1. **Basic Information**
   1.1 CRIS Number: 2006/18111.06.01.

   Twinning: EE/2006-IB/JH/01

   1.2 Title: Fight Against Corruption in Local Government Authorities

   1.3 Sector: Home Affairs

   1.4 Location: ESTONIA

2. **Objectives**

   2.1 **Overall Objective:** The rate of corruption has decreased in most problematic sectors of Local Governments.

   2.2 **Project purpose:** Enhanced administrative capacity of the Estonian Police in the fight against corruption in local governments and in the institutions within their jurisdiction.

   2.3 **Justification**

   The objectives of the project are supported by the following policy documents and related developments.

   **GRECO** (Group of States against corruption) Evaluation Team - GET – emphasised the following in the 2004 Evaluation Report on progress made by Estonia towards accession:

   - To develop, at the level of the police and prosecution, a harmonised policy and training for targeting the proceedings of crime, including corruption-related offences, and to encourage a more systematic use of the provisions on seizure and confiscation as well as the collection and analysis of statistics on the use of such measures (section 22);

   - To raise the awareness among public officials of existing anti-corruption regulations and guidelines and of their duty to implement them (section 53); to review the system of public officials’ declarations of assets and interests, in particular in respect of having access to data necessary for the control of such declarations (section 54);

   - To raise the awareness among crime preventing/investigating authorities of the possibilities for applying the rules on the criminal liability of legal persons, and of problems of corruption linked with legal persons; these topics should also be included in training programs for the police, prosecutors, judges, tax inspectors and State auditors. (section 73);
-To enhance the co-operation between bodies involved in the detection of corruption offences committed by legal persons (i.e. audit bodies, tax administration, police and prosecution) with a view to exchanging information on legal persons and business practices on a continuous basis and co-ordinate action taken by administrative and judicial authorities (section 76);
-To establish/enhance co-operation between the private bodies/persons obliged to report suspicious transactions and the public bodies concerned (section 82).

The **Coalition Agreement of the Estonian Government** during years 2004-2007 lists the "long-term strategy and effective activity to fight corruption in all levels as a priority.

**Ministry of Justice** – long-term project "**Honest State**," the main area is cross-national fight against corruption in different areas in 2004-2007. The aim of the strategy of the anti-corruption fight is to minimise the possibilities for corruption and to increase intolerance in relation to corruption.

**The State Audit Office Act** that entered into force on 4 March 2002 establishes the auditing competence of the State Audit Office as follows: in addition to the state agencies, the State Audit Office shall audit also legal persons under public law; foundations founded by the state or a legal person under public law; companies where the state or legal persons in public law jointly or separately exercise a dominant influence through a majority holding or in any other manner, and the subsidiaries of such companies.

**CMR 2003**
Section 24 Fight against organised crime, fraud and corruption
As regards the **fight against corruption**, it is still necessary for Estonia to align with the *acquis* on the protection of the European Communities’ Financial Interest and its Protocols. It should also align with the provisions of the 1997 Convention on the Fight Against Corruption involving the Officials of the European Communities or the Officials of Member States of the EU. An overall anti-corruption strategy still needs to be developed in order to ensure effective anti-corruption co-ordination between relevant authorities and establish an early warning corruption detection strategy.

"**Trends in Criminal Policy until the Year 2010**", approved by the decision of Parliament on 21.10.2003, clause 8: “The Ministry of Justice co-operates with the Ministry of Interior and the Ministry of Finance and scientific research establishments to implement common principles for analysing corruption-related statistics from the year 2004.”

3. **Description**

3.1 **Background and justification**

Estonia is widely regarded among the least corrupted states of the European Union, however in comparison with the Scandinavian countries corruption rate in Estonia is considered higher than in Finland, Sweden and Denmark. According to the Transparency International Corruption Perception Index in 2005, Estonia has improved its position from 33rd position to the 27th in the world (from the 26th position in 1998 and 27th position in 1999 and 2000).
Estonia has made significant progress towards putting a comprehensive legal anti-corruption framework in place by implementing appropriate legislation.

The fight against corruption is co-ordinated by:
- The Anti-Corruption Act;
- The Public Service Act;
- The Public Procurement Act;
- The Penal Code;
- The Code of Criminal Procedure;
- The Surveillance Act;
- The Money Laundering Prevention Act;
- The Code of Ethics;

According to the Open Society Foundation EUMAP Report 2002, the Code of Ethics is brief and vague and it was not prepared in consultations with the officials to whom it is supposed to affect. Therefore, it is understandable that there are problems with implementation and there is very little actual awareness of what constitutes corruption among lower level civil servants.

The new **State Audit Act** entered into force in 2002. The direct co-operation partner of the State Audit Office at **Riigikogu** is the Finance Committee thereof.

Estonia has no intention of creating additional institutions, committees, working groups or other working institutions to formalise the work between the State Audit Office and **Riigikogu**.

In the year 2004, the State Audit Office carried out more comprehensive audits of the activities of local governments. They will continue auditing the grants of state aid and they additionally carry out a so-called in-depth audit in one local government. This means that in the course of auditing they will focus on the use of state aid, they will not just examine the use of funds allocated from the state budget in connection with that particular aid, but assess the activity of the local government in using all state budget assignments. The aim of such an approach is, inter alia, to map the potential risks for the purposes of similar future audits.

Although the State Audit Office plans to increase the number of audits related to local governments, this will not be sufficient to create a functioning control environment. Therefore, they have developed their positions regarding the improvement of the control system of local governments, the implementation of which should increase the reliability, transparency and efficiency of local governments and to ensure the legality of their economic activities.

The Phare 2003 project “Reducing Corruption in Estonia” (hereinafter referred as Corruption project) produced a coherent overview of the actual practices, reasons, and risks of corruption amongst administrative agencies and a strategy to fight corruption in this area. Such research has never been carried out in Estonia before; at present as a result of the aforementioned project we have an overview of the actual situation regarding corruption.

It has become evident that the efforts in the fight against corruption should be more specific in issues concerning the local government administrations and ascertaining possibilities for co-operation with the State Audit Office and the Public Procurement...
Office, as these issues were not considered in the Phare 2003 project “Reducing Corruption in Estonia”.

Perception of corruption is particularly high in the sectors that are more or less autonomous in the state administration.

Corruption at local government level

The central national agencies do not control activities of the local governments. For instance, auditing belongs to the competence of relevant officials appointed by the local governments. Corruption remains still a vague, unexplored field. Links between corruption and organised crime have not been researched in detail so far.

The fight against corruption is of crucial importance in the national program of the Estonian Government. The priority in the strategy of fight against corruption in Estonia is the elimination of its social causes through in-depth structural reforms in the most problematic areas, such as local government agencies - through strengthening law enforcement agencies and the independence of the judicial system.

Similarly to central agencies, a lot of tasks that have to be carried out by local governments require co-operation with the private sector. This creates the potential for private interests to intervene and distort the decision-making processes against the best interests of citizens. The zoning of land, for instance, is an operational domain of local governments, which poses particular threats to integrity in Estonia. The value of land can increase dramatically if the stipulated conditions of use thereof are changed. The temptation to bribe councillors and council officials to ease zoning changes is a considerable problem. Relationships between various actors tend to be much closer at the local level than at the national level, and as such, the problems of favouritism and nepotism become all the more acute. As mentioned by Transparency International, there is a need for a „Local Government Integrity System“ in Estonia.

Main corruption-related problem areas that were identified during the survey of Phare 2003 Corruption project at local government level are: lack of internal control, nepotism, detailed planning, public procurement, deals concerning land privatisation, conflicts of interest, bribery etc.

Therefore, a specific and comprehensive research project is necessary in order to analyse corruption-risky areas at local government level and also competence of police officials is being focused on the issues related to the conflicts of interest. There is a need for a project that will analyse competence and the possibilities of rising the competence within corruption risky areas.

The project is an enforcement-type of its nature, the practical results thereof can be used by police officials in their main occupation/activity. Whereas, the Phare 2003 Corruption Project, being of preventive type in its character, provided a general picture of the corruption in the Estonian society and the enumeration of central problems. In general the results of Phare 2003 Corruption Project shall be taken as a guide and basis in the preparation process of all relevant activities. To continue with the general analysis prepared under the Phare 2003 Corruption Project the current project (“Fight Against Corruption in Local Government Agencies”) foresees the mapping of working competence of the police officials. The required
knowledge, skills and experience are to be identified in order to find out which qualities are required for the effective investigation of the corruptive matters.

This Project is focused on a narrow framework of problems proceeding from the necessity and character of the relevant working field. Identification of a single overall problem is based on the identification of critical functions and conflicts of interests, the reasons and dangers thereof in local governments on a basis of Corruption Map produced under Phare 2003 corruption project.

This Project foresees the training of officials dealing with investigation and proceeding of corruption matters according to their fields of activity and/or former experience. The training is carried out as competency-based, whereby police officials are involved. In the preparation of the training courses, amended legislative requirements and clauses of new procedures are considered. The Phare 2003 Corruption Project foresaw seminars on different issues at the central government level for different target groups – police officials, prosecutors, and judges. The results of the studies, under Phare 2003 Corruption Project will be taken into account. The main areas covered will be lack of internal control, nepotism, detailed planning, public procurement, deals concerning land privatisation, conflicts of interest, bribery, but the specific topics for the training component will be identified after the planned surveys.

Competence survey among police officials is essential for the full implementation of the project. The training component will be prepared and carried out according to the results of the survey prepared during the first months of the project. The results of this project are useful for all the territorial Police Prefectures. Also, within the Põhja (Northern) Police Prefecture, the work performance of the Economic Crime Department depends directly on the results of this project.

Driven from the necessity for the strengthening of the Estonian Police and other agencies dealing with the corruption-related matters, the high authorities of the Põhja Police Prefecture decided to form a group of corruption investigators. This group consists of 7 officials (two officials out of seven have also participated in the training organised in the framework of the Phare 2003 Corruption project) investigators and one superintendent. The group started functioning in 2005. The main focus of the abovementioned group is directed towards the fight against corruption at local government level.

Inter-institutional cooperation on several strategic matters, including the fight against corruption, between Põhja Police Prefecture and the regional institutions has proven to be successful over the past years. By continuing the effective ways and agreed schemes of co-operation on the implementation of the relevant policies and legislative framework, the sustainability in this priority area is expected to be maintained and increased.

The role of NGOs.

Considering the nature of the project, NGOs will be consulted during the project preparation and implementation process. The Estonian civil 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 project aims at institution
building at the local government level and the NGOs are seen as having their direct role in the project activities.

One of the main counterparts representing the Estonian civil society in this project will be the Jaan Tõnisson Institute (JTI), as being the only representative of Transparency International in Estonia and the most experienced NGO in this field. In 1998 JTI founded a corruption research centre. The JTI (acting as the Estonian Chapter of Transparency International) also produces an annual report on corruption in Estonia. In 2000 the society “Corruption Free Estonia” was established on the initiative of the JTI.

During the implementation of the current project the role of JTI is to coordinate the communication and the role of media as an efficient tool against the fight against corruption together with police and local government authorities.

**The role of Media**

The existence of a free and enquiring press is essential to the configuration of democratic societies. The quality of the democratic process is dependent on how the media performs its task of rationally conveying to the individual what is happening in the political, social and economic arenas. Press and broadcasting organisations perform a crucial "watchdog" role by subjecting the exercise of public and private power to close and continuing scrutiny.

The media are thus central to the fight against corruption, in particular by investigating and exposing malfeasance in political and corporate affairs. The public's right to be informed of the professional behaviour of individuals exercising positions of trust or responsibility entails a corresponding duty on the part of governments not to interfere with the media's right to make such information available.

The framework for guaranteeing media freedom including the rights and freedoms of all those engaged in the practice of journalism is secured by Article 10 of the European Convention on Human Rights, as well as by a range of media law and policy instruments which have been adopted within the Council of Europe.

There are no direct problems with implementing the Article 10 in Estonia, but here are mentioned some of the most important issues, that need to be addressed. The project focuses specifically on the media's role in the fight against corruption and specifically working out relevant cooperation principles. Working in close collaboration with the Steering Committee consideration might be given, in a first stage, to the examination of:

- Access to information held by public and private bodies
- Protection of the confidentiality of the sources used by journalists

The scope of protection of sources varies in the legal systems of the member States. The disclosure of corruption cases by the media quite often depends on information communicated by third parties and the guarantee that their names will not be revealed by investigating journalists. Consideration might be given to the potential for harmonising the level of protection of sources around a set of minimum guarantees. The issue of "whistle blowing" is also relevant in this respect.

- Media coverage of legal proceedings
The identity of the accused needs to be protected in a way which counterbalances the public's interest in obtaining information through the media, so as to prevent individuals from being subjected to additional social punishment on a "media pillory".

- The ethical responsibility of journalists, editors, publishers, broadcasters

The fundamental function of journalism in a democracy implies that all those engaged in its practice act in an ethical and responsible manner, in particular by not abandoning their independence nor their critical approach. However, in an increasingly multimedia environment characterised by a trend towards ownership of media organisations by economic groups unrelated to the media, it might be useful to reflect on the increased difficulties which journalists, editors, broadcasters, etc experience in resisting economic and commercial pressures.

3.2 Linked activities

Phare 2000 twinning project no 9620.01.01 “Support to European Integration Process” aimed at strengthening the institutional capacity of the different Law Enforcement Agencies involved in the fight against corruption and organised crime, through the analysis of the current legislation and regulations, and by improving the personnel training and the information system allowing a smooth data flow among the cited Law Enforcement Agencies.

The Phare 2000 project “Police Training and Educational System” no ES 0007-2 Improvement of the Police education – constable training (Põhja Police Prefecture)

The Baltic Anti-Corruption Program 2001-2005 (U.S Dept of State), a regional initiative to continue institution building at the existing capacity and work towards meeting international standards.

Phare project no 2003/005-850.01.01 “Reducing Corruption in Estonia”

In 2004-2005 the Ministry of Justice together with the German twinning experts implemented the Phare project no 2003/005-850.01.01 “Reducing Corruption in Estonia”. The project aimed at the improvement of the effectiveness of the fight against corruption within the Estonian administration. As the result of the project the following was achieved (see Annex5):

a. The Corruption Map identified:
   a) The level of corruption in Estonia;
   b) The type of corruption prevalent in the Estonian public sector;
   c) The functions and levels of public sector affected most by corruption;
   d) The prevailing attitudes and awareness related to corruption;
   e) The estimated financial impact of corruption.

The survey (the result of which was a report “Corruption Map”) was carried out in December 2004 in three parts: interviews with the general population of Estonia (1002 respondents, one-on-one interviews), entrepreneurs (503 respondents, telephone interviews) and employees of the public sector (901 respondents, internet interviews). A separate questionnaire was prepared for each target group, with some of the questions overlapping for the sake of reference. The study was completed by March 2005.
b. Strategic Analysis

The results of Phare 2003 project Fight Against Corruption

a) The agreed system of co-operation and exchange of information between all responsible authorities, in particular the Courts, the Prosecutor’s Office, the Police, the Security Police, the Tax and Customs Board, the Board of Border Guard, and Local Government Authorities is elaborated;

b) Strategies for effective detection and investigation of the corruption offences are elaborated;

c) Creation of the co-ordination system between the Courts, Prosecutor’s Office, the Police, the Security Police, Tax and Customs Board, Border Guard Administration and Local Government Authorities to detect corruption offences;

d) On the basis of the strategic analysis a report with recommendations for a co-ordination system was written;

e) Elaboration of early detection strategies for police, prosecutors, judges, customs officials, and border guards, public procurement office and local government;

f) A report with recommendations for early detection strategies was written.

c. Implementation of measures

As a result of the activities of the component 3 the qualifications of the responsible officials were expected to be improved for the detection, investigation and prosecution of corruption cases and implementation of anti-corruption measures. They should have better knowledge on the infrastructure, which contributes to the internal accountability of the organisations.

The Twinning Project was based on the wider objective to support the Acceding Country to achieve the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union. The immediate objective of the project was to reduce corruptive behaviours in Estonia. The Twinning Assistance aimed at completing the transition and implementation of the framework and sector legislation on analytical and operational capacities of the Ministry of Justice and other public authorities to reduce corruption in Estonia. (See 3.1)

3.3 Results

1. Enhanced capacity and competence (instructions, knowledge, know-how, training needs) of police officers dealing with fight against corruption.

2. Awareness of local government officials has raised (on the most corruption-sensitive areas, which have been identified in the analysis of the corruption map produced in previous corruption project).

3. Cooperation principles between media and government institutions dealing with information on Corruption-related behaviour developed.

3.4 Activities

Project aims:
- raising the awareness among local government officials;
- Improves competence and relevant working results of the officials dealing with the investigation of corruption matters within Estonian Police Prefectures;
- The better use of media - communication principles.

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1 The indicators of the results are confirmed to be quantified and measurable. For indicators please see Annex 1 - logframe.
The project activities will be implemented in the following chronological order:

1. Determining the objective of the survey and compiling the questionnaire.
2. Preparation and implementation of the training component according to the results of the surveys carried out.
3. Carrying out the survey among the respective target groups.
4. Analyzing the results and the international practice of the fight against corruption.
5. Developing measures for the fight against corruption according to the risk analysis (training sessions etc).
6. Raising the awareness of local government officials about the most corruption-sensitive areas, which have been identified in the analysis of the corruption map produced in previous corruption project. The communication and co-operation principles described. (Tallinn, Tartu, Pärnu, Narva City Governments, Prosecutor’s Office and the Police, Media representatives)

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Contract 1: Twinning (12 months; TF 315 000; Co-fin 33 000 EUR)

RTA (12 consecutive months, 180 000 EUR) (Activities A.1, B.1, B.2, B.3, C.1)

Profile:
Experience in the field of anti-corruption activity at least for 5 years (either Police, Prosecutor’s Office or specialised prosecutor);
Knowledge and experience in developing anti-corruption measures and strategies;
Experience in elaborating and implementing training programmes;
Computer skills;
Management skills;
Network of relevant contacts available across Europe;
Good command of English;
Computer literacy

The following legal acts and documents will be provided to the RTA in the course of the twinning contract preparations:

Requirements and principles of the constitutional system of Estonia;
Police Act - requirements for the police 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;
Anti-Corruption Strategy.

The task performed by the RTA include:

-Compiling the Terms of Reference for the research group in order to carry out the empirical research about competence level of Police Police officers from all Estonian Police Prefectures dealing with investigation of corruption cases:

The project foresees a specific research, the Terms of Reference compiled by the RTA. The research will be carried out simultaneously with the RTA’s analysis of administrative capacity and co-operation between the authorities dealing with the fight against corruption. The experts to be contracted will provide the RTA with the necessary, systematised data for producing the Competence Map (a written analysis report) and make relevant policy recommendations. The Competence Map will form the basis for the co-operation development and training activities.

-Presenting the Competence Map.

-Preparing and delivering the training programme on implementing the revised co-operation and co-ordination measures;

-Making recommendations for short-term experts for the elaboration of the training programme;

-Evaluation of the reports from short-term experts;

-Continuous support to the project leader and project team.
The RTA together with STE 1 will perform recommendations for the further improvement and development of know-how and techniques in the fight against economic crime with the main focus on corruption matters. Taking into account the institutional framework of fighting against corruption, the analysis will firstly focus on the administrative capacity in detecting and dealing with cases of corruption, and secondly on current co-operation mechanisms between the same authorities. The analysis will encompass police officials, as those authorities are seen as vulnerable to corruption themselves whilst having to deal with corruption.

On the basis of the analysis of competence map and co-operation, the RTA and STE 2 will help to analyze the needs for training police officers and to implement the project as described in Activities to render the efforts against corruption more effective and more coherent.

The RTA and STE 1 will:
- Elaborate measures to effectively deal with the fight against corruption. Those promote a pro-active approach in defining potential corruption risks in the daily work of organisations dealing with the fight against corruption, as well organising activities in a way that reduces corruption risks.

The RTA will work in close co-operation with the Ministry of Interior, the Prosecutor General’s Office, the Ministry of Justice, the Ministry of Finance, the Union of Local Governments, and the Anti-Corruption Expert Group, NGO JTI (Jaan Tõnisson Institute).

RTA is also responsible for carrying out activities:

**a.1** Carrying out the survey among the respective target groups (police officials investigating corruption matters in Narva, Tartu, Tallinn and Pärnu);

**b.1** Preparation of training materials and conducting seminars

**b.3** Publications, materials for training in needed areas

**c.1** Description of the communication and co-operation principles of the Police (Tax and Customs Board, NGOs, Media, Prosecutor's Office).

**RTA Assistant, (12 consecutive months, 12 000 EUR)**

Tasks:
Organising the activities of the RTA;
Assisting the PL in composing project reports;
Carrying 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 (3 days in 3 months), 24 000 EUR**

Tasks:
Co-ordination of the project;
Composition of reports;

Profile:
Expertise 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.

STE 1 (5 months EUR 70 000)

The profile of the expert 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 the 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.

Must be familiar with following topics:

- Access to information held by public and private bodies
- Protection of the confidentiality of the sources used by journalists
- Media coverage of legal proceedings
- The ethical responsibility of journalists, editors, publishers, broadcasters

Activities to carry out together with RTA during the implementation of the project will be:

a.1 Carrying out the survey among the respective target groups (police officials investigating corruption matters in Narva, Tartu, Tallinn and Pärnu);
a.2 Analysing the results and mapping the competence of police officers through comparative analysis according to the international practice of the fight against corruption.
b.1 Preparation of training materials and conducting seminars
b.3 Publications, materials for training in needed areas
c.1 Description of the communication and co-operation principles of the Police (Tax and Customs Board, NGOs, Media, Prosecutor’s Office).

3.5 Lessons learned:

1) Significant parts of the information regarding the activities of the state have been made available for the citizens via the Public Information Act and other legislation. The transparency of public administration and the possibility to check the execution of power are important factors of reducing corruption;
2) In general, Estonia has an adequate legal framework for fighting against corruption comprising the Anti-Corruption Act and other legislation and international agreements dealing with corruption;
3) The Security Police Board has indicated its capacity in investigating crimes related to corruption and other white-collar crimes and several high state officials have been prosecuted. After the change of investigative jurisdiction, problems about the detection of crimes arose, related to corruption within local government agencies.

4) Estonia participates in the international co-operation dealing with the fight against corruption and is a member of GRECO (Group of States Against Corruption). GRECO has compiled an evaluation report on Estonia; the recommendations thereof will be taken into account in the fight against corruption.

-A limited number of studies regarding corruption have been carried out in Estonia.

5) In order to evaluate the corruption-related situation systematically, it is necessary to carry out further research based on a uniform methodology that provides comparable results on regular basis.

Activities, which are related to the public – accessibility for the citizens

In order to ensure effective co-operation, we have negotiated with all involved authorities in the course of this project’s programming. An agreement will be signed prior to the commencement of the project between the, the Ministry of Interior and the Ministry of Finance and the Union of Local Governments, in order to ensure active co-operation.

All efforts have been made in programme planning to ensure that the project activities are implemented according to the schedule. The national co-financing has been earmarked in the budget of the Ministry of Interior.

4. Institutional Framework

Project Beneficiary

Estonian Police Board together with the Põhja Police Prefecture will implement the project in co-operation with the following national bodies:

Office of Special Prosecutor of Fight against Corruption – survey, co-operation;
Law Enforcement Agencies (Estonian Police Board)- training;
Co-ordinating and assistance from State Administration Institutions:
State Chancellery;
Commissions of Parliament;
The Ministry of Interior (Local Government and Regional Administration Department, Mrs Kadri Teller-Sepp as a consultant);
Local Self-administration Institutions (The Union of Cities, NGO’s) – target group of the survey, foreign experts, experts for implementing the surveys;
Jaan Tõnisson Institute

Estonian Police Board
The Estonian Police Board is under the jurisdiction of the Ministry of Interior. It is the central and supervisory authority for the Estonian police services. The Police Board supervises three national organisations: the Central Criminal Police, the Central Law Enforcement Police, the Forensic Service Centre, and the 4 Police Prefectures, which are territorial police agencies. The activities of the Police Board
include development of strategies and activities of the Police; analysis of the rule of law in the state; compilation of development plans and strategies for the police and supervision over the implementation of the latter; analysis, guidance and supervision over the activities of police institutions and the Police School and co-ordination of the cooperation between the institutions. The Police Board is also responsible for the development of new working methods, technological support and international cooperation.

The criminal investigation of corruption involves several authorities in different fields of jurisdiction, which have to co-operate very closely with each other. An investigator or prosecutor initiates criminal proceedings. According to §105 of the Code of Criminal Procedure, 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 Prosecutor General.

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 Põhja Police Prefecture of the Estonian Police (Northern Police Prefecture)
The service area of the Põhja Police Prefecture enfolds the capital and the whole Harju County. Although this includes only one tenth of the whole Estonian territory, over more than half a million inhabitants live here, that constitutes more than one third of the whole Estonian population. Also more than half of the total numbers of offences are registered here. (see Annex 4)

The Põhja Police Prefecture is the biggest Estonian prefecture with regard of officials. Total 1,700 people work here whereby the number of men and women is approximately equal (to be exact - 857 men and 822 women work here).

The Põhja Police Prefecture is divided into functional and territorial units. Functional departments are: Crime Department, Law Enforcement Department and Service Department which task is to secure police work of relevant fields throughout the whole territory of prefecture. The task of territorial departments is to secure public order within their precincts and to solve offences. The task of territorial units is also to prevent, prohibit and proceed the offences committed within their precincts.

The specific authorities are:

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 Interior. 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 (the Central Criminal Police, the Central Law Enforcement, the Forensic Service Centre, and the Police School) and 4 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.

Prosecutors

The prosecution service consists of the Public Prosecutor Office and county and city prosecutor’s offices. According to the new CPC, prosecutors will have an 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 Põhja Prosecutor’s Office has 7 prosecutors who specialise in corruption cases.

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

**Jaan Tõnisson Institute (NGO)**

During the implementation of the current project the role of JTI is to coordinate the communication and the role of media as an efficient tool against the fight against corruption together with police and local government authorities. JTI has a long-term experience in the field of training and research the reasons of corruption on local government level, therefore their help is essential in the implementation of the current project. (please, see also section 3)

**State Audit Office**

In the course of economic control the SAO assesses the performance (economy, efficiency and effectiveness) and regularity of activities of institutions of public administration. The resulting recommendations and conclusions should help the Parliament and the Government to improve the operation of the state. Estonia has set as its aim to become a society operating by European standards and this requires modernisation of the legal, administrative and financial systems of the public sector.

As a part of the reform it is necessary to improve the financial management of the public sector in order to provide to the public and the Parliament with truthful and complete information about the operation of the public sector and the financial situation of the state. It is also necessary to improve results in the prevention of the abuse of public funds, fraud and corruption. The role of the SAO in this development process is to instigate changes and to support the wish of the public sector to create more value for the taxpayers through its activities and services. The purpose of the SAO as an external auditor for the Government is to audit the use of funds in the public sector and its performance. On the basis of audit results the SAO advises the institutions of the public sector with respect to the use of public funds and performance of its tasks in an efficient manner.

5. Detailed Budget

<table>
<thead>
<tr>
<th>€M</th>
<th>Transition Facility support</th>
<th>Co-financing</th>
<th>Total cost (TF plus cofinancing)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment Support</td>
<td>Institution Building</td>
<td>Total TF (=I+IB)</td>
</tr>
<tr>
<td>Contract 1</td>
<td>Twinning package</td>
<td>0</td>
<td>315 000</td>
</tr>
<tr>
<td>1.1 Twinning covenant preparation</td>
<td>0</td>
<td>3 000</td>
<td>3 000</td>
</tr>
<tr>
<td>1.2 RTA for 12 months</td>
<td>0</td>
<td>180 000</td>
<td>180 000</td>
</tr>
<tr>
<td>1.3 RTA Assistant</td>
<td>0</td>
<td>12 000</td>
<td>12 000</td>
</tr>
<tr>
<td>1.4 MS Project Leader</td>
<td>0</td>
<td>24 000</td>
<td>24 000</td>
</tr>
<tr>
<td>1.5 STE 1</td>
<td>0</td>
<td>70 000</td>
<td>70 000</td>
</tr>
<tr>
<td>1.6 Surveys</td>
<td>0</td>
<td>5 000</td>
<td>5 000</td>
</tr>
<tr>
<td>1.8 Translation</td>
<td>0</td>
<td>5 000</td>
<td>5 000</td>
</tr>
<tr>
<td>1.7 Administrative costs</td>
<td>0</td>
<td>18 000</td>
<td>18 000</td>
</tr>
<tr>
<td>1.8 Seminar rooms, conference costs</td>
<td>0</td>
<td>7 000</td>
<td>7 000</td>
</tr>
</tbody>
</table>
1.9 Publications, materials | 0 | 0 | 8,000 | 8,000 | 8,000
Contingencies | 0 | 5,000 | 5,000 | 8,000 | 5,000
Audit | 0 | 4,000 | 4,000 | 8,000 | 4,000
Kick-off and Final conferences | 0 | 7,000 | 7,000 | 8,000 | 7,000
Total | 0 | 315,000 | 315,000 | 33,000 | 33,000 | 348,000

(*) contributions form National, Regional, Local, Municipal authorities, FIs loans to public entities, funds from public enterprises
(**) private funds, FIs loans to private entities

National co-financing will come from the State Budget of 2006

Joint co-financing will be used for contract 1.

The amounts of co-financing indicated in the table correspond to cash co-financing. In addition, in kind contributions from the Estonian administration for a good implementation of the twinning may be detailed in the twinning contract.

The beneficiary and the NAO will monitor the co-financing expenses. For the earmarked co-finance, a clear and verifiable set of costs will be provided (ex ante confirmation by the MoF of exact budget lines and re-confirmation before each contract within either of the two components) and ex post each project and at an aggregate level for each budget line. Flow and stock data on co-finance will be submitted quarterly to steering committees and to the CFCD and on a half-yearly basis to the Sector Monitoring Sub-Committee.

Twinning Contract – 315,000 EUR
National co-financing 33,000 EUR

<table>
<thead>
<tr>
<th>Co-financing</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>National co-financing</td>
<td>16,500</td>
<td>16,500</td>
</tr>
<tr>
<td>State budget</td>
<td>16,500</td>
<td>16,500</td>
</tr>
</tbody>
</table>

National co-financing is used for the administrative costs of the twinning project, publications/materials and seminar costs according to the project budget.

6. Implementation Arrangements

6.1 Implementing Agency

The Implementing Agency is the CFCD. The CFCD will be responsible for tendering and contracting. The responsibility for project preparation, implementation and control will remain in the recipient institution.

The Programming Authorizing Officer/PAO is:
Mr Renaldo Mändmets
Deputy Secretary General of the Ministry of Finance
Tel: (+372) 6113 545
Fax: (+372) 6966 810
Renaldo.mandmets@fin.ee
The Program Officer/PO is:
Mr Indrek Tibar
Police Director
Estonian Police Board
Tel: (+372) 612 3020
indrek.tibar@pol.ee

The project manager is:
Mrs Vilve Kalda
Police Adviser of the Põhja Police Prefecture
Tel: (+372) 612 4007
Fax: (+372) 612 4009
vilve.kalda@pohja.pol.ee

The project leader is:
Mrs Alice Järvet
Leading Police Inspector of the Põhja Police Prefecture
Tel: (+372) 612 4491
Fax: (+372) 612 4009
alice.jarvet@pohja.pol.ee

A Steering Committee will be set up to oversee the project implementation. The Steering Committee will meet once in a quarter and it will include the representatives of the Ministry of Interior, the Police Board and the CFCD, the Ministry of Justice and the Ministry of Finance, Project Leader, MS Project Manager, Representative of the MS, one representative from each local government agency and State Prosecutor’s Office.
Advisory group will provide strategical guidance to the Project partners.
Advisers are from the Põhja Police Prefecture Mr Andre Hansaar, Mrs Vilve Kalda, Foreign experts, Local experts, Representative from the Ministry of Interior.

6.2 Twinning:
Contract 1 Twinning (TF 315 000 EUR, co-fin 33 000 EUR)
Beneficiary institution is Estonian Police Board together with Local Government Institutions
Institution Building will be implemented according to the Twinning concept.

The Estonian counterpart for the Twinning will be:
Mrs Vilve Kalda
Police Adviser of the Põhja Police Prefecture
Tel 612 4007
Fax 612 4009
mailto:vilve.kalda@pohja.pol.ee

6.3 Non Standard Aspects: No non-standard aspects are foreseen.

6.4 Contract: 1. Twinning (315 000 EUR; co-fin 33 000 EUR)

7. Implementation Schedule

7.1 Tendering: August 2006
7.2 Start of project activities: January 2007

7.3 Project Completion: December 2007

8. Sustainability
Inter-institutional cooperation between the Põhja Police Prefecture and regional institutions has been successful over the past years and by continuing the agreed scheme the sustainability will be maintained and increased. The agreement 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.

9. Conditionality and sequencing
The project is conditional upon a written agreement between the project beneficiary and all relevant institutions. Estonian Police Board together with the Põhja Police Prefecture will implement the project in co-operation with the following national bodies: The Ministry of Interior (Local Government and Regional Administration Department, Mrs Kadri Teller-Sepp as a consultant); Local Self-administration Institutions (The Union of Cities, NGO’s) – target group of the survey, foreign experts, experts for implementing the surveys; Jaan Tõnisson Institute
In order to vest in the implementation arrangements at a high level of responsibility, the Estonian Police Board foresees the following structural change before the start of the project: the Estonian Project Leader and Manager will be transferred from the Northern Police Prefecture to the Estonian Police Board for the entire duration of the project implementation.

The project will not be started until preconditions are met.

Sequencing:
Determining the objective of the survey and compiling the questionnaire.
Preparation and implementation of the training component according to the results of the surveys carried out.
Carrying out the survey among the respective target groups.
Analyzing the results and the international practice of the fight against corruption.
Developing measures for the fight against corruption according to the risk analysis (training sessions etc).
Raising the awareness of local government officials about the most corruption-sensitive areas, which have been identified in the analysis of the corruption map produced in previous corruption project. The communication and co-operation principles described. (Tallinn, Tartu, Pärnu, Narva City Governments, Prosecutor’s Office and the Police, Media representatives)
ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for the full duration of the programme
4. Map of the Estonian Police Prefectures
5. Phare 2003 EE03-IB-JH-02 Final Report
### LOGFRAME PLANNING MATRIX FOR Project

**Programme name and number**

**Fight Against Corruption in Local Government Agencies**

<table>
<thead>
<tr>
<th>Total budget: 348 000 EUR</th>
<th>TF budget: 315 000 EUR</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>The rate of corruption has decreased in most problematic sectors of Local Governments.</td>
<td>The value of Estonian CPI according to Transparency International rises to 6.6 by the year 2008. 2003 CPI value was 5.5; in 2005 it was 6.4.</td>
<td>Transparency International CPI Report</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>Enhanced administrative capacity of the Police in the fight against corruption in local governments and in institutions within their jurisdiction.</td>
<td>As the fight against corruption has been set as a priority for police in 2006 the implementation of the project will give better ways and effective models to have better results in fighting against corruption.</td>
<td>Crime statistics of police</td>
<td>Overall criminality in society does not increase (crime rate inversely proportional to economic growth and development)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Enhanced capacity and competence (instructions, knowledge, know-how, training needs) of police officers dealing with fight against corruption (activities A.1, A.2, B.1)</td>
<td>Results in successful/effective investigation by January 2008. Competence map is ready by July 2007. 50 police will be trained by December 2007</td>
<td>Project quarterly and final reports, reports of the STEs’ and Steering Committee, results of the survey; Statistics by Police Board</td>
</tr>
</tbody>
</table>

---

2 Based on the experiences of 2003 corruption project it is impossible to have an objectively verifiable indicator for the project purpose. Indicators for discovering cases of corruption in the previous project caused a political scandal and the replacement of the minister of justice.
### Awareness of local government officials raised about the most corruption-sensitive areas, which have been identified in the analysis of the corruption map produced in previous corruption project. (Activities b.2, b.3)

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Cost (EUR)</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.1 Carrying out the competence survey among the police officials investigating corruption matters in Narva, Tartu, Tallinn and Pärnu;</td>
<td>RTA, RTA assistant, STE 1</td>
<td>STE 1/EUR 14 000</td>
<td>Expertise is found to successfully carry out the research</td>
</tr>
<tr>
<td>a.2 Analysing the results and mapping the competence of police officers through comparative analysis according to the international practice of the fight against corruption.</td>
<td>STE 1</td>
<td>STE 1/EUR 14 000</td>
<td>RTA is found with necessary qualifications and experience</td>
</tr>
<tr>
<td>b.1 Preparation of training materials and conducting seminars</td>
<td>RTA and STE 1</td>
<td>STE 1/EUR 14 000</td>
<td></td>
</tr>
<tr>
<td>b.2 Raising the awareness of local government officials about the most corruption-sensitive areas, which have been identified in the analysis of the corruption map produced in previous corruption project. Cooperation principles between media and</td>
<td>RTA</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Cooperation principles between media and government institutions dealing with information on Corruption related behaviour developed (Activity c.1)

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Cost (EUR)</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Discussions, negotiations and analysis of international practice. Inter-institutional cooperation measures between the NGO, Media, the Prosecutors Office and the Estonian Police Board have been described by January 2008.</td>
<td>Project reports, Cooperation memorandum</td>
<td>The proposals on effective cooperation and coordination are taken into account by the Anti-Corruption Committee of Ministers</td>
</tr>
</tbody>
</table>

### Activities Means Cost (EUR) Assumptions

| a.1 Carrying out the competence survey among the police officials investigating corruption matters in Narva, Tartu, Tallinn and Pärnu; | RTA, RTA assistant, STE 1 | STE 1/EUR 14 000 | Expertise is found to successfully carry out the research |
| a.2 Analysing the results and mapping the competence of police officers through comparative analysis according to the international practice of the fight against corruption. | STE 1 | STE 1/EUR 14 000 | RTA is found with necessary qualifications and experience |
| b.1 Preparation of training materials and conducting seminars | RTA and STE 1 | STE 1/EUR 14 000 |

### Notes

- **Activities b.2, b.3**
- **Activities c.1**
- **Activities Means Cost (EUR) Assumptions**
- **Activities**
- **Means**
- **Cost (EUR)**
- **Assumptions**
government institutions dealing with information on Corruption-related behaviour developed. (Tallinn, Tartu, Pärnu, Narva City Governments, Prosecutor’s Office and the Police, Media representatives)

<table>
<thead>
<tr>
<th>b.3 Publications, materials for training in needed areas</th>
<th>RTA, MS Project Leader, RTA Assistant, STE 1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Publications cost / EUR 8 000</td>
</tr>
<tr>
<td></td>
<td>Seminar rooms 7 000</td>
</tr>
<tr>
<td></td>
<td>Administrative costs 18 000</td>
</tr>
<tr>
<td></td>
<td>STE 1/EUR 14 000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>c.1 Description of the communication and co-operation principles of the Police (Tax and Customs Board, NGOs, Media, Prosecutor's Office).</th>
<th>RTA and STE 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit</td>
<td>EUR 4 000</td>
</tr>
<tr>
<td>Contingencies</td>
<td>EUR 5 000</td>
</tr>
<tr>
<td>Kick-off and Final Conferences</td>
<td>EUR 7 000</td>
</tr>
<tr>
<td>Twinning covenant preparation</td>
<td>EUR 3 000</td>
</tr>
<tr>
<td><strong>TOTAL:</strong> EUR 348 000</td>
<td></td>
</tr>
</tbody>
</table>
Annex 2

Time Implementation Chart

**Project No:**  
**Project Title:** Fight Against Corruption in Local Government Agencies

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract 1: Twinning</td>
<td>T</td>
<td>T</td>
</tr>
<tr>
<td>RTA for 12 months</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RTA assistant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MS project leader</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RTA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>STE 1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Annex 3

**CUMULATIVE CONTRACTING SCHEDULE**

**Project No:**

**Project Title:** Fight Against Corruption in Local Government Agencies

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th></th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31.03</td>
<td>30.06</td>
<td>30.09</td>
</tr>
<tr>
<td>Contract 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Twinning</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ANNEX 3B Cumulative Disbursement Schedule

**Project No:**
**Project Title:** Fight Against Corruption in Local Government Agencies

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th></th>
<th></th>
<th></th>
<th>2007</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31.03</td>
<td>30.06</td>
<td>30.09</td>
<td>31.12</td>
<td>31.03</td>
<td>30.06</td>
<td>30.09</td>
<td>31.12</td>
</tr>
<tr>
<td>Contract 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Twinning</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12 000</td>
<td>81 000</td>
<td>150 000</td>
<td>227 000</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12 000</td>
<td>81 000</td>
<td>150 000</td>
<td>227 000</td>
</tr>
</tbody>
</table>
## General information

<table>
<thead>
<tr>
<th>Police Prefecture</th>
<th>Area (%)</th>
<th>Inhabitants (%)</th>
<th>Inhabitants per police</th>
<th>Crimes – per 1000 inhabitants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Põhja Police</td>
<td>10%</td>
<td>38%</td>
<td>401</td>
<td>25.3</td>
</tr>
<tr>
<td>Ida Police</td>
<td>16%</td>
<td>18%</td>
<td>426</td>
<td>17.0</td>
</tr>
<tr>
<td>Lääne Police</td>
<td>39%</td>
<td>18%</td>
<td>502</td>
<td>12.9</td>
</tr>
<tr>
<td>Lõuna Police</td>
<td>36%</td>
<td>26%</td>
<td>472</td>
<td>13.6</td>
</tr>
</tbody>
</table>
1. Identification

- Twinning Project No.: EE03-IB-JH-02
- Project: “Reducing Corruption in Estonia”
- Report: Final Report
- Period covered by the report: 09.05.2004 – 08.05.2005
- Submitted by: Mr. Margus Kurm, Project Leader AC
  Mr. Jörg Dessin, Project Leader MS

2. Content

The Twinning Project is based on the wider objective to support the Acceding Country to achieve the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union. The immediate objective of the project is to reduce corruptive behaviours in Estonia.

The Twinning Assistance aims at completing the transition and implementation of framework and sector legislation on analytical and operational capacities of the Ministry of Justice and other public authorities to reduce corruption in Estonia. Thus Estonia will be able to obtain and provide relevant information in this field concerned on an adequate EU - level.

On the side of the Acceding Country the following institutions are involved in the realisation of this project:

- The Ministry of Justice
- The Ministry of Internal Affairs
- The Ministry of Finance
- The Prosecutor General’s Office
- The Estonian Police Board
- The Security Police Board
- The Border Guard Administration
- The Tax and Customs Board
- The Public Procurement Office
- The Union of Local Government Units
- The Department of Public Administration of the University of Tartu

On the Member States side the following institution is committed to support the achievement of the project results:
The Twinning Project is based on the wider objective to support the Acceding Country to achieve the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union. The immediate objective of the project is to reduce corruptive behaviours in Estonia.

The Twinning Assistance aims at completing the transition and implementation of framework and sector legislation on analytical and operational capacities of the Ministry of Justice and other public authorities to reduce corruption in Estonia. Thus Estonia will be able to obtain and provide relevant information in this field concerned on an adequate EU-level.

The partners agreed to achieved the following guaranteed results:

Component 1: Producing the Corruption Map on the basis of the specific research

The Corruption Map should answer the following questions:
1. What is the level of corruption in Estonia?
2. What type of corruption is prevalent in the Estonian public sector?
3. What kind of public sector functions and levels are affected by corruption the most?
4. What is considered as corruption, and which attitudes are prevailing?
5. What is the estimated financial impact of corruption?

Fulfilled (Activity 6.1.3)

Component 2: Strategic Analysis

The strategic analysis should have two main results:
1) Agreed system of co-operation and exchange of information between all responsible authorities, in particular the Courts, the Prosecutor's Office, the Police, the Security Police, the Tax and Customs Board, the Border Guard Administration, and Local Government Authorities
2) Strategies for effective detection and investigation of the corruption offences.

Fulfilled (Activity 6.2.3.1 – 6.2.3.3)

Component 3: Implementation of measures

As a result of the activities of the component 3 the responsible officials are expected to be better prepared for the detection, investigation and prosecution of corruption cases and implementation of anti-corruption measures. They have better knowledge on the ethical infrastructure, which contributes to the internal accountability of the organisations.

Fulfilled (Activity 6.3.3.2.1 – 6.3.3.2.5)

3. Background

Estonia is widely regarded among the least corrupted countries of the European Union candidate states. However, according to the Transparency International Corruption Perceptions 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 (from the 1st of January 2004 due to the result of the merging of the two agencies, a new institution the Tax and Customs Board was designed) 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.

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.

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 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, has been 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. In addition the National Anti-Corruption strategy “Honest State” was approved by the Estonian Government on the 19th of February, 2004. This aims at preventing corruption and strengthening the investigation of criminal offences concerning corruption. Altogether there are 21 measures, among which are those that will be implemented through current Phare project. These are: better implementation of the Code of Ethics and if necessary, the creation of special code of ethics for certain groups of officials (measures no 10&11); the annual corruption research in Estonia (measure no 12); and specialisation of officials (prosecutors, policemen etc) whom additional training will be provided (measure no 14).

### 3.1 Acquis Communautaire

The achievement of all results is highly dependent on the political decision making process in Estonia. Institutional development on legislative as well as organisational level relies on the Ministry of Justice and other administrative bodies and the decisions of the parliament to realize the foreseen results, especially to further implement the action plan concerning the fight against corruption, which is combined with the National plan for the adoption of the acquis (NPAA).

Based upon these objectives the work of the project will support the implementation of the following EU legislation and other relevant international instruments:

- Council Act of 26 July 1995 drawing up the convention on the establishment of a European Police Office (Europol Convention) (Official Journal C 316, 27.11.1995) and all subsequent instruments relating to Europol;
- Council Act of 3 November 1998 laying down rules governing Europol's external relations with third States and non-European Union related bodies;
- Council Act of 3 November 1998 laying down rules concerning the receipt of information by Europol from third parties;
• Council Act of 3 November 1998 adopting rules applicable to Europol analysis files;
• Council Act of 12 March 1999 adopting the rules governing the transmission of personal data by Europol to third States and third bodies;
• 97/372/JHA; Joint Action of 9 June 1997 adopted by the Council on the basis of Article K.3 of the Treaty on European Union, for the refining of targeting criteria, selection methods, et., and collection of customs and police information;
• EU-Action Plan on drugs 2000-2004;
• Recommendation of 6 May 1994 for a training module on the operational analysis of criminality;
• Council Decision of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime;
• Council Decision of 28 May 2001 setting up a European Crime Prevention Network;
• Joint Action 98/699/JHA, of 3 December 1998, adopted by the Council on the basis of Article K.3 of the Treaty on European Union, on the identification, tracing, freezing, seizing and confiscation of the instrumentalities and proceeds from crime;
• Council Framework Decision 2001/500/JHA of 26 June 2001, on money laundering, the identification, tracing, freezing, seizing and confiscation of instrumentalities and proceeds of crime;
• Council Decision 2001/887/JHA, of 6 December 2001, on the protection of the Euro against counterfeiting;
• Joint Action 96/747/JHA, of 29 November 1996 adopted by the Council on the basis of Article K.3 of the Treaty on European Union, concerning the creation and maintenance of a directory of specialised competencies, skills and expertise in the fight against international organised crime, in order to facilitate law enforcement co-operation between the Member States of the European Union;
• Council Decision of 17 October 2000 concerning arrangements for co-operation between financial intelligence units of the Member States in respect of exchanging information;
• Council Framework Decision 2001/413/JHA of 28 May 2001, combating fraud and counterfeiting of non-cash means of payment;
• Council Act of 19 December 2002 amending the Staff Regulations applicable to Europol employees, OJ C 24 of 31.01.2003, p.1;
• Protocol of 27 September 1996 to the Convention on the protection of Communities’ financial interests, JO C 313 of 23 October 1996 (also relevant for judicial cooperation in penal matters); Explanatory report on the protocol to the Convention on the protection of the European Communities’ financial interests, OJ C 11 of 15 January 1998;
• Protocol on the interpretation, by way of preliminary rulings by the court of the European Communities of the convention on the protection of the European Communities’ financial interests OJ C 151 of 20 May 1997;
• Convention of 26 May 1997 on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union: JO C 195 of 25 June 1997 (also relevant for judicial cooperation in penal matters); Explanatory report on the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union: OJ C 391 of 15 December 1998;

Joint Action on Corruption in the Private Sector, OJ L 358 of 31 December 1998


OECD-Convention on Combating Bribery of foreign public officials in International Business Transactions, of 17 December 1997 (also relevant for judicial cooperation in penal matters);

Council of Europe Criminal Law convention on Corruption, opened to signature on 27 January 1999 (also relevant for judicial cooperation in penal matters);

Council of Europe Criminal Law convention on Corruption opened to signature on 4 November 1999.

Other European Union instruments:

• Joint Declaration of Berlin of September 1994 on combating organised crime;
• Action programme of the member States of the European Union and the associated countries of Central and Eastern Europe including the Baltic States, on judicial co-operation against international organised crime (25-26 September 1995);
• Declaration on organised crime (19-20 March 1995);
• Measures to step up the fight against organised crime (12 December 1995);
• Action plan to combat organised crime (adopted by the Council on 28 April 1997);
• Project-based action against trans-national organised crime - practical guidance (adopted by the Council on 4 December 1997);
• Conclusion of 19 March 1998 on G8 principles on high-tech crime, recommendations on organised crime and related matters;
• Pre-accession pact on organised crime between the Member States of the European Union and the applicant States of Central and Eastern Europe and Cyprus;
• The prevention and control of organised crime: a strategy for the beginning of the new millennium;
• European Convention of 8 November 1990 on money laundering, search, seizure, and confiscation of the proceeds of crime (Council of Europe);
• UN Convention against Trans-national Organised Crime, Palermo December 2000;
• Protocol against the smuggling of migrants by land, sea and air, supplementing the United Nations Convention against Trans-national Organised Crime;
• Protocol to prevent, suppress and punish trafficking in persons, especially women and children, supplementing the United Nations Convention against Trans-national Organized Crime;
• Council of Europe Convention on Cyber crime, 8 November 2001

National legal acts relevant for the project

• The Anti-Corruption Act; 28 February 1999
• The Public Service Act, 1 January 1996
• The Public Procurement Act, 1 April 2001
• The Penal Code, 1 September 2002
• The Surveillance Act, 18 March 1994
• The Money Laundering Prevention Act, 1 July 1999
• The Criminal Procedure Code, 1 July 2004
• The Public Information Act, 1 January 2001

Political Development

During the reporting period there occurred no political developments, which might have concrete implications on the project.
4. **Summary of the twinning activities during the reporting period**

**Component 1 - Producing the Corruption Map on the basis of the specific research**

The survey (the result of which was a report “Corruption Map”) was carried out in December 2004 in three parts: interviews with the general population of Estonia (1002 respondents, one-on-one interviews), entrepreneurs (503 respondents, telephone interviews) and employees of the public sector (901 respondents, internet interviews). A separate questionnaire was prepared for each target group, with some of the questions overlapping for the sake of reference. The study was completed by March, 2005.

The objective of the survey “Corruption in Estonia: a survey of three target groups” was to find answers to the following questions:

1) how is corruption defined and to what extent it is condemned;
2) how far spread is corruption in the opinion of the respondents;
3) how frequent is exposure to corruption and what are the situations of potential exposure;
4) what is the readiness to report cases of corruption;
5) what is the potential material and moral damage caused by corruption?

The Estonian version of the research report and the English translation of the summary can be found on the web-site [www.korruptsioon.ee](http://www.korruptsioon.ee).

**Component 2 – Strategic Analysis**

Analysis of administrative capacity and co-operation between relevant authorities in the field of the fight against corruption (Activity 6.2.3.1)

The interviews planned for the analysis were accomplished within the period of the 7th of October until the 7th of December. Firstly the directors of the authorities involved were interviewed. The respondents from the middle management were designated by the leaders, with whom afterwards in-depth-interviews were completed.

a). The in-depth interviews with the **top-managers** were led in Estonian. It took approximately 1-1.5 hours per an interview. The interviews were recorded, and transcribed.

**Interviewers:**
- Mrs. Liiv, AC project manager (Ministry of Justice)
- Mrs. Vihalemm, University of Tartu
- Mrs. Tomingas, PAA Assistant

The interviews were conducted with:

- Aivar Rehe, Tax and Customs Board
- Aivar Otsalt, Lõuna Police Prefecture
- Kalle Laanet, Lääne Police Prefecture
- Kalev Prillop, Ida Police Prefecture
- Jüri Pihl, State Prosecutor’s Office
- Ülo Sarv, Public Procurement Office
- Lauri Tabur, Central Criminal Police
- Robert Antropov, Police Board
- Harry Hein, Border Guard Administration

b). As far as the interviews with the **middle-managers and experts** were concerned, in order to avoid misunderstandings, the interview manuals were sent to the agencies in advance. The implementation of the written questionnaires was not possible within the schedule of the project and it would have endangered the
completion of the results of the component. Therefore the questions from the questionnaires were transferred to the interview manuals for the middle management and asked orally. The interviews were led in the Estonian language, while project assistant provided simultaneous translation. Furthermore, the interviews were recorded. The duration of the individual interviews amounted to 1-2 hours. For each interview discussion minutes in Estonian and German language were manufactured.

Interviewer: Mr. Golz, PAA
Mr. Prof. Richter, STE 1
Mrs. Tomingas, PAA Assistant

The interviews were conducted with:

- State Prosecutor’s Office        Mr. Norman Aas, Chief State Prosecutor
  Mrs. Heli Sepp, State Prosecutor
- Põhja Prosecutor’s Offices       Mr. Martin Hirvoja, Chief Prosecutor
  Mrs. Krista Aas, Chief Prosecutor
- Lõuna Prosecutor’s Offices       Mrs. Helga Aadamsoo, District Prosecutor
- Lääne Prosecutor’s Offices       Mrs. Lavly Lepp, Chief Prosecutor
- Viru Prosecutor’s Offices         Mr. Rait Kivimets (internal control)
- Estonian Police Board            Mr. Meelis Taniel (internal control)
- Põhja Prefecture                 Mr. Madis Reimand (internal control)
- Lõuna Police Prefecture          Mr. Priit Suve, Paide Police Department
- Lääne Police Prefecture          Mr. Juri Nurme (internal control)
- Central Criminal Police          Mr. Heiki Lugma (investigation department)
- Security Police Board            Mr. Jüri Vöigemast, Deputy Director
  Mr. Tiit Kirss, Adviser
- Tax and Customs Board            Mr. Veljo Narrits (internal control)
- Public Procurement Office        Mrs. Angelika Timusk, Legal adviser
  Mrs. Carmen Kuus (supervision department)
- Border Guard Administration      Mr. Urmas Tensing (internal audit)
- Tallinn City Court               Mrs. Helga Särgava, Chairperson of Court
- State Audit Office               Mr. Timo Tupp, Head of Legal Service
- Association of Estonian Cities   Mr. Jüri Vöigemast, Deputy Director
- Association of Municipalities of Estonia  Mr. Uno Silberg, Office manager

The qualitative data analysis of the interviews was completed by the end of January 2005. A report was written on the basis of the data analysis by Mr. Prof. Richter (STE) and Mr. Golz (PAA) in German and translated in Estonian.

The activity 6.2.3.1 is completed.

Creation of the co-ordination system between the Courts, Prosecutor’s Office, the Police, the Security Police, Tax and Customs Board, Border Guard Administration and Local Government Authorities to detect corruption offences (Activity 6.2.3.2)

On the basis of the strategic analysis a report with recommendations for a co-ordination system was written.

The activity 6.2.3.2 is completed.

Elaboration of early detection strategies for police, prosecutors, judges, customs officials, border guards, public procurement office and local government (Activity 6.2.3.3)

A report with recommendations for early detection strategies was written.

The activity 6.2.3.3 is completed.
Component 3 – Implementation of measures

Study Visit (Activity 6.3.3.1)

The study visit to Berlin took place in the period of 13.02. – 18.02.05 and was accomplished.

Participants of the study visit were:

Margus Kurm, PL AC, Ministry of Justice
Mari-Liis Liiv, PM AC, Ministry of Justice
Cerly Vaerand, Ministry of Internal Affairs
Laura Feldmanis, Põhja Prosecutor Office
Siret Rätsepp, Põhja Police Prefecture
Eero Ergma, Central Criminal Police
Brit Tomingas, PAA Assistant
Klaus-Peter Golz, PAA

The participants got an overview of the organization of the corruption fight and prevention in Germany related to different institutions (Criminal Investigation Department Berlin, General State Prosecutor Office, State Prosecutor Office, State Audit Office Berlin, Federal Ministry of Justice, Federal Ministry of Interior and Senate Administration of Interior Berlin).

Training Seminars (Activity 6.3.3.2)

As a result of the conducted interviews, it was determined, that some of the officials have not enough experience in the fight against corruption and that the relevant institutions have only minor range of experience concerning the finding out and taxing away the profits of criminal activities.

Further the interviewees indicated that there is a wish for lectures in which the corruption investigators would present a range of concrete cases and on that bases also the methods of evidence collection and evidence evaluation.

As a result, the project-group implemented further training seminars into the project.

The training sessions have been carried out as follows:

1. „Official misconduct“ and „Detection and Investigation“ and „Criminal Law Framework“ (Activity 6.3.3.2.1-6.3.3.3), 04.04.05 – 08.04.05 and 18.04.05 – 22.04.05

2. „Fighting Corruption“ (Activity 6.3.3.2.5), 11.04.05 – 15.04.05 and 25.04.05 – 29.04.05

3. „Seizure of the corruption proceeds“ (Activity 6.3.3.2.4), 03.05.05 – 04.05.05

In the training seminars participated altogether:

11 Prosecutors
3 Judges
30 Police officials
5 Administrative workers of municipalities
5 Border guard
5 Tax office

Lectures:
Mr. Hawkes (STE), Federal Ministry of Justice
5. **Evaluation of the Twinning project**

The project can be considered a success, and an attempt to introduce research-based policy making into Estonian public administration. The project was conducted in a completely constructive atmosphere between two twinning partners. Finally, the consideration of the results and especially the recommendations for action offer the opportunity to considerably improve the fight against corruption in long term.
6. Conclusion and Recommendations

All planned measures for the project have been accomplished within the time framework and the available budget lines. All expected results were finished.

The outcome of the project depends on the decisions taken by politicians, being the main lever of successful implementation of the recommendations derived from the two studies. Comparably the use of the knowledge and skills of the prosecutors, policemen etc acquired during the training seminars depends on the priorities of the institutions set by politicians.

Margus Kurm Jörg Dessin
Project Leader (Estonia) Project Leader (Germany)