are enhanced.	<ul style="list-style-type: none"> - New national AML/CFT Strategy based on an effectiveness-oriented framework and the findings of the National Risk Assessment on money laundering and financing of terrorism is finalised and available - Consultancy and trainings are provided on monitoring of asset declarations and conflict of interest declarations; - Consultancy and trainings are provided to increase capacities to investigate corruption and money laundering and financing of terrorism cases. - 5 Publication - 4 Studies 	<ul style="list-style-type: none"> - National AML/CFT Strategy - Risk Assessment report; - Project progress and activity reports; - Reports of partner institutions; - Training feed-back reports; - EU Annual Progress reports; - GRECO and MONEYVAL compliance/progress reports and final evaluation reports. - 5 Publication - 4 Studies 	<ul style="list-style-type: none"> - Political will exists in all beneficiary institutions. - National Risk Assessment is available and provide the overall picture in the country on the basis of which the Strategy could be based on.
Activities	Name of the activity	Means	
2.1	Support the preparation of the new national AML/CFT Strategy based on an effectiveness-oriented framework and the	<ul style="list-style-type: none"> - 1 (one) strategy review/technical paper (AML); - STC service days (international consultants): 20 - STC Service days (local consultants); 10 - International Travel: 6 	

	findings of the National Risk Assessment on money laundering and financing of terrorism	<ul style="list-style-type: none"> - Events: 3 workshops - Publications: 1 - Visibility actions: 2 	
2.2	Support the development and monitoring capacities of the National Anti-corruption Strategy (2017-2020) and Action Plan especially through monitoring and implementation tools.	<ul style="list-style-type: none"> - 1 (one) strategy review/technical paper (AC); - STC service days (international consultants): 20 - STC Service days (local consultants); 5 - International Travel: 4 - Events: 3 workshops - Visibility actions: 2 	
2.3	Carry out risk assessments of corruption in high-risk sectors (e.g. Judiciary/Police, Customs, Tax, Healthcare, Education, Political Financing) and develop action plans for risk mitigation	<ul style="list-style-type: none"> - 4 (four) sectoral risk assessments/technical papers; - STC service days (international consultants): 23 - STC Service days (local consultants); 10 - Studies/research: 4 - International Travel: 10 - Events: 4 workshops - Publications: 4 - Visibility actions: 3 	
2.4	Ensure capacity building measures on controlling and monitoring asset declarations and conflict of interest declarations.	<ul style="list-style-type: none"> - STC service days (international consultants): 25 - International Travel: 8 - Events: 5 trainings 	
2.5	Build operational capacities of the NAC, NIA, Customs and Office for Prevention and Fight against Money Laundering through review, design and training, as well as preparation of internal guidelines.	<ul style="list-style-type: none"> - 3 (three) internal guidelines/technical papers - STC service days (international consultants): 30 - International Travel: 12 - Events: 3 workshops, 2 trainings 	
Result 3	Objectively verifiable indicators (OVIs)	Sources of verification	Assumptions
Strengthened asset recovery framework and capacities of relevant involved and dedicated structures	<ul style="list-style-type: none"> - Needs in terms of handling assets recovery by responsible institutions are assessed; - Trainings and consultancy are provided to 	<ul style="list-style-type: none"> - Needs assessment report; - Project progress and activity reports; - Reports of partner institutions; 	<ul style="list-style-type: none"> - National authorities are committed to develop the asset recovery capacity. - Legal basis for the

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	<p>selected professionals on investigation of economic and financial crimes and on assets management;</p> <ul style="list-style-type: none"> - Good practices are shared with practitioners from several countries. - 1 Publication - 1 study 	<p>Training feed-back reports.</p> <ul style="list-style-type: none"> - 1 Publication - 1 Study 	<p>establishment of the asset recovery structure at the National Anti-Corruption Centre is in place.</p>
Activities	Name of the activity	Means	
3.1	Support the authorities in drafting a Strategy on Asset Recovery and guidelines on its application	<ul style="list-style-type: none"> - 1 (one) strategy review/technical paper (asset recovery); - STC service days (international consultants): 20 - STC Service days (local consultants); 8 - International Travel: 5 - Research/study: 1 - Events: 2 workshops - Visibility actions: 2 	
3.2	Provide specialised training and guidelines on investigation of economic and financial crimes (search and seizure) as well as use of SIMs (special investigative measures), and financial investigations.	<ul style="list-style-type: none"> - 2 (two) guidelines/technical papers (financial investigations) - STC service days (international consultants): 20 - STC Service days (local consultants); 7 - International Travel: 7 - Events: 3 trainings - Publications: 1 	
3.3.	Provide specialised training/guidelines on asset management.	<ul style="list-style-type: none"> - 1 (one) guideline/technical paper (asset management) - STC service days (international consultants): 20 - STC Service days (local consultants); 5 - International Travel: 5 - Events: 2 trainings 	
3.4.	Enhancing national and international cooperation and sharing of good practices in seizure and confiscation of proceeds of crime and asset recovery.	<ul style="list-style-type: none"> - STC service days (international consultants): 20 - STC Service days (local consultants); 5 - International Travel: 8 - Events: 3 trainings 	
Result 4	Objectively verifiable indicators (OVIs)	Sources of verification	Assumptions

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<p>Upgraded information sharing systems and capacities for the national mechanisms concerning corruption offences/violations and tracing of assets and their recovery.</p>	<ul style="list-style-type: none"> - New hardware and software is procured and deployed according to detailed technical specifications; - Users are trained and systems are used according to the intended purpose. - 1 Study 	<ul style="list-style-type: none"> - IT needs assessment report; - Procurement contract; - Project progress and activity reports; - Reports of partner institutions; - Impact assessment report by Project. - 1 Study 	<ul style="list-style-type: none"> - New systems will be efficiently used after deployment. - Software and hardware needs
<p>Activities</p> <p>4.1</p>	<p>Name of the activity</p> <p>Provide support and guidance in the assessment, development and implementation of the new e-case system</p> <p>Means</p> <ul style="list-style-type: none"> - 1 (one) IT assessment and specifications/technical paper - STC service days (international consultants): 25 - STC Service days (local consultants); 30 - International Travel: 4 - Study/research: 1 - Events: 2 workshops 		
<p>4.2</p>	<p>Procure necessary IT (hardware and software) equipment aimed at facilitating operational capacities of authorities and provide training on its use</p>	<ul style="list-style-type: none"> - Hardware/software procurement: 1 - STC service days (international consultants): 25 - STC Service days (local consultants); 30 - International Travel: 14 (including groups for off-site training) - Events: 3 trainings 	
<p>Result 5</p> <p>National and international co-operation between the national and international law enforcement agencies on data exchange and international tracing of crime proceeds concerning corruption and other forms of economic crime are supported and enhanced.</p>	<p>Objectively verifiable indicators (OVIs)</p> <ul style="list-style-type: none"> - A review of existing <u>National MoUs</u> with recommendations for improvement is available; - A review of existing <u>International cooperation MoUs</u> relevant for the Republic of Moldova and recommendations for their further development is available; - At least 30 Moldovan law enforcement <p>Sources of verification</p> <ul style="list-style-type: none"> - Specific reviews of MoUs; - Project progress and activity reports; - Reports of partner institutions; - Impact assessment report by Project. - 1 Study <p>Assumptions</p> <ul style="list-style-type: none"> - National institutions are willing to cooperate on data exchange; - Relevant countries are willing to cooperate on data exchange. 		

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		agents increase their skills in cross border investigation and information sharing. - 1 Study	
Activities	Name of the activity	Means	
5.1	Support the establishment of liaison officers between relevant institutions ensuring data exchange on tracing of assets and their recovery, financial investigations and other economic crime information sharing.	<ul style="list-style-type: none"> - STC service days (international consultants): 15 - STC Service days (local consultants): 10 - International Travel: 8 - Events: 2 workshops, 1 training 	
5.2	Support the international cooperation between the relevant institutions on the data exchange concerning tracing of assets and their recovery, financial investigations and other economic crime information sharing.	<ul style="list-style-type: none"> - Study visits: 2 - International Travel: 20 	
5.3	Provide training on national and international cooperation - cross border investigation and information sharing concerning economic crime/asset recovery cases.	<ul style="list-style-type: none"> - STC service days (international consultants): 35 - STC Service days (local consultants): 20 - International Travel: 10 - Events: 3 trainings, 1 regional event 	
5.4	Assist the supervisors and regulators in reviewing national compliance regulations in line with international standards and relevant Moneyval recommendations	<ul style="list-style-type: none"> - 4 expert opinions/technical papers on regulations - STC service days (international consultants): 40 - STC Service days (local consultants): 15 - Research/study: 1 - International Travel: 12 - Events: 4 workshops, 4 trainings 	
Result 6	Objectively verifiable indicators (OVIs)	Sources of verification	Assumptions
Public awareness and participation in the fight against corruption is increased.	<ul style="list-style-type: none"> - At least 30 journalists and communication officers participate in trainings and continue and enhance their AC reporting; - At least 10 Civil Society Organisations engage in active risk assessment, policy 	<ul style="list-style-type: none"> - Project progress and activity reports; - Reports of partner institutions; - Impact assessment report by Project. 	Journalists, communication officers and NGOs show interest in proposed activities.

	design and monitoring of implementation of AC measures. - 2 Publications	- 2 Publications	
Activities	Name of the activity	Means	
6.1	Provide training on reporting on corruption and money laundering and financing of terrorism cases for communication officers at relevant state institutions and journalists	- STC service days (international consultants): 12 - STC Service days (local consultants); 8 - International Travel: 5 - Events: 2 trainings	
6.2	Provide training on Special Investigative journalism and media coverage	- STC service days (international consultants): 10 - STC Service days (local consultants); 10 - International Travel: 6 - Events: 2 trainings	
6.3	Support participation of civil society in monitoring the implementation of the National AC and AML/CFT Strategies	- STC service days (international consultants): 8 - STC Service days (local consultants); 12 - International Travel: 4 - Events: 2 trainings - Publications: 2 - Visibility actions: 6	

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13.2. Annex II – Indicative Timetable

Proposed Activities		2017				2018				2019				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Inception phase (4 months)														
0.1	Recruit project staff		X											
0.2	Equip project offices		X											
0.3	Prepare a detailed work-plan and an inception report			X										
0.4	Organise a start-up event			X										
Expected Result 1														
Carry out a legislative review of the national regulatory framework concerning:														
1.1.	- Anti-corruption; - Anti-money laundering and financing of terrorism; - Asset Recovery; - Integrity for elected public officials and civil servants.									X				
1.2	- Support further development of the national regulatory framework concerning: - Anti-corruption; - Anti-money laundering and financing of terrorism; - Asset Recovery; - Integrity for elected public officials and civil servants.									X				
1.3	Provide training of judges, prosecutors, police and other beneficiaries on the implementation of AC and AML/CFT legislation								X					
Expected Result 2														
2.1	Support the preparation of the new national AML/CFT Strategy based on an effectiveness-oriented framework and the findings of the National Risk Assessment on money laundering and financing of terrorism								X					
2.2	Support the development and monitoring capacities of the National Anti-corruption Strategy (2017-2020) and Action Plan especially through monitoring and implementation tools													
2.3	Carry out risk assessments of corruption in high-risk sectors (e.g. Judiciary/Police, Customs, Tax, Healthcare, Education, Political Financing) and develop action plans for risk mitigation			X										

Proposed Activities	2017				2018				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	2.4		X		X		X	X			X	
2.5			X						X			
Expected Result 3												
3.1							X					
3.2						X	X		X			
3.3									X	X		
3.4											X	
Expected Result 4												
4.1										X		
4.2									X	X		
Expected Result 5												
5.1.										X		
5.2											X	X
5.3					X							
5.4										X		X

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Proposed Activities		2017				2018				2019			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
in line with international standards and relevant Moneyval recommendations													
Expected Result 6													
6.1.	Provide training on reporting on corruption and money laundering and financing of terrorism cases for communication officers at relevant state institutions and journalists					X	X					X	X
6.2	Provide training on Special Investigative journalism and media coverage		X	X									
6.3	Support participation of civil society in monitoring the implementation of the National AC and AML/CFT Strategies											X	X

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13.3. Annex III: Budget Breakdown

	Budget (€)	
	Total	EU contribution
Implementation modalities		
	2,225,000	2,000,000
TOTAL	2,225,000	2,000,000

5

13.4. Annex IV: Expected Result and Activity Based Budgeting (ERABB)

ER I

					ERI - Regulatory Framework
Expenses	Unit	Country	# of units	Unit rate (in EUR)	Cost (in EUR)
1. Human Resources					
1.1 Local short-term consultant	Per day		50	200	10 000
1.2 International short-term consultant	Per day		85	450	38 250
1.3 Per diems					
1.3.1 International	Per diem		120	200	24 000
1.3.2 Local	Per diem		50	175	8 750
Sub-total 1. Human Resources					81 000
2. Travel					
2.1 International travel	Per return flight		20	650	13 000
2.2 Local transportation (within the beneficiary country of the project)	Per trip		21	200	4 200
Sub-total 2. Travel					17 200
5. Other costs, services					
5.1 Publications	Per item		1	8 000	8 000
5.2 Studies, research	Per item		0	15 000	0
5.5.1 Translation	Per 1000 words		859	20	17 180
5.5.2 Interpretation	Per person / day		100	230	23 000
5.7 Costs of conferences/seminars					
5.7.1 Rent of hall	Per event		10	600	6 000
5.7.2 Rent of interpretation equipment	Per event		10	560	5 600
5.7.3 Coffee breaks	Per event		16	240	3 840
5.7.4 Local transportation	Per event		8	300	2 400
5.7.5 Per diems for participants	Per event		10	2 300	23 000
5.8 Visibility actions	Per item		2	300	600
Sub-total 5. Other costs, services					89 820
Total					167 820

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ER II

					ERI - Design and Implement AC Strategies
Expenses	Unit	Country	# of units	Unit rate (in EUR)	Cost (in EUR)
1. Human Resources					
1 1 3 Local short-term consultant	Per day		25	200	5 000
1 2 3 International short-term consultant	Per day		118	450	53 100
1 3 Per diems					
1 3 1 International	Per diem		60	200	12 000
1 3 2 Local	Per diem		20	175	3 500
Sub-total 1. Human Resources					73 000
2. Travel					
2 1 International travel	Per return flight		40	650	26 000
2 2 Local transportation (within the beneficiary country of the project)	Per trip		20	200	4 000
Sub-total 2. Travel					30 000
5. Other costs, services					
5 1 Publications	Per item		5	8 000	40 000
5 2 Studies research	Per item		4	15 000	60 000
5 5 1 Translation	Per 1000 words		800	20	16 000
5 5 2 Interpretation	Per person / day		28	230	6 440
5 7 Costs of conferences/seminars					
5 7 1 Rent of hall	Per event		20	600	12 000
5 7 2 Rent of interpretation equipment	Per event		20	560	11 200
5 7 3 Coffee breaks	Per event		18	240	4 320
5 7 4 Local transportation	Per event		7	300	2 100
5 7 5 Per diems for participants	Per event		10	2 300	23 000
5 8 Visibility actions	Per item		7	300	2 100
Sub-total 5. Other costs, services					177 360
Total					280 760

609

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ER III

					ER III Asset Recovery Center
Expenses	Unit	Country	# of units	Unit rate (in EUR)	Cost (in EUR)
1. Human Resources					
1.1.3 Local short-term consultant	Per day		25	200	5 000
1.2.3 International short-term consultant	Per day		80	450	36 000
1.3 Per diems					
1.3.1 International	Per diem		65	200	13 000
1.3.2 Local	Per diem		25	175	4 375
Sub-total 1. Human Resources					58 375
2. Travel					
2.1 International travel	Per return flight		25	650	16 250
2.2 Local transportation (within the beneficiary country of the project)	Per trip		45	200	9 000
Sub-total 2. Travel					25 250
5. Other costs, services					
5.1 Publications	Per item		1	8 000	8 000
5.2 Studies, research	Per item		1	15 000	15 000
5.5.1 Translation	Per 1000 words		1400	20	28 000
5.5.2 Interpretation	Per person / day		200	230	46 000
5.7 Costs of conferences/seminars					
5.7.1 Rent of hall	Per event		10	600	6 000
5.7.2 Rent of interpretation equipment	Per event		10	560	5 600
5.7.3 Coffee breaks	Per event		12	240	2 880
5.7.4 Local transportation	Per event		8	300	2 400
5.7.5 Per diems for participants	Per event		11	2 300	25 300
5.8 Viability actions	Per item		2	300	600
Sub-total 5. Other costs, services					139 780
Total					273 405

667

2

ER IV

Enter number of units per line (if applicable)

					ER IV - IT Information Technologies on AC
Expenses	Unit	Country	# of units	Unit rate (in EUR)	Cost (in EUR)
1. Human Resources					
1.1.1 Local short-term consultant	Per day		60	200	12 000
1.2.1 International short-term consultant	Per day		50	450	22 500
1.3 Per diem					
1.3.1 International	Per diem		30	200	6 000
1.3.2 Local	Per diem		5	175	875
Sub-total 1. Human Resources					41 375
2. Travel					
2.1 International travel	Per return flight		18	650	11 700
2.2 Local transportation (within the beneficiary country of the project)	Per trip		5	200	1 000
Sub-total 2. Travel					12 700
5. Other costs, services					
5.1 Publications	Per item		0	8 000	0
5.2 Studies, research	Per item		1	15 000	15 000
5.5.1 Translation	Per 1000 words		500	20	10 000
5.5.2 Interpretation	Per person / day		12	230	2 760
5.7 Costs of conferences/seminars					
5.7.1 Rent of hall	Per event		5	600	3 000
5.7.2 Rent of interpretation equipment	Per event		2	560	1 120
5.7.3 Coffee breaks	Per event		9	240	2 160
5.7.4 Local transportation	Per event		3	300	900
5.7.5 Per diem for participants	Per event		3	2 300	6 900
5.8 Visibility actions	Per item		0	300	0
Sub-total 5. Other costs, services					41 840
Total					95 915

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ER V

					ER V - National and International Cooperation
Expenses	Unit	Country	# of units	Unit rate (in EUR)	Cost (in EUR)
1. Human Resources					
1.1.3 Local short-term consultant	Per day		45	200	9 000
1.2.3 International short-term consultant	Per day		90	450	40 500
1.3 Per diem					
1.3.1 International	Per diem		60	200	12 000
1.3.2 Local	Per diem		30	175	5 250
Sub-total 1. Human Resources					66 750
2. Travel					
2.1 International travel	Per return flight		50	650	32 500
2.2 Local transportation (within the beneficiary country of the project)	Per trip		12	200	2 400
Sub-total 2. Travel					34 900
5. Other costs, services					
5.1 Publications	Per item		0	0 000	0
5.2 Studies, research	Per item		1	15 000	15 000
5.5.1 Translation	Per 1000 words		1200	20	24 000
5.5.2 Interpretation	Per person / day		180	230	41 400
5.7 Costs of conferences/seminars					
5.7.1 Rent of hall	Per event		30	600	18 000
5.7.2 Rent of interpretation equipment	Per event		30	560	16 800
5.7.3 Coffee breaks	Per event		50	240	12 000
5.7.4 Local transportation	Per event		20	300	6 000
5.7.5 Per diem for participants	Per event		22	2 300	50 600
5.8 Viability actions	Per item		3	300	900
Sub-total 5. Other costs, services					184 700
Total					206 350

					ER VI- Public Awareness
Expenses	Unit	Country	# of units	Unit rate (in EUR)	Cost (in EUR)
1. Human Resources					
1.1.3 Local short-term consultant	Per day		30	200	6 000
1.2.3 International short-term consultant	Per day		30	450	13 500
1.3 Per diems					
1.3.1 International	Per diem		55	200	11 000
1.3.2 Local	Per diem		35	175	6 125
Sub-total 1. Human Resources					36 625
2. Travel					
2.1 International travel	Per return flight		15	650	9 750
2.2 Local transportation (within the beneficiary country of the project)	Per trip		20	200	4 000
Sub-total 2. Travel					13 750
5. Other costs, services					
5.1 Publications	Per item		2	8 000	16 000
5.2 Studies, research	Per item		0	15 000	0
5.5.1 Translation	Per 1000 words		900	20	18 000
5.5.2 Interpretation	Per person / day		16	230	3 680
5.7 Costs of conferences/seminars					
5.7.1 Rent of hall	Per event		6	600	3 600
5.7.2 Rent of interpretation equipment	Per event		6	560	3 360
5.7.3 Coffee breaks	Per event		10	240	2 400
5.7.4 Local transportation	Per event		20	300	6 000
5.7.5 Per diems for participants	Per event		5	2 300	11 500
5.8 Viability actions	Per item		6	300	1 800
Sub-total 5. Other costs, services					66 340
Total					116 715

