

# Risk management in project selection in Interreg

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## Report

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## List of abbreviations

Abbreviation	Full term
CLLD	Community-led Local Development
Col	Conflict of interest
CPR	Common Provisions Regulation
CV	Curriculum Vitae
FAQ	Frequently Asked Questions
FR	Financial Regulation
IPA	Instrument for Pre-Accession
JS	Joint Secretariat
MA	Managing Authority
MC	Monitoring Committee
NGO	Non-Governmental Organisation
NCP	National Contact Point (support structure frequently used in transnational cooperation programmes)
OECD	Organisation for Economic Cooperation and Development
OLAF	European Anti-Fraud Office
TA	Technical Assistance
UK	United Kingdom

## 1 Introduction

Interact appointed Pertti Hermannek to support a project that wants to capture the phenomenon of Conflicts of Interest in Interreg programmes.

Two face-to-face meetings between the author and the Interact Team took place in the course of the study in Vienna:

- The kick-off meeting on April 26, 2018
- The second consultative meeting - which was an optional part of the offer - was held on September 7, 2018 in order to exchange in-depth on the results of the interviews, to develop the structure of this report and to clarify the requested input for the Regional Network Meeting (held in early October 2018)

A minor change to the initial set of tasks had been agreed in the kick-off meeting which was held on April 26 in Vienna. The initial intent to elaborate of a set of questions for a brief survey among Interreg programmes has been dropped and replaced by a higher number of in-depth interviews with programme representatives. It was decided to conduct semi-structured phone interviews with selected programme representatives on the basis of a questionnaire and to elaborate a concise synthesis report. For more detail please see section 2.3. The interviews were conducted between May and September 2018.

### 1.1 Context of the study

The selection of projects in Interreg is the key task of the Monitoring Committee (MC) or specifically established sub-committees. Funding of projects is the *raison d'être* of the Interreg Programmes and their selection is the decisive step with obvious consequences for outputs, results and impact of the Programme.

The selection process can be divided in the following steps:

- Guidance to applicants
- Calls for projects
- Application and submission of projects
- Assessment of projects
- Selection in MC
- Complaints against MC decisions

Throughout all the steps of this selection process, transparency and impartiality should be guiding principles, conflicts of interest can appear.

Conflicts of interest in the public sector are particularly important because they can undermine the fundamental integrity of authorities and official decisions if they are not recognised and controlled appropriately.

The partnership principle in Interreg establishes new forms of partnership between government on a regional level with the local level and the private sector, in particular, the civil society. That means that conflicts of interest can take new forms, presenting new challenges to policy-makers and public managers. JS and MC members in Interreg programmes do not operate in an isolated environment. They are part of a network of players that often know each other for years. Sometimes local or regional players tend to regard Interreg as "their" programme and "their" money. All key players in the programmes must take personal responsibility for identifying and resolving problem situations, and MAs must provide realistic frameworks.

The study from Blomeyer & Sanz for the European Parliament states that there is no lack of rules but a lack of awareness about potential Col. Experiences from discussions with programme authorities and stakeholders demonstrate that the question if a stakeholder might have a Col also depends strongly on the personal point of view. What is legitimate advocacy for a project for someone is a Col for another, e.g. for a representative of a competing project.

The following table describes potential risks, an initial risk assessment and the adverse consequences Col can have in the different steps of the decision-making process. The information was used as a point of departure for developing the questionnaire and to have some background in order to enter the discussions with the MA representatives during the semi-structured phone interviews. The aim was to understand whether the findings would support or not the initial assumptions. It is evident that some of the assumptions provided below might sound provocative to programme representatives but the contractor and the Interact Team have sufficient practical expertise to know that such risks actually occur in programmes.

Stage	Potential risks	Initial risk assessment	Adverse consequences / harm
Guidance to applicants	<p>Biased view on topics, guidance shaped by specific regional interests, "human factor"</p> <p>In the context of specific calls such factors might have even more weight thus increasing potential risks</p> <p><u>Key question:</u> policy to walk the narrow line when providing guidance and being involved in the assessment?</p>	High	<p>Specific calls can lead to preferences for topics in the interest of MC members</p> <p>Personal preference for topics and people can lead to biased guidance of projects (tendency towards selective project generation, can scare off applicants)</p>
Call	<p>Call conditions favouring the eligibility of certain institutions/topics</p>	Low	<p>Provisions on the eligibility of applicants might favour experienced applicants (question on previous project experience), 'old acquaintances' might have a higher chance, thus supporting tendency that the programme develops towards a closed shop</p>
Formal admission check	<p>Unequal treatment of applicants as regards compliance with formal requirements</p> <p><u>Key questions:</u> rather strict (formal k.o.) or rather a generous approach? Four-eyes?</p>	Low	<p>Eventual discrimination against selected applicants (unknown applicants etc.) or preferential treatment of other project owners through exemptions from otherwise strictly applied formal rules</p>

Stage	Potential risks	Initial risk assessment	Adverse consequences /harm
Quality assessment of projects	<p>Biased view of assessors (internal, external) driven by personal interests, missing four eyes principle; the frequent practice to calculate an average score over several assessment results blurs divergent opinions and thus might not support effective decision-making</p> <p>Call budgets can influence the results of the assessment</p> <p><u>Key questions:</u> role and position of the JS? Selection of external assessors, weight of their judgment, payment for expertise etc.?</p>	High	<p>Biased view in the assessment could lead to the selection of preferential projects driven by personal interest of individuals or small groups (in particular in programmes where MC decides mostly based on assessment results)</p> <p>Preferential treatment might mean to allow clarification questions only for selected applicants and not for all projects; it could lead to the rejection of promising projects which did not have the chance to better explain certain aspects of the project</p> <p>A high number of applications that exceed the fixed call budget may result in assessments that projects fit into the budget (e.g. rejection of projects with a good assessment, budget cut for projects that limits the results of the projects); it is practice in some programmes that the JS proposes to reduce the budget</p>
Selection in the MC	<p>The selection is in most programmes strongly linked to the assessment results – thus conflicts of interest inherent to assessment will be transported to decision-making.</p> <p>No clear linkage between assessment and decision-making</p>	High	<p>JS might not want to have risky projects, thus recommendations for approval might favour well-known applicants, new applicants with innovative but difficult approaches might have lower chances for approval;</p> <p>A clear linkage which gives room for respectively encourages MC members to actively participate in the selection could be as follows: if</p>

	<p><u>Key question:</u> How binding is the assessment respectively how seriously does the MC take the assessment? Do the MC proceedings encourage an open debate on project quality?</p> <p>(Open discussion) can lead to horse-trading, other aspects than cross-border relevance are in focus thus leading to a lack of transparency in decisions</p>		<p>one MC member provides evidence that a key argument in the assessment is false the fact is taken into account and the assessment is revised accordingly and decision is based on the revised assessment; the related proceedings should be laid down in the Rules of Procedures (RoPs) of the MC</p> <p>Persistent horse-trading might lead to pre-fabricated approaches to the project selection regardless of their quality thus significantly lowering the programme impact</p>
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Stage	Potential risks	Initial risk assessment	Adverse consequences /harm
Complaints	<p>The establishment of a complaint board/panel is a new practice in many programmes.</p> <p>Members of a complaint panel who are not part of the programme administration or the MC might be easily influenced by experienced programme practitioners thus weakening their impartiality in judgements. Time constraints will often be a major impediment for an independent and comprehensive view on the practice in decision-making.</p> <p><u>Key questions:</u> how to tackle the challenge that people assessing a complaint should know about the programme but at least partly the complaint panel members should not be part of the MC or the MA? Frequent complaints might point at a lack of transparency in justification – any learning effects in the MC?</p>	High	At the level of beneficiaries: Col in complaint management might result in a small chance for applicants to achieve a revision of decision; in case of a high number of complaints the fact as such might lead to an increasing perception that decision-making procedure of the programme lacks transparency

## **1.2 Objectives of the project**

The decision-making process in Interreg poses a risk for Conflicts of interest in particular on regional and local level. Regions are the main stakeholders in Monitoring Committees (MC) of the programmes. On the other hand, regional and local authorities often act as applicants or project partners.

Some programmes have codes of conduct or other instruments to meet these risks but the legal framework on European level does not consistently address the topic.

The project "Risk management in project selection in Interreg programmes" has the aim to get an overview on how Interreg programmes deal with the topic "Col" in the different phases of the project selection process, to raise awareness among the stakeholders and to develop a fact sheet and a guidance for a self-assessment/risk check for programme stakeholders, in particular MC members, staff of the Managing Authority (MA) and the Joint Secretariat (JS).

## **1.3 List of Interreg programmes covered by the study**

Together with Interact 22 Interreg A, B and IPA programmes were selected for the interviews. The programmes cover most member states of the European Union (EU). They were selected because they are considered to be a representative cross-section of member states having different traditions of risk management.

The interviews were shared between Interact and the expert. One programme did not respond to the request, so 21 interviews (14 Interreg A, 3 Interreg-IPA and 4 Interreg B) could be realised.

### List of Interreg CBC programmes covered by the study

Programme	Managing Authority	Interview date
<b>Interreg A</b>		
Germany/Brandenburg-Polen (Lubuskie)	Ministry of Justice, for Europe and Consumer Protection Brandenburg (DE)	29/06/18
Grande Region	EGTC-MA IVA Grande Region	27/09/18
France (Channel)-England	Norfolk County Council (UK)	06/08/18
Interreg Nord	County Administrative Board Norrbotten (SE)	02/07/18
POCTEP (Spain-Portugal)	Ministry of Finance & Public Administration (ES)	28/06/18
Estonia-Latvia	Estonian Ministry of Finance	01/08/18
Czech Republic-Poland	Ministry of Regional Development of the Czech Republic - European Territorial Cooperation Department (CZ)	11/07/18
Netherlands-Germany	Ministry of Economic Affairs of North Rhine - Westphalia	11/07/18
Hungary-Slovakia	Prime Minister's Office (HU)	06/07/18
Greece-Bulgaria	MA of ETC Programmes (GR)	04/07/18
Slovakia-Austria	Ministry for Agriculture and Regional Development (SK)	17/07/18
Italy - Switzerland	Region Lombardia (IT)	01/10/18
Italy-Austria	Autonomous Province Bolzano-Alto Adige (IT)	16/07/18
South-Baltic	Ministry of Economic Development (PL)	05/09/18
<b>IPA</b>		
Romania-Serbia	Ministry of Regional Development, Public Administration and European Funds (RO)	16/07/18
Croatia-Bosnia-Herzegovina-Montenegro	Agency for Regional Development of the Republic of Croatia	16/07/18
Italy-Albania-Montenegro	Puglia Region (IT)	16/07/18
<b>Interreg B</b>		
Danube Transnational Programme	Ministry for National Economy (HU)	26/06/18
Northwest Europe	Region Haute-de-France (FR)	21/06/18
Central Europe	City of Vienna (AT)	12/07/18
Atlantic Area	North Portugal Regional Coordination and Development Commission (PT)	13/09/18

## 2 Methodology

### 2.1 Definition of Conflict of interest in the context of the study

Conflict of interest occurs when a person is in a position to give priority to private interests over public tasks. Conflicts of Interests are unavoidable and a normal part in the decision making. Every person involved in the process can get into such a situation. Several programmes confirmed that they had actual conflicts of interest (see the summary of the interviews in chapter 4). Generally, Col can turn into corruption if not addressed properly and early enough. But in the sample of the programmes, no case of corruption occurred.

For the authorities and organisations (not only public) involved in the Interreg programmes, it is important to maintain public trust and confidence in the organisation and individuals. Thus all persons need to act with integrity and address a Col in the MA/JS or Monitoring Committee. If a Col is unveiled through third parties, it can damage the reputation of the organisation and the faith of the applicants that the Monitoring Committee makes objective decisions.

The study does *not* intend to criminalise MC members, MA or JS staff. But potential Col in the decision-making process needs to be identified and addressed properly. Thus the study concentrates on those conflicts of interest that do not imply fraud or corruption.

For reasons of completeness examples of definitions for fraud and corruption are given below:

- Fraud is defined as follows with a view to EU funds: the intentional act or omission relating to
  - the use or presentation of false, incorrect or incomplete statements or documents which has as effect the misappropriation or wrongful retention of funds
  - the non-disclosure of information in violation of a specific obligation with the same effect
  - the misapplication of such funds for purposes other than those for which they were originally granted<sup>1</sup>
- Corruption is defined as an “actual abuse of public office to gain personal benefits”. Corruption usually requires an agreement of at least two partners as well as certain bribe/payment/benefit.<sup>2</sup>

At EU-level the framework for Col prevention is set out in Art. 57 of the Financial Regulation (FR), as supported by the Rules of Application and Art. 5 of the Common Provisions Regulation (CPR).

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<sup>1</sup> Cf. Council Act drawing up the Convention on the protection of the European Communities' financial interest (26 July 1995)  
<sup>2</sup> Transparency International CZ, OLAF - Conflict of interest as a Risk of Fraud 2018, p. 8

The Commission Delegated Regulation (DR) (EU) No. 240/2014 supporting the CPR introduced a "European code of conduct on partnership in the framework of the European Structural and Investment Funds". In chapter 4 and 5 you can find the issue of Col in the context of rules of procedures for the Monitoring Committees (MC) and the involvement of partners in calls for proposals, reports, monitoring and evaluation. But the DR gives no definition of Col. As Blomeyer & Sanz found out in their study for the European Parliament there is some legal uncertainty as to whether Article 57 of the FR can be considered of direct application to shared management programmes like ESI Funds.<sup>3</sup> The Article is considered to primarily address Col under direct management.

The proposal for a revised Financial Regulation from 2016<sup>4</sup> includes an article on Col (Art. 59), which refers clearly to persons involved under direct, indirect and shared budget implementation and management.

In the context of this study, the definition of Conflict of interest as laid down in the new Financial Regulation (FR) will be applied:

Article 59 of the new FR includes a **definition of Conflict of interest: "...a conflict of interest exists where the impartial and objective exercise of the functions of a financial actor or other person, ..., is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect personal interest"**.

The revised Financial Regulation is not in place, but trilogues have been successfully completed in April 2018. A final decision is expected to be made until the end of 2018.<sup>5</sup>

## 2.2 Key actors for interviews

Key actors for the study are the Managing Authorities (MA), the Joint Secretariats (JS) and the Monitoring Committees (MC). Some programmes involve also external assessors in the qualitative assessment of the applications. The study has concentrated on these key actors.

With the limited resources of the project, it was not possible to conduct interviews with representatives from all key actors. Thus, the interviews were concentrated on the Managing Authorities. MAs should have the best overview on implemented procedures and potential or possible Col of other key actors.

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<sup>3</sup> Blomeyer & Sanz, p. 18ff.

<sup>4</sup> See under: <http://www.europarl.europa.eu/legislative-train/theme-new-boost-for-jobs-growth-and-investment/file-reform-of-eu-financial-rules>

## 2.3 Approach for the implementation

The interviews were conducted as target-oriented, semi-structured interviews. Although the questions of the questionnaire are targeted to specific points, the interviewer attempted to stimulate a narration, mostly with success. During the interviews, the interlocutors expressed their personal opinions in a dialogue with the interviewer.

The different roles of regional players were analysed. In many programmes, regional players act as an applicant, as a supporter of applicants and are involved in decision-making as MC. MAs were asked about their understanding of the topic and the role they see for themselves in ethical leadership.

The interviews started with an agreement on the definition of Col and two sets of questions that covered more general issues and are not related directly to the decision making process. The questions are grouped along the following topics:

### General introductory questions

- awareness of Col
- instruments

### Steps in selection

- guidance for applicants
- formal and qualitative assessment
- decision-making
- complaints management

The complete questionnaire can be found in the annex.

### 3 Summary of the interviews

Interact and the author believe that the sample of programmes is representative but we know that the variety of administrative practices is very broad and that the conclusions drawn from the interviews cannot be projected to all 79 programmes of the Interreg family. Other programmes might have found different solutions, maybe even better ways to deal with Conflicts of interest. Nevertheless, the results give an overview and show the manifold implementation solutions but also the gaps related to Col.

#### **Awareness of Conflict of interest**

All Managing Authorities (MA) have agreed that there is a potential for Col in their programmes. The awareness and knowledge of what Col means are regarded as high among the members of the Monitoring Committee (MC) and all employees in the MA and JS and increased compared to the previous Interreg programmes and the beginning of this period.

One programme mentioned that the introduction of a code of conduct in the MC increased the awareness among MC members. The Italian-Austrian programme mentioned that they conduct an annual analysis where Col and fraud might occur.

A risk for potential Col is seen mainly in the MC and the decision about projects. In many programmes, members of the MC are also applicants or contact points for potential applicants. Though the programmes regard this rather as an organisational and less as a personal Col. Organisational Col means, that the organisation, which is represented by the MC member has an interest in a particular project, e.g. because the organisation is partner (although a different department is acting as project partner). The MC member might have no personal interest in such a case.

Less risk is seen during the assessment of the applications in the JS or with the external experts. Few programmes involve also MC members in the assessment. These programmes regard the risk of potential Col in this phase higher.

Only very few programmes implemented awareness-raising measures for MC members, but the topic was on the agenda in MC meetings in most programmes. One programme implemented an information campaign before the start of the programme.

Several programmes confirmed that they actually had conflicts of interest. The conflicts were announced by members of the Monitoring Committee, mainly because their organisation was involved in the project or they participated in the project preparation.

Several programmes confirmed that the letter from DG Regio (dated 22/11/16) helped in raising the awareness for the topic.

## Instruments

All programmes have partial procedures in place on various levels in order to detect respectively contain potential Conflicts of interest and to deal with such conflicts. The interviews have shown the wide range of instruments at all levels in the selection process - but it is important to note that almost none of the programmes had a consistent system throughout all selection steps respectively levels in place; that means hardly any programme among the sample has a complete and comprehensive approach in place.

The most common instrument is the "reminder". Nearly all programmes mentioned that the chairperson reminds members of the Monitoring Committee before the meetings and ask if anybody has a Col. Some chairpersons do this once at the beginning of the meeting, some before the discussion and decision of every project.

It is a widely used practice that in case of a Col the respective member has to leave the room or at least is not allowed to participate in the discussion and vote. A few programmes prepare a list with the potential Col of MC members before the meeting. One programme explained that the MA writes a statement for the MC when they are convinced that there is a potential Col. This programme needs an agreement in the MC to exclude an MC member from voting. In a few cases, MC members have denied that they have a Col. The practice is, that if there is no consensus on the issue, the respective MC member is allowed to vote.

It is important to bear in mind that leaving the room is to some extent a symbolical gesture. E.g. when considering the frequent practice of delegation or block-voting in cross-border programmes which is often based on pre-agreement in national committees<sup>6</sup> the actual impact of one person leaving the room for the moment of decision-making is of course limited. Some interlocutors mentioned that they do not know how MC members with a potential Col behave in the national committees and if they vote or not.

Only five of the programmes of the sample have adopted a code of conduct for the MC, three for the staff of the Joint Secretariat (JS) and the MA.

One programme explained that the Member States did not want to have a code of conduct because of possible sanctions.

In half of the interviewed programmes the members of the MC have to sign a declaration of impartiality, in two cases even before every MC meeting. Several programmes used the model provided by Interact.

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<sup>6</sup> These committees and their role are even anchored in national law in some Member States; the positive aspect of such committees might be to hear the view of line ministries and different policy levels on the project and to build a wider perspective and a common understanding among the national delegation. The adverse aspect is that it often does not empower all members of the MC to participate in discussions and might limit the exchange of opinions "across the border" which might alter perspectives on both sides. In many MCs a substantial number of members do not take part in the diverse exchange which should of course be the key element in the decision-making process. And it is also evident that opinion respectively delegation leaders might have a Col which is then transported via the delegation decision.

All programmes which use external experts for the project assessment explained that these experts have to sign a declaration of impartiality as well. In one programme it is part of the contract with the expert.

Some programmes request such a declaration also for the staff of the JS, very few for the MA as well.

While the awareness of the topic is very high, the programmes work on the assumption that all relevant players know what Col means and understand how to deal with it. Only very few programmes have written down or adopted a clear definition of Col.

Two examples of programmes which use a definition of Col are:

- The Interreg B programme Central Europe follows the definition of the new financial regulation and has a clause in the working contract for all members of staff.
- The Interreg A programme Italy-Austria has laid down a very strict definition in the rules of procedure for the selection committee for the projects of the CLLD area. A Col is given if a relative up to the third degree (i.e. uncle/aunt, nephew/niece) is involved in an application.

About half of the programmes have some form of explanatory guidelines, mainly in the Rules of Procedure (RoP) for the MC, very few in the assessment manuals.

Also, training measures are no standard practice in the programmes. Nevertheless, there are training measures for MA/JS staff and for assessors, mainly in the context of general training of the regions or of anti-fraud training.

Only two programmes have initiated training for MC members, two others have planned to do so, but could not realise it due to other obligations.

### **Guidance for applicants**

The approach to guidance for applicants differs between Interreg A and B programmes.

#### **Interreg A**

11 of the 17 cross-border programmes indicated that the support of the applicants is the task of the JS. In four programmes the support is given jointly by the MA and the JS. Three programmes have national contact points or regions that provide guidance.

In the Italian-Austrian programme, the JS only answers general and formal questions on eligibility. The regional contact points give advice regarding the content and the regional feasibility and relevance of the project idea. The practice has been quite similar in the Slovak-Austrian programme but in the previous and current period it is accepted that the JS also gives

guidance on the contents. In case the JS is also involved in the assessment there might be the risk of Col being transported from guidance to assessment. This might be a particular risk for small programmes with a very limited TA-budget and thus also quite limited options to obtain external support or to have different people in the JS for guidance and assessment.

In contrast large programmes do have a larger set of options:

- the Channel (UK-France) programme has a so-called network of facilitators which supports the application. After the submission of the application, the JS takes over,
- The Dutch-German programme has a so-called regional programme management (Regionales Programmmanagement) which supports the applicants. The staff is employed by the Euregios and paid from Technical Assistance (TA) of the programme.

The IPA programme Croatia-Bosnia-Herzegovina-Montenegro implemented so-called "project clinics".<sup>7</sup> The events are used for last-minute support. Projects can send in questions in advance, mainly to the eMS and formal issues. The IPA programme Romania-Serbia gives assistance on developing a project in workshops and information days. Personal assistance on developing the contents of the project through the JS is not allowed. The role of the JS is limited to technical support, that means mostly on formal and administrative aspects related to the application.

Only five programmes have specialists for the different priorities of the programme. The Spain-Portugal programme has staff for every sub-region of the programme but not for topics.

Many programmes indicated that the individual personal consultations are carried out by two JS staff members.

All programmes have some form of guidelines for the JS or regional contact points such as application manuals, rules of procedures for the JS, FAQ´s on the website etc.

## **Interreg B**

These programmes support the applicants through the JS and national contact points. In one programme the support during the call is limited to technical questions, guidance related to content is only given before the call. One programme documents individual consultations in brief notes in order to contain later complaints of applicants after the selection decision is made.

Most of the programmes have specialists within the JS for each priority of the programme. The application manual, FAQ´s on the website are the reference to the guidance of the JS.

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<sup>7</sup> A practice which has been applied in various forms in many programmes, see e.g. the "project laboratories" in the programme Italy-Switzerland (which has implemented a two-step procedure in its initial call and the laboratories took place at the start of the second step for those who passed to that stage) or the "information days" in the programme Slovakia-Austria; however in these programmes the JS mandate included also advice on the project contents.

## Assessment of projects

The assessment of the project applications is for the vast majority of programmes done by the JS, in several cases with the support of external experts. Some programmes use external experts only if necessary for certain complex topics or state aid. Often these experts are independent consultants or researchers while in other programmes the experts are civil servants from regional or national authorities. In Interreg B programmes the national contact points check the eligibility of the project partners.

An important point is the underlying risk perception which also differs according to the context and evolution of programmes. A key aspect is that:

- in the assessment usually a comparatively small number of person is involved<sup>8</sup> and
- the assessment result is a decisive element for decision-making in most of the programmes

In the German-Dutch programme the assessment (the programme has no calls<sup>9</sup>, application is possible at any time) is done by the four regional programme managements (Euregios, see also guidance for projects). They assess their own applications as well. The JS is not involved. Although the assessments are discussed with all partners in the regional selection committee this procedure might cause a Col.

The assessors have in all programmes an assessment manual respectively a grid or other forms of guidelines and selection criteria.

Most programmes have a mixed system with scoring and descriptive parts. In these cases, the description is the justification for the given scores. But some programmes use solely a descriptive system with scores only when the projects have applied for a higher budget than available in the call.

The multilateral Interreg-A programme Grande Region only gives scores when there are too many projects in the respective call for the available budget. Otherwise, the assessment is just descriptive.

The programmes have a four-eye or even a six-eye principle for the assessment. In the programme Czech Republic-Poland, the JS engages four external experts assessing every project<sup>10</sup>. This helps to limit the influence of one expert on the final evaluation.

All programmes give recommendations to the MC which projects should be selected. The MC members receive assessment reports and in some programmes ranking lists. Usually, they also have access to the electronic system, which enables them to check the assessment and clarify certain questions. The projects are presented in the MC meetings. In most of the programmes, the MC follows the recommendations coming from the JS.

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<sup>8</sup> This aspect has been highlighted by the Interreg-IPA programme Italy-Albania-Montenegro: thus the assessment state is considered as the crucial phase to prevent Col.

<sup>9</sup> Also frequently referred to as "open call"

<sup>10</sup> Two from each participating country, thereof one from the region, the other one deliberately selected from another part of the country.

The assessment results are kept internal, only the results of the decisions are made public. Rejected projects are informed about the reasons for rejection and many programmes open them the possibility to have a look into the assessment sheet.

In the programmes Spain-Portugal and Italy-Switzerland, the assessment is shared between the regions and National Authorities (NA) for the contents and the JS for the technical criteria.

The Interreg-IPA programme Romania-Serbia has an evaluation committee consisting of the MA, the JS and the NA. The task of this committee is to review all assessments done by external experts and check comments by assessors for clarity and consistency.

No programme checks the JS staff or the MC members for any ancillary employment or engagements (membership) in other organisation (e.g. NGOs) which can cause Col. The MAs rely on the clauses in the working contracts and the declarations of impartiality.

Only some programmes check the CVs of the external experts for potential Col. Usually, they rely on the declarations of impartiality or the contracts.

## Monitoring Committee

Only two programmes decide on the projects with a majority voting. The other programmes have the principle of consensus.

In four Monitoring Committees, the MAs are voting members of the MC<sup>11</sup>, mostly for traditional reasons.

In all MCs, the chairperson asks if anybody has a Col or at least reminds to consider possible conflicts when voting. MC members have to sign a declaration of impartiality, in a few programmes even before every meeting and leave the room or at least are not allowed to participate in the discussion and voting when the respective project is on the agenda. No programme checks if an MC member has an ancillary employment or engagements (membership) in other organisation (e.g. NGOs) which can cause a Col. The MAs trust on the self-declaration and that member organisations have their own rules which have to be respected.

In the Slovak-Austrian programme the assessment should support the discussion in the MC; the assessment result is considered as an indicator of the quality of the project but the scoring is not binding for the MC in the selection of projects.

Most interlocutors stated that the MC usually follows the recommendations of the assessment, but it can happen that a project which is proposed for a grant is being rejected. A specific case is the programme Italy-Switzerland: The Steering Committee (SC) is in charge of project selection and approval the SC has the right to grant a “bonus” of five additional points to the proposed ranking list from the JS before the approval. Decisions are being taken in consensus.<sup>12</sup>

The vast majority of programmes publish only a summary of decisions on projects. Only very few programmes publish the full minutes on the programme website.

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<sup>11</sup> It is important to note that this is an issue and it might become more important in the forthcoming period since the Draft ETC Regulation foresees the voting right for all members of the MC. This might (re-)open the debate when defining the implementation settings post 2020. This might turn out as a sensitive issue: many Interreg stakeholders see the MA in a strictly neutral role as a programme body which should act as facilitator and chair the meetings of the MC and have the right to veto decisions which might infringe EU legislation - but except for that the MA should not get involved in the decision-making process of the MC.

<sup>12</sup> In case no consensus has been achieved, the MC should take the decision.

## Complaint procedures

All programmes have implemented a complaint procedure. Most programmes have a complaint panel<sup>13</sup>, some with and some without voting members of the MC. The MA and the JS have a leading role in the review and decision of complaints.

All programmes describe the reasons for rejection in the official notification letter and give the possibility for the lead partners to check the assessment sheet.

The number of formal complaints was in all programmes very low. The procedures are described in the application manual or on the websites of the programmes and seem to be transparent.

For the purpose of the study, it does not bring an added value to describe all variants how complaints are processed. Thus this part is kept short and only three examples are described. However, these approaches point at the wide variety of perceptions across Europe:

- The programme Germany-Netherlands does not have a complaint panel. Due to the application and decision-making procedures, it is not possible that a project will be rejected. Inadequate proposals are withdrawn or will not be submitted.
- The Interreg North programme does not allow complaints against rejections of applications. A lead partner can contact the MA, which explains the case. The projects can file a suit at the administrative court, but this has not happened yet. Obviously applicants prefer to apply again in the next call.
- The Interreg IPA programme Romania-Serbia does not allow complaints against MC decisions in accordance with Romanian law. But complaints on the assessment before the decision are possible. The programme informs about the results after each step of the assessment. The projects complaining are assessed again by other experts.

## Role of the Managing Authorities

The Managing Authorities (MA) see their role in the context of Col in raising transparency and awareness, not only in the MC but also among beneficiaries. It was stated from many interlocutors that the MA should be proactive and a role model. The key element is to build trust among all stakeholders and to have an open attitude.

Their main task is to make sure that they have identified all potential Col in their programmes, to set clear rules on how to deal with the topic on all levels and to provide training.

Regarding the question, if clearer rules and more clarity on the definition of Col are needed in future regulations, the opinions of the MAs differ. Some MAs would appreciate clearer rules, other think that the current rules are sufficient.

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<sup>13</sup> Also labelled as complaint board in many programmes; some programmes do not have such a panel or board - next to the examples highlighted below also the programme Italy-Switzerland does not have such a panel: the MA with the support of the JS is in charge of all complaint procedures.

One MA doubts that it is possible to prepare general rules that apply to every Member State and programme. Others point out that the administrative culture in the Member States of the programme is very transparent and that national regulations are precise.

Another MA would welcome guidance for the programme management but also for beneficiaries. It should highlight what to do in order to prevent Conflicts of interest – it should be illustrated with specific examples.

## 4 Conclusions

### Awareness of potential Conflict of interest in programme bodies is high

All MAs confirmed that the awareness on all levels of the decision-making process is high and has improved compared to the previous programming period and the start-up phase of the current period.

Potential Col is seen mainly in Monitoring or Steering Committees (member institutions act often also as applicants).

The letter which was sent by the European Commission in 2016 highlighting Col was described as very useful and helped to raise the awareness of the topic in some programmes.

All programmes have implemented some instruments to prevent and detect a Col. The most common instrument is the reminder in every MC meeting. This led to more transparency and MC members accept that they have to leave the room for decisions on projects where they are involved or have a specific interest in.

### Only a few programmes have offered awareness raising or training measures

Col was on the agenda in most of the Monitoring Committees and is discussed regularly. But only very few programmes offered awareness-raising or training measures.

Most of the training measures took place in the context of anti-fraud training which was mostly for the staff of the MA and JS. Some MAs mentioned that MC members receive training from the delegating organisations, i.e. the organisations sending the representatives.

Most programmes saw no urgent need for specific training measures for the members of the MC. They stated that everybody knows what Col is. That is in sharp contrast to the fact that only very few programmes have adopted a definition (see next conclusion).

### Sound knowledge claimed in all programme bodies but hardly any definitions found

The "Interreg community" in border regions but also in transnational programmes is rather small. Many players (applicants and decision makers) know each other. Some only on a professional level, but some also on a more personal level.

It seems that there are different understandings and interpretations in several programmes, which might root in cultural differences. Thus it is important for an impartial assessment and decision to have some guidelines where a Col in personal contacts and relationships starts and ends.

Only very few programmes have adopted a definition. Some use the definition from the new financial regulation which is also used in this study, one programme (Italy-Austria) goes even

further and is defining the degree of the relationship much stricter in the rules of procedure for the selection committee for projects in the framework of Community-led Local Development (CLLD).

### **The application of instruments is very diverse**

All programmes have some instruments in place to detect a Col or to clarify the respective programme rules.

The most common practices are:

- the recurring reminder before MC meetings and
- people leaving the room in case of a self-declared Col in a project decision
- as well as declarations of impartiality signed by members of MCs or external experts.

Codes of conducts are not a common and widespread practice among Interreg programmes.

Some JS prepare in advance a document for the MC meetings which list potential conflicts of interest of the MC members. The mentioned MC members are asked directly if that conflict exists.

However, a consistent policy framework and a comprehensive set of instruments are missing in all programmes of the sample.

### **The assessment procedures are largely transparent**

All programmes have an assessment and decision procedure which seems to be transparent. There are assessment guidelines, the four-eyes-principle etc. The procedures implemented can ensure that a potential Col does not influence the result of an assessment too much.

The highest risk for possible Col can be found in those programmes where institutions that act as lead and project partner are also involved in the quality assessment of the project applications. These programmes do not seem to have the proper instruments to prevent (institutional or personal) Col.

### **MC members are not checked for Col**

Interreg programmes do not check MC members for ancillary employments or concurrent engagement, e.g. in NGOs, which can cause a Col. The programmes rely on the self-declarations and declarations of impartiality signed by MC members.

As one MA has put it, "We are happy to trust".

The experience from the programmes shows that this practice seems to work. The MAs confirmed that it became a common practice that MC members announce a Col and leave the room or refrain from voting. Largely speaking the practice seems to be sufficient to prevent Col

in the decision-making process. Nevertheless, such a check should become part of the comprehensive policy and set of instruments.

### **Complaint procedures differ among the programmes**

The complaint procedures in the programmes are very different, but the number of complaints is very low. Rejected projects receive a transparent justification for the decision and can ask for further information, e.g. the assessment sheet. The projects obviously prefer rather to apply again instead of venturing into a complain.

In some programmes, the same people are involved in the complaint procedure as in the project decision. This might lead to a Col because these members are not willing to question their decision. Usually the MAs have a strong role in these complaint decisions, so the latter risk might only become pertinent in case of a 'weak MA'.

### **Resumé**

Summing up it can be stated that Col is no major issue in the implementation of neither cross-border nor transnational Interreg programmes. Despite some gaps in the implemented instruments (no clear definition, code of conduct) the MAs and the MC members are generally aware of Conflicts of interest and the need to develop their set of instrument and practices, e.g. with targeted training or improved respectively updated instruments. Nevertheless, it is possible that the interviews did not detect all possible fields of conflict.

The programmes handle the topic transparently. For the vast majority it is a trust-based system. The MA, the partners, the other bodies involved in programme management more or less rely on the internal rules of the authorities or organisations that delegate the persons to the MC. Authorities of one country cannot control authorities from other countries. Thus the programmes must rely on trust. Awareness raising and trust building are next to some clear rules the most important elements to avoid Col.

It has to be taken into account that Interreg programmes have to be considered as being based on "soft law". Imposing strict rules and checks of individuals will work in practice only to a very limited extent. Cooperation across Member States or with Candidate and Third Countries should work with features taken from the diplomatic toolbox. Any unsubstantiated suspicions or serious conflicts might have long-lasting effects on the cooperation climate.

Due to the participation of two or more countries the programmes also have an incorporated system of checks and balances. In most programmes the MCs have to agree on the projects, based on transparent assessments. This limits horse-trading and non-transparent agreements.

## 5 Recommendation: Programmes should develop a comprehensive set of instruments to avoid Conflict of interest

All programmes have implemented some instruments to avoid Conflict of interest. They usually work with declarations of impartiality and recurring reminders, which means the chairperson of the MC asks before every meeting or even before every agenda point if any member has a Col. Some programmes have established a code of conduct. All systems encountered are largely trust-based.

But no programme has established a consistent policy framework and a comprehensive set of instruments. The interviews and the experience from other programmes have pointed out that there are different interpretations of Col and how far a Col goes. This applies in particular to cases in which family members are involved.

Many MAs see their role as being proactive and a role model. Thus MAs should develop a comprehensive, but simple system to define and check for potential and apparent Col and develop some tools and trainings.

The following table describes six points to establish a comprehensive system in order to avoid Col. It can be easily implemented by all MAs and adapted to the needs and the specific situation of each Interreg programme.

### 1. Start with a clear definition of Conflict of interest

The public officials, who are members of the MC are entrusted to make decisions that affect the interests of the applicants. That means that applicants and the MA should have the trust, that MC members decide without personal interest. This trust can be damaged when applicants or the MA have the suspicion that one MC member is not impartial and objective. Thus every player (MC member, JS, MA, external experts) must know, where a Col starts and in which cases a possible private interest should be considered a Col.

The definition in the new Financial Regulation is a good starting point but should be reviewed in the light of the programme context, if necessary amended and clarified, e.g. by the degree of family up to which a Col is assumed or what is "emotional life".

There is no one-for-all solution for all programmes. The MAs and programme partners should consider the cultural, political background and national rules.

### 2. Implement a short test in order to identify apparent and potential Conflict of interest

Such a short test could ask for what official functions a member of the monitoring or steering committee is responsible for in his or her job and if the member has any apparent or potential Col.

Key questions are:

What are the official functions or duties the MC member is responsible for in his/her delegating authority?

Does the MC member hold private or organisational interests of a relevant kind?

The test can show if the MA has to pay attention whether there is an obvious or a possible Col in meetings of the MC, which need to be clarified before the respective meeting.

### **3. Develop a checklist for identifying risk areas related to Conflict of interest**

The OECD has developed a checklist for identifying at-risk areas for Col (see Managing Col in the Public Sector - A Toolkit, OECD 2005).

This checklist can be used as an orientation for MAs to develop an own checklist and identify those areas where the MA is at-risk in case situations prone to Col occur.

The questions should be formulated in a way that the answer is "yes" for each question. In case the answer is "yes" the MA should ask, what the procedures are and if they are effective.

In case of the answer is "no", the question is why there are no procedures and what the MA should do to implement a set of instruments and a process to avoid Col.

Possible groups of questions in the checklist can refer to the topics discussed with the MAs in the phone interviews. Questions could be:

#### **Awareness and knowledge of Col**

- ✓ Is all staff (in MA and JS), members of the MC and external experts aware of what Col is?
- ✓ Does the programme have adopted a definition of what a Col is?
- ✓ Has this definition been communicated to all relevant players in the programme (MC, MA, JS, external experts)?

#### **Guidance for applicants and assessment of projects**

- ✓ Has the programme clear guidelines for the staff of the JS or other people/organisations who provide guidance for applicants?
- ✓ Has the programme clear guidelines for the staff of the JS or other people/organisations and external experts who assess the project applications?
- ✓ Do the assessors have to explain and justify the results of the assessment?

#### **Complaint procedures**

- ✓ Does the programme provide clear and transparent reasons for the rejection of the project?
- ✓ Has the programme implemented a complaint procedure which ensures the impartiality of the assessment and decision of the complaint from the assessment and decision of the MC?

### Ancillary employment and membership in NGOs

As described in the summary in chapter 4, ancillary employment and concurrent engagements in other organisations like NGOs of JS staff, external experts and MC members are not checked by the MA. They rely for the MC members on the declaration of impartiality. In the case of JS staff, the employers can check CVs. This is also done when contracting the external experts. Both groups have to sign also declarations of impartiality.

- ✓ Has the programme defined a policy and related administrative procedure for approval of additional/ancillary employment?
- ✓ Is all the staff made aware of the existence of the policy and procedure?
- ✓ Does the policy identify potential Col arising from the proposed ancillary employment as an issue for the MA to assess when considering applications for approval?
- ✓ Is the policy applied consistently and responsibly, so as not to discourage staff from applying for approval?
- ✓ Does the organisation define the circumstances under which a JS staff, an MC member or an external expert may undertake a concurrent appointment on the board or controlling body of an *outside* organisation or body, especially where the organisation is a potential or actual applicant?  
For example:
  - A community group or an NGO.
  - A professional or political organisation.
  - Another government organisation or body.
  - A government-owned corporation or a commercial public organisation?
- ✓ Does the organisation, and/or a law, define specific conditions under which a public official may engage concurrently in the activities of, an *outside* organisation, including a privatised body, while still employed by the programme or act as an MC member?

### Inside information

- ✓ Has the organisation defined a policy and administrative procedure for ensuring that inside information, especially privileged information which is obtained in confidence from private citizens or other officials in the course of official duties, is kept secure and is not misused by the staff of the MA/JS, external experts and MC members? In particular:
  - Commercially sensitive business information.
  - Taxation and regulatory information.
  - Personally sensitive information.
  - Law enforcement and prosecution information.
  - Government economic policy and financial management information.
  - Are all staff made aware of the existence of the policy and procedure?

### **Personal, family and community expectations and opportunities**

- ✓ Does the organisation recognise the potential for Col to arise from expectations placed on individual public officials by their immediate family, or by their community/country, especially in the cross-border context?
- ✓ Does the organisation recognise the potential for Col to arise from the employment or business activities of other members of an employed official's immediate family?

### **Gifts and other forms of personal benefits**

- ✓ Does the organisation's current policy deal with Col arising from both traditional and new forms of gifts or benefits?

Does the organisation have an established administrative process for controlling gifts, for example by defining acceptable and unacceptable gifts, for accepting specified types of gifts on behalf of the organisation, for disposing or returning unacceptable gifts, for advising recipients on how to decline gifts, and for declaring significant gifts offered to or received by officials?

This checklist is an example and can be adapted to the specific needs and situation of the programme.

## **4. Adopt a Code of conduct in the MC**

*A code of conduct sets "Principles, values, standards, or rules of behaviour that guide the decisions, procedures and systems of an organization in a way that (a) contributes to the welfare of its key stakeholders, and (b) respects the rights of all constituents affected by its operations." (International Federation of Accountants)*

A Code of conduct can be an important step in establishing an open and transparent culture for the whole decision making, but it is not a comprehensive solution on its own. It seems that in most programmes the relevant EU-guidelines are not well known. This becomes clear that most programmes do not have adopted a definition of Col (e.g. following the proposal of the new financial regulation) and postulate that everybody knows what it is. The wide differences in administrative cultures across Europe indicate the need to reveal different perceptions and to come to a shared view on risks. The Code should outline and address the shared perspective.

What is needed is the ethical leadership of the Managing Authority. The MA should ensure a constant learning process and a consistent enforcement of their policy. The MA must avoid that a code of conduct becomes a "paper tiger" and ensure that everybody understands it and will remember and apply its content. The successful implementation of a code of conduct depends to a large extent on an environment of mutual trust between the programme partners.

#### **5. Include rules to Conflict of interest in the rules of procedure of the MC and let JS and MC members sign a declaration of impartiality for every call or MC meeting**

Some programmes have integrated rules how to deal with Col in the rules of procedure of the Monitoring Committee. The respective articles should contain that MC members have to declare their impartiality and have to leave the room when they have a Col. It can also regulate who decides whether there is a Col in cases where the MC member denies it.

Assessors (JS staff and external experts), as well as MC members, should sign a declaration of impartiality for every call and MC meeting and not only once at the beginning of the programme lifecycle. Recurring reminders will raise the awareness of the involved persons: Col must always be considered. Col should be part of an ongoing process of awareness-raising and learning.

The waiver of participation of an MC member in the vote for a project should be recorded in the minutes.

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#### **6. Conduct brief training for JS and MC members with case studies and develop guidelines**

Only a few programmes have trained their staff and MC members on Col. Most of the training measures took place in the context of anti-fraud seminars which were mostly for the staff of the MA and JS or for civil servants in their regions or authorities.

However, training is an important instrument to raise awareness of the existence of rules and standards. It can also help to discover and discuss possible cultural and political differences in the interpretation of Col.

Training measures should be designed in cooperation with independent external ethic experts. Such training should not only focus on the existing laws and rules, but also on values and moral dilemma. Case studies give vivid examples of what a personal or organisational Col could be and make the topic easier to understand.

Guidelines with the content of the seminar and further instructions should be developed and made available.

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## 6 Overview of the instruments found

The following table is an attempt to show optional elements for an approximate comprehensive system. It is evident that the implementation of all instruments would mean a quite significant effort – on the other hand it should be considered that the aggregate funding volumes granted by programmes are also quite significant.

Stage	Instruments / proceedings	Annotation
<b>General awareness-raising</b>	<p>Discussion of Col and agreement on definition which is then a reference for the eventual code of conduct and subsequently put either into the RoP of the MC or in the declaration of impartiality etc.</p> <p>Awareness raising measures and training for MA, JS and MC</p> <p>Recurring reminders in MC meetings</p>	<p>Strikingly only a few programmes have a wording to define Col; an optional one which can be used as a point of reference is the one in Art. 59 of the Draft Financial Regulation of the EU.</p> <p>A legal expert could be helpful to give feedback on existing proceedings and good practices, as well as guidance on demarcation lines between Col, corruption and fraud.</p> <p>The MA has a major role in doing so; it should be part of the function as a chair to remind staff and MC members in a friendly but dedicated manner.</p>
<b>Guidance for applicants</b>	<p>Code of conduct for staff in key bodies (MA, JS or other involved institutions that provide guidance like NCPs or regions)</p>	<p>Such a code might be helpful to raise awareness and to implement a Col policy.</p> <p>It is important to note that a bias in guidance is hard to detect but can have wide implications (e.g. newcomers might be discouraged to apply through biased guidance and difficulties in interpersonal relations).</p> <p>The code should recall basic principles such as the professional, effective and objective approach; the principles ruling the handling of information (confidentiality), Col and transparency, duties to notify unacceptable behaviour etc.</p>

Four-eyes principle in individual consultations

A good rule which should be kept for events where guidance / advice is being provided or individual consultations.

Brief internal note on key information provided during guidance

Has proven as useful practice to contain complaints at later stages in case of rejection in MC / complaints.

Stage	Instruments / proceedings	Annotation
	Clear guidelines for advice on contents in hand- or guidebooks for JS	Hand- or guideboks should be published to make the process transparent for applicants.
Call specifications	Transparent decision-making on call specifications, actively involving the MC	MC members have to sign declarations Leadership of the MA and proceedings in the MC are decisive to contain Col.
Assessment in general	Code of conduct for staff in key bodies (MA, JS or any other institution which is involved in the assessment)  At least four-eyes principle	Again it is important to note that a bias at this stage is hard to detect but can have wide implications, in particular when there is no chance to deliver further formal documents (grace period), might be a risk to end up with double standards due to personal preferences.  Given the decisive role this check has in many programmes it should be handled with care!
Qualitative assessment in particular	System of checks and balances in case of involving several external assessors and/or JS and external assessors  RoPs for the expert panel	To combine experts from the region with thematic experts might lead to better results (taking the regional context into account but still being aware of key trends in the specific field); but the involvement of several external assessors per project might not be feasible in budgetary terms for many programmes .  For programmes involving large numbers of external experts and relying heavily on the assessment in decision-making a full set of instruments should be developed; an open discussion of results in a mixed (experts, JS) panel in the presence of the MA might be a good approach.  It is important to clarify the proceedings in case assessments differ to a significant extent among the involved experts (setting-up a pure arithmetic approach to calculate the final score is rather counter-productive since it will level out the differences!)

Stage	Instruments / proceedings	Annotation
	Webinar or seminars for external experts highlighting the issue	In particular in transnational cooperation programmes experts might come from several countries and webinars might be an effective way to ensure common standards; such webinars should include a couple of slides on the definition of Col as well as the expected code of conduct
<b>MC selection</b>	Declarations of impartiality          Rules of Procedures (RoP) for the MC	In our view facilitation and leadership of the MA and the climate as well as the proceedings in selection are far more important than declarations.  If the signature is provided once at the programme start and there are no reminders the effect is obviously limited.  The RoP could include a Code of conduct; a default element should be an article on impartiality and the proceedings in case one of the members has a Col.
<b>Complaints</b>	Transparent proceedings       Involvement of persons who were not part of the selection process or at least persons who were not voting members	The minimum requirement; the handling of complaints should be clear for everybody and not prevent representatives of rejected projects from submitting a complaint.  A professional person who was not part of the preceding process will usually be able to ask important questions which in the end help to clarify eventual flaws in the justification of a rejection or which will help to rectify an unfair decision (unfair meaning that for example the rejection is based on a vague or even non-valid argument).

## 7 Annex

Questionnaire for Survey "Risk Management in project selection in Interreg programmes"

### 1. Set of questions - Awareness of Conflict of interest (Conflict of interest)

- (1) Do you see any potential Conflict of interest in your programme (MA, JS, MC, external experts, others involved)? If yes, where?
- (2) We want to concentrate in our project on the decision making process. In which steps of the decision making process do you see potential Conflict of interest?
- (3) Do you think that MC members and MA/JS employees, external experts are aware what Conflict of interest is?
- (4) Did you implement any awareness raising measures? If yes, which? If no, why not and would you consider it?
- (5) Has there been any actual case or incidence of Conflict of interest in the course or programme implementation?

### 2. Set of questions - Instruments

- (1) Which instruments with regard to Conflict of interest in the decision making process did you implement? E.g.
  - Code of conduct
  - declaration of impartiality
  - addressing it openly and recurring reminders in meetings
  - Other?
- (2) If yes, what do they regulate? Can you please provide the documents.
- (3) Do you have explanatory guidelines on the definition and importance of Conflict of interest?
- (4) Do you organise trainings for MA/JS and MC members?

### 3. Set of questions - Guidance for applicants

- (1) Who provides guidance for applicants?
- (2) Do you have specialists for specific priorities in JS and/or regions?
- (3) Is JS staff free how they give guidance to applicants or are there clear guidelines, in particular with regard to the content of the application.

### 4. Set of questions - Assessment of projects

- (1) Who is assessing the projects? JS staff or external experts or regions? Who is involved in formal/eligibility check and quality assessment?
- (2) Does the JS give recommendations for the MC, which relevance has the vote of the external expert?
- (3) Does the JS have clear guidelines for assessing the projects?
- (4) Which elements of the assessments are made public (e.g. names of assessors etc.)?
- (5) Which system do you use for ranking the projects? E.g. scoring system, descriptive, combination?

- (6) Does the JS have to explain the scores/results of assessment they give for the applications?
- (7) Do you check if a JS staff has an ancillary employment which can cause Conflict of interest?
- (8) Do you check if a JS staff has a concurrent engagement in other organisations (NGOs etc.), which can cause Conflict of interest?
- (9) In case external experts participate in or do the assessment: do you check the impartiality of external experts beyond having a declaration signed?

#### **5. Set of questions - Monitoring Committee**

- (1) Which principle for decision-making do you apply – consensus or majority voting? Do you think one of the principles is more favourable in terms of preventing Conflict of interest?
- (2) Is the MA voting member of the MC? If yes, why?
- (3) Does the chairperson of the MC ask at the beginning of every meeting if any MC member has a Conflict of interest in any of the decisions to be made? Do MC members have to leave the room when
- (4) Do you check if an MC member has an ancillary employment which can cause Conflict of interest?
- (5) Do you check if an MC member has an concurrent engagements in other organisations (NGOs etc.), which can cause Conflict of interest?
- (6) Do you consider any special measures in voting and selection procedures to limit the potential of Conflict of interest in MCs (e.g. people leaving room, etc)
- (7) Do organisations represented in the MC provide co-financing? E.g. automatism, i.e. approval of ERDF by MC implicitly means public national co-financing from MA/NA such as in many new MS or provided by regions such as in AT/DE
- (8) Does it pose a problem if the MC does not follow the assessment results? If perceived as problematic - what are the provisions in such cases?
- (9) Do you publish minutes of MC meetings incl. opinions expressed by single MC members and voting behaviour?

#### **6. Set of questions - Complaint procedures**

- (1) How is the complaint procedure organised in your programme?  
Is it based on national legislation? How is the status of the complaints board / panel (e.g. sub-committee of MC covered in Rules of Procedures (RoP) of MC or established by the MA etc.)? What is the status of decisions / considerations taken in the complaints panel (most probably recommendation for MC)?
- (2) Do you provide clear and transparent reasons for the rejection of projects?
- (3) Are the complaint panel members involved in the decision making process?
- (4) Did you have complaints? If yes, how did the complaint procedure turn out?

#### **6. Set of questions - for MAs**

- (1) Which role do you see for the MA to avoid any potential Conflict of interest?
- (2) Do you think clearer rules and more clarity what Conflict of interest means in the context of Interreg are needed? E.g. in future regulations

## 8 References

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