



INTERNATIONAL SEMINAR

“PREVENTION OF FRAUD OF EU FUNDS, EUROPEAN PROJECTS AND CROSS-BORDER COOPERATION”

Sandanski, Bulgaria, May 15-16, 2014

Prepared by:



1. Introduction and Objective of the Seminar

On 15th and 16th of May, 2014, a total of 32 participants from Macedonia and Bulgaria participated on the seminar ***“PREVENTION OF FRAUD OF EU FUNDS, EUROPEAN PROJECTS AND CROSS-BORDER COOPERATION”*** in Sandanski, Bulgaria, financially supported by the Hanns Seidel Foundation and organized by the international foundation Balkan Net and the National Association of Municipal Clerks of Bulgaria. The seminar was opened by Mr. Valentin Lazarov, head of the National Association of Municipal Clerks of Bulgaria, Mr. Jean Stanoevski, president of the international foundation Balkan Net and Mr. Bogdan Mirchev, head of the Hanns Seidel Foundation in Bulgaria and under patronage of Mr. Andon Totev, mayor of the municipality of Sandanski.

Mr. Boyko Kostov, head of the "Operational Cooperation" Department of AFKOS, Bulgaria, Mr. Georgi Zajkov, head of the "Reporting Irregularities" Department of AFKOS, Bulgaria, Ms. Tanja Zhezhova, head of the "Department of Financial and Systematic Control of EU Funds", National Fund within the Ministry of Finance of the Republic of Macedonia, Mr. Vlado Saraulev, junior inspector in the Financial Police of the Ministry of Finance of the Republic of Macedonia and Ms. Jelena Gjeorgievska, junior inspector in the Financial Police of the Ministry of Finance of the Republic of Macedonia participated with presentations during the seminar.

The seminar objective was to encourage municipalities and institutions to work together in the use of EU funds and projects and to exchange experiences and thus avoid frauds or irregularities in order to jointly repair and prevent them from occurring. The Bulgarian side shared its experiences with Macedonia by enabling Macedonian authorities to participate in this process that primarily will be focused on the prevention of frauds of European funds.

2. Presentations During the Seminar

Representatives from the Directorate AFKOS introduced the participants of both sides with concrete examples of violations and frauds in dealings with European funds. As a striking example a proposal for implementation of a project on the same location but under two different names was demonstrated, followed by display of false accounting documents cases which mostly appear during the violations in the implementation of public procurement procedures.

Furthermore, it was concluded that within the cross-border cooperation between Macedonia and Bulgaria no offenses by the municipalities have been registered. The

major challenge and majority of offenses have been noticed within the public procurement procedures in construction works, delivery of machinery and equipment at inflated prices and the actual occurrence of bidders' discrimination.

The representatives from Macedonia presented experiences in managing European funds. The presentation of Ms. Zhezhova was titled "Irregularities / Frauds Management System in relation to EU Funds and Irregularities and Fraud of EU funds in the Republic of Macedonia", whereas Jelena Gjeorgievska presented experiences on the topic "Financial Crime".

3. Comments

During the seminar, participants discussed a variety of issues regarding the topic.

A discussion on the issue of cooperation in projects and signing partnerships was open - i.e. the question was raised what would happen if one party commits frauds and the other party respects the contracts and regulations? What would the consequences be for the other partner? In this case, both partners should act as one body, work together avoid frauds, particularly if partners are two municipalities from both countries. However, if frauds or irregularities occur, no general consequences for the other partner can be determined, because every case is unique and distinctive.

In the case of financial irregularities during the procurement process or similar, the procedure applies mainly adjustments in particular financial percentage - i.e. monitoring of the situation, whereas sanctions and penalties may be imposed on managers, administrators and other involved representatives in such irregularities.

During the seminar the application of joint projects within the program of the European Union was discussed whereas the basic idea is to build up on the experience of Italy in connection with irregularities and frauds with EU funds and the Bulgarian experience as well in instructing Macedonian authorities, which should also follow the same path. For that purpose, representatives from the Ministry of Finance of the Republic of Macedonia will be invited to participate as partners.

Project components will be different, the capacity of civil servants and the participants of such project and seminars will be increased, on one hand, and discussions will be made and experiences exchanged among participants in this process, i.e. a process that involves application of European funds, obtaining and using the same funds and preparing reports for the utilization of European funds on the other hand.

4. Photographs

During the seminar photographs were made. They are shown below.



