

BE-C[CAC]-R[R-1] Monitoring and implementation of the plan - Management and control system**BE-C[CAC]-R[R-1]-M[250] : Adaptation of the management and control system for the Recovery and Resilience Plan****Date of completion: Q2 2024****1) Context: description of the measure and relevant context from the CID annex**

A repository system for recording and storing all relevant data related to the implementation of the recovery and resilience plan - the achievement of milestones and targets, data on final recipient, contractors, subcontractors and beneficial owners - shall be operational before the first payment request is submitted. Belgium shall submit a dedicated audit report before the first payment request confirming the effectiveness of the functionalities of the repository system.

In addition, as well before making the first payment request under the Recovery and Resilience Facility, Belgium will ensure that the implementation of adequate coordination arrangements, including cross-checks, shall be put in place at the level of the coordinating body at inter-federal level allowing to avoid double funding from the Facility and other Union programmes in accordance with the principle of sound financial management.

In order to ensure robust internal control systems adequate to Belgium's specific setup, the coordinating bodies, in collaboration with the implementing bodies if necessary, shall adapt their manual of procedures describing the management and control system and issue instructions to the implementing bodies. The manuals/documents shall include procedures in relation to obtaining assurance for the signature of the management declarations accompanying the payment request submitted to the Commission.

In addition, where the Inspectorate of Finance has been tasked with responsibility for such controls, the coordinating bodies shall adopt and send a communication to the Inspectorate of Finance concerning the ex-ante verification of compliance with Union and national law and the protection of financial interest of the Union to be carried out in line with Regulation (EU) 2021/241.

Finally, the coordinating bodies shall issue instructions to all implementing bodies regarding the ex-ante verification of the risk of conflict of interest in the implementation of RRF measures before the signature of contracts or award of grants. This shall include mandatory declarations of absence of conflict of interest by the persons involved at all stages of the selection procedures for both calls for tenders and calls for projects, and, on a risk basis, the use of an appropriate risk assessment tool to carry out the conflict of interest checks set out in the instructions. The milestones 250 and 251 under this measure shall be fulfilled by the time of submission of the next payment request to the Commission following the adoption of this Implementing Decision and shall be a prerequisite for any future payment.

2) Copy of the milestone/target wording [text in full from the English version]

Seq.n um	Measure (reform or investment)	Milestone e/Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timetable for completion		Report ing and implem entatio n respons ibility	Description of each milestone and target
					Uni t of me asu re	Bas elin e	Go al	Quarter	Year		
250	Monitoring and implem entio n of the plan	Milestone	Adaptat ion of the manage ment	Adapted manual of procedures and				Before the second payment request	Before the second payment request		The coordinating bodies in the Belgian Recovery and Resilience Plan, in collaboration with the implementing bodies if necessary,

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					Uni t of me asu re	Bas elin e	G o al	Quarter	Year		
			and control system for the Recovery and Resilience Plan	instructions to the implementing bodies. Adoption and sending of a communication to the Inspectorate of Finance, where Relevant.							<p>shall adapt their manual of procedures/documents outlining their management and control system and issue related instructions to the implementing bodies with the objective to strengthen the framework to prevent, detect, and correct any serious irregularities such as fraud, conflict of interest, corruption and double funding. The updated manual of procedures and related instructions shall include, as a minimum:</p> <p>(a) Provisions for anti-fraud and anti-corruption strategies/policies in all implementing bodies taking into consideration all the elements outlined in the Guidance Note on Fraud Risk Assessment and Effective and Proportionate Anti-Fraud Measures for ESIF 2014-2020;</p> <p>(b) Procedures ensuring that persons signing the management declaration(s) to the Commission obtain assurance about the satisfactorily fulfilment of the milestones and targets set in the RRP, that the funds were managed in accordance with all applicable rules, in particular rules on avoidance of conflicts of interest, fraud, prevention of corruption and double funding; (c) Provisions requiring functional internal and external whistleblowing channels within all bodies; (d) Provisions requiring on-the spot verifications by the implementing bodies or the coordinating body (Brussels-Capital Region), with particular focus to the protection of the financial interests of the Union; (e) Procedures on the reporting of irregularities to OLAF and other competent authorities within all bodies;</p> <p>(f) Procedures with regard to the verification of compliance with Union and national law, in particular concerning public procurement and State aid, within the implementing bodies.</p> <p>In addition, where the Inspectorate of Finance has been tasked with responsibility for such controls, the relevant coordinating body shall</p>

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					Uni t of me asu re	Bas elin e	G o al	Quarter	Year		
											adopt and send a communication to the Inspectorate of Finance with regard to the ex-ante verifications on compliance with Union and national law and on the protection of the financial interests of the Union to be conducted in line with Regulation (EU) 2021/241

Verification mechanism:

- Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of the milestone and of the corresponding measure in the CID annex) was satisfactorily fulfilled. This document shall include as an annex the following documentary evidence:
 - o 1. Copy of the adapted manuals of procedures or documents outlining the management and control system of each coordinating body in the Belgian Recovery and Resilience Plan, including as a minimum the elements required by the milestone.
 - o 2. Proof that the adopted manuals of procedures or documents outlining the management and control system have been shared with the relevant implementing bodies.
 - o 3. In case where the Inspectorate of Finance has been tasked with responsibility for performing ex-ante verifications on compliance with Union and national law and on the protection of the financial interests of the Union, copy of the communication adopted by the relevant coordinating bodies and proof that the communication has been sent to the Inspectorate of Finance.

Further specification: (if relevant)

3) List of key evidence provided in FENIX

	Identifier [same as in FENIX]	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description	Link to the requirements below
1		Anti-fraudebeleid RRF-projecten - Instructies - Versie 20240516	The coordinating body of the Flemish government for the RRF has issued this instruction to all implementing bodies. This instruction was validated by the steering group on 10/07/2024, and sent to the implementing bodies on 10/07/2024	Requirement 1
2		E-mail to GOM	This email was sent by the coordinating body to the implementing bodies informing them of the new requirements and requesting them to reassure the implementation of the instructions in their respective management and control systems.	Requirement 2
3				

4) Detailed justification

*[Explain clearly how the achievement of the milestone/target is demonstrated by the evidence provided, **covering ALL elements of the milestone/target and the elements of the measure description that are directly or indirectly linked to the milestone/target's requirements.** (e.g. the fact that (i) a certain institution had (ii) to accomplish something (iii) in a certain way in order (iv) to achieve a certain goal (v) by a certain date). Please provide **a clear link between all the below elements and the one or more evidence items listed above.***

Requirement 1: 'Adapted manual of procedures and instructions to the implementing bodies.'

The Flemish coordinating body has issued instructions to the implementing bodies describing all the necessary elements their management and control systems (herein after: MCS; Beheers- en controlesysteem or BCS in Dutch) needs to include regarding anti-fraud measures, as well as the more general anti-fraud measures on the Flemish level. Since the types of projects, and therefore the needs of the various implementing bodies and their existing procedures differs sometimes substantially, it is important to allow a customized implementation of the necessary anti-fraud measures. This anti-fraud policy approach enables all implementing bodies to integrate these elements in their MCS in alignment with their specific requirements and processes while ensuring uniformity on the anti-fraud measures. To ensure all procedures are correctly and sufficiently described in the MCS, the Flemish Audit Authority audits the MCS.

The instruction first describes the legal basis, definitions and philosophy of the Flemish anti-fraud strategy. The instruction consists of three phases: prevention (chapter 4.1), detection (chapter 4.2) and correction (chapter 4.3).

- In chapter 4.1 'Preventie', the necessary measures for the prevention of fraud are described. In this chapter the requirements for (a), (b), and (c) are described.*
- Chapter 4.2 'Detectie' describes the necessary measures for the prevention of fraud, addressing requirements (a), (b), (c), (d), and (e). The preventive and detecting measures regarding double funding and conflicts of interest are described in separate instructions which the implementing bodies can access via the SharePoint of the coordinating body.*
- The corrective measures for (a), (c), and (e) are described in chapter 4.3 'Onderzoek, correctie en vervolging.*
- Lastly chapter 4.4 describes how signatories of the management declaration (b) can be sufficiently sure about the satisfactorily fulfilment of the milestones and targets set in the RRP, that the funds were managed in accordance with all applicable rules, in particular rules on avoidance of conflicts of interest, fraud, prevention of corruption and double funding.*

Requirement 2: 'Informing the implementing bodies of this instruction'

This instruction was validated by the RRF steering committee during their meeting on 10/07/2024. The instruction was sent to the Group of Managers (representing all implementing bodies involved) on 10/07/2024 via email.

Regarding the Verification Mechanism 3: *Flanders has not issued any instructions regarding the ex ante verifications on compliance with Union and national law and on the protection of the financial interests of the Union by the Inspectorate of Finance. Therefore, this verification mechanism is not applicable.*

Contribution to the achievement of other elements from the measure description: M209, M210, M251