

Conflict of interest

Guidance for programme applicants

Info Days on the 2025 AGRIP Calls

30/01/2025

A close-up photograph of two hands shaking in a firm grip. The background is a blurred European Union flag, featuring a circle of twelve yellow stars on a blue field. The lighting is soft, highlighting the texture of the skin and the details of the handshake.

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1. General considerations

What is a conflict of interest according to EU general rules?



Art 61 Financial Regulation: main elements

- Risk of being too cautious/strict
- Objectively perceived as such (verifiable (auditable) link between the functions and the personal interest) - Importance of a "paper" trail
- Role of self declarations
- **Article 61 does not apply to economic operators involved in promotion of agricultural products**
- Important role of the Guidelines on how to interpret and apply the EU rules on Col - All EU official languages – OJ C 121 of 9.4.21 page 1



Conflict of interest – general takes

- Conflict of interest is only relevant when public funds are involved
- It is particularly relevant in those situations in which a decision needs to be taken on the basis of a specific assessment
- In the area of public money there is the need not to underestimate perception
- Importance of prevention also in terms of procedures and documented evidence
- Conflict of interest is a fact of life but what counts is how it is addressed



Importance of prevention

- Prevent
- Identify
- Remedy/Mitigate



2. Specific rules applicable in AGRIP

What rules apply specifically to AGRIP programmes?



Conflict of Interest and Beneficiaries

ARTICLE 12 — CONFLICT OF INTERESTS

12.1 Conflict of interests

The beneficiaries must take **all measures** to prevent any situation where the **impartial and objective implementation** of the Agreement could be compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect interest ('conflict of interests'). They must **formally notify** the granting authority without delay of any situation constituting or likely to lead to a conflict of interests **and immediately take all the necessary steps to rectify this situation**. The granting authority may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

12.2 Consequences of **non-compliance**

If a beneficiary breaches any of its obligations under this Article, **the grant may be reduced** (see Article 28) and the grant or the beneficiary may be **terminated** (see Article 32). Such breaches may also lead to other measures described in Chapter 5.



Conflict of Interest and Subcontracting

When it comes to subcontracting the eligibility conditions are

- the best value for money **and**
- the absence of conflict of interest

Art 6.2.B

- *Subcontracting costs for the action (including related duties, taxes and charges, such as nondeductible or non-refundable value added tax (VAT)) are eligible, if they are calculated on the basis of the costs actually incurred, fulfil the general eligibility conditions and are awarded using the beneficiary's usual purchasing practices — provided these ensure subcontracts with best value for money (or if appropriate the lowest price) and that there is no conflict of interests (see Article 12).*



Conflict of Interest and Subcontracting

Consequence of non compliance with Conflict of Interest

As an eligibility condition, non compliance will result in rejection of the costs.

Article 6.4 Consequences of non-compliance

*If a beneficiary declares costs or contributions that are **ineligible**, they will be **rejected** (see Article 27).*

This may also lead to other measures described in Chapter 5.



Conflict of Interest and Subcontracting

Article 9.3:

- *The beneficiaries must ensure that their contractual obligations under Articles 11 (proper implementation), 12 (conflict of interest), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (recordkeeping) **also apply to the subcontractors.***



Example of conflict of interest

- A company X is contracted to prepare documents to be used in an award procedure for selection of subcontractor (e.g. drafting the tender specifications);
- The same company X then decides to take part in the same award procedure as a participant;
- A company who conducts a selection of a subcontractor withholds the information shared with a company X who helped to prepare the tender documents;
- Company X is awarded the contract
- This is a breach of the requirement to have a competitive procedure when it comes to the equal treatment of all participants;
- It might also be a red flag signalling a potential conflict of interests with reference to the relation between the beneficiary and company X.



Additional measures to take

- the contract notice is published and adequately advertised
- sufficient time for the receipt of tenders is provided
- an objective and non-discriminatory evaluation of the tenders
- the assessment of any possible conflict of interests



3. Guidance

Where can I find practical guidance to help address the issue of conflict of interest?



EU-level guidance on conflict of interest

- EU Financial Regulation
- COMMISSION NOTICE Guidance on the avoidance and management of conflicts of interest under the Financial Regulation – Published in the Official Journal - 2021/C 121/01 (in all official languages): specifically related to the implementation of Art. 61 of the EU Financial Regulation but useful in general and with many practical examples.



AGRIP guidance on conflict of interest

- [Annotated Grant Agreement](#)
- [Guidance on competitive procedures](#)
- [Frequently Asked Questions](#)





THANK YOU

