

ANTI-FRAUD MEASURE PLAN

Management System of the Recovery, Transformation, and Resilience Plan



Shaping Energy for a Sustainable Future

Approved by:	IREC's patronage
Approval date	January 24th 2025
Effective date	The day after approval by IREC's Patronage
Version:	1

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INTRODUCTION

After the crisis caused by COVID-19, the European Council approved on 21st June 2020 the creation of the NextGeneration EU programme (hereinafter, NGEU) as an economic stimulus instrument in response to the crisis, which is legally embodied in the Recovery and Resilience Facility (RRF, hereinafter), established in Regulation (EU) 2021/241 of the European Parliament and of the Council of 12th February 2021.

Article 22 of Regulation (EU) 241/2021 of the European Parliament and of the Council, of 12th February 2021, requires Member States, in their capacity as beneficiaries or recipients of funds under the Recovery and Resilience Facility (hereinafter, 'RRF'), to adopt appropriate measures to protect the financial interests of the Union and ensure that the use of the funds complies with EU and national law. For this purpose, Member States must establish an effective and efficient internal control system and, where appropriate, ensure the recovery of amounts paid in error or used improperly.

The RRF has four objectives: to promote the economic, social, and territorial cohesion of the EU; to strengthen the resilience and adjustment capacity of Member States; to mitigate the social and economic repercussions of the COVID-19 crisis; and to support the ecological and digital transitions. These objectives are intended to be achieved in Spain, as in each of the Member States, through the Spanish Recovery, Transformation, and Resilience Plan (hereinafter, PRTR), which includes the reforms and investment projects necessary to meet these objectives.

The PRTR has four cross-cutting axes: the ecological transition, digital transformation, social and territorial cohesion, and gender equality. These axes are structured into ten flagship policies, within which thirty components are included, allowing for the formulation of coherent investment and reform programmes necessary to achieve the objectives of the PRTR.

The implementation of this and the various initiatives financed through it requires adapting management and control procedures to a new regulatory framework, the starting point of which is identified with Royal Decree-Law 36/2020, of 30th December, which approves urgent measures for the modernisation of the Public Administration and the execution of the PRTR. This decree includes various measures to adapt the existing legal framework to procedures related to the PRTR (particularly in the areas of contracting and subsidies).

For the management of the PRTR, Order HFP/1030/2021, of 29th September, is approved, which establishes the PRTR management system, and Order HFP/1031/2021, of 29th September, which sets out the procedure and format for the information to be provided by entities in the State, Regional, and Local Public Sectors for monitoring the achievement of milestones and objectives and the budgetary and accounting execution of the measures of the PRTR components. These orders outline the common guidelines for all entities participating in its implementation.

Order HFP/1030/2021 establishes a clear commitment to high standards of integrity and zero tolerance for fraud, which is materialised by the requirement for the approval of anti-fraud action plans for the prevention, detection, and prosecution of fraud, corruption, and conflicts of interest by the decision-making or implementing entities¹.

The approval of the Anti-Fraud Action Plans must be carried out in accordance with the requirements set out in Article 6.5 of Order HFP/1030/2021:

- a) a) Approval by the decision-making or implementing entity within a period of less than 90 days from the entry into force of this Order or, where applicable, from the moment the entity is made aware of its participation in the execution of the PRTR.
- b) Structuring the anti-fraud measures in a proportionate manner, centred around the four key elements of the so-called "anti-fraud cycle": prevention, detection, correction, and enforcement.
- c) Ensuring that the entity in question carries out a risk assessment, considering the impact and likelihood of fraud risks in the key processes of implementing the Recovery, Transformation, and Resilience Plan, and that this assessment is reviewed periodically, either biennially or annually, depending on the fraud risk. In any case, it must be reviewed when a fraud case is detected or when there are significant changes in procedures or staff.
- d) Defining adequate and proportionate preventive measures, tailored to specific situations, to reduce the residual fraud risk to an acceptable level.
- e) Ensuring the existence of detection measures tailored to alert signals and defining the procedure for their effective application.
- f) Defining the appropriate corrective measures when a suspicious fraud case is detected, with clear communication mechanisms for reporting suspected fraud.
- g) Establishing appropriate processes for monitoring suspected fraud cases and the corresponding recovery of EU funds fraudulently spent.
- h) Defining monitoring procedures to review processes, procedures, and controls related to actual or potential fraud, which should be included in the corresponding review of the fraud risk assessment.
- i) Specifically, defining procedures related to the prevention and correction of conflict of interest situations in accordance with the provisions in Sections 1 and 2 of Article 61 of the EU Financial Regulation. In particular, it will be mandatory to establish the signing of a DACI (Declaration of Absence of Conflict of Interest) for those participating in the execution procedures of the PRTR, the communication to their superior of any potential conflict of interest, and the adoption of the corresponding decision by the superior in each case.

Within the framework of the autonomy granted by the Order, when defining the measures for each public decision-making or implementing entity, the prescriptions established in its "Annex

¹ Obligations arising from the provisions of Article 22 of the Regulation governing the Recovery and Resilience Facility, according to which public bodies "shall adopt all appropriate measures to protect the financial interests of the Union and ensure that the use of funds in relation to the measures financed by the Facility complies with applicable Union and national law, particularly with regard to the prevention, detection, and correction of fraud, corruption, and conflicts of interest."

III.C. Guidance on measures for the prevention, detection, and correction of fraud, corruption, and conflict of interest" must also be taken into account.

This regulation has been affected by the provisions of the One Hundred and Twelfth Additional Provision of Law 31/2022, of 23rd December, of the General State Budgets for 2023, which introduces the regulation of the systematic analysis of conflict of interest risk in the administrative procedures implementing the Recovery, Transformation, and Resilience Plan. This is further developed by Order HFP/55/2023, of 24th January, concerning the systematic analysis of conflict of interest risk in the procedures executing the Recovery, Transformation, and Resilience Plan.

The Catalonia Institute for Energy Research Foundation (IREC), as an entity with budgetary allocation under the PRTR, makes available to its members this "Anti-Fraud Action Plan", which outlines and describes each of the actions that must be adopted for the prevention, detection, and correction of fraud within the framework of the PRTR. The Plan aims to define the main actions that must be taken to avoid misuse or fraud in the PRTR financial resources, with the purpose of preventing, detecting, and establishing corrective measures so that the financial resources from the European Union are not wasted and are used for the important purposes for which they are allocated. It is important to note that this is a planning tool, and as such, it is a dynamic forecast of the actions contemplated within it. It is a living instrument, which represents an initial step that sets the starting point, and will be subject to ongoing development, review, and updates to ensure the availability of the main measures outlined in it, particularly regarding risk assessment, conflicts of interest, and whistleblowing channels.

1.- THE CATALONIA INSTITUTE FOR ENERGY RESEARCH

Prior to addressing the content of the Anti-Fraud Action Plan, it is necessary to describe the context in which the Foundation operates. This is because the Plan is not merely a legal obligation, but is approved as part of a strong commitment to integrity. For this reason, it is important to consider its specific characteristics to ensure the proper protection of the financial interests of the Union.

1.1.- The organisation

The Catalonia Institute for Energy Research Foundation (IREC) is a non-profit entity, with its assets, income, and resources permanently allocated to achieving the general interest objectives set out in its statutes.

IREC is a public research institute with a public-private board, composed of the Government of Catalonia, the Spanish Government, universities, and representatives from the energy industry sector. It is attached to the Administration of the Government of Catalonia, and as such, will be subject to the budgetary, accounting, economic-financial, and control regulations of the Government of Catalonia.

Its research, development, and innovation (R&D&I) activities began in January 2009. Since its inception, the strategy and activities of the Institute have been designed to contribute to building a more sustainable future through excellent research and innovation in the field of energy. Led by internationally recognized researchers and experts in the field, IREC collaborates closely with both the Administration and the industrial sector to drive a local and global energy transition that ensures a more sustainable, equitable, and inclusive society.

IREC is a member of the CERCA institution, an initiative by the Government of Catalonia to support and foster outstanding and competitive research and innovation in Catalonia. The institute is also an accredited centre by TECNIO, recognized as a technology developer, which further facilitates the transfer of research to industry

As a Foundation and in accordance with Law 21/2014, of December 29th, on the protection of foundations and verification of the activities of associations declared to be of public utility, it is subject to the obligations established in Order JUS/152/2018, of September 12th, which sets the level of accountability of foundations and associations declared to be of public utility to the transparency instruments established by Law 21/2014, of December 29th, on the protection of foundations and verification of the activities of associations declared to be of public utility.

1.2.- IREC's Governance and Administration Mode

The organisational and governance model of IREC is mainly outlined in the following documents:

- AGREEMENT GOV / 63/2008, dated April 8, 2008, announcing the Constitution of the Private Foundation for the Research Institute of Energy of Catalonia.
- AGREEMENT GOV / 26/2020, dated February 18, 2020, which approves the modification of the Statutes of the Foundation for the Research Institute of Energy of Catalonia (IREC) and adopts its full text.
- Public document of the deed for the new Statutes, dated November 11th, 2020, of the Institute for Research in Energy of Catalonia.

In accordance with this, the Foundation has the following governing bodies:

- *The Board of Trustees*
The governing and administrative body of the Foundation, collegial in nature, with one person designated as the President and another as the Secretary, assuming all the necessary powers and functions to achieve the foundation's goals.
The Board of Trustees can delegate its powers to the President, the Delegated Commission, or the Director/Manager, except for those powers considered non-delegable, without prejudice to the appointment of authorised persons
- *The Directorate*
The individual holding the position of Directorate is responsible for the executive management of the Foundation. For this purpose, they are granted the corresponding powers to carry out their actions with third parties. The role of the Director is incompatible with being a member of the Board of Trustees.

Notwithstanding the possibility of appointing a person for the position of Manager. Internally, IREC is organised into research groups and departments in accordance with its organisational chart.

1.3.- Commitment to Institutional Integrity: The Code of Conduct

IREC expresses its commitment to zero tolerance towards fraud, as outlined in Annex I: Declaration of Institutional Integrity and Zero Tolerance Towards Fraud of this Plan. In this way, it aligns itself with the European Union's fraud prevention and detection measures by implementing effective procedures and proportionate, efficient measures to combat fraud. These measures have a significant impact on the management of Next Generation EU funds and the operations under the Recovery, Transformation, and Resilience Plan (PRTR), from managing fraud risks proactively with a structured, specific, and effective decision-making process. This ensures a high-level commitment to public integrity in every aspect of the institution's work and its involvement in the PRTR and EU funds management.

The code of conduct is presented as a tool of soft law that provides valuable assistance to individuals within the organisation in making decisions aligned with the ethical standards and integrity applicable to public management in general, and to the management of European funds within the PRTR, in particular. It will promote accountability as a system for ensuring compliance with these standards.

Likewise, special consideration will be given to the provisions related to these issues in the current legislation on incompatibilities, public sector contracts, subsidies, foundations, and regional regulations. In any case, the members of the entity are subject to civil and criminal liability for actions and omissions carried out in the exercise of their duties, and for the agreements they have voted in favour of, responsibilities that will be enforced before the competent Courts of Justice and processed through the applicable ordinary procedure:

- **Code of Conduct of I-CERCA**

As a member of CERCA, IREC is required to comply with the I-CERCA Code of Conduct, to which it is adhered and which provides guarantees for good management, based on the following ten guiding principles:

- Honesty and transparency.
- Open access to research data.
- Custody of research data, materials, and substances.
- Management of industrial property at CERCA centres.
- Individual commitment to good scientific practice and respect for ethical standards.
- Commitment and responsibility for scientific activities and publications.
- Coordination with the CERCA Institution and the CERCA "Ombudsperson".
- Implementation of recruitment and promotion standards.
- Informing and collaborating with the media.
- Implementing an action plan with the European Commission's HRS4R recognition.

- **Code of Good Governance and Best Management Practices**

The Code of Good Governance and Best Management Practices formalises the set of operating standards, ethical principles, and rules that guide the actions of the members of the governing bodies and professionals in the performance of their functions, through which the objectives of the entities are realised. This can be a document created by the entities themselves or an external code to which they adhere.

El codi esmentat recull els principis de bones pràctiques de gestió i recomanacions de bon govern, que recullen el compromís de la Fundació amb l'ètica en tots els àmbits d'actuació, establint el conjunt d'orientacions dirigides a guiar el comportament responsable dels patrons i de tots els professionals en el desenvolupament de la seva activitat².

The aforementioned code encompasses the principles of best management practices and recommendations for good governance, which reflect the Foundation's commitment to ethics in all areas of operation. It establishes a set of guidelines aimed at guiding the responsible behaviour of the trustees and all professionals in the development of their activities.

In this way, it can be affirmed that IREC, both at its governance and administrative levels, undertakes the commitment to implement the measures in this Plan with the utmost diligence and to embed, within its own processes, the measures and control levels necessary to ensure the effective execution of the funds for which it is responsible, within a context of integrity and the prevention of fraud, corruption, and conflicts of interest, as set out in European regulations and the broader legal framework.

This Plan applies to all members of IREC, regardless of the position or role they hold, as well as to all individuals and entities that benefit from or collaborate in actions funded by public funds from the MRR within the framework of the investments it carries out. The governing bodies, in exercising their exemplary leadership, must ensure the availability of sufficient and appropriate means and resources for the deployment of the measures outlined in this Plan. These must be managed in compliance with budgetary rules, under the principles of efficiency and effectiveness, and also with transparency.

1.4.- The anti-fraud cycle in Ministerial Order HFP/1030/2021: applicable definitions

IREC, as an entity participating in the execution of the PRTR, has this AFMP as a mechanism that allows it to guarantee and declare that, within its respective area of action, the corresponding funds have been used in accordance with the applicable regulations, particularly with regard to the prevention, detection, and correction of fraud, corruption, and conflicts of interest.

² With the establishment of the following principles: Commitment to the common good; Accountability; Transparency; Responsible management of resources; Respect for the law; Equality of opportunity and non-discrimination; Respect and dignified treatment; Right to privacy; Duty of confidentiality; Conflict resolution; Preservation and conservation of the environment.

In the development of the AFMP, the provisions established by Spanish and European regulations have been strictly followed, as well as the pronouncements made or that may be made by the European Union institutions regarding the protection of the Union's financial interests in this matter.

In designing and drafting this AFMP, the preventive and detection measures have been structured in accordance with its specific characteristics and always taking into account the need to ensure appropriate protection of the Union's interests. In particular, mandatory actions for the managing bodies include fraud risk assessment, completion of the Declaration of Absence of Conflict of Interest (DACI), and the availability of a procedure for addressing conflicts of interest.

For the purposes of this AFMP, the definitions of fraud, corruption, and conflict of interest contained in Directive (EU) 2017/1371 on the fight against fraud affecting the financial interests of the Union (PIF Directive), Regulation (EU, Euratom) 2018/1046 of the European Parliament and the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union (EU Financial Regulation), and the OECD Recommendation on Public Integrity are applicable.

- **Public Integrity³**

Public integrity refers to the consistent alignment and adherence to shared values, principles, and ethical standards to maintain and prioritise the public interest over private interests in the public sector.

- **Conflict of Interest⁴**

Conflicts of interest, according to Article 61 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, may arise when the impartial and objective exercise of the functions of financial agents and other persons involved in budget execution is compromised by family, emotional, political or national affinity, economic interest, or any other direct or indirect personal interest. A conflict of interest is, therefore, a conflict between the duty and the private interests of an employee when the latter could improperly influence the exercise of their functions and responsibilities.

Given the situation that would trigger a conflict of interest, a distinction can be made between:

³ Recommendation on Public Integrity by the OECD.

⁴ This declaration aligns with the one set out in Article 61 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union (Financial Regulation). Notwithstanding this, Article 64.2 of Law 9/2017, of 8 November, on Public Sector Contracts (hereinafter LCSP) indicates that the concept of a conflict of interest will, at a minimum, encompass any situation in which personnel in the service of the contracting authority, who also participate in the development of the tendering procedure or may influence the outcome of the procedure, have a direct or indirect financial, economic, or personal interest that could be seen as compromising their impartiality and independence in the context of the tendering procedure.

- Actual conflict of interest: This involves a conflict between the public duty and the private interests of an employee or a situation where the employee has personal interests that could improperly influence the performance of their official duties and responsibilities. In the case of a beneficiary, it would imply a conflict between the obligations assumed when requesting funding from the funds and their private interests that could improperly influence the fulfilment of these obligations.
- Potential conflict of interest: Arises when an employee or beneficiary has private interests of such a nature that they could potentially cause a conflict of interest if they were to assume certain official responsibilities in the future.
- Apparent conflict of interest: Occurs when the private interests of an employee or beneficiary are likely to compromise the objective exercise of their functions or obligations, but no identifiable and specific link is found with particular aspects of their conduct, behaviour, or relationships (or any impact on these aspects).

- **Fraud**

In the context of expenses, fraud is defined as any "intentional act or omission, relating to⁵:

- i. The use or presentation of false, inaccurate, or incomplete statements or documents, which results in the unlawful receipt or retention of funds from the general budget of the European Communities or budgets managed by the European Communities or on their behalf.
- ii. The failure to comply with an explicit obligation to communicate information, with the same effect.
- iii. The diversion of these funds for purposes other than those for which they were originally granted."

In the context of expenses related to public contracts, at least when committed with the intent of unlawful profit for the perpetrator or another person, causing a loss to the financial interests of the Union, any act or omission relating to:

- i) the use or presentation of false, inaccurate, or incomplete statements or documents, resulting in the misappropriation or unjustified retention of funds or assets from the Union's budget or budgets administered by the Union, or on its behalf,
- ii) the failure to comply with an explicit obligation to communicate information, with the same effect, or
- iii) the improper use of these funds or assets for purposes other than those for which they were initially granted, to the detriment of the financial interests of the Union;

- **Irregularity⁶**

⁵Segons el que estableix l'article 3 de la Directiva (UE) 2017/1371, sobre la lluita contra el frau que afecta els interessos financers de la Unió a través del Dret Penal.

⁶ Segons el que estableix el Reglament (CE, Euratom) n° 2988/95 del Consell, de 18 de desembre de 1995, relatiu a la protecció dels interessos financers de les Comunitats Europees.

An irregularity shall constitute any violation of a provision of the relevant European law relating to an act or omission by an economic agent that has or would have the effect of damaging the general budget of the Communities or budgets administered by them, either by reducing or eliminating revenue from own resources collected directly on behalf of the Communities, or through an undue expense.

The existence of an irregularity does not necessarily imply the possible existence of fraud; the presence of intent is a key element in fraud, an element that does not need to be present for an irregularity to occur.

- **Difference Between Fraud and Irregularity**

In the context of European Union regulation, an irregularity refers to a violation of rules, either by action or omission, that results in financial harm to the EU budget. An irregularity can occur even without intentional misconduct by the actor. The existence of an irregularity does not necessarily imply fraud, as intent is a key element in fraud. In other words, intent is the distinguishing factor between fraud and irregularity.

- **Passive Corruption⁷**

Passive corruption refers to the act of a public official who, directly or through an intermediary, requests or receives advantages of any kind—for themselves or a third party—or accepts the promise of an advantage, in order to act or refrain from acting in accordance with their duties or functions, in a way that harms or could harm the financial interests of the Union.

- **Active Corruption**

Active corruption refers to the act of any person who promises, offers, or grants—directly or through an intermediary—an advantage of any kind to a public official, for themselves or a third party, in order to influence them to act or refrain from acting in accordance with their duties or functions, in a way that harms or could harm the financial interests of the Union.

- **Reproachable Conduct and Activities⁸**

These include any actions that violate objectivity, impartiality, efficiency, honesty, integrity, public ethics, and good governance, as well as the unnecessary or wasteful spending of public funds, regardless of whether they constitute a direct violation of legal regulations.

- **Double Funding**

In the context of the Recovery, Transformation, and Resilience Plan (PRTR), and in accordance with Article 9 of Regulation (EU) 2021/241, as well as section 4.6.1 of the PRTR,

⁷ Segons el que estableix l'article 3 de la Directiva (UE) 2017/1371, sobre la lluita contra el frau que afecta els interessos financers de la Unió a través del Dret Penal, que també s'utilitza en el present Pla per a la referència conceptual a corrupció en la seva doble dimensió, activa i passiva

⁸ Segons el que estableix l'article 3 de la Directiva (UE) 2017/1371, sobre la lluita contra el frau que afecta els interessos financers de la Unió a través del Dret Penal.

double funding occurs when a particular expense, cost, or investment is financed by the Recovery and Resilience Facility (MRR) and simultaneously by:

- By another EU instrument (whether under shared or direct management); or
- By another instrument of a Member State (such as national grants or aid).

Regarding this, the EU Financial Regulation explicitly prohibits double funding as a general principle applicable to grants. Article 188 establishes this prohibition, further detailed in Article 191.3, which states that the same expenses cannot be financed twice from the EU budget under any circumstances.

2.- THE REGULATORY FRAMEWORK APPLICABLE IN THE DESIGN OF THE ANTI-FRAUD MEASURES PLAN

The present Plan has been drafted in accordance with the applicable regulations, which will apply in all cases (or any regulations that may replace them), in particular, according to the following:

2.1.- European Legislation

- Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis.
- Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility
- Proposal for a COUNCIL IMPLEMENTING DECISION on the approval of the assessment of the recovery and resilience plan for Spain
- Annex to the Proposal for a Council Implementing Decision approving the assessment of Spain's recovery and resilience plan.
- Operational agreements between the Commission and Spain in accordance with Regulation (EU) 2021/241.
- Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law.
- Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union (EU Financial Regulation).
- Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests.
- Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law.
- Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO').
- Communication from the European Commission, "Commission Notice Guidance on the avoidance and management of conflicts of interest under the Financial Regulation 2021/C 121/01".

- Charter of Fundamental Rights of the European Union, 18 December 2000.
- Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (Text with EEA relevance)

2.2.- National and Regional Legislation

- Royal Decree-Law 36/2020, of 30 December, approving urgent measures for the modernization of Public Administration and the execution of the Recovery, Transformation, and Resilience Plan.
- Decree-Law 5/2021, of 2 February, approving urgent measures for the implementation and management of funds from the Recovery and Resilience Mechanism and the REACT-EU funds for the Administration of the Generalitat of Catalonia and its public sector.
- Resolution of 29 April 2021, of the Undersecretariat, publishing the Agreement of the Council of Ministers of 27 April 2021, approving the Recovery, Transformation, and Resilience Plan.
- Order HFP/1030/2021, of 29 September, establishing the management system of the Recovery, Transformation, and Resilience Plan.
- Order HFP/1031/2021, of 29 September, establishing the procedure and format of the information to be provided for monitoring compliance with objectives and budgetary and accounting execution of the measures of the Recovery, Transformation, and Resilience Plan.
- Law 31/2022, of 23 December, on the General State Budget for 2023 (Additional Hundred and Tenth Second Corporation).
- Order HFP/55/2023, of 24 January, on the systematic analysis of the risk of conflict of interest in procedures implementing the Recovery, Transformation, and Resilience Plan.
- Resolution 1/2022, of 12 April, of the General Secretariat of European Funds, establishing instructions to clarify the status of executing entity, the designation of responsible bodies for measures, and managing bodies of projects and subprojects within the management system of the Recovery, Transformation, and Resilience Plan.
- Organic Law 10/1995, of 23 November, of the Penal Code.
- Organic Law 9/2021, of 1 July, on the application of Regulation (EU) 2017/1939 of the Council, of 12 October 2017, establishing enhanced cooperation for the creation of the European Public Prosecutor's Office.
- Organic Law 3/2018, of 5 December, on the protection of personal data and the guarantee of digital rights.
- Organic Law 2/2012, of 27 April, on Budgetary Stability and Financial Sustainability.
- Law 47/2003, of 26 November, on General Budgetary Matters.
- Law 53/1984, of 26 November, on the incompatibilities of Personnel in the Service of Public Administrations.
- Law 9/2017, of 8 November, on Public Sector Contracts.

- Royal Decree-Law 3/2020, of 4 February, on urgent measures incorporating into Spanish law several EU directives in the areas of public procurement in certain sectors, private insurance, pension plans and funds, taxation, and tax litigation.
- Decree-Law 3/2016, of 31 May, on urgent measures in public procurement.
- Royal Decree 817/2009, of 8 May, partially developing Law 30/2007, of 30 October, on public sector contracts.
- Royal Decree 1098/2001, of 12 October, approving the General Regulation of the Law on Public Administration Contracts (hereinafter, RGLCAP).
- Law 38/2003, of 17 November, on General Subsidies.
- Law 19/2013, of 9 December, on Transparency, Access to Public Information, and Good Governance.
- Law 27/2006, of 18 July, regulating access rights to information, public participation, and access to justice in environmental matters.
- Law 19/2014, of 29 December, on Transparency, Access to Public Information, and Good Governance.
- Decree 8/2021, of 9 February, on transparency and the right of access to public information.
- Law 39/2015, of 1 October, on the Common Administrative Procedure of Public Administrations.
- Law 40/2015, of 1 October, on the Legal Regime of the Public Sector.
- Law 26/2010, of 3 August, on the legal regime and procedure of public administrations of Catalonia.
- Royal Legislative Decree 3/2015, of 30 October, approving the Revised Text of the Basic Statute of Public Employees.
- Royal Decree 203/2021, of 30 March, approving the Regulation on the operation and performance of the public sector by electronic means.
- Royal Decree 3/2010, of 8 January, regulating the National Security Framework in the field of Electronic Administration.
- Royal Decree 4/2010, of 8 January, regulating the National Interoperability Framework in the field of Electronic Administration.

Without prejudice to other relevant documents that have served as a basis for the drafting of the Plan:

- Guidelines for Strengthening Mechanisms for the Prevention, Detection, and Correction of Fraud, Corruption, and Conflicts of Interest, referred to in Article 6 of Order HFP 1030/2021, of 29 September, which establishes the management system of the Recovery, Transformation, and Resilience Plan, issued by the General Secretariat of European Funds (24 January 2022).
- Guidelines on the Prevention of Double Funding within the Scope of the Recovery, Transformation, and Resilience Plan, issued by the General Secretariat of European Funds (6 March 2023).
- Guide for the Implementation of Anti-Fraud Measures in the Execution of the Recovery, Transformation, and Resilience Plan (24 February 2022), prepared by the National Anti-Fraud Coordination Service.

The Instruction of 23 December 2021 from the State Public Procurement Advisory Board on aspects to be incorporated into the files and governing clauses of contracts to be financed with funds from the Recovery, Transformation, and Resilience Plan shall also apply, as well as the Instruction of 11 March 2021 from the same body regarding the urgent processing of procurement procedures for contracts to be financed with funds from the Emergency Recovery, Transformation, and Resilience Plan. Additionally, any other instructions that may be issued and the doctrine established by the Advisory Board shall also be applicable.

2.3.- Regulations and Instructions of the Entity

A continuació, es recullen acords, polítiques, i altres instruments de caràcter propi d' IREC que també s' han tingut en compte en l' elaboració del Pla:

- Agreement GOV/63/2008, of April 8, approving the Statute of Constitution of the Catalonia Institute for Energy Research Foundation.
- Agreement GOV/26/2020, of February 18, approving the modifications to the Statutes of the Catalonia Institute for Energy Research.
- Public deed (November 2020) of the new statutes of the Catalonia Institute for Energy Research.
- Resolution EMC/971/2020, of May 5, recognizing Catalonia's research centers as CERCA centers.
- CERCA Code of Conduct.
- Code of Good Governance and Good Management Practices, committing to the principles of The European Charter of Researchers and The Code of Conduct for the Recruitment of Researchers.
- Internal policy to avoid conflicts of interest (July 30, 2018).
- Internal instructions on representation expenses.
- Internal instructions on the use of credit cards.
- Policy on travel, accommodation, and transportation expenses.
- Procurement Manual: Instructions regarding purchases, differentiating between those for general services or infrastructure and those intended for research, scientific, or technical projects and activities.

3.- DESIGN OF THE GOVERNANCE MODEL FOR THE ANTI-FRAUD MEASURES PLAN

As part of the PRTR management system, IREC will establish an Anti-Fraud Committee responsible for overseeing compliance with the measures outlined in this Plan, as well as public policies related to integrity. The committee will serve as the liaison with the cross-functional bodies/units responsible for enforcement and will report directly to competent bodies on any potential incidents related to the implementation of the Plan, as well as to governing bodies. This will be done without prejudice to streamlining existing structures or seeking external support when necessary to ensure expert advisory services in fulfilling its functions.

The members of the Anti-Fraud Committee will carry out their functions with full autonomy, independence, and impartiality, as well as with the confidentiality required for their duties, in relation to the other bodies of the entity. They must have all the necessary personal and material resources to perform their tasks. Under no circumstances may they receive instructions of any kind in the exercise of their functions, nor may they be questioned or required to disclose information about the matters they examine, either by IREC staff or by third parties external to it. All of this is without prejudice to the necessary relationship with the governing bodies of the Institute, which will be conducted strictly within the necessary terms for the transmission of relevant information to these governing bodies and, if applicable, for the formation of their position in the decision-making process.

Any form of retaliation against the members of the Anti-Fraud Committee and/or against individuals who testify, collaborate, or participate in the investigations carried out is expressly prohibited.

3.1 The Anti-Fraud Committee

The Anti-Fraud Committee will be generally responsible for designing IREC's integrity strategy and implementing the Anti-Fraud Measures Plan. To this end, it will carry out, among others, the following functions:

- Advising on the application and compliance with anti-fraud policies for all staff, management bodies, and, if applicable, members of the Board of Trustees, addressing well-founded inquiries as they arise.
- Providing recommendations, if necessary, on ethical issues related to the application of this Plan, particularly regarding conflicts of interest.
- Raising awareness and proposing training, awareness, and sensitization actions on integrity, ethics, and fraud and corruption prevention for all staff.
- Conducting or, if applicable, supervising and approving the risk assessment concerning the financial interests of the European Union.
- Proposing modifications and periodic updates to the Anti-Fraud Measures Plan to the relevant body.
- Communicating to the organization's staff the approval and updates of the Anti-Fraud Measures Plan, as well as any other related communications.
- Validating the necessary document models for preventing, detecting, correcting, and prosecuting conflicts of interest, fraud, and corruption, as well as documenting related actions.
- Validating the necessary document models for preventing, detecting, correcting, and prosecuting conflicts of interest, fraud, and corruption, as well as documenting related actions.
- Reporting on actions to be implemented or recommendations for improving the anti-fraud policy to the highest governing body or its equivalent within the entity.
- Establishing information channels related to the protection of the financial interests of the European Union.

- Establishing itself as the entity responsible for the internal reporting system/Internal whistleblowing channel, in accordance with the provisions of Article 8 of Law 2/2023, of February 20, regulating the protection of individuals who report regulatory violations and the fight against corruption.

- **Composition**

The Anti-Fraud Committee shall be composed as follows:

- a) Chairperson: The individual holding the position of Economic Director-Manager or their delegate, who shall act as Chair.
- b) Member: The individual holding the position of Head of Procurement and Purchasing, or their delegate, who shall act as a voting member.
- c) Secretary: The individual holding the position of Head of Legal Services, or their delegate, who shall act as Secretary..

Without prejudice to the workload borne by its members or the need for specialized expertise depending on the matters under review, the Committee may seek external advisory support to better fulfill its responsibilities and ensure the objectives of the Plan.

Additionally, if deemed appropriate, the Chairperson of the Committee may invite other department members with relevant expertise on the subject under discussion, as well as project or sub-project managers, depending on the scope of the meeting.

All members of the Committee shall have both voice and vote. To validly constitute the Anti-Fraud Committee for the purpose of holding sessions, deliberations, and decision-making, the presence, either in person or remotely, of the Chairperson and Secretary, or their substitutes, shall be required.

In cases of vacancy, absence, illness, or any other justified reason, or in the event of a potential conflict of interest, committee members may be replaced by designated delegates, who shall be:

- a) Chairperson substitute: The individual holding the position of Head of Planning and Control.
- b) Member substitute: The individual holding the position of Project Management Head.
- c) Secretary substitute: The individual holding the position of Head of Accounting.

In any case, during its inaugural session, the Committee shall establish its basic operating rules.

3.2 The Anti-Fraud Manager

La persona titular de la Secretaria serà la responsable operativa de la implantació del Pla de mesures antifrau, als efectes de la qual desenvoluparà, entre d' altres, les funcions següents:

- Supervision and evaluation of the regular functioning and proper application of prevention, detection, and correction measures in relation to the risks affecting the implementation of the Recovery and Resilience Mechanism, including risk assessment, identifying vulnerabilities, and proposing actions.
- Verifying the proper application of procedures for managing conflicts of interest.
- Ensuring the existence of supporting documentation for internal controls conducted, risk assessments, and the monitoring of the implementation of corrective actions in anti-fraud measures.
- Ensuring that incidents are sent to the relevant competent bodies for their review and sanction when acts that could be classified as criminal or administrative infractions are detected.
- Establishing a working procedure. Among the powers granted, they will be able to gather reports and have the authority to instruct investigation files.
- Managing the Internal Information System/Internal Whistleblower Channel and processing investigation files as a member of the responsible body.
- Developing document templates necessary for the prevention, detection, correction, and prosecution of conflicts of interest, fraud, and corruption, and the documentation of related actions.
- Verification and analysis of identified high-risk cases and, where appropriate, proposing specific measures.
- Collaborating through the exchange of information to reinforce fraud prevention, detection, and correction, as well as serving as the interlocutor to establish coordination pathways and cooperation mechanisms with the General Intervention of the State Administration, the National Anti-Fraud Coordination Service, and other bodies involved in investigation and prosecution.

4.- RISK MANAGEMENT IN THE ANTI-FRAUD CYCLE

In accordance with Article 6.5 c) of Order HFF/1030/2021, of September 29th, the assessment of fraud risks must be carried out and reviewed periodically on a biennial or annual basis, depending on the fraud risk identified, and in any case, when a fraud case is detected or when there are significant changes in management procedures or the personnel carrying them out. The Institute will carry out effective and efficient management of fraud, corruption, conflict of interest, and double funding risks as outlined below.

4.1.- Identificació i avaluació de riscos en la gestió

The management of public funds must be governed by the principles of good governance and sound administration, based on an ethical orientation centered on integrity, where fraud is

addressed as a fundamental challenge in integrity policies, and risk management is seen as an essential action.

Risk is defined as the occurrence of uncertainty regarding the achievement of an organization's objectives. Risk management is understood as the systematic process that institutions must undertake to assess the risks they are exposed to in carrying out their activities. This process involves analyzing the different factors that may cause risks and defining strategies to control them, ensuring the achievement of objectives and goals in a reasonable manner.

The main objective of the fraud risk assessment to be carried out by the Institute is to facilitate the self-assessment of the probability and impact of the occurrence of certain fraud risks or more frequent fraud scenarios that could harm the financial interests of the European Union. Additionally, the assessment aims to adopt mitigating controls that help reduce the risks that may still persist after applying the controls that the Institute currently has in place in the development of its competences.

The **development of fraud indicators (red flags)** and their communication to personnel in positions to detect them is one of the elements that will enable the correct detection of cases of fraud, corruption, and conflicts of interest. For this purpose, in the risk assessment process, red flags will be identified as warning signals, clues, or signs of possible fraud (**Annex VII. Fraud indicators or red flags checklist**). All individuals involved in the execution of the funds will need to be familiar with and understand the scenarios identified as red flags in order to identify them within the scope of their responsibilities.

The detection of red flags can be considered an indicator that fraudulent activity is taking place or that corruption is occurring. However, it does not mean that fraud has been committed; rather, it is a sign that special attention is needed in a specific area of action to either rule out or confirm the possibility of fraud. They thus serve as a signal that something is unusual, atypical, or deviates from normal activity, warranting further examination. However, red flags do not necessarily indicate fraud; they are an indicator that a particular area of activity requires extra vigilance and attention to either eliminate or confirm the potential for fraud. Therefore, their purpose is to perform an initial level of control to either clear up any doubts or confirm the possibility of fraud or irregularities. If the latter is the case, the necessary measures should be taken to respond immediately and determine if any additional actions are required.

IREC will develop its risk assessment by establishing the key factors that require greater diligence and the measures that will be applied to reduce them to a tolerable level. If the identified risk level is very low and no fraud cases have been detected in the previous year, the entity may review the self-assessment every two years. Based on the risk assessment carried out, the establishment of a sampling process can be considered to verify the existence of potential fraud or conflicts of interest, which may determine, among other possibilities:

- procedures in which these revisions will need to be applied, or
- that revisions will only take place at specific times, or

- in the case of awards where the number of potential beneficiaries is very high, that the verifications will only be carried out in relation to a sample of interested parties.

Similarly, for the detection of potential red flags, the possibility of conducting checks through queries to existing databases, both public and private (Public Sector Contracting Platform, Arachne, EDES, National Grants Database, Mercantile Registry, etc.), will be assessed. These databases may provide information on potential connections between companies and/or participants in grant award or contract award procedures.

4.2.- Methodology for Risk Administration

In accordance with what is established in Article 6.2, second paragraph, of Order HFP/1030/2021, IREC will use the "Conflict of Interest, Fraud, and Corruption Prevention Test" as a control element, relating to the minimum standard outlined in Annex II.B.5 of the Order (**Annex II. Basic Risk Assessment Questionnaire OM HFP/1030/2021**).

For risk management purposes under the Plan, the entity plans to use fraud detection tools (Risk Matrix) through the development of fraud indicators (red flags) and the communication of these to the managing staff in positions to detect them through their administrative controls and on-the-ground activities.

The self-assessment of the fraud risk can be carried out through the **PRTR SNCA Anti-Fraud Plan MATRIX**, and will be based on the following methodological steps:

- a) The quantitative estimation of the risk of a specific type of fraud occurring, based on the assessment of its probability and impact (gross risk).
- b) The assessment of the effectiveness of the controls currently in place to mitigate the gross risk.
- c) The assessment of the net risk, after taking into account the effectiveness and effect of the controls that may be implemented, i.e., the situation as it is at the time of the evaluation (residual risk).
- d) The evaluation of the effect that the mitigating controls planned to be established may have on the net or residual risk.
- e) Definition of the target risk, i.e., the level of risk that the managing authority considers acceptable after implementing effective controls.

The risk assessment will also require the review of the internal control system to determine the ex ante and ex post risk valuation of the control, ensuring the reduction of the risk to an acceptable level, as well as the establishment of a system of detection indicators and the identification of the individuals responsible for this task to ensure their awareness. This is without prejudice to the use of data mining tools that can carry out systematic risk analyses, following the model established by Order HFP/55/2023.

4.3.- Risk of Double Funding

In accordance with the Recovery and Resilience Mechanism (RRM) Regulation, double funding occurs when reforms and investment projects are financed by the Mechanism and simultaneously by another Union instrument, including all programmes whether they are under shared or direct management, provided they cover the same expense or cost. In this context, the Financial Regulation explicitly establishes in Article 188 the prohibition of double funding as a general principle applicable to grants. This prohibition is further detailed in Article 191.3, which states that “under no circumstances shall the same expenses be financed twice from the budget.” The concept of State aid is outlined in Articles 107-109 of the Treaty on the Functioning of the European Union and its implementing regulations.

To ensure transparency and control over double funding, it is recommended to identify the funding sources for different projects, subprojects, or lines of action in the management and monitoring information system of the PRTR. This will help detect any potential overlap of funding between the Mechanism funds and other public sources.

The Institute will implement procedures to ensure full compliance with the rules on State aid and guarantee the absence of double funding at all times. To achieve this, these procedures will be aligned with the provisions of Article 7 and Annex III.D of Order HFP/1030/2021 regarding compatibility with the State aid regime and the prevention of double funding. As guidance for the implementation of preventive systems against double funding, it should be noted that, although funds from the Mechanism are disbursed based on the achievement of milestones and objectives, double funding controls could be established at both the beneficiary and project levels.

In this regard, the controls to be implemented may be based on self-declarations from the final recipients/beneficiaries, through which they commit to ensuring that the same expense is not funded by another public source, as well as the implementation of other practices established within the framework of the deployment of anti-fraud measures, such as, for example, in budget management. In any case, the results of the evaluation carried out in accordance with the provisions of Annex III. Compatibility Test for the State Aid regime and preventing double funding will be taken into account.

IREC will cease any activity affected by double funding and will cancel the affected contract/act, requiring the relevant part of the public procurement procedure to be repeated. Notwithstanding this, it may adopt any other additional measures in accordance with applicable law, such as, for example, disciplinary or administrative sanctions and/or the initiation of a disciplinary procedure.

5.- THE ANTI-FRAUD CYCLE: STRUCTURE AND MEASURES

Order HFP/1030/2021 establishes in its article 6 that the Plan must structure anti-fraud measures in a proportionate manner and around the four key elements of the so-called "anti-fraud cycle": prevention, detection, correction, and prosecution.

The regulatory provisions concerning the control and audit of fraud established by the European Union, in relation to the PRTR funds, will apply in order to ensure that the management system is an effective internal control system, properly designed and managed, with controls focused on effectively mitigating the identified risks and, within the limits relating to data protection, through the cross-referencing of data with other public or private sector organisations that allow the detection of potential high-risk situations, even before the funds are granted.

The set of measures and controls deploy their effectiveness at times, in a transversal manner, and at other times, focused on the different phases of the structure of the anti-fraud cycle as developed below.

5.1.- Preventive Measures

The Prevention phase of the anti-fraud cycle significantly affects the entire organisation involved in the management of the PRTR, as well as other external entities and units collaborating in the management of its measures. The Institute will implement the necessary preventive measures to reduce the residual fraud risk to an acceptable level, in accordance with the risk assessment carried out and in compliance with the institutional declaration adopted and set out in Annex I. Institutional Integrity Declaration of Zero Tolerance for Fraud.

The following measures are established, by way of example and without prejudice to the incorporation of others, to be implemented in the prevention phase:

- a) Development of an Ethical Culture, based on certain aspects such as:
 - i) The promotion of values like integrity, objectivity, accountability, and honesty.
 - ii) The establishment of a code of conduct against fraud, which may include aspects such as: conflict of interest, gifts, confidentiality, reporting channels (whistleblowing boxes and/or link to the SNCA's whistleblowing channel, internal information system), etc.
- b) Training and Awareness. The training actions, which should be aimed at all hierarchical levels, will include meetings, seminars, working groups, etc., to foster the acquisition and transfer of knowledge. They will focus on the identification and assessment of risks, the establishment of specific controls, actions in the event of fraud detection, practical reference cases, etc.
- c) Commitment to Confidentiality, Security, and Permanent Control over access to privileged information, by all Institute staff and members of the Board.
- d) Involvement of the Authorities of the Organisation at the Highest Level, who will have to:
 - i) Demonstrate a firm commitment against fraud and clearly communicate this, involving a zero-tolerance stance towards fraud, through the approval of the corresponding institutional declaration.
 - ii) Develop a proactive, structured, specific, and effective approach to decision-making for managing fraud risk.

- iii) Develop an action plan against fraud that conveys the official stance on fraud and corruption both within and outside the organisation.
- e) Prevention of Conflicts of Interest
 - i) Formalisation of a Declaration of Absence of Conflict of Interest (DACI) for all participants in the procedures. In any case, this will include the person responsible for the contracting/subsidy award body, staff drafting the tender documents/terms and conditions, experts evaluating the applications/offers/proposals, members of the evaluation committees for applications/offers/proposals, and other collegiate bodies in the procedure.
 - ii) Systematic analysis of the risk of conflicts of interest using data mining tools (MINERVA).
 - iii) Communication and information to the staff of the Institute and members of the Directorate and the Board regarding the different types of conflict of interest and how to avoid them.
 - iv) Development of a procedure to address conflicts of interest.
 - v) Publication of the identity of the people participating in the contracting boards, expert committees, or evaluation and assessment committees in subsidy processes.
 - vi) Publication of the identity of the people participating in the contracting bodies and subsidy award bodies.
 - vii) Publication on the transparency portal of the resolutions of compatibility for employees and senior managers.
 - viii) Publication on the transparency portal of the current organisational chart, as well as the profile and professional background of the Directorate and, where applicable, Management.
 - ix) Identification of potential conflicts of interest.
- f) When interested parties request the recusal of any individual during the course of a procedure, the procedure will be suspended from the moment the request is made until it is resolved by the superior of the person being recused.
- g) Control of compatibilities for the exercise of other public or private activities, and other possible sources of income.
- h) Incorporation of integrity and ethics knowledge in the selection processes for employment and the recruitment of staff at the Institute.
- i) Approval and internal and external communication of the policy on gifts, gratuities, and tokens of courtesy, both for members of the Board of Trustees and the Management, as well as for employees of the entity, in accordance with the provisions of the Code of Conduct.
- j) Clear and segregated allocation of functions and responsibilities in management, control, and payment activities, with this separation being clearly evidenced.
- k) Adequate risk assessment mechanisms for all managed measures, documenting them, in search of the parts of the process most susceptible to fraud, and controlling them specifically, based on the following:
 - i) Identification of measures most susceptible to fraud, such as those with high intensity, large budgets, many requirements to be justified by the applicant, complex controls, etc.

- ii) Results of previous internal audits.
- iii) Results of audits by the European Commission or the European Court of Auditors, where applicable.
- iv) Previously detected fraud cases.
- l) An effective internal control system, appropriately designed and managed, with controls focused on effectively mitigating the risks identified.
- m) Establishment of a whistleblowing or reporting channel for the existence of suspicions or indications of irregularities and/or fraud, and dissemination of its existence, within the framework of defining the internal information system in accordance with Law 2/2023.
- n) Data analysis. Within the limits related to data protection, cross-checking of data (contractor profile, transparency portal, public sector contracts platform, national subsidies database, commercial registry, associations registry, etc.) with other public or private sector bodies that allow detection of possible high-risk situations even before the funds are granted.
- o) Proper documentation and preservation of the execution procedures of the PRTR, through electronic means that allow traceability of all actions.
- p) Subscription by all beneficiaries of public subsidies, contractors, and subcontractors of the commitment declaration included in Order HFP/1030/2021.

5.2.- Detection Measures

Preventive measures cannot provide complete protection against fraud and, as a result, systems are needed to detect fraudulent behaviour in time that may escape prevention. Therefore, a good anti-fraud strategy must consider that cases may still occur, for which fraud detection measures need to be designed and implemented.

In accordance with what is established in the Plan, the following measures are set out, by way of example and without prejudice to the inclusion of others, to be implemented in the fraud detection phase:

- a) The use of databases such as the National Subsidy Data Base (BNDS), data mining tools, or risk scoring tools (ARACHNE).
- b) Use of the electronic data mining tool MINERVA, in accordance with the provisions of Order HFP/55/2023 or applicable regulations.
- c) Development of fraud indicators or red flags and implementation in electronic management (red flags such as those established in Annex VII. Fraud Indicators or Red Flags Checklists).
- d) Communication of fraud indicators or red flags to staff in positions to detect them, useful for their definition, in the documents provided in Annex VIII. Reference and Support Documentation.
- e) Preparation of the risk map for management areas that present the highest probability and impact in accordance with the assessment carried out.
- f) Approval of the procedure for managing possible conflicts of interest.

- g) The establishment of clear and appropriate mechanisms for reporting possible fraud suspicions by those who detect them, through various channels available to all informants.
- h) Training for members of the Anti-Fraud Committee and those responsible for procurement and subsidies to detect fraud and corruption indicators.
- i) Dissemination and communication of internal and external information channels (clear and appropriate mechanisms) for reporting suspected irregularities and fraud.
- j) Inclusion of information about the appropriate and clear mechanisms for reporting possible fraud suspicions in the calls for tenders and in subsidy procedures.
- k) Inclusion of anti-fraud measures in the procurement documents and subsidy guidelines, to be signed by recipients of public funds, particularly contractors and subsidy recipients.

5.3.- Corrective Measures

In accordance with what is established in this Plan, it is necessary to define the relevant corrective measures upon detecting a weakness or when a case of fraud is detected. Therefore, procedures for monitoring are to be established to review the processes, procedures, and controls related to actual or potential fraud, which will be incorporated into the corresponding review of the fraud risk assessment. In particular, those linked to the risk of potential conflicts of interest.

The following measures are established, by way of example and without prejudice to the inclusion of others, to be implemented in the phase of detecting potential fraud or well-founded suspicion of fraud:

1. Adaptation of the affected procedures by incorporating controls on detected weaknesses or materialised risks. The procedures that could be most impacted are:
 - a. Procurement procedures
 - b. Public domain management procedures
 - c. Human Resources and Organization (HR) procedures
 - d. Grant awarding procedures
2. Immediate suspension of the affected procedure upon detecting possible fraud or a well-founded suspicion, provided it does not consist of mere administrative irregularities.
3. Notification of this circumstance as soon as possible to the relevant authorities and organisations involved in the actions.
4. Review of all projects that may have been exposed to potential fraud or irregularities.
5. Review of all files included in the affected project.
6. Assessment of the extent of the fraud and its classification as systemic or isolated. For these purposes, fraud will be considered systemic when there is evidence that it has been carried out recurrently in similar procedures, whereas isolated fraud refers to a one-off incident that has not been repeated on other occasions.
7. Withdrawal of projects or parts of projects affected by fraud and funded or to be funded by the MRR.

8. Communication to the executing units of the necessary measures to be taken to correct the detected weakness, ensuring that the identified issues do not recur.
9. Review of the Plan based on the outcome of the evaluation and monitoring of the specific case.
10. Instruction and resolution of reported irregularities or suspected fraud, in accordance with the procedure established by the Institute.
11. Conducting checks on specific situations with a high risk of conflict of interest, based on internal risk analysis or red flags.
12. Thorough review of any internal control system related to the identified fraud case, as it has been exposed to potential or proven fraud, to detect and correct weaknesses in the control system.

5.4.- Enforcement Measures

The following measures are established, on an indicative basis and without prejudice to the incorporation of others, to be implemented in the phase of detecting possible fraud or founded suspicion:

- a) Communicate the facts and the measures adopted to the decision-making entity (or to the executing entity entrusted with carrying out the actions, in which case it will be this entity that communicates them to the decision-making entity), which will then notify the Responsible Authority. The Responsible Authority may request any additional information deemed necessary for monitoring and communicating with the Control Authority.
- b) Report, if applicable, the punishable acts to the competent Public Authorities (SNCA) for their assessment and possible communication to the European Anti-Fraud Office (OLAF).
- c) In the event of a potential or confirmed case of fraud, a confidential information procedure will be initiated, involving a thorough analysis of the case in question, with full documentation of all actions, evidence, and resolutions to be adopted.
- d) If applicable, initiate a disciplinary proceeding. After completing the confidential information process, a disciplinary proceeding will be initiated against the presumed offender in cases where it is determined necessary. This proceeding will be processed by the competent bodies in accordance with disciplinary regulations.
- e) Report the facts to the public prosecutor's office and the competent courts when appropriate.
- f) Establish a procedure for handling complaints submitted through the whistleblowing channel and, if necessary, forward the complaint to the SNAC, OLAF, the European Public Prosecutor's Office, or, where applicable, the national Public Prosecutor's Office or Courts of Justice.
- g) Implement an organizational system for transmitting and evaluating received whistleblowing information.
- h) Forward detected actions that may represent collusive practices to the competent authority in competition defense matters.

- i) Initiate reimbursement procedures when there has been a detriment to public funds or when the actions have been declared irregular.
- j) Notify the National Anti-Fraud Coordination Service of the initiation of judicial or administrative sanctioning procedures affecting expenses financed by the Mechanism, as well as any changes in the status of a previously reported case, such as its filing, dismissal, or the adoption of another type of resolution.
- k) Monitor potential or confirmed fraud cases, ensuring control of ongoing investigations resulting from analyses, notifications, and reports conducted in accordance with the preceding sections.
- l) Consider the guidelines, measures, or recommendations provided by any of the competent authorities informed in response to fraud suspicions reported by the Institute.
- m) Where applicable, process the recovery of funds that have been misappropriated or linked to potential fraud or corruption within the framework of the reimbursement procedure. The Institute must proceed with the reimbursement of the corresponding funds⁹.

6.- THE INTERNAL INFORMATION SYSTEM/INTERNAL WHISTLEBLOWING CHANNEL

OM HFP/1030/2021 specifically addresses the importance of having an adequate channel for submitting complaints or reporting information on the existence of potential fraud or irregularities. To this end, it is necessary to establish the configuration of the whistleblowing channel, assign responsibilities for managing received reports (responsible unit), and define the procedure to be followed.

Regarding these obligations, the provisions of Law 2/2023, of February 20, regulating the protection of individuals who report regulatory violations and the fight against corruption, must be taken into account. This law was enacted in compliance with the transposition of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (hereinafter, Law 2/2023).

6.1.- Configuration of the Internal Information Channel

The Institute will have an Internal Reporting System / Internal Whistleblowing Channel for alleged irregularities or indications of fraud or corruption, as well as conflicts of interest. This system will be part of the Internal Reporting System outlined in Law 2/2023, without prejudice to the maintenance of other generic communication, complaint, suggestion, or reporting channels that the entity may have previously established, whether through in-person, postal, telephone, or electronic means.

⁹ The European Commission may request the reimbursement of funds in accordance with Article 22 of Regulation (EU) 2021/241 of the European Parliament and the Council of February 12, 2021, in cases of fraud, corruption, or conflicts of interest that affect the financial interests of the Union and have not been corrected by the Member State.

In the configuration of the channel and the development of the procedure, if applicable, the provisions of the European Data Protection Regulation and Organic Law 3/2018 of December 5 on the protection of personal data and the guarantee of digital rights will be respected, in accordance with the terms established in Law 2/2023.

6.2.- Types of Information Channels

The Institute may use various reporting channels through which anyone can notify suspicions of fraud and alleged irregularities that they may have detected. However, the Internal Reporting System / Internal Whistleblowing Channel established under the application of Law 2/2023 designates the internal channel as the route for submitting communications and information about possible violations affecting the protection of the Union's financial interests, without prejudice to what is established below.¹⁰

The submission of communications about possible violations may be made through one of the following channels:

a) Internal Reporting System / Internal Whistleblowing Channel of REC

In order to address possible information related to the detection of potential fraud, or its well-founded suspicion, and presumed irregularities, as well as relevant information for the purposes of the anti-fraud policy and integrity management, access to the internal channel and information about the external channel is made available at the entity's electronic headquarters¹¹.

b) Catalonia Anti-Fraud Office Channel

Individuals who wish to do so will have access to a way to inform the Catalonia Anti-Fraud Office, in its capacity as an external channel, of any facts that may constitute fraud or irregularity in accordance with Law 2/2023. This can be done through any of the following means:

- Online, via the anonymous whistleblower mailbox. This is a secure channel for submitting communications, provided the TOR anonymization network is used.
- Online, by filling out [this form](#) and sending it by email to: analisi@antifrau.cat; or, after identifying with a digital certificate (electronic signature), attaching it to the "[Denuncia](#)" section of the electronic headquarters.
- In person, at the general registry of the Catalonia Anti-Fraud Office (c/ Ribes 1-3, 08013 Barcelona, Monday to Friday, from 9 a.m. to 2 p.m.). Any documents submitted will be digitized and returned.

¹⁰ The internal channel must allow communications to be made in writing or verbally, or through both forms. Information may be submitted either in writing, via postal mail or through any electronic means provided for the purpose, or verbally, by phone or voice messaging system. Upon request from the informant, a meeting can also be held in person within a maximum period of seven days.

¹¹ External information channel of the Independent Authority for the Protection of Whistleblowers, A.A.I. (Title III of Law 2/2023).

- In writing, via postal mail, to the following address: Carrer Ribes, 1-3, 08013 Barcelona.
- The report can also be made verbally, through an in-person meeting or by phone or online. For more information, the number +34 935 545 555 is available.

c) Channel of the National Fraud Coordination Service (SNCA)

Individuals who wish to do so will have access, in the corresponding section of the Institute's website, to a channel through which they can report to the National Fraud Coordination Service (SNCA) any actions that may constitute fraud or irregularity in relation to projects or operations financed by European Funds.

Access to this designated channel can be made through the following link:
<http://www.igae.pap.hacienda.gob.es/sitios/igae/es-ES/snca/Paginas/ComunicacionSNCA.aspx>

d) Channel of the European Anti-Fraud Office (OLAF)

In addition to the above, any individual can report suspected fraud or corruption affecting the financial interests of the European Union to the European Anti-Fraud Office (OLAF). It is possible to contact OLAF through the following channels:

- By mail to: European Commission, European Anti-Fraud Office (OLAF), Investigations and Operations B-1049 Brussels, Belgium
- By email: OLAF-COURRIER@ec.europa.eu
- Through the free phone lines:: <http://ec.europa.eu/anti-fraud>

e) European Public Prosecutor's Office Channel

If the Institute, in the course of its duties, becomes aware of a potentially criminal act that may fall under the jurisdiction of the European Public Prosecutor's Office, after conducting the appropriate verifications, it must report it to this European institution.

The communication of the existence of reasonable grounds to suspect that a crime has been committed against the financial interests of the EU will be made using the "Report a crime" form, available at the following link:
<https://www.eppo.europa.eu/es/form/eppo-report-a-crime>

The Institute will ensure awareness of these reporting channels both externally and internally, by disseminating information about the existence and how to access these reporting channels through the electronic headquarters/transparency portal and internal information spaces.

7.- PREVENTION AND MANAGEMENT OF CONFLICTS OF INTERESTS

The individuals who are part of IREC commit to avoiding situations that could lead to a conflict between their interests and those of the entity, refraining from representing or intervening in decision-making processes in any situation in which, directly or indirectly, they or a close family member have a personal interest. They must always act in compliance with their responsibilities, with loyalty, and in defense of the interests of the Institute. In particular, Article 29 of the Institute's Statutes specifically sets out provisions related to conflicts of interest and self-contracting for members of the Board of Trustees, individuals in management positions, and other persons associated with the Foundation.

Conflicts of interest can arise at any stage of the PRTR management system, constituting a risk that the Institute must prevent and address. In implementing the measures outlined in this section, the applicable regulations will be taken into account, specifically what is established in Order HFP/1030/2021, of September 29, which sets the system for managing the Recovery, Transformation, and Resilience Plan, the additional provision one hundred and twelfth of Law 31/2022, of December 23, on the General State Budget for the year 2023, and Order HFP/55/2023, of January 24, related to the systematic analysis of the risk of conflicts of interest in the procedures executing the Recovery, Transformation, and Resilience Plan (or subsequent regulations issued in this regard).

7.1- Conflicts of Interest: Concept

For the proper management of any potential conflicts of interest detected, it is necessary to address the various scenarios that may arise, define the specific procedure, and highlight the key preventive measures, among which is the submission of a Declaration of Absence of Conflict of Interest (DACI).

As outlined in section 1.4 of this Plan, in accordance with Article 61 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and Council, of July 18, 2018, on the financial rules applicable to the general budget of the Union (Financial Regulation), a conflict of interest exists “when the impartial and objective exercise of the functions of financial agents and other persons involved in budget execution is compromised by family, emotional, political or national affinity, economic interest, or any other direct or indirect personal interest.” This is without prejudice to the definition established in the basic procurement regulations and the application of the grounds for abstention, as outlined in Article 23 of Law 40/2015, of October 1, on the Legal Regime of the Public Sector.

This definition:

- a) Applies to all administrative and operational departments in all EU institutions and all management methods.
- b) Covers any type of personal interest, direct or indirect.
- c) Any situation that is perceived as a potential conflict of interest must be addressed.
- d) National authorities, at any level, must avoid and/or manage potential conflicts of interest.

7.2.- Possible Individuals Involved in a Conflict of Interest

Regarding the possible actors involved in a conflict of interest, they will include:

- a) Members of the Board of Trustees.
- b) Individuals holding executive positions.
- c) IREC employees involved in management, control, payment tasks, and other agents to whom one or more of these functions have been delegated.
- d) Private beneficiaries, partners, contractors, and subcontractors whose actions are financed with funds, and who may act in favor of their own interests, but against the financial interests of the EU, within the framework of a conflict of interest.

7.3.- Types of Conflicts of Interest

Depending on the situation that would lead to a conflict of interest, three types of conflict of interest can be distinguished:

a) Apparent Conflict of Interest
This occurs when the private interests of a public employee or beneficiary are likely to compromise the objective performance of their duties or obligations, but no identifiable or individual link is found with specific aspects of the person's conduct, behavior, or relationships (or any repercussions in these aspects).
b) Potential Conflict of Interest
This arises when a public employee or beneficiary has private interests that could potentially lead to a conflict of interest if they were to assume certain official responsibilities in the future.
c) Real Conflict of Interest
This involves a conflict between the public duty and private interests of a public employee, or when the public employee has personal interests that could unduly influence the performance of their official duties and responsibilities. In the case of a beneficiary, it would involve a conflict between the obligations undertaken when requesting the use of the funds and their private interests, which could unduly influence the fulfillment of those obligations.

7.4.- Measures Related to the Prevention of Conflicts of Interest

- a) Formalization of a Declaration of Absence of Conflict of Interest (DACI), as outlined in **Annex IV. Prevention and Correction of Conflicts of Interest. a) Statement of Absence of Conflict of Interest** by the individuals involved in the procedures, specifically the person responsible for the contracting body/grant awarding, the staff who draft the tender documents/bases and/or calls for proposals, the experts who evaluate the applications/offers/proposals, the members of the evaluation committees for applications/offers/proposals, and other collegiate bodies involved in the procedure."
- b) Declaration of Absence of Conflict of Interest by the members of the collegiate bodies.
- c) Establishment of the DACI as a requirement to be submitted by the beneficiaries who, as part of the conditions for receiving the grant, must carry out activities that present a potential conflict of interest.
- d) Systematic analysis of the risk of conflict of interest in the procedures executed under the PRTR in accordance with Order HFP/55/2023 (MINERVA) or any regulations that replace it.
- e) Communication and information to the entity's staff, the heads of executive bodies, and the members of the Board of Trustees about the different types of conflict of interest and ways to avoid them.
- f) Development of a procedure to address conflicts of interest.
- g) Publication of the identity of the individuals participating in the contracting boards, expert committees, or evaluation committees in the grant processes.
- h) Active publicity of compatibility resolutions for engaging in a second activity, either public or private.
- i) Active publicity of the updated organizational chart identifying the individuals responsible for the different bodies, their profiles, and professional background.
- j) Identification of potential conflicts of interest.
- k) Verification of information through commercial registry databases, national and EU agency databases, employee records (while adhering to data protection regulations), or through the use of data mining tools or risk scoring tools (ARACHNE).
- l) Verification of information through the data mining tool, based at the Spanish State Tax Administration Agency, MINERVA, or any other tool that may replace it in the future.
- m) Strict application of the corresponding regulations, particularly Articles 52 to 54 of Royal Decree 5/2015, of October 30, which approves the consolidated text of the Basic Statute of Public Employees (TREBEP), relating to the code of conduct, ethical principles, and principles of conduct; Articles 23 and 24 of Law 40/2015, of October 1, on the Legal Regime of the Public Sector (LRJSP), relating to the grounds for abstention and the procedure for recusal, and Law 19/2013, of December 9, on Transparency, Access to Public Information, and Good Governance (LTBG), as well as other regulations that apply based on the link with the Institute.

7.5.- Measures to Address Potential Conflicts of Interest: Correction and Enforcement

- a) Communication of a situation that may imply a conflict of interest to the hierarchical superior, who will confirm in writing whether they believe such a conflict exists.
- b) When a conflict of interest is considered to exist, the authority responsible for making appointments or the relevant national authority will ensure that the person involved ceases all activity related to the matter, and may adopt any additional measures in accordance with applicable law.
- c) Strict application of the corresponding internal regulations, in particular, Article 24 of Law 40/2015, of October 1, on the Legal Regime of the Public Sector (LRJSP), related to Recusation, Law 19/2013, of December 9, on Transparency, Access to Public Information and Good Governance (LTBG), and Law 53/1984, of December 26, on Incompatibilities of Public Administration Personnel.
- d) Development of a procedure for action in the event of a potential conflict of interest.
- e) Approval of models for the communication of the existence of suspected fraud or irregularity, particularly those related to:
 - i) The existence of a conflict of interest (**Annex IV.- Prevention and Correction of Conflicts of Interest. b) Model of Statement of Absence of Conflict of Interest c) Confirmation Model for Absence of Conflict of Interest d) Confirmation statement of absence of conflict of interest.**)
 - ii) The occurrence of reasons for abstention.
 - iii) The existence of a recusation reason (undisclosed abstention)
- f) Application of the Annexes of Order HFP/55/2023 "ANNEX I, Minimum content of the Declaration of Absence of Conflict of Interest," "ANNEX II, Model confirmation of absence of conflict of interest," and "ANNEX III, Rules for the selection of applications to undergo conflict of interest risk analysis in the case of mass competition grant procedures."
- g) Application of the procedure established by Order HFP/55/2023 or applicable regulations, in the case of systematic analysis of conflict of interest risk.
- h) Request for a report from the Anti-Fraud Committee and, if applicable, from the specialized advisory unit on interest in the General Intervention of the State Administration, in case of disagreement by the person affected by the conflict of interest..
- i) Include in the contract documents and grant bases the authorization to request participants in procurement or grant procedures to provide information about their beneficial ownership, whenever the AEAT (Spanish Tax Agency) does not have the beneficial ownership information of the company in question and has indicated this with the corresponding "black flag" to the responsible person for the operation concerned..

If, after processing the investigation file, the information regarding the existence of a presumed conflict of interest is not corroborated, the case will be archived..

If the procedure confirms the existence of a conflict of interest, a resolution will be issued declaring the conflict and:

- Initiate, if applicable, the disciplinary proceedings with the corresponding responsibilities.
- Order the cessation of activity related to the affected file.

- Evaluate the participation of individuals affected by the conflict of interest in the procedure and the resulting consequences, determining, if necessary, the need to revert the actions taken in the respective procedure.
- Communicate the case to the competent service, in accordance with the existing structure and decisions.

If, as a result of the involvement of a person affected by a conflict of interest in the procedure, criminal liability could arise, the facts will be reported to the Public Prosecutor's Office for appropriate action.

When the use of the MINERVA tool or its substitute is necessary, the established procedure will be followed in cases where the resulting report from the consultation identifies one or more red flags.

7.6.- Verification and validation of DACI

The Institute will ensure that individuals at risk of a conflict of interest are aware that their declarations may be subject to verification to confirm the accuracy and truthfulness of the information provided in the DACI and other declarations and communications made.

The verification process will be proportional, balancing the need for verification with the necessity of not overcomplicating procedures or increasing administrative burden, considering that conflicts of interest may influence any stage of the decision-making process within the PRTR management system.

Among other systems, the verification of DACIs of individuals who serve as a sole contracting authority or as members of a collegiate contracting authority, as well as members of the collegiate body assisting the contracting authority who participate in procurement procedures in the stages of offer evaluation, award proposal, and contract awarding, along with the competent authority for granting and members of collegiate bodies for evaluating applications during the evaluation and resolution phases, will always be carried out in accordance with the MINERVA data mining tool or its substitute, following the terms established in the applicable regulations in force at any given time.

- **dentification of the Final Recipient of Funds**

The measures outlined will be aimed at identifying the final recipient of funds. To this end, the Institute will include at least the following information requirements in procurements associated with PRTR funds, regarding the identification of bidders, whether individuals or legal entities:

- a) NIF of the beneficiary.
- b) Name of the individual or corporate name of the legal entity.
- c) Tax domicile of the individual or legal entity.

- d) Acceptance of data sharing between the involved Public Administrations to comply with applicable European regulations, in accordance with Organic Law 3/2018, of December 5, on Personal Data Protection and the Guarantee of Digital Rights.
- e) Declaration of responsibility regarding the commitment to comply with the cross-cutting principles established in the PRTR that may affect the management scope.
- f) Beneficiaries engaged in economic activities must provide proof of registration in the Census of Entrepreneurs, Professionals, and Withholders of the Spanish Tax Agency (Agencia Estatal de Administración Tributaria) or the equivalent registry of the Regional Tax Administration, which must reflect the actual economic activity carried out at the date of the aid application.

As part of fraud prevention, awardees, as indirect beneficiaries of aid, must commit to the highest standards in compliance with legal, ethical, and moral norms. They must adopt the necessary measures to prevent and detect fraud, corruption, and conflicts of interest, and report any observed violations to the relevant authorities.

8.- AWARENESS, SENSITIZATION, AND TRAINING IN ETHICS AND INTEGRITY

Order HFP/1030/2021 includes training, awareness, and sensitization as part of the possible preventive measures to be adopted by executing, decision-making, or instrumental entities. These training actions must be addressed to all hierarchical levels within the organization and should include meetings, seminars, working groups, etc., aimed at promoting the acquisition and transfer of knowledge. These sessions will focus, among other aspects, on risk identification and assessment, the establishment of specific controls, actions to take in case of fraud detection, and case studies, etc.

The Institute will develop an annual training plan specifically designed to foster a culture of ethical compliance and raise awareness among all individuals involved in public fund management.

8.1.- Training Measures

The training actions will aim to ensure that all members of the organization become aware, acquire skills, and share experiences in the fight against fraud. Their planning, programming, and execution will be carried out considering the different roles and responsibilities of each individual, particularly political decision-making bodies, management levels, and those responsible for processing and executing PRTR projects.

To this end, the annual training plan will include training programs designed to raise awareness of integrity policies, fraud prevention, corruption, and conflict of interest management, promoting an organizational culture that eliminates any fraudulent activity.

The training actions that make up the Annual Training Plan must be addressed to all hierarchical levels within the organization and should promote both knowledge acquisition and transfer. To ensure the effectiveness of this training, it will be tailored to employees' roles and

the management risks they face, with actions segmented by target audience. It will also be evaluated in terms of effectiveness and reviewed regularly to incorporate potential regulatory and/or operational updates, as well as to reinforce risk areas identified during the assessment process.

Those responsible for the measures and controls associated with this Plan must receive proper training to ensure compliance with their obligations.

8.2.- Mesures de conscienciació i sensibilització

The Institute will adopt the necessary awareness, sensitization, and training measures to establish and ensure compliance with standards of conduct by all personnel, as well as by members of the Board of Trustees and beneficiaries of public funds. These measures will align with the institution's public role to promote exemplary behavior through integrity, safeguard the institution's reputation, enhance efficiency, and maintain public trust in institutions.

Awareness initiatives will include disseminating official messages to reinforce conduct standards, promoting the Plan and other integrity system elements, and utilizing various communication channels. These may include announcements on the intranet, email communications, incorporating integrity topics into meeting agendas, and other relevant methods. The goal is to prevent and combat fraud, corruption, and conflicts of interest while fostering an organizational culture based on ethics and integrity, both formally and informally.

9.- COMUNICACIÓ I PUBLICITAT DEL PLA

The communication of the Plan will be carried out in accordance with the basic guidelines established by the Institute, encompassing all formal and informal communication channels, both internal and external, and integrating it into the tools used for interactions with fund beneficiaries.

The design and implementation of the communication plan will play a fundamental role in ensuring awareness of the Plan's measures, as well as in tracking and evaluating its impact across the organization. The Institute will define the necessary internal and external communications related to the management system, adapting them to its organizational and operational characteristics.

The Plan will be published on the Institute's Transparency Portal, in compliance with applicable transparency regulations. Additionally, actions will be taken to implement and disseminate the Plan to ensure broad public awareness and accountability.

Specific informational actions will be carried out to communicate the Plan's measures to key stakeholders involved in the Institute's activities related to the execution of PRTR funds, including contractors and grant recipients.

Documented information will be maintained as evidence of communications, particularly internal communications across different levels and functions. This will be done without prejudice to the potential approval of a dedicated Communication Plan.

10.- MONITORING AND EVALUATION OF THE PLAN

The Institute must plan, implement, and control the necessary processes to meet requirements and carry out actions effectively. This plan will be subject to evaluation to assess the level of compliance and the adequacy of the proposed measures, allowing for the introduction of any necessary modifications.

Additionally, a fraud risk assessment review will be conducted every two years in accordance with Article 5(c) of Order HFP/1030/2021 of September 29th. This review will also take place whenever a case of fraud is detected or when significant changes occur in procedures or personnel.

10.1. MONITORING AND EVALUATION OF THE PLAN

The Institute will conduct periodic checks to verify compliance with the Plan's measures and their practical effects. These will be carried out by the Anti-Fraud Committee or another designated service responsible for organizational control, as well as any additional oversight mechanisms deemed appropriate.

Monitoring will be carried out through the preparation of an **annual report** by the Anti-Fraud Committee, with the aim of ensuring compliance with regulatory and practical requirements, as well as identifying possible areas for improvement. To this end, it will be based on available and documented information regarding the implementation of the measures included in the Plan, which can be obtained through forms or management reports on the degree of application of the measures and control mechanisms, as well as the verification checklists of the files processed in the year prior to the monitoring, in accordance with those established in **Annex VII. Fraud Indicators or Red Flags Checklists**.

Independently of the annual periodicity, whenever a risk is detected by the managing body as a result of claims, or when audit results from control bodies are received, a follow-up of the measures included in the plan will be carried out. The outcome of the evaluation will determine the validity of the measures outlined in the Plan or, if necessary, the need to introduce new measures or modify existing ones.

The Institute will ensure compliance with the obligation to retain documents, in accordance with Article 132 of the Financial Regulation, which stipulates that recipients must keep a record and retain supporting documents, statistical data, and other documentation related to funding, as well as records and documents in electronic format, for a period of five years from the payment of the balance or, in the absence of such payment, from the operation.

10.2. Actualització i revisió

This Plan is designed as a dynamic and flexible tool, which should be updated and completed as it is implemented, depending on the context and considering any internal or external factors that may advise such updates. As a result, an active supervision task must be carried out in the development of the procedural and documentary deployment of this Plan, by the responsible executives of the entity.

In the event that an act contrary to integrity, fraud, or corruption has occurred, the Institute will analyze the facts and determine the necessary modifications to be made in the control structures and processes. Similarly, when audit results or facts derived from claims or complaints submitted to the managing body suggest irregularities or improvements that could be implemented in the procedures, the Plan will be revised and updated, especially the measures outlined in the prevention and detection phases, after being examined and verified by the Anti-Fraud Committee.

11.- DOCUMENTATION RETENTION

The documentation that proves compliance with the requirements established in this Plan and in the management and/or execution of the MRR funds must be kept for a period of no less than five years from the completion of the project funded by these funds.

The retention of this documentation includes the original document or a copy of it with probative value. The documentation must be stored in a digital format that ensures its integrity, correct data reading, prevention of manipulation, and its proper preservation and location.

In any case, the filing system must ensure the proper management and availability of the documentation, both for internal control purposes and for responding to the requirements of the Competent Authorities in a timely manner. The responsible person for each project must ensure the custody, location, and confidentiality of the project documentation.

ANNEX I. STATEMENT OF INSTITUTIONAL INTEGRITY AND ZERO TOLERANCE FOR FRAUD

The Catalonia Institute for Energy Research Foundation (hereinafter IREC) promotes, in its ordinary activities, full respect for legality, ethical principles, and conduct, as well as a clear commitment to contributing to the construction of a more sustainable future through excellent research and innovation in the energy field.

As a beneficiary organization of the EU NEXT GENERATION Funds, MRR, and taking into account the provisions of Order HFP/1030/2021 and Order HFP/1031/2021, which establish the procedure and format for the information to be provided by Public Sector Entities to monitor the compliance with milestones, objectives, and budgetary and accounting execution of the measures of the components of the Recovery, Transformation, and Resilience Plan, as well as other applicable regulations, it issues the

INSTITUTIONAL INTEGRITY DECLARATION AND ZERO TOLERANCE AGAINST FRAUD

The Institute wants to express its commitment to the highest standards in complying with legal, ethical, and moral norms and its adherence to the strictest principles of integrity, objectivity, and honesty, so that its activity is perceived by all agents it interacts with as opposed to fraud and corruption in all its forms.

Regulation (EU) 2021/241 of the European Parliament and of the Council of February 12, 2021, establishing the Recovery and Resilience Facility, states the obligation of Member States to apply appropriate measures to protect the financial interests of the Union and to ensure that the use of funds related to the measures financed by the Recovery and Resilience

Facility complies with applicable Union and national law, particularly regarding the prevention, detection, and correction of fraud, corruption, and conflicts of interest.

All members of the Institute also assume this commitment, in order to promote a culture that has a deterrent effect on any type of fraudulent activity, enabling its prevention and detection, and developing procedures that facilitate the investigation of fraud and ensure that these cases are addressed appropriately and at the right time.

The staff of the Institute, and others who provide services or maintain any professional relationship with it, assume and share this commitment, having among other duties the obligation to "guard the general interests, subject to and in compliance with the Constitution and the rest of the legal framework, and act in accordance with the following principles: objectivity, integrity, neutrality, responsibility, impartiality, confidentiality, dedication to public service, transparency, exemplarity, austerity, accessibility, effectiveness, honesty, promotion of the cultural and environmental context, and respect for gender equality" (Royal Legislative Decree 5/2015, of October 30, which approves the consolidated text of the Basic Statute of Public Employees, article 52). A Fraud Prevention Plan has been developed to implement effective and proportionate measures to combat fraud, corruption, and conflicts of interest, and to avoid double funding, based on a proactive, structured, and specific approach to manage inherent risks.

The objective of this policy is, therefore, to promote within the organization a culture that blocks all fraudulent activities and facilitates their prevention and detection, promoting the development of effective procedures for managing these situations.

To this end, the Institute wants to express its commitment to the highest standards of legal, ethical, and moral compliance, and its adherence to the strictest principles of integrity, objectivity, and honesty, so that its activities are perceived by all stakeholders as opposed to fraud and corruption in any form. In line with this commitment, IREC declares that it has a zero-tolerance policy towards fraud and corruption and has internal control systems in place to prevent and detect, as much as possible, fraudulent acts and correct their impact, should they occur.

ANNEX II. BASIC RISK ASSESSMENT QUESTIONNAIRE ORDER HFP/1030/2021

This self-assessment is outlined in Article 6 of Order HFP/1030/2021, dated September 29, which establishes the management system for the Recovery, Transformation, and Resilience Plan as a mandatory action for the managing body.

Annex II.B.5 of Order HFP/1030/2021 includes a self-assessment questionnaire related to the minimum standard, which serves as the first element of evaluation for the entity regarding policies for the prevention, detection, and correction of fraud, corruption, and conflict of interest, according to the following description:

Question	Degree of Compliance			
	4	3	2	1
1. Does the entity have an "Anti-fraud measures plan" that allows the executing or decision-making entity to ensure and declare that, within its scope of action, the corresponding funds have been used in compliance with the applicable regulations, particularly regarding the prevention, detection, and correction of fraud, corruption, and conflicts of interest?				
2. Is the corresponding "Anti-fraud measures plan" in place at all levels of execution?	0			
Prevention				
3. Does the entity have a statement, at the highest level, committing to fight against fraud?				
4. Is a self-assessment conducted to identify specific risks, their impact, and the probability of occurrence, and is it reviewed periodically?				

5. Is an ethical code disseminated, and is the gift policy communicated?				
6. Is training provided to promote Public Ethics and facilitate fraud detection?				
7. Has a procedure been established to address conflicts of interest?				
8. Is a conflict of interest declaration filled out by all involved parties?				
Detection				
9. Have fraud indicators or warning signs (red flags) been defined and communicated to the staff in a position to detect them?				
10. Are data mining or risk scoring tools used?				
11. Is there a channel through which any interested party can submit complaints?				
12. Is there a Unit responsible for reviewing complaints and proposing measures?				
Correction				
13. Is the incidence of fraud assessed, and is it classified as systemic or isolated?				
14. Are the projects or parts of projects affected by fraud, funded or to be funded by the MRR, withdrawn?				
Persecution				
15. Are the facts and measures taken communicated to the executing entity, decision-making entity, or responsible authority, as appropriate?				
16. Are criminal acts, where appropriate, reported to national or European Union public authorities or to the prosecutor and competent courts?				
Subtotal points.				

Total points.	
Maximum points.	64
Relative points.	

Note: 4 equals maximum compliance, 1 equals minimum.

ANNEX III. ANNEX II.B.6. TEST COMPATIBILITAT RÈGIM D' AJUTS D' ESTAT I EVITAR DOBLE FINANÇAMENT

State aid

Pregunta	Degree of Compliance			
	4	3	2	1
1. Are procedures applied to assess the need for prior notification/communication of the aid to be granted in its scope and, if applicable, to make the appropriate prior notification/communication to ensure compliance with EU state aid rules? (For this purpose, a checklist model is provided).				
2. Are there specific human resources available to carry out this task?				
3. Are there no previous risk records in relation to compliance with State Aid rules?				
4. Is there evidence of the analysis of compliance with State Aid rules at all levels of execution? Subtotal points. Total points. Maximum points. Relative points (total points/maximum points).				
Subtotal points.				
Total points.				
Maximum points.			16	
Relative points (total points/maximum points).				

Nota: 4 equals maximum compliance, 1 equals minimum.

Double financing

Question	Degree of Compliance
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	4	3	2	1
1. Are procedures applied to assess the possible existence of double financing within the scope of the PRTR implementation? (For this purpose, a checklist model is provided).				
2. Are specific human resources available to carry out this task				
3. Are there no previous incidents regarding double financing (within the framework of the MRR or any other European fund)?				
4. Is the analysis of the possible existence of double financing carried out at all levels of execution?				
Subtotal points.				
Total points.				
Maximum points.			16	
Relative points (total points/maximum points).				

Nota: 4 equals maximum compliance, 1 equals minimum..

Risk Estimation: Evaluation Table

Area	(a) Relative Points	(b) Weighting Factor	(c) Assigned Value
Management Control.		18 %	
Milestones and Objectives		34 %	
Environmental Damage.		12 %	
Conflict of Interest, Fraud and Corruption Prevention.		12 %	
Compatibility of State Aid Regime.		1 2%	
Avoiding Double Financing.		12 %	
Total.	N/A	100 %	

Nota: Reference Values.

Low Risk:	Total Assigned Value ≥ 90
Risc mitjà:	Total Valor assignat ≥ 80

High Risk:	Total Assigned Value ≥ 70
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The Total Assigned Value is calculated by summing the assigned value (c) for each area, which is obtained by multiplying the relative points (a), obtained in the corresponding test, by the weighting factor (b).

ANNEX IV. PREVENTION AND CORRECTION OF CONFLICTS OF INTEREST

a) DECLARATION OF ABSENCE OF CONFLICT OF INTEREST (Order HFP/1030/2021)

On September 30, 2021, Order HFP/1030/2021 of September 29 was published in the Official State Bulletin, establishing the management system for the Recovery, Transformation, and Resilience Plan ("PRTR"), whose Article 6 sets out, as one of the PRTR measures, the "strengthening of mechanisms for the prevention, detection, and correction of fraud, corruption, and conflicts of interest."

This article prescriptively introduces, for organizations and institutions with budget allocations under the PRTR, the fraud risk assessment, the availability of a procedure to address potential conflicts of interest, and a Declaration of Absence of Conflict of Interest (DACI).

Consequently, all members of IREC, as a recipient of PRTR funds responsible for meeting certain related milestones and objectives, must comply with these requirements. For this reason, this document presents the institution's specific DACI.

MODEL OF DECLARATION OF ABSENCE OF CONFLICT OF INTEREST (Order HFP/1030/2021)

File:

Grant/Subsidy:

To ensure impartiality in the procurement/subsidy procedure referenced above, the undersigned, as a participant in the preparation and processing of the file, declares:

1. That Article 61.3 "Conflict of Interests" of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council, of July 18 (EU Financial Regulation), establishes that "a conflict of interest exists where the impartial and objective exercise of functions is compromised for family, emotional, political or national affinity reasons, economic interest, or any other direct or indirect personal interest."
2. That Article 64 "Fight against corruption and prevention of conflicts of interest" of Law 9/2017, of November 8, on Public Sector Contracts, aims to prevent any distortion of competition, ensure transparency in the procedure, and guarantee equal treatment of all candidates and bidders.

3. That Article 23 "Abstention" of Law 40/2015, of October 1, on the Legal Regime of the Public Sector, establishes that "authorities and staff serving the Administration must refrain from participating in the procedure if they meet any of the circumstances indicated in the following section," specifically the following:

- a) Having a personal interest in the matter or in another issue whose resolution could influence the matter at hand; being an administrator of an interested company or entity, or having a pending legal dispute with any interested party.
- b) Having a marital or equivalent relationship and kinship by blood up to the fourth degree or by affinity up to the second degree with any of the interested parties, with administrators of interested entities or companies, as well as with advisors, legal representatives, or agents involved in the procedure, including sharing a professional office or being associated with them for advisory, representation, or agency purposes.
- c) Having a close friendship or manifest enmity with any of the individuals mentioned in the previous section.
- d) Having participated as an expert or witness in the procedure in question.
- e) Having a service relationship with a natural or legal person directly interested in the matter, or having provided professional services of any kind to them in any capacity or location within the last two years.

Additionally, as members of the _____ area, part of IREC and recipient of PRTR funds, they also declare that:

- They are not in any situation that could potentially be classified as a conflict of interest under Article 61.3 of the EU Financial Regulation mentioned above.
- There is no cause for abstention under Article 23.2 of Law 40/2015.
- They commit to informing the contracting authority or evaluation committee without delay of any conflict of interest or cause for abstention that arises or may arise.
- They understand that a false DACI or one that does not reflect reality will lead to disciplinary, administrative, or judicial consequences as established by applicable regulations..

On _____, _____, 20__

Name and surname:

DNI / ID:

Signature:

b) DECLARATION OF ABSENCE OF CONFLICT OF INTEREST (Order HFP/55/2023)

El 30 de setembre de 2021 es va publicar al Butlletí Oficial de l'Estat l'Ordre HFP/55/2023, de 24 de gener, relativa a l'anàlisi sistemàtica del risc de conflicte d'interès en els procediments que executen el Pla de Recuperació, Transformació i Resiliència (en endavant, "PRTR"), l'article 1 del qual estableix, com una de les mesures de prevenció, detecció i correcció del conflicte d'interès.

This article prescriptively introduces, for organizations and institutions with budgetary allocations under the PRTR, the requirement to carry out a systematic analysis of the risk of conflict of interest in the procedures implementing the PRTR. It also establishes the minimum content that Declarations of Absence of Conflict of Interest (hereinafter "DACI") must contain for this purpose.

Consequently, all members of IREC, the recipient organization of PRTR funds responsible for meeting certain related milestones and objectives, must comply with these requirements. For this reason, this document presents the institution's specific DACI.

MODEL OF DECLARATION OF ABSENCE OF CONFLICT OF INTEREST (ORDER HFP/55/2023)

File:

Contract/Subsidy:

To ensure impartiality in the procurement/subsidy procedure referenced above, the undersigned, as a participant in the preparation and processing of the file, declares:

First. To be informed of the following:

1. That Article 61.3, "Conflict of Interest," of Regulation (EU, Euratom) 2018/1046 of the European Parliament and the Council of July 18 (EU Financial Regulation) states that "a conflict of interest exists where the impartial and objective exercise of functions is compromised for family, emotional, political or national affinity reasons, economic interest, or any direct or indirect personal interest."

2. That Article 64, "Fight Against Corruption and Prevention of Conflicts of Interest," of Law 9/2017, of November 8, on Public Sector Contracts, which transposes into Spanish law Directives 2014/23/EU and 2014/24/EU of the European Parliament and the Council of February 26, 2014, defines a conflict of interest as "any situation where staff members of the contracting authority or entity who are involved in the conduct of the concession award procedure or may influence the outcome of that procedure have, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the concession award procedure."

3. Que l'apartat 3 de la Disposició Addicional centèsima desena segona de la Llei 31/2022, de 23 de desembre, de Pressupostos Generals de l'Estat per al 2023, estableix que «L'anàlisi sistemàtica i automatitzada del risc de conflicte d'interès resulta d'aplicació als empleats

públics i resta de personal al servei d'entitats decisores, executores i instrumentals que participin, de forma individual o mitjançant la seva pertinença a òrgans col·legiats, en els procediments descrits d'adjudicació de contractes o de concessió de subvencions».

4. That paragraph 4 of the aforementioned additional provision One Hundred and Twelfth establishes that:

– «Through the IT tool, possible family relationships or corporate links, direct or indirect, in which there may be a personal or economic interest likely to cause a conflict of interest, will be analyzed between the individuals referred to in the previous paragraph and the participants in each procedure.».

– «For the identification of relationships or links, the tool will include, among others, the real ownership data of legal entities referred to in article 22.2.d).iii) of Regulation (EU) 241/2021 of February 12, contained in the databases of the Spanish Tax Agency and those obtained through agreements with the Notaries and Registrars Associations.».

Second. That at the time of signing this declaration and in light of the information in their possession, they are not involved in any situation that could be classified as a conflict of interest, as defined in paragraph four of the additional provision One Hundred and Twelfth, which may affect the procurement/subsidy granting procedure.

Third. That they undertake to inform the contracting body/evaluation committee, without delay, of any conflict of interest that they may become aware of and that may arise at any time during the ongoing procedure.

Fourth. That they acknowledge that a declaration of absence of conflict of interest, if proven to be false, will result in the disciplinary/administrative/judicial consequences established by the applicable regulations.

On _____, _____, 20__

Name and surname:

DNI / ID:

Signature:

c) MODEL OF CONFLICT OF INTERESTS ABSENCE CONFIRMATION (Order HFP/55/2023)

File:

Contract/Subsidy:

Once the risk analysis for the existence of a conflict of interest has been carried out through the MINERVA IT tool, as established in Order HFP/55/2023 of January 24, relating to the

systematic analysis of the risk of conflict of interest in the procedures executing the Recovery, Transformation, and Resilience Plan, issued under the application of the additional provision one hundred second of Law 31/2022, of December 23, of the General State Budget for 2023, and after detecting a red flag consisting of (description of the red flag, along with the list of applicants to whom it has been detected), I reiterate that no situation exists that could constitute a conflict of interest that would compromise my objective performance in the procedure.

d) MODEL OF COMMUNICATION OF THE EXISTENCE OR KNOWLEDGE OF CONFLICT OF INTERESTS

File:

Contract/Subsidy:

In compliance with the duty to ensure impartiality and objectivity in the referenced procurement/subsidy procedure, the undersigned, as a participant in the preparation and processing of the file, declares that they are in a conflict of interest situation, as the impartial and objective exercise of their functions may be compromised for reasons of family, affective, political or national affinity, economic interest, or any direct or indirect personal interest.

They notify their hierarchical superior about the existence of a potential/apparent/real conflict of interest, due to family, affective, political or national affinity, economic interest, or any direct or indirect personal interest (indicate the relevant interest in this case, with justification) in relation to the mentioned file.

They inform that the actions taken by them in the file have/have not caused harm to the financial interests of the EU as a result of their participation or influence.

They provide supporting documentation for the statements made in this communication, without prejudice to providing any additional documentation that may be required by the competent authority.

They confirm that from this moment on, they await the instructions regarding their continuation in the processing of the respective file.

(Date and signature, full name, and DNI / ID number.)

1.- Identification of the person

NIF	Name

First surname	Second surname

2.- Tipus de conflicte d'interès

- Real
- Potential
- Apparent

3.- Description of the interest in conflict with the public interest

4.- Submission of documentation

e) Rules for the selection of applications to undergo a conflict of interest risk analysis in the case of mass application grant procedures

In the case of mass grant applications (more than one hundred applications), the conflict of interest risk analysis will be carried out based on what is established in the regulatory order of the bases or the specific grant application call, as follows:

A) If there is no possibility that any of the grants finally awarded will exceed 10,000 euros: in this case, the responsible body for the operation may choose to apply the conflict of interest risk analysis to all applicants or may select a group of one hundred applications for verification in the following manner:

1. All applications will be ordered by the date and time of submission.
2. The total number of applications will be divided by 100 to obtain the range of intervals that will determine the selection of applications for verification, rounding down to the nearest whole number if there are decimals.
3. The first application will be selected, and then, those that occupy the resulting order by successively adding the range obtained, until 100 applications are selected. The responsible body for the operation must maintain the corresponding audit trail for the selected applicants for verification, properly documenting the process followed for such selection.

As an illustrative example to facilitate the application of the system, it is proposed that in a scenario where 3,532 applications are submitted, dividing by 100 will result in 35.32. Since it is not a whole number, it will be rounded down to 35. In this way, application number 1 will be

selected, followed by application number 36, application number 71, application number 106, and so on, until 100 applications are completed.

B) If there is a possibility that any of the grants finally awarded under a specific call will exceed 10,000 euros: in this case, 100% of the applications will be checked, regardless of the final amount awarded to each of them.

ANNEX V. STATEMENT OF DATA TRANSFER AND PROCESSING IN RELATION TO THE IMPLEMENTATION OF THE RECOVERY, TRANSFORMATION, AND RESILIENCE PLAN (PRTR)

Mr./Ms., holder of DNI / ID, acting as CEO/Manager of the entity, with NIF, and fiscal domicile at

....., beneficiary of aid financed with resources from the PRTR / participating as a contractor/subcontractor in the execution of actions necessary for achieving the objectives defined in Component XX «.....», hereby declares to be aware of the applicable regulations, particularly the following sections of Article 22 of Regulation (EU) 2021/241 of the European Parliament and the Council, of February 12, 2021, establishing the Recovery and Resilience Mechanism:

1. Point 2, letter d): "For the purposes of auditing and controlling the use of funds related to measures for implementing reforms and investment projects under the Recovery and Resilience Plan, data must be collected in an electronic format that allows for searches within a single database, including the following harmonized categories:

- i. The name of the final recipient of the funds;
- ii. The name of the contractor and subcontractor when the final recipient of the funds is a contracting authority in accordance with EU or national public procurement law;
- iii. The names, surnames, and dates of birth of the beneficial owners of the fund recipient or contractor, as defined in Article 3(6) of Directive (EU) 2015/849 of the European Parliament and the Council (26);
- iv. A list of measures for the implementation of reforms and investment projects within the Recovery and Resilience Plan, along with the total public funding amount for these measures, specifying the funds disbursed under the Mechanism and other Union funds."

2. Point 3: "The personal data mentioned in Point 2, letter d) of this article shall only be processed by Member States and the Commission for the purposes and duration of the relevant audit, budgetary discharge procedures, and control measures related to the use of funds under the agreements referred to in Articles 15(2) and 23(1). As part of the Commission's budget discharge procedure under Article 319 of the TFEU, the Mechanism shall be subject to reporting within the framework of integrated financial and accountability information, as referred to in Article 247 of the Financial Regulation, and, in particular, separately in the annual management and performance report."

In accordance with the legal framework outlined above, I hereby consent to the transfer and processing of data for the purposes explicitly stated in the aforementioned articles.

....., on the XX of, 202X
Signed:
Position:

ANNEX VI. STATEMENT OF COMMITMENT TO BE COMPLETED AND SIGNED BY INDIRECT BENEFICIARIES OF FUNDS (AWARDEES)

On September 30, 2021, the Official State Gazette published Order HFP/1030/2021, of September 29, which establishes the management system for the Recovery, Transformation, and Resilience Plan (hereinafter, "PRTR"). Article 6 of this order sets forth, as one of the PRTR's measures, the "reinforcement of mechanisms for the prevention, detection, and correction of fraud, corruption, and conflicts of interest."

Additionally, Article 8 of the aforementioned order establishes the obligation to fully identify the beneficiaries of the funds. This identification also includes the mandatory completion and signing by the fund recipient of a Declaration of Commitment to the highest standards, in accordance with the following model:

MODEL DECLARATION OF COMMITMENT BY BENEFICIARIES REGARDING THE IMPLEMENTATION OF ACTIONS UNDER THE RECOVERY, TRANSFORMATION, AND RESILIENCE PLAN (PRTR)

File:

Subproject:

Mr./Ms.

DNI / ID

Mr./Ms., with DNI, as the head of the body/CEO/Manager of the entity, with NIF, and fiscal address at

....., in the capacity of responsible body/ managing body/ beneficiary of aid financed with resources from the PRTR/ participating as a contractor/recipient entity of the assignment/subcontractor, in the development of necessary actions for achieving the objectives defined in Component XX «.....»

Declares the firm commitment of the person/entity represented to uphold the highest standards in compliance with legal, ethical, and moral norms, adopting the necessary measures to prevent and detect fraud, corruption, and conflicts of interest, and, where applicable, reporting any observed violations to the relevant authorities.

Additionally, in accordance with the PRTR's provisions, the entity commits to respecting the principles of the circular economy and avoiding significant negative environmental impacts ("DNSH" for its acronym in English, "do no significant harm") in executing the actions carried out under this Plan. It also declares that it does not engage in double financing and, if applicable, is not aware of any risk of incompatibility with State aid regulations.

In on

Signed:
 Position:

ANNEX VII. FRAUD INDICATORS OR RED FLAGS CHECKLISTS

Fraud prevention and detection entail a significant responsibility in the management of public funds, as well as in the management of funds associated with the Recovery, Transformation, and Resilience Plan (PRTR). Due to its special characteristics, the PRTR requires specific measures to detect any situation that may pose a risk of fraud.

The purpose of this document is to identify situations that should be considered red flags in the fight against fraud associated with the execution of PRTR funds.

Red flags are warning signs, clues, or indications of possible fraud. The presence of a red flag does not necessarily imply fraud but rather the need for control measures to rule out or confirm potential fraud. Likewise, a red flag is any fact that reveals qualitative or quantitative information, formed by one or more data points based on facts, opinions, or measurements, which allow for monitoring the identified risk level and the effectiveness of controls.

As an example of these red flags, this document lists the most commonly used ones, classified according to each PRTR management instrument and in accordance with the document "Red Flags and Proposed Controls" from the National Anti-Fraud Coordination Service.¹²

The identified red flags are directly related to the risks that must be addressed in the IREC risk matrix. Each risk has one or more associated red flags.

Regarding grants/subsidies, the identified risks and the red flags or fraud indicators defined in the Risk Assessment Matrix (Annex II) are as follows:

- **Limitation of competition**
 - Insufficient dissemination of the regulatory bases and call for applications.
 - The regulatory bases or call for applications have not clearly defined the requirements that beneficiaries or recipients of the grants or subsidies must meet.

¹² Identificació de banderes i controls proposats. Servei Nacional de Coordinació Antifrau. <https://www.antifrau.cat/sites/default/files/2022-03/anexo-ii-listado-br-y-controles.pdf>

- The deadlines established in the regulatory bases and call for applications for submitting requests have not been respected.
- Absence of publication of the scoring criteria set for the evaluation of the applications.
- The beneficiary or recipient of the grants does not comply with the obligation to ensure competition in case negotiations with suppliers are necessary.
- **Discriminatory treatment in the selection of applicants**
 - Failure to comply with the principles of objectivity, equality, and non-discrimination in the selection of beneficiaries.
- **Conflicts of interest**
 - Deliberate influence on the evaluation and selection of beneficiaries.
- **Non-compliance with the state aid regime**
 - The regulatory bases of the call do not indicate that it is state aid, if applicable. The operations funded constitute state aid and the procedure for information and notification established by European regulations has not been followed.
- **Deviation from the purpose of the aid/grant**
 - The regulatory bases or call do not mention the component and the reform and investment nor the milestones and objectives to be achieved.
 - The funds have not been used for the purpose established in the regulatory rules of the aid/grant by the beneficiary.
 - The regulatory bases or call do not include the compliance with the "do no significant harm" principle.
 - The regulatory bases or call do not include the compliance with the green and digital labeling coefficient assigned in the PRTR.
- **Double financing**
 - Excess co-financing of projects/subprojects/lines of action.
 - There are several co-financers financing the same project/subproject/line of action.
 - No documentation of the contributions made by third parties (agreements, donations, other monetary contributions, etc.).
 - The financing provided by third parties is not earmarked, and there is no distribution criterion for it.
- **Document falsification**
 - Falsified documents submitted by applicants.
 - Manipulation of supporting documentation for expense justification.
- **Non-compliance with information, communication, and publicity obligations**
 - Non-compliance with the duties of information and communication about the support of the MRR for the funded measures.
 - Non-compliance with the duty to identify the final recipient of the funds in a unique database.
- **Loss of audit trail**
 - The call does not clearly and precisely define eligible expenses.
 - The call does not specify how the different expenses should be documented.
 - There has been no proper documentation of the actions to guarantee the audit trail in the different stages.
 - Non-compliance with the obligation to retain documents.

- The call does not include the subjecting of the process to the controls of European bodies.

En relació amb els **CONTRACTES**

● **Limitation of competition**

- Technical or administrative specifications drafted in favor of a bidder.
- The specifications include more restrictive or more general requirements than those approved in similar previous procedures.
- Only one bid is submitted or the number of bidders is abnormally low, according to the type of contracting procedure.
- The contracting procedure is declared void and is reissued despite receiving admissible offers according to the criteria set out in the specifications.
- The publicity of the procedures is incomplete, irregular, or limited and/or there is insufficiency or non-compliance with deadlines for receiving bids.
- Complaints from other bidders.
- The choice of expedited processing, urgency, or emergency, or the use of less competitive contracting procedures in a usual manner without reasonable justification.

● **Collusive practices in offers**

- Possible agreements between bidders in collusion with interrelated or linked companies or through the introduction of "ghost suppliers."
- Possible agreements between bidders on the prices offered in the bidding procedure.
- Possible agreements between bidders for market sharing.
- The awarded bidder subcontracts with other bidders who participated in the contracting procedure.
- The winning bid is excessively high compared to the projected costs or the reference market prices.
- Similarities between different bidders regarding the presentation of offers, documents submitted in the tender, as well as statements and behaviors of the bidders.
- Unexpected withdrawal of proposals by different bidders, or the awarded bidder does not accept the contract without valid reasons.

● **Conflicte d' interessos**

- Unusual behavior by an employee who insists on obtaining information about the bidding procedure without being in charge of the procedure.
- A member of the contracting body has recently worked for a bidding company.
- Family ties between an employee of the contracting body with decision-making or influencing power and a person from the bidding company.
- Repeated awarding of contracts to the same bidder.
- Continuous acceptance of offers with high prices or insufficient quality of work.
- Members of the contracting body not complying with the procedures established in the ethics code of the organization.
- An employee responsible for contracting declines promotion to a position where they would no longer be involved in acquisitions.
- Indicators that a member of the contracting body may be receiving improper compensation in exchange for favors related to the contracting procedure.

- Socializing between an employee responsible for contracting and a supplier of services or products.
- Unusual behaviors by members of the contracting body.
- An employee responsible for contracting does not submit a declaration of absence of conflict of interest or does so incompletely.
- Indicators that a member of the contracting body may be receiving improper compensation in exchange for favors related to the contracting procedure.
- Socializing between an employee responsible for contracting and a supplier of services or products.
- Unusual behaviors by members of the contracting body.
- An employee responsible for contracting does not submit a declaration of absence of conflict of interest or does so incompletely.
- **Manipulation in the technical or economic evaluation of the offers presented**
 - The award criteria are not sufficiently detailed or are not included in the specifications.
 - The award criteria are discriminatory, illicit, or not suitable for selecting the offer with the best quality-price ratio.
 - The object of the contract and technical specifications defined in the specifications do not correspond to the component and reform or investment, nor to the goals and objectives to be met.
 - The award criteria fail to comply with or are contrary to the principle of "do no significant harm" and to green and digital labeling.
 - Acceptance of abnormally low offers without adequate justification from the bidder.
 - Absence or inadequate control procedures in the contracting process.
 - Changes in the offers after their receipt.
 - Offers excluded due to errors or questionable reasons.
 - Complaints from other bidders.
 - A procedure is not declared void and continues despite receiving fewer offers than the minimum required.
- **Fraudulent fragmentation of the contract**
 - Fragmentation into two or more contracts.
 - Unjustified or artificial separation of the contract's object.
 - Sequential purchases below the thresholds for open tendering.
- **Failures in contract formalization**
 - The formalized contract alters the terms of the award.
 - Lack of correspondence between the awarded party and the signatory of the contract.
 - Unjustified delays in signing the contract by the contracting authority and the awarded party.
 - Absence of a contract or procurement file.
 - Failure to publish the notice of contract formalization.
- **Non-compliance or deficiencies in the execution of the contract**
 - Total or partial non-compliance or defective performance of the contract's obligations.
 - Modifications to contracts that do not comply with legal requirements or are not justified.
 - Unauthorized subcontracting.
 - The total amount paid to the contractor exceeds the value of the contract.

- **Document falsification**
 - Falsified documentation presented by bidders during the offer selection process.
 - Manipulation of supporting documentation for costs or invoices to include incorrect, false, excessive, or duplicated charges.
 - "Ghost" service providers
- **Double financing**
- **Non-compliance with information, communication, and publicity obligations**
 - Failure to comply with information and communication duties regarding MRR support for the financed measures.
 - Failure to identify the final recipient of the funds in a unique database.
- **Loss of audit trail**
 - Failure to properly document actions that ensure the audit trail.
 - Non-compliance with the obligation to retain documents.
 - Failure to ensure the commitment to comply with the controls of European bodies by the final recipients.

In relation to the AGREEMENTS, the identified risks, as well as the red flags or fraud indicators defined in the Risk Assessment Matrix (Annex II), are as follows:

- **The object of the agreement does not correspond to this legal figure**
 - The agreement includes provisions that are typical of contracts.
 - Agreements with private entities.
 - The content of the agreement involves the transfer of competence ownership.
- **Failure to comply with the procedure or legal requirements of the agreement**
 - Lack of legal competence.
 - The financial contributions are inadequate.
 - Lack of required procedures.
 - Incompliment de les obligacions de publicitat i comunicació dels convenis.
 - Failure to carry out the actions outlined in the agreement without a justified cause or failure to liquidate the financial contributions.
- **Conflicts of interest**
 - Indications of any type of connection between the parties signing the agreement.
 - Recurring agreements.
- **Limitation of competition in the selection of private law collaborating entities**
 - Failure to meet the obligation to ensure competition and other applicable principles in the selection of the private law collaborating entity.
- **Limitation of competition when the agreement is executed by third parties**
 - Failure to meet the obligation to ensure competition when the collaboration agreement is being executed by third parties.
- **Failure to comply with the obligations of information, communication, and publicity**
 - Failure to meet the duties of information and communication regarding MRR support for the financed measures.
 - Failure to meet the duty of identifying the final recipient of the funds in a unique database.
- **Loss of audit trail**
 - Lack of an audit trail.

- Failure to comply with the obligation to retain documents.
- Failure to guarantee the commitment of adherence to the controls of European bodies by the final recipients.
- **Improper payments charged to the agreement**
 - No invoice and technical report justifying the action taken prior to the invoice.

ANNEX VIII.- REFERENCE AND SUPPORT DOCUMENTATION

- a) Fraud risk assessment and effective and proportionate measures against fraud (DGV) EGESIF_14-0021-00; 16/06/2014 (Guidance Note on fraud risk assessment for 2014-2020). Guide developed in application of Article 125.4 c) of Regulation (EU) 1303/2013 of the European Parliament and Council, of December 17, 2013, establishing common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development, and the European Maritime and Fisheries Fund, and establishing general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, and the European Maritime and Fisheries Fund, and repealing Council Regulation (EC) 1083/2006.
- https://ec.europa.eu/regional_policy/es/information/publications/guidelines/2014/fraud-risk-assessment-and-effective-and-proportionate-anti-fraud-measures.

- b) Communication from the Commission (2021/C 121/01) - Guidelines on how to avoid and manage situations of conflict of interest in accordance with the Financial Regulation.
[https://eur-lex.europa.eu/legal-content/ES/TXT/PDF/?uri=CELEX:52021XC0409\(01\)&from=ES](https://eur-lex.europa.eu/legal-content/ES/TXT/PDF/?uri=CELEX:52021XC0409(01)&from=ES).
- c) OLAF Compendium of Anonymised Cases – Structural Actions.
<https://ec.europa.eu/sfc/sites/default/files/sfc-files/OLAF-Intern-2011.pdf>.
- d) OLAF Practical Guide on Conflict of Interest.
<https://ec.europa.eu/sfc/sites/default/files/sfc-files/guide-conflict-of-interests-ES.pdf>.
- e) OLAF practical guide on forged documents.
<https://www.interreg-croatia-serbia2014-2020.eu/wp-content/uploads/2019/05/Guide-on-forged-documents.pdf>.
- f) Communication 1/2017, of April 6th, on how individuals who are aware of facts that may constitute fraud or irregularity in relation to projects or operations funded entirely or partially by EU funds can proceed.
<https://www.igae.pap.hacienda.gob.es/sitios/igae/es-ES/snca/Documents/ComunicacionSNCA06-04-2017Canaldenuncias.pdf>
- g) Instruction of March 11, 2021, from the State Public Procurement Advisory Board on the urgent processing of tender procedures for contracts to be financed with funds from the Recovery, Transformation, and Resilience Plan.
<https://www.hacienda.gob.es/Documentacion/Publico/D.G.%20PATRIMONIO/Junta%20Consultiva/informes/Informes2021/instruccionJCCPEurgenciaPRTR.pdf>
- h) Instruction of December 23, 2021, from the State Public Procurement Advisory Board on aspects to be included in the files and in the governing documents of contracts to be financed with funds from the Recovery, Transformation, and Resilience Plan.
<https://www.hacienda.gob.es/Documentacion/Publico/D.G.%20PATRIMONIO/Junta%20Consultiva/informes/Informes2021/2021-075instruccionPRTR.pdf>
- i) IV Open Government Plan 2020-2024
https://transparencia.gob.es/transparencia/dam/jcr:d306cd62-cc0f-40a1-9be8-fe24e1111111d/IVPlanGobiernoAbierto-ES_2020-2024.pdf
- j) Recovery, Transformation, and Resilience Plan
https://www.lamoncloa.gob.es/temas/fondos-recuperacion/Documents/30042021-Plan_Recuperacion_%20Transformacion_%20Resiliencia.pdf
- k) Resolution 1/2022, of April 12, from the General Secretariat of European Funds, which establishes instructions to clarify the condition of executing entity, the designation of responsible bodies for measures, and managing bodies for projects and subprojects, within the management system of the Recovery, Transformation, and Resilience Plan.

https://www.fondoseuropeos.hacienda.gob.es/sitios/dgpmrr/es-es/Documents/Instruccin%20ENTIDADES%20EJECUTORAS%2012%20abril%202022_.pdf.xsig.pdf

- l) Guidelines for Strengthening Mechanisms for the Prevention, Detection, and Correction of Fraud, Corruption, and Conflicts of Interest, referred to in Article 6 of Order HFP 1030/2021, of September 29, which establishes the management system of the Recovery, Transformation, and Resilience Plan. General Secretariat of European Funds. https://femp-fondos-europa.es/wp-content/uploads/2022/03/orientaciones-plan-antifraude-prtr_sgfe_mhfp_.pdf
- m) Guide for the application of anti-fraud measures in the execution of the Recovery, Transformation, and Resilience Plan. National Anti-Fraud Coordination Service.
- n) Practical guide for the application of Order HFP/55/2023, of January 24, regarding the systematic analysis of the risk of conflict of interest in procedures executing the Recovery, Transformation, and Resilience Plan. https://www.fondoseuropeos.hacienda.gob.es/sitios/dgpmrr/es-es/Documents/Guia_practica_de_aplicacion_de_la_Orden_HFP-55-2023V.pdf
- ñ) Catalog of rights of the whistleblower. State Network of Anti-Fraud Offices and Agencies. <https://www.antifrau.cat/sites/default/files/Documents/Recursos/catalogo-derechos-persona-alertadora.pdf>
- o) OECD Recommendation on Public Integrity <https://www.oecd.org/gov/ethics/recomendacion-sobre-integridad-es.pdf>
- p) OECD Recommendation on Integrity in Public Procurement <https://www.oecd.org/gov/public-procurement/OCDE-Recomendacion-sobre-Contratacion-Publica-ES.pdf>
- q) OECD Manual on Public Integrity <https://www.oecd.org/publications/manual-de-la-ocde-sobre-integridad-publica-8a2fac21-es.htm>
- r) Recommendation (EU) 2017/1805 on the Professionalization of Public Procurement <https://eur-lex.europa.eu/legal-content/ES/TXT/PDF/?uri=CELEX:32017H1805&from=HU>
- s) MINERVA User Manual https://sede.agenciatributaria.gob.es/static_files/Sede/Procedimiento_ayuda/ZA25/MINERVA_Manual_Usuario.pdf

ANNEX IX.- VERSION CONTROL

Version	Approval Date	Modifications Made	Approved by
1	24/01/2025	Creation of the document	Mónica Jiménez SSJJ