

Legal Aspects of EU Funding and Financial Mechanisms in the Czech Republic

Abstract

This dissertation examines legal aspects of EU funding and the financial contributions from the EFTA countries (financial mechanisms) in the Czech Republic. The main goal of the paper is divided into several objectives. First one is to provide an overall overview of taxonomy of legal aspects of financial relationships between recipients of financial law. Secondly, I strive to evaluate these aspects from the perspective of legal principles with the help of methods of interpretation such as linguistic meaning, historical or theological interpretation. Thirdly, the reflection of the real life needs in law is a subject to examination. Finally, I propose solutions of problematic areas.

To be able to meet this goal I needed to find something which would make a link among legal entities and units directly or indirectly involved into the process of EU funding and financial contributions from the EFTA countries. Therefore, for the purpose of my dissertation, I define financial information as information about rights, powers and obligations of recipients of financial law established while budgeting and providing funds and information about secondary subject of the legal relationships which are funds. I compared the financial rules applicable to the EU budget and budgetary rules applicable to the state budget as well as forms of realisation of law at EU level and at national level. The financial information is explored through the system of EU law, international law and national law. The research question is: How to improve the quality of financial information?

The main findings are: unfounded differences among methods of the EU budget implementation; difficulties to match all authorising officers with the EU programme or fund; lack of knowledge management at EU level as well as at national level among recipients of law involved into program management, audit, budgeting and statistics; legal uncertainty whether financial mechanisms law overrules national law; less flexible budgetary rules at national level, under-utilised system of accounts under the State Treasury; private law agreements in so-called “grants in cascade”; legal effects of “soft law” and “quasi-soft law” in the system of law in the Czech Republic; problems of project management and international partnership while executing project in budgetary units; multiplication of audit; focus on the creation of a complex system of guidelines and low progress in making transparent, easy to use and stable rules for beneficiaries.

At the end of my paper I suggest three options which I believe could make the system of EU funding and the financial contributions from the EFTA countries in the Czech Republic more

effective in compliance with the principles of sound financial management, public interest and legal certainty and could be the source of legislation de lege ferenda.

Key words: financial information, law principles, methods of implementation