



Council of the  
European Union

194707/EU XXVII. GP  
Eingelangt am 19/08/24

Brussels, 19 August 2024  
(OR. en)

12779/24  
ADD 3

GAF 36  
FIN 743

## COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	25 July 2024
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	SWD(2024) 188 final
Subject:	Commission staff working document: Commission Anti-Fraud Strategy (CAFS) Action Plan Implementation monitoring: state of play 31 May 2024 accompanying the document "Report from the Commission to the Council and the European Parliament: 35th Annual Report on the protection of the European Union's financial interests and the fight against fraud - 2023"

Delegations will find attached document SWD(2024) 188 final.

Encl.: SWD(2024) 188 final



EUROPEAN  
COMMISSION

Brussels, 25.7.2024  
SWD(2024) 188 final

## **COMMISSION STAFF WORKING DOCUMENT**

### **Commission Anti-Fraud Strategy (CAFS) Action Plan Implementation monitoring: state of play 31 May 2024**

#### *Accompanying the document*

#### **Report from the Commission to the Council and the European Parliament**

#### **35th Annual Report on the protection of the European Union's financial interests and the fight against fraud - 2023**

{COM(2024) 318 final} - {SWD(2024) 187 final} - {SWD(2024) 189 final} -  
{SWD(2024) 190 final} - {SWD(2024) 191 final} - {SWD(2024) 192 final} -  
{SWD(2024) 193 final}

## **LIST OF ABBREVIATIONS**

AFCOS	Anti-Fraud Coordination Service
AFIS	Anti-Fraud Information System
CAFS	Commission Anti-Fraud Strategy
CAP	Common Agricultural Policy
COCOLAF	Advisory Committee for the Coordination of Fraud Prevention
CBAM	Carbon Border Adjustment Mechanism
DAC	Common Audit Directorate of DG REGIO and DG EMPL
DG	Directorate-General
ECA	European Court of Auditors
EDES	Early Detection and Exclusion System
EEAS	European External Action Service
EIPA	European Institute of Public Administration
EMPACT	European Multidisciplinary Platform Against Criminal Threats
EPPO	European Public Prosecutors' Office
EPSO	European Personnel Selection Office
ETS	Emissions Trading System
EUCI	EU classified information
FPDNet	Fraud Prevention and Detection Network
GETI	Get Intelligence system
GIPs	Guidelines on Investigative Procedures
IDOC	Investigation and Disciplinary Office
IMS	Irregularity Management System
JRC	Joint Research Centre
MFF	Multiannual Financial Framework
NAFS	National Anti-Fraud Strategy
OLAF	European Anti-Fraud Office
PIF	Protection of the EU's Financial Interests
RRF	Recovery and Resilience Facility
SOCTA	Serious and Organised Crime Threat Assessment
TSI	Technical Support Instrument
UAFP	Union Anti-Fraud programme
UNCAC	United Nations Convention against Corruption

## INTRODUCTION

On 11 July 2023, the Commission adopted its new Commission Anti-Fraud Strategy (CAFS) action plan<sup>1</sup>. It includes 44 actions under seven themes that cover the Commission's priorities in fighting fraud.

This document presents the state-of-play of the individual actions of the plan and is part of the monitoring of the CAFS action plan implementation. It has been prepared in consultation with Commission departments and Executive agencies to accompany the 2023 Report on the protection of the European Union's financial interests, the so-called PIF report.

The text in blue represents the actions as published in July 2023, while the remaining text reflect the state-of-play of the implementation of the actions on 31 May 2024.

10 months after the adoption of the new action plan, the implementation of all actions is in progress.

---

<sup>1</sup> COM(2023) 405 final and SWD(2023) 245 final

## Foster digitalisation and the use of IT tools to fight fraud

Nr	Action	Lead	Due date
1	Further develop, promote and increase the use of the current Arachne system in the Commission and in Member States notably by increasing user-friendliness and exploring possibilities for interoperability and synergies with other corporate IT tools as well as national databases.	DAC, EMPL: lead Shared management DGs, JRC: support	2023 and continuous
<p><b>State-of-play May 2024</b></p> <p>While developing the future single integrated IT system (corporate Arachne), the current version of Arachne is being further improved to strengthen its capacity as an anti-fraud tool in shared management and RRF-like instruments.</p> <p>Since July 2023, there has been a significant increase of the offer and use of the tool by the Member States and Commission services. In the last quarter of 2023, the data from the Financial Transparency System was integrated into Arachne, while several raising awareness events on the tool took place throughout 2023 (e.g. in Italy, Romania, Portugal).</p> <p>Case-by-case access was provided to OLAF, ECA and EPPO in the first half of 2024. Member States can automatically upload data onto Arachne through a web service since January 2024. The completion of beneficial owner data in Arachne was finalised in January 2024, as well as the setting up of an Arachne Academy with various tutorials on how to use Arachne and a forum where users can exchange ideas. Between July 2023 and April 2024, the number of Arachne active users increased by almost 30%. In the second quarter of 2024, DG EMPL is issuing guidelines for users in Member States, with practical examples on how to best use Arachne.</p> <p>As regards the use of Arachne as a tool for agricultural funds, the Commission is discussing with authorities in Spain, Romania, Hungary and Italy. Training on Arachne was provided in Spain in March 2024, and a presentation on conflict of interest and risk indicators was delivered at DG AGRI Learning Network in July 2023. Also a presentation of the latest developments for the Integrated Administration and Control System, through which Member States can upload CAP payments from their IT systems to Arachne, was delivered to the Learning Network in March 2024.</p>			

Foster digitalisation and the use of IT tools to fight fraud

Nr	Action	Lead	Due date
2	Continue developing the envisaged single integrated IT system (corporate Arachne) for data mining and risk scoring, in line with the Interinstitutional Agreement and the RRF Regulation <sup>2</sup> , with a view to extend its use to all Member States and to all management modes.	BUDG, DAC, EMPL: lead Spending DGs, OLAF, DIGIT, JRC: support	2023 and continuous
<b>State-of-play May 2024</b>  According to the political agreement of 7 December 2023 on the Financial Regulation recast, the integrated IT system (corporate Arachne) will apply to all management modes. Its feeding with relevant information will be compulsory (including for all Member States) as from the post-2027 MFF programmes. Its mandatory use as proposed by the Commission but rejected by the Council, will be rediscussed at a later date pending an assessment by the Commission on the readiness of the tool by the end of 2027. In the meantime, the use of the tool will remain voluntary.  Bilateral meetings with the Commission users of Arachne were finalised in January 2024. Phase 1 of the project was completed in the first quarter of 2024, and phase 2 is ongoing. A draft data protection questionnaire was submitted to the Information and Technology Cybersecurity Board (ITCB) in the first quarter of 2024, and the first meeting with the Data Protection Officer to receive further instructions on the procedural steps was held in February 2024.  The creation of an Expert Group is ongoing, to establish cooperation between the Commission and the Member States in the design and development of the tool and preparation of the assessment of its readiness by the end of 2027. Member States will appoint representatives from technical fields, e.g. finances, IT or audit.			

<sup>2</sup> Regulation (EU) 2021/241.

## Foster digitalisation and the use of IT tools to fight fraud

Nr	Action	Lead	Due date
3	Further develop and increase use of EDES in the Commission and in Member States based on user feedback, in view of its possible extension to shared management, notably by: <ul style="list-style-type: none"> <li>a. increasing the user-friendliness of the database;</li> <li>b. exploring possibilities for interoperability and synergies with other corporate IT tools as well as national databases;</li> <li>c. enhancing dialogue on EDES among Commission departments and Executive agencies, other EU institutions, Member States and implementing partners.</li> </ul>	BUDG	2023 and continuous
<p><b>State-of-play May 2024</b></p> <p>The Commission has continuously stressed the importance and benefits of the Early Detection and Exclusion System (EDES) in protecting the Union budget, notably for the prevention and detection effects on fraud and unreliable behaviours, and for ensuring effective sanctions. Following the 2023 negotiations on the Financial Regulation recast, the proposed targeted extension of EDES to expenditure under shared management as of 2028 was agreed. For the RRF, the use of EDES will remain voluntary.</p> <ul style="list-style-type: none"> <li>a. The Commission had preliminary discussions on the identification of priorities (how to allocate the 2024 resources for the improvements of the database) in December 2023. DG BUDG is working on a tutorial on the EDES database for Commission users.</li> <li>b. An information note on the possibility to link the EDES database to Member States databases was shared with the Member States in the Budget Committee of the Council of the EU in October 2023. Discussions are ongoing on the possibility to link the EDES database to SUMMA, the Commission's future corporate financial system.</li> <li>c. The Commission has enhanced the dialogue and increased the level of guidance on EDES. Within the Commission, the dialogue took place notably in the EDES experts platform, which had its first session in March 2024, and in the annual EDES workshop, organised in April in 2024. Ad hoc training sessions on EDES with several departments took place in January and February 2024. An EDES vademecum and revised guidelines on the use of OLAF Reports for the purpose of EDES are under preparation. Beyond the Commission, the link of the EDES public database was added to the Participants Portal (<a href="https://eas.europa.eu/funding-tenders/eas/eas-portal/">Funding &amp; tenders (europa.eu)</a>) to make it more visible to persons and entities seeking for funding opportunities and to reinforce the deterrent effect of those sanctions vis-à-vis such persons or entities. The Commission has also prepared a general template to publicise new exclusions also externally.</li> </ul>			

## Foster digitalisation and the use of IT tools to fight fraud

Nr	Action	Lead	Due date
4	Explore the possibility to strengthen the anti-fraud functionalities in SUMMA, notably by: <ul style="list-style-type: none"> <li>a. considering the creation of a dashboard on unusual patterns in transactions to detect potential irregularities and provide analysis to DGs;</li> <li>b. considering, after the SUMMA go-live, a screening of other databases such as Arachne and commercial databases via the SUMMA Business Partner Integrity Screening, similar to the envisaged screening of EDES and the Financial Sanctions Database, and exploring if and how these anti-fraud functionalities could be used in the Commission and beyond;</li> <li>c. considering additional controls of business partners (legal entities).</li> </ul>	BUDG: lead OLAF, spending DGs: support BUDG: lead DAC, EMPL: support  BUDG	2025 2025 2025
<p><b>State-of-play May 2024</b></p> <p>SUMMA is the Commission's future corporate financial system, which will modernise, harmonise and standardise the EU's financial business processes. It is expected to become operational in early 2025. To take full advantage of the new system, the possibilities to strengthen its anti-fraud functionalities are being considered.</p> <p>Awaiting the SUMMA go-live, the discussions on the use of SUMMA for anti-fraud purposes, for business partner screening and additional controls are still in their initial stages.</p>			



## Foster digitalisation and the use of IT tools to fight fraud

Nr	Action	Lead	Due date
5	<p>Increase the user-friendliness of the Irregularity Management System (IMS) for Member States authorities and relevant Commission staff, the use of the system and therefore the completeness and accuracy of the data in the system, notably by:</p> <ul style="list-style-type: none"> <li>a. upgrading the system technically;</li> <li>b. exploring the possibilities for interoperability with other Commission and national systems dedicated to protecting the EU's financial interests.</li> </ul>	OLAF	2023 and continuous
<p><b>State-of-play May 2024</b></p> <p>IMS is the system through which Member States report on irregularities and fraud affecting the EU budget to the Commission, allowing the Commission to analyse for example trends and modus operandi. It has potential for greater interoperability with other corporate tools of the Commission, such as Arachne and EDES, and with digital tools in Member States. OLAF, which runs the IMS on behalf of the Commission, is continuously working on improving its user friendliness.</p> <p>These efforts have been stepped up in 2023 to ensure that full use is made of IMS as a reporting and analysis tool. Notably, to increase the user-friendliness of IMS, the upgrade of the underlying IT architecture was launched in the summer 2023, with a view to finalise it by end 2024. Further actions will be taken in 2025 to update IMS. Discussions are ongoing about possible enhancements to the current EDES-IMS interface and about possible use of IMS data within the next data mining and risk scoring tool (corporate Arachne).</p> <p>The improvements that will follow in 2025 and beyond will be based on consultations with the Member States.</p>			

## Foster digitalisation and the use of IT tools to fight fraud

Nr	Action	Lead	Due date
6	Explore options to improve the efficiency and accuracy of financial and administrative monitoring of follow-up of OLAF cases, notably by increasing data interaction possibilities between OLAF and Commission departments and where appropriate monitoring of the follow-up of EPPO cases based on information received from the EPPO.	OLAF, SG, BUDG	2024
<p><b>State-of-play May 2024</b></p> <p>OLAF is continuously working with other Commission departments to improve the monitoring of the follow-up of OLAF recommendations.</p> <p>In the second half of 2023, following the definition of key business needs and its communication to the developers, OLAF retained SharePoint as a solution to improve the efficiency and accuracy of financial and administrative monitoring of follow-up of OLAF cases. The SharePoint solution was presented to the Commission departments and the Executive agencies in the FPDNet in the autumn of 2023 and again in May 2024. The solution is planned to be made available to users in the second half of 2024.</p> <p>As regards EPPO notifications, discussions are ongoing on how to ensure that the Commission has an overview of such information received from the EPPO.</p>			

## Foster digitalisation and the use of IT tools to fight fraud

Nr	Action	Lead	Due date
7	<p>Explore options to improve internal communication on cases of fraud and irregularities by:</p> <ul style="list-style-type: none"> <li>a. exploring the possibilities of developing IT solutions for communication between OLAF, Commission departments and Executive agencies along the full life cycle of a case - from communicating suspicions of fraud to OLAF, through selection and investigation, to follow-up and monitoring (including on information received from the EPPO, where appropriate) - to make such communication more regular and efficient, while respecting the confidentiality of investigations;</li> <li>b. updating Commission departments and Executive agencies bilaterally, as well as the Secretariat-General where appropriate, on the status of OLAF cases every six months in the meantime</li> </ul>	<p>OLAF: lead SG: support</p> <p>OLAF</p>	<p>2025</p> <p>2024</p>
<p><b>State-of-play May 2024</b></p> <p>Communication with other Commission departments and Executive agencies on OLAF investigations will be facilitated by an increased use of digital tools.</p> <p>Since April 2024, OLAF documents marked as “SENSITIVE: OLAF Investigations” can be transmitted to Commission departments via ARES to users of the application.</p> <ul style="list-style-type: none"> <li>a. An OLAF internal study on cases-related exchanges between OLAF and other stakeholders was finalised in May 2024.</li> <li>b. The obligation to update Commission departments and Executive agencies on the status of OLAF cases has been included in the new Guidelines on Investigative Procedures (GIPs), which are currently in the process of being adopted. Further reflection on the more detailed procedure to inform Commission departments and Executive agencies every six months will take place upon the adoption of the GIPs.</li> </ul>			

## Foster digitalisation and the use of IT tools to fight fraud

Nr	Action	Lead	Due date
8	Set up a working group to explore available and possible future options for strengthening digital control against plagiarism, also for 'external' plagiarism comparing not only documents prepared for the Commission but also other documents.	OLAF: lead All DGs: support	2024
<p><b>State-of-play May 2024</b></p> <p>The increased availability of documents and text on the Internet and the use of Artificial Intelligence (AI) lead to increased risks of plagiarism. Plagiarism can breach intellectual property rights, lead to double funding and pose reputational threats to the Commission. Digital solutions are thought to have the potential to mitigate some of the risks.</p> <p>To address it, a working group composed of 15 Commission departments and Executive agencies was established end of 2023. The kick off meeting took place in January 2024. A draft report on the main issues encountered by the Commission services, available tools and potential solutions is under preparation, for finalisation by the end of the year.</p> <p>Once finalised, the document will be shared within relevant fora, such as the Commission's Information Technology and Cybersecurity Board.</p>			

## Foster digitalisation and the use of IT tools to fight fraud

Nr	Action	Lead	Due date
9	Develop a matrix of risk indicators in GETI (Get Intelligence system) to contribute to fraud prevention and to pro-actively identify high risk projects and entities, targeting aspects such as unusual behaviour, financial information and contractual patterns.	OLAF	2026
<p><b>State-of-play May 2024</b></p> <p>GETI is an OLAF data analytical tool used for simultaneously searching in multiple data stacks of structured and unstructured data in multiple different languages. GETI finds information quicker and more efficiently, by bringing together data from different sources.</p> <p>In the first quarter of 2024, OLAF identified the types of data required, notably a set of six red flags, which were coded for automation in GETI. The results of the use of the six red flags were fed into various machine learning algorithms for testing.</p> <p>OLAF will collect the data needed by the end of 2024, and will identify the most relevant risk indicators at a later stage.</p>			

## Foster digitalisation and the use of IT tools to fight fraud

Nr	Action	Lead	Due date
10	Set up a working group to explore available and possible future options for strengthening digital control of external service providers and experts, notably checking that they do not claim reimbursement for the same hours from several sources.	OLAF: lead All DGs: support	2024
<p><b>State-of-play May 2024</b></p> <p>The Commission is well aware of the risks associated with the use of external service providers and experts, notably of double funding and conflict of interest, as also highlighted by the Commission's auditors. Digital solutions are thought to have the potential to mitigate some of the risks.</p> <p>A working group composed of 18 Commission services and executive agencies was established end of 2023. The kick off meeting took place in February 2024. A draft report on the main issues encountered by the Commission services, available tools and potential solutions is under preparation, for finalisation by the end of the year.</p> <p>Once finalised, the document will be shared within relevant fora, such as the Commission's Information Technology and Cybersecurity Board.</p>			

## Foster digitalisation and the use of IT tools to fight fraud

Nr	Action	Lead	Due date
11	<p>Further strengthen the Commission's IT and information security to respond quickly and effectively to evolving cyber-security threats, including the threat of cyber-fraud, and minimise potential impacts, notably by:</p> <ul style="list-style-type: none"> <li>a. regularly revising the IT security strategy and, as applicable, the IT security plans based on comprehensive risk assessments that take the possibility of cyber-fraud into account;</li> <li>b. ensuring close cooperation on information security between EU institutions and bodies, notably on investigations of leaks of information, on common rules and tools to securely exchange information.</li> </ul>	<p>DIGIT: lead strategy All DGs: lead plans OLAF: support HR: lead OLAF: support</p>	<p>2023 and continuous  2023 and continuous</p>
<p><b>State-of-play May 2024</b></p> <p>Cyber-security threats are constantly evolving. The Commission is committed to ensuring the safety and security of its digital assets and reputation, as well as maintaining the continuity of its operations.</p> <ul style="list-style-type: none"> <li>a. DG DIGIT regularly monitors and reports on the cybersecurity posture of the Commission via the IT Security and Risk Report (ITSRR), released three times per year. The latest release for the 2023 ITSRR took place in March 2024. The report provides a snapshot on the Commission's IT security risk posture, including updates and key developments in relation to the threat landscape, proactive and reactive cybersecurity and capability development. The actions of the IT Security Strategy 2023-2024 have been updated to keep the strategy in line with the priorities of the Commission, the evolution of the threat landscape, the new IT technical developments and the evolution of the compliance and incident management processes. Preparatory work for the 2025-2026 IT Security Strategy have started. The revision will incorporate the provisions of the Cybersecurity Regulation (2023/2841) entered into force in January 2024. The adoption of the revised IT Security Strategy is foreseen by the first quarter of 2025.</li> <li>b. The Commission presented its proposal for a Regulation on information security in all EU institutions and bodies to the co-legislators, in the Council Security Committee meetings of September, October and December 2023 and in the LIBE Committee meeting of September 2023. The Security Directorate of DG HR (HR.DS) provides constant support to decentralised agencies for the development of their rules and guidance on handling EU classified information (EUCI) and sensitive non-classified information, including by providing IT tools and training for their security staff contributing to reducing the fraud risk. HR.DS conducts the security assessment visits to the premises of those agencies preparing for handling EUCI, together with counterparts from Council and EEAS. HR.DS participates in coordination meetings every 6 months with the investigative teams of the other institutions. The issue of leaks and how to prevent and investigate them is a recurring agenda point.</li> </ul>			

## Foster digitalisation and the use of IT tools to fight fraud

Nr	Action	Lead	Due date
12	Encourage Member States, notably through available funding programmes, to digitalise as appropriate fraud prevention, detection and investigation by supporting the development and use of IT tools for data collection and analysis using advanced data mining, machine learning technologies and forensics, as well as the exploration of emerging technologies such as artificial intelligence, block chain technology and biometrics.	All DGs providing such funding	2023 and continuous
<p><b>State-of-play May 2024</b></p> <p>In its 2022 PIF Report of July 2023, the Commission recommended Member States to keep the digitalisation of the fight against fraud high on their agendas. To support Member States in the digitalisation of their anti-fraud efforts, the Commission undertook several actions.</p> <p>DG REFORM presented funding opportunities under the Technical Support Instrument (TSI) to Member States at the COCOLAF Fraud Prevention meeting of December 2023, including the possibility of funding digitalisation projects. Several anti-fraud focused projects were selected for the TSI 2024 cycle. DG REFORM encourages in its TSI 2025 programming (January 2024-October 2024) reform project requests on how technology and especially AI can support anti-corruption and anti-fraud bodies to improve their capacities. This links directly with Enhancing the European Administrative Space (ComPAct) Pillar II: Capacity for Europe's Digital Decade. DG REFORM endorsed in April 2024 a horizontal Flagship on Digitalisation, which can accommodate reform initiatives aiming to leverage technology and AI-supported models to enhance anti-corruption methodologies and processes. This flagship can accommodate relevant project requests from interested Member States.</p> <p>OLAF included in the 2024 Work programme for the Union Anti-Fraud programme (UAFP) funding opportunities for Member States authorities for the development and use of IT tools for data collection and analysis using advanced technologies. The UAFP Calls for proposals for 2024 were published in February 2024. OLAF intends to reinforce the digitalisation aspects in the future UAFP, post-2027.</p> <p>Beyond the funding opportunities, DG ECFIN is assessing the IT systems put in place by Member States to collect data on the implementation of the Recovery and Resilience Plan and to monitor the achievement of milestones and targets. OLAF has in the context of a COCOLAF expert group put together a “toolbox” on the anti-fraud IT tools used by Member States for the purpose of the RRF. This “toolbox” is currently being updated with the aim of including the description of the IT tools for all Member States.</p>			



**Support Member States to reinforce the protection of the Recovery and Resilience Facility, cohesion, agricultural and fisheries funds**

<b>Nr</b>	<b>Action</b>	<b>Lead</b>	<b>Due date</b>
<b>13</b>	<p>Further improve the prevention and detection of fraud to the RRF, notably by:</p> <ul style="list-style-type: none"> <li>a. developing risk indicators on fraud, corruption, conflict of interest and double funding, for the purposes of auditing and identifying potential cases to be transmitted to OLAF for possible investigation or transmission to the EPPO;</li> <li>b. carrying out system audits on the protection of the EU's financial interests focusing on high-risk areas identified in risk assessments;</li> <li>c. continuing anti-fraud awareness raising and training;</li> <li>d. encouraging Member States to make use of IMS to report irregularities related to the RRF in line with an ECA recommendation.</li> </ul>	ECFIN: lead OLAF: support	2023 and continuous
<p><b>State-of-play May 2024</b></p> <p>With the large amounts involved in the RRF, the Commission is closely monitoring and taking action to address risks and instances of fraud, corruption, double funding and conflict of interest. In 2023, OLAF updated and disseminated an updated version of an “RRF risk framework”.</p> <ul style="list-style-type: none"> <li>a. Discussions between OLAF and DG ECFIN on risk indicators took place in the second half of 2023 and in 2024. OLAF completed an evaluation of RRF data for anti-fraud purposes and shared it with DG ECFIN in April 2024.</li> <li>b. DG ECFIN have carried out audits on the protection of EU’s financial interests in all Member States. Targeted audits on the protection of EU’s financial interests are conducted where specific needs have been identified, such as for specific regions, authorities or measures.</li> <li>c. OLAF has provided training for the Member States authorities, notably in the framework of Europe Institute of Public Administration (EIPA) seminars in October and November 2023.</li> <li>d. Specifically concerning the use of IMS, the Member States’ audit authorities for RRF have been made aware of the advantages of using IMS for reporting irregularities during the 2023 and 2024 bilateral meetings organised by DG ECFIN.</li> </ul>			

**Support Member States to reinforce the protection of the Recovery and Resilience Facility, cohesion, agricultural and fisheries funds**

<b>Nr</b>	<b>Action</b>	<b>Lead</b>	<b>Due date</b>
<b>14</b>	Encourage Member States to put in place effective and proportionate anti-fraud measures, such as strategies at national, plan, programme or authority level and, as applicable, provide guidance and support in this respect.	ECFIN, shared management DGs and OLAF	2023 and continuous
<p><b>State-of-play May 2024</b></p> <p>The Member States are responsible for putting in place effective and proportionate anti-fraud measures to protect the financial interests of the Union. An appropriate framework for taking such measures are national anti-fraud strategies (NAFS), and the Commission, European Parliament and European Court of Auditors have therefore actively encouraged Member States to adopt such strategies.</p> <p>The European Parliament has called on the Commission to assess the NAFS that have been adopted and to encourage the remaining Member States to progress with the adoption. To respond to this call, the 2023 PIF report is accompanied by OLAF's assessment of Member States' NAFS. OLAF also regularly provides Member States with information and guidance on the development of NAFS in relevant fora, most recently in the 2023 and 2024 COCOLAF meetings.</p> <p>DG ECFIN encourages the adoption of NAFS in the context of its RRF audits on the protection of EU's financial interests, notably by adding the adoption of such strategies as a milestone where appropriate.</p> <p>The Common Audit Directorate of DG REGIO and DG EMPL (DAC) disseminated in the second half of 2023 the "Methodological Note for the Assessment of Management and Control Systems in the Member States" that the Shared Management DGs REGIO, EMPL, MARE and HOME had issued earlier in the year. The note includes assessment criteria of Key Requirement 7: "Effective implementation of proportionate anti-fraud measures". In February 2024, DG REGIO delivered a presentation to national authorities on the importance of having a NAFS in place, as part of an EIPA training on cohesion policy for EU Member State experts, "Identifying and preventing fraud and corruption in Structural and Cohesion Funds 2021-2022".</p> <p>DG AGRI has reinforced the anti-fraud measures to be implemented by the Paying Agencies, in the accreditation criteria list (Annex I to Regulation (EU) 2022/127) by imposing the need of having an anti-fraud strategy covering the full anti-fraud cycle (prevention, detection, investigation and sanctions). Specific guidance on the implementation of the Antifraud Strategies of the Paying Agencies is provided each year with a document addressed to Paying Agencies and the Coordination Bodies. Specific guidance on the checks to be performed as regards the Paying Agencies' compliance with the accreditation criteria is also provided each year with a document addressed to the Certification Bodies. DG AGRI furthermore performs accreditation missions focusing, among other topics, on the implementation of the anti-fraud strategy and anti-fraud measures, and organises expert group meetings with workshops on these subjects.</p>			

**Support Member States to reinforce the protection of the Recovery and Resilience Facility, cohesion, agricultural and fisheries funds**

Nr	Action	Lead	Due date
15	Provide, as relevant, regular training, awareness raising and exchanges of best practice examples with Member State authorities, either dedicated to or including as an important element anti-fraud matters, such as prevention, detection and handling of irregularities, as well as reporting in the IMS.	ECFIN, shared management DGs and OLAF	2023 and continuous
<p><b>State-of-play May 2024</b></p> <p>The Commission provided the Member States authorities with anti-fraud training, awareness raising and exchanges of best practices in several fora throughout 2023 and in 2024.</p> <p>For the RRF, DG ECFIN raised such topics in the annual conference with national authorities, in training and EIPA seminars on Arachne for the RRF, as well as in the COCOLAF meeting of December 2023.</p> <p>DAC presented notably findings on conflict of interest to the audit authorities and the findings of its audits to COCOLAF in December 2023. DG REGIO participated together with OLAF and DG REFORM in an event aimed at increasing anti-fraud and anti-corruption awareness and knowledge among international experts as part of the Dutch Constituency Programme in early 2024. Furthermore, training targeting national and regional authorities responsible for the management of cohesion policy programme was provided in February 2024. DG REGIO also maintains the EU Funds Anti-Fraud Knowledge &amp; Resource Centre website.</p> <p>DG AGRI regularly co-organises anti-fraud seminars with Member State paying agencies, contributes to discussions on anti-fraud issues at the Conferences of Directors of Paying Agencies organised by each Presidency of the Council and participates in the meetings of the Learning Network of the paying agencies.</p> <p>OLAF regularly provides training to different Member States on the reporting of irregularities and the protection of EU's financial interests. Notably, OLAF provided training on reporting of irregularities in the context of an event organised by the German AFCOS in November 2023 and in the anti-fraud webinar organised by Slovenian authorities in March 2024. OLAF raised awareness and facilitated exchanges of good practices with Member State representatives in the AFCOS and COCOLAF meetings in 2023 and 2024. OLAF furthermore participated in anti-fraud training organised by EIPA. In 2024, OLAF also set up an expert group of national experts focusing on the topic of double funding.</p> <p>The Commission will continue providing regular training, awareness raising and exchanges of best practice to Member States authorities, notably in the context of seminars on anti-fraud matters, conferences of Directors of Paying Agencies in agriculture, in bilateral annual coordination meetings with audit authorities in cohesion policy and in coordination meetings related the RRF. OLAF will continue to raise matters related to IMS in COCOLAF, and is currently considering how to enhance its IMS training offer.</p>			

**Support Member States to reinforce the protection of the Recovery and Resilience Facility, cohesion, agricultural and fisheries funds**

<b>Nr</b>	<b>Action</b>	<b>Lead</b>	<b>Due date</b>
<b>16</b>	Promote sharing of best practice and provide guidance for Member States on preventing, detecting, handling and reporting conflict of interest situations.	BUDG: lead ECFIN, shared management DGs: support	2024 and continuous
<p><b>State-of-play May 2024</b></p> <p>Member States have the obligation, when implementing the EU budget in shared management, to take the necessary measures to avoid conflicts of interest. The Commission has stepped up its efforts to provide guidance and allow the Member States to share their experiences with each other.</p> <p>DG BUDG has set up a Commission internal working group with the shared management DGs to identify best practice and guidance for Member States on preventing, detecting, handling and reporting conflict of interest situations. The first meeting took place in January 2024. A consolidated document will be drafted and shared with the Member States in 2025.</p> <p>DG ECFIN invites Member States to share best practices on conflict of interest situations in annual events for national audit bodies.</p> <p>DG AGRI provided guidance and support on conflict of interest situations during specific seminars, Expert Group Meetings and workshops dedicated to anti-fraud issues, and followed-up on issues involving potential conflict of interest at the level of the Governance Bodies.</p> <p>OLAF has enhanced its analysis of data on conflict of interest situations in IMS and includes, since 2023, a dedicated section in the Commission's PIF report.</p>			

**Support Member States to reinforce the protection of the Recovery and Resilience Facility, cohesion, agricultural and fisheries funds**

<b>Nr</b>	<b>Action</b>	<b>Lead</b>	<b>Due date</b>
<b>17</b>	Promote and support the use of IMS by Commission auditors for fraud risk assessment purposes, notably by providing training.	OLAF	2023 and continuous
<p><b>State-of-play May 2024</b></p> <p>OLAF continuously strives to make IMS accessible to relevant Commission staff. IMS can for example support auditors with their risk analysis in the planning of an audit.</p> <p>In 2023, following consultations on their needs, OLAF provided tailor-made training on IMS to auditors in DAC and DG ECFIN. In April 2024, OLAF collected the training needs on IMS for 2024 and consulted Commission departments on possible specific needs.</p> <p>OLAF will continue supporting the use of IMS by Commission auditors notably by providing training in line with the needs expressed by the Commission departments.</p>			

**Support Member States to reinforce the protection of the Recovery and Resilience Facility, cohesion, agricultural and fisheries funds**

<b>Nr</b>	<b>Action</b>	<b>Lead</b>	<b>Due date</b>
<b>18</b>	Verify, as relevant, that the work done by audit authorities and certification bodies includes checking on the existence of adequate procedures for timely and accurate reporting of detected irregularities, their handling, follow-up and transmission of information to the competent investigative bodies. This might include cases where the irregular expenditure is withdrawn from EU funding or, in the case of the RRF, corrected and recovered from the final recipients.	ECFIN, shared management DGs	2023 and continuous
<p><b>State-of-play May 2024</b></p> <p>To ensure that the EU's financial interests are protected, it is important that Member States have procedures in place for following up on detected fraud and irregularities. Audit authorities and certification bodies play an important role in verifying that this is the case.</p> <p>For the RRF, DG ECFIN reviews management declaration and audit reports received with payment requests, and issues recommendations following audits on the protection of EU's financial interests. MAPAR is consulted in preparation of audits on the protection of EU's financial interests, and the results are reflected in the preparation of audit checklists. The work done on audits on the protection of EU's financial interests and the follow-up of reported irregularities are discussed during annual bilateral meetings with Member States audit bodies.</p> <p>In the area of shared management, a revised version of the checklist on Key Requirement 7 on the effective implementation of proportionate anti-fraud measures was developed jointly by DAC (DG REGIO, DG EMPL), DG MARE and DG HOME and shared with the Audit Authorities of the Member States in March 2024 in CIRCABC. The checklist constitutes part of the Early Preventive System Audits verifications. A template of a checklist on conflict of interest has also been shared during a meeting with staff of all Audit Authorities of the Member States and on the dedicated platform for sharing documents with national services, CIRCABC.</p> <p>In the agricultural policy area specifically, DG AGRI updated its checklist to further develop the checks on the work performed by the Certification Bodies as regards the identification of irregularities and the debt management control system put in place by the Paying Agencies. DG AGRI accreditation missions focus also on these matters. DG AGRI follows up, through conformity enquiries, on any findings from the Annual Reports of the Certification Bodies, from its missions and on any other relevant information it receives that points to possible issues related to the identification of irregularities and the debt management control system of the Paying Agencies. DG AGRI provides guidance and support during Expert Group Meetings as regards irregularities and the recovery of undue payments.</p>			

**Support Member States to reinforce the protection of the Recovery and Resilience Facility, cohesion, agricultural and fisheries funds**

<b>Nr</b>	<b>Action</b>	<b>Lead</b>	<b>Due date</b>
<b>19</b>	<p>Support Member State authorities to improve the quantity and quality of irregularity reporting to the Commission via the IMS, notably by:</p> <ul style="list-style-type: none"> <li>a. developing and updating guidance on reporting, for example, the IMS handbook, including on issues related to conflicts of interest;</li> <li>b. reminding Member State authorities in the communication on the outcome of a Commission audit or an investigation on the obligation to report in IMS irregularities above the threshold, also when identified during a Commission audit or an investigation, and to confirm explicitly their reporting of those irregularities to allow for their exact identification.</li> </ul>	<p>OLAF: lead Shared management DGs: support</p> <p>Shared management DGs: lead OLAF: support</p>	<p>2024</p> <p>2023 and continuous</p>
<p><b>State-of-play May 2024</b></p> <p>For the EU to have a complete and correct picture of the irregularities and fraud against EU funding, the Member States need to report them in IMS. To support the Member States, OLAF issues guidance on reporting. In 2023, OLAF also addressed the matter of inadequate IMS reporting with a number of Member States bilaterally. By the end of 2023, OLAF had sent letters to eight Member States and is currently following up on the replies received. The shared management DGs can also contribute to an increased level of reporting, notably by reminding the Member States authorities of their obligation to report in IMS.</p> <ul style="list-style-type: none"> <li>a. In December 2023, OLAF started revising the handbook on the reporting of irregularities in shared management. An expert group on the topic was conveyed with Member State representatives. Two meetings of the expert group took place in spring 2024, in March and May respectively.</li> <li>b. Since January 2024, letter templates of DG AGRI, DAC (DG REGIO, DG EMPL) and DG MARE have been updated to include a reference to the obligation of reporting in IMS and the request to provide confirmation of such reporting to the OLAF-IMS functional mailbox. This request concerns irregularities detected during Commission audits, OLAF's investigations and ECA findings and the templates are in use since early 2024.</li> </ul>			

## Reinforce the protection of funds under indirect management and in the external relations area

Nr	Action	Lead	Due date
20	Develop a joint ethics and anti-fraud training plan with the EEAS, to ensure that specialised training is delivered consistently for targeted groups of staff notably in the Representations, Delegations and Missions.	External action DGs: lead OLAF, HR: support	2024
<p><b>State-of-play May 2024</b></p> <p>Staff working in the EU Representations, Delegations and Missions need appropriate ethics and anti-fraud training to develop sound knowledge of the Commission's ethics and anti-fraud frameworks.</p> <p>Following a mapping of existing training on ethics and anti-fraud topics (cf. action 40 of this action plan), the Commission established a draft proposal for a joint ethics and anti-fraud training plan in March 2024. A working group was set-up and the first meeting took place in April 2024 to discuss the proposal.</p> <p>The external action DGs, DG HR, OLAF and the EEAS will continue its discussions in the working group with the aim of finalising the joint ethics and training plan by the end of 2024.</p>			



## Reinforce the protection of funds under indirect management and in the external relations area

Nr	Action	Lead	Due date
21	<p>Raise awareness of pillar-assessed partners in the field of external action on their obligation to notify the Commission of cases of detected irregularities, fraud and exclusion situations, notably by:</p> <ul style="list-style-type: none"> <li>a. providing the partners with guidance on the information to be shared with the Commission when notifying cases;</li> <li>b. inviting OLAF to participate in relevant meetings with major recipients of EU funding.</li> </ul>	<p>INTPA: lead External action DGs, OLAF, BUDG: support External action DGs: lead OLAF: support</p>	<p>2024  2023 and continuous</p>
<p><b>State-of-play May 2024</b></p> <p>The Commission may delegate the implementation of EU-funded projects to partner organisations in indirect management. To ensure that the partner organisation's internal rules and procedures guarantee a high level of protection of EU funds, the organisation must pass a pillar assessment. Pillar-assessed partners have an obligation to notify the Commission of cases of detected irregularities, fraud and exclusion situations.</p> <ul style="list-style-type: none"> <li>a. Discussions between DG INTPA and OLAF are on-going to assess the issues encountered and the minimum requirements on the pillar-assessed partners. DG INTPA is currently compiling applicable provisions (binding and non-binding), mapping the different types of situations and exploring the possibility of developing Commission-OLAF communication channels for cases notified by pillar-assessed partners in the context of their contractual obligations. DG INTPA will develop guidance in cooperation with OLAF and other relevant Commission departments.</li> <li>b. OLAF was invited to technical meetings organised by DG INTPA with the UN Controller in October 2023, and to 19th EU-UN FAFA Working Group in June 2024. DG NEAR has requested that relevant staff in Commission headquarters and EU delegations inform OLAF of relevant meetings with pillar-assessed partners.</li> </ul>			

**Reinforce the protection of funds under indirect management and in the external relations area**

<b>Nr</b>	<b>Action</b>	<b>Lead</b>	<b>Due date</b>
<b>22</b>	Develop common lines of action with the EEAS to reduce the risks associated with local agents who remain in the same post for a long period of time in the Delegations.	External action DGs: lead OLAF, HR: support	2024
<p><b>State-of-play May 2024</b></p> <p>This action aims at tackling risks associated with local agents who remain in the same post for a long period of time in the EU Delegations.</p> <p>A Commission working group was set up to prepare common lines of action including preventive and corrective actions. Meetings took place in January and April 2024. The working group came up with proposals for actions to address the risks of local agents who remain too long in their posts in Delegations.</p> <p>The discussions in the working group will continue with the aim of developing common lines of action, also with the EEAS, by the end of 2024.</p>			

## Reinforce the protection of funds under indirect management and in the external relations area

Nr	Action	Lead	Due date
23	<p>Improve the use of IMS in candidate countries, notably by:</p> <ul style="list-style-type: none"> <li>a. developing guidance on irregularity reporting in IMS;</li> <li>b. providing training to relevant national authorities;</li> <li>c. raising awareness among relevant authorities on the need to report irregularities in IMS in a complete and correct manner.</li> </ul>	<p>OLAF: lead NEAR: support</p> <p>OLAF: lead NEAR: support NEAR, OLAF</p>	<p>2024</p> <p>2023 and continuous 2024 and continuous</p>
<p><b>State-of-play May 2024</b></p> <p>Under indirect management, the countries benefitting from pre-accession assistance (IPA) must report irregularities and fraud to the Commission, and keep the Commission informed about the progress of administrative and legal proceedings in relation to such irregularities. Such reporting is to be done through IMS. To ensure correct reporting, the Commission provides guidance and training to the candidate countries.</p> <ul style="list-style-type: none"> <li>a. A document providing guidance on irregularity reporting to beneficiary countries of pre-accession assistance in indirect management is under preparation. This guidance is expected to be ready for dissemination in candidate countries in the second quarter of 2024.</li> <li>b. During the AFCOS seminar in Montenegro of September 2023, a specific workshop, attended by representatives of all candidate countries involved in reporting, was held to raise awareness about the obligation of irregularities reporting. OLAF also explained IMS to Ukrainian authorities during a training organised by OLAF in February 2024. OLAF intends to continue using the AFCOS, multi- and bilateral meetings to provide training on IMS to candidate countries.</li> <li>c. In March 2024, DG NEAR sent letters to the different National Authorising Officers (NAO), reminding them of their obligation to report irregularities in IMS on a regular basis. The NAO were requested to submit summarised quarterly report on irregularities and their follow-up.</li> </ul>			

**Reinforce the protection of funds under indirect management and in the external relations area**

<b>Nr</b>	<b>Action</b>	<b>Lead</b>	<b>Due date</b>
<b>24</b>	Develop guidance and exchange of best practice on addressing the risks to spending in emergency situations (follow-up to 2019 CAFS action 29), focusing on conflict of interest.	ECHO, FPI, HOME: lead OLAF, BUDG: support	2024
<p><b>State-of-play May 2024</b></p> <p>The previous CAFS action plan of 2019 identified emergency spending as particularly vulnerable to fraud. Implementing the previous CAFS action related to emergency spending, a risk analysis was conducted. It identified conflict of interest as one of the main risks in this type of spending.</p> <p>The Commission therefore set up a working group on the risks to spending in emergency situations with focus on conflict of interest. The working group discussed and agreed on the outline of the guidance document which will contain anonymised cases of conflict of interest in emergency spending and mitigating measures to address risks to such spending. Discussions on the draft are ongoing.</p> <p>The guidance document is expected to be finalised by the end of 2024.</p>			

## Reinforce the protection of funds under indirect management and in the external relations area

Nr	Action	Lead	Due date
25	<p>Cooperate with Ukraine authorities, international donors and their anti-fraud services to protect EU funding from fraud and corruption, notably by:</p> <ul style="list-style-type: none"> <li>a. strengthening national anti-fraud structures through capacity building, in particular by: <ul style="list-style-type: none"> <li>i. providing targeted anti-fraud support to national authorities, e.g. through training and exchange of expertise;</li> <li>ii. supporting accession to the Union Anti-Fraud Programme;</li> </ul> </li> <li>b. collaborating on possible cases affecting the EU's financial interests, including through exchange of information.</li> </ul>	OLAF	2023 and continuous
<p><b>State-of-play May 2024</b></p> <p>The EU is spending large sums of money to support Ukraine in meeting present and future challenges. All players involved must do their utmost to ensure that the funds reach their intended recipients.</p> <ul style="list-style-type: none"> <li>a. To strengthen national anti-fraud structures through capacity building: <ul style="list-style-type: none"> <li>i. OLAF delivered anti-fraud training to several Ukrainian authorities in February 2024. Further training activities are foreseen for 2024 for Ukrainian anti-fraud authorities on advanced analytical tools and methodologies for fraud detection and investigation.</li> <li>ii. The negotiation and adoption process for Ukraine's association to the Union Anti-Fraud Programme was successfully finalised in the beginning of 2024. The association agreement was formally signed in March 2024 by both parties and it is now in force.</li> </ul> </li> <li>b. OLAF investigative units intensified cooperation with Ukrainian authorities for cases of fraud or irregularity allegations. OLAF also increased the dialogue with investigative services of other major donors to Ukraine.</li> </ul>			

## Reinforce the EU's capacity to fight customs fraud and protect EU revenues

Nr	Action	Lead	Due date
26	Strengthen the Commission's and Member States' analytical capacities in the customs anti-fraud area by developing data analysis tools and increasing exchange of and access to relevant data for anti-fraud purposes, to improve the prevention and detection of customs fraud.	OLAF, JRC, TAXUD, BUDG: lead	2023 and continuous
<p><b>State-of-play May 2024</b></p> <p>Analytical tools and data sharing play an important role in boosting the EU's capacity to effectively tackle customs fraud.</p> <p>Since 2023, OLAF continues to develop an analytical platform in AFIS (FraudAP) to increase its analytical capacity to support OLAF and Member States in their operational work. OLAF has increased its knowledge and experience in data science, invested in the latest software tools and technology, and improved its access to the relevant data for anti-fraud purposes. The new analytical capabilities of OLAF contribute to joint operational activities between OLAF and the Member States, enabling national authorities to identify and take action against fraudulent economic operators.</p> <p>As a result of the High-Level Customs Anti-Fraud Conference of November 2023, OLAF together with the Member States identified as a priority the development of a data analytical capability at EU level to support the exchange of best practices and training in this area.</p> <p>OLAF has been developing a B2B interface between the Customs Information System and Member State national systems with the support of the European Union Intellectual Property Office.</p> <p>A new administrative arrangement for 2024-2027 was signed between OLAF and JRC in December 2023. The CAFET-2 project (Customs Anti-Fraud Emerging Technologies) aims to further improve and develop various AFIS applications for undervaluation detection and container movements<sup>3</sup>. CAFET-2 also aims to develop various AI projects to support data analysis for anti-fraud purposes. One important topic will be to assess to what extent recent advances in Large Language Models, and in particular Generative AI technologies (like GPT), can support customs anti-fraud activities.</p>			

<sup>3</sup> Automated Monitoring Tool (AMT) and Container Status Messages (CSM) directory.

## Reinforce the EU's capacity to fight customs fraud and protect EU revenues

Nr	Action	Lead	Due date
27	<p>Ensure effective complementarity between customs risk management and anti-fraud activities, notably by:</p> <ul style="list-style-type: none"> <li>a. strengthening data sharing in the Customs Risk Management System;</li> <li>b. developing and better defining risk indicators related to anti-dumping and undervaluation in the new Financial Risk Criteria Decision;</li> <li>c. developing new common risk criteria for intellectual property rights at import.</li> </ul>	TAXUD: lead OLAF, BUDG: support	2024
<p><b>State-of-play May 2024</b></p> <p>Data analysis is an increasingly important component of both customs risk management and customs anti-fraud activities. Access to the right data for risk management and anti-fraud purposes is essential. DG TAXUD is working on a number of initiatives to improve the access to relevant data for these purposes, including in 2024 the proposed revision of Implementing Regulation on technical arrangements for developing, maintaining and employing electronic systems for the exchange and storage of information.</p> <ul style="list-style-type: none"> <li>a. DG TAXUD is developing a new capacity in the Customs Risk Management System (CRMS2) to share lists of data, while enhancing the capacity of the system to connect to other systems. To ensure complementarity between risk management and anti-fraud activities, a number of OLAF investigators and data analysts have been granted access to CRMS2 and will benefit from the improvements to the system. The new capacity is expected to be operational in 2025.</li> <li>b. The Commission and the Member States jointly developed and refined the risk indicators related to undervaluation and anti-dumping to be updated in the Financial Risk Criteria Decision. The Commission implementing decision, adopted in April 2024, takes into consideration the main anti-fraud issues.</li> <li>c. The identification of the main elements needed to establish common risk criteria for intellectual property rights at import has been carried out by a subgroup of Member States. DG TAXUD will draft a proposal for an implementing decision, ensuring that relevant anti-fraud aspects are taken into account.</li> </ul>			

## Reinforce the EU's capacity to fight customs fraud and protect EU revenues

Nr	Action	Lead	Due date
28	Define an anti-fraud strategy for new own resources and identify and implement mitigating measures on fraud risks concerning the Carbon Border Adjustment Mechanism, the EU Emissions Trading System and other new own resources.	OLAF, BUDG, TAXUD, CLIMA	Within two years of adoption
<p><b>State-of-play May 2024</b></p> <p>The Commission presented in June 2023 an adjusted proposal for a next generation of own resources that covered the Carbon Border Adjustment Mechanism (CBAM) and an extension of the Emission Trading System (ETS).</p> <p>CBAM entered into force in its transitional phase in October 2023. The adopted text includes a reference to the application of Regulation (EC) No 515/97 on mutual administrative assistance in customs matters. Reports for the first reporting period concerning the last quarter of 2023 were submitted by importers or their representatives in the first quarter of 2024. The relevant Commission departments are starting a joint reflection on the possible fraud risks associated with the CBAM.</p> <p>For ETS, see action 29.</p>			



## Reinforce the EU's capacity to fight customs fraud and protect EU revenues

Nr	Action	Lead	Due date
29	Minimise the potential fraud risks associated with the EU Emissions Trading System (ETS), notably by: <ul style="list-style-type: none"> <li>a. implementing and enhancing security measures;</li> <li>b. exploring alternative operating models for the ETS Union Registry, and conducting an in-depth feasibility assessment and cost–benefit analysis to inform the decision on a potentially new operating model.</li> </ul>	CLIMA CLIMA: lead SG, BUDG, DIGIT, TAXUD: support	2023 and continuous 2024
<p><b>State-of-play May 2024</b></p> <p>The EU Emissions Trading System (ETS) is the world's first major carbon market and remains the biggest one. With a market value of around EUR 770 billion and a revenue of more than EUR 7 billion generated for the EU in 2023, it is vulnerable to cyberfraud. The Commission is therefore enhancing its security measures.</p> <ul style="list-style-type: none"> <li>a. The Commission stepped up the implementation of the ETS IT security plan. 93.6% of the security measures in Union Registry and 50% of the additional security measures following the 2022 risk assessment were implemented at the end of 2023.</li> <li>b. In august 2023, the Commission signed a contract to explore alternative operating models for the ETS Union Registry. The risks of cyberfraud and mitigating measures will be considered.</li> </ul>			

## Reinforce the EU anti-fraud architecture

Nr	Action	Lead	Due date
30	<p>Ensure effective cooperation between the Commission and the European Public Prosecutor's Office (EPPO), notably by:</p> <ul style="list-style-type: none"> <li>a. providing guidance to Commission departments and Executive agencies;</li> <li>b. establishing Commission wide cooperation on EDES and on the application of the Conditionality Regulation;</li> <li>c. assessing potential compliance issues with the Member States' transposition and implementation of the PIF Directive.</li> </ul>	<p>Central services as appropriate</p> <p>BUDG</p> <p>JUST: lead OLAF: support</p>	<p>2024 and continuous</p> <p>2023 and continuous</p> <p>2023 and continuous</p>
<p><b>State-of-play May 2024</b></p> <p>The Commission and the EPPO have a shared interest in fostering an effective and cooperative relationship for the purpose of protecting EU's financial interests.</p> <p>There are regular contacts between the EPPO, the central services of the Commission and different Commission departments.</p> <ul style="list-style-type: none"> <li>a. There are ongoing Commission internal discussions on how to implement the workflows defined in the Commission-EPPO Agreement (Annex I), including on the provision of guidance, training and a possible helpdesk for Commission departments and Executive agencies.</li> <li>b. DG BUDG has provided relevant information on EDES to the EPPO. The analysis of information provided by EPPO to the Commission in the context of the preparation of the 2024 Rule of Law Report is ongoing, considering its potential relevance for the conditionality mechanism.</li> <li>c. The Commission sent Letters of Formal Notice against 19 Member States for non-compliance of national legislation with the PIF Directive. One Reasoned Opinion was sent against a Member State for non-compliance of national legislation with the PIF Directive. Two Reasoned Opinions for non-compliance with the PIF Directive were adopted in the April 2024 cycle. Six cases have been closed and further closures are expected in the next cycles.</li> </ul>			

## Reinforce the EU anti-fraud architecture

Nr	Action	Lead	Due date
31	Strengthen the support to Decentralised agencies and Joint Undertakings <sup>4</sup> in their effort to fight fraud, notably in establishing a coherent anti-fraud framework across agencies by: <ul style="list-style-type: none"> <li>a. providing training on ethics and anti-fraud matters;</li> <li>b. providing methodology and advice on anti-fraud strategies;</li> <li>c. sharing knowledge, allowing the agencies to publish relevant information on the inter-agency website;</li> <li>d. regularly participating in relevant meetings of the EU Agencies Network to inform on anti-fraud matters.</li> </ul>	OLAF: lead HR: support OLAF OLAF OLAF	2023 and continuous 2023 and continuous 2023 and continuous 2023 and continuous
<b>State-of-play May 2024</b> <p>The EU Decentralised agencies and Joint Undertakings are autonomous bodies with own legal personality, established by a founding regulation. They contribute to the implementation of various EU policies, sometimes with an important budget. While they have different governance structures, mandates and tasks, they are all bound to follow financial rules similar to those of the European institutions and to prevent fraud and irregularities.</p> <ul style="list-style-type: none"> <li>a. In the second half of 2023 and in the first quarter of 2024, upon request, OLAF delivered eight tailored-made training courses and presentations on ethics and anti-fraud matters to the Decentralised agencies and Joint Undertakings.</li> <li>b. In May 2024, OLAF finalised a dedicated methodology and guidance for anti-fraud strategies in Decentralised agencies and Joint Undertakings.</li> <li>c. OLAF will continue to provide advice and training on anti-fraud matters to the Decentralised agencies and Joint Undertakings, and to share relevant material, allowing the agencies to publish relevant information on the inter-agency website.</li> <li>d. OLAF will present the methodology for anti-fraud strategies in Decentralised agencies and Joint Undertakings to the Heads of Agencies and Heads of Administrations, as well as to the Commission's central services and partner DGs by the third quarter of 2024. OLAF will regularly participate in relevant meetings of the EU Agencies Network.</li> </ul>			

<sup>4</sup> Bodies set up under the Treaty on the Functioning of the European Union and Euratom Treaty and referred to in Articles 70 and 71 of Regulation (EU, Euratom) 2018/1046.

<sup>5</sup> [EU countries show progress in taking measures to improve journalists' safety | Shaping Europe's digital future \(europa.eu\)](#)

## Reinforce the EU anti-fraud architecture

Nr	Action	Lead	Due date
33	Enhance the involvement of civil society in the Commission's anti-fraud efforts, notably by exploring the possibility to work with civil society organisations to increase whistleblowing and reporting of suspicions of fraud.	OLAF, DGs as appropriate	2024
<p><b>State-of-play May 2024</b></p> <p>Civil society plays an important role in the fight against fraud and corruption in many Member States and at the EU level, emphasised notably by the European Parliament.</p> <p>OLAF is in regular contact with Transparency International. Notably, in 2023, OLAF approached Transparency International EU to explore possible avenues for increased cooperation, notably on whistleblowing and reporting of suspicions of fraud, and meetings between OLAF and Transparency International EU have taken place in 2024.</p> <p>A high level representative of OLAF will participate in the 2024 International Anti-Corruption Conference, co-organised by Transparency International in Vilnius in June, notably to broaden OLAF's contacts with civil society organisations and to encourage them to contribute to whistleblowing and reporting of suspicions of fraud.</p>			

**Reinforce the Commission's anti-fraud governance and maintain a high level of coordination and cooperation among Commission departments and Executive agencies**

Nr	Action	Lead	Due date
34	Maintain a high level of coordination and cooperation on anti-fraud matters between Commission departments and Executive agencies through the Fraud Prevention and Detection Network (FPDNet) and its subgroups.	OLAF	2023 and continuous
<p><b>State-of-play May 2024</b></p> <p>OLAF Correspondents and other anti-fraud professionals in Commission departments and Executive agencies meet in the Fraud Prevention and Detection Network (FPDNetwork) and its subgroups. These meetings are organised and chaired by OLAF, and a forum to share the latest developments on anti-fraud policy, develop such policy and exchange experiences. In addition to the FPDNet subgroups, a number of ad hoc working groups have been created since the adoption of the revised CAFS Action Plan in July 2023 with the purpose of implementing different actions. The FPDNet is involved in the coordination and monitoring of the implementation of the CAFS Action Plan.</p> <p>To maintain a high level of coordination and cooperation in the FPDNet and its subgroups, OLAF conducted a survey in early 2024 to evaluate the activities of the network and identify new topics and priorities. The outcome of the survey was shared with the network in May 2024. OLAF will carefully consider the views and topics proposed by the services for its future planning of FPDNet plenaries and subgroup meetings, and keep the FPDNet informed of any future developments based on the outcome of this survey.</p> <p>The FPDNet has a dedicated webpage on the Commission's anti-fraud website which is being revised as part of the Commission's corporate move to SharePoint online. The new website will be enhanced with additional content and launched in June 2024, cf. action 40.</p>			

**Reinforce the Commission's anti-fraud governance and maintain a high level of coordination and cooperation among Commission departments and Executive agencies**

<b>Nr</b>	<b>Action</b>	<b>Lead</b>	<b>Due date</b>
<b>35</b>	<p>Regularly include aspects of the Commission's anti-fraud policy on the agenda of the Corporate Management Board meetings, for example:</p> <ul style="list-style-type: none"> <li>a. the follow-up to OLAF's recommendations and – where applicable – information received from the EPPO;</li> <li>b. overall progress in the implementation of the Commission's anti-fraud strategy and its accompanying action plan.</li> </ul>	<p>SG, OLAF: lead All DGs: support</p>	<p>2023 and continuous</p>
<p><b>State-of-play May 2024</b></p> <p>The Commission's Corporate Management Board (CMB) provides coordination, oversight, advice and strategic orientations on corporate management issues, including anti-fraud policy matters. OLAF's Director-General is regularly invited to present aspects of the Commission's anti-fraud policy.</p> <ul style="list-style-type: none"> <li>a. In 2023, OLAF was invited to the September CMB meeting to discuss the follow-up of OLAF recommendations and information received from the EPPO.</li> <li>b. In the November 2023 meeting of the CMB, the CMB discussed the Commission's anti-fraud strategy, the revised action plan of July 2023 and the follow-up to second high level review of Commission – EPPO cooperation.</li> </ul> <p>Preparations are underway for OLAF's participation in an upcoming CMB meeting, on the follow-up to OLAF recommendations and on information received from the EPPO.</p>			

**Reinforce the Commission's anti-fraud governance and maintain a high level of coordination and cooperation among Commission departments and Executive agencies**

Nr	Action	Lead	Due date
36	<p>Improve continuously service-level anti-fraud strategies and their implementation, notably by:</p> <ul style="list-style-type: none"> <li>a. updating such strategies and fraud risk assessments in principle every three years<sup>6</sup>;</li> <li>b. seeking OLAF's advice at an early stage in the development of such a strategy or update, submitting the drafts for OLAF's mandatory review and to peer review, and justifying in writing when OLAF's recommendations on the anti-fraud strategy have not been followed. Any issues that cannot be resolved between OLAF and the Commission department concerned may be discussed in suitable fora or be brought to the attention of the Corporate Management Board.</li> </ul>	All DGs and executive agencies: lead OLAF: support	2023 and continuous
<p><b>State-of-play May 2024</b></p> <p>Service-level anti-fraud strategies help tailor anti-fraud measures to different policy areas and operations, thus increasing their effectiveness and efficiency. OLAF provides support for the elaboration of service-level anti-fraud strategies through methodological guidance elaborated in consultation with FPDNet, through training and tailor-made advice.</p> <ul style="list-style-type: none"> <li>a. In 2023, five Commission departments and Executive agencies updated their service-level anti-fraud strategies together with their fraud risk assessments, in line with OLAF anti-fraud strategy methodology of June 2021.</li> <li>b. In the FPDNet meeting of February 2024, OLAF reminded Commission departments and Executive agencies of the need to update their anti-fraud strategies every three years, and to involve OLAF at an early stage of the revision. OLAF reviewed all anti-fraud strategies submitted in 2023 and early 2024. Since early 2024, all service-level anti-fraud strategies are subject to peer review. A great majority of departments and agencies follow the guidance of OLAF and no issues in this regard were brought to the attention of the CMB in 2023 or early 2024.</li> </ul>			

<sup>6</sup> In line with the 2019 CAFS and the anti-fraud strategy methodology of June 2021, ref. Ares(2021)4589215.



**Reinforce the Commission's anti-fraud governance and maintain a high level of coordination and cooperation among Commission departments and Executive agencies**

<b>Nr</b>	<b>Action</b>	<b>Lead</b>	<b>Due date</b>
<b>37</b>	Make use of OLAF's investigative experience in the Commission's work with individual Member States, notably in the European Semester and in the Rule of Law processes where appropriate.	OLAF	2024 and continuous
<p><b>State-of-play May 2024</b></p> <p>OLAF's knowledge and experience from working in Member States with national authorities can be of relevance to the European Semester and the Rule of Law processes.</p> <p>As regards the European Semester process, OLAF participated in a number of meetings in 2023 and 2024, and got access to CeSaR (the Commission's online database and monitoring tool for the Country Specific Recommendations), to better assess where OLAF's contribution would be appropriate.</p> <p>As regards Rule of Law, OLAF contributed to the 2024 Rule of Law package and regularly participates in the discussions on individual Member States. To ensure that all potential Rule of Law issues are properly recorded and followed up upon, OLAF has intensified the screening of its investigations and of the investigative outcome for such issues, notably through a dedicated module in its Case Management System.</p>			

**Reinforce the Commission's anti-fraud governance and maintain a high level of coordination and cooperation among Commission departments and Executive agencies**

Nr	Action	Lead	Due date
38	In implementing the EU's anti-corruption policy <sup>7</sup> , exploit the synergies between anti-fraud and anti-corruption policies, notably by identifying common areas of high risk and measures to address such risks.	HOME, OLAF	2023 and continuous
<p><b>State-of-play May 2024</b></p> <p>With its anti-corruption package of May 2023, the Commission stepped up its efforts to integrate the prevention of corruption into the design of EU policies and programs, and to actively support Member States' work to put in place strong anti-corruption policies and legislation. The EU Network Against Corruption has been created as an umbrella forum for relevant stakeholders to exchange best practices and develop anti-corruption policy.</p> <p>As part of these efforts, DG HOME ordered in 2023 a study on high-risk areas of corruption in the EU. A specific section on synergies between anti-fraud and anti-corruption policies is foreseen. OLAF and DG HOME have discussed and shared with the contractor areas of high risk of fraud. A presentation on the results of the study to the EU Network Against Corruption is foreseen in the last quarter of 2024. It could be followed in 2025 by a specific action exploring the synergies between anti-fraud and anti-corruption policy, depending on the findings of the study.</p> <p>OLAF continues to participate in Commission internal meetings and external events on the fight against corruption, and contributes to the Commission's anti-corruption efforts, such as the UNCAC (United Nations Convention against Corruption) implementation review of the EU. OLAF will furthermore perform analysis of existing data with the aim of identifying sectors at risks of fraud and corruption.</p>			

<sup>7</sup> See the Anti-corruption package adopted by the Commission on 3 May 2023.

**Reinforce the Commission's anti-fraud governance and maintain a high level of coordination and cooperation among Commission departments and Executive agencies**

Nr	Action	Lead	Due date
39	Exploit the synergies between policies against organised crime, fraud and corruption, notably by identifying sectors at risk of fraud and corruption by organised crime, and of its infiltration in the legal economy, and measures to address such risks.	HOME, OLAF	2023 and continuous
<p><b>State-of-play May 2024</b></p> <p>Fraud, corruption and organised crime are often interlinked. These interlinkages need to be better understood to allow for the development of holistic policies.</p> <p>In the framework of the EU Organised Crime Strategy, the platform of Organised Crime Experts Group will be used to identify, raise awareness and exchange best practices about sectors at high risks at the intersection of fraud, corruption and organised crime. A specific session dedicated to discussing relations between fraud, corruption and organised crime, notably in how organised crime and related criminal activities infiltrate the legal economy, could be organised by the end of 2024.</p> <p>The current policy cycle for the European Multidisciplinary Platform Against Criminal Threats (EMPACT) covers the 2022-2025 period. DG HOME and OLAF will closely follow the institutional dialogue on setting EMPACT priorities for the next policy cycle and map possible areas for future synergies.</p> <p>The first step in the next EMPACT cycle is the European Union Serious and Organised Crime Threat Assessment (SOCTA), prepared by Europol. OLAF has engaged with Europol to explore the scope of OLAF's contribution to the 2024 SOCTA.</p>			

## Strengthen the culture of ethics and anti-fraud in the Commission

Nr	Action	Lead	Due date
40	Map, enhance and promote existing ethics and anti-fraud training and awareness raising for staff at all levels across the Commission, and reinforce the existing financial learning activities with additional messages on ethics and anti-fraud matters.	OLAF, HR, SG, BUDG: lead All DG's: support	2024
<p><b>State-of-play May 2024</b></p> <p>There is a continued need to strengthen the knowledge and maintain a high level of awareness among Commission staff regarding ethics and anti-fraud matters. The Commission is gradually strengthening training and awareness raising on ethics and anti-fraud in a holistic manner, as the two topics go hand in hand.</p> <p>In the autumn of 2023, the Commission launched an internal mapping of the existing ethics and anti-fraud training, to identify possible gaps in the existing training offer. The training material collected will be made available on the Commission's revamped anti-fraud website in June 2024.</p> <p>Existing OLAF and HR training on anti-fraud and ethics have been included in the BUDG learning paths/packages in 2023. The corporate "Fraud – Staying Vigilant" training has been relaunched, with new training sessions offered in 2024.</p> <p>OLAF and relevant Commission departments discussed the gaps in the training offer in a meeting in April 2024 and agreed on the next steps. Notably, the ethics and anti-fraud elements will be reinforced in existing financial training. OLAF will continue providing tailor-made anti-fraud training, with ethics elements included, while the target audience for any possible additional training needs to be defined. Developing anti-fraud e-learning options will be considered. OLAF will develop customisable anti-fraud training material, while DG HR will work on an interinstitutional awareness raising campaign. EPPO-related training is being discussed in other fora, cf. action 30.</p>			

## Strengthen the culture of ethics and anti-fraud in the Commission

Nr	Action	Lead	Due date
41	Promote awareness on Members' ethical obligations among Members of the Commission and Cabinets through the Network of Ethics and Transparency Contact Points and through targeted information for Members at the beginning and end of their mandates.	SG: lead OLAF, HR: support	2023 and continuous
<p><b>State-of-play May 2024</b></p> <p>The EU Treaties and the Code of Conduct for the Members of the European Commission lay down the rules on how Members should perform their duties. They shall observe the highest standards of ethical conduct.</p> <p>The Commission established in 2020 a Network of Ethics and Transparency Contact Points correspondents in the Cabinets of the Members of the Commission to raise awareness on the Members' obligations in the areas of ethics and transparency. The Network is regularly used to exchange information, and regular meetings are organised with the Network. Two such meetings took place in 2023, and one in the first quarter of 2024, dedicated to ethical standards for the participation of the Members of the Commission in the election campaign to the European Parliament and in election campaigns at Member State level. The latter meeting followed the discussion, in College, of the President's Guidelines for the participation of Members of the European Commission in election campaigns at member state level and in the election campaign to the European Parliament. In 2023, information meetings were held both with outgoing and incoming Members of the Commission to raise awareness as regards the ethical obligations applicable to them under the Treaty and the Code of Conduct, based on standard content.</p>			

## Strengthen the culture of ethics and anti-fraud in the Commission

Nr	Action	Lead	Due date
42	Provide corporate training and guidance on grants and procurement, including on simplified forms of reimbursement for grants, while ensuring that the training and guidance contain relevant anti-fraud elements.	BUDG	2024 and continuous
<p><b>State-of-play May 2024</b></p> <p>Direct expenditure in the form of grants and procurement represent a major part of the Union's expenditure. Simplified forms of funding have significant potential to reduce administrative burden and the overall error rate. Simplified cost options, such as lump sums or flat rates, are therefore increasingly used to provide funding in EU grants.</p> <p>DG BUDG provided regular training in 2023 to other Commission departments where anti-fraud matters and the avoidance of conflict-of-interest elements were highlighted. In September 2023, a new training video (video-capsule) on simplified cost options was developed and published on the BUDGpedia website, and advertised through BUDGpedia and the Finance Units Network (RUF). Promotion is on-going via various other Commission channels. Exercises focused on the simplified cost options were already included in the Grants Workshops and will be maintained throughout 2024. The BUDGpedia page dedicated to simplified cost options is regularly updated.</p> <p>EDES state of play is regularly presented at the RUF meetings and EDES elements were discussed in the Procurement Experts Platform of September 2023. A new EDES practitioner experts platform had its first session in March 2024.</p> <p>An internal discussion is ongoing on how to further strengthen anti-fraud messages in regular financial training sessions, cf. action 40.</p>			

## Strengthen the culture of ethics and anti-fraud in the Commission

Nr	Action	Lead	Due date
43	<p>Based on identified needs and priorities of Commission departments and Member States, perform and disseminate strategic analysis and guidance, notably to:</p> <ul style="list-style-type: none"> <li>a. feed into training and awareness raising, fraud risk assessments, and other prevention and detection activities of Commission departments, agencies, Member States and other anti-fraud partners;</li> <li>b. translate audit results and experience from investigations into concrete advice on fraud risks, fraud patterns and red flags, for example, in the form of case compendia.</li> </ul>	<p>OLAF: lead All DGs: support</p>	<p>2023 and continuous</p>
<p><b>State-of-play May 2024</b></p> <p>To increase the anti-fraud knowledge of the Commission, partner organisations and Member States, notably on fraud risks, trends and modus operandi, OLAF has established a strategic analysis function within its Anti-Fraud Knowledge Centre.</p> <p>Among other analytical documents, OLAF disseminated in 2023 two strategic analysis reports on agriculture and cohesion policy to relevant Commission services and Member States, to feed into their fraud risk assessments. Updated versions of these reports will be disseminated in 2024. OLAF also updated and disseminated the risk framework for the RRF.</p> <p>OLAF continues to provide anti-fraud advice and tailor-made training to Commission departments, other institutions, agencies and Member States, and to support these partners in the development of fraud risk assessments and anti-fraud agencies, based on OLAF's analysis of irregularities and fraud, on its investigative and policy experience, and on audit results.</p> <p>A case compendia with anonymised external action cases is under preparation with finalisation foreseen for June 2024.</p> <p>Relevant strategic analysis, guidance and compendia will be available on the Commission's new internal anti-fraud website which will go live in June 2024.</p>			

## Strengthen the culture of ethics and anti-fraud in the Commission

Nr	Action	Lead	Due date
44	Consider anti-fraud aspects when reviewing the recruitment process in the context of the implementation of the Commission's new HR strategy, notably in the behavioural assessments and in the training of selection panels, and reinforce the checks of originals of qualifications and certificates of candidates.	HR: lead OLAF: support	2023
<p><b>State-of-play May 2024</b></p> <p>With a workforce of over 32 000 staff in close to 200 places of employment, the Commission recruits every year approximately 500 officials and 1 800 temporary or contract agents. It is important to consider anti-fraud aspects in the recruitment process, to identify any unethical tendencies and potential wrongdoers and avoid recruitments potentially damaging for the institution.</p> <p>Therefore, anti-fraud checks are always present in the initial review of the recruitment process. Furthermore, DG HR is in the process of designing a new recruitment procedure that will take into account the changes in the selection procedure carried out by EPSO under its new competition model. As part of the new recruitment procedure, candidates' data and eligibility will be checked by DG HR with the aim of identifying any attempts of fraud on the institution. The new recruitment procedure will be in place by the time laureate lists issued under the new EPSO competition model are made available (currently foreseen for early 2025).</p> <p>DG HR ensures a thorough review of copies of candidates' qualifications and certificates, including by consulting the National Academic Recognition Information Centre, competent national authorities and IDOC as needed.</p>			