

# EU Member States' Profiles

Annex 2 to the Final Report



EUROPEAN UNION  
Cohesion Fund  
Operational Programme Technical Assistance



MINISTRY  
OF REGIONAL  
DEVELOPMENT CZ





## Table of Contents

List of abbreviations.....	2
Member States Profiles .....	4
1.1. Austria (AT).....	5
1.2. Belgium (BE).....	18
1.3. Bulgaria (BG).....	30
1.4. Cyprus (CY).....	47
1.5. Czech Republic (CZ).....	61
1.6. Germany (DE).....	78
1.7. Denmark (DK).....	95
1.8. Estonia (EE).....	109
1.9. Greece (EL).....	123
1.10. Spain (ES).....	140
1.11. Finland (FI).....	154
1.12. France (FR).....	169
1.13. Croatia (HR).....	183
1.14. Hungary (HU).....	200
1.15. Ireland (IE).....	213
1.16. Italy (IT).....	226
1.17. Lithuania (LT).....	248
1.18. Luxembourg (LU).....	262
1.19. Latvia (LV).....	275
1.20. Malta (MT).....	289
1.21. Netherlands (NL).....	302
1.22. Poland (PL).....	319
1.23. Portugal (PT).....	330
1.24. Romania (RO).....	346
1.25. Sweden (SE).....	363
1.26. Slovenia (SI).....	374
1.27. Slovakia (SK).....	389
1.28. United Kingdom (UK).....	405





## List of abbreviations

<b>AA</b>	Audit Authority
<b>CA</b>	Certification Authority
<b>CB</b>	Control Body
<b>CF</b>	Cohesion Fund
<b>CLLD</b>	Community-Led Local Development
<b>EAFRD</b>	European Agricultural Fund for Rural Development
<b>EC</b>	European Commission
<b>EFSI</b>	European Fund for Strategic Investments
<b>EIB</b>	European Investment Bank
<b>EMFF</b>	European Maritime and Fisheries Fund
<b>ERDF</b>	European Regional Development Fund
<b>ESF</b>	European Social Fund
<b>ESIF</b>	European Structural and Investments Funds
<b>EU</b>	European Union
<b>FI</b>	Financial Instruments
<b>FTE</b>	Full-Time Equivalent
<b>GDP</b>	Gross domestic product
<b>IB1</b>	Intermediate Body
<b>IB2</b>	Implementing Body
<b>ITI</b>	Integrated Territorial Investments
<b>LAG</b>	Local Action Group
<b>MA</b>	Managing Authority
<b>NCA</b>	National Coordination Authority
<b>NGO</b>	Non-Governmental Organization
<b>NUTS</b>	Nomenclature des Unites Territoriales Statistiques (Nomenclature for Territorial Units for Statistics)



<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OLAF</b>	Office de Lutte Anti-Fraude (European Anti-Fraud Office)
<b>OP</b>	Operational program
<b>PA</b>	Paying Authority
<b>PCA</b>	Paying and Certification Authority
<b>ROP</b>	Regional operational program
<b>SCO</b>	Simplified Cost Option
<b>SME</b>	Small and Medium Enterprise
<b>SUD</b>	Sustainable Urban Development
<b>TA</b>	Technical assistance
<b>TO</b>	Thematic objective



## 1. Member States Profiles

This document covers one of the outputs of the phase 1 of the Project – the profiles of the 28 Member States of the EU. It is a comprehensive database with information on individual approaches to the implementation structure across the EU. Case studies for the next phase of the project were selected based on the information provided in the attached profiles.

The procedure of processing the Member States Profiles, a summary of the work carried out and the general Project assumptions are presented in the Final Report of the Project.



## 1.1. Austria (AT)

### 1.1.1. General information, allocation and targeting

Name of the member country	Country code
----------------------------	--------------

Austria AT

Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
---	---

4 (4/0) 3/9/35

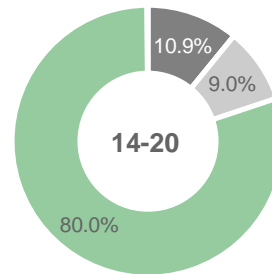
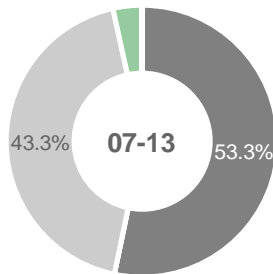
#### Total allocation planned (according to programming period and fund)

Total allocation  
(mil. EUR)

14-20: 4 922

07-13: 1 151

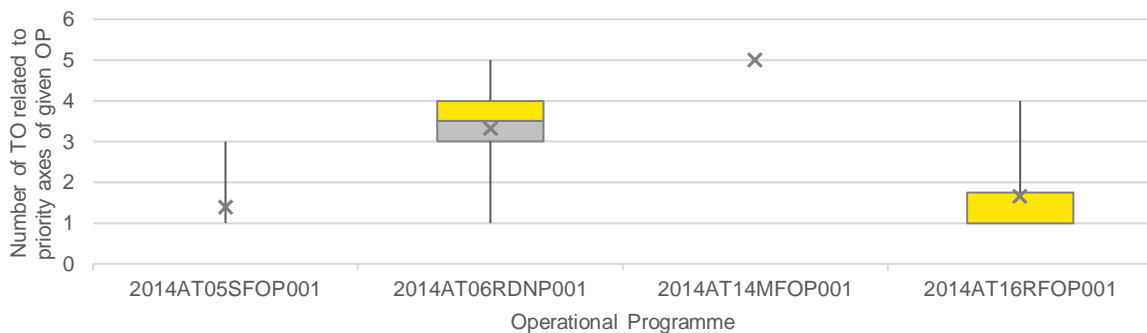
- ERDF
- CF
- ESF
- EAFRD
- EMFF



#### Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
50 %	25 %	75 %	75 %	25 %	75 %	0 %	100 %	75 %	50 %	0 %	0 %
(2/4)	(1/4)	(3/4)	(3/4)	(1/4)	(3/4)	(0/4)	(4/4)	(3/4)	(2/4)	(0/4)	(0/4)

#### Targeting of priority axes of individual operational programmes in relation to thematic objectives





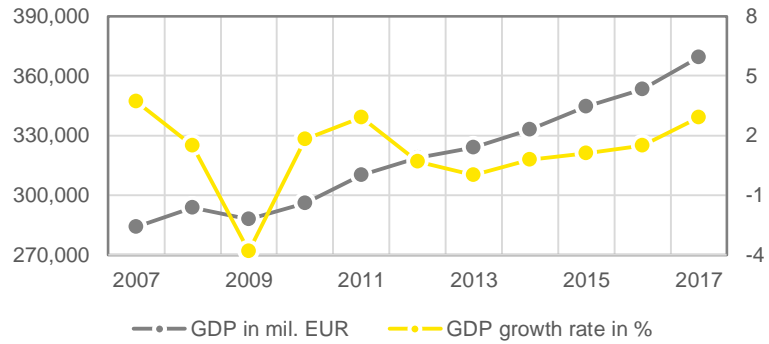


### Gross domestic product development (2007 – 2017)

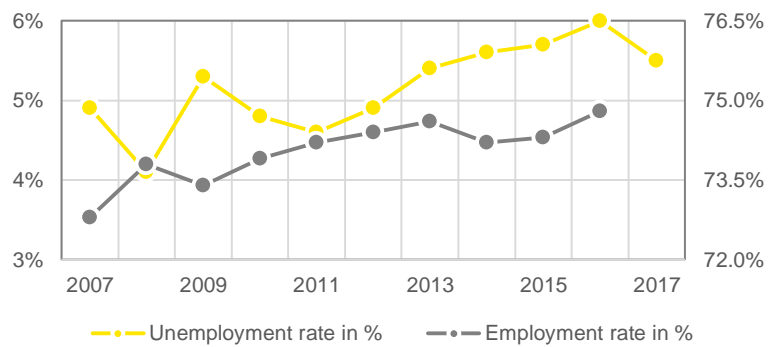
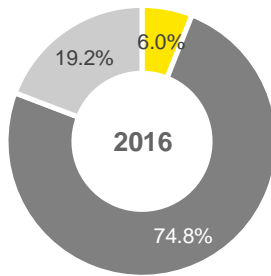
*GDP per capita (EUR per capita)*

2017: 42 000

2007: 34 200



### Labour market development (2016)





## 1.1.2. Main actors

### National Coordination Authority (NCA)

Coordination of the Partnership Agreement implementation is performed by the *Austrian Conference on Spatial Planning* (ÖROK).

#### What are the main competences of the NCA?

Coordinating the Partnership Agreement implementation, especially:

- ▶ strategic monitoring tasks in accordance with Article 52 of the common provisions regulation (progress report),
- ▶ coordinating monitoring, evaluation, information and communication activities on programs and funds,
- ▶ exchanging experience between institutions involved in the implementation of the program in Austria, as well as with the European Commission and the other Member States

#### Is the NCA established specifically for purposes of ESIF?

No, the NCA is not established specifically for ESIF purposes.

#### What personnel capacity is allocated to the NCA?

ÖROK employs 26 people for EU affairs (apart from the ESIF they also have their own agenda).

### Managing Authorities (MA)

In Austria, there is one MA for the national ERDF OP (the *Austrian Conference on Spatial Planning* (ÖROK)) and one MA for the national ESF (*Federal Ministry of Labour, Social and Consumer Affairs*).

#### What are the main competences of the MA?

The competences of the MA correspond only to those established by the relevant EU regulations (Article 125 of the Regulation) - programmatic strategic and executive tasks.

#### Are the MAs established specifically for purposes of ESIF?

No, the MAs are not established specifically for the purposes of the ESIF. However, selected departments of the institutions which are delegated to the exercise of the competences of the MA are specifically established for ESIF purposes.

#### What personnel capacity is allocated to the MA?

ÖROK employs 26 people for EU affairs (apart from the ESIF they also have their own agenda).

### Intermediate bodies (IB1)

The role of the IB1s is mainly fulfilled by line ministries and specific agencies at federal and provincial level (the *Federal Ministry of Labour, Social Affairs, Health and Consumer Protection*, the *Austrian Hotel and Tourism Company GmbH*, the *Vienna Employee Support Fund*), the provincial government offices and special powers are entrusted to institutions in the Transit Land of Hradec. Overall, this is the case for a few tens of IB1s.

#### What are the main competences of IB1s?

Among the main competencies of the IB1s on the base of the delegation agreement are:

- ▶ making and administering calls for applications,
- ▶ receiving applications for funding,



- ▶ assessing submitted project proposals,
- ▶ deciding on grant applications and a contract,
- ▶ the first-level control and administrative controls,
- ▶ controlling compliance with national and European legislation,
- ▶ decision on the payment of funds,
- ▶ payment and, if necessary, recovery of funds

Are IB1s established specifically for purposes of ESIF?

No, the IB1s are not established specifically for the purposes of the ESIF.

What personnel capacity is allocated to the IB1s?

Information is not publicly available and due to the number of the IB1s, communication with the relevant authorities has not been successful.

### Certification Authority (CA)

Role of the CA is fulfilled within the ERDF by *Federal Office department* and within the ESF *Federal Ministry of Labour, Social and Customer Affairs*.

What are the main competences of the CA?

The CAs are solely responsible for the financial management of programs in accordance with the relevant EU regulation that sets their competences.

Are the CAs established specifically for purposes of ESIF?

No, the CAs are not established specifically for the purposes of the ESIF.

What personnel capacity is allocated to the CA?

The information is not publicly available and the representatives of the relevant authorities have not been able to answer the question.

### Paying Authority (PA)

The role of the PA is fulfilled within the framework of the ERDF by the *Federal Office Department, the IV / 4 (Paying Agency)* and the *Aws/ ERP-Funds* (entity that receives EC payments) and by the *Federal Ministry of Finance II / B / 5* within the ESF

What are the main competences of the PA?

Receipt of the EC payments, carrying out payments to beneficiaries and transfers to the MA.

Are the PAs established specifically for purposes of ESIF?

No, the PAs are not established specifically for the purposes of the ESIF.

What personnel capacity is allocated to the PA?

The information is not publicly available and the representatives of the relevant authorities have not been able to answer the question.

### Audit Authority (AA)

The role of the AA is fulfilled within the ERDF by the *Federal Office, Unit IV / 3* and within the ESF *Federal Ministry of Labour, Social Affairs, Health and Consumer Affairs, Unit I / B / 10*.



### What are the main competences of the AA?

The AA performs a second level control.

- ▶ audit of managing and control systems
- ▶ audit of operations
- ▶ audit of designation

### Are the AAs established specifically for purposes of ESIF?

No, the AAs are not established specifically for the purposes of the ESIF.

### What personnel capacity is allocated to the AA?

The information is not publicly available and the representatives of the relevant authorities have not been able to answer the question.

### Other control bodies outside the ESIF implementation structure (CB)

#### *Austrian Court of Audit*

### What are the main competences of CB?

It checks program and system issues related to OPs (e.g. drawing issues and impact of the ESIF in Austria) and works closely with the *European Court of Auditors* to produce comprehensive annual reports on the use of the OP.

The Court's conclusions are rather of a general nature, do not aim to be binding on entities and are publicly available.

### Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

- ▶ Under the ERDF, 9 ROPs have been merged into one national program and the role of regional innovation centres has been strengthened.
- ▶ There has been a reduction in the number of IB1s.
- ▶ Through an agreement between the federation and the individual countries, the procedures applied across the different regions, which had different rules in the period 2007 - 2013, were harmonized.
- ▶ There has been a reduction in the staff numbers for evaluations
- ▶ The monitoring system has been partially modified

### What was the reason for the changes in the implementation structure mentioned above?

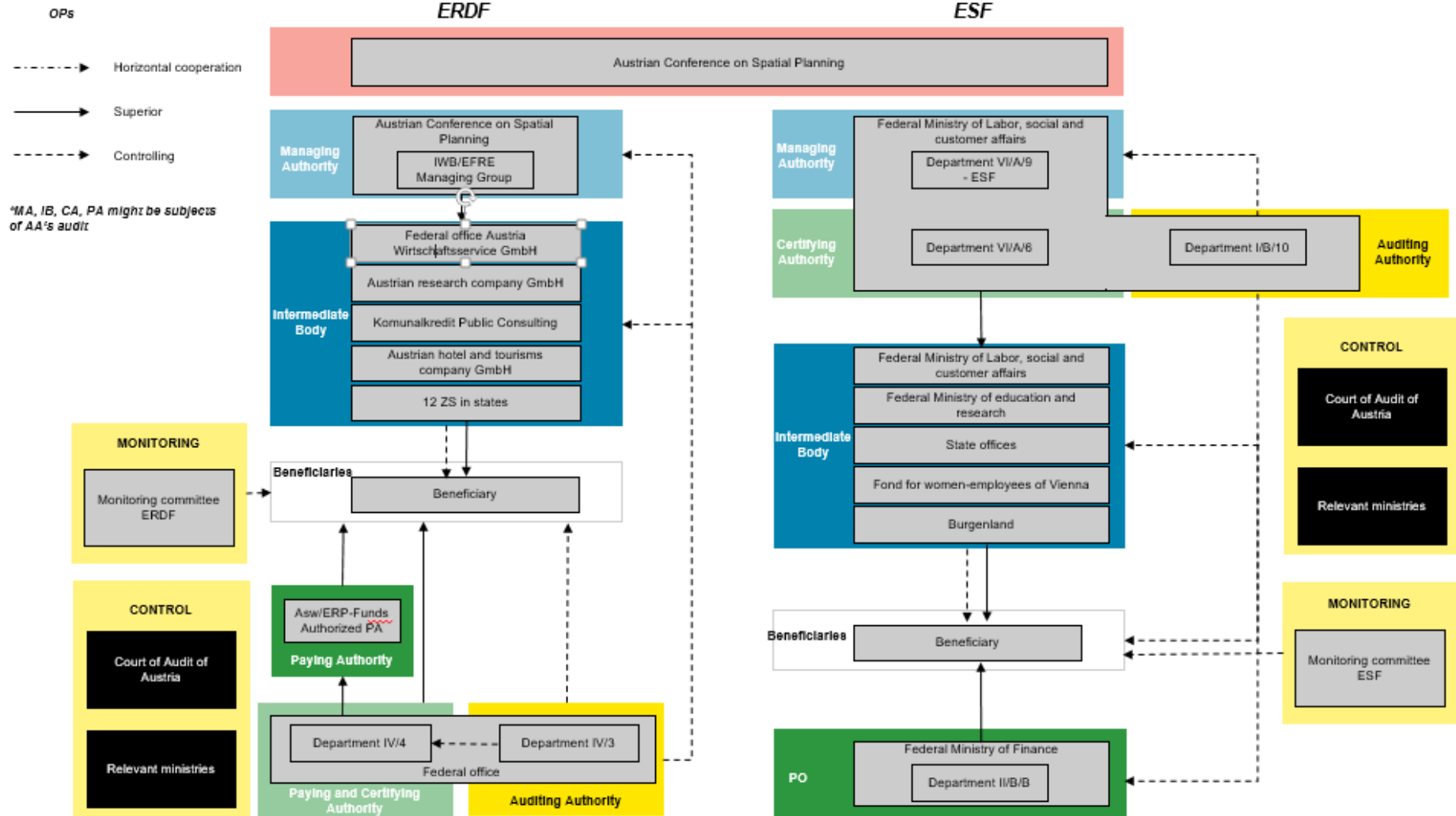
In particular, the objective is achieving a higher efficiency in subsidy provision and reducing the costs of evaluations and monitoring by reducing the fragmentation of the entire implementation system.

The conclusion of a specific agreement between the federation and the individual countries has proved successful already in the previous programming period.





### Scheme of implementation structure





### 1.1.3. Programs financed from EAFRD and EMFF

#### Name(s) of the OP(s) financed from EAFRD

*Rural Development Program*

Is the same methodical environment binding for the OP(s)?

Efforts are being made to unify regulation and methodology of all grant programs.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, the MA is the *Austrian Ministry of Agriculture, Forestry, Environment and Water Management*, the CA is the *Ministry for Sustainability and Tourism*.

Do(es) the OP(s) use the same IT environment?

No, it uses its own system.

Do(es) the OP(s) use resources from the OP TA in the member state?

Irrelevant, OP TA does not exist in Austria.

#### Name(s) of the OP(s) financed from EMFF

*OP Austria*

Is the same methodical environment binding for the OP(s)?

Efforts are being made to unify regulation and methodology of all grant programs.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, the MA is the *Austrian Ministry of Agriculture, Forestry, Environment and Water Management, Department II/2* and the AA is *EU Financial Control Department* of the mentioned ministry.

Do(es) the OP(s) use the same IT environment?

No, it uses its own system.

Do(es) the OP(s) use resources from the OP TA in the member state?

Irrelevant, OP TA does not exist in Austria.



## 1.1.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

Yes, plans of controls are elaborated and shared between the bodies of the implementation structure to avoid duplicate controls. The AA shares audit strategy with the MA and the CA.

Is there any database of the audit reports publicly available?

Findings are shared within the central ATMOS system, accessible to all bodies of the implementation structures, except for IB1s, who can only access their own report in order to ensure data protection.

### Audit/control authority no. 1

AA: *Federal Office, Department IV/3, Federal Ministry of Labour, Social and Customer Affairs.*

What controls/audits does the authority perform?

- Second level control:
- ▶ Audit of managing and control systems.
  - ▶ Audit of operations.
  - ▶ Audit of designation.

Which authorities can the authority control?

- ▶ Managing and control bodies of the ESIF.
- ▶ Beneficiaries.

Are conclusions made by the authority binding for controlled / audited entities?

No, conclusions are of a recommendatory nature, corrective measures are being imposed in case of irregularities by the MA or the authorized IB1s.

Who does the authority share its conclusions with?

- ▶ Audited entity.
- ▶ MA, CA.
- ▶ IB1s (only in case of detected irregularities).

Does the authority share auditing plans with other institutions?

The AA shares audit strategy with the MA and the CA, control plans are shared with other IB1s.

### Audit/control authority no. 2

*Austrian Court of Audit at the country level*

What controls/audits does the authority perform?

- ▶ Controlling handling of public finances and state management, budget audits.
- ▶ In the ESIF, however, it deals primarily with systemic issues and the impacts of the measure.

Which authorities can the authority control?

- ▶ Federal, provincial and municipal authorities as well as public and private entities handling public funds.

Are conclusions made by the authority binding for controlled / audited entities?

The conclusions are rather of a general nature - they concern a handling of the European funds, but they do not contain specific rights and obligations of the controlled entities.

Who does the authority share its conclusions with?

All reports of the CB are publicly available.

Does the authority share auditing plans with other institutions?

The information is not publicly available and the representatives of the relevant authorities were not able to answer the question.



### 1.1.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, Austria used FI already in the previous 2007-2013 period, now allocation has dramatically decreased.

If yes, to which extent?

One of the lowest allocations, only 0,1 of total allocation.

In which areas are FI mainly used?

03 (SMEs)

The use of financial instruments is mainly intended to support small and medium-sized enterprises focusing on (i) supporting young and innovative firms and (ii) expanding SME activities.

Are agriculture and social business assisted by FI?

No information was found that an agriculture or social business are supported through the FI.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

Implementation of a single financial instrument, a specific fund - managed by OÖ *HightechFonds* (HightechFond of Upper Austria). One third of the Fund's resources is from the ESIF funds, one third of national funds and a third of private funds.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

Such body does not exist. In Austria there is only one FI managed by the OÖ *Hightechfonds*.

### 1.1.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Austria uses the CLLD and the SUD, 6 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

The CLLD assistance is from the ERDF and the EAFRD, however it is not apparent, whether it is multi-fund. The SUD assistance is only from the ERDF.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Implementation of the CLLD through the EAFRD and the investment for growth and employment (ERDF) program, the SUD implementation through the investment for growth and employment (ERDF) program.

The co-ordination role is not defined in the Partnership Agreement. The MA responsible for the EAFRD is the *Federal Ministry of Sustainability and Tourism*. The Managing Authority responsible





for the ERDF investment for growth and employment program, within which both the CLLD and the SUD are implemented, is the *Austrian Conference for Spatial Planning*.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated approach, a very wide range of topics is linked local / territorial development strategies. Support through integrated tools is supported in particular from the ERDF and the EAFRD.

Specifically, it is stated in the Partnership Agreement that the SUD assistance from the ERDF is directed to:

- ▶ strengthening research and technological development and social and process-oriented innovation,
- ▶ urban solutions - energy and transport,
- ▶ promoting social inclusion and combating poverty.

Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas exclusively supported through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

Information not found, it is not described in more detail in the Partnership Agreement.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Yes, the implementation of macro-regional strategies (specifically the Strategy for the Danube Region and the Strategy for the Alpine Region) is implemented in combination with the ESIF. Operational programs include goals and interventions fulfilling this strategy, precisely the strategy will be implemented also through projects supported by the ESIF (including cross-border cooperation programs).

---



### 1.1.7. Monitoring and IT

How is monitoring methodically supported?

A joint secretariat for the monitoring committees of ÖROK is established, the tasks of which are set in agreement with the individual MAs. Furthermore, the Monitoring Committees are set up for each OP and their activity is further regulated by the rules of procedure of the relevant committee. The Monitoring Committees meet once or twice a year and deal with the monitoring of the enforcement of the OP, results of the evaluation, communication strategies of the OP etc.

How are evaluations coordinated?

The evaluation is outsourced to external experts, taking into account the share of the allocation and the need for independence. In particular, ongoing evaluations focusing on the possible optimization of the OP and exchange of information between the authorities. An evaluation of an implementation of the Partnership Agreement is carried out by ÖROK and also discusses the ongoing evaluation results.

What IT instruments are used for the implementation and monitoring of ESIF?

Within the ESF, the *ZWIMOS* program is used, within ERDF *IWBECOS*, which, in addition to electronic submission of applications includes revisions, post-processing and any other relevant communication with the beneficiary and the authorities. Behind these interfaces is a central monitoring system *ATMOS* that supports program monitoring.

In which areas is (solely) paper documentation used?

Generally, within the e-cohesion approach, all documents are electronically uploaded to *ZWIMOS* or *IWBECOS*, relevant implementing bodies may have additional electronic document retention systems (including grant agreements, invoices and recipients' invoices, etc.).

### 1.1.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

No, there is no specific ESIF law.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

Agreement between the countries, Ministerial Decree, Instructions of the Minister:

- ▶ Agreement between the Federation and the country - *the management and control system in Austria in 2014-20* within the *Investment for growth and employment* and the *European territorial cooperation objective for the period 2014-2020* (according to the agreement no. 15a of the Federal Constitution that was adopted on 10 and 11 May 2016 by the Council of Ministers), which is binding both on the federation and for each country.
- ▶ Agreements between the MA and IB1 specifying the mandate delegated to the IB1s, binding on the MA and IB1s.
- ▶ *Special Directive of the Federal Minister for Labour, Social and Consumer Affairs* for the implementation of projects under the European Social Fund 2014-2020 provides general and specific conditions for support the ESF projects and for national co-financing, the Annexes give more detail on the types of eligible costs. A similar directive exists for the ERDF, but has not been found in publicly available documents.



- ▶ *Decree of the Federal Ministry of Finance on a general framework for subsidies from federal funds, which is binding on grant recipients.*

Methodology: Yes, the above directives and the directives of the managing and control authorities have the nature of methodologies at the level of individual OPs (it is not coordinated centrally).

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

In general, the ESIF subsidy procedures are based on the *Decree on a general framework directive for the provision of federal funding* by the Federal Ministry of Finance and other directives to provide support from public resources. There is a noticeable attempt to maximize compliance in the process of applying for national and European subsidies. However, specifics can be found in agreements between the federation and countries, the MAs and the IB1s, and in the specific guidelines of the line ministers responsible for the ESIF (e.g. a specific directive exclusively for the ESF), which correspond to the rights and obligations set in the EU General Regulation.

Generally speaking, European programs require a wider range of requirements for obtaining grants by the beneficiary than in the case of national program.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

The resolution of irregularities is based on relevant EU regulations and agreements between the federation and countries, while national subsidies are addressed by national regulations for the area. At federal and provincial level, there are only related instructions for reporting ESIF irregularities (not specific regulations).

According to ESIF discrepancies can be detected by the MA, CA, IB1s or the AA while performing controls and audits, corrective measures are being imposed only by the MA or the authorized IB1s, the funds are returned to the respective OP's account maintained by the CA.

There was no significant discrepancy between the national and the ESIF arrangements, the representatives of the relevant authorities were not able to answer the question.

### 1.1.9. Pre-financing

Are the funds for pre-financing paid from the state budget?	Which currency is used in the case of pre-financing?
---	--

Partially yes, on the basis of national agreements, in cases where subsidies cannot be provided from the EU funds, public resources are used - own funds in case of public applicants and public funding in case of private-law applicants.	EUR
---	-----

### 1.1.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

The NCA representative contacted has no information on any specific changes in the implementation structure for the next period, except for the further convergence of ESIF regulation and its



methodology. At present, strategic considerations regarding ESIF subsidies are being discussed and will be discussed with the European Commission.

---





## 1.2. Belgium (BE)

### 1.2.1. General information, allocation and targeting

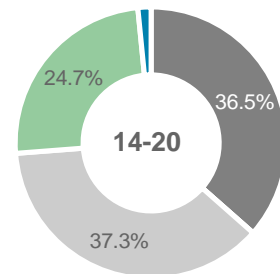
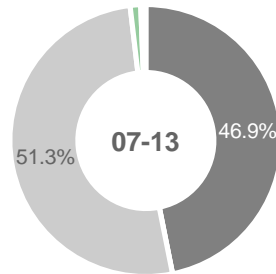
Name of the member country	Country code
Belgium	BE
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
10 (1/9)	3/11/44

Total allocation planned (according to programming period and fund)

Total allocation  
(mil. EUR)

14-20: 2 611

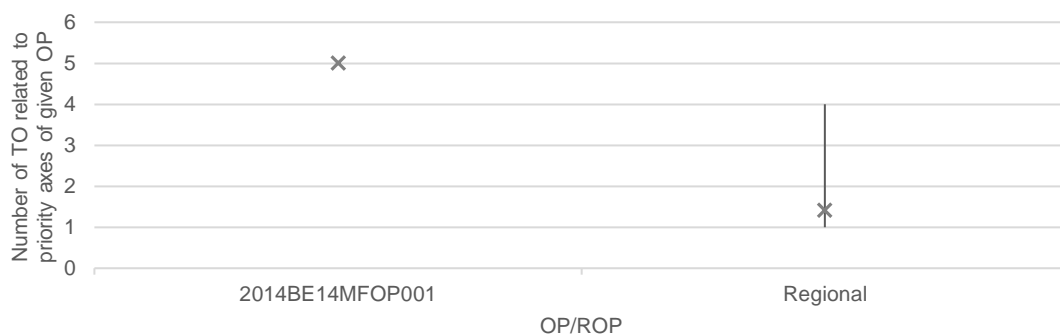
07-13: 1 986



Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
0 %	0 %	100 %	100 %	0 %	100 %	0 %	100 %	0 %	0 %	0 %	0 %
(0/1)	(0/1)	(1/1)	(1/1)	(0/1)	(1/1)	(0/1)	(1/1)	(0/1)	(0/1)	(0/1)	(0/1)

Targeting of priority axes of individual operational programmes in relation to thematic objectives



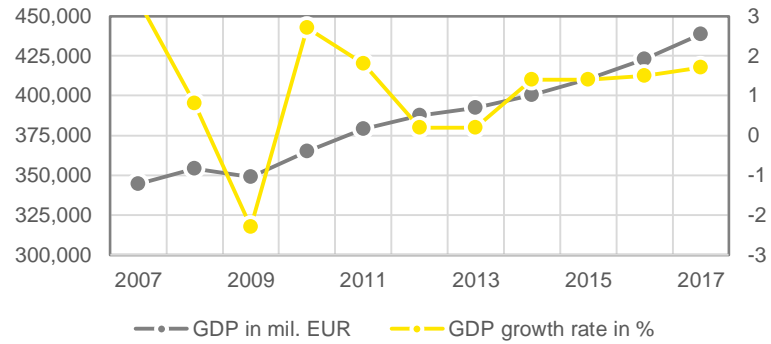


### Gross domestic product development (2007 – 2017)

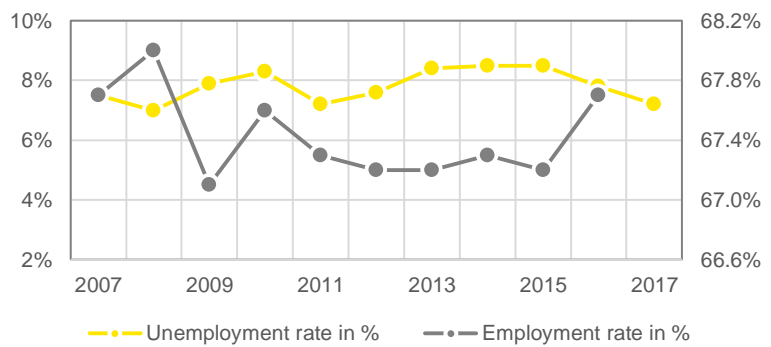
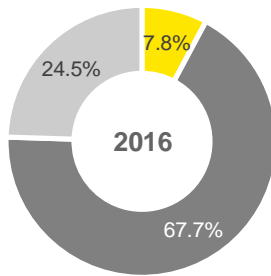
GDP per capita (EUR per capita)

2017: 38 600

2007: 32 400



### Labour market development (2016)





## 1.2.2. Main actors

### National Coordination Authority (NCA)

NCA does not exist in Belgium.

#### What are the main competences of the NCA?

Irrelevant.

Is the NCA established specifically for purposes of ESIF?

Irrelevant.

What personnel capacity is allocated to the NCA?

Irrelevant.

### Managing Authorities (MA)

In decentralized Belgium, each region (including the German-speaking community) has its own MA, respectively most OPs have their own specific MAs. These are the governments of the regions, government agencies or the line ministries of the regions concerned.

#### What are the main competences of the MA?

Among the MA's competences are mainly:

- ▶ managing calls and setting project selection criteria,
- ▶ performing audit at the first level (verifying expenses of beneficiaries) including co-operation with AA and CA,
- ▶ recovering irregularities,
- ▶ managing the evaluation of the operational programs and monitoring the progress of the program implementation,
- ▶ fulfilment of the certification and payment authority functions (in most cases),
- ▶ providing information and promoting the program

Are the MAs established specifically for purposes of ESIF?

No, the MAs are not established specifically for the purposes of the ESIF. However, selected departments of the institutions, which are delegated to the exercise of competences by the MA, are specifically established for ESIF purposes.

What personnel capacity is allocated to the MA?

Government of the Walloon Region: 50 people in the *Coordination Department*, where 25 people deal with first-level control and 25 with project evaluations or monitoring. Another 50 people work on ESIF projects within individual ministries / departments (by portfolio).

Flanders (ESF): about 50 employees in one department of the Flemish ministry of labour and social economy: head, secretariat, program management, and line staff (48 people).

Ministry of the German-speaking Community: a total of 2 employees (coordinator and assistant).

### Intermediate bodies (IB1)

In Belgium there is no intermediate body in 2014-2020 period.



What are the main competences of IB1s?

Irrelevant.

Are IB1s established specifically for purposes of ESIF?

Irrelevant.

What personnel capacity is allocated to the IB1s?

Irrelevant.

### Certification Authority (CA)

Generally, CA competences are assigned to the MA (regional and program variations).

What are the main competences of the CA?

The list of CA competences corresponds only to the enumeration given in the General Regulation.

Is CA established specifically for purposes of ESIF?

No, CA is not established specifically for the purposes of the ESIF. However, selected departments of the institutions which are delegated to the exercise of CA competences, are specifically established for ESIF purposes.

What personnel capacity is allocated to the CA?

Units of employees in each of the regions (Wallonia: 5, Flanders (ESF): 3, German-speaking community: 2).

### Paying Authority (PA)

Generally, CA competences are assigned to the MA (regional and program variations).

What are the main competences of the PA?

The list of CA competences corresponds only to the enumeration given in the General Regulation.

Is PA established specifically for purposes of ESIF?

No, CA is not established specifically for the purposes of the ESIF. However, selected departments of the institutions which are delegated to the exercise of CA competences, are specifically established for ESIF purposes.

What personnel capacity is allocated to the PA?

A detailed description of personnel capacities has not been obtained either through publicly accessible documents or through contact with representatives of the relevant authorities.

### Audit Authority (AA)

The role of the AA is fulfilled by the *Finance Inspectorates* of the individual regions, which, in selected cases, delegates part of their competencies to the regional government's internal audit. In the case of program financed from EMFF, AA is the *Internal Audit Department, the Ministry of Agriculture and Fisheries*.

What are the main competences of the AA?

Among the AA's competences are mainly:

- ▶ cooperation and taking responsibility for audit of operations, which is delegated to the regional government's internal audit,
- ▶ audit of managing and control systems,
- ▶ audit of designation



Is the AA established specifically for purposes of ESIF?

No, AA is not established specifically for the purposes of the ESIF. However, selected departments of the institutions which are delegated to the exercise of AA competences, are specifically established for ESIF purposes.

What personnel capacity is allocated to the AA?

E.g. in Wallonia, 13 employees are allocated to the audit of managing and control systems and audit of designation, while 16 auditors are employed in the audit of operations delegated to the regional government's internal audit (8 for the ERDF and 8 for the ESF).

Other control bodies outside the ESIF implementation structure (CB)

*Belgian Court of Auditors (federal)*

What are the main competences of CB?

- ▶ Audit of managing and control systems (particularly in cooperation with *European Court of Auditors*)

Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

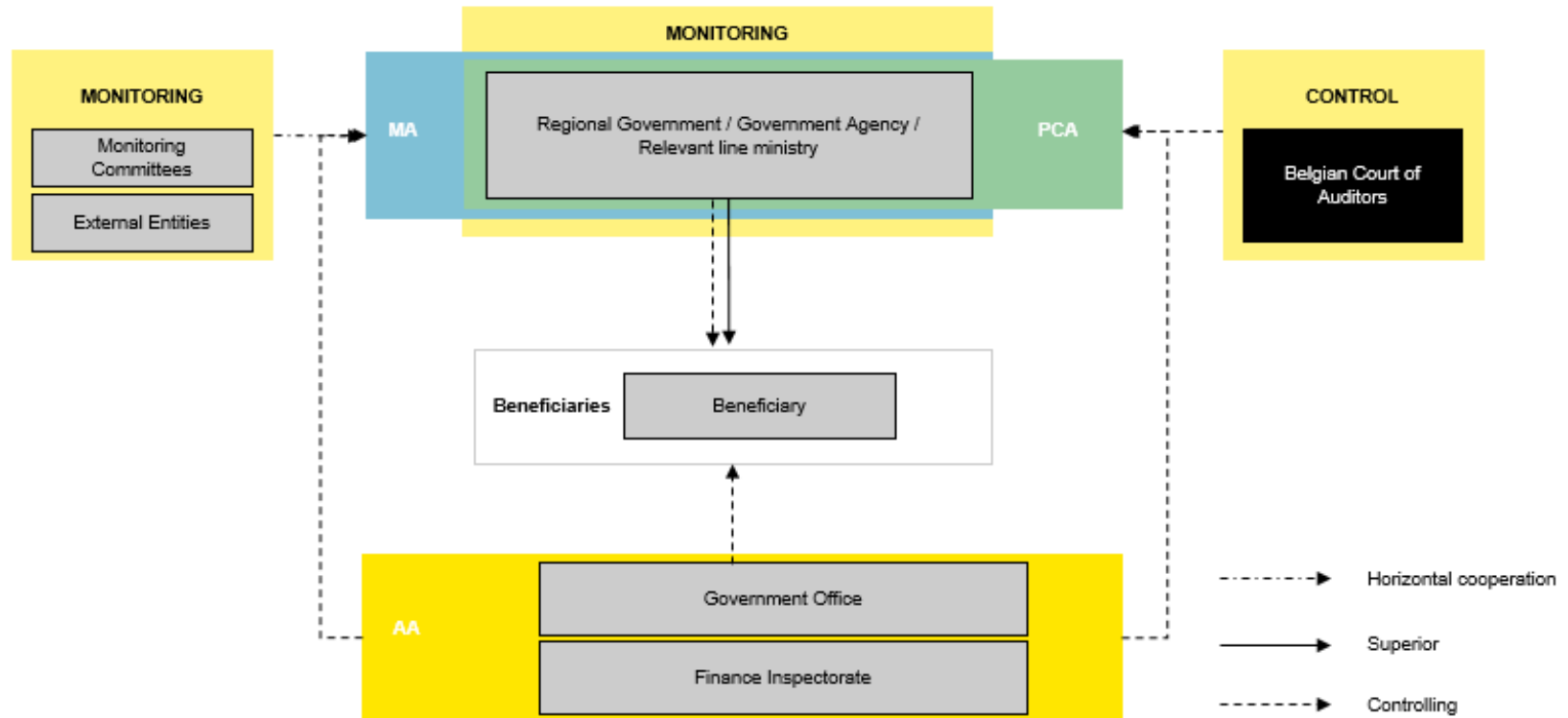
No, no major changes have been made except for the abolition of the IB1 in the Brussels region (no IB1 exist within the Belgian implementation structure).

What was the reason for the changes in the implementation structure mentioned above?

The reason for the abolition of IB1s was to simplify and to improve coordination and communication within the control chain, which, according to the representatives of the relevant authorities, proved to be successful.



### Scheme of Implementation structure





### 1.2.3. Programs financed from EAFRD and EMFF

Name(s) of the OP(s) financed from EAFRD

*Rural Development Programme of Flanders 2014-2020*

*Rural Development Programme of Wallonia 2014-2020*

Is the same methodical environment binding for the OP(s)?

No, it is not.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, it does not.

Do(es) the OP(s) use the same IT environment?

No, it does not.

Do(es) the OP(s) use resources from the OP TA in the member state?

No, OP TA does not exist.

Name(s) of the OP(s) financed from EMFF

*Program „Vooruitziend en voortvarend“*

Is the same methodical environment binding for the OP(s)?

No, it is not.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, it does not.

Do(es) the OP(s) use the same IT environment?

No, it does not.

Do(es) the OP(s) use resources from the OP TA in the member state?

No, OP TA does not exist.



## 1.2.4. Audit and control

**Do the audit/control authorities share their auditing plans with each other / other institutions?**

AA shares plans of audit with MAs and CAs on a quarterly and annual basis.

**Is there any database of the audit reports publicly available?**

In Wallonia and Flanders, there is an internal database that is not publicly accessible due to a sensitive content (the database contains all information about projects, beneficiaries and finances). Only operators, administrators, controllers and supervisors have access to it. There is no such database in the German-speaking Community.

### Audit/control authority no. 1

The role of the AA is fulfilled by the *Finance Inspectorates* of the individual regions, which, in selected cases, delegates part of their competencies to the regional government's internal audit. In the case of a program financed from EMFF, AA is the *Internal Audit Department, the Ministry of Agriculture and Fisheries*.

What controls/audits does the authority perform?	Which authorities can the authority control?
--	--

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>▶ Audit of managing and control systems.</li> <li>▶ Audit of operations (performed by regional government's internal audit).</li> <li>▶ Audit of designation.</li> </ul> | <ul style="list-style-type: none"> <li>▶ MA.</li> <li>▶ CA.</li> <li>▶ Beneficiary (performed by regional government's internal audit).</li> </ul> |
|---|--|

**Are conclusions made by the authority binding for controlled / audited entities?**

No, there is a special regime in Belgium where the AA's finding is only of a recommending nature. However, if the AA's audit finding is the same as that of other relevant institutions, the finding becomes binding (agreement between the relevant institutions is necessary according to the principle of the separation of competences).

Who does the authority share its conclusions with?	Does the authority share auditing plans with other institutions?
--	--

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>▶ MA.</li> <li>▶ CA.</li> </ul> | <p>Plans of audit are shared with the MA and the CA on a quarterly and annual basis.</p> |
|--|--|

### Audit/control authority no. 2

*Control body: Belgian Court of Auditors (federal)*

What controls/audits does the authority perform?	Which authorities can the authority control?
--	--

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>▶ Audit of managing and control systems in terms of the legality and correctness of the funds provided.</li> </ul> | <ul style="list-style-type: none"> <li>▶ Managing and control bodies.</li> </ul> |
|---|--|

**Are conclusions made by the authority binding for controlled / audited entities?**

Yes, the Belgian Court of Auditors' decisions contain sanctions, decisions are binding and enforceable.





Who does the authority share its conclusions with?

- ▶ Audited entity.
- ▶ House of Representatives.
- ▶ Cooperates with European Court of Auditors.
- ▶ Decisions and annual reports are published.

Does the authority share auditing plans with other institutions?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### 1.2.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, Belgium used financial instruments already in previous 2007-2013 period, has now decreased the allocation.

If yes, to which extent?

Yes, 5 % of total allocation.

In which areas are FI mainly used?

01 (Research & Innovation), 03 (SMEs), 04 (Low Carbon), 06 (Environment & Resource Efficiency)

The use of financial instruments is mainly planned to support research and innovation and to support small and medium-sized enterprises. In addition, low-carbon economy, environment and energy efficiency will be supported.

Are agriculture and social business assisted by FI?

Information about supporting social business or agriculture through FI was not found.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

Implementation of financial instruments is realized through a total of eight specific funds, whose gestors are mostly regional investment funds owned or co-owned by the region and private investors.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

There is no such body. In general, ESIF implementation in Belgium is addressed at regional level (Flemish, Walloon, Brussels) without a more significant role of the federal level.

### 1.2.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Belgium uses the CLLD, ITI and the SUD, at approximately 9 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes, but only the SUD is funded from the ERDF and the ESF. The CLLD support is from the EAFRD and the ITI support only from the ERDF.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?



No, in general, the ESIF implementation in Belgium is addressed at regional level (Flanders, Wallonia, Brussels) without a major role of the federal level.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Implementation of the CLLD through the EAFRD programs of Wallonia and Flanders, the ITI through the ERDF program of Wallonia and the SUD through the ERDF and the ESF programs of Wallonia, Flanders and Brussels.

Coordination role is not defined in the Partnership Agreement.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated approach, a very wide range of issues related to local / territorial development strategies is addressed. Assistance through integrated approach is supported in particular from the ERDF and the EAFRD.

Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas supported solely through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

Information was not found, it is not described in more detail in the Partnership Agreement.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Belgium is not part of any macroregional strategies.

---



### 1.2.7. Monitoring and IT

How is monitoring methodically supported?

Monitoring is mostly regulated by a *Handbook on Procedures* issued by the relevant MAs (Wallonia, German-speaking Community). In cases where the MA delegates some of its monitoring / evaluation / control competencies, the procedure expected from the external entities is contracted.

How are evaluations coordinated?

Monitoring and evaluation are decentralized. Division takes place at regional level, in selected cases there is a further division within regions as well. Competences are divided between the MA and external entities, eventually monitoring committee.

What IT instruments are used for the implementation and monitoring of ESIF?

IT systems are addressed individually by region (e.g. Wallonia: Euroges), but the Brussels region and the German-speaking Community are preparing a new integrated IT system for project management (partial IT instruments or only MS Office records at the moment). IT instruments generally integrate the interface of both a beneficiary and the managing (or monitoring / control) authority.

In which areas is (solely) paper documentation used?

The use of paper-based documents has been already eliminated in Flanders, while in other regions the only process that remains in the paper-based form is submitting of applications.

### 1.2.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

No, in Belgium there is no federal or regional law governing specifically the ESIF.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

The legislation related to the ESIF implementation is the federal grant law, regional development decrees, and federal laws on public procurement.

- ▶ *Federal law of 17.5. 2003 laying down general resources available for budgets, control of subsidies and community / regional accounts, as well as organization of control of the Court of Auditors.*
- ▶ *The Federal Public Procurement Act of 17. 6. 2016.*
- ▶ *The Walloon Decree of 6. 6. 1991 on rural development activities.*
- ▶ *Flemish Decree on sustainable development.*
- ▶ *Federal law of 17. 6. 2013 on information and possibilities of appeals regarding public procurement.*

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

No, the regulation is common to both the ESIF and national grant titles.



What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

Recovery of discrepancies is imposed to the MA and the CA.

The regulation is common to both the ESIF and the national grant title, except for the obligations directly resulting from the general Regulation (e.g. reporting obligation towards the EU).

### 1.2.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Yes, funds are covered by the state budget except for selected ROPs, where such pre-financing does not take place at all (Flanders).

Which currency is used in the case of pre-financing?

EUR

### 1.2.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

There is a talk about centralization of administration and the development of a new IT tool (Flanders) and the implementation of simplified micro-projects (the German-speaking Community). However, it is too early for more detailed information on planned changes, in addition, the implementation is strongly decentralized, which also corresponds to a separate assessment of the current setting of information system. E.g. in Wallonia, the 2021+ period have not been discussed even though, according to the representatives of the relevant authorities, no major changes should occur.



## 1.3. Bulgaria (BG)

### 1.3.1. General information, allocation and targeting

Name of the member country	Country code
Bulgaria	BG
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
10 (10/0)	2/6/28

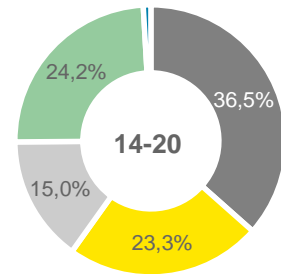
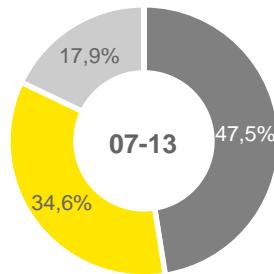
Total allocation planned (according to programming period and fund)

Total allocation  
(mil. EUR)

14-20: 9 765

07-13: 6 265

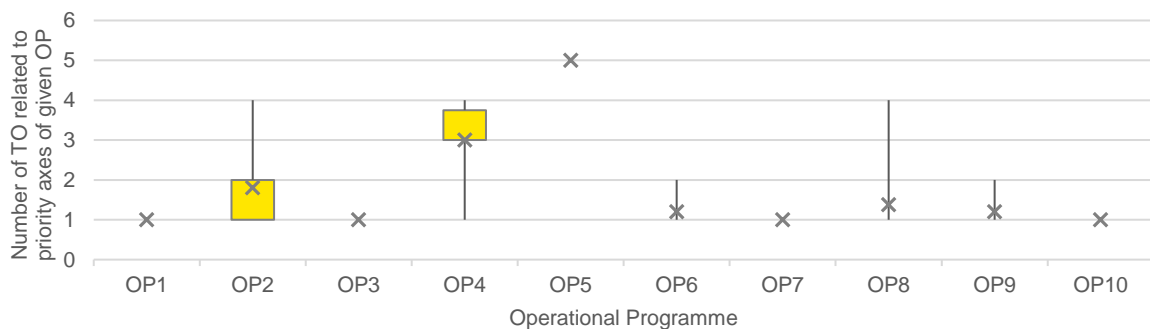
- ERDF
- CF
- ESF
- EAFRD
- EMFF



Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
30 %	100 %	40 %	50 %	20 %	50 %	30 %	30 %	40 %	40 %	20 %	0 %
(3/10)	(1/10)	(4/10)	(5/10)	(2/10)	(5/10)	(3/10)	(3/10)	(4/10)	(4/10)	(2/10)	(0/10)

Targeting of priority axes of individual operational programmes in relation to thematic objectives



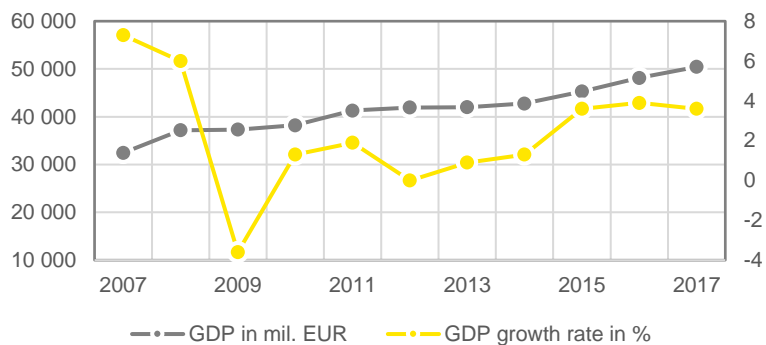


### Gross domestic product development (2007 – 2017)

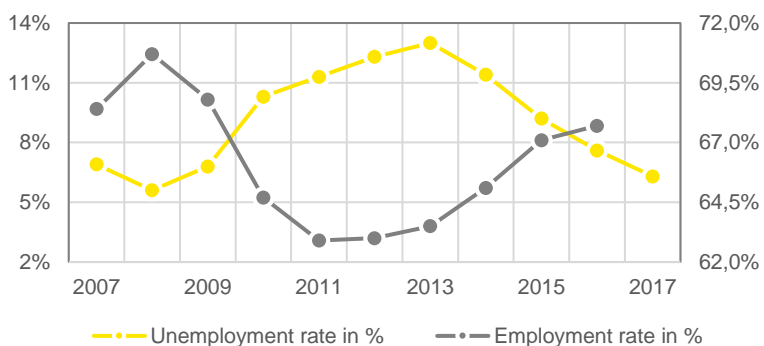
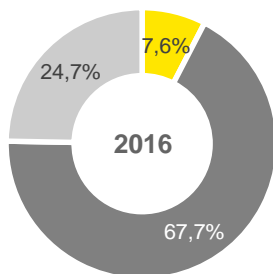
GDP per capita (EUR per capita)

2017: 7 100

2007: 4 200



### Labour market development (2016)





### 1.3.2. Main actors

#### National Coordination Authority (NCA)

*Council of Ministers of the Republic of Bulgaria* – Central Coordination Unit Department.

Coordination in relation to the ESIF is also performed by:

- ▶ *Deputy Prime Minister,*
- ▶ *Central Coordination Unit for EU Funds Management,*
- ▶ *Protection of the European Union's Financial Interests Coordination Council.*

#### What are the main competences of the NCA?

The NCA's competences in relation to the ESIF are mainly:

- ▶ coordinating the work of the managing and control bodies that assist in the enforcement of European and the Bulgarian legislation on the management of ESIF funds,
- ▶ ensuring the overall process of coordination at operational level, including the development of the necessary legislation, methodologies and guidelines; coordination mechanism for information and publicity,
- ▶ providing overall monitoring of program implementation,
- ▶ approving a draft of the Partnership Agreement before it is submitted to the European Commission,
- ▶ approving program of projects before submitting them to the European Commission, identifies structures responsible for the development of ESIF management, control, coordination and audit programs,
- ▶ analysing and continuously monitoring functioning of the European fund management system, the financial and physical implementation of the programs, and presents proposals for its improvement,
- ▶ building, developing, operating and maintaining a single information portal for general information on EU funds and ensuring transparency in a management of financial resources

#### *Deputy Prime Minister:*

- ▶ being responsible for the overall organization, coordination and control of the ESIF management system,
- ▶ acting as the central representative of Bulgaria to the European institutions for the management of the ESIF funds,
- ▶ governing the process of developing the institutional framework and the regulatory framework for the management of the ESIF funds,
- ▶ issuing methodological guidance to managing and controlling authorities, coordinating actions to improve administrative capacity at central, regional and local level in the management of the ESIF funds

*Central Coordination Unit for EU Funds Management* (permanent advisory council of the Council of Ministers):

- ▶ coordinating measures to implement state policy for economic, social and territorial development of the country funded by the ESIF

*Protection of the European Union's Financial Interests Coordination Council* (permanent advisory council of the Council of Ministers):

- ▶ ensuring the coordination of the activities of state authorities in the field of prevention and fight against terrorism and irregularities in the management of the ESIF funds



Is the NCA established specifically for purposes of ESIF?

No, the NCA itself is not established specifically for purposes of the ESIF. However, the selected department, which is delegated to the exercise of the NCA competences, is specifically established for ESIF purposes.

What personnel capacity is allocated to the NCA?

- ▶ *Directorate of the Central Coordination Unit Department: 61 (director; Strategic Planning and Programming Section: 16; Monitoring and Analysis Department: 21; Information System Department: 12; Information and Communication Department: 11)*

### Managing Authorities (MA)

In Bulgaria, 7 Managing Authorities at line ministries and the Council of Ministers were established:

- ▶ *Ministry of Economy - General Directorate for European Funds (for OP Innovation and Competitiveness 2014-2020, OP SMEs Initiative),*
- ▶ *Ministry of Regional Development and Public Works – General Directorate for Strategy Planning and Regional Development (for OP Regions for Growth 2014-2020) and General Directorate for Territorial Cooperation Management (for managing the European territorial cooperation),*
- ▶ *Ministry of Labour and Social Affairs – European Funds, International Programmes and Projects General Directorate (OP Human Resources Development 2014-2020),*
- ▶ *Ministry of Transport, Information Technology, and Communication of Bulgaria – Coordination of Programs and Projects General Directorate (OP Transport and Transport Infrastructure 2014-2020),*
- ▶ *Ministry of Environment and Water – OP Environment General Directorate (OP Environment 2014-2020),*
- ▶ *Council of Ministers - Directorate for Good Governance (OP Good Governance 2014–2020),*
- ▶ *Ministry of Agriculture, Food and Forestry – Rural Development Directorate (Rural Development Program for period 2014-2020) a Directorate-General for Maritime Affairs and Fisheries (Maritime and Fisheries Program for the period 2014-2020).*





## What are the main competences of the MA?

The MA is mainly:

- ▶ responsible for the overall planning, management and implementation of the program, as well as for the prevention, detection and correction of irregularities, including financial corrections,
- ▶ carrying out a preliminary control of the legality of protocols and evaluation reports together with all accompanying documents and annexes drawn up by the grant evaluation committees,
- ▶ helping to apply state aid rules when evaluating project proposals and concluding contracts with approving candidates; performing monitoring of the planned and realized activities, objectives, results and indicators related to the implementation of grant agreements,
- ▶ performing verification of the activities included in the beneficiary's interim / final reports; performing the operational control of the implementation of the contracts concluded under the operational programs, including controls on-the-spot (intermediate and subsequent),
- ▶ coordinating and proposing changes to the legislation related to the management and implementation of the OP,
- ▶ performing first-level control and controls compliance with the planned and realized activities, objectives, results and indicators related to the implementation of grant agreements,
- ▶ performing operational control on the implementation of contracts concluded under operational programs, including on-the-spot checks (intermediate and subsequent)

For example, *General Directorate for European Funds (Legislation, Internal Control and Irregularities Department)* also:

- ▶ providing and maintaining systems and procedures for the prevention, recording and reporting of irregularities and fraud attempts in the management and implementation of the OP,
- ▶ inserting and updating information regarding *UMIS 2020* irregularities and is responsible for reporting to the *Ministry of the Interior*,
- ▶ participating in actions to recover amounts unduly paid in connection with irregularities such as *OP Competitiveness and Innovation 2014-2020*,
- ▶ participating in the process of verifying interim and final reports on concluded contracts within the OP in the section on irregularities

Are the MAs established specifically for purposes of ESIF?

No, the MAs are not established specifically for the purposes of the ESIF. However, selected directorates which are delegated to the exercise of the MA competences are specifically established for the ESIF purposes.

What personnel capacity is allocated to the MA?

- ▶ *Ministry of Economy, General Directorate for European Funds*: 214 employees in total (general director, 2 deputies, 6 departments led by the head of department, other positions: state expert, senior expert, chief assistant, junior assistant).
- ▶ *Directorate for Good Governance*: 59 employees in total (director and 4 departments).

## Intermediate bodies (IB1)

Two intermediate bodies were established in Bulgaria:

- ▶ *Smart Growth Operational Programme Executive Agency – Directorate for Structural Funds and International Educational Programmes (OP Science and Education for Smart Growth 2014 - 2020)*, established by *Ministry of Education*,
- ▶ *Executive Agency for Fisheries and Aquaculture – Structural Fisheries Fund Directorate (Maritime Affairs and Fisheries Program for the period 2014-2020)*.



## What are the main competences of IB1s?

IB1s are generally responsible in particular for the following activities:

- ▶ carrying out acceptance of grant applications,
- ▶ performing on-the-spot inspections,
- ▶ ensuring that the certification authority and control body have all the necessary information on procedures and verifications, etc.

For example *Structural Fisheries Fund Directorate* deals with irregularities and frauds:

- ▶ is responsible for handling irregularities (including identification, registration, reporting, corrective measures, monitoring and termination) and elaborating reports on irregularities,
- ▶ processing the *Report on the Protection of the European Union's Financial Interests*,
- ▶ keeping records of irregularities and fraud.

### Are IB1s established specifically for purposes of ESIF?

- ▶ *Executive Agency for Fisheries and Aquaculture* is not specifically established for the ESIF purposes (it also implements e.g. state policy on recreational fisheries).
- ▶ *Smart Growth Operational Programme Executive Agency* is established specifically for the ESIF purposes.

### What personnel capacity is allocated to the IB1s?

- ▶ *Executive Agency for Fisheries and Aquaculture*: 226 employees in total (director, deputy, chief secretary, divided into directorates)
- ▶ *Smart Growth Operational Programme Executive Agency*: 106 employees in total (director, deputy, chief secretary, divided into directorates)

## Certification Authority (CA)

Three central-level certification authorities have been established in Bulgaria:

- ▶ *Ministry of Finance – National Fund Directorate* (the ESF, ERDF and the CF)
- ▶ *State Fund “Agriculture” (Maritime Affairs and Fisheries Program for the period 2014-2020)*
- ▶ *Certification audit of European agriculture funds - executive agency established by the Ministry of Agriculture (Rural Development Programme 2014-2020)*

## What are the main competences of the CA?

The CA in particular within the ESIF:

- ▶ processing and analysing support requests,
- ▶ identifying and approving the amount of eligible costs,
- ▶ performing financial control of aid applications,
- ▶ monitoring the compliance of legal and contractual obligations after the payment of projects,
- ▶ preparing and sending certified statements of expenditure and payment requests to the European Commission,
- ▶ is responsible for preparing the annual financial statements within the operational program,
- ▶ approving expenditure limits within which managing authorities make payments to beneficiaries,
- ▶ performing functions associated with the annual budgetary procedure for the EU funds and other donors

### Is the CA established specifically for purposes of ESIF?

- ▶ *State Fund Agriculture* was established in 1998 due to pre-accession programs
- ▶ *Ministry of Finance* was not established specifically for the ESIF purposes.

### What personnel capacity is allocated to the CA?

- ▶ *State Fund Agriculture: Directorate for Fisheries and Aquaculture*: 12, *Directorate for Contractual Agreements*: 98,



- ▶ *Certification audit of European agriculture funds* was not established specifically for the ESIF purposes (also performs certification audit of European Agricultural Guarantee Fund).

*Payments Directorate: 99, Unit of expenditure certification Fishery: 5.*

- ▶ *Ministry of Finance: 568 employees, National Fund Directorate* divided into 5 departments
- ▶ *Certification audit of European agriculture funds: 30 employees (CEO, secretary)*

### Paying Authority (PA)

In Bulgaria, two paying authorities were established, which are also the CAs:

- ▶ *Ministry of Finance – National Fund Directorate* (the ESF, ERDF a the CF)
- ▶ *State Fund Agriculture* (PRV, OPR)

### What are the main competences of the PA?

See above for the CA

Is the PA established specifically for purposes of ESIF?

See above for the CA

What personnel capacity is allocated to the PA?

See above for the CA

### Audit Authority (AA)

Two audit bodies were established in Bulgaria:

- ▶ *Audit Authority of European Funds* – executive agency established by the *Ministry of Finance*, functionally independent (the ERDF, ESF)
- ▶ *Certification audit of European agriculture funds* (programs financed from the EAFRD and the EMFF)

### What are the main competences of the AA?

*Audit Authority of European Funds* especially:

- ▶ performing special auditing of the financial management and control systems in terms of completeness, accuracy and credibility of the annual accounts and the regularity and legality of the related costs,
- ▶ controlling accreditation bodies in all (except agricultural) operational programs co-financed by the ESIF,
- ▶ controlling the compliance of operations with EU criteria, national legislation and concluded contracts,
- ▶ controlling compliance of recipients' payments with national law, international agreement to obtain funding from the European Union

*Certification audit of European agriculture funds* especially:

- ▶ controlling the adequacy and effectiveness of the managing and control systems of audited organizations,
- ▶ controlling the accuracy, correctness and completeness of the annual accounts,
- ▶ controlling the availability and accuracy of the national co-financing element,

Is the AA established specifically for purposes of ESIF?

- ▶ *Audit Authority of European Funds* is specifically established for the ESIF purposes.

What personnel capacity is allocated to the AA?

- ▶ *Audit Authority of European Funds: 72* (CEO, chief secretary, employees of individual departments).



## Other control bodies outside the ESIF implementation structure (CB)

Independent executive control bodies outside the ESIF structure:

- ▶ *Bulgarian National Audit Office* (independent, reports to *National Assembly*).
- ▶ *Public Financial Inspection Agency* (independent agency established by the Ministry of Finance).
- ▶ *Public Procurement Agency* (independent executive agency established by the Ministry of Finance).

## What are the main competences of CB?

*Bulgarian National Audit Office:*

- ▶ controlling the reliability and accuracy of budgetary organizations' accounts, legal, efficient and cost-effective management of public funds and activities,

*Public Financial Inspection Agency:*

- ▶ Performing ex-post financial controls to ensuring compliance with the relevant state regulations which are connected to the budget and financial, economic or accounting activities of organizations or individuals,
- ▶ having the legal authority to impose administrative and financial penalties on the person responsible

*Public Procurement Agency:*

- ▶ ensuring the effectiveness of the public procurement system in accordance with the principles of transparency, proportionality, equal treatment and non-discrimination,
- ▶ developing proposals for normative acts in the field of public procurement, issues methodical guidelines, opinions, direct consultations,
- ▶ performing preliminary control of procurement procedures fully or partially funded by EU funds

## Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

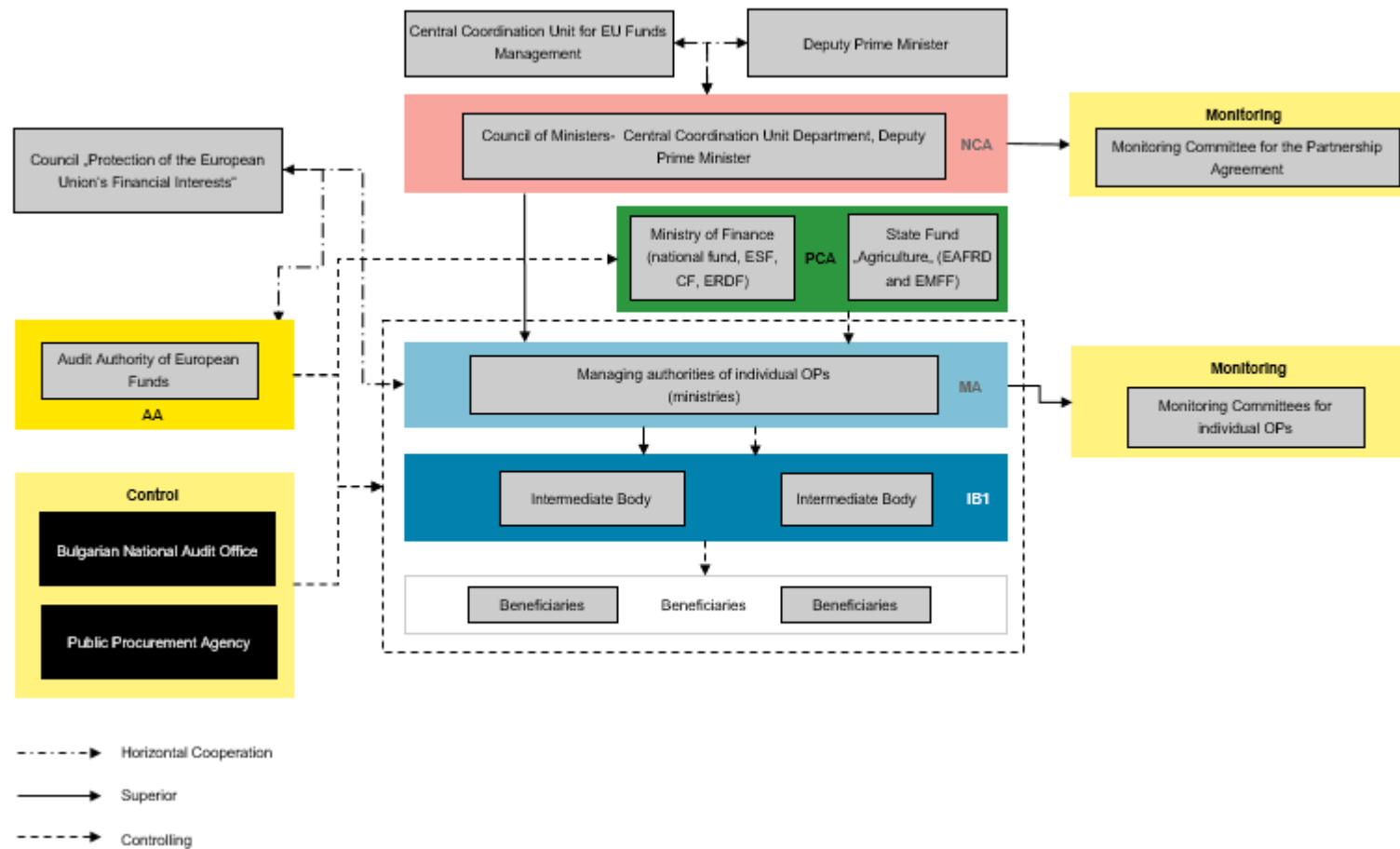
No, the changes made were not significant. The institutional framework for 2007-2013 was maintained for the period 2014-2020, with an emphasis on improving coordination between the various institutions,

## What was the reason for the changes in the implementation structure mentioned above?

In the past, the problems have been caused by the lack of experience of the actors and the fact that different control bodies have provided different, often contradictory, opinions.



### Scheme of implementation structure





### 1.3.3. Programs financed from EAFRD and EMFF

Name(s) of the OP(s) financed from EAFRD

*Rural Development Program 2014-2020*

Is the same methodical environment binding for the OP(s)?

Yes.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, the MA is the *Ministry of Agriculture, Food and Forestry*, the PA is the *State Fund Agriculture*, the CA and the AA *Certification audit of European agriculture funds*.

Do(es) the OP(s) use the same IT environment?

No, it uses *UMIS 2020* (interface with the *IACS* and the *AXTER POPEYE*, which allows detection of duplicities. The *IACS* also contains *Countryside* module (in *Contracts* section are complemented and saved all information from controls in electronic form, in *Authorization* section data regarding an identification of applicants can be submitted a processed, process documentation and verifying compliance with regulation).

Do(es) the OP(s) use resources from the OP TA in the member state?

Irrelevant, OP TA does not exist in Bulgaria.

Name(s) of the OP(s) financed from EMFF

*Maritime and Fisheries Program for the period 2014-2020*

Is the same methodical environment binding for the OP(s)?

Yes.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, the MA is the *Ministry of Agriculture, Food and Forestry*, the PA is the *State Fund Agriculture*, the CA and the AA *Certification audit of European agriculture funds*.

Do(es) the OP(s) use the same IT environment?

No, apart from the *UMIS* and the *IACS (Fishery and Aquaculture* module designed for processing payment request) also *AXTER POPEYE* system is used, designed for managing of European projects for the needs of the Executive Agency for Fishery and Aquaculture (contains summary of all project proposals including names of applicants, brief description of the project, the exact amount of the grant, state of the project).

Do(es) the OP(s) use resources from the OP TA in the member state?

Irrelevant, OP TA does not exist in Bulgaria.



### 1.3.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

The control bodies share action plans among themselves, but centralization or coordination of this process has not been identified.

Is there any database of the audit reports publicly available?

No, a database of audit reports does not exist.

#### Audit/control authority no. 1

Audit Authority of European Funds

What controls/audits does the authority perform?

- ▶ Audit of designation.
- ▶ Audit of operations.
- ▶ Audit of managing and control systems.

Which authorities can the authority control?

- ▶ Managing and control bodies.
- ▶ Beneficiaries.

Are conclusions made by the authority binding for controlled / audited entities?

Yes, conclusions are binding.

Who does the authority share its conclusions with?

- ▶ with the MA, CA and the IB1
- ▶ cooperates with *National Audit Office*
- ▶ Comprehensive analyses of audit activities are available on the website

Does the authority share auditing plans with other institutions?

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

#### Audit/control authority no. 2

*Bulgarian National Audit Office*

What controls/audits does the authority perform?

- ▶ Controlling the reliability and accuracy of the financial statements of the budget organizations
- ▶ Controlling legal, effective and economical management of public funds.

Which authorities can the authority control?

- ▶ Managing and control bodies.
- ▶ Beneficiaries.

Are conclusions made by the authority binding for controlled / audited entities?

Partially, control reports contain an opinion on how funds are drawn. If, on the basis of an audit, it is concluded that there has been an unauthorized drawdown or violation, it shall inform the audited entity and make a decision with the recommendations to be made. However, there is no means of enforcement, only a report with draft measures will be sent to the *National Assembly* and central or local government.

Who does the authority share its conclusions with?

- ▶ Audited entity.
- ▶ Control reports are published on the website.
- ▶ Central or local government.
- ▶ *National Assembly*.

Does the authority share auditing plans with other institutions?

The information was not found in publicly available documents, the representatives of the





- ▶ Cooperates with *European Court of Auditors* relevant authorities were not able to answer the question.

**Audit/control authority no. 3**

*Public Procurement Agency*

What controls/audits does the authority perform?	Which authorities can the authority control?
--	--

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>▶ financial ex-post controls regarding compliance with regulations related to the budget and financial, economic or accounting activities of organizations or individuals</li> </ul> | <ul style="list-style-type: none"> <li>▶ Managing and control bodies.</li> <li>▶ Beneficiaries.</li> </ul> |
|---|--|

Are conclusions made by the authority binding for controlled / audited entities?

Yes, the agency has the legal authority to impose administrative and financial penalties on the responsible person.

Who does the authority share its conclusions with?	Does the authority share auditing plans with other institutions?
--	--

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>▶ Audited entity.</li> <li>▶ Ministry of Finance and the Government.</li> <li>▶ Authority with enforcement powers.</li> </ul> | <p>The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.</p> |
|--|---|

**Audit/control authority no. 4**

*Public Procurement Agency*

What controls/audits does the authority perform?	Which authorities can the authority control?
--	--

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>▶ Preliminary control of procurement procedures fully or partially funded by the EU funds.</li> </ul> | <ul style="list-style-type: none"> <li>▶ Entities within the ESIF awarding contracts in accordance with the Public Procurement Act.</li> </ul> |
|--|--|

Are conclusions made by the authority binding for controlled / audited entities?

No, the Agency will only send its opinion on the preliminary control of compliance with the procurement procedures to the contracting authority. If there is a discrepancy, the opinion also contains recommendations for specific corrective measures.

Who does the authority share its conclusions with?	Does the authority share auditing plans with other institutions?
--	--

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>▶ Ministry of Economy.</li> <li>▶ European Commission.</li> </ul> | <p>The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.</p> |
|--|---|





### 1.3.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, Bulgaria used FI the previous 2007-2013 period, now allocation has been increased.

If yes, to which extent?

Percentage-wise one of the highest FI allocations – 8 % of total allocation.

In which areas are FI mainly used?

01 (Research & Innovation), 03 (SMEs), 04 (Low Carbon), 06 (Environment & Resource Efficiency), 08 (Sustainable & Quality Employment), 09 (Social Inclusion)

The use of financial instruments is mainly planned in the area of support for small and medium-sized enterprises and in the area of the environment and energy efficiency. Also in the area of research and innovation, low-carbon economy, sustainable and quality employment and social inclusion.

Are agriculture and social business assisted by FI?

Yes, through the FI, social entrepreneurship is supported within the *Human Resources Development* OP.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

An essential element of the FI's implementation in Bulgaria is the Fund of Funds, which is managed by the newly-formed State-owned *Fund Management of Financial Instruments in Bulgaria* (FMFIB). The Fund's funds are then linked to individual financial instruments (funds) that are already incorporated into private banks.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

Yes, above-mentioned institution FMFIB.

### 1.3.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Bulgaria uses the CLLD and the SUD, 10 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes. The CLLD assistance is from the ERDF, ESF, EAFRD and the EMFF. The SUD assistance is mainly from the ERDF, partially from the ESF.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Implementation of the CLLD through the EAFRD, EMFF and the ERDF programs. In the Partnership Agreement is not clearly described, which OPs participate in the CLLD. Implementation of the SUD from OP *Regions for Growth* (ERDF) and non-specified ESF OPs.



The co-ordination role of the CLLD is not set out in the Partnership Agreement. The SUD will be coordinated by the MA of the ERDF OP *Regions for Growth*.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated instruments, a very wide range of topics is linked to local / territorial development strategies.

Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas exclusively supported through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

Information not found, it is not described in more detail in the Partnership Agreement.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Yes, the implementation of macro-regional strategies (specifically the *Strategy for the Danube Region*) is implemented in combination with the ESIF. Operational programs contain objectives and interventions fulfilling this strategy, precisely the strategy will also be implemented through projects supported by ESIF (including cross-border cooperation programs).

---



### 1.3.7. Monitoring and IT

#### How is monitoring methodically supported?

Monitoring is methodologically regulated in the *Law for the Administration of Funds from European Structural and Investment Funds*.

The *Monitoring Committee of the Partnership Agreement* and the *Monitoring Committees* of the individual operational programs were established by the *Council of Ministers* by a Decree. It consists of about 40 people from representatives of relevant institutions. Their tasks include monitoring progress in the implementation of the strategic priorities of the Partnership Agreement, precisely operational programs.

The *Monitoring Committee of the Partnership Agreement* also:

- ▶ discussing and approving all proposals for amendments to the Partnership Agreement,
- ▶ collecting information on the implementation of the relevant programs and their contribution to the implementation of the strategic priorities of the Partnership Agreement,
- ▶ monitoring the progress achieved in fulfilling the prerequisites

*Monitoring Committees* for individual OPs:

- ▶ approving, at the proposal of the MA of the program, the methodology and criteria used in the selection of operations,
- ▶ approving, at the proposal of the MA of the program, orientation annual work programs,
- ▶ examining the implementation and monitoring the progress made in achieving the objectives and priorities of the program,
- ▶ monitoring progress made in meeting ex ante conditions,
- ▶ considering and approving proposals for changes to the relevant program, including reallocation of resources within the priority axes or priorities

#### How are evaluations coordinated?

Evaluation plans are created by the relevant departments of the MA (e.g. *Ministry of Labor and Social Affairs - Evaluation, Communication and Technical Assistance*).

An important role is played by the *Monitoring Committees*, which review and approve the evaluation plan; consider all reviews carried out by the MA before sending them to the European Commission.

#### What IT instruments are used for the implementation and monitoring of ESIF?

The following three programs are used:

- ▶ UMIS 2020 is used by all managing and controlling bodies that participate in the ERDF, ESF and the CF, as well as beneficiaries of subsidies. It includes registration, evaluation, contract conclusion, project management, financial module, SAP interface, data regarding controls.
- ▶ IACs – *Countryside* module for the EAFRD (see above) and *Fisheries and Aquaculture* module for the EMFF (see above).
- ▶ AXTER POPEYE for the EMFF (see above).

#### In which areas is (solely) paper documentation used?

Areas where only paper-based documents are used were not revealed (applications are submitted electronically via UMIS).



### 1.3.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

*The Fund Management Act of the European Structural and Investment Funds* defines:

- ▶ the authorities of the implementation structure,
- ▶ the national institutional framework for managing the ESIF,
- ▶ the procedure for providing financial support through grants,
- ▶ specific rules for determining the supplier,
- ▶ the rules for determining eligible costs and rules for making payments and financial corrections

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

The specification of the Act is implemented by Decrees of the Council of Ministers:

- ▶ Decree laying down rules on payment, verification and certification of expenditure,
- ▶ Decree laying down detailed rules for the award of grants (contains detailed rules for the award of grants, the Commission's structure for the evaluation of project proposals, rules for providing information and publicity, etc.),
- ▶ Decree on the conditions for the selection of the supplier by the beneficiaries of subsidies (regulates conditions for supplier selection).

These decrees can be further refined by regulations, e.g.:

- ▶ *Regulation on irregularities indicating the reasons for financial corrections and percentage indicators to determine the amount of financial corrections under the law on the management of European Structural Funds and Investment Funds,*
- ▶ *Regulation on the management of irregularities within the European Structural and Investment Funds.*

At the next level, there is a number of methodologies available on the ESIF website, partly taken over from the EU level but also centrally created by the *Ministry of Finance*, usually of recommendatory nature (for example, Intermediary Design Rules, Publicity Guidelines, Irregularity and Fraud Indicators).

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

Yes, they are different. In Bulgaria they have their own ESIF law (Law on the Management of European Structural Funds and Investment Funds). Managing resources from the European Union is also governed by the Public Finance Act, which addresses in particular the relationship between the state budget and the funds from the European Union. In this respect, the adjustment was made, however, it is clear from the information below that the provision of the ESIF grants is primarily governed by specific legislation. The Public Finance Act does not explicitly address the provision of subsidies from national sources.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

In addition to the fact that EU regulations have direct effect, these processes are described in detail in national legislation in the instruments concerning the implementation of the ESIF:

- ▶ *Law on the ESIF (see above);*
- ▶ *Regulation defining procedures for managing irregularities through funds, instruments and programs co-financed by the European Union;*



- ▶ *Regulation on the management of irregularities within the European Structural and Investment Funds;*
- ▶ *Regulation of the Minister of Finance No H-3 of 8<sup>th</sup> July 2016 laying down rules for payment, verification and certification of expenditure, recovery and derecognition of incorrect expenditure and accounting;*
- ▶ *Regulation defining procedures for managing irregularities through funds, instruments and programs co-financed by the European Union;*
- ▶ *Financial management and control of public sector law;*
- ▶ *Public Sector Internal Audit Act;*
- ▶ *Anti-Fraud Strategy, etc.*

Managing authorities are responsible for preventing, detecting and correcting irregularities, including financial corrections. Detection and reporting of irregularities; preventive and subsequent corrective actions. The National Revenue Agency is responsible for reimbursing expenses.

Two specific bodies dealing with irregularities have been established:

- ▶ *The Protection of the European Union's Financial Interests Council:* it provides for the coordination of the activities of the state authorities in the field of preventing and combating terrorism and irregularities in the management of ESIF funds,
- ▶ *The Protection of the European Union Interests Directorate (AFCOS),* the specialized structure of the *Ministry of the Interior*, which conducts management, information and coordination activities to protect the financial interests of the European Union, carries out administrative controls to identify discrepancies affecting the financial interests of the European Union, either on its own initiative, or at the request of the OLAF.

The discrepancies are dealt with in accordance with the rules mentioned above, but in Bulgaria there is also the Public Finance Act mentioned above, however, in the event of irregularities the ESIF regulation is sufficient. The Public Finance Act only mentions that the authorities responsible for the management of the EU funds are also responsible for the recovery of undue payments, including national co-financing.

Information on the extent to which the national rules on the handling of public funds and the resolution of irregularities were changing during the preparation of the ESIF Act was not found, questions were sent to the Legal Department, but the answer was not received.

### 1.3.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Yes, funds are covered by the state budget

Which currency is used in the case of pre-financing?

BGN.

### 1.3.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

The information was not found in publicly available documents, and was not provided by the representatives of the relevant authorities.



## 1.4. Cyprus (CY)

### 1.4.1. General information, allocation and targeting

Name of the member country	Country code
Cyprus	CY
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
4 (4/0)	1/1/1

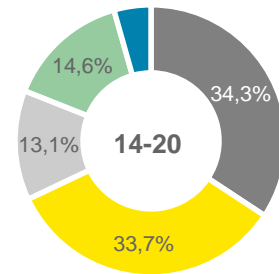
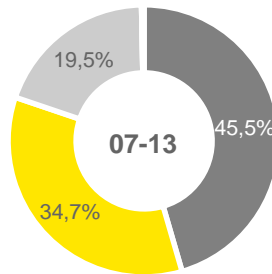
Total allocation planned (according to programming period and fund)

Total allocation  
(mil. EUR)

14-20: 875

▲  
07-13: 584

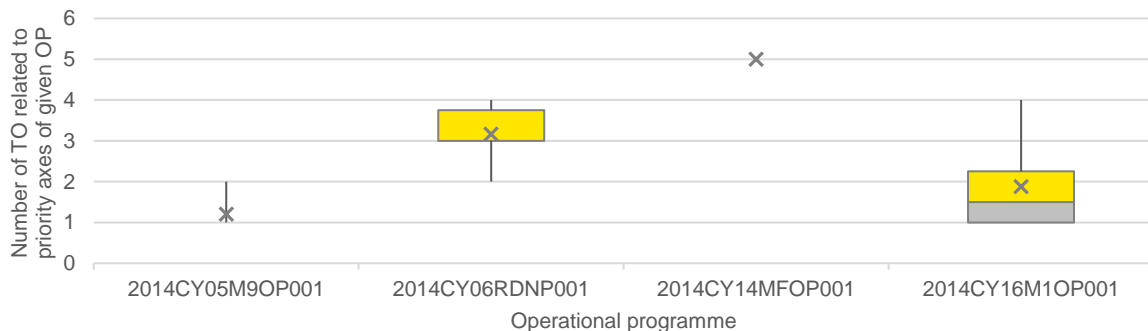
- ERDF
- CF
- ESF
- EAFRD
- EMFF



Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
50 %	50 %	75 %	75 %	50 %	75 %	25 %	75 %	75 %	50 %	25 %	0 %
(2/4)	(2/4)	(3/4)	(3/4)	(2/4)	(3/4)	(1/4)	(3/4)	(3/4)	(2/4)	(1/4)	(0/4)

Targeting of priority axes of individual operational programmes in relation to thematic objectives





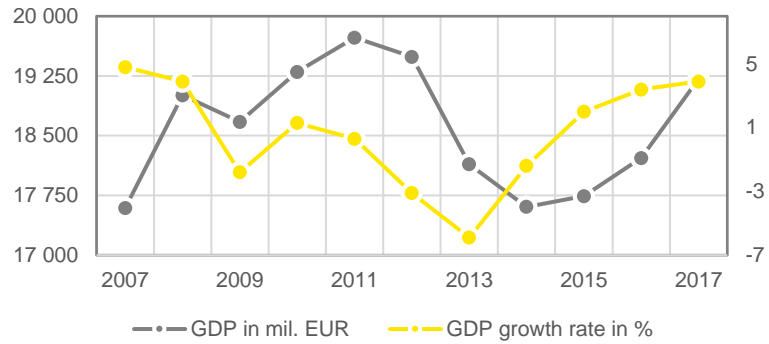
### Gross domestic product development (2007 – 2017)

GDP per capita (EUR per capita)

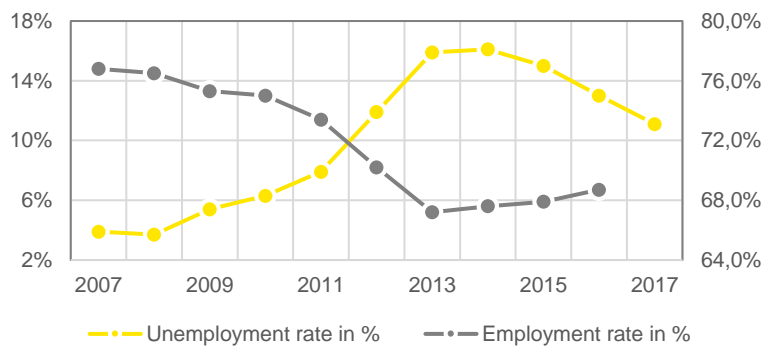
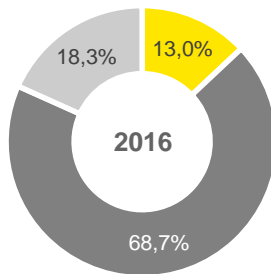
2017: 22 400



2007: 22 900



### Labour market development (2016)







## 1.4.2. Main actors

### National Coordination Authority (NCA)

The NCA does not exist, but its function is to a certain extent carried out by the *Directorate General for European Programs, Coordination and Development*, which is the MA for all OPs, except programs financed from the EAFRD.

What are the main competences of the NCA?

Irrelevant.

Is the NCA established specifically for purposes of ESIF?

Irrelevant.

What personnel capacity is allocated to the NCA?

Irrelevant.

### Managing Authorities (MA)

The *Directorate General for European Programs, Coordination and Development* (DG EPCD) is the MA of all OPs except programs financed from the EAFRD, the MA of which is the *Ministry of Agriculture, Rural Development and Environment*.

What are the main competences of the MA?

- ▶ **Management and monitoring of OP:** preparing and submitting OP to the EC, preparing proposals for changes to the OP, supporting the work of the Monitoring Committees, compiling and submitting an annual report on the implementation of all OPs, monitoring the implementation of the OP, including achieving its goals and effectiveness, creates action plan for technical assistance, issues guidelines for OP management for stakeholders, ensures the operation support offices for the IB1s and the beneficiary for the timely implementation of projects, monitors the IB1 and beneficiaries, securing the data necessary for monitoring, evaluation, financial management, controls and audits, including data on individual project participants, and storing them in electronic form for each project; has responsibility for the modernization, operation, creation of instructions related to the Integrated Information System (IIS).
- ▶ **Project Selection:** preparing and approving appropriate procedures and criteria for project evaluation, submitting draft methodology and criteria for evaluation to approval to Monitoring Committees, ensures the administrative, financial and operational capacity of the beneficiary in order to meet the conditions set out in the decision to include it in the OP, verifies the eligibility of all grant schemes developed by the respective IB1s, approving the strategic integrated framework of sustainable development of municipalities prepared by the local authorities.
- ▶ **Financial management and control of the OP** (including using human resources of *Verification and Certification Directorate* of the *Treasury*): verifying the eligibility of costs, performs administrative checks and on-the-spot controls, implementing a risk management process, evaluating risks and implementing effective anti-fraud measures, issuing national eligibility rules and ensuring that beneficiaries are aware of them, establishes procedures and issues guidelines / circulars on the control framework and ensuring adequate audit trail, creates mechanisms to avoid duplication of expenditure, coordinates and provides training, advisory and technical assistance to public procurement projects and control of projects, ensures a timely completion of all necessary controls, conducts inspections in relation to financial instruments, exchanges information with the AA on results of controls, coordinates controls with the relevant EU audit bodies, and submits to the CA information on detected irregularities.
- ▶ Coordinating and monitoring the implementation of the communication strategy and issuing further relevant guidelines for the IB1s and beneficiaries.





Are the MAs established specifically for purposes of ESIF?

Partially, the DG EPCD also ensures other programs co-financed from EU funds.

What personnel capacity is allocated to the MA?

In total, 22 persons (director, 3 managers, 15 officials, 2 accountants and 1 secretary) are allocated to the DG EPCD's agenda.

#### Intermediate bodies (IB1)

The role of the IB1s is fulfilled by individual *line ministries* in connection with the co-financing of public procurement and grant schemes, individual *municipalities* with regard to the strategic framework for sustainable urban development and the *State Treasury* on the control of public procurement expenditure.

What are the main competences of IB1s?

The competences of the IB1s vary according to their specific focus, but in general they concern in particular a selection, a monitoring and a verification of co-financed projects. Specific competences of the each IB1 are as follows:

- ▶ ▶ **co-financing a public procurement:** managing a project selection process, financial management and a control, monitoring a progress in project implementation, including contract audits and informational and promotional activities, and supporting the beneficiaries in complying with the information strategy;
- ▶ ▶ **grant schemes:** preparing comprehensive grant schemes, managing project selection process, ensuring compliance of projects with the thematic focus of the fund, financial management and control, disbursement of subsidies, ensuring fulfilment of conditions for pre-financing, informing MA and CA about irregularities detected, monitoring progress of projects implementation, and promotional activities and supporting beneficiaries in keeping with the information strategy;
- ▶ ▶ **a strategic framework for sustainable urban development:** preparing and publishing calls and evaluating of projects based on selection criteria approved by the Monitoring Committee;
- ▶ ▶ **control of expenditure in public procurement:** checking payment requests

Are the IB1s established specifically for purposes of ESIF?

No, the IB1s are not specifically established for the ESIF purposes, they are still the state administration bodies, which take over the selected competences of the MA.

What personnel capacity is allocated to the CA?

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

#### Paying and certification authority (PCA)

The PCA is *Verification and Certification Directorate* of the *Treasury*. In case of programs financed the EAFRD the CA is the *Grand Thornton* and the PA is the *Cyprus Agricultural Payments Organization*.

What are the main competences of the PCA?

- ▶ elaborating and submitting payment requests to the EC and confirms that these requests come from reliable accounting systems, based on verifiable evidence and certified by the MA
- ▶ preparing the financial statements and confirms the completeness, accuracy and credibility of the financial statements. Verifies that the entered expenses are in accordance with applicable legislation and have been used for operations selected for funding under the criteria applicable to the operational program and in accordance with the applicable legal regulations



- ▶ ensuring an operation of an electronic system recording accounting records for each operation, including recording all the data needed to prepare a payment request and financial statements
- ▶ in drawing up and submitting payment applications, it shall take into account the results of all audits carried out by the audit authority or under its authority
- ▶ in the framework of the abovementioned responsibilities, it annually examines IB1s in order to evaluate their management activities in relation to detection of irregularities and risk assessment

Is the PCA established specifically for purposes of ESIF?

No, the *Verification and Certification Directorate* of the *Treasury* was not specifically established for ESIF purposes.

What personnel capacity is allocated to the PCA?

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

#### Audit Authority (AA)

*Audit of EU co-financed programs, Internal Audit Service of the Republic of Cyprus*

What are the main competences of the AA?

- ▶ Performing audits to verify the effective operation of the managing and control system.
- ▶ Performs on-the-spot controls on the basis of a suitable sample representing at least 10% of the total eligible costs of each annual program in order to verify the expenditure declared.
- ▶ Concentrating on identified problems that appear to be systematic and may therefore threaten other actions that need further investigation, including additional audits if deemed necessary. The competent authorities shall then take the necessary preventive and remedial measures
- ▶ Submitting an audit strategy to the Commission within six months of the adoption of the multiannual program, ensuring a balanced distribution of audits throughout the program implementation period.
- ▶ Elaborating and translating an annual report on each OP to the EC.

Is the AA established specifically for purposes of ESIF?

Yes, the department responsible for the role of the AA is established specifically for the ESIF purposes.

What personnel capacity is allocated to the AA?

Total of 11 people is allocated to the AA's agenda.

#### Other control bodies outside the ESIF implementation structure (CB)

According to information provided by the MA and the AA representatives, no other state control bodies are involved in the ESIF control.

What are the main competences of CB?

Irrelevant.

Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

Measures have been taken to reduce an administrative burden, to simplify the implementation structure and speeding up processes, namely:

- ▶ budgets of the co-financed projects are included in the DG EPCD's centralized DG costs fund and not in the budget of the ministries / departments. DG EPCD is responsible for assessing requests for funds transfers to the ministries / departments budgets of co-financed projects from the central development spending budget;



- ▶ administrative controls of the expenditure of the co-financed public procurement are carried out by the *Treasury*, while during the programming period 2007-2013 they were performed by selected IB1s;
- ▶ municipalities eligible for sustainable urban development projects are designated as the IB1s with limited competence in the selection of projects, whereas during the 2007-13 programming period, the Managing Authority of the *European Funds Unit* of the *Ministry of the Interior* had the power to select these projects;
- ▶ improving the administrative capacities of the relevant local authorities;
- ▶ simplification of the management and control system through the exclusion of participation of parallel levels of authorities and controls, concentration of procedures on authorities with adequate collateral, experience and administrative capacity;
- ▶ Improvement of the IIS information system so that it is more functional and more simple, with the possibility of electronic submission / insertion of documents by a beneficiary;
- ▶ improvement of the guidelines for beneficiaries and simplification of the control system within the programs financed from the EAFRD

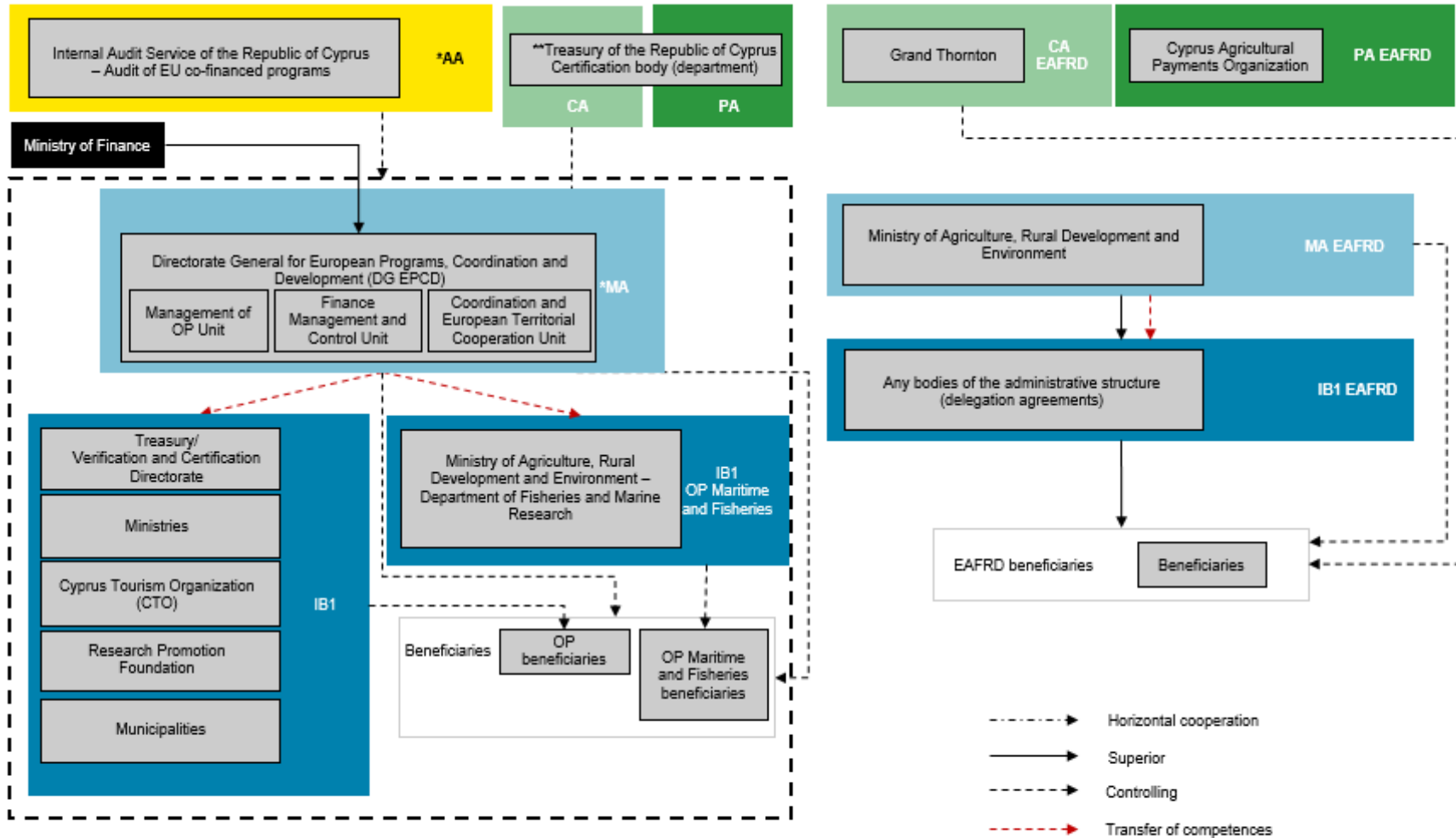
What was the reason for the changes in the implementation structure mentioned above?

The main motivation to adopt the above mentioned changes was in particular the following:

- ▶ complex and lengthy procedures that have created problems, particularly in the case of the ESF projects focused on innovation,
  - ▶ problems with project implementation by beneficiaries due to lack of awareness or administrative capacity,
  - ▶ excess control over regulatory frameworks in the case of programs financed from the EAFRD
-



### Scheme of implementation structure



\*Applicable for all OPs except programs financed from EAFRD

\*\*The Treasury is an independent body set up by the president



### 1.4.3. Programs financed from EAFRD and EMFF

Name(s) of the OP(s) financed from EAFRD

*2014-2020 OP Rural Development 2014-2020*

Is the same methodical environment binding for the OP(s)?	Do(es) the OP(s) have the same institutional setup (same AA, PCA)?
---	--

No, it is not.

No, CA is the *Grand Thornton* and PA is *Cyprus Agricultural Payments Organization*.

Do(es) the OP(s) use the same IT environment?	Do(es) the OP(s) use resources from the OP TA in the member state?
---	--

No, it uses its own IT environment.

Irrelevant, OP TA does not exist in Cyprus.

Name(s) of the OP(s) financed from EMFF

*OP Maritime and Fisheries*

Is the same methodical environment binding for the OP(s)?	Do(es) the OP(s) have the same institutional setup (same AA, PCA)?
---	--

Yes, it is.

Yes, it does.

Do(es) the OP(s) use the same IT environment?	Do(es) the OP(s) use resources from the OP TA in the member state?
---	--

Yes, it does.

Irrelevant, OP TA does not exist in Cyprus.



## 1.4.4. Audit and control

**Do the audit/control authorities share their auditing plans with each other / other institutions?**

Based on the information available, there is no centrally coordinated sharing of control plans between control / audit entities. However, on the basis of the national rules for the ESIF, controls are divided by type and it is determined in advance which authority carries out controls.

**Is there any database of the audit reports publicly available?**

Yes, results of controls are recorded in the Integrated Information System (IIS), where they are available to all interested parties, not to public.

### Audit/control authority no. 1

*Audit of EU co-financed programs, Internal Audit Service of the Republic of Cyprus*

What controls/audits does the authority perform?	Which authorities can the authority control?
--	--

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>▶ Audit of managing and control systems.</li> <li>▶ Audit of operations.</li> <li>▶ Audit of designation.</li> </ul> | <ul style="list-style-type: none"> <li>▶ The MA.</li> <li>▶ The IB1.</li> <li>▶ The PCA.</li> <li>▶ Beneficiaries.</li> </ul> |
|---|---|

**Are conclusions made by the authority binding for controlled / audited entities?**

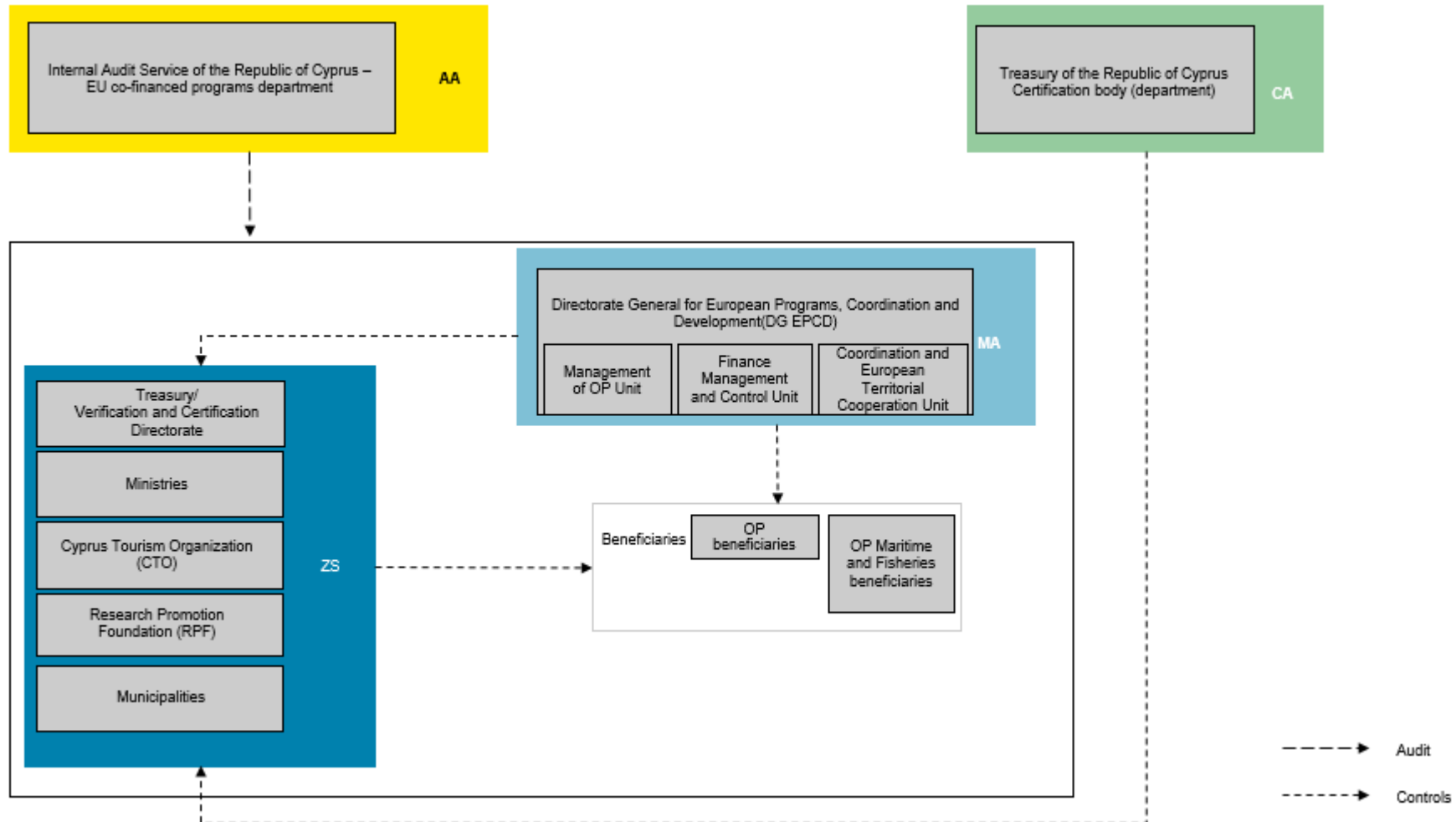
Yes, AA conclusions are binding for audited entities.

Who does the authority share its conclusions with?	Does the authority share auditing plans with other institutions?
--	--

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>▶ An auditee.</li> <li>▶ The MA.</li> <li>▶ The PCA.</li> </ul> | <p>AA refused to provide non-public information without official authorization from the EC.</p> |
|--|---|



### Scheme of audit and controls





### 1.4.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

No, Cyprus allocated a relatively low amount of funds to the FI for the period 2007-13, in the new period no fund were allocated. However, a study, or an ex-ante assessment, was proposed that suggests a strategy for the implementation of the FI. However, according to the conclusions of this study, the implementation of the FI cannot be expected until the next programming period.

If yes, to which extent?

Irrelevant.

In which areas are FI mainly used?

Irrelevant.

Are agriculture and social business assisted by FI?

Irrelevant.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

Irrelevant.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

Irrelevant.

### 1.4.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Cyprus uses the CLLD and the SUD, 9 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes. The CLLD assistance is from the EAFRD and the EMFF. The SUD assistance is from the ERDF.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Yes, Implementation of the CLLD through the EAFRD, as well as the EMFF. The SUD implemented through the OP Competitiveness & Sustainable Development.

*Directorate General for European Programmes, Coordination and Development* is the ESIF coordinator

What topics are addressed within territorial dimension and dimension of integrated approach?

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

Are there any subjects assisted solely by territorial dimension and integrated tools?





No information has been found that there are areas exclusively supported through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Cyprus is not a part of any macroregional strategies.

---



### 1.4.7. Monitoring and IT

#### How is monitoring methodically supported?

One Monitoring Committee is established jointly by the ministerial decision 78.483 for the ERDF and the ESF OPs and one for the programs financed from EMFF, whose task is to ensure the effectiveness and quality of the OP implementation in agreement with the MA. Among the competences of the Monitoring Committees are the following:

- ▶ monitoring and approving methodologies and selection criteria prepared by the MA,
- ▶ reviewing and approving the annual and final reports on the implementation of the OP prepared by the MA,
- ▶ assessing and approving the OP evaluation plan prepared by the CA,
- ▶ assessing and approving OP communication strategy prepared by the MA,
- ▶ assessing and approving each MA's proposal to change OP,
- ▶ reviewing of financial data and indicators of the OP,
- ▶ monitoring progress in the implementation of the evaluation plan and evaluation conclusions;
- ▶ monitoring the implementation of major projects

#### How are evaluations coordinated?

MA has prepared an evaluation plan setting out the objectives, the institutional framework, the coordination of implementation and a detailed description of the assessment. The Evaluation Committee, composed of the MA and the IB1 representatives, is responsible for the overall coordination of monitoring and support for evaluations, and amongst its tasks are:

- ▶ standards processing and preparation of assignments for the evaluation of relevant interventions,
- ▶ assessing the relevance and validity of the conclusions of evaluations and proposed remedies,
- ▶ the preparation and submission of proposals based on the results of evaluations to the competent authorities,
- ▶ providing necessary quantitative and qualitative data for evaluation studies,
- ▶ participation in the monitoring of the evaluation plan and in the results of the evaluations through participation in the Monitoring Committee

Depending on the topic and the evaluations carried out, it is also possible to invite entities involved in the OP or other relevant authorities and experts to participate in the working group.

#### What IT instruments are used for the implementation and monitoring of ESIF?

For the ESIF implementation and monitoring, an integrated system IIS is used except programs financed from the EAFRD, which uses the IT system of the relevant MA (*Ministry of Agriculture, Rural Development and Environment*).

#### In which areas is (solely) paper documentation used?

Paper-based documents are not used exclusively in any area of ESIF implementation.

### 1.4.8. Legislation

#### Does any law regarding ESIF implementation exist in the member state?

No, there is no specific ESIF law in Cyprus.



What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

The Council of Ministers issued *Decision No. 79.735 on the IB1 and their competences, No. 77.305 on the OP Maritime and Fisheries* and *No. 78.483 on the establishment of Monitoring Committees*.

Methodology: There are centrally coordinated ESIF Manuals and Circulars that are binding for all authorities and bodies involved in the ESIF management and control.

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

The procedures binding on the ESIF are codified in specific national regulations and in the Manuals and ESIF Circulars. For national grant titles, there is the *State Aid Control Act No. 30 (I) / 2001* (with appropriate later modifications).

However, specific differences were not detected in publicly available documentation or communications with representatives of relevant authorities.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

The discrepancies within the ESIF are addressed in accordance with the European Directive 1303/2013 and the relevant circulars. Recovery of ineligible funds is carried out by the MA.

The procedure in the event of irregularities in national grant titles is codified in the *State Aid Control Act*, under which the Council of Ministers appoints the *State Aid Controller*, which, in the event of an irregularity decides on the appropriate corrective measures and issues a binding decision for the competent authority of grant title. The competent authority is responsible for the enforcement of this decision and for the recovery of undue payments.

In both cases, the competent authority of the program is responsible for enforcing undue payments. There was no significant discrepancy between national and ESIF regulation, but communication with the relevant authorities was not successful despite repeated attempts, so the information is not explicitly verified.

### 1.4.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Yes, funds are covered by the state budget.

Which currency is used in the case of pre-financing?

EUR

### 1.4.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

Representatives of the MA confirmed that this was an early question. Future discussion will involve all stakeholders within the ESIF.



## 1.5. The Czech Republic (CZ)

### 1.5.1. General information, allocation, and targeting

Name of the member country	Country code
The Czech Republic	CZ
Number of operational programmes (OP/ROP)	Number of administrative units (NUTS1/NUTS2/NUTS3)
9/1	1/8/14

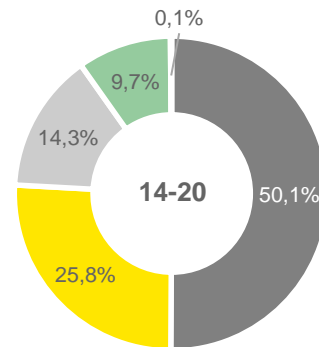
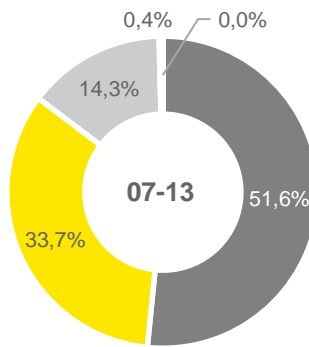
Total allocation planned (by programming period and fund):

Total allocation  
(mil. EUR)

14-20: 23 837

07-13: 24370

- ERDF
- CF
- ESF
- EAFRD
- EMFF



Share of national operational programmes that relate to individual thematic objectives

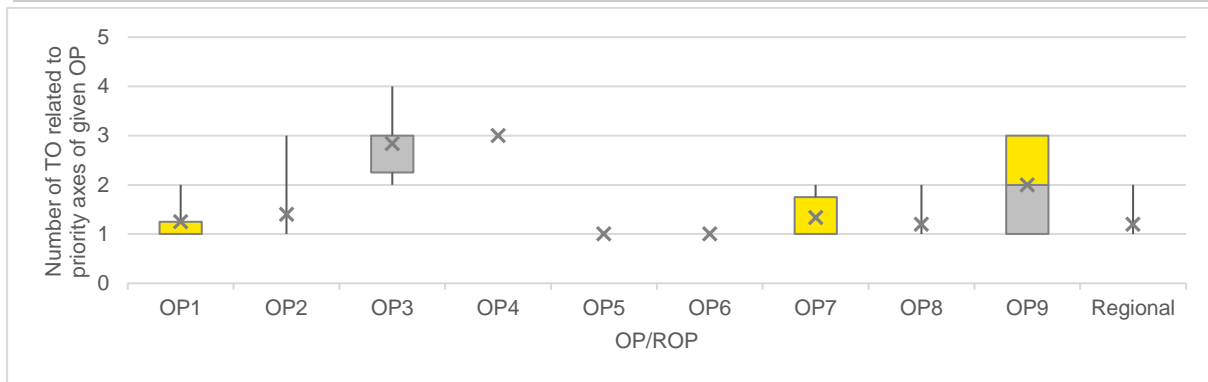
TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11
44 %	22 %	33 %	56 %	44 %	44 %	33 %	33 %	56 %	44 %	22 %
(4/9)	(2/9)	(3/9)	(5/9)	(4/9)	(4/9)	(3/9)	(3/9)	(5/9)	(4/9)	(2/9)

Share of regional operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11
0 %	100 %	0 %	100 %	100 %	100 %	100 %	0 %	100 %	100 %	100 %
(0/1)	(1/1)	(1/1)	(1/1)	(1/1)	(1/1)	(1/1)	(0/1)	(1/1)	(1/1)	(1/1)



### Targeting of priority axes of individual operational programmes in relation to thematic objectives



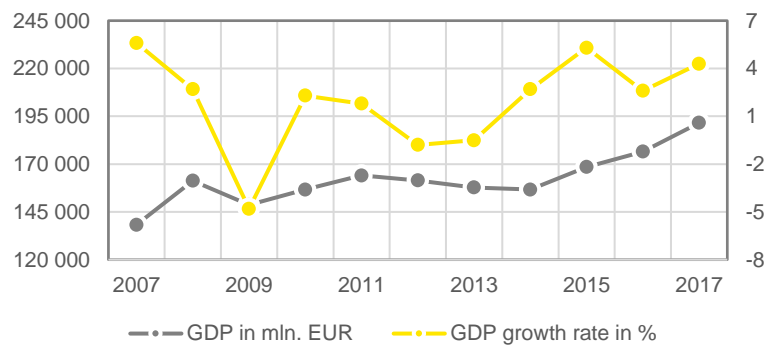
### Gross domestic product development (2007 – 2017)

GDP per capita (EUR per capita)

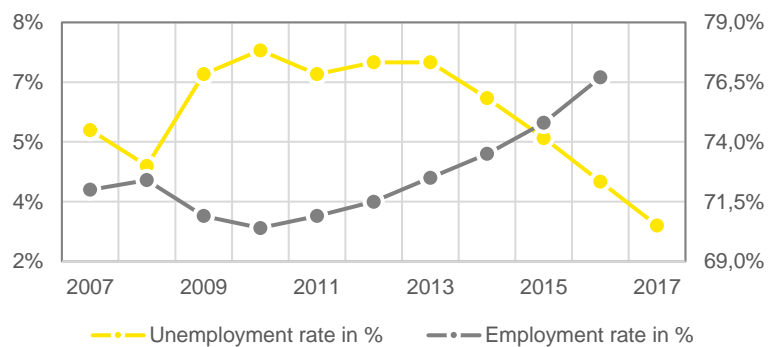
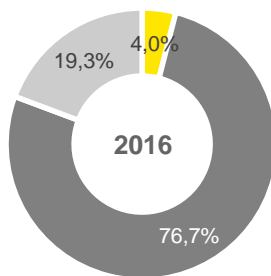
2017: 18 100



2007: 13 400



### Labour market development (2016)





## 1.5.2. Main actors

### National Coordination Authority (NCA)

*Ministry of Regional Development*

#### What are the main competences of the NCA?

The NCA's main competencies are, most importantly:

- ▶ Management and coordination of the Partnership Agreement;
- ▶ Oversight of the implementation of the Partnership Agreement's thematic objectives;
- ▶ Communication with the EC;
- ▶ Informing the wide public about ESI funds;
- ▶ Carrying out evaluations;
- ▶ Operating the central monitoring system;
- ▶ Ensuring the cooperation among the various bodies of the implementation structure, above all the Ministry of Finance's Audit, and Paying and Certification authorities;
- ▶ Preparation of the *Single Methodological Environment*.

#### Is the NCA established specifically for purposes of ESIF?

No, the NCA *per se* is not established specifically for ESIF purposes, though the departments dealing deliberately with ESIF are

#### What is the personnel capacity of the NCA?

As of 31 December 2017, the NCA was staffed with 164 FTEs.

### Managing Authorities (MA)

In the Czech Republic, mostly the respective line ministries are tasked with the management competencies. The only exception is OP Prague Growth Pole (OPPPR). The list of the Managing Authorities is the following:

- ▶ **Ministry of Agriculture** = OP Fisheries – (OPR) and Rural Development Programme (PRV);
- ▶ **Ministry of Industry and Commerce** - OP Enterprise and Innovation for Competitiveness (OPPIK);
- ▶ **Ministry of Education, Youth, and Sports** - OP Research, Development, and Education (OPVVV);
- ▶ **Ministry of Labour and Social Affairs** - OP Employment (OPZ);
- ▶ **Ministry of Transport** - OP Transport (OPD);
- ▶ **Ministry of Environment** - OP Environment (OPŽP);
- ▶ **Ministry of Regional Development** - Integrated Regional Operational Programme (IROP) and OP Technical Assistance (OPTP);
- ▶ **Prague City Council** – OP Prague – Growth Pole (OPPPR)

#### What are the main competences of the MA?

The role of the MA is to ensure that the priority axes of each of the OPs collectively contribute to the fulfilment of the framework thematic objectives stipulated by the Partnership Agreement as well as other strategic documents. At the same time, the MAs is tasked with supporting projects contributing to the integrated territorial development.

The list of the main competencies of the MAs is taken directly from the provisions of the General Regulation 1303/2013EU and reads as follows:

- ▶ Management of the OP(s) in accordance with the principles of a diligent financial management;
- ▶ Preparation and implementation of appropriate processes and selection criteria to ensure that the thematic objectives be fulfilled in a non-discriminatory and transparent manner;
- ▶ Publishing the annual and final reports on the process of a program's execution;



- ▶ Setting and publishing the conditions for every operation;
- ▶ Providing the implementing bodies and beneficiaries with information essential for their proper functioning;
- ▶ Checking the administrative, financial, and operational eligibility of the beneficiaries;
- ▶ Setting efficient and proportional anti-fraud measures with respect to the detected risks;
- ▶ Controlling the adequacy of the way the beneficiaries dispose of the funds allocated to them;
- ▶ Preparation of the annual summary of results.

Are the MAs established specifically for purposes of ESIF

Whereas the MAs are not established specifically for ESIF purposes, their respective departments dealing deliberately with ESIF are..

What is the personnel capacity of the NCA?

As of 31 December 2017, all MAs combined were staffed with 1,075.35 FTEs.

#### Intermediate bodies (IB1)

- ▶ **IROP** – Centre for Regional Development (CRR)
- ▶ **OPD** – National Fund for Transport Infrastructure (SFDI)
- ▶ **OPPIK** – Agency for Business and Innovation (API)
- ▶ **OPR** – National Agricultural Intervention Fund (SZIF)
- ▶ **PRV** – National Agricultural Intervention Fund (SZIF)
- ▶ **OPŽP** – Agency for the Protection of Nature (AOPK), National Environmental Fund (SFŽP).

Moreover, there are another 7 IB1s regarding ITI.

What are the main competences of IB1s?

By means of concluding a public services contract, an MA may delegate some of its competencies onto an external organization, thereby making that institution an intermediate body (IB1). Such bodies serve as a point of contact for the public. Occasionally, they can also be mandated to carry out first-degree controls.

For example, the Centre for Regional Development (IB1 for IROP) has the following competencies:

- ▶ Reviewing the eligibility of beneficiaries and the correctness of formal requirements;
- ▶ Conducting subject-matter evaluation of applications;
- ▶ Carrying out ex-ante risk analyses as well as ex-ante on-the-spot controls;
- ▶ Provides its MA with a list of projects recommended for financing, including a confirmation stating that all control and evaluation phases were carried out in accordance with the programme documentation.

Are IB1s established specifically for purposes of ESIF?

The only IB1 that was established specifically for ESIF purposes is the Business and Innovations Agency (API – IB1, OPPIK). All other IB1s also carry out other than ESIF-related functions.

What personnel capacity is allocated to the IB1s?

As of the 31 December 2017, the all intermediate bodies combined were staffed with 1,475.42 FTEs.

#### Paying and Certification Authority (PCA)

*Ministry of Finance – National Fund*

What are the main competencies of the PCA?

- ▶ Receives payments from the EU and manages EU budget funds;



- ▶ Prepares and submits payment requests to the EC and confirms that these requests come from reliable accounting systems, and they are based on verifiable supporting documents and have been verified by the Managing Authority;
- ▶ Prepares financial statements and ensures their completeness, accuracy, and credibility and it certifies that the expenditures are in compliance with the applicable legislation and have been incurred for operations selected for funding in compliance with the criteria applicable to the operational program concerned, and in compliance with the legislation;
- ▶ Operates the IT system for financial monitoring and the administration of payment requests and financial statements;
- ▶ When preparing and submitting payment requests, it considers the results of all audits conducted by the AA (or entrusted by the AA);
- ▶ Maintains an electronic database of financial records and expenses submitted to the EC, the relevant contributions awarded to beneficiaries from other public funds, the sums of reclaimed subsidies, and the amount of contributions rejected and/or withdrawn;
- ▶ Creates and updates the methodological documentation relevant to the certification of expenditures and financial flows from the EU, ensures that these guidelines are interpreted uniformly and oversees that the said rules are abided by;
- ▶ Conducts on-the-spot checks for certification purposes;
- ▶ Submits to the EC the consolidated and updated estimates of the payment requests for both the current and following fiscal year;
- ▶ Collaborates with the EC on the setting and evaluation of additionality;
- ▶ Performs controls of aggregate requests for transfer of ESI funds from the PCA account to the state budget;
- ▶ Transfers funds from the EU budget to accounts of the organizational units in the state;
- ▶ Informs jointly the NCA, AA and a concerned MA about a suspension in the clearance of consolidated payment requests on the OP, as well as about a suspension in certification of any OP.

Is the PCA established specifically for purposes of ESIF?

Whereas the PCA is not established specifically for ESIF purposes, the department within the Ministry of Finance tasked with the role of the PCA was.

What personnel capacity is allocated to the PCA?

As of the 31 December 2017, the PCA was staffed with 41.90 FTEs.

Audit Authority (AA)

*Ministry of Finance*

What are the main competencies of the AA?

- ▶ Ensures that management system audits and audits of operations, based on the claimed expenses, are conducted;
- ▶ Ensures that all audit activities comply with the latest international audit norms;
- ▶ Compiles and sends to the NCA a report on the processes of the MAs and PCA and on their compliance with the provisions of the general regulation
- ▶ Prepares the overarching audit strategy;
- ▶ Informs the audited subjects about the results of such audits;
- ▶ Issues recommendations and directives pertaining to audit activities, ensures their uniform interpretation and that they are abided by;
- ▶ Creates a summary of final audit reports and information about carried-out controls, including an analysis of the system errors and insufficiencies discovered, as well as information on the subsequent measures taken and/or planned for;
- ▶ Suggests and executes corrective measures with regards to the discovered insufficiencies;





- ▶ Cooperates with the EC on the coordination of audit plans and methods, and shares its results with the EC;
- ▶ Analyses the reported irregularities for the purpose of issuing a statement of a (partial) foreclosure of an OP.

Is the AA established specifically for purposes of ESIF?

No, the AA is not established specifically for the purposes of ESIF, though the department within the Ministry of Finance tasked with the role of the AA is.

What personal capacity is allocated to the AA?

As of 31 December 2017, the AA was staffed with 186.07 FTEs.

Other control bodies outside the ESIF implementation structure (CB)

Law no. 166/1993Sb. gives the Supreme Audit Office (NKÚ) the power to control every single body of the ESIF implementation structure. This is so because the law says that the NKÚ is responsible for the oversight of the proper handling of funds from abroad.

What are the main competences of CB?

In relation to ESIF, the NKÚ has the following competencies:

- ▶ Oversight of the execution of the national budget, including funds from the EU;
- ▶ Public procurement oversight;
- ▶ Ensuring that ESIF implementation is in compliance with the relevant legal norms, formally and content-wise sound, and that its processes are effective, efficient, and economical.
- ▶ Elaborating control reports including a summary and evaluation of their findings;
- ▶ Issuing statements on the execution of the national budget and on the proposal of the final national account and presenting them to the Chamber of deputies.

Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

During the preparation of the 2014-2020 programming period, the following changes, *inter alia*, were implemented:

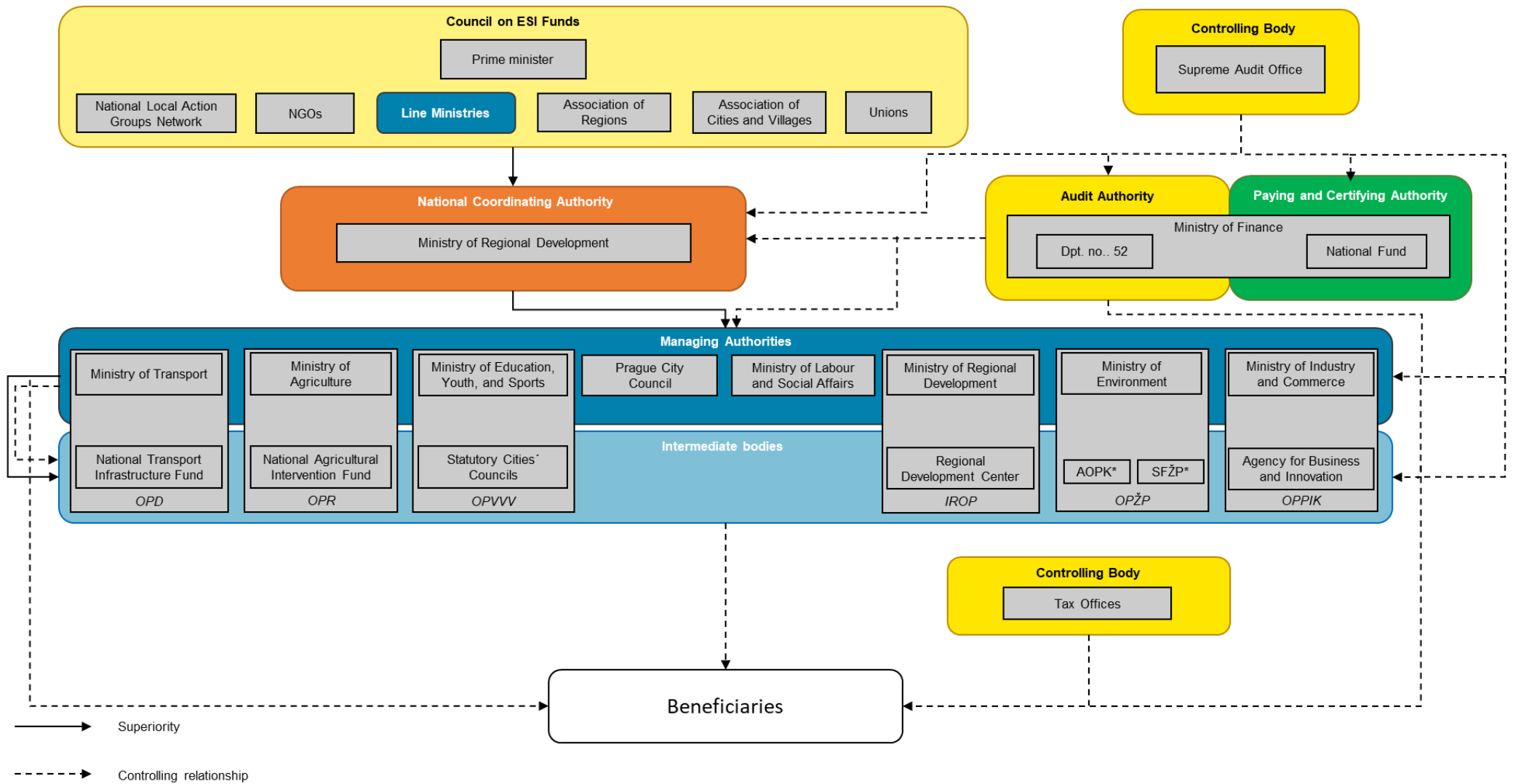
- ▶ The number of national operational programmes was reduced from 17 to 10 (exclusive of INTERREG programmes). For example, the many regional operational programmes were consolidated into a single Integrated Regional Operational Programme. Likewise, the OPs Education for Competitiveness and Research and Development for Innovation were merged into the OP Research, Development and Innovation.
- ▶ The termination of the ROPs was followed by a gradual shut down of the Regional Council Offices, which were managing bodies of the ROPs in the 2007-2013 programming period;
- ▶ The so-called *Uniform Methodological Environment* was created in order to establish a binding set of rules for the whole of the implementation structure;
- ▶ A single monitoring system MS2014+ was developed and launched.

What was the reason for the changes in the implementation structure mentioned above?

Many different IT systems existed in the 2007-2013 programming period and it was rather difficult to synchronize data among all of them. Likewise, the rules for the beneficiaries and applicants varied with each fund. Henceforth, the creation of the Unified Methodologic Environment and the launch of the single monitoring system were measures aiming at the unification of the rules across all OPs. Additionally, these changes sought to simplify the entire project cycle, lower the administrative burden, and increase the transparency and coherence of ESIF rules and processes. These objectives were also aligned with the requests of the European Commission.



### 1.5.3. Scheme of the implementation structure



\* AOPK = Agency for the Protection of Nature  
SFŽP = National Environmental Fund



## 1.5.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

The sharing of audit/control plans is not anyhow legally covered in the Czech Republic. Nevertheless, the *Single Methodological Environment* (namely, directive no. 21) binds every subject disposing of controlling competencies (i.e. the MAs, IB1s, and PCO) to “prepare six-monthly or yearly plans of public-service controls.” Subsequently, a controlling body is obliged to upload its plan to the Module for the Coordination of the Planning of the Public-Service Controls (MCP). The Ministry of Finance, i.e. the operator of this module, is then responsible for ensuring that every controlling body has access to the MCP. Still, the controlling bodies are not legally bound to take the plans of their fellow institutions into consideration when executing their controlling functions.

The AA does not have a direct obligation to submit their audit plans in the Module but have access to it. Furthermore, the AA is required to coordinate “its ESIF-related activities with other bodies of the Implementation structure so as the controls, inspections and audits are conducted sensibly (i.e. duplicity is avoided, and there is only one control/audit at a time).” It is thus reasonable to expect the AA to have at least some form of access to the MCP indeed. Additionally, the *Single Methodological Environment* stipulates that the “AA’s director must be in contact with the heads of other controlling bodies. At the same time, however, (s)he has to carefully consider the degree to which (s)he can trust the respective bodies.” At all times, the director must maintain the AA’s independence.

Is there any database of the audit reports publicly available?

It follows from the interviews that no such database exists at this time. However, there are already plans on the table for the launching of Module II of the Database of Audit Conclusions, which shall be interconnected with the ESIF single monitoring system MS2014+. The vision is that the AO would be uploading all of its conclusions to this module. The launch of this system is contingent upon the launching of a wholistic IT system which is being developed for the AO. This system supposed to become operational some time in 2020.

On the other hand, the NCA in collaboration with the AA organize a series of workshops held in the regional capitals. Alluding to the Ministry of Finance’s audit activities, „Error prevention in EU-funded projects“ was set as the topic of these seminars. These events, in a way, enable for the sharing of findings between the AA and NCA.

### Audit/control body no. 1

First-degree controls of beneficiaries are usually, where applicable, conducted by the **intermediate body**.

Hereafter, the *Centre for Regional Development* (CRR - IB1, IROP) is used as an example.

What controls/audits does the authority perform?

- ▶ Control of public procurement – that tenders are conducted in accordance with the applicable legal norms;
- ▶ Public-service controls – both on-the-spot and behind-the-desk.

Which authorities can the authority control?

- ▶ Beneficiaries



Are conclusions made by the authority binding for controlled / audited entities?

Yes, the controlled subject must accept the mandatory measures as, in conformity with EU norms and the grant agreement, stipulated by the respective IB1, otherwise, the IB1 may apply contract sanctions.

Who does the authority share its conclusions with?	Does the authority share auditing plans with other institutions?
<ul style="list-style-type: none"> <li>▶ Primarily with the MA, in more serious cases with the AA</li> <li>▶ Uploads its conclusions to CSSF14+</li> <li>▶ The entity controlled</li> </ul>	<p>In general, controls are planned so as they interfere neither with MA's controls nor with AA's audits. IB1 considers both institutions' plans, which it can access via the CSSF14+ portal, so as to prevent the duplicity of controls.</p>

**Audit/control authority no. 2**

The managing authority is entrusted with first and second-degree controls

What controls/audits does the authority perform?	Which authorities can the authority control?
<ul style="list-style-type: none"> <li>▶ Control of the delegated competencies</li> <li>▶ Project control</li> <li>▶ Administrative verification</li> <li>▶ On-the-spot checks</li> </ul>	<ul style="list-style-type: none"> <li>▶ IB1</li> <li>▶ Beneficiaries</li> </ul>

Are conclusions made by the authority binding for controlled / audited entities?

Yes, the audited entity must comply with and adopt measures imposed in accordance with EU regulations and the contract / grant award decision or delegation agreement in the case of control performed by the MA at the IB. Otherwise, the MA may proceed to an application of sanctions under the contract.

Who does the authority share its conclusions with?	Does the authority share auditing plans with other institutions?
<ul style="list-style-type: none"> <li>▶ The entity controlled</li> <li>▶ Body within the MA or IB1 (in accordance with delegation agreement)</li> <li>▶ Uploads its conclusions to CSSF14+</li> </ul>	<p>The MA uploads its findings to the CSSF14+ predominantly for the use of the IB1.</p>

**Audit/control authority no. 3**

The role of the **Audit Authority** is carried out by a specific department within the *Ministry of Finance*. The AA maintains its independence from any external influences.

What controls/audits does the authority perform?	Which authorities can the authority control?
<ul style="list-style-type: none"> <li>▶ Audits of the proper functioning of the ESIF system (audits of systems and audit of annual accounts)</li> <li>▶ Audits of an appropriate sample of operations</li> <li>▶ Audits of financial statements</li> </ul>	<ul style="list-style-type: none"> <li>▶ IB1</li> <li>▶ MA</li> <li>▶ NCA</li> <li>▶ Beneficiaries</li> </ul>



Are conclusions made by the authority binding for controlled / audited entities?

The audited entity is, in case of discovered insufficiencies, obliged to adopt an ‘action plan’ in which it details the planned corrective measures, sets a roadmap with concrete deadlines for rectification. This action plan is then attached to the final audit report. Furthermore, the findings of Audit Authority are considered a “*confirmed irregularity*”, which must be taken into account by the MAs and further enforced towards the beneficiary.

Who does the authority share its conclusions with?

- ▶ With the EC by means of annual audit reports and statements on the functioning of the managing and controlling processes
- ▶ With the relevant MA or entrusted IB1
- ▶ With the audited entity

Does the authority share auditing plans with other institutions?

The *Single Methodological Environment* does not explicitly require the AA to cooperate with other bodies of the implementation structure - this is regarded merely as a recommendation. In any case, the AA is obliged to coordinate its activities with NKÚ.

**Audit/control authority no. 4**

*Supreme Audit Office (Nejvyšší kontrolní úřad, NKÚ)*

What controls/audits does the authority perform?

- ▶ State funds management control (incl. funds provided from abroad)
- ▶ Control of ESIF bodies tasked with managerial and/or controlling functions, particularly in relation to the efficiency, economy, and effectiveness of public spending

Which authorities can the authority control?

- ▶ Public administration authorities;
- ▶ ESIF implementation structure;
- ▶ Relevant individuals and/or legal personalities.

Are conclusions made by the authority binding for controlled / audited entities?

In its reports, the NKÚ formulates the conclusions and recommendations for a specific case. In case that any improper handling of public finances is found, the NKÚ may, on the grounds of suspected fraud, forward the case to the relevant authorities (i.e. the police, labour inspection, etc.).

Who does the authority share its conclusions with?

- ▶ Publishes its reports in the *NKÚ Bulletin*
- ▶ Severe cases of irregularities are shared with relevant law enforcement authorities
- ▶ Elaborates annual reports on the financial management of EU funds

Does the authority share auditing plans with other institutions?

Both chambers of the Parliament of the Czech Republic are informed about the NKÚ's Control Plans. Moreover, the institution also publishes these plans in its *Bulletin*.



## Audit/control no. 5

### *Financial Administration (through Tax Offices)*

What controls/audits does the authority perform?

- ▶ The Financial Administration controls the beneficiaries in the case of identified irregularities, which at the same time constitute a suspicion of a breach of budgetary discipline under the Budget Rules Act.

Which authorities can the authority control?

- ▶ Beneficiaries

Are conclusions made by the authority binding for controlled / audited entities?

Yes, the conclusions are binding.

Who does the authority share its conclusions with?

- ▶ The Financial Administration reports on its conclusions to the PCA and enters the data on the findings in the information system CEDR.

Does the authority share auditing plans with other institutions?

- ▶ Coordination between the Financial Administration and other actors in the implementation structure is rather on an ad hoc basis.



## 1.5.5. Financial instruments

Does member state use financial instruments (FI)?

Yes.

If yes, to which extent?

Although in the previous programming period only sporadically (roughly 2.5% of the OP allocation), the expected allocation for this period is as high as 10%.

In which areas are FI mainly used?

The Czech Republic makes use of financial instruments in the following thematic objectives (TO): 01 (Research & Innovation), 03 (SMEs), 04 (Low Carbon), 05 (Adaptation and Risk Management), 06 (Environment & Resource Efficiency), 99 (Multi TO).

By far the largest amount of financial instruments (about 60%) are employed for TO 03 – Small and Medium-sized Enterprises. Roughly one quarter of all FIs used for TO 99 – cross-objective priority axes.

Are agriculture and social businesses assisted by FI?

Currently, a financial instrument for social enterprises within the framework of the OP Employment is being prepared.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

The main entity involved in the implementation of FIs is the Czech-Moravian Guarantee and Development Bank (ČMZRB). The Czech government (represented by the Ministry of Industry and Commerce, Ministry of Finance, and Ministry of Regional Development) is the bank's only shareholder. In accordance with the targets of the national and regional economic policies, the ČMZRB supports the development of SMEs, infrastructure and other sectors of the economy in need of support from public funds. The bank's mission is to provide affordable loans and bank guarantees to SMEs and town halls (for technical infrastructure projects). In the past, the bank was also involved in the financing of the renovations of large housing complexes.

Additionally, the State Environmental Fund, which provides non-repayable loans to environment-related projects. In cases whereby the FI provider is publicly tendered, a commercial bank can also become a provider of a financial instrument.

Anyhow, the way of providing funds within the financial instruments is then solved by each operating authority separately, according to its own needs.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

No. FI management is handled by the respective MAs.





## 1.5.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

As part of its territorial dimension, the Czech Republic uses CLLD, ITI, and the unique Integrated Plan for Territorial Development (IPRÚ). Altogether, the territorial dimension accounts for 27,6% of the total ESIF allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes, it is. CLLD is financed through the Common Agricultural Policy (CAP), ERDF, ESF and EAFRD. ITI is financed predominantly from ERDF and CF, with some contribution from the ESF. Sustainable Urban Development is then financed by ITI or, in the case of OPPPR, from ERDF and ESF.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

No. ITI is implemented by means of the specific national OPs, which finance also project that are not devoted solely to territorial dimension.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

The following OPs are involved in the implementation of ITI: OPŽP, OPPIK, OPVVV a OPPPR. The list of programmes combined ITI and IPRÚ reads as follows: IROP, OPD a OPZ.

As far as CLLD is concerned, this instrument is featured IROP, OPZ, OPŽP a PRV.

Central coordination of the integrated instruments is entitled to the Ministry of Regional Development.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated approach, a very wide range of topics is addressed, chief among them education, science and research, social inequality, transportation networks, internet connectivity, environmental issues, restoration of national cultural heritage and more. .

Are there any subjects assisted solely by territorial dimension and integrated tools?

Examples are LAG cooperation projects in program financed from the EAFRD (small scale). Projects under the LAG strategy (SCLLD) are favoured by the co-financing rate in IROP.

Rail transportation in cities is almost exclusively financed through ITI and IPRÚ tools designated for urban space and its facilities. Outside the IT, only interventions in Prague (ITI of Prague metropolitan areas do not intervene from OP Transport) and Mariánské lázně are implemented

How do individual entities of implementation structure participate processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

The role of MAs and individual tool carriers (ITIs, IPRÚ, and CLLD) varies according to the specific operational program settings.

### **ITI in OPPIK, IROP, and OPVVV**

The cities track the territorial absorption capacities, organize working groups and manage the integrated strategy. It is the cities who, in accordance with Art. 7 of the Directive on ERDF, play the decisive role in selecting the submitted project application as the intermediate bodies for ITI. As such, they evaluate the projects (to the extent stipulated in the Contract of Delegation) upon which they issue a binding statement, a legal act, which the MAs are obliged to take into account in their future decisions. Reciprocally, the MAs are given the possibility to review the intermediate body's selection processes.





### ITI in OPD, OPŽP, OPZ and IPRÚ instrument

Likewise, the cities track the territorial absorption capacities, organize working groups and manage the integrated strategy; however, they have a weaker say in the project selection process. The cities issue a so-called “Statement of the Managing Committee” which has an advisory nature vis-à-vis the MA’s final decision. It is the MA, who then evaluates the project and issues a legal act. The LAG announces calls in the IT system and participates in the evaluation and selection of projects, the MA carries out the final verification of eligibility and issues a legal act. Payments are administered by the MA.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF

The implementation of macroregional strategies is executed alongside ESIF. The National Document on Territorial Dimension stipulates the way ESI funds be implemented in the context of the *Regional Development Strategy of the Czech Republic* – a cornerstone document of the government’s regional development policy (as per § 5 law no. 248/2000 Sb.).<sup>1</sup>

### 1.5.7. Monitoring and IT

How is monitoring methodically supported?

Monitoring processes are guided by the relevant EU directive and are further elaborated on in various parts of the *Single Methodological Environment*.

How are evaluations coordinated?

Already for the 2007-2013 programming period, designated units of the MAs tasked with evaluation functions were established on the OP level. These units are independent from the rest of the implementation structure and their size varies from one person to an entire department. The coordination of its activities is ensured by the NCA, *inter alia* by means of the Working Group Evaluations, created alongside the structures of the Ministry of Regional Development. The evaluation units are obliged to present, at least once a year, a report on the execution of the Partnership Agreement.

---

<sup>1</sup> Source: National Document on Territorial Dimension. 2015. Ministry of Regional Development.



## What IT instruments are used for the implementation and monitoring of ESIF?

ESIF monitoring processes in the Czech Republic are facilitated by the single monitoring system – MS2014+. Generally, the aforementioned IT system serves, above all, the following purposes:

- ▶ Support Requests (interim, ex-post);
- ▶ Progress Reports (interim, final);
- ▶ Sustainability Reports (annual, interim, final);
- ▶ Amendment Request (both on the side of the MA/IB1 or beneficiaries);
- ▶ All communication between the beneficiary and MA/IB1 (by means of the so-called despatches);
- ▶ Decision Review Request;
- ▶ Administration of the Partnership Agreement and individual programmes, monitoring of output data, monitoring and evaluation of milestones, creating documentation for the Partnership Agreement reports and programs at both national and SFC14 + level;
- ▶ Administration of the calls for projects and, subsequently, the projects themselves;
- ▶ By differentiating between roles and competencies, the system setup facilitates the rules on transparency and a single-issue administration;
- ▶ Full-featured electronation, paperless system with document versioning and archiving, preparation of templates according to the needs of MA / IB and their fulfilment with defined data;
- ▶ E-signature by qualified personal certificate at the level of tasks (signing the application for support / payment requests and others) as well as individual documents (annexes, legal act), the verification against TSL allows to verify also foreign subjects;
- ▶ Interconnectivity with state-operated information systems for reducing the administrative burden on applicants / beneficiaries, connection to other external systems {e.g. complete administration of financial flows between entities of the implementation structure / beneficiaries / the certification authority / the EC};
- ▶ Open data in a machine-readable format, importing documents in .xml format for payment administration;
- ▶ Parameterization of the workflow of individual parts of the system enables the administration to be adapted to the needs of MA / IB, as well as the use of central / individual code lists;
- ▶ Implementing own tool for communication between applicants / recipients and MA / IB or between any users with options for setting rules linked to a specific action and maintaining an audit trail;
- ▶ Three interfaces (test, sand-box, and production), separate portals for external and internal users, control of user rights and competences. A single portal for applicants / beneficiaries allows you to draw funds from all programs and funds, unified control and information in one place;
- ▶ Implementation of business intelligence tools for data mining.

All-in-one systems allow for the implementation of program specifics and requirements and know-how sharing of the implementation structure. The beneficiaries also have access to this system, though only through a module ISKP14+ catered to their needs. The beneficiaries thus cannot access all the functionalities of the system.

## In which areas is (solely) paper documentation used?

With the launch of MS2014+ hard-copy documentation virtually ceased to be necessary.



### 1.5.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

No explicitly ESIF-related law has been adopted, yet. ESIF legislative framework is thus constituted by government decrees and novelisations of the already-existing laws.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

In addition to EU regulations and directives, ESIF implementation is guided, *inter alia*, by the following Czech laws:

- ▶ No. 218/2000 Col., concerning budgetary rules;
- ▶ No. 248/2000 Col., concerning regional development;
- ▶ No. 250/2000 Col., concerning the rules for the implementation of local and regional budgets.

The *Single Methodological Environment*, a collection of guidelines binding for all institutions of the implementation structure, presents further mandatory process on top of those stipulated by EU law. The Environment was adopted through a government resolution.

Still to add, every MA elaborates its own Rules for Applicants and Beneficiaries which, however, must be in conformity with the *Single Methodological Environment*.

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

The provision of ESIF grants, as well as national grant schemes, are governed by two budget rules acts mentioned above. Grants financed from ESIF are governed by certain specific procedures under these laws. In addition, there is a specific legislation for some areas of support, both from EU funds and national subsidy titles (e.g. Act No. 130/2002 Col. On the support for research, experimental development and innovation from public funds and on the amendments to the related laws).

What is the legal basis for addressing irregularities and does there exist a discrepancy between national and ESIF adjustments in this area?

For ESIF purposes, the term “irregularity” is defined identically as per par. 36, art. 2 of the General Regulation; the Single Methodological Environment. Also uses this definition. The national legislation, however, does not use the term “irregularity”. Instead, a term that could be loosely translated as “breach of budgetary discipline” is used (see law no. 218/2000 Col. and no. 250/2000 Col.) Both acts consider the use of public funds, both national and ESIF. The different wording regardless, these two legal terms are treated as having the same meaning. The handling of a breach of budgetary discipline is the responsibility of the offices of the financial administration. Conversely, the Audit Authority is interested in irregularities, but the Managing Authority is primarily responsible for their resolution.

Given the different definitions of irregularity and breach of budgetary discipline, differences in control and audit findings occur, as not every irregularity is at the same time a violation of budgetary discipline and vice versa. The Managing Authorities are thus often faced with a situation, whence they have the conclusions of the Audit Authority, which identified the irregularity, therefore forward the matter to the tax authority, which is authorized to recover the funds from the beneficiary, but the tax authority does not find the error by finding only whether there was a breach of budgetary discipline and cannot recover the funds from the beneficiary.

The audit conclusions are binding on the Managing Authority and must be followed. Thus, the funds affected by the irregularity are considered ineligible, even if there has been no breach of budgetary discipline. This causes problems in relation to beneficiaries from whom the funds are difficult to recover and in relation to the financing of the amount.



The method of solving irregularities is further regulated by the Methodological Instruction on Financial Flows issued by the Ministry of Finance. The way bodies of the implementation structure ought to deal with irregularities is also spelled out in the same directive. It is the MAs that are responsible for this process. The directive states that every case of a substantiated cue must be reported through the MS2014+ system. Then the MA is tasked with enforcing such a case.

### 1.5.9. Prefinancing

Are the funds for pre-financing paid from the state budget?

Rules for prefinancing are spelled out in the Methodological Directive on Financial Flows issued by the Ministry of Finance. It follows from this directive, that prefinancing is indeed drawn from the state budget.

As far as ex-ante project financing is concerned, this is allowed only under exceptional circumstances, for the directive mentioned above requires projects be funded exclusively ex post. Nevertheless, if the total budget of the project does not exceed 5 million CZK, that project is eligible for a 100% prefinancing of its eligible expenses. .

Which currency is used in the case of pre-financing?

CZK

### 1.5.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

At present (February 2019), the Czech government has approved *the National Framework for the Implementation of Cohesion Policy, 2020 Onwards*, which sets financing priorities for the future programming period and reduces the number of operational programs by one (namely OP Prague – Growth Pole). This ensures continuity and know-how from the 2014-2020 programming period. At the same time, changes are planned in the *Single Methodological Environment* in order to reduce its scope and make it less binding for other actors of the implementation structure. In addition, intensive discussions and analyses are taking place on the use of other instruments such as financial or integrated tools.



## 1.6. Germany (DE)

### 1.6.1. General information, allocation and targeting

Name of the member country	Country code
Germany	DE
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
47 (3/44)	16/38/401

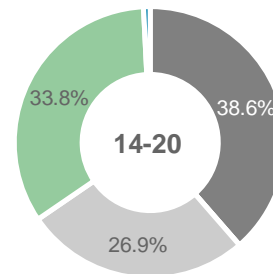
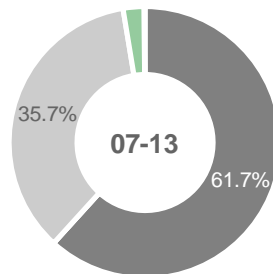
Total allocation planned (according to programming period and fund)

Total allocation  
(mil. EUR)

14-20: 27 913

▲  
07-13: 24 733

- ERDF
- CF
- ESF
- EAFRD
- EMFF



Share of national operational programmes that relate to individual thematic objectives

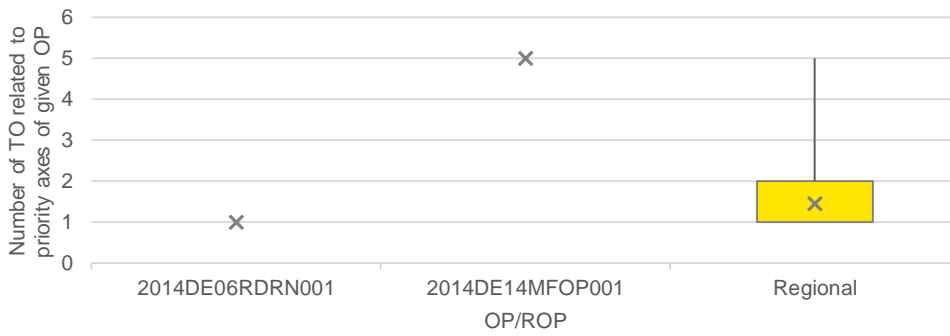
TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
0 %	0 %	33 %	33 %	0 %	33 %	0 %	33 %	0 %	0 %	0 %	0 %
(0/3)	(0/3)	(1/3)	(1/3)	(0/3)	(1/3)	(0/3)	(1/3)	(0/3)	(0/3)	(0/3)	(0/3)

Share of regional operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
64 %	16 %	61 %	59 %	39 %	57 %	0 %	57 %	89 %	59 %	0 %	0 %
(28/44)	(7/44)	(27/44)	(26/44)	(17/44)	(25/44)	(0/44)	(25/44)	(39/44)	(26/44)	(0/44)	(0/44)



### Targeting of priority axes of individual operational programmes in relation to thematic objectives

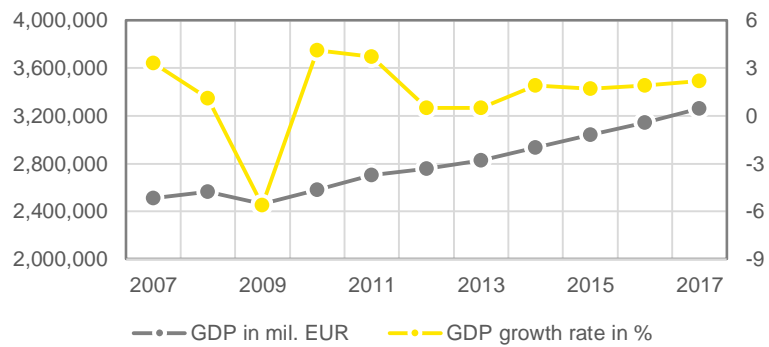


### Gross domestic product development (2007 – 2017)

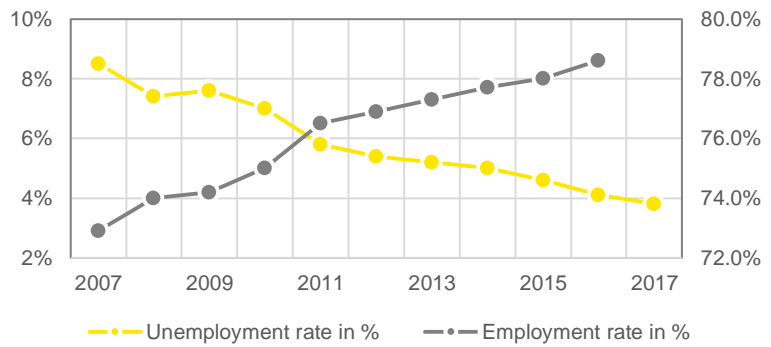
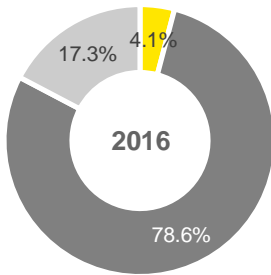
GDP per capita (EUR per capita)

2017: 39 500

2007: 31 000



### Labour market development (2016)





## 1.6.2. Main actors

### National Coordination Authority (NCA)

*Federal Ministry of Economic Affairs and Energy*

#### What are the main competences of the NCA?

Among the competences of the NCA are mainly:

- ▶ creating policies and strategies for the ESIF,
- ▶ responsibility for Partnership Agreement;
- ▶ coordinating and implementing the ERDF and the ESF operational programs;
- ▶ coordinating ministries and regions for the ERDF, including the role of their contact point;
- ▶ coordinating and implementing all agendas regarding regional ERDF, including financial management and control;
- ▶ distribution of financial resources between federal and provincial programs, sectors and the EU funds;
- ▶ representation at meeting at European level, including chairmanship, participation to set the terms of the Partnership Agreement with the EC;
- ▶ contact with the European Commission

#### Is the NCA established specifically for purposes of ESIF?

No, the NCA itself is not set up specifically for the purposes of the ESIF. However, selected departments that are delegated to the exercise of the NCA competencies are specifically established for the ESIF purposes.

#### What personnel capacity is allocated to the NCA?

11 people (managers, referents, specialists and co-workers)

### Managing Authorities (MA)

#### **Federal ESF MA:**

- ▶ *Referat EF 1 – European social fund, Federal Ministry of Labour and Social Affairs for ESF (BMAS)*

Two for each region (for the ESF and the ERDF), with basically three options:

- ▶ One State Ministry, which manages ESF and ERDF, ESF a ERDF (Berlin: *Administrative Chamber of Economics, Technology and Research, Referat IV C*, Saxony: *State Ministry of Economics, Labour and Transport*) within two separate departments,
- ▶ One State Ministry, which manages both the ESF and the ERDF (e.g. *Saxony-Anhalt: Ministry of Finance for the ESF and the ERDF*) within one branch,
- ▶ Two different State Ministries, which manage the ESF and the ERDF separately (e.g. Bavaria: *Bavarian State Ministry of Economics, media, energy and technology, Referat 51 for ERDF* and *Bavarian State Ministry for Family, Labour, Social Affairs and Integration, Referat I2 for ESF*)

#### What are the main competences of the MA?

The competences of the MA are precisely defined by relevant EU regulations, in particular:

- ▶ Creating managing and controlling systems for the program (including IT systems)
- ▶ Responsibility for fulfilling the task of the MA according to relevant EU regulations
- ▶ Delegation of powers to IB1s, coordination and control of IB1s (including organization of conferences, working groups and meetings, etc.)





- ▶ Issuing methodologies and guidance regarding ESI funds, determination of drawing funds procedure
- ▶ Publishing information and promotional materials, including application forms, outward communication, including strategy
- ▶ Monitoring and evaluation of the OP and management of monitoring committees
- ▶ Monitoring use of grants and providing overviews of grants in full or simplified form, informing the *Court of Auditors* and communication with EC
- ▶ Coordination and cooperation with other bodies, managing of *Monitoring Committee*

Are the MAs established specifically for purposes of ESIF?

No, the MAs are established specifically for the purposes of the ESIF. However, selected departments of the institutions, which are delegated to the exercise of competences by the MAs, are specifically established for ESIF purposes.

What personnel capacity is allocated to the MA?

At the ESIF central level 16 people  
On the state level units of people (e.g. Bavaria: 4 referees a 1 manager)

### Intermediate bodies (IB1)

In the case of the Federal ESF program, these are the 1st level IB1s in the form of specialized ministries managing the sub-programs, namely:

- ▶ *Federal Ministry of Education and Research*
- ▶ *Federal Ministry of Family Affairs, Senior Citizens, Woman and Youth*
- ▶ *Federal Ministry of Economic affairs and Energy*
- ▶ *Federal Ministry of Environment*
- ▶ *Federal Ministry of Interior*

Each ministry delegates execution of operations with beneficiaries to subordinate IB1s at second level, such as:

- ▶ *Federal office of Family and Civil Affairs*
- ▶ *Federal Administration office*

At the regional level, approaches are different, such as:

- ▶ IB1s at the first level are relevant ministries according to their competences, similar to federal ESF
- ▶ IB1s at the first level are regional authorities and their self-government

These institutions usually delegate execution of operations to subordinate offices, such as:

- ▶ In Saxony, *Development Bank of the free state of Saxony (SAB)* is the main second level IB1 for both programs, in other states this role fulfilled by other investment banks.

What are the main competences of IB1s?

The IB1s take over part of the powers of the MA in accordance to principle of subsidiarity

**1<sup>st</sup> level IB1s** usually deal with:

- ▶ Thematic concentration and program specification within their area of competences.
- ▶ Take on the competences of the MA in their specialized fields (e.g. monitoring and evaluation of sub-programs, issuing special methodologies, achieving indicators, etc.)

Tasks of the **2<sup>nd</sup> level IB1s** are presented on the example of SAB (central IB1 in Saxony), such as:

- ▶ Acceptance of ESIF grant applications





- ▶ Advisory services and communication with beneficiaries regarding subsidies
- ▶ Evaluation of submitted applications in order to assess eligibility of an applicant
- ▶ Making decisions regarding subsidy provision (these decisions may also be withdrawn), possibly concluding grant agreements with applicants.
- ▶ First level audit: checking the books, accounts and other evidence serving as proof of actual costs / unit costs; controlling the use of subsidies (reviewing continuous and final documents regarding drawing of subsidies)
- ▶ Issuing of binding individual administrative decisions and resolution of irregularities and complaints.

Are IB1s established specifically for purposes of ESIF?

What personnel capacity is allocated to the IB1s?

No, the IB1s are not established specifically for the purposes of the ESIF. However, selected departments of the institutions, which are delegated to the exercise of IB1s competencies, are specifically established for ESIF purposes.

Due to the large number and fragmented structure of the IB1s in Germany, a clear answer cannot be given (according to individual interviews, the units will be up to tens of people).

### Certification Authority (CA)

For a Federal ESF program, the certification body is located in the same institution as the MA, but in another department:

- ▶ *Ministry of Labour and Social Affairs, department VI, Referat VIb4 - ESF*

At the regional level, the approaches are usually similar, so that the CA is also the MA for the program, with powers delegated to another department / referat.

What are the main competences of the CA?

The CA competencies are precisely defined by the relevant regulations, in particular:

- ▶ Acceptance of payments from the EU and their forwarding to IB1s according to instructions of the MA
- ▶ Issuing and presenting verified payment request
- ▶ Payment, accounting and reporting certification
- ▶ Preparation and presentation of verified accounts for the previous financial year to the EC

Are CAs established specifically for purposes of ESIF?

What personnel capacity is allocated to the CA?

No, CAs are not established specifically for the purposes of the ESIF. However, particular departments to which the exercise of CA competencies is delegated are specifically established for ESIF purposes.

On the state level units of people (e.g. Bavaria: 2 people)

### Paying Authority (PA)

For the federal ESF program:

- ▶ *Federal Treasury*

At the regional level different approaches are used, for example:

- ▶ PA is also CA (e.g. Saxony: *State Ministry of Economics, Labour Affairs and Transport, department 5, Referat 51* for ERDF and ESF)
- ▶ *BAFA* (e.g. Bavaria for ERDF)



► *Main Customs Office Hamburg-Jonas (e.g. Bavaria for ESF)*

What are the main competences of the PA?

The competencies of the PAs are precisely defined by the relevant EU regulations and, in particular, this body mediates the payment of funds to the beneficiaries.

Is PA established specifically for purposes of ESIF?

No, the PAs are not established specifically for the purposes of the ESIF. However, a selected department to which the exercise of the competences of the PO is delegated, is specifically established for the purposes of ESIF.

What are the personnel capacities of PAs?

Information was not available on the PA's website and was not obtained on the basis of individual interviews.

Audit Authority (AA)

ESF and ERDF audit authorities are coordinated at federal level by:

► *Federal Ministry of Finance: DG E: European policy*

For the Federal ESF program, the audit authority is located in the same institution as the MA, but in another department:

► *Federal Ministry of Labour and Social Affairs: Audit ESF and EGF*

At the state / regional level there are usually two models:

► *State Ministry of Finance (e.g. Saxony: Saxon State Ministry of Finance, Referat 17 for ESF and ERDF)*

► *AO is also MA (and CA), however special departments/referats are established (e.g. Bavaria: Bavarian State Ministry of Economics, Media, Energy and Technology for ERDF, Bavarian State Ministry of Labour and Social Affairs, Family and Integration, Referat A3 for ESF)*

Institutions are financed from the state budget and/or OP TA.

What are the main competences of AAs?

The competences of the AO are precisely defined by the relevant EU regulations, for example:

- controlling funds drawn for the ESI funds in order to avoid financial damage
- providing review of the effectiveness of the management and control systems
- on-site inspections of entities (rather rarely), audits of all bodies involved in projects
- submitting an annual audit report and opinions on the functioning of the MAs and control systems towards the EC
- preparing audit strategy, midterm and final reports for the EC
- ensuring compliance with internationally accepted audit standards

Are the AAs established specifically for purposes of ESIF?

No, the AAs are not established specifically for the purposes of the ESIF. However, selected department, which is delegated to the AAs competences, is established for the purposes of the EU funds.

What personnel capacity is allocated to the AAs?

At the state level units of people (e.g. Bavaria: 2 to 3 people)



## Other control bodies outside the ESIF implementation structure (CB)

At federal and state levels the Audit Authority (Federal Court of Auditors, Saxon Court of Auditors, Bavarian Supreme Audit Office), which is funded by the respective federal / state budgets, is the controlling authority outside the ESIF structure.

### What are the main competences of CB?

Among CB's competences are mainly:

- ▶ reviewing beneficiaries regarding administration and use of financial resources from the state budget and grant programs,
- ▶ granting approval to maintain simplified reports managed by the MAs,
- ▶ reviewing activities of the MAs, CA, PAs and the IB1s
- ▶ issuing an annual report on the ESIF review

### Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

In the framework of the 2014-2020 preparations, the following changes were proposed:

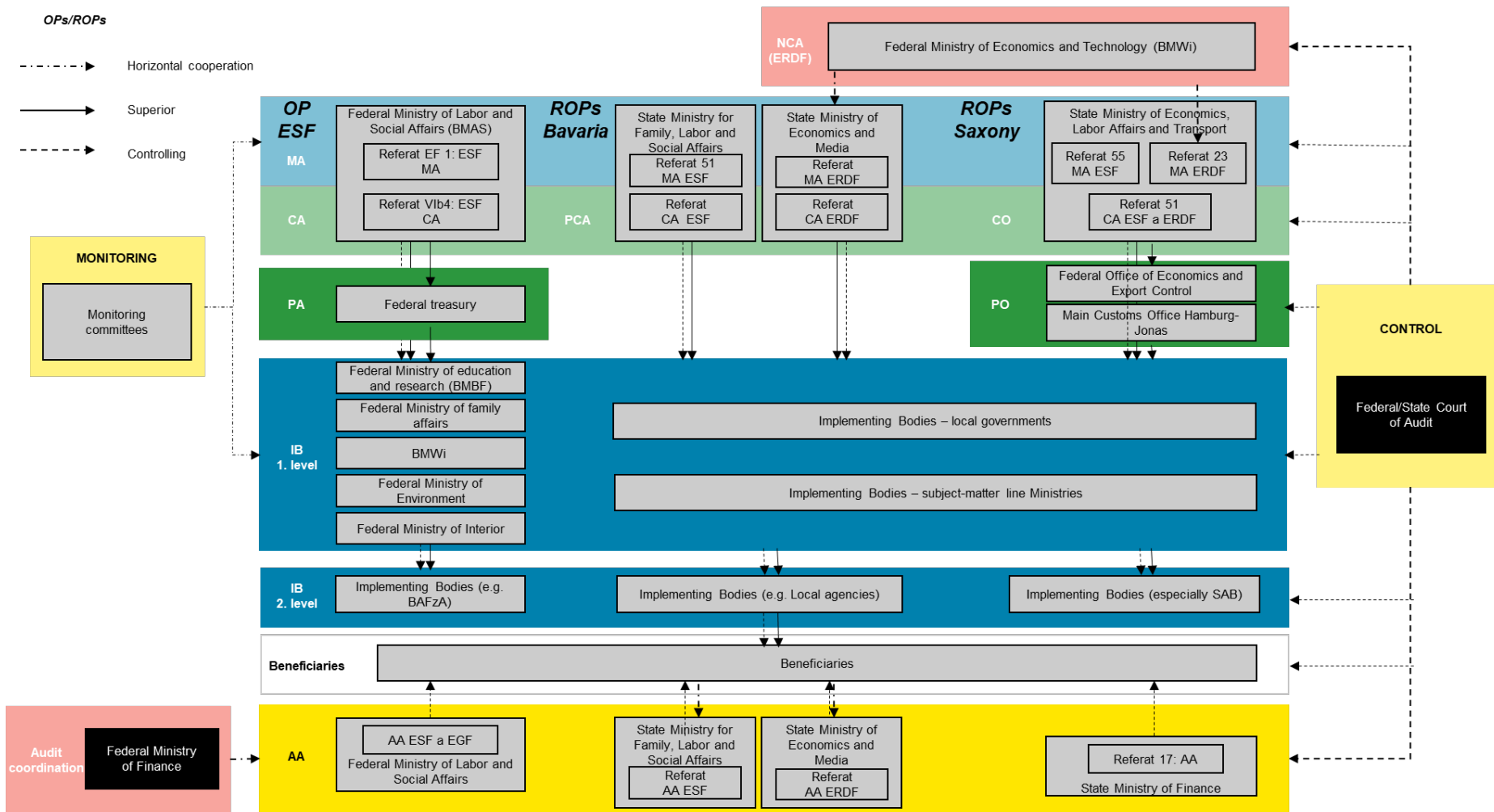
- ▶ new system that controls regularly so the error is not spotted first time by AA,
- ▶ greater involvement of social and economic partners in the Monitoring Committee (five representatives who participated in the draft phase of the new program should also be involved in the committee),
- ▶ number of IB1s in the majority of states is the same as in previous period, but in Bavaria the number was reduced by 3 (but it was found that at the federal level there is an effort to centralize this activity – interim report of *Federal Ministry of Economic Affairs and Energy*)
- ▶ new plan of evaluation and communication was created,
- ▶ In Saxony, a framework directive was created in order to simplify the whole,
- ▶ simplification of communication through using e-cohesion for exchange of information with authorized entities (especially in Bavarian ESF the multifunctional platform ESF Bavaria was created, which integrates all IT requirements into one system with databank)

### What was the reason for the changes in the implementation structure mentioned above?

Streamlining the whole system, flexible controls, management and savings from IB1s centralization and partner involvement. Greater fulfilment of the digitization requirement.



### Scheme of implementation structure





### 1.6.3. Programs financed from EAFRD and EMFF

#### Name(s) of the OP(s) financed from EAFRD

At the federal level:

- ▶ *Germany – Rural Network program*

At the regional level another 13 programs, such as:

- ▶ *Development program for rural areas in the free state of Saxony 2014-2020 (ELER)*
- ▶ *Rural development program in Bavaria 2014-2020 (ELER)*

Is the same methodical environment binding for the OP(s)?	Do(es) the OP(s) have the same institutional setup (same AA, PCA)?
No, it is not - it is a simplification of the ESIF subsidy methodology.	No, at the federal level, all the functions are performed by the Federal Ministry of Food and Agriculture (the MA falls under the same department as the CA, but the AA is another department) except for the paying agency, which was entrusted to the <i>Federal Office for Agriculture and Food</i> .  For example, in Saxony, the <i>Saxon State Ministry of the Environment and Agriculture</i> is involved as the MA and at the same time the PCA; in Bavaria, there are two MAs <i>State Ministry of Food, Agriculture and Forestry</i> (also has PAs rights) and the <i>State Ministry of Environment and Consumer Protection</i> , company Deloitte as a CA. Missing AO.

Do(es) the OP(s) use the same IT environment?	Do(es) the OP(s) use resources from the OP TA in the member state?
Every OP has its own infrastructure and special kinds of programs.	Yes, it can also draw from OP TA, up to a certain amount in specified areas.

#### Name(s) of the OP(s) financed from EMFF

At the federal level:

- ▶ *European Maritime and Fisheries Fund – Operational program for Germany*

Is the same methodical environment binding for the OP(s)?	Do(es) the OP(s) have the same institutional setup (same AA, PCA)?
No, it is not - it is a simplification of the ESIF subsidy methodology.	No, at the federal level all the functions are performed by the <i>Federal Ministry of Food and Agriculture</i> (the MA falls under the same department as the CA, but the AA is another department), except for the work of the PA, which was entrusted to the <i>Federal Office for Agriculture and Food</i> .



Do(es) the OP(s) use the same IT environment?

Every OP has its own infrastructure and special kinds of programs.

Do(es) the OP(s) use resources from the OP TA in the member state?

Yes, it can also draw from OP TA, up to a certain amount in specified areas.

---



## 1.6.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

Yes, AAs are centrally controlled by the *Federal Ministry of Finance*.

Is there any database of the audit reports publicly available?

The IT system situation varies from state to state. In some cases, such as the Bavarian ESF, the findings are shared in the central system *ESF Bavaria* but, for example, the Bavarian ERDF does not share all the findings (the findings are shared only if there is a problem and the need to open a contradictory procedure).

### Audit/control authority no. 1

Second level IB1s

What controls/audits does the authority perform?

AA deals with first-degree controls of grant recipients (their accounting documents and handling of subsidies - see above)

Which authorities can the authority control?

▶ Beneficiaries

Are conclusions made by the authority binding for controlled / audited entities?

Yes, the audited entity must comply with and take action imposed by an individual administrative decision in accordance with EU regulations.

Who does the authority share its conclusions with?

- ▶ In case of discrepancies with MA / AA or on case of qualified irregularities directly with the EC
- ▶ The audited entity in the form of an individual administrative decision (if issued)

Does the authority share auditing plans with other institutions?

Here the answer differs across states, some of the second level IB1s attempts to eliminate the frequency of controls by sharing plans (SAB), and others do not address this issue too much.

### Audit/control authority no. 2

AO at federal and state level (*Federal Ministry of Labour and Social Affairs*: ESF and EGF Audit, *State Ministry of Finance* or *State Ministry*, acting as MA)

What controls/audits does the authority perform?

It is concerned in particular with the second stage control:

- ▶ Audit of operations,
- ▶ Audit of managing and control systems,

Exceptionally is involved in first-level audits of beneficiaries

Which authorities can the authority control?

- ▶ MA,
- ▶ IB1s,
- ▶ CA,
- ▶ PA,
- ▶ beneficiary (exceptionally).

Are conclusions made by the authority binding for controlled / audited entities?

No, the conclusion of the audit authority is not directly binding for the institutions, it has a recommendatory character. In order to be binding, an individual administrative decision of the second level IB1s must follow.



Who does the authority share its conclusions with?

- ▶ Presenting annual audit reports and opinions on the functioning of managing and control systems to the EC
- ▶ In case of irregularities with the MA or the responsible IB1, which deals with resolution of irregularities

Does the authority share auditing plans with other institutions?

Usually plans are not shared in order to guarantee the independence of AO.

### Audit/control authority no. 3

*Federal/State Audit Court*

What controls/audits does the authority perform?

- ▶ Controlling the management and use of financial resources,
- ▶ Controlling management and controlling bodies in terms of economy and correctness of budget management

Which authorities can the authority control?

- ▶ State administration bodies and public and private legal entities managing funds from the federal / state budget.

Are conclusions made by the authority binding for controlled / audited entities?

The Authority's own conclusions has more likely a nature of a recommendations in terms of correctness and economy, or has advisory nature. If conclusion of audit result is financially significant, the report is also forwarded to the *Ministry of Finance*, or reports may be reported to the parliament or to the law enforcement or to other administrative authorities

Who does the authority share its conclusions with?

- ▶ Messages are shared with the Assembly, the Council and the Government
- ▶ In serious cases with other government or law enforcement authorities
- ▶ Comments and some reports are published in line with publicity principle on the internet and also through press conferences.

Does the authority share auditing plans with other institutions?

No, these are independent bodies whose activity cannot be controlled by other entities.





### 1.6.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, Germany was using financial instruments already in the previous period 2007-2013, allocation has been increased in the current period

If yes, to which extent?

7 % [% of total allocation]

In which areas are FI mainly used?

01 (Research & Innovation), 03 (SMEs), 04 (Low Carbon), 06 (Environment & Resource Efficiency), 08 (Sustainable & Quality Employment)

Most of the allocation for financial instruments is aimed at assistance of small and medium-sized enterprises, as well as supporting research and innovation.

Are agriculture and social business assisted by FI?

No

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

The implementation of financial instruments is in many OPs implemented at the level of individual regions (states). Within the OPs, mostly more instruments / funds function, instruments / funds are managed by the development (promotional) banks of respective country.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

The management of financial instruments is carried out at the level of individual states.

### 1.6.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Germany uses the CLLD, ITI and the SUD, at approximately 12 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes. The CLLD assistance is from the ERDF, ESF, EAFRD and the EMFF. The ITI assistance is from the ERDF and the ESF. The SUD assistance is from the ERDF.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?



Implementation of the CLLD in particular through the EAFRD and the EMFF, Federal ESF OPs and OPs of individual states. Implementation of the ITI and the SUD through country OPs.

The ITIs are planned in the ERDF ROP Schleswig-Holstein and the ROP Baden-Württemberg. The specific territory for the implementation of the ITI was selected in the competition (these are regions within the states).

The co-ordination role of the CLLD, ITI or the SUD is not determined in the Partnership Agreement.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the integrated instruments, a very wide range of issues related to local / territorial development strategies is addressed.

Are any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas supported solely through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Yes, the implementation of macroregional strategies (specifically the Strategy for the Danube Region, Strategy for the Alpine Region and the Baltic Sea Strategy) are implemented in combination with the ESIF. Operational programs contain objectives and interventions that fulfil this strategy, or the strategy will be implemented also through projects supported by ESIF (including cross-border cooperation programs).

---



### 1.6.7. Monitoring a IT

How is monitoring methodically supported?

Monitoring and related methodologies are based on the relevant EU regulation, with monitoring committees in Germany at federal and state level being made up of representatives of the administration bodies involved in ESIF, IB1s and partners, who meet several times a year. For each OP there is a monitoring committee, chaired by a representative of the MA.

How are evaluations coordinated?

Evaluations are outsourced on the basis of the Partnership Agreement. For example, the ex-ante evaluation of the ERDF was assigned to the external companies of *Metis* and *PriceWaterhouseCoopers* by the *Saxon State Ministry of Economics, Labour Affairs and Transport*, the ESF evaluation was carried out by company *isw*.

What IT instruments are used for the implementation and monitoring of ESIF?

Each OP uses different IT tools according to its own needs. One main MA monitoring system has been identified that directly communicates with the SFC and into which other IB2s of the OP are connected. With the exception of, for example, the Bavarian ESF (where one central and multifunctional system satisfies almost all needs regarding Bavarian ESF) IT infrastructure is fragmented. That is, there is a central system of the MA, separate first and second level IB1s systems, AO system and also platforms for communication with beneficiaries.

In the case of the Federal ESF, the DATES II central database is managed by the MA, then the e2 and ZUWES II systems serving to IB1s and e-cohesion systems Easy-AZA and Easy-Online for submission of grant applications, sharing of related documents and information with relevant management and control systems. The Audit Authority has its own independent IT system, not integrated with DATES II.

Each state uses according to Partnership Agreement a proprietary web portal with a data bank for submitting electronic grant applications (e.g. in *SAB-Online / ESF Portal* in Saxony, which operates on *PRANO software*, applications for other grant programs can be submitted via the so-called *Förderportal*). Information from the eCohesion platform are automatically transferred to the Fömisax MA system, which serves as a central data bank for all Saxony grant programs. In addition, IB1s and AA have other special systems. IT infrastructure in Saxony comprises about 10 IT systems that are, to varying degrees, connected to central Fömisax directly communicating with the EC.

In which areas is (solely) paper documentation used?

Efforts to digitize the entire system and use of IT systems in line with EU legislation, but the level of digitization differs across the federal states. Advanced levels are achieved in the system, for example, in Bavaria, but in Saxony, digitization continues to be associated with document scans being scanned into a database (not that the documents have been completely eliminated).

### 1.6.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

No, there is no ESIF law in Germany.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

The provisions of § 23 and § 44 of the federal and individual states budget regulations and the related administrative regulations of the *State* and *Federal Ministry of Finance* regulate the grant procedure



(with the content of the state regulations corresponding to those of the federal states). These documents are binding on the state authorities involved in the grant programs.

Individual MAs (ministries) also issue their own guidelines and methodologies for all grant programs and, if necessary, also specific for ESIF (but there is an effort to have uniform regulation). E.g. ERDF and ESF in Saxony are regulated by the framework directive of the *Saxon Ministry of Economic, Labour Affairs and Transport* of 27 October 2017 (SächsABl.1455) contained in the administrative order of 1 December 2017 (SächsABl.SD S 402). These documents further regulate the rights and duties of the beneficiaries, assumptions, deadlines, publicity, etc., and their adherence to them is usually controlled by the respective IB1s.

The internal methodologies called *Förderhandbuch*, issued mainly centrally by the relevant MAs for the whole operational program, or IB1s for sub-programs, which are regularly updated, are rather internal guidelines for the involved institutions.

In general, it is possible to summarize that the respective MAs and IB1s are responsible for adhering to these regulations in accordance with the public agreements on the transfer of competences between the MA and IB1s.

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

In Germany, there is a strong tendency to minimize disparities between European and national funds, with ESIF funds regulated by the same rules, with the exceptions laid down in the directly applicable regulation. Relevant ministries issue methodologies and guidelines for subsidies (e.g. cost calculation for IB1s), but are not usually public or provided by the competent authorities. The expert assessment by specific staff and on-site expertise is widely used, according to specific circumstances and general rules for the provision of grants.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

The resolution of irregularities is based on the relevant EU regulations, with only related instructions on how to report such cases at federal and state level (not specific regulations). Proceeding is conducted in accordance with the administrative procedures of the federation or the state, in the case of fraud under criminal law regulations as well as in the case of national grant titles.

IB1s play a major role in management (exceptionally AA) who, when controlling the first level, usually reveal the irregularity and initiate the proceedings, are also responsible for recovering the incorrectly provided funds.

As national and European subsidies are regulated together, the discrepancy between the national and ESIF regulation in Germany is not given except for the specific obligations according to the general regulation (e.g. reporting obligation towards EC / OLAF). The Union's ESIF only clarifies the principles of the use of funds from this type of fund and lays down specific obligations in relation to EC.

### 1.6.9. Pre-financing

Are the funds for pre-financing paid from the state budget?	Which currency is used in the case of pre-financing?
---	--

Pre-financing in Germany is fundamentally not possible. All private-sector projects must be funded from at least 20% of their own resources, which can be used before the actual ESIF grant itself. E.g. in Bavaria or in Saxony,	EUR
---	-----



pre-financing is not used (with the exception of financial instruments).

### 1.6.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

The individual interview revealed that at the federal as well as the state level, it is rather clinging to maintaining the continuity of programming periods and minimizing bureaucratic regulations different for European and national funds. It is too early to communicate concrete conclusions, because everything must first be discussed at EU level.

It also follows from the Federal Government's view that Germany will seek to further simplify, reduce the administrative burden and over-legislate, and build synergies with other subsidy instruments. Germany continues to seek maximum harmonization with EU legislation. The use of financial instruments should not be a preferred instrument, but an alternative to subsidies. Greater emphasis should be put on partnerships between the EU, states and regions. The country also requests the introduction of a so-called single-audit approach and a reduction in the cost of control mechanisms.



## 1.7. Denmark (DK)

### 1.7.1. General information, allocation and targeting

Name of the member country	Country code
Denmark	DK
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
4 (4/0)	1/5/11

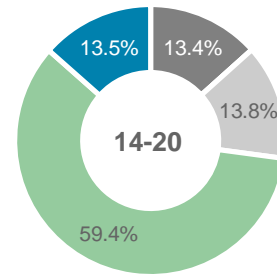
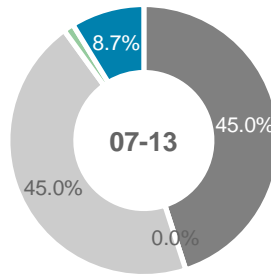
Total allocation planned (according to programming period and fund)

Total allocation (mil. EUR)

14-20: 1 547

07-13: 538

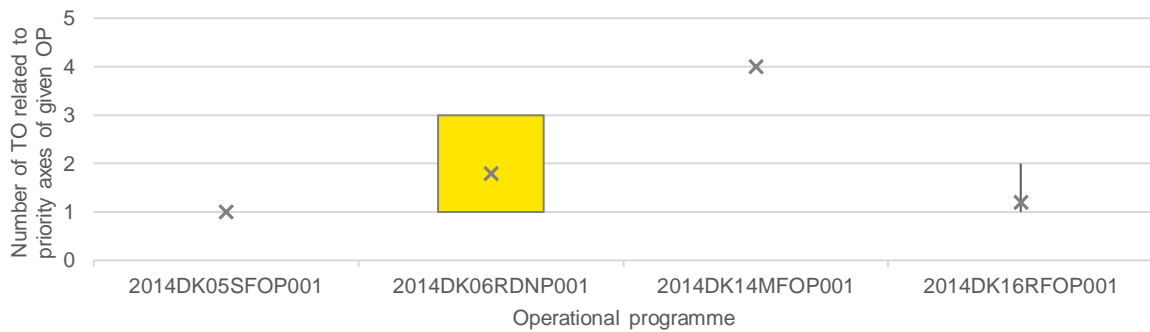
- ERDF
- CF
- ESF
- EAFRD
- EMFF



Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
50 %	0 %	75 %	50 %	25 %	50 %	0 %	50 %	50 %	50 %	0 %	0 %
(2/4)	(0/4)	(3/4)	(2/4)	(1/4)	(2/4)	(0/4)	(2/4)	(2/4)	(2/4)	(0/4)	(0/4)

Targeting of priority axes of individual operational programmes in relation to thematic objectives



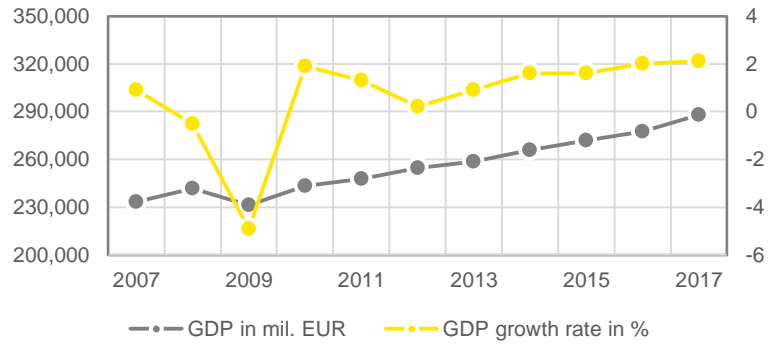


### Gross domestic product development (2007 – 2017)

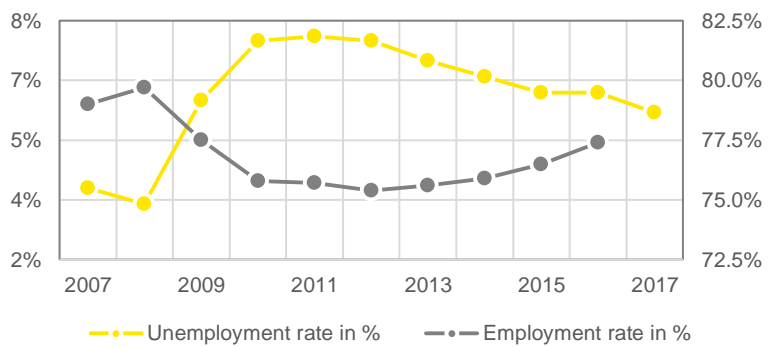
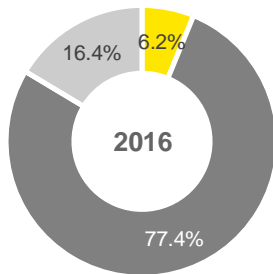
GDP per capita (EUR per capita)

2017: 50 000

2007: 42 700



### Labour market development (2016)





## 1.7.2. Main actors

### National Coordination Authority (NCA)

In Denmark, the structural funds are coordinated through three *Monitoring Committees*:

- ▶ Monitoring Committee for Structural Funds (*OP Growth via Education, Training and Entrepreneurship - ESF; OP Innovation and Sustainable Growth in Businesses - ERDF*);
- ▶ Monitoring Committee for Rural Development Fund (*Rural Development Program*)
- ▶ Monitoring Committee for Maritime and Fisheries Program (*Program for Development of Fisheries and Aquaculture*)

### What are the main competences of the NCA?

- ▶ providing overall coordination and monitoring of programs;
- ▶ individual committees participate in a implementation, adaptation, ongoing monitoring, evaluation and final monitoring of programs;
- ▶ approving proposals for program changes;
- ▶ as members or representatives of different organizations and MAs coordinating funding from the structural funds

### Are the NCAs established specifically for purposes of ESIF?

Yes, they are established by the managing authorities of specific OPs.

### What personnel capacity is allocated to the NCA?

About 40 people - the president and representatives of the ministries (trade, agriculture, etc.) and other organizations, such as representatives of growth forums, the *Disabled People's Organizations Denmark* etc.

### Managing Authorities (MA)

- ▶ The *Danish Agency for Trade and Industry*, the *Regional Development Department* (for *OP Growth via Education, Training and Entrepreneurship* and *OP Innovation and Sustainable Growth in Businesses*) set up by the *Ministry of Business and Industry*
- ▶ The *Danish Agricultural Agency* - EU and enterprise department (for the Rural Development Program), set up by the *Ministry of Environment and Food*
- ▶ Fisheries Agency (for the Sea and Fisheries Development Program), set up by the Ministry of Foreign Affairs.
- ▶ The *Danish Fisheries Agency* (for *OP for Development of Fisheries and Aquaculture*), set up by the *Ministry of Foreign Affairs*.

### What are the main competences of the MA?

- ▶ establishing subsidy management rules (detailed rules for control, supervision, accounting, evaluations, budgets, and project reports);
- ▶ issuing a decision on approval of the project and controls its implementation;
- ▶ responsible for performing project audits and supervision, can consult the accounts of individual projects;
- ▶ carrying out on-the-spot controls





Are the MAs established specifically for purposes of ESIF?

- ▶ No.

What personnel capacity is allocated to the MA?

- ▶ The *Danish Agency for Trade and Industry* (Regional Development Department led by regional manager) - about 500 employees.
- ▶ *Danish Agricultural Agency* (EU and enterprise department) – approximately 110 employees.

### Intermediate bodies (IB1)

- ▶ *Regional Growth Forums* for *OP Growth via Education, Training and Entrepreneurship, OP Innovation and Sustainable Growth in Businesses*;
- ▶ *Local action groups* (MAS and FLAG) for *OP Development of Fisheries and Aquaculture*

What are the main competences of IB1s?

#### *Regional Growth Forums:*

- ▶ selecting, creating and recommending projects for the final decision by the *Danish Agency for Trade and Industry*;
- ▶ determining growth priorities;
- ▶ assessing the administrative and financial capacity of each beneficiary to ensure that the project is operational and achievable in line with the objectives set out in the project;
- ▶ by accepting applications, they inform applicants of the applicable eligibility, accounting, audit and control rules,

The *Local Action Groups* (MAS and FLAG) are local associations focused on development and innovation in local communities (part of funding from the *Rural Development Program* and the *OP Development of Fisheries and Aquaculture*):

- ▶ awarding grants for relevant projects;
- ▶ co-operating with the applicants on the project, ensuring a quality of project applications, changes and requests for payment,
- ▶ performing on-the-spot checks and, in case of shortcomings, may propose to stop the project financing.

Are IB1s established specifically for purposes of ESIF?

*Regional Growth Forums* were not established specifically for the ESIF purposes, the *Local action groups* were.

What personnel capacity is allocated to the IB1s?

- ▶ 6 regional forums , 21 members for each one
- ▶ Local action groups – 26 MAS employees, 10 FLAG employees

### Certification Authority (CA)

- ▶ *Deloitte* – for *Rural Development Program, OP Growth via Education, Training and Entrepreneurship, OP Innovation and Sustainable Growth in Businesses* (outsourced to *Danish Agency for Trade and Industry*)
- ▶ *Danish Agricultural Agency* – for *OP Development of Fisheries and Aquaculture*

What are the main competences of the CAs?

- ▶ Preliminary approval of the contractor - controlling of information on accounting, administration, etc., audit of interim and final project accounts,



- ▶ carrying out compulsory courses in the management of structural funds

Are the CAs established specifically for purposes of ESIF?

What personnel capacity is allocated to the CAs?

No.

Information was not found in publicly available documents, nor was it provided by representatives of relevant authorities.

#### Paying Authority (PA)

- ▶ *Danish Agency for Trade and Industry* (administrative secretariat) for *OP Growth via Education, Training and Entrepreneurship, OP Innovation and Sustainable Growth in Businesses*
- ▶ *Danish Agriculture Agency*, subsidy payment department – for *Rural Development Program*
- ▶ *Danish Fisheries Agency* – for *OP Development of Fisheries and Aquaculture*

What are the main competences of the PAs?

- ▶ Request for payment at the EC,
- ▶ receipt of payment from the EC, decision on reimbursement to recipients

Are the PAs established specifically for purposes of ESIF?

What personnel capacity is allocated to the PAs?

No.

Information was not found in publicly available documents, nor was it provided by representatives of relevant authorities.

#### Audit Authority (AA)

*Danish Agency for Trade and Industry*

What are the main competences of the AA?

- ▶ responsibility for verifying the functionality of the OP management and control systems;
- ▶ *on-the-spot controls of management and control systems used by Regional Growth Forums* and their secretariats and public or private legal entities;
- ▶ on-the-spot controls of managing and control systems of the *Danish Agency for Trade and Industry* and whether they act in accordance with applicable rules;
- ▶ organizing seminars and information meetings, providing advice;
- ▶ audit of operations, designation and managing and control systems;
- ▶ creating standards for public audit.

Is the AA established specifically for purposes of ESIF?

What personnel capacity is allocated to the AA?

No.

*Danish Agency for Trade and Industry* (regional development department led by local regional manager) – about 500 employees.

Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

No, the changes made were not significant. There was rather a renaming and division of institutions, a change in the number of members, local organizations and so on.



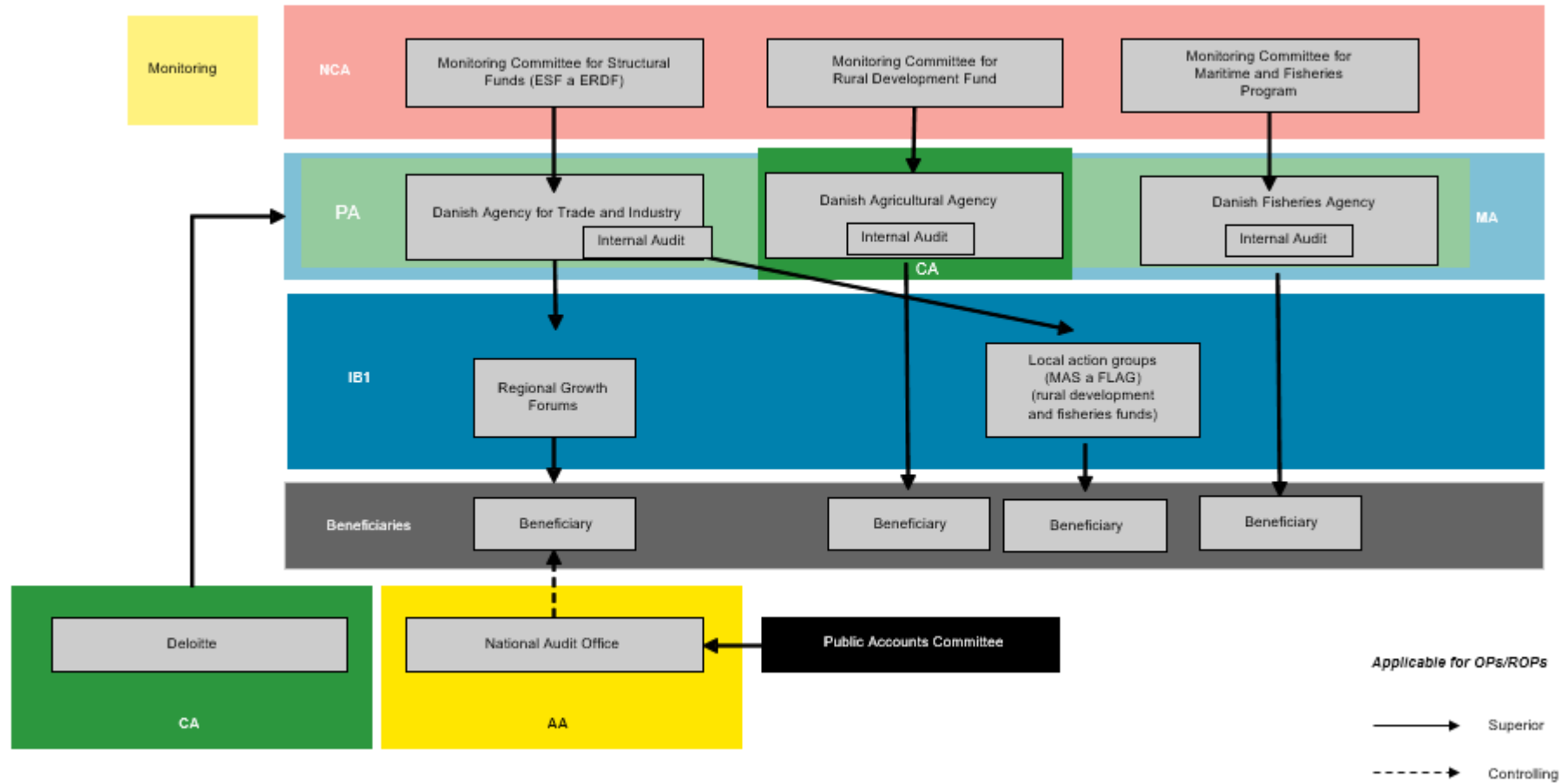
What was the reason for the changes in the implementation structure mentioned above?

Changes were rather minor because there were not many mistakes in the use of subsidies, only some beneficiaries made mistakes, for example, when charging eligible expenditure. These errors are recorded and will be used as examples in training seminars.

---



### Scheme of implementation structure





### 1.7.3. Programs financed from EAFRD and EMFF

#### Name(s) of the OP(s) financed from EAFRD

*Rural Development Program*

Is the same methodical environment binding for the OP(s)?

Yes, there is the *Monitoring Committee* for the *Rural Development Program*; The OP is coordinated in the same way as the other structural funds.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, the other paying agency also performs an internal audit (*Danish Agricultural Agency*) but have the same AA and CA.

Do(es) the OP(s) use the same IT environment?

No, it uses MVJ-TAS (*Subsidy Management System*).

Do(es) the OP(s) use resources from the OP TA in the member state?

No, there is no OP TA in Denmark.

#### Name(s) of the OP(s) financed from EMFF

*Maritime and Fisheries Program*

Is the same methodical environment binding for the OP(s)?

Yes, there is the *Monitoring Committee* for the *Maritime and Fisheries Program*; The OP is coordinated in the same way as the other structural funds.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, the other paying agency also performs an internal audit (*Danish Agricultural Agency*) but have the same AA and CA.

Do(es) the OP(s) use the same IT environment?

No, it uses BTAS (*Basic Subsidy Administration System*).

Do(es) the OP(s) use resources from the OP TA in the member state?

No, there is no OP TA in Denmark.



## 1.7.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

No, controls are not centrally coordinated. Controls of grant recipients are within the competence of the MA of individual OPs. AA performs independent control of the MAs and the IB1s, including audit of operations of grant recipients (see below).

Is there any database of the audit reports publicly available?

No.

### Audit/control authority no. 1

*National Audit Office (office no. 5)*

What controls/audits does the authority perform?

- ▶ Audit of annual accounts of individual ESIF funds.

Which authorities can the authority control?

- ▶ Entities responsible for management of the ESIF funds.

Are conclusions made by the authority binding for controlled / audited entities?

Yes, the *National Audit Office* passes results of audits and main investigations to the *Public Accounts Committee*, which will present its comments and forward the report to the parliament. At the same time, it asks for the minister's remarks on this matter. The Minister shall report to the *National Audit Office* and to the *Committee* on how the ministry will respond to the recommendations in the report. The *National Audit Office* subsequently issues a recommendation to the *Committee* to close the case (resolved in a satisfactory manner) or continue to follow the case (there are still outstanding issues). Ministerial reports and auditors' comments are included in the *Committee's* final report to Parliament.

Who does the authority share its conclusions with?

- ▶ AA presents its conclusions to the Committee for public accounts, to the parliament.

Does the authority share auditing plans with other institutions?

Ne.

### Audit/control authority no. 2

*Danish Agency for Trade and Industry*

What controls/audits does the authority perform?

- ▶ Audit of operations,
- ▶ Audit of designations
- ▶ Audit of managing and control systems,
- ▶ Is responsible for verification of functionality of the OP's managing and control systems.

Which authorities can the authority control?

- ▶ Managing and control systems of the *Regional Growth Forums*,
- ▶ Secretariats of the *Regional Growth Forums*,
- ▶ Public or private legal entities that are authorized under Article 8 (2 or 13) of subsidy management act to perform administrative and certification task or to act as administrative and certification bodies
- ▶ Managing and control systems of the *Danish Agency for Trade and Industry*.



Are conclusions made by the authority binding for controlled / audited entities?

Yes, the controlled entity has to remedy the shortages, otherwise there is a risk of reducing the subsidy.

Who does the authority share its conclusions with?

The audit report is handed over, in addition to a controlled grant recipient, also to the grant provider.

Does the authority share auditing plans with other institutions?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

---



### 1.7.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

No.

If yes, to which extent?

Irrelevant.

In which areas are FI mainly used?

Irrelevant.

Are agriculture and social business assisted by FI?

Irrelevant.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

Irrelevant.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

Irrelevant.

### 1.7.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Denmark uses the CLLD and the SUD, 10 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes. The CLLD assistance is from the EAFRD and the EMFF. The SUD assistance is from the ERDF.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Yes, implementation of the CLLD through the EAFRD and the EMFF, implementation of the SUD through OP Innovation and Sustainable Growth in Businesses (the ERDF).

Coordination role of the CLLD and the SUD is not described in the Partnership Agreement. The MA for the EAFRD and the EMFF programs is the agency AgriFish, which will secure all the necessary coordination.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated approach, a very wide range of topics are dealt with in local / territorial development strategies. Support through integrated approach is supported in particular by the EAFRD, ERDF and the EMFF.





Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas exclusively supported through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

CLLD: Implementation is provided through local development strategies created by 26 Local Action Groups.

SUD: The MA is the *Danish Business Authority*, which primarily monitors and coordinates. So-called *Referral Committee*, which is composed of representatives of ministries and regions (including *Regional Growth Forums*), is responsible for administration. This *Referral Committee* prepares, among other things, selection criteria and announces calls. Individual projects are selected by individual municipalities.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Yes, the implementation of macro-regional strategies (in particular the Strategy for the Baltic Sea Region) is being implemented in combination with the ESIF. Projects in operational programs (ESF and ERDF) can fulfil the implementation of the Strategy for the Baltic Sea Region (they may be assigned a higher priority).

---



### 1.7.7. Monitoring and IT

How is monitoring methodically supported?

The regulation on competence establishes the *Monitoring Committee* and its tasks, which are consistently described as in Regulation 1303/2013.

Other bodies, such as the *Danish Agency for Trade and Industry, Growth Forums*, etc. are also included in the monitoring activities.

How are evaluations coordinated?

Evaluations are created by the MAs and at regional level (*Regional Growth Forums*).

What IT instruments are used for the implementation and monitoring of ESIF?

- ▶ *Promis* (for MAS and FLAG projects) – application submission, payment request and final reports,
- ▶ *Subsidy Administration Control System* (TAS, for the ESF and the ERDF) – a system where the information provided by the applicant on a website is reflected and accessible to all control bodies (*Regional Growth Forums*, the MA, auditor, the PA); contains the main project data, financial data, register of records, categorization data, after the project approval can be requested through the system to change the project, submit accounting reports, etc.,
- ▶ BTAS (*Basic Subsidy Administration system*, Program for Development of Fisheries and Aquaculture) – contains all project data and financial data (budget and accounts), processing of records and cash flow management,
- ▶ BVJ-TAS (*Environmentally-friendly Agricultural Measures Subsidy Administration System*, Rural Development Program)

In which areas is (solely) paper documentation used?

Paper-based documents are apparently not used at all, however, communication with representatives of relevant authorities has not been successful despite repeated attempts, so the information is not explicitly verified.

### 1.7.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

Yes, in Denmark there are laws on the implementation of ESIF by type of funds:

- ▶ The ERDF and ESF grant management law
  - resolution of irregularities,
  - performing controls and project supervision etc
- ▶ Law on maritime and fisheries fund
- ▶ Decree on Rural Development

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

The ERDF and ESF grant management law is further specified by separate decrees, e.g.:

- ▶ Decree on competences, delegation of powers to the Danish Agency for Trade and Industry, tasks for the Monitoring Committees, Growth Forums etc.
- ▶ Decree on eligibility, accounting, audit and control, etc.



Law on maritime and fisheries fund is further specified by the Decree:

- ▶ Decree on joint fishing efforts, joint aquaculture, fisheries, nature and environment..

In addition, there is a Law on Business Support and Regional Development, which regulates:

- ▶ The powers of the Minister of Industry and Trade in supporting entrepreneurship and regional development.
- ▶ The powers of Regional Growth Forums, municipalities and other bodies.
- ▶ Provision of subsidies for abovementioned purposes.

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

Yes, it is slightly different, the provision of subsidies through ESIF is governed by a specific law. At national level, subsidies are provided, for example, through the abovementioned Business Support and Regional Development Act, it is also regulated by the role of Regional Growth Fora, municipalities and other bodies.

This law is very similar to The ERDF and ESF grant management law, in both cases the *Ministry of Industry and Trade* is the responsible body. The laws provide only the framework conditions for granting support, more detailed information is contained in the subsequent decrees

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

Resolution of irregularities is regulated by The ERDF and ESF grant management law. This law further regulates control performance and project supervision.

The MA is responsible for recovering ineligible funds.

There was no significant discrepancy between the national and the ESIF regulation, but communication with the relevant authorities was not successful despite repeated attempts, so the information is not explicitly verified.

### 1.7.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

No, pre-financing is not possible.

Which currency is used in the case of pre-financing?

Irrelevant.

### 1.7.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

According to addressed authorities, it is too soon for questions regarding implementation structure after 2020.



## 1.8. Estonia (EE)

### 1.8.1. General information, allocation and targeting

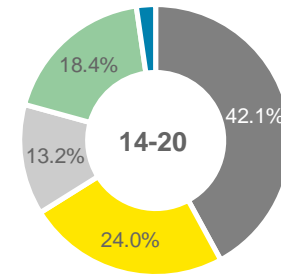
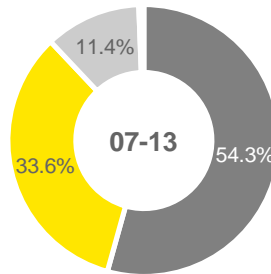
Name of the member country	Country code
Estonia	EE
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
3 (3/0)	1/1/5

Total allocation planned (according to programming period and fund)

Total allocation  
(mil. EUR)

14-20: 4 414

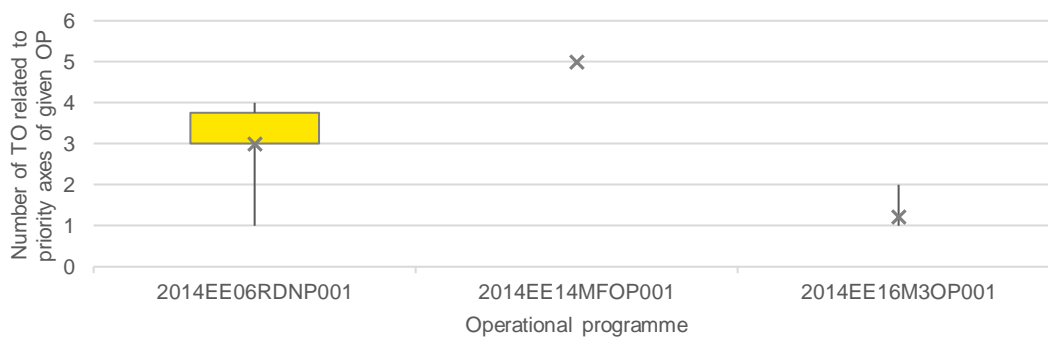
07-13: 3 253



Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
67 %	33 %	100 %	100 %	67 %	100 %	33 %	100 %	67 %	67 %	33 %	0 %
(2/3)	(1/3)	(3/3)	(3/3)	(2/3)	(3/3)	(1/3)	(3/3)	(2/3)	(2/3)	(1/3)	(0/1)

Targeting of priority axes of individual operational programmes in relation to thematic objectives



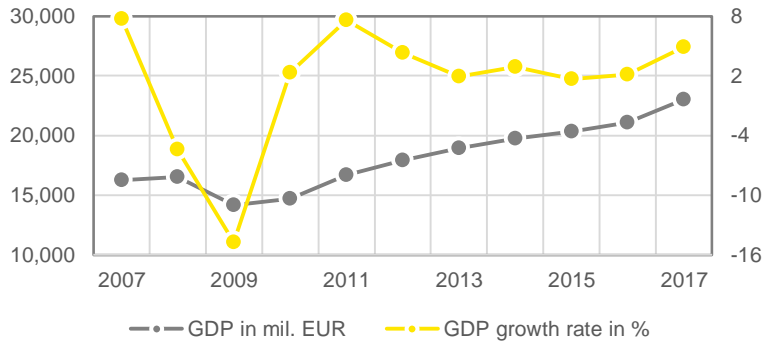


### Gross domestic product development (2007 – 2017)

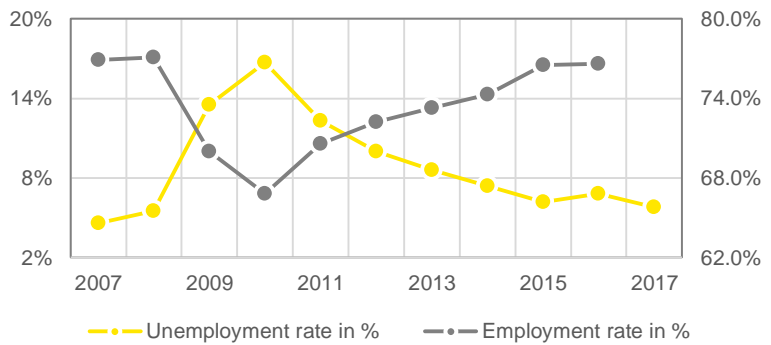
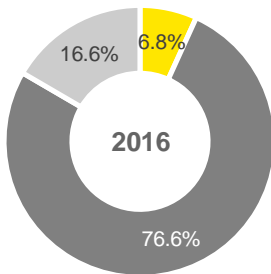
GDP per capita (EUR per capita)

2017: 17 500

2007: 12 100



### Labour market development (2016)





## 1.8.2. Main actors

### National Coordination Authority (NCA)

Does not exist

What are the main competences of the NCA?

Irrelevant.

Is the NCA established specifically for purposes of ESIF?

Irrelevant.

What personnel capacity is allocated to the NCA?

Irrelevant

### Managing authority (MA)

*Ministry of finance*

From September 2018 *State Shared Service Centre* is the managing authority within the pilot project. The implementation structure of the pilot project is further elaborated in a case study.

What are the main competencies of MA?

Among MA's competencies are:

- ▶ planning and budgeting,
- ▶ fulfilling the function of the certification body,
- ▶ approving decrees on EU funds,
- ▶ accounting coordination,
- ▶ fulfilling functions of the monitoring and evaluation authorities

A large number of MA competencies are transferred to IB1s and IB2s.

Are the MAs established specifically for purposes of ESIF?

No, the MA itself is not set up specifically for the purposes of the ESIF. Selected departments, which are delegated to the exercise of competences by the MA, are specifically established for ESIF purposes.

What personnel capacity is allocated to the MA?

A detailed description of personnel capacities has not been obtained either through publicly available documents or through contact with representatives of the relevant authorities.

### Intermediate bodies (IB1)

*Government Office and individual line ministries (total of 7)*

What are the main competences of IB1s?

The following powers were delegated to the first level Intermediate Body:

- ▶ developing and setting the conditions for providing assistance and monitoring their performance,
- ▶ leading implementing bodies in implementing legislation regarding conditions for granting assistance,
- ▶ submitting proposals to the *Ministry of finance* to change the Partnership agreement
- ▶ fulfilling other functions of the MA, which have been assigned by the *Structural Assistance Act*,
- ▶ submission of MA and CA information necessary to perform their functions



Are IB1s established specifically for purposes of ESIF?

No, IB itself is not established specifically for ESIF purposes. However, selected departments which are delegated to the exercise of competencies of the IB, are specifically established for ESIF purposes.

What personnel capacity is allocated to the IB1s?

A detailed description of personnel capacities has not been obtained either through publicly available documents or through contact with representatives of relevant authorities.

### Implementing body (IB2)

These are so called second level intermediaries defined by the Structural Assistance Act:

- ▶ *Enterprise Estonia (replaced by the State Shared Service Centre from September 2018).*
- ▶ *Foundation SA Archimedes.*
- ▶ *Innove Foundation.*
- ▶ *Information System Authority.*
- ▶ *KredEx.*
- ▶ *Technical Regulatory Authority.*

What are the main competences of the IB2?

Implementing bodies ensure in particular:

- ▶ providing information to the public and potential applicants on the possibility of obtaining assistance and on the procedure for applying,
- ▶ assessment of applications and selection of projects,
- ▶ providing information to applicants/beneficiaries regarding provision and use of the funds,
- ▶ processing payment request,
- ▶ implementing financial correction decision and requesting recovery if illegibly paid sums,
- ▶ monitoring and control of projects, including preparation for monitoring and control, which are subject to approval by the MA,
- ▶ submitting information to the MAs, IBs, and CAs required to fulfil their duties

Are IB2s established specifically for purposes of ESIF?

No, second-level the IB2s themselves are not specifically established for ESIF purposes. However, selected departments, which are delegated to the exercise of competencies, are specifically established for the purposes of the ESIF.

What personnel capacity is allocated to the IB2s?

A detailed description of personnel capacities has not been obtained either through publicly accessible documents or through contact with representatives of the relevant bodies.

### Certification Authority (CA)

*Ministry of finance*

What are the main competences of the CA?

The list of the CA competences corresponds only to the enumeration given in the Structural Assistance Act in the General Regulation.

Is the CA established specifically for purposes of ESIF?

No, CA itself is not established specifically for the purposes of the ESIF. However, selected departments that are delegated to CA

What personnel capacity is allocated to the CA?

A detailed description of personnel capacities has not been obtained either through publicly



competences are specifically established for ESIF purposes.

accessible documents or through contact with representatives of the relevant authorities.

### Paying Authority (PA)

*Ministry of finance – EU payments department*

#### What are the main competences of the PA?

The information was not found in publicly available documents (including the Structural Assistance Act), representatives of the relevant authorities have been able to answer the question. However, it can be assumed that it will only be competencies according to the enumeration in the general regulation.

Is PA established specifically for purposes of ESIF?

No, PA itself was not established specifically for the purposes of the ESIF. However, selected department, to which the exercise of the competences of the PO is delegated, is specifically established for the purposes of EU payments.

What personnel capacity is allocated to the PA?

A detailed description of personnel capacities has not been obtained either through publicly accessible documents or through contact with representatives of the relevant authorities.

### Audit Authority (AA)

*Ministry of finance – Financial Control Department*

#### What are the main competences of the AA?

It is an independent body that can audit all levels of external assistance in accordance with the annual audit plan. His competencies include:

- ▶ communicating with OLAF,
- ▶ audit of operations, audit of the managing system and audit of accounts
- ▶ creating the annual control report for European Commission,
- ▶ creation of audit plans,
- ▶ issuing, finalizing and publishing audit results,
- ▶ monitoring the implementation of the recommendations made by the AA,
- ▶ performing follow-up audit if necessary

Is the AA established specifically for purposes of ESIF?

No, the AA itself or the selected department are not established solely for the ESIF purposes.

What personnel capacity is allocated to the AA?

18 employees

### Other control bodies outside the ESIF implementation structure (CB)

Information regarding other control bodies was not found in publicly available documents, representatives of the relevant authorities were not able to answer the question.

#### What are the main competences of CB?

Irrelevant.





Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

Yes, in September 2018, a pilot project involving the State Shared Services Centre was launched into an implementation structure that took over the implementing body's role within one priority axis. For more information, see the case study Architecture - Estonia. To reduce the administrative burden, the number of operational programs has decreased from three to one, with further reductions in the number of implementing bodies and staff expected in the future. In addition, the IT monitoring systems of the individual implementing entities are integrated into the SFOS, which is the only monitoring system.

What was the reason for the changes in the implementation structure mentioned above?

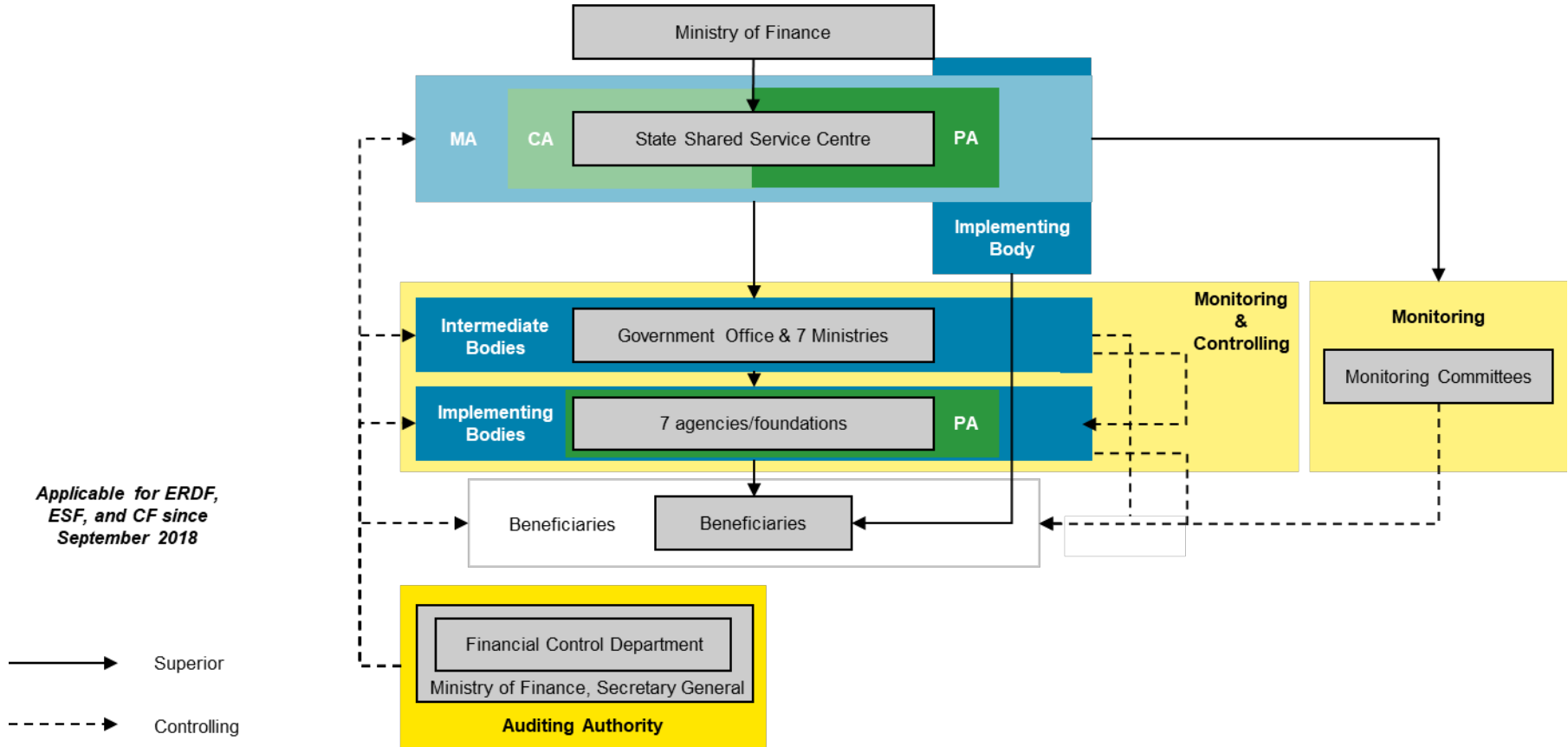
Efforts to centralize and streamline administrative processes, inspired by a similar model applied in Latvia.

---



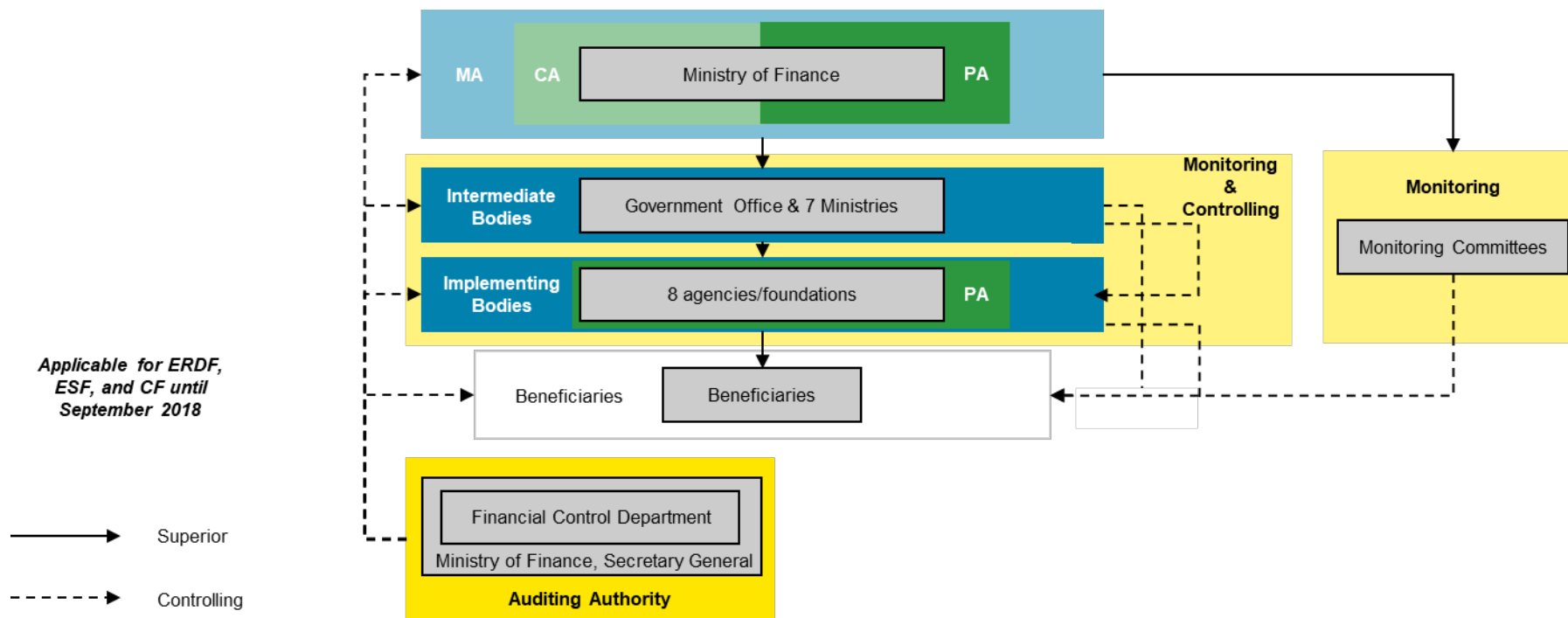
### Scheme of implementation structure

*Simplified implementation structure scheme valid from September 2018 (pilot project)*





*Simplified implementation structure scheme valid till September 2018*





### 1.8.3. Programs financed from EAFRD and EMFF

Name of the program similar to program(s) financed from EAFRD

*OP Rural development*

Is the same methodical environment binding for the OP(s)?

No, the implementation structure and methodical environment are completely different.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No. MA is *Ministry of rural affairs*, CA is KPMG Baltics and PA is Estonian Agricultural Registers and Information Board.

Do(es) the OP(s) use the same IT environment?

No, the e-PRIA system is being used. Farmers using this system may submit applications for assistance, they can share documents and communicate with the state administration.

Do(es) the OP(s) use resources from the OP TA in the member state?

Yes, funds for technical assistance are designated within the budget of the operational program.

Name(s) of the OP(s) financed from EMFF

*OP Fisheries*

Is the same methodical environment binding for the OP(s)?

No, the implementation structure and methodical environment are completely different.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No. AA is the Internal Audit of the *Ministry of Agriculture*, the PCA is also the *Ministry of Agriculture*. MA is the *Department of Fisheries of the Ministry of Agriculture*, programs similar program(s) financed from EMFF to have several intermediary institutions (*Agricultural Registers and Veterinary Council*).

Do(es) the OP(s) use the same IT environment?

No, the e-PRIA system is being used. Farmers using this system may submit applications for assistance, they can share documents and communicate with the state administration.

Do(es) the OP(s) use resources from the OP TA in the member state?

Yes, funds for technical assistance are designated within the budget of the operational program.



## 1.8.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

AA audit plans are publicly available on the internet. They are also shared with audit firms. In the case of an audit by the MA, the plan is formed with audited entities to avoid duplication of activities.

Is there any database of the audit reports publicly available?

Information regarding the database was not found in publicly available documents, representatives of the relevant authorities were not able to answer the question.

### Audit/control authority no. 1

*Ministry of finance – Financial Control Department*

What controls/audits does the authority perform?

- ▶ Operations audit.
- ▶ Audit of managing and control systems.
- ▶ Audit of reports and financial statement.

Which authorities can the authority control?

- ▶ Implementation structure bodies
- ▶ Subsidy beneficiaries.

Are conclusions made by the authority binding for controlled / audited entities?

Indirectly, the AA reports its findings to the intermediate body, which may initiate the procedure for correcting the irregularity. In a case it is irregularity is confirmed, the entity must return a proportion of the funds.

Who does the authority share its conclusions with?

- ▶ With the audited entity.
- ▶ With MA, IB1/IB2 and CA.
- ▶ The public (by publishing it on the internet).

Does the authority share auditing plans with other institutions?

Audit plans are available online.



### 1.8.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, Estonia used financial instruments in previous 2007-2013 period, now the allocation has increased.

If yes, to which extent?

7 % [% of total allocation]

In which areas are FI mainly used?

03 (SMEs)

The use of financial instruments is planned to assist small and medium-sized enterprises. Initially planned support for research and innovation will ultimately not be assisted because of the negative conclusion of the ex-ante evaluation.

Are agriculture and social business assisted by FI?

Yes, agriculture is assisted by FI within programs similar to program(s) financed from EAFRD.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

As part of the implementation of FI from ERDF the Fund (*EstFund*) is established, managed by the European Investment Fund in cooperation with the National Bank - KredEx. Participation of private investors (about 30% - 40%) is expected in specific funds and a selection procedure for managers of these funds is also under way.

The FI within EAFRD will be implemented by *National Rural Development Fund*.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

Coordination of the FI delegated to KredEx development bank, with the exception of the FI in agriculture, where implementation is secured by *National Rural Development Fund*.

### 1.8.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Estonia uses the CLLD and the SUD to 5 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

No, the CLLD assistance is from the EAFRD and the EMFF, but in different territories. The SUD assistance is from the EAFRD.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Implementation of the CLLD through the EAFRD in particular, partially through the EMFF. Implementation of the SUD through operational programs of Cohesion Policy 2014-2020. The MA for



the ERDF/ESF program is *Ministry of finance*, the MA for the EAFRD and the EMFF is *Ministry of agriculture*, which coordinates the CLLD activities.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the II there is a very wide range of topics related to local / territorial development strategies is discussed. Assistance through integrated instruments is supported in particular by the ERDF, the EAFRD and the EMFF.

The CLLD implementation focuses on social inclusion, poverty reduction and economic development of rural areas (EAFRD) and employment and territorial cohesion (EMFF).

The implementation of the SUD then focuses, among other things, on sustainable urban mobility (CO2 reduction), childcare facilities and the revitalization of urban areas.

Are any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas supported solely through the territorial dimension / integrated instruments.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

CLLD: The MA for programs similar to program(s) financed from EAFRD and EMFF the *Ministry of Agriculture*. Local action groups are responsible for the development and implementation of regional development strategies and the selection of projects.

SUD: Projects will be selected by the so-called Evaluation Commission, which will be composed of representatives of local authorities. Projects will be selected on the basis of the objectives set in local sustainable development strategies and the objectives of the respective priority axis of the OP.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Yes, the implementation of macro-regional strategies (Baltic Sea Strategy) is implemented in combination with the ESIF. Operational programs contain objectives and interventions fulfilling this strategy, the strategy will also be implemented through projects supported by the ESIF.

The ESIF connection to the Baltic Sea Strategy is described in detail in the Partnership Agreement.

---



### 1.8.7. Monitoring a IT

How is monitoring methodically supported?

According to information provided by the *Ministry of Finance*, the basic methodological guidelines for the implementation of controls and monitoring are established, methodological guidelines set the basic framework that the first and second level intermediate bodies modify. Each IB1 has to submit its own control and monitoring methodology for MA's approval to begin its implementation and performance. However, the methodologies are not publicly available.

How are evaluations coordinated?

The system of evaluation is divided into three levels. Evaluation of the Partnership Agreement falls within the competence of the *Ministry of Finance*. Priority system evaluation is carried out by a first-level IB1, and second-level entities are evaluating programs.

The overall output of evaluations is prepared by the MA on the basis of outputs from the IT system, supplemented by additional information (opinions of the involved bodies). After the meeting of the Monitoring Committee, the MA submits a report to the European Commission.

What IT instruments are used for the implementation and monitoring of ESIF?

All programs are managed within system e-toetus, which is managed by the *Ministry of Finance*. The system contains all the relevant information regarding programs.

In which areas is (solely) paper documentation used?

No area was found where paper documents are used exclusively.

### 1.8.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

Yes, the *Structural Assistance Act* from 2014-2020 describes, among other things, the rights and duties of individual institutions and the monitoring and control system. Describes the rights and responsibilities of each institution's implementation structure, the subsidy payment system, the appeal process against a decision and the monitoring and control system. In some sections, it also focuses on financial remediation or project publicity. It is binding on both the managing and controlling authorities and the beneficiaries.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

A number of government regulations are connected to the Structural Assistance Act, government regulations regulate in particular the areas of operation of management and control systems, and also briefly set the obligations of recipients of grants and partners (e.g. the detailed operation of the audit and the information system). The procedure for granting subsidies goes beyond the scope of the above, also governed by general administrative rules.

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

Slightly yes, although national and European subsidies are regulated by general administrative regulations, there is also a specific regulation that applies only to the ESIF and does not apply to national grant programs. This adjustment reflects in particular the specificities of the European funds.





However, specific differences were not identified even in publicly available documents, the representatives of the relevant bodies were not able to answer the question.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

Financial corrections are regulated in the *Structural Assistance Act 2014-2020*, Part 12. The discrepancies are assessed by the MA or IB1 of the second level, while the enforcement of the ineligible means is the responsibility of the first level IB1. The beneficiary must return the aid within 60 days of the decision being effective, otherwise it must also pay interest according to EU regulation and a fine. *Ministry of finance* publishes specific data on irregularities on its website. MA is responsible for reporting qualified discrepancies to the EU. In the case of fraud, general criminal law rules apply.

However, specific differences were not identified even in publicly available documents, the representatives of the relevant bodies were not able to answer the question.

### 1.8.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Which currency is used in the case of pre-financing?

Yes, the funds for pre-financing are covered by the state budget. EUR

### 1.8.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

Estonia in the 2020+ programming period will receive a smaller amount of funding than it received in the current programming period.

In the next programming period, Estonia plans changes in the organizational structure, which should primarily simplify the whole system. Changes should already took place in "pilot" testing in an attempt to unify the functioning EU subsidies and subsidies on national level.

However, specific differences were not identified even in publicly available documents, the representatives of the relevant bodies were not able to answer the question



## 1.9. Greece (EL)

### 1.9.1. General information, allocation and targeting

Name of the member country	Country code
----------------------------	--------------

Greece	EL
--------	----

Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
---	---

20 (7/13)	4/13/52
-----------	---------

Total allocation planned (according to programming period and fund)

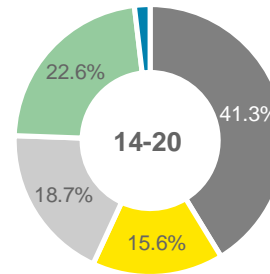
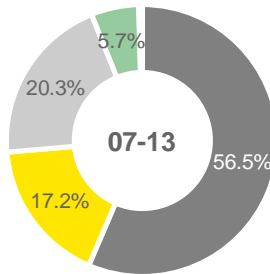
Total allocation  
(mil. EUR)

14-20: 20 897



07-13: 21 521

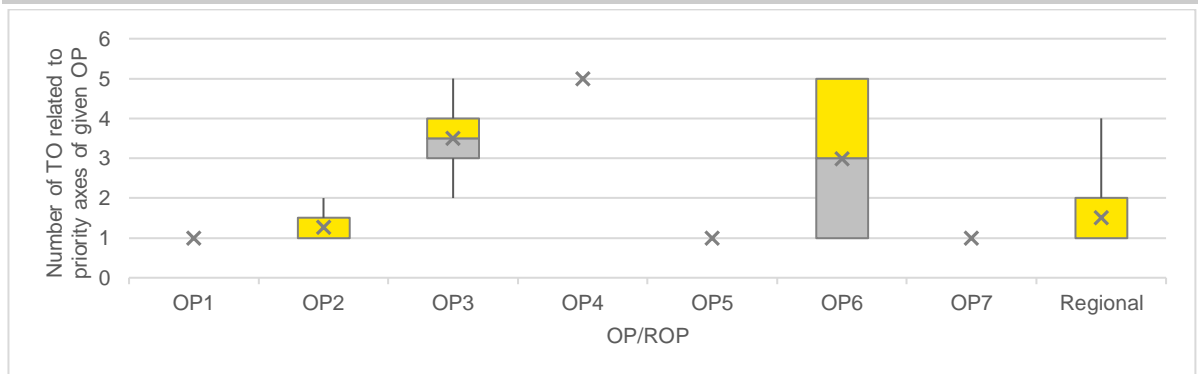
- ERDF
- CF
- ESF
- EAFRD
- EMFF



Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
29 %	43 %	43 %	57 %	29 %	57 %	29 %	57 %	29 %	43 %	29 %	0 %
(2/7)	(3/7)	(3/7)	(4/7)	(2/7)	(4/7)	(2/7)	(4/7)	(2/7)	(3/7)	(2/7)	(0/7)

Targeting of priority axes of individual operational programmes in relation to thematic objectives



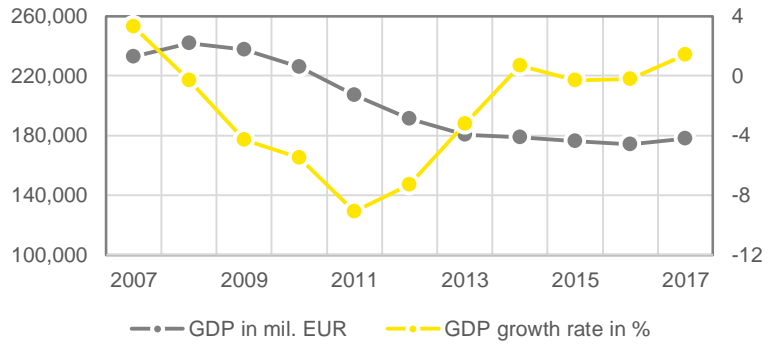


Gross domestic product development (2007 – 2017)

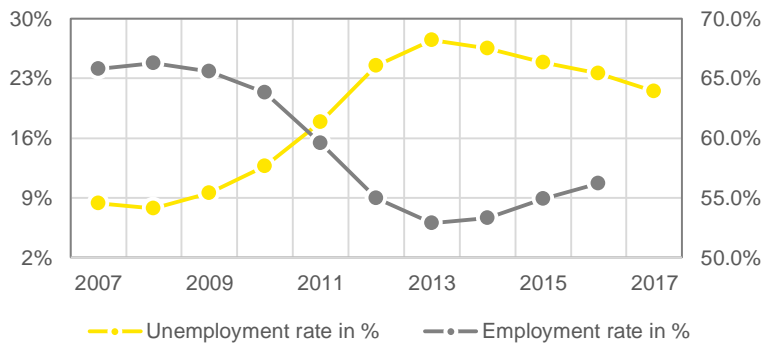
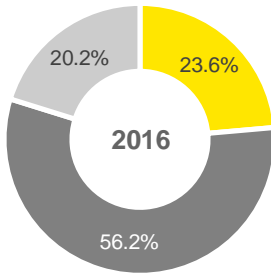
GDP per capita (EUR per capita)

2017: 16 600

2007: 21 100



Labour market development (2016)





## 1.9.2. Main actors

### National Coordination Authority (NCA)

The National Coordination Authority falls formally under the *Ministry of Economy and Development* but stands outside its standard organizational structure (falling under the *Secretary General for Public Investment*).

### What are the main competences of the NCA?

In exercising the competences of ESIF the NCA:

- ▶ coordinating the planning, specification and implementation of structural OPs within the ESIF,
- ▶ monitoring and coordinating the collection of funds for specific categories of support defined by the EU regulations (e.g. thematic concentration of investments and structural funds, allocation of funds by category of regions),
- ▶ issuing instructions and creating guidelines for the management and focus of the OP and for each activity that falls within the competences of the MA and executive ESIF structures of ministries and regions,
- ▶ being responsible for the management and control plan of all OPs in accordance with the requirements of the individual EU funds and overseeing the proper, effective and consistent application of the relevant rules and procedures,
- ▶ monitoring the implementation of the programs, particularly in respect of achieving their objectives and performance,
- ▶ issuing instructions and creating guidelines for OP evaluations, processing the results of evaluations and providing guidance to the MAs on OP modifications,
- ▶ maintaining the mechanism and procedures for investigating complaints withing the co-funded ESIF projects for 2014-2020 and the fight against fraud,
- ▶ developing and adapting the functioning of the integrated information system MIS and the complementary information systems according to EU requirements and regulations,
- ▶ developing, in cooperation with the CA, rules on eligibility of expenditure and issuing guidelines for the support of the MAs and beneficiaries,
- ▶ monitoring and coordinating the planning, design and implementation of financial instruments for the ESIF operational programs for 2014-2020,
- ▶ monitoring and coordinating the submission of large project applications to ensure quality and completeness,
- ▶ Providing support to the ESIF *Monitoring Committee* 2014-2020, ensuring the validity of *Monitoring Committee's* decisions and monitoring their performance. In the event of non-compliance, the NCA will issue recommendations for corrective action and may also decide to suspend the subsidy.
- ▶ Seeking simplification of the procedures for implementing co-financed projects in cooperation with relevant ministries.

Is the NCA established specifically for purposes of ESIF?

The NCA was established specifically for the ESIF as a special department at the level of the *Directorate-General of the Ministry of Economy and Development*.

What personnel capacity is allocated to the NCA?

188 people.



## Managing Authorities (MA)

For each OP and ROP in Greece, a dedicated Managing Authority is established according to the following rules:

- ▶ The MAs for national OPs except programs financed from the EAFRD and the EMFF fall under the *Ministry of Economy and Development*.
- ▶ The MAs of regional programs fall under the relevant *Regional Councils*.
- ▶ The *Ministry of Agriculture* is a direct superior to the programs financed from the EAFRD and the EMFF.

## What are the main competences of the MA?

The MA in particular:

- ▶ supporting the work of the *Monitoring Committee* and providing it with the information needed to carry out its tasks,
- ▶ developing and, after approval by the *Monitoring Committee*, submitting to the Commission annual and final reports on the implementation of projects,
- ▶ establishing a system for recording and storing data on all transactions in electronic form,
- ▶ developing an evaluation plan for each OP and submitting it to the *Monitoring Committee* on the first meeting,
- ▶ carrying out evaluations, including an assessment of the effectiveness and impact of each program within the plan of evaluations; all evaluations must be reviewed by the *Monitoring Committee* and sent to the Commission,
- ▶ preparing proposals for OP changes, which are submitted to the *Monitoring Committee* for approval,
- ▶ developing a communication strategy for each OP and submitting it to the Monitoring Committee for approval; the communication strategy is updated annually with detailed information on the planned information and promotion activities to be implemented
- ▶ verifying the delivery of co-financed products and services and the actual payment of costs reported by the beneficiaries and that these costs are in line with current legislation of the EU and the Member States, the OP rules and the conditions for granting the aid
- ▶ performing a first level audit which includes the administrative verification of each payment application submitted by the beneficiaries, on-the-spot controls, the introduction of effective and proportionate anti-fraud measures, taking into account the risks identified
- ▶ drawing up the MA's statement on the credibility of the functioning of the management and control system, the legality and regularity of the transactions and the compliance with the principles of sound financial management,
- ▶ drawing up a report showing the results of the controls, identified shortcomings in managing system, control and corrective measures

Are the MAs established specifically for purposes of ESIF?

What personnel capacity is allocated to the MA?

Yes, the MAs are established specifically for the ESIF purposes.

811 in total.

## Intermediate bodies (IB1)

For the 2014-2020 programming period, two main IB1s were established in accordance with national legislation:

- ▶ *Special service for managing and implementing projects in the field of research, technological development and innovation*, which falls under the *Secretary-General for Research and Technology*,



- ▶ Special service for implementation of programs financed from the EAFRD which falls under the *Ministry of Rural Development and Food*.

Other IB1s are within the implementation structure of the MA of all ROPs that act as IB1s of the thematic / sectoral Cohesion Fund OPs in the field of environmental actions. The MA for *OP Competitiveness, Entrepreneurship and Innovation* also acts as the IB1 for all 13 ROPs in the area of financial instruments.

#### What are the main competences of IB1s?

*Special service for managing and implementing projects in the field of research, technological development and innovation* within its departments exercise in particular:

- ▶ *Project Applications Planning and Evaluation Department*: ensuring and managing the selection of projects, cooperates with the MA on the design of methodologies and selection criteria.
- ▶ *Project Management Department*: performing on-the-spot and administrative controls, monitoring the physical and financial aspects of project implementation, supervises compliance, provides the necessary information to the AA, CA and the MA and generally to all CB,
- ▶ *Department of organization, administrative technical support*: elaborating annual program and implementing OPTA projects, providing the MA with all the necessary information for evaluation, provides training, together with the NCA runs the office of the MIS information system

In the case of the transfer of responsibility for program management to the IB1, the IB is responsible for the proper management of the program. Within its control role, it monitors the fulfilment of the responsibility for the management of the IB1s and takes appropriate corrective measures.

#### Are IB1s established specifically for purposes of ESIF?

Yes, IB1s are established specifically for the ESIF purposes.

#### What personnel capacity is allocated to the IB1s?

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

#### Certification Authority (CA)

The CA is for all OPs with the exception of programs financed from the EAFRD *Special Authority for Certification and Verification of Co-financed Projects*. In the case of programs financed from the EAFRD, the certifying authority is *SOL A. E. Certified Accountants*.

#### What are the main competences of the CA?

The CA in particular:

- ▶ preparing and submitting verification and payment requests to the competent authorities of the Commission,
- ▶ overseeing the process of transferring funds to beneficiaries,
- ▶ carrying out controls on the managing authorities and beneficiaries of co-financed projects and their activities, verifying the costs declared and compliance with legislation and reporting on the adoption of the necessary measures,
- ▶ keeping records of amounts returned and withdrawn due to cancellation of all or part of the contribution to projects and sends the Commission reports according to the Regulation,
- ▶ cooperating with the NCA in formulating proposals and assessing the impact of changes to the management and control system,
- ▶ cooperating with the relevant authorities and services in setting the operating rules of the information system



Is the CA established specifically for purposes of ESIF?

Yes, the CA is established specifically for the ESIF purposes.

What personnel capacity is allocated to the CA?

45 in total.

#### Paying Authority (PA)

Paying authority for all OPs and ROPs except ROP Attika and programs financed from the EAFRD and the EMFF is the CA (the *Special Office for Certification and Verification of Co-financed Projects*)  
The PA for the ROP Attika is the Greek Bank.

What are the main competences of the PA?

For the competences of the PCA, see above. The main task of the PA is to receive funds from the Commission and transfer them to beneficiaries on the basis of the CA's instructions.

Is the PA established specifically for purposes of ESIF?

For the PCA, see above.

*The Greek Bank* was not established specifically for the ESIF purposes.

What personnel capacity is allocated to the PA?

For the PCA, see above.

Information regarding the *Greek Bank* is not publicly available and communication was not successful.

#### Audit Authority (AA)

*Financial Audit Committee* (EDEL)

What are the main competences of the AA?

EDEL is responsible for checking the proper functioning of the structural OP management and control system within the 2014-2020 Partnership Agreement and the OP Fisheries and Maritime Transport 2014-2020.

- ▶ ensuring that audits are conducted to verify the effective functioning of the management and control system
- ▶ ensuring that audits are carried out on samples appropriate for the verification of expenditure declared to the Commission; for this purpose, a methodology for statistical sampling of transactions is usually developed
- ▶ designing and annually updating an audit strategy that includes audit methodology, sample selection for audit of operations, and audit plan for the current accounting period and the next two accounting periods
- ▶ submitting strategy, opinions and annual audit reports to the Commission
- ▶ cooperating with the Commission to coordinate financial control plans and methods and share the results of the audit of the managing and control system as well as suggestions for improving the system

Is the AA established specifically for purposes of ESIF?

No, the AA is not established specifically for the ESIF purposes. It is financed from the state resources.

What personnel capacity is allocated to the AA?

78 in total (46 auditors, 19 in the *Planning and Evaluation Department*, 3 in the *Department for Special Audits*, 2 lawyers, 8 office workers).





### Other control bodies outside the ESIF implementation structure (CB)

In addition to the AA, CA and the MA, inspections may be carried out by other national control bodies such as:

- ▶ *Greece's Financial and Crime Unit (SDOE),*
- ▶ *General Inspector of Public Administration,*
- ▶ *The Inspectors-Controllers Body for Public Administration,*
- ▶ *Financial Police.*

### What are the main competences of CB?

The role of the *Greece's Financial and Crime Unit (EG SDOE)* is:

- ▶ detecting and fighting organized financial crime
- ▶ controlling compliance with national and European subsidies and grants regulation,
- ▶ detecting corruption and fraud,
- ▶ protecting the financial interests of Greece, the national economy, society and the EU

The other CBs are not directly focused on control activities within the ESIF, but they can do so within other investigations.

### Other bodies outside the ESIF implementation structure

*The Management Organization Unit of Development Programs (MOD)* is established and subject to the *Ministry of Economy and Development*.

### What are the main competences of other bodies?

The MOD in particular:

- ▶ assessing the staffing needs of the MAs, beneficiaries and other entities involved in the preparation, management, monitoring and implementation of co-financed and national programs,
- ▶ supporting the planning, management, control and implementation of co-financed and national programs through guidelines, special tools, training, the use of the distance learning system and the holding of special events and technical meetings at the initiative of the NCA or the European Commission for this purpose,
- ▶ providing technical support and solving potential problems of central and other information systems, including modernization of equipment and software needed for effective administrative and information monitoring of the ESIF operational programs,
- ▶ by decision of the Minister for Economy and Development, it may carry out studies on the structure of the ESIF bodies as well as the composition of the necessary staff,
- ▶ supporting the NCA and the MA in public awareness and information activities regarding co-funded projects. In particular, it supports the operation of ESPA.

Is the MOD established specifically for purposes of ESIF?

Yes, the MOD is established specifically for the ESIF purposes.

What personnel capacity is allocated to the MOD?

Approximately 1075 people (of which 140 at the MOD headquarters, the rest is in the MAs and the IB1s throughout Greece).

### Other bodies outside the ESIF implementation structure

The *ESPA Executive Structures* are established within ministries and are subject to the relevant Minister, Secretary General or Special Secretary, but are not a direct part of the Ministry.





What are the main competences of other bodies?

*ESPA Executive Structures:*

- ▶ supporting the relevant ministry and its subordinate authorities in identifying the needs of individual areas and the targeting of co-financed projects in line with the policy of the Ministry,
- ▶ supporting the Ministry in planning, preparing and implementing projects (if the ministries or their parts are beneficiaries);
- ▶ monitoring the overall progress of co-funded projects in the context of meeting the objectives in the sector

Are the Executive Structures established specifically for purposes of ESIF?

Yes, Executive Structures within ministries are established specifically for the ESIF purposes.

What personnel capacity is allocated to the Executive Structures?

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

Measures have been taken to simplify and speed up processes in the implementation of ESIF and reducing administrative burden:

- ▶ Reduction of the number of IB1s and delegated competences when required by legislation.
- ▶ Simplification has been included in the new management and control system based on the recommendations of the working group through the project "*Simplifying the management and control system and speeding up the procedures for the implementation of the 2007-2013 projects*".

Measures have also been taken to increase success in the implementation of projects, namely:

- ▶ improving the administrative capacity of implementing bodies, in particular by extending the MOD's responsibility for staffing and / or the provision of expertise, as well as other technical assistance activities carried out by the MA or the MOD,
- ▶ establishing and monitoring timetables with binding deadlines for each phase of project implementation and their systematic updating through integrated information systems,
- ▶ further improvement of the legislative framework for the implementation of projects in accordance with 32 different legal acts in areas where a significant number of interventions have been identified

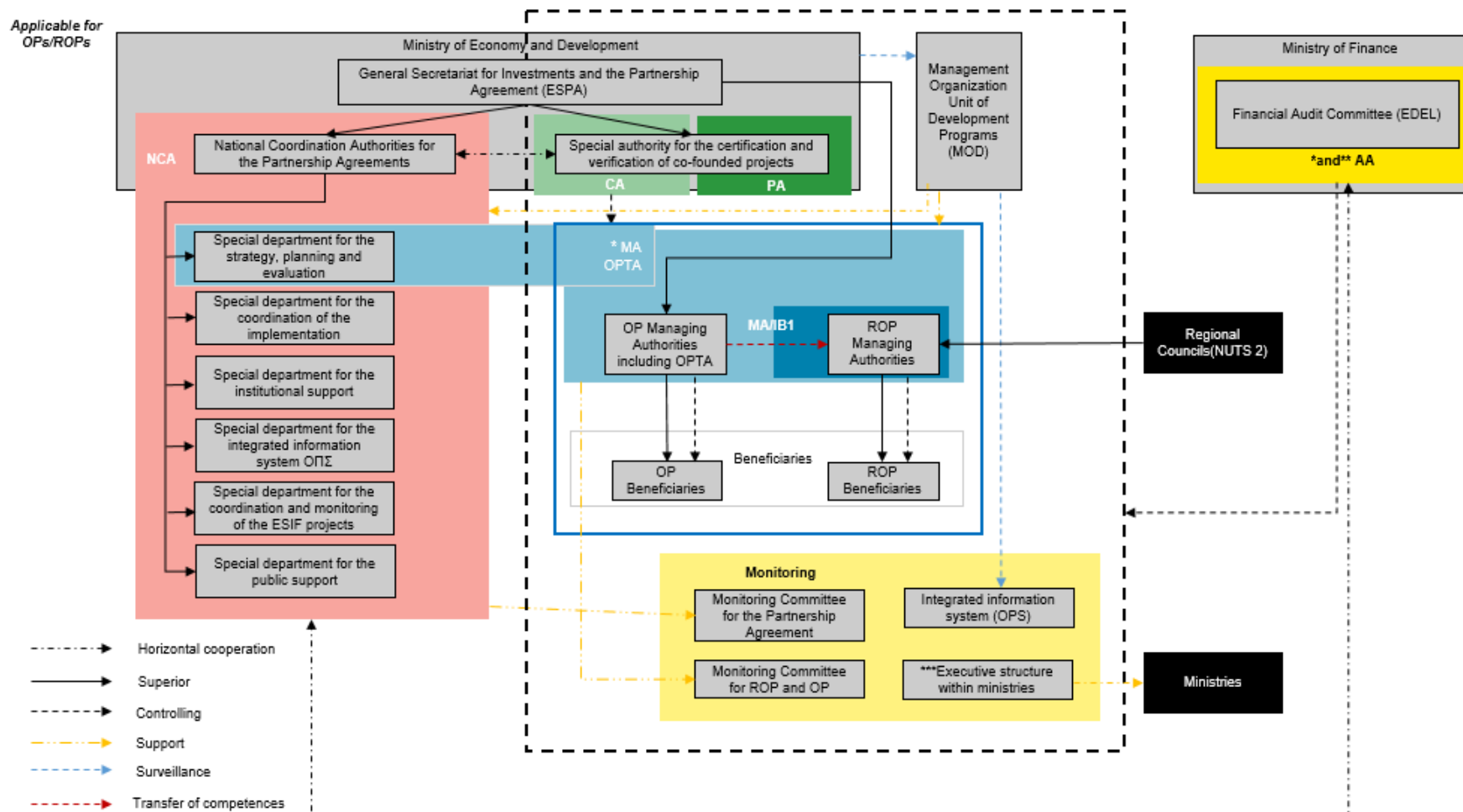
What was the reason for the changes in the implementation structure mentioned above?

During the previous programming period 2007-2013, the main weaknesses of the system were identified:

- ▶ too many competences transferred from the MA to the IB1,
- ▶ complex processes and time-consuming procedures in the management and control system,
- ▶ organizational shortcomings and lack of administrative capacity of implementing bodies as well and the legislative framework governing the implementation of the projects



### Scheme of implementation structure



\*MA OPTA can be subject of the AA's audit

\*\*audit of designation is performed by the AA

\*\*\*Executive structure within ministries ensure financing of the politics through co-financed programs, provide support to ministries / entities in implementation, monitor implementation processes and progress



### 1.9.3. Programs financed from EAFRD and EMFF

Name(s) of the OP(s) financed from EAFRD

*Rural Development Program 2014 – 2020*

Is the same methodical environment binding for the OP(s)?	Do(es) the OP(s) have the same institutional setup (same AA, PCA)?
---	--

No, a different legislative framework applies to programs financed from the EAFRD than for other OPs, namely *Ministerial Decision No 1065/2016*.

No, the program uses as the CA *SOL A.E. Certified Accountants* and as the PA *Paying and Control Body for the European aid control and guarantees*. The AA is not established, the main control body is the control unit (UNIT E) within the MA.

Do(es) the OP(s) use the same IT environment?	Do(es) the OP(s) use resources from the OP TA in the member state?
---	--

No, the program uses the *Integrated Information System of the Ministry of Agriculture*, which allows connection with other IS.

No, OP TA exists, but programs financed from the EAFRD and the EMFF do not draw funds on the labour costs, which paid for by the technical assistance of these OPs.

Name(s) of the OP(s) financed from EMFF

*OP Maritime and Fisheries 2014 – 2020*

Is the same methodical environment binding for the OP(s)?	Do(es) the OP(s) have the same institutional setup (same AA, PCA)?
---	--

For programs financed from the EMFF, the methodological environment of other OPs is only partially binding.

Partially, the AA is the same as for other OPs, but PA is the same as for *OP Rural Development* (see below).

Do(es) the OP(s) use the same IT environment?	Do(es) the OP(s) use resources from the OP TA in the member state?
---	--

No, the program uses the *Integrated Information System of the Ministry of Agriculture*, which allows connection with other IS.

No, OP TA exists, but programs financed from the EAFRD and the EMFF do not draw funds on the labour costs, which paid for by the technical assistance of these OPs.



## 1.9.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

Plans of audits and controls is always published on the AA website after approval. Participants involved in the ESIF implementation will therefore adjust their control plans to avoid duplication

Is there any database of the audit reports publicly available?

No. There is an electronic database of the AA findings only for the AA's purposes, but it is planned to link this database to the central MIS information system.

### Audit/control authority no. 1

*Financial Audit Committee at Ministry of Finance (EDEL)*

What controls/audits does the authority perform?

- ▶ Audit of managing and control systems.
- ▶ Audit of operations.
- ▶ Audit of designation.

Which authorities can the authority control?

- ▶ MA.
- ▶ IB1.
- ▶ Beneficiaries.

Are conclusions made by the authority binding for controlled / audited entities?

Yes, AA conclusions are binding for audited entities.

Who does the authority share its conclusions with?

- ▶ NCA.
- ▶ CA.
- ▶ MA/IB1.
- ▶ The European Commission (annual report).

Does the authority share auditing plans with other institutions?

Yes, detailed plan of audits and controls is always published on the AA website.

### Audit/control authority no. 2

*Special Secretariat of Greece's Financial and Crime Unit (EG SDOE)*

What controls/audits does the authority perform?

- ▶ Control of compliance with the national and the European grants regulation.
- ▶ Detecting and combating organized financial crime and fraud in case of irregularities.

Which authorities can the authority control?

- ▶ MA and CB.
- ▶ Beneficiaries.

Are conclusions made by the authority binding for controlled / audited entities?

No, these are the conclusions of the financial crime investigation. In the event that financial crime has been detected, a lawsuit must follow, in which a crime is decided.

Who does the authority share its conclusions with?

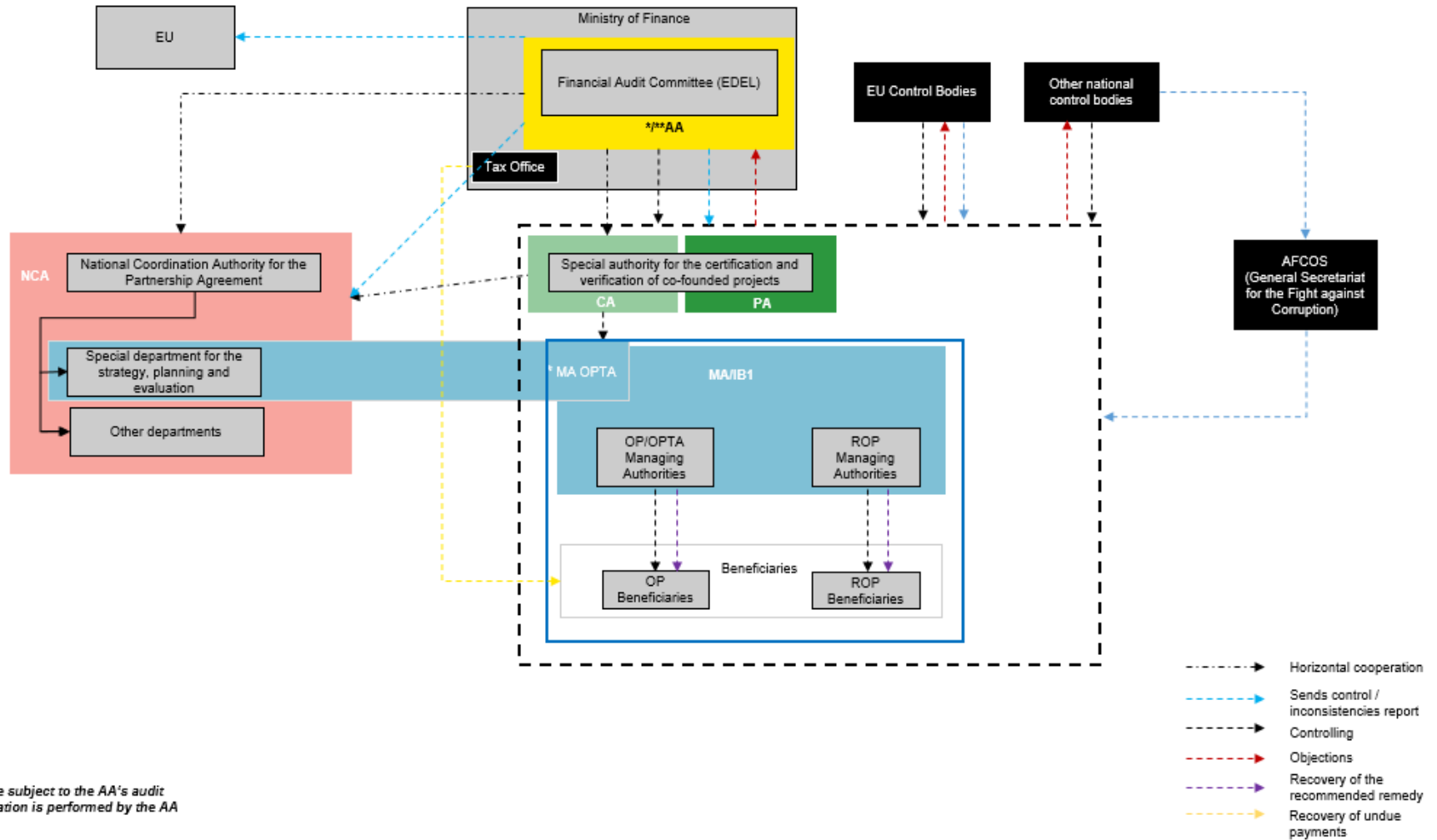
- ▶ Courts and other bodies involved in criminal proceedings.
- ▶ State Secretary for Combating Corruption.

Does the authority share auditing plans with other institutions?

- ▶ The information is not publicly available and the representatives of the authorities contacted were not been able to answer the question.



### Scheme of audit and control



\*MA OPTA can be subject to the AA's audit  
\*\*audit of designation is performed by the AA



### 1.9.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, Greece used financial instruments already in the previous 2007-2013 period..

If yes, to which extent?

7 % [% of total allocation]

In which areas are FI mainly used?

01 (Research & Innovation), 02 (ICT), 03 (SMEs), 04 (Low Carbon), 06 (Environment & Resource Efficiency), 07 (Network Infrastructures), 08 (Sustainable & Quality Employment), 09 (Social Inclusion), 10 (Educational & Vocational Training)

The use of financial instruments is mainly planned in the area of support for small and medium-sized enterprises and in the field of research and innovation support.

Are agriculture and social business assisted by FI?

The information is not publicly available and the representatives of the authorities contacted were not been able to answer the question.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

The main element of the FI implementation is state-owned fund *Hellenic Fund for Entrepreneurship & Development (ETEAN SA)*. It currently manages three funds of funds. Another assumed fund manager is the *European Investment Fund*.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

Yes, it is a state-owned fund, the *Hellenic Fund for Entrepreneurship & Development (ETEAN SA)*.

### 1.9.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Greece uses the CLLD and the SUD, 10 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes. The CLLD assistance is from the ERDF, ESF, EAFRD and the EMFF. The ITI and the SUD assistance is from the ERDF and the ESF.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

Information not found. Available information suggests that a special multi-fund program for IT implementation at national level does not exist. The ESIF is implemented through a complex set of 7 national and 13 regional operational programs. In addition, the IN are funded from different funds - the EAFRD, EMFF, ERDF and the ESF.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Yes, implementation is through the EAFRD, EMFF and programs funded by some ERDF and ESF funds.



What topics are addressed within territorial dimension and dimension of integrated approach?

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas exclusively supported through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF??

Yes, the implementation of macro-regional strategies (specifically the *Strategy for the Adriatic-Ionian Region*) is being implemented in combination with the ESIF. Operational programs contain objectives and interventions fulfilling this strategy, precisely the strategy will be implemented also through projects supported by ESIF, especially from regional operational programs.

---



### 1.9.7. Monitoring and IT

How is monitoring methodically supported?

Within the implementation structure, the *Monitoring Committees* of individual OPs are established and the main *ESPA Monitoring Committee* is established.

How are evaluations coordinated?

The evaluations are carried out on the basis of an evaluation plan proposed by the NCA and approved by the *ESPA Monitoring Committee*. An evaluation plan is proposed for the entire programming period and plans are set for each OP. Within the NCA, a dedicated evaluation unit is established.

What IT instruments are used for the implementation and monitoring of ESIF?

The following tools are used to implement and monitor the ESIF:

- ▶ *DIAVLOS*: an internal interface within the *www.espa.gr* portal, linking all MA officials and represents a working platform for the ESIF planning, consultation of documents, written part of the monitoring committee procedure, etc.
- ▶ *PSKE*: serves to regulate and monitor state support processes, including user support through FAQs, emails, helpdesks, and other assistive applications (audit and evaluation registers, interfaces with third-party systems, etc.). It is the central node of state support processes and provides advanced services for the submission, management and monitoring of investment projects, including drawings and audits.
- ▶ *OPS*: integrated ESIF information system, public subsidy and private investment system. Connects all public support IS via the MOD data centre.
- ▶ *PSS*: the collecting information system monitors the payment of state aid and ensures the legality of its provision (user consultation, links to other ISs, etc.)
- ▶ *PSYPODE*: a special electronic platform developed by the MOD to conduct electronic payment transactions within a public support system and an electronic monitoring of arrears, where all the documents relating to the payments made by individual projects are put by the public support system authorities.

In which areas is (solely) paper documentation used?

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

### 1.9.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

Yes, there is a *Law on the management, control and implementation of development interventions in Greece in the 2014-2020 programming period*, N. 4314/2014.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

Following Ministerial Decisions (issued by one or more Ministers jointly) are related to the ESIF Act:

- ▶ *YA 110427 / EYΘY / 1020 / 20.10.2016 - Amendment and replacement of Ministerial Decision No.81986 / EYΘY712 / 31.07.2015 "National eligibility rules for the ESIF programs 2014-2020 - Controls on the legality of public procurement under the ESF co-funded projects 2014-2020 by*





*the Managing Authorities and the Intermediate Bodies - Appeals against the results of the evaluation of project applications "*

- ▶ *KYA 126829/2015 - Remedies and recovery of undue payments*
- ▶ *KYA 24944/2016 – The MA and the IB1 Rural Development Program*
- ▶ *YA 123511/2017 – IB1 Special Service for the Management and Project Implementation in Research, Technological Development and Innovation under the General Secretariat for Research and technology.*

The above legislation is binding on all authorities involved in the ESIF management and control system and the *SDE Procedures Manual* binding on all authorities involved in the management and control system is based on it. Compliance with the procedures described in the *SDE Procedure Manual* is centrally supervised by the NCA.

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

There is convergence of legislation. The procedures for the ESIF (and in general for all projects under the 2014-2020 Partnership Agreement) are now codified by specific national legislation (see above), while binding procedures for national grant titles are codified in laws *N. 4399/2016 and N. 2515/97*. However, based on information gathered from the Greek press and subsequently confirmed by the NCA, a new law on management and control system for national grant titles is currently being prepared in Greece, inspired by ESIF's management and control system.

Specific discrepancies could were not found even from publicly available documents, the representatives of the relevant authorities were not able to answer the question.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

The discrepancies are defined in the ESIF Law and the procedure for their solution is described in the *SDE Procedure Manual* and in *Ministerial Decision 126829/EYΘY/2015*. The process of dealing with irregularities varies slightly depending on when the irregularity was detected, especially in who issues the final decision on corrective measures (the *Minister of Finance* in the case of the AA finding or an authority directly superior to the MA in the case of other CBs). However, the enforcement of ineligible funds shall always be carried out by the competent tax authority, once the relevant decision has been made and the beneficiary has received formal notification. The Tax Office does not carry out any further controls or verifications within the recovery process. In the case of overdue payments of more than 30 days, the next procedure is governed by the *National Law on the recovery of public revenues*.

The discrepancy between the national and the ESIF legislation was not found, the representatives of the competent authorities were not able to answer the question.

### 1.9.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Yes, funds can be pre-funded from the state budget up to 40% of the total amount of aid. After verification of the project's expenditure, the state budget will receive the corresponding ESIF contribution.

Which currency is used in the case of pre-financing?

EUR.



### 1.9.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

Based on information provided by the NCA, there is no discussion on the theme of the 2020+ program changes. The NCA expects the European Commission's recommendations.



## 1.10. Spain (ES)

### 1.10.1. General information, allocation and targeting

Name of the member country	Country code
Spain	ES
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
64 (9/55)	7/19/59

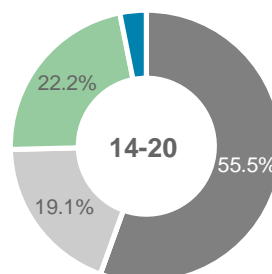
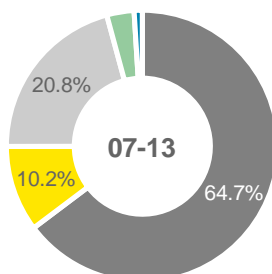
Total allocation planned (according to programming period and fund)

Total allocation  
(mil. EUR)

14-20: 37 052

07-13: 32 876

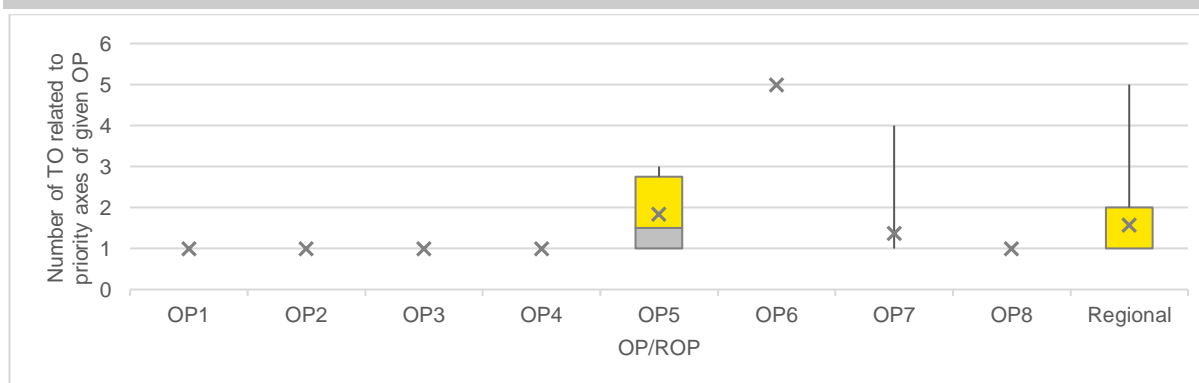
- ERDF
- CF
- ESF
- EAFRD
- EMFF



Share of national operational programmes that relate to individual thematic objectives

TC1	TC2	TC3	TC4	TC5	TC6	TC7	TC8	TC9	TC10	TC11	TC12
22 %	11 %	44 %	22 %	11 %	33 %	11 %	44 %	44 %	22 %	0 %	0 %
(2/9)	(1/9)	(4/9)	(2/9)	(1/9)	(3/9)	(1/9)	(4/9)	(4/9)	(2/9)	(0/9)	(0/9)

Targeting of priority axes of individual operational programmes in relation to thematic objectives



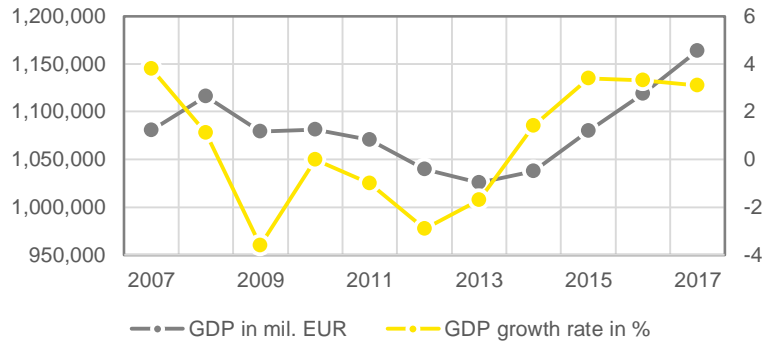


### Gross domestic product development (2007 – 2017)

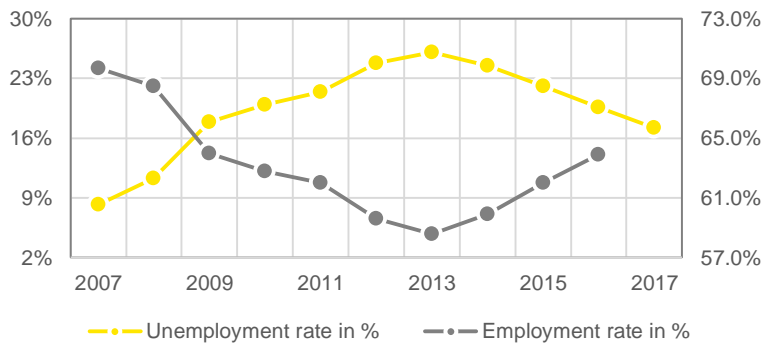
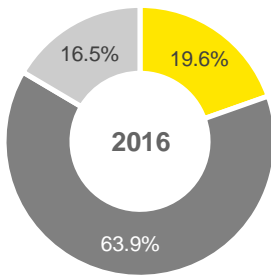
GDP per capita (EUR per capita)

2017: 25 000

2007: 23 900



### Labour market development (2016)





## 1.10.2. Main actors

### National Coordination Authority (NCA)

- ▶ ERDF: *Directorate General of European Funds,*
- ▶ ESF: *Deputy General Sub-Directorate of Management, Administrative Unit of the European Social Fund,*
- ▶ EAFRD: *Directorate-General for Rural Development and Forest Policy,*
- ▶ EMFF: *Directorate-General for Fisheries Management of Secretary-General for Fisheries.*

### What are the main competences of the NCA?

- ▶ analysing, monitoring and evaluating financial flows with the EU;
- ▶ negotiating, preparing, evaluating and reviewing the agreements and strategies for the preparation of OPs co-financed by the ESF and, in particular, the ERDF, in coordination with the various administrative authorities and funds;
- ▶ elaborating economic analyses and studies in the field of the European funds;
- ▶ negotiating with the EC and other institutions about the regulation of the ESIF and other funds under its authority;
- ▶ coordinating and cooperating with territorial administrations in relation to the management and monitoring of the activities carried out with the ERDF and other allocated funds;
- ▶ carrying out controls and designing the corrective measures necessary to ensure the proper functioning of the funds

### Is the NCA established specifically for purposes of ESIF?

Yes, the coordination bodies themselves (specific departments) are established specifically for the ESIF purposes. However, the institutions themselves are not established for the ESIF purposes.

### What personnel capacity is allocated to the NCA?

ESF: a total of 62 employees (works as the NCA, PCA, MA).

### Managing Authorities (MA)

- ▶ ERDF: *Subdirector General for Management of the ERDF of Directorate General of European Funds,*
- ▶ ESF: *Deputy General Sub-Directorate of Management, Administrative Unit of the European Social Fund,*
- ▶ EAFRD: various MAs for individual OP, usually *Directorate-General for Agriculture and Rural Development* in the region,
- ▶ EMFF: *Directorate-General for Fisheries Management of Secretary-General for Fisheries, Ministry of Agriculture, Fisheries and Food.*

### What are the main competences of the MA?

- ▶ developing legislation and regulations relating to fund management and control;
- ▶ identification of the intermediate bodies of the OP and defining the terms of the agreements concerning IB1s for the funds under their competence;
- ▶ representing in committees and coordination working groups of the European funds and other committees, coordinating and promoting the thematic networks related to the ERDF and to other allocated funds,
- ▶ other competences established by the Regulation



Are the MAs established specifically for purposes of ESIF?

Yes, the MA (specific departments) are established specifically for the ESIF purposes. However, the institutions themselves are not established for the ESIF purposes.

What personnel capacity is allocated to the MA?

Personnel capacities vary considerably according to the MA, usually tens of people.

### Intermediate bodies (IB1)

OPs have one or more intermediate bodies, some OPs have tens of IB1s (EMFF). IB1s of regional operational programs are autonomous administrations; other OPs may include other governmental or regional authorities, such as the *State Secretary for Research, Development and Innovation*, *State Secretary for Information Society and Digital Agenda*, and *Spanish Chamber of Commerce*.

What are the main competences of IB1s?

- ▶ managing OP,
- ▶ monitoring and control of expenditure

Are IB1s established specifically for purposes of ESIF?

IB1s identified are not established specifically for ESIF purposes.

What personnel capacity is allocated to the IB1s?

Personnel capacities vary considerably according to the IB1, usually tens of people.

### Certification Authority (CA)

- ▶ ERDF: *Subdirectorate General of Certification and Payments of Directorate General of European Funds*,
- ▶ ESF: *Deputy General Subdirectorate of Payments and Control of Administrative Unit of the European Social Fund*,
- ▶ EAFRD: each OP has its own CA, these are usually general interventions of the regions
- ▶ EMFF: *Spanish Agrarian Guarantee Fund*

What are the main competences of the CA?

PCA (ERDF):

- ▶ verifying payments from the MA,
- ▶ completing reports from the MA,
- ▶ sending documents to the EC,
- ▶ creating annual reports,
- ▶ producing statistics for Spain and the EC

Are the CA established specifically for purposes of ESIF?

They are for the ERDF and the ESF, not for the EMFF, varies for the EAFRD.

What personnel capacity is allocated to the CA?

PCA for ERDF has total of 18 employees:

- ▶ Certification unit – 7 employees (one manager and six program coordinators),
- ▶ Payment unit – 7 employees (one manager and six office workers),
- ▶ Control unit – 2 employees (one manager and one coordinator),
- ▶ 1 office worker,
- ▶ 1 head of the body.



## Paying Authority (PA)

- ▶ ERDF: *Subdirectorate General of Certification and Payments of Directorate General of European Funds,*
- ▶ ESF: *Deputy General Subdirectorate of Payments and Control of Administrative Unit of the European Social Fund,*
- ▶ EAFRD: different PAs for individual OPs, usually under ministries, guarantee funds etc..

## What are the main competences of the PA?

### PCA (ERDF):

- ▶ verifying payments from the MA,
- ▶ completing reports from the MA,
- ▶ sending documents to the EC,
- ▶ creating annual reports,
- ▶ producing statistics for Spain and the EC

### Is the PA established specifically for purposes of ESIF?

They are for the ERDF and the ESF, not for the EMFF, varies for the EAFRD.

### What personnel capacity is allocated to the PA?

ERDF: 7 employees of payment unit

## Audit Authority (AA)

*General Comptroller of the State Administration (IGAE)* is the AA for all funds. The ERDF control body is only the IGAE, but for the other funds, in most cases, audits and controls are carried out by the *General Comptroller of the Autonomous Communities* according to the regions concerned.

## What are the main competences of the AA?

### Competences related to the ESIF:

- ▶ performing financial control and audit of the control of the European funds;
- ▶ planning, programming, coordinating and monitoring the flow of funds from the European funds;
- ▶ designing, developing and updating information systems for the planning and management of the European funds, IT support of the *Directorate General of European Funds*

### Is the AA established specifically for purposes of ESIF?

No, it is a public sector control / audit authority in Spain.

### What personnel capacity is allocated to the AA?

Division III of the *National Audit Office (IGAE)* has 30 technical staff involved in the financial control of the European funds. In addition, other IGAE staff (public inspectors mandated by ministries and agencies, technical staff of the *Office*) may carry out these inspections.

- ▶ delegated IGAE controllers in ministries and agencies: 476
- ▶ regional an territorial CB IGAE: 424
- ▶ National Audit Office: 222

## Other control bodies outside the ESIF implementation structure (CB)

*General Comptroller of the Autonomous Communities* act as control bodies related to the regional division of the ERDF, but the ERDF control body is only the IGAE..



What are the main competences of CB?

- ▶ performing internal control of the economic and financial activities of the autonomous community
- ▶ performing financial control and subsidy audits for the autonomous community

Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

Yes, the number of OPs has decreased (for example, in Spain there are no CB) and the IB1s.

What was the reason for the changes in the implementation structure mentioned above?

Simplification of the system was mainly due to the reduction of the administrative burden.

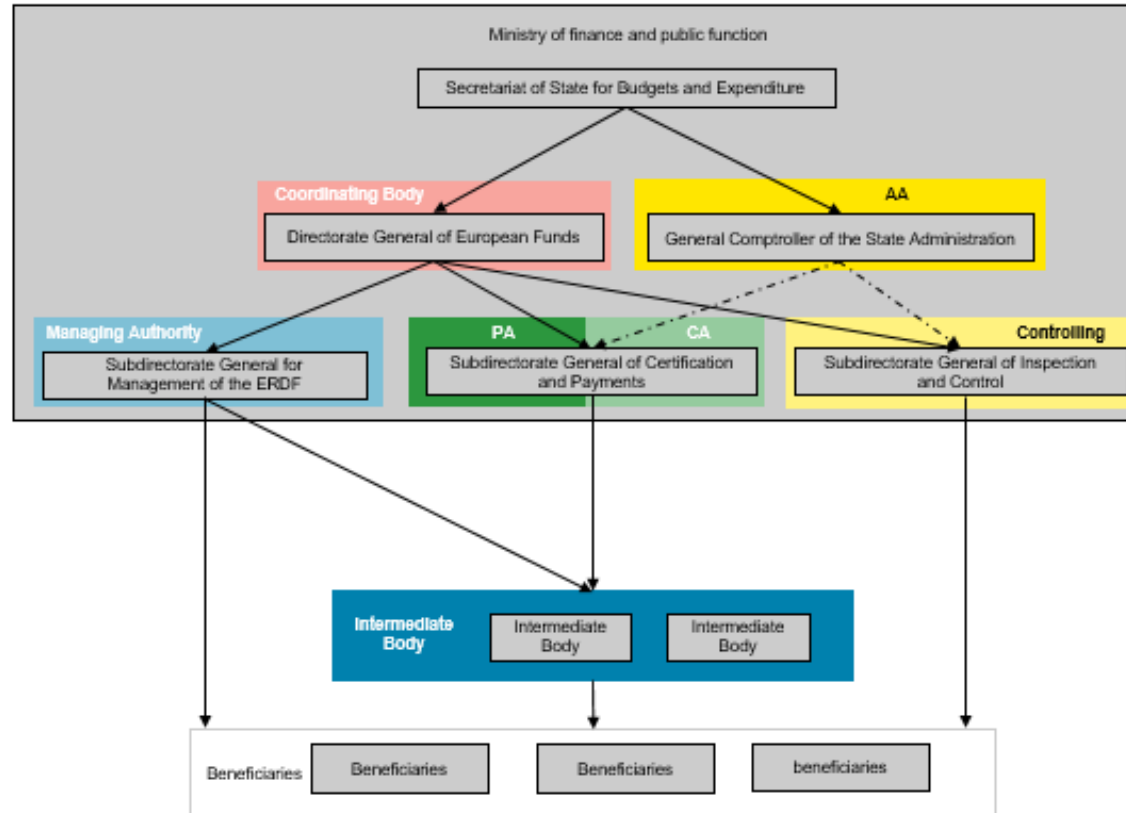
---





## Scheme of implementation structure

Applicable for ERDF



-----> Horizontal cooperation

————> Superior

-----> Controlling



### 1.10.3. Programs financed from EAFRD and EMFF

Name(s) of the OP(s) financed from EAFRD

17 regional OPs (names by individual autonomous communities) and 1 national OP (*PDR Nacional*).

Is the same methodical environment binding for the OP(s)?	Do(es) the OP(s) have the same institutional setup (same AA, PCA)?
---	--

No. Coordination of the PCA and the AA is decentralized.	No, OPs have different AAs and PCAs.
--	--------------------------------------

Do(es) the OP(s) use the same IT environment?	Do(es) the OP(s) use resources from the OP TA in the member state?
---	--

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.	No, OP TA does not exist in Spain.
--	------------------------------------

Name(s) of the OP(s) financed from EMFF

*OP de Pesca 2014-2020*

Is the same methodical environment binding for the OP(s)?	Do(es) the OP(s) have the same institutional setup (same AA, PCA)?
---	--

No.	No, OPs have different AAs and PCAs.
-----	--------------------------------------

Do(es) the OP(s) use the same IT environment?	Do(es) the OP(s) use resources from the OP TA in the member state?
---	--

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.	No, OP TA does not exist in Spain.
--	------------------------------------



## 1.10.4. Audit and control

**Do the audit/control authorities share their auditing plans with each other / other institutions?**

Yes, the AAs shares the results of controls, audits and plans with a coordinating body that also carries out control activities. Sharing takes place at regular annual meetings and also in written form (electronically on a weekly basis).

All audit and control subjects often communicate with each other.

**Is there any database of the audit reports publicly available?**

The IGAE has developed the FOCO Audit Application, which is used in audits, and may also be used by the *General Comptroller of the Autonomous Communities*. In-app information is not publicly available.

### Audit/control authority no. 1

*General Comptroller of the State Administration (IGAE).*

The IGAE also directs the *Coordination Commission* to coordinate and standardize audit work programs, audit criteria, audit drafts and final reports

<b>What controls/audits does the authority perform?</b>	<b>Which authorities can the authority control?</b>
---	---

- ▶ Audit of designation.
- ▶ Audit of operations.
- ▶ Audit of managing and control systems.

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

**Are conclusions made by the authority binding for controlled / audited entities?**

Yes.

<b>Who does the authority share its conclusions with?</b>	<b>Does the authority share auditing plans with other institutions?</b>
---	---

Audit reports are sent to the audited entity (beneficiaries or authorities), to the MA and the CA for comments. After analysing all the comments, the final audit report is issued and sent to the auditee, to the MA and the CA.

Yes, with coordination body.

### Audit/control authority no. 2

Within the framework of the ESF, audits are carried out by the *General Comptroller of the Autonomous Communities*.

<b>What controls/audits does the authority perform?</b>	<b>Which authorities can the authority control?</b>
---	---

- ▶ Audit of operations.
- ▶ Audit of systems.
- ▶ Audit of accounts.

- ▶ Beneficiary of national funds.
- ▶ Beneficiary of European funds.
- ▶ Autonomous communities.



Are conclusions made by the authority binding for controlled / audited entities?

Yes.

Who does the authority share its conclusions with?

- ▶ with controlled entities,
- ▶ with the *Directorate General of European Funds*
- ▶ with the EC
- ▶ with Spanish Court of Auditors (only on request)

Does the authority share auditing plans with other institutions?

Plans of control are shared by institutions only on request with the *Directorate-General for European Funds* and the *Spanish Court of Auditors*.

### Audit/control authority no. 3

The other audit / control authority is probably the *Spanish Court of Auditors*. Contact staff of the institution were unable to confirm whether they are performing audits, controls or monitoring of the ESIF funds. They stated that the *Court* carries out controls from some funds, but could not specify.

What controls/audits does the authority perform?

Irrelevant.

Which authorities can the authority control?

Irrelevant.

Are conclusions made by the authority binding for controlled / audited entities?

Irrelevant.

Who does the authority share its conclusions with?

Irrelevant.

Does the authority share auditing plans with other institutions?

Irrelevant.



### 1.10.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, Spain used financial instruments already in the previous 2007-2013 period, now allocation has been increased.

If yes, to which extent?

6 % [% of total allocation]

In which areas are FI mainly used?

01 (Research & Innovation), 03 (SMEs), 04 (Low Carbon), 06 (Environment & Resource Efficiency), 08 (Sustainable & Quality Employment)

Most financial instruments are intended to be used, particularly to support SMEs and research and innovation.

Are agriculture and social business assisted by FI?

No information was found to confirm the support of social entrepreneurship or agriculture through the FI.

However, two programs, namely the OP ESF for Employment, Training and Education and the ESF Madrid are planned to support the EU-level instrument - the Program for Employment and Social Innovation (EaSI). This program also promotes social entrepreneurship as one of the priorities.

Support is also planned through the FI from the EMFF.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

For two financial instruments, their managers are regional investment banks / funds, owned wholly or for the most part by the region. The manager of one of the funds is the *European Investment Fund*.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

The Coordination Body at the central level was not identified.

### 1.10.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Spain uses the CLLD, ITI and the SUD, 9 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes. The CLLD assistance is from the ERDF, ESF, EAFRD and the EMFF. The ITI and the SUD assistance is mainly from ERDF, partially from the ESF.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No. Spain has a complex system of many national and regional OPs. Multi-fund programs may be set up at regional level eventually.



Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Implementation of the CLLD in particular through the EAFRD, the EMFF, and in the national and regional OPs. Implementation of the ITI and the SUD through regional OP, also through the EAFRD and the EMFF programs.

ITI is planned in the regions Azul, Mar Menor (Murcia), Cádiz (Andalusia), Teruel (Aragon), Castilla-La Mancha.

The co-ordination role of the integrated instruments at national level is not set in the Partnership Agreement.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated instruments, a very wide range of topics are dealt with in local / territorial development strategies.

Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas exclusively supported through the territorial dimension / integrated instruments.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

Information not found, in the Partnership Agreement it is described only in general terms.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Spain is not part of any macro-regional strategies.

---



## 1.10.7. Monitoring and IT

How is monitoring methodically supported?

It is governed by the Royal Decree No 769/2017, which develops the basic organizational structure of the *Ministry of Finance and the Civil Service*, which includes the *Directorate-General for European Funds*.

How are evaluations coordinated?

The evaluations are centralized, carried out by the *Directorate-General for European Funds* for the ERDF.

What IT instruments are used for the implementation and monitoring of ESIF?

According to the Partnership Agreement, individual funds have their own information systems:

- *Fondo2020* (ERDF);
- *FSE2014* (ESF);
- *BDC* application, assistance management system *PAC 2015* (EAFRD).

In which areas is (solely) paper documentation used?

It is an attempt to make all processes electronically, paper-based documents are used exceptionally in correspondence.

## 1.10.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

No, there is no ESIF law in Spain.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

Specifically for ESIF, there is the Royal Decree No 769/2017 of 28<sup>th</sup> July. This Decree sets the competences of the *Directorate-General for European Funds* and describes the management model. Furthermore, the Decree sets the competences of the AA IGAE.

Other specific ESIF rules have not been found in publicly available documents, and even the representatives of the relevant authorities have not been able to answer the question. In other respects, the ESIF is apparently governed by the national subsidy legislation (see below).

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

No, in Spain, the Grant Act No 38/2003 applies to national grant titles and subsidies financed from the EU funds. The procedures are binding on all recipients of subsidy titles, with the exception of subsidies granted without prior application, grants awarded under organic laws 5/1985 and 3/1987 and subsidies granted to parliamentary groups.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

The discrepancies in the ESIF are governed by the Subsidies Act (No 38/2003), thus there is no conflict between national and ESIF regulations.



The MA (within the *Directorate-General for European Funds*) is responsible for enforcing discrepancies in cooperation with the *Spanish Tax Agency*, which checks the reimbursement.

### 1.10.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Which currency is used in the case of pre-financing?

ERDF: No, the beneficiaries are always state institutions and all expenses are covered first by their own resources. Irrelevant.

### 1.10.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

No, according to contacted employee of *Directorate-General for European Funds*, there are no planned changes.





## 1.11. Finland (FI)

### 1.11.1. General information, allocation and targeting

Name of the member country	Country code
----------------------------	--------------

Finland FI

Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
---	---

6 (3/3) 2/5/19

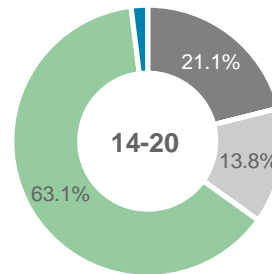
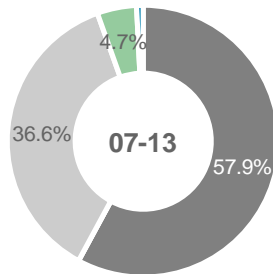
#### Total allocation planned (according to programming period and fund)

Total allocation  
(mil. EUR)

14-20: 3 756

07-13: 1 604

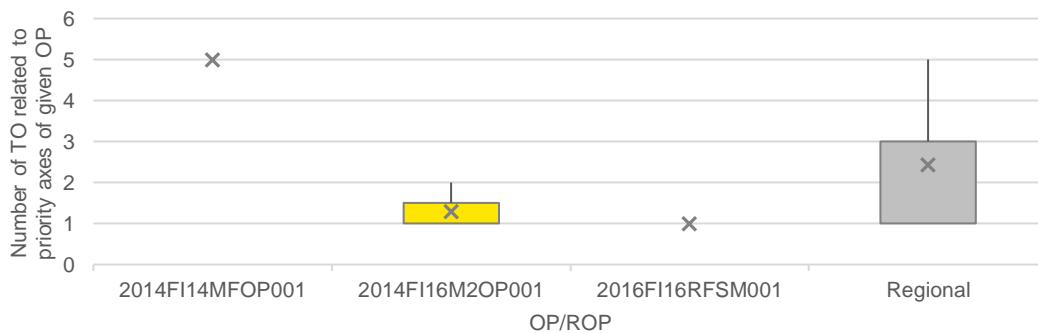
- ERDF
- CF
- ESF
- EAFRD
- EMFF



#### Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
33 %	0 %	100 %	67 %	0 %	33 %	0 %	67 %	33 %	33 %	0 %	0 %
(1/3)	(0/3)	(3/3)	(2/3)	(0/3)	(1/3)	(0/3)	(2/3)	(1/3)	(1/3)	(0/3)	(0/3)

#### Targeting of priority axes of individual operational programmes in relation to thematic objectives



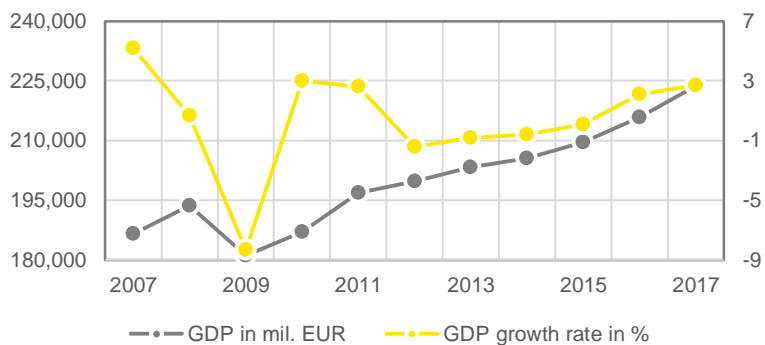


### Gross domestic product development (2007 – 2017)

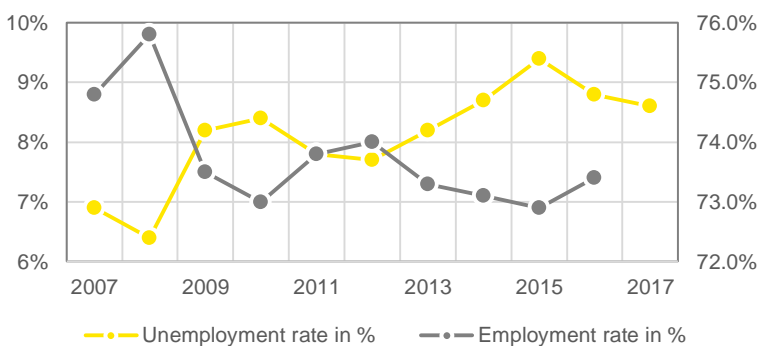
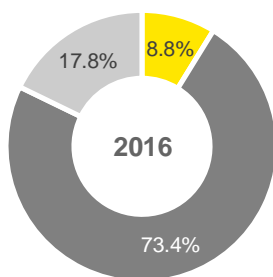
GDP per capita (EUR per capita)

2017: 40 600

2007: 35 300



### Labour market development (2016)





## 1.11.2. Main actors

### National Coordination Authority (NCA)

#### *Advisory Committee on Regional and Structural Policies*

#### What are the main competences of the NCA?

- ▶ coordinating the preparation and implementation of decision-making, plans and programs for development of national territories, partnership agreements, structural funds, EAFRD and EMFF programs
- ▶ monitoring and evaluating the effectiveness of decisions, plans, programs and contracts
- ▶ dealing with legislative proposals of programs and other key document concerning implementation of programs
- ▶ supporting *Ministry of Economic Affairs and Employment* and other ministries in coordinating and monitoring Partnership Agreement and regional development programs
- ▶ dealing with the legislative proposals mentioned in section 13 (3) of the Act on Regional Development and the Administration of Structural Funds and other key documents related to the implementation and coordination of the programs

Is the NCA established specifically for purposes of ESIF?

Yes, the NCA is established specifically for ESIF purposes.

What personnel capacity is allocated to the NCA?

Information was not found in publicly available documents and communication with representatives of relevant authorities was not successful.

### Managing Authorities (MA)

#### Line ministries:

- ▶ *Ministry of Economic Affairs and Employment - OP Sustainable growth and jobs 2014-2020, OP SME Initiative,*
- ▶ *Ministry of Agriculture and Forestry, Department of National Resources - OP Rural Development Programme for Mainland Finland; OP European Maritime and Fisheries Fund,*
- ▶ *Ministry of Commerce, Aland government – OP Aland Rural Development,*
- ▶ *Ministry of Trade and Industry, Aland government – OP Entrepreneurship and skills Aland.*

#### What are the main competences of the MA?

- ▶ developing a plan for program evaluation
- ▶ performing the evaluation and submitting the evaluation reports to the Commission
- ▶ preparing the communication strategies of the program
- ▶ information and communication activities on the implementation of measures in line with communication strategy
- ▶ creation of centralized website of web portal and maintaining a list of projects
- ▶ informing the public

Are the MAs established specifically for purposes of ESIF?

No, the MAs are established specifically for the purposes of the ESIF. Selected departments of the institutions, which are delegated to the

What personnel capacity is allocated to the MA?

Information was not found in publicly available documents and communication with



exercise of competences by the MA, are specifically established for ESIF purposes.

representatives of relevant authorities was not successful.

### Intermediate bodies (IB1)

IB1s in Finland are at regional level (4 *ELY Centres*, 4 *Regional Councils*, *Regional Cooperation Teams*), or the *Ministry of Social Affairs and Health* fulfils the role of IB1s.

### What are the main competences of IB1s?

Generally by law:

- ▶ deciding about provision of subsidy,
- ▶ recovery of illegible payments of unlawful expenses and other remedial measures,
- ▶ informing and communicating with the public, with applicants, potential beneficiaries,
- ▶ project monitoring,
- ▶ administrative controls and on-the-spot controls,
- ▶ deciding on legality of expenses paid to the beneficiaries,
- ▶ helping the MA in the work of Monitoring Committee and preparing reports on the implementation of programs to the EC

At the regional level:

- ▶ *Centres ELY* processing application for funding in particular,
- ▶ *Regional Councils* (EFRD) support the *Ministry of Economic Affairs and Employment* and other regional development ministries in coordination, planning and monitoring compliance with the Partnership Agreement,
- ▶ *Regional Cooperation Working Group MYR* approves implementation of regional plan (TOPSU), which defines the development guidelines and the way in which the EU funds are each year allocated to the bodies providing funding.

### Are IB1s established specifically for purposes of ESIF?

Not all IB1s are established specifically for the ESIF purposes (*Regional Councils*, *Regional Cooperation Working MYR*). Especially for the ESIF purposes, *ELY Centres* are established and it may also be the case for selected departments of the institutions.

### What personnel capacity is allocated to the IB1s?

Information was not found in publicly available documents and communication with representatives of relevant authorities was not successful.

### Certification Authority (CA)

- ▶ *Ministry of Economic Affairs and Employment*, Department of Human Resources and Administration - *OP Sustainable growth and jobs 2014-2020*, *OP SME Initiative*
- ▶ *BDO Oy* – *OP Rural Development Programme for Mainland Finland 2014-2020*
- ▶ *Ministry of Agriculture and Forestry, Management and Planning*, financial department – *OP European Maritime and Fisheries Fund*
- ▶ *General Office of the Finance Department*, *Aland government* - *OP Entrepreneurship and skills Aland* and *OP Aland Rural Development*



### What are the main competences of the CA?

- ▶ Sending forecasts of payments and other financial information to the EC.
- ▶ Transmitting irregularities to the EC.
- ▶ For *OP Rural Development Programme for Mainland Finland 2014-2020: Ministry of Agriculture and Forestry*, as a competent authority, selects and authorized auditing firm for CA through a selection procedure.

### Is the CA established specifically for purposes of ESIF?

No, the CA is not established specifically for the purposes of the ESIF. However, selected departments of the institutions which are delegated to the exercise of CA competences, are specifically established for ESIF purposes.

### What personnel capacity is allocated to the CA?

Information was not found in publicly available documents and communication with representatives of relevant authorities was not successful.

### Paying Authority (PA)

- ▶ *Ministry of Economic Affairs and Employment, Department of Human Resources and Administration - OP Sustainable growth and jobs 2014-2020, OP SME Initiative*
- ▶ *Agency for Rural Affairs - OP Rural Development Programme for Mainland Finland 2014-2020*
- ▶ *Ministry of Agriculture and Forestry, Management and Planning, financial department – OP European Maritime and Fisheries Fund*
- ▶ *General Office of the Finance Department, Aland government - OP Entrepreneurship and skills Aland and OP Aland Rural Development*

### What are the main competences of the PA?

- ▶ Authorization of payments, administrative and on-the-spot controls.
- ▶ Paying a contribution from the EAFRD and maintaining payment accounts at all operational levels.

### Is the PA established specifically for purposes of ESIF?

No, the PAs are not established specifically for the purposes of the ESIF. However, selected departments of the institutions which are delegated to the exercise of the competences of the PA are specifically established for the purposes of ESIF.

### What personnel capacity is allocated to the PA?

Information was not found in publicly available documents and communication with representatives of relevant authorities was not successful.

### Audit Authority (AA)

*Ministry of Finance*

### What are the main competences of the AA?

- ▶ list of the AA's competences corresponds to the enumeration given in the general regulation. In addition to the competences laid down by the regulation, the AA is responsible for the audit of designation of the administrative and CA and IB1s



Is the AA established specifically for purposes of ESIF?

No, the AAs are not established specifically for the purposes of the ESIF. However, selected department of the institution which is delegated to the exercise of the competences of the AA is specifically established for the purposes of ESIF.

What personnel capacity is allocated to the AA?

Information was not found in publicly available documents and communication with representatives of relevant authorities was not successful.

Other control bodies outside the ESIF implementation structure (CB)

*National Steering Group*

What are the main competences of CB?

- ▶ monitoring, evaluating and supporting strategic management and implementation of the program
- ▶ submitting proposals to IB1s regarding selection criteria used to approve projects
- ▶ can process project application in cooperation with IB1s

Is the CB established specifically for purposes of ESIF?

Yes.

Were there any significant changes in the ESIF implementation structure in comparison to the programming period of 2007-2013?

- ▶ Implementation of the new EURA 2014 monitoring system.
- ▶ Simplifying forms and procedures.
- ▶ Better links between cohesion policy and domestic business monitoring systems have been created to avoid duplication.

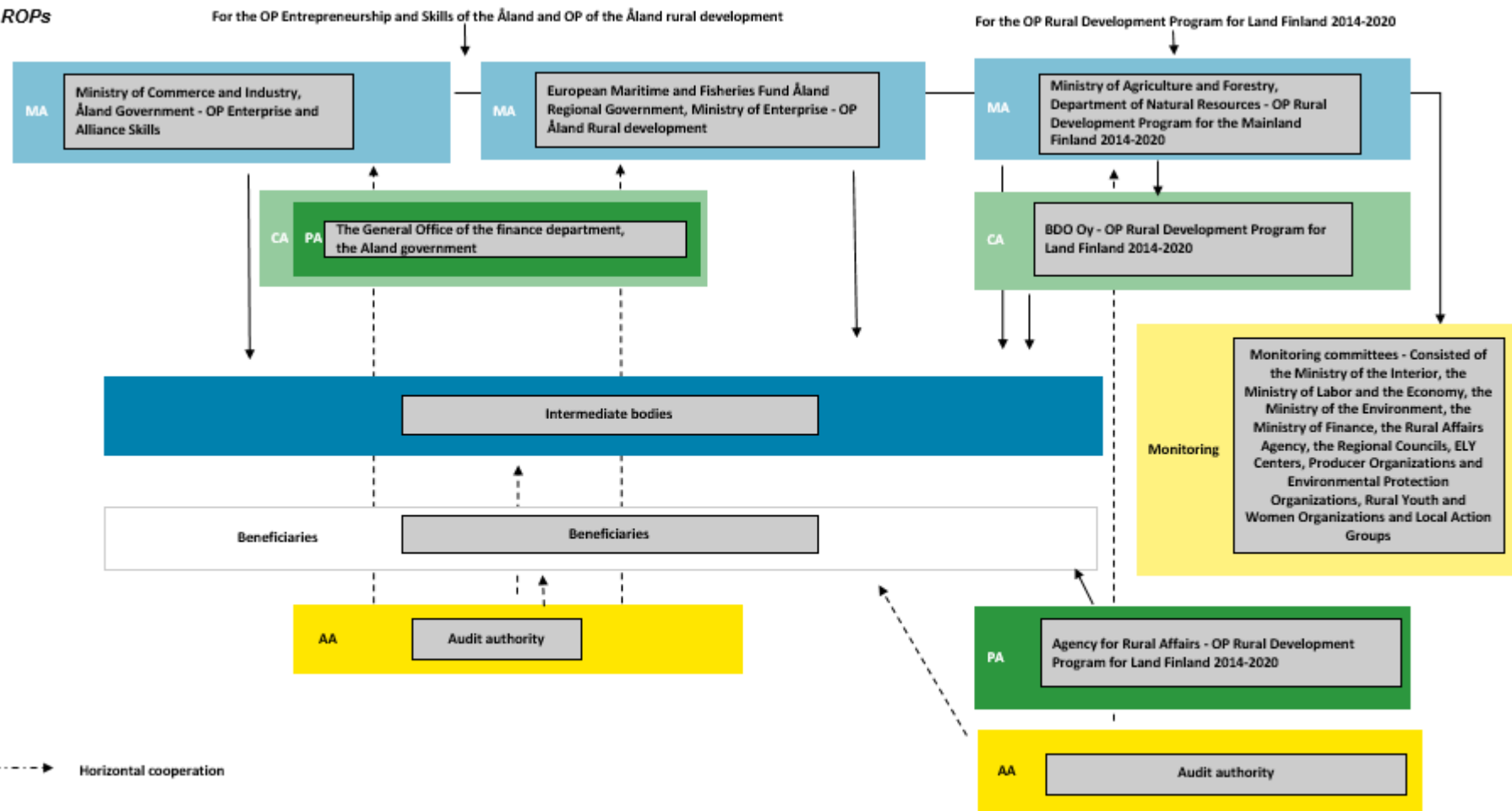
What was the reason for the changes in the implementation structure mentioned above?

- ▶ Reduction of the burden on project beneficiaries.
- ▶ Reduction of the risk of delays or inaccuracies.



### Scheme of implementation structure

For ROPs





### 1.11.3. Programs financed from EAFRD and EMFF

#### Name(s) of the OP(s) financed from EAFRD

*OP Rural Development Programme for Mainland Finland 2014-2020*

*OP Åland Rural Development*

Is the same methodical environment binding for the OP(s)?

No, it is not.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, they have different MA, PA and CA.

Do(es) the OP(s) use the same IT environment?

No, it uses IT instrument HYRRÄ eService.

Do(es) the OP(s) use resources from the OP TA in the member state?

OP TA does not exist in Finland.

#### Name(s) of the OP(s) financed from EMFF

*European Maritime and Fisheries Fund (2014F114MFOP001)*

Is the same methodical environment binding for the OP(s)?

No, it is not.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, it has different MA, PA and CA.

Do(es) the OP(s) use the same IT environment?

No, it uses IT instrument KAKE.

Do(es) the OP(s) use resources from the OP TA in the member state?

OP TA does not exist in Finland.





## 1.11.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

Probably not, information about the central coordination of sharing plans was not found in publicly available documents. However, this information was not explicitly confirmed as there was no successful communication with the representatives of audit authority.

Is there any database of the audit reports publicly available?

There is the EURA 2014 system, which includes, among other things, final reports, certification and verification processes. In addition, the system provides reporting data for the implementation of structural fund activities both for national purposes and for the EC. No other database of findings was found.

### Audit/control authority no. 1

*Ministry of finance (financial controller)*

What controls/audits does the authority perform?

- ▶ Audit of designation.
- ▶ Audit of operations.
- ▶ Audit of managing and control systems.

Which authorities can the authority control?

- ▶ MA,
- ▶ CA,
- ▶ IB1,
- ▶ beneficiaries

Are conclusions made by the authority binding for controlled / audited entities?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Who does the authority share its conclusions with?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Does the authority share auditing plans with other institutions?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### Audit/control authority no. 2

*Ministry of Economic Affairs and Employment*

What controls/audits does the authority perform?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Which authorities can the authority control?

- ▶ IB1,
- ▶ beneficiaries

Are conclusions made by the authority binding for controlled / audited entities?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.



Who does the authority share its conclusions with?

- ▶ The IB1 and the MA will notify the CA in accordance with the article 9 of Law on the Development of Structural Funds and irregularities, enforcement and other measures to correct the irregularities detected.

Does the authority share auditing plans with other institutions?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### Audit/control authority no. 3

*Ministry of Economic Affairs and Employment, Department of Human Resources and Administration (CA)*

What controls/audits does the authority perform?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Which authorities can the authority control?

- ▶ MA
- ▶ IB1
- ▶ Beneficiaries

Are conclusions made by the authority binding for controlled / audited entities?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Who does the authority share its conclusions with?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Does the authority share auditing plans with other institutions?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.



### 1.11.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, Finland used financial instruments already in the previous period 2007-2013, but has now reduced its allocation.

If yes, to which extent?

Yes, to an extent of 2 % of total allocation.

In which areas are FI mainly used?

01 (Research & Innovation), 03 (SMEs)

Most of volume of financial instruments is mainly intended to support small and medium-sized enterprises, and also to support research and innovation.

Are agriculture and social business assisted by FI?

No.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

According to the information available, the *SME Initiative* manager will be the *European Investment Fund*, which will then select intermediaries - commercial banks that will subsequently provide financial products themselves.

The management of a specific fund (SME support - the Aland Islands) is the regional institution *Ålands Utvecklings Ab*.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

No.

### 1.11.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Finland uses the CLLD and the ITI, to extent of 5 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes. CLLD assistance is multi-funded from the EAFRD and the EMFF. The ITI assistance is from the ERDF.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No. At the national level, there are two multi-funded programs - one for mainland Finland and the other for the Aland Islands, both combining the ERDF and the ESF. The CLLD is then implemented through two programs financed from the EAFRD and one program financed from the EMFF.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

No. At the national level, there are two multi-funded programs - one for mainland Finland and the other for the Aland Islands, both combining the ERDF and the ESF. The CLLD is then implemented



through two programs financed from the EAFRD and one program financed from the EMFF. The SUD is implemented through multi-funded program (the ERDF and the ESF).

The ITI is planned for the six largest cities - Helsinki, Espoo, Vantaa, Oulu, Tampere and Turku.

The coordination role of the CLLD and the SUD is not defined in the Partnership Agreement.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated approach, a very wide range of issues related to local / territorial development strategies is addressed.

Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas supported solely through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

Information not found, it is not described in more detail in the Partnership Agreement.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Yes, the implementation of macro-regional strategies (in particular *Strategy for the Baltic Sea Region*) is implemented in combination with the ESIF. Operational programs contain objectives and interventions fulfilling this strategy, or the strategy will also be implemented through projects supported by the ESIF.

The ESIF link to the *Strategy for the Baltic Sea Region* is described in more detail in the Partnership Agreement.

---



### 1.11.7. Monitoring and IT

How is monitoring methodically supported?

The EURA 2014 monitoring and information system (the ERDF and the ESF) is defined in the *Act on the Funding of Regional Development and Structural Fund Projects (8/2014)*. The system is established and further regulated by the *Ministry of Economic Affairs and Employment*.

How are evaluations coordinated?

The ESIF evaluation system is linked to the national evaluation system. The evaluation is mainly focused on impact evaluations.

What IT instruments are used for the implementation and monitoring of ESIF?

EURA 2014: Electronic Services Package for the management of projects co-financed from the ESF and the ERDF in the 2014-2020 programming period. The system supports features similar to MS2014+.

In which areas is (solely) paper documentation used?

Full computerization, including all communication, has taken place.

### 1.11.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

There are two laws in Finland that regulate regional development and structural funds:

- ▶ Act on Regional Development and the Administration of Structural Funds (7/2014).
  - regulates preparation, management, evaluation, monitoring and coordination of the EU structural funds and regional development programs and plans. The law is implemented by the *Ministry of Economic Affairs and Employment*.
- ▶ Funding of Regional Development and Structural Fund Projects (8/2014)
  - Defines condition for the provision and payment of financial support, its amount, rules for applicants, information on a termination of payments and the recovery of funds.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

The laws are further elaborated by government regulations:

- ▶ Government Decree on Regional Development and the Administration of Structural Funds (356/2014)
- ▶ Government Decree on the Funding of Regional Development and Structural Fund Projects (357/2014).
- ▶ Government Decree on the eligibility for support of costs part-financed by structural fund (358/2014).

Laws and government regulations are generally binding and enforced, with their hierarchy in the order of their enumeration, i.e. the law is a superior regulation. Specific methodologies exist but are not publicly available and the request to obtain them from the representatives of the relevant authorities has not been successful.



Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

No, the adjustment of the structural funds is same for national regional policy.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

In the event of a finding of an irregularity, the IB1 or the MA shall notify the CA on the basis of Article 9 of the Law on the Development and Management of the Structural Funds. CA transfers the detected irregularities to EC. If the necessary measures have not been taken with regard to the nature and extent of the irregularity, the CA may require the IB1 or the MA to take measures to correct the irregularity or prevent it from being repeated.

Ministry, such as a MA or IB1, is responsible for the recovery of ineligible funds. Based on publicly available evidence, discrepancy between national and ESIF legislation was not found. This information was not explicitly confirmed because communication with the competent authorities was unsuccessful despite repeated attempts.

### 1.11.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Which currency is used in the case of pre-financing?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

EUR

### 1.11.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.



## 1.12. France (FR)

### 1.12.1. General information, allocation and targeting

Name of the member country	Country code
France	FR
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
70 (6/64)	14/27/101

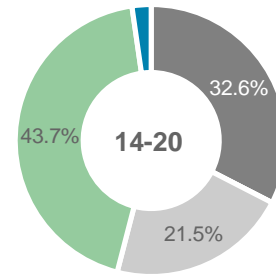
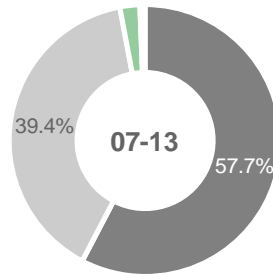
Total allocation planned (according to programming period and fund)

Total allocation  
(mil. EUR)

14-20: 25 864

07-13: 13 264

- ERDF
- CF
- ESF
- EAFRD
- EMFF



Share of national operational programmes that relate to individual thematic objectives

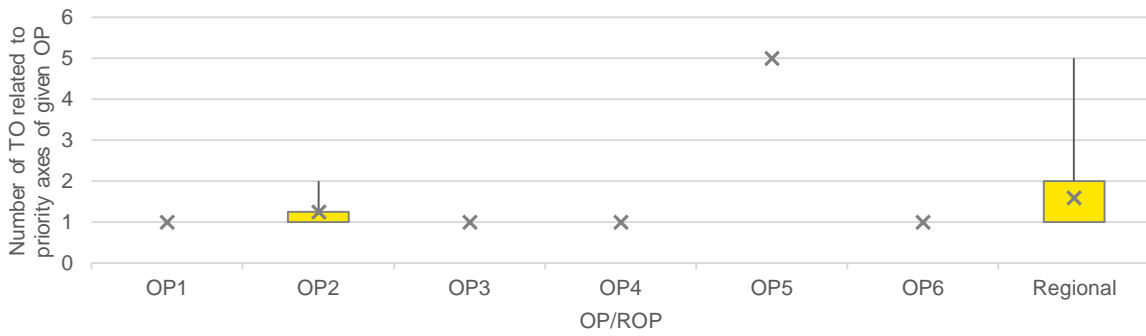
TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
0 %	0 %	33 %	17 %	0 %	17 %	0 %	33 %	17 %	17 %	0 %	0 %
(0/6)	(0/6)	(2/6)	(1/6)	(0/6)	(1/6)	(0/6)	(2/6)	(1/6)	(1/6)	(0/6)	(0/6)

Share of regional operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
84 %	50 %	89 %	81 %	69 %	89 %	11 %	55 %	77 %	88 %	6 %	3 %
(54/64)	(32/64)	(57/64)	(52/64)	(44/64)	(57/64)	(7/64)	(35/64)	(49/64)	(56/64)	(4/64)	(2/64)



### Targeting of priority axes of individual operational programmes in relation to thematic objectives

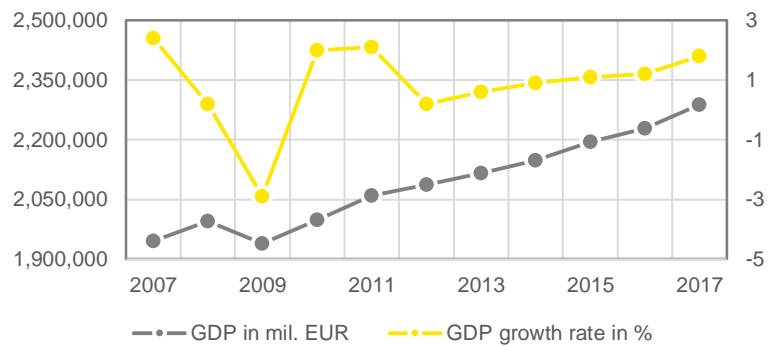


### Gross domestic product development (2007 – 2017)

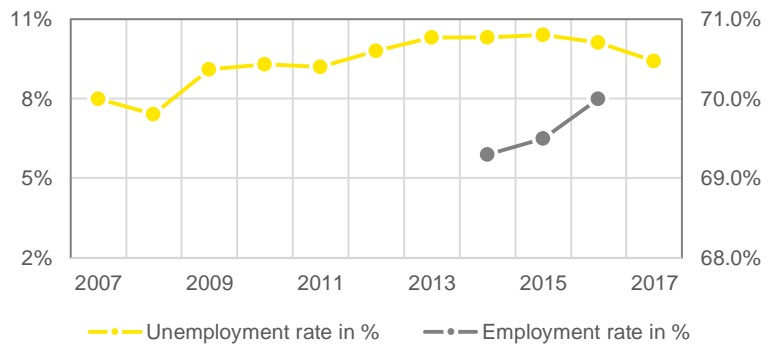
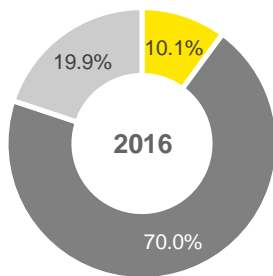
GDP per capita (EUR per capita)

2017: 34 100

2007: 30 400



### Labour market development (2016)







## 1.12.2. Main actors

### National Coordination Authority (NCA)

The National Coordination Authority of the entire ESIF implementation is the *General Commission for Territorial Equality*. In addition, a special NCA is created for each fund and for the overseas departments:

- ▶ ERDF: *General Commission for Territorial Equality*,
- ▶ ESF: *General Delegation for Employment and Vocational Training*,
- ▶ EAFRD: *Directorate-General for Agriculture, Agricultural Food and Territorial Policy*,
- ▶ EMFF: *Department for Maritime Fisheries and Aquaculture, Ministry of Ecology, Sustainable Development and Energy*
- ▶ overseas departments: *Directorate-General for Overseas Territories*

In addition, the institutions cooperate with the *General Secretariat for European Affairs (SGAE)*, which is responsible for coordinating interdepartmental cooperation on issues related to international institutions such as the EU, the OECD, etc. For these purposes the SGAE establishes the *Intergovernmental Commission for the Europe*.

### What are the main competences of the NCA?

The competences of the *General Commission for Equality of Territories* as the coordinating body of all ESI funds are as follows:

- ▶ ensuring coordination of state and regional activities,
- ▶ ensuring fulfilment of obligations resulting from the Partnership Agreement,
- ▶ ensuring of fund drawing,
- ▶ continually improving visibility of the EU activities related to the ESIF,
- ▶ developing an information system,
- ▶ providing technical and legal support to the managing authorities of the ESIF implementation structure
- ▶ ensuring adequate competences of the authorities responsible for the ESIF implementation (in particular through the establishment and implementation of vocational training system),
- ▶ coordinating monitoring and evaluation across funds,
- ▶ coordinating information and communication activities,
- ▶ participating in activities of the Monitoring Committees

Partial coordination authorities of the individual Funds (ERDF, ESF and EAFRD) have the following tasks in particular:

- ▶ consolidating the results of programs,
- ▶ providing technical and legal support to the relevant managing authorities
- ▶ coordinating monitoring and evaluation within relevant funds
- ▶ participating in activities of the Monitoring Committees

The EMFF coordination authority primarily coordinates the activities of the regions to which the management of selected program measures is delegated.

Are the NCAs established specifically for purposes of ESIF?

No, NCAs are not established specifically for ESIF purposes.

What personnel capacity is allocated to the NCA?

A detailed description of personnel capacities has not been obtained either through publicly



available documents or through contact with representatives of the relevant authorities.

### Managing Authorities (MA)

*Municipalities, Regional councils* are the MAs for individual ROPs under ERDF and ESF. The role of the MA and the role of PA is delegated to the *Secretary General for Regional Affairs*, directly subordinate to the local prefect.

The role of the MA in the national ESF OP (2014FR05SFOP001) is explicitly divided into 65% focused on employment and inclusion (*General Delegation for Employment and Vocational Training*) and 35% on education (*Regional Councils*).

In the case of programs financed from the EAFRD, roles of the MAs are also divided at the regional level, whereas in the case of the programs financed from the EMFF, the MA is the *Department for Maritime Fisheries and Aquaculture, Ministry of Ecology, Sustainable Development and Energy*.

### What are the main competences of the MA?

Among the MA's competences are mainly:

- ▶ strategic management of programs,
- ▶ moderating the implementation of the Partnership Agreement,
- ▶ coordination and performing part of the controls,
- ▶ fulfilling the role of the paying body,
- ▶ information and promotion duties

### Are the MAs established specifically for purposes of ESIF?

No, the MAs are not established specifically for ESIF purposes.

### What personnel capacity is allocated to the MA?

A detailed description of personnel capacities has not been obtained either through publicly available documents or through contact with representatives of the relevant authorities.

### Intermediate bodies (IB1)

In selected cases, *municipalities, regional councils* or *Local Plan for Integration and Employment (PLIE)* play the role of the IB1s, which bring together individual municipalities in the case of ESF implementation (especially in the area of social inclusion and employment). At the national level, the IB1s are the *Employment Pole, the Career Growth Parity Fund* and the management of a network of institutions providing business and innovation support.

### What are the main competences of IB1s?

In the case of municipalities, regional councils and PLIE, the competences are mainly:

- ▶ implementing the ESIF in line with the integrated approach to urban development,
- ▶ selecting projects
- ▶ participating in project monitoring

### Are IB1s established specifically for purposes of ESIF?

No, the IB1s are not established specifically for ESIF purposes.

### What personnel capacity is allocated to the IB1s?

A detailed description of personnel capacities has not been obtained either through publicly available documents or through contact with representatives of the relevant authorities.



### Certification Authority (CA)

The certification system is decentralized by the allocation of the CA roles to each *Regional Public Finances Directorate* (divided regionally, including national OPs, which are allocated to selected regional institutions). Coordination and unification of procedures across the various CAs is ensured by the *Public Finances General Directorate of Ministry of Finance*.

#### What are the main competences of the CA?

The list of the CAs competences corresponds only to the enumeration provided in Article 126 of the General Regulation.

Is the CA established specifically for purposes of ESIF?

No, the CAs are not established specifically for ESIF purposes.

What personnel capacity is allocated to the CA?

A detailed description of personnel capacities has not been obtained either through publicly available documents or through contact with representatives of the relevant authorities.

### Paying Authority (PA)

- ▶ *Budget Control Department of Ministry of Finance*
- ▶ *Secretary General for Regional Affairs* (regionally)

#### What are the main competences of the PA?

The list of competencies of the PA corresponds only to the enumeration given in the General Regulation.

Funds received and collected by the *Budget Control Department of the Ministry of Finance* are redistributed to the individual MAs, which usually treat funds with the assistance of the *Secretary General for Regional Affairs* of the region.

Is the PA established specifically for purposes of ESIF?

No, the PAs are not established specifically for ESIF purposes.

What personnel capacity is allocated to the PA?

A detailed description of personnel capacities has not been obtained either through publicly available documents or through contact with representatives of the relevant authorities.

### Audit Authority (AA)

*Intergovernmental Commission for Coordination of Controls*

#### What are the main competences of the AA?

Among the AA's competences are mainly:

- ▶ performing audits to ensure the proper functioning of the OP's managing and control systems,
- ▶ performing controls of operations through delegating to regional controllers acting under AA's direction and supervision,
- ▶ conducting the audit of designation, issuing preliminary opinion on the designation of the MA and the CA,
- ▶ controlling annual reports of the MA and the CA,
- ▶ presenting the audit strategy for the whole programming period to the European Commission,
- ▶ presenting the annual control report and the opinion on the results of controls and audits to the European Commission,



- ▶ submitting the final declaration and the final control report to the European Commission,
- ▶ preparing recommendations for the MA and the CA including checklists used in audits and controls

However, the audit and control performance itself is to a varying extent delegated to *General Inspectorate* of line ministries (audits of managing and control systems) and *regional control bodies* or *private subcontractors* (audit of operations).

Is the AA established specifically for purposes of ESIF?

No, the AA is not established specifically for the ESIF purposes.

What personnel capacity is allocated to the AA?

The *Intergovernmental Commission* itself consists of 23 people. However, a detailed overview of the personnel capacities of the entities to which the audit itself is delegated is not, according to the AA representatives, available.

Other control bodies outside the ESIF implementation structure (CB)

No other control bodies were identified outside the ESIF implementation structure itself.

For example, five of the main federal control bodies, according to the list of their competences, do not carry out such control, even in the control schemes and in the manuals for the beneficiaries other control bodies are not mentioned. However, the information was not confirmed by the representatives of the relevant authorities.

What are the main competences of CB?

Irrelevant.

Is the CB established specifically for purposes of ESIF?

Irrelevant.

Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

In the previous programming period there were (national) interregional operational programs, which merged a larger number of individual regions of France. Between the periods there was a shift of responsibility for the management of the operational programs from the organizational units of the state to the regions.

Particularly within the implementation of the ESF there has been a significant decline in the number of the IB1s.

During the current programming period, the *Multi-fund Monitoring Committee* was established in order to coordinate and share best practice in monitoring and evaluation.

What was the reason for the changes in the implementation structure mentioned above?

In 2014, there was a territorial reform in France that significantly changed the order of regions. The total number of individual regions has decreased by merging some of them together.

The number of IB1s has been reduced due to the inefficiency resulting from the difficult coordination of the competences of the individual implementing bodies' actors in the area of program management and monitoring.

The creation of a monitoring and evaluation co-ordinating body was based on an overly diverse approach to the given tasks within the operational programs. The main inspiration that the



EUROPEAN UNION  
Cohesion Fund  
Operational Programme Technical Assistance



MINISTRY  
OF REGIONAL  
DEVELOPMENT CZ

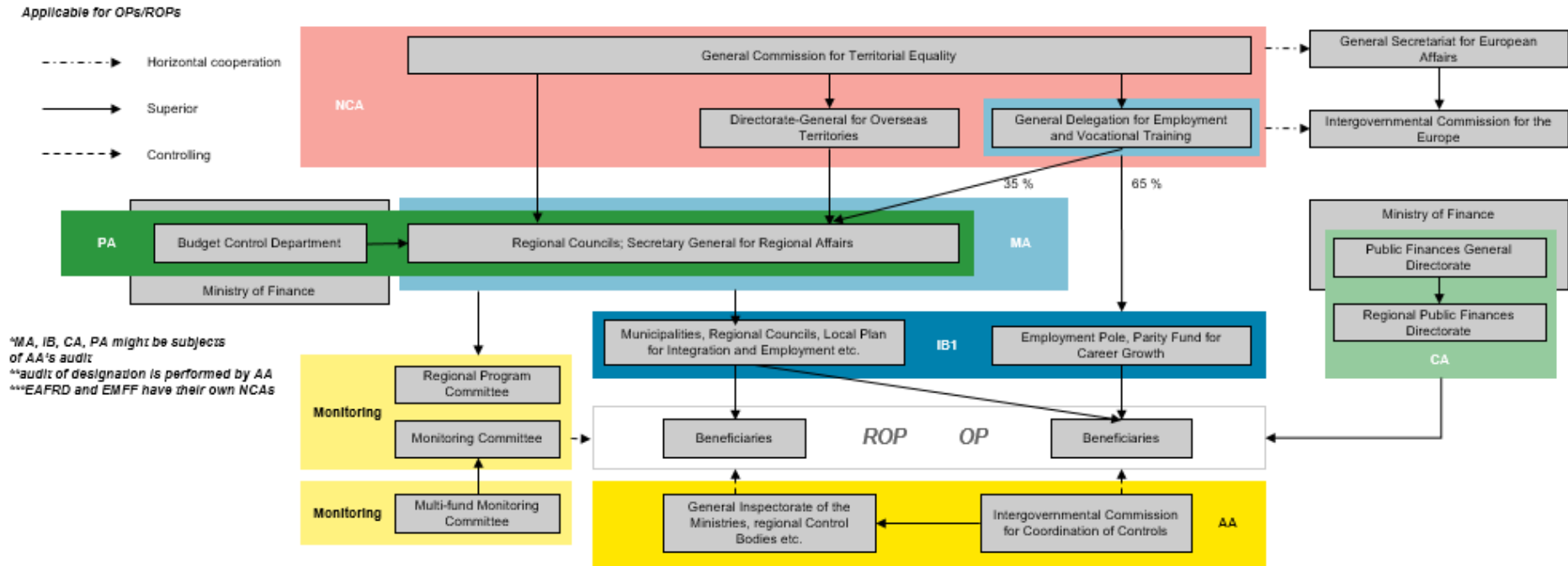


responsible French authorities considered to be good practice was the *What Works Centre* covering evaluations in the United Kingdom.

---



### Scheme of implementation structure





### 1.12.3. Programs financed from EAFRD and EMFF

Name(s) of the OP(s) financed from EAFRD

2 national operational programs + 27 regional operational programs.

Is the same methodical environment binding for the OP(s)?

No it is not. In the legal standards regulating the implementation of the ESIF, the implementation of the EAFRD, which plays a crucial role in France (43.7% of the total allocation), is specifically addressed.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, they do not, for example the PAs are different (*Agency for Services and Payments* and the *Office for Agricultural and Rural Development*).

Do(es) the OP(s) use the same IT environment?

No, they do not. In particular, the telePAC, ISIS and OSIRIS IT tools are used.

Do(es) the OP(s) use resources from the OP TA in the member state?

Yes, they use.

Name(s) of the OP(s) financed from EMFF

*European Maritime and Fisheries Fund – Operational Programme for France*

Is the same methodical environment binding for the OP(s)?

No, it is not.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, it does not, e.g. the CA is different (*Agency for Services and Payments*).

Do(es) the OP(s) use the same IT environment?

No, beyond the common IT tool Synergy the OSIRIS tool is used.

Do(es) the OP(s) use resources from the OP TA in the member state?

Yes, it uses.



## 1.12.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

There is no formally coordinated sharing of plans at the central level, however, in the context of continuous communication with the NCA, plans of controls are shared. Competent regional authorities, respectively functionally separate control departments of the MA in individual regions share their plans of controls with the central AA.

Is there any database of the audit reports publicly available?

Such a database has not been identified, but direct contact with the representatives of the relevant authorities have not been established, so the information is not explicitly confirmed.

### Audit/control authority no. 1

AA (*Intergovernmental Commission for Coordination of Controls*)

What controls/audits does the authority perform?

- ▶ Audit of designation.
- ▶ Audit of managing and control systems.
- ▶ Audit of operations (through the relevant regional authorities, precisely through separate control departments of the MA in individual regions).

Which authorities can the authority control?

- ▶ MA.
- ▶ IB1.
- ▶ CA.
- ▶ Beneficiaries.

Are conclusions made by the authority binding for controlled / audited entities?

Conclusions themselves are not binding, but audited entities usually follow them (if not, the MA escalates any dispute at the EC level where sanctions be imposed). The MA, precisely *General Secretariat for European Affairs* in cooperation with *General Regional Treasury*, is responsible for recovering ineligible funds.

In the case of shortages identified by the AA in the audit of designation, the implementation body must take appropriate action (proposed by the *General Secretariat for European Affairs* after consulting the AA and the line ministries) within a specified deadline (determined by the AA) otherwise the role is removed from the body.

Who does the authority share its conclusions with?

The AA shares its reports, conclusions and recommendations with the NCA, line ministries (or ministers), the *General Secretariat for European Affairs* and the relevant MA, CA and PA.

Does the authority share auditing plans with other institutions?

There is no formally coordinated sharing of plans at the central level, however, in the context of continuous communication with the NCA, plans of controls are shared.





### 1.12.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, France used financial instruments already in the previous period 2007-2013, now it has increased the allocation.

If yes, to which extent?

Yes, 4 % of total allocation.

In which areas are FI mainly used?

01 (Research & Innovation), 02 (ICT), 03 (SMEs), 04 (Low Carbon), 06 (Environment & Resource Efficiency), 08 (Sustainable & Quality Employment), 09 (Social Inclusion)

The use of financial instruments is mainly planned to support small and medium-sized enterprises, research and innovation and the low-carbon economy.

Are agriculture and social business assisted by FI?

Yes, FI is planned to support agriculture, from the programs financed by the EAFRD.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

Implementation of the FI includes the *European Investment Fund* (as a fund manager), some specific funds are in charge of the *Bpifrance* state investment bank. Some specific funds are in charge of private law entities.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

No, information that there would be a coordinating body at the central level (also due to the ESF's highly decentralized implementation structure) was not found.

### 1.12.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

France uses the CLLD, ITI and the SUD, to extent of 10 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes, the CLLD assistance is from the ERDF, ESF, EAFRD and the EMFF. The ITI assistance is particularly from the ERDF, also from the ESF and the EAFRD. The SUD assistance is mainly from the ERDF, partially from the ESF.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?



Implementation of the CLLD through the programs financed from the EAFRD, by the programs financed from the EMFF and the regional the ERDF and the ESF programs. Implementation of the ITI through programs financed from the EAFRD and from regional ERDF and ESF programs. The SUD support is from regional the ERDF and the ESF programs.

The ITI is implemented in three types of territories: (i) agglomerations, metropolitan areas and urban areas; (ii) priority neighbourhoods and (iii) larger regional territories.

The co-ordination role of the integrated tools is not set out in the Partnership Agreement.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the integrated approach there is a very wide range of topics related to local / territorial development strategies.

The Partnership Agreement states that it is up to each program to describe the CLLD's actions with respect to the objectives and priorities pursued, taking into account its specific analysis on the territory. Each program determines whether local multi-fund development strategies (LDS) can be developed in mixed territories. In this case, a management fund may be designated to finance the operating costs of a local development strategy.

Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas exclusively supported through the territorial dimension / integrated instruments.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

Information was not found, the Partnership Agreement does not describe it in more detail.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Yes, the implementation of macro-regional strategies (specifically the Strategy for the Alpine Region) is implemented in combination with the ESIF. Operational programs in their respective regions include goals and interventions fulfilling this strategy, precisely speaking the strategy will be implemented also through projects supported by the ESIF.

---



### 1.12.7. Monitoring and IT

How is monitoring methodically supported?

The methodological adjustment is in the *Manual of the Monitoring, Management and Control of the European ERDF, ESF, EAFRD and EMFF Programs* issued by the central NCA (General Commission for Territorial Equality).

How are evaluations coordinated?

Monitoring and evaluation are decentralized at the level of individual OPs, with the relevant MAs always accountable through the so-called *Regional Program Committees* and the *Monitoring Committees* (which are responsible, amongst other things, for the approval of evaluation plans). The outputs of these institutions are further subject of control and evaluation by the *Consultative Commission for Evaluation* (again regionally), which is composed of top representatives of the regional administration and chaired by a selected expert.

Centralized coordination and sharing of experience is carried out through the *Multi-fund Monitoring Committee*, whose members are, amongst others, representatives of the MA of individual (regional) operational programs, academics, line ministries representatives, or the representatives of the European Commission. The *Multi-Fund Monitoring Committee* also evaluates the quality of individual outputs and provides feedback to the regions. The selected regions are merged to achieve greater efficiency in outsourcing evaluations.

What IT instruments are used for the implementation and monitoring of ESIF?

Since 2016, a *SI Synergy 14-20* system has been operating to ensure the monitoring of indicators and the administration of all phases of the project – can be accessed by all relevant institutions (all key actors including their regional breakdown: NCA, MA, AA, CA, PA ). The system is operated by the *Agency for Services and Payments (ASP)* and includes all regional and national OPs under the ESF and the ERDF. Individual regional MAs can use their own systems, but they should be compatible (through appropriate data transfer) with the *Synergy* tool so that the data contained in *Synergy* serves mainly to the CA and the AA to the full expected extent. During the current 2014-2020 programming period, efforts are being made to gradually implement the *Synergy* in all regions. The system is separated from the separate *Synergy CTE 14-20* instrument for the administration of cross-border European Territorial Cooperation programs.

In which areas is (solely) paper documentation used?

By 2016 (before the introduction of the *Synergy* instrument), grant applications were submitted in paper form. At present, all requests can be submitted and monitored through the E-Synergy module.

### 1.12.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

No, there is no specific ESIF law in France.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

A regulation of implementation is based on government orders, ministerial decrees, general laws, and ESIF implementation mechanism handbooks issued by the central NCA.

Below is a list of some relevant policies and binding procedures.



- ▶ *Law 2014-58 of 27<sup>th</sup> January 2014 on modernizing territorial public administration and the establishment of metropolises (chapter 7, article 78): allocates the role to the MAs of regions and specifically regulates implementation of the EAFRD, which plays crucial role in France (43,7 % of total allocation).*
- ▶ *Government Decree. 2014-1188 of 14<sup>th</sup> October 2014 on standard service provision by state authorities responsible for the management of European Funds 2014-2020.*
- ▶ *Government Decree 2016-126 of 8<sup>th</sup> February 2016 on the implementation of co-financed programs from the European structural and investment funds for the period 2014-2020.*
- ▶ *Government Decree 2014-580 of 3<sup>th</sup> June 2014 on the management of all or part of the European funds for the period 2014-2020.*
- ▶ *Government Decree 2008-548 of 11<sup>th</sup> June 2008 in relation to the Intergovernmental Commission for the Coordination of Controls – the audit authority for the European Funds in France.*
- ▶ *Government Decree 2016-279 of 8<sup>th</sup> March 2016 laying down national eligibility rules for expenditure within programs supported by the European structural and investment funds for the period 2014-2020.*
- ▶ *Ministerial Decree of 8<sup>th</sup> March 2016 issued under Government Decree 2016-279 of 8<sup>th</sup> March laying down the national eligibility rules for the expenditure of the European programs for the period 2014-2020.*
- ▶ *Circular of the Prime Minister 56/50 SG of 19<sup>th</sup> April 2013 on management of the European funds.*
- ▶ *Circular of the Prime Minister. 5929-SG of 26<sup>th</sup> April 2017 on the application of European competition rules on public support of economic activities.*
- ▶ *Recommendation of the Intergovernmental Commission on Coordination of Controls (2014-1374) of 16<sup>th</sup> July 2014 on the procedure for designing the MA and the CA.*
- ▶ *Manual on the mechanism for monitoring, managing and controlling the European ERDF, ESF, EAFRD and the EMFF programs.*
- ▶ *Manuals on the procedures of each operational program.*
- ▶ *Manuals for project managers and recipients within individual operational programs.*

The laws, government orders and ministerial decrees are generally binding and enforceable, with their hierarchy in the order of their enumeration, i.e. the law is the superior to the regulation which is superior to the decree. On the other hand, the recommendations and manuals mentioned are not legally binding, only recommendatory. The circular of the Prime Minister is internally binding for public administration institutions, but it is only a presentation of preliminary (very general) information, which is later concretized in higher legal standards.

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

No, no binding procedures defined in the above-mentioned legislative acts are different from those relating to national grant titles. The ESIF in this regard is not specific enough to make any contradiction apparent.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

- ▶ *The division of roles is concretized in particular by the circular of the Prime Minister (No 5929-SG of 26 April 2017 on the application of European competition rules for public support of economic activities) and the Manual on the mechanism for monitoring, managing and controlling the European ERDF, ESF, EAFRD and the EMFF programs.*

The *Secretary General for Regional Affairs*, in cooperation with the *General Regional Treasury*, is responsible for the recovery of ineligible funds, on the basis of a judicial decision.



The discrepancy between the national and ESIF regulation has not been identified (the ESIF is not as specific in this respect as to make any contradiction apparent), but the representatives of the relevant authorities have not yet explicitly confirmed this information.

### 1.12.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

The sources are regional budgets. The responsibility for covering pre-financing is usually delegated to IB1s, which are regional institutions that have the obligation to secure pre-financing.

Which currency is used in the case of pre-financing?

EUR

### 1.12.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

The AA representatives have confirmed that it is too early for answering this questing



## 1.13. Croatia (HR)

### 1.13.1. General information, allocation and targeting

Name of the member country	Country code
Croatia	HR
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
4 (4/0)	1/2/21

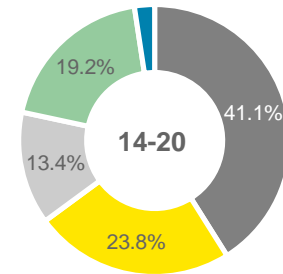
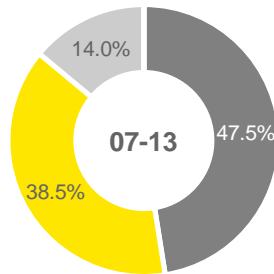
Total allocation planned (according to programming period and fund)

Total allocation  
(mil. EUR)

14-20: 10 524

07-13: 692

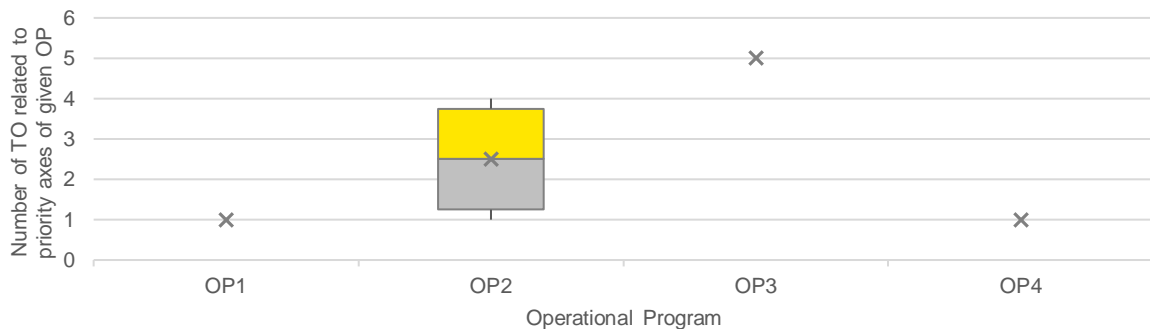
- ERDF
- CF
- ESF
- EAFRD
- EMFF



Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
50 %	25 %	75 %	75 %	50 %	75%	25 %	75 %	75 %	75 %	25 %	0 %
(2/4)	(1/4)	(3/4)	(3/4)	(2/4)	(3/4)	(1/4)	(3/4)	(3/4)	(3/4)	(1/4)	(0/4)

Targeting of priority axes of individual operational programmes in relation to thematic objectives



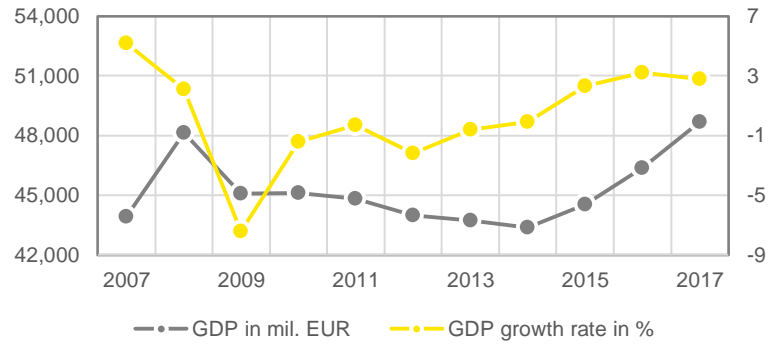


### Gross domestic product development (2007 – 2017)

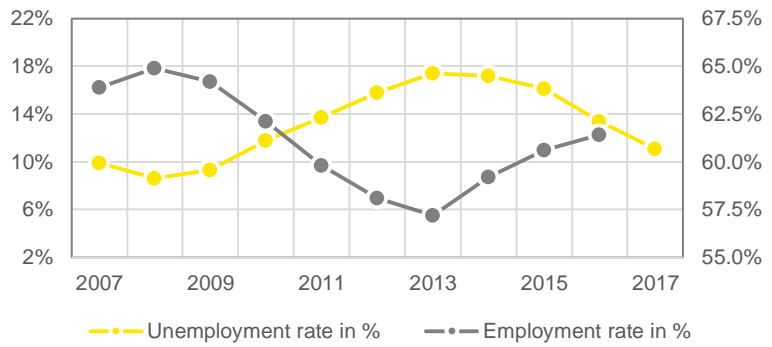
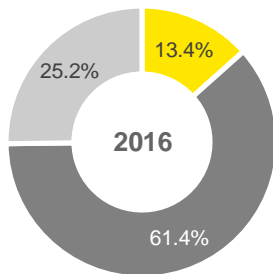
*GDP per capita (EUR per capita)*

2016: 11 100

2007: 10 200



### Labour market development (2016)







## 1.13.2. Main actors

### National Coordination Authority (NCA)

*Ministry of Regional Development and EU Funds (MRRFEU)*

#### What are the main competences of the NCA?

- ▶ monitoring and ensuring the progress of the planned activities in accordance with the ESIF programming documents
- ▶ creating mechanisms that provide timely information to the government and ensure consistency of the ESIF resources and other EU financial instruments with national instruments
- ▶ ensuring the fulfilment of all commitments accepted by the Republic of Croatia on the basis of programming documents
- ▶ defining strategic guidelines and negotiating programming documents with the European Commission for the period after 2020
- ▶ collecting data from relevant government authorities on the use of the ESIF and ensuring project performance monitoring from the time it is completed to the end of the program
- ▶ It is also responsible for managing evaluations at the level of the Partnership Agreement.

At the same time, the *National Coordination Council (NCC)* was established on the basis of the Government Decision, which is composed of line ministers and its task is to coordinate the monitoring and use of the ESIF and other funds, so as to avoid violating the EU rules, etc. For the purpose of the *Council*, a *Subcommittee for Coordination and the ESIF Implementation Monitoring* has been established. The administrative activities of both bodies are carried out by the MRRFEU.

Is the NCA established specifically for purposes of ESIF?

No, the NCA is not established specifically for the ESIF purposes, even though implementation is one of its main agendas.

What personnel capacity is allocated to the NCA?

31 employees in total.

### Managing Authorities (MA)

The individual MAs are 4 different ministries: the *Ministry for Regional Development and EU Funds (OPKK)*, the *Ministry of Labour and Pension System (OPULJP)*, the *Ministry of Agriculture* (programs financed from the EAFRD), the *Ministry of Agriculture - Fisheries Management* (programs financed from the EMFF).

#### What are the main competences of the MA?

- ▶ the functions mentioned in Article 50 (8), Article 63 (2) and (3), Articles 125 and 132, Article 140 (1) and (2), Article 43 (1) 46 (1) and 70 (2) of Regulation (EU);
- ▶ adopting a rule regulating requirements and conditions for eligibility of expenditure; analysing the weaknesses of the system on the basis of an opinion on a management and audit opinion and coordinating the implementation of corrective measures and accompanying activities;
- ▶ instructing level 1 and level 2 intermediate bodies to perform delegated functions, to ensure that operations contribute to the achievement of the specific objectives and results of the respective priority axes and oversee the performance of those functions;
- ▶ establishing the Monitoring Committee in accordance with Articles 47 and 48 of Regulation (EU) No 1303/2013, chairing and participating in his work; preparing and submitting the information in Article 112 of Regulation (EU) No 1303/2013 to the certification authority and notifying the certification authority of the planned payments for the current and subsequent financial year;





- ▶ In accordance with Articles 55 and 57 of Regulation (EU) No 1303/2013, providing ex ante evaluation and, where appropriate, ex-post evaluation;
- ▶ drawing up an evaluation plan for the operational program within its remit, ensuring the implementation of the evaluation during the programming period in accordance with Article 56 of Regulation (EU) No 1303/2013 and proceeds in accordance with Article 114 of Regulation (EU) No 1303/2013;
- ▶ Ensuring the prevention, detection and correction of irregularities and, taking into account identified risks, corrective measures and recovery of incorrectly paid interest rates and establishes adequate anti-fraud measures.

Are the MAs established specifically for purposes of ESIF?

No, the MAs are not established specifically for the ESIF purposes.

What personnel capacity is allocated to the MA?

To the MA is allocated a total of 158 (OPKK), 65 (OPULJP), 39 (programs financed from the EAFRD) and 45 (programs financed from the EMFF) staff.

### Intermediate bodies (IB1)

The first-level IB1s are always the line ministries (in total 11) or the *Association Office*.

What are the main competences of IB1s?

- ▶ cooperating with the NCA, MAs and IB1s of the second level (i.e. the Implementing Body) during the preparation, implementation, monitoring and evaluation of the Partnership and OP
- ▶ participating in the work of the Monitoring Committee
- ▶ securing funding for public projects, with the exception of projects funded by other relevant sectoral bodies
- ▶ elaborating the project selection criteria and participating in the selection of projects in accordance with Article 125 (3) (A) and (B) of Regulation (EU) No 1303/2013
- ▶ creating instructions for the applicant
- ▶ collaborating with IB2s to monitor progress in project implementation

Are IB1s established specifically for purposes of ESIF?

No, IB1s are not established exclusively for the ESIF purposes.

What personnel capacity is allocated to the IB1s?

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

### Implementing body (IB2)

The IB2s (or second level IB1s) are always specifically targeted agencies or municipalities.

What are the main competences of IB2s?

- ▶ cooperating with the NCA, MAs and IB1s during the implementation, monitoring, and evaluation of the Partnership Agreement and the OPs
- ▶ in co-operation with the IB1, it is involved in budgeting regarding use and control of the use of the fund
- ▶ informing the beneficiary of its rights and obligations concerning co-financing and submitting the documents referred to in Article 125 (3) (C) of Regulation (EU) No 1303/2013
- ▶ performing the controls referred to in Article 125 (5) (A) and (B) of Regulation (EU) No 1303/2013



- ▶ approving beneficiaries' requests for reimbursement of funds, submitting requests for payment of public funds to the beneficiaries and passes them at the IB2 level to other competent authorities
- ▶ providing the MA and the CA with information on verified expenditure
- ▶ prevention, detection and correction of irregularities and anti-fraud measures taking into account identified risks, corrective measures and repayment of improperly paid interest rates

Are IB2s established specifically for purposes of ESIF?

No, IB2s are not exclusively established for the ESIF purposes.

What personnel capacity is allocated to the IB2s?

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

### Paying and Certification Authority (PCA)

Within the ERDF, CF and the ESF, the *Ministry of Finance* is the PCA, while programs financed from the EAFRD and the EMFF have their own PCAs (*Agency for the Audit of European Union Programmes Implementation System* and the *Ministry of Agriculture and Paying Agency for Agriculture, Fisheries and Rural Development*).

What are the main competences of the PCA?

- ▶ the functions referred to in Articles 126 and 135 of Regulation (EU) 1303/2013
- ▶ participating in the work of the Monitoring Committee
- ▶ supporting the MA in the preparation and revision of the regulation referred to in Article 5 (3) (2) and the guidelines referred to in Article 5 (3) (3) and (4) of this Regulation
- ▶ preparing manuals on the internal procedures and the relevant audit trail

Are the PCAs established specifically for purposes of ESIF?

No, the PCAs are not established exclusively for the ESIF purposes.

What personnel capacity is allocated to the PCAs?

Overall, 20 (the ERDF, CF and the ESF) and 11 (programs financed from the EAFRD) employees are allocated to the PCA agenda.

### Audit Authority (AA)

*Agency for the Audit of European Union Programmes Implementation System (ARPA)*

What are the main competences of the AA?

Among the MA's competences are mainly:

- ▶ the function referred to in Article 127 and, where applicable, Articles 40 (3) and 148 (1) and (4) of Regulation (EU) No 1303/2013
- ▶ cooperating with the Commission in accordance with Article 128 of Regulation (EU) No 1303/2013; drawing up manuals on internal procedures and the appropriate audit trail
- ▶ In the system referred to in Article 125 (2) (D) of Regulation (EU) 1303/2013 collecting, recording, storing and classifying the data in accordance with point (e) of the same paragraph and ensuring the exchange of data with the Commission
- ▶ ensuring management of documents and performance records to ensure a proper audit trail



Is the AA established specifically for purposes of ESIF?

Partially, the AA is established specifically for purposes of various funds, not exclusively for the ESIF.

What personnel capacity is allocated to the AA?

48 employees in total.

Other control bodies outside the ESIF implementation structure (CB)

- ▶ *Central Harmonization Unit of the Ministry of Finance.*
- ▶ *State Audit Office.*
- ▶ *State Commission for Supervision of Public Procurement Procedures.*
- ▶ *Other external entities uses in particular within the technical assistance.*

What are the main competences of CB?

This is mainly a specific type of control of public administration bodies (in the roles of the MA, IB1s and the PCA) and the beneficiaries (within the delegation of controls from the MA / IB1 or public procurement).

Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

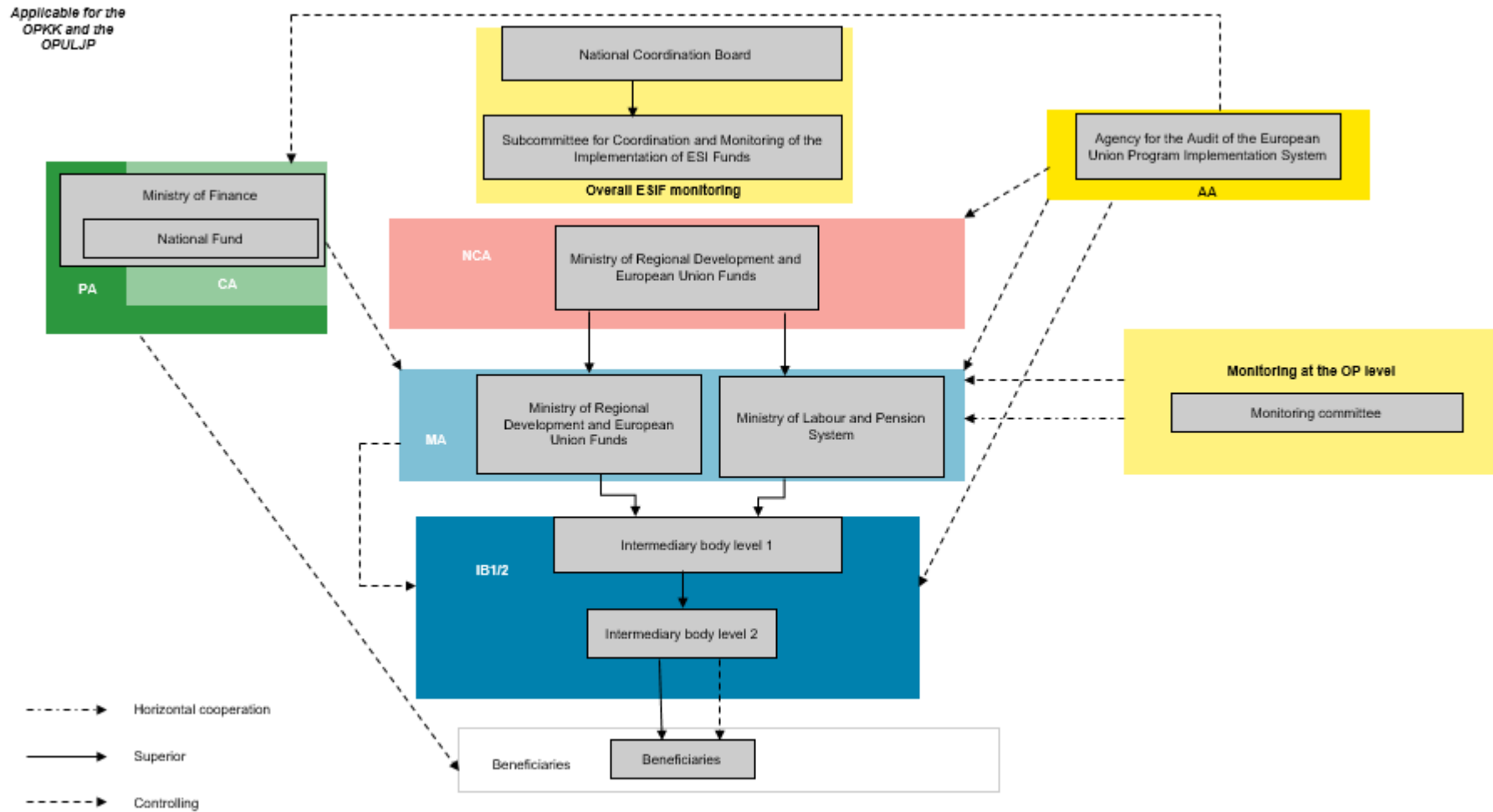
Irrelevant, Croatia entered the EU on 1<sup>st</sup> of July 2013

What was the reason for the changes in the implementation structure mentioned above?

Irrelevant.

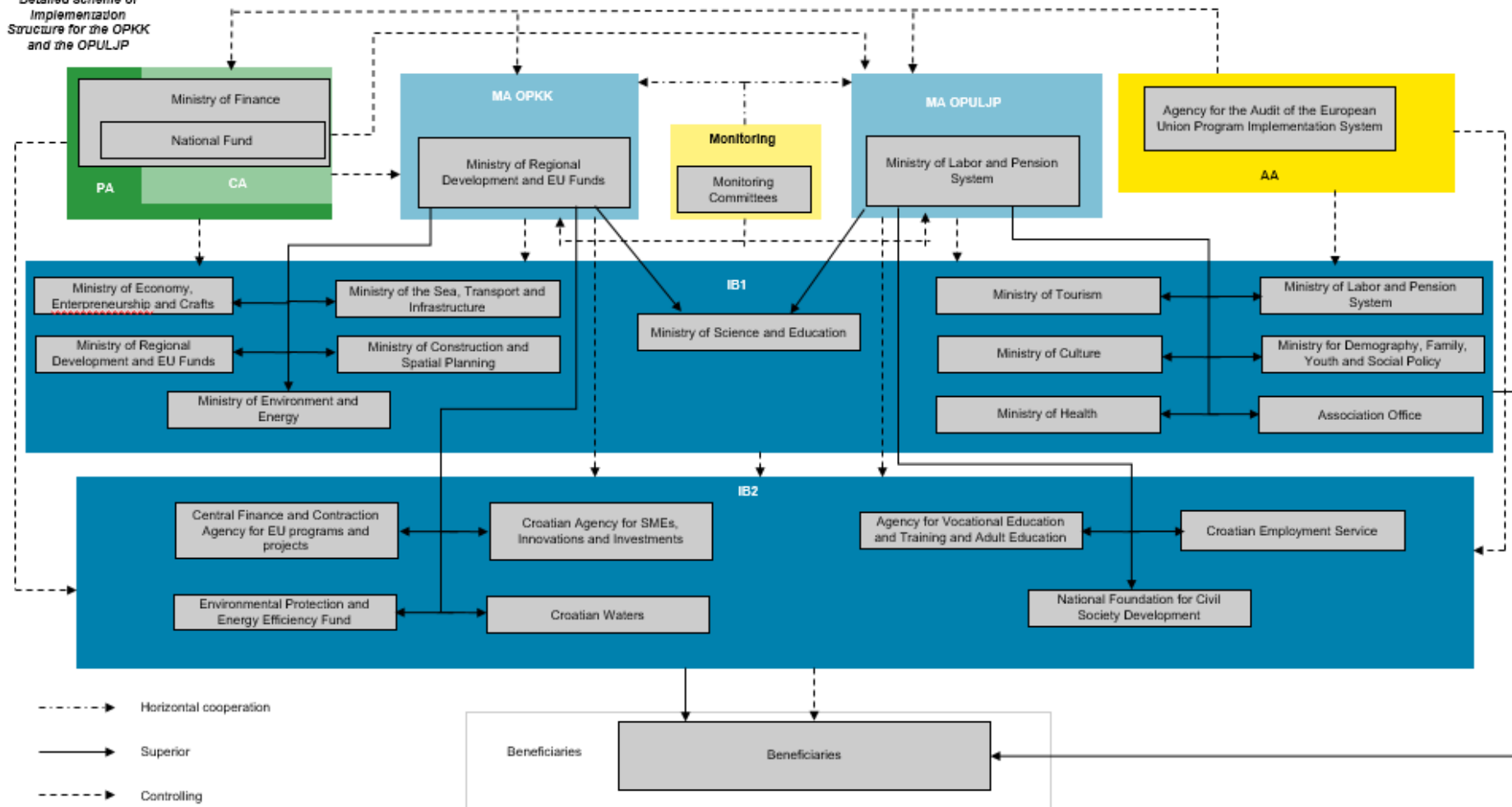


### Scheme of implementation structure





Detailed scheme of  
Implementation  
Structure for the OPKK  
and the OPULJP





### 1.13.3. Programs financed from EAFRD and EMFF

Name(s) of the OP(s) financed from EAFRD

*Rural Development Program*

Is the same methodical environment binding for the OP(s)?

Yes.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, the PA is the *Paying Agency for Agriculture, Fisheries and Rural Development* and the CA is the *Agency for the Audit of European Union Programmes Implementation System (ARPA)*. The AA is not formally established, however, ARPA performs audits of the PA as the CA.

Do(es) the OP(s) use the same IT environment?

No, it uses its own IT environment.

Do(es) the OP(s) use resources from the OP TA in the member state?

Irrelevant, OP TA does not exist.

Name(s) of the OP(s) financed from EMFF

*OP Maritime and Fisheries*

Is the same methodical environment binding for the OP(s)?

Yes.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, the PCA is the *Ministry of Agriculture and Paying Agency for Agriculture, Fisheries and Rural Development* and the AA is the ARPA

Do(es) the OP(s) use the same IT environment?

Yes, it does.

Do(es) the OP(s) use resources from the OP TA in the member state?

Irrelevant, OP TA does not exist.



### 1.13.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

No, according to the national regulation, the MA delegated part of the functions to the IB1s and IB2s and therefore controls the delegation. The CA performs pre-certification controls and the *Agency for the Audit of European Union Programmes Implementation System (ARPA)* is an independent Audit Authority conducting audits of IB2s according to its own plan. The MA, CA and the AA exchange information only about the controls and audits already carried out between themselves. There is also the possibility to involve external experts for certain parts of the control or special control through technical assistance if necessary, but the responsibility for the control remains with the bodies of the implementation structure.

Is there any database of the audit reports publicly available?

Yes, the MA has at the level of the OP a database with all the audit findings and recommendations of various bodies (the AA, CA, State Audit Office, EC, etc.), including the phase in which the finding or recommendation is.

#### Audit/control authority no. 1

*Agency for the Audit of European Union Programmes Implementation System (ARPA)*

What controls/audits does the authority perform?

- ▶ Audit of designation.
- ▶ Audit of managing and control systems.
- ▶ Audit of operations.

Which authorities can the authority control?

- ▶ Bodies within implementation structure.
- ▶ Beneficiaries.

Are conclusions made by the authority binding for controlled / audited entities?

Yes, the subjects may not agree and can express their views, but if the AA does not change its opinion, then the entities have to implement the changes etc. in the period the AA has determined.

Who does the authority share its conclusions with?

- ▶ MA.
- ▶ CA.

Does the authority share auditing plans with other institutions?

No.

#### Audit/control authority no. 2-5

- ▶ *Central Harmonization Unit of the Ministry of Finance.*
- ▶ *State Audit Office.*
- ▶ *State Commission for Supervision of Public Procurement Procedures.*
- ▶ Other external entities use in particular within the technical assistance.

What controls/audits does the authority perform?

This is mainly a specific type of control of public administration bodies (in the roles of the MA, IB1s and the PCA) and the beneficiaries (within the delegation of controls from the MA / IB1 or public procurement).

Which authorities can the authority control?

- ▶ Bodies within implementation structure.
- ▶ Beneficiaries.



Are conclusions made by the authority binding for controlled / audited entities?

Yes, apart from conclusions made by the external entities within the TA, which are responsible only to the MA/IB1s.

Who does the authority share its conclusions with?

- ▶ MA, IB1.
- ▶ AA.

Does the authority share auditing plans with other institutions?

No.

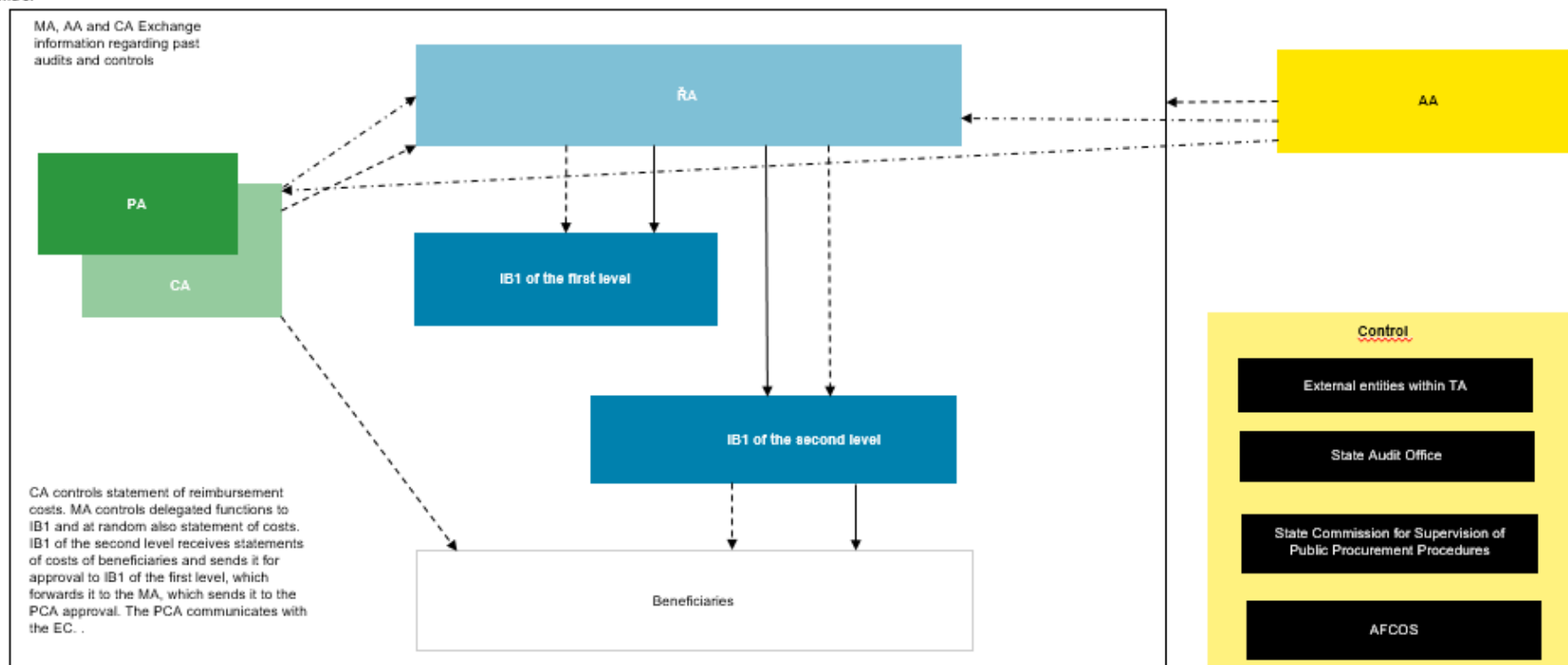
---





## Scheme of audit and control

Scheme of the OPKK and the OPULJP control



External entities enter the control only in specific cases, i.e. fraud suspicion (AFCOS), violation of public Procurement (State Commission), audit of public bodies (State Audit Office), or delegation of specific / partial controls within the TA. However, responsibility for control of the IB2 is fully within the competences of IB2 entities.



### 1.13.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, Croatia as the new Member State is part of the ESIF, plans use of the FI.

If yes, to which extent?

Yes, 7 % of total allocation.

In which areas are FI mainly used?

01 (Research & Innovation), 03 (SMEs), 04 (Low Carbon), 07 (Network Infrastructures), 08 (Sustainable & Quality Employment), 09 (Social Inclusion)

The use of financial instruments is mainly planned in the area of support for small and medium-sized enterprises. Next, also in the area of support for research and innovation, low carbon economy, network infrastructure, sustainable and quality employment and, to a lesser extent, social inclusion.

Are agriculture and social business assisted by FI?

Yes, through the FI, social entrepreneurship is supported, within the framework of OP Efficient Human Resources

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

Fundamental elements of the FI implementation in Croatia are public (state-owned) institutions - the Croatian Bank for Reconstruction and Development (HBOR) and the Croatian Agency for SMEs, Innovation and Investment (HAMAG-BICRO).

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

Coordination authority at the central level was not identified.

### 1.13.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Croatia uses the CLLD and the ITI (the SUD only through the ITI), 4 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes, the CLLD assistance is multi-fund, from the EAFRD and the EMFF. The ITI assistance is from the ERDF and the ESF.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Implementation of the CLLD through the EAFRD and the EMFF. Implementation of the ITI through OP Competitiveness and Cohesion.

The ITI will be implemented in 7 urban areas: Zagreb, Osijek, Rijeka, Split, Zadar, Slavonski Brod and Pula.



The MA of programs financed from the EAFRD and the EMFF is the *Ministry of Agriculture*. Therefore, the CLLD co-ordination will take place at this level.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated approach, a very wide range of topics is linked to local / territorial development strategies.

Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas exclusively supported through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

The CLLD – the MA is the *Ministry of Agriculture*, the Local Action Groups are organized by the *Paying Agency for Agriculture, Fisheries and Rural Development (PAAFRD)*, as well as project control, contracts and payments. The Local Action Groups task is, in particular, to prepare and implement a local development strategy. For Fisheries, similar implementation schemes will be used.

The ITI – the MA is the *Ministry of Regional Development and EU Funds*, which verifies the consistency of development strategies of selected urban areas with national strategies, verifies the eligibility of project costs and coordinates the ERDF and the ESF projects. The local authorities responsible for the ITI together with the partners in the given area then select individual projects in order to be in line with the development strategy of the given territory.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Yes, the implementation of macro-regional strategies (specifically the Strategy for the Danube Region and the Strategy for the Adriatic-Ionian Region) is implemented in combination with the ESIF. Operational programs include objectives and interventions fulfilling this strategy, precisely the strategy will be implemented also through projects supported by the ESIF (including cross-border cooperation programs).

---



### 1.13.7. Monitoring and IT

#### How is monitoring methodically supported?

The MA call together twice a year (three in case of OPULJP) the Monitoring committees, where the current state is presented and discussed. Every year, the MA, in cooperation with infrastructure operators and members of the Monitoring Committee, prepares an annual implementation report and is also required to draw up a final report in 2025. In addition, MA carries out quarterly reports on the ERDF and the CF implementation.

The IB1 annually presents achieved results to the MA. Specifically within OPULJP, the IB1 every three months draws up progress report on implementation at the specific objective level. Regarding reporting on evaluation activities, each *Annual Implementation Report* presents a synthesis of the findings of all evaluations at the OP level that were made available during the reporting year.

In addition to all of the above reports, the MA reports regularly, or at the NCA's request, financial and other reports that are analysed and processed for different needs, including a strategic discussion in the NCC and the Subcommittee. The Managing Authorities report to the NCAs on achievement of the objectives of the programs and the Partnership Agreement in the preparation of the *Partnership Progress Report* and the preparation of the annual evaluation meeting with the EC concerning all programs co-financed by the ESI funds in Croatia.

The NCA collects various types of data from the MA:

- ▶ the agreed amount in 5 regions (Project Slavonija, Baranja and Srijem) each week,
- ▶ published calls and absorption data every two weeks in the form of reports to the government,
- ▶ monthly state of administrative capacities,
- ▶ monthly status regarding absorption,
- ▶ quarterly status in terms of performance framework

Furthermore, the NCA prepares comprehensive reports on EU funds every six months. All reports are based on data and information obtained from the MA.

#### How are evaluations coordinated?

It centrally developed a MRRFEU evaluation strategy, which is responsible for it as the NCA. Its results are presented to the Monitoring Committees, the NCC, the Subcommittee and the EC.

The MRRFEU also functions as an interinstitutional evaluations working group (IEWG), which meets at least twice a year for this purpose and whose members are nominated from the MA of the individual OPs.

The MA is responsible at the level of the OP, which, through working groups, develops evaluation plans and presents the results of the evaluations to the Monitoring Committees.

#### What IT instruments are used for the implementation and monitoring of ESIF?

Following systems are used:

- ▶ *eFond*,
- ▶ *ESIF MIS*,
- ▶ Register of contracts,
- ▶ Internal database of the IB1s.



The original system for the programming period 2014-2020 was *ESIF MIS*, however during the period the new *eFond* system was launched. Both systems work in parallel, as complete migration to the new system was not possible due to the lack of computerisation and amount of data. In the future, it is planned to create an IT system that will allow data processing from both existing systems. The register of contracts and internal IB1 database serves to store information that is not in the *ESIF MIS*. For the new period, there should be no significant change in IT systems.

In which areas is (solely) paper documentation used?

The ability to use paper-based documents is always listed in the specific terms of the call.

### 1.13.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

Yes, there is a specific ESIF law (Law on the Establishment of an Institutional Framework for the Implementation of European Structural and Investment Funds in the Republic of Croatia in the financial period 2014-2020).

This law is issued by the Croatian Parliament and is binding on all concerned entities. The implementation bodies are responsible for its compliance.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

Furthermore, the following legislative documents exist:

- ▶ Decision establishing a *National Coordination Committee for European Structural and Cohesion Funds and European Union Instruments in the Croatian Republic* (Official Journal 15/2017);
- ▶ *Regulation on the bodies involved in the management and control of the use of the European Social Fund, the European Regional Development Fund and the Cohesion Fund concerning the Investment for growth and jobs objective* (Official Journal 107/2014 et seq., Last modified 15 / 2017);
- ▶ *Regulation on the management and control system of the European Agricultural Fund for Rural Development* (Official Journal 129/2014);
- ▶ Regulation on Authorities in Managing Systems for implementation of programs financed from the EMFF (Official Journal 129/2014);
- ▶ *Cost eligibility rules* (Official Journal 143/2014);
- ▶ *Public Procurement Act* (Official Journal 120/2016).

Legislative documents are binding on the entities concerned and their hierarchy is as follows:

1. Law: accepted by the Parliament,
2. Regulation / Decision: approved by the Government,
3. Rules: within the above mentioned MRRFE

In addition to the general national rules issued by the MA of the individual OPs, the Ministerial Decision adopted in April 2018 an *Evaluation Strategy for the Implementation of European Structural Funds and investment funds in the Republic of Croatia in the financial year 2014-2020*, which focuses on the evaluation process and defines the framework for carrying out evaluation activities, ensuring consistency in its implementation and control. Other binding documents do not exist at the central level, but MRRFEU is working on evaluation manuals.

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?



Yes, the regulation is different, the main difference is the source of funding and the specific laws that apply to it. At national level, in addition to foundation-funded programs (such as the funding of research activities by the *Croatian Science Foundation*), there are also strategic investment projects. While in the case of foundations, the organization of projects and the provision of financing is under their responsibility, in the case of strategic investment projects, investors are selected for funding through public calls or at their own request, which they submit for approval to the central government department responsible for the management, projects financed within the ESIF cannot be included. The area of funding is broad (industry, agriculture, employment, etc.).

The main coordinating body for strategic investment is the Committee appointed by the government, consisting of the chairman, the deputy chairman, five permanent members and five alternates. The implementation structure also includes the *Agency for Investment and Competitiveness*, which verifies the correctness of the application. Operational groups are set up to implement the projects, which, among other activities, supervise inter-ministerial harmonization and coordination.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

The Regulation on the institutional framework for the fight against irregularities and fraud establishes the competences of the *Ministry of Finance* and the *AFCOS* as the body responsible for the establishment and effective functioning of the irregularity and fraud control system. Following this regulation, the *Ministry of Finance* issued a handbook on the management of irregularities.

The *Ministry for Regional Development*, in addition to the above, has adopted general national rules, which contain description of processes related to the resolution of irregularities, i.e. prevention, detection, information etc., these rules are binding for all bodies of the implementation structure.

There is no discrepancy between national legislation and the ESIF regulation, as general national rules are adapted to national and European rules.

### 1.13.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Yes, they are covered by the state budget.

Which currency is used in the case of pre-financing?

HRK

### 1.13.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

There is currently no specific change plan for the upcoming programming period. According to representatives of MRRFEU, the ESIF regulation will be based on the National Strategy '*Strategy 2030*', which should be finished by the end of 2019.



## 1.14. Hungary (HU)

### 1.14.1. General information, allocation and targeting

Name of the member country	Country code
Hungary	HU
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
9 (7/2)	3/7/20

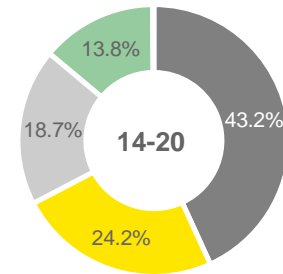
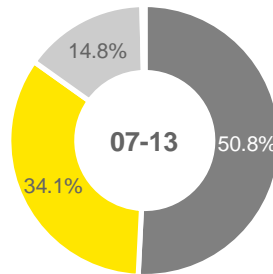
Total allocation planned (according to programming period and fund)

Total allocation  
(mil. EUR)

14-20: 24 914

07-13: 23 176

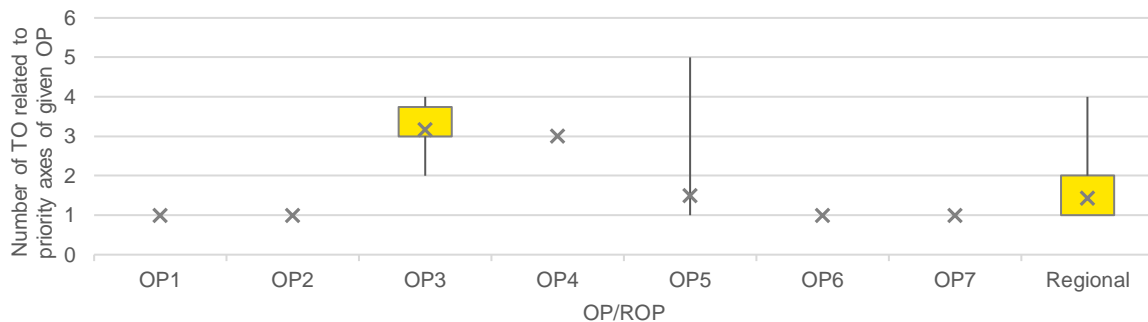
- ERDF
- CF
- ESF
- EAFRD
- EMFF



Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
29 %	14 %	42 %	42 %	29 %	57 %	14 %	29 %	29 %	42 %	14 %	0 %
(2/7)	(1/7)	(3/7)	(3/7)	(2/7)	(4/7)	(1/7)	(2/7)	(2/7)	(3/7)	(1/7)	(0/7)

Targeting of priority axes of individual operational programmes in relation to thematic objectives



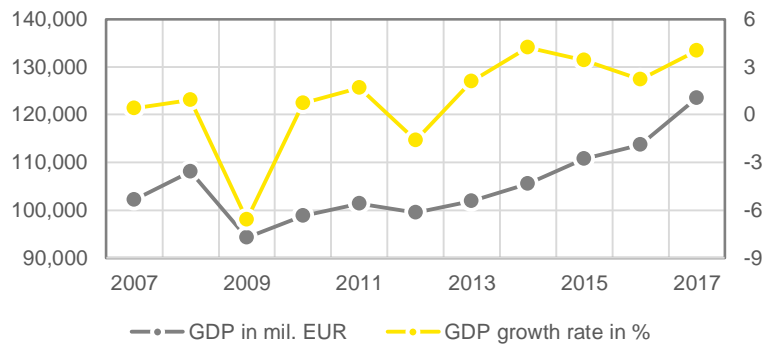


### Gross domestic product development (2007 – 2017)

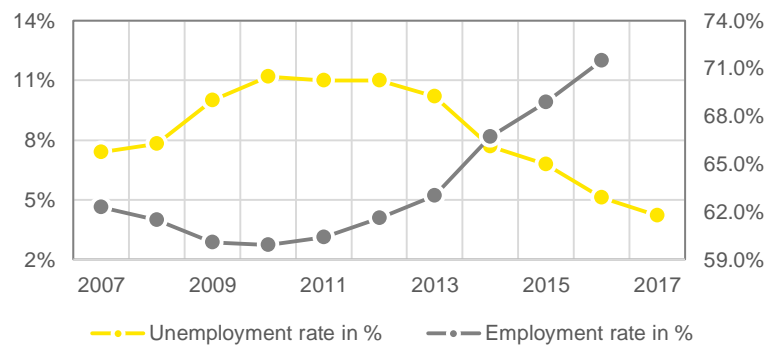
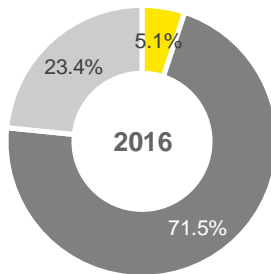
GDP per capita (EUR per capita)

2017: 12 600

2007: 10 200



### Labour market development (2016)







## 1.14.2. Main actors

### National Coordination Authority (NCA)

*Ministry of Innovation and Technology*

#### What are the main competences of the NCA?

- ▶ providing a common structure for the implementation of programs and projects
- ▶ operating a common information system
- ▶ coordinates the planning of implementation process
- ▶ controlling formal notices and their publication on the web
- ▶ ensuring coordination of individual implementing bodies
- ▶ representing Hungary in the EU working groups
- ▶ providing a secretariat for Partnership Agreement Monitoring Committee
- ▶ coordinating tasks related to external audits
- ▶ controlling the correctness of procurement procedures
- ▶ coordinating all anti-fraud activities
- ▶ coordinating preparation of annual report
- ▶ handling complaints against MA decisions
- ▶ handling appeals against decisions of the MA on irregularities
- ▶ providing monitoring of performance framework

Is the NCA established specifically for purposes of ESIF?

No, the NCA is not established specifically for purposes of the ESIF.

What personnel capacity is allocated to the NCA?

At present, approximately 2500 people work together in the ESIF implementation structure (NCA, MA, IB, AA, CA and PA).

### Managing Authorities (MA)

The role of the MA is fulfilled by four line ministries and by the *Prime Minister's Office*.

The *Ministry of Innovation and Technology* is the MA of two OPs combining the ERDF and the CF, and the *Prime Minister's Office* is the MA of one OP which combines the ERDF, ESF and the CF, as well as programs financed from the EAFRD and the EMFF. The remaining four OPs combining the ERDF and the ESF have either the *Ministry of Finance*, *Ministry of Human Capacities*, and the *Ministry of Agriculture* as their respective MAs.

#### What are the main competences of the MA?

Among the MA's competences are mainly::

- ▶ preparing annual planning framework of OP implementation,
- ▶ preparing calls for proposals,
- ▶ setting up the control and monitoring system,
- ▶ supervising of IB's activities (if exist),
- ▶ project selection,
- ▶ monitoring of OP implementation and project financing,
- ▶ preparing annual report,
- ▶ performing first level inspection,
- ▶ performing anti-fraud activities,
- ▶ participation in preparation of the evaluation plan,
- ▶ responsibility for recovering illegible resources



Are the MAs established specifically for purposes of ESIF?

No, the MAs are established specifically for purposes of the ESIF. However, selected departments of the institutions, which are delegated to the exercise of competences by the MA, are specifically established for ESIF purposes.

What personnel capacity is allocated to the MA?

At present, approximately 2500 people work together in the ESIF implementation structure (NCA, MA, IB, AA, CA and PA).

#### Intermediate bodies (IB)

There is a single IB for three OPs (OP *Competitive Central Hungary*, OP for *Territorial and Settlement* and OP *Maritime and Fisheries*), which is the *President of the Hungarian State Treasury*.

What are the main competences of IBs?

The IB provides the selected budgetary, executive, control and financial functions for all EU funds under legislation and international agreements. In particular, it fulfils the tasks resulting from the financial relationship between the central government budget and the local authorities.

Is the IB established specifically for purposes of ESIF?

No, the IB are established specifically for purposes of the ESIF. However, selected departments of the institutions, which are delegated to the exercise of competences by the IB, are specifically established for ESIF purposes.

What personnel capacity is allocated to the IBs?

At present, approximately 2500 people work together in the ESIF implementation structure (NCA, MA, IB, AA, CA and PA).

#### Certification Authority (CA)

In most cases, the role of CA is fulfilled by the *Hungarian State Treasury*. Based on a contract with the Ministry of Agriculture and Rural Development, *KPMG* assumes a quasi-CA role exclusively for the RDP.

What are the main competences of the CA?

- ▶ Elaborating and submitting payment request and certificating reliability of accounting systems.
- ▶ Forming financial statements.
- ▶ Confirming the accuracy, completeness and credibility of the accounts and expenses stated in financial statements.
- ▶ Securing the accounting system.
- ▶ Controls audit conclusions when forming and submitting payment requests.
- ▶ Keeping relevant accounting records in electronic form.

Is the CA established specifically for purposes of ESIF?

No, the CA are established specifically for purposes of the ESIF. However, selected departments of the institutions, which are delegated to the exercise of competences by the CA, are specifically established for ESIF purposes.

What personnel capacity is allocated to the CA?

At present, approximately 2500 people work together in the ESIF implementation structure (NCA, MA, IB, AA, CA and PA).



## Paying Authority (PA)

Role of PA is fulfilled by the *the Hungarian State Treasury*

### What are the main competences of the PA?

- ▶ Verifying permissibility of payment requests.
- ▶ Transferring funds to beneficiaries.
- ▶ Represents member state in EU working group referred to in article 116 the Common Agricultural Policy Regulation.
- ▶ Preparing statement of expenses, which is sent to EC afterwards.

### Is the PA established specifically for purposes of ESIF?

No, the PA are established specifically for purposes of the ESIF. However, selected departments of the institutions, which are delegated to the exercise of competences by the PA, are specifically established for ESIF purposes.

### What personnel capacity is allocated to the PA?

At present, approximately 2500 people work together in the ESIF implementation structure (NCA, MA, IB, AA, CA and PA).

## Audit Authority (AA)

*Directorate-General for the Audit of European Funds*

### What are the main competences of the AA?

- ▶ audit of operations
- ▶ audit of managing and control systems
- ▶ other thematic audits
- ▶ preparing audit strategy
- ▶ preparing annual audit report

### Is the AA established specifically for purposes of ESIF?

Partly, Norwegian / EEA grants and the Swiss Fund are also audited with the ESIF funds.

### What personnel capacity is allocated to the AA?

To AA's agenda is allocated total of 140-150 people.

## Other control bodies outside the ESIF implementation structure (CB)

The State Audit Office and the Controlling Department of the Prime Minister's Office can also carry out audits and/or controls. All bodies tasked with audit and/or controlling functions cooperate with one another within the framework of the Partnership Agreement Monitoring Committee.

### What are the main competences of CB?

The State Audit Office and the Controlling Department of the Prime Minister's Office conduct their controlling activities independently and in parallel with the ones conducted by the institutions within the management and control system. They rely on their own procedures and methodologies. The State Audit Office reports to the parliament, while the Controlling Department of the Prime Minister's Office reports directly to the government. They can conduct both system audits and audit of operations. However, in practice, both institutions combined conduct a very limited number of audits in practice.



Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

In comparison to the previous period, several fundamental reforms were executed in Hungary. From the very beginning of the 2014-2021 programming period, the institutional background of every major body of the implementation structure was changed. The NCA was taken away from the National Development Agency and moved under the Prime Minister's Office. Likewise, the respective four line ministries and the Prime Minister's Office assumed roles of the Managing Authorities at the expense of the National Development Agency, which was subsequently terminated. The Ministry of Finance's Directorate-General for the Audit of European Funds (DGAEF) was delegated the responsibilities of an Audit Authority. In spite of being incorporated to a government agency's structures, the DGAEF is granted *de jure* independence from external influence. On the other hand, the Ministry of Finance lost ownership of the Paying and Certification authorities, for they were transferred into the structures of the *Hungarian State Treasury*. Still to add, the number of Intermediary Bodies was significantly reduced from 22 to 12. At the same time, the IBs were no longer represented by external institutions as the Regional Development Councils took over.

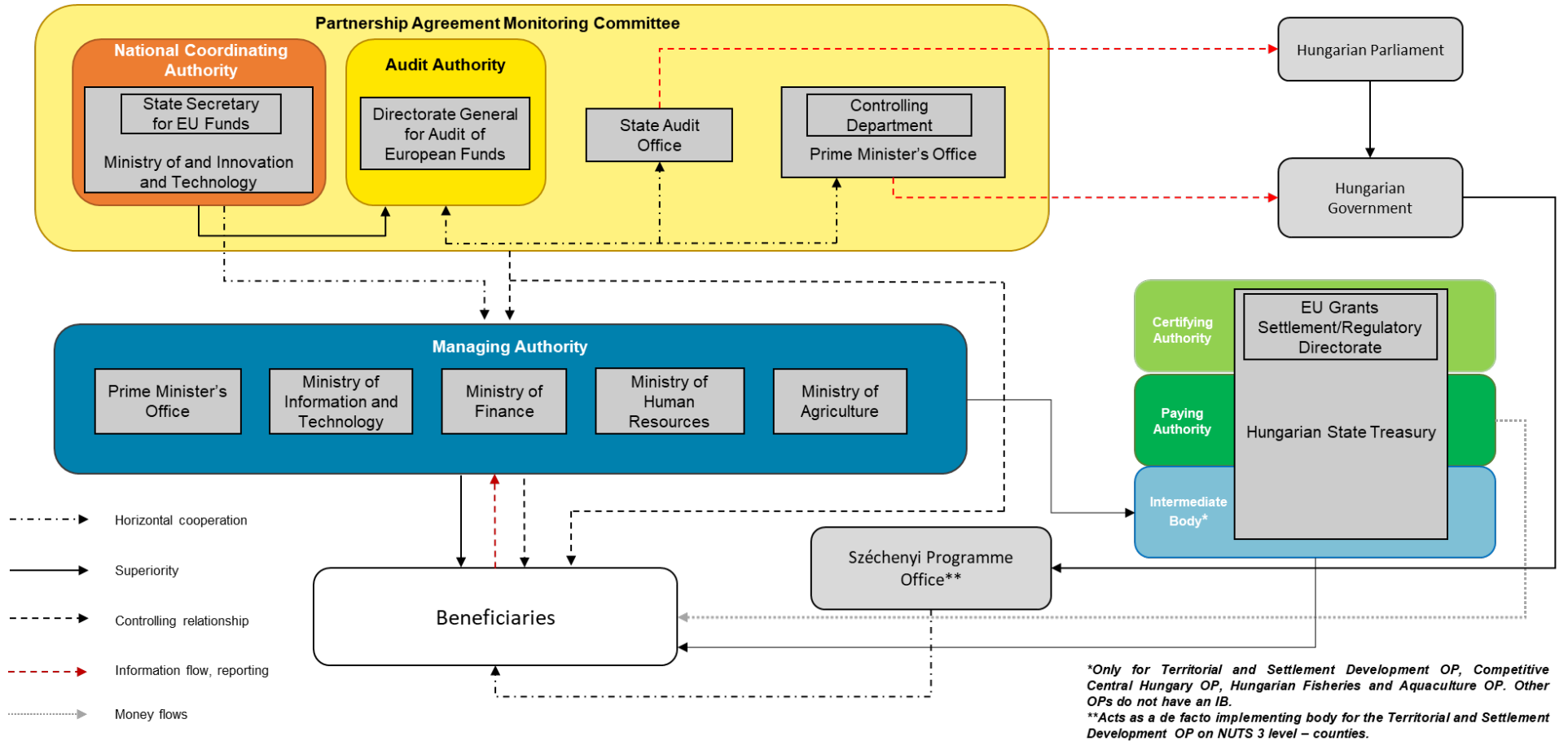
During the current programming period, after the April 2018 parliamentary elections to be precise, the Hungarian implementation structure underwent further fundamental changes to its architecture. To mention the most prominent; the NCA was transferred to a newly-established Ministry of Innovation and Technology and the number of IBs reduced to one (i.e. the Hungarian State Treasury), which is shared by exclusively three specific OPs.

What was the reason for the changes in the implementation structure mentioned above?

Whatever the reform, none was executed on the basis of an analysis, evaluation, or any other study of such a kind. The prevalent incentives for these changes are said to be of a purely political nature. The allocation of the role of the MA to individual ministries is aimed at optimizing the implementation at the level of individual OPs (because each OP is managed by the relevant ministry depending on its agenda) while coordinating the whole implementation directly by the government aims at maximizing simplification and efficiency of coordination.



### Scheme of implementation structure





### 1.14.3. Programs financed from EAFRD and EMFF

#### Name(s) of the OP(s) financed from EAFRD

*OP Rural Development*

Is the same methodical environment binding for the OP(s)?	Do(es) the OP(s) have the same institutional setup (same AA, PCA)?
---	--

No, it is not.	No, CA is <i>KPMG</i> .
----------------	-------------------------

Do(es) the OP(s) use the same IT environment?	Do(es) the OP(s) use resources from the OP TA in the member state?
---	--

No, <i>IACS</i> monitoring system, which is used only within EAFRD and EMFF programs.	Irrelevant, there is no OP TA in Hungary.
---	---

#### Name(s) of the OP(s) financed from EMFF

*OP Fisheries*

Is the same methodical environment binding for the OP(s)?	Do(es) the OP(s) have the same institutional setup (same AA, PCA)?
---	--

No, it is not.	Yes.
----------------	------

Do(es) the OP(s) use the same IT environment?	Do(es) the OP(s) use resources from the OP TA in the member state?
---	--

No, <i>IACS</i> monitoring system, which is used only within EAFRD and EMFF programs.	Irrelevant, there is no OP TA in Hungary.
---	---



## 1.14.4. Audit and control

**Do the audit/control authorities share their auditing plans with each other / other institutions?**

Yes, though on a quasi-formal basis. The Partnership Agreement Monitoring Committee is the forum designated for coordination of the activities carried out by the aforementioned audit and controlling bodies. The AA shares the audit plan with the Minister of Innovation and Technology. If necessary, the plan is also consulted with the rest of PMAC members. The PMO's Controlling Department has regular operations auditing functions. They are also responsible for coordinating audits conducted externally, especially by the EC or ECA.

**Is there any database of the audit reports publicly available?**

Database exists, however it is not publicly available.

### Audit/control authority no. 1

*Directorate-General for the Audit of European Funds*

<b>What controls/audits does the authority perform?</b>	<b>Which authorities can the authority control?</b>
---	---

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>▶ Audit of operations.</li> <li>▶ Audit of managing and control systems.</li> <li>▶ Other thematic audits.</li> </ul> | <ul style="list-style-type: none"> <li>▶ Implementation structure bodies.</li> <li>▶ Beneficiaries.</li> </ul> |
|--|--|

**Are conclusions made by the authority binding for controlled / audited entities?**

Detailed information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

<b>Who does the authority share its conclusions with?</b>	<b>Does the authority share auditing plans with other institutions?</b>
---	---

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>▶ Audited entity.</li> <li>▶ MA.</li> </ul> | <p>Detailed information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.</p> |
|--|--|



### 1.14.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, Hungary has used financial instruments already in the previous 2007-2013 period and has now increased its allocation.

If yes, to which extent?

Yes, 9 % of total allocation.

In which areas are FI mainly used?

01 (Research & Innovation), 02 (ICT), 03 (SMEs), 04 (Low Carbon), 08 (Sustainable & Quality Employment), 09 (Social Inclusion)

The use of financial instruments is mainly planned for research and innovation areas, small and medium-sized enterprises, low-carbon economy and ICT.

Are agriculture and social business assisted by FI?

Yes, assistance for social entrepreneurship is planned through the FI.

Information regarding agriculture assistance through FI was not found out.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

The implementation of financial instruments is entrusted to the state Hungarian Development Bank (HDB), which is the fund manager. The HDB cooperates with selected commercial banks.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

Hungarian Development Bank as a fund manager is in charge of coordination of the FI.

### 1.14.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Hungary uses the CLLD and the SUD to extent of 5 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes, the CLLD is planned to be used within the ERDF, ESF and the EAFRD. the SUD is planned to be used within the EMFF.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Implementation through the EAFRD and regional programs (multi-fund the ERDF and the ESF). Implementation of the SUD through multi-fund the ERDF and the ESF regional programs.





The MAs of the assumed relevant OP (Territorial and Settlement Development OP, Competitive Central Hungary OP, Rural Development Programme) are the Ministry of National Economy and the Prime Minister's Office. Information on whether one of these MAs has the main coordinating role was not found out.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated instruments, a very wide range of issues related to local / territorial development strategies is addressed. Assistance through integrated approach is supported in particular from the ERDF, the EAFRD and the ESF. The CLLD is primarily intended to contribute to TO8 and TO9.

Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas supported solely through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

Closer definition of roles in the CLLD implementation is not contained in the Partnership Agreement. It only mentions necessary cooperation between the MA (respectively the relevant ministries for rural development and regional development), regional and local levels. The regions have a certain coordinating role, as is the case in the SUD, and the ministries then provide methodological guidance and expertise.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Yes, the implementation of macroregional strategies (Strategy for the Danube Region) is implemented in combination with the ESIF. Operational programs contain objectives and interventions that fulfil this strategy. The strategy will be implemented through projects supported by the ESIF (including cross-border cooperation programs).

---



## 1.14.7. Monitoring and IT

### How is monitoring methodically supported?

Apart from the Partnership Agreement Monitoring Committee, which aims at a seamless implementation and co-ordination of all OP financed by the ESIF, and the secretary of which is the *Prime Minister*, there are *monitoring committees* of individual OPs, always managed by the MA of the particular OP.

### How are evaluations coordinated?

Evaluations are coordinated at the level of the specifically established Working Group for Monitoring and Evaluation (MEMCS), which contributes to the correct interpretation of laws, provides methodological support for evaluation, monitors indicators, provides methodological assistance to the MA in the preparation of evaluation plans, monitors the implementation of the ex-ante evaluation and informs competent authorities about the content of the evaluation report.

### What IT instruments are used for the implementation and monitoring of ESIF?

Hungary uses two distinct IT systems for the administration and monitoring of its OPs which are incorporated into an overarching centralized fund management system called **Development Policy Management System (FAIR)**. The system encompasses an internal management and monitoring system which is used by different levels of the institutional system including MAs, IBs and Certifying Authority. These organisations arrange for all administrative tasks in the same system. The Audit Authority and the National Coordinating Authority do not process data in the system but they have a read-only access.

The first of the two systems is the Single Monitoring Implementation System – **EMIR** (sometimes also referred to as UMIS) facilitates scrutiny over projects funded from ERDF, ESF, or CF. Projects applying for EARDF or EMFF funding are then processed via the Integrated Administration and Control System (IACS) – the second of the two. These systems serve the purpose to deliver “real-time data from each level of the implementation system, and serve as electronic communication channels between the European Commission and Hungary.”<sup>1</sup> Additionally, they are also used for the interaction of the managing authorities with the beneficiaries.

### In which areas is (solely) paper documentation used?

At present, almost all documents are in electronic form (payment requests, monitoring). In the application phase, only the relevant confirmation regarding the financing (bank guarantees etc.) must be in paper form.

---

<sup>1</sup> Government of Hungary. 2011. *Implementation Operational Programme (Technical Assistance)*. CCI no: 2007HU161PO010. p. 49.



### 1.14.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

No, there is no specific ESIF law.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

Mainly the *Government Regulation on the use of EU Grants No.272 / 2014*.

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

Yes, the *Government Regulation on the use of EU grants no.272 / 2014* regulates exclusively the use of the EU funds. However, the representatives of the relevant authorities did not describe to us specific differences of a fundamental nature.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

The resolution of irregularities is regulated by the *Government Regulation on the Use of EU Grants No.272 / 2014*. Recovery of irregularities is carried out by the MA. The representatives of the MA did not provide us with information as to whether there is a discrepancy between national and the ESIF adjustments in this area.

### 1.14.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Yes, funds are covered by the state budget.

Which currency is used in the case of pre-financing?

HUF

### 1.14.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

Representatives of the relevant authorities (NCA, MA, AA) confirmed that is too early for answering this question.



## 1.15. Ireland (IE)

### 1.15.1. General information, allocation and targeting

Name of the member country	Country code
Ireland	IE
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
5 (3/2)	1/3/8

Total allocation planned (according to programming period and fund)

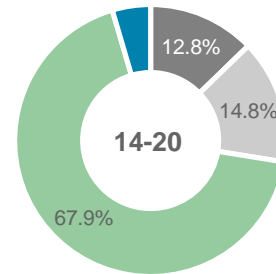
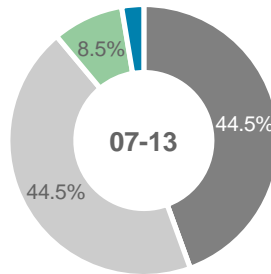
Total allocation  
(mil. EUR)

14-20: 3 221



07-13: 802

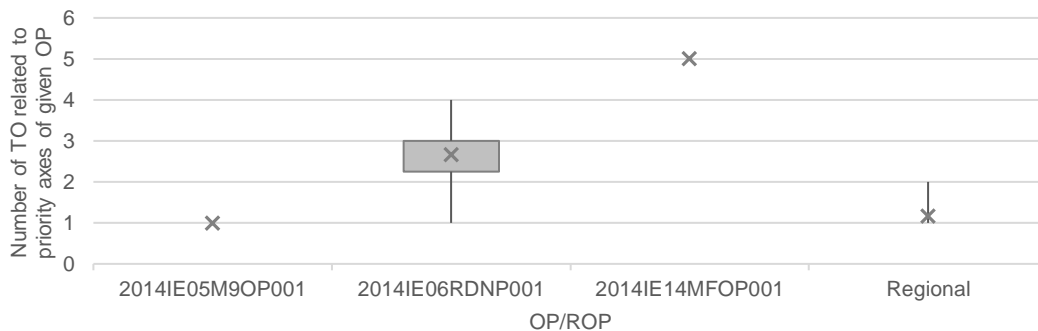
- ERDF
- CF
- ESF
- EAFRD
- EMFF



Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
33 %	0 %	67 %	67%	33 %	67 %	0 %	67 %	67%	67%	0 %	0 %
(1/3)	(0/3)	(2/3)	(2/3)	(1/3)	(2/3)	(0/3)	(2/3)	(2/3)	(2/3)	(0/3)	(0/3)

Targeting of priority axes of individual operational programmes in relation to thematic objectives



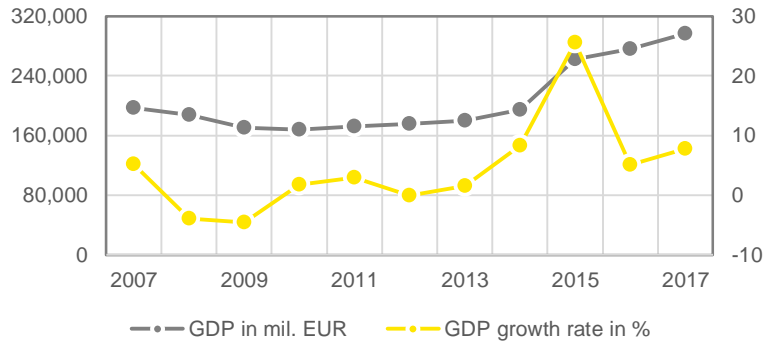


### Gross domestic product development (2007 – 2017)

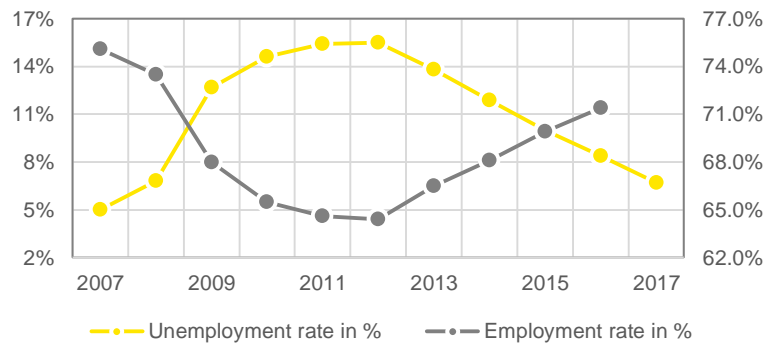
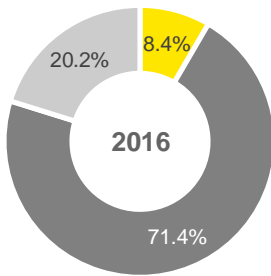
GDP per capita (EUR per capita)

2017: 61 700

2007: 44 800



### Labour market development (2016)





## 1.15.2. Main actors

### National Coordination Authority (NCA)

#### *National Coordination Committee of the Funds (NCCF)*

#### What are the main competences of the NCA?

- ▶ ensuring coordination between the ESI funds and other EU instruments and national instruments; at the national level, the EU Coordination Committee has been established to address issues regarding cooperation and definition between the ERDF / ESF, EMFF and the EAFRD; if necessary, it introduces appropriate systems to address these issues in the OP
- ▶ solving all problems associated with program implementation, which may require the definition of operational programs and new programs to reduce the overlap of individual funds
- ▶ solving problems between the ESI and Community programs (Horizon 2020, COSME, LIFE, Erasmus + etc.) in terms of cooperation, complementarity, subsidiarity and implementation

#### Is the NCA established specifically for purposes of ESIF?

Yes, the NCA is established specifically for coordination of all available funds.

#### What personnel capacity is allocated to the NCA?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### Managing Authorities (MA)

The ROP MAs are the relevant regional assemblies, while MAs in case of the national ESF program is the *Department of Education and Skills*.

The *Department of Agriculture, Food and Marine* is the MA of programs financed from the EAFRD (rural development department) and programs financed from the EMFF (Department of maritime agencies and programs Department).

#### What are the main competences of the MA?

- ▶ responsibility for the efficiency and correctness of program management and implementation
- ▶ reporting to Monitoring Committee
- ▶ ensuring effective monitoring and evaluation of programs
- ▶ ensuring that recipients of subsidies are informed of related obligations
- ▶ ensuring the publicity and communication

#### Are the MAs established specifically for purposes of ESIF?

No, the MAs are not established specifically for the purposes of the ESIF. However, selected departments of the institutions which are delegated to the exercise of the competences of the MA are specifically established for ESIF purposes.

#### What personnel capacity is allocated to the MA?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### Intermediate bodies (IB1)

Within the ESF, the IB1s are 3 ministries and 3 government agencies / organizations.



### What are the main competences of IB1s?

- ▶ submitting financial and non-financial data to facilitate drawing of funds and any other obligations imposed by the partial administrative agreements
- ▶ responsibility for the relevant ESIF programs - it is often the main verifying authority

Are IB1s established specifically for purposes of ESIF?

No, identified IB1s were not established for the ESIF purposes.

What personnel capacity is allocated to the IB1s?

For identified entities, units of up to tens of workers who are allocated on the agenda associated with the ESIF implementation.

### Paying and Certification Authority (PCA)

The role of the PCA is fulfilled within the ERDF by the *Department of Public Expenditure and Reform*, within the ESF *Department of Education and Skills* and within the EAFRD and the EMFF *Financial Department of the Ministry of Agriculture, Food and Marine*.

### What are the main competences of the PCA?

- ▶ elaborating and submitting payment requests to the EC and confirming that these requests come from reliable accounting systems, based on verifiable evidence and certified by the MA
- ▶ preparing the financial statements referred to in Article 59 (5) (a) of the Financial Regulation and confirming the completeness, accuracy and credibility of the financial statements; verifying that costs are in accordance with applicable law, and spent on operations selected for funding according the criteria applicable to the operational program and in accordance with the applicable legislation
- ▶ ensuring the existence of an electronic system recording the accounting entries for each operation, including recording all the data needed to prepare the payment application and the financial statements
- ▶ when drawing up and submitting payment applications, it shall take into account the results of all audits carried out by the audit authority or under its authority
- ▶ manging in electronic form the accounting records of the expenditure declared to the EC and records of the corresponding contributions from public resources paid to the beneficiaries
- ▶ Records the amounts to be recovered and amounts withdrawn due to cancellation of the entire contribution to the operation or its part

Is the PCA established specifically for purposes of ESIF?

No, the PCAs are no established specifically for the ESIF purposes.

What personnel capacity is allocated to the PCA?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### Audit Authority (AA)

The AA role is performed within the ERDF by the *Internal & EU Audit Unit* of the *Department of Public Expenditure and Reform*, within the ESF by the *Financial Control Unit* of the *Ministry of Education and Skills* and within the EMFF *Internal Audit Unit* of the *Department of Agriculture, Food and Marine*. In the case of programs financed from the EAFRD, external consultants operate in Ireland as audit authorities.

### What are the main competences of the AA?

- ▶ audit of designation
- ▶ audit of operations



- ▶ system audit including its cascading delegation to the internal audit units within the relevant line ministries
- ▶ if audits are carried out by a body other than the audit authority, the AA ensures that such body has the necessary functional independence
- ▶ activities of preventive nature

Is the AA established specifically for purposes of ESIF?

Yes, the AAs are established specifically for the ESIF purposes. Role of the AA is assigned to specific departments that have been created directly for that purpose.

What personnel capacity is allocated to the AA?

Within the AA at the *Department of Education and Skills*, a total of 7 people are employed (the AA Leader, audit manager and 5 Auditors).

Other control bodies outside the ESIF implementation structure (CB)

Other CBs outside the ESIF implementation structure were not identified.

What are the main competences of CB?

Irrelevant.

Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

- ▶ Simplifying the cascading structure of the implementation structure.
- ▶ Simplification of the audit and monitoring system and strengthening of the proportionality principle.
- ▶ Clear identification of responsibilities and resources required to support monitoring and evaluation.
- ▶ Introduction of simplified cost calculation.
- ▶ Effective coordinated approach to collecting data for reporting and implementing a common IT system.
- ▶ Additional features for the new *National Rural Network* in relation to innovative measures.

What was the reason for the changes in the implementation structure mentioned above?

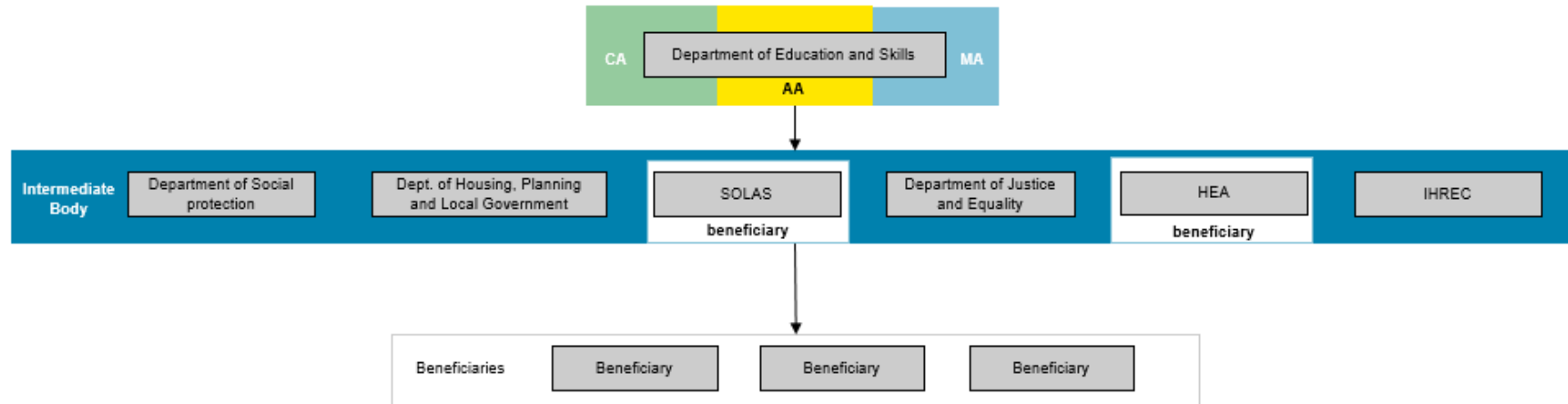
In the previous period, due to complicated administration, unnecessary delays and inconsistencies in sample methodologies and approval documentation have occurred. The administrative burden was a major problem of the implementation structure in the previous period.





## Scheme of implementation structure

*Applicable for ESF*





### 1.15.3. Programs financed from EAFRD and EMFF

Name(s) of the OP(s) financed from EAFRD

*Rural Development Programme 2014-2020*

Is the same methodical environment binding for the OP(s)?

No.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, has different AA and PCA.

Do(es) the OP(s) use the same IT environment?

No, it uses its own IT system.

Do(es) the OP(s) use resources from the OP TA in the member state?

Irrelevant, OP TA does not exist in Ireland.

Name(s) of the OP(s) financed from EMFF

*European Maritime and Fisheries Fund 2014-2020*

Is the same methodical environment binding for the OP(s)?

No.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, has different AA and PCA.

Do(es) the OP(s) use the same IT environment?

No, but integration with the IT system, which is currently under development for ERDF and ESF, is planned.

Do(es) the OP(s) use resources from the OP TA in the member state?

Irrelevant, OP TA does not exist in Ireland.



## 1.15.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Is there any database of the audit reports publicly available?

The results of controls / audits are stored in the *eCohesion* IT system but are not publicly available.

### Audit/control authority no. 1

The AA (*Internal and EU Audit Unit of the Department of Public Expenditure and Reform, ESF Financial Control Unit of the Department of Education and Skills, Internal Audit Unit of the Ministry of Agriculture, Food and Marine*)

What controls/audits does the authority perform?

- ▶ Audit of designation.
- ▶ Audit of operations.
- ▶ System audit including its cascading delegation to the internal audit units within the relevant line ministries.

Which authorities can the authority control?

- ▶ Implementation structure bodies.
- ▶ Beneficiaries.

Are conclusions made by the authority binding for controlled / audited entities?

Rather not, the AA expresses an opinion (including a proposal for corrective action) in its audit letter, which can be accepted, partially accepted or rejected. On the basis of this letter and the response of the audited entity, the AA will prepare a final report to be provided to the EC to resolve any disputes.

Who does the authority share its conclusions with?

- ▶ Audited entity.
- ▶ MA.
- ▶ IB1.
- ▶ Committee for internal audit.

Does the authority share auditing plans with other institutions?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.





### 1.15.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

No, as in the past, Ireland has not planned to use financial instruments.

If yes, to which extent?

Irrelevant.

In which areas are FI mainly used?

Irrelevant.

Are agriculture and social business assisted by FI?

Irrelevant.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

Irrelevant.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

Irrelevant.

### 1.15.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Ireland uses the CLLD and the SUD, in extent of 9 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

No. The CLLD assistance is from the EAFRD and the EMFF, but it is mono-fund. The SUD assistance is from the ERDF.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Yes. Implementation of the CLLD through the EAFRD and the EMFF. The SUD assistance is from two ERDF regional programs.

The co-ordination role of the CLLD and the SUD is not defined in the Partnership Agreement. The coordination of the CLLD is ensured by the fact that the MA of both programs – the EAFRD and the EMFF is the *Department of Agriculture*. In the case of the SUD, the MA of two regional OPs is a "regional assembly".

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated approach, a very wide range of topics is linked local / territorial development strategies.



Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas exclusively supported through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

In the case of the CLLD, roles are set according to the European regulation. Local Action Groups are in charge of developing a local development strategy, setting up a selection process, including criteria, announcing calls, evaluating project applications and selecting them.

In the case of the SUD, information was not found, it is not described in more detail in the Partnership Agreement.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Ireland is not part of any macroregional strategy.

---



### 1.15.7. Monitoring and IT

How is monitoring methodically supported?

The Monitoring Committees of the individual OPs are composed of representatives of the relevant authorities who meet at least once a year and discuss the results of the OP, its implementation and evaluation, and any points for discussion submitted by the MA. They monitor the implementation and evaluation of the OP, including actions aimed at reducing the administrative burden on beneficiaries. For the EAFRD, details are included in the *Information and Publicity Strategy*, which includes indicators on which monitoring and evaluation is based on.

How are evaluations coordinated?

The evaluation system is decentralized at OP level. The MA usually controls the monitoring mechanisms and evaluation of the programs, including the collection of relevant data, and the results are subsequently presented to the Monitoring Committees. Independent ex ante evaluations funded by individual funds were carried out by the *Irish Government Economic and Evaluation Service*.

What IT instruments are used for the implementation and monitoring of ESIF?

Within the ESF, the *eCohesion* IT system is currently being used, to which beneficiaries put financial statements and other necessary documents for the MAs / IB1s and other actors of the managing and control system. During the current programming period, the development of the IT *Data Exchange for European Funds (DEEF) 2014-2020*, which should serve jointly for the ERDF, ESF and the EMFF, is in process.

In which areas is (solely) paper documentation used?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### 1.15.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

No, there is no specific ESIF law in Ireland.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

Ireland is governed, in particular, by regulations issued by the EC. Certain areas of subsidies are governed by the thematic regulations, for example on the environment.

Other issues are governed by the Public Expenditure Act, which regulates the principles and rules under which public authorities manage public funds (including national and European grant programs). On the basis the law, the managing and control bodies have to issue their guidelines / circulars according to which they will proceed and which set obligations of managing and control systems.

*Circulars* of the relevant ministries (MA / CA) No. 13/2015 and 08/2015 set and communicate the basic rules for the managing and controlling bodies that must comply with them under the threat of withdrawal or cancellation of EU-funded aid for Ireland as a whole, the responsible institution would have to compensate for this loss. The MA is responsible for state authorities complying with the circulars.



The MA, CA and the IB1 issue procedural manuals, which, through a specification of tasks, are to ensure compliance with relevant EU regulations and to lay down rules for specific activities. These manuals must be updated on a regular basis.

Beneficiaries of subsidies are provided with methodological information on the procedure for applying for a grant, while the calculation of eligible costs is provided in one of the circulars of the Minister.

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

Modification of binding procedures for European and national grant titles is based on the same regulations, i.e. the Public Expenditure Act, which is further refined by specific circulars that may contain differences, but cannot go beyond the legal framework.

Specific discrepancies were not found even from publicly accessible documents, and communication with the representatives of the competent authorities was unsuccessful, despite repeated attempts.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

Recovery of ineligible funds is governed, in particular, by the relevant EU regulations, which are also referred to by the circular of the *Department of Public Expenditure and Reforms* from 13/2015 (specifying the Public Expenditure Act). The procedure is closer described in the process manual. Their enforcement is ensured by the relevant MA or IB.

There was no significant discrepancy between the national and the ESIF arrangements, but communication with the relevant authorities was not successful despite repeated attempts, so the information is not explicitly verified.

### 1.15.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Which currency is used in the case of pre-financing?

EUR

### 1.15.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

Unlike in the present or the past, the potential of introducing financial instruments is considered. Additionally, follow-up measures are considered to reduce the administrative burden and simplify the entire regulatory system (further simplification of the current cascade structure, making controls more straightforward).





## 1.16. Italy (IT)

### 1.16.1. General information, allocation and targeting

Name of the member country	Country code
----------------------------	--------------

Italy IT

Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
---	---

75 (15/60) 5/21/110

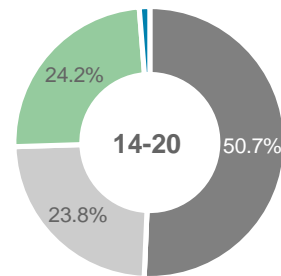
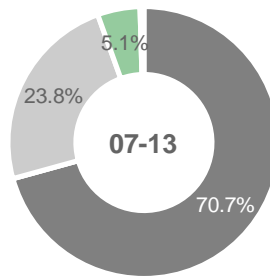
#### Total allocation planned (according to programming period and fund)

Total allocation  
(mil. EUR)

14-20: 42 741

07-13: 27 001

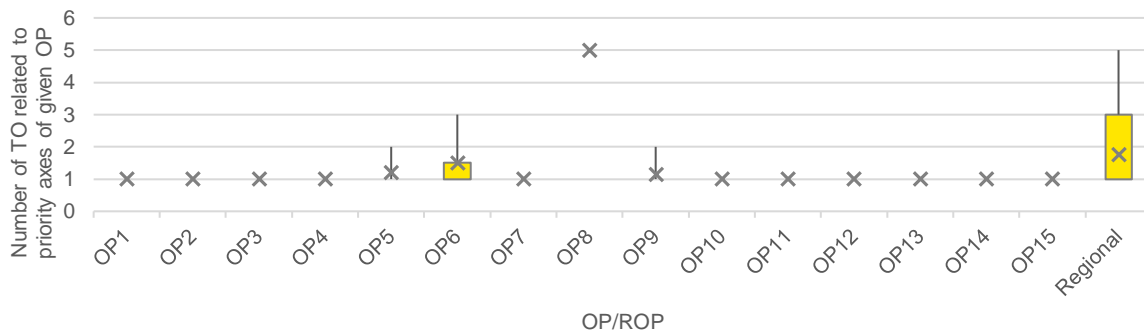
- ERDF
- CF
- ESF
- EAFRD
- EMFF



#### Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
20 %	27 %	40 %	20 %	7 %	20 %	7 %	20 %	20 %	20 %	33 %	0 %
(3/15)	(4/15)	(6/15)	(3/15)	(1/15)	(3/15)	(1/15)	(3/15)	(3/15)	(3/15)	(5/15)	(0/15)

#### Targeting of priority axes of individual operational programmes in relation to thematic objectives



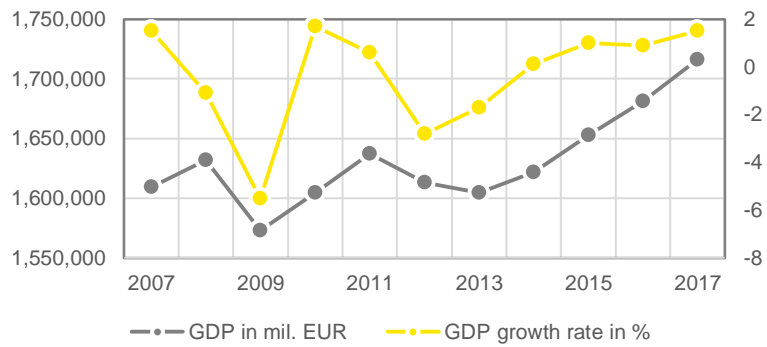


### Gross domestic product development (2007 – 2017)

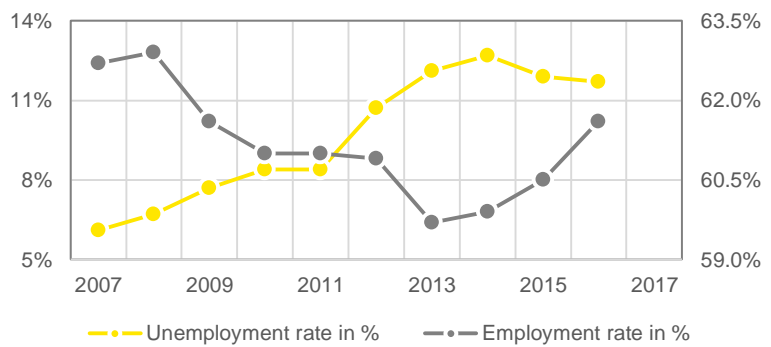
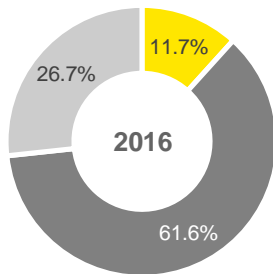
GDP per capita (EUR per capita)

2017: 28 300

2007: 27 400



### Labour market development (2016)





## 1.16.2. Main actors

### National Coordination Authority (NCA)

*Committee with a supervisory and supportive role for the implementation of operational programs for the period 2014-2020.*

#### What are the main competences of the NCA?

The Committee coordinates and oversees cohesion policy and assesses the progress achieved by the ESIF in 2014-2020. It participates in the implementation of the operational programs in 2014-2020, conducts analyses, helps to solve common and general problems and provides the best conditions for implementation of the strategy.

Its activities are mainly carried out through the following actions:

- ▶ verifying the state of implementation in six-month cycles based on measurements of the *National Monitoring System*; monitoring adherence to the execution time of individual steps and expected and achieved results; it ensures the timely identification of critical problems in the implementation of the program and the appropriate way of solving,
- ▶ verifying the situation related to the European Commission's decision to suspend payments and to suspend payment terms; it examines the analysis of action plans for addressing critical issues, monitoring related results and timely informing the European Commission,
- ▶ supports offices through so-called task-force techniques to define accurate and efficient process management processes, including appropriate methodologies and advanced tools, taking into account the situation of interruption of the payment deadline and the suspension of payments,
- ▶ standardizes processes of collecting planning data and performing interventions through the *National Monitoring System*,
- ▶ ensuring adequate awareness and publicity about cohesion policy through enhanced communication towards citizens, businesses and the economic and social partnership,
- ▶ securing the impact assessment and effectiveness of programs and the degree of achievement of strategic objectives and priorities

Is the NCA established specifically for purposes of ESIF?

Yes, the NCA is established specifically for the ESIF purposes.

What personnel capacity is allocated to the NCA?

A detailed description of personnel capacities has not been obtained either through publicly available documents or through contact with representatives of the relevant authorities.



## Managing Authorities (MA)

There is a strongly decentralized system in Italy where, as a rule, each ROP, NOP has its own MA.

In the case of NOPs, the MA is the department of the line ministry or the *Agency for Territorial Cohesion*. Sometimes the same MA may serve to two NOPs (such as the *Ministry of the Economy and Finance*, *General Inspectorate for Relations with the EU* for *OP Governance and Institutional Capacity* and *OP on Metropolitan Cities*).

In the case of ROP, the MAs are regional institutions (such as Trento: *DG - Department of Institutional and Legislative Affairs* of the autonomous province of Trento, *European Projects Department - Director for the ESF*, and in particular *Director for the ERDF and European Projects*); Sardinia: *Department of Labour, Vocational Training, Cooperation and Social Security*, *Directorate General of Labour, Vocational Training, Cooperation and Social Security* for ESF and *Department of Planning, Budget, Credit and Regional Planning, Regional ERDF Programming Centre*).

## What are the main competences of the MA?

In general, the MAs use the procedures and tools that are appropriate to ensure the legality and regularity of funded operations that are adequately formalized and disseminated to IB1s and beneficiaries. The MA in particular is:

- ▶ using appropriate tools to plan its activities, as well as standard methodologies and procedures (codified in specific handbooks),
- ▶ activating quality review procedures with respect to the activities carried out by the operational units, first level control units and the intermediary bodies,
- ▶ using appropriate archiving procedures for program management documents to ensure traceability of operations and the availability of related documents,
- ▶ making full use of the IT system in relation to the beneficiaries to ensure that beneficiaries are fully informed and securing a publication of opportunities offered by European funds, also performs related management and control procedures,
- ▶ activating an effective (first level) control system that ensures the legality and regularity of funded operations and the eligibility of related expenditure,
- ▶ sets out specific measures to prevent irregularities and procedures for recovering funds unduly paid to beneficiaries in agreement with the CA,
- ▶ ensuring transparency standards to maximize the visibility of EU interventions through publishing calls for proposals submission, achievements and targets and through physical, procedural and financial progress

MA in control / audit especially is:

- ▶ performing first-level controls (i.e. controls a selection procedure, on-the-spot controls, administrative controls with respect to any payment request presented to the beneficiary),
- ▶ introducing mechanisms for prevention, identification and correction of irregularities and recovering funds unduly paid, as well as effective and adequate anti-fraud measures,
- ▶ defining procedures that ensure the appropriate audit trail and proper retention of evidence of project realization;
- ▶ investigating and guarantees the proper performance of audits by accountable entities, i.e. national authorities and the EU institutions.

Are the MAs established specifically for purposes of ESIF?

No, the MAs are not established specifically for the ESIF purposes. However, selected departments of the institutions which are

What personnel capacity is allocated to the MA?

E.g. *NOP Infrastructures and Networks*: Overall in the MA (*The Ministry of Infrastructure and Transport - Directorate General for Territorial*



delegated to the exercise the competences of the MAs are specifically established for ESIF purposes.

*Development, Information Systems and Spatial Planning Statistics and International Projects – Div. II European and National Programs for Networks and Mobility*): 20 employees plus 20 to 30 employees of the Ministry from other divisions involved in the OP operation.

### Intermediate bodies (IB1)

The number and type of intermediate bodies for each OP, e.g.:

- ▶ IB1s have not been established at all (*ROP Trento, NOP Infrastructures and Networks and NOP Research and Innovation*).
- ▶ The IB1s were established (*ROP Sardinia*: 3 IB1s – municipalities *Sassari, Cagliari and Olbia*, *NOP Governance and institutional capacity*: 2 IB1s - *Ministry of Justice - Directorate General for Coordination of Cohesion Policy, Presidency of the Council of Ministers - Public administration department*).

### What are the main competences of IB1s?

The competences of the IB1s vary according to the topic and dependence on the OP and the specific requirements of the MA.

E.g.: IB1s for the *NOP Governance and institutional capacity* take over the following functions of the MA:

- ▶ coordinating and monitoring of NOPs, preparing annual reports,
- ▶ ensuring awareness and publicity of NOPs,
- ▶ communicating with beneficiaries regarding conditions and specific reception requirements,
- ▶ verifying beneficiaries' claims for reimbursement,
- ▶ estimating expenditure forecasts to ensure compliance with predetermined objectives,
- ▶ preparing statements of expenditure incurred and send them to the CA and the MA,
- ▶ informing the MA about detected irregularities or fraud,
- ▶ ensuring the necessary cooperation with the AA, etc.

On the contrary, for the *ROP Sardinia* the municipalities are responsible for:

- ▶ planning of the operation process aimed at the complete implementation of the intervention with the right timing, planning of the respective phases and the way of implementation,
- ▶ organizing, launching and developing operation process with a focus on the complete implementation of the intervention,
- ▶ constant monitoring of meeting accepted obligations and implementation of all appropriate and necessary measures to ensure full implementation of the intervention according to the timetable and reporting of delays and/or technical and administrative obstacles restricting the implementation of the OP.

### Are IB1s established specifically for purposes of ESIF?

No, IB1s were not established specifically for the purposes of the ESIF.

### What personnel capacity is allocated to the IB1s?

A detailed description of personnel capacities has not been obtained either through publicly available documents or through contact with representatives of the relevant authorities. Due to the decentralized structure, it is obvious that the IB1 capacity will be different for each OP.



## Certification Authority (CA)

Like the MA, the CA varies in each OP, generally following scenarios occur:

- ▶ The CA falls under the same institution as the MA but under another department (e.g. *NOP Research and Innovation - Ministry of Education, Universities and Research, Office I*),
- ▶ the CA is a different body than the MA (e.g. *ROP Trento - DG - Department for Financial Affairs of the Autonomous Province of Trento*).

## What are the main competences of the CA?

The CA is primarily responsible for preparing and submitting the following documents to the European Commission:

- ▶ a regular declaration of expenditure coming from reliable accounting systems, which must be accompanied by verifiable supporting documents in accordance with the EU and the Italian regulations,
- ▶ annual financial statements, which must be accompanied by a statement and an annual summary of the MA, an audit report and an audit opinion.

## Is the CA established specifically for purposes of ESIF?

No, the MAs are not established specifically for the purposes of the ESIF. However, selected departments of the institutions which are delegated to the exercise competences of the MA may be set up specifically for the purposes of the ESIF (e.g. the ERDF Sardinia).

## What personnel capacity is allocated to the CA?

A detailed description of personnel capacities has not been obtained either through publicly available documents or through contact with representatives of the relevant authorities. Due to the decentralized structure, it is obvious, that the CA capacity will be different in each OP depending on the focus.

## Paying Authority (PA)

For all NOPs and ROPs funded by the ERDF and the ESF: *Ministry of Economy and Finance – Institute of General Accounting of the State*.

## What are the main competences of the PA?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts. However, it can be assumed that this is the receipt and the payment of the EU funds.

## Is the PA established specifically for purposes of ESIF?

No, the PA is not established specifically for the ESIF purposes.

## What personnel capacity is allocated to the PA?

A detailed description of personnel capacities has not been obtained either through publicly available documents or through contact with representatives of the relevant authorities.

## Audit Authority (AA)

At the national level, there is the AA coordinating body - the *General Inspectorate for Relations with the European Union (IGRUE)*, which ex-ante evaluates the adequacy of the organizational structure of individual AAs at national or regional level in order to provide sufficient guarantees of reliability, correct and efficient functioning.



Each NOP, ROP has its own AA incorporated into the OP structure. Overall, the ESIF's implementation structure in Italy includes 26 different AAs:

- ▶ For the ROP, in general, the audit is performed by an independent department of the internal regional structure (e.g. the *ROP Sardinia - the Presidency of the region*).
- ▶ In the case of NOP, the organizational and functional independence is ensured by the location of the AA outside the administrative body where the MA and the CA are located (e.g. *OP Infrastructures and Networks - Agency for Territorial Cohesion*).

#### What are the main competences of the AA?

The competences of the IGRUE are in particular:

- ▶ analysing financial and budgetary implications of Italy's EU membership and the quantification of national finance charges,
- ▶ participating in the process of defining EU rules and policies and coordinating its legislation into the national implementation process,
- ▶ monitoring the financial flows between Italy and the EU and the financial, physical and procedural implementation of Community policy measures, including the structural funds,
- ▶ management of the Rotating Fund for the Implementation of EU Policies,
- ▶ management of Treasury current accounts regarding financial flows with the European Union
- ▶ monitoring control activities and their results, generating statistics on the effectiveness of management and control systems
- ▶ national supervision of the proper functioning of the management and control systems in the central and regional administrative authorities in accordance with Community law;
- ▶ maintaining relations with the AA established by the administrative authorities;
- ▶ participating in the definition and implementation of action plans aimed at improving management systems and control by the administrative authorities conducting the EU interventions;
- ▶ developing and disseminating the annual report on the functioning of the audit system and the EU structural interventions;
- ▶ maintaining relations with the Regional Treasury Units (RTS - Ragionerie territoriali dello Stato) as part of the AA coordination activity

Territorial accounting units of the state have the task of cooperating with the IGRUE in the framework of the supervision of the functioning of regional AAs.

General competencies of AA sub-contractors:

- ▶ carrying out second level controls (i.e. system audit - verification of the proper functioning of the management and control system, audit of operations – control of the legitimacy and regularity of the expenditure reported to the Commission, audit of the accounts - whether the financial statements give a true and fair view of the expenditure),
- ▶ performing audit of designation - ensures compliance with the requirements for designating the MA/CA for the appointment of the MA / CA as a program delegate, publishing reports and related opinions on the appointment of the MA and the CA and monitors compliance with the requirements for their designation,
- ▶ preparing an audit strategy, which is updated annually from 2016 to 2024,
- ▶ activating the procedures for controlling and evaluating the quality of work performed by the audit structure in relation to the activities of internal and external auditors that the audit authority employs (quality review),
- ▶ Formalizing procedures for the performance of auditors' activities in a separate manual to ensure its publicity to the general public as well as to the MA and the CA,
- ▶ setting out specific methods for monitoring follow-up measures in case of critical issues and implementing corrective actions agreed with the MA and the CA,





- ▶ registering and archiving all controls and subsequent corrective measures taken in the in the information system

Each AA must prepare an audit strategy within eight months after the approval of the OP. This document should define the methodology used by the AA, the method of sample selection for the AA's controls and the planning of audits within the next and two subsequent accounting periods. The audit strategy, together with another document issued by the AA - *Procedures Manual* describes the methodology and procedures used to perform its tasks and models used for various tasks.

Are the AAs established specifically for purposes of ESIF?

AA coordinating body was established specifically for the ESIF purposes.  
  
The AAs of individual NOPs and ROPs: No, individual AAs were, according to available information, part of the regional structure or structure of the Ministry prior to joining to the ESIF.

What personnel capacity is allocated to the AA?

AA coordinating body: Office XI: 5 people, Office XII: 13 people, technical assistance: 7 people; regional control: 66 people.

AAs of individual NOPs and ROPs: personnel capacity depends on NOP/ROP (for example NOP Infrastructure and Networks: 35 people).

Other control bodies outside the ESIF implementation structure (CB)

*Italian Court of Audit.*

What are the main competences of CB?

The Court has the power to control and supervise revenue and public expenditure issues within the state budget (public finances), such as public procurement.

Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

The organizational structure for the ESIF remained the same for the 2014-2020 period. However, thanks to the decentralization of the Italian organizational structure (58 MAs, 26 AAs in 5 NOPs, 21 ROPs in total), Italy reflected the need for greater coordination between the individual bodies. Thus, the coordinating role of IGRUE (AA coordinating body) has been strengthened by some new coordination and methodological competences. The coordinating body is the reference point for association agreements, the sharing of problems that arise over time, and the search for common solutions and dialogue with the European Commission on solving problems arising from the performance of the audit function.

What was the reason for the changes in the implementation structure mentioned above?

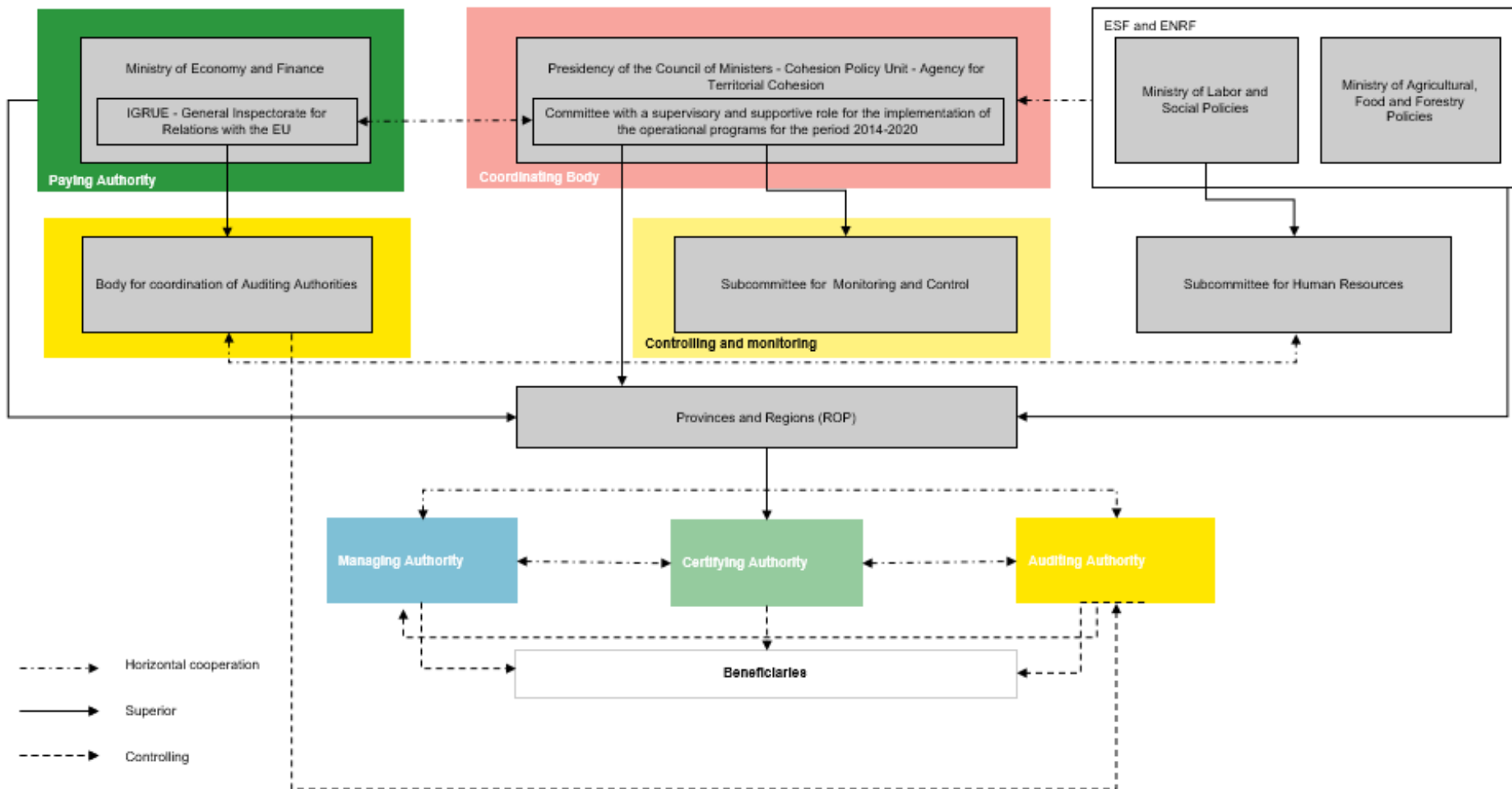
Given that large discrepancies in the quality of audits have been identified in Italy, which has led to a blocking of some Italian programs due to the postponement or suspension of payments from the EU, Italy has now sought to unify and centralize the fragmented audit system.





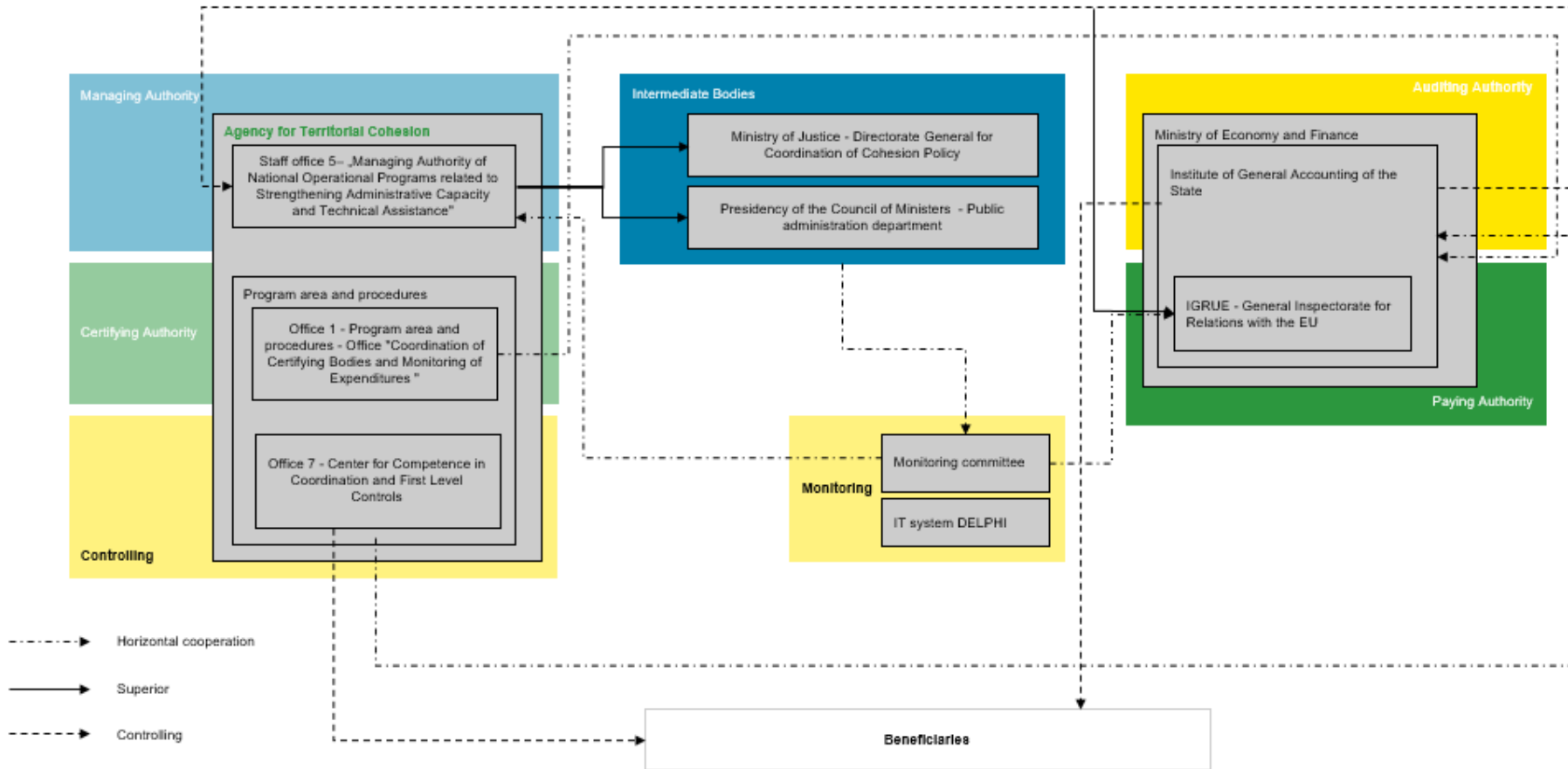
### Scheme of implementation structure

Applicable for ROPs



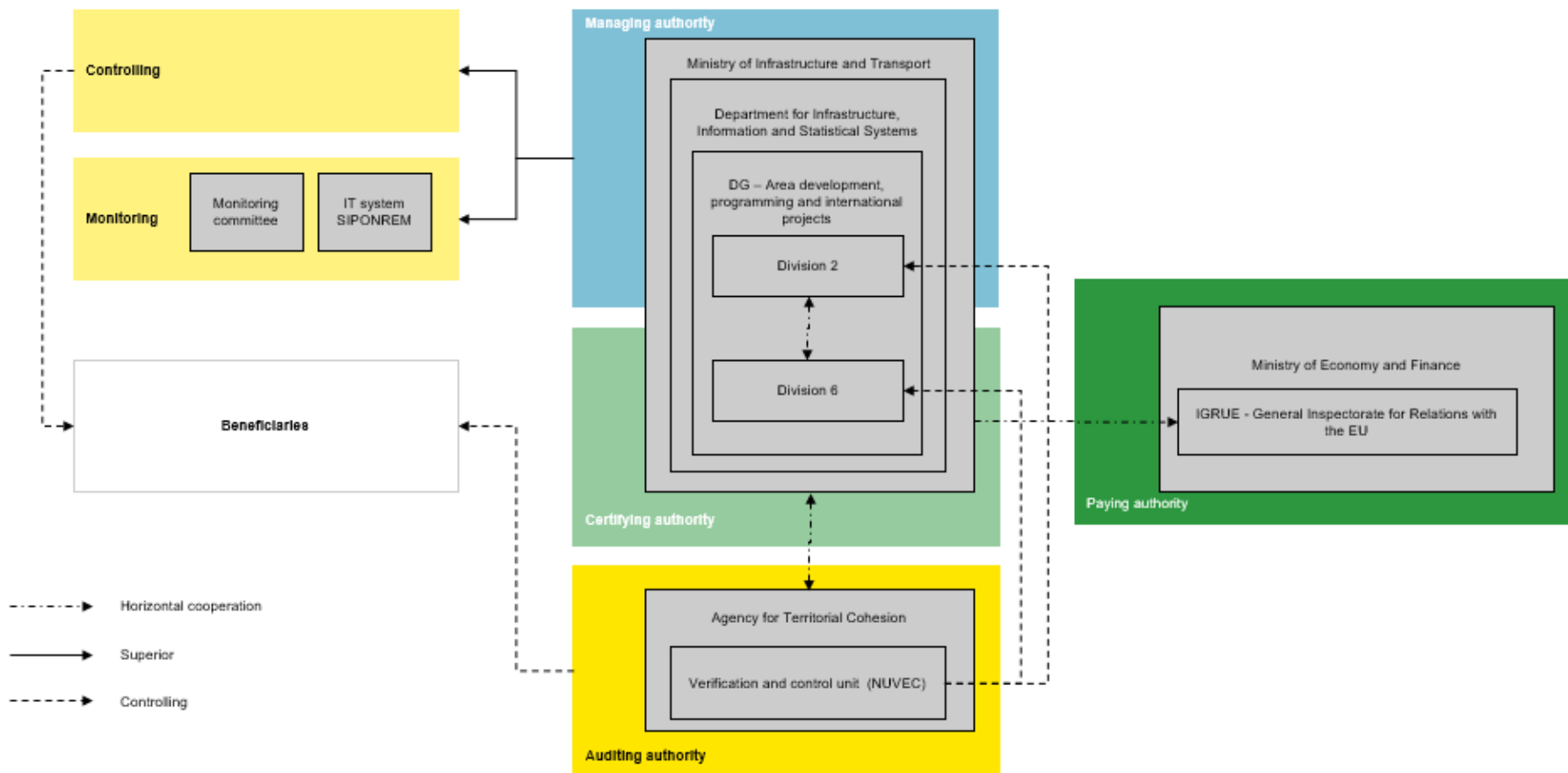


Applicable for PON Governance e capacita istituzionale



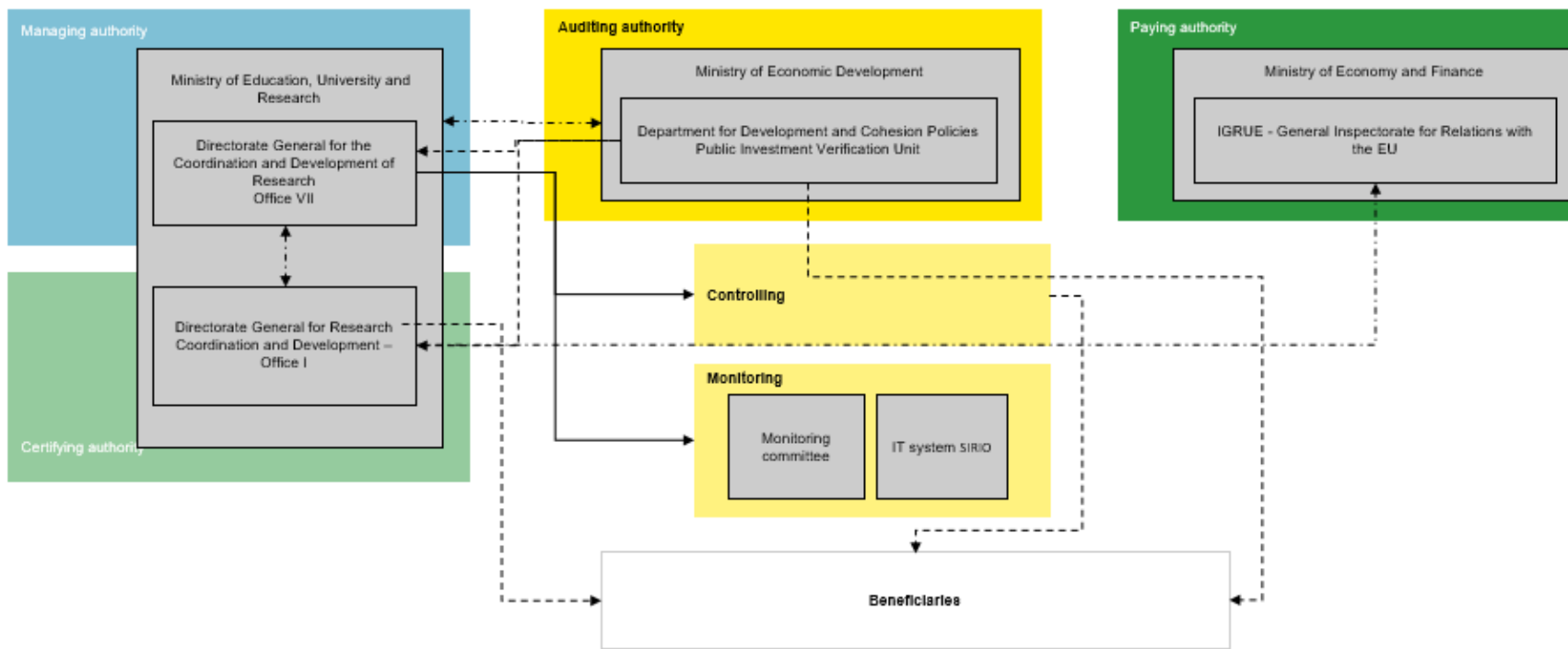


Applicable for NOP Infrastructure e rd





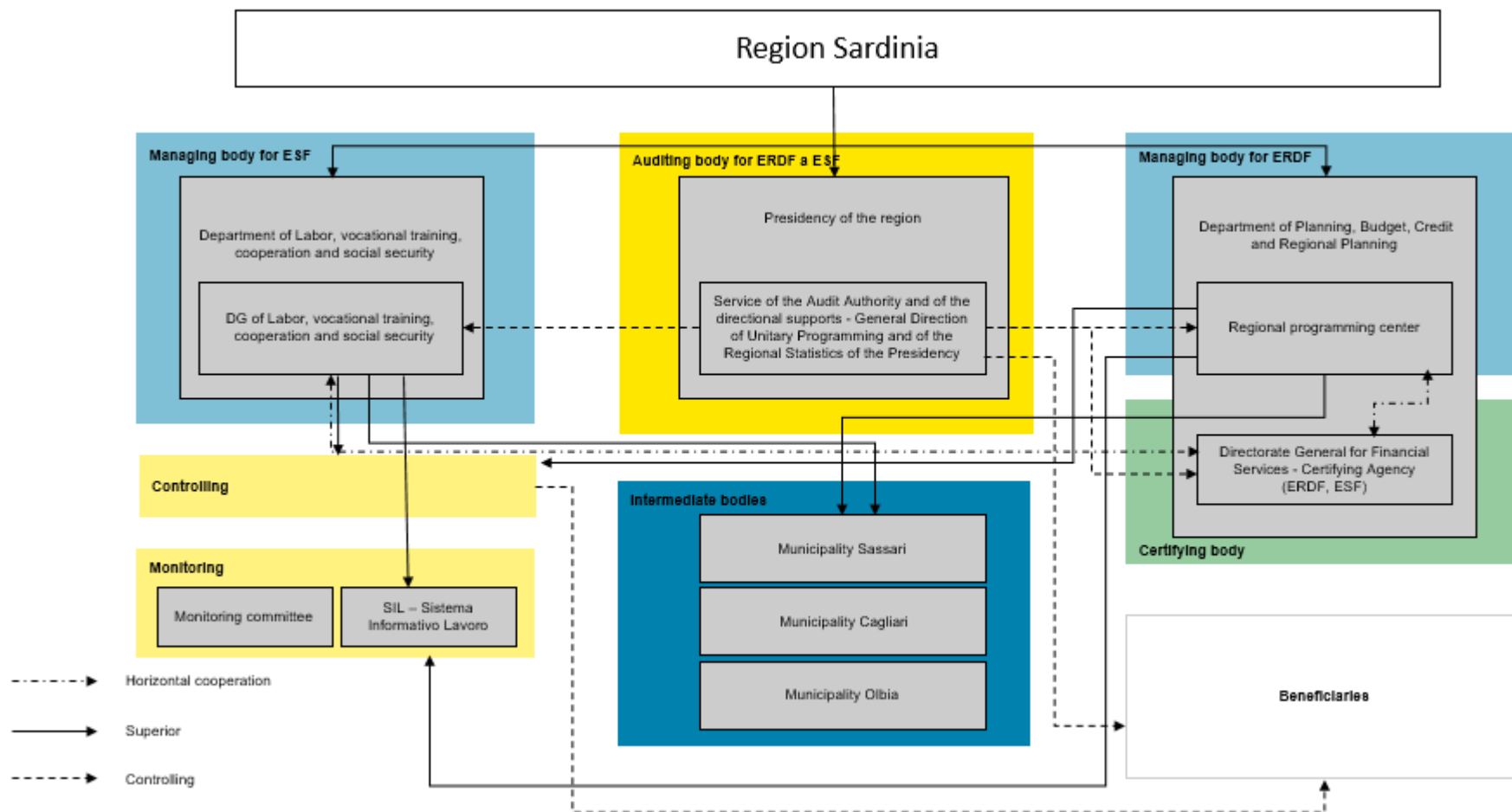
Applicable for PON Ricerca e Innovazione



- > Horizontal cooperation
- > Superior
- > Controlling

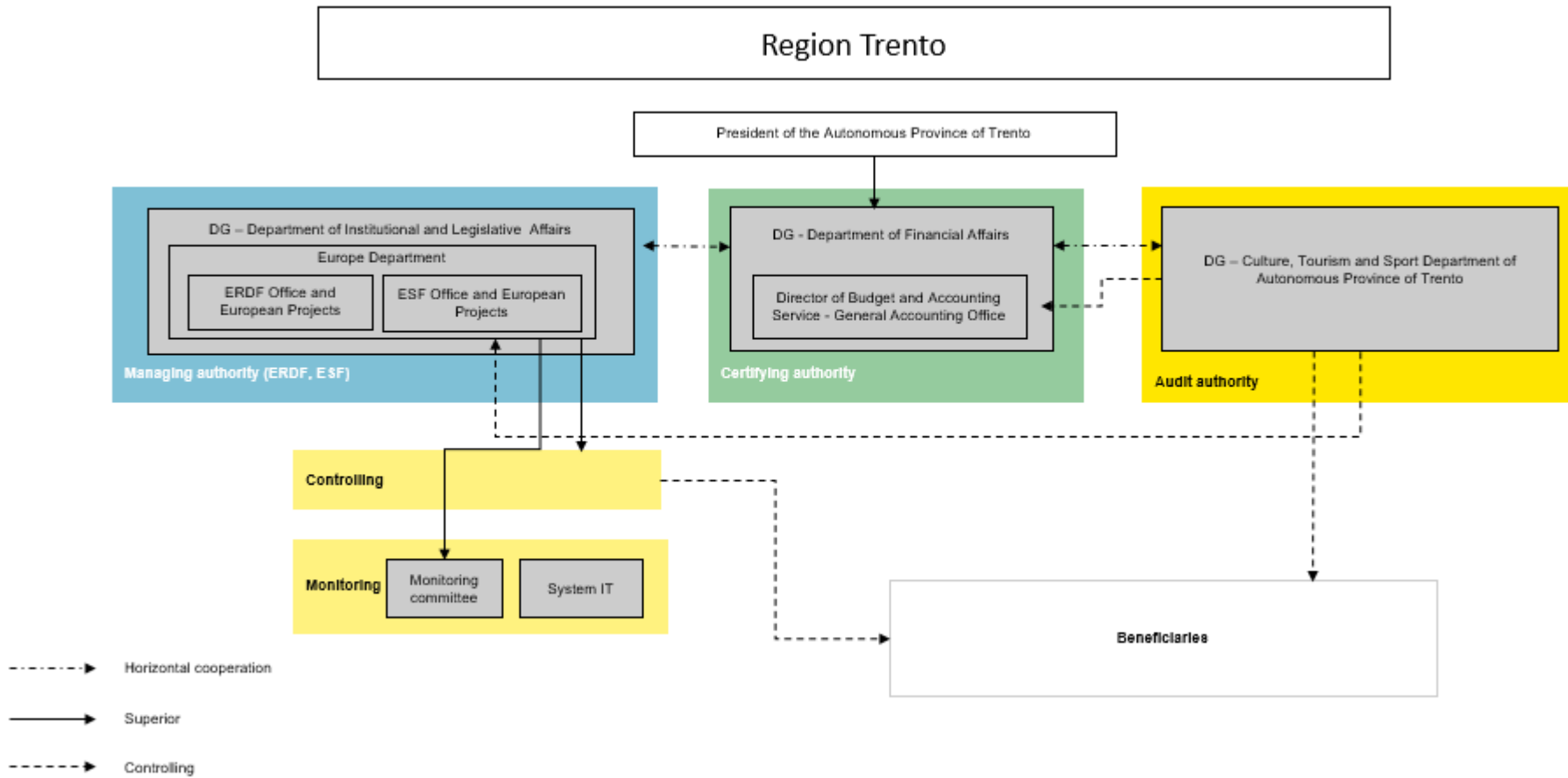


Applicable for ROP Sardegna





Applicable for POR  
Trento





### 1.16.3. Programs financed from EAFRD and EMFF

Name(s) of the OP(s) financed from EAFRD

*Rural Network Programme*  
*Rural Development Programme*

In addition, 26 different regional rural support programs.

Is the same methodical environment binding for the OP(s)?	Do(es) the OP(s) have the same institutional setup (same AA, PCA)?
---	--

No, in an Italian environment, each OP has its own methodology, strategies and manuals.

No, in Italy, each OP has its own setup.

The MA for both national programs financed from the EAFRD: *Ministry of Agricultural, Food and Forestry Policies - Department of European and International Policies and Rural Development - Directorate General for Rural Development*; in the case of the ROP, the MA is usually the department dealing with agriculture, forestry or rural development.

CA: Pricewaterhouse & Coopers S.P.A (OP Rural Network); Deloitte & Touche S.P.A. (OP Rural Development)

The AA for agricultural policy was not established.

PA for all programs financed from the EAFRD: *Agricultural Payments Agency (AGEA)* delegating their tasks to other regional institutions.

Do(es) the OP(s) use the same IT environment?	Do(es) the OP(s) use resources from the OP TA in the member state?
---	--

No, programs financed from the EAFRD have a different information system (SIAN – *Italian Informative Agricultural System*), which is also used in some ROPs (e.g. Bolzano, Trento).

Irrelevant, OP TA does not exist in Italy.

Name(s) of the OP(s) financed from EMFF

*OP Maritime and Fisheries*

Is the same methodical environment binding for the OP(s)?	Do(es) the OP(s) have the same institutional setup (same AA, PCA)?
---	--

No, in an Italian environment, each OP has its own methodology, strategies and manuals.

No, in Italy, each OP has its own setup

MA: *Ministry of Agricultural, Food and Forestry Policies*, PCA: *Agricultural Payments Agency, (AGEA) National Paying Agency*, AA: *Agricultural Payments Agency (AGEA) Coordinating body - Office of Coordination and Specific Controls*; IB1s: all 20 Italian regions.



Do(es) the OP(s) use the same IT environment?

No, like every OP in Italy, the program financed from EMFF has a different information system (SIAN - *Italian Informative Agricultural System*).

Do(es) the OP(s) use resources from the OP TA in the member state?

Irrelevant, OP TA does not exist in Italy.

#### 1.16.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

Information about the database was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

Is there any database of the audit reports publicly available?

The Managing Authority prepares an annual summary, with the support of an internal monitoring system through which the necessary information is shared between the Managing and Control Authorities. This includes the final findings of the audits and controls carried out in relation to the reported costs within the given financial year, an analysis of the nature and extent of the errors found and, in consequence, a description of the corrective measures taken or planned. The document is then shared with the EC and other bodies of the OP structure.

##### Audit/control authority no. 1

At the national level, there is the AA coordinating body - the *General Inspectorate for Relations with the European Union* (the IGRUE), which ex-ante evaluates the adequacy of the organizational structure of individual AAs at national or regional level in order to provide sufficient guarantees of reliability, correctness and efficient functioning.

Each NOP/ROP has its own AA incorporated into the OP structure. Overall, the ESIF's implementation structure in Italy includes 26 different AAs:

For ROPs in general, the audit is performed by an independent department of the internal structure of the region (e.g. ROP Sardinia - the *Presidency of the Region*).

In the case of NOP, the organizational and functional independence is ensured by the location of the AA outside the administrative body where the MA and the CA are located (e.g. *OP Infrastructures and Networks - Agency for Territorial Cohesion*).

What controls/audits does the authority perform?

The AA performs second level controls:

- ▶ System audit.
- ▶ Audit of operations.
- ▶ Audit of accounts.
- ▶ Audit of designation.

Which authorities can the authority control?

- ▶ MA, CA, IB1 (whole managing and control structure of the OP).
- ▶ Beneficiaries.

Are conclusions made by the authority binding for controlled / audited entities?

The audit results are binding for the audited entities and must correct the inaccuracies found. Any audit results, inaccuracies and errors found in the control of costs reported by the beneficiaries are further provided to the MA, which is responsible for the recovery of ineligible expenditure.





Who does the authority share its conclusions with?

- ▶ MA.

Does the authority share auditing plans with other institutions?

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

## Audit/control authority no. 2

*Italian Court of Audit*

What controls/audits does the authority perform?

- ▶ Control and supervision of the management of public finances (for example, procurement procedures).

Which authorities can the authority control?

- ▶ Bodies of managing and control structure.
- ▶ Beneficiaries.

Are conclusions made by the authority binding for controlled / audited entities?

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

Who does the authority share its conclusions with?

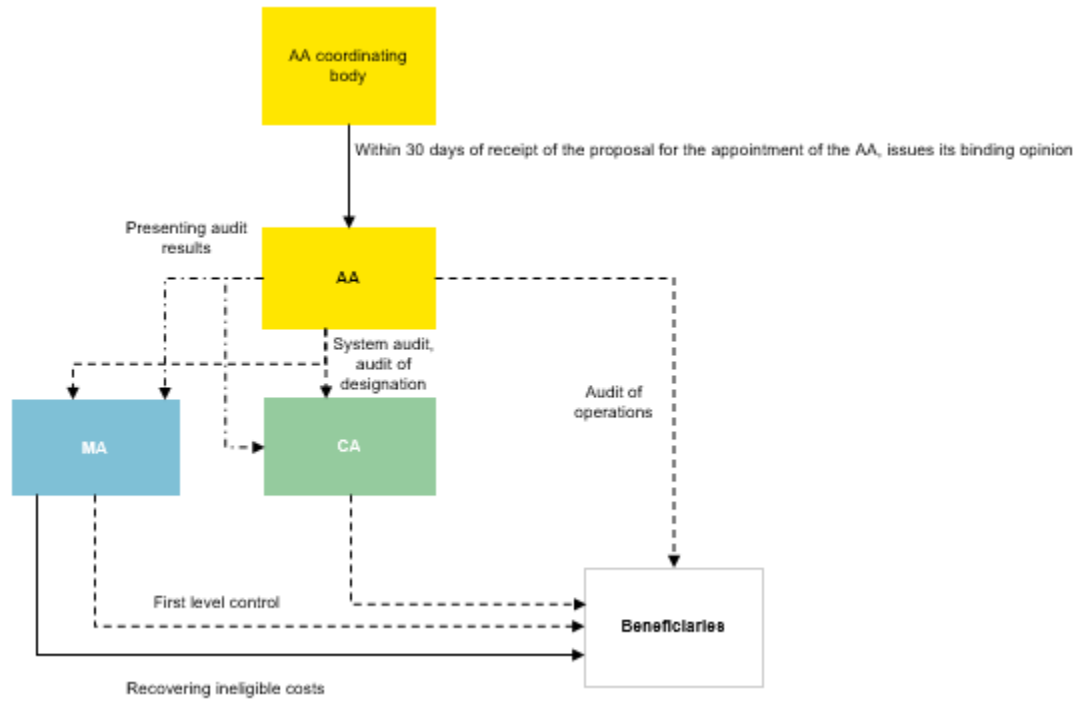
The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

Does the authority share auditing plans with other institutions?

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.



## Scheme of audits and controls





### 1.16.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, Italy has used financial instruments already in the previous period 2007-2013 (it had one of the highest percentage allocations for the FI) and has now lowered the allocation.

If yes, to which extent?

Yes, 7 % of total allocation.

In which areas are FI mainly used?

01 (Research & Innovation), 02 (ICT), 03 (SMEs), 04 (Low Carbon), 06 (Environment & Resource Efficiency), 08 (Sustainable & Quality Employment), 09 (Social Inclusion)

The use of financial instruments is intended, in particular, to support small and medium-sized enterprises, research and innovation and a low-carbon economy.

Are agriculture and social business assisted by FI?

Yes, through the FI, social business and agriculture are supported.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

*The European Investment Fund* is involved in implementation of the FI, the managers of the specific funds are mostly regional investment banks (e.g. *Lazio Innova*, *Finlombarda*, *Finpiemonte*, *Societa Finanziaria Regione Sardegna* and others). Some private funds are involved in the implementation of some funds.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

No, information on existence of coordinating body at the central level was not found (also because of the ESIF's highly decentralized implementation structure where there are a total of 75 OPs managed by individual regions).

### 1.16.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Italy uses the CLLD, ITI and SUD, 8 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes. The CLLD assistance is from the ERDF, ESF, EAFRD and EMFF and can be multi-fund. The ITI and SUD assistance is mainly from the ERDF, partially from the ESF.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Yes, implementation through a wide range of programs, both national and regional.



The co-ordination role of the CLLD, ITI and the SUD is not determined in the Partnership Agreement. Decentralized implementation structure of the ESIF, where there are a total of 15 national (ERDF, ESF, EAFRD, EMFF) and 60 regional (ERDF, ESF, EAFRD) OPs.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated approach, a very wide range of topics are dealt with in local / territorial development strategies. The specific topics are not described in more detail in the Partnership Agreement.

Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas exclusively supported through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

It was not found, it is not described in more detail in the Partnership Agreement. Local / regional authorities will be involved in the selection of projects in line with local development strategies.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Yes, the implementation of macro-regional strategies (specifically the Strategy for the Alpine Region and the Strategy for the Adriatic-Ionian Region) is being implemented in combination with the ESIF. Operational programs contain objectives and interventions that fulfil this strategy, the strategy will be implemented also through projects supported by the ESIF (especially within the framework of regional operational programs).

---



## 1.16.7. Monitoring and IT

How is monitoring methodically supported?

The Central system is linked to the regional IT systems based on the *Unified Communications Protocol*, which must be adopted by the administrative authorities for interconnection of local systems with the central monitoring system. The *National Monitoring System* is managed by the *Ministry of Economy and Finance; General Inspectorate for Relations with the EU*. The system allows for continuous monitoring of program implementation and interventions necessary for financial, physical and procedural management of operational programs. It includes all IT systems co-financed by the ESIF (ERDF, ESF, EARDF and EMFF) but also complementary the EU cohesion policy programs. The system also provides a reference point for processing various reports and official documents on the progress of operational programs.

How are evaluations coordinated?

The coordination of evaluations is different in each ROP and NOP. For example, in the case of the *ROP Sardinia*, the MA elaborates an evaluation plan, which is submitted not later than one year after the program's admission by the OP Monitoring Committee. The evaluation plan is usually drawn up by the *Sardinian Regional Group for Public Investment Evaluation*, which is subordinated to the MA.

What IT instruments are used for the implementation and monitoring of ESIF?

Each ROP and NOP has its own monitoring system. However, each of these systems should guarantee full computerization of the functioning of the OP and the retention of all related documents. IT systems in individual NOPs and ROPs should be fully compatible with the central system. Data entered into individual IT systems should be regularly transferred to the central level (*National Monitoring System*).

In which areas is (solely) paper documentation used?

Established IT systems should guarantee complete computerization of the operation of the OP and the retention of all related documents.

## 1.16.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

No, there is no ESIF implementation law.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

The MAs, CAs and AAs related to each OP issue their own documents dealing with managing and control systems (*SIGECO - Management and Control System*), manuals and strategies (the names of individual documents vary according to ROPs, NOPs):

- ▶ The MA / CA / AA procedures manual;
- ▶ Audit strategy;
- ▶ Manual for beneficiaries;

These documents describe the procedures and processes performed by individual authorities.



Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

There are many different OPs in Italy (may be national and regional). Individual OPs may contain a different mix of financial resources (national / European):

- ▶ Financed from the ESIF (NOPs and ROPs).
- ▶ Complementary OPs financed from the Rotation Fund.
- ▶ Funded from national sources - from the *Development and Territorial Cohesion Fund (FSC)*.

All OPs have the same name and focus more or less on similar issues, but with some differences (e.g. *OP Enterprise and Competitiveness of the FSC* are interventions for financing the airspace of the state, from the *Supplementary OP Enterprise and Competitiveness* can finance also large companies that do not normally fall into ESF priority axes framework).

All of these "partial" OPs accept similar management strategy documents (see above).

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

Recovery of ineligible funds is carried out directly by the MA, other entities are not involved. The procedure for dealing with discrepancies is usually described in SIGECO and MA's manuals for the respective OP.

### 1.16.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Any pre-financing is not covered directly from the state budget, but from the Rotation Fund (national part of the interventions co-financed from the structural funds is covered).

Which currency is used in the case of pre-financing?

EUR.

### 1.16.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

According to available information, the authorities involved in the implementation of the ESIF funds at regional or national level did not think in detail about possible changes in the implementation structure after 2020.

However, it was found that the central level discussion on the change in the structure of the ESIF funds is ongoing. For example, the AA coordinating body seeks to modify the current decentralized AA structure (there are 26 different AAs in Italy). At the ministerial level, discussions are currently taking place with representatives of the implementation structures of the ESIF funds from countries with a similar implementation structure as Italy (i.e. France and Germany) in order to get inspired by their solutions. These should lead to the introduction of some measures that could help with the interconnection and greater centralization of the Italian system.



## 1.17. Lithuania (LT)

### 1.17.1. General information, allocation and targeting

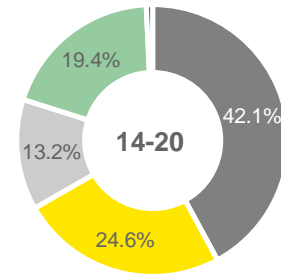
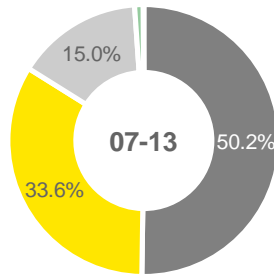
Name of the member country	Country code
Lithuania	LT
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
3 (3/0)	1/1/10

#### Total allocation planned (according to programming period and fund)

Total allocation (mil. EUR)

14-20: 8 319

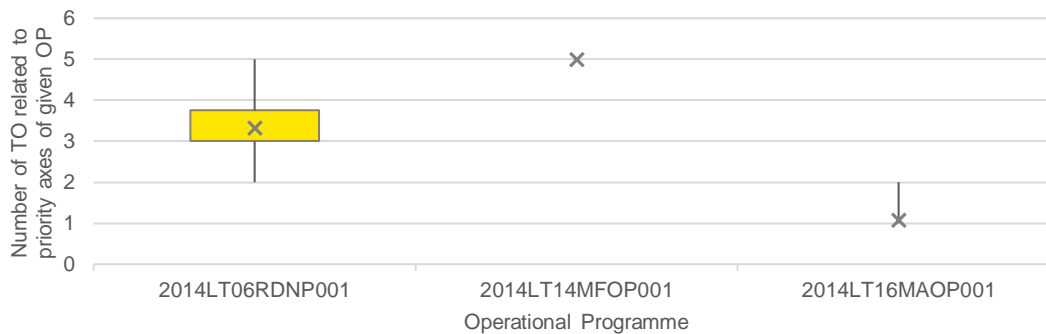
07-13: 6 508



#### Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
67 %	67 %	100 %	100 %	67 %	100 %	33 %	100 %	67 %	67 %	33 %	0 %
(2/3)	(2/3)	(3/3)	(3/3)	(2/3)	(3/3)	(1/3)	(3/3)	(2/3)	(2/3)	(1/3)	(0/3)

#### Targeting of priority axes of individual operational programmes in relation to thematic objectives



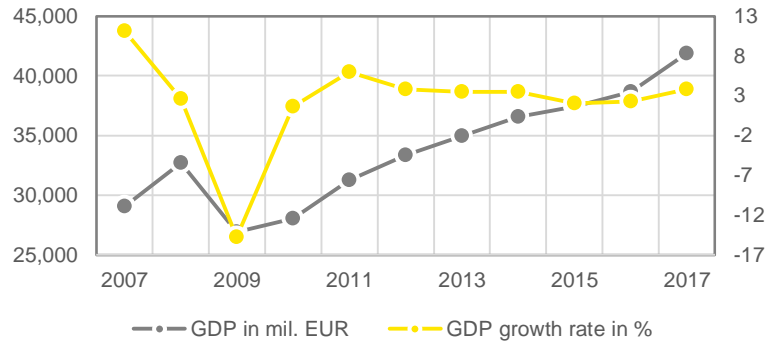


### Gross domestic product development (2007 – 2017)

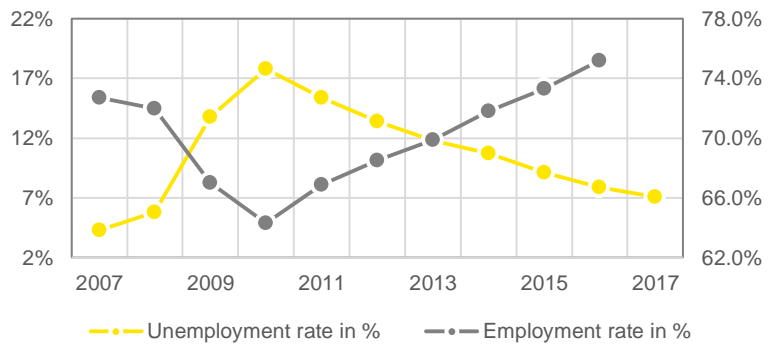
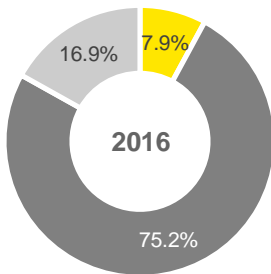
GDP per capita (GDP per capita)

2017: 14 800

2007: 9 000



### Labour market development (2016)







## 1.17.2. Main actors

### National Coordination Authority (NCA)

Lithuania has no coordination authority.

What are the main competences of the NCA?

Irrelevant.

Is the NCA established specifically for purposes of ESIF?

Irrelevant.

What personnel capacity is allocated to the NCA?

Irrelevant.

### Managing Authorities (MA)

There are 3 OPs in Lithuania that are managed by 2 MAs. *European Union Management Department* is the MA in the case of the OP financed from the ESIF. The *Ministry of Agriculture* is the MA for the *Fisheries Program* and the *Rural Development Program*.

What are the main competences of the MA?

Among the MA's competences are mainly:

- ▶ proposals to improve the work of the department in line with the goals set by the ministries and the strategic action plan,
- ▶ designing and maintaining the management and control system,
- ▶ supervising the performance of delegated functions,
- ▶ submission of annual and final reports, management declarations and annual summaries to EC,
- ▶ developing and maintaining an IT system for structural assistance (SFMIS) and fund's website,
- ▶ developing reports regarding progress and partnership,
- ▶ informing the EC of irregularities,
- ▶ coordination ex-ante evaluation and preparation of selection criteria,
- ▶ performing technical assistance

Are the MAs established specifically for purposes of ESIF?

Yes, the *European Union Management Department* has been established to administer ESIF. Currently it also administers, the *European Economic Area*, the *Norwegian Financial Mechanism* and the *Lithuanian-Swiss Cooperation Programme*

What personnel capacity is allocated to the MA?

By the end of 2017, more than 1000 employees were working on ESIF implementation. Detailed staff numbers by MA, CA and PA were not provided.

### Intermediate bodies (IB1)

In Lithuania there is a total of 28 IB1s:

- ▶ 9 ministries,
- ▶ 10 regional developments councils,
- ▶ 1 regional development department,
- ▶ 5 implementing agencies,
- ▶ 3 global grant managements.



### What are the main competences of IB1s?

Among the IB1's competences are mainly:

- ▶ taking measures for risk management and against fraud,
- ▶ planning investments,
- ▶ elaborating conditions for project financing,
- ▶ approving projects and decisions on their financing,
- ▶ reviewing complaints,
- ▶ recovering funds, providing reports in recoveries to CA,
- ▶ determining the eligibility of expenses,
- ▶ performing controls

### Are IB1s established specifically for purposes of ESIF?

No, IB1s are not specifically established for ESIF purposes. However, selected departments of the institutions, which are delegated to the exercise of LS competencies, are specifically established for ESIF purposes.

### What personnel capacity is allocated to the IB1s?

Information was not found in publicly available documents, nor was it provided by representatives of relevant authorities.

### Certification Authority (CA)

Each OP has its own CA:

- ▶ *OP for investment from ESF: National Fund, Ministry of Finance*
- ▶ *Program Fishery Program in Latvia: National Payment Agency (Ministry of Agriculture)*
- ▶ *Rural Development Program: KPMG Baltics*

### What are the main competences of the CA?

Among the CA's competences are mainly:

- ▶ processing and submission of accounts and payment applications to the EC
- ▶ recovering of ineligible funds

### Are the CAs established specifically for purposes of ESIF?

No, separate CAs are not specifically established for ESIF purposes. However, selected departments of the institutions which are delegated to the exercise of CA's competences, are specifically established for ESIF purposes.

### What personnel capacity is allocated to the CA?

Information was not found in publicly available documents, nor was it provided by representatives of relevant authorities.

### Paying Authority (PA)

Each OP has its own PA:

- ▶ *OP for investment from ESF: National Treasury, Ministry of Finance*
- ▶ *Program Fishery Program in Latvia: National Paying Agency, Ministry of Finance*
- ▶ *Rural Development Program: Accredited Paying Agency, Ministry of Agriculture*

### What are the main competences of the PA?

Among the PA's competences are mainly:



- ▶ transfer of funds to beneficiary

Are the PAs established specifically for purposes of ESIF?

No, PAs are not specifically established for ESIF purposes. However, selected departments of the institutions that are delegated to exercise the PA's competences for the purpose of ESIF are.

What personnel capacity is allocated to the PA?

The information was not found in public documents nor was it provided by representatives of the relevant authorities.

#### Audit Authority (AA)

Each OP has its own AA:

- ▶ *OP for investment from ESF: Lithuanian National Audit Office, Audit Department for EU Investments,*
- ▶ *Program Fishery Program in Latvia: Audit Department at Ministry of Agriculture,*
- ▶ *Rural Development Program: KPMG Baltics.*

What are the main competences of the AA?

- ▶ audit of entities that manage, control and are financed from ESIF,
- ▶ audit of beneficiaries' expenses,
- ▶ assessing the compliance of the management and control system with the criteria set out in regulation 1303/2013,
- ▶ annual evaluating of effectiveness of the management and control system

Are the AAs established specifically for purposes of ESIF?

No, the *Audit Department* was established to audit funds from the ERDF, ESF and CF. This department falls under the *Lithuanian National Audit Office*, which was not specifically established for ESIF purposes.

*Audit Department at Ministry of Agriculture* and *KPMG Baltics* was not specifically established for ESIF purposes.

What personnel capacity is allocated to the AA?

Total number of employees of ESF AA is 34:

- ▶ 1 principal auditor,
- ▶ 2 assistants of principal auditor;
- ▶ 1 administrator, 1 advisor a 1 lawyer,
- ▶ 28 auditors.

#### Other control bodies outside the ESIF implementation structure (CB)

The MA and Intermediate Bodies (ministries, implementing agencies, regional development committees, and regional development departments), CAs and the monitoring committee participate in the audit. According to information provided by the MA and the AA representatives, no other state control bodies are involved in the control within the ESIF implementation structure.

What are the main competences of CB?

Irrelevant.

Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

Yes, the following changes were made:

- ▶ New implementation bodies have been established (*Ministry of Energy, Ministry of Culture, Public Investment Development Agency*).



- ▶ Administrative capacity was increase through the direct participation of supporting institutions (*Financial Crime Investigation Service*, Competition Council).
- ▶ There has been a redeployment of certain functions and responsibilities between ministries and agencies (at the project evaluation stage there is currently no assessment of compliance), the agency must approve the procedure for carrying out selective controls (in past it was not an obligation) is now deciding on the recovering of funds (in past, this task belonged to the ministry).

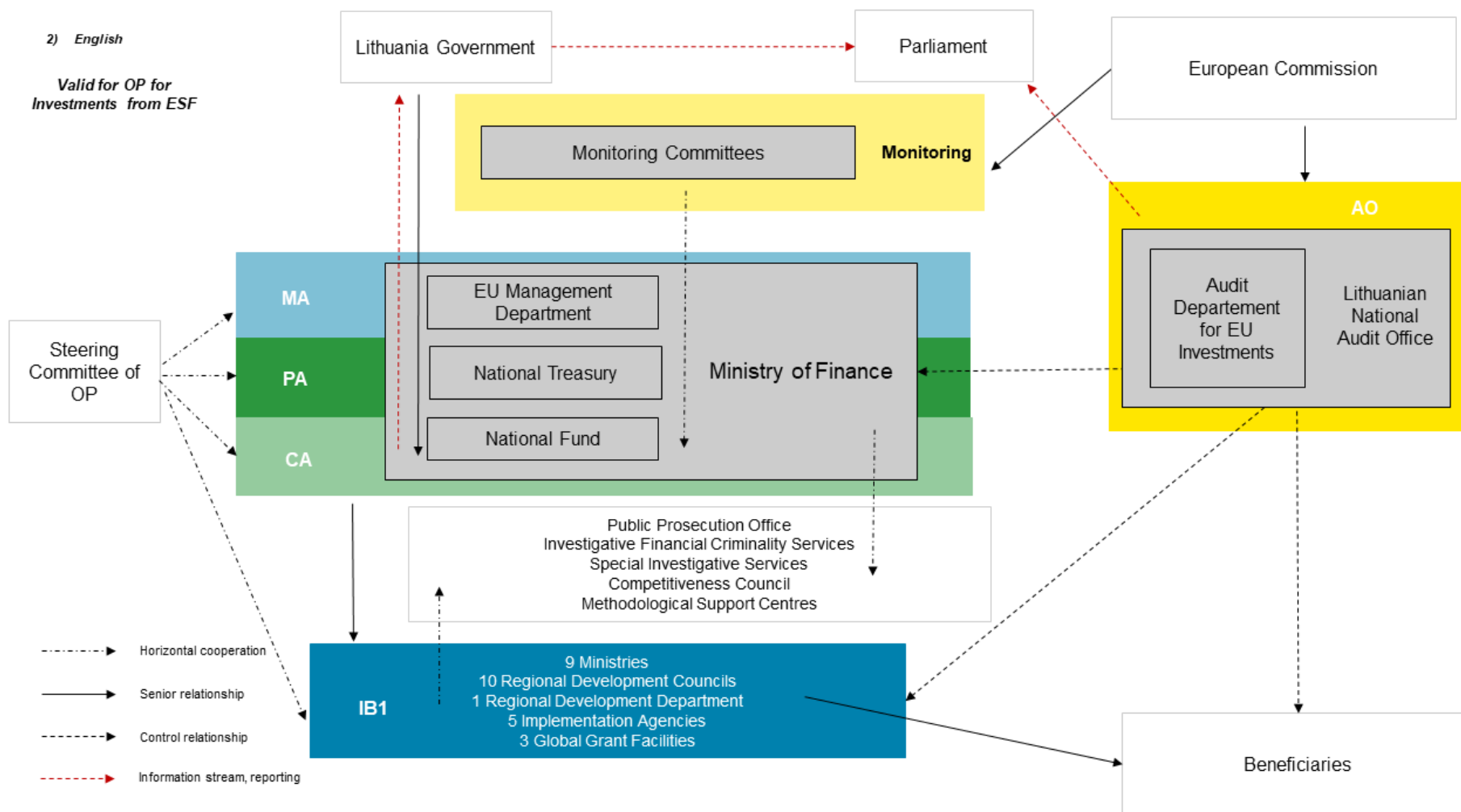
What was the reason for the changes in the implementation structure mentioned above?

Changes have been made to improve efficiency (efficiency of information exchange, cost effectiveness) and lack of staff capabilities.

---



### Scheme of implementation structure





### 1.17.3. Programs financed from EAFRD and EMFF

Name(s) of the OP(s) financed from EAFRD

*Rural Development Program*

Is the same methodical environment binding for the OP(s)?

No, MA, PA, CA and AA are different from other OPs. The monitoring system also differs.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, OPs have different AA, PA and CA compared to other OPs.

Do(es) the OP(s) use the same IT environment?

No, the IT environment differs from the OP for investment from the ESF. There is an information system that only serves the *Maritime and Fisheries Program* and the *Rural Development Program*.

Do(es) the OP(s) use resources from the OP TA in the member state?

OP TA does not exist in Lithuania.

Name(s) of the OP(s) financed from EMFF

*Maritime and Fisheries*

Is the same methodical environment binding for the OP(s)?

No, MA, PA, CA and AA are different from other OPs. The monitoring system also differs.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, OPs have different AA, PA and CA compared to other OPs.

Do(es) the OP(s) use the same IT environment?

No, the IT environment differs from the OP for investment from the ESF. There is an information system that only serves the *Maritime and Fisheries Program* and the *Rural Development Program*.

Do(es) the OP(s) use resources from the OP TA in the member state?

OP TA does not exist in Lithuania.



## 1.17.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

According to information from AA representatives plans are not shared.

Is there any database of the audit reports publicly available?

Yes, the findings are registered with SFMIS. The detection database is not publicly available.

### Audit/control authority no. 1

*Lithuanian National Audit Office – European Union Investment Audit Department*

What controls/audits does the authority perform?	Which authorities can the authority control?
--	--

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>▶ Audit of operations.</li> <li>▶ Audit managing and control systems,.</li> <li>▶ Audit of annual financial statements.</li> </ul> | <ul style="list-style-type: none"> <li>▶ AA performs an audit of all entities falling within the ESIF implementation structure.</li> </ul> |
|---|--|

Are conclusions made by the authority binding for controlled / audited entities?

Yes, the AA conclusions are binding on auditees. More detailed information was not provided by the AA.

Who does the authority share its conclusions with?	Does the authority share auditing plans with other institutions?
--	--

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>▶ AA conclusions are shared with the <i>Lithuanian parliament</i> and the <i>EC</i>.</li> </ul> | <p>Information was not found in publicly available documents, nor was it provided by the AA representatives.</p> |
|--|--|



### 1.17.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, Lithuania used financial instruments already in the previous period 2007-2013 (with a relatively high allocation) and has now increased the allocation.

If yes, to which extent?

11 % [% of total allocation]

In which areas are FI mainly used?

01 (Research & Innovation), 03 (SMEs), 04 (Low Carbon), 06 (Environment & Resource Efficiency), 08 (Sustainable & Quality Employment)

The use of financial instruments is planned, in particular, in the areas of low-carbon economy, support for SMEs, and environment and energy efficiency.

Are agriculture and social business assisted by FI?

Yes, the Partnership Agreement states that EMFF financed program extends the use of financial instruments.

Even though the FIs are supported by the ESF, it was not found that, besides the support of the self-employment area, that social business is supported.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

The implementation of the FI involves the European Investment Bank / European Investment Fund, the state institutions INVEGA and VIPA as well as the private bank Šiaulių bankas.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

The Central Coordination Body was not identified.

### 1.17.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Lithuania uses the CLLD and the ITI (the SUD only through the ITI), to extent of 8 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes, the CLLD assistance is multi-fund, from the EAFRD, the EMFF and the ESF. The ITI assistance is mainly from the ERDF, partially from the ESF.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

The implementation of the CLLD is through the EAFRD, EMFF and multi-funded national OP (the ESF and the ERDF). Implementation of the ITI is from the multi-funded national OP (the ESF and the ERDF).





The ITI will target up to 5 larger cities and up to 10 regions.

The *Ministry of the Interior* has the coordinating role of the CLLD in urban areas, and the *Ministry of Agriculture* in rural and fisheries areas. The ITI coordinator is then the *Ministry of the Interior*.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated instruments, a very wide range of issues related to local / territorial development strategies is addressed.

Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas supported solely through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

CLLD: Activities will be selected based on local development strategies created by local action groups. The approval and selection of local development strategies will be carried out by a mutual selection committee composed of representatives of rural development, fisheries and sectoral ministries (i.e., in particular the *Ministry of Agriculture, Interior, Social Security and Labour*), MA, social and economic partners.

ITI: Local government is responsible for selecting individual activities on the basis of their development programs. Coordination of mutual activities is ensured by regional councils. Top management and coordination is provided by the *Ministry of the Interior*, which is the MA of the national multi-fund OP.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Yes, the implementation of macroregional strategies (in particular Strategy for the Baltic Sea Region) is implemented in combination with the ESIF. Operational programs contain objectives and interventions fulfilling this strategy, or the strategy will also be implemented through projects supported by the ESIF.

---



### 1.17.7. Monitoring a IT

#### How is monitoring methodically supported?

For monitoring, *Monitoring Committee* was established (OP for investment from the ESF). *Monitoring Committee* consists of 54 members (representatives of the *National Audit Office*, EC, IB1, EIB, etc.) and of 26 socio-economic partners.

Among the competences of Monitoring Committee are mainly:

- ▶ Evaluating and approving the methodology and criteria for selecting operations,
- ▶ Forming of annual and final implementation report,
- ▶ Forming of evaluating plan, OP communication strategy,
- ▶ Discussion on progress within the OP, proposal for changes in the OP and selection criteria.

#### How are evaluations coordinated?

The system of coordination of evaluations is decentralized at the level of individual OPs. In the 2014-2020 programming period, the *Evaluation Coordination Group* was established, including a representative from the MA. The *Evaluation Coordination Group* coordinates the OP plans. Coordination of how the findings and recommendations of the evaluations were implemented is ensured by each OP.

#### What IT instruments are used for the implementation and monitoring of ESIF?

SMFIS (ESF Information Management and Monitoring System) is the main tool used for data monitoring, control and administration. SMFIS is also used for application registration, project implementation monitoring, and security registration, control of cost eligibility and controls of payments. This is an improved version of the 2007-2013 instrument.

#### In which areas is (solely) paper documentation used?

Despite significant improvements to SMFIS over the previous period of 2007-13, all data is also in paper form, as the system does not allow safe electronic signature and data exchange with other national databases.

### 1.17.8. Legislation

#### Does any law regarding ESIF implementation exist in the member state?

No, there is no ESIF law in Lithuania.



What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

Procedures governing the implementation of ESIF:

- ▶ Government Resolution no. 528 (rules of responsibilities and division of functions between institutions responsible for OP implementation)
- ▶ Government Resolution no. 1090 (rules for management of OP)
- ▶ Rules for the management and financing of projects
- ▶ Government Resolution no. 590 (rules for restitution of financial assistance and breach of budgetary discipline)
- ▶ Rules for the management of financial instruments
- ▶ Cooperation Agreement between MA, CA and AA from 2015

Other methodological documents and recommendations, including in particular the eligibility of expenses, horizontal principles, financial instruments, etc. are available at <http://www.esinvesticijos.lt> and are usually issued by the Ministry of Finance.

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

There was no significant discrepancy between the national and ESIF arrangements, however, communication with the relevant authorities was not successful despite repeated attempts, so the information was not explicitly verified.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

Irregularities are governed by the following national legislation:

- ▶ The rules on allocation of responsibilities and functions among institutions that are part of the OP implementation structure 2014-2020 (Government Resolution no. 528 of 2014 and Decree no. 1K-316 of 2014)
- ▶ Management and program management rules (Government Resolution no. 1090 of 2014 and Decree no. 1K-316 of 2014)
- ▶ Operational program management and financing rules
- ▶ Rules for the recovery of the paid financial support (Government Resolution no. 590 of 2005)
- ▶ The division of responsibilities between institutions in the implementation of the OP

Suspensions of irregularities may be filed by any employee of the IB1, MA, CA, AA and other institutions. Investigation of irregularities is carried out by an authorized IB1. In order to ensure greater efficiency in dealing with irregularities, IB1s are coordinated by the *Ministry of Finance*. The decision on the detection of irregularities is carried out by the IB1 which conducted the investigation. All information regarding irregularities is kept in SFMIS.

There was no significant discrepancy between the national and ESIF arrangements, however, communication with the relevant authorities was not successful despite repeated attempts, so the information was not explicitly verified.

### 1.17.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Which currency is used in the case of pre-financing?

Communication with representatives of relevant authorities was not successful despite repeated

EUR



attempts, so the information is not explicitly verified.

### 1.17.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

Changes to the implementation structure settings are not yet planned, which was confirmed by both the MA and the AA. At present, however, discussions are taking place on the form of the ESIF after 2020.



## 1.18. Luxembourg (LU)

### 1.18.1. General information, allocation and targeting

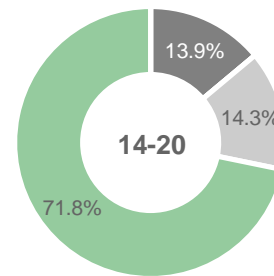
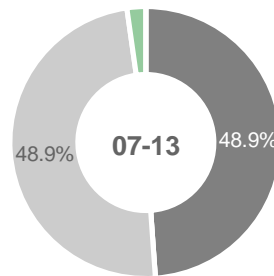
Name of the member country	Country code
Luxembourg	LU
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
3 (3/0)	1/1/1

#### Total allocation planned (according to programming period and fund)

Total allocation (mil. EUR)

14-20: 140

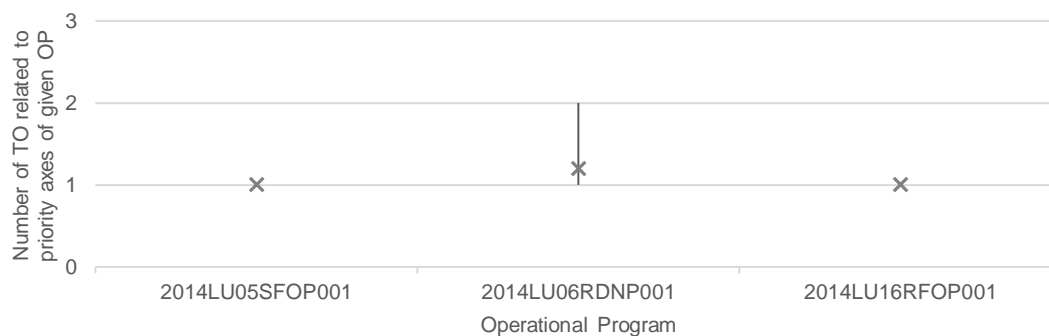
07-13: 49



#### Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
33 %	0 %	33 %	67 %	0 %	33 %	0 %	33 %	67 %	33 %	0 %	0 %
(1/3)	(0/3)	(1/3)	(2/3)	(0/3)	(1/3)	(0/3)	(1/3)	(2/3)	(1/3)	(0/3)	(0/3)

#### Targeting of priority axes of individual operational programmes in relation to thematic objectives



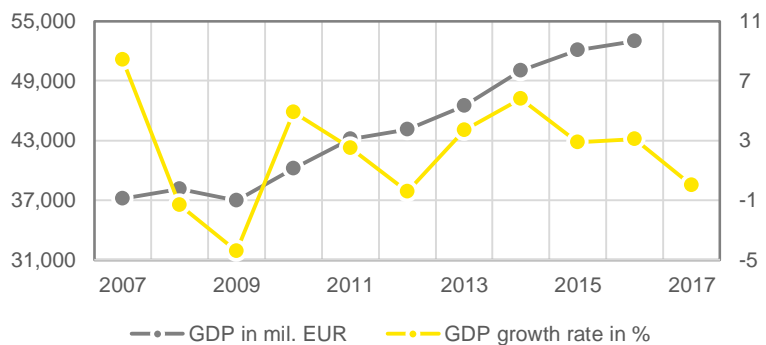


### Gross domestic product development (2007 – 2017)

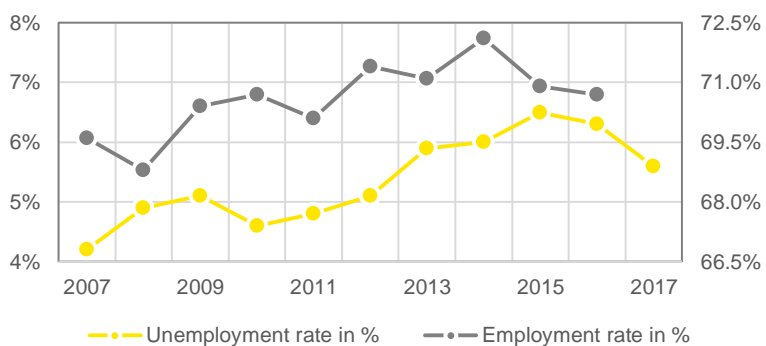
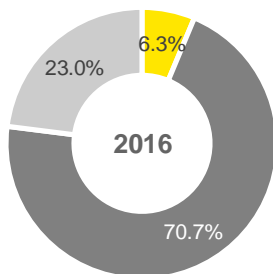
GDP per capita (EUR per capita)

2016: 90 700

2007: 77 300



### Labour market development (2016)





## 1.18.2. Main actors

### National Coordination Authority (NCA)

#### Advisory Committee

#### What are the main competences of the NCA?

- ▶ analysing and selecting projects submitted within the OP
- ▶ ensuring that the selected transactions are within the relevant fund(s)
- ▶ ensuring that recipients receive documents setting the terms of a support for each operation, including specific output requirements, financing plan and response times,
- ▶ ensuring that beneficiaries have the administrative, financial and operational capacity required

Is the NCA established specifically for purposes of ESIF?

Yes.

What personnel capacity is allocated to the NCA?

For ERDF 9

For ESF 6 + 6 alternates

### Managing Authorities (MA)

- ▶ *Ministry of Economy (Directorate for Regional Policy) for OP ERDF*
- ▶ *Ministry of Labour, Employment and Social and Solidarity Economics for OP ESF*
- ▶ *Ministry of Agriculture, Viticulture and Consumer Protection for OP Rural Development*

#### What are the main competences of the MA?

The competences of the MA include in particular:

- ▶ preparing and submitting annual reports and final reports for the EC,
- ▶ providing information to the *Monitoring Committee*,
- ▶ launching a recording and storage system for data on each operation necessary for monitoring, evaluation, financial management, verification and audit
- ▶ ensuring the collection of data on monitoring, evaluation, financial management, verification and audit, and their input and storage in the information system,
- ▶ first level control, on-the-spot controls, monitoring and the PAs
- ▶ verifying that the expenditure declared by the beneficiary has been paid and complies with the applicable legislation and conditions of the OP,
- ▶ introducing effective and proportionate anti-fraud measures

Are the MAs established specifically for purposes of ESIF?

No.

What personnel capacity is allocated to the MA?

2 for each MA

2,5 FTE working directly for the MA

### Intermediate bodies (IB1)

Non-existent.

#### What are the main competences of IB1s?

Irrelevant.



Are IB1s established specifically for purposes of ESIF?

Irrelevant.

What personnel capacity is allocated to the IB1s?

Irrelevant.

#### Certification Authority (CA)

- ▶ *Ministry of Economy (Directorate for Regional Policy) for the OP ERDF*
- ▶ *Ministry of Finance (Financial Control Directorate) for the ESF*
- ▶ *Ministry of Agriculture, Viticulture and Consumer Protection for the OP Rural Development*

What are the main competences of the CA?

- ▶ processing, validating and submitting of payment applications to the EC,
- ▶ verifying the completeness, accuracy and credibility of accounts,
- ▶ ensuring the existence of a system for recording and storing accounting documents for each transaction,
- ▶ receiving of relevant information from the MA on procedures and verifications carried out in relation to expenditures,
- ▶ keeping a computerized statement of expenditure reported to the EC,
- ▶ keeping records of the amounts to be recovered

Is the CA established specifically for purposes of ESIF?

No.

What personnel capacity is allocated to the CA?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

#### Paying Authority (PA)

The PA does not exist, payments are carried out by the MA employees.

What are the main competences of the PA?

Irrelevant.

Is the PA established specifically for purposes of ESIF?

Irrelevant.

What personnel capacity is allocated to the PA?

Irrelevant.

#### Audit Authority (AA)

*General Inspectorate of Finance (Ministry of Finance)*

What are the main competences of the AA?

The list of the AA competences corresponds to the enumeration in the General Regulation. In addition, the AA:

- ▶ developing an audit strategy (audit methodology specifications, sample selection methods for controls of transactions, etc.), which is then forwarded to the EC





Is the AA established specifically for purposes of ESIF?

No.

What personnel capacity is allocated to the AA?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Other control bodies outside the ESIF implementation structure (CB)

Non-existent.

What are the main competences of CB?

Irrelevant.

Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

At the end of the 2007-2013 programming period, first projects were implemented using simplified cost options. Preparations and reflections were elaborated to prepare for the creation of the *ESF-internet* platform to reduce administrative burden and simplify procedures.

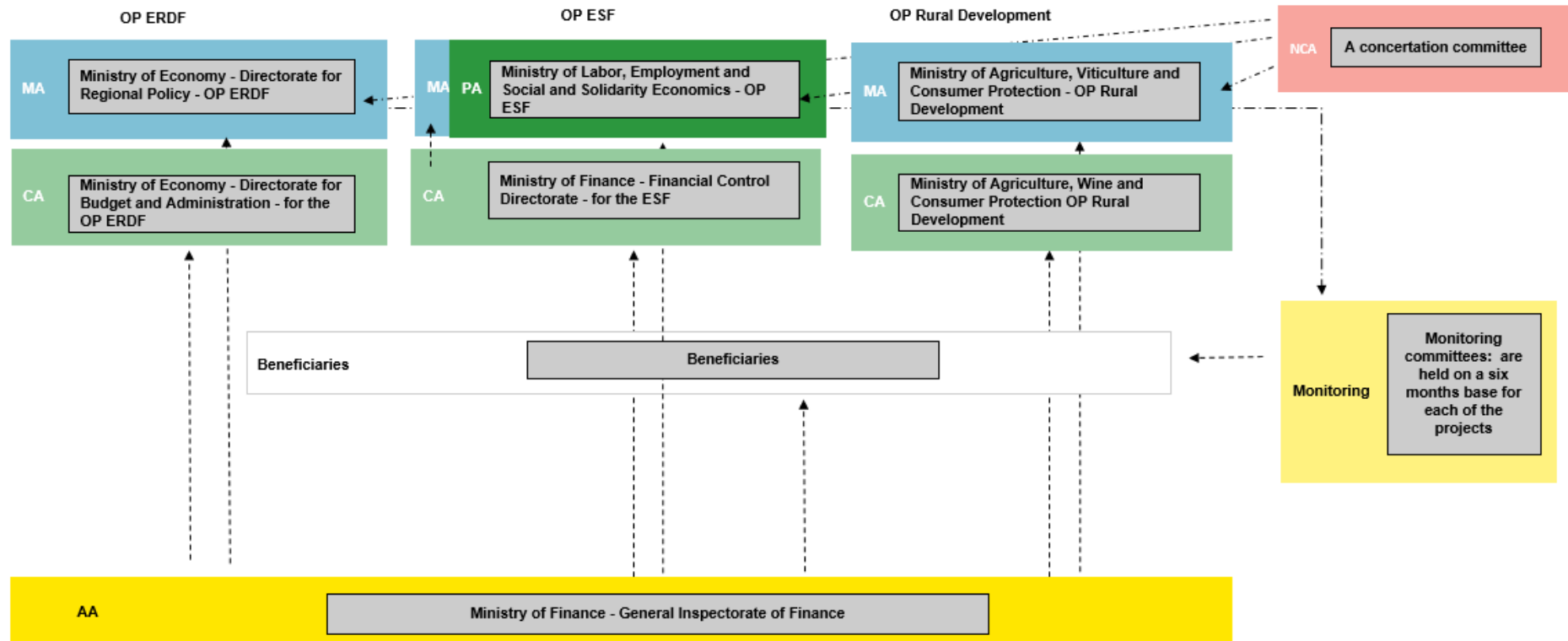
The current ERDF and ESF websites were modernized and new common tool was created.

What was the reason for the changes in the implementation structure mentioned above?

- ▶ simplify and increase the clarity for beneficiaries,
  - ▶ increasing the transparency and efficiency of the implementation structure.
-



### Scheme of implementation structure



- > Horizontal cooperation
- > Superior
- > Controlling



### 1.18.3. Programs financed from EAFRD and EMFF

Name(s) of the OP(s) financed from EAFRD

*OP Luxembourg – National Rural Development*

Is the same methodical environment binding for the OP(s)?

Yes.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, it has different MA and CA.

Do(es) the OP(s) use the same IT environment?

No.

Do(es) the OP(s) use resources from the OP TA in the member state?

No, OP TA does not exist in Luxembourg.

Name(s) of the OP(s) financed from EMFF

Non-existent.

Is the same methodical environment binding for the OP(s)?

Irrelevant.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

Irrelevant.

Do(es) the OP(s) use the same IT environment?

Irrelevant.

Do(es) the OP(s) use resources from the OP TA in the member state?

Irrelevant.



## 1.18.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Is there any database of the audit reports publicly available?

There is an internet platform where conclusions are published for the CA.

### Audit/control authority no. 1

*Ministry of Labour, Employment and Social and Solidarity Economics*

What controls/audits does the authority perform?

- ▶ first level control
- ▶ ex-ante control

Which authorities can the authority control?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Are conclusions made by the authority binding for controlled / audited entities?

Yes.

Who does the authority share its conclusions with?

- ▶ Beneficiaries will receive the audit conclusion; which is also available via the internet platform to the CA and on request to other participating institutions.

Does the authority share auditing plans with other institutions?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### Audit/control authority no. 2

*Ministry of Finance – General Inspectorate of Finance*

What controls/audits does the authority perform?

- ▶ Audit of designation
- ▶ Audit of operation
- ▶ Audit of managing and control systems

Which authorities can the authority control?

- ▶ Entities involved in the ESIF implementation structure (the MA, etc.)

Are conclusions made by the authority binding for controlled / audited entities?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Who does the authority share its conclusions with?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Does the authority share auditing plans with other institutions?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### Audit/control authority no. 3

*Ministry of Economy – Directorate for Regional Policy*



What controls/audits does the authority perform?

- ▶ performs first level control,
- ▶ performs administrative controls on beneficiaries' request,
- ▶ performs on-the-spot controls

Which authorities can the authority control?

- ▶ beneficiaries

Are conclusions made by the authority binding for controlled / audited entities?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Who does the authority share its conclusions with?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Does the authority share auditing plans with other institutions?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

---



### 1.18.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

No. As in the previous period 2007-2013, Luxembourg also does not plan to use financial instruments.

If yes, to which extent?

Irrelevant.

In which areas are FI mainly used?

Irrelevant.

Are agriculture and social business assisted by FI?

Irrelevant.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

Irrelevant.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

Irrelevant.

### 1.18.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Luxembourg uses the CLLD and the ITI (the SUD only through the ITI), to extent of 9 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

No. The CLLD assistance is from the EAFRD, the ITI assistance is from the ERDF (and from the ESF, but not directly)

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Implementation of the CLLD through the EAFRD. Implementation of the SUD through the OP ERDF Luxembourg 2014-2020.

The ITI will be implemented in total of 3 areas – Luxembourg City, Nordstad (Ettelbruck-Diekirch) and south.

The MA for programs financed from the EAFRD is the *Ministry of Agriculture*, MA for the OP ERDF is the *Ministry of Economy*. Coordination between these bodies, the CLLD and the ITI, is not described in the Partnership Agreement.



What topics are addressed within territorial dimension and dimension of integrated approach?

The CLLD will focus on promoting social inclusion, poverty reduction, economic development / rural development within programs financed from the EAFRD.

The ITI will support thematic objectives 1 and 4 (support for research and innovation and the transition to a low-carbon economy).

Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas exclusively supported through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

Information not found, not described in more detail in the Partnership Agreement.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Luxembourg is not part of any macroregional strategies.

---



### 1.18.7. Monitoring and IT

How is monitoring methodically supported?

There are the Monitoring Committees in Luxembourg, which are held twice a year after the first level control. Monitoring is governed in particular by the General Regulation of the EU.

How are evaluations coordinated?

An evaluation plan was created and an external expert was selected by a public contracting authority to carry out various evaluations.

What IT instruments are used for the implementation and monitoring of ESIF?

- ▶ A unified web portal for the ERDF, ESF and the European Territorial Cooperation (ETC) is in operation in Luxembourg. The Internet portal is the first level of exchange with all stakeholders. All the information regarding the funds is on this portal.
- ▶ The second tool is the administrative database, each of which has its own base. These bases are the main tool for exchanging information between beneficiaries and the MA on financial data and project tracking. Beneficiaries can enter their data directly into the database and import their own financial data from their existing accounting databases.
- ▶ The third instrument for automated exchange of information between the ESF and the ERDF administrative bodies and allows beneficiaries to exchange documents, it is a "cloud".
- ▶ For the ESF: Everything is done through an internet platform where information about the ESF is centralized and stored. The MA has a different access than the recipients. The platform can store new projects, send payment requests, activity reports, control reports, payments reports, etc.

In which areas is (solely) paper documentation used?

In case of the ESF, paper-based documents are not used, everything goes electronically via the platform (the platform does not have a name yet).

### 1.18.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

No, the national laws and the EU regulations apply in Luxembourg.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

On the basis of an interview with the MA, information that no other binding procedures beyond the regulation specific to the ESIF exist was provided, as there are not many projects in the country, and 100% control of all expenditure and all projects is sufficient according to the national subsidies.

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

No; for both the ESIF and national grant titles, the same national laws apply.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

The MA and the *Treasury* are responsible for recovering unauthorized funds.





The MA reports to the OLAF via IMS system.

For both the ESIF and national grant titles, the same national laws apply, so the discrepancy between the adjustments has not been revealed.

### 1.18.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Which currency is used in the case of pre-financing?

EUR

### 1.18.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

Elimination of paper based documents, performing delegated acts, fine-tuning simplification of cost options, further development of the ESF-internet platform.



## 1.19. Latvia (LV)

### 1.19.1. General information, allocation and targeting

Name of the member country	Country code
Latvia	LV
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
3 (3/0)	1/1/6

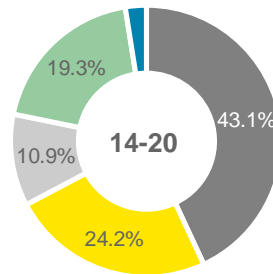
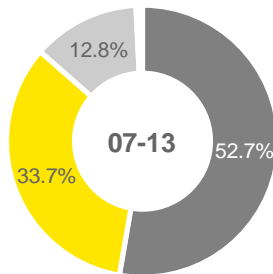
Total planned allocation (according to programming period and fund)

Total allocation  
(mil. EUR)

14-20: 5 576

07-13: 4 338

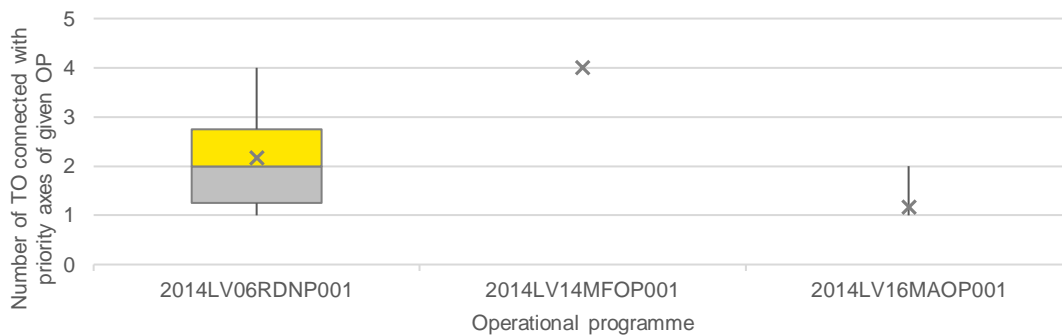
- ERDF
- CF
- ESF
- EAFRD
- EMFF



Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
67 %	33 %	100 %	67 %	67 %	100 %	33 %	100 %	67 %	67 %	33 %	0 %
(2/3)	(1/3)	(3/3)	(2/3)	(2/3)	(3/3)	(1/3)	(3/3)	(2/3)	(2/3)	(1/3)	(0/3)

Targeting of priority axes of individual operational programmes in relation to thematic objectives



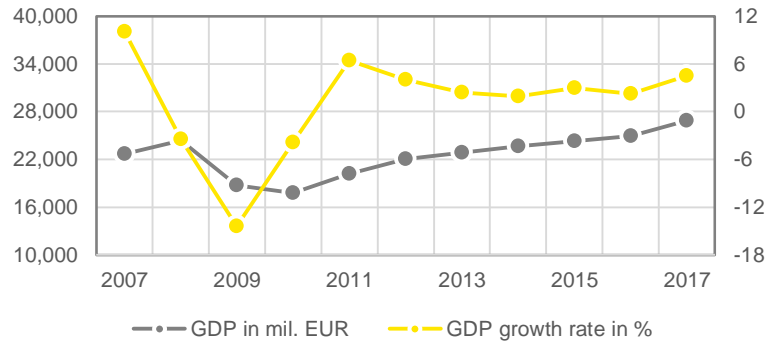


### Development of the Gross domestic product

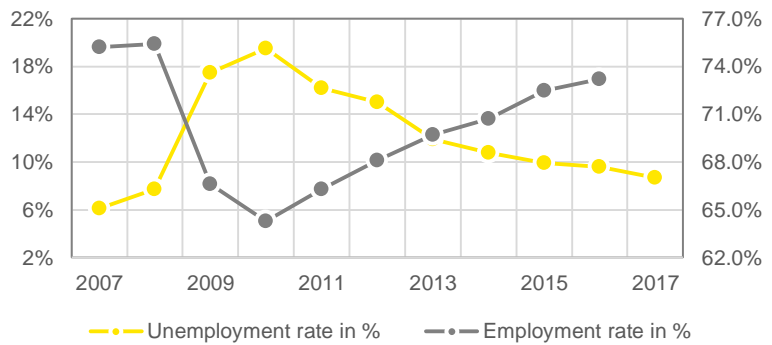
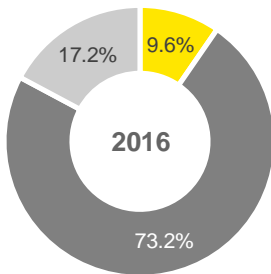
GDP per capita (EUR per capita)

2017: 13 900

2007: 10 300



### Development of labour market, 2016





## 1.19.2. Main actors

### National Coordination Authority (NCA)

*Central Finance and Contracting Agency (CFCA, hereinafter Agency)*

#### What are main competencies of NCA?

Agency is eligible representative of *Ministry of finance*. Its main competencies are:

- ▶ Supervising and monitoring implementation of projects and overseeing the objectives and output indicators of projects,
- ▶ Analysis of problems with project realization and submitting proposals to accountable institution, MA and monitoring committee regarding improvement of project realization,
- ▶ Ex-ante control of procurement documentation and procurement process for projects,
- ▶ authentication and approval of payment requests from recipient and providing additional information regarding payments,
- ▶ approval of expenditures mentioned in payment request from recipient,
- ▶ providing information and securing publicity and communication regarding project realization

#### Is NCA established specifically for purposes of ESIF?

Yes, agency was established in 1997 according to Memorandum of understanding between the EC and the government of Republic of Latvia.

#### What are the personnel capacities of NCA?

More than 300 employees. Agency is currently increasing number of employees.

### Managing Authorities (MA)

*Ministry of finance*

#### What are main competencies of MA?

The role of the MA was entrusted to *Ministry of Finance*. Among MA's competences are mainly:

- ▶ efficient managing of ESI funds implementation,
- ▶ elaboration of planning documents,
- ▶ description and administration of managing and supervising audit system
- ▶ monitoring and supervising activities of institutions involved,
- ▶ elaboration of methodology for request selection,
- ▶ elaboration of strategies against corruption and fraud.

#### Are MAs established specifically for purposes of ESIF?

No, *Ministry of finance* is not established for purposes of ESIF. Some departments of *Ministry of finance* are established for purposes of ESIF.

#### What are the personnel capacities of MA?

Information was not found in publicly available documents, representatives of *Ministry of finance* were not able to respond to inquiry.

### Intermediate bodies (IB1)

11 IB1s are identified within the implementation structure 10 ministries and *State office*  
All these institutions are subject to *Ministry of finance* in field of implementation ESIF.



### What are the main competencies of IB1s?

Among the IB1's competencies are mainly:

- ▶ implementation of thematic axes of the programme,
- ▶ participation in planning documents development, which are supposed to lead to object achievement,
- ▶ elaboration of project request assessing criteria.

### Are IB1s established specifically for purposes of ESIF?

No, IB1s are not established only for purposes of ESIF. Some departments of IB1s are established for purposes of ESIF.

### What are the personnel capacities of IB1s?

Information was not found in publicly available documents, representatives of relevant authorities were not able to respond to inquiry.

### Implementing body (IB2)

The only one implementing body in Latvia is *Central Finance and Contracting Agency (CFCA)*, hereinafter *Agency* which is subordinated to *Ministry of finance*.

### What are main competencies of IB2?

*Agency* is eligible representative of *Ministry of finance*. Its main competencies are:

- ▶ Supervising and monitoring implementation of projects and overseeing the objectives and output indicators of projects,
- ▶ Analysis of problems with project realization and submitting proposals to accountable institution, MA and monitoring committee regarding improvement of project realization,
- ▶ Ex-ante control of procurement documentation and procurement process for projects,
- ▶ authentication and approval of payment requests from recipient and providing additional information regarding payments,
- ▶ approval of expenditures mentioned in payment request from recipient,
- ▶ providing information and securing publicity and communication regarding project realization

### Is IB2 established specifically for purposes of ESIF?

Yes, agency was established in 1997 according to Memorandum of understanding between the EC and the government of Republic of Latvia.

### What are the personnel capacities of IB2?

More than 300 employees. Agency is currently increasing number of employees.

### Certification Authority (CA)

*State treasury*

### What are the main competencies of CA?

Among the CA's competencies are mainly:

- ▶ submitting statement of paid expenses to EC at least three times a year,
- ▶ receive and manage financial resources provided by EU,
- ▶ secure reception of EU funds contribution by the final beneficiaries of EU policy instruments as quickly as possible,
- ▶ confirm expenses declared as eligible and substantiated by supporting documentation,
- ▶ return ineligible expenses and interest on delay to EC,
- ▶ submitting once a year a report regarding ineligible expenses, which should be returned in accordance to EU legal acts,



- ▶ submitting updated forecasts of payment requests for the next year to the EC

Is CA established specifically for purposes of ESIF?

What are personnel capacities of CA?

No, function of CA is one of the functions of CA, which is not established for the purposes of ESIF.

Information was not found in publicly available documents, representatives of *State treasury* were not able to respond to inquiry.

#### Paying Authority (PA)

*Central Finance and Contracting Agency*

What are the main competencies of PA?

Competencies of paying authority are identical to competencies of NCA.

Is PA established specifically for purposes of ESIF?

What are personnel capacities of PA?

Yes, Agency was established in 1997 according to Memorandum of understanding between the EC and the government of Republic of Latvia.

More than 300 employees. Agency is currently increasing the number of employees.

#### Audit Authority (AA)

*Ministry of finance – Control of finances from the EU fund department*

What are main competencies of AA?

Among AA's competencies are mainly:

- ▶ audit of operation implementation, audit of managing and supervising systems, audit of accounts and implementation of systemic and thematic audit,
- ▶ development of audit report and suggestion of remedy for identified shortages,
- ▶ development of annual report,
- ▶ communication with OLAF and bodies involved in criminal proceedings.

Is AA established specifically for purposes of ESIF?

What are the personnel capacities of AA?

Yes, department of *Ministry of finance* was established solely for control of resources from EU.

20 audit employees and 1 person responsible for communication with OLAF.

#### Other control bodies outside the implementation structure ESIF (CB)

Control body, which exists outside the implementation structure is *Procurement Monitoring Bureau*. This office enters control only if certain conditions are met.

What are main competencies of CB?

- ▶ Ex-ante control of tender.

Were there some important changes to implementation structure ESIF in comparison with 2007-2013 period?

Yes. Compared to previous programme period has 2014-2020 period accentuated principle „one stop agency“, which is supposed to optimize work of public administration in fund field. Principle leads to more efficient allocation of the state budget resources, reduces risks of insufficient and ineffective



EU funds acquisition and determinates allocation of delegated functions of MA among institutions, which are involved in managing EU funds.

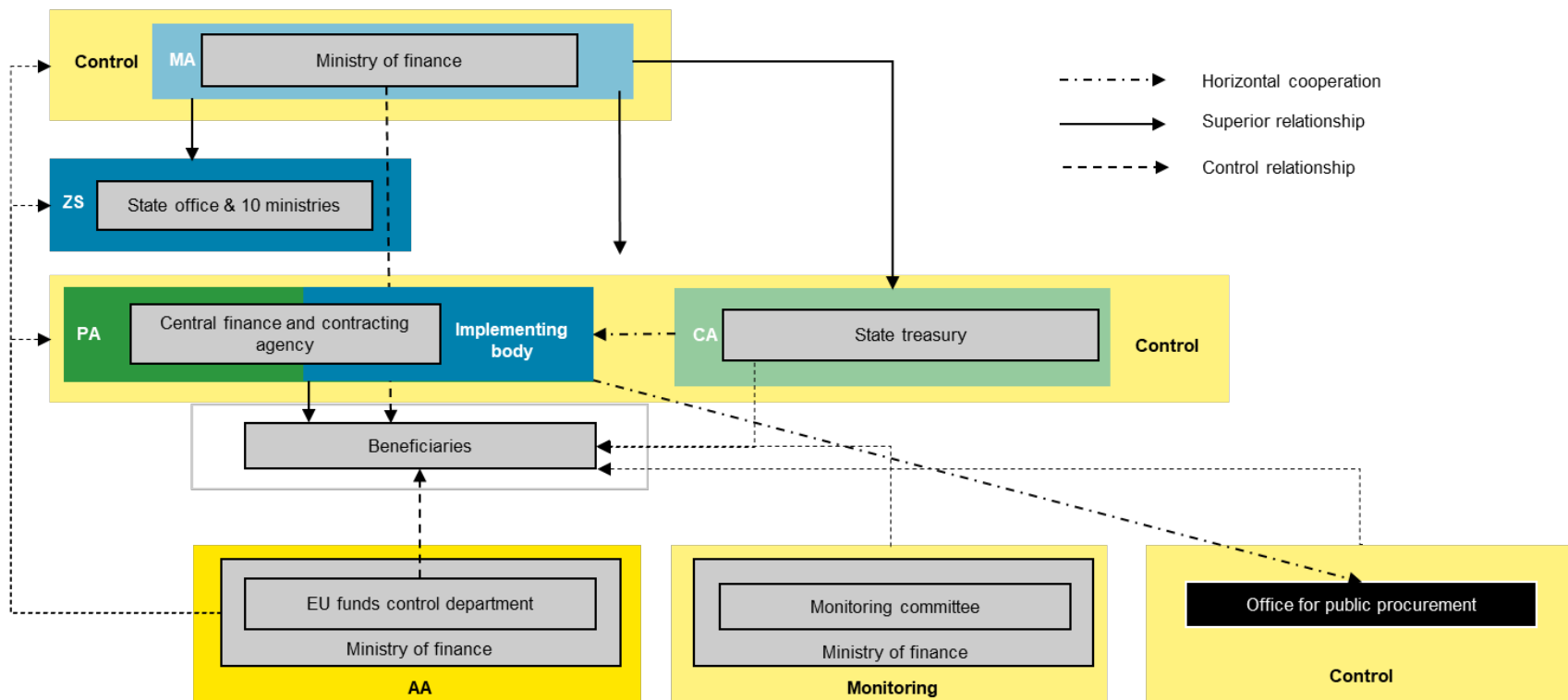
What led to changes in implementation structure mentioned above?

Change was implemented due to complexity of original system (not clear division of competencies, insufficient harmonization of procedures of responsible authorities), which was really inefficient. Effort to eliminate duplicities is apparent for example in integration IT systems into one.

---



### Implementation structure scheme







### 1.19.3. Programs similar to program(s) financed from EAFRD and EMFF

Name of the operational program similar to program(s) financed from EAFRD

*OP Countryside development*

Is same methodical environment for OP obligatory?	Does OP use same instruments (AA, PCA)?
---	---

No. Methodical environment is different, created by institutions involved in implementation structure of program(s) financed from EAFRD.

No. AA is *Internal audit of Ministry of agriculture*. Function of PCA is fulfilled by *Budgetary department of ministry of agriculture*.

Does OP use the same IT environment?	Does OP draw TA in given member state?
--------------------------------------	--

No. Program(s) financed from EAFRD use different IT system, which is separated from IT system that contains data relevant to program *Growth and employment*.

Yes, resources for TA are allocated within the budget of program(s) financed from EAFRD.

Name of the operational program similar to program(s) financed from EMFF.

*OP Fisheries*

Is same methodical environment for OP obligatory?	Does OP use same instruments (AA, PCA)?
---	---

No. Methodical environment is different, created by institutions involved in implementation structure of program(s) financed from EMFF

No. AA is *Internal audit of Ministry of agriculture*. Function of PCA is fulfilled by *Budgetary department of ministry of agriculture*.

Does OP use the same IT environment?	Does OP draw TA in given member state?
--------------------------------------	--

No. Program(s) financed from EAFRD use different IT system, which is separated from IT system that contains data relevant to program *Growth and employment*.

Yes, resources for TA are allocated within the budget of program(s) financed from EAFRD.



## 1.19.4. Audit and control

Does centrally coordinated sharing of planned controls exist among control / audit authorities?

Plans of audit are permanently available online.

Does database containing findings identified across control / audit authorities exist?

Database intended for only audit and control findings does not exist. All of the information are deposited and made available in cohesion funds managing information system managed by NCA. Use of this system is regulated by government decree No. 108.

### Audit/control authority No. 1

*Ministry of finance – EU funds audit department*

What controls / audits does it perform?	Which authorities can be controlled?
---	--------------------------------------

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>▶ Audit of managing and control systems</li> <li>▶ Audit of operations</li> <li>▶ Audit financial statement</li> </ul> | <ul style="list-style-type: none"> <li>▶ All institutions involved in managing and control system including coordination authority</li> </ul> |
|---|---|

Are conclusions made by authority obligatory for controlled / audited entities?

Yes. Audited entities can express objection within 10 days after publishing preliminary audit report. After publishing final audit report entities must implement recommendation from audit authority. Implementation is monitored by audit authority.

Who they share conclusions with?	Does it share plans of controls with other entities?
----------------------------------	--

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>▶ Audit report is sent to MA, CA, IB1</li> <li>▶ Annual report is sent to cabinet of ministers</li> </ul> | <p>Plans of audits are permanently available online.</p> |
|--|--|

### Audit/control authority No. 2

*Procurement monitoring bureau*

What controls / audits does it perform?	Which authorities can be controlled?
---	--------------------------------------

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>▶ Ex-ante control of tender</li> </ul> | <ul style="list-style-type: none"> <li>▶ Tender applicant (subsidy beneficiary)</li> </ul> |
|---|--|

Are conclusions made by authority obligatory for controlled / audited entities?

Probably yes, however communication with representatives of relevant bodies was not successful despite repeated attempts, therefore information is not explicitly verified.

Who they share conclusions with?	Does it share plans of controls with other entities?
----------------------------------	--

<p>Information is not publicly available and communication with representatives of relevant bodies was not successful despite repeated attempts.</p>	<p>Information is not publicly available and communication with representatives of relevant bodies was not successful despite repeated attempts.</p>
--	--



### 1.19.5. Financial instruments

Does member state use financial instruments (FI)?

Yes. Latvia was using financial instruments already in previous period 2007-2013, allocation has been increased in current period.

If MS uses FI, to which extent?

6 % [% of total allocation]

In which areas are FI mainly used?

03 (SMEs), 04 (Low Carbon)

Is agriculture and social business assisted by FI?

Yes, agriculture is planned to be assisted by FI (following programming period 2007-2013).

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

The basic element of FI implementation in Latvia is financial institution ALTUM owned by the state, ALTUM assists development by means of FI.

Does coordinating body at the central level, which coordinates solely FI implementation exists?

Yes, above mentioned institution ALTUM. However it is not only FI financed from ESIF, but also from other sources.

### 1.19.6. Integrated instruments

What specific integrated instruments does member use and to which extent?

Latvia uses CLLD and ITI (SUD by ITI), approximately 6 % of total allocation.

Is assistance of integrated instruments from ESIF multi-fund? What funds are being used for financing II?

Yes. CLLD assistance is from EAFRD and EMFF, ITI assistance is only from ERDF.

Is particular multi-fund program at the national level created for implementation II?

No.

Are there more programs involved in assistance II? Which entity fulfils coordinating role – one of the MA or different entity?

Implementation of CLLD by EAFRD (equivalent to program(s) financed from EAFRD) and EMFF (equivalent to program(s) financed from EMFF). Implementation of ITI is by national multi-fund OP growth and employment (ERDF and ESF).

ITI will be realized in nine development areas - Riga, Daugavpils, Jelgava, Jēkabpils, Jurmala, Liepaja, Rezekne, Valmiera, Ventspils.

So called lead fund in case of CLLD is EAFRD. MA is *Ministry of agriculture*, MA of ERDF program, within which is implemented ITI, is *Ministry of finance*.



What subjects are addressed within territorial dimension and dimension of integrated instruments?

Within integrated instruments is addressed very wide range of subjects connected with local / territorial development strategy. Partnership agreement does not specify subject focus.

Do subjects assisted solely by territorial dimension and integrated instruments exist?

Information regarding existence of areas assisted solely by territorial dimension / integrated instruments were not found.

How individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and subsidy provision) of II realization?

CLLD – information not found, in Partnership agreement not closely specified.

ITI – local coordination councils are involved in implementation, some MA competencies are delegated to council. Coordination council's representatives are involved in particular ITI.

Is implementation of macroregional strategies realized in combination with ESIF, or is it complementary?

Yes, macroregional strategy (Baltic sea strategy specifically) is implemented in combination with ESIF. Operational programs contain aims and interventions fulfilling this strategy, the strategy will be also fulfilled through ESIF assisted programs (cross-border cooperation programs included). Connection between ESIF and Baltic sea strategy is described in Partnership agreement.

---



## 1.19.7. Monitoring and IT

### How is monitoring methodically adjusted?

MA developed instructions for institutions involved in monitoring system (accountable authorities and institutions for cooperation), which has determined main monitoring principles and way of monitoring.

General description of monitoring structure is available in decree no. 108 (Law On Management of European Union Structural Funds and the Cohesion Fund for the 2014-2020 Programming period)

### In which way are evaluations coordinated?

Evaluation of EU fund interventions is managed by MA as a centralized process. Subjects of evaluation are determined in annual plans of evaluation every year. Evaluation unit develops annual plans of evaluation taking into account responsible authorities (ministries) and other EU fund managing institutions.

There are two ways of evaluation in Latvia: by intern evaluation unit or by external contracting authority through procurement procedure (procedure organized by MA in cooperation with relevant ministries).

### What IT instruments are used for implementation and monitoring of ESIF?

Latvia uses only one IT system, which concentrates all available information regarding project and funds in this programming period. This system is called Information system for fund management (ISFM). System is highly centralized and secures project administration, monitoring, submission of applications etc.

### In which areas are (solely) paper documentation used?

Entity has to submit a written request if it wants to become user of ISFM. All other operations are carried out in ISFM.

## 1.19.8. Legislative environment

### Does law regarding ESIF implementation exist in MS?

Yes, *Law on management of EU structural funds and the cohesion fund for the 2014-2020 programming period* was implemented in 2014. This law specifies rights and duties of entities in implementation structure, also specifies selection process of the project. Law is legally binding for involved institutions and subsidy beneficiaries.

### What other binding procedures (beyond the scope of decree regarding ESIF implementation) exist?

Other procedures are specified in 9 decrees of ministry of finance (no. 517, no. 485, no. 130, no. 108, no. 87, no. 77, no. 784, no. 714, no. 611), which codify for example procedures for reporting irregularities detected and recovering illegible expenses, budget planning, project monitoring and evaluation, procedures to ensure an audit function and other, which are particularly binding for managing and controlling bodies and institutions as they represent more of a guideline to follow.

Apart from these around 160 individual acts of cabinet of ministers exist regarding implementation of specific assistance objectives and define rights and duties of the authorities within the implementation structure. Regulations are prepared by intermediate bodies, discussed with all stakeholders and approved by the cabinet of ministers.

MA and NCA also issues directives and internal regulation regarding for example resolution of irregularities procedure, eligibility of expenses, publicity, simplified reporting, implementation of



horizontal principles, selection procedure etc. There are about 50 of such documents. Majority of these documents is issued by MA.

According to email communication with relevant bodies there is not one particular institution responsible for enforcing such rules, all of the institution involved in managing and control system of ESIF are responsible according to extent of their competencies (as delegated in relevant regulation).

Is the adaptation of binding procedures different from the arrangements for national grant titles?

Yes, although national and European subsidy arrangements are governed by general administrative rules, there is a specific regulation that relates to the ESIF and does not apply to national grant programs. This adjustments reflects in particular the specificities of the nature of European funds, European legislation and principles.

Specific differences have not been provided in existing communications with representatives of relevant bodies that specialize in ESIF and have no overview of national funds. National legislation (for example, the Law on Budgetary Management of 24 March 1994) does not explicitly address subsidies from the state budget. It deals with standard procedures (eg. by creating and adopting the state budget) and the responsibilities of individual institutions for its implementation. Subsidies are specifically regulated only in connection with the transfer of resources to local governments. The absence of a specific adjustment in the provision of subsidies in national law can be explained by the fact that each financing instrument (either from national sources or from EU sources) has its own legislation.

What is the legal basis for addressing irregularities and does there exist a discrepancy between national and ESIF adjustments in this area?

The resolution of the irregularities is regulated by the ESIF act and also by the regulations of the Minister No. 517 and by the directives and internal regulations of the MA and NCA.

Qualified irregularities enter NCA into the information system, reports to OLAF and decides on remedial measures. The MA summarizes this data quarterly and organizes working groups. If it is a systematic correction and if it is necessary to apply it to each project, it manages the process of identifying and communicating with the MA government so that funds are recovered. Enforcement of ineligible funds from the ESIF is the responsibility of CO on the basis of Government Act No. 517 on administrative and civil law. If this is the case about fraud, there is a criminal procedure according to general regulations.

Specific discrepancies were not detected in publicly available documents, nor were they provided in previous communications with representatives of relevant bodies that specialize in ESIF and have no overview of national funds. It has only been established that there are differences in programs similar to program(s) financed from EAFRD and EMFF that are regulated by a special law on administrative management and all issues are addressed by the *Rural Support Service*.

### 1.19.9. Pre-financing

Are the funds for pre-financing covered by the state budget?

Yes, they are covered by the state budget

In what currency will the recipients receive funds?

EUR



## 1.19.10. Adjustment of the implementation structure after 2020

What are the responsible authorities planning to change the set-up of the ESIF after 2020?

Changes in the 2020+ system are being discussed in Latvia. Changes information is not publicly available. The Ministry of Finance has prepared scenarios for development. All respondents note that by September 2018, no public debate or debate has been launched in which these authorities are involved. Generally, no significant changes to the implementation structure are expected.



## 1.20. Malta (MT)

### 1.20.1. General information, allocation and targeting

Name of the member country	Country code
Malta	MT
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
5 (5/0)	1/1/2

Total allocation planned (according to programming period and fund)

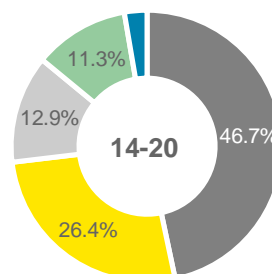
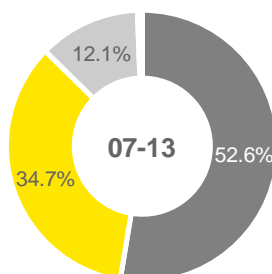
Total allocation  
(mil. EUR)

14-20: 824



07-13: 752

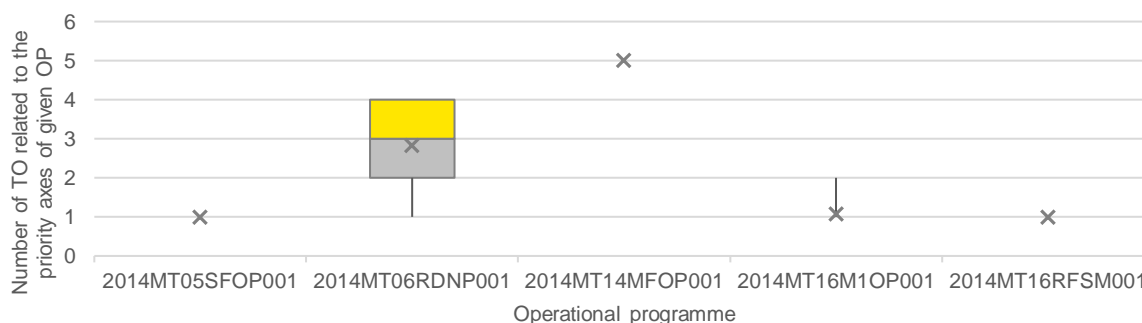
- ERDF
- CF
- ESF
- EAFRD
- EMFF



Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
40 %	20 %	80 %	60 %	20 %	60 %	20 %	60 %	60 %	60 %	20 %	0 %
(2/5)	(1/5)	(4/5)	(3/5)	(1/5)	(3/5)	(1/5)	(3/5)	(3/5)	(3/5)	(1/5)	(0/5)

Targeting of priority axes of individual operational programmes in relation to thematic objectives





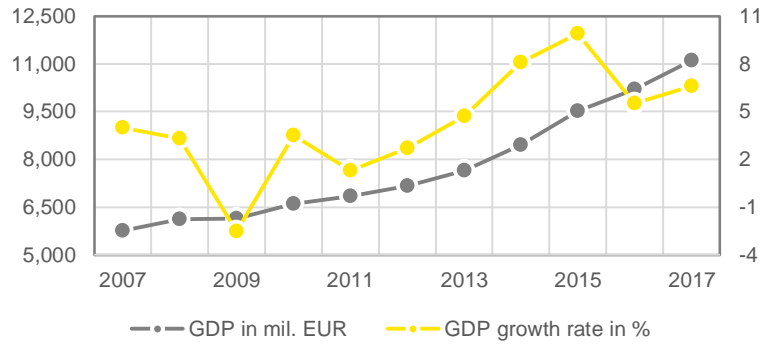


### Gross domestic product development (2007 – 2017)

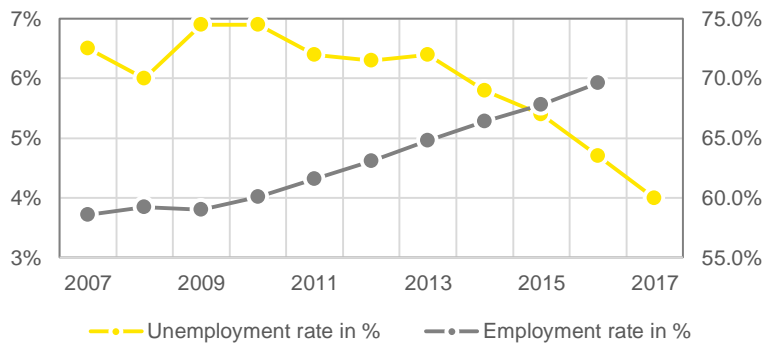
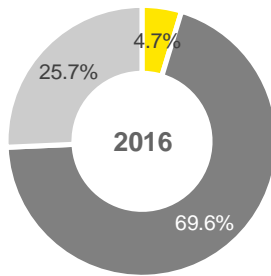
GDP per capita (EUR per capita)

2017: 23 900

2007: 14 200



### Labour market development (2016)





## 1.20.2. Main actors

### National Coordination Authority (NCA)

#### *Intergovernmental Coordination Committee*

#### What are the main competences of the NCA?

Efficiency maximization through the definition of individual programmes, the implementation of ad hoc consultations and the sharing of information across the MA. The NCA also provides a forum for sharing knowledge about new funding.

#### Is the NCA established specifically for purposes of ESIF?

Yes, the NCA is established specifically for the purposes of ESIF.

#### What personnel capacity is allocated to the NCA?

There are 2 FTE allocated to the IS coordination agenda.

### Managing Authorities (MA)

*The Ministry for European Affairs and the implementation of the Programme Statement covers the role of the Managing Authorities of all operational programmes, with Coordination Department for Planning and Priorities as the MA in the case of (nationwide) national programmes (3), and Department of Funds and Programmes as the MA in the case of equivalents to RDP and OPR.*

#### What are the main competences of the MA?

- ▶ Elaboration and initiation of calls for project proposals.
- ▶ Presidency of the *Project Selection Committees*.
- ▶ Performing first-level controls at recipients.
- ▶ Monitoring the implementation of projects and programmes, including the management and chairing of monitoring committees.
- ▶ Management of information systems for programme management (project databases).
- ▶ Implementing and monitoring promotional measures.
- ▶ Management of technical assistance budget.

#### Are the MAs established specifically for purposes of ESIF?

Yes, the MAs are established specifically for purposes of ESIF.

#### What personnel capacity is allocated to the MA?

There are 50 FTE allocated to the IS coordination agenda.

### Intermediate Bodies (IB1)

Intermediate Bodies are established only in the case of ERDF and ESF implementation: *Department of Measures and Support, Ministry for European Affairs and Programming Statement (ERDF)* and the *Organization for Employment and Education*, a government agency subordinate to the *Ministry of Education and Employment (ESF)*.

#### What are the main competences of IB1s?

The individual IBs have competencies related to the management of individual OPs according to the Fund.



Are IB1s established specifically for purposes of ESIF?

No, IB1s are not established specifically for purposes of ESIF.

What personnel capacity is allocated to the IB1s?

There are 5 FTE allocated to the sub-agency of IB1s.

#### Certification Authority (CA)

*Directorate for the European Union, Ministry of Finance*

What are the main competences of the CA?

- ▶ Responsibility for the entire certification process.
- ▶ Providing information to the government (including the drafting of relevant reports) on applications for interim payments, on funds received, on the status of debtors and on the further use of the *Ministry of Finance's* funds.

Is the CA established specifically for purposes of ESIF?

Yes, the CA is established specifically for purposes of ESIF.

What personnel capacity is allocated to the CA?

There are 16 FTE allocated to the certification agenda.

#### Paying Authority (PA)

*General Accountant, State Treasury*

What are the main competences of the PA?

- ▶ Receiving payment / reimbursement requests (from line ministries) to suppliers and recipients.
- ▶ Making payments / reimbursements to suppliers and recipients in relation to expenditures incurred to approved projects.
- ▶ Performing the appropriate controls - in particular the compliance of expenditure and supporting documentation with national financial regulations.

Is the PA established specifically for purposes of ESIF?

No, the PA is not established specifically for purposes of ESIF.

What personnel capacity is allocated to the PA?

There are 13 FTE allocated to the PA's agenda.

#### Audit Authority (AA)

*Directorate of Internal Audit and Investigation, Office of the Government*

What are the main competences of the AA?

- ▶ Operations Audit.
- ▶ Audit of managing and controlling systems.

Is the AA established specifically for purposes of ESIF?

No, the AA is not generally established specifically for purposes of ESIF. The specific departments among which the audit is delegated are nevertheless specifically established for the purposes of ESIF.

What personnel capacity is allocated to the AA?

There are 12 FTE allocated to the AA's agenda.



## Other control bodies outside the ESIF implementation structure (CB)

### *National Audit Office*

#### What are the main competences of CB?

- ▶ Operations audit (administrative and on site).

#### Is the controlling body established specifically for purposes of ESIF?

No, CB is established by the *Constitution of Malta* and further amended by the *Supreme Audit Office Act* in order to carry out various inspections of activities related to the use of public finances.

#### Are the conclusions of the controlling body for the inspected entity binding?

The information was not found in publicly available documents, nor were the representatives of the relevant authorities able to answer the question.

#### Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

The main change over the previous programming period was the introduction of electronic submission of applications. The overall effort to increase efficiency was also demonstrated by strengthening assistance to applicants / beneficiaries (by extending the existing help desk), by simplifying the selection process and by strengthening the administrative capacity of the experts involved in the selection process.

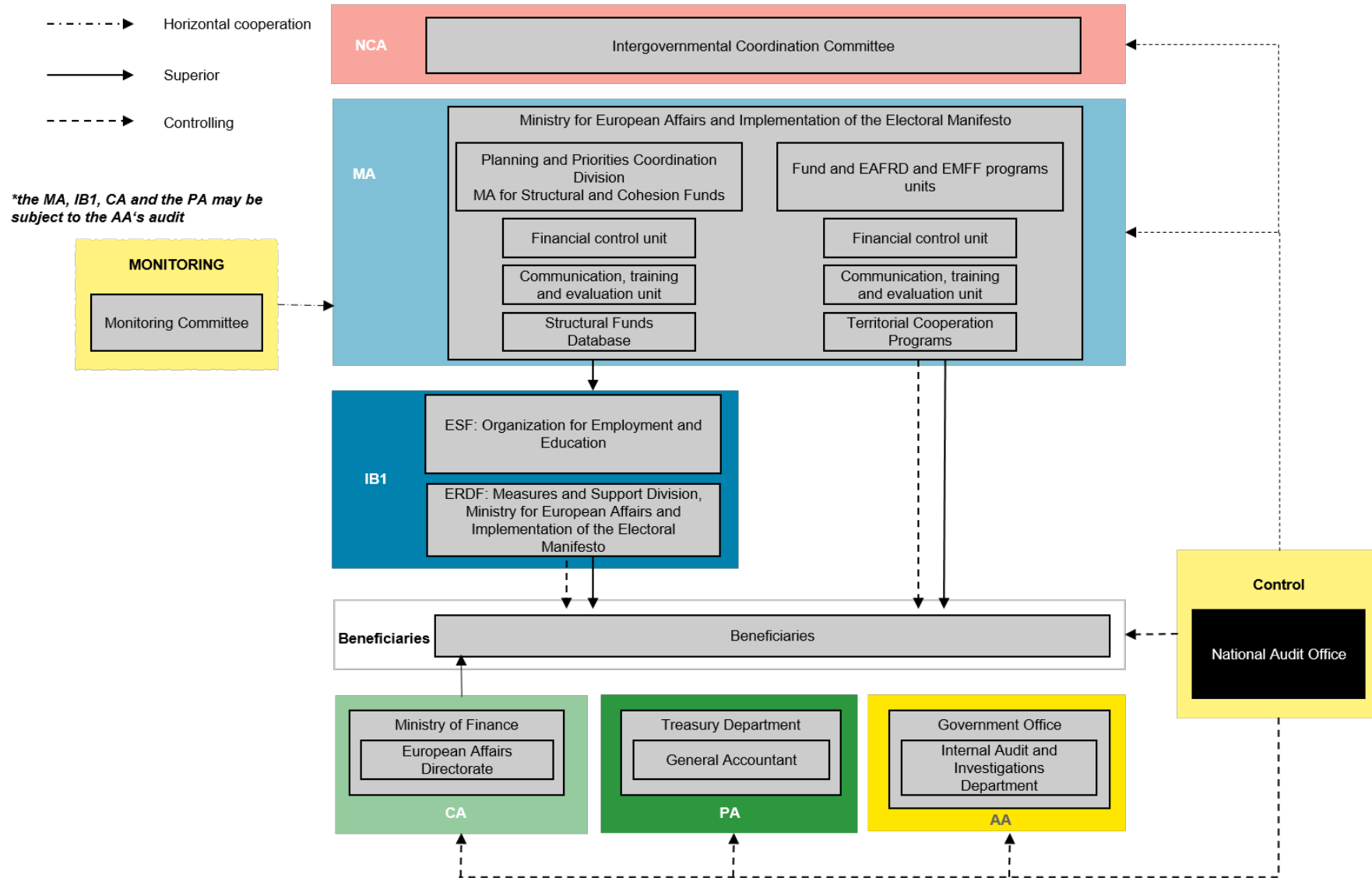
#### What was the reason for the changes in the implementation structure mentioned above?

The key motivation for the above changes was to streamline the drawdown.

---



### Scheme of Implementation structure





### 1.20.3. Programs financed from EAFRD and EMFF

Name(s) of the OP(s) financed from EAFRD

*Malta - Rural Development Programme*

Is the same methodical environment binding for the OP(s)?

No, it is not.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, it do(es) not.

Do(es) the OP(s) use the same IT environment?

No, it do(es) not.

Do(es) the OP(s) use resources from the OP TA in the member state?

Irrelevant, OP TA does not exist.

Name(s) of the OP(s) financed from EMFF

*European Maritime and Fisheries Fund - Operational Programme for Malta*

Is the same methodical environment binding for the OP(s)?

No, it is not.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

Yes, the OP(s) use the same instruments.

Do(es) the OP(s) use the same IT environment?

No, the IT tool for EMFF implementation is separate, despite the IT environment being technically identical.

Do(es) the OP(s) use resources from the OP TA in the member state?

Irrelevant, OP TA does not exist.



## 1.20.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

The information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Is there any database of the audit reports publicly available?

The information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### Audit/control authority no. 1

AA (Directorate of Internal Audit and Investigation, Office of the Government)

What controls/audits does the authority perform?

- ▶ Operations Audit.
- ▶ Audit of managing and controlling systems.

Which authorities can the authority control?

- ▶ MA.
- ▶ IB.
- ▶ Beneficiary.

Are conclusions made by the authority binding for controlled / audited entities?

Yes, the beneficiary must meet the requirements set out by the AA within the set deadlines. Possible objections and comments must be delivered to the AA within one month of receipt of the draft audit report. The MA and the line ministry, respectively its permanent secretary, are responsible for the recovery of ineligible funds.

Who does the authority share its conclusions with?

- ▶ MA.
- ▶ CA.
- ▶ Permanent Secretary of the line ministry.
- ▶ Beneficiary.

Does the authority share auditing plans with other institutions?

The information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### Audit/control authority no. 2

Supreme Audit Office (SAO)

What controls/audits does the authority perform?

Controlling the efficiency and cost-effectiveness of spending public funds, among others, in the following areas:

- ▶ Operations control.
- ▶ Financial control of IS bodies.

Which authorities can the authority control?

- ▶ Any entity (IS bodies, beneficiaries) handling public funds.

Are conclusions made by the authority binding for controlled / audited entities?

The information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.



Who does the authority share its conclusions with?

The information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Does the authority share auditing plans with other institutions?

The information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

---





### 1.20.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, Malta used financial instruments already in the previous period 2007-2013, now it has increased the allocation.

If yes, to which extent?

Yes, 5% of the total allocation.

In which areas are FI mainly used?

03 (SMEs), 04 (Low Carbon)

The use of financial instruments is only intended to support small and medium-sized enterprises and low-carbon economy.

Are agriculture and social business assisted by FI?

No, support for social entrepreneurship and agriculture is not planned through the FI.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

Currently, the implementation of the SME Initiative is set up such that the fund is managed by the *European Investment Fund*, the intermediary body being two private banks.

Is there a Coordinating Body at the central level, which coordinates solely the FI implementation?

Central Coordination Body was not identified.

### 1.20.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Malta uses the CLLD and SUD, accounting for about 3% of the total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

No.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Yes. Implementation of the CLLD through the RDP (EAFRD) and implementation of the SUD through the OP Support for a competitive and sustainable economy to address our challenges.

The coordinating role is fulfilled by the MA of both relevant OPs, which is the *Ministry of European Affairs and the implementation of the Electoral Manifesto*.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated instruments, a very wide range of topics are dealt with in local / territorial development strategies.



Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found supporting the existence of areas supported exclusively through the Territorial Dimension / Integrated Instruments.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

CLLD: Local Action Groups are responsible for developing and implementing local development strategies.

SUD: Due to the size of Malta, the *Ministry for European affairs and the implementation of the Electoral Manifesto* is the main body implementing the SUD. On SUD implementation it cooperates with the *Coordination Committee for the SUD*, which includes representatives of local governments, ministries, the MA and Maltese planning institutions.

Is the implementation of macro-regional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Malta is not part of any macro-regional strategies.

---



## 1.20.7. Monitoring and IT

How is monitoring methodically supported?

Separately, the MA has established a Monitoring and Evaluation Strategy for (i) ERDF and CF, (ii) ESF.

How are evaluations coordinated?

The MA is responsible for monitoring and evaluation, and the monitoring process consists mainly of the following:

- ▶ IT system *Structural Funds Database 2014-2020*,
- ▶ Reports on the project progress (half-yearly and after the end of the project, prepared by the project manager),
- ▶ Monitoring committees,
- ▶ *Managing Committees* within the IB / Line Ministries,
- ▶ *Monitoring meetings* organized by the MA with the participation of representatives of relevant line ministries and recipients.
- ▶ MAs and recipients may also engage in further inquiries or research in case of observation of certain indicator values.

What IT instruments are used for the implementation and monitoring of ESIF?

The single central system (*Structural Funds Database (SFD14-20)*) is to a certain extent duplicated by the general national IT system (*Integrated Administration and Control System (IACS)*) that is not set up as ESIF-specific, while being extended by specific IT tools at the level of regions, funds, etc., which may not be compatible with the central system because the relevant information contained in them is transferred to *IACS*.

In which areas is (solely) paper documentation used?

Compared to the previous programming period 2007-2013, electronic subsidy applications were introduced, which removed most of the remaining administration in paper form.

## 1.20.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

No, there is no ESIF-specific law in Malta.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

The procedures are set by the relevant MAs in the *Procedures Manuals* for each OP (although the text is almost identical).

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

Yes, it is different. There are very few national subsidy titles in Malta that are not managed centrally. Given the limited resources, the choice of recipients, etc., is noticeably stricter and more bureaucratic in the case of national titles.



What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

The resolution of irregularities is governed by the *Manual of Procedures*, which is enforced by the MA. The line ministries and the Permanent Secretary also participate in the recovery in selected cases.

### 1.20.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Yes, they are covered by the state budget.

Which currency is used in the case of pre-financing?

EUR

### 1.20.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

No specific changes are planned yet. It is too early, however, according to representatives of the relevant authorities for detailed information.



## 1.21. Netherlands (NL)

### 1.21.1. General information, allocation and targeting

Name of the member country	Country code
Netherlands	NL
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
7 (3/4)	4/12/40

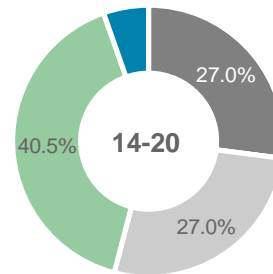
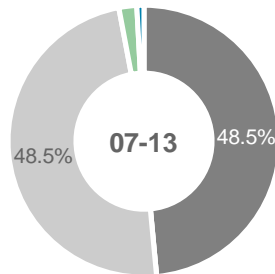
Total allocation planned (according to programming period and fund)

Total allocation  
(mil. EUR)

14-20: 1 887

07-13: 1 625

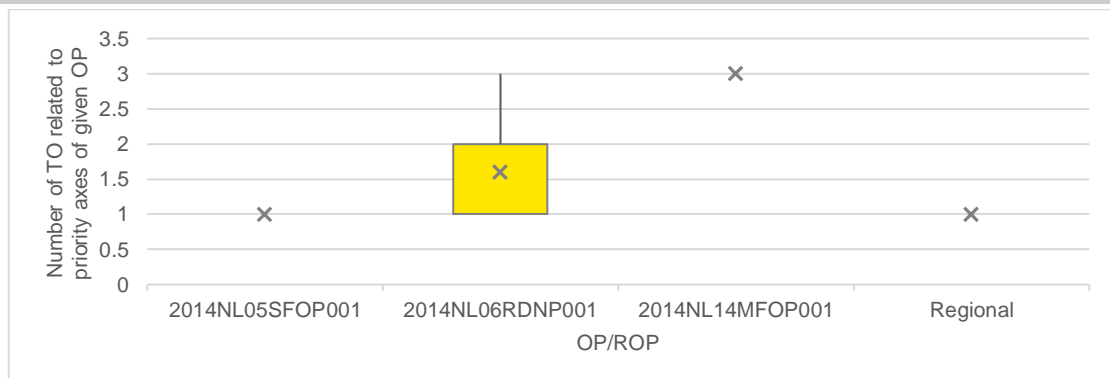
- ERDF
- CF
- ESF
- EAFRD
- EMFF



Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
33 %	0 %	67 %	0 %	33 %	67 %	0 %	33 %	67 %	33 %	0 %	0 %
(1/3)	(0/3)	(2/3)	(0/3)	(1/3)	(2/3)	(0/3)	(1/3)	(2/3)	(1/3)	(0/3)	(0/3)

Targeting of priority axes of individual operational programmes in relation to thematic objectives



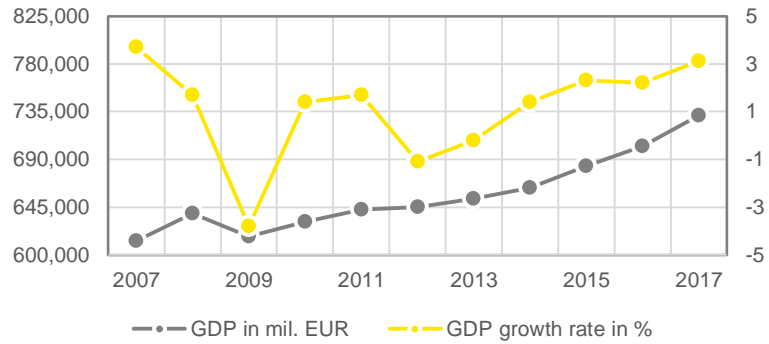


### Gross domestic product development (2007 – 2017)

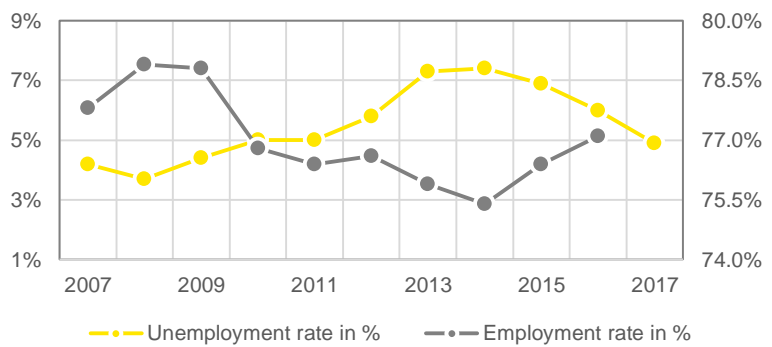
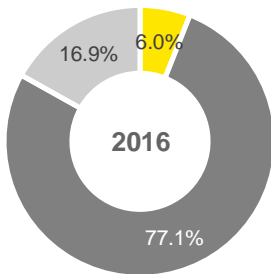
GDP per capita (EUR per capita)

2017: 42 700

2007: 37 400



### Labour market development (2016)





## 1.21.2. Main actors

### National Coordination Authority (NCA)

In the Netherlands, national coordination authority does not exist.

What are the main competences of the NCA?

Irrelevant.

Is the NCA established specifically for purposes of ESIF?

Irrelevant.

What personnel capacity is allocated to the NCA?

Irrelevant.

### Managing Authorities (MA)

Within the ERDF, the MA is the competent *local government authority*, while within the ESF it is the *Social Affairs and Employment Agency*. In the case of programs financed from the EAFRD and the EMFF, the MA is the *State Secretary for Economic Affairs* (EAFRD) and the Ministry of Economy, *DG for Agriculture* (EMFF).

What are the main competences of the MA?

- ▶ setting project selection criteria
- ▶ allocating subsidies
- ▶ supporting applicants
- ▶ monitoring progress
- ▶ controlling implementation
- ▶ providing information and promoting the program
- ▶ regional MAs are responsible for content and financial implementation of the programs

Are the MAs established specifically for purposes of ESIF?

No, the MAs are not established specifically for the ESIF purposes.

What personnel capacity is allocated to the MA?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### Intermediate bodies (IB1)

The IB1s exist only within some OPs, for example in the case of ROPs those are individual municipalities.

What are the main competences of IB1s?

The IB1s take over the role of the MA according to a mandate. Detailed information is not publicly available and communication with representatives of relevant authorities was not successful despite repeated attempts.

Are IB1s established specifically for purposes of ESIF?

No, the IB1s are not established specifically for the ESIF purposes.

What personnel capacity is allocated to the IB1s?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.



## Certification Authority (CA)

*Netherlands Enterprise Agency*

### What are the main competences of the CA?

- ▶ elaborating and submitting payment requests to the EC and confirming that the applications come from reliable accounting systems, are based on verifiable documents and have been validated by the MA
- ▶ preparing financial statements referred to in Article 59 (5) (a) of the financial regulation
- ▶ confirming the completeness, accuracy and credibility of the financial statements and certifies that the entered expenses are in accordance with applicable law and have been incurred for operations selected for funding according to the criteria applicable to the operational program concerned and in accordance with the applicable legislation
- ▶ ensuring the existence of an electronic system recording the accounting entries for each operation, including recording all the data needed to prepare the payment application and the financial statements
- ▶ when drawing up and submitting payment applications, it takes into account the results of all audits carried out by the audit authority or under its authority
- ▶ managing in electronic form the accounting records of the expenditure declared to the EC and records of the corresponding contributions from public resources paid to the beneficiaries
- ▶ recording the amounts to be recovered and amounts withdrawn due to cancellation of the entire contribution to the operation or its part

Is the CA established specifically for purposes of ESIF?

No, the CAs are not established specifically for the ESIF purposes.

What personnel capacity is allocated to the CA?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

## Paying Authority (PA)

Within the ERDF, the PAs are primarily the *local government authorities*, one of which is the *National Enterprise Agency of the Netherlands* as well as in the rest of the funds implemented.

### What are the main competences of the PA?

- ▶ elaborating and sending payment applications to the EC within the ESIF
- ▶ validating the interim statement of expenses and final statement
- ▶ accepting the EC payments and then carrying out payments to beneficiaries

Is the PA established specifically for purposes of ESIF?

No, the PAs are not established specifically for the ESIF purposes.

What personnel capacity is allocated to the PA?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

## Audit Authority (AA)

*Central Government Audit Service of Ministry of Finance*

### What are the main competences of the AA?

- ▶ audit of designation
- ▶ audit of managing and control systems
- ▶ financial audits, compliance audits, IT audits





Is the AA established specifically for purposes of ESIF?

No, the AA is not established specifically for the ESIF purposes.

What personnel capacity is allocated to the AA?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Other control bodies outside the ESIF implementation structure (CB)

*Court of Audit*

What are the main competences of CB?

- ▶ controlling the efficiency and effectiveness of the operation of managing and control systems
- ▶ controlling the correctness of statements and the legality of financial transactions

Is the CB established specifically for purposes of ESIF?

No, the CB is not established specifically for the ESIF purposes.

Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

In the past programming period, problems occurred due to insufficient capacities (human and administrative), so in the current programming period small rearrangements (e.g. centralization) have been made at the level of funds to avoid problems from the previous programming period.

Within the ERDF, there has been only slight change since the current setting has been satisfactory. The Regional MAs remained primarily responsible for implementation but concluded an agreement on co-operation and standardization of procedures. Part of the agreement was the introduction of a single information system for all 4 MAs.

Within the ESF, there have been slight changes in the implementation structure (unification of the IT system, etc.), but these changes have not been specified in more detail.

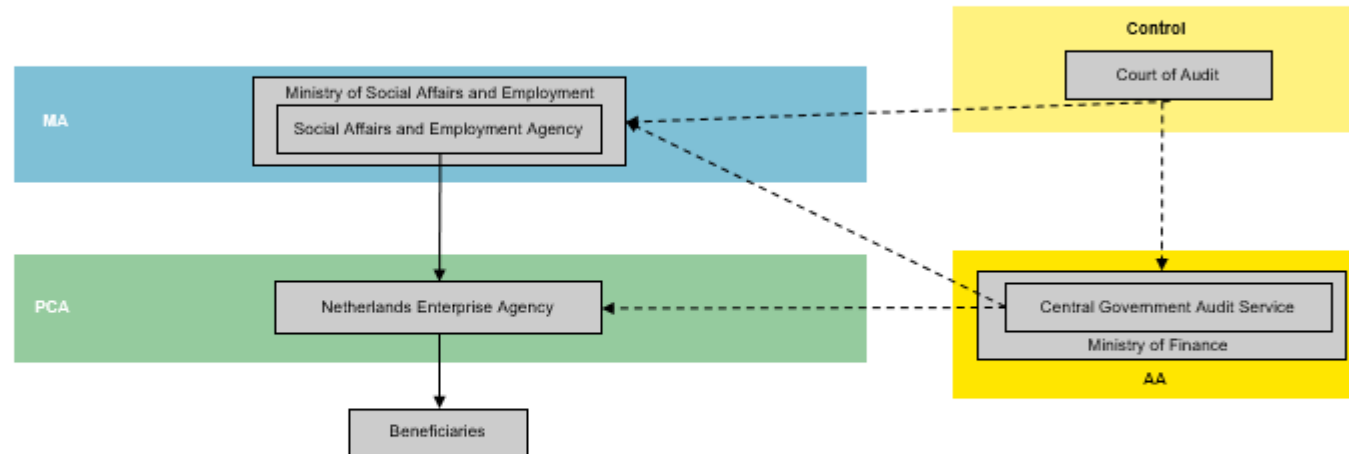
What was the reason for the changes in the implementation structure mentioned above?

Changes in the implementation structure have been due to standardization, increased efficiency and staffing.



## Scheme of implementation structure

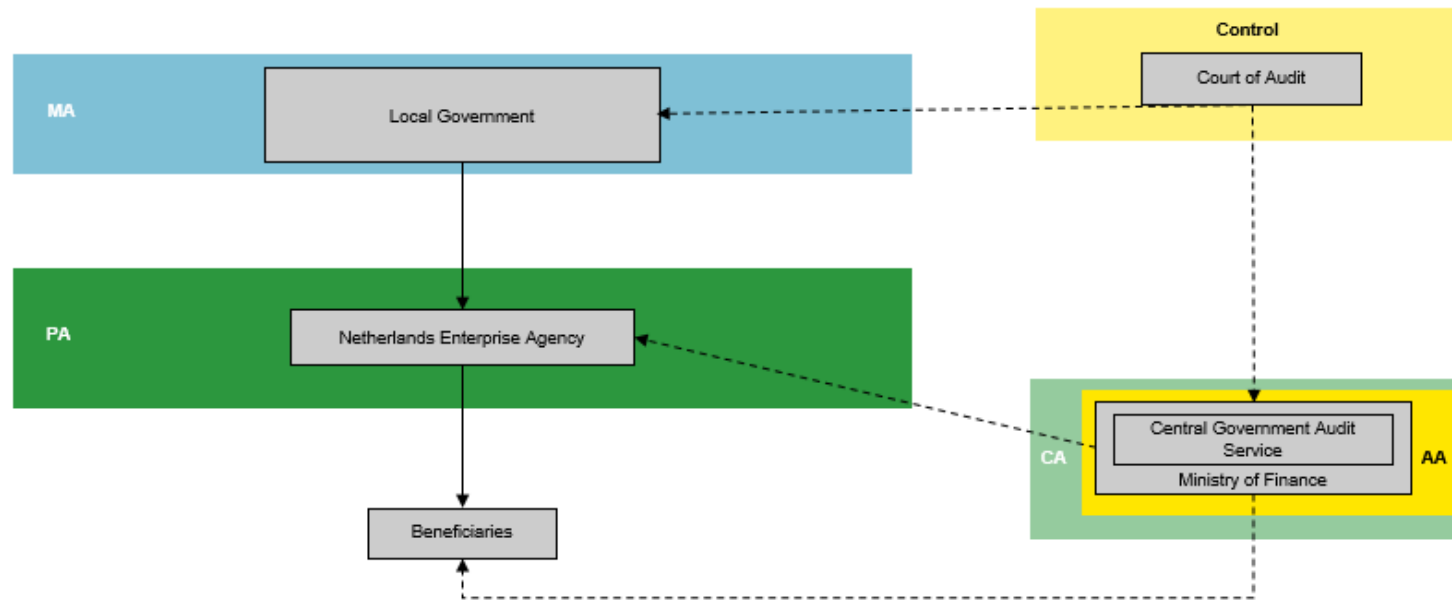
Applicable for OPs



- - - - -> Horizontal cooperation
- > Superior
- - - - -> Controlling



Applicable for ROPs



- > Horizontal cooperation
- > Superior
- > Controlling



### 1.21.3. Programs financed from EAFRD and EMFF

#### Name(s) of the OP(s) financed from EAFRD

*Rural Development Program*

Is the same methodical environment binding for the OP(s)?

No, it is not.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, the CA is not established.

Do(es) the OP(s) use the same IT environment?

Yes, it does.

Do(es) the OP(s) use resources from the OP TA in the member state?

Irrelevant, OP TA does on exist in the Netherlands.

#### Name(s) of the OP(s) financed from EMFF

*Sustainable Fishing for the Market*

Is the same methodical environment binding for the OP(s)?

No, it is not.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

Yes, it does.

Do(es) the OP(s) use the same IT environment?

Yes, it does.

Do(es) the OP(s) use resources from the OP TA in the member state?

Irrelevant, OP TA does on exist in the Netherlands.



## 1.21.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts

Is there any database of the audit reports publicly available?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts

### Audit/control authority no. 1

*Central Government Audit Service*

What controls/audits does the authority perform?

- ▶ Audit of designation.
- ▶ Audit of managing and control mechanisms of the government.
- ▶ Financial audits, compliance audits, IT audits.

Which authorities can the authority control?

- ▶ Implementation structure bodies.
- ▶ Beneficiaries.

Are conclusions made by the authority binding for controlled / audited entities?

No, the conclusions of the control and audit bodies are more likely to be the subject of political debate in both chambers of Parliament.

Who does the authority share its conclusions with?

- ▶ Audited entity.
- ▶ Court of audit.

Does the authority share auditing plans with other institutions?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### Audit/control authority no. 2

*Court of Audit*

What controls/audits does the authority perform?

- ▶ Controlling the efficiency and effectiveness of the operation of managing and control systems.
- ▶ Controlling the correctness of statements and the legality of financial transactions.

Which authorities can the authority control?

- ▶ Managing and control mechanisms of the ESIF.

Are conclusions made by the authority binding for controlled / audited entities?

It publishes annual opinions on the national statement containing corrective points, which are presented in the Parliament and published on the internet.



Who does the authority share its conclusions with?

- ▶ Ministry of Finance.
- ▶ Parliament.
- ▶ Online on its website.

Does the authority share auditing plans with other institutions?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.



### 1.21.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, the Netherlands used financial instruments already in the previous 2007-2013 period, now allocation has been increased.

If yes, to which extent?

Yes, 8 % of total allocation.

In which areas are FI mainly used?

01 (Research & Innovation), 04 (Low Carbon)

Are agriculture and social business assisted by FI?

Agriculture is assisted through the FI.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

Implementation takes place within regional OPs. From the information that is available, regional innovation agencies or funds (such as the UNIIQ or the InnovationQuarter) are involved in implementation.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

Coordination authority at the central level was not identified.

### 1.21.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

The Netherlands use the CLLD and the ITI (the SUD through the ITI), to extent of 16 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes. The ITI assistance is multi-fund, through the ERDF and the ESF. The CLLD assistance is funded only from the EAFRD. The Partnership Agreement allows funding the CLLD from the ERDF (but not used yet).

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Yes. Implementation of the CLLD through the EAFRD, implementation of the ITI through the ERDF and the national ESF OP.

The ITI will be implemented within the Western Netherlands OP and will focus on 4 major urban areas (Amsterdam, Rotterdam, Den Haag and Utrecht).



The co-ordination role of the CLLD and the ITI is not set in the Partnership Agreement. The MA of programs financed from the EAFRD is the Management Agency. The ROP MA (ERDF) is the city of Rotterdam, the OP MA (ESF) is the *Ministry of Social Affairs and Employment*.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated instruments, a very wide range of topics is linked to local / territorial development strategies. The focus of the CLLD or the ITI is not specified in the Partnership Agreement.

Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas exclusively supported through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

CLLD: The selection of local development strategies will be carried out at national level. The Province creates the LAG and approves local development strategies. The LAG subsequently selects projects for implementation in accordance with the strategy.

ITI: Not specified in the Partnership Agreement.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

The Netherlands are not part of any macroregional strategy.

---





### 1.21.7. Monitoring and IT

How is monitoring methodically supported?

Within the ESF, the ESF Monitoring Committee is established and regulated by the *State Secretary for Social Affairs and Employment*, and the relevant line ministries and other relevant institutions are represented in the Committee. The Committee meets at least once a year and addresses issues related to the achievement of the objectives set.

How are evaluations coordinated?

Evaluations are decentralized at the level of funds, at OPs level to be precise, and overall coordinated through specific monitoring and evaluation working groups. The Group discusses the state and the progress of operational programs, in particular, the (ongoing) results of monitoring performance indicators are shared and discussed and best practices are exchanged. The conclusions of the working group are discussed in separate monitoring committees in preparation for the annual meeting with the EC. The evaluation is carried out by the MA.

What IT instruments are used for the implementation and monitoring of ESIF?

Within the ERDF, the so-called *EFRD portal* is used to submit an application, monitor its evaluation, and communicate with the MA, eventually submit final reports. For communication between institutions of the implementation structure, *Case Management (ESF)* and *MS Dynamics NAV 2013 (ERDF)* are used.

In which areas is (solely) paper documentation used?

Applicants and recipients are encouraged to communicate exclusively electronically; all documents (applications, correspondence, invoices, etc.) are available in electronic project files. Official correspondence may also be in paper form, but it is also always available in electronic form.

### 1.21.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

No, the ESIF law does not exist.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

In 2008, the *Minister for Economic Affairs* issued a framework decision on subsidies, which applies to both national and European funds. This decision is updated annually in cooperation with other relevant ministers.

The procedure and decision on grant applications and their provision is governed by the *General Administrative Act*, which applies to all types of subsidies (Chapter 4 on special decisions applies). This regulation sets the rights and obligations of the beneficiaries and is enforceable by the authorities responsible for the type of subsidy.

In the Netherlands, *Regulation No. WJZ / 15083650* issued by the *State Secretary for Economic Affairs* applies. This Regulation lays down rules on the provision of grants to individual funds (grant applications, eligibility of expenditure, beneficiaries' obligations, etc.) with frequent references to EU legislation. They include an adjustment of both the obligations of the beneficiary and the competence and procedures of the management and control system. There is also a separate regulation for the programs financed from the EAFRD.



Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

Legislation is mutual. Different procedures have not been recorded, moreover, the above Regulation includes, among other things, a diagram with a description explaining that national subsidies are governed by framework decisions, with European subsidies being included in the same regulation and applying the same rules. In addition, the general administrative regulation contains rules common to all funds.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

The resolution of irregularities is regulated in Article 4:48 of the *General Administrative Law*, which establishes common rules for all types of subsidies provided from public funds. Specifics for the ESIF are only set in relevant EU regulations (such as the notification obligation to the EC).

### 1.21.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Which currency is used in the case of pre-financing?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

EUR

### 1.21.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.



## 1.22. Poland (PL)

### 1.22.1. General information, allocation and targeting

Name of the member country	Country code
----------------------------	--------------

Poland	PL
--------	----

Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
---	---

24 (7/17) including OP TA	7/17/73
---------------------------	---------

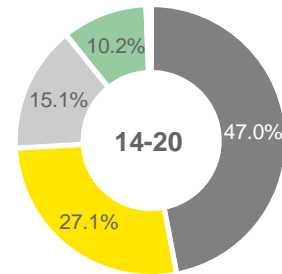
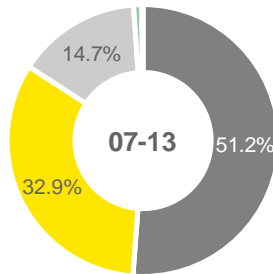
Total allocation planned (according to programming period and fund)

Total allocation  
(mil. EUR)

14-20: 85 573

▲  
07-13: 64 553

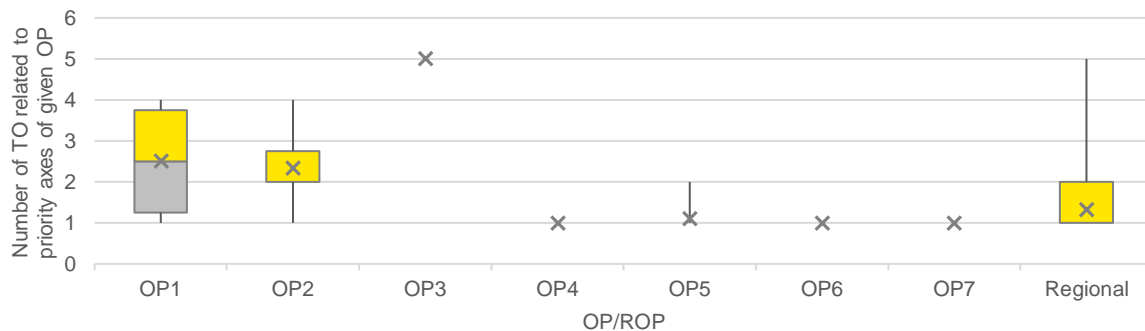
- ERDF
- CF
- ESF
- EAFRD
- EMFF



Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
29 %	14 %	43 %	29 %	29 %	43 %	14 %	43 %	43 %	29 %	14 %	0 %
(2/7)	(1/7)	(3/7)	(2/7)	(2/7)	(3/7)	(1/7)	(3/7)	(3/7)	(2/7)	(1/7)	(0/7)

Targeting of priority axes of individual operational programmes in relation to thematic objectives



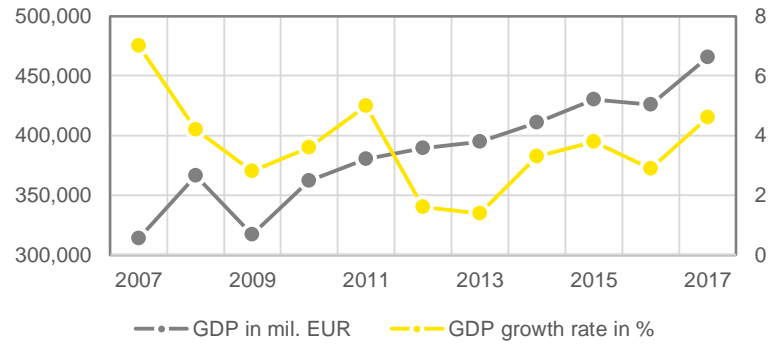


### Gross domestic product development (2007 – 2017)

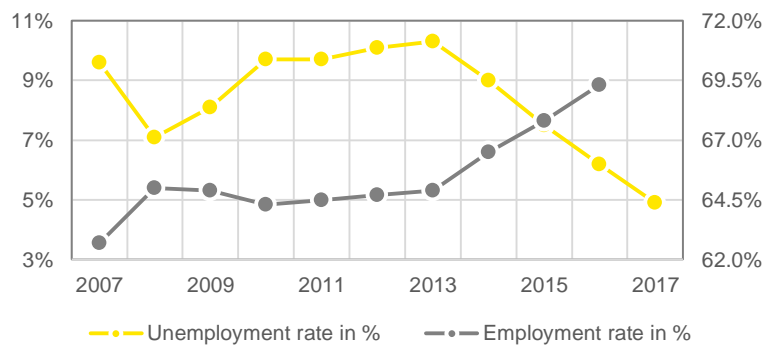
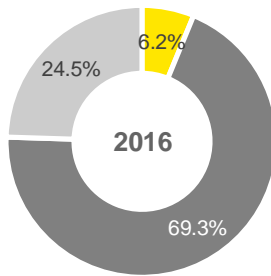
GDP per capita (EUR per capita)

2017: 12 100

2007: 8 200



### Labour market development (2016)





## 1.22.2. Main actors

### National Coordination Authority (NCA)

*Ministry of Investment and Economic Development*

#### What are the main competences of the NCA?

- ▶ representing Poland in contact with the EC in the implementation of the Partnership Agreement
- ▶ granting, suspending and revoking of designation
- ▶ issuing implementation guidelines for ESIF implementation (horizontal guidelines)
- ▶ monitoring the implementation of operational programs
- ▶ setting and evaluating achievement of financial and material objectives
- ▶ operation of information system
- ▶ activities of control nature up to project level

#### Is the NCA established specifically for purposes of ESIF?

No, the NCA is not established specifically for the purposes of the ESIF. However, various departments of the Ministry, which are delegated to the coordination, are specifically established for the purpose of ESIF.

#### What personnel capacity is allocated to the NCA?

As of March 31, 2017, for coordination and strategy implementation of the ESIF is allocated 576 employees (487 FTE) within the Ministry.

### Managing Authorities (MA)

*Ministry of Investment and Economic Development* plays the role of MA of national programs (7), while in the case of regional programs (17) MAs are the individual regional assembly. *Ministry of Agriculture and Rural Development* is the MA for programs financed from EAFRD and the *Ministry of Maritime Economy and Inland Navigation* is the MA of programs financed from the EMFF.

#### What are the main competences of the MA?

- ▶ determining project selection criteria
- ▶ selecting projects for co-financing
- ▶ making agreements of project financing with applicants, deciding on co-financing
- ▶ entering the co-financing payment from the state budget
- ▶ ensuring that data from monitoring of project implementation are veracious and up-to-date
- ▶ fulfilling the function of certificate authority
- ▶ performing control of OP implementation including verifying veracity of beneficiaries' expenses
- ▶ storing financial reparations
- ▶ recovery of financial claims (recovery decision, decision of write-off, postponing and rescheduling debt payments, assessing the appeal)
- ▶ evaluation of OP
- ▶ monitoring the progress of OP
- ▶ providing information and promotion of OPs

#### Are the MAs established specifically for purposes of ESIF?

No, MAs are not established specifically for the purposes of the ESIF. However, various departments, which are delegated to the

#### What personnel capacity is allocated to the MA?

As of March 31, 2017, for MA's agenda was allocated 424 employees (380 FTE) within the



coordination, are specifically established for the purpose of ESIF.

Ministry and 4980 employees (4806 FTE) within regional assemblies.

### Intermediate bodies (IB1)

In total, there are 88 IB1s in Poland, for national programs IB1s are individual line ministries, for regional programs IB1s are regional governments, and for programs financed from EAFRD and EMFF IB1s is the government agency (ARiMR).

#### What are the main competences of IB1s?

In general, the MA may entrust its competences to IBs, among others, the selection of projects or the recovery of financial claims (deciding on repayment of funds, deciding on the write-off, postponing or rescheduling of debt repayments, and assessing of appeals), some may be delegated to implementing bodies under public contracts.

#### Are IB1s established specifically for purposes of ESIF?

Not all IB1s are established specifically for ESIF purposes (line ministries and regional governments). Specifically for the purposes of the ESIF, the ARiMR government agency is established and this may also be the case for selected departments of the institutions.

#### What personnel capacity is allocated to the IB1s?

As of March 31, 2017, for IB1s' agenda was allocated total of 6 492 employees.

- ▶ OP: 440 employees of line ministries (410 FTE).
- ▶ ROP: approximately 3 550 employees of regional employment departments and national/regional funds for protection of environment and water management (2 350 FTE).

### Implementing body (IB2)

Compared to the previous programming period, the total number of implementing bodies both at the level of OPs and ROPs from the 61 (52/9) to 5 has declined, which exist only at OP level. These include, in particular, national and regional councils for water management.

#### What are the main competences of IB2s?

The detailed list of competences varies depending on the particular case. This is in particular to ensure the project selection.

#### Are IB2s established specifically for purposes of ESIF?

No, IB2s are not established specifically for ESIF purposes.

#### What personnel capacity is allocated to the IB2s?

As of March 31, 2017, for IB2s' agenda was allocated total of 350 employees.

### Certification Authority (CA)

The CA is always a the relevant MA. However, in the previous programming period 2007-2013 there was one Ministry of Infrastructure and Development organizational unit responsible for the competence of the certification body.



### What are the main competences of the CA?

The list of CA competences corresponds only to the enumeration provided in Article 126 of the General Regulation.

#### Is CA established specifically for purposes of ESIF?

No, the CA itself is not set up specifically for the purposes of the ESIF. However, selected departments of the institutions which are delegated to the exercise of CA competences, are specifically established for the ESIF purposes.

#### What personnel capacity is allocated to the CA?

A detailed description of personnel capacities has not been obtained either through publicly accessible documents or through contact with representatives of the relevant authorities.

### Paying Authority (PA)

*Ministry of Finance*

### What are the main competences of the PA?

- ▶ preparation and implementation of the European funds budget, which includes EU funds
- ▶ providing financial services with the use of funds received from the EU
- ▶ use of state budget reserves to co-finance EU programs
- ▶ monitoring the process of concluding contracts in EU programs
- ▶ keeping the register of entities excluded from EU financial assistance
- ▶ providing legal services within EU assisted programs
- ▶ accreditation and monitoring of paying agencies in common agricultural policy programs
- ▶ implementation of EU-funded technical assistance projects
- ▶ certification of certain EU programs (EMFF)

#### Is PA established specifically for purposes of ESIF?

No, the PA is not established specifically for the purposes of the ESIF. However, the specific department of the Ministry, to which the coordination is delegated, is specifically set up for the ESIF purposes.

#### What personnel capacity is allocated to the PA?

As of March 31, 2017, for PA's agenda was allocated approximately 120 people. In total, 503 people (496 FTE) were allocated to the PA and AA agendas.

### Audit Authority (AA)

*National Revenue Administration*

### What are the main competences of the AA?

- ▶ Tasks in the area of audit and control of EU funds and ineligible resources from other foreign sources.
- ▶ Responsibility for the function of special units of the common agricultural policy and for the fulfilment of AFCOS tasks.
- ▶ Providing support to the *Government Anti-fraud Agent* (national and EU) and *Interinstitutional Anti-Fraud Team* (national and EU).



Is the AA established specifically for purposes of ESIF?

No, AA is not established specifically for ESIF purposes. However, specific departments of the tax administration that are delegated to perform audit are specifically established for ESIF purposes.

What personnel capacity is allocated to the AA?

As of March 31, 2017, for AA's agenda was allocated approximately 380 people. In total, 503 people (496 FTE) were allocated to the PA and AA agendas.

Other control bodies outside the ESIF implementation structure (CB)

*Supreme Audit Office*

What are the main competences of CB?

- ▶ Controlling the efficiency cost effectiveness of spending public funds, among others: revenues from the budget of the EU funds, revenues and expenses related to the pre-financing of tasks carried out using the EU budget.
- ▶ Specifically, e.g. controlling management of drawing funds from ESIF and controlling the implementation of ROPs in individual voivodships.

Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

Yes, changes to the implementation structure occurred. Implementation was even more decentralized (especially in the case of the ESF). The number of IB1s in the ROP has increased significantly; on the other hand, the number of implementing bodies (= IB1s at the second level) has been reduced. One of the main accompanying features was the transfer of certification performance to the MA. However, the total number of institutions involved increased (147 vs. 115), mainly due to the new initiative (absent in 2007-2013) of Integrated Territorial Investments (Yes, changes to the implementation structure occurred. Implementation was even more decentralized (especially in the case of the ESF). The number of IBs in the ROP has increased significantly; on the other hand, the number of implementing entities (= ZS of the second level) has been reduced. One of the main accompanying features was the transfer of certification performance to the MA. However, the total number of institutions involved increased (147 vs. 115), mainly due to the new initiative (in the absence of 2007-2013) IP ZIT implemented partly from each of the ROPs and selected OPs) implemented partly from each of the ROPs and selected OPs.

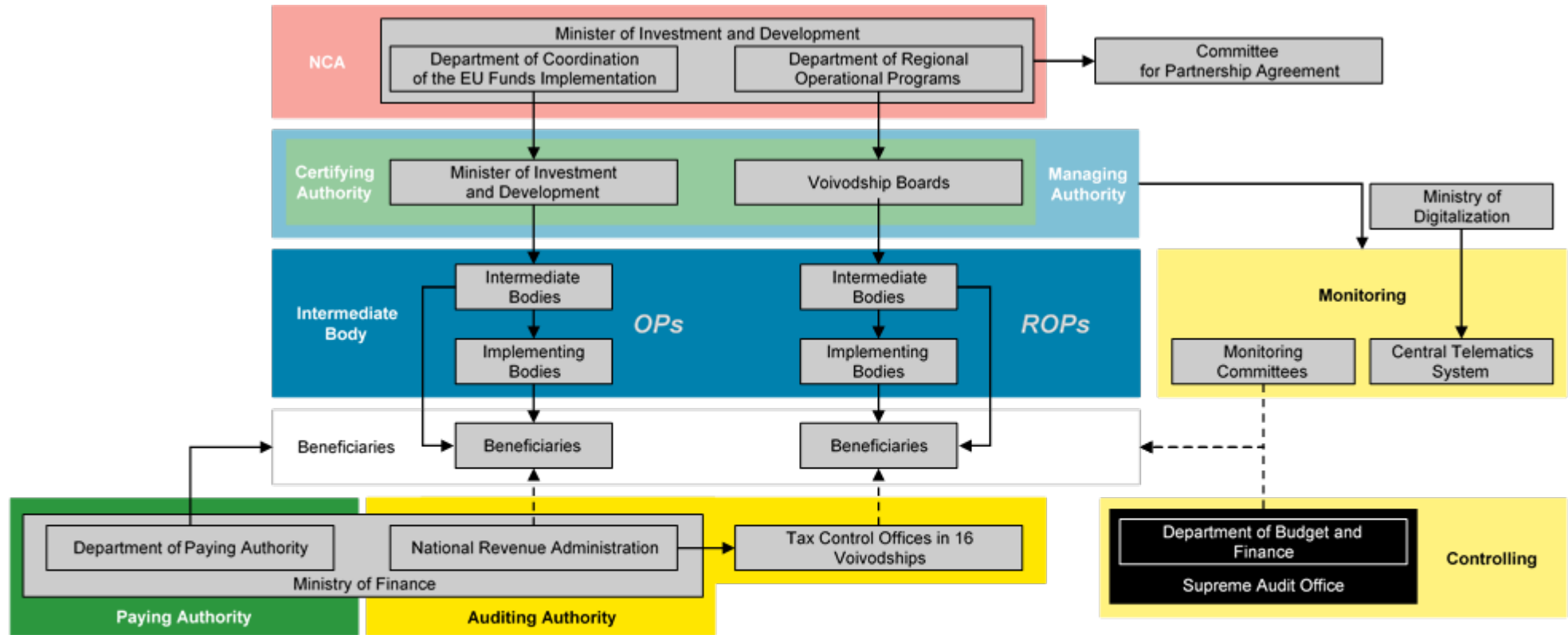
What was the reason for the changes in the implementation structure mentioned above?

Decentralization has proven to be useful in the ERDF implementation case, so the ESF implementation has been modified accordingly. IP ZIT was created to support urban development.





### Scheme of implementation structure



- > Horizontal cooperation
- > Superior
- > Controlling

\*MA, IB, CA, PA might be subjects of AA audit  
\*\*CB may conduct the audit of designati



### 1.22.3. Programs financed from EAFRD and EMFF

Name(s) of the OP(s) financed from EAFRD

*Program Rozwoju Obszarów Wiejskich 2014-2020*

Is the same methodical environment binding for the OP(s)?

No, it is not.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, it does not.

Do(es) the OP(s) use the same IT environment?

No, it does not.

Do(es) the OP(s) use resources from the OP TA in the member state?

No.

Name(s) of the OP(s) financed from EMFF

*Program Operacyjny „Rybnictwo i Morze” na lata 2014-2020*

Is the same methodical environment binding for the OP(s)?

No, it is not.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, it does not.

Do(es) the OP(s) use the same IT environment?

No, the electronic communication system is not used at all.

Do(es) the OP(s) use resources from the OP TA in the member state?

No.



## 1.22.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

Is there any database of the audit reports publicly available?

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

### Audit/control authority no. 1

AA (*National Revenue Authority*)

What controls/audits does the authority perform?

- ▶ Audit of operations.
- ▶ Audit of managing and control systems.

Which authorities can the authority control?

- ▶ MA.
- ▶ IB1.
- ▶ CA.
- ▶ PA.
- ▶ Beneficiaries.

Are conclusions made by the authority binding for controlled / audited entities?

No, after receiving the AA opinion, the MA will start its own review of the situation and discussion with the AA, and if it does not agree with AA, it can issue a decision based on its own judgment, which is the only one binding for the beneficiary. Thus, the AO's finding is more of a recommending nature.

Who does the authority share its conclusions with?

In particular with MA, eventually with a beneficiary.

Does the authority share auditing plans with other institutions?

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question.

### Audit/control authority no. 2

*Supreme Audit Office*

What controls/audits does the authority perform?

Controlling the efficiency and cost-effectiveness of spending public funds, among others, in the following areas: (i) revenues from the budget of European funds; (ii) revenues and expenses connected with pre-financing of the tasks carried out using the EU budget.

- ▶ Control of the ESIF draw management (14-20).
- ▶ Control of the implementation of ROPs in individual voivodships.

Which authorities can the authority control?

- ▶ Any entity (office, agency, enterprise, etc.) handling public funds.



Are conclusions made by the authority binding for controlled / audited entities?

The information was not found in publicly available documents, the representatives of the relevant authorities were not able to answer the question

Who does the authority share its conclusions with?

- ▶ By the law the Parliament will receive a final conclusions (*Sejm*).
- ▶ They are publicly available on Supreme Audit Office website.

Does the authority share auditing plans with other institutions?

Yes, by the law a plan is submitted to parliament (*Sejm*). In addition, annual plans are publicly available on Supreme Audit Office website.



### 1.22.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, Poland used financial instruments already in 2007-2013 period, has now increased the allocation to the FI. In the current period, FI can be used by up to 19 OP out of 24.

If yes, to which extent?

Yes, 5 % of total allocation.

In which areas are FI mainly used?

Oblast 01 (Research & Innovation), 03 (SMEs), 08 (Sustainable & Quality Employment), 09 (Social Inclusion), 10 (Educational & Vocational Training)

The use of financial instruments is planned in particular in the three areas - research and innovation, support for SMEs and education.

Are agriculture and social business assisted by FI?

Yes, FI supports social business. This support was implemented already in the programming period 2007 - 2013 and this support continues in the current period.

Information regarding support for agriculture through the FI was not found.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

The key institution for the implementation of financial instruments is the national development bank *Bank Gospodarstwa Krajowego* (BKG). One of the funds will be in charge of the *Polish Agency for Enterprise Development* (PARP), namely the *Innovative Investment Loans Fund*. *National Centre for Research and Development* (NCBR) is in charge of fund of funds.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

Coordinating body was not identified at the central level.

### 1.22.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Poland uses the CLLD, ITI and the SUD, to extent of 4 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes. The CLLD is planned for use within the EAFRD and the EMFF. It is also possible to use it within ROP, which is the decision of the individual voivodships (responsible for the ROP). In the ROP, however, the CLLD is not implemented (as it is based on the text of individual ROPs, as well as *OP Infrastructure and Development* and *OP Development of Eastern Poland*).

The ITI is planned for use within the ERDF and the ESF (especially ROP).

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No.



Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Yes. The CLLD is planned to be used within the EAFRD and the EMFF. It is also possible to use it within ROP, which is the decision of the individual voivodships (responsible for the ROP). In the ROP, however, the CLLD is not implemented (as it is based on the text of individual ROPs, as well as the *OP Infrastructure and Development* and *OP Development of Eastern Poland*).

The ITI is planned to be used within the ERDF and the ESF (especially the ROP), specifically in the territory of the capitals of the individual voivodships and adjacent territories.

The co-ordinating role of the CLLD is shared by the *Ministry for Regional Development* and the *Ministry of Agriculture, Rural Development and Fisheries*.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated approach, a very wide range of issues related to local / territorial development strategies are addressed.

Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas supported solely through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

The main role in the implementation of the CLLD has the MA for each program. Coordination role and has a so-called *Joint Committee* consisting of representatives of the implementation structure and civil society. This committee selects local development strategies, which are then implemented by local action groups.

When the ITI is implemented, the ITI it is an obligation to create an ITI association, an institutionalized form of partnership. The specific roles of the ITI Association are established in individual ROPs. A contract / agreement defining their role should be signed between the association and the MA. These roles must at least involve the association's involvement in the selection of projects. The task of the Association is to prepare the ITI Strategy, which includes, among other things, project selection rules, which are subsequently submitted to the MA.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Yes, the implementation of macroregional strategies or the Strategy for the Baltic Sea Region (EUSBSR) is implemented in combination with the ESIF. Operational programs contain objectives and interventions that have been implementing this strategy since the last programming period 2007-2013.

The overlap with the EUSBSR and the ESIF objectives is outlined in the Partnership Agreement. ESIF is perceived by the EUSBSR as one of the sources of financing the implementation of the strategy (in addition to national and community programs).



## 1.22.7. Monitoring and IT

How is monitoring methodically supported?

Basically, monitoring and evaluation are regulated by the Act on ESIF. The *Monitoring Committees* (MCs) of each OP / ROP are designated by the relevant MA by Decree (in case of OPs) or by resolution (in the case of ROPs). The chairman of the MC is always appointed representative of the MA.

How are evaluations coordinated?

The evaluation system is strongly decentralized, which directly reflects the decentralization of ESIF implementation. The main actors are the *National Evaluation Unit*, evaluation units within the MA and IB1 at the first and at the second level, the information and promotion department of the *Ministry of Investment and Development*, monitoring committees and the steering groups. The *National Evaluation Unit* is responsible for coordinating the whole system of evaluation and elaborating studies at the DoP and the *National Strategic Reference Framework* level. In most OPs / ROPs, control groups (CG) are established to provide further support to evaluation units in evaluating.

Functions of monitoring committees, evaluation units and control groups are funded from the OP TA of the OP. According to the data for the year 2013, approximately 160 people throughout the system were employed in the evaluation studies.

Also, IT systems are based on the principle of subsidiarity. Compared to the previous programming period 2007-2013, there has been a significant increase in the level of electronization. The technical side of the matter is under the authority of the *Ministry of Digitization*.

What IT instruments are used for the implementation and monitoring of ESIF?

- ▶ *SL2014*: administration of projects from the time of the decision / signing of the contract (documents of payments, correspondence, plans, information on public contracts, data on staff and participants in the project etc.), program implementation records, administration of expenditure certification.
- ▶ *LSI2014+*: support for beneficiaries in the grant application process (local IT systems allow data exchange with central SL2014 – data transmission to SL2014 should occur no later than 5 working days after entering LSI2014+).
- ▶ *ePUAP2*: the central electronic public administration platform (specific tools for ESIF are integrated and interconnected into ePUAP2).
- ▶ *SL2014-PT*: application SL2014 intended solely for support of projects within the OP TA.
- ▶ *SRHD*: reporting application based on SL2014 data warehouse.
- ▶ *SZT*: SL2014 and SRHD systems integrator ensuring login and system connections.

In which areas is (solely) paper documentation used?

- ▶ Submission of a grant application within the regional LSI2014+> delivery of the paper application and other documentation to the competent authority.
- ▶ Whole implementation of the EMFF.

## 1.22.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

Yes, in Poland, there is a law on ESIF (*Act on the principles governing the implementation of the cohesion policy programmes financed under the 2014–2020 financial perspective*). The Act



establishes mechanisms for the co-ordination of operational programs co-financed by ESIF, as well as the rules for the implementation of cohesion policy. It further defines the basic documents and entities involved in this process and their tasks and defines the rules for cooperation between them.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

In addition to the national ESIF Act, the *Minister for Investment and Development* issues the so-called "horizontal guidelines" further specifying the following:

- ▶ project selection,
- ▶ eligibility of expenses,
- ▶ control,
- ▶ program evaluation,
- ▶ information and promotion

In addition, the regional MA issues "detailed description of the priority axes of the operational program" and "a detailed description of the management and control system and the implementation instructions, including the operational procedures of the involved institutions", which must be in line with the law and the horizontal guidelines.

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

Binding procedures regarding the ESIF are regulated in specific legislation exclusively for this type of financing. National grant titles are governed by special regulations, which are quite fragmented. Institutions implementing the ESIF do not have experience with national grant titles, but the national part of the ESIF co-financing is always governed by the same rules as the ESIF part.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

The resolution of irregularities is governed by the Law on the ESIF (*Act on the principles governing the implementation of the cohesion policy programmes financed under the 2014–2020 financial perspective*) and the Public Finance Act of 27 August 2009 imposing their enforcement to the MA.

According to respondents, the adjustment of errors in national grant titles is less strict as it is understood as material errors in financing and not violations of procedural rules, as is the case of the ESIF.

### 1.22.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Yes, funds are covered by state budget.

Which currency is used in the case of pre-financing?

PLN

### 1.22.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

NCA representatives have confirmed that such a query is premature. A concrete plan of change can only be expected in the second half of 2020.





## 1.23. Portugal (PT)

### 1.23.1. General information, allocation and targeting

Name of the member country	Country code
----------------------------	--------------

Portugal PT

Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
---	---

16 (7/9) 3/7/25

#### Total allocation planned (according to programming period and fund)

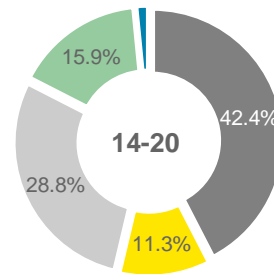
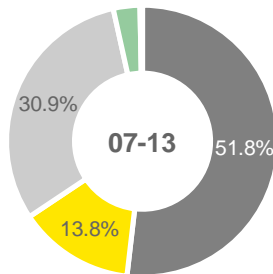
Total allocation

(mil. EUR)

14-20: 25 398

07-13: 21 073

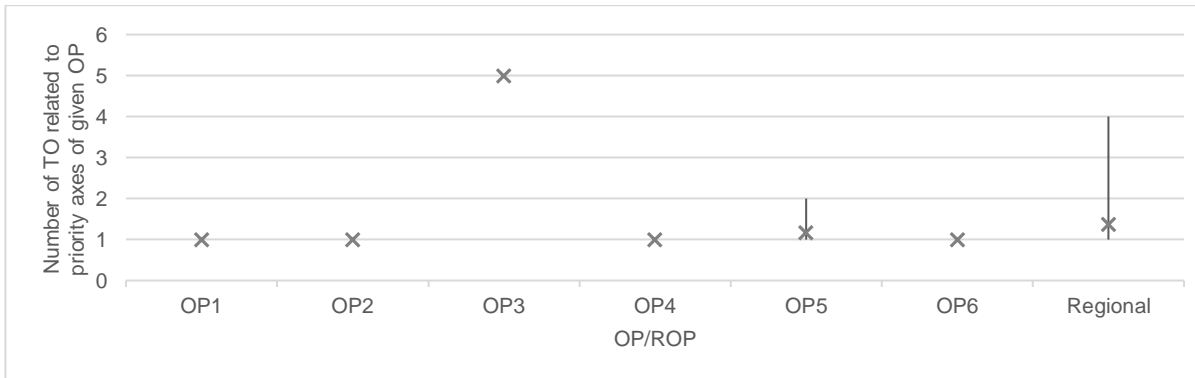
- ERDF
- CF
- ESF
- EAFRD
- EMFF



#### Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
20 %	20 %	40 %	40 %	20 %	40 %	20 %	60 %	20 %	20 %	20 %	0 %
(1/5)	(1/5)	(2/5)	(2/5)	(1/5)	(2/5)	(1/5)	(3/5)	(1/5)	(1/5)	(1/5)	(0/5)

#### Targeting of priority axes of individual operational programmes in relation to thematic objectives



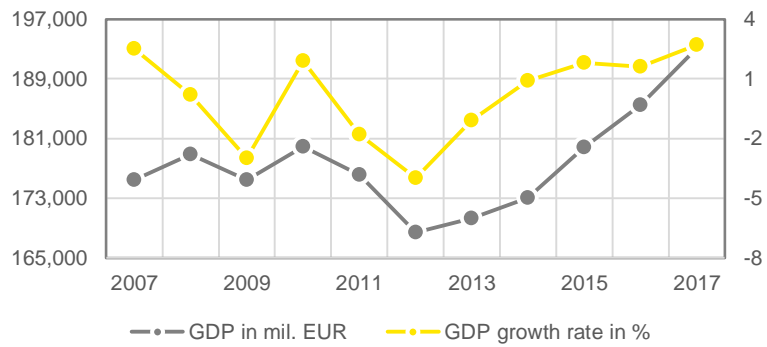


### Gross domestic product development (2007 – 2017)

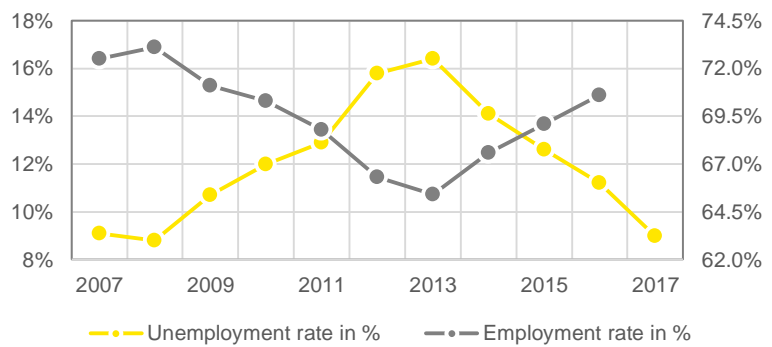
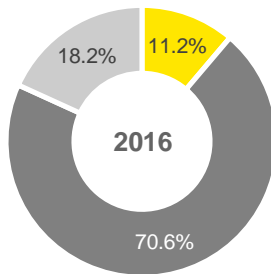
*GDP per capita (EUR per capita)*

2017: 18 700

▲  
2007: 16 600



### Labour market development (2016)





## 1.23.2. Main actors

### National Coordination Authority (NCA)

In Portugal there is a political co-ordination body called *Interministerial Coordination Committee for the Partnership Agreement (ICC)* under the *Ministry of Regional Development*.

The General Technical Coordination at the all levels of ESI funds in the 2014-2020 programming period is ensured by the *Agency for Cohesion and Development*.

The technical and administrative coordination at the level of the individual funds is broken down according to the funds as follows:

- ▶ *Agency for Cohesion and Development*: ERDF, ESF a CF,
- ▶ *National Coordination Committee (NCC)*: EAFRD,
- ▶ *EMFF Coordination Committee (CCF)*: EMFF.

### What are the main competences of the NCA?

#### **Interministerial Coordination Committee for the Partnership Agreement:**

- ▶ ensuring compliance with and aligning national and European strategic guidelines with budget resources;
- ▶ overall policy and strategy coordination;
- ▶ setting guidelines for strategic, operational and financial monitoring of the OP;
- ▶ assessing and approving specific rules for the implementation of cohesion policy at the suggestion of the relevant MAs;
- ▶ assessing and approving the overall evaluation and communication plan for Portugal 2020 as proposed by the Agency for Cohesion and Development;
- ▶ evaluating audit reports;
- ▶ evaluating and approving proposals for revision and total reprogramming of Portugal 2020 and OPs from cohesion funds;
- ▶ evaluating and approving the level of performance reserves, according to a performance evaluation of OPs on a proposal of Agency in connection with EAFRD and EMFF coordination bodies;
- ▶ approving MA's decision regarding operations with a total eligible cost of more than 26 million EUR;
- ▶ preparation and approval of internal regulations

#### **Agency for Cohesion and Development:**

- ▶ securing technical coordination at ESIF cohesion funds (ERDF, ESF, CF) level;
- ▶ providing technical assistance to ICC (political coordination and ensuring coordination with CCN and CCS (EAFRD and EMFF coordination bodies), ensuring proper functioning of the structures;
- ▶ ensuring dialogue with the EC in cooperating with CCN and CFF;
- ▶ ensuring coordination of training aimed the professional performance of MA's competences;
- ▶ preparing annual strategic, operational and financial monitoring reports to ICC;
- ▶ preparing PT2020 evaluation and communication plans;
- ▶ maintaining the ESIF portal;
- ▶ preparing a proposal to transfer the performance reserve at the national level according to performance evaluation of different OPs;
- ▶ keeping a group of external experts;
- ▶ evaluating and submitting proposal of major projects to EC;
- ▶ participating in the preparation of the overall PT2020 evaluation plan and its relevant programs;
- ▶ fulfilling duties of permanent administrative secretariat ICC PT202;



- ▶ preparing the evaluation plan for respective OPs, evaluation includes strategic and operational evaluation;
- ▶ developing of technical guidelines and definitions of requirements, which should be respected by MAs when elaborating specific regulations;
- ▶ issuing preliminary opinions and special regulations for MAs; elaboration of guidelines and monitoring compliance with them;
- ▶ considering of draft revisions and reprogramming of respective OPs

Is the NCA established specifically for purposes of ESIF?

Yes, both bodies have been established specifically for ESIF purposes. The *Agency for Cohesion and Development* was created by merging the *Financial Institute for Regional Development* (IFDR), the *European Social Fund Management Institute* (IGFSE) and the *Structure of the Observatory Mission of the National Strategic Reference Framework*.

What personnel capacity is allocated to the NCA?

*Agency for Cohesion and Development* had a total of 272 employees 31<sup>st</sup> of April 2018

Leadership: 4 members of management (Board of Directors): 1 Chairman, 1 Vice-Chairman, 2 other members; 9 heads of units, 25 unit coordinators, 117 specialists, 7 IT specialists, 7 IT staff, 61 inspectors, 42 assistants.

The breakdown according to agenda is as follows:

- ▶ coordination of ERDF and ESF: 15 employees, CF coordination: 15,
- ▶ certification: 26 employees,
- ▶ audit and control: 43 employees

### Managing Authorities (MA)

Each OP in Portugal has different MA. MAs of thematic OPs (4 OPs, especially the ESF) were created specifically for the purposes of individual OPs (e.g. *OP Competitiveness and Internationalization*, *OP Sustainability and Efficient Use of Resources*). MAs of individual ROPs (7 ROPs, NUTS 2 regions) are always respective *Regional Coordination and Development Commissions*.

The Managing Authorities of the regional EAFRD OP (2) are special departments of regional governments / directorates (Azores – *Regional Directorate for Rural Development*, Madeira – *Regional Government of Madeira*), while MAs of the national EAFRD OP (1) and EMFF OP (1) are specially created authorities (*MA of Rural Development Program* and *MA of OP Marine*).

MA of OP Technical Assistance is the *Agency for Cohesion and Development*.

What are the main competences of the MA?

- ▶ Responsibility for the management, monitoring and operation of the OP;
- ▶ setting selection criteria;
- ▶ verification of administrative, financial and operational capacity of the beneficiary;
- ▶ controlling, if operation is in line with eligibility of the OP;
- ▶ verifying the effectiveness of implementing co-financed products and services;
- ▶ ensuring that beneficiaries use a stand-alone accounting system for all transactions related to transaction codification or tax accounting;
- ▶ adopting effective and proportionate anti-fraud measures;
- ▶ preparing statement of account and annual summaries;
- ▶ creating and describing the management system and the internal control system.



Are the MAs established specifically for purposes of ESIF?

MAs are established specifically for ESIF purposes in the case of 7 out of 16 OPs.

What personnel capacity is allocated to the MA?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### Intermediate bodies (IB1)

Each OP usually has one or more IB1s (up to a dozen in the case of an EAFRD program equivalent). There are usually specialized agencies among the IB1s (Agency for Innovation, Science and Technology Foundation, etc.).

What are the main competences of IB1s?

- ▶ creation of managing and control system;
- ▶ performing delegated managerial competences under the supervision of MA;
- ▶ compliance with relevant regulations and recommendations of MA, AA and CA;
- ▶ submission of audit and audit procedures

Are IB1s established specifically for purposes of ESIF?

No, IB1s are not usually set up specifically for ESIF purposes.

What personnel capacity is allocated to the IB1s?

The personnel capacities of different IB1s vary considerably from units to dozens of people.

### Certification Authority (CA)

The CA's role within the ERDF, ESF and CF is performed by the *Agency for Cohesion and Development*, whereas in the case of programs similar to programs financed from EMFF and EAFRD it is the *Institute for financing agriculture and fishery* (IFAP).

What are the main competences of the CA?

- ▶ compiling and submitting expenditures and payment request for the EC;
- ▶ ensuring that the expenditure is the result of reliable accounting based on supporting documents certified by relevant MA;
- ▶ compilation of financial statements;
- ▶ verifying completeness, accuracy, veracity of the accounts and verifying that expenditures shown in the accounts corresponds to the operations selected for financing in accordance with the OP criteria and the applicable legislation
- ▶ ensuring the functionality of and information system for recording and sending accounting data;
- ▶ keeping records of expenditures reported to EC and corresponding contributions from public resource paid to beneficiaries;
- ▶ keeping and account of the amounts to be recovered;
- ▶ ensuring compatibility between the information system used by CA and information system used by MA;
- ▶ issuing technical standards and guidelines

Is CA established specifically for purposes of ESIF?

Yes, the CA's role within the ERDF, ESF and CF is exercised by the NCA, which was set up specifically for ESIF purposes..

What personnel capacity is allocated to the CA?

The *Agency for Regional Development and Cohesion* has a total of 272 employees, with payments and certification department having 26 employees.



## Paying Authority (PA)

The role of the PA within the ERDF, ESF and CF is performed by the *Agency for Cohesion and Development*, whereas in the case of programs similar to programs financed from EAFRD and EMFF paying authority is IFAP.

### What are the main competences of the PA?

- ▶ Payments and transfers to the managing authorities of the OP.

Is PA established specifically for purposes of ESIF?

Yes, the CA's role within the ERDF, ESF and CF is exercised by the NCA, which was set up specifically for ESIF purposes.

What personnel capacity is allocated to the PA?

The *Agency for Cohesion and Development* has a total of 272 employees, payments and certification department having 26 employees.

## Audit Authority (AA)

The Official Audit Authority for all OPs is the *General Inspection for Finance*, which performs system audit, design and audit of the financial statements. The audit of operations is delegated to functionally separate departments of the *Agency for Cohesion and Development* (ERDF, ESF and CF) and IFAP (EAFRD).

### What are the main competences of the AA?

- ▶ Ensuring the effective functioning of the management and control system of the operational program and their compliance with requirements set out in regulation no. 1303/2013 of the European Parliament and Council of 17 December 2013.
- ▶ developing and audit strategy;
- ▶ preparation of annual audit plans for operations, including the preparation of relevant samples in accordance with the parameters established by the audit authority;
- ▶ providing training for MA and CA, providing the necessary information to these institutions;
- ▶ ensuring the performance of audits of management and control systems.

Is the AA established specifically for purposes of ESIF?

*General Inspection for Finance* was not established for ESIF purposes, while *Agency for Cohesion and Development* was.

What personnel capacity is allocated to the AA?

The *General Inspection for Finance* has a total of 177 employees, of which 5 are general inspectors, 8 are subordinate inspectors, 139 auditors, 3 IT engineers, 1 technical coordinator, 14 technical assistants and 7 operational assistants.

*Agency for Cohesion and Development* has a total of 43 employees in control and audit section.

## Other control bodies outside the ESIF implementation structure (CB)

### *Court of auditors*

### What are the main competences of CB?

- ▶ Control and audit of public funds in public or private bodies (national and European funds)
- ▶ Decision on financial liability management.



Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

Yes, the implementation structure has been centralized. Legislative Decree No 140/2013 came into being for 2014-2020 period, the *Agency for Cohesion and Development*, which now consists of NCA, PCA, performs audits of OP operations, OP control, monitoring and evaluation. The *Agency for Cohesion and Development* was formed by merging three public bodies: the *Financial Institute for Regional Development IFDR*, the *European Social Fund Management Institute IGFSE* and the *Structure of the Observatory Mission of the National Strategic Reference Framework (QREN)*.

What was the reason for the changes in the implementation structure mentioned above?

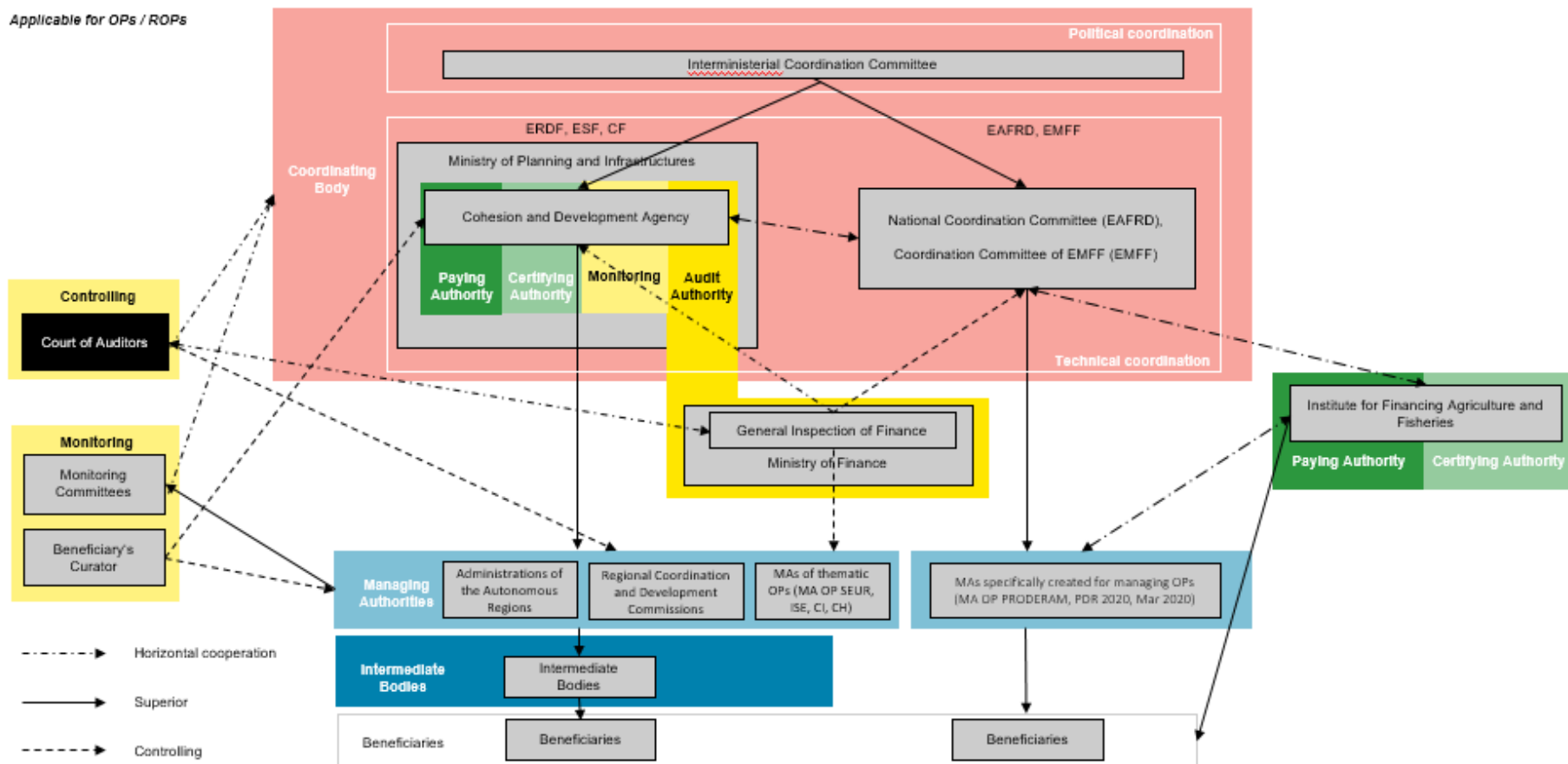
Merging has been done to rationalize, specialize and increase service efficiency. It was necessary to eliminate the structural shortcomings of the previous system based on the fragmentation of the various actors. Now most of the tasks for ESIF are provided by the only institution that has clearly assigned tasks, capacities and budget.

---



### Scheme of implementation structure

Applicable for OPs / ROPs







### 1.23.3. Programs financed from EAFRD and EMFF

Name(s) of the OP(s) financed from EAFRD

*Programa de Desenvolvimento Rural do Continente - PDR 2020*

*Programa de Desenvolvimento Rural da R.A. Açores - PRORURAL+*

*Programa de Desenvolvimento Rural da R.A. Madeira 2014-2020 - PRODERAM 2020 (2014PT06RDRP003)*

Is the same methodical environment binding for the OP(s)?	Do(es) the OP(s) have the same institutional setup (same AA, PCA)?
No, it does not fall under NCA, it has other CA, AA and PCA	No, it does not fall under NCA, it has other CA, AA and PCA
Do(es) the OP(s) use the same IT environment?	Do(es) the OP(s) use resources from the OP TA in the member state?
Yes, also uses IS Balcão 2020.	Yes.

Name(s) of the OP(s) financed from EMFF

*Programa Operacional Mar 2020*

Is the same methodical environment binding for the OP(s)?	Do(es) the OP(s) have the same institutional setup (same AA, PCA)?
No, it does not fall under NCA, it has other CA, AA and PCA	No, it does not fall under NCA, it has other CA, AA and PCA
Do(es) the OP(s) use the same IT environment?	Do(es) the OP(s) use resources from the OP TA in the member state?
Yes, also uses IS Balcão 2020	Yes.



## 1.23.4. Audit and control

**Do the audit/control authorities share their auditing plans with each other / other institutions?**

Sharing plans of control takes place between all of the following institutions, i.e. the *Agency for Cohesion and Development*, the *General Inspection for Finance* and the *Court of auditors*.

There are meetings between the *Agency for Cohesion and Development* and the *General Inspection for Finance* on a monthly basis, sharing audit plans once a year (cooperation is more vertical).

The *General Inspection for Finance* and the *Court of Auditors* share audit and control plans to avoid controlling of the same institutions (co-operation is rather horizontal).

**Is there any database of the audit reports publicly available?**

There is a database where the *Agency for Cohesion and Development* puts the results of audits. Database is accessible to the MA, the *General Inspection for Finance* and other departments the *Agency for Cohesion and Development*.

There is also SharePoint to contact the *General Inspection for Finance*, where the *Agency for Cohesion and Development* records the results of the audits and other information (samples, etc.).

*Court of auditors* publishes reports on its websites, which are publicly available.

### Audit/control authority no. 1

*General Inspection for Finance* (GIF)

<b>What controls/audits does the authority perform?</b>	<b>Which authorities can the authority control?</b>
---	---

- ▶ Audit of systems.
- ▶ Audit of designation.
- ▶ Audit of financial statements.

Bodies of the implementation structure.

**Are conclusions made by the authority binding for controlled / audited entities?**

Yes, the conclusions are binding on the entities.

<b>Who does the authority share its conclusions with?</b>	<b>Does the authority share auditing plans with other institutions?</b>
---	---

- ▶ Institutions is likely to share its findings with *Agency for Cohesion and Development* and *Court of auditors*, however, the contacted GIF representative did not have explicitly verified information, further communication with the GIF was unsuccessful.

Yes, there is a mutual sharing of control plans with the *Agency for Cohesion and Development* and the *Court of Auditors*.

### Audit/control authority no. 2

*Agency for Cohesion and Development*

<b>What controls/audits does the authority perform?</b>	<b>Which authorities can the authority control?</b>
---	---

- ▶ Audit of operations.

- ▶ Beneficiary (on site control),
- ▶ MA.



Are conclusions made by the authority binding for controlled / audited entities?

No. Final reports with findings are sent to the MA, who are working with the beneficiaries on the resolution.

Who does the authority share its conclusions with?

- ▶ *General Inspection for Finance*,
- ▶ MA,
- ▶ CA.

Does the authority share auditing plans with other institutions?

Yes, the plans of controls are shared with the MA and in selected cases with the *General Inspection for Finance*.

### Audit/control authority no. 3

*Court of Auditors*

What controls/audits does the authority perform?

- ▶ Audit of designation.
- ▶ Audit of operations.
- ▶ Audit of accounts.
- ▶ Audit of performance.

Which authorities can the authority control?

- ▶ State institutions;
- ▶ autonomous areas;
- ▶ local authorities, their associations or federation, metropolitan areas;
- ▶ public institutions;
- ▶ social security institutions,
- ▶ entities funded public funds or beneficiaries of any kind of public funds

Are conclusions made by the authority binding for controlled / audited entities?

Yes, the conclusions are binding. The *Court of Auditors* does not only perform inspections and audits, but it also has judicial power (e.g. in case of irregularities, etc.).

Who does the authority share its conclusions with?

The *Court of Auditors* publishes all findings and audit reports on its website, i.e. it is publicly available.

Does the authority share auditing plans with other institutions?

Plan of controls is shared with the *General Inspection for Finance*, the EC and other institutions on request.



### 1.23.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, Portugal has used financial instruments already in the previous period 2007-2013 and has now significantly increased its allocation.

If yes, to which extent?

Yes, 12 % of total allocation.

In which areas are FI mainly used?

03 (SMEs), 04 (Low Carbon), 06 (Environment & Resource Efficiency), 08 (Sustainable & Quality Employment), 09 (Social Inclusion), 99 (Multi TO)

Are agriculture and social business assisted by FI?

Through the FI, social entrepreneurship is supported, within the framework of the OP Social Inclusion and Employment (ESF). The OP will allocate €95 million to the Portuguese Social Innovation Fund.

It has not been possible to find out whether FI will be supported in agriculture, even if there is a "agrifund" at the national level.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

Fundamental to the implementation of the FI in Portugal is the Financial Development Institution (IFD), the Instituição Financiar de Development (IFD), which was established in 2014 specifically for the implementation of FI from ESIF. It is the fund manager, and then cooperates with commercial banks to implement specific funds. Another important institution is the so-called IFRRU2020 instrument supporting sustainable urban development, a selection process for commercial banks, which will mediate the financial instruments, is carried out.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

The coordination body at central level was not identified.

### 1.23.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Portugal uses the CLLD, ITI and the SUD, to extent of 6 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes. The CLLD assistance is from the ERDF, ESF, EAFRD and the EMFF. The ITI and the SUD assistance is from the ERDF in particular, partially from the ESF and the EAFRD.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Yes. Implementation of the CLLD in particular through the EAFRD, ERDF, ESF. SUD then through the ERDF and the ESF.



ITI will be implemented at the level of two metropolitan areas (Lisbon, Porto) and NUTS III regions.

The *Agency for Cohesion and Development* is identified as the body responsible for setting up the coordination mechanisms in the Partnership Agreement.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated instruments, a very wide range of issues related to local / territorial development strategies are addressed.

Are any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas supported solely through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

CLLD: selection of MAS / local development strategies is performed by committee composed of all relevant representative of MA. MAS are responsible for implementation of strategies.

ITI: After selecting strategies / territories to be supported, the MA will conclude an administration contract with a grant agency, to which some of the MA's powers will be transferred.

SUD: Local self-governments are involved in implementation. However, more details are not included in the Partnership Agreement.

Is the implementation of macro-regional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Portugal is not part of any macro-regional strategies.

---



## 1.23.7. Monitoring and IT

### How is monitoring methodically supported?

Monitoring is regulated by Decree no. 137/2014 of 12 September. The Decree provides for the composition of the Monitoring Committees, which are set up separately for each OP. The Monitoring Committees are chaired by the MAs, MAs are provided with the information necessary for the exercise of their powers. AA and EC serve as observers for monitoring committees.

The Decree further specifies the competence of the Monitoring Committees, which are as follows:

- ▶ analysing and approving the selection criteria for the operations to be funded;
- ▶ regular review of the progress achieved in meeting the OP objectives, in particular regarding the achievement of the specific objectives set for each priority axis;
- ▶ review and approve of the OP's annual reports and final reports;
- ▶ analysing the results of the strategic and operational evaluations relevant to the OP and submitting MA proposals for the evaluation, especially where deviation between actual progress and targets in each priority are considered qualitatively or quantitatively significant;
- ▶ receiving information and analysing the results of annual reports;
- ▶ submission of proposals to managing authorities for OP review or analysis that may contribute in order to achieve the objectives of the financial funds identified in the European regulations or to improve the management of the OP, including financial management;
- ▶ reviewing and approving all proposals to change the content of the EC decision on the participation of Community funds;
- ▶ preparation and approval of relevant internal regulations.

### How are evaluations coordinated?

The evaluation system is centralized. Management of the evaluation is performed by the *Agency for Cohesion and Development* in cooperation with the coordination bodies of the EAFRD and the EMFF (*National Coordination Committee* and *EMFF Coordination Committee*). The Agency prepares the evaluations and submits them for consideration and approval by the *Interministerial Coordination Committee for the Partnership Agreement* (political coordination). Evaluation reports are carried out within the monitoring and evaluation network, which includes technical coordination bodies of ESIF and MA.

### What IT instruments are used for the implementation and monitoring of ESIF?

The *Balcão Portugal 2020* portal serves as a platform for all stakeholders and enables the exchange of information between ERDF, ESF, CF, EAFRD and EMFF funds through a specific information system (*SI PT2020*). Applicants and beneficiaries can submit applications, make payment requests, register contracts, reprogram requirements and run a current project account through the platform. Through the platform, applicants and beneficiaries can communicate with the MA.

### In which areas is (solely) paper documentation used?

Paper-based documents are rarely used. All communication and information transmission between the beneficiaries and the MA, the bodies responsible for certification, audit and payments is done electronically.



### 1.23.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

Yes, in Portugal, there is a statutory regulation on ESIF (Legislative Decree No 137/2014 of 12 September) issued by the presidency of the Council of Ministers defining the management model of the ESIF and the objectives for the 2014-2020 programming period, describing the differences from the previous period and defining the competencies of individual authorities. The Decree is binding on the European Territorial Cooperation operational programs.

Legal Decree No 159/2014 sets out general rules for the implementation of the ESF for the 2014-2020 programming period, specifying forms of assistance, eligibility criteria, beneficiaries' duties, information on payments, communication with beneficiaries and others

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

Further, special regulations (*despachos*) and decrees (*portarias*) are issued, they are published in the Government Gazette of the Republic, and are binding in the same way as other national legislation. Documents are issued by the *Agency for Cohesion and Development*, government offices and ministry offices (*Ministry of Agriculture, Forestry and Rural Development, Ministry of Science, Technology and Higher Education, Ministry of Planning and Infrastructure*) and usually regulate specific areas targeted by specific OPs.

The *Interministerial Coordination Committee for the Partnership Agreement* issues decisions (such as delegating management powers and structures, setting out methodologies or amending existing documents), and usually relate to specific OPs.

The OP Committee, the *Agency for Cohesion and Development* and other entities further issue technical guidance for OP.

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

Unlike the ESIF, the law governing national grant titles was not directly identified in Portugal. The requested authorities (the *Court of Auditors* - by telephone, the *Agency for Cohesion and Development* - email) have confirmed that there is no such law in Portugal. It is not clear, therefore, how the authorities are guided in case of national grants.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

Legislative Decree No 137/2014 of 12 September lays down, that the OP MAs are responsible for establishing an internal control system for the prevention and detection of irregularities. Information on ineligibility of expenditure is transmitted within audit department of *Agency for Cohesion and Development*, which will be forwarded to the MA, which will recover the ineligible expenditure from beneficiaries.

The AA is, according to the law, responsible for coordinating the process of informing ESIF about irregularities and performing further duties resulting from its appointment by the *Anti-Fraud Coordination Office*. AA centralizes data on detected irregularities within its powers, draws up guidelines for uniform treatment of irregularities with other institutions, ensures cooperation between national authorities and OLAF in cases of suspicion of irregularities and ensures the implementation of the recommendations of this authority.



The *Agency for Cohesion and Development* established the Anti-Fraud Strategy and Fraud Risk Assessment (No. 04 / AD & C / 2015) to provide guidance to the MA on the implementation of the Anti-Fraud and Irregularity Strategy.

In Portugal, the law governing irregularities or budget discipline was not directly identified. The addressed authorities (the *Court of Auditors*, the *Agency for Cohesion and Development*) have confirmed that there is no such law in Portugal, but all the above documents are in line with European legislation on irregularities.

### 1.23.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Pre-financing does not happen at all.

Which currency is used in the case of pre-financing?

Irrelevant.

### 1.23.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

According to the NCA, this is an early question.





## 1.24. Romania (RO)

### 1.24.1. General information, allocation and targeting

Name of the member country	Country code
Romania	RO
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
9 (9/0)	4/8/42

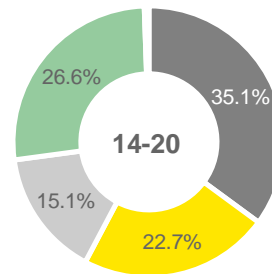
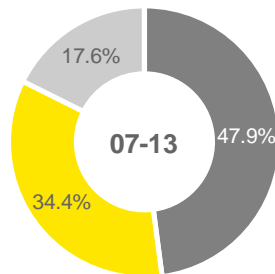
Total allocation planned (according to programming period and fund)

Total allocation  
(mil. EUR)

14-20: 30 580

07-13: 16 987

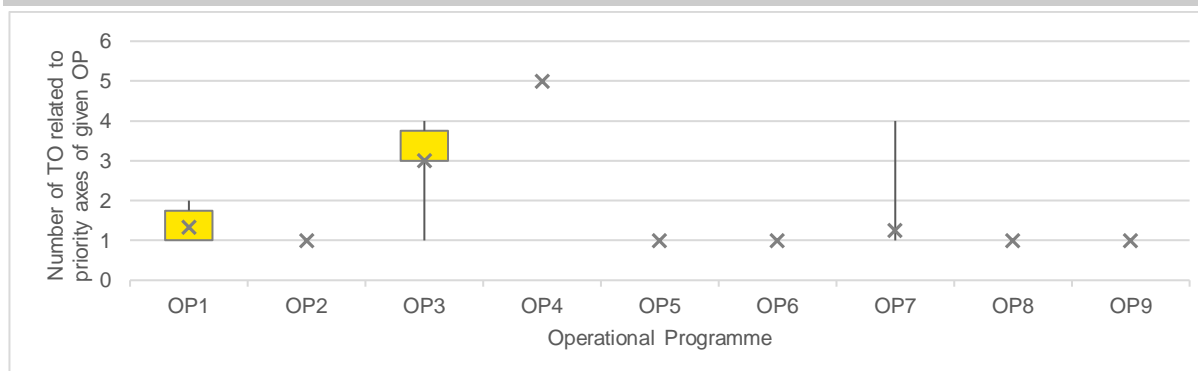
- ERDF
- CF
- ESF
- EAFRD
- EMFF



Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
33 %	11 %	44 %	44 %	22 %	44 %	22 %	44 %	33 %	33 %	22 %	0 %
(3/9)	(1/9)	(4/9)	(4/9)	(2/9)	(4/9)	(2/9)	(4/9)	(3/9)	(3/9)	(2/9)	(0/9)

Targeting of priority axes of individual operational programmes in relation to thematic objectives



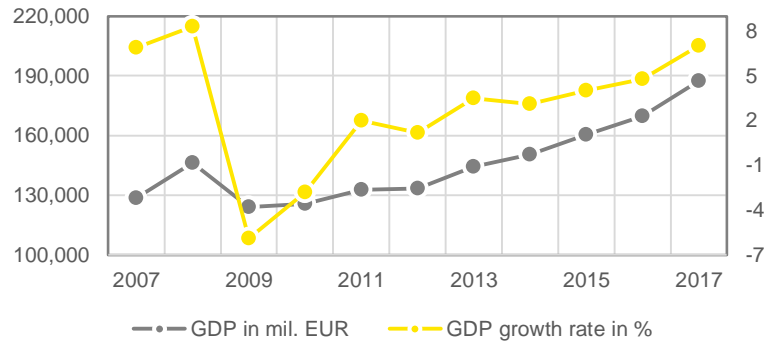


### Gross domestic product development (2007 – 2017)

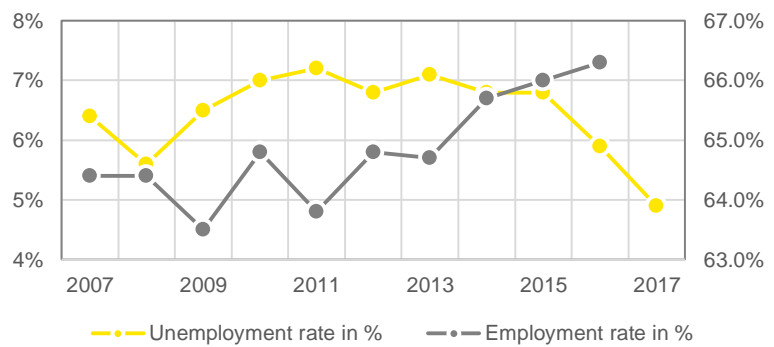
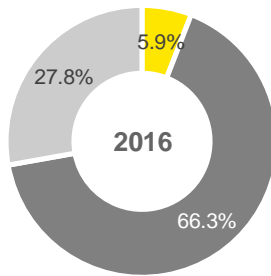
GDP per capita (EUR per capita)

2017: 9 500

2007: 6 200



### Labour market development (2016)





## 1.24.2. Main actors

### National Coordination Authority (NCA)

*Ministry of European Funds (MFE)*

What are the main competences of the NCA?

- ▶ creating and proposing legislative changes in the institutional and procedural framework of coordination and implementation of the ESIF, aiming to ensure efficiency and harmonization of management
- ▶ issuing orders and instructions within its competences in the process of the ESIF coordination and management
- ▶ fulfils role of the contact point with the EC for the ESIF
- ▶ coordinating and monitoring the administrative capacity of all institutions and specific structures involved in implementation structures, coordinating the horizontal human resources policy and preparing updates of action plans in this field
- ▶ performing analyses and subsequently formulating recommendations for improving OP implementation procedures
- ▶ ensuring the development and operation of IT systems and their alignment with management procedures, the MA is providing access to IT systems
- ▶ coordinating and preparing the Partnership Agreement
- ▶ together with the MA analysing the needs and opportunities for redistribution of resources between the OP and submits proposals for adjustments in this area to the government.
- ▶ monitoring the state of implementation of the OP (including the preparation of financial reports) and monitoring achieving of indicators within each program
- ▶ ensuring harmonization of the legal and procedural framework for the functioning of the OP Monitoring Committees and participating in their negotiations
- ▶ methodologically coordinating the preparation of annual, executive and final reports
- ▶ developing standards and evaluation guides for ESIF-funded interventions
- ▶ elaborating, updating and coordinating the implementation of the national communication strategy in the field of ESIF
- ▶ managing the development and functioning of the ESIF structural instruments information centre
- ▶ coordinating the formulation of Romania's position on proposals of European policies and regulations in the field of ESIF and consults them with authorities with relevant competences in the field
- ▶ based on the information provided, it is creating pre-payment requests in cooperation with the CA for the 2014-2020 programming period within the relevant financial year

Is the NCA established specifically for purposes of ESIF?

Partially, the MFE is also responsible for other types of funds (Norwegian funds, EEA, Swiss-Romanian cooperation program, etc.)

What personnel capacity is allocated to the NCA?

The information is not publicly available and even via communication with MFE representatives it has not been obtained.

### Managing Authorities (MA)

In total, the MAs are 3 line ministries, namely the *Ministry of European Funds* for three OPs within the ERDF, the *Ministry for Regional Development and Public Administration* for two OPs within the ESF and one within the ERDF (*Integrated Regional Program*) and the *Ministry of Agriculture and Rural Development*



for programs financed from the EAFRD and the EMFF. At the level of individual ministries, the role of the MA is delegated to individual departments.

#### What are the main competences of the MA?

- ▶ it is responsible for the efficient and transparent use of the funds managed as well as for the tasks transferred to the IB1s.
- ▶ proposing changes within the relevant OP and sends them to the relevant Monitoring Committee
- ▶ ensuring the development of the administrative capacity of the respective OP for the in coordination with NCA and support from the NCA funds
- ▶ elaborating or approving instructions for beneficiaries within the OP
- ▶ providing monitoring of the relevant OP
- ▶ establishing and implementing an evaluation plan and informing the relevant Monitoring Committee of the activities and achievements related to progress in the implementation of the evaluation plan
- ▶ performing controls to ensure compliance with the European and national public procurement rules within the expenditure declared by the beneficiaries (the MA is lawfully supported by the *National Public Procurement Agency (ANAP)*)
- ▶ continuously cooperating with ANAP to identify risks of breaches of public procurement law and to developing instructions and recommendations for better management of contracting authorities that are using ESIF funding
- ▶ providing the necessary information for the NCA and the AA to ensure the performance of their functions
- ▶ contributes to the drafting of legislative proposals, possibly proposing them, in the area of financial management
- ▶ participating in annual meetings with the EC
- ▶ from 2016, it draws up an annual report on the implementation of the OP, which is sent to the EC
- ▶ developing and coordinating the process of providing information and promotion within the OP

#### Are the MAs established specifically for purposes of ESIF?

No, the MAs are not established specifically for the purposes of the ESIF. However, individual departments of the institutions which are delegated to the exercise of the competences of the MA, are established for the purposes of ESIF.

#### What personnel capacity is allocated to the MA?

Overall, 1031 positions are allocated to the MA's agenda, of which 985 are currently occupied.

#### Intermediate bodies (IB1)

There are 5 *line ministries*, 8 *regional development agencies* (non-governmental non-profit institutions) and 3 specific government bodies/agencies (*National Tourist Office*, *National Authority for Scientific Research and Innovation*, and *National Development of Vocational and Technical Education*).

Within programs financed from the EAFRD and the EMFFF, there are two specific agencies (*Agency for Rural Financing* and the *Agency for Payments and Intervention for Agriculture*) and 9 *regional research centres* (subject to the *Ministry of Agriculture and Rural Development*).

#### What are the main competences of IB1s?

In the Government Order defining the ESIF implementation structure, IB1s' competences are not explicitly mentioned because, according to Article 15 of the aforementioned Act, the MA may



delegate any number of its tasks to the IB1s depending on a specific delegation agreement. In the case of *regional development agencies*, for example, the list of competencies is as follows:

- ▶ ensuring a performance of technical monitoring and financial control of projects;
- ▶ preparing half-yearly and annual reports and carrying out activities in accordance with contracts with national institutions in the field of regional development;
- ▶ based on contracts, ensuring regional publicity of regional development programs and projects;
- ▶ elaborating annual proposals for their own budgets (income and expenditure), which is subject to approval by the *Regional Development Council*;
- ▶ ensuring (through the internal audit structure subordinate to the Agency's Director) independent and objective evaluation of projects;
- ▶ participating in structures established at the level of national committees, sub-committees and working groups organized by the national institutions responsible for managing the OP;
- ▶ preparing their own organizational and operational plan and submitting them for approval to the *Regional Development Council* and carrying out their tasks in accordance with the *National Development Plan*;
- ▶ ensuring, together with specialized regional bodies, the collection and centralization of data at regional level;
- ▶ they are overall responsible to the *Regional Development Council*.

Are IB1s established specifically for purposes of ESIF?

No, IB1s are not specifically established for the ESIF purposes. It also fulfils the tasks associated with other types of programs related to regional development.

What personnel capacity is allocated to the IB1s?

Overall, 8097 positions are allocated to the IB1s' agenda, of which 7936 are currently occupied. The figures do not include 9 regional research centres, to which the NCA representatives have not been able to provide the required information.

### Implementing body (IB2)

IB2s are used only within two OPs. In the case of the *OP for Human Resources Development* it is 8 regional development agencies and in the case of the *Rural Development OP*, there are 41 representative entities at county level.

What are the main competences of IB2s?

Again, as in the case of IB2s, in the Government Order defining the ESIF implementation structure, IB2s' competences are not explicitly mentioned, as it is the delegation of specific tasks by the MA. Regarding competences of 8 regional development agencies, they correspond to the list mentioned above in the description of the IB1s' competences.

Are IB2s established specifically for purposes of ESIF?

No, the IB2s are not established specifically for ESIF purposes. These are representative bodies and regional agencies that carry out tasks related to other types of programs related to regional development.

What personnel capacity is allocated to the IB2s?

Within the 8 regional agencies, 344 positions are allocated to the IB2s' agenda, of which 330 are currently occupied. The figures do not include 41 county-level representative bodies, to which the NCA representatives have been unable to provide the requested information.



## Paying and Certification Authority (PCA)

In most cases, the role of the PCA is fulfilled by the *Ministry of Public Finance*. Only in the case of programs financed from the EAFRD the CA competences are delegated to the AA (*Audit Authority of the Romanian Court of Auditors*) while the *Agency for Rural Financing* (AFIR) functions as the PA.

### What are the main competences of the PCA?

- ▶ ensuring compliance with the obligations laid down in Articles 126 and 137 of EU Regulation 1303/2013
- ▶ preparing, in cooperation with the EC, pre-payment requests,
- ▶ fixing requests for final payments
- ▶ ensuring the opening and administration of the accounts necessary to receive preliminary, ongoing and final EC funding
- ▶ facilitating the transfer of funds from the ESIF related to operations within OPs and transferring funds to payment units of the MAs
- ▶ ensuring financial corrections
- ▶ contributes to drafting legislation and proposing changes to the ESIF financial management rules
- ▶ approving legislation and proposes changes to the area of eligibility of expenditure within the ESIF
- ▶ participating in the Monitoring Committees of individual OPs
- ▶ collecting information about irregularities and informing Anti-Fraud Office of Romania (DLAF) about the discrepancies detected by the MA
- ▶ within the limits of their powers providing the information required by the NCA and the AA to fulfil their competences
- ▶ for the purpose of certification, it confirms that the relevant MA or the delegated authority (i.e. ANAP) has verified the procurement procedures for which the claimed expenditure was submitted

### Is the PCA established specifically for purposes of ESIF?

No, PCOs are not established specifically for the purposes of the ESIF. The AFIR competences cover the implementation of various subsidies in the field agriculture and rural development.

### What personnel capacity is allocated to the PCA?

Within the *Ministry of Public Finance* there are 86 positions allocated to the PCA's agenda, of which 81 are currently occupied. Within AFIR, 1,800 positions are fully allocated to the PA's agenda.

## Audit Authority (AA)

### *Audit Authority of the Romanian Court of Auditors*

### What are the main competences of the AA?

- ▶ Audit of designation.
- ▶ Audit of managing and control systems.
- ▶ Audit of operations.
- ▶ The AA has the power to require from financial supervisory authorities, including the *Banking Inspectorate of the Romanian National Bank*, to preferentially verify certain items / tasks within their legal tasks.
- ▶ The AAs has the power to request and use reports from other bodies responsible for financial control, fiscal control, internal audit and bank inspection to perform its supervisory and auditing functions.
- ▶ The AA fulfils a role of the CA within programs financed from the EAFRD.



Is the AA established specifically for purposes of ESIF?

No, the AA is not established specifically for the ESIF purposes.

What personnel capacity is allocated to the AA?

Overall, 231 positions are allocated to the AA agenda, of which 198 are currently occupied.

Other control bodies outside the ESIF implementation structure (CB)

- ▶ *Anti-Fraud Office of Romania (DLAF)*
- ▶ *National Agency for Public Procurement (ANAP)*

What are the main competences of CB?

*Anti-Fraud Office of Romania (DLAF)*

- ▶ If the grant claim is linked to a fraud that the DLAF has been notified of, the competent authorities shall suspend the payment until the final and irrevocable decision of the court.
- ▶ MAs are obliged to inform the DLAF without delay in cases of fraud or fraud attempt.

*National Agency for Public Procurement (ANAP)*

- ▶ Passing the conclusions of the controls carried out as a result of the notification of the public procurement procedures within projects to the MA.

Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

Yes, Romania has decided to significantly change the implementation structure of the ESIF. In the previous period, the MAs were individual ministries and individual OPs were thematically under the competences of the relevant MAs, resulting in the fragmentation of the strategies and the inconsistent way of a project administration. The biggest change for the programming period 2014-2020 was the reduction of the number of the MAs to 3 ministries, which in the past period reached the highest level of drawdown. Romanian legislation in the field of ESIF is of a very general nature (usually lacks the definition of specific competences of individual entities), which results from an intention of the Romanian legislators to maintain room for high flexibility in order to make further changes to the system.

In practice, Romania actually carries out other changes to the system even during the current programming period - for example, in 2017, two ministries have been merged until then operating as the independent MAs (*Ministry of European Funds* and *Ministry for Regional Development and Public Administration*), which were subsequently converted to the NCAs. After the January 2018 elections, however, in order to streamline the structure, they were redistributed again. During the analysis of system changes, more of similar temporary changes were recorded.

What was the reason for the changes in the implementation structure mentioned above?

In the previous programming period the level of drawdown from the ESIF was very low (about 26%) and it was mainly for the following reasons:

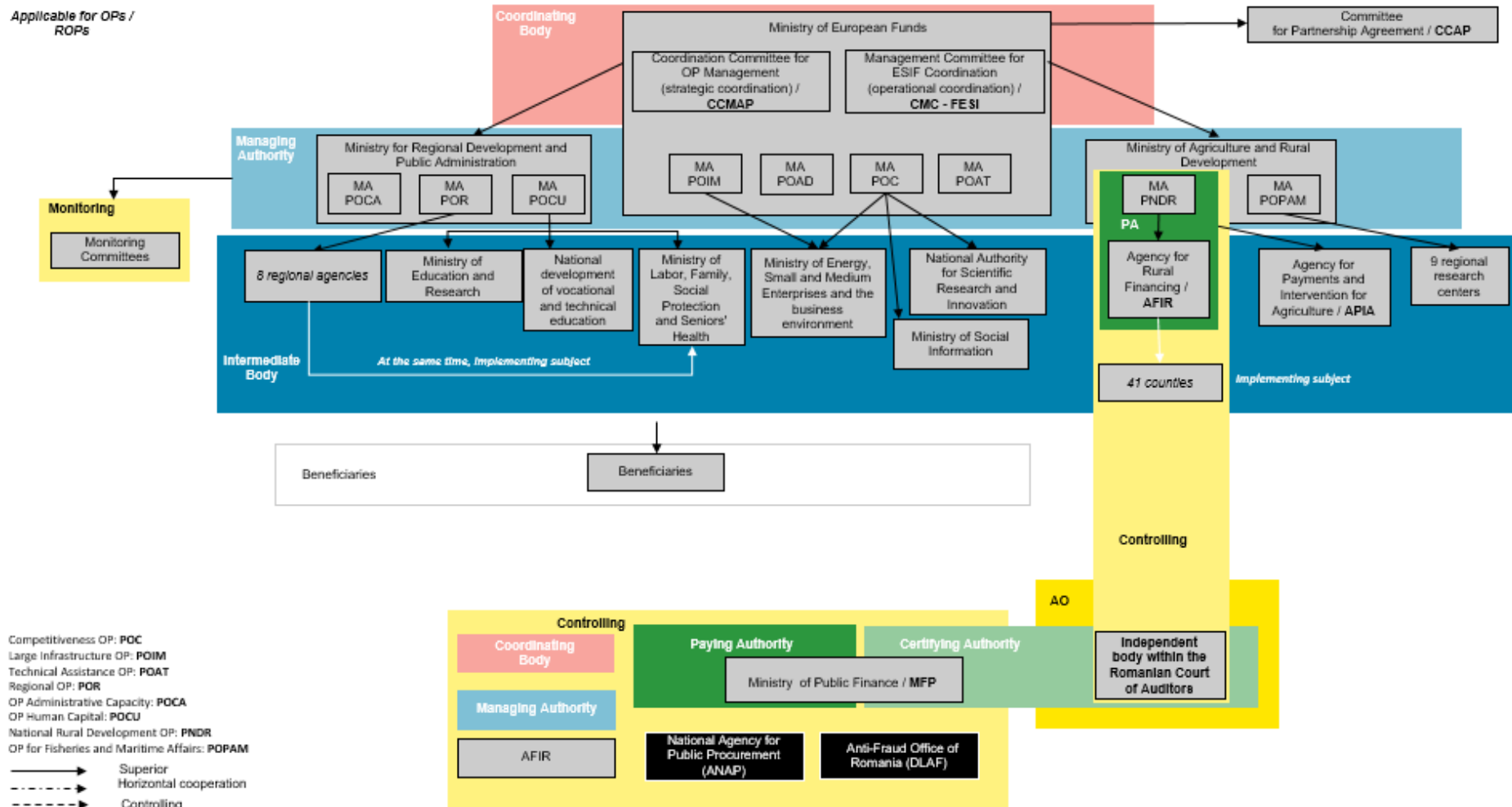
- ▶ absence of a unified vision and strategy of the MA (individual ministries);
- ▶ poor quality of project proposed by beneficiaries;
- ▶ projects were often delayed, resulting in financial correction;
- ▶ frequent mistakes in project implementation (especially in the area of public procurement) have been detected during the inspections;
- ▶ high level of bureaucracy in project management;
- ▶ high staff turnover in the clerical apparatus and poorly trained clerical staff.

In their analyses of implementation systems in other countries, the Romanian representatives focused mainly on Poland, Hungary and the Czech Republic.





### Scheme of implementation structure



\*Independent body within the Romanian Court of Auditors may conduct the audit of designation





### 1.24.3. Programs financed from EAFRD and EMFF

Name(s) of the OP(s) financed from EAFRD

*OP National Rural Development*

Is the same methodical environment binding for the OP(s)?

No, the methodical environment differs fundamentally.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, the PA is the *Agency for Rural Financing* and the CA is the *Audit Authority of the Romanian Court of Auditors*.

Do(es) the OP(s) use the same IT environment?

No, it uses the SPCDR integrated information system managed by the *Agency for Rural Financing* under the auspices of the *Ministry of Agriculture and Rural Development*.

Do(es) the OP(s) use resources from the OP TA in the member state?

No, it does not. OP TA is designated only for the OPs, whose MA is the *Ministry of European Funds*.

Name(s) of the OP(s) financed from EMFF

*OP Maritime and Fisheries*

Is the same methodical environment binding for the OP(s)?

Methodical environment of programs financed from the EMFF is very similar to that of other OPs.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

Yes, it uses.

Do(es) the OP(s) use the same IT environment?

Yes, it uses.

Do(es) the OP(s) use resources from the OP TA in the member state?

No, it does not. OP TA is designated only for the OPs, whose MA is the *Ministry of European Funds*.



## 1.24.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

Partially, a cooperation protocol between the MA, PCA and the AA was signed, describing in detail the tasks and responsibilities of each entity, as well as the deadlines for their accomplishments. The MAs and the AAs are permanently in contact in the form of unplanned cooperation without a schedule of regular meetings.

Among other things, for this purpose, the use of *CTE2014+* is planned (more in the monitoring and IT section) but has not been successfully launched yet.

Is there any database of the audit reports publicly available?

No, the NCA representatives have confirmed that no public database containing identified findings has been set up at the level of managing and control bodies. Findings regarding irregularities are recorded at the level of the MA in the specific register used to share data with the PCA. However, the introduction of a database of audit findings within the *SMIS* system (more in the monitoring section and IT) is being currently worked on.

### Audit/control authority no. 1

*Audit Authority of the Romanian Court of Auditors*

What controls/audits does the authority perform?

- ▶ Audit of designation.
- ▶ Audit of managing and control systems.
- ▶ Audit of operations.

Which authorities can the authority control?

- ▶ ESIF implementation structure bodies.
- ▶ Beneficiaries.

Are conclusions made by the authority binding for controlled / audited entities?

Yes, audited entities are required to take all necessary measures within the deadline set in the final audit opinion.

Who does the authority share its conclusions with?

- ▶ MA.
- ▶ PCA.
- ▶ Audited entities.

Does the authority share auditing plans with other institutions?

Yes, the MA and the AA are permanently in contact in form of unscheduled cooperation without a schedule of regular meetings.

### Audit/control authority no. 2

*Anti-Fraud Office of Romania (DLAF)*

What controls/audits does the authority perform?

- ▶ Control of the use of public funds (control of operations).

Which authorities can the authority control?

- ▶ Beneficiaries

Are conclusions made by the authority binding for controlled / audited entities?

Yes, the conclusions are binding on entities. If the existence of a grant claim is related to the crime (specifically fraud) that the DLAF has been notified of, the competent authorities shall suspend the payment until the final and irrevocable decision of the court (concerning the criminal or non-criminal nature of the accused).



Who does the authority share its conclusions with?

- ▶ DLAF informs the NCA and the MA/IB1 that he has notified the relevant prosecutor's office to conduct criminal investigations.
- ▶ On the contrary, the MAs are obliged to inform DLAF without delay in cases of fraud or fraud attempts.

Does the authority share auditing plans with other institutions?

Yes, the DLAF shares plans of audits with all actors in the implementation structure.

### Audit/control authority no. 3

*National Agency for Public Procurement (ANAP)*

What controls/audits does the authority perform?

- ▶ It controls the correctness of the procedures for awarding public contracts and selection procedures.

Which authorities can the authority control?

- ▶ Beneficiaries.
- ▶ Public institutions.

Are conclusions made by the authority binding for controlled / audited entities?

Yes, conclusions are binding on entities.

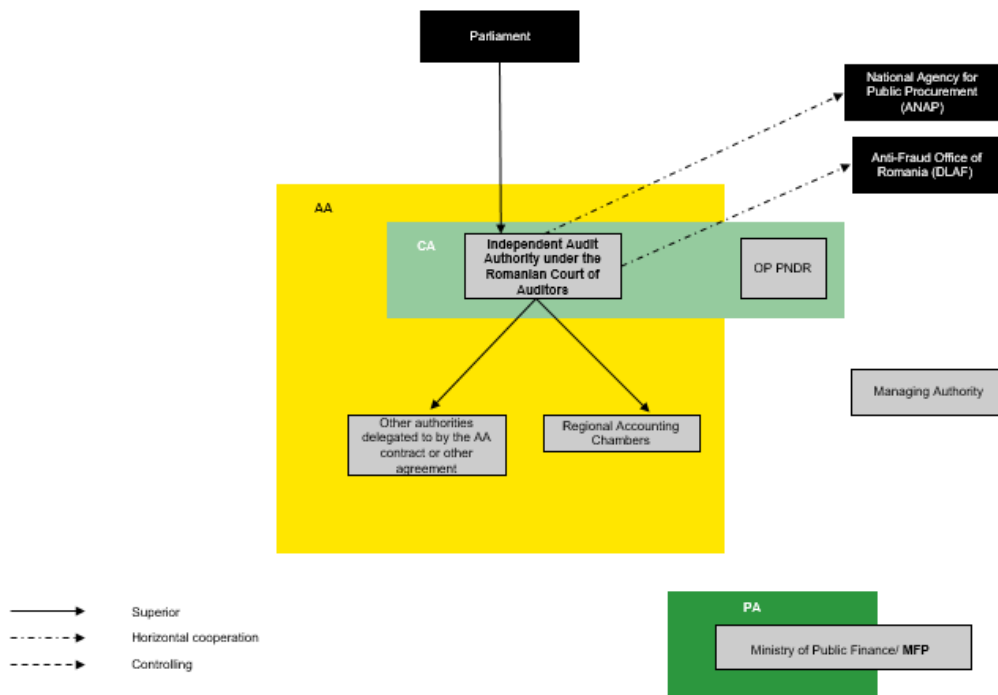
Who does the authority share its conclusions with?

- ▶ MA.

Does the authority share auditing plans with other institutions?

No, the ANAP is involved in the control system only upon request or in case of suspected incorrect selection procedure.

### Scheme of audit and control





### 1.24.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, Romania used financial instruments already in previous 2007-2013 period, now allocation has been increased.

If yes, to which extent?

Yes, 3 % of total allocation.

In which areas are FI mainly used?

01 (Research & Innovation), 03 (SMEs), 04 (Low Carbon), 08 (Sustainable & Quality Employment), 09 (Social Inclusion)

Are agriculture and social business assisted by FI?

Support of agriculture is planned through financial instruments.

FIs are also planned within ESF programs so support of social entrepreneurship can probably be set, but it does not directly follow from the data.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

The fundamental element of the FI implementation in Romania is the Fund of Funds managed by the *European Investment Fund*. Commercial banks are selected as intermediaries.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

Coordinating authority was not identified on the central level.

### 1.24.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Romania uses the CLLD, ITI and the SUD, 7 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes. The CLLD and ITI assistance is from the ERDF, ESF, EAFRD and the EMFF. The SUD assistance is from the EAFRD.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Yes. Implementation of the CLLD through the EAFRD, EMFF, ERDF and national OP through the ESF. Implementation of the ITI is from all OPs, the SUD implementation from the Regional Operational Program ERDF.

The ITI will be implemented in a special Danube delta region.



The co-ordination role of the CLLD for multi-fund financing from the ERDF and the ESF – the MA of relevant OPs will create a joint selection committee. In the case of the EAFRD and the EMFF, coordination will be secured by the NCA - the *Ministry of European funds*.

The CLLD & ITI coordination will be ensured by an inter-ministerial working group headed by the *Ministry for Regional Development and Public Administration*. The coordination of the ITI itself will be ensured by a working group and a permanent secretariat at the *Ministry of European Funds*.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated instruments, a very wide range of topics are linked to local / territorial development strategies.

Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas exclusively supported through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

Information not found, it is not described in more detail in the Partnership Agreement (with the exception of overall coordination and management - see above).

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Yes, the implementation of macro-regional strategies (specifically the Strategy for the Danube Region) is implemented in combination with ESIF. Operational programs contain objectives and interventions that fulfil this strategy, precisely the strategy will be implemented also through projects supported by the ESIF.

---



## 1.24.7. Monitoring and IT

### How is monitoring methodically supported?

Competences of authorities for monitoring are contained in the following legal standards (i.e. monitoring is regulated both within the definition of authorities' competences in the form of laws and in form of methodologies of individual OPs):

- ▶ Government Regulation No. 398/27 of May 2015,
- ▶ Regional Development Act No. 315/2004 and its amendment (Articles 8 and 9),
- ▶ Evaluation methodologies of individual OPs,
- ▶ Collaboration protocols between individual actors of the implementation structure,
- ▶ Methodology for setting up the Monitoring Committees within individual OPs,
- ▶ Guidelines for Beneficiaries issued by the MA.

### How are evaluations coordinated?

Monitoring and evaluation are decentralized at the level of individual OPs and coordinated through the NCA. Activities carried out by various bodies of the implementation structure are as follows:

- ▶ NCA monitors a state of an implementation of OPs and monitors compliance with the indicators, ensuring harmonization of the legal and the process framework for a functioning of the Monitoring Committees and participating in their negotiations, coordinating ex-ante control, annual monitoring and ex-post control, coordinating a system of indicators used in the OP monitoring and evaluation system to measure progress and results and coordinates monitoring performance in line with what is stated in the Partnership Agreement.
- ▶ MA inform the Monitoring Committees on activities and achievements related to the progress in the implementation of the evaluation plan, ensuring monitoring of the relevant OPs, and, in the case of a program financed from the EAFRD, ensuring an establishment of the Monitoring Committee and its operation.
- ▶ IB1s provide technical monitoring.
- ▶ The Ministry of Public Finance participates in the Monitoring Committees and ensures the entry and updating of information in the CTE2014 + management information system.

### What IT instruments are used for the implementation and monitoring of ESIF?

The following IT systems are used to implement the ESIF.

- ▶ *SMIS2014 +* is a unified IT system managed by the NCA, which ensures interoperability with other IT systems at the national level and is capable of communicating effectively with the EC information system (*SFC 2014*). It works to record information about each ESIF project (except programs financed from the EAFRD) necessary for monitoring, evaluation, financial management, verification, audit and control.
- ▶ *MySMIS2014*: is an application related to *SMIS2014 +*, which allows data exchange between applicants or beneficiaries and the authorities integrated into *SMIS2014 +*. It covers the entire life cycle of projects financed from the ERDF, ESF and the CF.
- ▶ *CTE2014 +* collects information on the implementation of the projects necessary for financial management, monitoring, reimbursement, audit and evaluation of the European programs for the 2014-2020 period. Not successfully launched yet.
- ▶ *SPCDR* is the main IT system within programs financed from the EAFRD. It is an integrated information system managed by the *Agency for Rural Financing*, which records the whole life cycle of the project. The system is compatible with other IT systems for the EAFRD funded projects.



In which areas is (solely) paper documentation used?

No paper-based documents are solely used in any area. Documents for applicants and beneficiaries covering the whole life cycle of the project can be administrated within the IT systems (*SMIS2014 + / MySMIS2014*), namely in the following modules:

- ▶ a module for submitting projects (calls and application forms),
- ▶ a module for evaluations and tenders (calls, etc.)
- ▶ a contract signing module,
- ▶ a module for managing and monitoring information on public procurement procedures,
- ▶ communication module,
- ▶ a module for the project implementation phase (requests for payment verification and approval of expenditure, payments to beneficiaries, technical monitoring and indicators),
- ▶ a module relating to the phase of resolution of irregularities and debt recovery,
- ▶ module for audit phase (including annual summary),
- ▶ a module for preparing statements of expenditure (including the management statement and the annual statement);
- ▶ a module for reporting.

At present, the beneficiaries have the possibility to send all documentation regarding the implementation of the project electronically signed with qualified electronic signature.

#### 1.24.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

No, there is no specific ESIF law.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

The following sub-statutory regulations apply to the ESIF:

- ▶ *Government Regulation 398/27 May 2015* on the establishment of an institutional framework for the coordination and management of the European Structural and Investment Funds.
- ▶ *Government Regulation No. 399/27 May 2015* on eligibility rules for expenditure incurred within the ESIF funded operations for the period 2014-2020.
- ▶ *Government Emergency Ordinance No. 40/2015* on the financial management of the European Funds for the period 2014-2020.
- ▶ *Government Emergency Ordinance 66/2011* on the prevention, detection and sanction of irregularities when providing and managing the EU funds or the national public funds.

The MAs are responsible for compliance with the above standards, i.e. individual ministries, which are also responsible to the government.

In Romania, there are other binding procedures beyond the legal framework specifically governing the implementation of the ESIF. These include, for example, public procurement laws:

- ▶ *Law 98/2016 on public procurement,*
- ▶ *Law No. 99/2016 on sectoral procurement,*
- ▶ *Law 101/2016 on concessions for construction contracts and service contracts,*
- ▶ *Law 100/2016 on complaints regarding awarding of public contracts and establishing of the National Council for complaints resolution.*





In addition, *Government Emergency Ordinance No. 41/2016* on simplifying measures at the central government level and other legislation within the *Ministry of European Funds* were issued. For environmental impact assessments, technical studies and feasibility studies, there are several rules that need to be respected. It is also worth mentioning the legislation concerning establishing of the national supervisory or managing authorities that were not established specifically for the purpose of ESIF:

- ▶ Law 94/1992 establishing the *Independent Audit Authority of the Romanian Court of Auditors* and its amendments,
- ▶ Other founding laws of all ministries fulfilling the role of the MA and the control bodies.

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

The NCA representatives have confirmed that they have not identified any major contradictions yet.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

The legal basis for resolution of irregularities is in particular *Government Emergency Ordinance No. 66/201* on the prevention, detection and sanctioning of irregularities in a provision and management of the EU funds or the national public funds. Given the potential for discrepancies between national and the ESIF regulations in 2014, the above-mentioned government regulation was amended and supplemented accordingly so that both areas are in compliance.

In the case of funds that have been unduly paid to beneficiaries from the European funds, recovery methods are set as follows:

- ▶ voluntary payment of a beneficiary,
- ▶ deduction from subsequent payments / reimbursements,
- ▶ issuance of bank guarantees imposed by the borrower in applying the regulation of the contract / agreement on the financing under which the debt was issued,
- ▶ compensation under *Government Decree 92/2003*, as amended,
- ▶ forced selection.
- ▶

MAs or IB1s may apply one of the first three options listed above. If it is not possible to use such methods, the authorities responsible for the management of the European Funds shall transmit enforceable titles to the competent tax authorities that perform specific enforcement activities (compensation, etc.).

Only differences may arise in the area of a specific irregular expenditure (e.g. limits for certain categories of expenditure such as wages and indirect costs). These differences are usually included in instructions for applicants issued by the MA.

### 1.24.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Yes, funds are covered by the state budget.

Which currency is used in the case of pre-financing?

LEI





## 1.24.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

Taking into account the ever-changing implementation structure in the past as well as during the current period and the still insufficient level of drawdown, it can be concluded that Romania is planning further changes in the future to streamline the use of the ESIF subsidies.

The *Romanian Ministry of the Interior* requested a detailed description of implementation structure and control mechanisms from the representatives of the relevant authorities in Greece in April 2018. This also indicates that the process of system streamlining is still ongoing and that specific changes for the next period are not specifically established yet.

---



## 1.25. Sweden (SE)

### 1.25.1. General information, allocation and targeting

Name of the member country	Country code
Sweden	SE
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
13 (5/8)	3/8/21

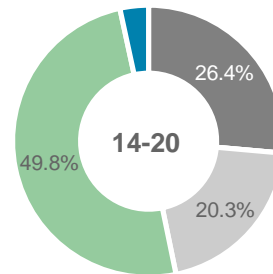
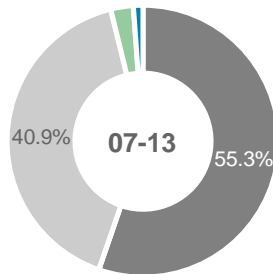
Total allocation planned (according to programming period and fund)

Total allocation  
(mil. EUR)

14-20: 3 538

07-13: 1 606

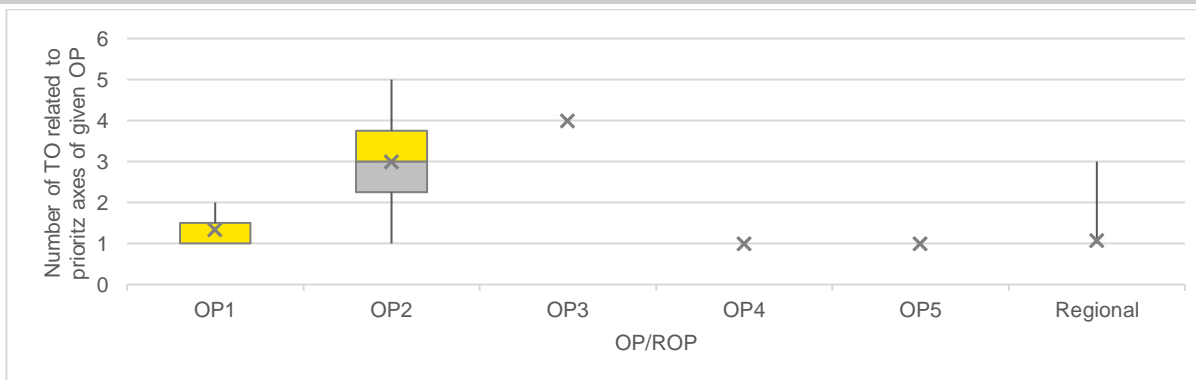
- ERDF
- CF
- ESF
- EAFRD
- EMFF



Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
40 %	20 %	60 %	40 %	20 %	40 %	0 %	60 %	60 %	40 %	0 %	0 %
(2/5)	(1/5)	(3/5)	(2/5)	(1/5)	(2/5)	(0/5)	(3/5)	(3/5)	(2/5)	(0/5)	(0/5)

Targeting of priority axes of individual operational programmes in relation to thematic objectives



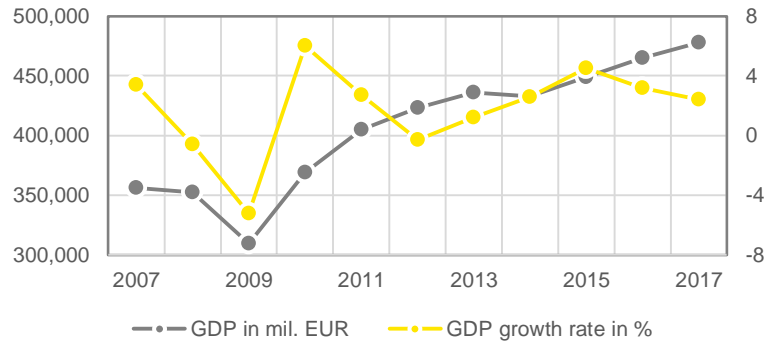


### Gross domestic product development (2007 – 2017)

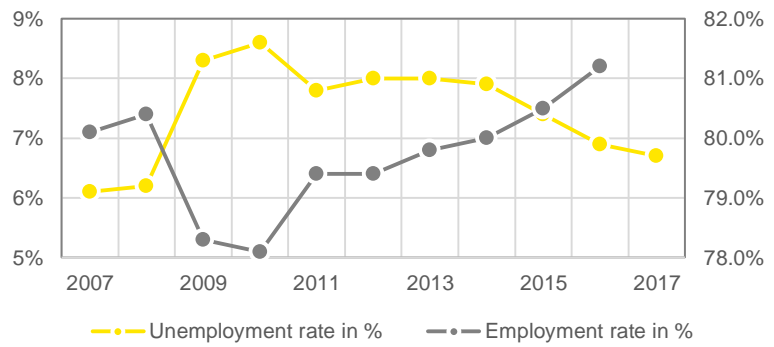
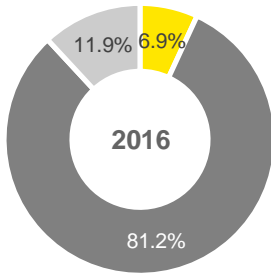
GDP per capita (EUR per capita)

2017: 47 400

2007: 39 000



### Labour market development (2016)





## 1.25.2. Main actors

### National Coordination Authority (NCA)

The NCA does not exist in Sweden.

What are the main competences of the NCA?

Irrelevant.

Is the NCA established specifically for purposes of ESIF?

Irrelevant.

What personnel capacity is allocated to the NCA?

Irrelevant.

### Managing Authorities (MA)

*Swedish Agency for Economic and Regional Growth* is the MA of national ERDF program, *Swedish ESF Council* is the MA of the national ESF program and the Swedish Board of Agriculture is the MA of the ERDF regional programs and programs financed from EMFF and EAFRD.

What are the main competences of the MA?

- ▶ managing grant applications and ensures compliance with the EU regulation
- ▶ deciding on approval of the grant application
- ▶ monitoring programs and projects
- ▶ securing communication and promotion of programs
- ▶ fulfilling a role of the PCA

Are the MAs established specifically for purposes of ESIF?

Not all MAs are set up specifically for the purposes of the ESIF. Specifically for ESIF purposes the *Swedish ESF Council* is established and this may also be the case for selected departments of the institutions.

What personnel capacity is allocated to the MA?

A total of 430 (*Swedish Agency for Economic and Regional Growth*) and 126 (*Swedish ESF Council*) people are allocated to the MA's agenda.

### Intermediate bodies (IB1)

There are no IB1s in Sweden.

What are the main competences of IB1s?

Irrelevant.

Are IB1s established specifically for purposes of ESIF?

Irrelevant.

What personnel capacity is allocated to the IB1s?

Irrelevant.

### Paying and Certification Authority (PCA)

Role of the PCA is always fulfilled by relevant MA..

What are the main competences of the PCA?

- ▶ Control of audit reports.
- ▶ Quality control.
- ▶ Random administrative controls.



- ▶ Preparation and implementation of the European funds budget, which includes EU funds.

Is PCA established specifically for purposes of ESIF?

What personnel capacity is allocated to the PCA?

Not all MAs are set up specifically for the purposes of the ESIF. Specifically for ESIF purposes the *Swedish ESF Council* is established and this may also be the case for selected departments of the institutions.

Within the *Swedish ESF Council*, a total of 7 employees are allocated to the PCA agenda (2 for the CA's agenda and 5 for the PA's agenda).

#### Audit Authority (AA)

*Swedish National Financial Management Authority*

What are the main competences of the AA?

- ▶ Audit of operations.
- ▶ Audit of managing and control systems.

Is the AA established specifically for purposes of ESIF??

What personnel capacity is allocated to the AA?

No, the AA is not established specifically for the purposes of the ESIF.

Within the ESF, 24 people are involved in the financial control.

#### Other control bodies outside the ESIF implementation structure (CB)

*Swedish National Audit Office*

What are the main competences of CB?

*Swedish National Audit Office* controls the activities of governmental entities (this is not the exclusive control of the ESIF).

Is the CB established specifically for purposes of ESIF??

No, CB is not established specifically for the purposes of the ESIF.

Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

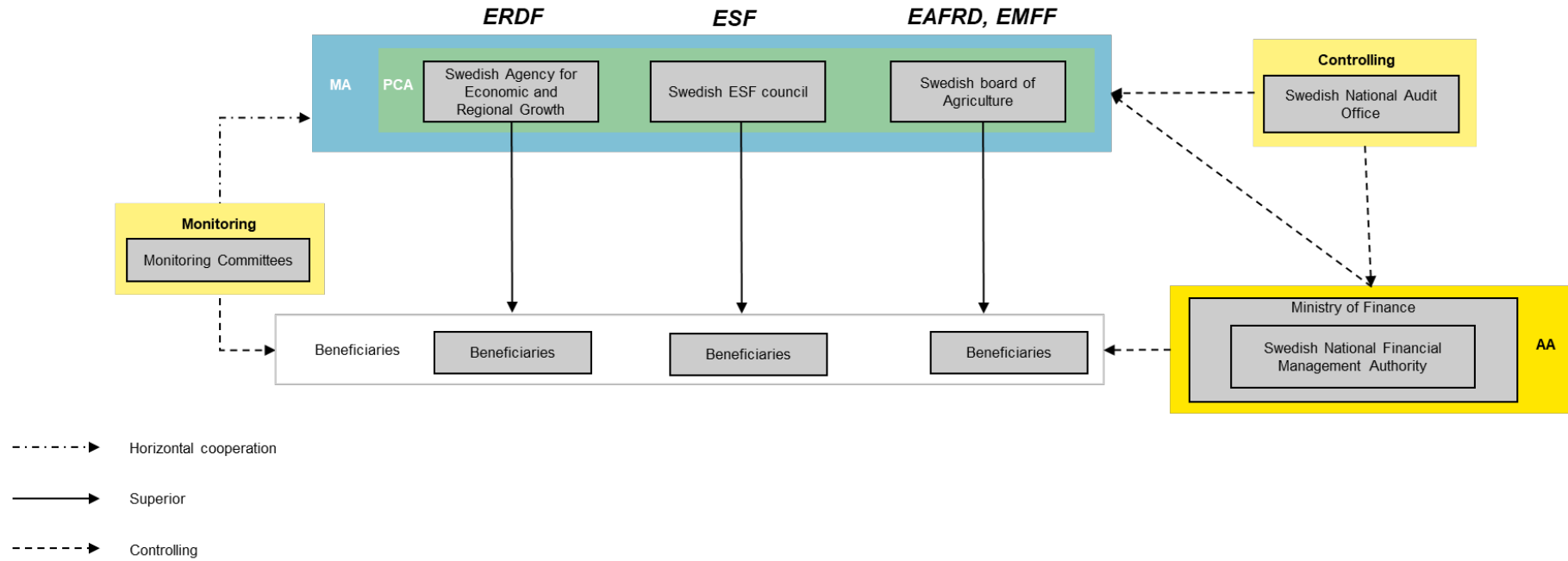
No, MA representatives of the (national) ESF program confirmed that no major changes were made.

What was the reason for the changes in the implementation structure mentioned above?

Irrelevant.



### Scheme of implementation structure



*\*specific bodies for prioritization of projects: Structural Fund Partnerships (ESF), Heads of government agencies (ERDF), County administrative boards and national authorities (EAFRD, EMFF)*



### 1.25.3. Programs financed from EAFRD and EMFF

Name(s) of the OP(s) financed from EAFRD

*Rural development program 2014-2020*

Is the same methodical environment binding for the OP(s)?

No, it is not.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, it has own PCA.

Do(es) the OP(s) use the same IT environment?

No, it uses own IT environment.

Do(es) the OP(s) use resources from the OP TA in the member state?

Irrelevant, there is no OP TA in Sweden.

Name(s) of the OP(s) financed from EMFF

*Maritime and Fisheries 2014-2020*

Is the same methodical environment binding for the OP(s)?

No, it is not.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, it has own PCA.

Do(es) the OP(s) use the same IT environment?

No, it uses own IT environment.

Do(es) the OP(s) use resources from the OP TA in the member state?

Irrelevant, there is no OP TA in Sweden.



## 1.25.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Is there any database of the audit reports publicly available?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### Audit/control authority no. 1

*Swedish National Financial Management Authority*

What controls/audits does the authority perform?	Which authorities can the authority control?
--	--

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>▶ Audit of operations.</li> <li>▶ Audit of managing and control systems.</li> </ul> | <ul style="list-style-type: none"> <li>▶ Implementation structure bodies.</li> <li>▶ Beneficiaries.</li> </ul> |
|--|--|

Are conclusions made by the authority binding for controlled / audited entities?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Who does the authority share its conclusions with?	Does the authority share auditing plans with other institutions?
--	--

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.	Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.
--	--

### Audit/control authority no. 2

*Swedish National Audit Office*

What controls/audits does the authority perform?	Which authorities can the authority control?
--	--

- |  |  |
|--|--|
| <p><i>Swedish National Audit Office</i> controls the activities of governmental entities (this is not the exclusive control of the ESIF)</p> | <ul style="list-style-type: none"> <li>▶ Implementation structure bodies.</li> </ul> |
|--|--|

Are conclusions made by the authority binding for controlled / audited entities?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

Who does the authority share its conclusions with?	Does the authority share auditing plans with other institutions?
--	--

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.	Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.
--	--





### 1.25.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, Sweden used financial instruments already in the previous period 2007-2013 and has now increased the allocation.

If yes, to which extent?

Yes, 8 % of total allocation.

In which areas are FI mainly used?

03 (SMEs), 04 (Low Carbon)

The use of financial instruments is intended solely to support small and medium-sized enterprises and low-carbon economy.

Are agriculture and social business assisted by FI?

There is no plan to assist social entrepreneurship or agriculture through the FI.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

The fund manager for venture capital from the National OP is the European Investment Fund, which will be selected by the fund manager. The manager of the specific funds financed from the ROP is Almi, a state-owned investment company.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

Coordination can be provided by Almi, a state-owned investment company that is involved into the implementation structure of almost all FI.

### 1.25.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Sweden uses the CLLD, ITI and the SUD to extent of 9 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes. the CLLD assistance is from the ERDF, ESF, EAFRD and the EMFF. The ITI and the SUD assistance is from the ERDF.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

Yes. There is a special the CLLD program financed from the ERDF and the ESF.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Yes. Implementation of the CLLD through the EAFRD, EMFF and special ERDF and ESF programs. Implementation of the ITI and the SUD through ROP.

The coordination of the CLLD across the Funds (the EAFRD, EMFF, ERDF, and the ESF) has a mutual monitoring committee, with *Swedish Board of Agriculture* (MA EAFRD and EMFF) as a coordinator.



What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated approach, a very wide range of issues related to local / territorial development strategies is addressed.

Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas supported solely through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

Information not found, it is not described in more detail in Partnership Agreement.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Yes, the implementation of macroregional strategies (specifically the Strategy for the Baltic Sea Region) is implemented in combination with ESIF. Operational programs contain objectives and interventions to implement this strategy, or the strategy will also be implemented through projects supported by ESIF (including cross-border cooperation programs).

---



## 1.25.7. Monitoring and IT

How is monitoring methodically supported?

Monitoring is governed by the *Regulation (2014: 1383) on the management of EU Structural Funds*, that all OPs have their own *Monitoring Committee*. The chairman of the committee is appointed by the government, which also decides which other bodies will be represented in the committee. The decisions of the monitoring committees require unanimity. *Swedish Agency for Economic and Regional Growth* and the *Swedish ESF Council* work with relevant monitoring committees.

How are evaluations coordinated?

Monitoring and evaluation are decentralized at the level of individual OPs. The relevant monitoring committee is always responsible for the evaluation of the program, while at OP level there are a number of independent evaluators financed from the OP budget.

The MA may also order a thematic evaluation for a specific OP or group of OPs. Thematic evaluations include the creation of cooperation between different OPs and the process of mutual learning.

What IT instruments are used for the implementation and monitoring of ESIF?

Every fund has its own IT system.

- ▶ *NYPS*: ERDF, system for registration of applicants and beneficiaries and management by the MA, which also serves to register applicants for subsidies, payment management, monitoring, communication with MA or recording of financial records and reports.
- ▶ *IS EBS2020*: ESF, a system that also serves to prepare and evaluate payment requests, pre-financing, project changes, integration with financial system *Agresso* and public administration system *Public 360*.

In which areas is (solely) paper documentation used?

More than 95% of information exchange between the MA, other authorities or beneficiaries takes place in electronic form. E.g. specific requests and payment confirmations are only submitted in electronic form.

## 1.25.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

No, there is no specific ESIF law.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

*The Regulation (2014: 1383) on the management of EU Structural Funds* defines in particular the organization of funds, the procedure for submitting and processing assistance applications and the eligibility of expenditure. Furthermore, there is a *Regulation (2007: 459) on the Structural Funds Partnership, modified as (2014: 479)*. The MA is responsible for enforcing binding procedures, with enforcement being audited by AA.



Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

According to the representatives of the relevant authorities, the regulation of national grant titles is generally less detailed and specific in comparison to the ESIF, and in particular the range of measures to be taken in case of suspected fraud. ESIF legislation also defines more audit institutions.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

The discrepancies are governed by the *Regulation (2014: 1383) on the management of the EU Structural Funds*. Recovery of discrepancies is imposed to the MA.

The only discrepancy that, according to the representatives of the relevant authorities exists, is the exception allowing the remission of ineligible expenditure of less than EUR 200, which cannot be applied under national legislation.

### 1.25.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Yes, however, the maximum pre-financing amount is SEK 400,000.

Which currency is used in the case of pre-financing?

SEK

### 1.25.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

Preparations for the new programming period have not begun yet; the representatives of the MA have not been aware of any changes planned so far.



## 1.26. Slovenia (SI)

### 1.26.1. General information, allocation and targeting

Name of the member country	Country code
Slovenia	SI
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
3 (3/0)	1/2/12

Total allocation planned (according to programming period and fund)

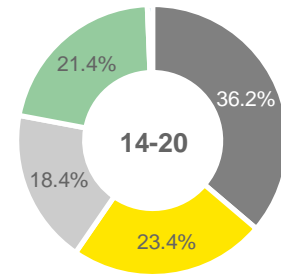
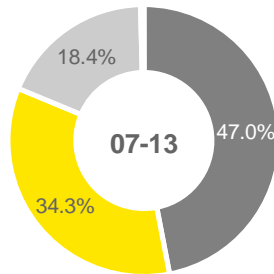
Total allocation  
(mil. EUR)

14-20: 3 912



07-13: 3 911

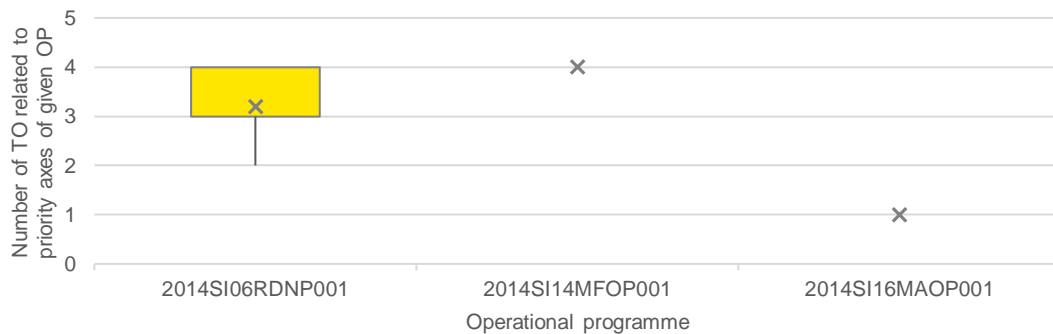
- ERDF
- CF
- ESF
- EAFRD
- EMFF



Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
67 %	67 %	100%	33 %	67 %	100%	33 %	100 %	67 %	67 %	33 %	0 %
(2/3)	(2/3)	(3/3)	(1/3)	(2/3)	(3/3)	(1/3)	(3/3)	(2/3)	(2/3)	(1/3)	(0/3)

Targeting of priority axes of individual operational programmes in relation to thematic objectives



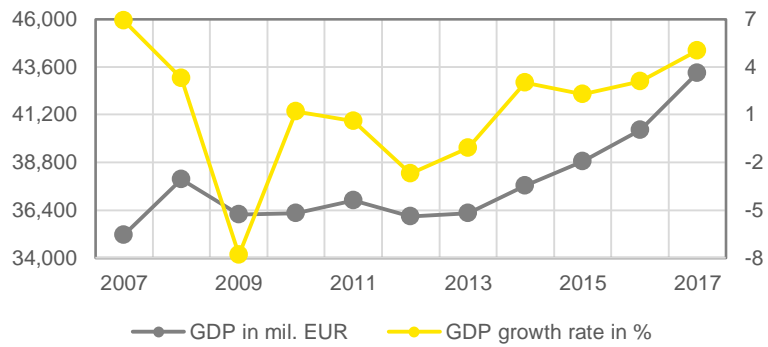


### Gross domestic product development (2007 – 2017)

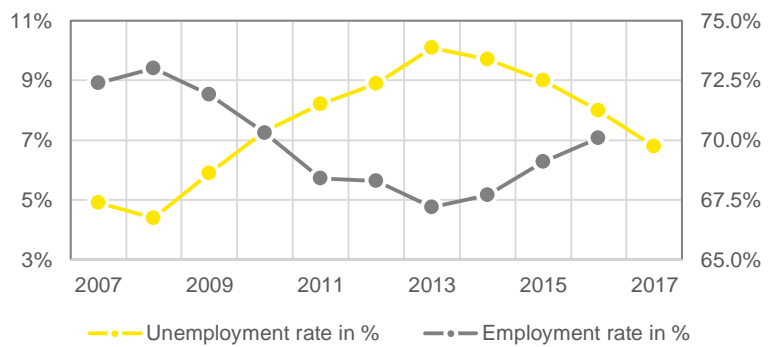
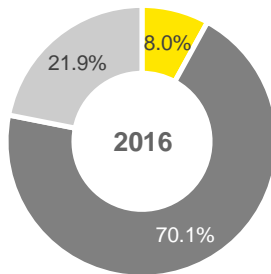
GDP per capita (EUR per capita)

2017: 21 000

2007: 17 400



### Labour market development (2016)





## 1.26.2. Main actors

### National Coordination Authority (NCA)

*Inter-ministerial Coordination Committee*

What are the main competences of the NCA?

Among the NCA's competences are mainly:

- ▶ coordinating and approving revisions of Partnership Agreement,
- ▶ monitoring progress in meeting the objectives of the Partnership Agreement,
- ▶ discussing and approving progress reports regarding Partnership Agreements,
- ▶ monitoring the implementation of EU funds in terms of their complementarity with each other to achieve the macroregional objective,
- ▶ providing advice to managing authorities in areas regarding content and organization/execution based on the results of the evaluations and analyses

Is the NCA established specifically for purposes of ESIF?

Yes, the NCA is established specifically for purposes of the ESIF.

What personnel capacity is allocated to the NCA?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### Managing Authorities (MA)

*Government Office for Development and European Cohesion Policy - for OP EU Cohesion Policy in 2014-2020 period governing the ESF and the ERDF (OP ECP)*

*Ministry of agriculture and environment - Directorate for Agriculture – for programs financed from the EMFF and the EAFRD*

What are the main competences of the MA?

MA's competences are mainly:

- ▶ developing a strategy for development in cooperation with *Institute for Macroeconomic Analysis and Developments*,
- ▶ coordinating development planning, monitoring the implementation of development policy and its programs,
- ▶ is responsible for coordination of planning documents,
- ▶ managing preparation and coordination of strategic documents with the European Union,
- ▶ coordinating, defining and monitoring operation of ministries, government agencies and other bodies and services involved in the implementation of EU Cohesion Policy and reports to the government,
- ▶ in case of identified shortcomings proposing adequate measures to governments,
- ▶ creating conditions for establishing, maintaining, and operation of the information system for monitoring and evaluation of implementation of Cohesion Policy

Are the MAs established specifically for purposes of ESIF?

Yes, the MAs is established specifically for the ESIF purposes.

What personnel capacity is allocated to the MA?

- ▶ Within technical assistance 11 (for OP ECP)
- ▶ Within technical assistance 8 (OP EAFRD)

### Intermediate bodies (IB)

Individual ministries – for OP ECP



Agency for Agricultural Markets and Rural Development - for OPs financed by the EAFRD

What are the main competences of IBs?

*Ministries in role of intermediate bodies of ECP:*

- ▶ collecting information for the implementation plan (further described below) and participates in its preparation with other Intermediate Bodies and with the Managing Authority;
- ▶ Pre-checks the administrative, technical, financial and material adequacy of the application for the direct confirmation of the operation;
- ▶ sending to the managing authority an application to confirm the appropriateness of the method of selecting the operation;
- ▶ carrying out public tenders or public calls;
- ▶ carrying out administrative checks under Article 125 of Regulation 1303/2013 / EU;
- ▶ carrying out on-the-spot checks under Article 125 of Regulation 1303/2013 / EU;
- ▶ performing controls on the performance of the tasks of the implementing bodies;
- ▶ monitoring the implementation of operations, derogations and forecasts and reports to the managing authority;
- ▶ providing an insight into the documentation in the field of European cohesion policy to the managing authority and the certifying authority;
- ▶ giving instructions to the Implementing Body, examine its documentation and reports, if it considers it necessary, and perform the mediation tasks between the Implementing Body and the Managing Authority;
- ▶ verifying that the beneficiaries keep separate accounts for each operation;
- ▶ keeping documentation in accordance with the provision of Article 140 of Regulation 1303/2013 / EU and the regulations governing the storage of documentary material;
- ▶ ensuring the correct and timely input of data into the information systems envisaged for the financial management, monitoring, monitoring and evaluation of operations;
- ▶ ensuring the publicity of the work and inform the domestic public about the implementation of the European cohesion policy

*Agency for Agricultural Markets and Rural Development:*

- ▶ implementing measures for direct payments,
- ▶ implements rural development measures and measures in agricultural markets,
- ▶ examines the administrative and factual adequacy of requests and claims,
- ▶ when assessing requests performing a series of controls to ensure that payments are in compliance with national and European legislation,
- ▶ arranging exact and opportune payment of approved funds to beneficiaries,
- ▶ handing reports to government and European institutions

Are IBs established specifically for purposes of ESIF?

No, the IBs are not established specifically for purposes of the ESIF.

What personnel capacity is allocated to the IBs?

*Agency for Agricultural Markets and Rural Development:* 2 people within technical assistance.

Implementing body

Within the OP ECP, the portions of the competences of intermediary bodies can be transferred to so-called implementing bodies, such as foundations and agencies established by ministries as intermediary bodies.

What are the main competences of the implementing body?

*Following competence can be transferred to implementing bodies:*

- ▶ carrying out public tenders or public calls;





- ▶ carrying out administrative checks under Article 125 of Regulation 1303/2013 / EU;
- ▶ monitoring the execution of operations, derogations and forecasts, and reports thereon to the intermediate body;
- ▶ providing an insight into the documentation in the field of European cohesion policy to the managing authority and the certifying authority;
- ▶ verifying that the beneficiaries keep separate accounts for each operation;
- ▶ keeping documentation in accordance with the provision of Article 140 of Regulation 1303/2013 / EU and the regulations governing the storage of documentary material;
- ▶ ensuring the correct and timely input of data into the information systems envisaged for the financial management, monitoring, monitoring and evaluation of operations;
- ▶ ensuring the publicity of the work and inform the domestic public about the implementation of the European cohesion policy.

Is implementing body established specifically for purposes of ESIF?

What personnel capacity is allocated to the implementing body?

No, the implementing bodies are not established specifically for purposes of the ESIF.

This information was not tracked

#### Certification Authority (CA)

*Ministry of Finance, Department for Management of EU Funds – for OP ECP*

*Ministry of Finance, Budget Supervision Office – for OPs financed from EAFRD*

*Agency for Agricultural Markets and Rural Development – for OPs financed from EMFF*

What are the main competences of the CA?

E.g. the *Budget Supervision Office* shall submit an opinion, drawn up in accordance with internationally accepted auditing standards, on the completeness, accuracy and authenticity of the paying agency's annual accounts, the proper functioning of the internal control system and the legality and correctness of expenses.

Are the CAs established specifically for purposes of ESIF?

What personnel capacity is allocated to the CA?

No, CAs are not established specifically for purposes of ESIF.

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

#### Paying Authority (PA)

*Ministry of Finance, Department for Management of EU Funds – for OP ECP*

*Agency for Agricultural Markets and Rural Development– for programs financed from EAFRD and EMFF.*

What are the main competences of the PA?

The competences of the paying authorities does not differ significantly from the competences set directly by the Regulation.

E.g. *Agency for Agricultural Markets and Rural Development:*

- ▶ is responsible for the management and control expenditure from EAFRD and the common agricultural policy,
- ▶ performing the tasks defined in article no. 7 in general regulation



Are the PAs established specifically for purposes of ESIF?

No, the PAs are not established specifically for purposes of the ESIF.

What personnel capacity is allocated to the PA?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

#### Audit Authority (AA)

*Ministry of Finance, Budget Supervision Office (BSO) – OP ECP*

*Ministry of Agriculture and Environment, Directorate for Agriculture – for programs financed from EAFRD*

What are the main competences of the AA?

Among the AA's competences are mainly:

- ▶ coordinating the operation of the internal audit services of the associated budget expenditure centres regarding control of EU funds,
- ▶ independent expenditure control,
- ▶ regularly informing the European Commission of irregularities related to the use of EU funds,
- ▶ the OLAF contact point and coordination of activities related to protection of financial interests of EU,
- ▶ regularly informing the MA of the measures taken

Are the AAs established specifically for purposes of ESIF?

No, the AAs are not established specifically for purposes of the ESIF.

What personnel capacity is allocated to the AA?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

#### Other control bodies outside the ESIF implementation structure (CB)

National Court of Auditors, Budgetary Inspection of the Ministry of Finance

What are the main competences of CB?

Given the *raison d'être* of the aforementioned institutions, i.e. public finances oversight, both have the competence to control/audit the beneficiaries as well as the bodies of the implementation structure.

Is the CB established specifically for purposes of ESIF?

No. They primarily fulfil their budgetary duties.

Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

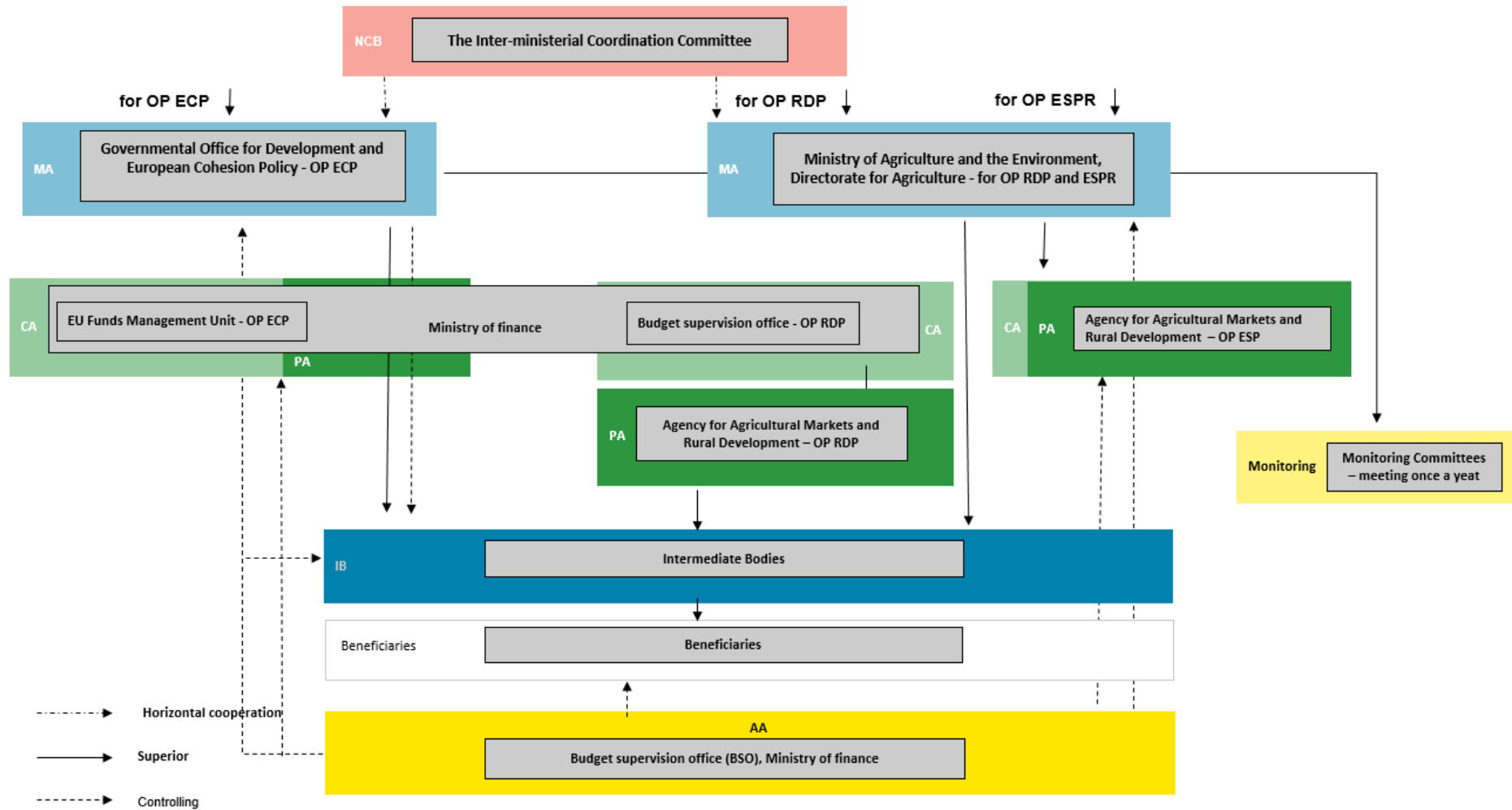
Yes, there has been a change in the coordination of the creation of the Partnership Agreement. In the previous programming period, it was within the competence of the *Ministry of Economic Development and Technology (Department for Planning, Monitoring and Evaluation of Development)* and from 2014 the *Government Office for Development and European Cohesion Policy*.

What was the reason for the changes in the implementation structure mentioned above?

For administrative simplification.



### Scheme of implementation structure





### 1.26.3. Programs financed from EAFRD and EMFF

Name(s) of the OP(s) financed from EAFRD

*Rural Development Programme 2014-2020*

Is the same methodical environment binding for the OP(s)?

No, it has its own methodical environment.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, they use other MAs, CAs and PAs (see above)

Do(es) the OP(s) use the same IT environment?

No

Do(es) the OP(s) use resources from the OP TA in the member state?

No, OP TA does not exist in Slovenia.

Name(s) of the OP(s) financed from EMFF

*Maritime and Fisheries*

Is the same methodical environment binding for the OP(s)?

No, it has its own methodical environment.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, they use other MAs, CAs and PAs (see above)

Do(es) the OP(s) use the same IT environment?

No, the Slovenian information system InfoRib for collecting and managing data regarding fisheries is being used.

Do(es) the OP(s) use resources from the OP TA in the member state?

No, OP TA does not exist in Slovenia.



## 1.26.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

Cooperation between individual institutions is covered by the respective Agreements of Cooperation between the AO, CO, and MA. This agreement binds its signatories to the sharing of audit/control plans, findings, and conclusions. Intermediate Bodies are not party to these agreements. Information and obligations originating from these agreements and concerning the IBs are thus conveyed to the IBs by means of Agreements of Delegation of Competencies concluded with the MA.

The MA has its own Controlling Unit which controls the Intermediary Bodies as well as the beneficiaries. It also issues guidelines for the controlling processes or the fraud and corruption prevention guidelines.

Is there any database of the audit reports publicly available?

The database of findings across control bodies was not found.

### Audit/control authority no. 1

*Budget Supervision Office*

What controls/audits does the authority perform?

- ▶ Audit of designation.
- ▶ Audit of operations.
- ▶ Audit of managing and control systems.

Which authorities can the authority control?

- ▶ ESIF managing and control bodies (especially IBs).
- ▶ Budget expenditure centres.

Are conclusions made by the authority binding for controlled / audited entities?

Intermediary Bodies (ministries) are responsible for the enforcement of the audit/control conclusions. All institutions with controlling/auditing functions (i.e. AA, MA, National Court of Auditors) pass their findings on the line ministries. The ministries, however, are not obliged to be guided by these. In spite of the lack of a regulation, in practice the line ministries (IBs) almost always take over the control/audit conclusions and apply them to their methods of operation towards the beneficiaries. The IBs are also obliged to inform the beneficiaries of the outcomes of controls and audits. Thereby, the IBs usually do not conduct any more controlling/audit activities.

Who does the authority share its conclusions with?

- ▶ Audited entities.
- ▶ Intermediate entities.
- ▶ Managing and certification authorities.
- ▶ Summary reports with EC.
- ▶ Brief description of the findings is published in the Annual Audit Report online.

Does the authority share auditing plans with other institutions?

- ▶ MAs submit short general plans of system audits at the beginning of the year.
- ▶ Sends information to the AA authorities about the selected sample of operations for audit.



### 1.26.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, Slovenia has used financial instruments already in the previous period 2007-2013, now has significantly increased the allocation.

If yes, to which extent?

15 % [% of total allocation]

In which areas are FI mainly used?

01 (Research & Innovation), 03 (SMEs), 04 (Low Carbon)

The use of financial instruments is intended solely for the assistance of SMEs, research and innovation and the low carbon economy.

Are agriculture and social business assisted by FI?

Support for agriculture and social entrepreneurship through FI is planned.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

The national development bank – *SID Bank* – was appointed as the administrator of the Fund of funds. It usually works with commercial banks as intermediaries. One of the intermediaries is also the Slovene Enterprise Fund, as the number of commercial banks willing to implement FI was insufficient.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

A steering committee for financial instruments led by the Ministry of economy as an intermediate body was appointed. The national development bank - *SID Bank* - is the administrator of the Fund of Funds.

### 1.26.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Slovenia uses the CLLD, ITI and the SUD, at approximately 5 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes, the CLLD assistance is from the ERDF, EAFRD and the EMFF. The ITI and the SUD assistance is mainly from the EMFF, partially from the ESF.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No, however, there is one national OP for the implementation of the ERDF and the ESF and programs financed from the EAFRD and the EMFF.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Yes. Implementation of the CLLD through the EAFRD, EMFF and national OP ECP. Implementation of the ITI and the SUD within the national OP ECP.



The ITI will be implemented at city level.

The co-ordination role of the CLLD has a so-called coordination committee composed of representatives of the MAs (*Government Office for Development and European Cohesion Policy* and the *Ministry of Agriculture*). Coordination of the ITI and the SUD is provided by the MA - *Government Office for Development and European Cohesion Policy*.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated approach, a very wide range of issues related to local / territorial development strategies are addressed.

Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas supported solely through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

*Local Action Groups* (LAGs) will be responsible for selecting projects (operations) to fund on the basis of public calls, in line with the local development strategy. The LAG must set up its own implementation, monitoring and evaluation system.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Yes, the implementation of macroregional strategies (specifically the *Strategy for the Danube Region* and the *Strategy for the Adriatic-Ionian Region*) is implemented in combination with the ESIF. Operational programs contain objectives and interventions fulfilling these strategies, respectively the strategy will be implemented also through projects supported by ESIF (including cross-border cooperation programs).

---



## 1.26.7. Monitoring and IT

### How is monitoring methodically supported?

According to article 47 of the general regulation, a *Monitoring Committee* for monitoring the OP will be established. The *Monitoring Committee* will be composed of representatives of the MA, CA, AA and PA, as well as representatives of the respective partners in accordance with article 5 of the general regulation.

However, information regarding the national methodological adaptation is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### How are evaluations coordinated?

The evaluation groups that are part of the *Monitoring Committee* play a major role providing advice and assistance in designing evaluation studies, ensuring the quality of the results and their widespread dissemination. The group monitors the implementation of the evaluation plan for the 2014-2020 programming period.

### What IT instruments are used for the implementation and monitoring of ESIF?

The implementation of cohesion policy is now supported by the following implementing bodies, which have been developed separately to meet the specific needs of each area.

- ▶ *APPrA* – basic system for preparation and analysis of the state budget.
- ▶ *MFERAC* – supporting the state budget through single accounting system. Cohesion Policy is monitored by *Development Programs* module, which monitors all projects financed or co-financed from the state budget.

### Older programs

- ▶ *ISARR* – serves for the needs related to the implementation of the Cohesion Policy by MA and ensures full information support from the planning, implementation and drawing of operational programs after reporting phase.
- ▶ *IS-PA* – used for certification of expenditures and creation of payment entitlements, which is addressed to the European Commission (draws data from *ISARR* and *MFERAC*) by PA. The system has built-in automatic controls in accordance with the rules and requirements of the European Commission that allow for error checking before payment is made

A new monitoring and managing IT system called *e-MA* has been gradually replacing a former IT system *ISARR*. *E-MA* is a tool which should ensure the full informational support with respect to planning, implementation, and drawing of operational programmes up to the reporting phase. The Managing Authority is entirely responsible for development of the monitoring IT system and signs all corresponding contracts with external providers of IT solutions.

Apart from the monitoring IT system, there is also an IT system employed by the Certifying Authority – *e-CA* (formerly *IS-PA*) within which the certification of expenditures and creation of payment entitlements addressed to the *European Commission* are conducted. *E-CA* draws data from *e-MA* and *MFERAC* (described below) and has built-in automatic checks in accordance with the rules and requirements of the *European Commission* that allow for error checking before payment is made.

### In which areas is (solely) paper documentation used?

Efforts have been made to introduce e-management into public administration and e-cohesion, which has already been set but has not yet been widely used.





## 1.26.8. Legislation

Does any law regarding ESIF implementation exist in the member state?

There is no specific law on ESIF implementation.

What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

The use of ESIF is governed by the following decrees:

- ▶ *Regulation on the use of European Cohesion Policy funds in the Republic of Slovenia for the 2014-2020 programming period for the purpose of investment for growth and jobs*, to identify the actors in European Cohesion Policy and their tasks, proposition of European Cohesion Policy, the method of selecting operations and their validation and implementation of defined operations.
- ▶ *Decree on the Implementation of Procedures for the Use of European Territorial Cooperation Funds in the Republic of Slovenia in 2014-2020 programming period*, which defines participants and their tasks within European Territorial Cooperation programs, liabilities of national authority, procedures in case of irregularities etc.
- ▶ *Regulation on community-led local development in the programming period 2014-2020*, which determines the conditions for establishment and procedures for the selection and approval of local action groups, components of local development strategies, task of local action groups and beneficiaries.

Managing or controlling bodies of the cooperation programs are obliged to issue programming instructions and publish them on the websites of each cooperation program.

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

The existence of a regulation regarding solely ESIF indicates that the adaptation of binding procedures is different from national, but communication with representatives of the relevant authorities has not been successful despite repeated attempts.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

The resolution of irregularities is described in article 34 of the *Regulation on the use of European Cohesion Policy funds in the Republic of Slovenia for the 2014-2020 programming period for the purpose of investment for growth and jobs*, the *Act on the implementation of the budget of the Republic of Slovenia* and the *Guidelines for reporting and monitoring irregularities with the European cohesion policy Objectives Investment for growth and jobs for the 2014-2020 programming period*.

If the managing authority finds that the Cohesion Policy funds have been spent incorrectly, within 15 days of unauthorized use of the funds identified, the MA requests an intermediate body to request payment from the beneficiary and at the same time informs the certifying authority and the audit authority. The IB is responsible for recovering unauthorized fund from the beneficiaries.

If unauthorized use of funds have been caused by malfunction of the managing authority's system, intermediate body or other body, the funds will be recovered in the manner specified in Article 41 of the *Act on the implementation of the budget of the Republic of Slovenia*.

Based on publicly available documents, the specific differences between national and ESIF legislation were not identified, however, communication with the relevant authorities was not successful despite repeated attempts.



### 1.26.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Which currency is used in the case of pre-financing?

Yes, the *Act on the implementation of the budget of the Republic of Slovenia* shows that the pre-financing funds are covered by the state budget. EUR.

### 1.26.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

The information was not found in publicly available documents, and communication with the relevant authorities was not successful despite repeated attempts.



## 1.27. Slovakia (SK)

### 1.27.1. General information, allocation and targeting

Name of the member country	Country code
Slovakia	SK
Number of operational programmes (OP/ROP)	Number of territorial units (NUTS1/NUTS2/NUTS3)
9 (9/0)	1/4/8

Total allocation planned (according to programming period and fund)

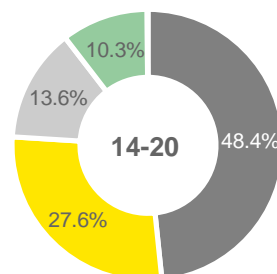
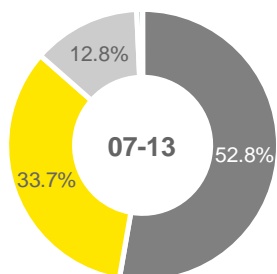
Total allocation (mil. EUR)

14-20: 15 079



07-13: 10 985

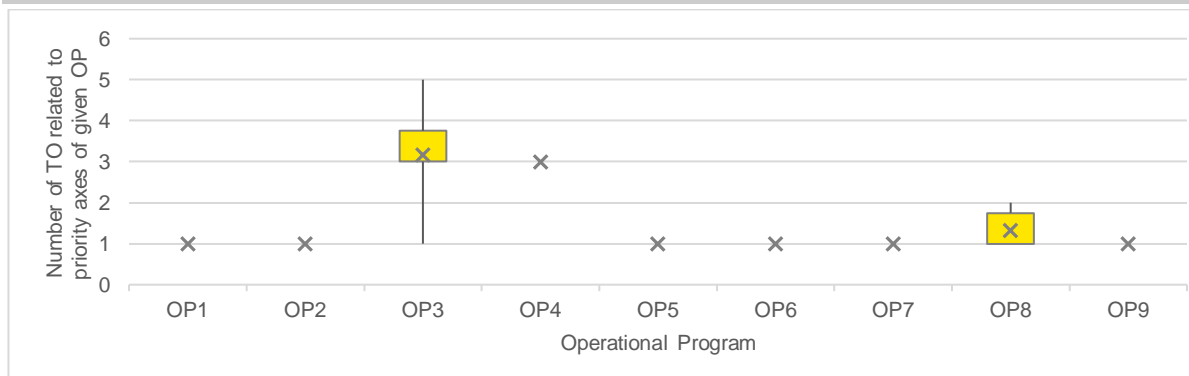
- ERDF
- CF
- ESF
- EARDF
- EMFF



Share of national operational programmes that relate to individual thematic objectives

TO1	TO2	TO3	TO4	TO5	TO6	TO7	TO8	TO9	TO10	TO11	TO12
22 %	22 %	33 %	33 %	22 %	44 %	22 %	33 %	33 %	33 %	11 %	0 %
(2/9)	(2/9)	(3/9)	(3/9)	(2/9)	(4/9)	(2/9)	(3/9)	(3/9)	(3/9)	(1/9)	(0/9)

Targeting of priority axes of individual operational programmes in relation to thematic objectives





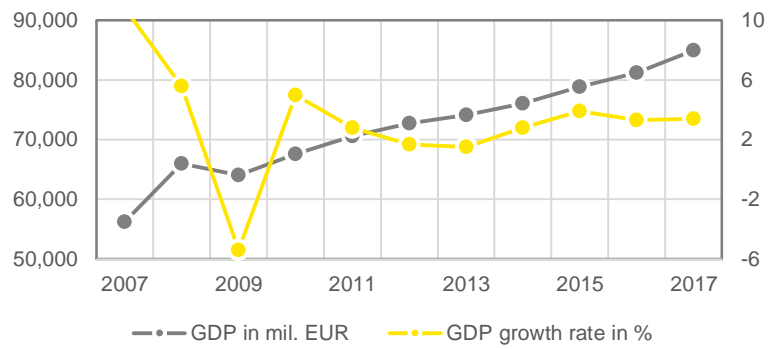
### Gross domestic product development (2007 – 2017)

*GDP per capita (EUR per capita)*

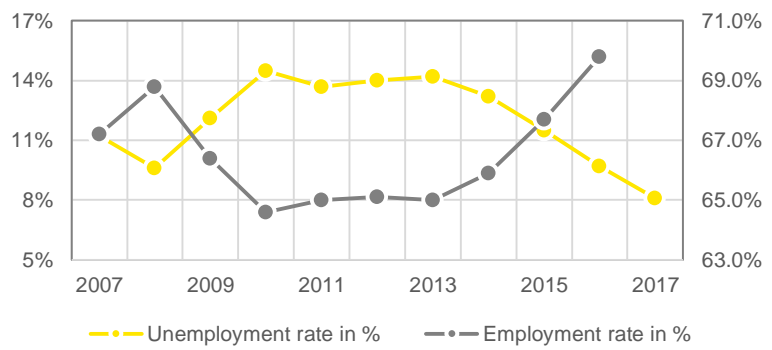
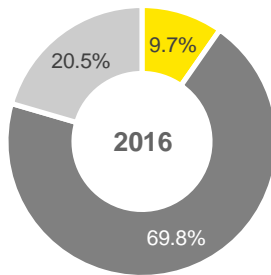
2017: 15 600



2007: 10 400



### Labour market development (2016)





## 1.27.2. Main actors

### National Coordination Authority (NCA)

*Office of the Deputy Prime Minister of the Slovak Republic for Investment and Information*

#### What are the main competences of the NCA?

The NCA in particular ensures:

- ▶ developing of the partnership agreement,
- ▶ coordination and guiding the ESIF managing system, in addition to the EAFRD managing system,
- ▶ creating and operating *IS ITMS2014 +*,
- ▶ monitoring and evaluating results of the ESIF implementation, it is responsible for the integrated network of information and counselling centres,
- ▶ updating the ESIF managing system and documents issued under it

Is the NCA established specifically for purposes of ESIF?

No, the NCA is not established specifically for the ESIF purposes.

What personnel capacity is allocated to the NCA?

As of 31 December 2016, 76 jobs were created and 75 of them were occupied.

### Managing Authorities (MA)

Managing authorities for each operational program is relevant ministry.

- ▶ *Ministry of Education, Science, Research and Sport of the Slovak Republic (OP Research and Innovations - RaI).*
- ▶ *Ministry of Transport and Construction of the Slovak Republic (OP Integrated Infrastructure - II).*
- ▶ *Ministry of Labour, Social Affairs and Family of the Slovak Republic (OP Human Resources - HR).*
- ▶ *Ministry of Environment of the Slovak Republic (OP Quality Environment - QE).*
- ▶ *Ministry of Agriculture and Rural Development of the Slovak Republic (Integrated Regional OP - IROP, OP Fishery).*
- ▶ *Ministry of Interior of the Slovak Republic (OP Effective Public Administration - EPA).*
- ▶ *Government Office of the Slovak Republic (OP Technical Assistance - TA).*

#### What are the main competences of the MA?

Among the MA's competences are mainly:

- ▶ developing of the organizational directive of the MA and management documentation including control of the OP,
- ▶ drawing up the financial plan under the CA Regulation and its revision,
- ▶ managing data in the *ITMS2014 +* including keeping record of irregularities,
- ▶ submitting OP implementation reports,
- ▶ monitoring the implementation status of priority axes,
- ▶ monitoring compliance with the obligations of grant recipients,
- ▶ keeping records of the status of ongoing controls and audits,
- ▶ presenting measures to remedy shortcomings identified by other control bodies,
- ▶ reporting of external audit results,
- ▶ prevention, detection and resolution of irregularities,
- ▶ adopting effective measures to eliminate systemic shortcomings,
- ▶ in case of financial irregularities recovering funds from the beneficiaries,
- ▶ controlling payment requests under Article 125 of the General Regulation and within the meaning of the *Financial Control and Audit Act* and submitting them to the CA's assessment,
- ▶ carrying out a draft report from a control of a payment request; fulfilling the role of the National Auditor



Are the MAs established specifically for purposes of ESIF?

No, the MAs are not established specifically for the purposes of the ESIF. However, selected departments of the institutions which are delegated to the exercise of the competences of the MA are specifically established for ESIF purposes.

What personnel capacity is allocated to the MA?

As of 31 December 2016, in the order of the number of places created / number of occupied positions:

- ▶ 150/139 within OP Ral.
- ▶ 148/144 within OP II.
- ▶ 132/119 within OP HR.
- ▶ 138/100 within OP QE - positions within the MA and the PA.
- ▶ 134/104 within IROP.
- ▶ 65/59 within RDP.
- ▶ 11/10 within OP Fishery.
- ▶ 54/46 within OP EPA.
- ▶ 23/17 within OP TA.

### Intermediate bodies (IB1)

Intermediate bodies are the line ministries, the central agencies for OP QE and the regional IROP establishments.

- ▶ *Slovak Innovation and Energy Agency* for OP QE.
- ▶ *Slovak Environment Agency* for OP QE.
- ▶ *Ministry of Interior* for OP QE.
- ▶ *Ministry of Labour, Social Affairs and Family of the Slovak Republic* for OP HR.
- ▶ *Ministry of Economy* for OP Ral and for OP QE.
- ▶ Regional establishments for IROP.
- ▶ *Ministry of Culture* for IROP.
- ▶ *Ministry of Health* for IROP.
- ▶ *Ministry of Education, Science, Research and Sport of the Slovak Republic* for OP HR and OP Ral.

What are the main competences of IB1s?

All or only selected competences of the Managing Authorities (see above) may be delegated to the IB1s. Some IB1s have been delegated competences only to part of the operational program (e.g. for one priority axis or even just some specific objectives).

Are IB1s established specifically for purposes of ESIF?

No, the IB1s are not established specifically for the purposes of the ESIF. However, selected departments of the institutions, which are delegated to the exercise of competences are specifically established for ESIF purposes.

What personnel capacity is allocated to the IB1s?

As of 31 December 2016, individual IB1s have a different number of employees, which is within the range from 4 to 160.

### Certification Authority (CA)

*Ministry of Finance of the Slovak Republic, European Funds Section*

What are the main competences of the CA?

Among the CA's competences are mainly::

- ▶ developing, updating and coordinating financial management system of the ESIF and methodical regulation of the payment units of the managing authorities,
- ▶ developing of the CA's procedure manual and its introduction as organizational guidelines of the Ministry,



- ▶ issuing methodological guidelines and manuals, organizing training on financial management,
- ▶ defining requirements and testing *ITMS2014 +* in the area of financial management, refund and recovery of irregularities,
- ▶ methodical management and coordination of accounting of the CA,
- ▶ assessment of the decision on grant subsidies provided by the MA;
- ▶ establishing and managing special accounts for ESIF funds;
- ▶ creating a certification and a statement of contribution for the EC as a payment request attachment;
- ▶ monthly reporting of irregularities and returns in *ITMS2014 +*;
- ▶ cooperating with OLAF

Is the CA established specifically for purposes of ESIF?

No, the CA is not established specifically for the purposes of the ESIF. However, the selected section, which is delegated to the exercise of CA's competences, is specifically established for ESIF purposes.

What personnel capacity is allocated to the CA?

As of 31. 12. 2016, 81 positions were created and 80 of them is occupied.

#### Paying Authority (PA)

The role of the Paying Authority is performed by two types of entities, namely the CA - *Ministry of Finance* and *Paying Units* of the individual MAs.

What are the main competences of the PA?

In case of the *Ministry of Finance* in particular:

- ▶ setting up special accounts for EU funds (for each fund),
- ▶ establishing a special account for receipt of funds from beneficiaries within financial settlement and the settlement of irregularities,
- ▶ receipt of EU funds to a special account; transfer of EU funds from a special account to accounts of the relevant paying unit;

In case of the *Paying Units* in particular:

- ▶ transferring funds to beneficiaries

Is the PA established specifically for purposes of ESIF?

No, the *Ministry of Finance* itself is not established specifically for ESIF purposes. However, selected section, which is delegated to the PCA competences is specifically established for ESIF purposes.

*Paying Units* of the MA are established for the ESIF purposes.

What personnel capacity is allocated to the PA?

- ▶ CA - As of 31. 12. 2016, 81 positions were created and 80 of them is occupied.
- ▶ Number of employees of *Paying Units* of individual MAs is within a range of 5 to 30 people.

#### Audit Authority (AA)

*Ministry of Finance of the Slovak Republic – Audit and Control Section.*

What are the main competences of the AA?

The AA carries out an audit, the subsequent financial control of all programs, instruments and projects from the ESIF and other financial instruments from abroad.



Is the AA established specifically for purposes of ESIF?

No, the AA is not established specifically for the ESIF purposes.

What personnel capacity is allocated to the AA?

As of 31. 12. 2016, 63 positions were created of which 56 were occupied.

Other control bodies outside the ESIF implementation structure (CB)

*Procurement Office*

What are the main competences of CB?

Procurement Office in particular:

- ▶ fulfilling the role of the professional guarantor, the managing and controlling body in the field of public procurement,
- ▶ overseeing compliance with the principles of transparency, equal treatment and non-discrimination of applicants and candidates as well as the principles of economy and efficiency in the spending of funds; performing ex-ante public procurement control

Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

Yes, a significant change was the introduction of the *ITMS2014 +* system. This has resulted in a significant centralization of the ESIF structure, improving the transparency of the whole system.

The managing and financial management system of the ESIF was developed in accordance with EU legislation for the 2014-2020 programming period. These methodologies are based on the same documents for the period 2007 - 2013.

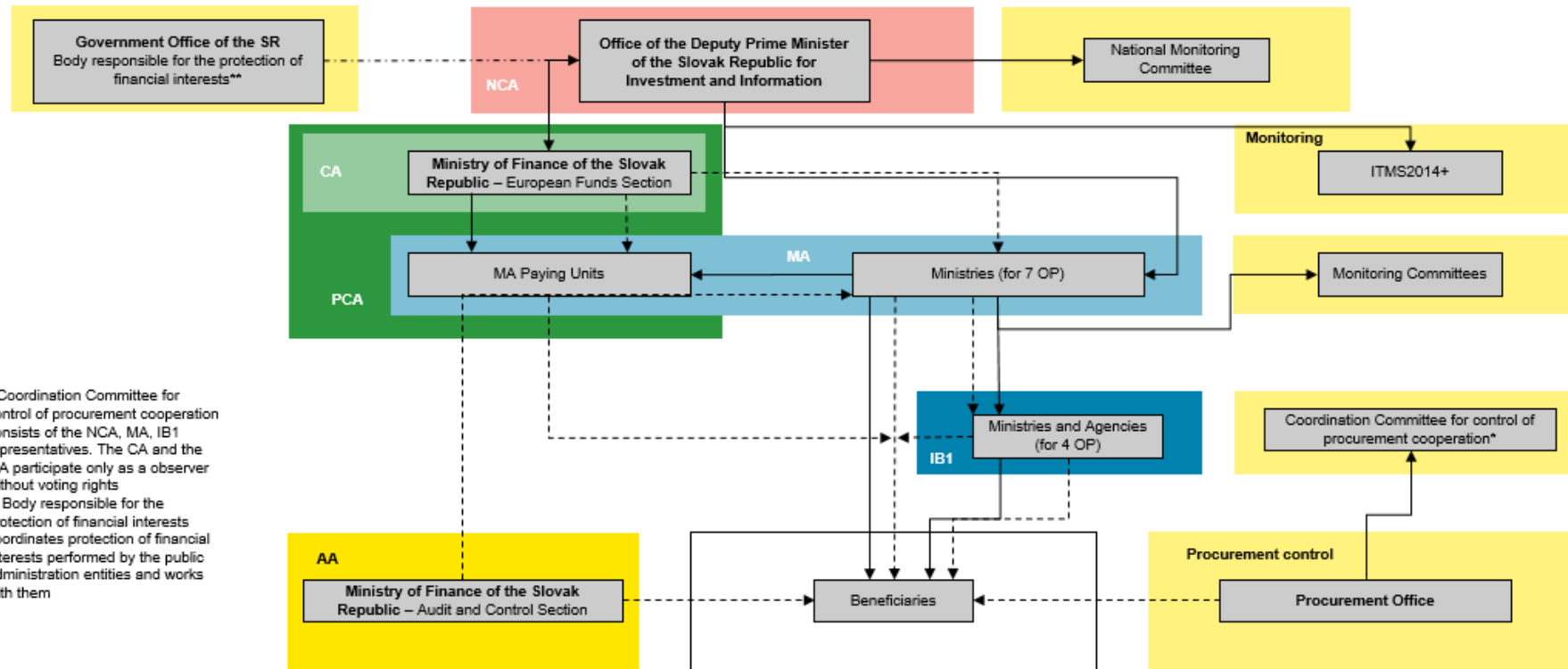
What was the reason for the changes in the implementation structure mentioned above?

Changes have been made in relation to the requirements for the introduction of the single monitoring system and in relation to the legislation for the 2014-2020 programming period.





### Scheme of implementation structure



\* Coordination Committee for control of procurement cooperation consists of the NCA, MA, IB1 representatives. The CA and the MA participate only as a observer without voting rights  
 \*\* Body responsible for the protection of financial interests coordinates protection of financial interests performed by the public administration entities and works with them

- > Horizontal cooperation
- > Superior
- .....> Controlling



### 1.27.3. Programs financed from EAFRD and EMFF

#### Name(s) of the OP(s) financed from EAFRD

*Rural Development Program 2014 – 2020*

Is the same methodical environment binding for the OP(s)?

No, it is not.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

No, an external audit firm should be appointed as the CA. In terms of functioning, the CA is independent of the *Agricultural Paying Agency*.

Do(es) the OP(s) use the same IT environment?

No, according to the programming document, a proprietary information system should be created for the administration of grant applications. However, requests and relevant documents are delivered in paper form or in a data box.

Do(es) the OP(s) use resources from the OP TA in the member state?

No, the program has its own technical assistance, from which the ministry and implementation agency draws funds.

#### Name(s) of the OP(s) financed from EMFF

*Maritime and Fisheries Program*

Is the same methodical environment binding for the OP(s)?

Yes.

Do(es) the OP(s) have the same institutional setup (same AA, PCA)?

Yes.

Do(es) the OP(s) use the same IT environment?

Yes.

Do(es) the OP(s) use resources from the OP TA in the member state?

No, OP Maritime and Fisheries has its own technical assistance according to regulation on the EMFF fund.



## 1.27.4. Audit and control

Do the audit/control authorities share their auditing plans with each other / other institutions?

Audit plans are centrally shared through an IT system with all stakeholders involved. However, the plan is general, does not contain information about controls of specific projects, but only about the number of controls per department.

Is there any database of the audit reports publicly available?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### Audit/control authority no. 1

*Ministry of Finance of the Slovak Republic – Audit and Control Section*

What controls/audits does the authority perform?

- ▶ Audit of designation.
- ▶ Audit of operations.
- ▶ Audit of managing and control system.

Which authorities can the authority control?

- ▶ Beneficiaries.
- ▶ Managing and control bodies.

Are conclusions made by the authority binding for controlled / audited entities?

Yes.

Who does the authority share its conclusions with?

- ▶ Audited entity.
- ▶ MA, CA, Paying Unit.

Does the authority share auditing plans with other institutions?

- ▶ Government Audit Office
- ▶ Ministry of Finance.
- ▶ Cooperating entities

### Audit/control authority no. 2

*Procurement Office*

What controls/audits does the authority perform?

- ▶ Control of above-threshold public contracts

Which authorities can the authority control?

- ▶ Beneficiaries in the context of selection procedure

Are conclusions made by the authority binding for controlled / audited entities?

Yes, the managing authority accepts findings of the Procurement Office.

Who does the authority share its conclusions with?

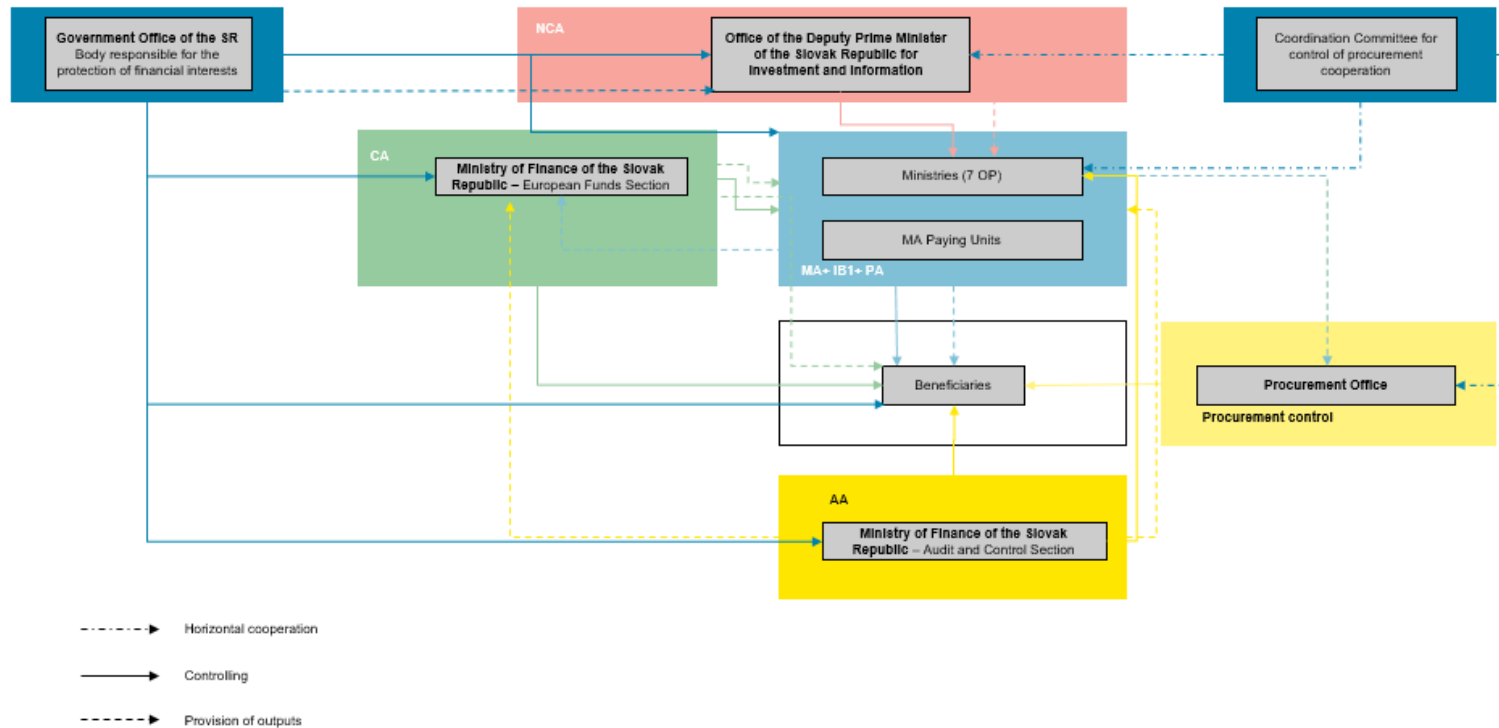
- ▶ Managing Authority

Does the authority share auditing plans with other institutions?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.



## Scheme of audit and control



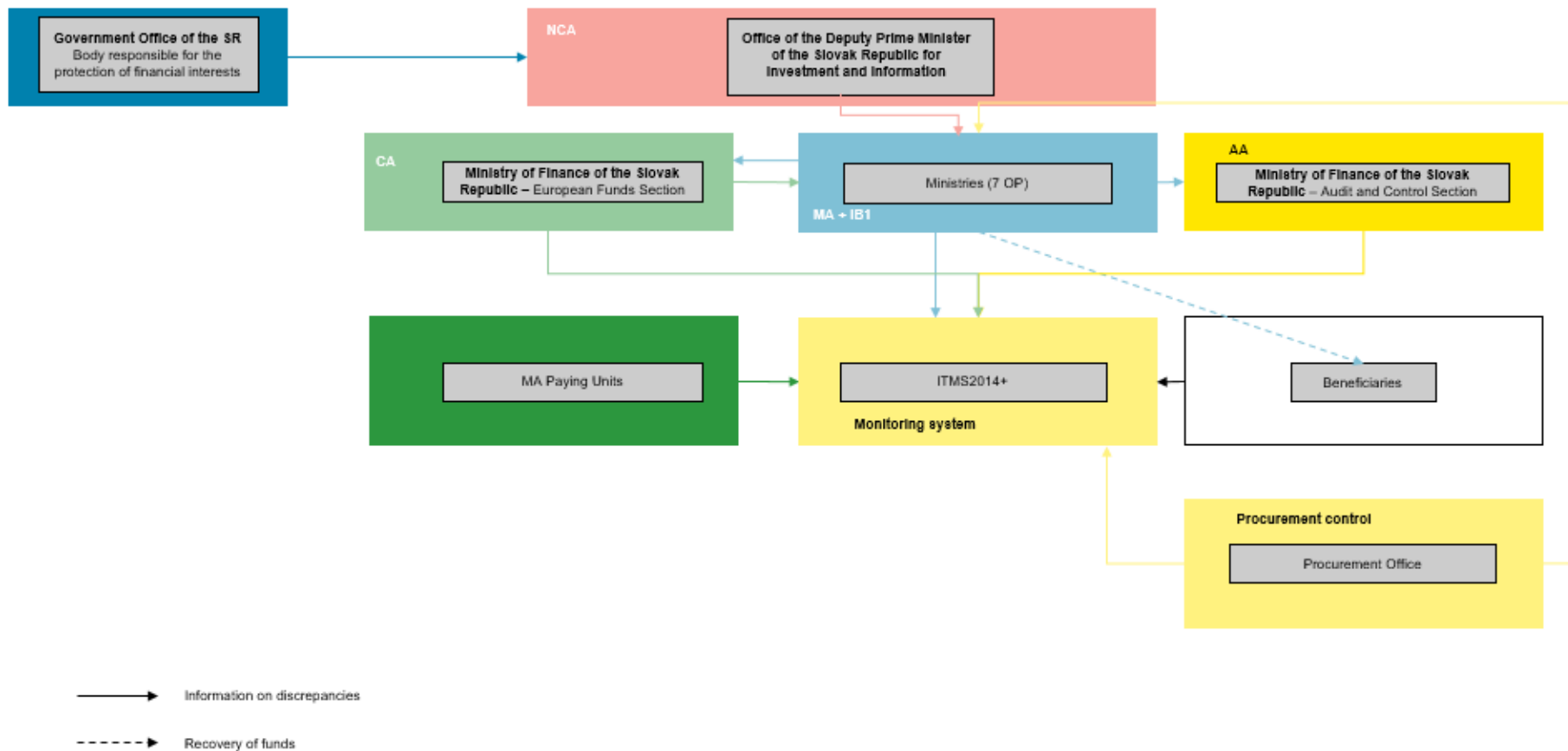
The colour of the bindings indicates who performs the control and to whom it sends a control message. Within the implementation structure, the following control relationships exist.

- ▶ The NCA controls and approves calls to individual MAs. Reports of these controls are given directly to the MA.
- ▶ The MA coordinates beneficiaries. The report on these controls is given to the CA, PA, beneficiaries and to the Procurement Office
- ▶ The CA controls certification requests, by this controls the MA, PA and beneficiaries. These audited entities also receive a control report.
- ▶ The PA approves payment requests. Beneficiaries are controlled and the control report is passed to the MA and the CA.
- ▶ The Procurement Office controls above-threshold public contracts of beneficiaries before signing a contract with the contractor. Other entities are controlled after the conclusion of a contract with the supplier. Control reports are forwarded to the MA.



- ▶ The AA controls beneficiaries and the MA. The MA, CA and the PA will receive control report.
- ▶ The authority responsible for the protection of financial interests is primarily responsible for coordinating the management of public administration activities and is entitled to request from the regional bodies, PA, CA, NCA, AA and the beneficiary, in fulfilling its tasks.
- ▶ The Co-ordination Committee for co-operation in public procurement control is the coordinating body between the Procurement Office, NCA and the MA. The CA and the AA are only participants without voting rights.

The diagram below shows entities of the implementation structure that can detect discrepancies within their control and monitoring activities. The arrows show information paths of the detected discrepancies. The dashed lines show the recovery of the financial claim:





### 1.27.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, Slovakia used financial instruments already in the previous 2007-2013 period, now allocation has been increased.

If yes, to which extent?

Yes, 3 % of total allocation.

In which areas are FI mainly used?

03 (SMEs), 04 (Low Carbon), 06 (Environment & Energy Efficiency), 07 (Network Infrastructures), 08 (Sustainable & Quality Employment), 11 (Public Administration)

The use of financial instruments is mainly planned in the field of support for SMEs, low carbon, environment & energy efficiency, infrastructure, employment and, and partly public administration.

Are agriculture and social business assisted by FI?

Yes, social business are supported through the FI. An establishment of the *Social Economy Sub-Fund* is planned to support SMEs in this area. Information on agricultural support through the FI was not found.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

Implementation of financial instruments is managed by the *Ministry of Finance of the Slovak Republic* through the *Slovak Guarantee and Development Bank*, PLC, through their subsidiaries *Slovak Investment Holding*, PLC and the *Slovak guarantee and development bank Asset Management*, PLC.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

Coordination Authority is the *Slovak Guarantee and Development Bank*, PLC

### 1.27.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

Slovakia uses the CLLD, ITI and the SUD, to extent of approximately 10 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes. A use of the CLLD within the EAFRD and the ERDF is planned (IROP). A use of the ITI and the SUD within the ERDF (IROP), supported by soft measures within the OP HR (ESF).

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Implementation of the CLLD through the EAFRD and IROP (ERDF). Implementation of the ITI and the SUD from IROP (ERDF), support of ITI activities also by OP HR (ESF).

Implementation of ITI will take place at the NUTS3 region level.



The coordinating role of the CLLD is performed by the *Ministry of Agriculture and Rural Development* as the MA of programs financed from the EAFRD. The same ministry is also the IROP MA (applies to the CLLD, ITI and the SUD).

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated approach, a very wide range of topics is linked to local / territorial development strategies.

Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there are areas supported exclusively through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

The main role in the implementation of the CLLD has the *Ministry for Agriculture and Rural Development* as the MA of programs financed from the EAFRD and the IROP. It announces calls for the selection of the LAG. The role of LAGs includes, among others, the implementation of tenders / calls, the reception and assessment of applications for support and monitoring of the implementation of local development strategies.

The ITI will be implemented through *Regional Integrated Territorial Strategies* (RITS), the partnership for the creation and implementation of the RITS, composed of representatives of regional and local authorities, state administration, local initiatives and social and economic partners, will implement RITS. The partnership body will be the *RITS Partnership Council*, whose main role is in defining RITS objectives. The higher territorial units at NUTS3 level are responsible for the preparation and implementation of RITSs, its essential decisions are subject to approval by the *RITS Partnership Council*. The MA role carries out a monitoring and evaluation of the implementation of the IROP at the national level.

Each RITS will also have a separate section devoted to the SUD. Representatives of the cities / territories concerned will have their representatives in the *RITS Partnership Council*.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

Yes, the implementation of macro-regional strategies, precisely speaking the *Strategy for the Danube Region* is implemented in combination with the ESIF. Operational programs contain objectives and interventions fulfilling this strategy, precisely speaking the strategy will also be implemented through projects supported by the ESIF (including cross-border cooperation programs).

The overlap with the *Strategy for the Danube Region* and the ESIF objectives is described in the Partnership Agreement.



## 1.27.7. Monitoring and IT

### How is monitoring methodically supported?

The monitoring is mentioned in the *ESIF Management System* programming document and in the *ESIF Financial Management Document*. The NCA is responsible for monitoring the OP, which is carried out via *ITMS2014 +*. Monitoring is carried out through the *Monitoring Committees* established within the MA, which report once a year on the state of implementation of individual OPs. There is also a *National Monitoring Committee*, which monitors the status of individual OPs and can decide, for example, about the reallocation of funds.

### How are evaluations coordinated?

The data source for the evaluation is *ITMS2014 +*. The evaluation focuses on the fulfilment of the objectives of the ESIF and is carried out in accordance with the intervention logic of the OP. Evaluations are carried out *ex ante*, interim and *ex post*. Evaluations are performed by internal or external evaluators. Final reports are also published in English.

The NCA secures evaluation processes in cooperation with the MA. The NCA creates methodologies, evaluation plan and performs the evaluation itself. The MA performs an *ex ante* evaluation, sets up a reliable evaluation system of the OP, develops an OP evaluation plan and submits it to the NCA and updates the system.

### What IT instruments are used for the implementation and monitoring of ESIF?

For the implementation and monitoring of the ESIF, the following information systems are used in Slovakia:

- ▶ *ITMS2014 +* contains all information regarding projects related to their administration (including any discrepancies and mistakes).
- ▶ *CEDIS* is the information system of the audit authority that records plans, monitors and reports results of government audits of EU funds and other financial assistance instruments from abroad provided to the SR on the basis of international treaties and agreements;
- ▶ *ISUF* is a stand-alone accounting system, developed and managed by the CA, entities involved in the financial management and implementation of the ESIF projects, for accounting for project-related transactions.

### In which areas is (solely) paper documentation used?

In case of and administration of programs financed from the EAFRD.

### Other monitoring and coordination authorities outside the ESIF implementation structure (MCA)

*National Monitoring Committee* established by the NCA.

### What are the main competences of the MCA?

Among the MCA's competences are mainly:

- ▶ monitoring and evaluating the implementation of the objectives of the cohesion policy and the state of implementation of the ESIF,
- ▶ monitoring achieving of measurable indicator targets and drafting measures to increase the efficiency and effectiveness of the ESIF implementation,
- ▶ approving the ESIF evaluation plan,
- ▶ taking note of the proposed reallocation of funds and the report of the Co-ordination Committee for Procurement.





## Other monitoring and coordination authorities outside the ESIF implementation structure (MCA)

*Monitoring Committees* established by the individual MAs.

### What are the main competences of the MCA?

Monitoring Committees in particular:

- ▶ providing consultations and issuing opinions on OP changes proposed by the MA,
- ▶ comments on the progress of the OP in relation to the defined performance framework,
- ▶ comments on the implementation of major projects and the implementation of global grants,
- ▶ comments on progress in the implementation of financial instruments,
- ▶ approving the methodology of the criteria used to select projects,
- ▶ approving the annual and final reports on the implementation of the OP, the OP evaluation plan and all its changes

## Other monitoring and coordination authorities outside the ESIF implementation structure (MCA)

*Coordination Committee for control of procurement cooperation.*

### What are the main competences of the MCA?

It is an expert forum established for the purpose of coordination, cooperation and exchange of experience in public procurement. It also reports on serious shortcomings found during audits and controls, which may be of systemic nature.

## Other monitoring and coordination authorities outside the ESIF implementation structure (MCA)

*Government Office of the Slovak Republic*

### What are the main competences of the MCA?

Represents the body responsible for the protection of financial interests

- ▶ gathering data on discrepancies from public administrations
- ▶ performing tasks in the area of protection of financial interests
- ▶ cooperating in administrative investigations
- ▶ announcing irregularities to the EC
- ▶ ensuring, coordinating and monitoring the exchange of information between public authorities and the OLAF when it comes to suspected fraud and other lawless behaviour within subsidy provision

## 1.27.8. Legislation

### Does any law regarding ESIF implementation exist in the member state?

Yes, in Slovakia there is *Act No. 292/2014 on the contribution from the European Structural and Investment Funds*. This Act regulates the legal relations in the provision of the contribution for the 2014-2020 programming period and in particular:

- ▶ the structure and competences of various bodies,
- ▶ procedure of contribution provision,
- ▶ special procedures for specific types of projects (major projects, national projects and others),
- ▶ certification of expenditure,
- ▶ settlement of financial relations



What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

Other laws and subordinate regulations governing the procedures for managing individual projects:

- ▶ Law 357/2015 on Financial Control,
- ▶ Law No. 263/1999 on Public Procurement,
- ▶ Law No. 523/2004 on the Budgetary Rules of Public Administration,
- ▶ Regulation of the Ministry of Finance No. 2/2015 intended for the MA, IB1, CA, PA, beneficiaries, AA, the authority responsible for the protection of financial interests.

The laws and regulations of the Ministry are generally binding and enforceable, with their hierarchy corresponding to the order of their enumeration, i.e. the law is superior to regulation.

From the area of methodology and methodological guidance, the following centrally-issued systems can be mentioned:

- ▶ *The ESIF's financial management system*, a document approved by the Government of the Slovak Republic, which is based on European legislation and a similar document for the previous period, entities of the implementation structure must implement it in its internal regulations,
- ▶ *The ESIF management system*, a document approved by the Government of the Slovak Republic, updated by the NCA statutory body. It is intended to ensure correct application of EU and Slovak legislation.

Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

Partially yes. Based on communication with representatives of the AA and the CA, it was found that the control of projects in national programs is primarily governed by Financial Control Act 357/2015. This law says that all projects with a public budget contribution can be audited. However, central authorities do not have such a strong position in national programs, as is the case with ESIF projects. National programs may also follow their own law on the establishment of the relevant grant program and at the same time some laws apply to them as well as to the ESIF (e.g. the Public Procurement Act). National programs do not have a single monitoring information system or information system. They also do not have methodological guidelines developed to such a degree of detail as the ESIF programs. The project management system is not subject to the Act on Administrative Procedure.

What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

The discrepancies are regulated in the *Ministry of Finance Order 2/2015*. Four types of irregularities (financial discipline breach, criminal offense, public procurement irregularities and accounting irregularity) are defined irrespective of the origin of funds from European or national funds. The violation of financial discipline in terms of national legislation is defined in the *Act on the Budgetary Rules of Public Administration* and is based on European legislation.

The procedure for dealing with the irregularity is monitored from the point of view of the authority which detected the irregularity and from the point of view of the managing authority. All records of irregularities are entered into *ITMS2014 +*. Recovery of ineligible funds where there was no violation of financial discipline is done directly by the MA, which may delegate enforcement to an intermediate body, but the responsibility lies with the MA.

On the basis of communication with representatives of the and the CA it was found that in the event of an irregularity regarding the violation of financial discipline, the resolution of the irregularity was handed over to the Office of the Government Audit. Under Law 523/2004, it is entitled to decide on deductions, penalties and fines. Other irregularities are decided by the MA only.



### 1.27.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Yes.

Which currency is used in the case of pre-financing?

EUR.

### 1.27.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

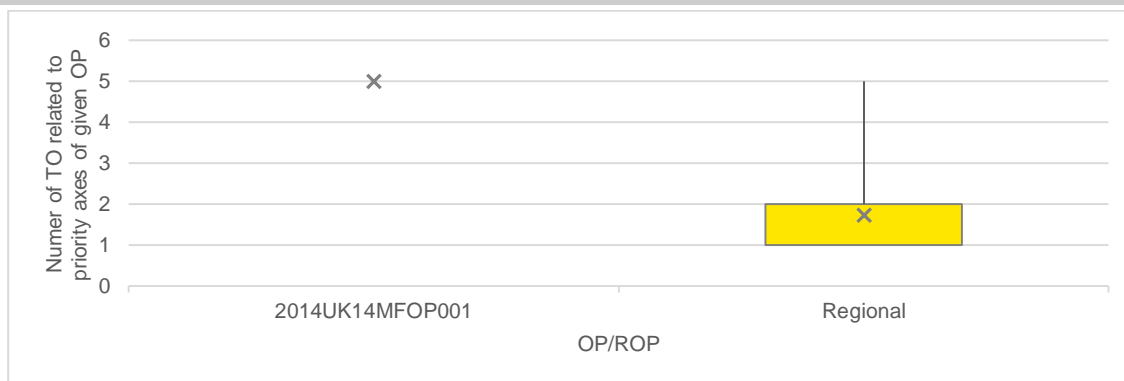
It begins to act at the level of the Coordinating Committee and possibly of the working groups on the experience of the 2014-2020 programming period. Negotiations take place at the NCA, CA, MA, AA. In January 2018, the NCA issued a brochure of the SR's starting position on Cohesion Policy after 2020.

In an informal interview with the NCA, priorities for the period 2021-2027 were discussed. the NCA would like to reduce the number of OPs. This slimming is also related to the centralization of individual entities of the implementation structure. The NCA would like to prioritize the completion of insufficient infrastructure, lowering the emphasis on Innovation and Smart Technology due to the absorption capacity of applicants for subsidies in this area and negative experience from the previous programming period.





### Targeting of priority axes of individual operational programmes in relation to thematic objectives

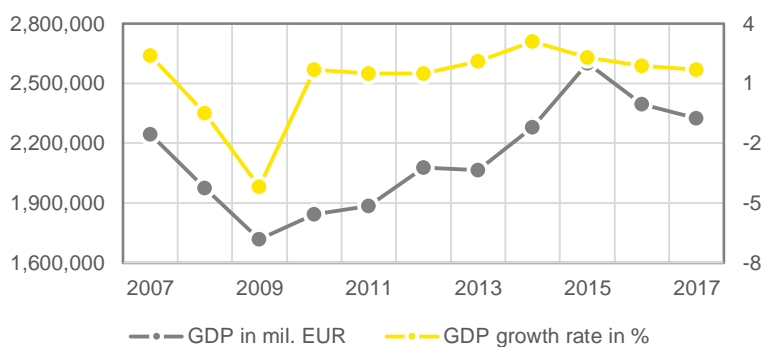


### Gross domestic product development (2007 – 2017)

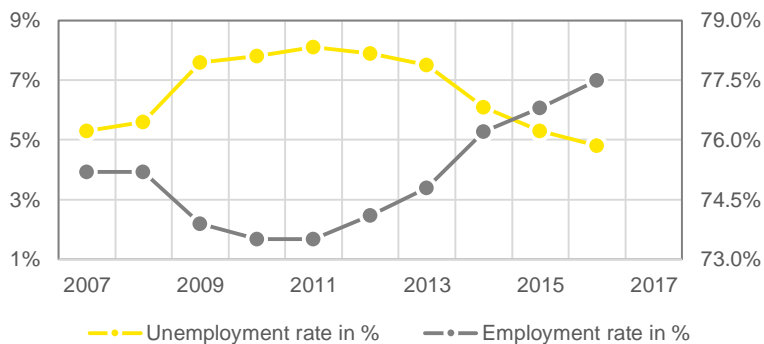
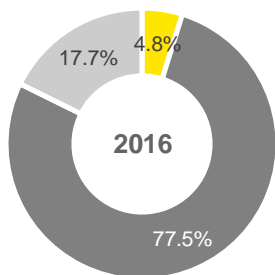
GDP per capita (EUR per capita)

2017: 35 200

2007: 36 600



### Labour market development (2016)





## 1.28.2. Main actors

### National Coordination Authority (NCA)

The *Department for Business, Energy and Industrial Strategy* plays the role of a national coordination authority in the case of the ERDF and the ESF implementation, while in the case of programs financed from the EAFRD and the EMFF this function is performed by the *Ministry of Environment, Food and Rural Affairs* and the *UK Coordinating Authority*.

#### What are the main competences of the NCA?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

#### Is the NCA established specifically for purposes of ESIF?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

#### What personnel capacity is allocated to the NCA?

Scotland: 71 employees working for the ESIF  
Information from other UK countries is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### Managing Authorities (MA)

The MAs of individual ROPs (the ERDF, ESF and the EAFRD) are equivalents of ministries (governmental divisions) of the individual countries of the United Kingdom. The MA of the programs financed from the EMFF is the *Maritime Transport Management Organization*, a non-governmental executive public administration body.

#### What are the main competences of the MA?

England: Recovery of irregularities.

The MA in Northern Ireland in particular:

- ▶ ensuring that the operations financed are in accordance with the relevant criteria,
- ▶ verifying that the expenditure of the beneficiaries complies with European and national rules,
- ▶ providing guidance containing information needed for a financial management, monitoring, verification, auditing and an evaluation,
- ▶ ensuring that evaluations of OPs are meeting the needs,
- ▶ ensuring that the appropriate audit trail is maintained,
- ▶ ensuring that the CA has all the information necessary for certification,
- ▶ preparing and submitting annual and final reports on program implementation,
- ▶ provides information that allows large-scale projects to be evaluated to the EC

#### Are the MAs established specifically for purposes of ESIF?

Some MAs are established specifically for ESIF purposes (Scotland, Wales, Gibraltar) and some are not (England, Northern Ireland). In addition, the selected departments of the institutions which are delegated to the MA's competences are established specifically for ESIF purposes.

#### What personnel capacity is allocated to the MA?

Wales: A total of 5,000 ministry employees, the exact number of employees in the ESIF department was not specified as communication with the relevant authorities was not successful despite repeated attempts.



## Intermediate bodies (IB1)

England: the IB1s are appointed, for example, to select projects with added value for local development (especially city councils, etc.).

### What are the main competences of IB1s?

E.g. the IB1s in Northern Ireland in particular:

- ▶ informing the MA about all proposed changes,
- ▶ offering funding to recipients,
- ▶ verifying the administrative, technical and financial aspects of each project,
- ▶ ensuring that a performance is monitored and reported in accordance with agreed outputs,
- ▶ recording all relevant information into the OP database,
- ▶ ensuring that the appropriate audit trail is maintained,
- ▶ ensuring compliance with applicable European and national rules,
- ▶ recording and reports discrepancies

Are IB1s established specifically for purposes of ESIF?

No, the IB1s are not established specifically for ESIF purposes

What personnel capacity is allocated to the IB1s?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

## Certification Authority (CA)

The certification body is always the relevant MA (with the exception of Gibraltar, where the unified role of the PCA is fulfilled by a separate institution). In the case of programs financed from the EAFRD, the CAs are national audit offices and in the case of programs financed from the EMFF, the activity is carried out by the *UK Coordinating Authority*.

### What are the main competences of the CA?

E.g. the CA in Northern Ireland has the following competences, in particular:

- ▶ preparing and submitting certified statements of expenditure and payment requests to the European Commission,
- ▶ confirming that statements of expenditure are accurate, based on reliable accounting systems and verifiable supporting documents, in accordance with European and national rules and funds have been spent on selected activities,
- ▶ ensuring that it receives adequate information for certification purposes from the MA,
- ▶ for a purpose of a certification, it inspects all audits carried out by the audit authority or carried out under its responsibility,
- ▶ keeping the accounting records of expenditure in the electronic form for the EC,
- ▶ keeping accounts of funds paid back and recovered funds

Is the CA established specifically for purposes of ESIF?

Some CAs are established specifically for ESIF purposes (Scotland, Wales, Gibraltar) and some are not (England, Northern Ireland). In addition, the selected departments of the institutions which are delegated to the MA's competences are established specifically for ESIF purposes.

What personnel capacity is allocated to the CA?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.





### Paying Authority (PA)

In the case of England, Scotland and the ESF ROP of Northern Ireland, the paying authority is always the relevant MA. In the case of Wales and the ERDF ROP of Northern Ireland, the paying authority is other selected ministry. In Gibraltar, the *Treasury Department* plays a role of the PCA. In the case of programs financed from the EAFRD and the EMFF, the PA's activities are delegated in a variety of ways (to ministries, government agencies, etc.).

#### What are the main competences of the PA?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

#### Is the PA established specifically for purposes of ESIF?

Some PAs are established specifically for ESIF purposes and some are not. The selected departments of the institutions, which are delegated to the exercise of the competences of the MA, are established specifically for ESIF purposes.

#### What personnel capacity is allocated to the PA?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### Audit Authority (AA)

The audit authority is always the *UK Government Internal Audit Agency* (with the exception of Northern Ireland, where the role of the AA is performed by the selected ministry, which is also the MA of the ERDF programs). In the case of programs financed from the EAFRD, the role of the AA is always fulfilled by the relevant CA (i.e. the national audit authorities of the countries concerned) and, in the case of the programs financed from the EMFF, it is the *Internal Audit Agency of the Department for the environment, food and rural affairs*.

#### What are the main competences of the AA?

E.g. the AA in Northern Ireland has the following competences, in particular:

- ▶ ensuring that audits are conducted in order verify an effective operation of the program's management and control system,
- ▶ ensuring that audits of operations are based on an appropriate sample in order to verify the reported expenditure,
- ▶ presenting the audit strategy to the European Commission,
- ▶ submitting annual control reports to the European Commission,
- ▶ issuing opinions on whether management and control systems work effectively,
- ▶ submitting a program termination statement

#### Is the AA established specifically for purposes of ESIF?

No, none of the AAs are established specifically for purposes of the ESIF.

#### What personnel capacity is allocated to the AA?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### Other control bodies outside the ESIF implementation structure (CB)

Other control bodies have not been found, but this information has not been confirmed as there has not been successful communication with representatives of the relevant authorities.





What are the main competences of CB?

Irrelevant.

Is the CB established specifically for purposes of ESIF?

Irrelevant.

Were there any significant changes in the ESIF implementation structure in comparison with the programming period of 2007-2013?

Scotland: In the current programming period, compared to 2017-2013, fewer implementing entities are involved. In addition, payments and awarding contracts prior to cost payments has started to be verified.

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

What was the reason for the changes in the implementation structure mentioned above?

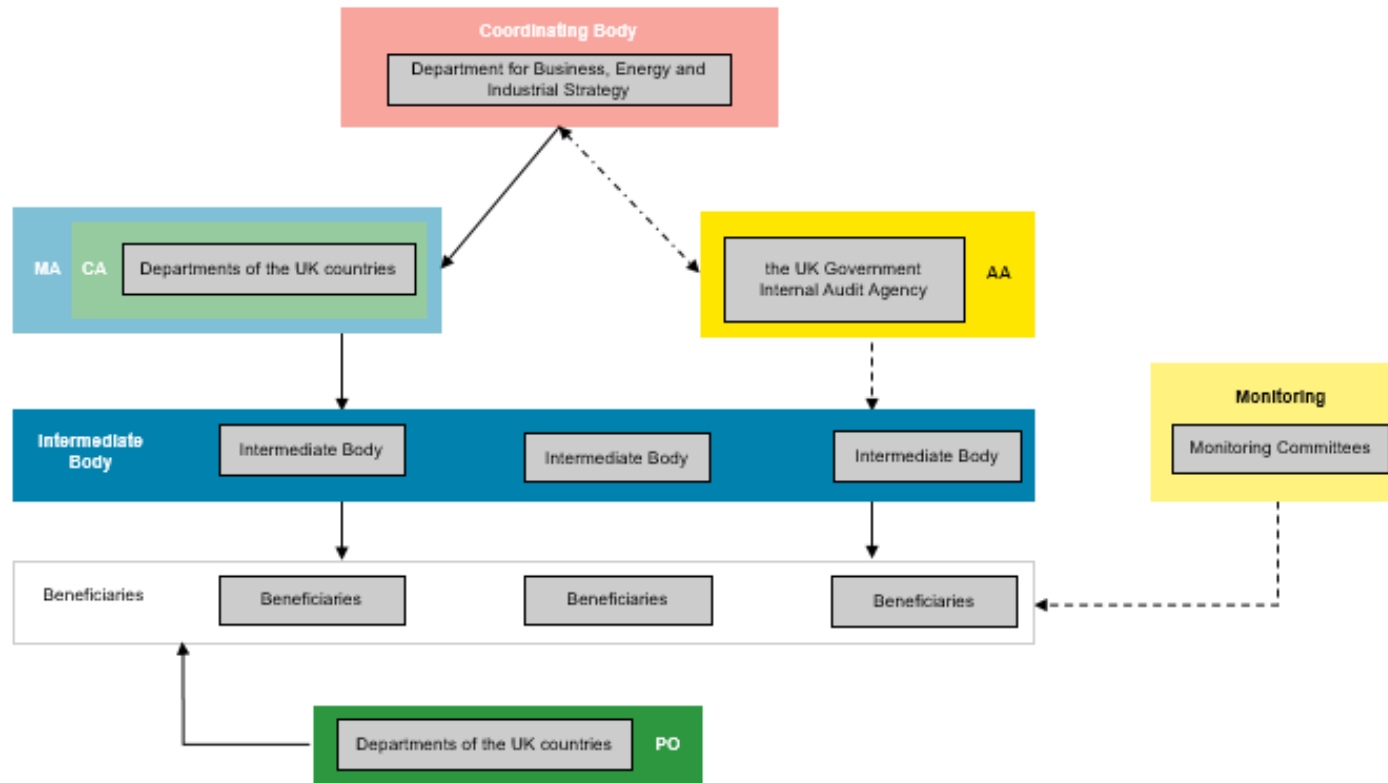
Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

---



## Scheme of implementation structure

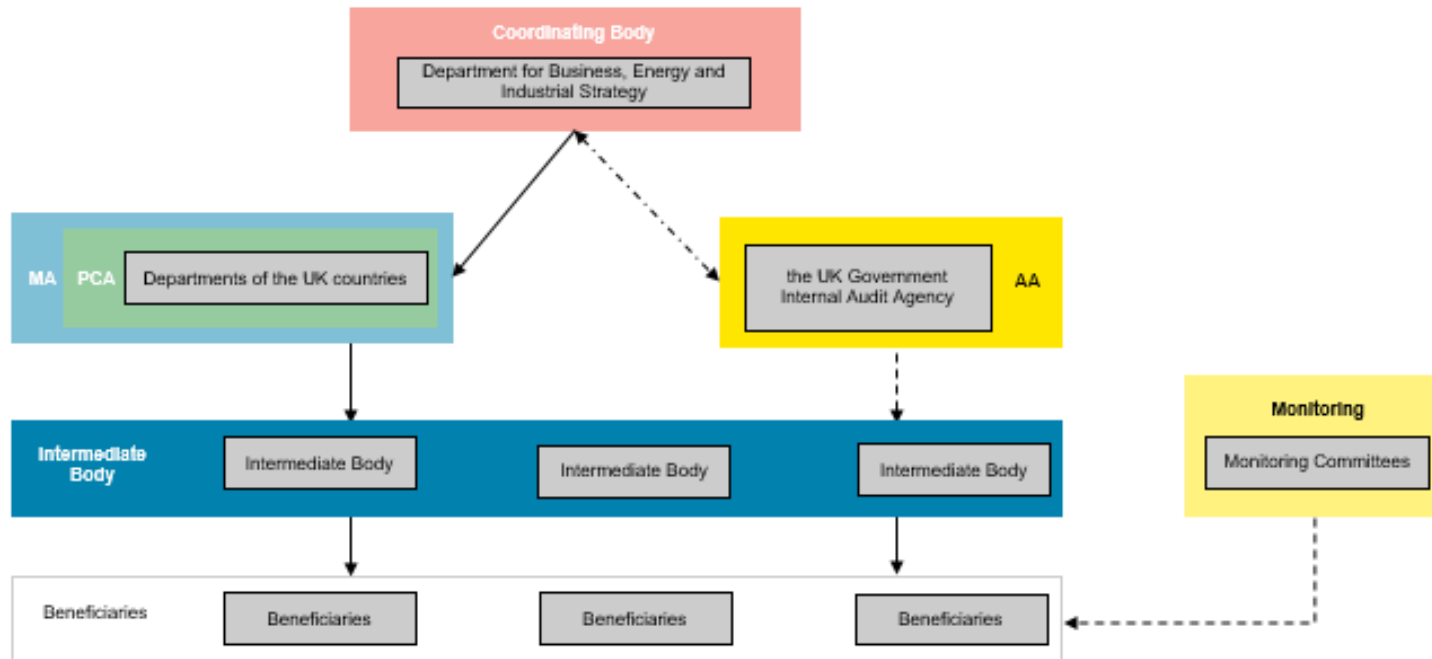
Applicable for OPs West Wales and The Valleys (ERDF and ESF), East Wales (ERDF and ESF):



\* This scheme does not reflect the implementation structure of the OP Gibraltar.  
\*\* AA of the OP Northern Ireland (ERDF) is the MA of the OP



Applicable for OP England (ERDF, ESF/VEI), Scotland (ERDF, ESF/VEI), Northern Ireland (ESF):



\* This scheme does not reflect the implementation structure of the OP Gibraltar.  
\*\* AA of the OP Northern Ireland (ERDF) is the MA of the OP



### 1.28.3. Programs financed from EAFRD and EMFF

Name(s) of the OP(s) financed from EAFRD

- ▶ *Rural Development Program(regional) – England*
- ▶ *Rural Development Program(regional) – Northern Ireland*
- ▶ *Rural Development Program(regional) – Scotland*
- ▶ *Rural Development Program(regional) – Wales*

Is the same methodical environment binding for the OP(s)?	Do(es) the OP(s) have the same institutional setup (same AA, PCA)?
---	--

No, it is not.

No, they do not (see above).

Do(es) the OP(s) use the same IT environment?	Do(es) the OP(s) use resources from the OP TA in the member state?
---	--

No, they do not.

No, OP TA does not exist in the United Kingdom.

Name(s) of the OP(s) financed from EMFF

*European Maritime and Fisheries Fund - Operational Programme for the United Kingdom (2014UK14MFOP001)*

Is the same methodical environment binding for the OP(s)?	Do(es) the OP(s) have the same institutional setup (same AA, PCA)?
---	--

No, it is not.

No, they do not (see above).

Do(es) the OP(s) use the same IT environment?	Do(es) the OP(s) use resources from the OP TA in the member state?
---	--

No, they do not.

No, OP TA does not exist in the United Kingdom.



## 1.28.4. Audit and control

**Do the audit/control authorities share their auditing plans with each other / other institutions?**

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

**Is there any database of the audit reports publicly available?**

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### Audit/control authority no. 1

The Audit Authority: the *Government Internal Audit Agency* of relevant country (with exemption of Northern Ireland, where the role of the AA is performed by the selected ministry), which is in case of the ERDF also the MA of programs.

<b>What controls/audits does the authority perform?</b>	<b>Which authorities can the authority control?</b>
---	---

- ▶ Audit of managing and control systems,
- ▶ Audit of operations.

- ▶ Managing authorities.
- ▶ Beneficiaries.

**Are conclusions made by the authority binding for controlled / audited entities?**

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

<b>Who does the authority share its conclusions with?</b>	<b>Does the authority share auditing plans with other institutions?</b>
---	---

- ▶ Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

- ▶ Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.



### 1.28.5. Financial instruments (FI)

Does member state use financial instruments (FI)?

Yes, the United Kingdom already used financial instruments in the 2007-2013 period, now allocation has been increased.

If yes, to which extent?

Yes, 11 % of total allocation.

In which areas are FI mainly used?

01 (Research & Innovation), 03 (SMEs), 04 (Low Carbon), 06 (Environment & Resource Efficiency)

The use of financial instruments is planned, in particular, in the area of support for SMEs, research and innovation and the low-carbon economy.

Are agriculture and social business assisted by FI?

Support of social businesses and agriculture is considered.

What are the most used FI implementation structures? What entities are involved in such implementation? (private vs. public bodies)

In England, the main element of the implementation of the FI is the *British Business Bank*, which has created several funds on a regional basis. These funds are managed in cooperation with regional actors (*Local Enterprise Partnerships* - LEPs).

Scottish government is the fund manager in Scotland. In Wales, fund manager is the *Development Bank of Wales*, a regional development bank owned by Wales. In Northern Ireland FI are implemented by the *Invest NI*, which has chosen managers of specific funds from commercial banks / investment funds as well as from two universities.

Is there a coordinating body at the central level, which coordinates solely the FI implementation?

Coordinating Authority at the central level was not identified.

### 1.28.6. Integrated approach (ITI)

What specific integrated tools does the member state use and to which extent?

The United Kingdom uses the CLLD, ITI and the SUD to extent of 6 % of total allocation.

Is the support of integrated tools from ESIF multi-fund? What funds are used for financing ITI?

Yes, the CLLD assistance is from the ERDF, ESF, EAFRD and the EMFF. The ITI and the SUD assistance is mainly from the ERDF, also from the ESF and the EAFRD.

Is there a multi-fund program at the national level created specifically for the implementation of ITI?

No.

Are there more programs involved in assistance ITI? Which entity fulfils the coordinating role – one of the MA or different entity?

Yes. Each of the regions (England, Scotland, Wales, Northern Ireland + Gibraltar) has its own ERDF, ESF and EAFRD programs (sometimes divided into smaller regions). The only national program is



OP EMFF. The CLLD assistance is from the ERDF, ESF, EAFRD and the EMFF programs, the ITI and the SUD assistance is from ERDF, EAFRD and ESF programs.

The ITI is implemented in England at regional level, in Scotland in two areas (Highlands and South West Scotland), the ITI is not planned in Wales and in Northern Ireland decision has not been made yet.

Coordination at national level does not take place / it is not described.

What topics are addressed within territorial dimension and dimension of integrated approach?

Within the framework of integrated approach, a very wide range of topics are linked to local / territorial development strategies. Each region has its own, broad objectives.

Are there any subjects assisted solely by territorial dimension and integrated tools?

No information has been found that there were areas supported exclusively through the territorial dimension / integrated tools.

How do individual entities of implementation structure participate in particular processes (evaluation and project selection, decision and provision of grant) of the ITI realization?

Information not found, in the Partnership Agreement this issue is described very generally. Approach to the ITI management may vary by region.

Is the implementation of macroregional strategies implemented in combination with ESIF, or is it complementary to ESIF?

The United Kingdom is not part of any macroregional strategies.

---



## 1.28.7. Monitoring and IT

### How is monitoring methodically supported?

England: The *Growth Program Board* is supported by: a) a number of thematic and operational subcommittees at national level advising the *Board* on technical and policy areas; (b) 39 Local Subcommittees for Local Enterprise Partnerships that help the MA to better understand local needs and capacities in the area. Tender documentation concerning monitoring is made up of: (i) the terms of reference for the *Growth Program Board* (program monitoring committee); (ii) the terms of reference for the national subcommittees of the *Board*; (iii) the terms of reference for *Local Enterprise Partnership* (LEP) of the *Growth Program Board* and for the subcommittees for the ESI Funds.

Wales: The Monitoring Committees consist of 27 members and meet 3 to 4 times a year. Committees are responsible for monitoring the implementation of programs financed by the ESIF. Committee also assess how funds should work together to achieve the best possible results.

### How are evaluations coordinated?

In England, evaluation is always carried out by an independent external evaluator.

In Wales, Welsh Government is responsible for evaluating programs.

### What IT instruments are used for the implementation and monitoring of ESIF?

For the 2014-2020 period, a completely new monitoring system was created for England, which allows for e-administration of projects. On the contrary, in Wales, for instance, only minor changes were observed compared to the period 2007-2013.

Generally, there is not much willingness in the UK to collect data beyond the information contained in monitoring databases, thereby burdening the beneficiaries with further collection of information.

### In which areas is (solely) paper documentation used?

Only part of the communication between suppliers and recipients is in paper form. All communications between the MA and the beneficiary, as well as the documentation on outputs, results and proof of eligibility, are only in electronic form.

## 1.28.8. Legislation

### Does any law regarding ESIF implementation exist in the member state?

No, there is not ESIF law in the United Kingdom.

### What other binding national regulations are in place with respect to the ESIF implementation apart from the general EU regulation?

Various legislation and decentralization models establish relations between the UK Government and the Governments of Northern Ireland, Scotland and Wales, in relation to the implementation of the ESIF. Individual decentralization agreements are not entirely symmetrical and, in particular, the Gibraltar legislation is completely different in this respect.

### Does the legislation regarding ESIF anyhow differ from the legislation with respect to purely national funding?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.





What is the legal basis for addressing irregularities? Are there any discrepancies between the national and ESIF legislation in this area?

Information is not publicly available and communication with the relevant authorities has not been successful despite repeated attempts.

### 1.28.9. Pre-financing

Are the funds for pre-financing paid from the state budget?

Which currency is used in the case of pre-financing?

E.g. in the case of Wales, pre-financing in this sense is not possible.

Irrelevant (in case of Wales).

### 1.28.10. Modifications in the implementation structure after 2020

Are any modifications in the implementation structure planned for the upcoming programming period of 2021+?

Irrelevant, the UK is leaving the EU.

---

**About EY**

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit [ey.com](http://ey.com).

© 2019 Ernst & Young, s.r.o. | Ernst & Young Audit, s.r.o. | E & Y Valuations s.r.o.  
All Rights Reserved.

**[ey.com](http://ey.com)**