



Brussels, 29.7.2014  
C(2014) 5206 final

**COMMISSION IMPLEMENTING DECISION**

**of 29.7.2014**

**on the Preparatory Action for Supporting Arab Spring countries to implement asset recovery to be financed from the general budget of the European Union**

## COMMISSION IMPLEMENTING DECISION

of 29.7.2014

### on the Preparatory Action for Supporting Arab Spring countries to implement asset recovery to be financed from the general budget of the European Union

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council regulation (EU, Euratom) No 1605/2002<sup>1</sup>, and in particular Article 54(2)(b) thereof,

Whereas:

- (1) Across the Southern Mediterranean, Arab Spring countries in transition are experiencing serious political, economic and social challenges. The recovery of assets is particularly important for these countries such as Egypt, Libya and Tunisia, where high-level corruption has plundered the national wealth and where resources are badly needed for reconstruction and rehabilitation of society under new government. The return of misappropriated assets stolen by former dictators, their families and their regimes, back to Arab Spring countries in transition, is a highly political issue due to its symbolism of justice and accountability being restored in the spirit of democracy and rule of law. The recovery of stolen assets is also of significant economic and social importance, as funds are needed to help stabilize economies and create jobs and growth across those countries, which face serious economic challenges. Asset recovery also has an important preventive effect, as it is a strong message against the impunity of those involved in corruption. Egypt, Libya and Tunisia are also suffering from the associated problem of money laundering. In developing economies with a strong 'cash economy', perpetrators often succeed in integrating money derived from corrupt acts into the legitimate economy through money laundering.
- (2) Following the Arab Spring there was a strong call for action at the regional and global level to ensure that there are no safe havens for stolen assets, either in the Arab World, in the global financial centres or elsewhere. In support of Egypt, Libya and Tunisia, the EU promptly froze the assets of former dictators, their families and several other persons associated with their regimes. The call for action led to the establishment in 2012 of the Arab Forum on Asset Recovery (AFAR), as a standalone initiative in support of the asset recovery efforts by Arab Countries in Transition. It works as a platform for bringing together the G8, the Deauville Partnerships<sup>2</sup>, as well as countries in the Arab World in cooperation for the return of stolen assets. To promote effective cooperation in asset recovery, the G8 in 2012 called on its members to give priority to the requests of transition countries for case assistance in recovering the proceeds of

---

<sup>1</sup> OJ L 298, 26.10.2012, p. 1.

<sup>2</sup> The Deauville Partnership with Arab Countries in Transition is an international effort launched by the G-8 at the Leaders Meeting in Deauville, France in May 2011 to support countries in the Arab World engaged in transition toward "free, democratic and tolerant societies."

corruption and organized crime. Therefore, effective asset recovery has become an urgent area of focus in the region and international community.

- (3) Egypt, Libya and Tunisia have made considerable efforts to ensure that misappropriated stolen assets are repatriated, including the setting up of dedicated national investigative commissions tasked with tracing, identifying and recovering such assets. They have also initiated legal cases in the courts of EU Member States. However, despite strong political will from all sides, there has been very limited success experienced by practitioners in Egypt, Libya and Tunisia who are attempting to engage in the recovery of misappropriated assets. The difficulties are very much recurring in their nature, i.e. lack of knowledge of domestic legal systems, lack of administrative capacity and expertise, breakdowns in communication, legal rigidity and unresponsiveness and insufficient law enforcement responses.
- (4) As diversity and complexity of national legislations in Egypt, Libya and Tunisia and limited legal expertise and institutional capacities remain major obstacles in the field of asset recovery to Arab Spring countries in transition, the European Parliament has proposed a Preparatory Action to offer substantial legal and technical assistance to Southern Mediterranean partner countries concerned.
- (5) The objective is to support and empower the governments, asset recovery practitioners and civil society from the Arab Spring countries, particularly Egypt, Tunisia and Libya, to recover the assets of former leaders and other high-ranking officials accused of, or found to have engaged in, widespread corruption over long periods of time, guided by the framework and provisions of the United Nations Convention Against Corruption (UNCAC). By strengthening national capacities to ensure effective and timely asset recovery, the project will play an important role in combating corruption and money laundering, promoting transparency and good governance initiatives.
- (6) This Decision complies with the conditions laid down in Article 94 of Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union<sup>3</sup>.
- (7) The Commission may entrust budget-implementation tasks under indirect management to the entity identified in this Decision, subject to the conclusion of a delegation agreement. However, the United Nations Interregional Crime and Justice Research Institute is currently undergoing the ex-ante assessment. In anticipation of the results of this review, the responsible authorising officer deems that, based on a preliminary evaluation and on the long-standing and problem-free cooperation with it, budget-implementation tasks can be entrusted to this entity.
- (8) The maximum contribution of the European Union set by this Decision should cover any possible claims for interest due for late payment on the basis of Article 92 of Regulation (EU, EURATOM) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012<sup>4</sup>.
- (9) The Commission is required to define the term "non-substantial change" in the sense of Article 94(4) of Delegated Regulation (EU) No 1268/2012 to ensure that any such changes can be adopted by the authorising officer by delegation, or under his or her responsibility, by sub-delegation (hereinafter referred to as the 'responsible authorising officer').

---

<sup>3</sup> OJ L 362, 31.12.2012, p. 1.

<sup>4</sup> OJ L 362, 31.12.2012, p. 1.

- (10) The measure provided for in this Decision does not fall in the categories of measures for which the opinion of the Committee is required. The European Neighbourhood Instrument Committee set up by Regulation (EU) No 232/2014<sup>5</sup> should be informed of this Decision within one month following its adoption.

HAS DECIDED AS FOLLOWS:

*Article 1*

**Adoption of the measure**

The following preparatory action, attached as annex, is approved:

- Supporting Arab Spring countries to implement asset recovery

*Article 2*

**Financial contribution**

The maximum contribution of the European Union authorised by this Decision for the implementation of the preparatory action is set at EUR 2,740,012 to be financed from budget line 21 03 77 05 of the general budget of the European Union for 2014.

*Article 3*

**Implementation modalities**

Budget-implementation tasks under indirect management may be entrusted to the entity identified in the attached Annex, subject to the conclusion of the relevant agreements.

Section 4 of the Annex referred to in Article 1 sets out the elements required by Article 94(2) of Delegated Regulation (EU) No 1268/2012.

The financial contribution referred to in Article 2 shall also cover any possible interests due for late payment.

*Article 4*

**Non-substantial changes**

Increases or decreases of up to EUR 10 million not exceeding 20 % of the contribution referred to in Article 2, or cumulated changes to the allocations of specific actions not exceeding 20 % of that contribution shall not be considered substantial, provided that they do not significantly affect the nature and objectives of the actions.

The responsible authorising officer may adopt these non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 29.7.2014

*For the Commission*

*Štefan FÜLE*

*Member of the Commission*

---

<sup>5</sup> Regulation of the European Parliament and of the Council establishing a European Neighbourhood Instrument, OJ L 77, 15.3.2014.

## ANNEX

of the Commission Implementing Decision on the Preparatory Action for Supporting Arab Spring countries to implement asset recovery to be financed from the general budget of the European Union

### Action Document for Supporting Arab Spring countries to implement asset recovery

#### 1. IDENTIFICATION

Title/Number	Supporting Arab Spring countries to implement asset recovery CRIS number: 2014/344-285		
Total cost	Total estimated cost: EUR 2,770,012 Total amount of EU budget contribution: EUR 2,740,012 from the general budget of the European Union for 2014. UNICRI contribution: EUR 30,000 Budget line: 21 03 77 05		
Aid method / Management mode and type of financing	Project Approach Indirect management with UNICRI (United Nations Interregional Crime and Justice Research Institute)		
DAC-code	15130	Sector	Legal and judicial development

#### 2. RATIONALE AND CONTEXT

##### 2.1. Summary of the action and its objectives

The recovery of assets misappropriated in Egypt, Libya and Tunisia, is a critical issue for the respective country of origin of these funds. The political pressure for progress is and will remain intense, in particular in the countries where these assets are deposited. The legal mechanisms for achieving their return are complex and must be respected. Asset recovery is also a key political priority for the EU. This action intends to give actuation to the Preparatory Action proposed by the European Parliament and established in the framework of the approved Budget of the European Union for the financial year 2014.<sup>1</sup>

The project will support the governments from the Arab Spring countries, particularly Egypt, Tunisia and Libya, to recover the assets of former leaders and other high-ranking officials accused of, or found to have engaged in, widespread corruption over long periods of time, guided by the framework and provisions of the United Nations Convention against Corruption (UNCAC).

The project is mainly funded by the European Union. The international investigators, prosecutors, lawyers and financial experts will directly support the efforts of Egypt,

---

<sup>1</sup> Item 21 03 77 05

Libya and Tunisia, in addressing the complex legal procedures related to the recovery of misappropriated assets and their return to the people of the Arab Spring countries within a reasonable time frame. By strengthening national capacities to ensure effective and timely asset recovery, the project will play an important role in combating corruption and money laundering, promoting transparency and good governance initiatives. Three years after the Arab Spring, there is a need to achieve advances and hopefully a return of the stolen funds to their country of origin.

## **2.2. Context**

### **2.2.1. *International and Regional context***

#### **2.2.1.1. Economic and social situation and poverty analysis**

The recent deterioration of the macro-economic situation in the region was caused by the economic crisis, soaring food and energy products prices, and political and social instability related to the Arab Spring. Mediterranean Partner Countries are characterized by (i) growth rates relatively lower compared to other developing and emerging regions, with a growth rate of Gross domestic product (GDP) per capita which has never exceeded 2.7% on ten-year average, (ii) very high unemployment rates and a low level of participation (about 48% for all countries in the region), particularly for women, (iii) a large informal sector, estimated in some countries at 40% of GDP and (iv) relatively large budget deficits, in particular for non-oil producing countries, caused often by massive subsidies on first necessity goods and by high public payrolls.

In such a difficult context, recovering illegally diverted assets to the public finances of the countries affected becomes a political and economic priority.

#### **2.2.1.2. The International Legal Regime: the United Nations Convention against Corruption (UNCAC)**

The UNCAC provides a comprehensive global regime against corruption measures structures in five parts: (i) prevention; (ii) criminalization and law enforcement measures; (iii) international co-operation; (iv) asset recovery; and (v) technical assistance and information exchange. Article 51 provides for the return of assets to countries of origin as a fundamental principle of the Convention. Egypt, Libya and Tunisia are parties to UNCAC. The United Nations Office on Drugs and Crime (UNODC) in Vienna serves as secretariat for the UNCAC.

### **2.2.2. *Sector context: policies and challenges***

Across the Southern Mediterranean, Arab Spring countries in transition are experiencing serious political, economic and social challenges. Fuelled by the demand to end corruption, the Arab Spring swept across Tunisia, Egypt and Libya, overthrowing former leaders, and exposed phenomenal levels of stolen assets. The Arab Spring has revealed the widespread grand corruption of public officials in the top tiers of political influence in Egypt, Tunisia and Libya.

The recovery of assets is a highly political issue due to its symbolism of justice and accountability being restored in the spirit of democracy and rule of law. The recovery of stolen assets is also of significant economic and social importance, as funds are needed to help stabilize economies and create jobs and growth. Asset recovery also

has an important preventive effect, as it is a strong message against the impunity of those involved in corruption.

Following the Arab Spring there was a strong call for action at the regional and global level to ensure that there are no safe havens for stolen assets, either in the Arab World, in the global financial centres or elsewhere. In support of Egypt, Libya and Tunisia, the EU promptly froze the assets of former dictators, their families and several other persons associated with their regimes. The call for action led to the establishment in 2012 of the Arab Forum on Asset Recovery (AFAR), as a standalone initiative in support of the asset recovery efforts by Arab Countries in Transition. It works as a platform for bringing together the G8, the Deauville Partnership<sup>2</sup>, as well as countries in the Arab World in co-operation for the return of stolen assets. To promote effective co-operation in asset recovery, the G8 in 2012 called on its members to give priority to the requests of transition countries for case assistance in recovering the proceeds of corruption and organized crime. Therefore, effective asset recovery has become an urgent area of focus in the region and of the international community.

Egypt, Libya and Tunisia have made considerable efforts to ensure that misappropriated stolen assets are repatriated, including the setting up of dedicated national investigative commissions tasked with tracing, identifying and recovering such assets. They have also initiated legal cases in the courts of EU Member States.

#### a) The case of Egypt

Corruption is seen as a major challenge undermining Egypt's development. According to most Egyptians, corruption is endemic. Public opinion clearly demonstrates that the fight against corruption is considered a national priority, with the recovery of stolen assets at the forefront of any anti-corruption initiative.

There are numerous anti-corruption agencies operating in Egypt, including the Administrative Control Authority, the Public Prosecution, the Administrative Prosecution, the Central Audit Authority, the Department of Illegal Gains and the Public Funds Investigation. Most of these agencies are characterized by broadly defined and overlapping competencies, roles and responsibilities, hindering Egypt's fight against corruption. The above-mentioned agencies lack clear communication and co-ordination mechanisms. There is a need to build the capacity of the relevant stakeholders in order to enhance their operational effectiveness. There are presently two inter-ministerial committees on corruption operating in Egypt: (i) the Transparency Commission; and (ii) the Anti-Corruption Committee. The Ministry of Administrative Development with the Governance Centre fulfilling the role of Secretariat chairs the Transparency Commission. It comprises political parties, civil society, academia as well as various Egyptian ministries. The Anti-Corruption Committee, on the other hand, is chaired by the Ministry of Justice (which also fulfils the role of Secretariat) and is composed of ten institutions. The Ministry of Foreign Affairs chairs a third committee on asset recovery.

---

<sup>2</sup>

The Deauville Partnership with Arab Countries in Transition is an international effort launched by the G-8 at the Leaders Meeting in Deauville, France in May 2011 to support countries in the Arab World engaged in transition toward "free, democratic and tolerant societies."

## b) The case of Libya

The main anti-corruption index shows Libya to consistently score the worst out of the Middle East and North Africa (MENA) countries and among the lowest scores globally. Transparency International's Corruption Perception Index shows a critically high level of perceived public sector corruption in Libya over the past five years. Corruption in Libya is believed to be widespread within the public administration. According to the World Bank's Governance Indicators since 2008 there has been a worsening of political corruption in the country, a perceived increase in the existence of public power for private gains as well as an increase in the state capture by elites and private interests of the government.

Gaddafi's government did establish institutions to support financial transparency and limit corruption, including the Supreme Audit Institution and the Board of the General People's Control. Moreover, the government announced in 2006 that public officials must declare assets to transparency committees created for the purpose. But these initiatives were undermined by the Gaddafi patronage system. In the post-Gaddafi era particular attention and scrutiny should be given to the Libyan Investment Authority (LIA) set up as a sovereign wealth fund by Gaddafi and his son Saif-al-Islam in 2006. It is estimated that the LIA foreign assets amounted to USD 65 billion in 2010. Given the closed nature of the Gaddafi government, little information has been disclosed about how this money was being used to truly manage the country's oil revenues for the benefit of its people. These funds should be returned to the legitimate government and people of Libya.

## c) The case of Tunisia

Tunisia has a comprehensive anti-corruption law as well as transparent rules for tender procedures for securing public procurement contracts. To be effective the legal framework should be strengthened to serve as a barrier against corruption. The enforcement mechanism should be strengthened as part of the anti-corruption reforms and a requirement for the recovery of assets. This process was initiated with the establishment of a National Fact-finding Committee, charged with the task of looking into corruption of the previous government and advising on measures to combat it.

Tunisia is a good example that asset recovery in the MENA region can work. An important milestone was the recovery by Tunisia of USD 28.8 million corruptly acquired by the country's former President Zine El Abidine Ben Ali. The money emanates from a Lebanese bank account held by M. Ben Ali's wife, and was handed over to the President of Tunisia, Mr Moncef Marzouki. The success is the result of the commitment of the Tunisian authorities, including the Tunisian Financial Intelligence Unit, the Committee for the return of Stolen Assets, and the Ministry of Justice. It is also a success for regional co-operation. It came about following decisive action in 2011 by Lebanese Authorities in freezing the Beirut bank account of Ben Ali's wife, Laila Trabelsi, at the request of the government of Tunisia followed by subsequent judicial procedures in both countries for the return of the funds.

However, despite strong political will, there has been very limited success experienced by practitioners in Egypt, Libya and Tunisia who are attempting to engage in the recovery of misappropriated assets. The difficulties are very much



recurring in their nature, i.e. lack of knowledge of domestic legal systems, lack of administrative capacity and expertise, breakdowns in communication, and legal rigidity and unresponsiveness. Egypt, Libya and Tunisia are also suffering from the associated problem of money laundering. In developing economies with a strong 'cash economy', perpetrators often succeed in integrating money derived from corrupt acts into the legitimate economy through money laundering. In the case of Egypt, the adoption of the Law on Combating Money Laundering, the Executive Regulations of the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Law, the Penal Code and the Code of Criminal Procedure, have provided both the legal and institutional framework for the fight against money laundering. However, insufficient law enforcement responses and an overall lack of capacity continue to hamper the effective implementation of these instruments. This is also the situation in Libya and Tunisia. Moreover, the experience has demonstrated that even with adequate legislation, challenges as a result of a combination of legal, operational and institutional factors, remain: knowledge gap of the laws and legal systems of each other's jurisdictions, insufficiently prepared formal requests, lack of informal contact between officials from the requesting and requested states and lack of cohesion between domestic agencies.

### **2.3. Lessons learnt**

Egypt, Libya and Tunisia have made considerable efforts to ensure that misappropriated stolen assets are repatriated. In spite of these efforts, the process of asset recovery is usually a complex, sensitive and lengthy procedure due to the diversity and complexity of national legislations in requested States. The applicable legal requirements of requested States cannot be circumvented. The problem is compounded by a lack of adequate legal expertise, insufficient co-ordination and limited institutional capacities in requesting States, a major obstacle to successful initiatives in this field. There is also an important need for confidence building measures between the acting magistrates of requested and requesting States.

It is also vital to build on the expectation of civil society for the return of stolen assets. Civil society organisations in both requesting and requested States contribute in a significant manner in the process of asset recovery in particular by providing information to the relevant authorities, encouraging co-operation among key national and international actors, monitoring the return of assets and ensuring that returned assets are used in a transparent and effective manner in the requesting States.

### **2.4. Complementary actions**

The initiative is fully in line with the priorities set out in the resolution of the Parliament of the European Union, the Arab Forum on Asset Recovery, the G8, the Deauville Partnership with Arab Countries in Transition, the assessments of the World Bank and the International Monetary Fund. It will contribute to the implementation of the asset recovery provisions of the United Nations Convention against Corruption, the Recommendations of the Financial Action Task Force (FATF), the MENA FATF, and the legislation and law enforcement objectives of Egypt, Libya and Tunisia. The operational focus of the project, targeting assistance and support to Egypt, Libya and Tunisia for asset recovery, will complement the consultative mechanism provided by the various regional (e.g. AFAR) and international initiatives (G8) related to the Arab Spring countries.

Complementarity and synergies will be established with all existing and future initiatives in this sector conducted by relevant national, regional and international actors, including:

- Bilateral or regional projects promoting the implementation of the United Nations (UN) Convention against Corruption or the UN Convention against Transnational Organisation crime and projects to build national institutions for their implementation, such as: the UNODC project “Assistance for promoting transparency and integrity and strengthening anti-corruption measures in Libya”, or the United Nations Development Programme (UNDP) programme supporting the implementation of the UNCAC in Tunisia ("Developing an anti-corruption strategy and action plan").
- Programmes to build law enforcement capacity such as the UNODC “Regional Programme for Arab States 2011-2015” (financed by the EU), or Euromed Justice and Police IV (in process of being finalised), covering capacity building of judiciary/law enforcement bodies.
- The “Strengthening democratic reform in southern neighbourhood” (for Tunisia and Morocco) programme, implemented by the Council of Europe and financed by the EU, including a component on good governance and fight against corruption as well as money laundering.

Partnerships and close co-operation will be established with all national stakeholders (including NGOs, academics and anti-corruption political activists) and relevant regional and international actors involved in this sector, in particular:

- Relevant European Union (EU)-level entities and institutions, especially the EU Delegation in Egypt, Libya and Tunisia, the European External Action Service (EEAS), EUROJUST, EUROPOL, CEPOL, the Euromed Justice Project, the Euro-Arab Judicial Training Network and members of the European Judicial Training Network (EJTN).
- The United Nations entities, particularly UNODC (Global Programme against Money-Laundering, conference of State parties for implementation of UNCAC and UNTOC<sup>3</sup>)
- International financial institutions, particularly the World Bank and IMF, and international initiatives such as the G8, the Deauville Partnership with Arab Countries in Transition, the Financial Action Task Force (FATF), Middle East and North Africa Financial Action Task Force (MENA FATF), the Stolen Asset Recovery Initiative (StAR) of the World Bank and the Egmont Group initiative.
- Regional initiatives such as the Arab Forum on Asset Recovery,
- National competent authorities in Egypt, Libya and Tunisia.

## **2.5. Donor co-ordination**

Major international policymaking bodies such as the G8 and G20, countries, international organisations, civil society organisations and others around the globe

---

<sup>3</sup> The United Nations Convention against Transnational Organised Crime and the protocols thereto.

are working to bring about reforms in the area of transparency and beneficial ownership of legal entities (such as companies and foundations) and legal arrangements (e.g. trusts).

It is clear that it is not possible to work alone in supporting the prevention, detection and return of stolen assets. Many other organisations around the world are undertaking work either directly or indirectly related to this subject. Some key organisations working in this area, many of whom we have to work with on projects or through shared global advocacy efforts, are: the World Bank Group, the United Nations Office on Drugs and Crime, the Financial Action Task Force, the Organisation for Economic Co-operation and Development, the International Centre for Asset Recovery, the Camden Assets Recovery Interagency Network, Interpol, International Centre for Asset Recovery, Transparency International, Global Witness.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The overall objective of this action is to empower the governmental authorities, asset recovery practitioners and civil society in Egypt, Libya and Tunisia to fight corruption and money laundering by establishing an effective asset recovery capacity.

The specific objectives are:

- to increase institutional capacities and establish coherent national strategies on asset recovery;
- to develop an enabling, simplified and strengthened legal framework on asset recovery;
- to enhance legal expertise of law enforcement authorities and decrease the length of asset recovery cases.

#### **3.2. Expected results and main activities**

##### *3.2.1. National expected results (Outcome 1)*

National strategies for asset recovery, including anti-money laundering (as it forms an essential part of asset recovery chain of action) are developed and implemented, based on international standards. National institutional capacities to recover misappropriated/stolen assets are enhanced, and national legal frameworks on asset recovery are reviewed, strengthened, and implemented.

##### Main activities:

- Identification of the national entity in charge of the co-ordination and development of a national strategy, and provision of advisory services and assistance by international experts. When not already existing, creation of a co-ordination mechanism, supported by advisory services and assistance provided by international experts;
- Assessment of the existing national strategy and asset recovery institutional framework;

- Support to national authorities to review the current legal framework on asset recovery in line with UNCAC and international AML standards (using for instance the UNAC self-assessment checklist and the mutual evaluation report) and assessment of law enforcement capacity for their effective implementation. Legal reviews will focus on the Penal Code, the Civil Service Code, the Code of Criminal Procedure, as well as other legislation containing provisions related to the implementation of UNCAC and international AML standards;
- After assessing the training needs of the different target groups, trainings on asset recovery measures, the different steps involved in recovering stolen assets, updated techniques, international standards, to anti-corruption bodies, government ministries, law enforcement, judges, prosecutors, financial investigations units (FIUs), the media and civil society organisations. This process will be supported by the engagement of international experts to present international case studies and practical advice and experience in retrieving stolen assets;
- Organisation of high-level stakeholder meetings/consultations in order to bring together the leadership of the Central Bank, the Ministry of Finance, the Ministry of Foreign Affairs, the Public Prosecution, the Ministry of the Interior, the Ministry of Administrative Development, the Ministry of Justice and other key government agencies, to secure commitment at the highest level and to encourage the leadership to support the operations of the co-ordination mechanism;
- Organisation of meetings with high-level stakeholders, judges, prosecutors, FIUs, media and civil society organisations to promote the asset recovery legislation and its implementation;
- Workshops and seminars on how to implement asset recovery legislation, as well as how to disseminate and promulgate it, for public agencies, members of civil society and concerned NGOs conducted;
- Advisory services provided by international experts to judges, prosecutors, FIUs and all other stakeholders in charge of the existing legislation enforcement.

Output 1.1: The national entity in charge of co-ordination in asset recovery is strengthened (or created if not already existing) and a co-ordination mechanism has been established (or reinforced if already existing).

Output 1.2: A national asset recovery strategy is adopted and its implementation is supported;

Output 1.3: The implementation of the existing legal instruments is made effective by advances in concrete cases of asset recovery related to the Arab Spring events.

Output 1.4: The procedures for asset recovery are simplified.

### 3.2.2. *International expected results (Outcome 2)*

Successful asset recovery in Egypt, Libya and Tunisia is strengthened through direct support, assistance and guidance with asset recovery cases to the respective national enforcement authorities. Co-operation between the three countries, and between them and requested states, is initiated and/or strengthened.

Main activities:

- High level advocacy from the European Parliament and EU National Parliaments in favour of asset recovery;
- Provision of tactical investigative, prosecutorial and intelligence development advice;
- Case support by international experts and strategies to optimise the best way to recover stolen assets provided;
- Support to drafting mutual legal assistance (MLAs) requests for evidence, restraint and confiscation to other jurisdiction;
- Support to identification and freezing of illegal assets;
- Support to the practitioners responsible for the return of confiscated assets – (e.g. by placing experienced practitioners to work in situ with the competent national authorities) and support to the countries in pursuing their investigation abroad;
- Organisation of workshops on case-work at regional and international levels to share best practices and exchange knowledge delivered;
- Support to study and understand local laws and practice of the country that is holding the assets (approach issues from the perspective of the concerned country);
- Organisation of working sessions between officials of the requesting and requested states via bilateral meetings in person and video conferences, on a regular basis;
- Meetings at different levels of stakeholders implied in asset recovery from Egypt, Libya and Tunisia.

Output 2.1: Capacities of law enforcement authorities are reinforced for these international cases;

Output 2.2: Concretes measures and activities have been taken and done in order to raise the level of confidence and mutual understanding between the acting magistrates of requested and requesting States.

Output 2.3: Asset recovery cases are successfully completed following international standards and the length of these cases is reduced.

Output 2.4: A dialogue is established between Egypt, Libya and Tunisia to exchange views, solutions, knowledge, and good practices.

### **3.3. Risks and assumptions**

The ratification of UNCAC, coupled with the recent overthrow of the former government, is indicative of a growing commitment in Egypt, Libya and Tunisia to tackle corruption and money laundering, and also to recover stolen assets. The successful implementation of the programme outcomes hinges on the political will of government counterparts to continue cooperating with the project in order to effectively and sustainably tackle this politically sensitive subject. In particular, casework assistance is highly sensitive and success is entirely dependent on the political will of the government. Moreover, the political and security situation, not uniform in Egypt, Libya and Tunisia, is expected to affect the implementation of the project, which may then differ according to the partner country. Finally, asset recovery is often a lengthy and complex process where immediate and quick results are almost impossible.

### **3.4. Cross-cutting issues**

In terms of good governance, the project will promote institutional restructuring, including in particular the development of a national asset recovery strategy and the capacity of implementing anti-money laundering measures, strengthening the independence of the authorities and of their administrative capacity. Gender policy principles will be applied in the selection procedures for the staff to be trained.

### **3.5. Stakeholders**

The project will focus on three countries of the Arab Spring: Egypt, Libya and Tunisia. The national stakeholders and target entities of this project are the asset recovery practitioners. These include:

- Judges and the judiciary
- Central Bank
- State Audit Office
- Attorney General's Office
- Administrative court
- Director of Public Prosecution, prosecutors serving in courts and tribunals
- Officials from the Ministry of Justice, Ministry of Interior, Ministry of Finance, Ministry of Foreign Affairs and Prime Minister's office
- Training institutes (for judges, police officers, etc)
- Police forces, Gendarmerie, Special Police Units, law enforcement officials dealing with money laundering, freezing and confiscation of assets, asset recovery
- International experts on asset recovery
- Members of specialised parliamentary committees
- Members of special anti-corruption, transparency and integrity commissions type entities
- Civil Society organisations and anti-corruption media experts

## **4. IMPLEMENTATION ISSUES**

### **4.1. Financing agreement**

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country, referred to in Budget [Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

### **4.2. Indicative operational implementation period**

The indicative operational implementation period of this action, during which the activities described in sections 3.2 and 4.3 will be carried out, is 36 months from the adoption of this Action Document, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements. The European Parliament

and the relevant Committee shall be informed of the extension of the operational implementation period within one month of that extension being granted.

### **4.3. Implementation components and modules**

#### **4.3.1. *Indirect management with an international organisation***

This action may be implemented in indirect management with UNICRI (United Nations Interregional Crime and Justice Research Institute), in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012.

UNICRI assists governments and the international community in tackling the threats that crime poses to peace, security and sustainable development, in particular by fostering just and efficient criminal justice systems, the formulation and implementation of improved policies, and the promotion of national self-reliance through the development of institutional capacity.

The Institute operates in specialized niches and selected fields of crime, justice, security governance and counter-terrorism, providing added value to crime prevention, advancement of the rule of law and enhancement of human rights. It also serves as a platform for consultation and co-operation on sensitive issues in security governance, crime prevention and criminal justice, acting as an honest broker in bringing together different partners — such as Member States, international organisations, research institutions, private sector and civil society — and in forging a common approach to addressing shared challenges.

This implementation is justified because UNICRI has been identified as the most appropriate institution capable of assuring the highest legal and technical advisory mechanism aimed to assist national and international investigators, prosecutors, lawyers and other experts from relevant EU member states and other countries. UNICRI has a proven record in terms of experience and cutting-edge expertise on EU-funded project management.

The entrusted entity would be responsible of the entire implementation of the proposed action and may hire external experts to do so. In addition, according to the general conditions of the Indirect Management Delegation Agreement, UNICRI will undertake tasks consisting of carrying out procurement and grant award procedures, and awarding, signing and executing the resulting procurement and grant contracts, notably accepting deliverables, carrying out payments and recovering the funds unduly paid, where works, services, supplies and other benefits are not for the own use of the Organisation. The entrusted entity is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. In anticipation of the results of this review, the responsible authorizing officer deems that, based on a preliminary evaluation and on the long-standing and problem-free co-operation with this entity, it can be entrusted with budget-implementation tasks under indirect management.

The change of management mode from indirect to direct management, whether partially or entirely is not considered a substantial change.

#### 4.4. **Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in Regulation (EU) No 232/2014 shall apply.

The responsible authorising officer may extend the geographical eligibility in accordance with Article 9(2) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

#### 4.5. **Indicative budget**

<b>Module</b>	<b>Amount in EUR</b>	<b>UNICRI contribution</b>	<b>TOTAL</b>
Indirect management with UNICRI	2.740.012	30.000	2.770.012

#### 4.6. **Performance monitoring**

The European Union may carry out monitoring missions, using external expertise according to need. UNICRI will analyse the conclusions and recommendations of any monitoring missions and decide jointly with the Commission on any follow-up action to be taken and any adjustments needed, including reorientation of the action if necessary.

The results-based monitoring framework will include specific performance indicators in direct reference to the project's expected results. These indicators will verify progress made towards achieving the project objectives and prospective long-term impact.

#### 4.7. **Evaluation and audit**

The Commission is entitled to conduct its own evaluation (the cost of which is outside the scope of this contribution). Project-related evaluations will be undertaken in accordance with the Financial and Administrative Framework Agreement (FAFA) signed by the European Commission and the United Nations on 23 April 2003.

#### 4.8. **Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated before the start of implementation and supported with the budget indicated in section 4.5 above.

The measures shall be implemented either (a) by the Commission, and/or (b) by the partner country, contractors, grant beneficiaries and entrusted entities. Appropriate contractual obligations shall be included in, respectively, financing agreements, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.



Communication and visibility will be in line with the standard provisions set out in the FAFA and in the General Conditions and as per the Joint Visibility Guidelines of the EC-UN Actions in the field.