COMMISSION DECISION
OF 2000

Establishing a multi-beneficiary programme for drug control in the ten candidate countries in Central and Eastern Europe,

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 3906/89 of 18 December 1989 on economic aid to certain countries of Central and Eastern Europe, as last amended by Regulation (EC) No 1266/99 of 21 June 1999, and in particular Article 9 thereof,

Whereas Regulation No 3906/89 lays down the rules and conditions for the granting of economic aid to certain countries of Central and Eastern Europe,

Whereas the measures provided for by this Decision are in accordance with the opinion of the Committee on Aid for Economic Restructuring in certain countries of Central and Eastern Europe,

HEREBY DECIDES AS FOLLOWS:

Article 1

The programme described in the Annex to the present decision is hereby adopted.

Article 2

The maximum amount of Community assistance shall be 10 MEUR to be financed through Budget line B7-030 in 2000.

Done in Brussels,
For the Commission
FINANCING PROPOSAL

PHARE DRUGS PROGRAMME

1. IDENTIFICATION

Countries: The ten candidate countries in Central and Eastern Europe

Programme: Phare Drugs Programme

Year: 2000

Contracting expiry date: 31 December 2002

Disbursement expiry date: 31 December 2003

Budget: 10 million €

Implementing Authority: The European Commission

Expiry date: 31 December 2002

Sector: SP

Group: L

Budget Line: B7-030

Task Manager: Michael Sorensen
Tel. 67219
2. SUMMARY

The Europe Agreements with the ten candidate countries contain articles on drugs and money laundering. The 1999 Regular Reports on the candidate countries identify the major problems that still have to be addressed in the field of combating drugs. On this basis, ‘drugs’ continue to be a priority under the 2000 Accession Partnerships. The 2000 Phare Regional Drugs Programme operates in the framework of these Europe Agreements alongside support from Phare national programmes, as an instrument to implement the enhanced pre-accession strategy and the Accession partnerships.

The EU Drugs Strategy 2000-2004, adopted at the Helsinki European Council (Dec.1999), places emphasis on the progressive integration of the candidate countries. In order to transpose the strategy into concrete actions the EU Action Plan on Drugs 2000-2004 was adopted at the Feira European Council in June 2000.

The Commission will continue its assistance to the candidate countries to strengthen the legal and institutional framework and to improve the application of national drug legislation and strategies for combating illicit drug trafficking and for the prevention and reduction of drug use. The overall objective of the Phare assistance in this field is to support the candidate countries in central and eastern Europe to adopt the EU Acquis and best practices in the field of drugs. Phare assistance also aims to reinforce the institutional and administrative capacity, thus facilitating satisfactory implementation of the EU Acquis.

The international drug dimension is widely recognised as requiring more intense co-operation. Cross-border and regional co-operation are a pre-requisite for developing tangible results in the field of drug control. On this basis, the Commission has decided to mobilise new funds under the 2000 Phare Programme for the promotion of regional co-operation to combat drugs.

The French EU Presidency (second half of 2000) in its programme for countering crime and drugs pays special attention to combating of synthetic drugs, to expand the Union’s external drugs actions in Eastern Europe and gives precedence to combating financial crime and money-laundering.

The Drugs Programme 2000 addresses the trans-national drug problem through enhanced and co-ordinated action in line with the EU Drug Strategy and Action Plan 2000-2004. The programme is aimed at strengthening the capacities for, and increasing the effectiveness of regional co-operation in the supply reduction area between the candidate CEECs and with the EU Member States. Within this context, the Programme will reinforce the national drug strategies of each candidate CEEC and will enhance the process of adoption and implementation of drug related Acquis. The Programme will build upon the achievements of the preceding Phare Multi-beneficiary Drugs Programmes in the areas of drug supply reduction and money laundering. The assistance will focus on four areas (drug law enforcement co-operation, money laundering, synthetics, precursors) based on the priorities of the EU Drug Strategy 2000-2004.
The Drugs Programme will develop three specific projects:

- A project to promote cross-border drug law enforcement co-operation
- Anti-money laundering project
- New synthetic drugs and precursors control project

The Programme implementation will be closely co-ordinated with the current Phare Multi-beneficiary Drugs Programme and the Phare national drug projects. The Programme will provide an added value to the Phare national drugs projects within a European-wide framework of identified EU priority areas.

A start has been made on integrating Phare support for drugs control measures into national programming, with the additional allocation of €1 million to each Phare candidate country in 2000. However, given that the majority of the 2000 Phare national drug projects foresee limited or no actions on the above aspects, the proposed Regional Drug Programme will not overlap but complement and further the effectiveness of the national programmes through embedding European co-operation perspective into the national policies and strategies. The need for further similar programmes will be carefully evaluated against the criteria in the Phare Guidelines 2000-2002.

In addition, the Drugs Programme will provide management support for the monitoring and evaluation of the various regional and national Phare drugs projects. Within this framework, the Programme will seek to co-ordinate the different projects carried out at national and regional level and to ensure a coherent development of multi-disciplinary and integrated drug strategies in the candidate countries, in line with the EU Action Plan on Drugs adopted at the Feira European Council in June 2000.

Finally, the Programme will pursue co-ordination and synergies with drug-related activities and initiatives in the other candidate countries, as well as in the frame of Tacis and the Balkan Programme.

In implementing the 2000 Phare Drugs Programme, the Commission will draw upon the expertise of the Member States, Europol, the European Monitoring Centre on Drugs and Drug Addiction (EMCDDA) and international organisations such as the Council of Europe and UNDCP.

The Drugs Programme will rely on the involvement and commitment of the candidate countries to build on a participative approach and to develop ownership of the projects. At the same time, conditionality should be attached to the continuation of activities so as to ensure the sustainability of results.
3. BACKGROUND AND RATIONALE

3.1 Drug situation in Central and Eastern Europe

The Central and Eastern European countries face increasing problems associated with the traffic and transit of illicit drugs as well as with the rise in local drug consumption. Yet despite the shared experiences over the last few decades, the region cannot be seen as homogeneous.

In the 1990s, most countries in the region experienced an increase in drug (mostly heroin) transit. Domestic markets for imported drugs established themselves in the region in the early 1990s, probably as a result of a combination of various factors such as the opening of borders, increased travel, convertibility of currencies, new drug trafficking practices and domestic changes affecting the demand. Linked criminality has also increased, in terms of the general amount of drug-related offences committed, but also in terms of the number of drug trafficking groups and networks originating from central and eastern Europe. In addition, criminal groups in the EU Member States have diverted their trafficking routes to central and eastern Europe.

Major seizures in 1998 and 1999 in Bulgaria, Romania, Hungary, the Czech Republic and Poland confirm the role of these countries in the transit and storage of heroin, but since consumption is also increasing, it seems that they are increasingly becoming targets as well. According to Europol, Albanian – Yugoslav groups established in EU countries, with bases in Hungary, the Czech Republic, Slovakia, and Poland control a large proportion of the heroin import into the European Union. They often co-operate with, or work on behalf of Turkish groups. This in recent years, together with the peace process in former Yugoslavia, has led to a revival of the traditional Balkan route. This branch was disturbed again in 1999, due to the war in Kosovo; yet with the current process of normalisation, it can be assumed that this route will be revitalised once again.

Central and Eastern Europe continues to be a transit region for cannabis destined for the EU Member States. In 1998 and 1999 major seizures were reported from Bulgaria, the Czech Republic, Slovakia, etc. Studies show that cannabis is the most widely used drug in the CEECs and evidence suggests that, as in the EU, there has been a noticeable increase not only in the illegal traffic but also in the cultivation of cannabis in the region.

The transit role of central and eastern Europe in cocaine trafficking developed further in 1998 and 1999. Major cocaine seizures involving CEECs include those of 681 kg destined for Spain, seized in August 1998 at a Bulgarian port, and 135 kg in the Czech Republic. Yet due to the high prices of this drug, consumption seems to be limited to particular segments of the population, the size of which is difficult to estimate through existing monitoring systems.

At the beginning of 2000, the drug problem continues to pose new threats and challenges. There is a growing popularity of synthetic drugs among youngsters, and a warring phenomenon has emerged among the large number of juveniles involved with criminal groups that traffic and sell drugs. The production of synthetic drugs has increased dramatically and its consumption influences the life of thousands of young people. Illegal laboratories producing amphetamines

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exist in most of the CEECs, and precursors for the purpose of production are smuggled from other CEECs, the EU or third countries. Illegal laboratories have been dismantled in almost all of the countries in the region. In particular Poland, the Czech Republic, Hungary, Bulgaria and Baltic States seem to be major producers. In 1998 for instance, all amphetamines on the Finish market originated from Estonia. Finally, the worldwide prevalence of **ecstasy** use has led to exportation of the drug from the European Union to markets in Central and Eastern Europe.

### 3.2 Rationale

In the European Union, the fight against drugs is an inseparable objective of the aim to create 'an area of freedom, security and justice', as set out by the Treaty of Amsterdam. Action to combat drugs is viewed as a priority for public health, for co-operation in the field of justice and home affairs, and for international co-operation. The EU Drug Strategy 2000-2004 identifies preparation for enlargement as one of the main challenges for the European Union, and the Phare Programme as the main instrument for pre-accession support to develop institutional capacity in the candidate countries for adopting and implementing the EU Acquis in the field of drugs. The Feira European Council (June 2000) adopted the EU Action Plan on Drugs 2000-2004 as a crucial instrument for transposing the EU Drugs Strategy into concrete actions that will provide an effective, integrated and multidisciplinary response to the drug problem. The Action Plan stipulates that in order to progressively integrate the candidate countries and ensure the adoption and implementation of Acquis, the Commission and the Council have to draw up a drug ‘Action Plan’ with these countries, which will set out the ground they need to cover to meet the Acquis as soon as possible.

Within this context, current Phare assistance for the fight against drugs is increasing. The Multi-beneficiary Drugs Programme was until recently the main Phare support for strengthening the institutional capacity of the countries in central and eastern Europe to develop multi-disciplinary and co-ordinated drug policies, consistent with the EU Drug Strategy. At the end of 1999, the European Commission decided to integrate drug control into the Phare National Programmes. Within this framework an additional allocation of up to 1 million € was provided to each candidate country, with the aim of developing a specific drug component. The main issues addressed in the 2000 Phare national drug projects are the institutionalisation of the national drug information focal points in view of the future participation of the candidate countries in the activities of the European Monitoring Centre for Drugs and Drug Addiction; and the strengthening of national drug strategies and inter-ministerial co-ordination. The projects that have been elaborated in each country show that the Multi-beneficiary Drugs Programme has clearly had a great impact on the development of the responses to the drugs phenomenon in the candidate countries.

The assessment of the Phare Multi-Beneficiary Drugs Programme, undertaken by OMAS between May and July 1999, concluded that the Phare Drug Programmes (1992 to 1998) have provided valuable support to the CEECs, enabling them to apply the United Nations and Council of Europe drug-related conventions. The assessment also concluded that the 1998 Multi-beneficiary Drugs Programme has fulfilled the objective of facilitating the adoption of EU Acquis, even though the candidate countries still have to complete this process. The assessment report provided recommendations concerning the overall Phare drug assistance in the region. In particular, it recommended that beside the support provided to the CEECs to take on board the
EU Acquis, the Commission should envisage that the drugs assistance programme is ‘integrated in a worldwide and global approach’. Accordingly, the assessment emphasised the need for a regional approach in areas related to the ‘development of cross-country cooperation, especially in the area of drug supply reduction where drug trafficking necessitates cross-border controls and exchange of information’.

Taking this into account, the Commission set aside 10 million € under the 2000 Phare Programme to develop regional projects in the field of drugs. The activities under this allocation should reflect the regional dimension and trans-national nature of drugs, and promote co-operation among the candidate countries in Central and Eastern Europe and with the EU Member States. The resulting actions will build on and complement the results that have been achieved under the Phare Multi-beneficiary Drugs Programme.

It should also be born in mind that launching the 2000 Phare Drug Programme in a timely manner will mean that it can be implemented and evaluated in parallel to the other international actions foreseen in the EU Action Plan on Drugs to take place by the end of 2004.

The successful completion of the Programme means that through embedding the cross-border co-operation perspective into the national policies and strategies, the candidate countries will be in a position to implement future activities through national programming as from 2002.

3.3 Previous activities

The European Commission launched the Phare Multi-beneficiary Drugs Programme in 1992. The budget of the Programme reached 22 million € between 1992 and 1997. The budget of the 1998 Programme is 11 million €, to be implemented by December 2001 at which date the Programme will cease to exist.

To facilitate the transposition of the EU Acquis in the field of drugs, the Programme focuses on support for institution building in order to establish the required legislation and standards, and to reinforce the operational capacities of the drug control structures. The Programme supports the partner countries to develop effective and efficient drugs policies and measures to counter the supply and illicit trafficking of drugs, and to reduce the demand for drugs. The activities within the Programme are based on a multi-disciplinary approach consistent with the EU Drugs Strategy.

Ongoing projects under the Phare Multi-beneficiary Drugs Programme are:


The project aims at improving the efficiency of drug interdiction in South-Eastern Europe by strengthening regional and sub-regional networking of national capacities for the dismantling of drug trafficking organisations, disruption of drug supply channels, detection of illicit drugs at border crossing points and in transit, and the prosecution of drug traffickers. This project involves Bulgaria, the Former Yugoslav Republic of Macedonia and Romania.

**Precursor Project – Phase V (Nov. 1999 – Dec. 2001)**
This project is a continuation of the previous phases. It intends to facilitate the further establishment and implementation of measures, in line with EU Acquis for the prevention of the diversion of precursors and other chemicals used for illicit manufacture of narcotic drugs and psychotropic substances

Approximately 70 police officers (CEEC and EU) are being exchanged between January and June 2000 and are expected to gain experience from serving in a foreign sister organisation and thereby increasing direct contacts between the participating agencies. This will lead to improved conditions for joint operations against international drug criminality. The concluding meeting will take place in September 2000 in Strasbourg.

**Phare Synthetic Drugs Project (May 2000 – Oct. 2001)**
The project aims to encourage the adoption of adequate legislation and regulations on licit drug control and synthetic drugs in line with EU and international standards; to reinforce national competent authorities; to train public servants on combating illicit traffic in and manufacturing of synthetic drugs and licit drug control; to develop more effective co-operation between public authorities, the pharmacy industry and health professionals; to facilitate the participation of partner countries in EU mechanisms; and to strengthen regional co-operation.

Other relevant Phare Multi-beneficiary Drugs Programme activities include:

**Phare Co-operation EMCDDA/CEECs Project** (2 M€) is planned to start before the end of 2000, in order to facilitate the integration of the candidate countries into the Centre’s activities, work programme and institutional life.

**Phare Anti-money laundering** initiatives were launched in 1993. The aim was to assessing the existing legal situation in the countries of central and eastern Europe and the changes to be made in order to prevent the use of the financial system for money laundering and to establish a legal framework in line with the international standards, (EU Directive 91/308 of 10 June 1991 on the prevention of the use of the financial system for purposes of money laundering, referred to as the Directive, Financial Action Task Force recommendations, Vienna Convention, Strasbourg Convention).

**Phare Project on Drug Information Systems** was the first of a number of drug-related projects implemented under the Phare Multi-beneficiary Drugs Programme since its inception in 1992. The project was active for more than six consecutive years in the 13 Phare partner countries and its Bridging Phase has been completed at the end of May 2000. The main outputs of the project are the National Drug Information Focal Points established in all candidate countries in line with the EU Reitox National Focal Points. In addition, 1998, 1999 and 2000 national reports on the drugs situation were produced in twelve central and eastern European countries, according to the guidelines developed by the Monitoring Centre, and used in EU Member States.
**Drug demand reduction** is another major component of the Phare Multi-beneficiary Drugs Programme, under which a number of successful projects were developed between 1993 and 1999 (*Annex I* - Phare Multi-beneficiary Drugs Programme).

### 3.4 Other related programmes

In the year 2000, the **Phare National Programmes** will, for the first time, provide technical assistance, training and equipment in the field of drugs. The 1 million € projects (10 million in total) will enhance the transposition of EU drug-related Acquis and best practices in all candidate CEECs and through twinning will mobilise highly specialised expertise from the EU Member States. All ten projects build on the previous Phare Multi-beneficiary Drug Programmes and address the following major issues:

- strengthening of national drug strategies/action plans, including both drug demand reduction and drug supply reduction components (for example, Romania, Bulgaria, Estonia, Lithuania, Latvia, etc.);
- development of drug information systems and focal points in line with the EMCDDA methodology and requirements (in all 10 candidate CEECs);
- strengthening of drug co-ordination mechanisms, e.g. in Bulgaria, Romania, Slovenia, Slovakia, etc. (*Annex II* - Overview of the Phare national drug projects).

Other **Justice and Home Affairs projects** in the Phare 2000 National Programmes will amount approximately to 130 million € and cover the following sectors: (a) Strengthening judiciary, including court functioning, state prosecutors and training in EU law; (b) Strengthening police and police cooperation, including combating organised crime, money laundering (the Czech Republic only) and fight against corruption; and (c) Border, asylum and visa, including equipment for border guard, Schengen information system and border modernisation.

The overall objective of the **Phare Horizontal Programme on Justice and Home Affairs** is to assist the ten candidate CEECs in taking over the EU JHA Acquis, as well as the practices and standards of the Member States, and to implement the Acquis effectively. The assistance provided by the 1999 JHA, which will be active until 2003, builds upon the achievements of the preceding 1996 Horizontal Programme on JHA. The new programme focuses on seven areas: rule of law, judiciary, asylum, migration, border management, police and penitentiary system. It aims to assist the CEECs in introducing or enhancing reforms of the judiciary, administrative bodies and their procedures, working standards, and practices. The programme developed four projects: (i) the rule of law including the independence of the judiciary; (ii) training of judges in Community law; (iii) migration, border control, visa; and (iv) judicial cooperation in penal matters.

The **Transit Facilitation and Customs Modernisation Programme** was launched in 1993 with the aim of improving the customs services in the Phare partner countries by introducing relevant customs legislation, modern customs procedures and techniques, and computerisation. These measures have been accompanied by substantial technical assistance and training of customs officials in order to bring the operational capacities of the customs services in the candidate CEECs to the level of those in the Member States. Recently the Commission successfully implemented a project to improve the effectiveness of border posts in the Phare countries.
Following the adoption of the Customs and Taxation Pre-accession Strategy (Reykjavik, July 1997) by the EC/EFTA/CEECs General Directors, increasing attention is given to strengthening the control at the future external borders of the enlarged Union. A joint Phare/Tacis multidisciplinary project was launched in 1998, aiming to achieve a coherent approach to border management covering all services at the borders and, as regards the Phare countries, also the implementation of the Schengen Acquis.

The Multi-country Customs Programme III that is currently in being implemented provides short-term assistance to the partner countries within key areas of the customs business, i.e. investigation and enforcement and border and inland controls. The programme focuses on methods for detecting drugs and controlling containers, use of scenting dogs, etc.

4. POLICY AND INSITUTIONAL ASSESSMENT

As in EU Member States, the development of national drug policies and strategies in the CEECs since the early 1990s has two main roots: firstly, the nature of the drug phenomenon which affects broader segments of society; and secondly, the multidimensional character of the these problems demanding a nationally co-ordinated multisectoral and multidisciplinary response. During this period, actions of international organisations and donors, most notably the European Commission, have proved a catalyst for the development of national responses to drugs in the CEECs. The functioning of sub-regional structures for dealing with the drugs issue, such as the Task Force on organised criminality of the Baltic Sea States or the Vysegrad Group, as well as specific drug-related assistance such as bilateral assistance programmes of the EU Member States, the Pompidou Group of the Council of Europe, UNDCP, WHO, etc., have further boosted the development of actions in a multi-disciplinary way, aimed at dealing with the trans-national drugs phenomenon.

In this framework, the Central and Eastern European countries have taken substantial steps in developing the relevant legislative measures, administrative and co-ordination structures. Additionally, in the process of enlargement of the EU under the pre-accession strategy, the candidate countries adjusted or reoriented their drug control actions towards adoption of the EU Acquis in the trans-pillar drug field (Annex III - List of consolidated EU Acquis in the field of drugs).

All candidate CEECs are signatories to the three drug control UN conventions (1961, 1971 and 1988) and have ratified them. All candidate CEECs have signed the 1990 Strasbourg Convention (the Council of Europe Convention on Money Laundering, Search, Seizure and Confiscation of the Proceeds from Crime), whereas Bulgaria, the Czech Republic, Hungary, Lithuania and Slovenia have already ratified the Convention.

A particular effort is being made by the candidate countries to adapt their legislation to meet EU standards. All countries have adopted new legislation in the drug field (most laws dating from 1996 onwards). This process varies in its intensity and approach throughout the region, from adopting a number of laws on different drug-related issues (e.g. Hungary) to the more contemporary concept of a single comprehensive drug law (e.g. Poland 1997, Bulgaria 1999, Slovenia 1999).
On top of the adoption of new legislation, the CEECs have been organising their actions in the field of drugs and have started with the creation of co-ordination structures at a high governmental level - **inter-ministerial coordination bodies**.

Since 1992 all candidate countries have formally established an inter-ministerial body on drugs for planning and co-ordinating drug control efforts between the different ministries and agencies involved. The last to be established was the Romanian Inter-ministerial Committee for the fight against drugs (1999), which is now in the process of being operationalised. The inter-ministerial bodies in the Czech Republic and Slovakia are well established and work in a consistent manner. On the other hand, in Poland the Inter-ministerial Task Force was abolished in 1998. The creation of a new structure foreseen by 1997 drug law – the Council for counteracting drug addiction - is delayed. In some other countries, due to administrative reorganisations, the inter-ministerial bodies were reviewed and reformed (Hungary, Lithuania) or on a more positive note, their mandate strengthened and confirmed by law (Slovenia, Bulgaria). Although causing setbacks as in Poland and Hungary, these reorganisations also enable the creation of a structure that is best adapted to meet the specific needs of a changing society and the problems it is faced with at the time (e.g. Slovenia, Estonia).

The lead of the coordinating body is usually taken-up by one of the participating ministries, in most of the countries the ministry of Health, Social Affairs or Youth (Bulgaria, Estonia, Lithuania, Hungary and Slovenia). In other countries, it falls directly under the Government’s office - chaired by the Prime Minister in the Czech Republic (the same is planned for Romania), and the Deputy Prime Minister in Slovakia - or lies with the Ministry of Interior (Latvia).

In order to support the work and carry out the decisions of the inter-ministerial bodies, and following the positive experiences (e.g. in the Czech Republic and Slovakia), **executive units** are recently being set up by law in some countries (National Drugs Office in Slovenia 1998, National Drug Council secretariat in Bulgaria 1999, etc.). Often, sub-committees or working groups are created, involving experts of the participating ministries, to deal with specific issues. At a more technical level, these groups and the executive structures have been charged with the preparation of new legislation, projects and reports, as well as of national programmes on drugs.

In countries where the inter-ministerial drug body is better positioned (the Czech Republic, Slovakia), **multi-disciplinary national strategies/programmes** are elaborated and implemented in a more consistent manner. The Czech Republic National Drug Commission, for example, is in the process of elaboration of its third consecutive national strategy. In other countries like Bulgaria, Hungary and Poland, this process has slowed-down in the last two years, while Romania is lagging behind.

The majority of the candidate central and eastern European countries have implemented **anti-money laundering measures** and their situation is generally in compliance with the legal and institutional requirements. Almost all of them have established a legal, institutional and judicial anti-money laundering framework. In all candidate central and eastern European countries but one, a **Financial intelligence unit (FIU)** either became operational or was further strengthened in the last two years. Furthermore, most FIUs have formally been accepted as full Egmont Group members and may thus be considered as both complete, in compliance with the EU standards and practises, and able to fulfil their future obligations towards the EU. In Poland however, the situation remains problematic.
Political will is urgently needed to move ahead and to adopt the necessary legislation without further delay.

In recent years drug-related information in the region has increased both in quality and quantity, but only a few countries have developed a standardised methodology of monitoring it. National drug information focal points are established in all candidate countries in line with the EU Reitox National focal points, and national reports on the drugs situation were produced in 1998, 1999 and 2000, according to the guidelines developed by the EMCDDA, and used in EU Member States. Yet the national focal points are still fragile, lacking political support and a clear legal framework (Annex IV - Overview of the legal and institutional responses to the drugs phenomenon in the candidate CEECs).

Despite the fact that in general, the legal and institutional framework in the CEECs is in place, the overall capacities to implement effectively the adopted measures, as well as the allocated resources, remain limited. The effectiveness of policy implementation is obstructed by low operationality of the national coordination mechanisms, and there is a deficiency in regional cooperation. In most of the countries, this affects the capacity of the institutions concerned to tackle the problem and constrains their ability to participate effectively in international co-operation measures designed to deal with the trans-frontier threats to which both the CEECs and the EU are faced. It is, therefore, imperative that countries concerned reinforce their policies, institutions and coordination mechanisms and allocate the necessary resources.

5. PROGRAMME OBJECTIVES

The overall objective of the Drugs Programme is to address the trans-national drug problem through enhanced and co-ordinated action in line with the EU Drugs Strategy and Action Plan 2000-2004. The programme is aimed at strengthening the capacities for, and increasing the effectiveness of regional co-operation in the supply reduction area between the candidate CEECs and with the EU Member States. Within this context, the Programme will reinforce the national drug strategies of each candidate CEEC and will enhance the process of adoption and implementation of drug-related Acquis.

The following three specific intervention areas have been identified for the Programme:

1. To enhance the capacities of the candidate countries in central and eastern Europe in various areas of drug law enforcement, and thus to enable them to be brought into line with the Acquis and best practices of the Member States. The objective is to improve regional operations among law enforcement services in the area of drug supply reduction aimed at disrupting major drug trafficking channels and dismantling international criminal organisations involved in drug trafficking.

2. To transpose the anti-money laundering Acquis in the candidate countries in central and eastern Europe in order to provide for a European framework to combat money laundering
and to further refine the legal, institutional and judicial anti-money laundering framework, in line with international standards.

3. To transpose the Acquis in the candidate countries in Central and Eastern Europe in the fields of synthetic drugs and precursors control. The objective is to develop a comprehensive regional policy and operational strategy regarding the control of precursor chemicals and the combat against (new) synthetic drugs.

6. PROGRAMME DESCRIPTION

The specific objectives in the three intervention areas will be achieved through the operationalisation of separate and well-defined projects, which will be methodically coordinated in order to ensure a programme approach and stronger synergies.

6.1 Project for Strengthening Cross-Border Co-operation in Drugs Law Enforcement

6.1.1 Background

The production and cross-border trafficking of illicit drugs is to a large extent controlled by organised crime. Most heroin seized in the EU has been transported along the various Balkan routes, crossing the central and eastern European countries, in which depots have been set up for further re-transportation in smaller quantities. Illicit activities related to drug trafficking are expanding in the Baltic States. The growing involvement of the CEECs and the CIS countries in international drug trafficking, and the increasing drug seizures in central Asia and neighbouring countries, also point to a potentially increasing use of the Baltic countries for transit shipments of drugs. The seizures of cocaine in airports and ports have also been increasing, although the total quantity and number remains small. Trafficking of heroin, cocaine and hashish in containers represent a significant threat. Increased drugs transit through the CEECs for subsequent trafficking into EU calls for improved regional co-operation among law enforcement agencies from the CEECs and the EU.

The project should be seen as a follow-up to the current ‘Joint UNDCP-Phare Drug Law Enforcement Programme in South-Eastern Europe’, the goals of which are: increased drug seizures, more drug trafficking organisations dismantled, and disrupted drug supply reduction channels. Activities focus on co-operation among law enforcement agencies; cross border teamwork; development of drug intelligence base; accent on use profiling/selectivity methods for border controls. The Joint Programme in South-Eastern Europe contributes to strengthening mutual co-operation and capacities of the police and customs officers from the three partner countries. A mid-term review of the Joint Programme has taken place in June-July 2000.

The various measures undertaken under the Joint UNDCP-Phare Programme for South-Eastern Europe should be extended to the other candidate countries to avoid the ‘balloon effect’ and significantly complicate large-scale trafficking operations. The deterrent element will be further multiplied by the parallel development of a combined sea container and sub-regional rail container tracking systems. Criminal groups have diverted their trafficking routes to central and
Eastern Europe. It is necessary to develop sub-regional and regional co-operation. The existing level of co-operation could be greatly enhanced by provision of assistance that would improve capacities for surveillance/evidence gathering as well as improve intelligence capacities for the collection and processing of criminal data.

6.1.2 Objectives

Overall Objective

The overall project objective is to enhance inter-agency and cross-border co-operation among the drug law enforcement services, aiming to disrupt major drug trafficking channels and to dismantle criminal organisations involved in drug trafficking. The project will support the candidate countries from Central and Eastern Europe in their steps to implement the EU Acquis, standards and best practices of the Member States in the field of drug law enforcement.

Specific Objectives

1. To strengthen controls against drug smuggling at selected airports.
2. To strengthen controls against drug smuggling at selected seaports.
3. To strengthen controls at selected road and rail border crossings.
4. To improve intelligence gathering, analysis and sharing of and the development of shared investigative strategies against criminal organisations involved in the production and trafficking in drugs.
5. To develop a risk-analysis system in cooperation with customs and police.
6. To strengthen capability for sub-regional container profiling and tracking.
7. To enhance network of operational officers.

6.1.3 General methodology

The target group includes police, border police and customs in the ten candidate CEECs.

It is broadly recognised that strengthening cross-border co-operation – both at the operational and the political level – is the key to successful drug enforcement. The project will strive to promote co-operation among different agencies involved in drug law enforcement in the partner countries and law enforcement organisations in the EU Member States. The overall strategy of the project includes addressing the drug situation based on common objectives and using regional co-operation mechanisms, and providing assistance to build up national structures in order to support the joint regional efforts. It is directly oriented to achieving results such as increased seizures and arrests. The project deals with the most advanced and sophisticated methods and tools of drug enforcement, and will also help to fight organised crime.

EU expertise, training and equipment shall be provided in clearly defined specialist areas of drug law enforcement to increase seizures and disrupt criminal organisations involved in drug trafficking.
The project will take into consideration the ‘Joint UNDCP-Phare Drug Law Enforcement Programme in South-eastern Europe’. For Bulgaria and Romania, it should consolidate and expand the results of the joint programme, which will end in December 2001.

6.1.4 Main expected results

1. Increased drug detection capacity of the customs and border police and police.
2. Drug detection equipment provided.
3. Criminal intelligence capacity developed and enhanced capacities of police for collection, analysis and sharing of criminal data and cross-border investigation against criminal organisations involved in the production and trafficking of drugs.
4. Increased capacity for risk-analysis in cooperation with police and customs.
5. A risk-analysis system in cooperation with customs and police developed.
6. Enhanced capacity for profiling and tracking of sea and rail containers developed.
7. Enhanced professional network among police and customs, border guards officers at national and regional level.

6.2 Anti-money Laundering Project

6.2.1 Background

During the past years, the EU adopted a series of measures to intensify action against money laundering. These measures were to ensure that concrete steps are taken to trace, freeze, seize and confiscate the proceeds of crime and to enhance better co-operation between financial intelligence units of the Member States as regards the exchange of information. More specifically, the Amsterdam European Council (16-17 June 1997) approved the Action Plan to Combat Organised Crime. In particular this Plan recommended that the fields of money laundering and confiscation of the proceeds from crime be addressed. Furthermore, in the Special Action against money laundering of the conclusions of the Tampere European Council (15-16 October 1999) it is stated that ‘Money laundering is at the very heart of organised crime. The European Council is determined to ensure that concrete steps are taken to trace, freeze, seize and confiscate the proceeds of crime’. In addition, the Santa Maria Da Feira European Council (19-20 June 2000) reaffirmed that ‘The Council and the European Parliament are invited to speed up work on the money laundering directive and the UCITS directive’. Finally, as part of the European Union Strategy for the beginning of the new millennium, a series of measures are currently being developed.

Clearly, the Member States continue to take an active position against money laundering and the financial sector has responded to its responsibilities as set out in the Council Directive of 1991. In order to approximate legislation, as far as the money laundering offences and provisions on confiscation are concerned, and to enhance co-operation in this respect, a joint action was adopted in December 1998. Furthermore, in May 2000, the Council agreed on arrangements for co-operation between financial intelligence units of the Member States in respect of exchanging information.

Participation in the Financial Action Task Force (FATF) and Council of Europe and Octopus Programme on control of organised crime and corruption shows the willingness of the EU to be a
major player in co-ordinated international activity in this field. The conclusions of the Tampere and Santa Maria Da Feira European Councils show that new emphasis is given to action against money laundering.

In short, efforts to curb money laundering are being intensified by: (a) rapid adoption and subsequent implementation of the recently proposed second money laundering Directive to update and extend the scope of the 1991 Directive; (b) helping non-EU countries and regions develop their anti-money laundering systems and strengthening control of money laundering through EU external assistance in this area in close co-operation with Financial Action Task Force and the UN efforts; (c) giving efforts against money laundering a priority in current and coming assistance and co-operation programmes, notably Phare, Tacis and Meda; and (d) developing a system for analysing and exchanging information between Financial intelligence units of the Member States, making full use of the new potential of the Europol as regards initiating and supporting investigations.

Under the Phare Multi-beneficiary Drugs Programme, considerable resources were committed to activities to combat money laundering. The last anti money laundering project ended in March 2000. The projects have led to good results. Most of the candidate countries now have functioning systems to combat money laundering with enacted legislation and established Financial Intelligence Units, which are to be considered in general compliance with the European standards. Currently, Poland remains the only country, where no legislation is in place. Also, for most of the countries some deficiencies persist.

In the final report of the last anti-money laundering project it was concluded that, in the future, the emphasis should be put on: (1) improving effectiveness; (2) strengthening judicial follow-up; and (3) enhancing international co-operation. In addition, the candidate countries should: (a) improve their national provisions concerning seizure and confiscation of the proceeds from crime; (b) fully ratify and implement, without reservations, all relevant international provisions in the field of money laundering, if not already done; and (c) thoroughly implement the Directive. Furthermore, all candidate countries must be made aware as soon as possible of the second Directive on money laundering proposed by the Commission.

Further assistance should thus concentrate on general assistance at the judicial level, on technical legal advice for the prosecution and courts, focusing on the practice in other European countries at that level, and on specific training for magistrates of the prosecution and courts as regards the judicial follow-up (confiscation and convictions, for instance in relation to the requirement of proof of the specific predicate offence). Furthermore, assistance should be provided in the form of knowledge transfer on the organisation of the financial police and on effective identification procedures and transfer of know-how from EU Member State National Banks to their central and eastern European counterparts in supervision and other technical issues. Finally, in order not to lose the momentum gained and to preserve the good working relationships established between and among the EU Member States and candidate CEECs, the current networks of co-operation should be maintained and further developed.
6.2.2 Objectives

Overall objective

The overall objective of the project is to transpose the anti-money laundering Acquis in the candidate CEECs, and to further refine their legal, institutional and judicial anti-money laundering frameworks in line with EU and international standards, in order to provide for a European framework to combat money laundering.

This will involve the following specific objectives:

1. to prepare the candidate countries for the implementation of the second Directive on money laundering;
2. to strengthen the judicial follow-up by, among other things, improving, reinforcing and integrating the structural and operational capacities of specialised institutions, such as FIUs, supervisory authorities and law enforcement, and to improve their effectiveness;
3. to enhance international co-operation and exchange of information with similar institutions.

6.2.3 General methodology

The main target groups are the supervisory authorities, FIUs, financial police, prosecutors, courts and financial services.

The project will allow for the development of harmonised strategies for the transposition of the Acquis in the field of money laundering. It will be based upon identical parameters for the assessment of progress towards accession, allow the drawing up of regional concepts and provide economies of scales.

The project will focus on the strengthening of the exchange of information and on the development of a strong, professional pan-European network. In line with recent developments in the EU, strong emphasis will be placed on the European dimension of the initiatives. Main elements building up this European dimension are: (a) the second Directive, (b) information exchange between FIUs and (c) judicial follow-up.

Provision of legal and institutional expertise on the second Directive

Legislation in most Phare candidate countries is currently under review. Legal assistance, to be provided through workshops and seminars at the (sub-) regional level, should therefore target the refinement of legislation so as to have full compliance with EU and international standards, in order to prepare grounds for the second Directive. Furthermore, the assistance should focus on creating the basic (institutional) conditions for the main elements of the second Directive to be implemented effectively, thoroughly and in a timely way.
Financial intelligence units (FIUs)

There is a general need for the exchange of know-how and best practices among FIUs. Furthermore, targeted actions should be undertaken aimed at implementing the CRIMORG 70 provisions through (sub-) regional workshops, seminars and short-term technical assistance missions. The focus should be on the ‘boosting’ of concrete arrangements for cooperation between FIUs (both candidate CEECs and EU) in respect of exchanging information (possibly with some limited provision of equipment). Initiatives should be undertaken to develop closer cooperation between the Financial intelligence units in the candidate CEECs and in the EU Member States. At the same time, a multi-agency, multi-national approach to the combating of money laundering should be developed. Money laundering is by its very nature international and complex. It requires effective co-operation along the whole chain of anti-money laundering services, both nationally and internationally. For the Phare candidate countries this may be achieved through a series of specific (sub-) regional training initiatives, such as: Template courses, Follow-up analyst course (UK – National Criminal Intelligence Service) and Advanced banking course (Luxembourg). In this context, the Reporting Institutions and Companies should also be involved, through ongoing training of personnel and training on banking issues, as well as the supervisory authorities (training and exchange of expertise).

Judicial follow-up

Primary target audiences for this component are police units/law enforcement services, prosecutors and courts. It is essential to have the whole chain, from ‘classical’ law enforcement services (such as police and customs), via the Procuracy to the Judiciary, involved. For such services, exchange of experience and training are foreseen. In addition, the project will focus on the approximation of criminal law and criminal procedure law to facilitate international co-operation. The project will be aimed at the setting up of effective co-operation schemes between the law enforcement services, such as police and customs, through the exchange of experience between the authorities in EU Member States and the candidate countries, and through training of personnel in the police and customs on how to trace and analyse money laundering schemes. Actions will be directed towards an enhancement of the co-operation between the Financial Intelligence Units and other police units with the prosecutors and the strengthening of co-operation between prosecutors in the different countries. Close contacts between EU legal experts and legal experts in the Phare partner countries will also be further developed.

The project will elaborate (sub-) regional and National Plans based on a precise needs/gap analysis carried out under previous Phare Money laundering Projects and on the results of the Council of Europe PC-R-EV mutual evaluation reports.

The activities will respond to the needs of each country and not overlap with the 2000 Phare national projects. Special focus will be put on Poland, which is the only country where the basic legislation is lacking, and on those countries in transition (Bulgaria and Romania) that are still in the early stages of the implementation of the Directives.

The project will use experts from the Member States both at governmental and regulatory level and from the financial sector.
6.2.4 Main expected results

1. All relevant provisions in the field of money laundering to be fully ratified and implemented through development of concrete proposals to improve existing legislation and enforcement structures.
2. Awareness raised and know-how improved on the second Directive on money laundering proposed by the Commission.
3. Basic conditions created for the implementation of the second Directive.
4. Specialised institutions strengthened and judicial capacity improved to combat money laundering.
5. Establishment of regional and pan-European co-operation between law enforcement authorities, FIUs and financial institutions.

6.3 New Synthetic Drugs and Precursors Control Project

6.3.1 Background

The Dublin European Council (Dec. 1996) highlighted the necessity to give priority attention to synthetic drugs both within the EU and in other countries, in particular the CEECs, and to tackle the problem at three levels: (a) legislation; (b) practical co-operation against production and trafficking, including improved co-operation between national authorities and the chemical industry; and (c) international co-operation. Co-operation between EU Member States and the CEECs in combating illicit trafficking in synthetic drugs received special attention at the meeting of the Council’s Drugs and Organised Crime Working Group with the CEECs (Oct. 1996). The meeting recommended the following: (a) to develop a network of law enforcement focal points in the EU Member States and the CEECs; (b) to develop a network of expertise from the EU and the associated countries to facilitate the enhancement of knowledge and the rapid exchange of information, and (c) the adoption of the necessary legal provision.

The EU Drugs Strategy 2000-2004 pays special attention to the control of chemical precursors. It also stipulates that further measures to enhance the effectiveness of action against illicit trafficking of new synthetic drugs are needed, especially with regard to: (a) possible improvement of the Joint Action; (b) cooperation against production and trafficking, including improved cooperation between national authorities and the industry; and (c) international cooperation with a particular emphasis on the candidate countries.

The expansion and re-enforcement of the Early Warning System for New Synthetic Drugs, coordinated by the EMCDDA and Europol, should help in meeting the new challenges presented by the consumption and production of these new drugs.

An effective way of approaching the (new) synthetic drug problem is to ensure a better monitoring of the trade in chemical substances (drug precursors), which are the basic ingredients used in manufacturing these drugs. Synthetic drugs cannot be produced without chemicals.
In addition to the chemicals currently controlled, there is a growing number of non-scheduled precursors which are being used in illicit manufacture, particularly of synthetic drugs. The establishment of a voluntary monitoring mechanism for new chemicals and enhanced co-operation with trade is being pursued in the EU. Therefore a logical next step, based on earlier experiences and the continuation of current projects, would be to achieve a synthesis between the Phare Precursor Project and the Phare Synthetic Drugs Project.

Since 1993, substantial Phare Programme resources have already been used to help the CEECs to prepare and adapt their own legislation and measures on precursors, mainly in view of their accession to the EU. The Phare Precursor Project has brought assistance to the 13 partner countries in drafting EU-compatible legislation, and has provided technical equipment and training for strengthening the administration and enforcement of controls. By now, nearly all of the countries have adopted a legislative basis in the field of precursors control. Once the necessary legal basis is in place, activities focus on administrative and law enforcement aspects, and cooperation with the chemical industry.

The Phare Synthetic drugs Project was prepared on the initiative of the Commission in order to respond to the growing problems related to synthetic drugs. The Project started in May 2000 and its overall objective is to support the countries in central and eastern Europe to adopt and implement the EU Acquis in the field of synthetic drugs. The main focus is on the reduction of illicit production and trafficking of illicit drugs and the early identification of new synthetic drugs. The project provides a general framework for long-term action, which cannot be realised under the current budget and time constraints of the Phare Multi-beneficiary Drugs Programme. The New Synthetic Drugs/Precursor Project under the Phare Regional Drugs Programme will be a continuation and intensification of the activities as started and realised under the current Precursor Project (phase V) and the Synthetic drugs Project. It will provide a longer planning perspective and will increase the impact of the provided assistance. Emphasis will be put on the development activities to improve the regional inter-agency co-operation and information exchange in a more structured way.

6.3.2 Objectives

Overall objective

The overall objectives of the project is to transpose the Acquis in the candidate CEECs in the fields of synthetic drugs and precursors control and to develop a comprehensive regional policy and operational strategy regarding the control of precursor chemicals and the fight against synthetic drugs.

Specific objectives

1. To further develop EU compatible legislation.
2. To further strengthen the institutions responsible for the enforcement of the legislation and improve the co-ordination among them.
3. To improve regional inter-agency co-operation.
4. To improve (network-based) information exchange and the development of systems to monitor precursor chemicals and (new) synthetic drugs.
6.3.3 General methodology

The project activities will build up the capacities of the candidate countries in central and eastern Europe to participate in the EU Early Warning System on New Synthetic Drugs.

The target group include Police, Public Prosecutors, Customs, Health Ministries, Trade Ministries, Licensing Authorities, forensic laboratories, the pharmaceutical industry and the chemical industry.

In order enhance the effectiveness of action in the domain of precursor chemicals and (new) synthetic drugs, law enforcement co-operation within and between countries and the multi-disciplinary inter-agency co-operation on European and regional scales needs to be improved. This implies bringing existing networks together. The project, therefore, focuses on a further functional integration of agencies and networks (human/information) in the CEECs (for example networks of the Phare Precursor and Synthetic Projects), in the EU, (such as Europol -Europol National Units - and the EMCDDA - Reitox), as well as Interpol, WCO, etc. Upgrading and integrating local and national information systems into regional information systems will give better insights and thus will contribute to more comprehensive and better integrated policies and problem-oriented actions.

A functional ‘inter-programme link’ will be established with the Project for Strengthening Cross-Border Co-operation in Drug Law Enforcement (see 6.1 above).

A Regional Action Plan will be drawn up on the basis of the National Action Plans, which have been developed on the control of precursor chemicals, and which are in preparation on the fight against (new) synthetic drugs for each partner country.

6.3.4 Main expected results

1. Existing databases are linked.
2. All licensing authorities, industries and law enforcers are aware of existing databases. Their employees are aware of information-possibilities of the databases.
3. All licensing authorities, industries and law enforcers are aware of their mutual role and functions; memoranda of understanding will acknowledge this.
4. In numerous cases co-operation among these actors are more structured and frequent.
5. Chemical industry and pharmaceutical industry in each participating country are aware of the risks of precursor diversion and synthetic drug diversion and ways to prevent it; they are aware of mutual interest and the need for multi-disciplinary co-operation; they will integrate/have integrated this awareness in their respective mission statements.
6. Capability of EU/CEECs laboratories to analyse synthetic drugs is improved due to the (start of) development of a comprehensive knowledge management information system.
7. Law enforcement and criminal justice staffs’ capability to combat illicit production and trafficking is increased due to improved understanding of cultural dimensions of inter-agency and/or international co-operation; multi-disciplinary courses on dismantling illegal laboratories are facilitating this process.
8. Formal and informal links of co-operation in the domain of synthetic drugs are in place between CEECs’ law enforcement authorities, criminal justice authorities, national law enforcement units in EU Member States, Europol, Eurocustoms and Interpol.

9. The Early Warning Mechanism of the EU is in the process of being improved, opening the possibility of monitoring other harmful substances, and being operational over a wider geographical area.

10. A Regional Action Plan on the control of precursor chemicals and the fight against (new) synthetic drugs is in place.

7. **CO-ORDINATION WITH OTHER DONORS**

The programme will be implemented by taking into account the other international and national donors, in particular the bilateral assistance from the EU Member States, UNDCP, the Council of Europe and others.

Close co-ordination will take place with existing relevant activities of the other donors to avoid duplication and, in appropriate cases, seek the development of joint activities.

8. **COST AND FINANCING PLAN**

The budget of the Programme will be 10 million €.

| Project for Strengthening Cross-Border Co-operation in Drug Law Enforcement | 6 M€ |
| Money Laundering Project | 2 M€ |
| Synthetic/Precursors Project | 1.5 M€ |
| Management and Evaluation | 0.5 M€ |
| **Total** | **10 M€** |

9. **IMPLEMENTATION, MONITORING AND EVALUATION**

9.1 Implementation, contracting and management

The European Commission will **implement** the Programme centrally. Close co-ordination will take place with the EC Delegations in the candidate countries. The Programme will mobilise combined efforts of various competent authorities in the Member States. Special attention will be given to the role of Europol in the areas of intelligence gathering and analysis, and investigations, as well as to the EMCDDA for the early warning system component of the Synthetic Drugs Project.
As the majority of the 2000 Phare national drug projects foresee limited or no actions on the above aspects, the proposed Regional Drug Programme will not overlap but complement and further the effectiveness of the national programmes through embedding European co-operation perspective into the national policies and strategies. In order to ensure such harmonisation, the Task Manager for the regional drug activities makes a substantial technical input to and helps to co-ordinate the national Phare drug control activities.

Effective and ongoing co-ordination will take place with the Member States’ JHA National Contact Points and regular information exchange will occur with the Council, in particular the Horizontal Drugs Group.

In implementing the programme the Commission will take into account the results of the screening exercise on the EU Acquis.

For the implementation of the Programme, the European Commission will involve the Phare National Drug Co-ordinators and the operational contact persons nominated in each partner country. It will be proposed that within each country, the Phare Regional Drugs Programme be co-ordinated by the national drug co-ordination body. This will provide for the necessary co-ordination with the Phare national drugs projects. Moreover, it will ensure that the regional activities are embedded within the national drug strategies of the countries concerned, thus ensuring the sustainability of the results achieved under the Programme. Regular co-ordination meetings will take place with the counterparts in the CEECs.

Since public tendering procedures cannot be followed in the JHA field, the three projects under the Programme will each be implemented by a consortium/partnership of different Member States’ Administrations. For this purpose, consultation\(^2\) will take place with the 15 Member States, or specialised national, inter-governmental or international organisations for implementing the projects. Direct agreements will be concluded in accordance with the Financial Regulation.

Expert support will be needed for the implementation and evaluation of the Programme. This will mainly include:

- Monitoring the implementation at Programme and project level.
- Assessing the results/impact /sustainability of the project results.
- Support for the co-ordination and coherency of the Phare drug related activities at national and regional level in the candidate countries in central and eastern Europe.
- Technical advice as regards the transposition of the EU Acquis and the development of institution building support in the candidate countries.

\(^2\) Preliminary consultations have taken place with the UK Customs and Eurocustoms for the implementation of the Project for strengthening the cross-border co-operation in drug law enforcement. For the New Synthetic Drugs Project commitment has been obtained from a Consortium led by the Ministry of Justice of the Netherlands, which also includes partners from Bundeskriminalamt, Wiesbaden, Germany, Rikspolisstyrelsen, Stockholm, Sweden, National Criminal Intelligence Service, London, UK, the National Unit for Synthetic Drugs, Eindhoven, the Netherlands, and the ELEC Belgium. For the Regional Anti Money Laundering Project the Dutch Ministry of Justice has expressed interest in implementing the project with partner FIUs from the EU Member States.
• Technical advice for the development and implementation of the ‘Action Plan on Drugs’ with the candidate countries and regular updates of the legal and institutional responses in the candidate CEECs in the framework of the EU Action Plan on Drugs.
• Providing support for a continuing networking and information exchange with the CEECs, EU Member States and other interested interlocutors.

9.2 Monitoring and evaluation

The Commission will monitor the Programme directly, assisted by Project Steering Committees (PSC). The PSCs will be chaired by the Commission and their composition will encompass a partnership approach and full transparency. The role of the PSCs will be to assess the progress made towards achieving project objectives. The assessment will be done through project reports, field visits and the steering committee meetings. The PSCs will have the following main tasks: (a) to review reports on the implementation and progress of the project; (b) to closely monitor the results and impact of project activities; (c) to propose possible changes in the workplan; (d) to identify eventual obstacles at both technical and political level that could delay or otherwise hamper the project implementation, and to propose appropriate measures to remove or overcome them.

The reporting is the main tool for planning, monitoring and assessment; therefore, a flexible and dynamic reporting system will be introduced, but will include an inception report, quarterly progress reports, pre-activity and activity reports and a final report. All reports will follow the Logical Framework Approach, linking the project objectives to expected results and the activities needed in order to achieve the results. Each project will specify from the onset verifiable direct and indirect indicators, which will allow measurement of the extent to which expected results have been delivered and assessment of the progress made towards the achievement of objectives. The indicators will specify the target group, the time and location and will be quantitative and qualitative (measurable as much as possible).

The implementation timeframe of the Regional Drugs Programme (2001-2004) will allow its simultaneous evaluation as a part of the international actions foreseen by the EU Action Plan on Drugs 2000-2004. Therefore, the evaluation reports of the Programme will constitute an integral part of the mid-term and final evaluation of the current EU Drugs Strategy.

A Programme evaluation strategy will be elaborated prior to commencing the projects and will draw on expertise from the EMCDDA, Europol, the Member States and CEECs to identify measurable targets. This will include evaluation at a regional, sub-regional and at country level wherever appropriate. As a rule, evaluation will comprise two components examining the implementation process and the Programme results (i.e. process and outcome evaluation). In order to record the generalisation of the programme effects, impact evaluation will be performed as much as possible.

A small evaluation group, independent from the Programme implementation, will be set up in addition to the in-built evaluation component of each project. The evaluation group will produce annual evaluation reports, which will contain strategic and operational recommendations (i.e. the evaluation reports will have formative elements).