

Interreg Common sample

Przemysław Kniaziuk | Interact 18.11.2025 |

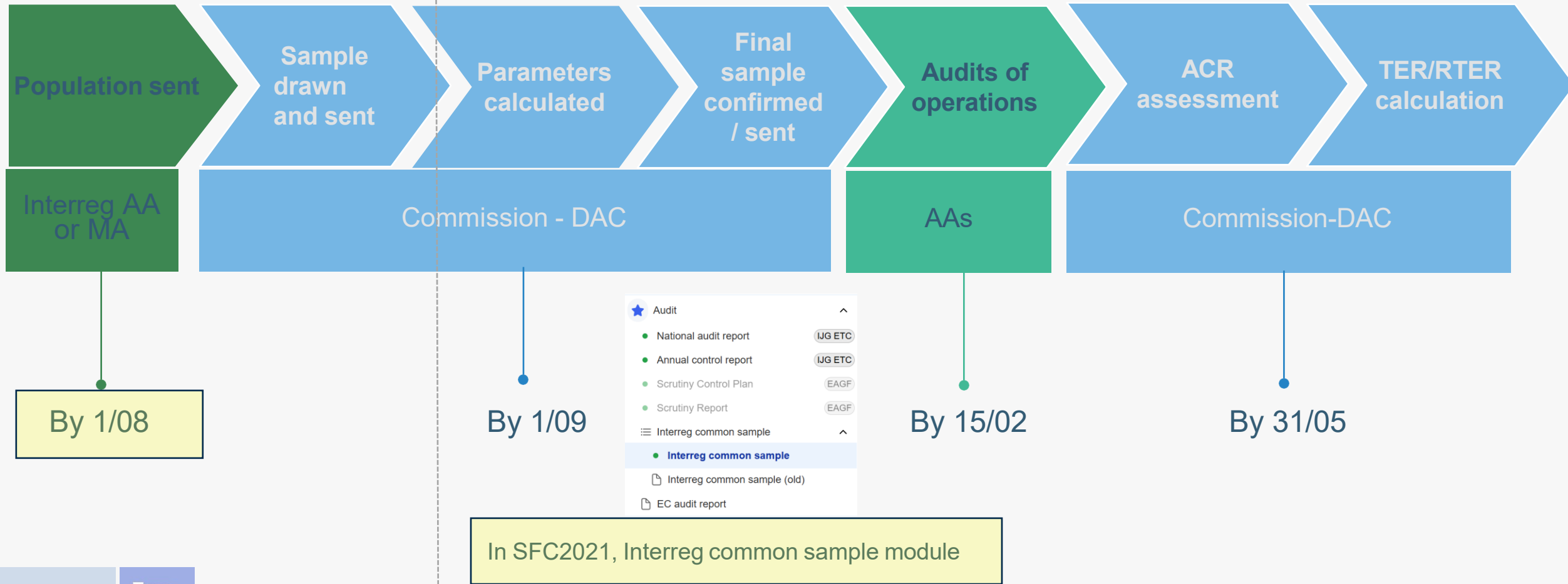
Podgorica, Montenegro

Interact



**Co-funded by
the European Union**
Interreg

Workflow and timeline



Workflow



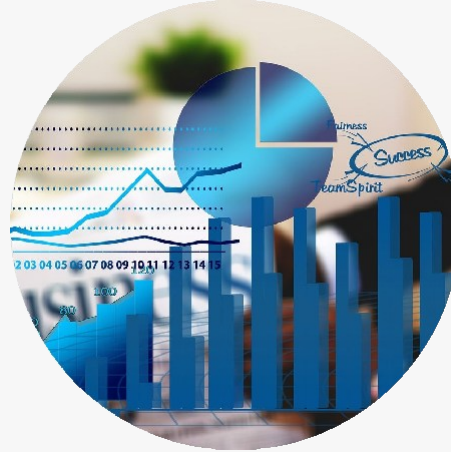
Population sent by MA or AA

In SFC2021
By 01/08
Early submission: by
01/07



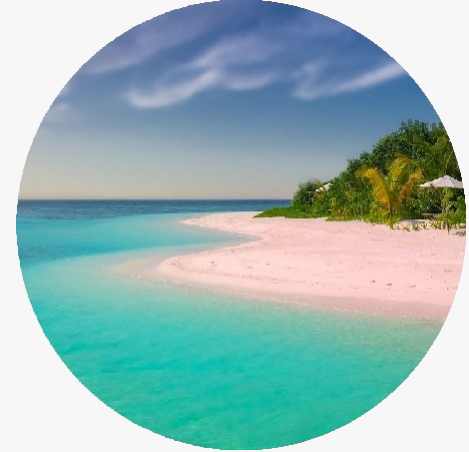
Sample drawn and sent by DAC

SRS method used
3 or 5 sampling units
Sample sent through
SFC2021



Parameters calculated

Depending on population
submitted and previous
error rates



Final sample sent / confirmed

By 01/09

1st exercise

- 3rd Accounting year 2023/2024
- 15 programmes submitted the population
- Compliance audit by DAC.6 on KR11, KR13, KR15 performed in February 2025
- 8 projects (1 per programme) selected
- No findings with financial impact

Following the assessment of the reported results of the audits of operations (in line with Article 49(6) of the Interreg Regulation 2021-2027), I am pleased to inform you that the Commission services have calculated the global extrapolated error rate with regard to the 15 Interreg programmes that reported expenditure and were thus included in the population from which the common sample was selected: the global extrapolated error rate for the group of 15 Interreg programmes is 0.07%.

ACRs 2021-2027 programming period

Type of errors	All (no.)	Interreg (no.)	All (EUR)	Interreg (EUR)
Ineligible expenditure	175	5	20,071,334.91	525.67
Public procurement	51	-	9,326,915.40	-
Missing supporting information or documentation	123	12	4,223,879.94	214.31
State aid	12	1	1,070,937.71	-
Ineligible project	3	-	741,306.00	-
Simplified Cost Options	26	1	298,614.46	7.54
Sound Financial Management	14	1	134,747.85	-
Equal Opportunities / Non discrimination	13	-	25,199.38	-
Financial Instruments (FIs)	12	-	760.90	-
Information and publicity measures	22	-	359.26	-
Performance indicators	9	1	-	-
Separate accounting records	2	-	-	-
Environmental rules	1	-	-	-
Total	463	21	35,894,055.81	747.52

EC Findings

Project level findings

Lack of publicity on beneficiaries' websites

Public procurement: lack of justification for negotiated procedure

Ineligible expenditure not linked to the project

Travel and accommodation costs declared before travel took place

Double funding: same cost categories covered through 2 forms of reimbursement



EC Findings Audit documentation

Check reflection paper on audit
documentation

Detailed information about the work carried out, the
criteria checked against, calculations performed

Documents supporting the audit findings

EC Findings Checklists

To cover all necessary aspects

To provide sufficient information on audit tests performed

To avoid Yes/No answers (especially in case of State aid analysis, public procurement, conflict of interest, double funding checks)



2nd exercise

- 4th Accounting year 2024/2025 (1 July 2024 – 30 June 2025)
- 48 programmes submitted the population by 1 July / 1 August 2025
- Audits of operations running – first audit reports
- Assurance package for this acc. year to be submitted by 15 February 2026



When sending the population...



Use the template agreed with the Commission

Fill in all data (including category, partner no. in operation)

~~Remove all partners with 0 expenditure~~

All amounts are positive

Column I is to be used for withdrawals in the given accounting year of expenditure related to previous accounting years

When sending the population...



Sampling unit = cumulated partner expenditure in an operation in an accounting year

No double recordings

For SPF, expenditure to be declared at the level of the beneficiary

AA reconciliation necessary

AA contacts to be added to the list of “Officials in charge” (in SFC) to get notifications

Risk-based management verifications (MA) vs audit work (AA)

Management verifications	Audit	Comments
Responsibility of the MA	Responsibility of the AA	Different authorities
Internal control function within the MCS	Ex-post control	Different levels of control
Purpose: <u>identify errors in payment claims</u> of beneficiaries and correct them	Purpose: to test whether the control system as defined in the MCS functions properly and to provide independent assurance on the system	Different purpose
Done via risk-based verifications through <u>administrative</u> and <u>on-the-spot checks</u>	1. <u>System audits</u> (design and operating effectiveness of controls) 2. <u>Audit of operations</u> (common sample)	Different samples used by MA for management verifications and AA for audit of operations (sample is done by the EC).
Risk-based – <u>according to the risk assessment</u> and risk-based methodology developed by the MA in advance and in writing	<u>Common sample</u> at EU level – sample selected by the EC according to their methodology; sub-sampling if a large number of invoices	

Risk-based management verifications (MA) vs audit work (AA)

Management verifications	Audit	Comments
The errors/ irregularities found during MV are <u>not extrapolated</u> (non-statistical sample)	Extrapolation for all programmes covered by the common sample (TER/RTER below 2% for Interreg in 2014-2020) Targeted financial corrections for programmes with errors (if above 2%)	It is possible that an operation/payment claim/expenditure is not verified by MA but it is audited by AA
MA/IBs should <u>correct errors</u> and assess if they had any systemic impact at the level(s) of operations/ beneficiaries (e.g., by extending the level of verifications in those specific areas/ expenditure/ beneficiaries and also by revising the risk assessment).	Even in case conditions for the use of a non-statistical sample are fulfilled, results are still projected to the entire population.	The AA's sample may contain both (1) the expenditure <u>subject to previous MV</u> , and (2) <u>expenditure that has not been verified</u> by the MA/IB.
MA to <u>regularly revise the methodology</u> – based on results of MV, system audit, audit of operations, and recommendations of the AA (examination if an irregularity is one-off or systematic) + suspicion of fraud		

Irregularities, anti-fraud Conflict of interest

Przemysław Kniaziuk | Interact 18.11.2025 |

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Irregularities

Irregularity means any **breach of applicable law**, resulting from an act or omission by an economic operator, which **has, or would have, the effect** of prejudicing **the budget of the Union** by charging unjustified expenditure to that budget;

Established irregularity when costs have been claimed in the payment application to the EC and

subject of a first written assessment by a competent authority, either administrative or judicial,
-> irregularity has been committed

Reporting in IMS - CPR Annex XII + Handbook on requirement to report irregularities, COCOLAF/23-05-17/8.2/EN



Fraud

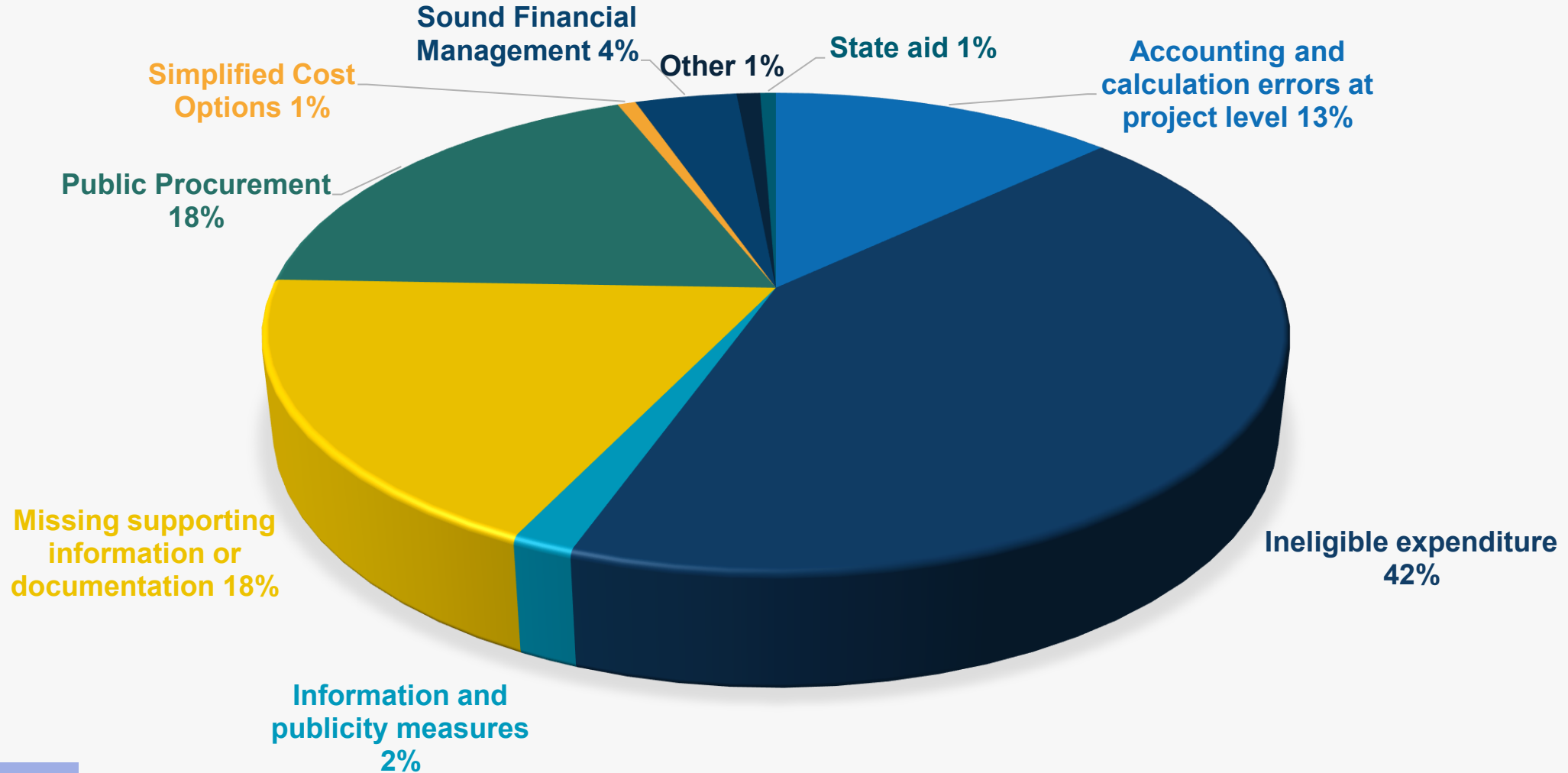
Irregularities which have **intentional character** or are due to **intentional omission** are called **frauds**.

The intentional character must be first verified in the administrative or judicial proceedings. Until then we deal with a **suspected fraud**.

When the intentional character is confirmed we deal with an **established fraud**.



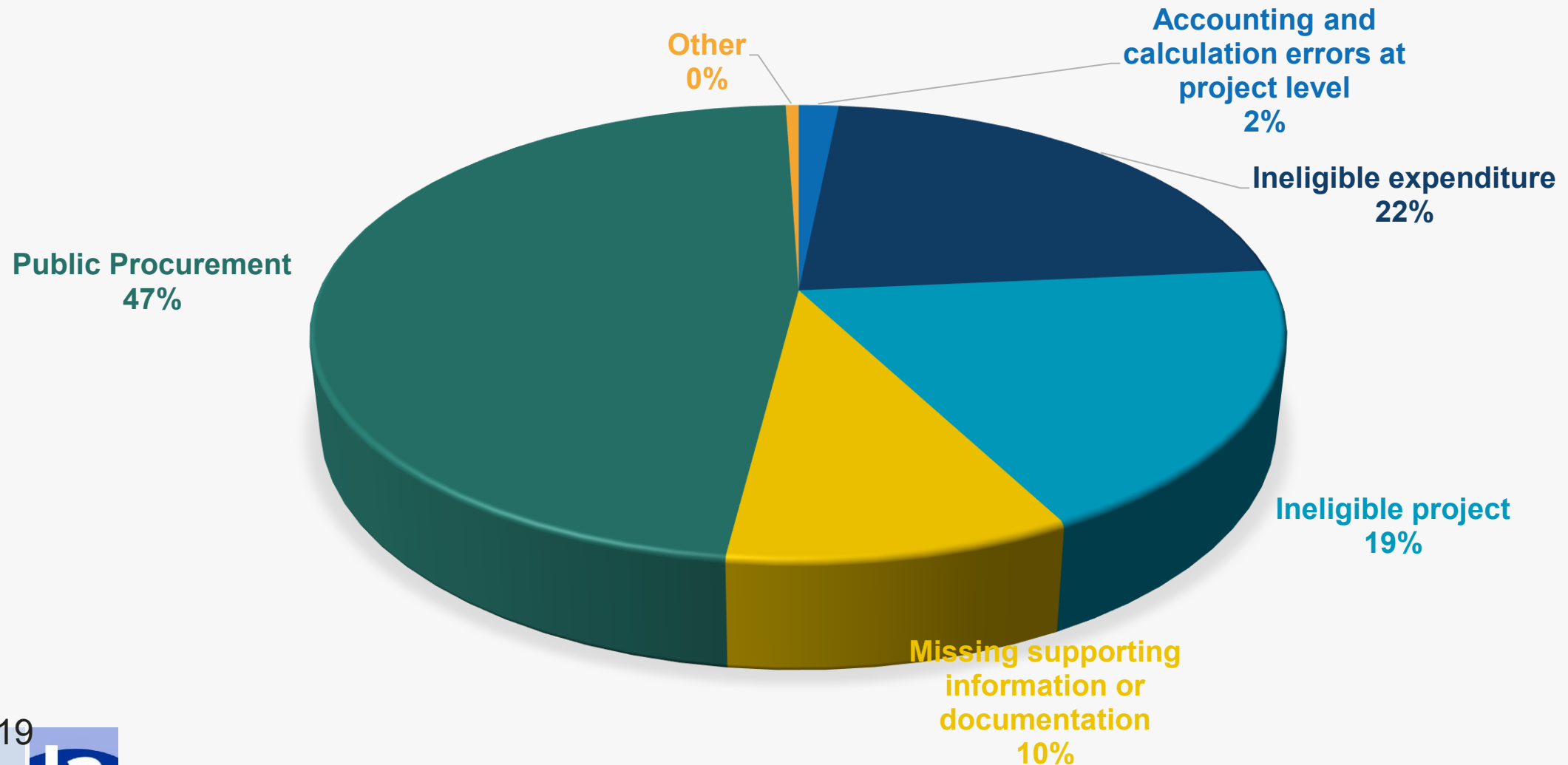
Type of irregularities (number) – Interreg - acc. year 2022/2023



Type of irregularities (number) – comparison – acc. year 2022/2023

Type	All	Interreg
Ineligible expenditure	2,429	431
Missing supporting information or documentation	1,634	187
Public Procurement	1,100	187
Sound Financial Management	506	39
Accounting and calculation errors at project level	403	132
Simplified Cost Options	225	7
Performance indicators	177	6
State aid	143	6
Information and publicity measures	117	17
Ineligible project	53	2
Financial instruments	49	-
Revenue Generating projects	13	1
Equal Opportunities / Non discrimination	10	-
Data protection	4	-
Total	6,863	1,015

Type of irregularities (amounts) – Interreg - acc. year 2022/2023



Type of irregularities (amounts) – Interreg - acc. year 2022/2023

Type	All	Interreg
Public Procurement	141,183,697.19	3,291,205.70
Ineligible expenditure	41,774,822.70	1,521,197.28
State aid	25,990,351.75	1,614.22
Missing supporting information or documentation	21,388,566.92	669,136.35
Ineligible project	11,259,107.42	1,303,822.86
Financial instruments	6,877,854.61	-
Accounting and calculation errors at project level	2,456,719.98	109,518.97
Simplified Cost Options	1,706,731.76	6,658.77
Sound Financial Management	807,924.92	27,433.86
Equal Opportunities / Non discrimination	658,219.85	-
Performance indicators	73,011.14	-
Information and publicity measures	23,140.03	77.52
Revenue Generating projects	16,850.71	7.53
Total	254,216,998.98	6,930,673.06

EVOLUTION OF FREQUENCY OF IRREGULARITIES – INTERREG

Category	2021-2022	2020-2021	2019-2020	2018-2019
Public Procurement	19.29%	19,90%	21,9%	14,1%
State aid	0.51%	0,59%	0,2 %	0,5%
Missing supporting information or documentation	19.67%	18,42%	17,3%	22,4%
Accounting and calculation errors at project level	12.18%	13,00%	11,3%	13,7%
Ineligible project/Ineligible expenditure	38.45%	42,66%	43,3%	43,3%
Sound financial management	4.31%	3,84%	3,3%	2,4%
Other categories	5.58%	1,58%	2,7%	3,6%

EVOLUTION OF AMOUNT OF IRREGULARITIES – ETC

Category	2021-2022	2020-2021	2019-2020	2018-2019
Public Procurement	42.20%	47,49%	67,9%	26,0%
State aid	0.00%	0,02%	0,0%	0,0%
Missing supporting information or documentation	3.64%	9,65%	2,2%	19,1%
Accounting and calculation errors at project level	7.52%	1,58%	5,6%	14,1%
Ineligible project/Ineligible expenditure	42.69%	40,76%	23,3%	39,2%
Sound financial management	2.58%	0,40%	0,1%	0,1%
Other categories	1.37%	0,10%	0,9%	1,5%

(Possible) double funding

1. The costs for accounting in an Interreg operation were declared as real costs even if the Programme used the 15% flat rate for indirect costs (covering also accounting).
2. The financial manager of an operation was simultaneously employed in two other projects, which lead to over declaration of hours worked and of expenditure declared.
3. The project approved in one programme was submitted as a proposal to another programme (use keep.eu, Index).



Public procurement

The tender's **technical specification** in a public procurement **did not include any restrictions** regarding the use of a particular database.

However, a reply provided during clarifications indicated that **a specific “Microsoft database” for MySQL** was requested **without including the phrase ‘or equivalent’**.



Sound financial management

In one ESF operation, the beneficiary signed a contract for a training with a value of 3.000 EUR per person.

The auditors identified another recent training with the same contractors (in another operation) where the cost was 400 EUR per person.



State aid

The project consisted in **adapting medical facilities** to the needs of people with disabilities.

The **MA** considered that **State aid in projects in the public healthcare system does not exist**, as health benefits are **addressed to the general public** and as such the state support for these activities would not have any negative effect on competition between Member States.

However, some of the hospitals with awarded grants **carried out also commercial, private medical activities**, considered as an economic activity and therefore could involve State aid.



Financial corrections

Article 103 corrections

Financial corrections by Member States

Member States shall protect the Union budget and apply financial corrections by cancelling all or part of the support from the Funds to an operation or programme where expenditure declared to the Commission is found to be irregular. (...)

Management verifications based on an adequate risk assessment (first line of defence);

Efficient audit work (second line of defence).

Article 104 corrections

Financial corrections by the Commission

In 2021-2027 all irregularities (irrespective of the amount) contained in accepted accounts, and which were not detected and reported first by the MS but are identified by EC or ECA audits or OLAF investigations will lead to net financial corrections except for:

- 1.the MS removes the amounts from the accounts before their submission or acceptance;
- 2.the MS detected (and reported) the irregularity first even if the irregularity was not correctly treated in the accounts.

Reporting in IMS

Irregularities to be reported

1. have been the subject of a first written assessment by a competent authority, either administrative or judicial
2. give rise to the initiation of administrative or judicial proceedings at national level in order to establish the presence of fraud or other criminal offences (suspected fraud)
3. preceding a bankruptcy;
4. for which the Commission submits a written request for information to the Member State following the initial reporting from a Member State

Reporting in IMS

Irregularities not to be reported

1. for an amount lower than EUR 10 000 in contribution from the Funds, BUT if interlinked and total amount > EUR 10 000 have to be reported
2. Consist solely of failure to execute an operation included in the co-financed programme owing to the non-fraudulent bankruptcy
3. cases reported to MA / BAF by the beneficiary voluntarily and before detection by either authority, whether before or after the payment of the public contribution, **BUT suspected fraud YES**
4. cases which are detected and corrected by the managing authority before inclusion in a payment application submitted to the Commission, **BUT suspected fraud YES**

Irregularities in 2021-2027

Rules for the reporting of irregularities

Report irregularities within two months following the end of each quarter from their detection or as soon as additional information on the reported irregularities becomes available.

Who reports?

The Member State in which the irregular expenditure is incurred by the beneficiary and paid in implementing the operation shall be responsible for reporting

For programmes under the European territorial cooperation goal (Interreg), the reporting Member State shall inform the managing authority and the audit authority of the programme.



Do you know Arachne?

Do you use Arachne?

How do you use it?

What do you check there?

Are current red flags useful?

Any risks identified there?

Risk scoring systems (Arachne+)

Providing the data will be obligatory under the next MFF:

on the recipient, legal person

- recipient's full legal name, VAT identification number or another unique identifier established at country level
- the address
- the beneficial owner(s) of the recipient, where the recipient is not a natural person: the first name(s), last name(s), date of birth, and VAT identification number(s) or tax identification number(s) where available or another unique identifier at country level

on the recipient, natural person

- the first and last name; the date of birth;
- the region on NUTS 2 level when the recipient is a natural person and is domiciled in the Union or the country when the recipient is a natural person and is not domiciled in the Union;

Risk scoring systems (Arachne+)

on the operation:

- the amount committed and, in case of a commitment with multiple recipients, the breakdown of this amount per recipient where available;
- the nature and purpose of the measure.

Article 36, recast Financial Regulation

Risk scoring systems (Arachne+)

Annex 1: Consolidation of risk indicators

Current Arachne Risk Indicators	Arachne+ Risk Indicators
4.1.1 Lead time between publication and contract signature	4.1.1 Lead time between publication and contract signature
4.1.2 Percentage disqualified tender offers vs received	4.1.2 Percentage disqualified tender offers vs received
4.1.3 Number of valid tenders	4.1.3 Number of valid tenders
4.1.4 Contracted amounts via restricted procedures / total project cost	4.1.4 Contracted amounts via restricted procedures / total project cost
4.1.5 Number of contract addenda compared to sector average	4.1.5 Number of contract addenda compared to sector average
4.1.6 Financial correction	4.1.6 Financial correction
4.2.1 Contractors with invalid VAT number	4.2.1 Contract companies with invalid VAT number
4.2.2 SubContractors with invalid VAT number	consolidated with 4.2.1
4.2.3 Contract addenda cost vs project cost	4.2.3 Contract addenda cost vs project cost
4.2.4 Contract addenda cost vs contracted amount	4.2.4 Contract addenda cost vs contracted amount
4.2.5 Difference between final contract end date and initial contract end date	4.2.5 Difference between final contract end date and initial contract end date
4.2.6 Number of consortium members	4.2.6 Number of contract companies
4.2.7 Contract modifications	4.2.7 Contract modifications
4.2.8 Key experts change	4.2.8 Key experts change
4.2.9 Key experts linked to multiple projects	4.2.9 Key experts linked to multiple projects
4.2.10 Contracted amount vs annual turnover of the contractor	4.2.10 Contracted amount vs annual turnover of the contractor
4.2.11 External service provider	consolidated with 4.2.6
4.3.1 Project costs outside eligibility period - before start date	4.3.1 Project costs outside eligibility period
4.3.2 Project costs outside eligibility period - after end dat	consolidated with 4.3.1
4.3.3 Difference between invoice and payment dates	4.3.3 Difference between invoice and payment dates
4.3.4 High percentage of cost allocated at the end of the project	4.3.4 Suspicious expense patterns
4.3.5 Expenses with round amounts	consolidated with 4.3.4

Do you use CRIF?

How do you use it?

What do you check there?

Any risks identified there?

CRIF

- CRIF S.p.A, Europe-wide data
- Used alongside with Arachne
- In some MS obligatory use
- Pay per click – cheap reports
- Financial standing, Col, AML, easy checks on individual applicants / partners – PDF report
- Various sanction lists

Do you use EDES?

EDES

- Information on cases of early detection, exclusion and/or financial penalties
- Info about entities, in certain cases of fraud or conflict of interest confirmed by a final judgement or administrative decisions and reported by MS
- EC to grant access to EDES to “all persons and entities involved in budget implementation”
- all persons and entities involved in budget implementation shall enforce such decisions with regard to the person or entity applying for or selected to implement Union funds;

Article 144, recast Financial Regulation 2024

Do you use any other data mining tool?

Have you had whistle blowers?

How do you protect their identity?

**How? Dedicated email?
Dedicated website? Any other way?**

Whistle-blowers

One whistle-blower can be 100 times more effective than 100 of hours spent on data-mining



← ↻ <https://www.interreg-central.eu/anti-fraud/> ⋮ ☆ ⚙ ☆ 👤 ⋮

Interreg
CENTRAL EUROPE  Co-funded by
the European Union

How to report fraud

If you suspect fraud or corruption linked to funding from the Interreg CE Programme, please get in touch with the [Managing Authority](#).

About us

- Who we are
- Documents
- Jobs and tenders
- Event calendar
- News
- Contacts
- Programme 2014-20

Legal information

- Data protection
- Data transmission
- Cookie policy
- Fraud fight statement
- Imprint

Contact us

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Conflict of interest



Definition of Conflict of Interest

“where the **impartial** and **objective exercise of the functions** ... is **compromised** for reasons involving **family, emotional life, political or national affinity, economic interest** or any other direct or indirect personal interest.”

Article 61
FR 2018



Case 1

Imagine that A&P are colleagues

A is a project manager in an Interreg project

P is a finance manager and reports to A who is his superior

Is there a perception of Col?

But suddenly A falls in love with P and now they are a couple.

What needs to be done in this case? Is there a Col now?

Case 2

Imagine that A&P is a married couple

A is a Project manager in an Interreg Project

P has a brother who is unemployed

A offers a contract to P's brother to work as finance manager for the next 4 years

Is there a perception of Col? What would you do with this Project?

Case 3

Imagine that A&P is a married couple

P is public procurement specialist Interreg Project
(Contracting authority)

A has one-man company offering publicity services

P offers a direct contract to A for 20 000 EUR (below the EU
and national threshold) to design project publicity materials

Is there a perception of Col? What would you do with this
contract?

Case 4

Imagine that A belongs to the board of the institution which implements EUR 8 million Project.

There is a public procurement over the PP threshold

Starprize company is granted contract. A is a beneficial owner of the Starprize company, but at the same time is in the board of the institution which was the granting authority. A signed a declaration of absence of Col.

Is there a Col? What would you do with this contract?

Unaddressed CoI - consequences

- Unresolved conflict of interest is considered an irregularity
- Corrective measures necessary (recoveries, penalties ...)
- **“100 % CORRECTION – GOOD DETERRENT EFFECT”**
- CoI is not a fraud directly, but false statements are -> declarations of impartiality
- Legal acts may contain additional clauses to address irregularities

CoI Summary 1

- MC/programme/project level/public procurement/controller/auditor
- Systematic risk analysis
- Use of declarations of impartiality/declarations of conflict of interest -
CoI can pop up unexpectedly and needs to be reported
- Declarations of impartiality checked against hard evidence
- System of declaration of impartiality exists at all levels of verification
- Potential conflict is enough – the negative effect does not have to be justified

CoI Summary 2

- the obligation to notify a risk of CoI to a hierarchical superior
- Use of Arachne / national court and business registers / beneficial owners registers
- Red flags: the same surname and the same address
- What about small communities where people can be in family relations?
- Proper reporting (Document all the checks you do, screenshots)
- Awareness-raising on CoI
- Protection of whistle blowers – no repercussions

Conflict of interest

[DG Budget's Webinar on Conflict of Interest, 08.06.2023](#)

Webstreaming + presentations

Conflict of Interest guidelines

[Technical Meeting with Audit Authorities, 12.12. 2024](#)

14:20 – 16:07

Link expires on 11.12.2025

Guidance + best practices in the folder



Irregularities

Factsheet | Irregularity, fraud, withdrawal, deduction and financial correction



State aid GBER Articles 20&20a + de minimis

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Competition

Car factory 1



Price 25 000 EUR
Range 400 km

Car factory 2



Price 25 000 EUR
Range 400 km

Car factory 3



Price 15 000 EUR
Range 400 km

After 5 years...

Car factory 1



Car factory 2



Car factory 3



New price 35 000 EUR

- No competition
- We grow
- We can now set up prices
- We are a monopoly

Why so cheap in the first place?

Car factory 3



15 000 EUR –
how was it possible?

State aid

Or subsidies, support, etc.

Investment in the
machine park 50%
paid by an EU project

State corporate tax
exemption for 5 years

Regional support to
create workplaces, 25%
of the salaries paid by
the region

oversubsidising distorts competition

From economic theories to EU policies

Competition policy (DG Comp)

Antitrust & cartels (anti-concentration, anti-monopoly)

Mergers control

State aid control

Foreign subsidies control

Digital Markets Acts control

Funding and grants

Regional policy (DG Regio)

Strong research, technological development and innovation

Access to, and use and quality of, information and communication technologies

Competitive small business

Shift towards a low-carbon economy

Adaptation to climate change, risk prevention and management

Environmental protection and resource efficiency

Sustainable transport and better transport infrastructures

Sustainable and quality employment and labour mobility

Promote social inclusion, combating poverty and any discrimination.

Investment in education, training and lifelong learning

More efficient public administration

Elements of definition

State
resources
(1)

Distortion of
competition
(5)

Undertaking
(2)

Advantage
(3)

Selectivity
(4)

Any aid granted by a Member State or through State resources (1) in any form whatsoever which distorts or threatens to distort competition (5) by favouring (3) certain (4) undertakings (2) or the production of certain (4) goods shall, in so far as it affects trade between Member States (5), be incompatible with the internal market.

The Treaty on the Functioning of the European Union (TFEU) - Article 107

- Form of aid – any form
- Geographical application – EU
- 5 criteria

State aid outside EU?

Albania

- Article 71 of Stabilisation and Association Agreement with EU, 2009
- The Competition Authority, <https://caa.gov.al/>



State aid outside EU?

Northern Macedonia

- Article 69 of Stabilisation and Association Agreement with EU, 2004,
- The Law on State Aid Control (“Official Gazette of the Republic of Macedonia” no. 145/2010) is aligned with the relevant EU legislation
- Commission for the Protection of Competition, <http://kzk.gov.mk/>



Status of countries can be checked here:

- https://competition-policy.ec.europa.eu/international/legislation_en
- https://competition-policy.ec.europa.eu/international/bilateral-relations_en

The 5 Criteria - Summary

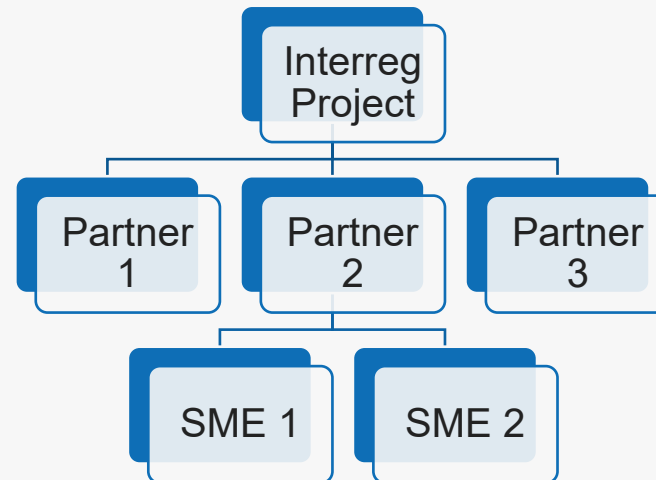
1. **Transfer of State resources:** Always YES for Interreg
2. **Resources granted to an UNDERTAKING -> Is the partner involved in economic activities through the project?**
3. **Advantage -> Does the partner receive an undue advantage in the framework of the project?**
4. **Selectivity:** Almost certainly YES in Interreg
5. **Potential) distorting effect on competition and trade within the Union:** Most often YES.

Exemptions from the application of EU Competition policy

- State aid to the former East Germany
- 2009 financial economic crisis aid
- De minimis (general, fisheries, aquaculture, SGEI)
- General Block Exemption Regulation: SMEs, ETC, R&D&I, environment, culture and heritage conservation...
- FBER
- ABER
- Temporary framework (Covid aid)
- Temporary Crisis Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia
- Others... e.g. notification – approval of DG Comp

Indirect State Aid

- Referred to also as **downstream state aid** or **2nd level State aid**
- In Interreg this is often **trainings or services** (including vouchers) provided to third parties SMEs (Programme – beneficiary– third party). The final beneficiary of State Aid is whoever takes the training course or benefits from the services.



- Often very low value (> EUR 5000), but still 5 criteria are met...

De minimis

- Aid of minimal financial importance (small amounts of aid)
- The amounts of *de minimis* aid granted per Member State to a single undertaking within the last 3 ~~financial~~ years cannot exceed EUR 300.000
- The same threshold for road freight transport sector

I, the undersigned, representing XXX and involved as project partner in the project YYY declare that:

*the institution I represent **and all other entities belonging to the same company group** as my*
☒ *institution have not received any contribution falling under the de minimis **Regulation during the previous three years***

the institution I represent and all other entities belonging to the same company group as my
☒ *institution **have received the following contribution(s)** falling under the de minimis Regulation during the previous three years:*

2023

2022

2021

De minimis – Other Issues

Administrative proceedings (until 31 December 2025 (2028)):

- self-declaration / check of *de minimis* register
- *de minimis* letter

Registers:

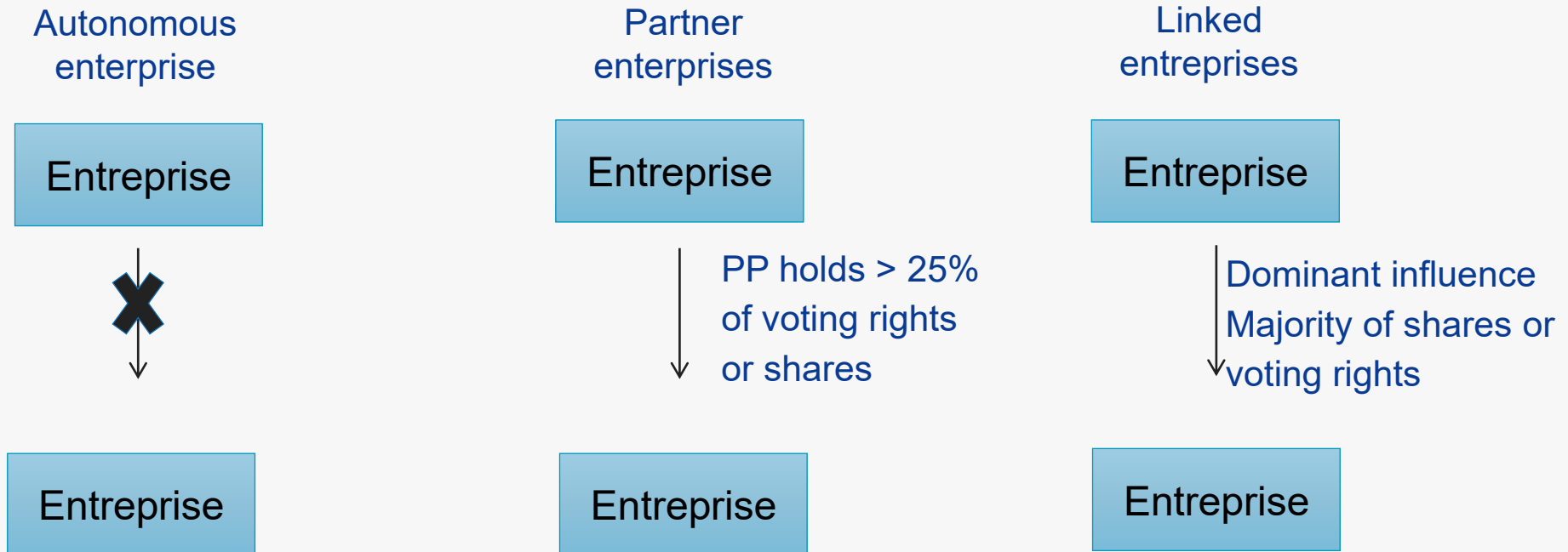
- As of 1 January 2026 use of national register or Union level central register obligatory
- The approach is to model the central register on the transparency module (TAM)
- 10 EU MS currently WITHOUT the national registries AT, BE, DE, DK, FI, FR, GR, IE, NL, SE
- 16 EU MS currently WITH the national registries: BG, HR, CY, CZ, EE, ES, HU, IT, LV, LT, LU, PL, PT, SI, RO, SK

Sector specific rules:

- Fisheries and aquaculture: EUR 30,000 / EUR 40,000 in Member States with a central register
- Agriculture: EUR 20,000 / EUR 25,000 in Member States with a central register
- Services of General Economic Interest: EUR 750,000

De minimis set to expire at the end of 2029

Autonomous, partner, linked...



Possible irregularities

- De minimis received within the last 3 years not checked and the threshold exceeded
- The declaration done at the level of the sole subsidiary not single undertaking (the whole company group in the MS)
- De minimis letter not sent
- De minimis self-declarations falsified
- Aid granted to undertakings active in the primary production of fishery and aquaculture products
- Checks (registers, single undertaking) done by the controller, but not documented in the checklist

What is GBER and how does it work?

- Regulation which declares certain categories of aid as compatible with the internal market
- Divided into sections (Section 2a - Aid for European Territorial Cooperation)
- Sections into articles which define special conditions (e.g. eligibility rules, max. aid intensity) for block exemption (e.g. trainings for SMEs)
- Current GBER expires on 31 December 2026

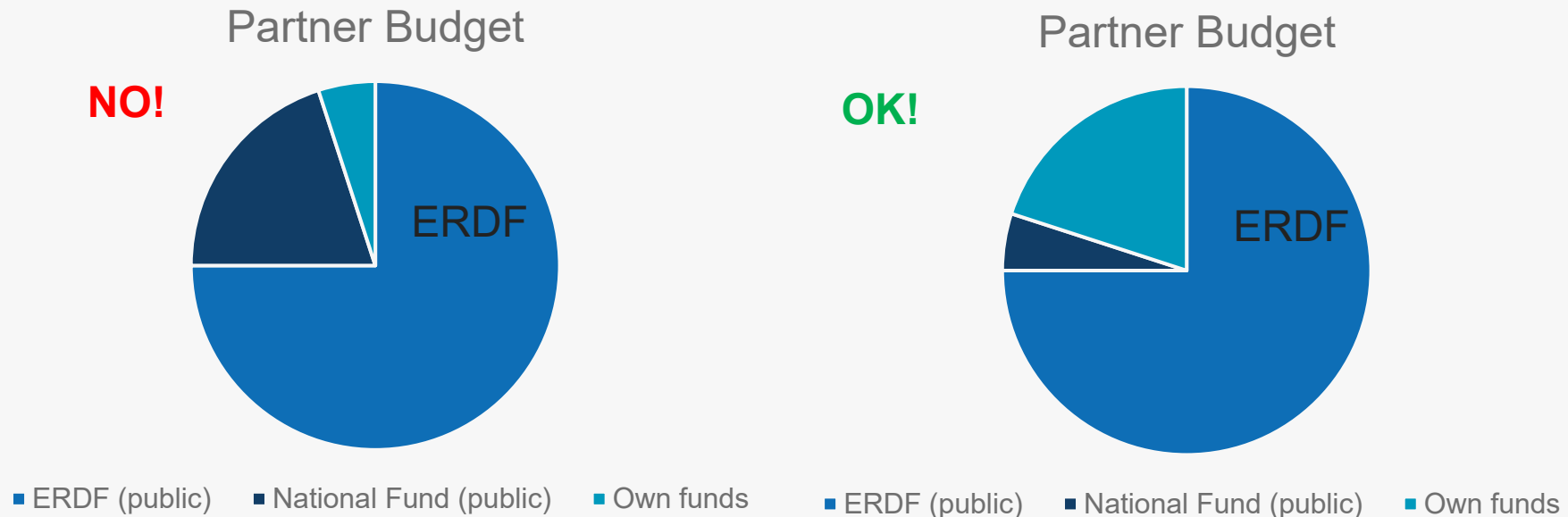
GBER procedure



Specific GBER Issues

The aid intensity $\neq$ co-financing

EXAMPLE: Max. aid Intensity: 80%
ERDF Co-financing: 75%



Specific GBER issues

Expert's approach (there are various!)

- Not all public funding falls within the scope of Art. 107(1)
- The public funding of a public entity that carries out public task remains outside of scope of Art. 107(1)
- A public entity must have account separation for projects that constitute economic activities

Transparency Award Module (TAM)

TAM is a website maintained by EC where all EU MS register individual aid granted (GBER Annex III)

<https://webgate.ec.europa.eu/competition/transparency/public/search>

- NACE number required for reporting in TAM
- Transparency threshold for reporting in TAM: 100 000 EUR

GBER requirements

- The undertaking in difficulty is ineligible (Definition - GBER Annex I, but prohibition comes from Article 7(1)(d) Regulation on ERDF and CF 2021/1058)
- Recoverable VAT not eligible under GBER
- Incentive effect (project activities cannot start before the submission of written application for aid) – does not apply to art. 20 and 20a
- Deggendorf rule (if EC issued a recovery orders no further aid) - does not apply to art. 20 and 20a https://competition-policy.ec.europa.eu/state-aid/procedures/recovery-unlawful-aid_en
- SME status check required for all articles which make a distinction between SME and large - does not apply to art. 20 and 20a - Self declaration is not sufficient!

GBER Article 20

- Article 20 open for all: large, medium-sized, small enterprises
- Eligibility catalogue in this article = the eligibility in Art 38 - 44 of Interreg Regulation 2021/1059
- SCOs compatible
- The fishery and aquaculture sector and the primary agricultural production sector eligible
- Threshold of aid: EUR 2,2 million per undertaking, per project
(for programmes with 80%, EUR 2,2 million ERDF + EUR 0,55 million non-public own funds= EUR 2,75 million TEC per partner)
- Article 20 can be applied to indirect and direct SA

GBER Article 20a

- Threshold of aid: up to EUR 22 000 per undertaking per project (checked ex ante only!)
- Can be applied to voucher schemes, trainings etc. – indirect aid, but to direct aid as well
- The fishery and aquaculture sector and the primary agricultural production sector eligible
- No need to inform in SANI2, no annual reporting needed in SARI2
- The detailed records with supporting documentation kept for 10 years – do not apply
- The MA shall ensure that all supporting documents are kept at the appropriate level for a 5-year period from 31 December of the year in which the last payment by the managing authority to the beneficiary is made (Article 82.1

Possible irregularities

- Threshold exceeded
- Aid intensity exceeded
- Aid over 100 000 EUR not published in TAM
- Recoverable VAT treated as eligible cost
- GBER articles other than 20 and 20a: incentive effect, eligibility, SME status etc, research institution status etc.

GBER public consultation

- In line with PBA
- Up to 100% maximum intensity level
- VAT rules coherent
- TAM reporting on higher level
- Increase thresholds