



## PROGRAMME MANUAL

# RISK OF FRAUD AND CONFLICTS OF INTERESTS

	Content of the modification	Date of the update
<b>V1</b>	-	January 2017
<b>V2</b>	Update of the name of the JS coordinator's name and JS email address	August 2018

For the programming period 2014-2020, prevention and management of the risks of fraud or conflict of interest are formalized through procedures involving project partners and Programme Authorities or control bodies, in that perspective, “declaration mechanisms” have been put in place by the Programme.

As defined in the Article 19 of the Programme Subsidy Contract "the MA / JS is committed to the principle of" zero tolerance "in the fight against fraud and corruption, and to be especially vigilant about these and to report any conduct that could be considered a suspected fraud to the participating States at any time. "

## Definitions

### ***Fraud***

Fraud is defined as any intentional act or omission related to

"- The use or presentation of false statements or documents, inaccurate or incomplete, having effect the misappropriation or wrongful retention of funds from the general budget of the European Communities or budgets managed by them or on their account;  
- Non-disclosure of information in violation of a specific obligation, with the same effect;  
- The misapplication of such funds for purposes other than those for which they were originally granted".

### ***Conflict of interest:***

A conflict of interest appears where the impartial and objective performance of an operation is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other reason.

### **Prevention:**

The **absence and prevention of conflicts of interest** are adopted as principles of work of the various decision-making bodies of the Programme and internal prevention tools were implemented. The Interreg MED Programme calls for the same vigilance from the part of LP and PPs in regard to any situation of potential conflict of interest.

By signing the Subsidy Contract and the Partnership Agreement, the LP and the whole partnership shall take all necessary measures to “prevent any conflict of interest that could undermine the impartial and objective performance of the operation and shall take immediate measures to remedy any situation constituting a conflict of interest or likely to lead to a conflict of interest”

In the same way, the LP and all partners undertake to comply with the principle of "zero tolerance" in terms of fraud prevention and corruption and to be especially vigilant on this subject. They also undertake to denounce any conduct likely to be considered as suspected fraud to the competent national authorities and to inform the MA of any suspected fraud.

A principle of prevention and vigilance must therefore be applied by beneficiaries; any situation of (potential) conflict/fraud will finally be reported to the JS.

The Programme encourages the set-up of preventive mechanism internal to projects (preventive self-declaration, etc.) and integrating these concepts in the project Steering Committee rules. The MA/JS may consult the outcome of this processing and do whatever is necessary to protect the financial interests of the European Union.

Additionally to the internal procedures foreseen at Programme level for reporting suspected conflict of interest or fraud or cases of proven fraud, those can be **detected and reported to the JS** by:

- **A project beneficiary** (LP or PP)
- **The FLC** as a result of its check of partners' activities and validation of expenditures
- **Whistle blowers** (Anonymous or not)
- **Second level Auditors**
- **Monitoring Committee members, other Programme Authorities** (Certifying Authority, Audit Authority), Group of Auditors members and National Contact Points
- **The Commission** (OLAF or other services) / other EU Funded Programs

## Reporting Tools

Suspected or established fraud or conflict of interest should be reported in one of the Programme official languages, the contact person for these matters is mentioned below.

### **The Programme Contact person is the following:**

Name/Surname: Curzio CERVELLI , JS coordinator

Email address: alert\_med@mareregionsud.fr

### **Protection of whistleblowers:**

A procedure to ensure the protection of whistleblowers who could report suspected fraud or conflict of interest has been validated by representatives of the Programme Participating States and, if the competent national authority is responsible for monitoring of possible fraud cases concerning the beneficiaries of its national territory, the cooperation between all authorities will be ensured while securing **the confidentiality of an alert**.

## Follow-up measures

Where fraud is suspected or reported or in case of confirmed suspicion of conflict of interest, the MA/JS will inform the competent national authorities (Members of the GOA and the Monitoring Committee) in order for the latter to start appropriate investigations and follow-up measures. The Programme will follow the progress of the procedure.

In specific cases, the MA/JS can use a tool called ARACHNE made available by the European Commission to detect potential risks of fraud that undermine the financial interests of the European Union. In this context, specific data can be sent to the system managers for processing. Some Interreg MED countries have set up specific national systems for fraud prevention and they might be consulted too, in case it is deemed necessary.

After the follow-up measures are implemented and any eventual irregular amount is balanced/recovered, the MA/JS will inform the following bodies about the closure of the case:

- AA / Group of Auditors
- Monitoring Committee,
- If relevant, national authorities of the respective country,
- And in case of suspected fraud, the European Commission (cf. Art. 122 (2) of Regulation (EU) No 1303/2013).