

Horizontal Facility for Western Balkans and Turkey



ACTION SUMMARY

ACTION AGAINST ECONOMIC CRIME IN "THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA" (AEC-FYROM)

v. 17.10.2016

Action title	Action against Economic Crime in "the former Yugoslav Republic of Macedonia" (AEC-FYROM)
Action area	The former Yugoslav Republic of Macedonia
Budget	1,350.000 Euro
Funding	European Union / Council of Europe
Implementation	Council of Europe
Duration	36 Months (as of 24 May 2016)

1 BACKGROUND ON HORIZONTAL FACILITY

The European Union and Council of Europe signed Horizontal Facility for the Western Balkans and Turkey (hereafter referred to as "Horizontal Facility") on 23rd of May 2016. The Horizontal Facility builds on the CoE and EU Policy priorities in the context of the Western Balkans and Turkey and on the CoE expertise in standard-setting, monitoring and cooperation methodologies. It aims to improve implementation of key recommendations of relevant Council of Europe monitoring and advisory bodies in the areas indicated in 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.

The Horizontal Facility beneficiaries and counterparts are governmental bodies at all levels, notably specialised structures within the Ministries of Justice, Interior and Finance; specialised agencies/bureaux/commissions involved in the prevention and fight against corruption and economic crime; Judicial and Prosecutorial Services, supervisory bodies; Financial Intelligence Units (FIUs), and representatives of civil society.

Sector interventions to be undertaken in the SEE Member States/ IPA II Beneficiaries were designed based on recommendations emanating from Council of Europe monitoring and opinion advisory bodies, prioritised according to the needs within the enlargement negotiations of the countries with the European Union.

In the field of fight against economic crime, three specific actions were designed within the Horizontal Facility Programme to support tailored reform processes in Albania, Montenegro and "the former Yugoslav Republic of Macedonia". Those actions will aim to improve implementation of key

recommendations of the Council of Europe Group of States against Corruption (GRECO) and Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), and to further strengthen institutional capacities regarding the code of conduct of public officials, whistleblower protection, financing of political parties and election campaigns and other measures to counter and prevent corruption; money laundering; the financing of terrorism in accordance with European standards. The actions have the duration of 36 months.

2 ACTION APPROACH IN “THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA”

The Action against Economic Crime in “the former Yugoslav Republic of Macedonia” (AEC-fYROM) will aim to improve implementation of recent key recommendations of the Council of Europe Group of States against Corruption (GRECO) and Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), and to further strengthen institutional capacities to counter and prevent corruption; money laundering; and the financing of terrorism in accordance with European standards.

The action will focus on supporting the authorities in several directions including:

- Support for the strengthening of legislation and regulatory frameworks;
- Institutional capacity building;
- Support enhanced inter-agency and international cooperation

3 OVERALL AND SPECIFIC OBJECTIVES

The overall objective of the action is to contribute to democracy and the rule of law through prevention and control of economic crimes in “the former Yugoslav Republic of Macedonia” in accordance with European and other international standards.

The specific objectives of the action are:

Specific Objectives (SO) and Expected Results (ER)		Ref to monitoring Recommendation
SO 1:	The regulatory framework and guidance for whistleblower protection and reporting is reviewed and implemented	CM/Rec(2014)7
ER 1.1 Review the sub-legal acts, regulations and provide guidance for the implementation of whistleblower provisions.		
ER 1.2 Capacities of authorities and NGOs to implement and monitor this framework are enhanced.		
SO 2:	The system for monitoring of political party and election campaign financing is improved.	MKD/GRECO/2010
ER 2.1 The political financing regulatory framework is more in line with the international standards		
ER 2.2 The capacities of the State Audit Office to adequately investigate and supervise implementation of political party financing requirements are enhanced		
SO 3:	Improved legislation and anti-money laundering, countering terrorism financing (AML/CFT) national strategy	MKD/MVAL/2014
ER 3.1 The CFT system is reinforced through improved legal and regulatory framework		
ER 3.2 The new AML/CFT Strategy observing the new international standards is adopted		

SO 4:	Capacity building for the Financial Intelligence Office (FIO)	MKD/MVAL/2014
ER 4.1 The FIO's legal powers and analytical capacity is increased		
ER 4.2 The FIO's technical capabilities necessary for the analytical process are enhanced		
SO 5:	Strengthen the capacities of the judiciary, prosecution and law enforcement agencies to fight ML and TF	MKD/MVAL/2014
ER 5.1 Review of the structures of the PPO in charge with financial analysis based on the revised Criminal Procedure Code to ensure a more effective investigation and prosecution of ML and corruption cases.		
ER 5.2 Provide specialised training on financial investigations and how to utilise the ML offense to trace and investigate financial flows coming from abroad, either directly or through domestic legal entities.		
ER 5.3 Develop and deliver a training of trainers programme for prosecutors		
SO 6:	Improved AML/CFT preventive system	MKD/MVAL/2014
ER 6.1 The supervisory and regulatory framework (preventative measures) is reinforced		
ER 6.2 The AML/CFT supervisory skills of the designated supervisors are increased		
ER 6.3 Beneficial ownership related preventive measures and transparency of legal persons are enhanced		
SO 7:	Enhanced international cooperation capacities for law enforcement, FIU and supervisors	MKD/MVAL/2014
ER 7.1 Expanded capacity of law enforcement, FIU and supervisors to effectively respond to international assistance requests related to money laundering and predicate offences (particularly corruption), and to utilize international requests to identify money laundering cases domestically		

4 IMPLEMENTATION AND ARRANGEMENTS

As the key actor in this thematic area and the IPA region, the Council of Europe, and more specifically the Action against Crime Department, through its Economic Crime and Cooperation Division (ECCD) will be in charge of implementing the activities under this action.

A Project Officer will be based in the Council of Europe Programme Office in Skopje. He/she will work directly with the beneficiaries and will be supervised by the Administrator and Project Manager of the Horizontal Facility Programme based in Strasbourg at the Economic Crime and Cooperation Division.

In addition based on the activity needs and intervention profiles the Council of Europe will engage a number of international long-term and short-term consultant/experts and local consultants/experts, service providers and suppliers, so as to ensure the proper implementation of the action.

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