

Practice Name:  
**AFCOS network**

Practice category:  
• Cooperation mechanisms



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Country:  
**Denmark**

### Fraud risk(s) countered

- Conflict of interest
- Avoidance or manipulation of public procurement procedures
- Double funding
- Collusion
- Manipulation of project costs
- Others

### Context and objective(s)

Under the Regulation No 883/2013<sup>1</sup> concerning investigations conducted by the European Anti-Fraud Office (OLAF), each Member State (MS) must designate an anti-fraud coordination service (AFCOS) to facilitate effective cooperation and exchange of information, including information of an operational nature, with OLAF. In line with this regulation, the Danish Ministry of Finance has been appointed as the AFCOS for Denmark. To further facilitate coordination between Danish Managing Authorities (MA), the AFCOS network was created.

Even before the creation of the network, the various MAs in Denmark worked together closely. The idea for the AFCOS network was to build on the existing informal cooperation and to formalise the exchange between Danish MAs. The network shall also ensure that information from and to OLAF is disseminated through the AFCOS as a single point of entry. Another goal of the AFCOS network is to gather information about EU funds, policies and best practices and share this information within the entire network.

The Ministry of Finance acts as a coordinator and organises the network meetings.

### Description of the practice

The AFCOS network is composed of the following authorities:

- The Danish Agricultural Agency under the Ministry of Environment and Food;
- Danish Fisheries Agency under the Ministry of Environment and Food;
- Danish Business Authority under the Ministry of Business;
- The Danish Customs Agency under the Danish Ministry of Taxation;
- Danish State Prosecutor for Serious Economic and International Crime (SOIK) under the Ministry of Justice; and

<sup>1</sup> Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999, available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32013R0883>

- Centre for Climate, Green Economy and the EU at the Ministry of Finance (contact point for OLAF and Danish AFCOS coordination).

Each authority is represented by one person during the network meetings which means the meetings are held with six people.

The network participants meet up to three times per year, i.e. in January, May and October. They discuss specific topics (e.g. the risk of double funding) put forward by the agencies, share experiences (e.g. about detected cases or tools used) and discuss best practices.

In order to formalise the network, a Handbook was developed. This handbook details the legal basis, describes the collaboration and organisation mechanisms within the network, and draws action plans for each member regarding its anti-fraud measures. It is structured as follows:

- EU and national legal frameworks relating to AFCOS
- Organisation and collaboration within the AFCOS network
  - Roles and responsibilities of the network participants
  - Collaborative agreements between authorities in the network
  - Practice of transferring cases relating to fraud in EU funds to the State Prosecutor
- Collaboration with OLAF
  - Description of the OLAF organisation, including the Advisory Committee for the Coordination of Fraud Prevention (COCOLAF)
  - Description of the COCOLAF groups, including those in which Danish authorities/agencies usually participate
  - Description of AFIS (a collection of applications facilitating the exchange of anti-fraud information between OLAF and competent administrations)
- AFCOS-network participants' individual action plans
  - Description of the individual actions plans to fight fraud in EU funds

The network was set up and maintained using national funds.

## Unique features

- One single point of entry, i.e. the Ministry of Finance, for requests from OLAF and exchange of information with OLAF (though some contact regarding specific cases and On-the-Spot Checks happen directly between OLAF and the Danish State Prosecutor for Serious Economic and International Crime)
- Communication and collaboration between all the national MAs in order to fight fraud more effectively.

## Outcomes and results

The network helps to mitigate different types of fraud risks, e.g. it reduces the risk of double funding by the Danish Agricultural Agency and the Danish Business Authority which are both part of the network.

It also facilitates cooperation between the agencies to create common practices for fraud detection and mitigation.

The AFCOS network can also respond efficiently to detected fraud, in coordination with the investigation and prosecution bodies.

## **Key success factors**

- Existing cooperation between authorities which was formalised
- Clear written procedures, i.e. the Handbook.

## **Challenges encountered & lessons learned**

The communication and collaboration between various authorities, or the lack thereof, is a challenge in fighting fraud and corruption. The reviewed organisational set up enables the necessary exchange of information and ideas.

Its implementation was well received by the different authorities.

## **Potential for the transferability**

A country interested in replicating the network should:

- Set up meetings with all the authorities
- Build trust between the people representing the authorities and the AFCOS
- Formalise the network in a handbook

The fact that Denmark has a smaller number of MAs than some other EU Member States and that they are mostly based in the same city surely helped to set up and maintain this network successfully. However, this does not mean that a country with a different structure cannot replicate the practice, e.g. instead of physical meetings there is the possibility to organise regular virtual meetings.

If the organisational aspect represents a significant effort, the various authorities could rotate in organising the meetings.