

## **Financial Interests of European Scale. The Effectiveness of Antifraud Preventive**

### **(Administrative) Measures**

#### **Research & Activity Plan**

The protection of EU financial interests related to ESI funds rests on three pillars: effectiveness, coordination, and cooperation between authorities.

The effectiveness of the EU action fighting irregularities, fraud, and corruption requires a balanced set of preventive and remedying legal measures acting as a deterrent and affording some higher standards supporting more effective protection.

Nowadays, the EU legal framework is based on a large array of remedying and sanctioning (*ex-post*) mechanisms, safeguarding the financial interests of the EU: not by chance, the EU Public Prosecutor's Office (EPPO) aims to improve the criminal law enforcement, as well as the proposal to enhance OLAF cooperation along with EPPO to support the effectiveness of investigations, or the system (EDES) established by the European Commission to reinforce the protection of such interests by ensuring sound financial management through administrative sanctions and exclusion procedures against fraudsters.

On the contrary, under the EU law, the preventive protection is not sufficient yet, as being only partially recognized by the Commission Anti-fraud strategy, 2019. Indeed, although art. 125 CPR states that "*Managing Authorities*" must implement "effective and proportionate anti-fraud measures" by assessing related risks, and OLAF has made considerable efforts too, issuing guidelines to Member States (MSs) to promote national anti-fraud strategies concerning ESI funds, the overall preventive system looks quite at the early days.

Therefore, a single Member State's approach appears inadequate to mitigate fraud risks whenever transnational financial players are involved.

Thus, it is crucial to implement preventive administrative measures, mainly through digital technologies, to mitigate the risk of frauds potentially affecting the ESI funding system.

Yet, having regard to coordination and cooperation between MSs' authorities, the EU law (Regulation 883/2013) requires an "Anti-fraud coordination service" (AFCOS) that, even though it supports cooperation between MSs, still mainly focuses on *ex-post* measures instead of *ex-ante* ones. Prevention mechanisms are mainly left at a mere advisory level.

The need to investigate a different pattern coordinating European and MSs' "*managing authorities*" is clear from all that above. Thus, the research purpose is to boost more effective cooperation by establishing a common set of preventive administrative measures sharing the same public benefit: protecting financial interests having a European scale.

Research activities are expected to stress the peculiar protection of the EU financial interests whenever public-private financing sources are related to ESI funds, by legally assessing fraud and corruption risk and elaborating appropriate preventive measures to mitigate it.