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Delegation of the European Union

July 2014

REQUEST FOR EXPRESSION OF INTEREST FOR CANDIDATE ENTITIES TO BE ENTRUSTED WITH PART OF IMPLEMENTATION OF THE EU SUPPORT IN THE SECTOR OF COMPETITIVENESS AND INNOVATION

The European Union Delegation, building on the suggestions of the Government in the former Yugoslav Republic of Macedonia is looking into possibilities for indirect management with other entities, besides the EU and the national structures, to implement parts of the 2014-2020 Instrument for Pre-accession Assistance (IPA II) foreseen for the country.

Following the financial rules applicable to the Union budget, specifically Articles 58 (1) (c) and 60 of Financial Regulation (EU Euratom) No 966/2012 from 25/10/2012, Regulation (EU) No 231/2014 from 11/03/2014, establishing an Instrument for Pre-accession Assistance (IPA II), Articles 1 (4) and 5 (4) of the Regulation No 236/2014 from 11/03/2014 laying down common rules and procedures for the implementation of the Union's instruments financing external action, allow the possibility for the Union's financial assistance to be implemented indirectly by entrusting budget implementing tasks to among others, international organisations and their agencies.

This request for expression of interest aims at identifying entities, which could be invited to exploratory talks on a potential subsequent entrustment of the Union's budget implementation tasks in respect to the Action Document for Local and Regional Competitiveness.

A budget implementation tasks means that the intrusted entity is responsible for:

- *Implementation of grant award and procurement procedures*
- *Award decisions for grants and procurement – complementary decisions to reject the other applicants and tenderers;*
- *Implementation of contracts: signature of legal commitments, authorisation of payments and recoveries, audits and follow-up*
- *Implementation of financial instruments*
- *Treasury and accounting.*

The objective of the programme is to increase of competitiveness at local and regional level through improved municipal infrastructure, business sector support and good governance. The action is designed to target local and regional comparative advantages in order to increase the competitiveness at all levels and tackle disparities. The comparative advantage sector that will be mainly supported by this action is tourism and the main beneficiaries' are local and regional actors. These activities could be implemented by an entrusted entity which has the highest competences and specialisation in the given area and has a proven track record in the country.

Submission Requirements: Interested entities are hereby invited to submit expressions of interest by replying to the above mentioned questions under **Annex II**.



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The information should be sent to the following e-mail address: delegation-fyrMacedonia@ec.europa.eu , by **31 July 2014, 00:00 o'clock the latest**.

All additional questions related to this Letter should be addressed to the EU Delegation not later than 21 July 2014, 12:00 o'clock

The entrusted entity would be responsible for carrying out the tasks relating to the implementation of the Action described in Annex I which will specify indicators of achievement. The entrusted entity shall be responsible for the overall administration of all the activities required to implement the Action, among others, preparation, implementation and conclusion of grant and procurement contracts, and management of corresponding expenditures. The entrusted entity will participate in coordination meetings and other jointly organised common activities with the Commission.

In performing the tasks entrusted to it, the entrusted entity may not carry out tasks involving a large measure of discretion implying political choices and it may not set nor modify objectives, strategies and priority areas of the Action as described in Annex I. The entrusted entity may directly provide with its own staff, only auxiliary technical assistance. The financing of the actions would be done by the European Union as prescribed in the Financing Decision. A flat rate of maximum 7% administrative cost is applicable to all IMDA contracts, as prescribed in the Special Conditions contract.

The candidates that would respond to this expression of interest will be assessed along a transparent set of criteria, in accordance with the EU rules. The highest-ranked entity will be selected from a shortlist and be invited to negotiate the contract, subject to confirmation of funding by the European Commission. The selection would be made from responses to this notification. Eligibility of the potential entities for an IMDA would be guaranteed with the EU Pillar Assessment, for which a presumption of conformity would be applied by 31/12/2014.



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Annex I – Brief description of the planned Activities under the Action Document Local and Regional Competitiveness

1. Description of the Actions

In order to maximize local and regional competitiveness, the IPA Programme addresses a) good governance and capacity building of administration at all levels, b) the notorious critical deficit in public infrastructure and c) private sector limitations, in particular regarding the availability and promotion of quality products and services. The Action also aspires to address regional economic disparities in the country which are a limiting factor to overall economic development. Projects shall, therefore, contribute to reducing regional disparities in favour of a more balanced regional development in the country. This could f.e. be achieved through the inclusion of less advantaged localities such as remote villages or mountainous areas, into the selected target regions as well as through a balanced distribution of investment funds within selected projects. The action will mainly, but not exclusively, focus on the tourism sector. Tourism is a sector that is underexploited and has great potential for growth and job creation in the country. Appropriate expertise and know-how transfer needs to accompany the implementation of hardware and lead the process towards professional destination management, which will in turn contribute to more competitive and attractive localities and regions.

The action should assist authorities at all levels to apply good governance principles in planning, decision-making and implementation of this action. A transparent and all inclusive consultation process should be put into place for decision making within this action, and in particular related to public investments financed under this programme. In addition, support to the public administration and private and non-governmental sector plays a key role in enabling a competitive environment and providing good, efficient services to the private sector. An inclusive consultation and cooperation process of all private sector related stakeholders at local/regional level will be supported. At the national level, support should be provided to respective planning and implementing bodies that drive local governance, competitiveness and development (namely Deputy PM Cabinet for Economic Affairs and Ministry of Local self-government). As regards national actors in the field of tourism, such as the Ministry of Economy, Department of Tourism, and the National Agency for Tourism Promotion, the action will support them in fields such as sector regulation, professional tourism planning, and destination marketing and nationwide coordination of tourism development.

As private sector operated facilities depend strongly on the availability of public infrastructure, their absence or low quality limits the full exploitation of commercial establishments. Basic infrastructure such as roads, electricity and telecommunication is generally in place, although not necessarily in a reliable and high-quality condition. IPA funded operations shall be open to basic municipal infrastructure provision, which permits and facilitates the exploitation of currently available resources at local and regional level. The operation aims at putting a focus on tourism related infrastructure, necessary to fully exploit the countries potential, i.e. discovering nature and culture, practise sport or benefit from health and wellness resources. For illustrative purposes, municipal infrastructure includes, but



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is not limited to: access roads, hiking and bicycling trails, ski resort facilities, rehabilitation of cultural and natural heritage sites, spas, signposting, tourist information offices or facilities for events and exhibitions. The action will support both large and small scale municipal infrastructure.

Large-scale grants will be directed to localities which possess comparative advantages and which dispose already of a certain industry that can immediately benefit from an enhanced infrastructure. As the IPA Program aspires to address regional economic disparities, grant funds will also be allocated to less developed regions/localities/ areas of special development needs. Grants including a number of municipalities and that have a significant impact on a wider geographical area will be prioritized.

The selection of a few larger integrated projects will be done through a competitive process, with clear consultative and ownership approach where large integrated multi-annual projects should illustrate and ensure sustainability and long term impact. In addition, challenges regarding implementation capacities will have to be addressed through substantial capacity building activities. In essence, a limited number of potential tourism destinations in the country shall be supported over a time span of 3-4 years with a combination of infrastructure, TA and support to private sector and civil society entities. This shall result in an improved enabling environment for private sector investments, including the setting up of regional tourism destination management structures.

An additional small grant scheme for public infrastructure should aim at a different target group: individual municipalities which are not part of one of the larger projects but which dispose of means and possess the conditions to gradually upgrade their economy including their tourism offer. This component of the programme shall contribute to the promotion of the whole country with a larger range of interventions that stimulate local development. The grant scheme will finance works, equipment and promotional activities of up to the volume of 30.000 EUR per beneficiary.

In order to ensure synergy with administrative capacity building and municipal infrastructure development, the action will aim to support private sector, educational institutions and civil society to spur additional development at local and regional level. This should namely be provision of expertise, transfer of know-how, training and capacity building in order to increase the entities comparative advantage within the local economy, including in tourism. In addition, the action will ensure additional funding, through a competitive procedure aiming at upgrading and promoting respective entities products and services provision.

Through the multi-annual approach the action will ensure that a) sufficient time is available for putting in place more complex investments and activities and b) a sustainable long term impact is achieved.

Together with the authorities and the EU Delegation, the managing body will assess and prepare an extensive intervention plan, prior to the implementation of the action. It will identify potential areas and stakeholders to be supported. The intervention plan and selected projects should undergo a baseline analysis/evaluation in order to clearly determine



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indicators. At the end of the action, an impact evaluation should take place, which will outline the impact of the action (success measurement) and accomplishment of indicators.

The tasks related to the implementation would be linked to:

- Capacity Building and Support to Regional Competitiveness Programme Management and Implementation; Assistance to the relevant Ministries (Economy, Local Self Government, DPM for Economic Affairs) Programming Department, Monitoring and Evaluation Department, Quality Assurance and Control Department, Internal Audit Unit, Delivery of trainings to staff of the relevant ministries, Agency for Tourism, Regional Competitiveness Programme Coordination and Implementation Councils/Committees;
- Support to the Procurement, Contract Management, Financial Management, Accounting and Control; Assistance to Procurement, Implementation and Finance Divisions under Finance and Contracts Department of Ministry of Economy, Ministry of Local Self Government, Office of the Deputy Prime Minister for Economic Affairs, National Competitiveness and Regional Development Councils, Agency for Tourism, Bureau for Regional Development, etc.
- Support to the End Recipients of Assistance in the target statistical regions; Delivery of trainings to End Recipients of Assistance, Project Management Assistance to End Recipients of Assistance with mobilisation/provision of Non Key Experts.
- Implementation of grant scheme.



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2. Intervention Logic – Logical Framework Matrix

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	
<i>Increased economic growth and job creation through improved local and regional competitiveness</i>	<ul style="list-style-type: none"> • GDP local and regional growth in selected target regions New job creation and unemployment rate (in regions which benefit from funding) 	<ul style="list-style-type: none"> • Comparison of regional GDP and employment data (data published by the State Statistical office) 	
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	ASSUMPTIONS
<i>Increase of competitiveness at local and regional level through improved municipal infrastructure, business sector support and good governance</i>	<ul style="list-style-type: none"> • Municipal revenues tax increase from 2016 to 2020 by 4% • Number of employees in targeted economic sectors increases from 2016 to 2020 by 4 % • Increased public sector good governance indicators 	<ul style="list-style-type: none"> • Municipal records of revenues from tourism tax • Regional/Municipal records of employment • World Bank's Worldwide Governance Indicators (WGIs), developed and measured local good governance indicators (UNDP guide on local governance) 	<i>Progressive aggregation of public and private sector investments and organization of stake-holders (cluster effects)</i>
RESULTS	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	ASSUMPTIONS
Result 1: <i>Administration is enabled to effectively develop and implement policies and strategies to increase competitiveness of the tourism sector, using principles of good governance.</i>	<ul style="list-style-type: none"> • 60% of actions specified by the National Tourism Development Strategy at the national level have been initiated • A regional tourism office, including tourism information Centre is set up in at least 3 of 	<ul style="list-style-type: none"> • Experts findings and reports • Baseline and final programme evaluation • Project Progress reports 	<i>Proposed action must have productive effect on overall improvement of business environment and on mobilization of private sector investments.</i>



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<p>Result 2: <i>The improvement of public infrastructure creates new private sector investment opportunities</i></p> <p>Result 3: <i>Upgrading and promotion of tourism related business products and public and private services</i></p>	<p><i>the selected regions</i></p> <ul style="list-style-type: none"> • <i>Local and/or regional municipal infrastructure, which has direct impact on private sector activities, is operational (ex.: access road, signalization, hiking and bicycle paths, cultural heritage rehabilitation, etc.)</i> • <i>User satisfaction with the number and quality of products and services available on the market</i> • <i>At least 1 joint (NTA with regional partner) marketing campaign carried out per selected region for tourism destination and/or marketable local products</i> 	<p><i>and final report</i></p> <ul style="list-style-type: none"> • <i>Project Monitoring Reports</i> • <i>Measured and analyzed collected evaluations data</i> 	
ACTIVITIES	MEANS	OVERALL COST	ASSUMPTIONS
<p>Activities to achieve Result 1:</p> <p>1.1 <i>Assisting public administration in applying good governance principles in decision making processes related to preparing and implementing public investments</i></p> <p>1.2 <i>Provision of expertise, training and capacity building at national, regional and local level enabling effective tourism destination management</i></p> <p>1.3 <i>Support to the facilitation of local and regional stakeholder cooperation in the promotion of local and regional competitiveness</i></p> <p>Activities to achieve Result 2:</p> <p>2.1 <i>Provision of large and small scale municipal infrastructure, which has a direct impact on competitiveness and private sector investments</i></p> <p>Activities to achieve Result 3:</p> <p>3.1 <i>Provision of expertise and training to and capacity building of private sector, educational institutions and civil society entities, including in the tourism</i></p>	<p>18 million EUR</p>	<p>Total cost for the entire Action (service, grant, twinning, or direct grant tba)!</p>	<ul style="list-style-type: none"> • <i>Ministry of Economy, Department for Tourism and National Agency for Tourism Promotion is sufficiently funded and staffed</i> • <i>Cooperative, high quality staff in local administration (local economic development departments)</i> • <i>Regions can effectively demonstrate their potential for further investment</i> • <i>Well trained employees are needed to increase productivity and service provisions.</i>



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<p><i>industry</i></p> <p><i>3.2 Support to SMEs, public sector and civil society for upgrading and promotion of products and services , including in the tourism sector</i></p>			
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Annex II – Standard Fiche for assessing potential applicants responding to an expression of interest

1. CONTEXT

1. Country / Project/Programme Title: **Local and Regional Competitiveness**
2. Sector: **Local and Regional Competitiveness**
3. Short description of the project/programme and its general objectives: **Please refer to Annex I of this Expression of Interest**
4. EU programme amount / other contributions (if any): **EU Programme – indicative allocation of EUR 18 million**

➤ **For the potential Delegated body – To be filled in by the entity replying to the expression of interest**

5. Delegatee body and sub-delegated body (if any)
6. Eligibility – Is the Delegatee body eligible and compliant for ICM following the "6 pillar" assessment?
7. Amount to be delegated by the EC to the Delegatee body (≥ 18 M€) and 24.6 % of EC contribution to the project/programme amount
8. Amount co-financed by Delegatee body (if any-blending, loans, TA's)
9. Method(s) of implementation: **Indirect Management Delegated Agreement**

II. SELECTION AND AWARD CRITERIA (100 points)

➤ For the potential Delegated body – To be filled in by the entity replying to the expression of interest in max.10 pages,

➤ The following selection criteria will be applied to candidates:

1. Methodology (30 points)

- *How would you see the implementation of the tasks described under Annex I? Please provide a brief methodology and a concept for implementation?*
- *Please describe the potential tasks to be carried out by the Delegatee body.*



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- *Will the Delegatee body manage the funds and the procurement/grant procedures itself or will it work with implementing partners, or a sub-delegation would be foreseen? If so, a list of the intended implementing partners and the amounts granted should be provided as well a description of the role of implementing partners. Please describe whether the implementing partners are public or private entities with a service public mission. Please describe how the implementing partners' procedures for contracting, accounting, auditing and internal control are assessed and controlled by the Delegatee body.*
- *Please provide details of experience or similar assignments undertaken in the previous five years, including their locations and allocations.*

2. Technical capacity (40 points)

1. *Does the Delegatee body have the technical and management capacity to manage donor funds and implement the action (refers, inter alia, to international track record; sectors of intervention and strategic programme portfolio; significant investment pipeline; competence to conduct policy dialogue? Does it provide comparative advantage?*
2. *The entrusted entity (the potential Delegatee body) should provide evidence of and respond to the following:*
 - a. *Has long-standing experience in the area of local and regional competitiveness, balanced regional development, local and rural infrastructure development, tourism development, cluster development and cluster management, support to local and regional authorities, etc.;*
 - b. *Has proven track record in implementing similar projects and provides details of experience or similar assignments undertaken in the last five years, in the country;*
 - c. *That has completed over the last 5 years (07/2010-07/2014) at least 1 contract for institutional capacity building in the area of competitiveness for an amount hereafter indicated of EUR 1,000,000 (also cumulatively over several projects);*
 - d. *That has completed over the last 5 years (07/2010-07/2014) at least 1 contract for regional and local development for an amount hereafter indicated of EUR 1,000,000;*
 - e. *Any other similar projects in related areas (if any, as underlined in point 1).*

3. Administrative/professional capacity (10 points)

1. *Please provide information of the company profile, organisation and staffing;*
2. *Please provide evidence that the Candidate has a total of at least 3 experts as permanent staff currently and on average during the last two year-period as per the*



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application form working in the fields related to this expression of interest. CVs of staff that works on similar assignments and would have a supporting role

4. Financial capacity (20 points)

1. *Does the Delegatee body have the financial management capacity to manage donor funds; significant investment pipeline; capacity to coordinate financial inputs and represent them equally and fairly)? Does it provide comparative advantage?*
2. *Does the Delegatee body have significant involvement and investment in the relevant programme / sector and will this be sustained in the short/medium term? Please provide detailed budget planning, if any.*
3. *What are the overall commitment and specific actions envisaged to guarantee the visibility of the EU?*
4. *The level of applicable management fees is max 7%. What is your proposal for the indirect management fees?*
5. *Are you willing to co-finance these activities and what would be the appropriation from your side?*



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Contact Sheet

Full legal name of Lead Organisation/ Individual:	
Name (if different from above):	
Country of Registration:	
Address of registered office:	
Postal address (if different from above):	
Telephone number (including country code):	
Fax number (including country code):	
Main contact person for this assignment:	
Main contact person's position in the Organisation:	
Contact person's email address:	
Alternate contact person:	
Alternative E-mail:	
Website of the Organisation:	




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Annex III – c8 - General Conditions for Indirect Management Delegation Agreement

<http://ec.europa.eu/europeaid/companion/document.do?isAnnexes=true>

c8b_imda_gc_en.pdf 



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ANNEX IV – Responsibilities of the entrusted bodies under Indirect Management according to Articles 58 and 60 of Financial Regulation (EU Euratom) No 966/2012 from 25/10/2012

Article 58 - *Methods of implementation of the budget*

1. The Commission shall implement the budget in the following ways:

- (a) directly ('direct management'), by its departments, including its staff in the Union Delegations under the authority of their respective Head of Delegation, in accordance with Article 56(2), or through executive agencies as referred to in Article 62;
- (b) under shared management with Member States ('shared management'); or
- (c) indirectly ('indirect management'), where this is provided for in the basic act or in the cases referred to in points (a) to (d) of the first subparagraph of Article 54(2), by entrusting budget implementation tasks to:
 - (i) third countries or the bodies they have designated;
 - (ii) international organisations and their agencies;
 - (iii) the EIB and the European Investment Fund;
 - (iv) bodies referred to in Articles 208 and 209;
 - (v) public law bodies;
 - (vi) bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;
 - (vii) bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;
 - (viii) persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.

2. The Commission remains responsible for the implementation of the budget in accordance with Article 317 TFEU and shall inform the European Parliament and the Council of the operations carried out by the entities and persons entrusted pursuant to point (c) of paragraph 1 of this Article. Where the entrusted entity or person is identified in a basic act, the financial statement provided for in Article 31 shall include a full justification for the choice of that particular entity or person.

3. The entities and persons entrusted pursuant to point (c) of paragraph 1 of this Article shall fully cooperate in the protection of the Union's financial interests. Delegation agreements shall provide for the right of the Court of Auditors and the European Anti-Fraud Office (OLAF) to comprehensively exert their competences under the TFEU in the audit of funds.

The Commission shall entrust budget implementation tasks to entities and persons under point (c) of paragraph 1 of this Article provided that transparent, non-discriminatory, efficient and effective review procedures concerning the actual implementation of such tasks are in place.

4. All delegation agreements shall be made available to the European Parliament and the Council at their request.



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5. Entities and persons entrusted pursuant to point (c) of paragraph 1 of this Article shall ensure, in accordance with Article 35(2), appropriate annual ex post publication of information on recipients. The Commission shall be notified of the measures taken in this regard.

6. Entities and persons entrusted pursuant to point (c) of paragraph 1 shall not have the status of authorising officer by delegation.

7. The Commission shall not entrust executive powers to third parties, where such powers involve a large measure of discretion implying political choices.

8. The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning detailed rules on the methods of implementation of the budget, including direct management, the exercise of powers delegated to executive agencies, and specific provisions for indirect management with international organisations, with bodies referred to in Articles 208 and 209, with public law bodies or bodies governed by private law with a public service mission, with bodies governed by the private law of a Member State and entrusted with the implementation of a public-private partnership and with persons entrusted with the implementation of specific actions in the CFSP.

Article 60 - Indirect management

1. Entities and persons entrusted with budget implementation tasks pursuant to point (c) of Article 58(1) shall respect the principles of sound financial management, transparency and non-discrimination and shall ensure the visibility of Union action when they manage Union funds. They shall guarantee a level of protection of the financial interests of the Union equivalent to that required under this Regulation when they manage Union funds, with due consideration for:

- (a) the nature of the tasks entrusted to them and the amounts involved;
- (b) the financial risks involved;
- (c) the level of assurance stemming from their systems, rules and procedures together with the measures taken by the Commission to supervise and support the implementation of the tasks entrusted to them.

2. In order to protect the financial interests of the Union, the entities and persons entrusted pursuant to point (c) of Article 58(1) shall, in accordance with the principle of proportionality

- (a) set up and ensure the functioning of an effective and efficient internal control system;
- (b) use an accounting system that provides accurate, complete and reliable information in a timely manner;
- (c) be subject to an independent external audit, performed in accordance with internationally accepted auditing standards by an audit service functionally independent of the entity or person concerned;
- (d) apply appropriate rules and procedures for providing financing from Union funds through grants, procurement and financial instruments;
- (e) ensure, in accordance with Article 35(2), the ex post publication of information on recipients;
- (f) ensure a reasonable protection of personal data, as laid down in Directive 95/46/EC and Regulation (EC) No 45/2001.



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Persons entrusted pursuant to point (viii) of Article 58(1)(c) shall adopt their financial rules with the Commission's prior consent. They shall satisfy the requirements laid down in points (a) to (e) of this paragraph no later than six months after the start of their mandate. Where, at the end of this period, they comply with those requirements only in part, the Commission shall take appropriate remedial measures to supervise and support the implementation of the tasks entrusted to them.

3. The entities and persons entrusted pursuant to point (c) of Article 58(1) shall prevent, detect and correct irregularities and fraud when executing tasks relating to the implementation of the budget. To this end, they shall carry out, in accordance with the principle of proportionality, *ex ante* and *ex post* controls including, where appropriate, on-the-spot checks on representative and/or risk-based samples of transactions, to ensure that the actions financed from the budget are effectively carried out and implemented correctly. They shall also recover funds unduly paid and bring legal proceedings where necessary in this regard.

4. The Commission may suspend payments to entities and persons entrusted pursuant to point (c) of Article 58(1), in particular when systemic errors are detected which call into question the reliability of the internal control systems of the entity or person concerned or the legality and regularity of the underlying transactions.

Notwithstanding Article 92, the authorising officer responsible may interrupt payments to such entities or persons fully or partially for the purpose of carrying out further checks where:

- (i) information comes to the notice of the authorising officer responsible indicating a significant deficiency in the functioning of the internal control system or that the expenditure certified by the entity or person concerned is linked to a serious irregularity and has not been corrected;
- (ii) the interruption is necessary to prevent significant damage to the financial interests of the Union.

5. Without prejudice to paragraph 7, the entities and persons entrusted pursuant to point (c) of Article 58(1) shall provide the Commission with:

- (a) a report on the implementation of the tasks entrusted to them;
- (b) their accounts drawn up for the expenditure incurred in the execution of the tasks entrusted to them. Those accounts shall be accompanied by a management declaration confirming that, in the opinion of those in charge of the management of the funds:
 - (i) the information is properly presented, complete and accurate,
 - (ii) the expenditure was used for its intended purpose, as defined in the delegation agreements or, where applicable, in the relevant sector-specific rules,
 - (iii) the control systems put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions;
- (c) a summary of the final audit reports and of controls carried out, including an analysis of the nature and extent of errors and weaknesses identified in systems, as well as corrective action taken or planned.



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The documents referred to in the first subparagraph shall be accompanied by an opinion of an independent audit body, drawn up in accordance with internationally accepted audit standards. That opinion shall establish whether the accounts give a true and fair view, whether the control systems put in place function properly, and whether the underlying transactions are legal and regular. The opinion shall also state whether the audit work puts in doubt the assertions made in the management declaration under point (b) of the first subparagraph.

The documents referred to in the first subparagraph shall be provided to the Commission no later than 15 February of the following financial year. The opinion referred to in the second subparagraph shall be provided to the Commission no later than 15 March.

The obligations set out in this paragraph shall be without prejudice to agreements concluded with international organisations and third countries. Such agreements shall include at least the obligation of those international organisations and third countries to provide the Commission annually with a statement that, during the financial year concerned, the Union contribution was used and accounted for in compliance with the requirements set out in paragraph 2 and with the obligations laid down in such agreements.

6. Without prejudice to paragraph 7, the Commission shall:

- (a) supervise the fulfilment by those persons and entities of their responsibilities, in particular by carrying out audits and evaluations on the programme implementation;
- (b) apply procedures for the examination and acceptance of the accounts of the entrusted entities and persons, ensuring that the accounts are complete, accurate and true;
- (c) exclude from Union financing expenditure disbursements which have been made in breach of the applicable rules.

7. Paragraphs 5 and 6 shall not apply to the contribution of the Union to entities which are subject to a separate discharge procedure under Article 208.

8. The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning detailed rules on indirect management, including the establishment of the conditions under indirect management according to which the systems, rules and procedures of entities and persons are to be equivalent to those of the Commission, management declarations and compliance statements, and the procedures for the examination and acceptance of the accounts and the exclusion from Union financing of expenditure incurred in breach of the applicable rules.