

1st Interreg Europe Monitoring Committee meeting

6 October 2022

Chaired by: The Czech Republic (CZ).

Participants: See participants' List (Annex 01).

Decision notes: Interreg Europe JS

01. Welcome, opening and approval of the agenda

The **Chair** welcomed the participants.

Following the Chair's invitation, the new MC members Christina Imander (**SE**) and Rafał Modrzewski (**PL**) introduced themselves.

Daniel Leca, the Vice-President the Hauts de France Region in charge of Research, Innovation and European Affairs welcomed the participants to Lille. The importance to have a strengthened cooperation to face common challenges was highlighted.

Two changes were introduced to the agenda (Annex 02). On demand of **MT**, the **Chair** proposed to move point 7 of the agenda to the morning. Point 4 would be changed from information to decision, and point 5 from decision to information.

Decision:

The agenda was approved unanimously.

02. Programme developments

2.1. Welcoming words from Moray Gilland, new Head of Unit REGIO D.1

Moray Gilland underlined how smoothly the programme was adopted and thanked everyone for their efforts under challenging conditions. Celebrating the 20th anniversary of Interreg Europe, he summarized 20 years of cooperation concluding that interregional cooperation works. He highlighted that one of the key reasons for this success is that the members of the MC do make a difference.

2.2. Update on programme approval by EC

The programme been approved on 5 July 2022.

2.3. Regulatory timeline

EC confirmed that there was nothing new on the programme approval and the regulatory timeline and emphasized that it was now the time for implementation.

2.4. MC rules of procedure

Discussion:

JS reminded that the rules of procedure discussed and recommended by the PC were now ready to be voted by the MC. The comments from the PS were reviewed (Annex 03):

Following **CY** comment on §2 (3), **JS** proposed to keep the text unchanged as the PS will still have the possibility to weigh in on the invited guest when approving the agenda. **CY** agreed to keep the text unchanged. **JS** clarified the wording of §3 (2).

Following **RO** comment on §3 (2), the wording was changed to add the draft agenda to be provided together with the invitation.

Following **RO** comment on §6, **JS** confirmed that there was no conflict of interest.

IT asked if it was possible to have MC meetings in hybrid mode. **JS** quoting §3 (4) pointed out that the **Chair** had the right to decide the type of meeting according to the situation.

EL explained that the official appointment to the MC had not been finalised in their country. It was agreed that the persons from EL could continue to participate as guests during the meeting without voting rights.

Decision:

- Rules of procedure were approved by consensus by the MC (Annex 04).

2.5. Approval of the Programming Committee's recommendations related to the programme finance plan

JS presented the PC recommendations related to the programme finance plan (Annex 05).

Discussion:

DE asked if **NO** could confirm their contribution. **NO** informed about the latest budget reductions decided by the government and confirmed the amount stated in the finance plan.

Decision:

- The Programming Committee's recommendations related to the programme finance plan were approved.

2.6. TA budget + national contributions

JS presented the information point on TA budget + national contributions (Annex 06).

03. First call for proposals

3.1 Overview of main outcomes

JS presented a preliminary overview of the results of the first call for proposals (Annex 07). **JS** reminded the **PS** that the final outcome will be presented in the MC meeting that will take place in December in Prague. No questions were raised on this point.

3.2 Approval of the Programming Committee's recommendations related to:

- Application pack (manual, terms of reference, declaration)
- Project's subsidy contract template + partnership agreement example)

JS presented the minor updates on the programme manual (Annex 08) that were made since the PC recommendations and informed the MC that the application pack (Annex 09.1 and Annex 09.2), the subsidy contract template (Annex 10.1) and partnership agreement example (Annex 10.2) were not modified.

Decision: The **MC** approved the programme manual, the first call application pack, the subsidy contract template, and the partnership agreement example.

3.3 Results of the eligibility assessment

JS presented the results of the eligibility assessment for the first call. This includes proposal from **EE** and **RO** to update the eligibility report.

Discussion:

Based on the Partner States comments, **JS/MA** clarified that:

- it was possible for projects to address policy instruments under elaboration provided that their content was sufficiently elaborated, and their policy responsible authority known,
- the proposal to exceptionally disregard eligibility criteria 3 and 4 in the first call was the safest solution from a legal point of view
- the missing information in certain application forms is considered under the quality assessment. In case these proposals are recommended, a dedicated condition will ensure that the missing information is completed.

IT highlighted the issue faced with LEADER programmes. The LEADER local development strategies including their policy responsible authorities have to go through a selection process. Therefore, for the first call, **IT** was not in a position to confirm that the current LAGs (Local Action Groups) are policy responsible authorities for the 2021-2027 strategies. Since LAGs were involved in other countries, **IT** mentioned the importance of ensuring equal treatment among applicants. **JS** clarified that this issue depends on the particular situation in each country, which may explain why different decision on similar case is taken. Following the discussion, **IE**, who also had similar cases, agreed on reviewing them in the light of these comments.

DE emphasised that it cannot regularly update the data of responsible authorities like MAs and intermediate bodies. According to the previous programme period, **DE** asked not to use and publish any data table for **DE** project partners. **JS** confirmed that, following **EE** request, any reference to this list would be removed from the eligibility report.

Decision:

- The MC agreed on the proposal to disregard criteria 3 and 4 for the first call.
- The eligibility results were approved with the changes proposed by **EE** and **RO** and under the condition that the cases discussed with **IE** and **IT** do not impact the eligibility report. In case of changes, the final results will be approved through written procedure.

04. Second call general features – first discussion

The **JS** presented the timeline and topics (all included) foreseen for the 2nd call (Annex 11).

Discussion:

Following the Partner States comments, **JS** clarified that:

it was not possible to postpone the launch of the call as it needs to coincide with the launch event (15 March 2023) that had already been agreed with **SE**. Instead, the **JS** proposed to extend a few days the closing of the call until the 09 June 2023. However, it would be difficult to reduce the time between the closure and the final decision of the PS.

The 80% funding allocation remained indicative and, if needed, the MC could rediscuss the concentration principle in the course of the programme's implementation.

JS added that an early decision on the second call core features would facilitate the call promotion and would help applicants in preparing their proposal and in particular in finding the right partners.

Decision:

- The MC agreed on the timeline of the 2nd call (15 March until 9 June).
- The MC agreed to have all topics open.
- The MC agreed on keeping the wide geographical coverage (four areas).

05. Policy Learning Platform

JS presented the budget overview and the tender documents (Annex 12).

Discussion:

Following a question from **IT**, **JS** clarified that all policy areas are covered in the framework contract terms of reference. In the first subsequent contract, the PLP will focus on the 80% policy areas as the content from the projects (from the previous period and the first call) will be sufficient for the experts to provide their services in these fields. However, it would also be possible to activate expertise on the other policy areas if needed if there was demand on the 20% policy topics in the first subsequent contract period.

Conclusion: The final terms of reference will be sent for approval by written procedure.

06. Update on Communication

JS presented the highlights of the communication activities from January to September 2022 and an overview of the upcoming communication actions (Annex 13).

Discussion:

IT asked for more information about the networking events and proposed to address the most common mistakes in project applications during the networking events. The **JS** explained that the networking events will be a series of two-hour online events focused on helping people find partners by giving visibility to different topics and project ideas. The main focus is on building networks around ideas, but some information about the lessons learned from the first call can also be covered. Guidance for preparing an application will be provided during the call via the most appropriate channels and forms of delivery (website and online content, lead applicant webinars). Following the approval of the main features of the call, the **JS** will proceed with the event preparation. Information will be shared with the points of contact and through the newsletter. The partner states are also encouraged to share information through their networks.

DE asked whether the old funding period and results will be promoted during the European Week of Regions and Cities or another occasion. The **JS** clarified results are consistently highlighted at all events. All programme presentations (info days, programme events, other European events) are based on examples from the current programme. Results are also featured on the website.

LU asked if energy saving and energy efficiency measures and sustainability will be reflected in the call launch event. **IT** gave an example of a footprint monitoring tool used by the MED programme. The **JS** replied that sustainability principles are always considered when planning events. However, it is always interesting to look for additional good examples and good practices to share.

Conclusion: Additional information about the networking events will be shared with the points of contact during October. Sustainability and energy efficiency aspects will be taken into account when planning the next annual event. A more thorough plan of upcoming communication activities will be presented in the next MC meeting.

07. Project finances, control and recovery

7.1 Risk based management verifications

JS presented the risk-based management verifications methodology (Annex 14). **CZ chair** introduced Louis Denisty, senior manager from EY audit firm, as a guest. EY had provided audit expertise to allow the JS to consider a range of options when developing the methodology for risk-based control. EY presented the audit experts' view on the proposed methodology (slides 7-8 of Annex 14).

Discussion:

ES, MT and PT proposed that each Partner State can decide on its own methodology and maintain the current approach of checking 100% of expenditure and carrying out at least 1 on-the-spot-check per beneficiary per project if it chooses. **MT** referred to the new regulations that indicate that the Partner States are responsible for any irregularities which are not recovered by the entities and therefore are liable for irregularities at national level. In addition, **MT** would like to have harmonised approach for all EU funds checked by the Partner State. **PT** noted that before the reports get to **JS**, a lot of work and clarifications have been put in at the national level to correct any ineligibility, and this has not caused any delays so they would like to continue in this manner.

EC explained the rationale behind the regulation and this approach – the objective is to reduce the control and to find the right balance between effective implementation of funds and administrative burden linked to that. This approach has been 3 years in negotiations, and it has been endorsed by all EU Member States. **EC** has a clear position on this, and it is mandatory that all EU funded programmes apply the risk-based approach. **EC** noted that given the low-risk nature of the programme it would be difficult to justify keeping 100% of control in some countries because the programme is considered as one.

RO and PL proposed to use the presented methodology as the minimum requirements and the Partner States could choose on a national level to impose stricter rules if it does not impact the timeline of the programme, adds on additional costs.

MA noted that the proposed methodology remains rather conservative and prudent with a significant level of coverage, and it will be reviewed regularly.

FR and PL was ready to support the proposed methodology.

RO shared its experience of organising national level trainings for project partners and controllers to proactively prevent any irregularities. **LU** shared its experience of differentiating control approach for different EU funded programmes.

Decision:

Partner States agreed that the proposed risk-based management verifications methodology (Annex 15) is the minimum requirement.

In accordance with article 74 (2) of Regulation No 2021/1060 (CPR), Partner States can only apply a stricter approach if a risk-based analysis is carried out by the PS and reveals the need for such stricter approach. This risk analysis has to be specific to Interreg Europe, and the control approach must remain proportionate to its results. It would then be up to the MA/JS to review this analysis and see whether it can be accepted.

7.2 Recovery procedure

JS presented the recovery procedure (Annex 16).

Discussion:

Following a question from **DE**, **JS** provided information on the number of irregularities concerned by the EUR 250 rule during the 2014-2020 period (ca. 30 cases). It underlines that this rule has proven to be very helpful as it allowed to avoid many corrections for very low amounts.

Decision:

The recovery procedure (Annex 17), including the possibility for the MA and LP not to recover amounts included in a payment application to the EC that do not exceed EUR 250 of ERDF/NO funding, per operation and accounting year, was approved unanimously.

The corresponding update of the programme manual (section 6.7.6) was also approved unanimously.

7.3 Audit timeline

JS presented the audit timeline (Annex 18).

08. Timeline

JS presented a timeline, which was updated and agreed following the PS comments (Annex 19).

09. AOB

No points were raised during AOB.

The **Chair** thanked to the EC, MC members, MA, JS and closed the meeting.