

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL
INTERIM REPORT
On Progress in Romania under the Co-operation and Verification Mechanism**

2. JUDICIAL REFORM AND THE FIGHT AGAINST CORRUPTION: SUMMARY OF DEVELOPMENTS IN THE LIGHT OF THE COMMISSION'S RECOMMENDATIONS

Romania's response to the Commission's recommendations shows several developments. The new civil code entered smoothly into force in October 2011 and the civil procedure code is foreseen to follow in June 2012. The acceleration of highlevel corruption trials by the High Court of Cassation and Justice has helped to respond to the Commission's recommendation concerning the risk of some high level corruption cases reaching statute-barred periods. This could have a longer-term impact in terms of streamlining the judicial process and securing timely final court decisions. Draft legislation on extended confiscation has made progress in Parliament.. **Draft legislation on extended confiscation has made progress in Parliament. The National Anticorruption Directorate (DNA) and the National Integrity Agency (ANI) have continued to carry forward a series of important cases, including with regard to a significant number of senior politicians and officials. (...).**

3. UPDATE ON THE STATE OF PLAY

Fight against Corruption

In order to improve the effectiveness of the implementation of integrity policies, the Commission recommended to Romania to demonstrate a track-record of sanctions in follow-up to decisions of the National Integrity Agency (ANI), to improve and unify practice of Wealth Investigation Commissions and to improve the investigative capacity of ANI and its cooperation with other institutions.

Since the Commission's last report, the National Integrity Agency (ANI) has received a significant increase in its budget and attracted substantial EU funds to improve its information system and procedures. ANI concluded a number of cooperation agreements with other institutions and carried out a first targeted risk assessment and large-scale checks regarding conflict of interest in public procurement on local and regional level.

The track record of ANI has developed further in recent months. Under its new legal basis, since 2010 ANI has identified 18 cases amounting to a total of EUR 5.7 million of potential unexplained assets, 23 cases of administrative conflict of interest and 118 cases of incompatibilities. The judicial and administrative follow-up to these cases has been mixed. In two first cases which were raised by ANI under its old law, final decisions by the High Court confirmed the existence of unjustified assets and ordered their confiscation. As a result of findings of incompatibility issued under the new law, one holder of public office was dismissed, sanctions were applied in two other cases and six other holders of public office resigned.

A host of other cases, in particular cases related to conflict of interest, are still pending before judicial authorities. The process has been complicated by the establishment of the Wealth Investigation Commissions, created in August 2010 as an intermediary between ANI and the courts. Common

guidelines or rules of procedure aimed to improving the efficiency of proceedings and unifying practice are currently being developed. A number of training seminars have been carried out in recent months to encourage best practice. A test case will still need to be decided by courts in order to establish whether or not ANI has the power to launch an appeal against the dismissal ordinances issued by the Commissions.

The potential dissuasive effect of ANI cases is hindered by the delays and lack of consistency in the judicial and administrative follow-up to ANI cases. Attempts at reopening ANI's legal and institutional independence have also diverted attention from consolidating ANI's track record. The forthcoming appointment of a new ANI President provides an opportunity to underline ANI's institutional stability and integrity. (...).

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