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CONFERENCE ON **ANTI-CORRUPTION**
AND **ANTI-FRAUD** MEASURES
IN RELATION TO THE USE OF THE EUROPEAN
STRUCTURAL AND INVESTMENT FUNDS

in co-operation with





EU FUNDS – OPPORTUNITY OR RISKS?

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EU funds watch project

With support of Hercule II program

The project “EU FUND WATCH” is supported by the European Union Programme Hercule II (2007 – 2013). This programme is implemented by the European Commission. It was established to promote activities to combat fraud affecting the EU’s financial interests, including cigarette smuggling and counterfeiting.

http://ec.europa.eu/anti_fraud/about-us/funding/index_en.htm

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EU funds watch project

- Get together different actors dealing with fraud and corruption (Estonia, Lithuania, Czech Republic, Hungary)
- Identify fraud and corruption risks
- Identify the bad and good practices of preventing fraud and corruption
- Disseminate the findings and (to the extent possible) support continuing discussion of experts with different backgrounds



Key findings

- General environment and conditions
 - Process and procedures
 - Control and auditing



General environment and conditions

- Human resources and capacity
 - Unclear legal status, rules and policies
 - Anti-corruption training
- Missing or ineffective legislation
 - Conflict of interest
 - Whistleblower protection
- Regulations and system setting on national level
 - Regulations, guidelines, (lack of) assistance
 - Lack of transparency
 - Political influence
 - Absorption pressure



Process and procedures: Selection process

- Evaluation procedures are very different
 - Different evaluation models are not justified
 - Different models enable political/lobbyist intervention
- „Regional“ priorities are used to get through projects submitted by „political friends“



Control and auditing: Make full use of audit findings

- Lessons are only seldom learned from previous mistakes,
- Low institutional (or programme) memory,
- No sufficient capacity for analysis of past mistakes, frauds and irregularities and transforming them into recommendations,
- Experience from one operational programme is usually not transferred into others.



Fraud and corruption is not just individual failure

- There are systematic attempts to misuse any gaps in implementation system
- Therefore identification of individual fraud cases is not sufficient – a systematic approach of implementing is needed
- Absorption pressure enhances fraud risk
- Anti-fraud measures should be sufficiently funded and staffed



Opportunity - not risks!

Cultural heritage deserves revitalization.
Targeted anti-corruption policy can make it happen.



Policy recommendations

- Develop and implement distinctive anti-fraud strategy
- Learn from the past fraud and corruption cases and audit findings
- Develop and implement strong HR policy
- Manage conflict of interests



Project reports can be downloaded at:
<http://www.transparency.cz/OLAF/>

Thank you!