



PRIME MINISTER'S OFFICE

DR. TIBOR NAVRACSICS
terjételesrns: minister

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Annex: with the findings of the Integrity Authority's Annual Analytical Integrity Report 2022 on the annual annual report on the Annual Integrity Impact Assessment for the year 2017 government positions

For Mr Ferenc Biró, President

Integrity Authority
Budapest

Dear Mr President!

In connection with the Integrity Authority's Annual Analytical Integrity Report for the year 2022 published on 29 June 2023 (the "Report"), I have the following to report to the President.

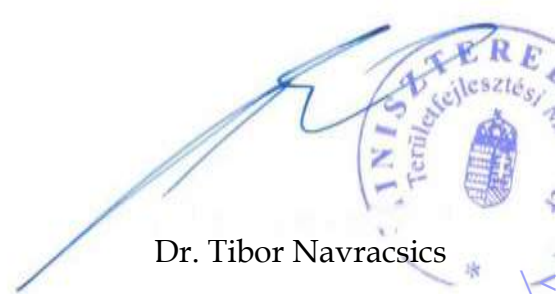
The Government, taking into account the provisions of Article 13 of Act XXVII of 2022 on the Control of the Use of EU Budgetary Resources, has adopted the *Government's position on the findings of the Integrity Authority's Annual Analytical Integrity Report for 2022*, presented by the working organisation of the Minister of Spatial Development.

I inform the President that I have arranged for the publication of the Government's positions on the findings and recommendations of the Report, which are attached to this letter, at www.palyazat.gov.hu.

Budapest, September 2023 " ^ "

Sincerely:

Dr. Tibor Navracsics



Annex: government views on the findings of the Integrity Authority's Annual Integrity Assessment Report 2022

	A	B	C
	Territory	Recommendations and recommendations made by the Integrity Authority	The Government's position
1.	General (Audit trails)	In order to ensure the effective application and full guidance of the trails in practice, it is recommended that the observations made and the shortcomings identified in the study be corrected and compensated. In order to ensure that the trails fulfil the control function and the functions set out in the Regulation to the maximum extent possible, it is proposed to complete and correct the documentation of the trails. In order to monitor and follow up the controls and control points, it is essential, inter alia, to indicate the appropriate levels of responsibility and relationships, to specify the document supporting the control, so that the trails fulfil their function as defined in the Regulation.	The Government agrees with the proposal. <u>Action:</u> The Minister of Spatial Development, after having been informed of the Integrity Authority's methodology on audit trails, will initiate a consultation with the EUTAF on their adequacy. Depending on the outcome of the consultation, the Minister for Spatial Development shall, if necessary, propose amendments to the audit trails and the relevant regulations.
2.	General (EUTAF system audit)	It is important to clarify when, under what conditions and with what leeway the audit authority has the possibility to extend the deadlines. In our view, the procedural discipline of the audited authorities needs to be improved in order to ensure that the weaknesses identified are adequately addressed.	The Government does not agree with the proposal. The time required for action on some of the audit authority's findings varies and the resolution of the complex problem identified may change. In particular, actions involving IT development needs and changes to legislation, requiring new procedures or the examination of a range of projects are often tasks involving an extension of the deadline.
3.	Checks carried out during the financing procedure	The supporting documents submitted should be subjected to a risk analysis, with a more detailed examination of the route of the money in case of suspicious circumstances. The analysis of the main risk factors can be automated, but training is also needed to ensure that implementing staff are aware of them.	The Government does not agree with the proposal. During the 2014-2020 programming period, the managing authority (intermediate body) has an obligation to check all supporting documents submitted with the supporting documents when verifying payment claims,

			<p>i.e. risk analysis is not applicable in this programming period. The supporting documents of the post-financing document submitted to clear the grant include the payment voucher, the relevant control criteria are set out in detail in Annex 6, point 111, Detailed payment control criteria, point 5, Payment voucher, of Government Decree No.272/2014 (5.XI.).</p> <p>For the programming period 2021-2027, Article 74(2) of Regulation (EU) 2021/1060 of the European Parliament and of the Council allows for a risk-based verification of the supporting documents submitted.</p> <p>The system described above complies with the relevant EU legislation.</p>
4.	Use of experts for on-the-spot checks	More frequent use of external independent experts, as a mandatory requirement for certain calls. Accordingly, the legislation should be amended and managing authorities should take this into account when designing calls.	<p>The Government partly agrees with the proposal.</p> <p>Both the 2014-2020 and the 2021-2027 Regulations provide that, where justified by the call for proposals or the nature of the project, the managing authority may involve an external expert in carrying out an on-the-spot check. The managing authority will conclude a contract with the external expert, in which the expert will sign a declaration of confidentiality and a declaration of conflict of interest.</p> <p>Within a given call, there may be differences in the objectives to be achieved (and therefore in the technical content), including which controls the managing authority cannot adequately carry out with its own staff.</p> <p>There may be cases where, although the nature of the project may justify the use of an external expert, the managing authority has a suitably qualified and experienced person to carry out the audit, in which case it is not costly to involve an external expert.</p>

			<p>However, the introduction of a legal requirement for the "mandatory use of an external expert" would oblige the managing authority to do so.</p> <p><u>Action:</u> The Minister for Regional Development will propose clarifications to the relevant legislation.</p>
5.	Pre-announced on-the-spot checks	To ensure a higher success rate in detecting fraudulent projects, we propose to reduce the use of pre-announced on-the-spot checks and to increase the proportion of exceptional checks.	<p>The Government partly agrees with the proposal.</p> <p>Overall, especially for high-risk projects, the substance of the proposal - that the sponsor should make more use of unannounced monitoring where justified - can be supported. However, it should be stressed that unannounced on-the-spot checks run a high risk of failure (given that in many cases the location where project documentation is stored is not the same as the implementation site or the beneficiary's representative is not present at the implementation site), which can be a problem, especially in the case of mandatory on-the-spot checks required for project closure.</p> <p><u>Action:</u> The Minister for Spatial Development will propose how to implement the Recommendation, after having heard the practice in other Member States.</p>
6.	Pre-declared supporting documents to be checked in preparation for on-the-spot checks	In order to ensure separate and complete project documentation, it is recommended that the managing authority does not disclose to the beneficiary the list of invoices, summary sheets and other documents to be sampled and used as a basis for verification.	<p>The Government does not agree with the proposal.</p> <p>The proposal works against transparency and also risks that different documents and supporting documents will be provided by beneficiaries, which require the individual discretion of the donor to accept or, if the supporting documents are not provided because the beneficiary does not know what is expected, will lead to a significant increase in irregularities.</p>

			<p>The adoption of the proposal could lead to a significant delay in on-the-spot checks and, in this context, to capacity problems.</p> <p>The proposal may create an administrative burden due to the expected increase in the number of deficiency claims and the absence of certain documents (e.g. the document is held by the accountant) may also prevent an effective control.</p> <p>Beneficiaries may engage in circumvention behaviour if they are aware of the documents to be audited, and the risk of this should be addressed in the audit.</p>
7.	<p>Details, disclosure and regularity of data in the irregularity management procedure</p>	<p>There is a need for a more structured publication of the mandatory publication of data on irregularity procedures, and for a broadening of the range of data published (in particular: time data, uniform categories and characteristics, classification of irregularities, decisions without a procedure, project character).</p>	<p>The Government partly agrees with the proposal.</p> <p>National legislation requires information on irregularities to be published in line with EU rules.</p> <p>In accordance with the provisions in force, the main details of the decisions taken in all closed (final) irregularity proceedings are displayed on the website. Irrespective of whether the managing authority has taken the irregularity decision in the course of an irregularity procedure or not, and of the nature of the project, the irregularity decisions are also shown. The name of the beneficiary and the title of the project in the project finder provide the main project data.</p> <p>The examples given in the proposal of the Integrity Authority (fraud, corruption) cannot be used to classify irregularities, because the managing authority cannot declare the existence of a criminal offence.</p> <p><u>Action:</u></p> <p>The Minister for Spatial Development will consider the aspects contained in the report and, if necessary, propose changes to the form and content of the database.</p>

8.	The regularity of the process of irregularity management	Establish uniform and public criteria for the classification of irregularities and the decisions to be taken when dealing with them.	<p>The Government does not agree with the proposal.</p> <p>Development policy legislation determines the sanctions that can be applied as a result of irregularity procedures. These regulations emphasise that the legal penalty must be proportionate to the irregularity, the penalty must be commensurate with the seriousness of the irregularity. Each case must be assessed on its merits, taking into account all the circumstances of the case and the file.</p> <p>Given the complexity of many cases, it is not possible to classify cases and take decisions on irregularities on the basis of a single set of criteria.</p>
9.	Publicity and transparency of the irregularity management process	The process of irregularity management should be publicly available and up-to-date, e.g. on palyazat.gov.hu.	<p>The Government does not agree with the proposal.</p> <p>The managing authority shall inform the beneficiary of the opening of the irregularity procedure. However, there are cases where the managing authority does not provide such information because it would jeopardise the effectiveness of the procedure, so it is not recommended to disclose information in ongoing procedures that could affect the outcome of the procedure.</p> <p>Under the current provisions, only final decisions on irregularities are published. In the case of ongoing proceedings, where the irregularity has not yet been proven, there is no reason to publish the data. The fact that proceedings have been initiated against the beneficiary may give rise to negative publicity, irrespective of the outcome of the irregularity proceedings.</p> <p>There are cases where the managing authority can establish an irregularity and impose a sanction on the basis of an irregularity report, but without an irregularity procedure.</p>

10.	Ensuring an adequate level of irregularity management	Ensure that the provision of adequate resources guarantees a standard level of irregularity management in all cases.	<p>The Government agrees with the proposal, but does not consider that further action is necessary as the objective pursued by the proposal is already ensured by the legislation.</p> <p>There is a right of appeal against irregularity decisions taken by the managing authorities. As a result of the amendment to the development legislation which entered into force on 15 April 2023, appeals against irregularity decisions taken by managing authorities are now dealt with in a uniform manner by the Directorate for Internal Control and Integrity (hereinafter: DIA), thus ensuring an appropriate and uniform standard of decisions.</p>
11.	Control of public procurement	It is proposed to include a control function in the audit of public procurement, which, in addition to the legal, eligibility, affordability and technical aspects, would also include a risk-based approach to investigate known or potential fraud and corruption in public procurement procedures.	<p>The Government agrees with the proposal, but does not consider that further action is necessary, as the existing legislation already contains provisions corresponding to the proposal.</p> <p>The investigation of fraud and corruption behaviour is currently part of the public procurement audit and such behaviour is currently an obstacle to the audit of public procurement accountability, as it constitutes a serious irregularity.</p> <p>Since 1 July 2019, the document "PROCUREMENT INVESTIGATIONS" used by the Prime Minister's Office (hereinafter referred to as "the PES") has been supplemented with certain indicators in accordance with COCOF 09/0003/00-EN (fraud criteria). The KFF has taken on board the suggestions of the European Commission services in this respect and has sent the amended model documents to the European Commission. Relevant parts on the subject matter have been included in the guidelines defining/regulating the KFF's control activities.</p>

			<p>The examination according to the criteria used in the audit is carried out exclusively on the basis of the documents provided by the contracting authority to the KFF.</p> <p>As mentioned above, the audit function currently also includes the investigation of fraud and corruption in all public procurement contracts that are already subject to audit.</p>
12.	Centralised public procurement	The cost-effectiveness of centralised public procurement systems should be assessed through targeted studies and the reporting obligations of central purchasing bodies should be strengthened.	<p>The Government partly agrees with the proposal.</p> <p>In relation to the assessment of cost-effectiveness, it should be specified that the price fixed in the individual contract concluded cannot be the sole measure, given that it does not directly reflect the cost savings resulting from the implementation of other procurement strategies, such as time savings or the synergy of "standardised" procurement systems, or from the centralised procurement system. The central purchasing body will provide the specialist technical/professional/market knowledge - and, through the provision of a so-called 'procurement service', the procurement advisor - that a significant proportion of the organisations concerned have less access to, and which will ensure that procurement needs are met efficiently and professionally, and that costs are optimised. The framework agreements concluded for the benefit of the organisations concerned ensure continuity of supply and are also able to respond immediately to unexpected and exceptional needs.</p> <p>The examination of the complex issue of cost-effectiveness is part of the Government Decision 1425/2022 (IX. 5.) on the development of a performance measurement framework for assessing the efficiency and cost-effectiveness of public procurement [hereinafter: 1425/2022.</p>

			<p>Decision] to the Public Procurement Performance Measurement Framework.</p> <p><u>Action:</u> The Minister responsible for public procurement shall contact the ministers supervising central purchasing bodies in order to establish, with the involvement of the central purchasing bodies, a standard template for the data to be provided by central purchasing bodies and publish, in accordance with Section 11 (c) of the Public Procurement Act, the data to be provided by central purchasing bodies, broken down by period, in the data on the distribution of the award of specific contracts based on framework agreements between the various</p>
13.	Centralised public procurement	The Authority encourages the development of methods and standards that allow the comparison of prices obtained in centralised public procurement with market prices.	<p>The Government does not agree with the proposal.</p> <p>The market price is the only element of a given market besides demand, supply and income (purchasing power). In the shorter term, the market price is directly shaped by supply and demand, which is influenced by the inputs and costs of producers/manufacturers on the one hand, and by the amount of money available to buyers, the value judgements of buyers, the utility attributed to products, and the ability to satisfy needs on the other. The supply and demand side of the market causes prices to fluctuate constantly, moving up and down.</p> <p>The framework agreements/contracts concluded in the framework of centralised public procurement contain a maximum price applicable over a period of time, established in open competition on a given market, which can be defined as the market price for the given area(s). Procurement from a centralised system helps contracting authorities to be predictable in terms of time and cost planning/commitment and to avoid competition.</p>

			<p>after re-opening, the cost efficiency of the winning bid price can be materially realised compared to the maximum price. The essence of centralised public procurement is determined by the predictability and security of supply of the defined range of services to the subjects defined by the Government, based on objective criteria, and the range of products. It is not at all comparable to the resale market outside the public procurement, where specific sales strategies are used, supported by aggressive marketing, with a focus on results. Furthermore, it cannot be compared to prices in on-line/webshop sales, where e.g. security of supply, adequate warranty conditions are not ensured.</p> <p>In particular, the objective factors of the cost allocated in the contracted price as market price in centralised procurement are:</p> <ul style="list-style-type: none"> product ranges and contractual conditions adapted to the needs of the organisations concerned (e.g. 30 days payment deadline); a broader range of technical solutions compared to reseller practice; enforceable, transparent, predictable and easy to enforce guarantees/benefits; a guarantee to support operational security (e.g. the provision of replacement equipment); basic delivery and installation service; delivery times for products are short in relation to the size of the product range; professionally meeting one-off or regular purchases; guarantees confirming the proportional contract;
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			<p>the performance is supported by an available manufacturer's representative (an organisation directly linked to the manufacturer); fixing a price ceiling, which addresses the periodic exchange rate risk, as well as dealing with disruptions in the supply chain (e.g. a shortage in a given market); security of supply, i.e. requiring bids and contracts; providing for liability; contract terms are transparent and do not contain uncertainty factors, but may differ from market terms (even for a few hours or a few days).</p> <p>The objective factors described above confirm that the market price is determined by taking into account the characteristics and guarantees of all the service elements expected in the procurement process, and not only the price of the physical product (asset/service). The combination of the conditions set out in the framework agreements, as described above, contributes significantly to the cost-effective operation of the organisations concerned (the most cost-effective process or technology is the one that achieves the greatest result with the least input).</p> <p>As mentioned above, different trading models operate according to different market logic, optimize in different ways and at different times, and set the market price accordingly, and are therefore not comparable.</p> <p>However, the examination of the complex cost-effectiveness issue is part of the Procurement Performance Measurement Framework established by Government Decision 1425/2022 (IX. 5.).</p>
14.	Centralised public procurement	With regard to the current percentage-based fees for the services of the central purchasing body, the	The Government does not agree with the proposal.

<p>The Authority proposes to revise the tariffs, also taking into account the operating costs of central bodies, and to introduce a nominal cap.</p>	<p>The Defence Procurement Agency is not entitled to a fee for procurement services pursuant to Government Decree 329/2019 (XII. 20.) on the designation of a central purchasing body, the definition of the scope of procurements related to defence and security tasks and the centralised system of procurements related to defence and security tasks. The Government Decree 162/2020 (IV. 30.) on the Legal Status of the National Communications Office and Government Communications Procurement currently includes a nominal upper limit for the procurement fee. The central purchasing bodies conclude framework agreements on a professional basis and according to volume plan/actual data, and maintain dynamic purchasing systems. Procurement service fees are necessary to ensure the proper and secure maintenance of the centralised system, and contribute to the functioning of the central purchasing body in proportion to its needs, providing the professional background and technical conditions. The central purchasing body provides the procurement and technical conditions for the purchases of the entities concerned. In all cases, the percentages laid down in the Regulation are proportionate to the estimated value of the procurement and can be planned for the organisations concerned. The central purchasing body also provides a so-called 'ancillary procurement service', so that the costs incurred by the organisations concerned in obtaining the services of a procurement consultant are not incurred.</p>
<p>15. Centralised public procurement - The Authority recommends that consideration be given to a legislative review of the scope of the so-called 'own responsibility' procurement and the making public and accessible the criteria for the decision of the purchasing organisation to delegate its own responsibility.</p>	<p>The Government partly agrees with the proposal.</p> <p>Article 7 of the Government Decree 168/2004 (V. 25.) on the centralised public procurement system and the duties and powers of the central purchasing body currently</p>

			<p>also includes possible cases of procurement under own responsibility.</p> <p><u>Action:</u> The Minister responsible for public procurement will ask the ministers overseeing central purchasing bodies to report to the Government, with the involvement of the central purchasing bodies, on the possibilities for revising the legal provisions.</p>
16.	Centralised public procurement	The Authority proposes to review the system of centralised procurement without thresholds.	<p>The Government partly agrees with the proposal.</p> <p>The aim of centralised procurement is to enable the procurement of goods and services for the same use, which arise on a recurring basis for the relevant departments, under uniform conditions, and to manage the needs arising quickly and efficiently, through a complex understanding of cost-effectiveness, including the benefits and discounts available through the procurement of the aggregate volume of institutional purchases. Nor is there any justification for amending the obligation in the interests of security of supply of goods and services necessary for day-to-day operations.</p> <p><u>Action:</u> The Minister responsible for public procurement will ask the ministers overseeing central purchasing bodies to carry out a review of the justification for maintaining mandatory central purchasing regardless of value thresholds, with the involvement of central purchasing bodies, and by collecting and analysing practical experience.</p>

17.	Centralised public procurement	In line with the specificities of each central purchasing body, the Authority proposes to examine the optimal number of framework agreements to be concluded and the possibility of having several framework agreements covering central procurement items, including through partial tendering, thus widening competition and participation.	<p>The Government agrees with the proposal.</p> <p><u>Action:</u> The Minister responsible for public procurement will ask the ministers overseeing central purchasing bodies to carry out, with the involvement of the central purchasing bodies, an examination of the practice of applying framework agreement framework numbers and partial tendering rounds in central procurement systems.</p>
18.	Centralised public procurement	In order to enhance publicity and transparency, data should be made available on the distribution between economic operators of the award of framework agreements and individual contracts concluded by central purchasing bodies under dynamic purchasing systems, including their number and value, as well as the prices obtained in the second part of the framework agreement procedure and the savings achieved through centralised procurement.	<p>The Government partly agrees with the proposal.</p> <p>In relation to the assessment of cost-effectiveness, it should be noted that the price fixed in the individual contract concluded should not be the sole indicator in this area, as other cost savings, such as time savings or those resulting from the implementation of a centralised procurement strategy, or from the development of synergies between "standardising" procurement systems, are not included in the price obtained through a centralised procurement system. However, the examination of the complex issue of cost-effectiveness is part of the Procurement Performance Measurement Framework established under Government Decision 1425/2022 (IX.5) and no further action is required.</p> <p><u>Action:</u> The Minister responsible for public procurement will contact the ministers supervising the central purchasing bodies in order to develop, with the involvement of the central purchasing bodies, a standard template for the data to be provided by the central purchasing bodies and to publish, in accordance with Section 11 (c) of the Public Procurement Act, the information on individual contracts based on framework agreements, broken down by period.</p>

			the distribution of the award of the contract between the various economic operators.
19.	Centralised public procurement	The Authority proposes to analyse the effectiveness of the use of centralised procurement for the product ranges currently included in the centralised scope and to carry out an impact assessment of the expected benefits of centralised procurement before deciding on any new products to be included in the centralised scope in the future.	<p>The Government agrees with the proposal.</p> <p>The examination of the complex cost-effectiveness issue is part of the Public Procurement Performance Measurement Framework established under Government Decision 1425/2022 (IX. 5.).</p> <p>Pursuant to Article 31 (1) of Act CXLIII of 2015 on Public Procurement (hereinafter: Act on Public Procurement), the scope of centralised public procurement systems designated by the Government is determined by a Government Decree. Pursuant to Section 17 (1) of Act CXXX of 2010 on Legislation, the preparer of a government decree is obliged to assess the expected consequences of the regulation by conducting a preliminary impact assessment in a level of detail commensurate with the presumed effects of the legislation.</p> <p><u>Action:</u></p> <p>The Minister responsible for public procurement calls on the ministers overseeing central purchasing bodies to prepare the impact assessment required for the amendment of the legislation with particular care and detail, including the expected benefits of centralised procurement, for the product areas to be included in the centralised procurement system.</p>
20.	Evaluating the effectiveness of public procurement rules	In addition to the measures already taken to discourage one-off procedures, the Authority recommends reviewing the minimum rules on mandatory prior market consultation, adding detailed rules and reviewing the adequacy of the minimum time limit.	<p>The Government agrees with the proposal.</p> <p><u>Action:</u></p> <p>According to point 10 of Government Decision No 1 118/2023 (31.III.) of 31 October 2023 on the Action Plan on measures to increase the level of competition in public procurement (2023-2026) [hereinafter: Government Decision No 1 118/2023], the measure is ongoing, with a deadline of 31 October 2023.</p>

21.	Evaluating the effectiveness of public procurement rules	In view of the reliable and predictable operation of the ERA, the Authority does not consider it justified to maintain the waiting period of two hours between the deadline for submission of tenders and the breakdown, and therefore proposes to abolish it.	<p>The Government agrees with the proposal.</p> <p>The legal requirement for a standstill period and the operation of the Electronic Procurement System (hereinafter "EDP") do not undermine the confidentiality of tenders or the transparency of procedures. The main function of the two-hour standstill period is to ensure that, in the event of a malfunction of the EWS, for example to prevent the submission of tenders, it is technically possible to signal the malfunction before the automatic opening of tenders, to suspend the opening and to extend the deadline for the submission of tenders. Since 15 April 2018, the date of mandatory application of the ERA, there have been rare cases where the intervention of the ERA operator has been necessary to suspend the demolition, but in all cases this has been done before the end of the deadline for bids or participation (the start of the two-hour waiting period). Based on practical experience of the operation of the ERC, a shortening of the waiting time would therefore only increase the risk of a possible breakdown being resolved with a low probability. However, it is essential that the submission and breakdown operation in the IT system also requires technical lead time, and therefore the time conflict of individual transactions should be avoided in order to avoid error events.</p> <p><u>Action:</u></p> <p>The Minister responsible for Public Procurement will examine the technical feasibility of reducing the time between the deadline for submission of tenders (participation) and the opening of tenders (participation applications) so that the ERA can be operated without disruption.</p>
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			and the time technically necessary to carry out the tendering and dismantling operations in a safe manner.
22.	Evaluating the effectiveness of public procurement rules	In order to facilitate the wider availability of partial tendering, the Authority proposes to complement the legal framework on partial tendering and, following a review of case law, to develop methodological material on the subject.	<p>The Government partly agrees with the proposal.</p> <p>The current rules of the Public Procurement Code allow contracting authorities to take into account the characteristics of individual cases, in line with the provisions of the Directive. The Guide of the Council of the Public Procurement Authority on the calculation of estimated value, the prohibition of splitting and the artificial aggregation of procurement requirements (7 October 2021) details the requirement to ensure partial tendering for procurement requirements that are not closely linked. According to the Single Market Scoreboard on public procurement above the EU thresholds published by the European Commission, Hungary is in the middle range of 25-40% (37% in 2021) of the proportion of procedures with partial tendering, together with 13 other Member States, i.e. the proportion of partial tendering is considered to be high.</p> <p>Section 43 of Act CVIII of 2011 on Public Procurement, repealed on 1 January 2015, stipulated the provision of partial bids as mandatory under certain conditions, which, based on experience, caused a number of problems in the application of the law, and the legislator amended the regulation in this regard (see the 2013. The control practice of the institutional system of development policy in the field of EU funds and, in addition, the control of notices by the Public Procurement Authority currently also strictly enforces the requirement to make a partial offer in individual cases.</p>

			<p>In the light of the above, it is not necessary, nor would it be appropriate, to intervene at the level of legislation, and the appropriate enforcement of the law is ensured by the control and redress systems.</p> <p><u>Action:</u></p> <p>The Minister responsible for public procurement shall ensure the preparation of specific methodological material on the provision of partial tenders in matters relating to the use of EU funds, and shall consult the relevant competent bodies on the draft thereof.</p>
23.	Evaluating the effectiveness of public procurement rules	The Authority recommends defining the legal framework for the electronic access of contracting authorities to contract documents.	<p>The Government does not agree with the proposal.</p> <p>The possibility to consult the other tenderer's tender is proportionate to the purpose of the consultation, i.e. only to the extent strictly necessary for the exercise of the right of appeal, and therefore remote electronic consultation without the direct supervision of the contracting authority is not allowed (this would be equivalent to the transfer of documents, which would be disproportionate to the purpose of the consultation).</p>
24.	Evaluating the effectiveness of public procurement rules	The Authority proposes to reinforce the monitoring and information obligations of contracting authorities during the contract performance period to ensure the proper use of the involvement of the capacity provider.	<p>The Government agrees with the proposal, but does not consider that further action is necessary as the existing legislation contains the provisions set out in the report.</p> <p>Currently, the Public Procurement Act also contains detailed obligations concerning the involvement of capacity providers and the control by the contracting authority (and the Public Procurement Authority) [Article 138 (2), Article 142 (1), (2) and (4), Article 143 (1) (b)].</p>

			and the powers are vested in the Public Procurement Authority.
25.	Evaluating the effectiveness of public procurement rules	In order to facilitate the practical application of the optional ground for exclusion set out in Article 63(1)(c) of the Public Procurement Act, the Authority proposes that contracting authorities in public procurement procedures should specify in advance, in their contracts resulting from the procurement procedure, detailed provisions on what constitutes a serious breach of contract that justifies notification to the Public Procurement Authority; for this purpose, the Authority proposes to amend the provisions of Article 63(1)(c) of the Public Procurement Act. In order to apply this principle, the Authority proposes to amend Chapter XX on contracts to make it compulsory for contracting authorities to provide for contractual clauses on serious breach of contract.	<p>The Government does not agree with the proposal.</p> <p>The judgment of the Court of Justice of the European Union in Case C-41/18 <i>Meca Sri v Comune di Napolt</i> held that it follows from the wording of Article 57(4) of Directive 2014/24/EU of the European Parliament and of the Council that the EU legislator intended to leave to the contracting authority, and to it alone, the decision as to whether a tenderer should be excluded from the procurement procedure. This is primarily to enable that body to assess the integrity and reliability of each tenderer. It is the intention of the EU legislature to enable the contracting authority to assess for itself the acts committed or omitted by an economic operator either before or during the award procedure in one of the cases provided for in Article 57(4) of the Directive. In accordance with the above, it is not necessary (nor is it possible) for exclusion under Article 63(1)(c) of the CBA that the prior public contract should have laid down in advance the cases of serious breach of contract. In the performance of any contract, there may be a breach of contract which, even with a sufficiently careful drafting of the contract, is not foreseen in the contract in advance, but the consequences under civil and public procurement law must be applied.</p>
26.	Evaluating the effectiveness of public procurement rules	With regard to the ground for exclusion under Article 63(1)(c) of the Public Procurement Act, the Authority recommends that the Public Procurement Act should lay down conditions for the acceptance of a challenge to a serious breach of contract, in order to prevent its misuse, for example by requiring it to be brought before a court and requiring the contractor to prove that it has been committed.	<p>The Government does not agree with the proposal given that the current regulation is based on EU practice.</p> <p>Following the judgment of the Court of Justice of the European Union in Case C-41/18, cited above, exclusion under Article 63(1)(c) of the Public Procurement Act cannot be linked to</p>

			<p>for an assessment carried out by a third party. Before deciding to exclude an economic operator, the contracting authority should pay particular attention to the minor nature of the irregularities committed or the repetition of minor irregularities.</p> <p>The acceptance of a serious breach of contract challenge does not automatically bind the contracting authority's decision. As reflected in EU case-law, exclusion on the grounds of serious breach of contract is mainly applicable in situations where the contracting authority has personal experience of the breach of contract by the economic operator concerned. This allows it to make a genuine assessment of the seriousness of the breach of contract in the way required by EU case-law. From the point of view of proportionality and practical feasibility, it is not feasible to make it compulsory to bring civil proceedings in all cases of breach of contract in order to strengthen the enforcement of an optional ground for exclusion from public contracts.</p>
71.	Evaluating the effectiveness of public procurement rules	In order to ensure the proper application of the disproportionate price test, the Authority proposes to analyse the case law, to develop model price indication request materials and to issue guidance on this issue.	<p>The Government agrees with the proposal.</p> <p><u>Action:</u> The Minister responsible for public procurement shall propose to the Council of the Public Procurement Authority that the analysis and drafting tasks necessary for the preparation of the Guide be scheduled in the agendas of the working committees and council meetings to be held in 2024.</p>
28	Evaluating the effectiveness of public procurement rules	In the area of disproportionately low prices, the Authority recommends increased monitoring and enforcement of the timely publication of the rates of pay and other costs applicable in the various sectors by the designated bodies each year, as required by the Public Procurement Code.	<p>The Government agrees with the proposal.</p> <p>Pursuant to Article 187 (2) (q) of the Public Procurement Act, the Minister responsible for employment policy is required to make the data available to the Public Procurement Authority every year, on the basis of which the Public</p>

			<p>The Authority is required to keep up to date, maintain and publish on its website the wages and related public charges that are customary or fixed in each sector. The data published by the Public Procurement Authority can be found on the https://kozbeszerzes.hu/adatbazisok/tajekoztato-agazati-berek/.</p> <p>The department of the Minister responsible for public procurement contacted the Public Procurement Authority in connection with the recommendation, which confirmed in a statement that it writes to the Minister responsible for employment policy every year to obtain the relevant data, that the communication between the relevant bodies is smooth, that the data was always provided on time, and that the Public Procurement Authority publishes the continuously updated data in accordance with the Public Procurement Act.</p> <p><u>Action:</u> No further action is needed.</p>
29.	Evaluating the effectiveness of public procurement rules	In the context of the examination of disproportionately low prices, the Authority recommends that the law should stipulate that in the additional requests for indication of prices related to the request for indication of prices, the contracting authority should not be entitled to request the presentation of additional cost elements or to extend the cost elements previously indicated.	<p>The Government does not agree with the proposal.</p> <p>In its judgments in Joined Cases C-285/99 and C-286/99, the Court of Justice of the European Union ruled that the tenderer must be given the widest and fullest opportunity to present the justification for his tender without restriction. The EU public procurement directives do not allow for the exclusion of certain types of justification. Any such restriction would be contrary to the Directive's objective of facilitating free competition, since such a restriction would lead to the exclusion of tenders justified by considerations other than those of the applicable national rules, despite the best value for money. In line with the above, Article 72 of the Public Procurement Act empowers the contracting authority to</p>

			to decide which elements of the offer it considers relevant to the evaluation and to choose to request data to support the content of those elements. It is also at the discretion and responsibility of the contracting authority to request additional justification to assess the admissibility of the justification. In line with EU public procurement law and judicial practice, it is not possible for the means necessary for the contracting authority to make an informed assessment and to provide the tenderer with the clarifications that it is obliged to provide to the tenderer to be limited in advance by the national legislator in a legislative act.
30.	Evaluating the effectiveness of public procurement rules	In order to reduce the length of the assessment, the Authority does not consider it justified to maintain the 180-day rule and therefore recommends that the legislator review the necessity of Article 70(2a) of the Public Procurement Act and the related case of ineffectiveness.	<p>The Government does not agree with the proposal.</p> <p>The reason for ineffectiveness under Article 75(2)(c) of the Public Procurement Act was introduced from 1 February 2021 with the aim of preventing the abusive prolongation of the evaluation period, and therefore the abolition of the rule would not reduce the length of the evaluation, but would have the opposite effect.</p> <p>In the case-law before 1 February 2021, it also happened that the contracting authority was unable to complete the evaluation of tenders within the maximum period of ninety or one hundred and twenty days, respectively, as provided for in the Public Procurement Act, but there were tenderers who still undertook to maintain their commitment to tender, so there was no room for declaring the procedure ineffective. In order to avoid abuse of the prolongation of the evaluation period, the legislator introduced from 1 February 2021 that tenderers cannot be asked to maintain their tender security beyond ninety and one hundred and twenty days, and that the evaluation can only continue beyond 180 days if the tenderer considered to be the most advantageous is still willing to maintain its tender. Article 70(2a) of the Public Procurement Act has therefore limited the extension of the evaluation and the legal position of tenderers</p>

			also made it more beneficial during the extended period. In view of the above, it is justified to maintain the rule. According to the Single Market Scoreboard published by the European Commission for public procurement above the EU thresholds, Hungary is in the appropriate band of less than 120 days for the duration of the evaluation (2021 data).
31.	Evaluating the effectiveness of public procurement rules	The Authority proposes to review the practice of conditional public procurement and, on this basis, to supplement the rules on conditional public procurement and to tighten the conditions of application.	<p>The Government does not agree with the proposal.</p> <p>The use of conditional tendering procedures under unchanged conditions is still necessary, in particular because of the short time limits for the use of EU funds, which make it necessary to continue to use them in the relevant cases during the period when EU funds are still to be disbursed.</p>
32.	Evaluating the effectiveness of public procurement rules	Given the increasing trend towards accelerated procedures, the Authority proposes to carry out a targeted review of the justification for accelerated procedures and, where not excluded by the EU public procurement Directives, to review legislatively whether it is justified to maintain the possibility for contracting authorities to use accelerated procedures for framework agreements, given their high value and multiannual nature.	<p>The Government does not agree with the proposal.</p> <p>The accelerated procedure is justified by the urgency of the procurement need, and the framework agreement procurement method is a method of contracting for a specific period of time, which are not always automatically mutually exclusive (For example, an urgent procurement need may be met under a very short term framework agreement concluded under an accelerated procedure, in such a way that the use of the framework agreement procurement method ensures a quick and flexible ordering option during the short term.) The legality of this application can only be considered in individual cases. In practice, the in-process control of EU funds and, in addition, the control of notices by the Public Procurement Authority currently strictly enforce the conditions for the application of the accelerated procedure in individual cases.</p>

33.	Evaluating the effectiveness of public procurement rules	In order to effectively address situations of unfair competition, the Authority recommends that the results of notifications of unfair competition in the conduct of public procurement procedures be made public by the Competition Authority and that lessons learned be shared with monitoring bodies and law enforcement authorities.	<p>The Government agrees with the proposal.</p> <p>In response to a question from the departments of the Minister responsible for public procurement, the Economic Competition Authority stated in a statement that it considers it feasible from a professional and policy perspective to publish the results of notifications concerning violations of competition law in the context of public procurement procedures, in connection with which competition supervision proceedings have been initiated and the Competition Council has issued a substantive decision finding an infringement, given that the Competition Act of 1996. LVII of 1996 (hereinafter referred to as the "Act on the Prevention of Unfair Competition and Cartel Practices") (hereinafter referred to as the "Act on the Prevention of Unfair Competition and Cartel Practices").</p> <p>In this context, by 31 December 2023, the Competition Authority undertakes to review the decisions of the competition supervision procedure adopted in the last ten years in connection with the conduct of public procurement procedures, to collect and publish their anonymised, confidential versions on its website, and to summarise the findings and experiences of a principled nature that can be drawn from the decisions.</p> <p>In the context of the above, the Economic Competition Authority undertakes to present the decisions and summarised experience of the authorities gathered in connection with the recommendation by 31 December 2023 in the professional guidelines on corruption risks affecting the fairness of public procurement competition to be issued by the President of the Public Procurement Authority and the President of the Economic Competition Authority on the basis of Government Decision 1118/2023 (31.III.).</p>
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			<p>The FCA also agrees with the recommendation that sharing experience with public procurement control bodies, in compliance with data management rules, is always useful and valuable. In this respect, the FCA proposes to organise a conference for public procurement control bodies at least once a year, where the FCA could present, among other organisations, its actions and experiences in the areas of its competence, in order to ensure the lawful conduct of public procurement. The Office of Economic Competition undertakes, with the agreement and support of the Prime Minister's Office, to organise the first such conference in the first half of 2024. The FCA agrees with the recommendation that the education of law enforcers, i.e. active participants in public procurement procedures, is a prerequisite for achieving "fair competition" in public procurement. With this in mind, the Office of Economic Competition undertakes, by 31 December 2023, to present its current experience in order to increase the number of successful notifications in the technical guidelines on corruption risks in public procurement competition, to be issued by the President of the Public Procurement Authority and the President of the Office of Economic Competition on the basis of Government Decision 1118/2023 (31.12.20), and to assess the possibilities for training for market participants and those who have conducted public procurement procedures.</p> <p><u>Action:</u> The Minister for Public Procurement asks the Office of Economic Competition to take the following measures:</p> <ul style="list-style-type: none"> - decisions on the conduct of public procurement procedures taken in the last ten years
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			<p>publishes its decisions in competition proceedings and the findings of principle that can be drawn from those decisions;</p> <ul style="list-style-type: none"> - present the Authority's experience in the technical guidelines on corruption risks affecting the fairness of public procurement competition to be issued by the President of the Public Procurement Authority and the President of the Economic Competition Authority on the basis of Government Decision 1118/2023 (31.III.); - present at a conference its actions and experiences in the areas of its competence; organise the first such conference in the first half of 2024; - present its current experience in increasing the number of successful notifications in the professional guidelines on corruption risks affecting the fairness of public procurement competition to be issued by the President of the Public Procurement Authority and the President of the Economic Competition Authority on the basis of Government Decision No.11 18/2023 (31.III.), and assess the possibilities for training for market participants and those who have conducted public procurement procedures.
34.	Evaluating the effectiveness of public procurement rules	The Authority proposes to maintain the type of procedure under Article 115 of the Public Procurement Act and to review its conditions of application, for example by converting it into a call for tenders procedure in which only micro and small enterprises may tender.	<p>The Government does not agree with the proposal.</p> <p>It would be contrary to the principle of equal treatment (non-discrimination) to restrict the right to tender in a public procurement procedure to micro and small enterprises. The analysis of the Public Procurement Performance Measurement Framework shows a downward trend in the use of this type of procedure. In terms of the total volume of public procurement, there is no significant difference between the</p>

			In the EU, they represented only 2% of the total public procurement market and only 4% of the total construction market. To avoid increasing the administrative burden, it is advisable to maintain this type of procedure. It is currently not applicable even where EU funds are used.
35.	Evaluating the effectiveness of public procurement rules	The Authority proposes the creation of structured databases for the different public procurement databases, in a standardised format, suitable for data retrieval and processing, for a longer period.	The Government does not agree with the proposal. The general IT system for public procurement procedures is the ERA, therefore its further development is justified, the next steps of which are set out in points 5 to 8 of Government Decision No 11 18/2023 (31.III.).
36.	Evaluating the effectiveness of public procurement rules	The Authority proposes to analyse the jurisprudence on preliminary dispute resolution and, on this basis, to supplement the relevant legislation, in particular as to whether it should be mandatory, and to recommend that the failure of contracting authorities to respond in a timely and substantive manner should be sanctioned; in order to ensure the effectiveness and consistency of the rules on administrative and judicial remedies in public procurement, the Authority proposes: - ensure the right to request a hearing in administrative proceedings, - reviewing the provisions of a different nature concerning administrative charges and court fees, - an assessment of whether it was appropriate to maintain mandatory representation in the proceedings before the Arbitration Committee. - the analysis of the jurisprudence of the Arbitration Committee and the courts on client eligibility, and the issuance of guidance and clarification of the rules accordingly, - the analysis of the jurisprudence of the Arbitration Committee and the courts on the imposition of fines, and the clarification of the legal regulation in this context, - to review the measures and tools to support a faster conclusion of the public procurement judicial review phase, in order to ensure effective redress.	The Government partly agrees with the proposal. Making prior dispute resolution compulsory would not be appropriate, as it would restrict the free exercise of the right to seek redress before a public authority. Infringements in relation to the response to a request for a settlement are already sanctioned under the general rules on remedies (even higher fines if the contracting authority rejects the request for a preliminary settlement but the ACPC subsequently finds that the contracting authority's procedural act was in breach), and therefore do not require further action in this area. In connection with the possibility of requesting a hearing in the remedy procedure, the Public Procurement Authority's Public Procurement Arbitration Committee - at the request of the departments of the Ministry of Regional Development - stated in a statement that, pursuant to Section 161 (1) of the Public Procurement Act, a hearing may be necessary in particular for the exercise of the rights of the parties, for clarifying the facts of the case, and for making a professional decision that takes into account all the circumstances relevant to the case. The General Administrative Procedure Act

			<p>Pursuant to Section 74 (1) of Act CL of 2016 (hereinafter: CC), the authority shall hold a hearing if a) in order to clarify the facts of the case, it is necessary to hear the parties together in a dispute,</p> <p>b) the nature of the case allows, in proceedings involving opposing parties, or</p> <p>c) a joint hearing of the parties to the proceedings is necessary to clarify the facts.</p> <p>It should be stressed that administrative law has not, either in the past or in the current procedural laws, provided for a right for clients to be granted a hearing at their request, either in the general procedural rules or in the current procedural laws. Both the Public Procurement Procedures Act and the Public Procurement Code leave it to the discretion of the Arbitration Committee to decide whether a hearing should be held, but with the provision that the circumstances to be taken into account must be mandatory. A mandatory hearing at the request of the client would, on the contrary, jeopardise the speedy and efficient administration of the remedies procedure (the average time taken by the ACPC to deal with a remedy procedure over the last five years has been 28 days), which would unduly delay the conclusion of public contracts and increase the possibility of abuse of rights by clients to unduly delay disputes. Therefore, the introduction of the possibility to request a hearing is not justified and the recommendation does not require further action.</p> <p>In relation to the possibility of abolishing the mandatory representation in the appeals procedure, the Public Procurement Authority's Public Procurement Arbitration Committee, in response to a request from the departments of the Ministry of Regional Development, stated in a statement that the legal/procurement expertise of the client's representatives would increase the chances of a rapid and efficient resolution of disputes.</p>
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			<p>as if lay clients were acting in a public procurement appeal procedure requiring highly specialised expertise. In view of this, the maintenance of mandatory representation is justified.</p> <p><u>Action:</u> The administrative service fee is under review pursuant to point 9 of Government Decision 1118/2023 (31.III.). The Minister responsible for public procurement will consult the President of the National Office for the Judiciary (OCJ) on the court fees. The Minister responsible for public procurement requests the Public Procurement Authority's Public Procurement Adjudication Committee to prepare a survey and briefing material on customer responsiveness in public procurement appeals. The Minister responsible for public procurement requests the Public Procurement Authority's Public Procurement Adjudication Committee to carry out an analysis of its jurisprudence on the imposition of fines in public procurement appeals. The Minister responsible for public procurement will consult the President of the ACPC on issues related to the judicial review phase of public procurement.</p>
37.	Examining the practical application of the requirements on the obligation to check declarations of conflict of interest and declarations of interest, the need for additional public procurement legislation	In our view, it is not clear whether the Guide and the Ministerial Note to the Public Procurement Act are sufficient in themselves to make it general practice for contracting authorities to request declarations of interest in addition to the declaration of conflict of interest and to check the declarations of conflict of interest made, and therefore the Minister responsible for public procurement should examine the practical implementation of the requirements by the law enforcement authorities and consider setting out the requirements in clear and detailed legislation.	<p>The Government does not agree with the proposal.</p> <p>The inclusion in the law of the so-called declarations of interest, the verification of the so-called declarations of interest would be a legal requirement in addition to the rules of the EU Directive, but a general solution that can be applied uniformly to all contracting authorities cannot be given at the legislative level. In view of this, it is appropriate to maintain the discretion and responsibility of contracting authorities to take all measures to prevent, detect and manage conflicts of interest.</p>

			what is necessary in the given situation. It is not possible at the legislative level to capture all the possible options that may arise.
38.	Digitisation of data communications	Submitting declarations of conflict of interest, assets and interests via online/offline e-forms - ensuring conditions and creating obligation. Consideration should be given to the electronic support for the declaration of public procurement procedures, to be included in the Electronic Procurement System and in the electronic procurement systems operated by central purchasing bodies.	The Government does not agree with the proposal. In practice, there is usually a single user of the EHR interface for contracting authorities. A significant increase in the administrative burden would be caused if, for example, all persons concerned by declarations of conflict of interest would have to register and perform actions in the ERA.
39.	Examination of the registration and management of declarations of conflicts of interest, assets and interests, disclosures and, where appropriate, the organisation of these declarations in a database	Examination of the registration and management of declarations of conflicts of interest, declarations of assets and interests, data disclosures, and, where appropriate, the organisation of these declarations in a database, in order to support the wider and deeper processing of declarations at system level and the comparability of declarations. Depending on the outcome of the study, modification of the public procurement legislation.	The Government does not agree with the proposal. The declarations listed in the Recommendation are different types of declarations with different purposes and regulated in different ways, and it is not the role of public procurement regulation to establish and regulate records of the assets and liabilities of individuals.
40.	Practical guides, training and advice	As conflicts of interest always need to be examined and dealt with on a case-by-case basis, the publication of guidance explaining the aspects to be considered in each case, illustrated by concrete examples, would facilitate the correct application of the rules. It is also proposed to provide workshops and advice to stakeholders based on the guidance.	The Government agrees with the proposal <u>Action:</u> According to point 15 of Government Decision 1118/2023 (31.III.), one of the measures has been fulfilled and the Guidelines have been issued by the Council of the Public Procurement Authority. According to point 14 of Government Decision 1118/2023 (31.3.2023), the measure on conferences and information events is in progress, with a deadline of 31 December 2023, and will be implemented as and when it arises.
41.	Regular assessment and continuous improvement of compliance with conflict of interest rules	It is proposed to prepare an annual evaluation report, which may identify proposals to improve the effectiveness of the system based on experience gained in the monitoring of declarations of assets, declarations of interests and declarations of conflicts of interest, and possibly on a review of the legal consequences applied (disciplinary proceedings and criminal sanctions).	The Government does not agree with the proposal. Both in the conditionality procedure and as a result of the follow-up to the conditionality procedure (e.g. the strategy against fraud and corruption involving EU funds), a number of evaluation

			mechanisms have been set up to perform this function, in particular the reports of the Integrity Authority. The Kit. 29/B(10), the BEII shall inform the Integrity Authority in a detailed annual report of its activities, the quantifiable results and experiences of the inspections carried out, the measures taken, the number of notifications received and the cases investigated.
42.	Publication of model declarations of conflict of interest and interest in public procurement.	The Council's Guide on Conflict of Interest of the Public Procurement Authority details the proposed content of the declaration of conflict of interest, but in order to ensure uniform application of the law and the same conditions in different procedures, the Authority considers it appropriate to issue guidance documents and model declarations to ensure their proper application, in particular the development of model declarations with guidance on how to fill them in, and to ensure consistent enforcement of the rules and efficient processing of declarations.	The Government agrees with the proposal. <u>Action:</u> The Minister responsible for public procurement will propose to the Council of the Public Procurement Authority that the development of model declarations related to the Guide be scheduled for the agendas of the working groups and council meetings to be held in 2024.
43.	Supplement to the provisions of the Public Procurement Code of the Public Procurement Regulation	In view of the importance of the conflict of interest issue, it is proposed to supplement the detailed provisions of the Public Procurement Rules with a reference to the provisions on the declaration and management of conflicts of interest, the verification of declarations and the request for declarations of interest.	The Government agrees with the proposal, but does not consider that further action is necessary as the existing legislation contains the provisions set out in the report. It is not necessary to provide in the public procurement rules for all the obligations of the contracting authority, which are contained in the CBA. Contracting authorities have already used conflict of interest declarations, this is not a new legal instrument, and the declaration of interest is only one possible instrument that the contracting authority can use within its own sphere of responsibility. The monitoring of procedures in the context of the development of a policy of improvement makes its practical application logically necessary. At the legislative level, there is no general solution that can be applied uniformly to all contracting authorities. It is therefore appropriate to maintain the decision-making competence and responsibility of contracting authorities in

			to take all measures to prevent, detect and manage conflicts of interest that are necessary in the circumstances. It is not possible at the legislative level to capture all possible scenarios that may arise.
44.	Linking the asset declaration system and the declaration of interests system	In addition to the introduction of electronic support for the declaration and the verification of declarations, it is proposed to link the two systems, thus allowing for a systematic verification of declarations of interest among the persons subject to the obligation to declare. To ensure effective control, it is necessary to ensure that at least the data on economic interests contained in the business register, the register of sole proprietors and the register of beneficial owners can be consulted. In the case of persons not subject to the obligation to declare assets, random checks on declarations of interest could be carried out under the responsibility of each contracting authority. For the purpose of the random checks, a methodology guide and a system of indicators for contracting authorities should be developed.	The Government does not agree with the proposal. There is no justification for linking the two systems solely to allow for a more systematic verification of declarations of interest. The first point of the declaration of interests is not identical to the part of the public declaration of assets and liabilities relating to economic interests, the difference being that the latter requires data to be provided retroactively back 5 years and the declaration of interests of the spouse or partner of the declarant and of his/her children, whereas the former is a declaration of business interests of the person concerned and his/her relatives within the meaning of the Civil Code.
45.	Strengthening the asset declaration control system	Strengthening the system for verifying asset declarations and introducing a system of sanctions with adequate deterrent effect, consistently and consistently applied, are of particular importance. The Authority will publish its detailed findings and proposals in the fourth quarter of 2023, pursuant to Section 75 of the Eufetv Act.	The Government takes note of the recommendation. The Government takes note that the Integrity Authority will issue a separate report on the asset declaration scheme in the last quarter of 2023, detailing its findings and making recommendations. The Government has also committed in the Conditionality Procedure and in the Recovery and Resilience Plan to establish an effective, proportionate and dissuasive system of administrative and criminal sanctions for serious breaches of obligations under the asset declaration regime.
46.	EEA data	In order for the EAA system to be able to perform its statistical and data reporting functions to the maximum extent possible, and to	The Government partly agrees with the proposal.

		to provide high quality data for processing and automated testing, we recommend extending the checks on the input interfaces, clarifying and cleaning the data loaded.	<p>With the introduction of the new e-forms notice system, the automatic control of data uploading will be extended when using the EHR, but "cleaning" of the uploaded data before publication is excluded, as the notice will obviously have to publish what the contracting authority has written in it. The task of the ERA is to transmit the notice, not to modify it. It is also logical that the principle of openness and transparency is only met if the ERC publishes the data uploaded by the contracting authorities without any changes.</p> <p>When statistical analyses are carried out using ERA data, for example in the context of the Public Procurement Performance Measurement Framework analyses, the methodological steps used in the processing of the statistical dataset are annexed to the published analysis by the Prime Minister's Office.</p> <p><u>Action:</u> No further action is needed.</p>
47.	EEA data	The Authority also proposes to consider making it compulsory for consortia to indicate the estimated and actual contribution of each consortium member to the estimated and contracted amount.	<p>The Government agrees with the proposal.</p> <p>Pursuant to Section 8 (d) of Government Decree 424/2017 (XII. 19.) on the detailed rules of electronic public procurement, it is currently mandatory to provide this information, failure to do so is a public procurement infringement against which a legal remedy may be initiated.</p> <p><u>Action:</u> No further action is needed.</p>
48.	EKR data connection	The Authority also proposes to consider publishing the final amount of the contracts at the time of performance (not the contract price, but the final price at the time of performance), even in a separate table, and to ensure data linkage with the EDF Scoreboard.	<p>The Government agrees with the proposal.</p> <p><u>Action:</u> The Minister responsible for Public Procurement shall ensure the development of the EDF, subject to the availability of the necessary resources for the development of the EDF in question.</p>

49.	Framework agreements	<p>It is recommended that data retrieved under framework agreements registered by central purchasing bodies should also be publicly available and that the possibility of linking the data to the ERA should be ensured. In this context, the Authority proposes to consider the proposal of the Anti-Corruption Working Group on Framework Agreements to examine the viability, market distorting and competition reducing effects of framework agreements of central purchasing bodies and to examine the possibility of fully integrating framework agreement data into the ERA performance measurement framework (and public procurement statistics in general).</p>	<p>The Government agrees with the proposal.</p> <p><u>Action:</u></p> <p>The Minister responsible for public procurement will contact the ministers supervising the central purchasing bodies in order to develop, with the involvement of the central purchasing bodies, a standard template for the data to be provided by the central purchasing bodies and to publish, by period, the data on the distribution of the award of individual contracts based on framework agreements between the various economic operators, in accordance with Article 11(c) of the Public Procurement Act.</p> <p>The Minister responsible for public procurement shall ensure that the necessary legislative amendments are prepared and, subject to the availability of the necessary resources for the development of the ERA, that the ERA is amended in order to ensure that the data of the contract award notices of central purchasing bodies are linked in the ERA.</p> <p>The Minister responsible for public procurement will ask the ministers overseeing central purchasing bodies to carry out, with the involvement of the central purchasing bodies, a review of the practice of applying framework agreement framework numbers in central procurement systems.</p>
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