



20 March 2017

Information note for the Member States: Co-financing of preparatory work for the modernisation of public sector accounting systems on an accruals basis of accounting

Starting late 2014 Eurostat has been co-financing 7 projects in the Member States in support of the modernisation of public sector accounting systems on an accruals basis of accounting, covering all or some of the following tasks:

- 1) Scoping of modernisation needs.
- 2) Outlining a platform to implement the proposed changes.
- 3) Outlining an approach to implementation.
- 4) Outlining a communication plan.
- 5) Exchange of knowledge and best practices.
- 6) Building on existing analyses concerning implementation of accrual accounting across government.

For further information see:

<http://ec.europa.eu/eurostat/documents/10186/6389624/A4-call-for-proposals.pdf/d81cc591-f914-400c-9358-a5902c4e4525>

<http://ec.europa.eu/eurostat/documents/10186/755096/EPSAS-Grants-awarded.pdf>

In 2017 the Commission will continue to support the modernisation of public sector accounting systems on an accruals basis of accounting, by means of two coordinated and complementary initiatives:

- A Call for Proposals to be launched by Eurostat, expected Spring 2017, complemented by
- Applications for support sent to the Structural Reform Support Service (SRSS)¹

However, please note that individual actions may not be financed twice: an individual action within a modernisation programme may seek financial support via either of these initiatives, but may not receive co-financing from both.

¹ To the extent that these requests will have to be treated under the forthcoming Structural reform Support Programme (SRSP), the regulatory framework and conditions thereof must apply.

1. Eurostat Call for Proposals 2017

The budget to be made available for co-financing accruals and EPSAS related modernisation actions in MS in 2017 is €900,000. It is envisaged that in spring 2017 Eurostat will launch an EPSAS Call for Proposals, with a view to following-up the 2014 support programme.

2. Applications for support sent to the Structural Reform Support Service (SRSS)

The Commission's Structural Reforms Support Service (SRSS) mandate is to support the preparation, design and implementation of growth-enhancing reforms to achieve sustainable investment, growth and job creation. The SRSS is involved in the direct provision of support and coordination of the support provided by the Commission and acts in close cooperation with other Commission services, as well as MSs and/or international organizations and/or other stakeholders, such as public bodies and/or the private sector.

SRSS is focused on supporting the development and implementation of institutional, administrative and structural reforms conducive to growth, especially, but not exclusively, in the context of the economic governance process, including through support for an effective and efficient use of European Structural and Investment Funds (ESIF).

EPSAS is a large and wide ranging structural reform, comprising all levels of government (central, regional, local and social security funds). As such EPSAS would support the better functioning and increased performance of the public sector across Europe, which is in line with the 'thematic objective 11' for the ESIF: "enhancing institutional capacity of public authorities and stakeholders and efficient public administration".

The 'thematic objective 11' belongs to the investment priorities of both the European Regional Development Fund (ERDF), the European Social Fund (ESF), and can potentially also be serviced by the Cohesion Fund (CF).

SRSS as the service in charge of support to structural public sector reforms may therefore contribute to both the voluntary implementation of IPSAS/accruals (incl. implementation of FTI guidance) in phase 1 (increasing fiscal transparency in the Member States in the short to medium term by promoting accrual accounting, e.g. IPSAS, in the period from 2016 to 2020, and in parallel developing the EPSAS framework) as well as the implementation of EPSAS in phase 2 (addressing comparability within and between the Member States in the medium to longer term, implementing EPSAS by 2025) of the project.

In particular the SRSS may provide financing for the elaboration of a range of actions to support the modernisation of public sector financial accounting systems on an accruals basis, such as gap-analyses and/ or the elaboration of concrete implementation programmes at various levels of government, the implementation of which could then be brought into the Member States' national programmes under the structural funds. The mandate of SRSS covers support to all structural reforms, so no specific amount is devoted to accrual accounting projects; SRSS will administer a dedicated instrument for technical support, called Structural Reform Support Programme (SRSP), and expected to enter into force toward the end of spring this year.

The forthcoming SRSP foresees that Member States may submit, annually, a request for support to the Commission under one of three "triggering factors": (i) reforms undertaken at the initiative of Member States, geared towards sustainable growth and job creation; (ii) reforms carried out under an economic adjustment programme; and (iii) reforms carried out under the European economic governance processes or for the implementation of Union law); on that basis, the Commission and the requesting Member State will agree on priorities for support, objectives, indicative timeline, scope of the support measures and estimated financial envelope for this support. These elements will have to be contained in a cooperation and support plan. In the case of proposals related to the modernisation of public sector financial accounting systems on an accruals basis, trigger factors (i) and (ii) may be considered in particular as relevant.

Financing via the SRSS is not administered via a Call for Proposals as is the case for Eurostat grants. Instead, Member States are invited to follow the process established under the SRSP and contact directly to SRSS (contact a functional mailbox SRSS TAX PFM <SRSS-TAX-PFM@ec.europa.eu>).