



Netherlands Enterprise Agency

Towards a more justified, proportional and risk-based approach for Subsidies

A Dutch Example: The National Subsidy Framework



The Dutch National Subsidy Framework

Handling subsidy applications based on the concept of 'justified trust'

Guiding principles

- › Proportionality
- › Focus on performance and outlines
- › Reduction of risks thanks to dynamic risk management
- › Standardisation and simplification based on risk acceptance



The Dutch National Subsidy Framework

The characteristic elements in the framework are:

- › Three implementation and accountability arrangements
- › Standardisation and simplification
- › Government-wide policies to prevent abuse.



Three procedural arrangements

Subsidy in euros	Procedural arrangement
€0 - €25,000	Direct approval
€25,000 - €125,000	Accountable for performance/results
€125,000 or more	Accountable for costs and performance/results



Managing risks and preventing abuse

A new approach to monitoring

- › Simplifying procedures and definitions reduces mistakes.
- › Primarily monitoring the activity to be subsidised instead of the financial details.
- › A learning system of risk analysis as a permanent part of a subsidy scheme throughout its life span.
- › Enforcement of the rules in case of incompliance/misuse.
- › To ensure that the risk analysis is also reflected in the quality of the scheme, the scheme is periodically evaluated as well.



Evaluation of the implementation of the National Subsidy Framework

In 2016 the Ministry of Finance commissioned an evaluation of the implementation of the National Subsidy Framework.

- > National Audit Service
- > Dutch Advisory Board on Regulatory Burden

The main conclusions:

- > Proper implementation in the departmental legislation and regulations is realised.
- > A moderating effect on the regulatory burden without an increase in abuse and misuse.



Conclusion

The Dutch National Subsidy Framework offers good opportunities for simplification based on justified trust.

If adapted to the challenges of one level European playing field, this approach could offer European added value without adding risks (misuse, abuse) for the European funds.