

## Project outline: PACO – Proceeds

Version of 1 Feb 2001

Project title:	PACO – Confiscation of proceeds from crime
Duration:	February 2001 – December 2001
Project area:	South-eastern Europe
Implementing agency:	Economic Crime Division/ Directorate General I – Legal Affairs / Council of Europe
Inputs required:	EURO 250 000
Sources of funding:	Voluntary contributions to PACO

### PROBLEM TO BE ADDRESSED

The importance of targeting proceeds from crime in efforts against corruption, organised crime, money laundering is now widely recognised. This is reflected in relevant European instruments as well as in the initiatives of the Stability Pact against corruption (SPAI) and organised crime (SPOC).

The legislation of most countries provides for the possibility to confiscate proceeds from crime. This includes countries from South-eastern Europe. However, these provisions are rarely applied in practice or in the spirit of the Strasbourg Convention (ETS 141). This issue has been raised in several reports of the Council of Europe's money laundering evaluation mechanisms (PC-R-EV). There are many reasons for this:

<i>Core problem</i>	Legal provisions on the confiscation of proceeds from crime are not applied			
<i>Causes</i>				
Criminal investigations are not accompanied by financial investigations; criminal assets are not systematically targeted	Lack of experience of judges, prosecutors, police in application of laws	Seizure and confiscation are risky	Procedures for freezing and seizure too slow, thus preventing subsequent confiscation	Legislation not clear, insufficient
Lack of expertise within police, prosecution, judiciary and lack of inter-agency cooperation		Duration of proceedings, risk of compensation claims	International cooperation in freezing and seizure slow and inefficient	
Philosophy on confiscation based on convictions rather than criminal assets		No obligation to seize and confiscate	Issue of assets sharing unresolved	

The Council of Europe proposes a project under the "Programme against corruption and organised crime in South-eastern Europe" (PACO) to address this issue and thus to contribute to the implementation of the Stability Pact Anti-corruption Initiative (SPAI) and the Stability Pact Initiative against Organised Crime (SPOC).

## **PARTICIPANTS**

Participants representing ministries of (1) Justice and (2) Interior/the police, (3) the prosecution, (4) judicial training institutions and (5) law enforcement training institutions from each of the following countries:

Albania, Bosnia and Herzegovina, Bulgaria, Croatia, "The former Yugoslav Republic of Macedonia" , Moldova and Romania and the Federal Republic of Yugoslavia.

## **OBJECTIVES AND EXPECTED RESULTS**

The overall objective of this project is to enhance the application of legal provisions on confiscation of proceeds from organised crime, corruption and money laundering.

The objective of this first project phase is **to elaborate detailed recommendations for legislative and institutional reforms as well as training programmes.**

This objective will be achieved through the following outputs and activities which include two regional workshops and two study visits:

Output 1: Training programmes for judges, prosecutors, police and other law enforcement officers will have been elaborated

### Activities:

- Establish a working group in each country consisting of representatives of judicial and law enforcement training institutions, the prosecution and the ministries of justice and interior.
- Review training needs on the basis of a questionnaire and a regional workshop (Workshop 1).
- Study the training experience and curricula of other European countries through study visits to two countries (Study visits 1 and 2).
- Elaborate training proposal for integration in national training structures as well as for international assistance in this matter (by each working group as well as in the second regional workshop) (Workshop 2).

Output 2: Proposals for legislative and institutional reforms elaborated

### Activities:

- Review the current legislative and institutional framework (in each country by the above working group and in the first regional Workshop 1).
- Study the experience of other European countries (Study visits 1 and 2).
- Elaborate proposals (by each working group and in regional Workshop 2).

Although this project will itself result in specific outputs, it is anticipated that this first phase will be followed by a second phase during which the implementation of legislative and institutional reform as well as training programmes would be supported.

## IMPLEMENTATION

The project will be implemented by the Economic Crime Division (DG 1 – Legal Affairs) of the Council of Europe with the support of three experts as resource persons.

Date	Activity	Responsibility
Feb 2001	Letter by Council of Europe informing countries from South-eastern Europe about the project and requesting the creation of a working group	Council of Europe
Feb 2001	Working groups established in each country	Each country
April 2001	Design and circulation of the questionnaire	Council of Europe and resource experts
June 2001	First regional workshop in Romania	Including 5 participants from each participating country (the members of the working group) and resource persons
Sep/Oct 2001	Study visits (destinations to be determined)	The 5 participants from each country will be divided into two groups for this purpose. Each group will participate in one study visit.
Nov 2001	Second regional workshop (location to be determined)	Including 5 participants from each country (members of the working group) and resource persons

It is important that the same members of the working group from each country participate throughout the project. The three experts serving as resource persons will be available for information or other support also between the workshops and study visits.

## INPUTS

Short-term experts (including travel and participation in workshops)		
Regional workshop 1 (per diems and travel for 43 participants, including interpretation and miscellaneous workshop related cost)		
Regional workshop 2 (as above)		
Study visit 1 (including per diems, travel, interpretation and miscellaneous cost)		
Study visit 2 (as above)		
Other cost and contingencies		
<b>Estimate in EURO</b>	<b>TOTAL</b>	<b>250 000</b>

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