



BETKOSOL

Better Knowledge for Better Solutions

Deliverable 7

Policy Brief

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BETKOSOL's contribution to strengthening the protection of the EU's financial interests

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***BETKOSOL's contribution to strengthening the protection of
the EU's financial interests***

SECTION I

Executive summary

The BETKOSOL project contributes to research on the protection of the European Union's interests. In these times especially, dominated by the COVID-19 crisis, proper use of old and new European resources can guarantee stability, recovery, and solidarity. Inspired by this context, the team chose the acronym BETKOSOL, which stands for Better Knowledge for Better Solutions. The project was funded under the Hercule III programme, managed by the European Anti-Fraud Office. It officially started on 1st January 2021 and will end on 30th June 2022.

The project is led by LUISS University, and the principal investigator is Aldo Sandulli, professor of administrative law at the law department of the same university. Several other partners are involved in the project, principally the University of Ghent (Belgium) and the University of Torun (Poland). The project adopts an interdisciplinary comparative approach, focusing on the duality between administrative and criminal law.

The research group has thus worked in various theoretical and empirical areas, focusing on four countries: Belgium, Germany, Italy, and Poland. Of particular interest are the Databook and the Report book relating to working package number 3, for which semi-structured interviews were held with European and national institutions as well as with representatives of civil society (for example, trade associations).

In addition to disseminating the results among the scientific community (deliverables, policy briefs, reports, articles), the project has also addressed the increasing perception of the role of the European Union's financial interests among young people. A questionnaire was administered online, which reached a considerable number of students in the main partner universities, and subsequently three online seminars were offered on the topics covered by the project.

This deliverable presents all together some implications and policy recommendations based on research conducted during the BETKOSOL project. More details on the recommendations and policy implications can be found in BETKOSOL D6.

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SECTION II

Introduction

The BETKOSOL project has tried to answer a specific question: how to spend EU funds well and quickly, avoiding fraud and protecting the financial interests of the European Union. Finding the answer is a complicated task. It is not enough to consider a limited horizon when trying to answer the question. Indeed, there are issues that must be addressed mainly in terms of European, administrative, and criminal law. For these reasons, the project starts from a broad context.

The BETKOSOL project was conceived during the lockdown in April and May 2020. It was a period when the first emergency measures were taken, such as The European Instrument for Temporary Support to mitigate Unemployment Risks in an Emergency (henceforth: SURE), European reserve of resources (henceforth: RescEU), and means of support for the Small and Medium Enterprises (henceforth: SMEs). The launch of the project coincided with the approval of the regulations for the Next Generation EU (henceforth: NGEU). Thanks to the new funds, protection of the EU's financial interests has become of primary concern for the future of the European integration process. Indeed, the NGEU produced the most significant transformation in the last ten years. It was immediately clear that this NGEU has profoundly changed the paradigm of European governance, which brings a great boost to European integration through the Community method. All this comes about by placing the protection of the financial interests of the European Union at the heart of the European legal order, which must be the key to ensuring that the integration process can start again.

In this context, the BETKOSOL project seeks to devise proposals addressing the legal problems related to EU funds and the protection of the EU's financial interests. The first and second parts of the research were dedicated to monitoring the current situation from the European and National points of view, employing different perspectives (criminal law, administrative law, constitutional law, European law, comparative law). The project has focused on four countries: Italy, Poland, Belgium, and Germany. The choice of countries to study was based on considerations linked to the form of government or the nature of their relationships with the European institutions. Poland, for example, is the country that benefits most from EU structural funds. However, it is also one of the most reluctant to adopt the founding values of the European legal order. In fact, its national recovery and resilience plan has been recently approved after great debate, but, once again, Poland will be among the main beneficiaries under this scheme. The third part of the project was dedicated to the empirical research carried out in the four countries mentioned above. The research team submitted surveys to the students at law faculties of four universities in the four countries and carried out interviews with European and national institutions. The findings reveal some very interesting data concerning dysfunctions in the systems analysed, for example regarding public procurement or administrative coordination. These involve problems in how government officials handle administrative procedures, mainly owing to staff shortages and insufficient technical training or overlapping administrative supervision. The final part of the project aims to provide some guidelines

to improve the detection of fraud and irregularities. For example, one of these goals is to suggest how to shape procedures under the new multiannual financial framework and the Next Generation EU *ex-ante* or *in itinere* in order to prevent irregularities and fraud. Furthermore, BETKOSOL aims to foster the development of specific legal tools for financial protection from a comparative perspective. In this way, the project tries to answer some key questions: are the European and current national tools sufficient? Is their mutual interplay balanced? Or is there room for improvement?

The research's results focused specifically on four essential groups of issues concerning effective functioning. The first regards the need to overcome a number of overlapping functions and tasks at the European and national levels. The second concerns some specificities in the management of EU funds (for example, under the national recovery and resilience plans or the cohesion policy). The third is the need to identify consistent forms of simplification and efficiency that would not, however, weaken the control system. The fourth aims to draw attention to the need to establish shared methods of digitalising EU/national procedures and data collection to guarantee simplification and interoperability, and consequently enhance controls.

SECTION III

Key findings

Three main challenges were identified during the research.

The first relates to coordination among the actors within the system for the protection of the EU financial interest, of which there are effectively too many at both EU and national levels. They sometimes relate to each other dysfunctionally and, at times, due to the way the regulation has evolved, they are forced to change how they operate.

The second category is partly the consequence of the first, but it is also the result of the parallel disciplines of prevention and repression of various irregularities and crimes involving similar inspection, control, and investigation procedures. In particular, these include anti-fraud, anti-corruption, and anti-money laundering, leading to various reactions and actions by a variety of different actors at the European and national levels, often with overlapping but poorly coordinated functions. It should be borne in mind that, for example in Italy, there are three different institutions controlling the three functions – i.e., the Italian Antifraud Coordination Service, the Italian Anticorruption Agency, and the Bank of Italy, supplementing the ordinary administrative control bodies.

The third category of problems is also related to function and is mainly linked to tight RRF implementation times. The system of conditions and possible sanctions imposed by the EU Commission forces us to find a plausible result for an almost impossible equation. On the one hand, the deadlines for implementing the national plans are very tight, and we therefore need to work on the simplification of structures, procedures, and timescales. On the other hand, the system of administrative controls remains very complex, so an equally complex rethinking is needed from the European perspective, and especially from the *national* one in Italy and Poland. Technological innovation and data interoperability could play an important role from this point of view, also with the contribution of artificial intelligence (AI), expanding its operability to the functions of controlling (for example, alert control devices that open the control procedure automatically when facts, procedures or documents that do not comply with standards are registered by the system. For examples of applied AI to governance and legal issues, see some recent contributions by D. Piana, 2022, 2021 and 2019). However, these instruments must become operational as soon as possible.

It is worthwhile investigating these key findings further.

Among the numerous structural problems, a theme that requires serious analysis is coordination. First, there is the problem of NGEU governance. The European Parliament is substantially excluded from NGEU management as the plan is bound to art. 175 TFEU. While this institution plays an important role in the ordinary budget procedures relating to the Structural Funds, it is almost totally excluded as far as the exceptional planning of the NGEU is concerned. Instead, a central role is played by the

EU Council and, above all, the European Commission, which will thus have an important part to play in the guidance phase and a decisive role in the implementation phase, monitoring and assessing the different stages of implementation. Thus, the Community method is achieved, but the political representative assembly is marginalised, and the role of the Commission in drawing up and selecting policies is accentuated.

Coordination failures are also found downstream during verification of the protection of financial interests. These critical points are widespread as the protection of EU financial interests is not the responsibility of just a few institutions. Rather, competence is divided between at least eight European institutions, some of which are generalist, while others are sectoral. As emerged during the BETKOSOL research, possible problems of overlap and coordination may arise in the relationship between the European Court of Auditors (henceforth: ECA), the European Investment Bank (henceforth: EIB), and the European Central Bank (henceforth: ECB) in terms of inspections and administrative controls. Furthermore, coordination problems may arise in relations between the European Public Prosecutor Office (henceforth: EPPO), European Union Agency for Criminal Justice Cooperation (henceforth: EuroJust), European Union Agency for Law Enforcement Cooperation (henceforth: Europol), and European Border and Coast Guard Agency (henceforth: Frontex). In particular, major problems arise in the relationship between the EPPO and European Anti-Fraud Office (henceforth:OLAF). The EPPO has led to a profound transformation in the role of OLAF, whose power of administrative investigation, control, and inspection has been strengthened. OLAF must now cooperate with EPPO and support its investigations when requested to do so. This means that its operations serve a new purpose, which causes OLAF to develop a kind of borderline personality disorder, as it were. The introduction of the EPPO could relegate OLAF to an auxiliary role. On the contrary, it would be appropriate for OLAF to maintain its autonomy and work independently with the EPPO. This could guarantee a balanced synergy between administrative and criminal instruments. Instead, the EPPO should find its main operational support through its relations with national prosecutors and other national authorities.

Nevertheless, the most significant challenges stem from the lack of coordination between the European and national levels. The EPPO is a recent organization, so it is quite reasonable that there should be tensions in dealings with national prosecution services and the different national criminal law systems, the consequences of which will only be known in a few years. In addition, there is a lack of common standards between Member States on criminal procedure. This obviously makes the EPPO's work more difficult as it is called upon to achieve empirical harmonization. Hence the need to start a process of gradual harmonization among the criminal procedure institutions, at least as regards the main elements. Moreover, coordination difficulties also arise in the relationship between OLAF and the national administrative control authorities. First, as the PIF report underlines, many Member States have not yet adopted national anti-fraud legislation. There are two reasons for this: on the one hand, the complexity and fragmentation of the legislative discipline of the Member States, especially in some countries and sectors, such as public procurement. On the other hand, there is the need to adopt national legislation and practice to the Recovery and Resilience Facility (henceforth: RRF) requirements and other structural funds, assisted by the relevant

European institutions. The RRF regulation is not detailed on this point. Hence, the EPPO, OLAF, and ECA must provide indications in the near future.

As for the problems of coordination between national institutions, further investigation is necessary. From the point of view of administrative law, the NGEU calls for radical structural and procedural transformation: in fact, the system under which the European Commission approves the disbursement of funds in a gradual way when certain conditions are met implies that Member States have to respect the deadlines for implementing the RRF set by the EU institutions. To achieve this, it is important to have an efficient administration and set in motion a radical simplification of the procedures, reducing the times traditionally considered necessary for administrative procedures. In concrete terms, it is a question of how the system of administrative controls and inspections can handle shorter decision-making times in administrative procedures. The existence of significant investments and time limits for the expenditure of the sums to be invested places the executive administration at serious risk of fraud, raising several questions on how to get to the alchemical formula or how to quickly spend NGEU money without creating opportunities for fraud to the detriment of the financial interests of the EU.

In this regard, it is necessary to clarify that there is an inherent difficulty in comparing the different Member States due to the fact that the research involves different European funds (RRF, SURE, Structural Funds), producing different levels of impact on individual Member States. The RRF is fundamental for Italy and significant for Poland, albeit with great initial procedural difficulties, but it is of lesser importance for Belgium and Germany. It follows that the analysis of the latter focuses more on the traditional structural funds; in the case of Italy, it is necessary to focus on the RRF, while Poland is in the middle.

Furthermore, an element emerging from the BETKOSOL project that affects almost all the countries analysed is the plurality of administrative control tools and the institutions that implement them, again with a strong risk of overlapping competences and poor levels of efficiency in implementing the RRF. Another point to be resolved is whether it is better to centralise controls at national level or whether it is more efficient to have them carried out at the regional and local levels. What emerges from the research is that in the case of centralised control systems – as in Italy and Poland, albeit with different mechanisms – there is a natural tendency to duplicate controls, while they are more targeted and efficient in decentralised systems. Naturally, the issue is the availability of advanced administrative skills at the local authority level. Where there is no confidence in local skills, there is a tendency to centralise controls, with the defects described above. Lastly, in the case of Italy, the following asymmetry must also be considered. Italy, on the one hand, has centralised control over the RRF but, on the other, has left the regional and local control system regarding Structural Funds unchanged, thus leading to a dual system that works contemporaneously, with possible malfunctions.

SECTION IV

Policy Recommendations

These key findings have several policy implications and recommendations which we briefly summarise below. They are discussed more extensively in BETKOSOL D6.

The recommendations can be grouped into four areas. Regarding Italy, there was a particular focus on policy implications and recommendations relating to the National Recovery and Resilience Plan (henceforth: NRRP). This is motivated by the fact that Italy is the recipient of the greater part of the NGEU funds, implying the need for a particular study in this area and this case study. The main recommendations are the following:

1.a. Policy implications and recommendations following analysis of the promotion of institutional coordination with efforts to simplify the system

European Union

Improve European control over implementation of the National Recovery Plans

- 1.a.1** *Accelerating the digitisation of European Reporting, Monitoring, and Audit, especially for the implementation of the RRF.*
- 1.a.2** *To better specify the role of OLAF, the EPPO, and the National Court of auditors: what kind of controls for the RRF in addition to self-evaluation and EC assessment of targets and milestones? In other words, if the EC commission monitors the ongoing implementation of the RRP by national administrations, who will control the national controllers? It is suggested that the controlling role of OLAF, the EPPO, and the ECA (individually and coordinating with others) in the RRF be properly specified and regulated well in advance. In particular, considering the importance of protecting EU financial interests, it is fundamental to provide these institutions with adequate resources.*
- 1.a.3** *If the roles of OLAF and the EPPO in the RRF cannot be wholly denied, the issue of how Regulation (EU) 2021/241 defines “irregularity” must be solved in good time.*

Italy

External controls: institutional coordination. Some further interventions in the national system of “external” and “ex-ante” controls

- 1.a.4** *The timeframe for ex-ante legality controls (controlli preventivi di legittimità) by the national Court of Auditors must be revised in the light of the NRRP*

implementation. If the possibility of immediate enforceability is extended beyond the area of public contracts implementing the NRRP, all administrative actions to support the implementation of the NRRP could be accelerated. The question of time issues must therefore be properly regulated. To minimise the risks of ex-tunc annulments, the Accounting Offices (Uffici di bilancio) at the ministries could be exploited better.

1.a.5 *The nature and scope of the controls/coordination carried out by the Ministry of the Economy and Finance (MEF) regarding NRRP-related administrative acts adopted by other ministries need clarification. This appears to be sui generis ex-ante control by a specific ministry over other central administrations and is limited in time and subject matter to questions of NRRP implementation. However, the nature of the control is ambiguous: is it a real control or a mere form of coordination? what does ensuring coherence mean? Does this control concern the legality of the adopted measures? Or is it control in terms of the merits, assessing performance? These elements need to be clarified. Considering that this MEF control represents a further procedural layer and adds a burden to an already complex procedure with tight deadlines, it is highly recommended to assess to what extent it is necessary for achieving milestones and targets.*

External controls: institutional coordination. Some additional interventions in the national system of “external”, “in-itinere”, and “ex-post” controls: the importance of institutional coordination for the controlling function

1.a.6 *The coordinating role of the national anti-fraud contact point t (Colaf) should be boosted in the light of the NRRP and anti-fraud strategy. It would be useful to reinforce the already existing role of Colaf merge different sectorial and territorial instances.*

Ordinary internal and first-level controls in the management of EU funds: institutional coordination, administrative capacity, and the specificity of the local sector, especially in the light of the NRRP

1.a.7 *Adjustments are needed to carry out the control of performance by managing institutions with regard to institutions implementing the National Recovery and Resilience Plan compatible with the ordinary functioning of internal and external controls.*

1.a.8 *Details and guidelines on withdrawals and recoveries of unduly spent resources must be provided well in advance, especially by the Central Service for the NRRP, considering that withdrawals and recoveries are solutions of last resort.*

Poland

Institutional coordination and local involvement to favour proper use of EU funds

1.a.9 *Establishing the Cohesion and Development Agency. The Cohesion and Development Agency could become a forum for cooperation between*

government administration, local self-government, and social and economic partners. The Agency could perform the tasks of the managing institution referred to in the provisions of the general regulation concerning European Union funds.

Belgium

Overlap between control levels

1.a.10 *Adopt a cross-cutting approach to overcome the overlapping of the control competence relating to EU funds. Belgium has a complex constitutional landscape, which, of course, also has consequences concerning the management and control of the EU's structural and investment funds. A cross-cutting approach is recommended in order to overcome the difficulties arising from the overlapping of control competences relating to EU funds. This approach may ensure that the tasks of managing, certifying, and auditing are better distributed in the Flemish region and among the various other Belgian regions.*

Germany

Shared management of funds – broadening the scope for action and implementing a national risk-assessment strategy

1.a.11 *Efficient controls with the best possible knowledge of risks and, at the same time, the greatest possible preservation of scope for action creates a stable level of protection for the EU's financial interests in the area of shared management of funds. Against this background, it would be appropriate to assess the regional-specific required scope for action on the part of the granting authority and its implementation in the management and control systems, while the implementation of a national risk assessment strategy is also recommended.*

1.b. Policy implications and recommendations following analysis of the coordination between prevention (administrative) and prosecution (administrative/criminal) systems should be strengthened, especially when the funds at stake are subject to time constraints, and it is essential to establish all the necessary controls from start to finish as soon as possible

European Union

Coordination in the control of emergency funds: the RescEU, SURE, and strategic investments supporting small and medium enterprises (EIB)

1.b.1 *Controls must always be set in place, including during the emergency stage of crises.*

1.b.2 *Fraud risks can be reduced by centralizing purchasing.*

1.b.3 *The regulatory burden should be calibrated.*

1.b.4 *Find a solution to money laundering involving SMEs and European funds. The European Anti-money laundering Agency (AMLA) can help.*

2. Policy implications and recommendations following analysis of the need to coordinate general and sectorial institutions deputed to controlling functions through regulation (institutional coordination through functional coordination)

European Union

Institutional coordination to foster the protection of the EU's financial interests: OLAF and the EPPO

2.1 *Assessing the suitability of outlining a common framework of criminal procedural law regarding EPPO enforcement.*

2.2 *Further cooperation between OLAF and the EPPO is required.*

Recovery Fund and the protection of the EU's financial interests

2.3 *It is recommended to thoroughly specify and regulate, well in advance, the controlling roles of OLAF, the EPPO, and ECA (individually and in coordination) in the RRF. Considering the importance of protecting the EU's financial interests, it is fundamental to provide these institutions with adequate resources.*

2.4 *If the role of OLAF and the EPPO in the RRF cannot be totally ruled out, it is essential to resolve the issue regarding the way Regulation (EU) 2021/241 defines "irregularity" quickly. It is suggested to move forward the discussion on the sphere of competences between the EPPO and OLAF as early as possible.*

Italy

Ordinary internal controls and first level controls for the management of EU funds: institutional coordination, administrative capacity, and the specificity of the local sector, especially in the light of the NRRP

2.5 *Skilled human resources already present in central administrations should also be involved in implementing (NRRP) investments and European Structural and investment Funds (ESIFs) management, and not only in the ministerial special NRRP units. Hence, previous competences relating to development policies should partly be kept where they are and can partly be valorised in the context*

of “active” administration to implement the NRRP rather than mainly deputing these figures to first-level control functions under the NRRP’s systems of management and controls (Si.ge.co). More internal coordination would be desirable.

2.6 *The tasks of the special NRRP units or offices in charge of the NRRP systems of management and controls (Si.ge.co). within each ministry should be coordinated with those of the internal structures (such as accounting offices) responsible for internal controls. In addition, some harmonisation/coordination/integration should be developed between ESIFs and NRRP Si.ge.cos, considering that management of the relevant dataflow on the NRRP and data interoperability are built upon previous experiences with cohesion policies.*

2.7 *The system of controls applicable to local governments should be clarified in the light of the NRRP. It is certainly time to clarify how new “external” controls by amministrazioni titolari (managing authorities) should be carried out for NRRP resources managed by local authorities, balancing simplification in terms of time and procedures. Thus, it is necessary to:*

1) simulate the set of controls that local authorities will run in relation to NRRP resources, also in view of external controls carried on along the institutional chain that goes from the role of accounting auditors to that of territorial accounting offices and NCA’s regional public prosecutor offices;

2) consider if these controls are sufficient to avoid irregularities and frauds, taking into account the Si.ge.co. of the central administrations responsible for implementing the NRRP

3) consider if these resources must continue to be covered by the rules for extra-budget resources, as at the central level. If yes, which are the consequences of this choice on the administrative control system and on the basis of the specificity of the NRRP as a sui generis EU fund. If not, as foreseen – considering that indications at the moment are that NRRP incomes in the local budget must be registered as ministerial money transfers - it is important to give adequate publicity to relevant MEF circulars on the public accounting rules applicable to NRRP fund, in parallel with their intelligibility.

2.8 *In the Italian criminal justice system, enforcement mechanisms to protect the EU’s financial interests could be rationalised – with respect to the few cases where this might be appropriate, e.g., by harmonising preventive and punitive measures to protect European and national funds, etc.*

2.9 *Cooperation and coordination regarding organised crime investigations between the EPPO and national prosecutors should always be fostered and ensured.*

Poland

Effective mechanisms for cooperation between national audit institutions

2.10 *Creating a national strategy to combat fraud affecting the EU’s financial interests.*

2.11 Improving the professional skills of the staff of auditing institutions.

2.12 Improving cooperation between audit institutions.

2.13 Strengthening the coordinating role of the Government Plenipotentiary for Combating Financial Irregularities against Poland and the EU.

Belgium

The Relationship between the Belgian legal system and the EPPO: how to relocate an EPPO case from one Member State to another?

2.14 The Belgian legislator must design a new procedure to relocate cases involving the EPPO from Belgium to another Member State.

The Relationship between the Belgian legal system and the EPPO: how to close an EPPO investigation in Belgium?

2.15 The Belgian legislator must design a new procedure to reassign investigations involving the European Public Prosecutor from Belgium to another Member State.

Germany

Access to information on aid granted – the obligation to establish a national *de minimis* central register

*2.16 Considering the risks to national and EU financial interests, the obligatory introduction of a national *de minimis* central register in accordance with art. 6(2) of the De Minimis Regulation is recommended in addition to an intensification of exchanges with (potential) applicants.*

3. Policy implications and recommendations following analysis of technological innovation and data interoperability

European Union

Improve European control over implementation of the National Recovery Plans through digitalisation

3.1 *Accelerating the digitisation of European Reporting, Monitoring, and Audit, especially for the implementation of the RRF. The BETKOSOL project recommends accelerating this digitalisation and standardisation process and to adequately monitor it, considering also the short time window for implementing the RRF and the fact that many countries have already started spending and monitoring through their national information systems.*

Italy

Improvements in the IT system in terms of implementing the NRRP and beyond

3.2 *To ensure a single and unambiguous information flow regarding the implementation of the NRRP, use of the IT systems in place at each Ministerial level should be reduced in the medium term, or clear information on the standardisation of data should come from the top.*

Interoperability among databases and databanks: further work to improve the systemisation and automation of controls

3.3 *Interoperability of databases and databanks is crucial to fostering coordination: the NRRP must be considered an opportunity not to be miss. Interoperability among databases and databanks would enhance the control function in terms of systemisation and automation. More transparency is needed on this point.*

3.4 *COLAF (national anti-fraud contact point) support for data coordination should be a priority. The role of COLAF in the management of interoperable databases and databanks is crucial. Its institutional coordination functions could effectively support data coordination, also for controlling funds under the National Recovery and Resilience Plan (NRRP). The role of the Integrated Anti-Fraud Platform (PIAF-IT) in monitoring the NRRP should be better coordinated. How will the information in PIAF-IT be used? Which institutional actors will carry out controls based on this platform under the responsibility of COLAF? Will the Guardia di Finanza (Fiscal Police) and the Ministry of Economy and Finance (MEF) be coordinated by COLAF? Will the unique information system (Re.Gi.s) also be integrated?*

3.5 *Communication between national and European databases needs improved monitoring. It should be assessed whether the experience with early-warning communications on the Irregularities Management System (IMS) platform could also be valorised by managing and implementing authorities in the fight against irregularities and fraud in the NRRP context.*

3.6 *The traceability of public investments through the Unique Project Number (CUP) system must be better specified in relation to NRRP implementation and especially in the case of the allocation of resources among central managing administrations and other public implementing administrations.*

Risk-oriented controls

3.7 *Risk-oriented controls must be across the board. Arachne's methodology should be adopted at all institutional levels.*

Germany

Criminal offence prevention and prosecution – greater IT capacity in criminal investigation bureaux in terms of personnel, expertise, and competence

3.8 *The recommendation is to expand the IT capacity of the national criminal investigation bureaux in terms of personnel, expertise, and competence. At the same time the allocation of resources in this regard could also lead to a greater efficiency of the European Public Prosecutor's Office. In this context, the "Police 2020" project and others organised under its umbrella need to expand, focusing on basic prerequisites, in particular:*

3.9 *the creation of additional posts in the IT departments of the national criminal investigation bureaux;*

3.10 *the provision of high-performance hardware and software, and close-meshed offers for further training in information technology.*

4. Implications for policy and recommendations following an analysis of general principles and the protection of the EU's financial interests (transparency, participation, good administration, etc.)

European Union

Reduce the transparency gaps in the budgetary discharge procedure

4.1 *To address inaccurate information sharing and the lack of inter-institutional cooperation in the EU budgetary discharge procedure, openness and transparency should be fostered through the publication of information on budget expenditures in inter-operable databases.*

4.2 *To address the lack of inter-institutional cooperation in the EU budgetary discharge procedure, it is necessary to adopt a MoU between Parliament, the Council, and the Commission on cooperation between Parliament and the Council during the annual discharge procedure.*

The next Generation EU (NGEU) and the problem of the democratic accountability gap

4.3 *A more prominent role for the European Parliament.*

4.4 *Improvement and fine-tuning of domestic parliamentary procedures with the supranational decision-making cycles.*

Italy

The NRRP's public implementing authorities: efficiency in public recruitment and clarity in top-down steering powers

4.5 Recruitment procedures and training must be directed to the development and consolidation of specialised skills. It needs to be assessed how to improve the efficiency of public recruitment, especially the need for specialised workers and their stabilisation/internalisation in the public sector. Internal expertise in the public sector can also reduce the risk of irregularities and especially conflicts of interest.

4.6 Public administrations must develop and consolidate planning skills. It is suggested that national authorities responsible for implementing NRRP investments assess accurately and fairly in advance how long the entire process (made up of numerous steps) of final achieve targets and milestones will take, especially when adopting general acts assigning resources for the subsequent implementation of other implementing authorities or actors (i.e. municipalities, universities, enterprises). Delays are accumulated at the top (notwithstanding the operational arrangements call for deadlines to be respected), and less time is available at the bottom of the institutional chain, where administrative skills are usually weaker and practical issues must be solved. It is also recommended that coordination among different measures (or scheduling them so as to avoid an excessive concentration of calls) should be implemented, both within the responsible administrations and among different ones, possibly under the supervision of the NRRP central service, especially when the same beneficiary targets are addressed.

Issues of communication and transparency

4.7 It is essential to respect the principle of transparency in adopting the Ministerial systems of management and control under the National Recovery and Resilience Plan. Once adopted, they should be readily available and accessible to the interested parties.

4.8 Indications from EU institutions deputed to controls over national ones should be more accessible.

4.9 More updated information is needed on developments in IT tools and data interoperability for monitoring and controlling EU funds.

Poland

Poland's commitment to the work of the European Public Prosecutor's Office

4.10 *Poland's commitment to the work of the European Public Prosecutor's Office. The smooth functioning of the European Public Prosecutor's Office (EPPO) is important for filling a gap in the protection of EU finances and for strengthening cooperation between national prosecutors' offices. However, the effectiveness of the EPPO will depend on the introduction of appropriate regulations and active cooperation with its officers at the national level. Therefore, it is important to involve all Member States, including Poland, in cooperation within the EPPO. Because of this, we formulate a recommendation for Poland to become fully involved in the work of the EPPO as soon as possible, possibly establishing formal cooperation based on working arrangements.*

The legal nature of the guidelines concerning the operational programmes financed using EU funds

4.11 *Establish the legally binding nature of the guidelines concerning the operational programmes financed through EU funds.*

Belgium

The fight against restrictive reporting practice in fraud-related matters

4.12 *Strengthen auditors' faith in the integrity of the political and legal system by eliminating fear of reprisals and political consequences on the part of administrative staff.*

4.13 *Define clear guidelines for the intervention of the reporting obligation, defining concrete "thresholds of opportunity" for the individual characteristics of the relevant crimes.*

4.14 *Ultimately, a legislative solution is also conceivable through which consequences under employment law are implemented in the event of a violation of statutory reporting obligations.*

Germany

Advancing the quest for simplification and making cooperation meaningful

4.15 *It is important to make consistent use of the federal government's remaining opportunities for simplification in the existing system. Simplifications that are still possible should be examined and implemented. It is widely believed (among institutional officials) that with regard to spending European funds, administrative costs can often be much higher than the financial "correction" of formal irregularities. For this reason, when designing control procedures for funding programmes, the administrative burden must be taken into adequate account. EU funds should not be used if the additional costs exceed the EU funds.*

The rationale and suggested implementation for each recommendation above, as grounded in BETKOSOL research, are set out in detail in D6 BETKOSOL.