1. **Basic Information**  
   1.1 CRIS Number: 2003/005-850.01.01  
      Twinning EE03-IB-JH-02  
   1.2 Title: **Reducing Corruption in Estonia**  
   1.3 Sector: Justice and Home Affairs  
   1.4 Location: Estonia

2. **Objectives**

   2.1 **Overall Objective(s):**  
   Reduction of the corruptive behaviours in Estonian society.

   2.2 **Project purpose:**  
   Improvement of the effectiveness of the fight against corruption within the Estonian administration.

   2.3 **Accession Partnership (AP) and NPAA priority** (and implementing measures envisaged by the Action Plan for AP priorities related to strengthening administrative and judicial capacity)

   Accession Partnership 2002

   Customs Union  
   ‘Continue the fight against fraud and corruption, continue to implement the customs ethics policy’

   Co-operation in the field of Justice and Home Affairs  
   ‘Improve co-ordination among law enforcement bodies and the judiciary; continue the fight against organised crime; strengthen capacities to deal with money laundering’.

   Regular Report 2002  
   Political Criteria/Democracy and Rule of law/Anti-corruption measures  
   ‘Whilst the legislative framework is mostly in place, Estonia does not have a specific strategy to fight corruption. However, specific bodies do have individual anti-corruption strategies.’

   ‘...In terms of the institutional framework, it is important to raise awareness of developments in anti-corruption legislation amongst all public officials. It is equally important to ensure that effective internal controls are in place across the public administration. In particular, there is a need to...’
strengthen financial controls and financial accountability at local government level and in certain public agencies/foundations [...] including the Public Procurement Office and the Customs Board. The Estonian authorities should also consider putting in place appropriate mechanisms and adequate protection for whistleblowers who discover evidence of corruption.

‘…As regards enforcement of anti-corruption legislation, the penalties applied by the Courts appear to be relatively low. Penalties should be sufficiently high to avoid making corruption “profitable”. In 2001, out of 58 successful criminal prosecutions, 7 people were imprisoned. Training for judges and prosecutors is particularly important in this regard. Continuing efforts are also required to reduce small-scale corruption in the police and customs authorities and to fight organised crime.’

Ch.24 Justice and home affairs
‘…In the fight against organised crime progress is continuing. However, capacities to deal with money laundering should still be reinforced. […] the capacity to fight against drug trafficking needs to be further intensified, and a more effective multi-agency approach developed.’

Ch.25 Customs Union
‘…In the fields of the fight against fraud and corruption and implementation of the customs ethics policy progress is continuing. Further efforts should be made to reinforce administrative and operational capacity including border control, the development of capacity in the field of revenue collection and on all customs procedures related to tariffs, to improve coordination between the relevant bodies as regards enforcement and revenue collection of duties and to improve the capacity of customs laboratories.’

NPAA 2003
24.11 Fight against organized crime, fraud and corruption
Estonia needs to ratify two Conventions: Council Act of 26 July 1995 drawing up the Convention on the protection of the European Communities’ Financial Interests (including two protocols; Council Act of 26 May 1997 drawing up the Convention on the fight against corruption involving officials of the European Communities or officials of the Member States of the EU.

2.4 Contribution to National Development Plan (and/or Structural Funds Development Plan/SDP)
N/A

2.5 Cross Border Impact
N/A

3. Description
3.1 Background and justification:

1/ Policy background

Estonia is widely regarded among the least corrupted countries of the European Union candidate states. However, according to the Transparency International Corruption Perception Index, Estonia has dropped to the 29th position in the world (from 26th position in 1998 and 27th position in 1999 and 2000) and, in comparison to most EU Member States (especially Scandinavia), corruption in Estonia is relatively high.

The territorial proximity of Estonia to Russia and Scandinavian countries involves large risks especially upon accession into the European Union. The impact of organized crime on Estonia is first and foremost connected to the illegal trafficking of highly taxed goods (alcohol, cigarettes), drug trafficking and illegal immigration. These kinds of activities depend largely on the level of corruption in certain state authorities like the customs and the border guard. According to the Group of States Against Corruption (GRECO) evaluation group GET, corruption in Estonia in these particular fields is on the rise.

GRECO noted that in Estonia corruptive behaviour characterises mostly lower level officials. According to public opinion, the most corrupt officials are political leaders and police officers, while Estonian authorities regard local government and the Customs Board as the main loci of corruption. The European Commission has also repeatedly drawn attention to the need to fight corruption in the police and customs administration. Presumably lack of awareness and tolerance for corruptive behaviour go back to the value system of the Soviet period –i.e. it is a question of lack of public responsibility. The Civil Service Code of Ethics became effective in January 1996. However, there are doubts about its effective implementation. According to the Open Society Foundation EUMAP Report 2002, the Code of Ethics is brief and vague and was not prepared in consultations with the officials it is supposed to affect. Therefore, it is understandable that there are problems with implementation and very little actual awareness of what constitutes corruption among lower level civil servants.

Therefore, corruption is clearly recognized as a problem. However, there is no coherent overview of the actual practices, reasons, and risks of corruption amongst those groups and no clear strategy to fight corruption in the country. Furthermore, Estonia has made significant progress towards putting a comprehensive legal anti-corruption framework in place by implementing appropriate legislation. The fight against corruption is coordinated with the Anti-Corruption Act, the Public Service Act, the Public Procurement Act, the Criminal Code, the Code of Criminal Procedure, the Surveillance Act, the Money Laundering Prevention Act and the Public
Information Act. A short description of the legislative framework is provided at annex 4.

Supporting institutions have been established including the Police Board, the Security Police Board, the Customs Board, the Border Guard Administration, the Tax Board, and the Prosecutor’s Office. Therefore, the fight against corruption in Estonia is divided between the jurisdictions of different ministries. However, there is no effective anti-corruption coordination between those authorities and no early corruption detection strategy.

Those problems were also outlined by GRECO under Recommendation no.1 of the 12 recommendations made following its March 2001 visit. It was stated that:

‘…Estonia [needs to] make the existing efforts against corruption more coherent and more effective. Governmental action plans should aim at developing early detection strategies; enhancing research on infected and vulnerable sectors; promoting implementation of the Code of Conduct and the principle of mandatory reporting among all law enforcement officers; restoring proper control over the most affected sectors and encouraging the use of multidisciplinary task forces able to formalise strategic proposals. Moreover such global initiative should support awareness and understanding raising events about the impact of corruption, review recruitment, salary schemes, administrative decision making process and establish a working group responsibility involving all agencies and institutions concerned with the fight against corruption and entrusting it with the task of coordinating global anti-corruption policies.’

In response, on 25 March 2003, the Government approved the Corruption Prevention National Programme (CPNP – see Annex 5) and an Action Plan was due to be developed by 31 May 2003 in order to help implement the Programme. However, with the change of Government on 10 April 2003, the idea of the Action Plan was rejected and, instead, the Government decided to create a more comprehensive Anti-Corruption Strategy for Estonia, which is still under elaboration. The Corruption Prevention National Programme will form the initial input to the development of the Strategy. The CPNP contains a list of recommendations, such as: to organise the mapping of the level of corruption and corruption risky areas, to create the ‘integrity cards system’, to identify methods of self-diagnostics, to implement training on ethics, to develop relevant study materials on ethics, to encourage authorities to elaborate and implement their own Codes of Ethics, etc.

On 13 May 2003 the Anti-Corruption Committee of Ministers (ACCM) was formed. The Committee will deal with the elaboration of the Anti-Corruption Strategy and coordination of the implementation of anti-corruption
measures. The Chairman of the Committee is the Minister of Justice and the members of the Committee are the Minister of Economics and Communication, the Minister of Internal Affairs, the Minister of Finance and the State Secretary. The Committee will create an Anti-corruption Expert Group to act as advisers in specific areas.

2/ Justification of the project

The GRECO Compliance Report on Estonia, which was adopted on 10 July 2003, states that most GRECO recommendations have been fulfilled by Estonian authorities. With regard to recommendation no.1, the steps taken by the Estonian authorities in making existing anti-corruption measures more effective were taken note of. However, GRECO emphasised that the fight against corruption needs to be made more effective and the first round recommendations still needs to be implemented.

Therefore, the current project aims to target the areas where development is seen as urgently necessary. As the negotiations of the Anti-Corruption Strategy will take place from August to December 2003, the current project fiche cannot take the strategy as the basis for drawing up activities at this stage. However, the project activities have been formulated on the basis of the GRECO and CPNP recommendations, which also form the input to the Anti-Corruption Strategy. The project aims to make policy suggestions to the Anti-Corruption Expert Group throughout the duration of the project. Furthermore, following adoption of the Anti-corruption strategy, consistency of the activities of this project with the strategy will be verified (see conditionalities under point 12).

Firstly, it is essential to map the actual practices of corruption through research before systematising the coordination of the fight against corruption. A comprehensive research project is necessary to avoid a situation where different ministries analyse a specific corruption risky area while another equally risky area remains without attention. Such research has never been done in Estonia, therefore we do not have an overview of the actual situation regarding corruption.

Secondly the project targets the problem of low administrative capacity and ineffective co-ordination between authorities in charge of dealing with corruption. It seeks to establish a proactive approach in the areas of detecting and prosecuting corruption, and establish effective administrative and co-operation mechanisms between the authorities that deal with corruption cases (instead of just the Security Police). As an example, in order to reduce corruption in all risk areas, the chances of officials to make decisions that

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1 With the exception of recommendations 9 and 11, which are not in the jurisdiction of the MoJ
2 The issue of public procurements has not been included in the scope of the project due to the lack of human resources of the Public Procurement Board.
have an economic impact on an ad hoc basis without having to justify the
criteria for such decisions need to be eliminated. In practice this means the
obligation for managers to define potential corruption risks in the work
processes of their organisations and organise activities with a risk element
accordingly (procedures should be regulated, documented, controllable and as
open as possible). The project aims to develop appropriate strategies and
methods of dealing with corruption on the basis of the research and analysis,
which will also form the basis for the training part of the project. The
strategies and methods will focus on issues such as how to detect corruption
early, how to identify corruption, how to avoid corruption risk situations, and
reporting procedures, etc.

Thirdly, training is foreseen for representatives of the authorities that deal
with the problem of corruption in order to introduce them to the effective anti-
corruption measures that are based on the actual Estonian circumstances and
build their practical skills in dealing with corruption cases. Also as corruption
is not just an economic but also an ethical problem, which is often not
acknowledged as such or simply tolerated, the project aims to raise the
awareness and understanding of the problem of corruption through training.

The Action Plan of the Ministry of Justice, which is currently being
developed for the implementation of the Coalition Agreement from 2003-
2007, lists the ‘long-term strategy and effective activity to fight corruption and
organised crime’ as one of the main principles of judicial policy. Specific
measures foreseen include the creation of a co-ordination system between the
Customs Board, the Prosecutor’s Office, the Border Guard Administration and
the Police to detect corruption offences, which will be used to implement the
strategy of the early detection of corruption offences.

No negotiations were held with third sector representatives in the
preparation of this project as the project is aimed at central and local public
sector.

3.2 Linked activities:

- ES01.04.03 Programme of Information System for Criminal
Investigation and Criminal Analysis

One of the immediate objectives of the project is the improved efficiency
of police investigators and analysts especially in the areas of combating
corruption, organised crime, drug related crimes, economic crimes and money
laundering. Analyst Workstation software is procured to enable police
investigators to solve more criminal cases.

- Multi-country programme with OLAF

In the year 2002 the OLAF started its co-operation activities with the EU
Candidate Countries through the central co-ordination units. Those tasks and
the National co-ordination from the Estonian side are performed by the
Ministry of Finance, Department of Financial Control. The aim of the co-operation is to enhance the protection of EU financial interests and to take the certain actions in order to prevent and solve fraud. In Estonia there are also other institutions, which co-operate in the context of anti-fraud. Those are Central Criminal Police, Prosecutor's Office, Security Police Board, Customs Board and The Bureau of Investigations of Tax Fraud. In co-operation with OLAF there is a comprehensive training programme under preparation. Within this programme the training of the relevant officials is foreseen.

-PSO 2000 January-May 2002, the Netherlands programme initiated the improvement of the ability of law enforcement agencies to fight corruption and economic crime by organising two integrity courses. Further training is necessary on fighting economic crimes and criminal official misconduct, as well as international anti-corruption instruments. Participants: 30 officials from the MoF, Customs Board, Tax Board, Security Police Board, Central Criminal Police. The project continued in October 2001 and February 2002, when 7 officials from the Security Police Board, Police Board, Tax Board, Customs Board and State Prosecutor’s Office were trained (Budget 550,000 NLG).

- Policemen in-service training 2002-2003 (funded by the Police Board). Training on the fight against economic and financial crimes, which contained basic training on economic offences and offences related to office, about 40 police officers participated.


3.3 Results:
3.3.1 Corruption map identifying the main risk areas and practices of corruption in police, border guard and customs, local government and judiciary.

3.3.2. Creation of a co-ordination system between all involved authorities, in particular the Customs Board, Prosecutor’s Office, Courts, Border Guard Administration, the Police and Local Government Authorities to implement the strategy of the early detection of corruption offences.

3.3.3. Implementation of sustainable anti-corruption measures, including inter alia:
3.3.3.2 Improvement of internal control and investigation mechanisms leading to increased criminal investigation and prosecution capacity

3.3.3.3 Improvement in the implementation of the Code of Ethics

3.4 Activities:

3.4.1. Contract 1: Twinning (15 months, Phare: 474,000 EUR)

Covenant preparation 8,000 EUR

Experts

- Long-term expert (PAA) – 12 months, 180,000 EUR

Profile:
Experience in the field of anti-corruption work of at least 5 years (either Police, Prosecutor’s Office or specialised prosecutor)
Knowledge and experience in developing anti-corruption measures and strategies
Good knowledge of criminal procedure
Good analytical skills
Management skills
Network of relevant contacts available across Europe
Good command of English
Computer literacy

Necessary information for PAA
- Requirements and principles of the constitutional system of Estonia
- Police Act - requirements for the police service, functions and structure
- Border Guard Act – requirements for the border guard service, functions and structure
- Customs Code – requirements for the customs officials, functions and structure
- Code of Criminal Procedure – jurisdiction of different institutions
- Basic statistical information on corruption crimes
- Corruption Prevention National Programme (annex 5)
- Anti-Corruption Strategy

- PAA Assistant (12 months), 10,000 EUR
Tasks:
- Organises the activities of the PAA
- Assists the Ministry of Justice in composing project reports
- Carries out general administrative and secretarial duties within the project
- **Profile**  
  - Secretarial or administrative experience  
  - Command of English  
  - Computer skills  
  - Good communication and organisational skills

- **MS Project Leader** (2 days per month during the implementation of the whole project), 12,000 EUR  
  Tasks:  
  - Co-ordination of the project  
  - Composition of reports

- **Profile**  
  - Expert in corruption matters: 10 years expertise in a Member State  
  - Substantial project management experience would be an asset  
  - Good command of English  
  - Good computer skills

- **Short-term experts (STEs)**

  - **STE 1** (Technical Assistance) – 3 months – 45,000 EUR  
    Profile:  
    - Knowledge of criminal sociology and social policy  
    - Qualitative and quantitative skills in analysing data  
    - Reporting skills  
    - Command of English  
    - Computer skills  
    Tasks performed by STE 1  
    - Assistance to the PAA in analysing the empirical data and recommendations made by the research group and in compiling the Corruption map

  - **STE 2** – 9 months – 135,000 EUR  
    Profile:  
    Experience in the field of anti-corruption work of at least 5 years  
    Knowledge and experience in developing anti-corruption measures and strategies  
    Good knowledge of criminal procedure  
    Good analytical skills  
    Command of English  
    Computer literacy  

STE 2 will provide assistance for activities 3.4.1.3 to 3.4.1.5: analysis of administrative capacity, creation of the co-ordination system and elaboration of anti-corruption measures.
Description of the activities

3.4.1.1 Service contract for specific research on corruption in national and local administrations in Estonia (3 months, 55,000 EUR). (Result 3.3.1)³

Technical assistance is needed to carry out the specific research into the current level of corruption, the Terms of Reference for which will be compiled by the PAA. The research will identify the current level of corruption in police, border guard, customs, public procurement office and a selected number of local government authorities, including the reasons for corruptive behaviour and its practical manifestations, using appropriate methodology. The research will be carried out simultaneously with the PAA’s analysis of administrative capacity and cooperation between the authorities dealing with the fight against corruption. The experts to be contracted will supply the PAA with the necessary, systematised data for producing the Corruption Map (a written analysis report) and make relevant policy recommendations. The Corruption Map will form the basis for the strategy development and training activities.

The profile of the expert/expert group to be contracted will include:
- At least 5 years of experience in carrying out empirical social science research (preferably a social science research institute with some expertise in research of sensitive issues such as corruption)
- Knowledge of criminal sociology and social policy
- Experience in making social policy recommendations
- Qualitative and quantitative skills in analysing data
- Reporting skills
- Command of English
- Computer skills

3.4.1.2 Producing the Corruption Map, 65,000 EUR (Estonia will add 3,000 EUR as co-financing for the translation of the Corruption Map) (Result 3.3.1)

Task performed by the PAA.

The PAA’s tasks include:
- Compiling the Terms of Reference for the research group to be contracted under TA, in order to carry out the empirical research into corruption

³ It is planned to use Competitive Negotiated Procedure as it is impossible to use the Framework Procedure.
- Analysing the empirical data and recommendations made by the research group
- Compiling the Corruption Map, which will identify the main risk areas and practices of corruption in the above authorities and include possible policy solutions
- Presenting the Corruption Map to the ACCM

Tasks performed by STE 1
- Assistance to the PAA in analyzing the empirical data and recommendations made by the research group and in compiling the Corruption Map

3.4.1.3 Analysis of administrative capacity and co-operation between relevant authorities in the field of the fight against corruption (70,000 EUR). (Result 3.3.2)

The PAA and STE 2 (2.5 months) will perform an analysis of administrative capacity and co-operation mechanisms.

Taking into account the institutional framework of fighting corruption, the analysis will firstly focus on the administrative capacity in discovering and dealing with cases of corruption, and secondly on current cooperation mechanisms between the same authorities. The analysis will encompass police officials, customs officials, and border guards as those authorities are seen as vulnerable to corruption themselves whilst having to deal with corruption. The analysis will also encompass judges and prosecutors who form key links in criminal procedure, as well as public procurement office.

3.4.1.4. Creation of the co-ordination system between the Customs Board, Prosecutor’s Office, Courts, Border Guard Administration, the Police, and Local Government Authorities to detect corruption offences (100,000 EUR) (Result 3.3.2.1)

On the basis of the analysis of administrative capacity and co-operation, the PAA and STE 2 (3.5 months) will help establish an effective co-ordination system to ensure maximum information flow between the relevant authorities to make the efforts against corruption more effective and more coherent. Other authorities might be involved as appropriate.

3.4.1.5 Elaboration of anti-corruption measures and early detection strategies for police, prosecutors, judges, customs officials, border guards, public procurement office and local government (125,000 EUR). (Results 3.3.2, 3.3.2.2-3.3.2.3.)

The PAA and STE 2 (3 months) will:
a) Elaborate measures to effectively deal with the fight against corruption. Special attention will be paid to developing early detection strategies. Those promote a proactive approach in defining potential corruption risks in the daily work of organisations dealing with the fight against corruption and the organisation of activities in a way that reduces corruption risks. The development of early detection strategies and anti-corruption measures will include:
- System of self-diagnostics – e.g. Integrity Cards
- Procedures for defining/identifying corruption
- System for avoiding and/or dealing with corruption situations in practice
- Documentation procedures
- Reporting procedures
- Control procedures

Additional duties of the PAA include to:
b) Make recommendations to managers on improving the implementation of the Code of Ethics
c) Prepare and deliver the training programme on implementing the revised cooperation and coordination measures
d) Make recommendations for short-term experts for the elaboration of the training programme
e) Organise training provision
f) Evaluate reports from short-term experts
g) Provide continuous support to the project leader and project team.

The PAA will work in close co-operation with the Ministry of Internal Affairs, the Police Board, the Customs Board, the Border Guard Administration, the Prosecutor General’s Office, the Ministry of Justice, the Ministry of Finance, the Union of Local Governments, and the Anti-Corruption Expert Group.

3.4.1.6 Training seminars on effective co-operation and co-ordination mechanisms, economic crimes, fighting criminal official misconduct, early detection methods, EC, EU, UN conventions on corruption, ethical standards. The training seminars will be compiled taking into account the results of Corruption Map and the Analysis of Administrative Capacity and Coordination (17,500 EUR) (Results 3.3.2.2-3.3.2.3)

The training seminars are basic training and are meant for managers and officials - 100 police, 40 prosecutors, 40 judges, 50 border guards and 50 customs officials, 20 local government representatives, 5 representatives from the public procurement office. Participants will be selected on the basis of applications in relevant authorities. Participants from local governments will be selected on the recommendation of the Union of Local Governments.
- PAA and STE2: Effective co-operation and co-ordination mechanisms (2 day training),
  Based on the analyses in Estonian authorities, the experts will introduce best practice co-operation and co-ordination mechanisms.

- STE 3 Economic crimes (preparation 5 days; training 5 days), 5,000 EUR
  The expert will give an overview of theoretical basics in fighting economic crimes and introduce practical case studies on solving economic crimes.

Profile:
- Knowledge and practice of criminal law, specialisation on economic crimes of at least 5 years
- Experience in elaborating and implementing training programmes - Command of English
- Computer skills

- STE 4 Criminal official misconduct (preparation 5 days; training 5 days), 5,000 EUR
  The expert will give an overview of theoretical basics in fighting criminal official misconduct and introduce practical case studies on avoiding risk situations and dealing with conflict situations

Profile:
- Knowledge and practice of criminal law, specialisation on corruption crimes of at least 5 years
- Experience in elaborating and implementing training programmes - Command of English
- Computer skills

- STE 5 Early detection mechanisms (preparation 3 days, training 2 days), 2,500 EUR
  The expert will introduce different detection mechanisms and intelligence strategies to identify corruption crimes

Profile:
- Practical experience in criminal law, specialisation on corruption crimes of at least 5 years
- Experience in elaborating and implementing training programmes
- Experience in developing methodology of discovering corruption
- Command of English
- Computer skills

- STE 6 EU, CE, UN conventions on corruption (preparation 3 days, training 2 days), 2,500 EUR
The expert will give an overview of international instruments on combating corruption and their relevance for Estonia.

- Knowledge of different criminal systems in Europe
- Knowledge of international conventions on corruption
- International co-operation experience in the field of corruption of at least 3 years
- Experience in implementing training programmes
- Command of English
- Computer skills

- STE 7 Ethical standards (preparation 3 days, training 2 days), 2,500 EUR

The expert will provide an overview of the ethical infrastructure in the EU and introduce practical cases of implementing the Code of Ethics in EU member states

- Knowledge of ethical infrastructure in the EU
- Knowledge of links between corruption and ethical infrastructure
- Experience in elaborating and implementing training programmes
- Command of English
- Computer skills

3.5 Lessons learned:

In order to ensure effective co-operation, the MoJ has negotiated with all involved authorities during the course of programming this project. An agreement will be signed before the commencement of the project between the Ministry of Justice, the Ministry of Internal Affairs and the Ministry of Finance and the Union of Local Governments, in order to ensure active co-operation.

During the monitoring exercise of previous projects in the JHA field, it has been noted that the MoJ and the MOIA should regard monitoring as an essential management tool for their own use and introduce a continuous in house monitoring system including regular written updating of programme information for ongoing programmes. The recommendation is already partly applied by the EC Law and Foreign Relations Division of the MoJ. In-house monitoring of programme activity will be organised throughout the duration of the project and regular written updating requested from the project manager. Regular meetings and briefings will be organised between project counterparts.

All efforts have been made in programme planning to ensure that the project activities are implemented according to the schedule. National co-financing has been earmarked in the budget of the MoJ.
4. Institutional Framework

The Ministry of Justice is mainly responsible for handling legal issues of corruption, including the management of the professional activities of the courts of first and second instance, the Prosecutor’s Office, prisons. The established Anti-Corruption Committee of Ministers is chaired by the Minister of Justice, which entails equal responsibility for the coordination of the fight against corruption in the whole field of justice and home affairs.

The criminal investigation of corruption involves several authorities in different fields of jurisdiction which must cooperate with each other very closely. Criminal proceedings are initiated by an investigator or prosecutor. According to §105 of the Criminal Procedure Code, the pre-trial investigative authorities are, depending on their competence, the Police Board, the Central Criminal Police and police prefectures; the Security Police Board; prisons and the expulsion centre; border guard authorities; customs offices; the headquarters of the Defence Forces; the Tax Board. Preliminary investigators have the authority to undertake ‘surveillance activities’ as defined in the Surveillance Act. Only the PB and the SP may conduct ‘exceptional surveillance activities’, if authorised by a court and supervised by the Chief Public Prosecutor.

All officials who become aware of a crime in the course of their duties have an obligation to report. According to the CPC, there is no difference in informing a prosecutor, the police, or the court as they are all obliged to take appropriate measures for registering and investigating a crime.

The specific authorities are:

4.1 The police
The fight against corruption by the Estonian police is divided between the Police Board (PB) and the Security Police Board (SPB).
The Security Police (SP) is an independent board within the Ministry of Internal Affairs. In addition to intelligence gathering, anti-terrorism, and counter intelligence, its role includes anti-corruption efforts. The SP comprises 4 regional departments. The total number of the SP is classified, but approximately 40 officers are believed to deal with anti-corruption matters.

The Estonian Police (EP) is directed by the Police Board and comprises four national units (Central Criminal Police, personal protection police, forensic service and criminalistics centre, and the police school) and 17 prefectures. The EP includes about 3600 officers. Approximately 100 members of the Central Criminal Police address serious widespread crimes, organised crime, money laundering. Police officers undertake some anti-corruption training in the police school, but there are no annual training requirements. There is a central Internal Control Division (8 staff) which is responsible for the investigation of misconduct.
At the moment, the division of jurisdiction between the SP and the EP is unclear, which undermines the co-operation in the fight against corruption between those authorities. According to the new Code of Criminal Procedure (adopted on 12 February 2003, entry into force on 1 July 2004), the jurisdiction between the SP and EP regarding corruption will be determined by a Government decree.

4.2 The border guard
The Estonian Boarder Guard (EBG) under the jurisdiction of the Ministry of Internal Affairs has no general corruption control function, but as Estonia is a transit country for crime, its role in internal corruption control is essential. The EBG has a military structure and comprises 8 regions. Service in border areas is managed by regional headquarters, structured by 42 Border Guard stations, 39 border points, a Border Guard patrol boats division and the Border Guard aviation.

4.3 Prosecutors
The prosecution service consists of the Prosecutor General’s Office and county and city prosecutor’s offices. According to the new CPC, prosecutors will have increasing responsibility in the field of pre-trial investigation by leading pre-trial investigations (previously the competence of the police). Therefore, this entails a heightened risk of corruption. The Tallinn Prosecutor’s Office has 7 prosecutors who specialise in corruption cases.

4.4 Courts
The Ministry of Justice exercises overall administrative supervision over judges, the Prosecutor General’s Office and notaries and other justice staff. According to the new Courts Act, the responsibility for the training of judges lies with the Supreme Court and the implementing body is the Estonian Law Centre Foundation. The court system is divided into County, City and Administrative Courts (1st instance); Circuit Courts (2nd instance) and the Supreme Court. At the moment, the judges in Estonia are specialised widely in either criminal or civil cases. There is no specialisation on handling cases of corruption.

4.5 Other institutions and actors
- The Parliamentary Special Committee on Anti-Corruption Activities was set up in 1996 and became the Special Committee on Anti-Corruption Activities in 1999. It performs the tasks provided by the Anti-Corruption Act and assists the implementation of corruption preventive measures. The Committee is the depository of economic interests’ declarations and supervises the activities of MPs, especially relating to the restrictions on their employment.

- The Estonian Legal Chancellor (LC) is an Ombudsman. Its functioning is regulated by the Legal Chancellor Act, in force since 1999. The duties of the LC include challenging legislation before the Supreme Court, supervision of activities of state agencies, and it has the right to make proposals for the
elimination of any deficiencies found in the course of examinations and request disciplinary action against any official who obstructs such activities.

- Auditing by Ministry of Finance and the State Audit Office. Internal audit and control mechanisms are within the jurisdiction of the Ministry of Finance. The auditing is divided between the Financial Control Department (FCD) of the MoF and the State Audit Office (SAO). The FCD is the highest unit of the internal audit system and includes financial control of all government organisations. The SAO is an independent institution foreseen by the Constitution and carries out functions that are often attributed to jurisdictions in other countries. The SAO and FCD can carry out direct audits in governmental organisations on certain occasions, but in general they rely on the work done and data collected by the auditing body of each authority.

- Public Procurement Office was set up under the Ministry of Economic Affairs in 1996 but since 2002 is under the jurisdiction of the Ministry of Finance. It is responsible for the coordination of activities relating to public procurement

- The Customs Board (CB) and Tax Board (TB) are under the jurisdiction of the Ministry of Finance. The Internal Control Department of the CB conducts financial and performance audits and deals with the legal aspects of auditing and the Investigation Division of the Enforcement Department deals with pre-trial investigations (smuggling and customs fraud) and participates in the investigation and detection of corruption cases involving customs officials. The TB comprises various departments including the Tax Fraud Combating Division and an Internal Audit Department and the Tax Fraud Investigation Centre.

- NGOs and civil society. One of the most influential NGOs in Estonia is the Jaan Tõnisson Institute (JTI), which founded a corruption research centre in 1998. The JTI acts as the Estonian Chapter of Transparency International and produces an annual report on corruption in Estonia. In 2000 the society Corruption Free Estonia was established on the initiative of the JTI. The society aims to raise public awareness about the essence and danger of corruption and to increase the level of responsibility of state officials and politicians.

The beneficiary of the project is the Ministry of Justice. The project will fit into the institutional development plan of the Ministry of Justice (see 3.1) and the Ministry of Internal Affairs.

5 Detailed Budget

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<td>--------------------------------------</td>
<td>----------</td>
<td>---------------</td>
<td>------------</td>
<td></td>
</tr>
<tr>
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<td>0</td>
<td>0,474</td>
<td>0,05</td>
<td>0,524</td>
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<tr>
<td>Covenant preparation</td>
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<td>0,008</td>
<td>0,008</td>
<td>0,008</td>
</tr>
<tr>
<td>3.4.1.2. Producing the Corruption Map</td>
<td></td>
<td>0,065</td>
<td>0,065</td>
<td>0,065</td>
</tr>
<tr>
<td>Translation of the Corruption Map</td>
<td></td>
<td></td>
<td>0,003</td>
<td>0,003</td>
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<tr>
<td>3.4.1.3. Analysis of admin. capacity and co-operation (PAA)</td>
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<td>0,07</td>
<td>0,07</td>
<td>0,07</td>
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<tr>
<td>3.4.2.3. Creation of the Coordination system (PAA)</td>
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<td>0,1</td>
<td>0,1</td>
<td>0,1</td>
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<tr>
<td>3.4.2.4. Elaboration of anti-corruption measures (PAA)</td>
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<td>Costs related to</td>
<td></td>
<td></td>
<td>0,010</td>
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</tr>
</tbody>
</table>
The co-financing to be provided from national sources has been earmarked in the national budget of 2004-2005. In 2004, the co-financing will be 15,000 EUR and in 2005, 35,000 EUR.

The amounts for co-financing indicated in the table correspond to cash co-financing. In addition, in-kind contributions from the Estonian administration for effective implementation of the twinning/twinning light/TA may be further detailed in the twinning covenant/Terms of references.

The co-financing expenses will be monitored by the beneficiary and the NAO. For the earmarked co-finance, a clear and verifiable set of costs will be provided. The beneficiary will define which budget lines are the source for co-financing. Flow and stock data on co-finance will be submitted quarterly for steering committees, twice a year to the Sector Monitoring Working Group.

The beneficiary, together with the NAO commits to sound financial management and financial control.

### 6 Implementation Arrangements

#### 6.3 Implementing Agency

The Implementing Agency is the CFCU. The CFCU will be responsible for tendering and contracting. The responsibility for project preparation, implementation and control will remain in the Ministry of Justice.

The Programming Authorising Officer/PAO is Mr. Renaldo Mändmets, Deputy Secretary General of the Ministry of Finance, Suur-Ameerika 1, 15006 Tallinn. Phone: (+372)6 113 545; fax: (+372)6 966 810; e-mail: renaldo.mandmets@fin.ee

The Programme Officer/PO is: Mr Priidu Pärna, Secretary General of the Ministry of Justice, Tõnismägi 5a, 15191 Tallinn, Phone: (+372)6 208 102; e-mail: priidu.parna@just.ee

The PO is responsible for the overall implementation and monitoring of this project.
The Project Leader is: Ms Julia Laffranque, Deputy Secretary General of the Ministry of Justice, Tõnismägi 5a, 15191 Tallinn. Phone: (+372)6 208 104; e-mail: julia.laffranque@just.ee
The Project Leader is responsible for the overall management of project implementation.

The Project Manager is Ms. Ülle Raig, Adviser of the Penal Law Division, the Ministry of Justice, Tõnismägi 5A, 15191 Tallinn. Phone: (+372) 6 208 224; e-mail: ylle.raig@just.ee
The Project Manager is responsible for the daily management and all technical aspects of implementation of the project.

Contact persons for the project have the duty to ensure active participation in the projects activities and include:

Mr. Ilmar Toom, Chief Inspector, Internal Control Department, Ministry of Internal Affairs, Pikk 61, 15065 Tallinn. Phone: (+372) 612 5027, e-mail: ilmar.toom@sisemin.gov.ee

Mr. Martin Hirvoja, State Prosecutor, The Prosecutor General’s Office, Wismari 7, 15188 Tallinn. Phone: (+372) 6 313 002, e-mail: martin.hirvoja@prokuratuur.ee

Mr. Raivo Sulg, Deputy Secretary General, The Ministry of Finance, Suur-Ameerika 1, 15006 Tallinn. Phone: (+372) 611 3248, e-mail: raivo.sulg@fin.ee

Ms Helle Sagris, Superintendent, Security Police Board, Toompuiestee 3, 10142 Tallinn. Phone: (+372) 612 1522; fax: (+372) 612 1401

Ms Helve Särgava, Chair, Tallinn City Court, Liivalaia 24, 15034 Tallinn, Phone: (+372) 620 0001

Ms Ulvi Oksa, Head of Foreign Relations, Estonian Police Board, Pagari 1 15060 Tallinn, Phone: (+ 372) 6 12 30 70; Fax: (+ 372) 6 12 30 80; e-mail: ulvi.oksa@pol.ee

Mr Urmas Tensing, Major, Internal Audit Division, Border Guard Authority, Toompea 1, Tallinn 15183, Phone: (+372) 639 6076; e-mail: urmsa.tensing@pv.ee

Mr Jüri Meidla, Head, Internal Audit Department, Customs Board, Lõkke 5, 15175, Tallinn, Phone: (+372) 696 7787

A Steering Committee will be set up to oversee the project implementation. The Steering Committee will meet once in a quarter and include the representatives of the Ministry of Justice, Anti-Corruption Expert Group, the Ministry of Internal Affairs, the Ministry of Finance, the Security Police Board, the Estonian Police Board, the Border Guard Authority, and the Customs Board.
Affairs, the Legal Chancellor, the Prosecutor General’s Office, the Police Board, the Border Guard Administration, the Customs Board, AFCOS, Public Procurement Office, Union of Local Governments, the EC Delegation in Estonia and the Ministry of Finance.

6.4 Twinning

Institution Building will be implemented according to the Twinning concept. The beneficiary is the Ministry of Justice. General counterpart for the PAA will be the Penal Law Division of the Department of Legislative Drafting.

The following Twinning arrangements will be conducted under the project:
Twinning Covenant – 524,000 EUR (474,000 Phare + 50,000 co-financing)

6.5 Non-standard aspects

No non-standard aspects are foreseen. The DIS Manual and Practical Guide will strictly be followed

Contracts

Twinning – 474,000 EUR from Phare (includes a TA contract for 55,000 EUR)

7 Implementation Schedule

7.3 Start of tendering/call for proposals
   November 2003
7.4 Start of project activity
   April 2004
7.3 Project completion
   July 2005

8 Equal Opportunity

During the implementation of the project there will be no discrimination on the grounds of race, sex, sexual orientation, mother tongue, religion, political or other opinion, national or social origin, birth or other status. Equal opportunities for women, men and minorities will be ensured by the Steering Committee during the implementation of the project. The Estonian laws and regulations concerning the equal opportunities for women, men and minorities will strictly be followed. Equal opportunity for men and women to participate in the project will be measured by recording the experts and consultants employed.

9 Environment

N/A
10 Rates of return
   N/A

11 Investment criteria

Sustainability
The signed co-operation agreement between the Ministry of Justice, the Ministry of
Internal Affairs, the Ministry of Finance and the Union of Local Governments will
include the requirement to ensure active participation and the commitment of participants
to stay in service for at least one year following the training.
The training participants will put the knowledge and skills gained from the training in
their everyday work.

12 Conditionality and sequencing

1. A signed co-operation agreement between the Ministry of Justice, the Ministry of
   Internal Affairs, the Ministry of Finance, and the Union of Local Governments for
   implementation of this project will be sent to the EC delegation before
   implementation.
2. The Anti-Corruption Strategy is adopted before the start of the training
   programme and consistency of the foreseen activities with its content is verified.
3. The government decree on the jurisdiction between the Estonian Police and
   Security Police regarding corruption is adopted before start of the training
   activities.

Sequencing
By the time the training component of the project starts, the Corruption Map and the
analysis report of administrative capacity and co-operation between relevant
authorities have been prepared.

ANNEXES TO PROJECT FICHE
1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme
   (including disbursement period)
4. Reference to feasibility/pre-feasibility studies
5. List of relevant Laws and Regulations
6. Corruption Prevention National Programme
**Phare log frame**

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of the corruptive behaviours in the Estonian society.</td>
<td>? Estonia rises in the Transparency International Corruption Perception Index from the current 29th position to the 27th; ? Public opinion shows that corruption has decreased by 5%</td>
<td>? Transparency International CPI Report; ? Public opinion polls: Saar Poll and Jaan Tõnisson Institute poll on spread of corruption</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement of the effectiveness of the fight against corruption within the Estonian administration.</td>
<td>? Discovering cases of corruption rises by 5%. In 2001, there were 65 registered corruption cases, of which 58 were convicted. ? Rate of corruption decreases by 5% In 2001, there were 65 registered</td>
<td>? GRECO Evaluation Report; ? Crime statistics by police and MoJ</td>
<td>? Overall criminality in society does not worsen (crime rate inversely proportional to economic growth and development)</td>
</tr>
</tbody>
</table>

**LOGFRAME PLANNING MATRIX FOR**

<table>
<thead>
<tr>
<th>Project</th>
<th>Programme name and number</th>
<th>Contracting period expires</th>
<th>Disbursement period expires</th>
<th>Total budget</th>
<th>Phare budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reducing Corruption in Estonia</td>
<td>2003/005-850.01.01</td>
<td>30/11/2005</td>
<td>30/11/2006</td>
<td>524,000</td>
<td>474,000</td>
</tr>
<tr>
<td>Results</td>
<td>Objectively Verifiable Indicators</td>
<td>Sources of Verification</td>
<td>Assumptions</td>
<td></td>
<td></td>
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<tr>
<td>---------</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3.3.1 Corruption Map identifying the main risk areas and practices of corruption in police, border guard, customs, local government, judiciary and public procurement office</td>
<td>? An overview of the level, practice, and reasons of corruptive behaviour in customs, border guard, police, public procurement office and local government is ready by January 2005.</td>
<td>? Corruption Map</td>
<td>? There are no new unforeseen risks</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>? Increased information flow between the authorities combating corruption</td>
<td>? Regular reports</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>? 100 police, 40 prosecutors, 40 judges, 50 border guards and 50 customs officials, 20 local government representatives and 5 representatives from the public procurement office are trained in effective coordination and cooperation measures in fighting corruption by December 2006</td>
<td>? regular reports</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>? training records</td>
<td>? crime statistics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>? personnel records</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>3.3.2 Creation of a coordination system between the Customs Board, Prosecutor’s Office, Courts, Border Guard Administration, the Police and Local Government Authorities to better detect corruption offences</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.3.3 Implementation of sustainable anti-corruption measures, including: 3.3.3.1 Improvement of internal control and investigation mechanisms leading to increased criminal investigation and prosecution capacity.</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
3.3.3.3 Improvement in the implementation of the Code of Ethics

- crimes, official criminal misconduct, detecting early corruption, international conventions on corruption by December 2006
- 5% more cases of corruption are detected and successfully prosecuted; In 2001, there were 65 registered corruption cases, of which 58 were convicted.
- The Code of Ethics is revised by the PAA and relevant recommendations have been made by June 2005
- 100 police, 40 prosecutors, 40 judges, 50 border guards, 50 customs officials, 20 local government representatives and 5 representatives from the public procurement office have been trained in effective implementation of the Code of Ethics

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Cost (EUR)</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.4.1 Specific research on corruption in national and local administrations in Estonia</td>
<td>TWINNING</td>
<td>Phare 55,000</td>
<td>? Expertise is found to successfully carry out the research</td>
</tr>
<tr>
<td></td>
<td>? Technical assistance (3 months)</td>
<td></td>
<td>? Authorities are willing to cooperate</td>
</tr>
<tr>
<td></td>
<td>PAA (12 months)</td>
<td>Estonia 10,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>STE 2 (9 months)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PAA Assistant (12 months)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 3.4.2.1 Producing the Corruption Map

<table>
<thead>
<tr>
<th>Activity</th>
<th>Duration</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>MS Project Leader</td>
<td>5 STEs (2x10 and 3x5 working days)</td>
<td>12,000</td>
</tr>
<tr>
<td></td>
<td>Covenant preparation</td>
<td>8,000</td>
</tr>
<tr>
<td></td>
<td>PAA and STE 1 (3 months)</td>
<td>65,000</td>
</tr>
<tr>
<td></td>
<td>Translation of the Corruption Map</td>
<td>70,000</td>
</tr>
</tbody>
</table>

### 3.4.2.2 Analysis of administrative capacity and co-operation between relevant authorities in the field of the fight against corruption

<table>
<thead>
<tr>
<th>Activity</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAA and STE 2</td>
<td>100,000</td>
</tr>
</tbody>
</table>

### 3.4.2.3 Creation of the coordination system between the Customs Board, Prosecutor’s Office, Courts, Border Guard Administration and the Police to detect corruption offences

<table>
<thead>
<tr>
<th>Activity</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAA and STE 2</td>
<td>125,000</td>
</tr>
</tbody>
</table>

### 3.4.2.4 Elaboration of anti-corruption measures and early detection strategies

<table>
<thead>
<tr>
<th>Activity</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAA and STE 2</td>
<td>17,500</td>
</tr>
</tbody>
</table>

### 3.4.2.5 Training seminars on
- effective cooperation and coordination mechanisms
- economic crimes
- fighting criminal official misconduct
- early detection mechanisms
- EU, CE, UN conventions on corruption

<table>
<thead>
<tr>
<th>Activity</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>PR, interpretation costs</td>
<td>5,000</td>
</tr>
<tr>
<td>Costs related to PAA and admin costs</td>
<td>10,000</td>
</tr>
<tr>
<td>Experts are found with the necessary skills and they are available at the required time</td>
<td>35,000</td>
</tr>
<tr>
<td>PAA is found with necessary qualifications and experience</td>
<td>3,000</td>
</tr>
</tbody>
</table>

Total Costs: 125,000
| - ethical standards | audit reserve | 6,500 | TOTAL Phare 474,000 | TOTAL Estonia 50,000 |

**Preconditions**

- A signed co-operation agreement between the MoJ, the MoIA and the Customs Board
- By the time the training programme starts, the Corruption Map and the analysis report of administrative capacity and cooperation between relevant authorities is ready.
- The Anti-Corruption Strategy is adopted before the start of the training programme
- The government decree on the jurisdiction between the Estonian Police and Security Police regarding corruption is adopted
### TIME IMPLEMENTATION CHART

**Project №:** 2003/005-850.01.01  
**Project Title:** Reducing Corruption in Estonia

<table>
<thead>
<tr>
<th>Contract 1 Twinning Package</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
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<tr>
<td></td>
<td>J</td>
<td>F</td>
<td>M</td>
<td>A</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PAA for 12 months</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PAA Assistant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MS Project Leader</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training Seminars</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CUMULATIVE CONTRACTING SCHEDULE  (by quarters)

ANNEX 3a

Project №: 2003/005-850.01.01
Project Title: Reducing Corruption in Estonia

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I</td>
<td>II</td>
<td>III</td>
<td>IV</td>
</tr>
<tr>
<td>Contract 1 Technical Assistance</td>
<td>55 000</td>
<td>55 000</td>
<td>55 000</td>
<td>55 000</td>
</tr>
<tr>
<td>Contract 2 Twinning package</td>
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<td>419 000</td>
<td>419 000</td>
<td>419 000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>474 000</td>
<td>474 000</td>
<td>474 000</td>
<td>474 000</td>
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</tbody>
</table>
CUMULATIVE DISBURSEMENT SCHEDULE (by quarters)

ANNEX 3b

Project N°: 2003/005-850.01.01
Project Title: Reducing Corruption in Estonia

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>III</td>
<td>IV</td>
<td>I</td>
<td>II</td>
</tr>
<tr>
<td>Contract 1</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assistance</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Contract 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Twinning</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
ANNEX 4 Reference to feasibility/pre-feasibility studies

As the project does not involve an investment component, it has been decided that a feasibility study is unnecessary.
ANNEX 5
List of relevant laws and regulations

1. The Anti-Corruption Act, entry into force 28th of February 1999
   The main legislative act in the fight against corruption in Estonia.
2. The Public Service Act, entry into force 1st of January 1996
3. The Public Procurement Act, entry into force 1st of April 2001
4. The Penal Code, entry into force 1st of September 2002
   According to the Code, the investigation of corruption offences is divided
   between the Security Police Board and the Police Board.

The Anti-Corruption Act needs to be considered together with the Public Service Act, the
Public Procurement Act and the relevant paragraphs of the Penal Code, which altogether
form the framework for the understanding of corruption and define the procedural rules
that officials have to follow in their duties.

5. The Surveillance Act, entry into force 18th of March 1994
6. The Money Laundering Prevention Act, entry into force 1st of July 1999
7. The Criminal Procedure Code, entry into force 1st of July 2004
8. The Public Information Act, entry into force 1st of January 2001

Penal Code
In 01.09.2002 entered into force Penal Code, replacing Criminal Code and Code of
Administrative Offences. The new act brought along major changes in Estonian criminal
and administrative law and also had an effect on anti-corruption fight.

Penal Code does not prescribe statutory definition of corruption as it was in the Criminal
Also other statutory definitions of offences related to office, which must cover corruptive
acts. (misuse of official position, bribery etc.)

Corruption related misdemeanours, which were previously foreseen in Code of
Administrative Offences, are now enacted in the 5th chapter of the Anti-Corruption Act.
Liability is foreseen for the violation of the requirements of the Anti-Corruption Act. For
example liability is foreseen for the failure to declare economic interests and follow the
restrictions on employment and activities of officials.

Anti-Corruption Act is the main act which provides the legal bases for the prevention of
corruption and prosecution of officials involved in corruption.

This act foresees the means for preventing corruption. Such means are the following:

1) declaration of the economic interests of officials
2) restriction on employment and activities
3) and procedural restrictions.


The first amendment concerns the submission of declaration of economic interests (§ 14) It is no more required that members of management boards and supervisory boards, who are not representing state or local government in companies with local government or state participation should submit declaration of economic interests. Also members of the management board and supervisory board of a company with the participation of a legal person in public and minority power of decision should not submit declaration of economic interests.

The second amendment foresees that instead of the police the security police should be notified bribery suspicious actions. Paragraph 23 is the following: duty to give notification of bribery or gratuities

(1) An official is required to notify the immediate head of the agency and the security police of any offering, giving or acceptance of a bribe or gratuities which becomes known to him or her.

Thirdly the liability for corruptive act as misdemeanour was reintroduced in Anti-corruption act. (§ 26) Act of corruption is defined as the use of official position for self-serving purposes by an official who makes undue or unlawful decisions or performs such acts, or fails to make lawful decisions or perform such acts. For corruptive act with corruptive income or other illegal income or gains can be punished up to 300 fine units.

Public Service Act regulates the conditions of public service. An important part of this act is a code of ethics. A public servant shall perform his or her duties pursuant to the public service code of ethics.

This act also defines disciplinary offences, which are:

1) the wrongful non-performance or unsatisfactory performance of duties, including intoxication while in the service;

2) the wrongful causing of damage to the property of an administrative agency or the wrongful causing of danger of such damage;

3) an indecent act, that is, a wrongful act which is in conflict with generally recognized moral standards or ethic standards set for officials, or which discredits an official or administrative agency, regardless of whether the act is committed in or out of service.

Public procurement act provides for the public procurement procedures, the rights and obligations of subjects involved in public procurement and their liability for violation of this Act, and the procedure for the exercise of state supervision.

The Government Act provides requirements for establishing internal inspection systems in the ministries, in their subordinate institutions, state agencies and municipal governments. Those are the means to forestall corruption in its early stage. It is extremely
important to have efficient internal inspections in law enforcement authorities. In Estonia customs, border guard, police board and security police have well functioning internal control.

**Public Information Act.** In the context of corruption it is important that the aim of this legal act is to increase the transparency of state organizations.

**International legislation**

**The Code of Criminal Procedure** Traditionally it prescribes the system of activities connected with the application of the criminal law to particular cases and at attaining justice. This legal act specifies the criminal cases which fall under the responsibility of the security police. In accordance to this code, pre-trial investigation is conducted by the security police in the corruption cases related to higher state officials. The categories of higher state officials are defined in State Public Servants Official Titles and Salary Scale Act.
ANNEX 6

Proposal to the Government of the Republic Corruption Prevention National Programme

While making the proposal to elaborate the anti-corruption action programme, we should take into account the latent character of the corruption offences. We may set ourselves objectives for the anti-corruption preventive activity, but we cannot set measurable objectives in the detection of corruption.

Political corruption

The work of the legislator, of the executive power and of the local government is determined first of all by the behaviour of the parties, and this means that the anti-corruption activity starts with the political will, expressed by the parties to fight against corruption as well as from their concrete behaviour at execution of power. We cannot approve of the situation, where the parties shirk from performance of the regulations, which determine the financing of the parties, accepted by them or approve the provisions, which expand the possibilities for financing of the parties and which are in direct conflict with the recommendations of the Council of Europe. That is why in order to improve the situation it is reasonable to try to reach an agreement in the issues, concerning financing of the activity of the parties and of their political campaigns.

Management of anti-corruption activity

Anti-corruption activity is necessary in all the structures of public power. Fighting corruption in the public sector is presently executed on de-centralised basis. This means that many agencies are busy elaborating similar solutions and what is more ordinary, giving up the above activity, stating that it is no direct work obligation of their agency.

The different elements of the anti-corruption activity, covering the whole public sector are co-ordinated from very different government agencies. To be more exact:

- The State Chancellery deals with management of the public service and organisation of training;
- The Ministry of Finances manages the work of the internal control over the Government of the Republic;
- The Ministry of Justice deals with the legal aspects of corruption;
- The divisions of the Ministry of Internal Affairs (Security Police Board and Police Board) deal with identification of corruptive behaviour.

The shortcoming of such de-centralised approach in execution of anti-corruption activity is on one hand the inexpedient use of resources, in case overlapping solutions are worked
out, and lack of general support to such agencies who would like to handle the corruption problems but do not know how to do that.

Based on the above we may recommend to the Government of the Republic to extend the work of the anti-corruption commission until the public administrative division, co-ordinating preventive anti-corruption activity is established.

**Recommendations to the executive power:**

- To establish the so-called “integrity card” system for the executive agencies for carrying out self-diagnostics and for identification and elimination of corruption-hazard situations;

- To introduce the requirement for ethics training all over the sector of executive power, whereas the State Chancellery should secure elaboration and dissemination of the corresponding study materials;

- To organise separately or in the frames of the citizen day the national ethics day, which would enable to thoroughly discuss the questions of ethics both in the public and private sector;

- To encourage the agencies in elaboration and introduction of their code of ethics and through that activity the promotion of the identity of an official;

- To consider systematic revision of the legal regulation of public procurements with the objective to elaborate the whole set of amendments for improving the situation;

- To order studies for mapping the level of corruption and corruption-risk situations;

- To elaborate info-technological solutions for prevention of corruption-risk situations (at licensing, at granting authorisations);

- The Ministry of Justice must elaborate the set of legislative amendments, based on the results of the anti-corruption project, carried out by the Law Centre (see: Restriction of Corruption in Estonia, Tartu, 2002)

- To update the mandate of the anti-corruption commission or to establish a separate entity at the Ministry of Justice for co-ordination of anti-corruption activity, which would co-ordinate anti-corruption preventive activity all over the public sector.

**Recommendations to law enforcement authorities:**
• To work out the training programme in the field of corruption, covering the whole chain of criminal procedure (investigator-prosecutor-judge), which would contain in addition to the other subjects also training on ethics. To elaborate curricula and to carry out planned trainings on systematic basis;

• To implement effectively the Code of Criminal Procedure Article 108. The head of investigation may establish investigation groups. Proceeding from the above to establish investigation group(s) at the Central Criminal Police or at the Prosecutor’s Office for investigation of corruption offences in local governments. To promote specialisation of prosecutors on procedures of corruption and economic offences, in case of necessity providing a possibility to differentiate the salary of the specialised prosecutors;

• In implementation of the Code of Criminal Procedure to organise delivery of information to the Prosecutor’s Office about the data, hinting on corruption, gathered in the course of surveillance also before initiation of criminal procedure (in co-operation for instance with the Financial Intelligence Unit);

• To elaborate the corruption offence detection strategy both in respect of individuals as well as in respect of risk sectors (Prosecutor’s office in co-operation with preliminary investigation authorities). The objective should be to be able detect by the period 2004-2007 aside of smaller corruption cases also more massive corruption cases

• To secure motivation for the police investigators as well as for the other preliminary investigation authorities to proceed complex corruption offences.

**Recommendation to the legislator:**

Pursuant to the Anti-corruption Act every new panel of the Riigikogu establishes an anti-corruption commission, the task of which is considered to be first of all to secure public disclosure and deposit of the declaration of economic interests of the higher officials.

Proposal: to consider the possibility to give to the anti-corruption commission upon its establishment a wider mandate than up to now, which would lay on the special commission an obligation to assess all draft laws from the aspect of increased or reduced corruption risk, and in case of necessity to co-ordinate introduction of concrete legal amendments into the anti-corruption legislation and to assess the
need for new legal amendments, taking into account the analyses of the relevant judicial practice.

Accomplishment of the principles, contained in the programme

The agencies, given recommendations with the programme must elaborate by the year 2004 concrete action plans with the objectives, activities, responsible persons and sources of financing.