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# Abuse of EU funds: North Macedonia

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Implemented by:



Government  
Transparency  
Institute



# Context

- EU funds are controlled by specialized departments with a sole task to monitor their spending. There are specialized audit offices and financial disbursement offices/agencies (Min. Finance and Min. of Agriculture) which are handling EU funds.
- There is a political consensus that EU funds are not to be abused systematically
- This does not mean there are no cases

# AKTOR (2014-2017)

- A Greek construction company (AKTOR) won a contract of €270M to build a segment of corridor 8 highway in the south of North Macedonia. (Participation: MK.GOV €6M, EIB €130M, EBRD €107M, €45M IPA)
- AKTOR won despite having a more expensive bid, after MK Government tweaked eligibility criteria.
- Greek prosecution took interest in 2014 about the case after it was signaled by the North Macedonia opposition there is a suspicious activity. OLAF participated in the investigation.

# AKTOR (2014-2017)

- The scheme: Greek nationals employed by AKTOR withdrew large sums of cash in a small branch of Stopanska Banka in the town of Negotino.
- Financial police detected this as it occurred, but was probably pressured to not pursue the case any further.
- Only in 2018 the Special Public Prosecutor in North Macedonia opened a case. According to media, the SPO did not think the funds left the country, and suspected large parts of it ended up as bribes for MK officials for giving the award to AKTOR.
- With the downfall of SPO, the fate of the case is unknown.

# Jahi Jahija (2012-2021)

- The state secretary in the Ministry of Information Society & Administration, Jahi Jahija and another employee in the Ministry were charged for revealing sensitive information tender information to an Italian company. These information were used to win a contract for an IPA project on reform of public administration.
- The indicted were given bribes to the excess of €90.000 wired to an account in Greece, as well as paid travel expenses in several countries.
- OLAF initiated the investigation, alongside Italian Prosecution.
- Case in North Macedonia is still not resolved

# Agency for European Education Programs & Mobility

- The most notorious set of cases, involving possible fraudulent behavior spanning more than 10 years
- The scheme: The Agency disburses funds to organizations run by close persons or party member or projects with limited to no implementation (non-existing organizations)
- After allegations for frauds between 2008 and 2010, the former director Boshko Nelkoski resigns.
- This is followed by 2 year suspension of funds by the EC.

# Agency for European Education Programs & Mobility

- In 2020, the Anticorruption commission reveals a case against the director Lidija Dimova for giving €270K of Erasmus 2 funds to dubious organization. The case according to them was tipped by employees in the Agency
- At the same time Dimova reveals there is another case that she identified for fraudulent disbursement of around €2.2M from a scheme of employees in the Agency.
- OLAF initiates procedures for both allegations
- Dimova is later indicted and is currently tried in a court procedure.
- Media informed OLAF expects progress by MK prosecution on the second allegation as well. According to media, Prosecution has lost the evidence provided by OLAF

# Next Big Challenge: The EU Economic & Investment plan for the Western Balkans

€9 billion in the long-term economic recovery of the region, support a green and digital transition, and foster regional integration and convergence with the European Union.

- There are proposals given to the European Parliament about the involvement of CSOs in the evaluation and oversight of the project. (Will BARTLETT, Matteo BONOMI, Milica UVALIC)
- Three essential actors:
  - Parliament to involve all sides in oversight and monitoring
  - CSOs to have insight and provide early warnings to MPs
  - Media as last resort for alarms