

## STANDARD TWINNING LIGHT PROJECT FICHE

### Support for efficient prevention and fight against fraud and irregularities of EU funds

#### 1 Basic Information

- 1.1. Publication reference: EuropeAid/137526/ID/ACT/MK
- 1.2. Programme: IPA 2011
- 1.3. Twinning Number: MK 11 IB FI 03 TWL
- 1.4. Title: Support for efficient prevention and fight against fraud and irregularities of EU funds
- 1.5. Sector: Justice, Home Affairs and Fundamental Rights
- 1.6. Beneficiary Country: Beneficiary country<sup>1</sup>

#### 2 Objectives

##### 2.1 Overall Objective(s):

To strengthen the national capacities for protection of EU financial interests and cooperation with the European Anti-Fraud Office (OLAF).

##### 2.2 Project purpose:

The project purpose is to improve the strategic, legislative, institutional framework and methodology for more efficient fight against fraud and irregularities of EU funds. Also, the aim of the project is to strengthen the leading co-ordination role of the AFCOs Dept. at Financial Police and to enhance the analytical and investigative skills of the staff for prevention, detection and fight against fraud and irregularities.

##### 2.3 Contribution to the National Development Plan/Cooperation Agreement/Association Agreement/Action Plan

##### Link with AP

Justice, freedom and security is the key priority of the Accession Partnership (AP) and key strategic priority of the Government for the period 2012-2014 under the rule of law enforcement. The project is in line with the Accession Partnership, which outlines the importance of continuing the implementation of a set of action-oriented measures for the fight against organized crime. The Accession Partnership stipulates the provision of adequate funding and training required for implementation of the police reform, strengthened coordination and cooperation both among police bodies and among the police and other law enforcement agencies and strengthened cooperation between the criminal police and the public prosecutors.

##### Link with NPAA

<sup>1</sup>As per Financing Agreement signed between the Government of the Beneficiary Country and the European Commission concerning National Programme for Component 1 for 2011 under the Instrument for Pre-accession Assistance, signed on 20 November 2012

The National Programme for Adoption of the Acquis Communautaire 2015 further outlines the efficient implementation of the fight against financial crime and frauds of EU funds through efficient implementation of the new legislative solutions and inter-institutional cooperation, as well as the efficient implementation of the 2014-2016 Financial Police Strategic Plan, 2014-2016 Customs Administration Strategic Plan 2014-2016 and 2014-2016 MOI Strategic Plan.

#### **Link with HLAD**

**High-level pre accession dialogue** with Roadmap for its implementation was established in March 2012, thus introducing new dynamics in the reform process for accession in the EU by boosting the trust and increasing the European perspective of the country. One of the key challenges is **Rule of law**, which was specified as goal for the reforms in the future period. The dialogue focuses on the new activities that shall be conducted in the framework of the new approach of the European Commission by setting the technical dialogue on the level of approximation in the framework of Chapter 23 and Chapter 24.

#### **Link with SAA**

The project will contribute towards the implementation of the commitments from the **Stabilization and Association Agreement**, notably Article 74, Article 78 which stipulate the parties' agreement to cooperate in the fight and prevention of criminal and illegal activities organized or otherwise, and Article 105 regarding the overall objectives of the assistance, in the form of institution-building and investment for contribution to the democratic, economic and institutional reforms of the country, in line with the Stabilization and Association process.

### **3 Description**

#### **3.1 Background and justification:**

##### **3.1.1 Institutional frame**

Strengthening the legal state and rule of law and consistent respect for human rights is one of the key priorities of the country which builds on the policy to achieve its full integration in EU.

Accordingly, the **Work Program of the Government** for the period 2011–2015 is committed to “Uncompromising fight against corruption and crime and efficient law implementation by undertaking thorough reforms in the judiciary and public administration”.

The general legal framework regulating financial crime and frauds of EU funds in the Beneficiary Country is comprised of the following laws: the Criminal Code, the Law On Criminal Procedure which stipulated a shift to a more *prosecutor-led investigation* and a more *adversarial system* of handling evidence at trial, the Law on Financial Police, the Customs Law, Police Law and other laws relevant to the issues of financial crime and frauds of EU funds. The normative framework also includes the international agreements ratified by the Beneficiary Country, such as the COE European Convention on Mutual Assistance in Criminal Matters ratified in 1999 and its Second Additional Protocol; the Council of Europe Convention on Money Laundering, Seizure and Confiscation of the Proceeds from Crime ratified in 2000; the UN Convention on Transnational Organized Crime ratified in 2004 (UNTOC); the UN Convention against Corruption ratified in 2007 (UNCAC).

With regard to fraud and irregularities of EU funds, the national legal framework is comprised of the following acts:

- The Framework Agreement between the Government of the Beneficiary Country and the Commission of the European Communities on the rules for co-operation concerning EC financial assistance to the Beneficiary Country in the framework of implementation of the assistance under the Instrument for Pre-accession Assistance (IPA), ratified by the Assembly of the Beneficiary Country on January 30, 2008 (Official Gazette of the Beneficiary Country No. 18/08 of 05.02.2008);

- Framework Agreement between the Beneficiary Country and the European Commission on the arrangements for implementation of Union financial assistance under the Instrument for Pre-accession Assistance (IPA II)
- Sectoral Agreement between the Beneficiary Country and the Commission of the European Communities on the rules for co-operation concerning EC Financial Assistance to the Beneficiary Country and the Implementation of the assistance under component V (IPARD) of the Instrument for Pre-accession Assistance (IPA);
- Decree on Determining the Mutual Relations of the Bodies and Structures for Decentralised Management of the First Four Components under the EU Instrument for Pre-Accession Assistance (IPA) (Official Gazette No. 132/2008 of 21 October 2008)
- Decree on Determining the Mutual Relations of the Bodies and Structures for Fully Decentralised Management of the Fifth Component of the Instrument for Pre-Accession Assistance of the European Union (IPA), No. 19-5738/1, adopted at the Government Session held on 6 November 2008 (OG No.144/2008)
- The Decree on the procedure for the prevention of irregularities, the manner of cooperation, format, contents, terms, and the way of reporting irregularities, was adopted by the Government of Beneficiary Country.

Financial Police Office (FPO) has the competence to conduct financial controls, monitor the implementation of tax, customs and other regulations concerning finance; collect and analyse data on cash transactions; undertake investigations and other measures when there is reasonable suspicion for organized financial crime; follow the money trail regarding offences as specified by law, including significant amounts of large scale; discover and document criminal acts primarily in the area of organized financial crimes, for which the prosecution is ex officio, such as tax evasion, money laundering, and other proceeds, tax, banking, insurance, stock exchange, customs and other frauds, corruption, abuse of function etc.; as well as making comparisons of forensics; and filing criminal charges to the Public Prosecution Office as part of its competence.

Upon signature of the Framework Agreement between the Beneficiary Country and the European Commission on cooperation in terms of financial assistance of the European Commission to the Beneficiary Country within the implementation of assistance under the Instrument for Pre-Accession Assistance (IPA), the national authorities decided to establish the OLAF contact point in the Financial Police.

In accordance with the Law on Financial Police, the Financial Police is given the authorisation in the field of protection of EU financial interests and cooperation with OLAF. The Act of Organization of the Financial Police Office of 2011 establishes the Unit for international cooperation, European integration and investigations of irregularities-AFCOS. Furthermore, the Decree on the Procedure for the Prevention of Irregularities, the Manner of Cooperation, Format, Contents, Terms, and the Way of Reporting Irregularities adopted in 2011, also designates the Unit for international cooperation, European integration and investigations of irregularities to act as a contact point with OLAF. The Unit is staffed with three employees – Head of Unit and two inspectors. The functions of this unit, according to the Act of organizations, refer to taking pre-investigative measures for cases reported by NAO (reports of irregularities), cooperation with NB Interpol –Skopje and other institutions regarding all matters of cooperation with the police, follow up on all processes related to the European integration of the Beneficiary Country regarding Chapter 24- Justice, Home affairs and Fundamental rights, Chapter 23- Anti-Corruption polices and Chapter 32- Financial control related to the authorization of FPO by law and bringing criminal charges to the Public prosecutor office.

Since 2010, the following crime “Fraud to the detriment of the funds of the European community” was introduced in the Criminal Code of the Beneficiary Country.

The Framework Agreement between the Beneficiary Country and the European Commission on cooperation in terms of financial assistance of the European Commission to the Beneficiary Country within the implementation of assistance under the Instrument for Pre-Accession Assistance (IPA), defines the system for reporting irregularities in the use of Pre-Accession Assistance. According to the Framework Agreement, the National Authorizing Officer is responsible for ensuring the identification and immediate communication of any irregularity to the Commission. For that purpose, (NAO) established a system for preventing, detecting, recording and reporting, as well as correction of the identified irregularities in the implementation of the Instrument for Pre-Accession Assistance (IPA). This is regulated in the mutual Agreements – Implementing Agreement between NAO and HOS/PAO and Operational Agreements between HOS/PAO and SPO/IPA Coordinator. The procedures for preventing, detecting, recording and reporting, as well as correction of the identified irregularities are adopted by the SPOs/IPA Coordinators, HOS/PAO and NAO as part of their respective Manual of Procedures, and accredited by the European Commission consequently by adopting the Decisions for transfer of management powers.

Memorandum of Understanding on Preventing, Investigating and Reporting Irregularities in the Implementation of the Instrument for Pre-Accession Assistance (IPA) funds was signed in 2009 between the Anti-Fraud Co-ordination Service within the Financial Police and the National Authorising Officer. This MoU defines the relations concerning prevention, detection, reporting and investigating irregularities between the two institutions, based on which the job descriptions for the AFCOS Unit were later prepared. The system is defined for NAO to gather all information concerning irregularities and then inform AFCOS. On behalf of AFCOS, FPO signed Agreement concerning EU financial interests with the Audit Authority for IPA and other agreements with other institutions of general scope, not specific related to EU funds. However, the operational cooperation of AFCOS and its partner institutions (OLAF, Public prosecutor office, Audit authority, and other institutions, etc.) needs to be strengthened and respective cooperation agreements need to be signed and implemented.

The system of management of irregularities concerning EU funds in the beneficiary country was accredited by the European Commission with the Decisions for Conferral of management powers for IPA implementation, but audit reports have repeatedly recommended improvements. The EC Progress report for 2014 recommended strengthening of the system of protection of EU financial interests both in Chapter 22 and in Chapter 32. It also included a necessity of a national strategy for 2014-2016 for protection of the financial interests of the EU.

Although the legal framework concerning the system for fight against fraud and irregularities of EU funds is already in place, the legal framework for preventing and detecting irregularities, fraud and other illegal activities need to be assessed in view of the OLAF Regulation<sup>2</sup> which entered into force on 1 October 2013 and other relevant EU legislation. Based on the assessment, further improvements of the legal framework need to be undertaken in order to comply with the EU requirements, while the capacities of the implementing structures and relevant authorities need to be strengthened in order to ensure provision of quality information transmitted to OLAF in this area, especially given the coordination role of AFCOS.

### *3.1.2 Current state of play*

According to the accredited system for management and implementation of IPA in the Beneficiary country, the reports on irregularities to the European commission and OLAF are submitted by NAO. In undertaking this responsibility, NAO is supported by the NAO Support Unit, within the IPA Funds Management Department. NAO Support Unit is staffed with 10 employees, out of which one is responsible for support in regard to the irregularity management.

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<sup>2</sup>Regulation (EU, EURATOM) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999, OJ L 248/1, 18.9.2013

Under IPA 2007-2013 (decentralized and fully decentralized system) and on the basis of the Framework Agreement between the Beneficiary Country and the European Commission concerning IPA, irregularity officers were appointed in all institutions (National Fund, CFCD, IPARD Agency, IPA structures in line Ministries/Beneficiary institutions). The tasks of the irregularity officers are described in the respective internal manual of procedures at all levels. Therefore, the irregularity management procedure is described in the SPO/IPA Coordinator Manual, CFCD Manual, IPARD Agency Manual, and Manual of the NAO/IPA Funds Management Department.

In accordance with the established procedures, the Irregularity Officers prepare a Report on irregularities for the respective institution and submit the report to HOS/PAO/NAO, based on the facts and evidence at disposal along with the supporting documentation.

NAO receives reports on all suspected and/or actual cases of fraud and/or irregularity as well as measures related thereto.

Once the reports are received, NAO organises a consultative meeting with the Financial Police Office - AFCOS, which is in charge of investigating the irregularities. A common decision is made about any further actions that need to be taken. AFCOS, under its competences, shall initiate the investigation. AFCOS shall collect information, data, documents and evidences about particular cases of irregularities and based on the evidence for a reasonable doubt of a committed crime, shall bring criminal charges to the Public Prosecutor of the Beneficiary Country

According to the guidelines, NAO submits the Irregularity Reports to OLAF and the respective Directorate General in the Commission, on quarterly basis, as well as copy to AFCOS.

NAO and AFCOS as well as the relevant institutions where the irregularities were detected hold irregularity panels on quarterly basis in order to ensure effective and efficient measures as well as actions for resolution of irregularities. The panels are organised with the purpose to coordinate the activities in relation to the irregularities, share information and agree the further actions that need to be taken regarding the detected irregularities. The regular meetings and their purpose are defined in the Memorandum of Understanding on Preventing, Investigating and Reporting Irregularities in the Implementation of the Instrument for Pre-Accession Assistance (IPA) funds. This MOU was signed between the Anti-Fraud Co-ordination Service within the Financial Police and the National authorized officer.

In June/July 2015, the National Authorising Officer submitted the Request for Budget Implementation Tasks for IPA II (2014-2020) for the 2014 Programmes and Multi-annual Programmes. Having in mind the Framework Agreement for IPA II, NAO has modified the procedures for reporting of irregularities, according to the provisions in ANNEX H - Reporting on suspected fraud and other irregularities concerning the Instrument for Pre-accession Assistance (IPA II) of the Framework Agreement

In 2013, ten reports on irregularities regarding the utilization of the pre-accession assistance from EU were submitted by the NAO to the AFCOS within the Financial Police. Most of them (nine) refer to irregularities in the use of pre-accession assistance from the IPARD component. One report refers to the IPA IV component – Human Resources Development.

The submitted reports on irregularities were subject of criminal investigation by the Financial police in order to determine the elements of the criminal act "Fraud to the detriment of the European Community", stipulated and punishable under Article 249 –a of the Criminal Code of the Beneficiary Country

The Financial Police under Article 142, paragraph 12, in conjunction with Article 142 paragraph 2 of the Law on Criminal Procedure (Official Gazette of RM no.15 / 97 ... 67/09) and Article 32 paragraph 1 of the Law on Financial Police (Official Gazette of RM 55/07) submitted four (4) Special reports for further investigations to the Public prosecution office in Skopje.

In 2014, the National Authorizing Officer - NAO at the Ministry of Finance submitted three reports of irregularities in the use of funds from the EU pre-accession assistance to the Financial Police. All three reports refer to irregularities in the use of pre-accession assistance from the IPARD component.

The Financial Police conducted investigations on legal entities-suppliers of equipment which is financed by EU pre-accession assistance, whereby in one case established the grounds for prosecution, and submitted one special report to the Public Prosecution Skopje for further investigation.

In addition, on the basis of the information provided by the IPA Audit Authority, FPO undertook investigation and submitted one criminal charge to the Public Prosecutor Office according to the Article 249 –a of the Criminal Code of the Beneficiary Country.

The FPO undertook joint investigation measures with OLAF in one case funded by IPA.

The number of revealed and prosecuted high level cases of organized financial crime and frauds of EU funds remains low. The coordination and exchange of information in terms of repression of financial crime and frauds of EU funds (recent developments, modus operandi of perpetrators etc.) should be further enhanced. Cooperation among the relevant law enforcement agencies needs to be strengthened. The system of collection and processing of relevant data used to measure the extent and nature of fraud and irregularities of EU funds, and the effectiveness of anti-fraud measures need to be established. In addition, there should be a proper connection established for electronic reporting of irregularities to the Irregularity Management System (IMS) established within OLAF.

**Title: “Enhancing the capabilities for financial investigations”**

**Donor: British Embassy**

**Value: GBP 20,000**

**Duration: December 2013- March 2014**

**Description: Strengthening the national capacities for financial investigations (Financial Police Office and Public Prosecutor Office).**

**Title: Visit to the Headquarters of the Italian Financial Police and Tax School**

**Donor: EU - TAIEX**

**Duration: October 2014- three days**

**Description: Study visit for the employees from the Financial Police Office to the Italian Financial Police**

**Title: Visit to the DLAF-Romanian agency for fight against frauds and irregularities**

**Donor: EU - TAIEX**

**Duration: September 2014 - four days**

**Description: Study visit for employees from the Financial Police Office to DLAF – Romanian agency for fight against frauds and irregularities.**

### **3.2 Results:**

#### **Mandatory result 1: Improved national legal framework for fight against fraud and irregularities of EU funds**

The mandatory result shall be achieved through the following intermediary results:

- 1.1 Analysis and assessment of legislative framework for a more efficient fight against fraud and irregularities of EU funds conducted.

1.2 Improved national legislation for fight against fraud and irregularities of EU funds, in line with the relevant EU legislation;

1.3 Strategic approach in the state policies for protection of EU financial interests introduced.

**Measurable indicators:**

1. Prepared assessment report of the legislative framework for fight against fraud and irregularities of EU funds for compliance with the relevant EU legislation (assessment should be made in view of the OLAF Regulation 883/2013, the Framework Agreement between the Government of the Beneficiary Country and the Commission of the European Communities on the rules for co-operation concerning EC financial assistance to the Beneficiary Country in the framework of implementation of the assistance under the Instrument for Pre-accession Assistance (IPA) (applicable for IPA 2007-2013)<sup>3</sup> and Framework Agreement between the the Beneficiary Country represented by the Government of the Beneficiary Country and European Commission on the arrangements for implementation of Union financial assistance to the Beneficiary Country under the Instrument for Pre-accession Assistance (IPA II) (applicable for IPA 2014-2020) and other relevant EU legislation);
2. Prepared recommendations for improvement of the legal framework for fight against fraud and irregularities of EU funds;
3. Drafted amendments of the legislation for fight against fraud of EU funds and irregularities;
4. Drafted strategy for protection of EU financial interests on national level, along with action plan for its implementation.

**Mandatory result 2: Strengthened capacity of the national institutions for fight against fraud and irregularities of EU funds**

The mandatory result shall be achieved through the following intermediary results:

- 2.1. Conducted analysis and assessment of institutional and administrative framework and existing practices for a more efficient fight against fraud and irregularities of EU funds;
- 2.2. Improved national procedures for fight against fraud of EU funds and irregularities, based on the assessment;
- 2.3. Identification of fraud risk at all levels within the indirect system for implementation of the EU funds and proposal for effective and proportionate anti-fraud measures, thus taking into account the identified risks;
- 2.4. Enhanced capacity of the national institutions dealing with fight against fraud and irregularities of EU funds for implementation of the developed procedures;
- 2.5. Analytical and investigative techniques and tools for prevention, detection and fight against fraud and irregularities of EU funds upgraded and introduced in practice;

**Measurable indicators:**

1. Prepared assessment report with written recommendations for improving the institutional and administrative framework for fight against fraud and irregularities of EU funds (the assessment should be made in view of the OLAF Regulation 883/2013 and other relevant EU legislation and should also include risk assessment in the field of fight against fraud and irregularities of EU funds);
2. Drafted procedures/operational instructions/guidelines for application of analytical and investigative techniques and tools for prevention, detection and fight against fraud and irregularities of EU funds.

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<sup>3</sup><http://cfcd.finance.gov.mk/wp-content/uploads/2013/07/Framework-Agreement.pdf>

3. Risk assessment of the system in the field of fight against fraud and irregularities of EU funds conducted;
4. Conducted training needs assessment of the national institutions dealing with fight against fraud and irregularities of EU funds related to implementation of developed procedures;
5. Prepared training program, curricula and training materials based on the training needs assessment;
6. Number of trained staff from the national institutions dealing with fight against fraud and irregularities of EU funds;
7. Recommendations based on EU MS best practices on electronic reporting of irregularities to the IMS to be established within OLAF.

**Mandatory result 3: Strengthened cooperation within the system for fight against fraud and irregularities of EU funds**

The mandatory result shall be achieved through the following intermediary results:

- 3.1 Enhanced cooperation between relevant institutions in preventing and fighting against fraud and irregularities of EU funds, including sharing information and conducting joint operations;
- 3.2 Improved network of institutions with competences for fight against fraud and irregularities of EU funds and determining the mutual relations among them;
- 3.3 Improved monitoring of the effectiveness of the system for fight against fraud and irregularities of EU funds.

**Measurable indicators:**

1. Prepared proposal for coordination mechanism of the system for irregularities, based on the assessment of the legal and institutional framework with focus on the coordinative role of AFCOS;
2. Drafted Memorandums for cooperation between AFCOS and other relevant bodies and institutions of the system for fight against fraud and irregularities of EU funds, including sharing information and conducting joint operations;
3. Assessment conducted of the system for sharing information between NAO and AFCOS and prepared procedures for improvement of the reporting lines;
4. Methodology for gathering and processing statistical data with indicators for monitoring, measuring and assessing the effectiveness of fight against fraud and irregularities of EU funds prepared and presented to the beneficiaries.

**3.4 Activities**

The Twinning project shall be implemented through joint cooperation between the beneficiary country administration and relevant MS institution(s). The selected MS shall transfer the requested hands-on expertise from the public sector to the Beneficiary Country, and shall provide support for introduction and sharing of EU wide best practices in connection with the Community legislation and the specific needs of the Beneficiary Country in the field of fight against fraud and irregularities of EU funds. These are aimed to achieve the Results specified in the present Twinning Fiche.

**1. Activities related to mandatory result 1:**



- 1.1 To conduct analysis and assessment of legislative framework and existing practices for a more efficient fight against fraud and irregularities and prepare a report with written recommendations for improving the legislative framework based on EU best practices; The assessment and recommendations should be made in view of the OLAF Regulation which entered into force on 1 October 2013, the Framework Agreement between the Government of the Beneficiary Country and the Commission of the European Communities on the rules for co-operation concerning EC financial assistance to the Beneficiary Country in the framework of implementation of the assistance under the Instrument for Pre-accession Assistance (IPA) (applicable for IPA 2007-2013) and Framework Agreement between the Beneficiary Country represented by the Government of the Beneficiary Country and the European Commission on the arrangements for implementation of Union financial assistance to the Beneficiary Country under the Instrument for Pre-accession Assistance (IPA II) (applicable for IPA 2014-2020) and other relevant EU legislation.
- 1.2. To support the drafting of amendments to the legislation for fight against fraud and irregularities of EU funds, based on the conducted assessment;
- 1.3 To support the drafting of a strategy for protection of EU financial interests on national level, along with action plan for its implementation;
- 1.4 To organize a conference/round table discussion on the draft strategy for protection of EU financial interests with EU OLAF participation.

## **2 Activities related to mandatory result 2:**

- 2.1. To conduct assessment of the institutional framework for fight against fraud and irregularities of EU funds and to prepare report along with written recommendations for improvement of the functions and performance of AFCOS, including improvement of the coordination role of AFCOS based on EU best practices. The assessment should also include a risk assessment in the field of fight against fraud and irregularities of EU funds;
- 2.2. To improve the procedures for fight against fraud and irregularities of EU funds, based on the conducted assessment;
- 2.3. To advise and assist in conducting risk assessment of the system for fraud and irregularity and to propose effective and proportionate anti-fraud measures, thus taking into account the identified risks;
- 2.4. To support the drafting of operational instructions/guidelines for application of analytical and investigative techniques and tools for protection, detection and fight against fraud and irregularities of EU funds for AFCO staff and irregularity officers;
- 2.5. Training needs assessment for the national institutions (AFCOS staff, irregularity officers, MF, IPA Audit authority )dealing with fight against fraud and irregularities of EU funds related to prevention, detection, investigation, prosecution and analytical and investigative techniques and tools for detection and fight against frauds of EU funds;
- 2.6. To prepare training program, curricula and training materials;
- 2.7. To organize workshops on the following topics:
  - General legislative, administrative and operational aspects of the system for protection of EU financial interests.(one workshop - approximately 25 persons )
  - Prevention, detection and reporting of irregularities, for irregularity officers within the IPA OS (at last two workshops, approximately 25 persons per workshop)

- Investigation, including analytical and investigative techniques and tools for detection and fight against fraud and irregularities of EU funds, for Judiciary Police (one workshop, approximately 25 persons)
- Prosecution of frauds of EU funds for Basic Public Prosecution Office (one workshop approximately 25 persons).

2.8 To organise a study visit for employees (indicatively 12 persons) from the FPO - AFCOS and other key institutions involved in the system for protection of EU interests. The objective of the study visit will be to get acquainted with the best practices in similar institutions in relevant EU Member State institutions dealing with prevention, detection, investigation, prosecution of fight against fraud and irregularities of EU funds, to get acquainted with the functioning of the system for protection of EU financial interests;

2.9 To recommend manner of improvement of reporting of irregularities in IMS of OLAF;

2.10 To draft brochures for raising the public awareness concerning anti-fraud measures.

### **Activities related to mandatory result 3:**

3.1 To prepare proposal for coordination mechanism of the system of irregularities, based on the assessment of the legal and institutional framework;

3.2 To support the drafting of Memorandums for cooperation between the FPO - AFCOS and other relevant bodies and institutions in the system for fight against fraud and irregularities, including sharing of information and conducting joint operations;

3.3 To re-assess the communication line between NAO and AFCOS and prepare amendment to the Memorandums for cooperation, if necessary;

3.4 To advise and assist in the development and drafting of methodology for gathering and processing statistical data with indicators for monitoring, measuring and assessing the effectiveness of the fight against fraud and irregularities.

### **3.5 Means/ Input from the Member State Partner Administration:**

The project will be implemented in the form of a Twinning Light contract envisaged to provide exchange of experience and know-how with a MS Institution with good practice in the stated project activities. The Twinning Partner shall provide adequate team of experts– one MS Project Leader, responsible for the overall coordination of project activities and a pool of Short Term Experts (STEs) with suitable knowledge to carry out the activities described.

The proposal of the interested MS Partner Institution shall include CV's of the designated Project Leader and the proposed Short-term Experts as well as the specific tasks to which they will be assigned to.

The MS Partner Administration should demonstrate experience in delivery of services in the relevant project fields mentioned above. This experience should be described in the proposal.

#### **3.5.1 Profile and tasks of the Project Leader**

The Project Leader from the Member State must be a high-ranking public servant of a Member State administration or equivalent staff, but preferable the Head of a body dealing with fight against fraud and irregularities of EU funds of the Member State, with relevant work experience of at least 5 years. The MS Project Leader will manage the implementation of the project with the Project

Leader from the Beneficiary Country. The Project Leader will ensure his/her ability to mobilise the necessary staff in support of the efficient implementation of the project. In addition, he/she should coordinate, on the Member State side, the Project Steering Committee (PSC).

The MS Project Leader will continue to work at his/her Member State administration but will devote some of his/her time to conceive, supervise and co-ordinate the overall thrust of the Twinning Project, and ensure the attainment of the projected outputs. The Project Leader is fully responsible for co-ordination of the work of the experts.

As a minimum, the Project Leader should be able to dedicate to the project at least 3 days per month, with at least 3 on-site visits. He/she will be supported by his/her Member State administration for logistics, accounting and administrative affairs.

#### **Profile of Expert 1 (Project Leader) - Requirements:**

- At least a University degree<sup>4</sup> in the area of public administration or other areas relevant to the project;
- Be a high-ranking public servant of a Member State administration or equivalent staff;
- At least 5 years of relevant experience in the field of implementing EU legislation in the area of protection of EU financial interests;
- Experience in implementation of similar EU funded projects in the area of fight against financial crime and frauds of EU funds would be considered as an asset;
- Fluent written and spoken English.

#### **Tasks of the Project Leader**

- Coordinate and monitor the overall implementation of the project with the Beneficiary Country Project Leader;
- Co-ordinate MS experts' work and availability;
- Communicate with the beneficiary, CFCD and EUD;
- Ensure the backstopping functions and financial management;
- Co-chair, with the Beneficiary Country Project Leader, the regular Steering Committee meetings;
- Preparation of inception and final report; and
- Guarantee the achievement of mandatory results from the MS administration side.

#### **3.5.2 Profile and tasks of the RTA**

N/A

#### **3.5.3 Profile and tasks of the Short-Term Experts (STEs)**

Other specialist staff will be made available by the Twinning Light Partner to support the implementation of activities. The proposed pool of short-term experts is expected to cover all relevant areas targeted under this project.

#### **Profile of the short-term experts-Requirements:**

- University degree<sup>5</sup> in public administration or another relevant to the project field;
- At least 3 years of working experience in the field of fight against fraud and irregularities of EU funds.

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<sup>4</sup> For reference on equivalent qualification see: EPSO website-Annex 1 (europa.eu/epso/doc/diplomes-fortheweb\_en.pdf)

<sup>5</sup> For reference on equivalent qualification see: EPSO website-Annex 1 (europa.eu/epso/doc/diplomes-fortheweb\_en.pdf)

- Be civil servants or equivalent staff seconded to work within departments/units dealing with fight against fraud and irregularities of EU funds;
- Experience in implementation of the relevant Regulations and/or other relevant EU legislation in the field of fight against fraud and irregularities of EU funds;
- Experience in coordination with OLAF would be considered as an asset;
- Fluency in English;

#### Tasks of the short-term experts

- Prepare and implement specific tasks in accordance with project activities, based mainly on practical cases and experience;
- Close cooperation with relevant institutions during implementation of project activities;
- Transferring knowledge and skills to the FPO - AFCOS and other relevant institutions' staff - exchange of experiences and best practices examples, in the area of fight against financial crime and frauds of EU funds;
- Conduct analysis/assessment of the national system for fight against financial crime and frauds of EU funds;
- Provide recommendations for changes of the existing legislative and institutional framework in line with OLAF Regulation, based on EU best practices;
- Provide practical expertise and advice in drafting the strategy for fight against financial crime and fraud of EU funds on national level;
- Prepare and implement training tasks based mainly on practical cases and experience;
- Organize a specific study visits agenda for the FPO and other relevant institutions staff.

## **4 Institutional Framework**

### **4.1 Beneficiary Institutions**

**The Financial Police Office (FPO) – AFCOS** is the main beneficiary of this Twinning Project. It was established in 2003. The **Financial Police Office** within the Ministry of Finance is a body with specific authorizations pursuant to the Law on Criminal Procedure, in charge of consistent application of the regulations, in particular in the field of financial, tax and customs operations, including authorisation in the field of protection of EU financial interests and cooperation with OLAF. As explained in section 3.1 Background and justification, the Unit for international cooperation, European integration and investigations of irregularities -AFCOS is established as a contact point with OLAF.

Other institutions involved in the project activities will be:

- **The Basic Public Prosecutor's office in Skopje.** The prosecutorial power is exercised by the Council of Public prosecutors, 22 basic public prosecutor's offices, 4 high prosecutor's offices and Public Prosecutor's Office and one Public prosecutor office for fight organized crime and corruption. The Basic Public Prosecutor's Office for Prosecuting Organized Crime and Corruption, has jurisdiction over the entire territory of the country.
- **The Ministry of Interior – Specialized Department for Organized Crime and Corruption;** AMOI, according to the Law on Criminal Procedure, also takes part in the judiciary police.
- **Customs Administration** of the Beneficiary Country takes measures to combat financial crime. Custom administration office, according to the Law on Criminal Procedures, also takes part in the judiciary police.
- **Financial Intelligence Unit (FIU).** The basic task of the Office is the financial monitoring, or to follow the path of money and prevent illegal money to be involved in legal financial transactions, as well as to detect and prevent terrorism.

- **Irregularity officers** within the respective line ministries which are beneficiaries of the Instrument for pre-accession assistance.
- **Irregularity officer of the Central Financing and Contracting Department/IPARD Agency.**
- **National authorizing officer (NAO).**
- **IPA Funds Management Department within Ministry of Finance.**
- **IPA Audit authority**

Given the wide scope of the activities foreseen under the Project, other relevant entities will also be involved during its implementation.

#### **4.2 Co-ordination mechanisms between institutions and departments**

The FPO - AFCOS will be directly responsible for co-ordination and management of the project and will support the Twinning Light project team in organizational and technical matters. Activities will be conducted in close cooperation with the respective Department and the CFCD.

A Project Steering Committee (PSC) will be established at the beginning of the project to monitor the implementation of the project. It will be comprised of senior representatives: the Beneficiary Country Project Leader, the Member State Project Leader, other representatives from MS and Beneficiary Country, the representatives from the Delegation of the European Union, CFCD as Contracting Authority and Senior Programme Officer. The final and exact composition of the PSC will be agreed with the Contracting Authority during the project start-up. Any other observer to the PSC should be approved by the Contracting Authority.

MS and BC Twinning Light Partners will arrange regular and ad-hoc coordination and information exchange meetings with other stakeholders, as necessary.

It should be noted that the participation of the Member State Project Leader in Steering Committee meetings has to be combined with the expert mission in case the MS Project Leader is also a short-term expert in the twinning light project. If the MS Project Leader is not a short-term expert in the twinning light project then his/her visits to the Beneficiary country, (one visit every three months) as part of his/her overall task to ensure coordination and political steering of the project should be organised at the same time as the two Steering Committee meetings of the project and the Kick-off Meeting. As a minimum, the project Leader should be able to dedicate to the project at least 3 days per month, with at least 3 on-site visits.

The Steering Committee meetings are called and chaired by the Project leaders. The PSC will monitor, supervise and co-ordinate the overall progress and implementation of the project. The PSC will provide guidance for the different activities of the project, will define priorities, approve and monitor budgets and approve the results.

The following Steering Committee meetings shall be held during the project implementation:

- Kick-off Meeting at the project's start.
- Steering Committee meeting during the 3<sup>rd</sup> month of implementation, to discuss and approve the start-up report
- Final Steering Committee meeting, to discuss and approve the Final Report within the last month of the project's legal duration.

#### **4.3 Reporting requirements as per Art 6.4 of the Twinning Manual**

The twinning partner shall submit the following reports, following the templates of the latest Common Twinning Manual:

- **Start-up Report** covering the first two months of the contract and submitted during the first week of the third month, which should:
  - Clearly define the aims and purpose of the aid provided by the project;

- Give detailed description of the content of particular parts of the project;
  - Work out in detail the activities conducted and the results achieved;
  - Work out in detail all modifications agreed with the beneficiary institution;
  - Review difficulties met during the implementation of the project and measures that were undertaken for their removal;
  - Provide all findings obtained in the meanwhile and preliminary conclusions; and
  - Contain a general plan of activities for the implementation of the remaining duration of the project.
- **Draft Final Report** shall be submitted within one month upon the completion of the project activities and in any case within the legal duration of the project, and should contain the following:
    - Complete review of all activities conducted by MS experts during the implementation of the project;
    - Achieved progress concerning each activity;
    - Summary of all project results, with particular emphasis on mandatory results;
    - Estimation of the project impact compared with the project aims and measures of the achieved progress;
    - Identification of all important problems met during the implementation of the contract and solutions that have been applied;
    - Lessons drawn from the project; and
    - Recommendations for further steps in future projects.
  - **Final Report** shall be submitted within three months upon the completion of the project activities and in any case within the legal duration of the project.

In addition to these formal reporting stages, the twinning partners are obliged to inform in writing the Contracting Authority and the SC, as well as the final beneficiary, of the action of any critical aspects or conditions of project implementation, or any amendments/ modifications necessary within the budget.

All reports must be produced in English. **These reports shall be signed by both Member State and Beneficiary Country Project Leaders, and be submitted to the Contracting Authority.** Each report must be presented in electronic format and 4 hard copies one week prior to the Steering Committee meetings to the relevant participants.

Start-up Report and Final Report are subject of approval by the Contracting Authority.

## 5 Budget

The project will be implemented through a Twinning Light Contract estimated at a maximum of EUR 250,000.00 (out of which 95% IPA funds and 5% National co-financing).

Twinning Light Contract	Total (EUR)	IPA Community contribution		National Public Contribution	
		EUR	%	EUR	%
	250,000	237,500	95	12,500	5

*The co-financing requirement foreseen under IPA will be considered fulfilled according to the provision of the relevant Financing Agreement.*

Its maximum duration (implementation of twinning activities) is limited to **6 months**. This duration is supplemented by the standard 3 months execution period foreseen for inception and reporting (see Article 2 of the general Conditions for Grants, Annex A2 to the Twinning contract).

The financial rules applicable to 'Twinning Light' are the same as those for standard Twinning, except that:

- a) Equipment and private sector services (other than translation and interpretation where necessary) are not eligible for funding;
- b) Preparatory costs are not eligible for funding;
- c) Project assistants are not eligible for funding;

In addition to the IPA and National co-financing as part of the Twinning Contract amount, as a rule, all twinning contracts must provide additional co-financing on the side of the Beneficiary Institution, for the purpose of covering costs not covered under the project budget as per Twinning manual, point 5.13, as follows:

- Direct and indirect cost of the Beneficiary administration working for the project;
- Travel by the beneficiary officials from their capitals to a MS or between MS;
- Organisation of seminars/workshops/trainings (incl. venue, printing seminar materials and other logistical support.)

The following expenses are to be covered with the project funds:

- Visibility cost;
- Audit certificate cost
- Per diems and incidental costs for the study visit.

The project will be located in the premises of the Financial Police Office. The Financial Police Office will ensure appropriate facilities and basic equipment for the work of the experts. This includes administrative support, office space, computers, telephone and fax and other necessary facilities. This contribution should also include logistical support for various training activities, including selection of trainees (in consultation with the MS/Mandatory body experts), as well as providing the MS/Mandatory body experts with the documents and information necessary for project implementation.

The twinning partner (project beneficiary) shall provide all available assistance to solve unforeseen problems that the MS/Mandatory body twinning partner(s) might face.

## **6 Implementation Arrangements**

### **6.1 Implementing Agency responsible for tendering, contracting and accounting**

The Central Financing and Contracting Department (CFCD) will act as a Contracting Authority for the project, which will be responsible for all aspects for the project's tendering, contracting and payments.

The contact person on behalf of the CFCD is:

**Ms. Radica Kocova**  
Head of CFCD  
Ministry of Finance

### **6.2 Main counterpart in the BC**

**Senior Programme Officer:**  
**Mr. Andrija Aleksoski**  
Head of EU Department/Senior Programme Officer  
Ministry of Finance

#### **Ministry of Finance –Financial Police Office**

The following persons will be counterparts of the key personnel of the MS Partner Administration:

**BC Project Leader will be:**

**Mr. Aleksandar Trgachevski**  
Financial Police Office  
Ministry of Finance

**BC Contact person will be:**

**Ms. Suzana Petrovska**  
Financial Police Office  
Ministry of Finance

### **6.3 Contracts**

One Twinning Light Contract is foreseen for the implementation of the above mentioned activities, in an amount of EUR 250 000.

## **7 Implementation Schedule (indicative)**

- 7.1 Launching of the call for proposals (Date) – September 2015
- 7.2 Start of project activities (Date) – December 2015
- 7.3 Project completion (Date) – June 2016
- 7.4 Duration of the execution period

The overall execution period of the Twinning light project is 6 months for implementation of the action. This duration is increased by the standard 3 months for starting up and closure of activities.

## **8 Sustainability**

The beneficiary administration is fully committed to ensuring long term impact of the Twinning Light project. The MS Twinning partners shall transfer the know-how necessary to achieve the mandatory results to the Beneficiary administration. During the project, the twinning partners should develop documents/handouts, guidelines that will be easily accessible for later use by the beneficiary administration. Staff benefiting from trainings/study visit shall transfer knowledge through subsequent training to their colleagues. Moreover, final conference at the end of the implementation which capitalises and presents the concrete results with practical implications for further follow up will add to the sustainability of results.

## **9 Crosscutting issues**

### **9.1 Civil society**

In compliance with the provisions of the IPA Implementing Regulation, the civil society will be involved through the mainstreaming mechanism developed. Representatives from the civil society shall be invited to participate in the workshops.

### **9.2 Equal Opportunity**

Twinning partners will be expected to comply with EU Equal Opportunity and non-discrimination policies. In view of the specific sector, it is not expected that the gender aspects will be of prime relevance for the outputs of this project.

### **9.3 Environmental considerations**

Any ecological friendly initiative which can be taken will have to be implemented.

### **9.4 Minority and vulnerable groups**



The twinning partners in the formulation of the proposal and the implementation the contract shall ensure respect of the Ohrid Framework Agreement, and "Race directive" 2000 (200/43/EC of 29 June), which has an important impact on employment (incl. vocational training, working conditions, social protection etc.) and is also a crucial aspect of the acquis.

Equal representation of minorities and vulnerable groups will be the guaranteed project principle. The institutions involved in the project execution will observe equal opportunity for all citizens regardless of their ethnic, religious background or other type of social risk they face, in the sphere of human resources development.

#### **9.5 Good governance, with particular attention to fight against corruption**

The Government is strongly determined to fulfil all criteria needed for EU accession and membership, and all the necessary actions are being taken to reach the aim. Through transparent policies and involvement of different stakeholders in the process of policy design the accountability and responsiveness vis-a-vis the citizens will be being strengthened.

#### **9.6 Communication and publicity**

All requirements to ensure the visibility of EU financing will be fulfilled in accordance with R. (EC). N. 718/2007<sup>6</sup>.

### **10 Conditionality and sequencing**

#### **10.1 Conditionality**

- Appointment of appropriate number of counterpart personnel by the beneficiary before the projects start (high-ranking officials);
- Organisation, selection and appointment of members of working groups, steering and coordination committees, seminars by the beneficiaries.

#### **10.2 Sequencing**

➤ N/A

### **ANNEXES TO PROJECT FICHE**

1. Logical framework matrix in standard format

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6 See Article 62 and 63 of R. (EC). N. 718/2007

# ANNEX 1

## LOGFRAME PLANNING MATRIX

	Support for efficient prevention and fight against fraud and irregularities of EU funds		
	Total budget: € 250,000	IPA budget: € 250,000	

Overall objective	Objectively verifiable indicators	Sources of Verification
To strengthen the national capacities for protection of EU financial interests and cooperation with the European Anti-Fraud Office (OLAF).	Increased number of criminal charges submitted to the Public prosecutor office	Annual report of the Public Prosecutor Office

Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
The project purpose is to improve the strategic, legislative, institutional framework and methodology for more efficient fight against fraud and irregularities of EU funds. Also, the aim of the project is to strengthen the leading co-ordination role of the AFCOs Dept. at Financial Police and to enhance the analytical and investigative skills of the staff for prevention, detection and fight against fraud and irregularities.	Number of criminal charges submitted to the Public Prosecutor Office Number of irregularities detected in the system for fight against fraud and irregularities of EU funds	Annual report of the Financial Police Office Annual report of the Public Prosecutor Office Annual report of the Ministry of Finance	- Continued commitment from national authorities to the EU Accession process; - Availability and motivation of appropriate EU MS and BC staff for cooperation and involvement;

Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<p><b>Mandatory result 1: Improved national legal framework for fight against fraud and irregularities of EU funds</b></p> <p>The mandatory result shall be achieved through the following intermediary results:</p> <p>1.1 Analysis and assessment of legislative framework for a more efficient fight against fraud and irregularities of EU funds conducted.</p> <p>1.2. Improved national legislation for fight against fraud and irregularities of EU funds, in line with the relevant EU legislation;</p> <p>1.3.Strategic approach in the state policies for protection of EU financial interests introduced.</p>	<p>1 Prepared assessment report of the legislative framework for fight against fraud and irregularities of EU funds for compliance with the relevant EU legislation;</p> <p>2 Prepared recommendations for improvement of the legal framework for fight against fraud and irregularities of EU funds;</p> <p>3 Drafted amendments of the legislation for fight against fraud of EU funds and irregularities;</p> <p>4 Drafted strategy for protection of EU financial interests on national level, along with action plan for its implementation</p>	<p>Documents produced and delivered to the beneficiary</p> <p>Training – evidence – attendance lists, training materials</p> <p>Project reports</p>	<p>Assumptions</p> <ul style="list-style-type: none"> <li>- Continued commitment from national authorities to the EU Accession process;</li> <li>- Availability and motivation of appropriate EU MS and BC staff for cooperation and participation in project activities;</li> <li>- Continuing commitment of BC staff and management in the process;</li> <li>- Respective authorities and institutions have sufficient capacities and are willing to cooperate on the issues linked with implementation;</li> </ul>
<p><b>Mandatory result 2: Strengthened capacity of the national institutions for fight against fraud and irregularities of EU funds</b></p> <p>The mandatory result shall be achieved through the following intermediary results:</p> <p>2.1. Conducted analysis and assessment of institutional and administrative framework and existing practices for a more efficient fight against fraud and irregularities of EU funds;</p> <p>2.2.Improved national procedures for fight against fraud of EU funds and irregularities, based on the assessment;</p> <p>2.3.Identification of fraud risk at all levels within the indirect system</p>	<p><b>Objectively verifiable indicators</b></p> <p>1. Prepared assessment report with written recommendations for improving the institutional and administrative framework for fight against fraud and irregularities of EU funds(the assessment should be made in view of the OLAF Regulation 883/2013 and other relevant EU legislation and should also include risk assessment in the field of fight against fraud and irregularities of EU</p>	<p>Sources of Verification</p> <p>Documents produced and delivered to the beneficiary</p> <p>Training – evidence – attendance lists, training materials</p>	<p>Assumptions</p> <ul style="list-style-type: none"> <li>- Continued commitment from national authorities to the EU Accession process;</li> <li>- Availability and motivation of appropriate EU MS and BC staff for cooperation and participation in project activities;</li> <li>- Continuing commitment of BC staff and management in the process;</li> </ul>

<p>for implementation of the EU funds and proposal for effective and proportionate anti-fraud measures, thus taking into account the identified risks;</p> <p>2.4.Enhanced capacity of the national institutions dealing with fight against fraud and irregularities of EU funds for implementation of the developed procedures;</p> <p>2.5.Analytical and investigative techniques and tools for prevention, detection and fight against fraud and irregularities of EU funds upgraded and introduced in practice;</p>	<p>funds);</p> <p>2. Drafted procedures/operational instructions/guidelines for application of analytical and investigative techniques and tools for prevention, detection and fight against fraud and irregularities of EU funds.</p> <p>3. Risk assessment of the system in the field of fight against fraud and irregularities of EU funds conducted;</p> <p>4. Conducted training needs assessment of the national institutions dealing with fight against fraud and irregularities of EU funds related to implementation of developed procedures;</p> <p>5. Prepared training program, curricula and training materials based on the training needs assessment;</p> <p>6. Number of trained staff from the national institutions dealing with fight against fraud and irregularities of EU funds;</p> <p>7. Recommendations based on EU MS best practices on electronic reporting of irregularities to the IMS to be established within OLAF.</p>	<p>Project reports</p>	<p>- Respective authorities and institutions have sufficient capacities and are willing to cooperate on the issues linked with implementation;</p>
<p><b>Mandatory result 3:</b> Strengthened cooperation within the system for fight against fraud and irregularities of EU funds</p> <p>The mandatory result shall be achieved through the following intermediary results:</p>	<p><b>Objectively verifiable indicators</b></p> <p>1 Prepared proposal for coordination mechanism of the system for irregularities, based on the</p>	<p><b>Sources of Verification</b></p> <p>Documents</p>	<p><b>Assumptions</b></p> <p>- Continued commitment from</p>

<p>3.1 Enhanced cooperation between relevant institutions in preventing and fighting against fraud and irregularities of EU funds, including sharing information and conducting joint operations;</p> <p>3.2 Improved network of institutions with competences for fight against fraud and irregularities of EU funds and determining the mutual relations among them;</p> <p>3.3 Improved monitoring of the effectiveness of the system for fight against fraud and irregularities of EU funds.</p>	<p>assessment of the legal and institutional framework with focus on the coordinative role of AFCOS;</p> <p>2 Drafted Memorandums for cooperation between AFCOS and other relevant bodies and institutions of the system for fight against fraud and irregularities of EU funds, including sharing information and conducting joint operations;</p> <p>3 Assessment conducted of the system for sharing information between NAO and AFCOS and prepared procedures for improvement of the reporting lines;</p> <p>4 Methodology for gathering and processing statistical data with indicators for monitoring, measuring and assessing the effectiveness of fight against fraud and irregularities of EU funds prepared and presented to the beneficiaries.</p>	<p>produced and delivered to the beneficiary</p> <p>Training – evidence – attendance lists, training materials</p> <p>Project reports</p>	<p>national authorities to the EU</p> <p>Accession process;</p> <ul style="list-style-type: none"> <li>- Availability and motivation of appropriate EU MS and BC staff for cooperation and participation in project activities;</li> <li>- Continuing commitment of BC staff and management in the process;</li> <li>- Respective authorities and institutions have sufficient capacities and are willing to cooperate on the issues linked with implementation;</li> </ul>
Activities	Means	Specification of costs	Assumptions
<p><b>Activities related to mandatory result 1:</b></p> <p>1.1 To conduct analysis and assessment of legislative framework and existing practices for a more efficient fight against fraud and irregularities and prepare a report with written recommendations for improving the legislative framework based on EU best practices; The assessment and recommendations</p>	<p>Twinning contract</p> <p>MS twinning partner input:</p> <ul style="list-style-type: none"> <li>- 1 MS Project Leader,</li> <li>- Pool of short-term experts.</li> </ul>	<p>EUR 250.000</p>	<ul style="list-style-type: none"> <li>- Appropriate EU MS expertise is available;</li> <li>- Beneficiary institutions can make (qualified) staff available to participate actively and contribute in project activities.</li> </ul>

<p>should be made in view of the OLAF Regulation<sup>7</sup> which entered into force on 1 October 2013, the Framework Agreement between the Government of the Beneficiary Country and the Commission of the European Communities on the rules for co-operation concerning EC financial assistance to the Beneficiary Country in the framework of implementation of the assistance under the Instrument for Pre-accession Assistance (IPA) (applicable for IPA 2007-2013) and Framework Agreement between the Beneficiary Country represented by the Government of the Beneficiary Country and the European Commission on the arrangements for implementation of Union financial assistance to the Beneficiary Country under the Instrument for Pre-accession Assistance (IPA II) (applicable for IPA 2014-2020) and other relevant EU legislation. To support the drafting of amendments to the legislation for fight against fraud and irregularities of EU funds, based on the conducted assessment;</p> <p>1.2. To support the drafting of amendments to the legislation for fight against fraud and irregularities of EU funds, based on the conducted assessment;</p> <p>1.3 To support the drafting of a strategy for protection of EU financial interests on national level, along with action plan for its implementation;</p> <p>1.4 To organize a conference/round table discussion on the draft strategy for protection of EU financial interests with EU OLAF participation.</p> <p><b>Activities related to mandatory result 2:</b></p>	<p>BC partner input:</p> <ul style="list-style-type: none"> <li>- 1 BC Project Leader;</li> <li>- BC contact person;</li> <li>- Beneficiaries' staff</li> <li>- Facilities and equipment for organizing training events;</li> <li>- Costs for travel by the beneficiary officials from their capitals to a MS or between MS;</li> <li>- Direct and indirect cost of the Beneficiary administration working for the project.</li> </ul>	
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<sup>7</sup> Regulation (EU, EURATOM) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1075/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999, OJ L 248/1, 18.9.2013

<p>2.1 To conduct assessment of the institutional framework for fight against fraud and irregularities of EU funds and to prepare report along with written recommendations for improvement of the functions and performance of AFCOS, including improvement of the coordination role of AFCOS based on EU best practices. The assessment should also include a risk assessment in the field of fight against fraud and irregularities of EU funds</p> <p>2.2 To improve the procedures for fight against fraud and irregularities of EU funds, based on the conducted assessment;</p> <p>2.3 To advise and assist in conducting risk assessment of the system for fraud and irregularity and to propose effective and proportionate anti-fraud measures, thus taking into account the identified risks;</p> <p>2.4 To support the drafting of operational instructions/guidelines for application of analytical and investigative techniques and tools for protection, detection and fight against fraud and irregularities of EU funds for AFCO staff and irregularity officers;</p> <p>2.5 Training needs assessment for the national institutions (AFCOS staff, irregularity officers, MF, IPA Audit authority) dealing with fight against fraud and irregularities of EU funds related to prevention, detection, investigation, prosecution and analytical and investigative techniques and tools for detection and fight against frauds of EU funds and</p> <p>2.6 To prepare training program, curricula and training materials;</p> <p>2.7. To organize workshops on the following topics:</p> <ul style="list-style-type: none"> <li>• General legislative, administrative and operational aspects of the system for protection of EU financial interests. (one workshop - approximately 25 persons )</li> <li>• Prevention, detection and reporting of irregularities, for irregularity officers within the IPA OS (at last two workshops, approximately 25 persons per workshop)</li> <li>• Investigation, including analytical and investigative techniques and tools for detection and fight against fraud and irregularities of EU funds, for Judiciary Police (one workshop, approximately 25 persons)</li> </ul>		
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<ul style="list-style-type: none"> <li>• Prosecution of frauds of EU funds for Basic Public Prosecution Office (one workshop approximately 25 persons).</li> <li>2.8 To organise a study visit for employees (indicatively 12 persons) from the FPO - AFCOS and other key institutions involved in the system for protection of EU interests. The objective of the study visit will be to get acquainted with the best practices in similar institutions in relevant EU Member State institutions dealing with prevention, detection, investigation, prosecution of fight against fraud and irregularities of EU funds, to get acquainted with the functioning of the system for protection of EU financial interests;</li> <li>2.9 To recommend manner of improvement of reporting of irregularities in IMS of OLAF;</li> <li>2.10 To draft brochures for raising the public awareness concerning anti-fraud measures.</li> </ul>			
<p><b>Activities related to mandatory result 3:</b></p> <p>3.1 To prepare proposal for coordination mechanism of the system of irregularities, based on the assessment of the legal and institutional framework;</p> <p>3.2 To support the drafting of Memorandums for cooperation between the FPO - AFCOS and other relevant bodies and institutions in the system for fight against fraud and irregularities, including sharing of information and conducting joint operations;</p> <p>3.3 To re-assess the communication line between NAO and AFCOS and prepare amendment to the Memorandums for cooperation, if necessary</p> <p>3.4 To advise and assist in the development and drafting of methodology for gathering and processing statistical data with indicators for monitoring, measuring and assessing the effectiveness of the fight against fraud and irregularities.</p>			