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## Action Summary

### Horizontal Facility for the Western Balkans and Türkiye III

#### Action against Economic Crime in the Western Balkans

#### (HF III-AEC-REG)

Action title	Action against Economic Crime in the Western Balkans (HF III-AEC-REG)
Action area	Albania; Bosnia and Herzegovina; Kosovo*; North Macedonia; Montenegro; and Serbia
Budget	€ 650 000
Funding	European Union / Council of Europe
Implementation	Economic Crime and Cooperation Division, DG I, Unit I, Council of Europe
Duration	48 Months

## I. Background

The European Union/Council of Europe Horizontal Facility for the Western Balkans and Türkiye (also referred to as: Horizontal Facility phase III or HF III) is a co-operation initiative of the European Union and Council of Europe for South East Europe. The first phase of the Horizontal Facility ran from May 2016 to May 2019, and the second phase ran from May 2019 to December 2022. The third phase of the Horizontal Facility will be implemented from January 2023 to December 2026, and it will continue to build on the Statement of Intent signed on 1 April 2014 by the Secretary General of the Council of Europe and the European Union Commissioner for Enlargement and European Neighbourhood Policy, in which both Organisations agreed to further strengthen their co-operation in key areas of joint interest.

The regional Action responds to needs and challenges that apply horizontally to all Beneficiaries in the fight against corruption, money laundering and the countering of terrorist financing. It focuses on emerging challenges and, more importantly, it addresses gaps identified through the monitoring mechanisms - such as Group of States against Corruption (GRECO) and Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) in the subject matter area.

## II. Action's approach

The Action builds on the results achieved through the first and second phases of the Horizontal Facility Programme by providing a platform for developing common understanding, facilitating co-operation and exchange of practices. It will also focus on areas that will complement the support towards legislative

\* This designation is without prejudice to positions on status and is in line with UNSC 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

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compliance and capacity building of the Beneficiaries in the area of economic crime, particularly corruption and money laundering.

The regional Action will provide capacity building, advice and opportunities for exchanges at the regional level in the following areas:

1. Management of ML/FT risks associated with new technologies; and
2. Interface of corruption and money laundering with environmental crimes.

In these areas, the regional Action will raise awareness about responses and innovations developed in other jurisdictions, assess the current practices, and identify the regional typologies in order to offer policy recommendations, and provide a framework for co-operation and exchange of experiences between the Beneficiaries.

### III. Action’s Objectives and Outcomes

The overall objective of the Action is to enhance the resilience and capacities of Beneficiary institutions to tackle economic crimes, taking into account new and emerging trends, and cooperate more effectively at domestic and regional levels to target economic crime. The specific objectives of the Action are:

New technologies	<b>Intermediate Outcome 1</b>	<b>Improved capabilities to address AML/CFT risks from emerging technologies.</b>
	Immediate Outcome 1.1	Raised awareness about evolving AML/CFT risks with regard to the use of new technologies and cross-border provision of financial services
	Immediate Outcome 1.2	Increased regional information-sharing among the supervisors on regulatory and supervisory approaches to the use of new technologies, including technological solutions to mitigate related AML/CFT risks
Environmental crimes	<b>Intermediate Outcome 2</b>	<b>Strengthened anti-corruption and AML/CFT response to environmental crime</b>
	Immediate Outcome 2.1	Enhanced understanding of prevalent forms of environmental crime in the Western Balkans linked to corruption and money laundering
	Immediate Outcome 2.2	Improved anti-corruption and AML/CFT policy and operational responses to address environmental crime

### IV. Implementation Arrangements

As a key actor in this thematic area, the Council of Europe’s Economic Crime and Cooperation Division (ECCD) is in charge of implementing the activities under the Action.

For the purpose of implementing various specific activities, the Action engages international experts with demonstrated experience in the field of fighting against economic crime as well as local experts from Horizontal Facility countries in order to ensure that the project delivers high quality assistance to the beneficiaries.

## V. Contacts

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