

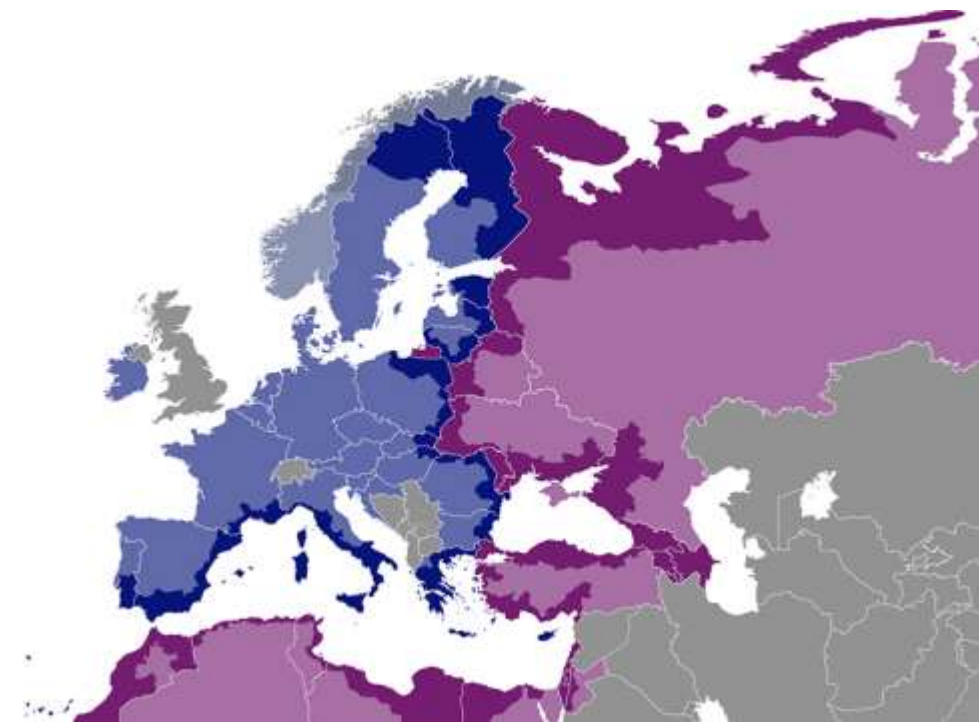


Technical support to the implementation
and management of ENI CBC programmes

Interreg community

Briefing in Ukraine and Republic of Moldova

25 May 2021



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Cooperation
across EU
borders



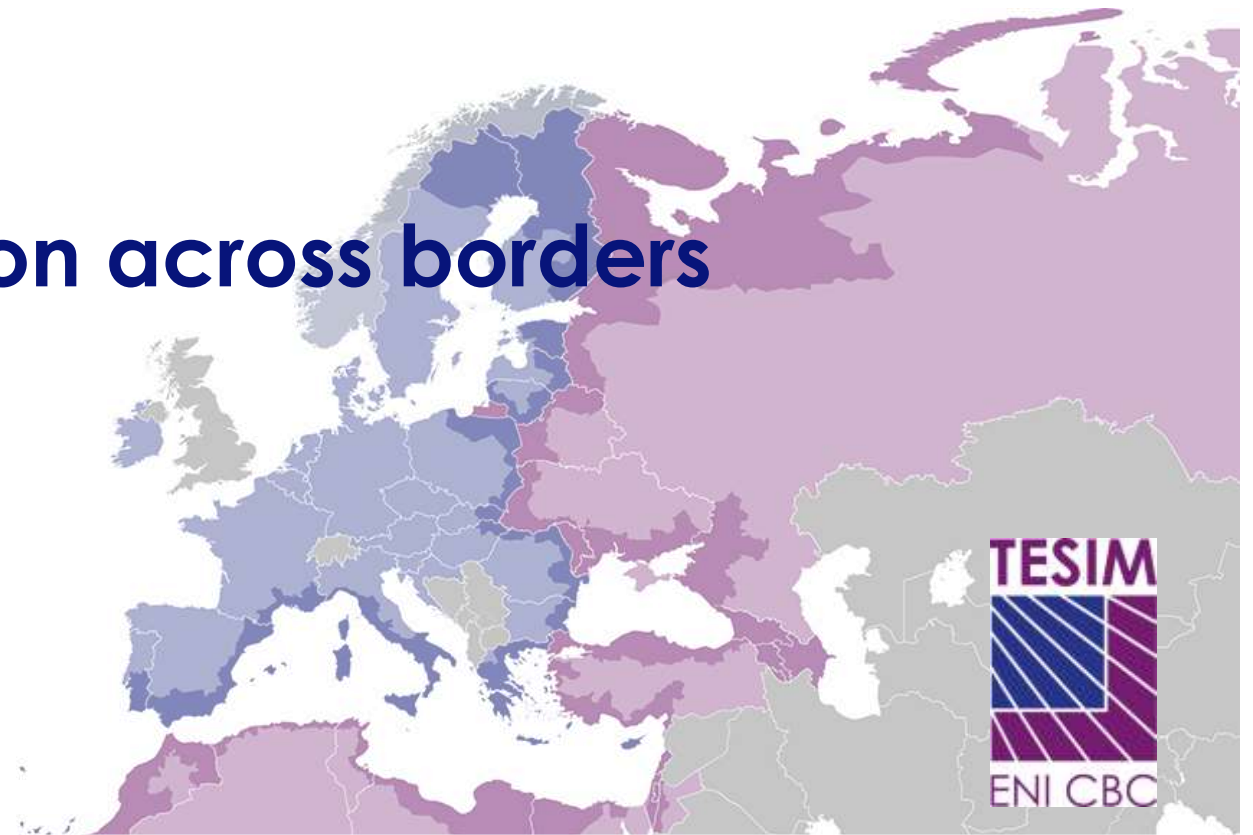
Strategic
framework



Practical
implications



Cooperation across borders



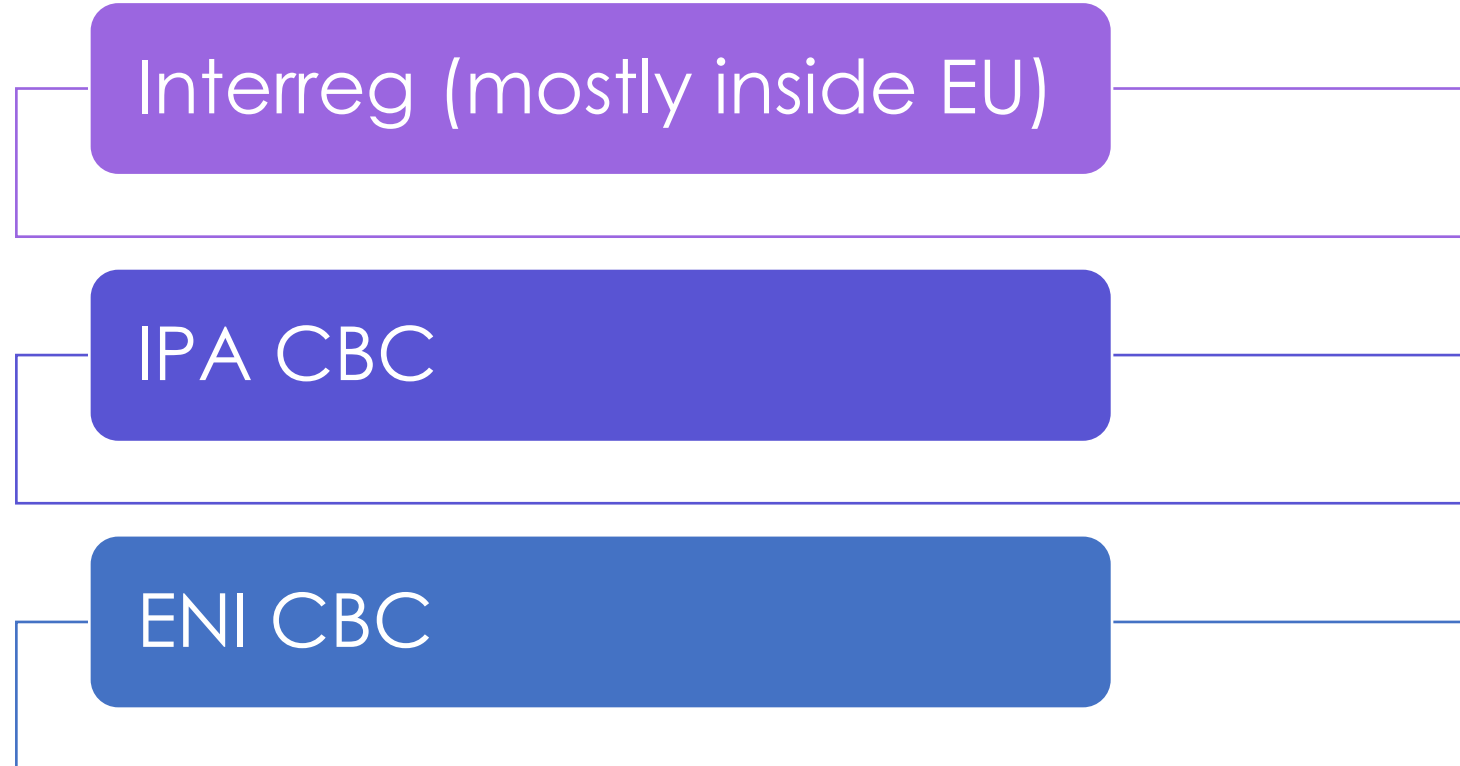
Interreg

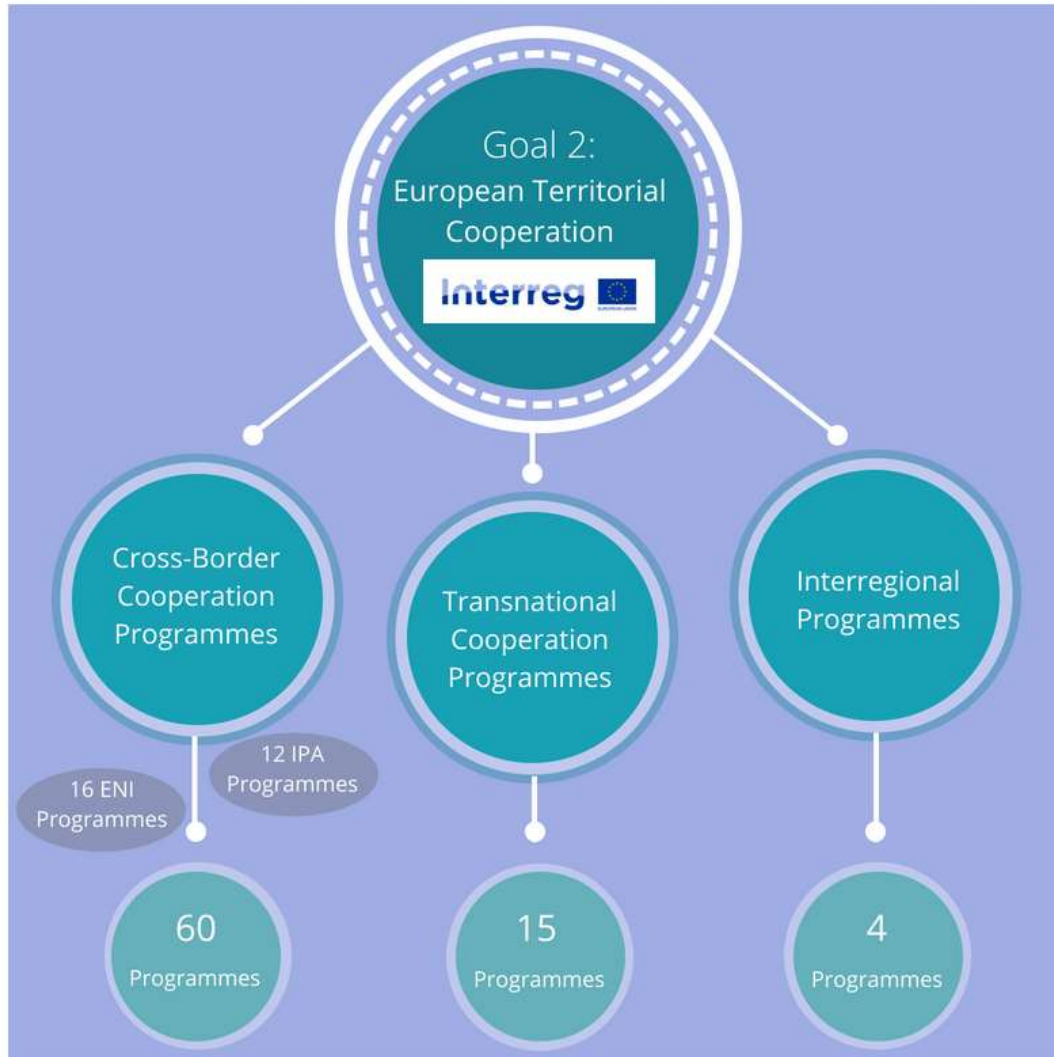
“**Interreg** is one of the key instruments of the European Union (EU) supporting cooperation across borders through project funding. Its aim is to jointly tackle common challenges and find shared solutions in fields such as health, environment, research, education, transport, sustainable energy and more.”

[Interreg - The portal to all Interreg programmes, financed by the EU](#)



Current configuration





The ENI CBC programmes are financed by a blend of 3 EU funds:

- European Regional Development Fund (ERDF)
- Instrument for Pre-Accession (IPA)
- European Neighbourhood Instrument (ENI)

From ENI to NDICI



European
Neighbourhood
Instrument (ENI)



Neighbourhood
Development International
Cooperation Instrument
(NDICI)

Cross-border
Cooperation of the
European
Neighbourhood
Instrument (ENI CBC)



Interreg **NE**ighbourhood
EXTernal
(Interreg NEXT)

2014-2020

2021-2027

Neighbourhood policy AND cohesion policy work together in Interreg NEXT



Future configuration (4 strands)



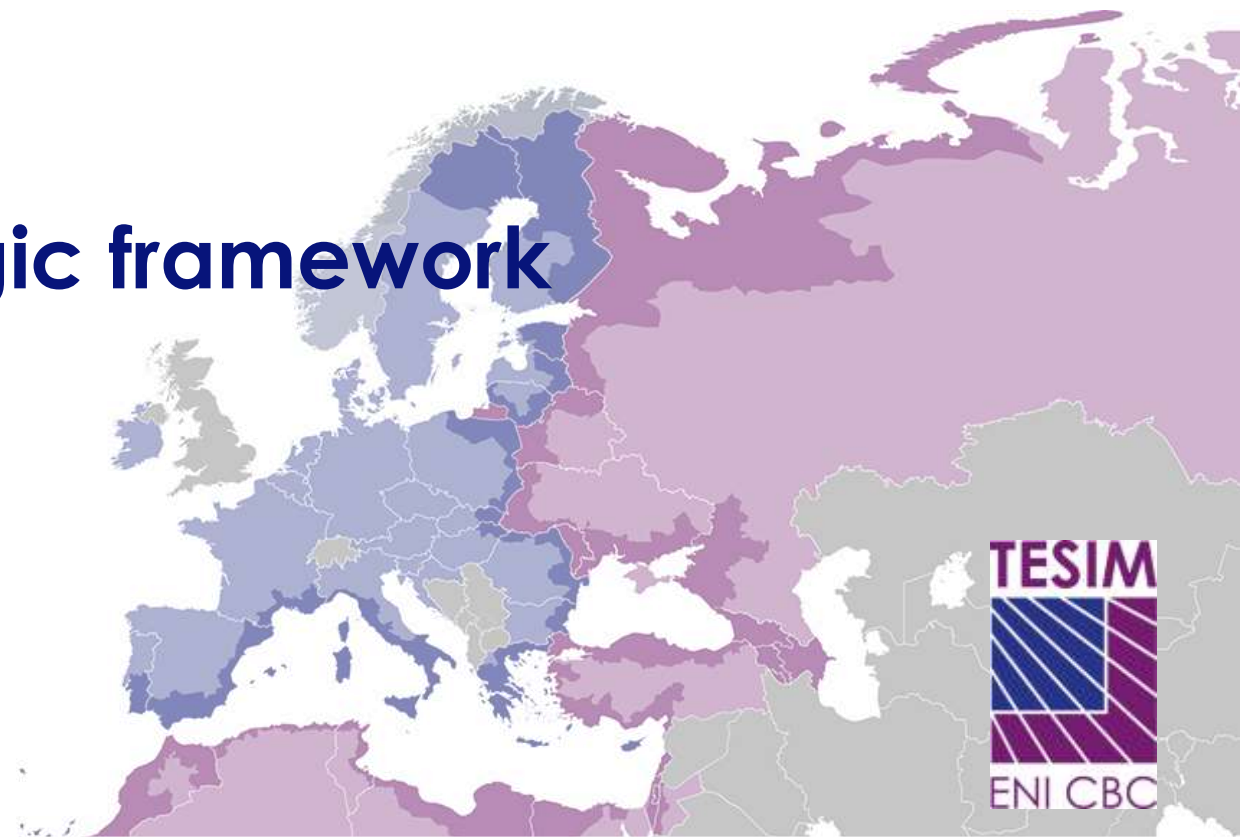
14 Interreg NEXT programmes

3 Interreg NEXT programmes

Managed by REGIO D.1
Macro-regions,
Transnational/Interregional/External
Cooperation, Enlargement



Strategic framework



The **‘Cohesion policy’** promotes more balanced, more sustainable territorial development. It is the policy under which thousands of Interreg cooperation projects get funding to tackle specific challenges throughout the European Union and beyond.

By joining the Interreg family, Interreg NEXT programmes:

- Extend the geographical scope of the cohesion policy to all neighbouring countries
- Enhance the harmonized approach of all cooperation programmes, both from strategic and management points of view

1



Smarter Europe and its neighbourhood

2



a **Greener**, carbon free Europe and its neighbourhood

3



a more **Connected** Europe and its neighbourhood

4



a more **Social** Europe and its neighbourhood

5

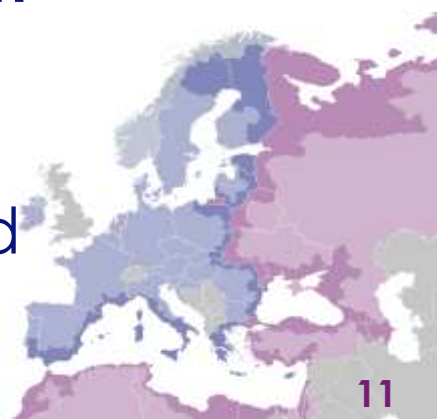


a Europe and its neighbourhood, **closer to citizens**



1. Better **cooperation** and **governance**

2. A **safer** and **more secure** Europe and its neighbourhood



This is a key challenge for all EU policies and provides an action plan to

- boost the efficient use of resources by moving to a clean, circular economy
- restore biodiversity and cut pollution

https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

2

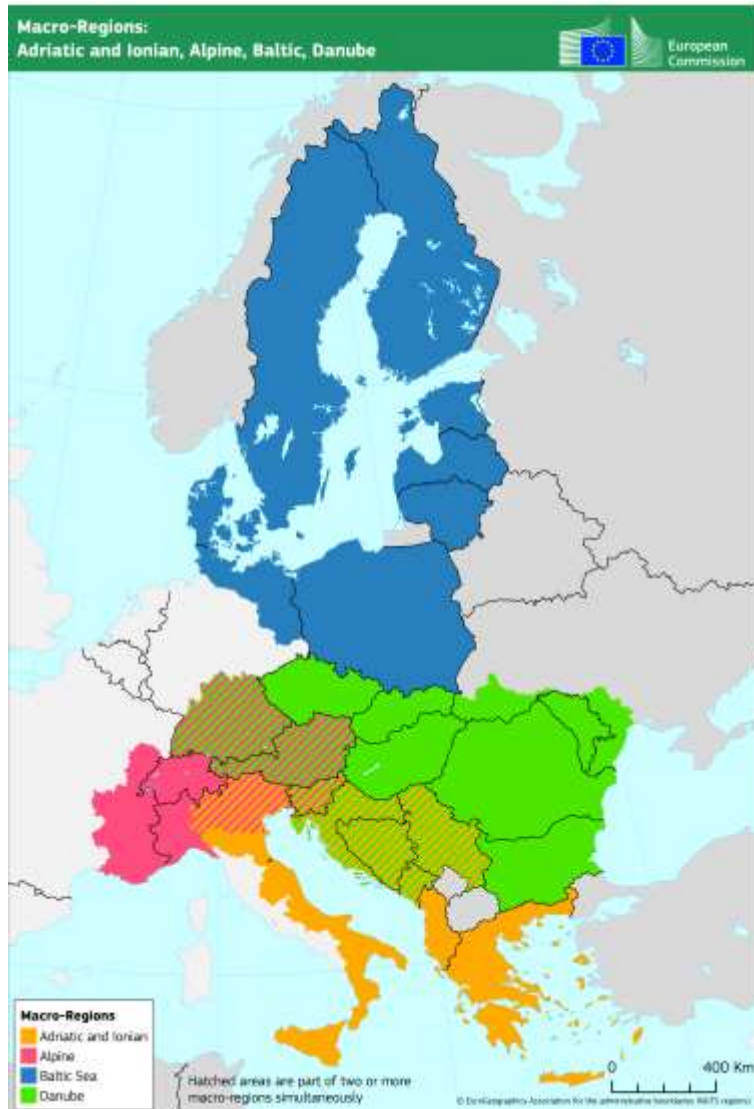


a **Greener**, carbon free Europe and its neighbourhood

Compulsory



Macro-regional strategies (MRS)

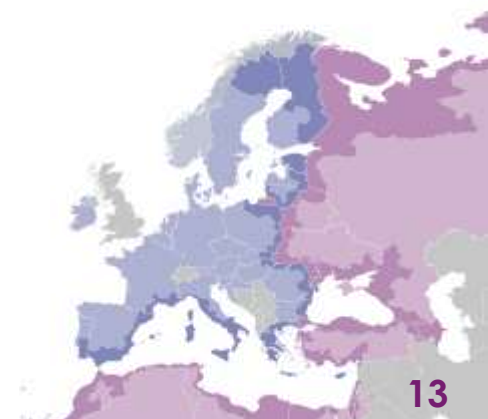


A 'Macroregional strategy' is an integrated framework endorsed by the European Council, which may be supported by the European Structural and Investment Funds among others, to address common challenges faced by a defined geographical area relating to Member States and third countries located in the same geographical area which thereby benefit from strengthened cooperation contributing to achievement of economic, social and territorial cohesion.

Concerned
programmes seek
synergies with MRS



[Macro-Regional Strategies - Regional Policy - European Commission \(europa.eu\)](https://ec.europa.eu/regional_policy/en/policy/areas/macro-regional-strategies)

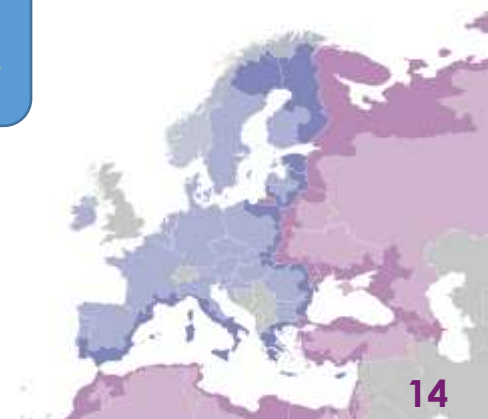


Sea Basin programmes need to take into consideration the sea basin strategies concerned by their geographical area.

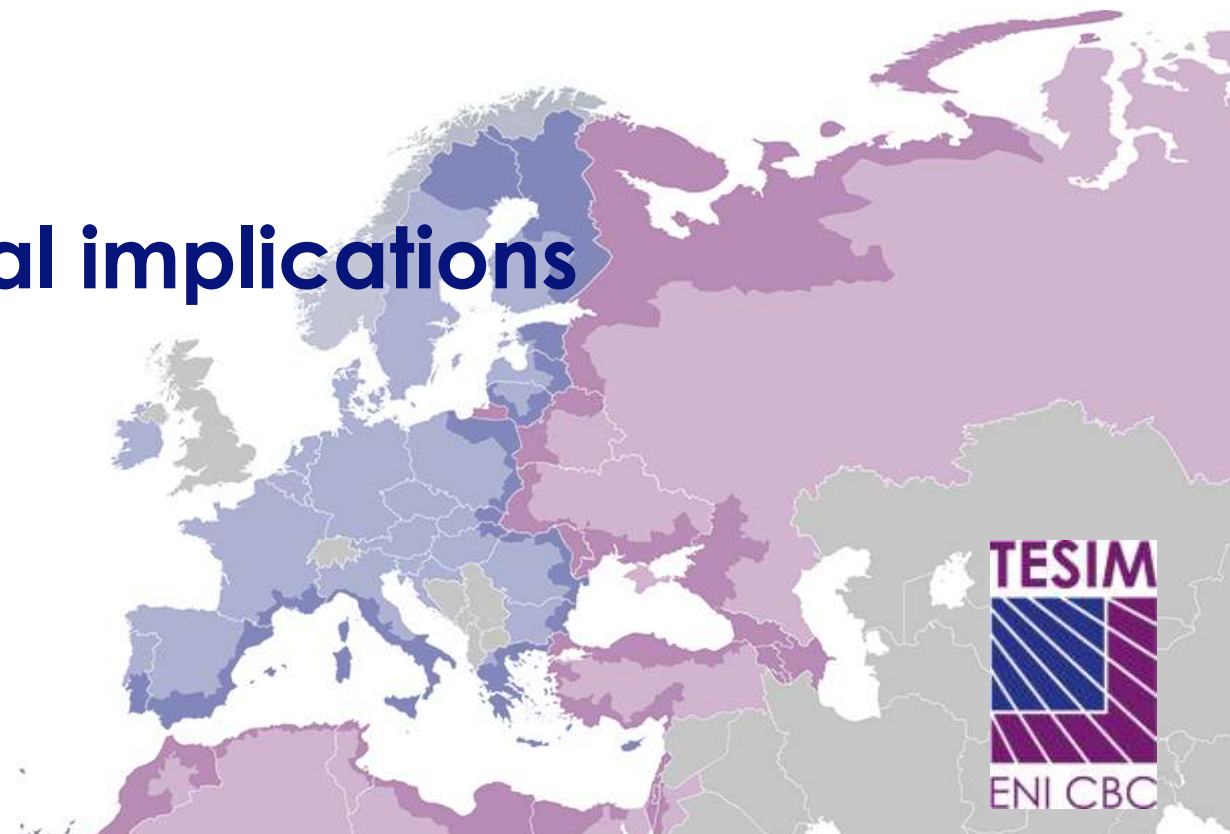


Black Sea Synergy
https://eeas.europa.eu/diplomatic-network/black-sea-synergy_en

Common Maritime Agenda
<https://blackseablueeconomy.eu/206/common-maritime-agenda-black-sea>



Practical implications



A common
legal
framework

All-in-one
legislative
package

Some
changes in
terminology

Access to
resources
and tools

All funds
managed by
the same DG

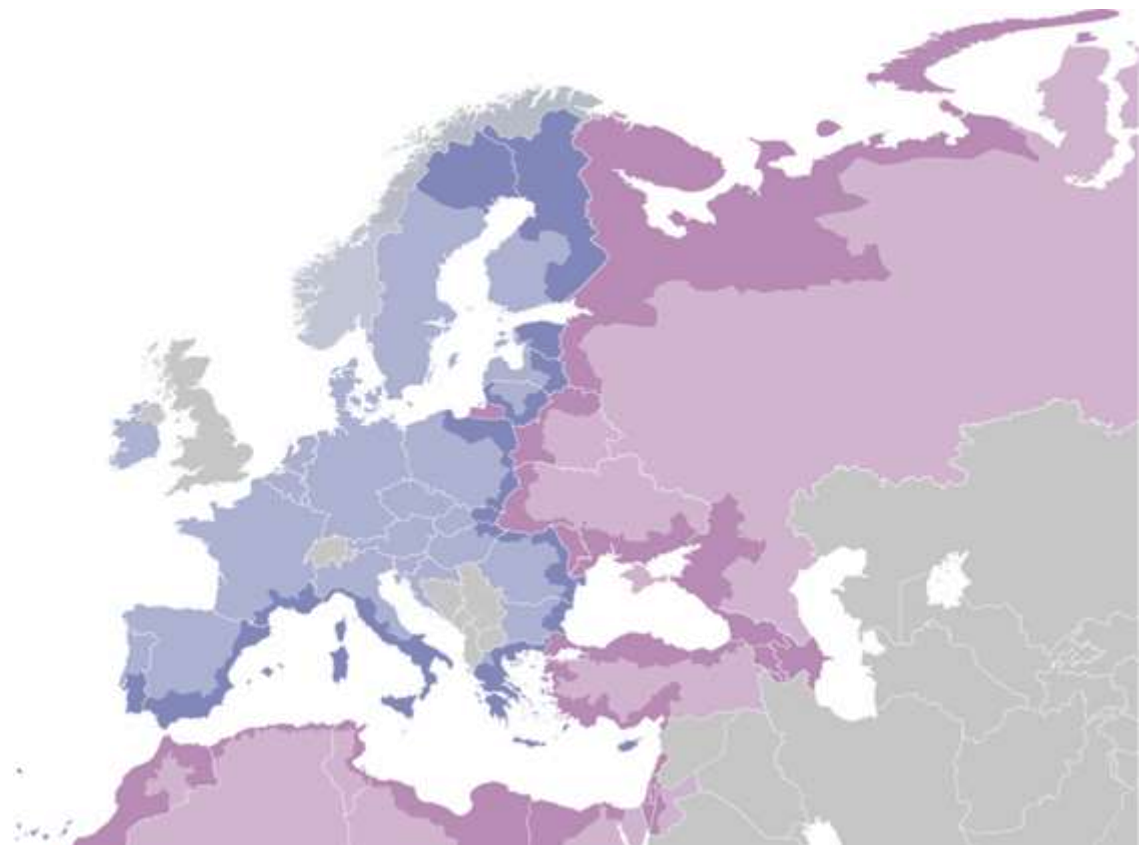
Continuity of
the key
specificities



Technical support to the implementation and management of ENI CBC programmes



Any additional question?



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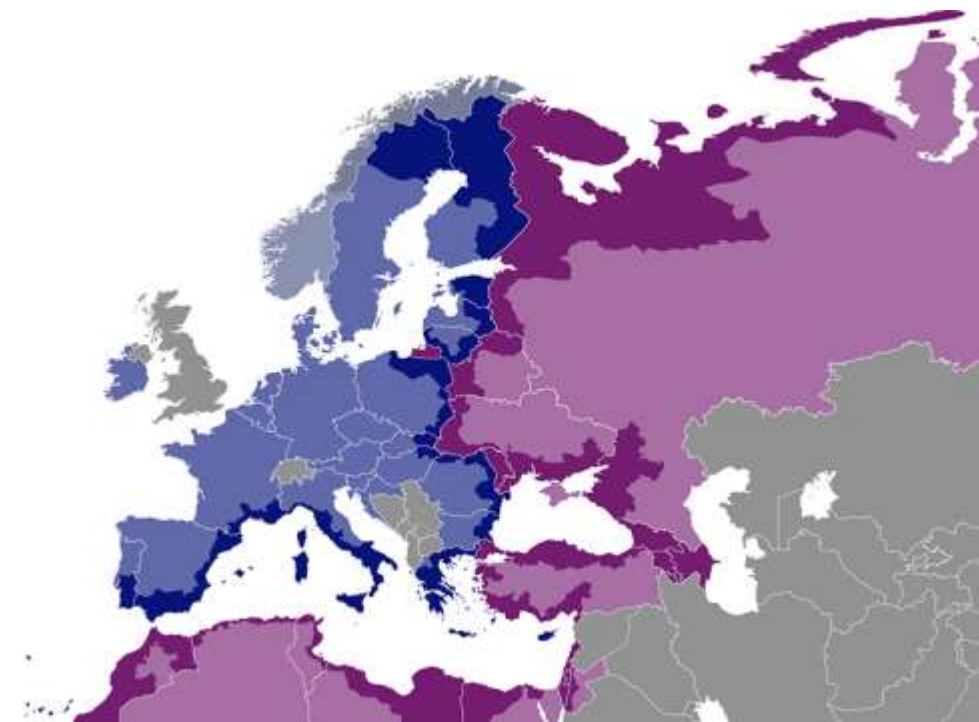


Technical support to the implementation
and management of ENI CBC programmes

Overview of the legal framework

Briefing in Ukraine and Republic of Moldova

25 May 2021



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Topics for this session

Overall
architecture



Interreg
Regulation

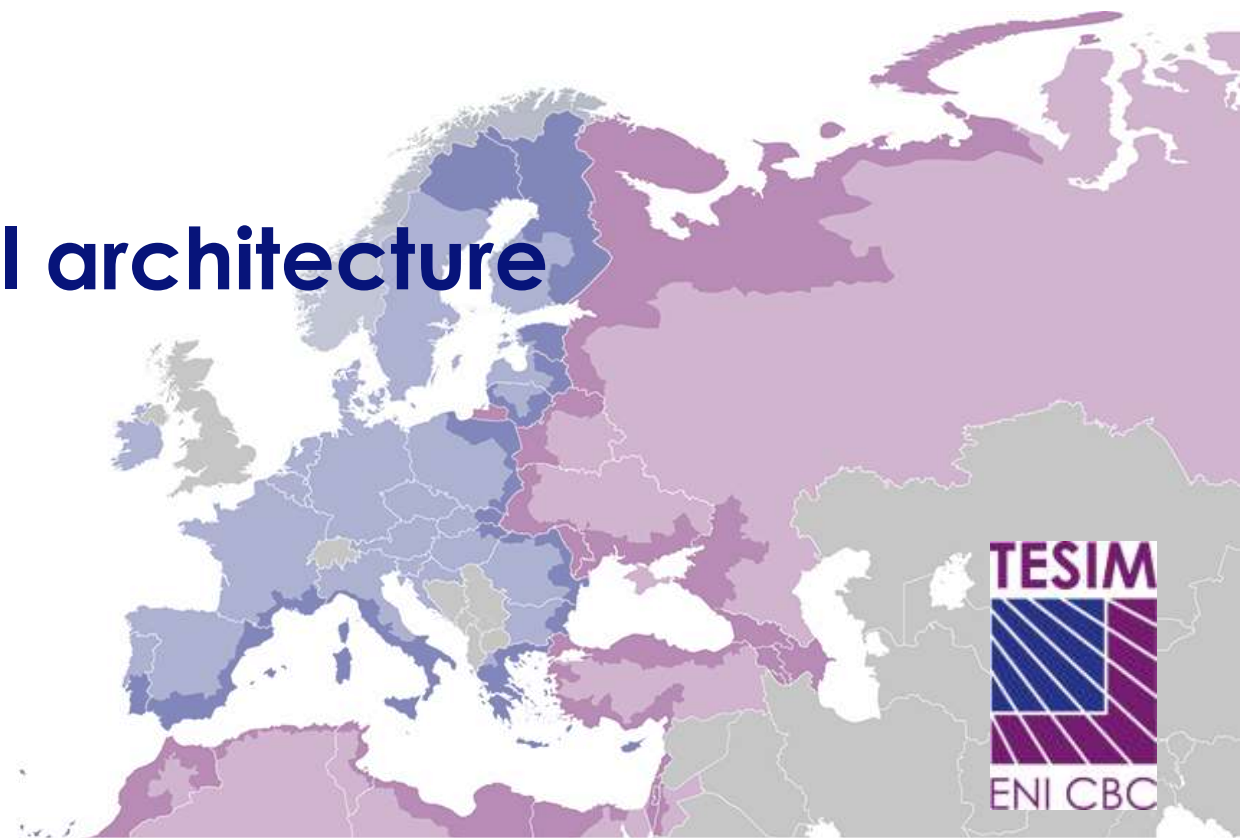


NDICI
Regulation

NEIGHBOURHOOD, DEVELOPMENT AND INTERNATIONAL COOPERATION INSTRUMENT (NDICI)			
Geographic pillar (50% of total)	Thematic pillar (47% of total)	Financial pillar (3% of total)	Other (4% of total)
European Neighbourhood (40% of total)	Priority 1: Economic and Social Resilience (15% of total)	EU External Development (1% of total)	EU External Development (1% of total)
Sub-Saharan Africa (10% of total)	Priority 2: Resilience, Stability and Peace (15% of total)	EU External Development (1% of total)	EU External Development (1% of total)
Asia and the Pacific (10% of total)	Priority 3: Global Challenges (15% of total)	EU External Development (1% of total)	EU External Development (1% of total)
Americas and the Caribbean (10% of total)	Priority 4: Global Challenges (15% of total)	EU External Development (1% of total)	EU External Development (1% of total)
Emerging Technologies and Innovation (10% of total)			
Other (1% of total)	Other (1% of total)	Other (1% of total)	Other (1% of total)

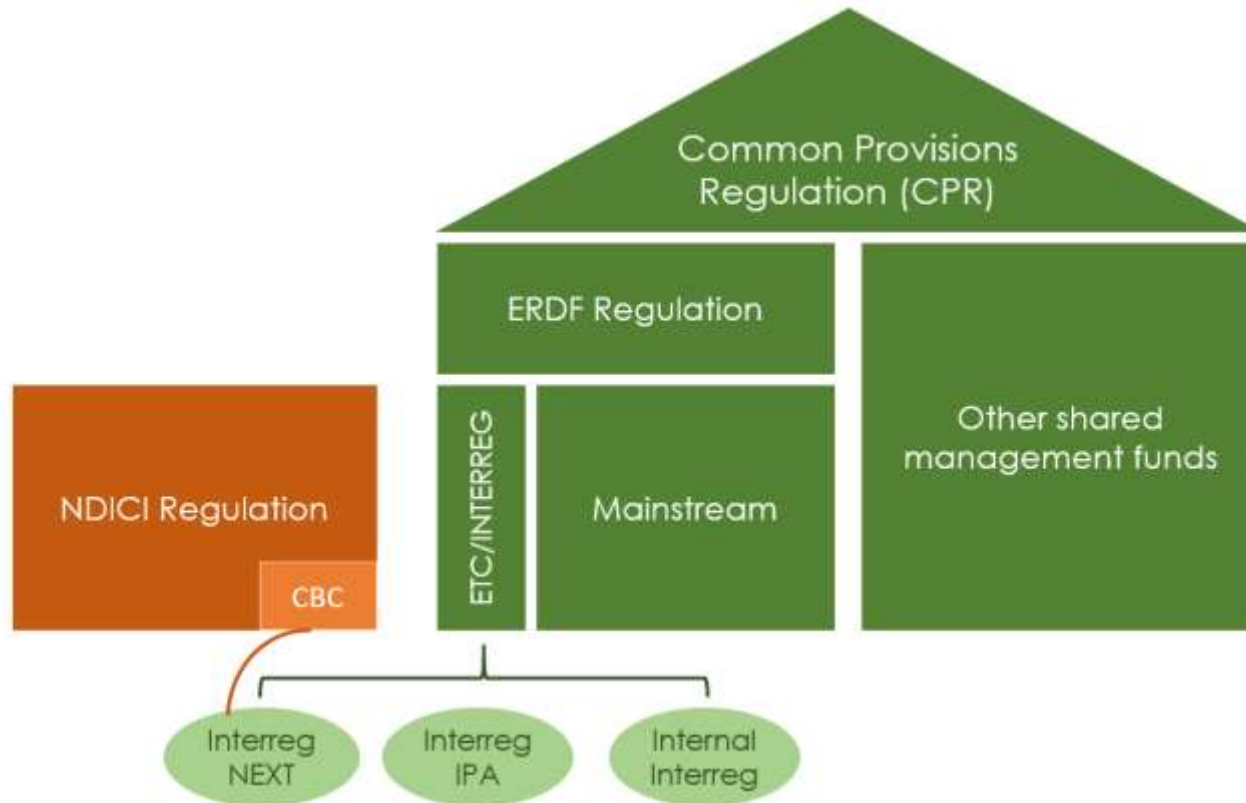


Overall architecture



Main building blocks of the legislative package

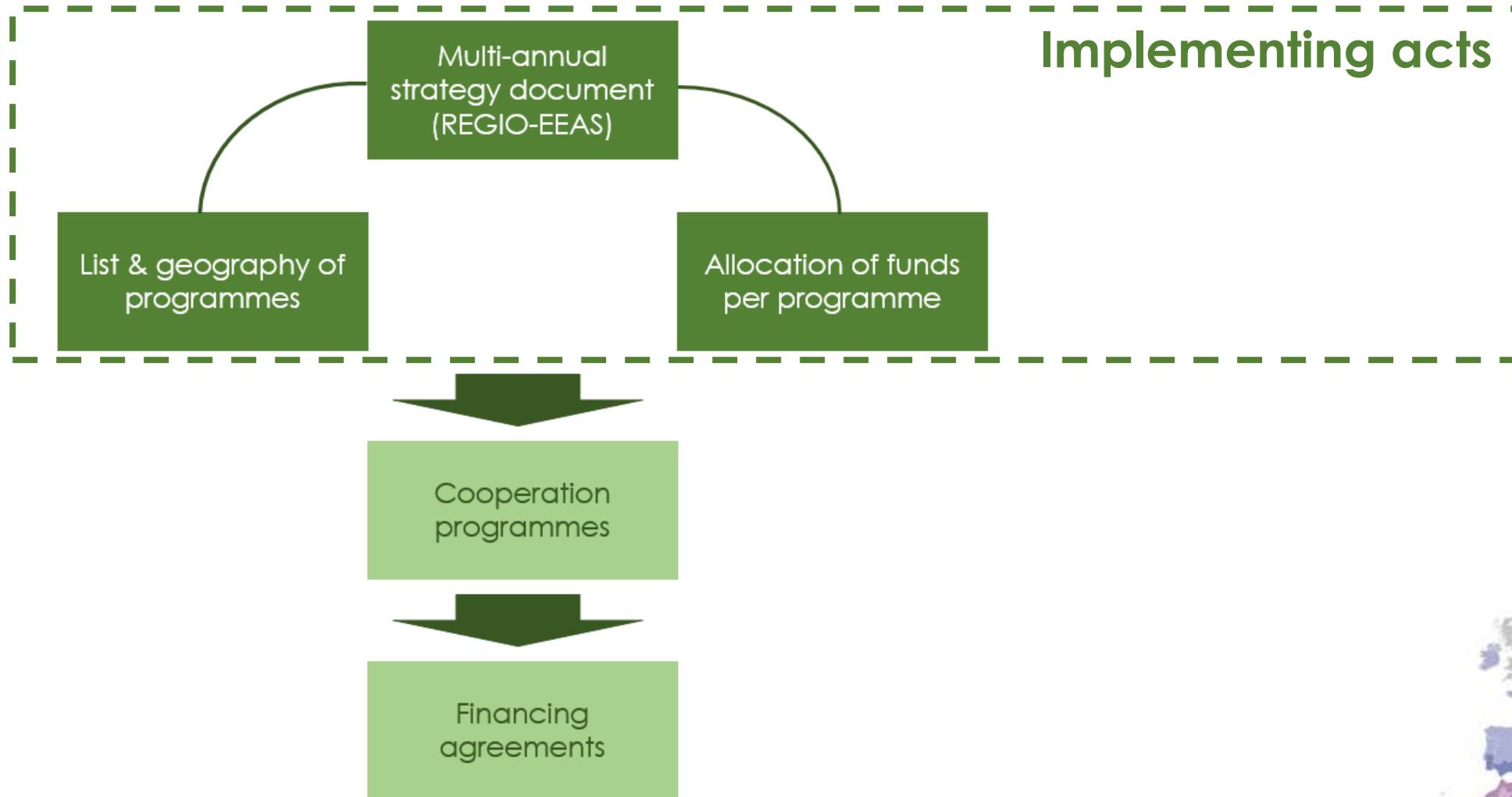
Omnibus (financial) Regulation



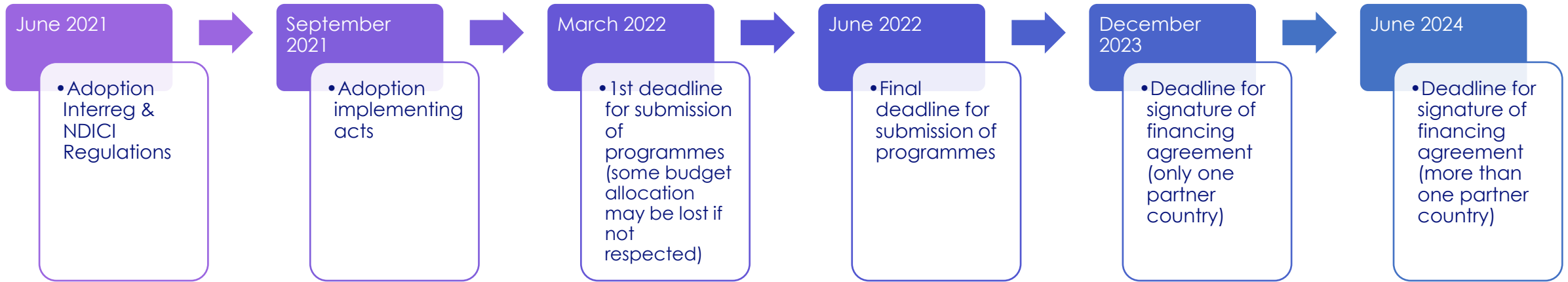
Interreg NEXT shares the main legal provisions with the other Interreg programmes

The legal provisions have some twists, but keep a high dose of continuity

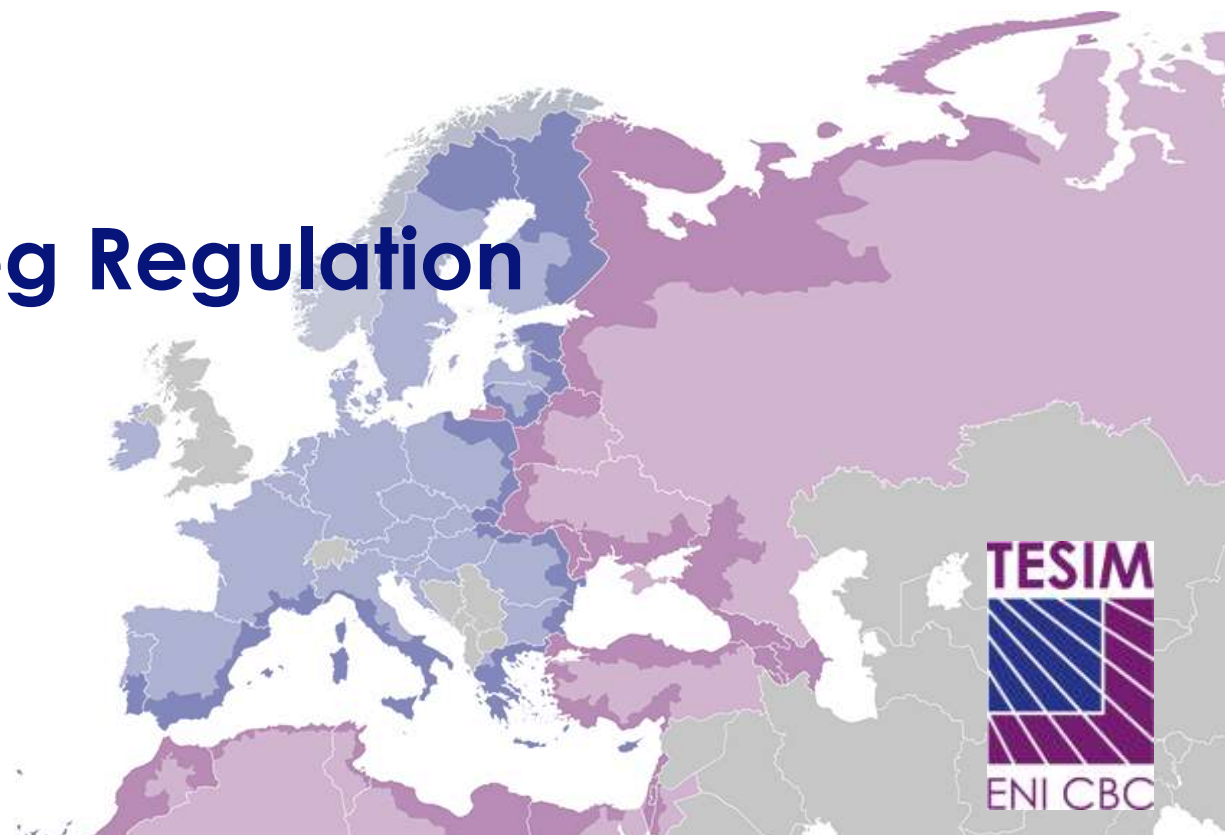
Interreg Regulation will be the equivalent to the current ENI CBC Implementing Rules



Indicative timeline



Interreg Regulation



Key features



Interreg NEXT within a single legislative package with the other cooperation programmes

Simplification of procedures to boost efficiency

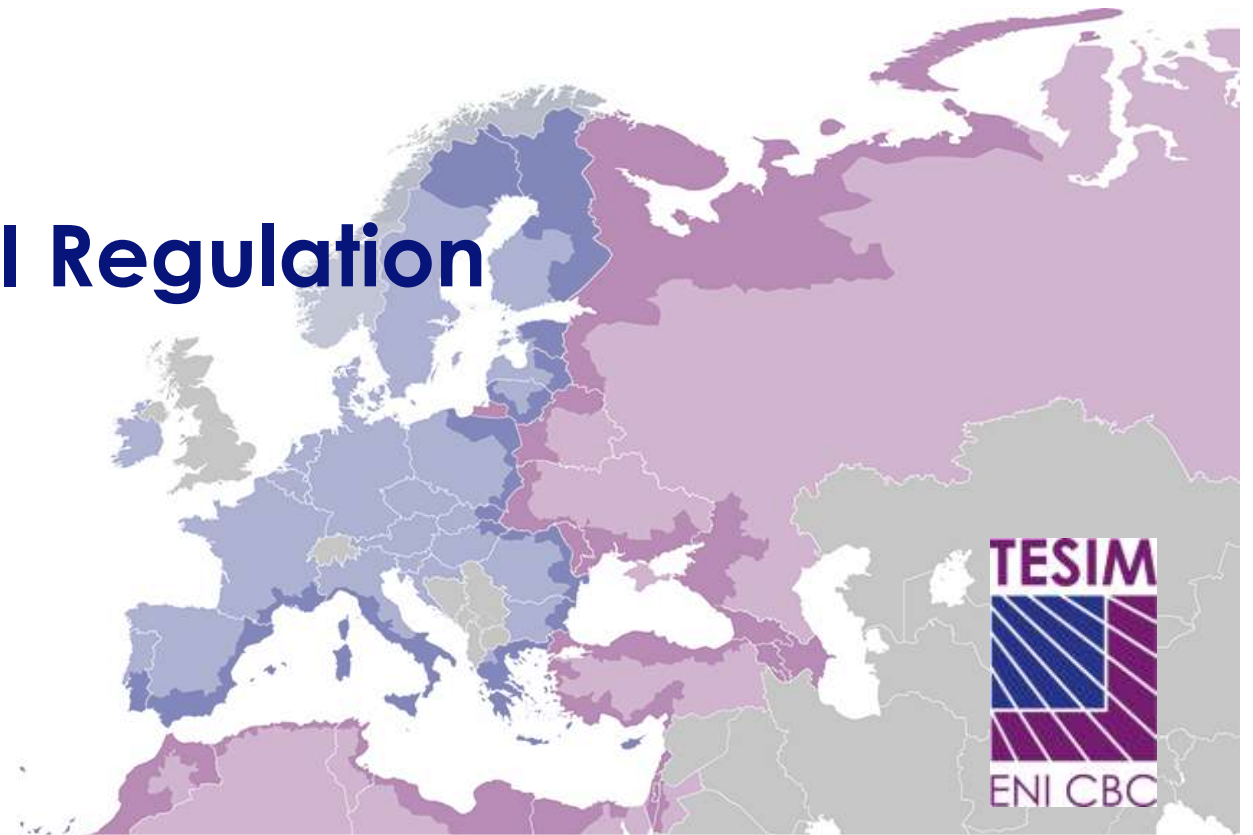
Structure of the Regulation



Chapter	
I	General provisions
II	Interreg-specific objectives and thematic concentration
III	Programming
IV	Monitoring, evaluation, information and communication
V	Eligibility
VI	Interreg programme authorities, management and control
VII	Financial management, accounts and financial corrections
VIII	Participation of third countries or partner countries [...] in Interreg programmes under shared management
IX	Specific rules on indirect management
X	Final provisions
	Annex with templates

All chapters apply, except # IX

NDICI Regulation





Pre-financing	Up to 80% of annual commitments (similar to ENI CBC)
Co-financing	Up to 90%

The key specificities of ENI CBC are kept!!

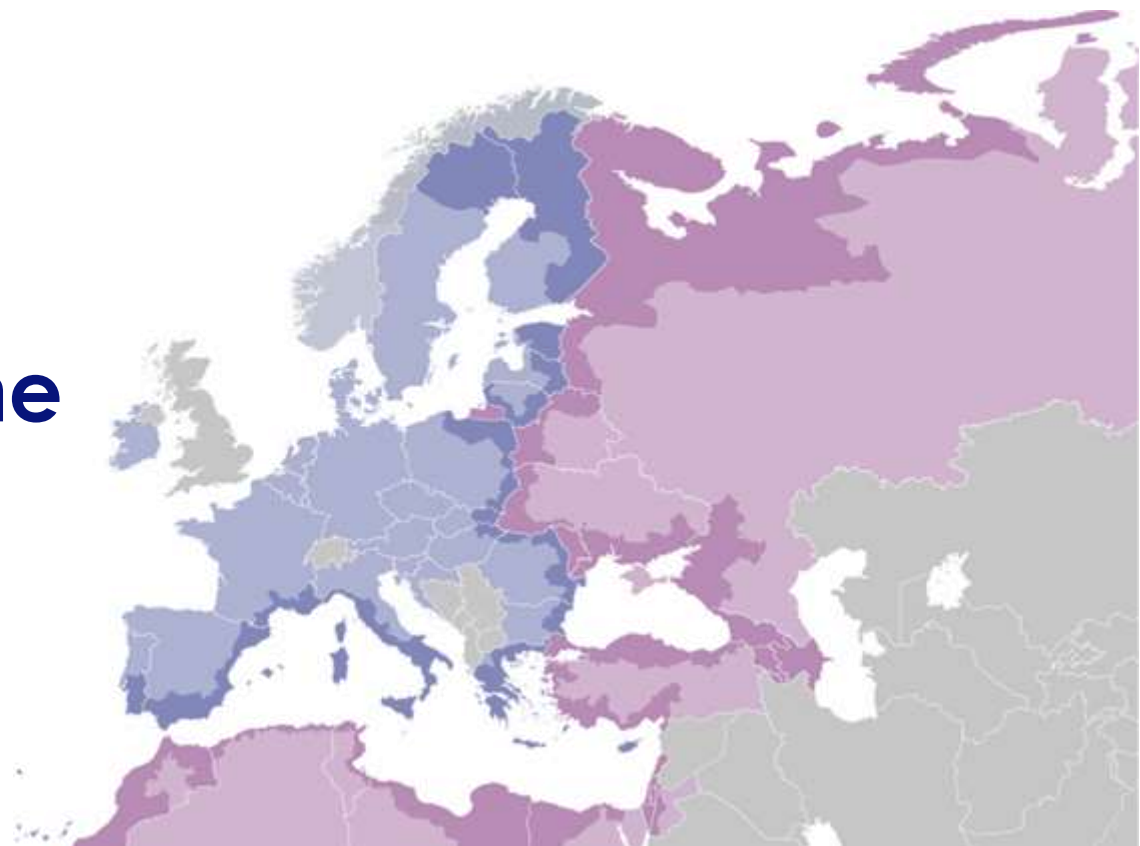




Technical support to the implementation and management of ENI CBC programmes



Any additional question before the break?



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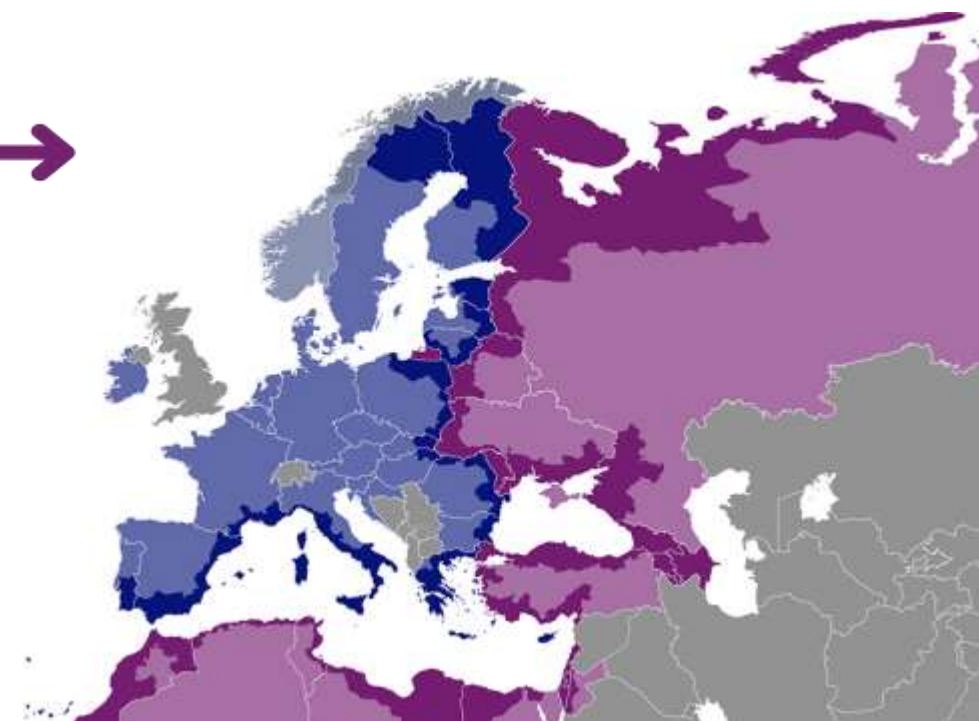
Technical support to the implementation and management of ENI CBC programmes

Programme governance Continuity and twists



Briefing in Ukraine and Republic of Moldova

25 May 2021



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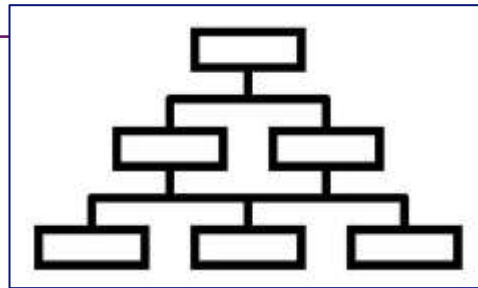


Topics for this session

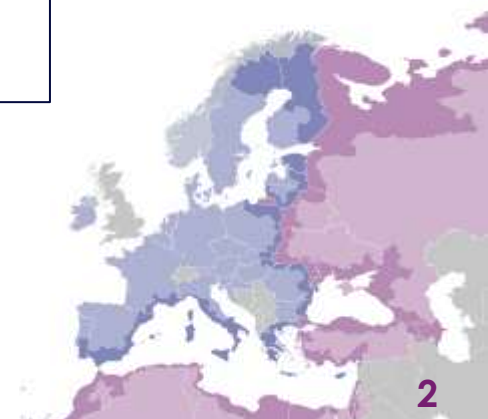
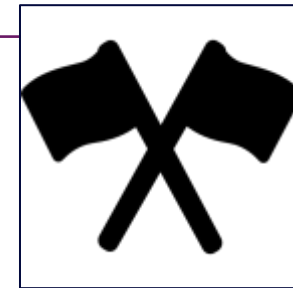
Monitoring
Committee



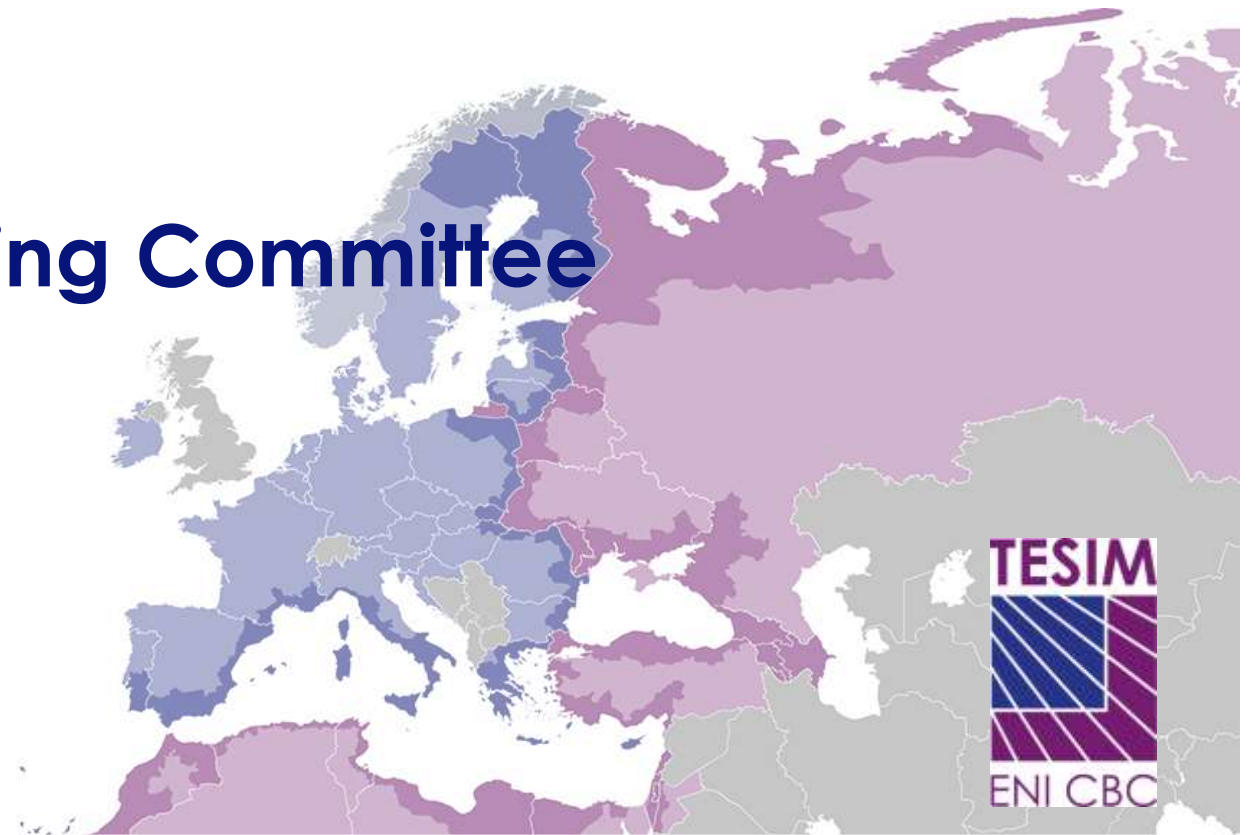
Programme
bodies



National
bodies



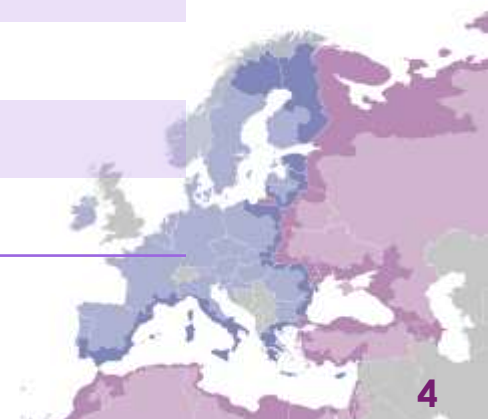
Monitoring Committee



Main functions of Monitoring Committee



Function	ENI CBC	Interreg NEXT
Monitor the programme implementation and progress	✓	✓
Approve and monitor Managing Authority's work and financial plan, including use of technical assistance	✓	✗
Approve the criteria for project selection	✓	✓
Be responsible for project selection	✓	✓
Approve any amendment to the programme	✓	✓
Examine and approve the annual report	✓	✗
Approve the final performance report	✗	✓
Examine and approve the evaluation plan	✓	✓
Examine and approve the annual communication plan	✓	✓
Examine contentious cases	✓	✗



“[...] **partnership shall include at least:**” (article 6 CPR)

*regional, local,
urban and other
public
authorities*

economic and
social partners

relevant bodies
representing
civil society

research
institutions and
universities



ENI CBC

Article 22: “**Whenever possible and appropriate**, participating countries shall ensure suitable participation of all actors concerned and in particular local **stakeholders**, including civil society organisations and local authorities ”

Interreg NEXT

Article 29: “The composition of the monitoring committee [...] **shall ensure** a balanced representation of the relevant authorities [...], bodies jointly set up [...] including EGTCs; and representatives of the **programme partners** referred to in Article [6] of Regulation (EU) [new CPR]”

Decisions needed:

1. How to identify the programme partners?
2. How to integrate them in the Monitoring Committee?



ENI CBC

Article 24: “The Joint Monitoring Committee shall [...] **be responsible for the** evaluation and **selection** procedure applicable to projects to be financed by the programme [...] the Joint Monitoring Committee may set up a **project selection committee** acting under its responsibility”.

Some programmes set-up Project Selection Committees with no decision capacity

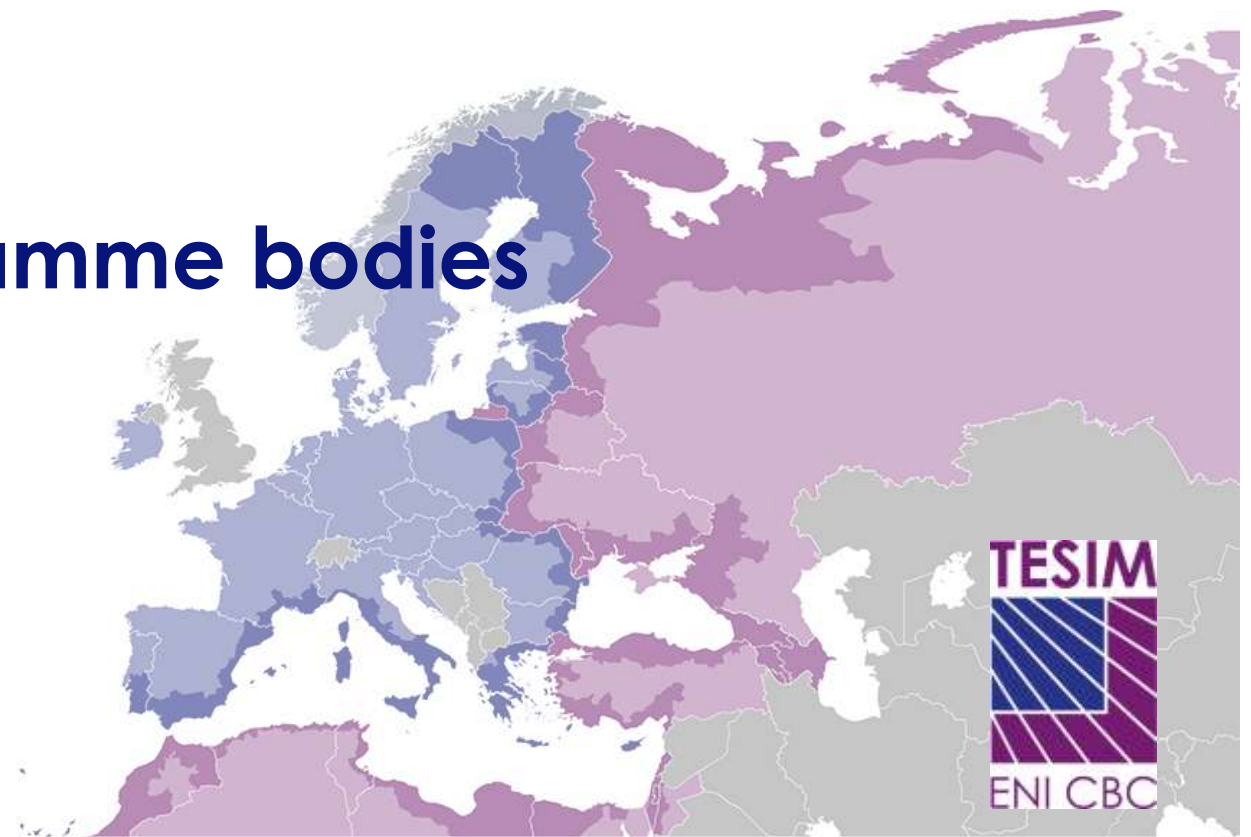
Interreg NEXT

Article 22: “Interreg operations shall be selected [...] by a **monitoring committee**. That monitoring committee may set up one [...] **steering committees** which act under its responsibility for the selection of operations. Steering committees shall apply the partnership principle.”

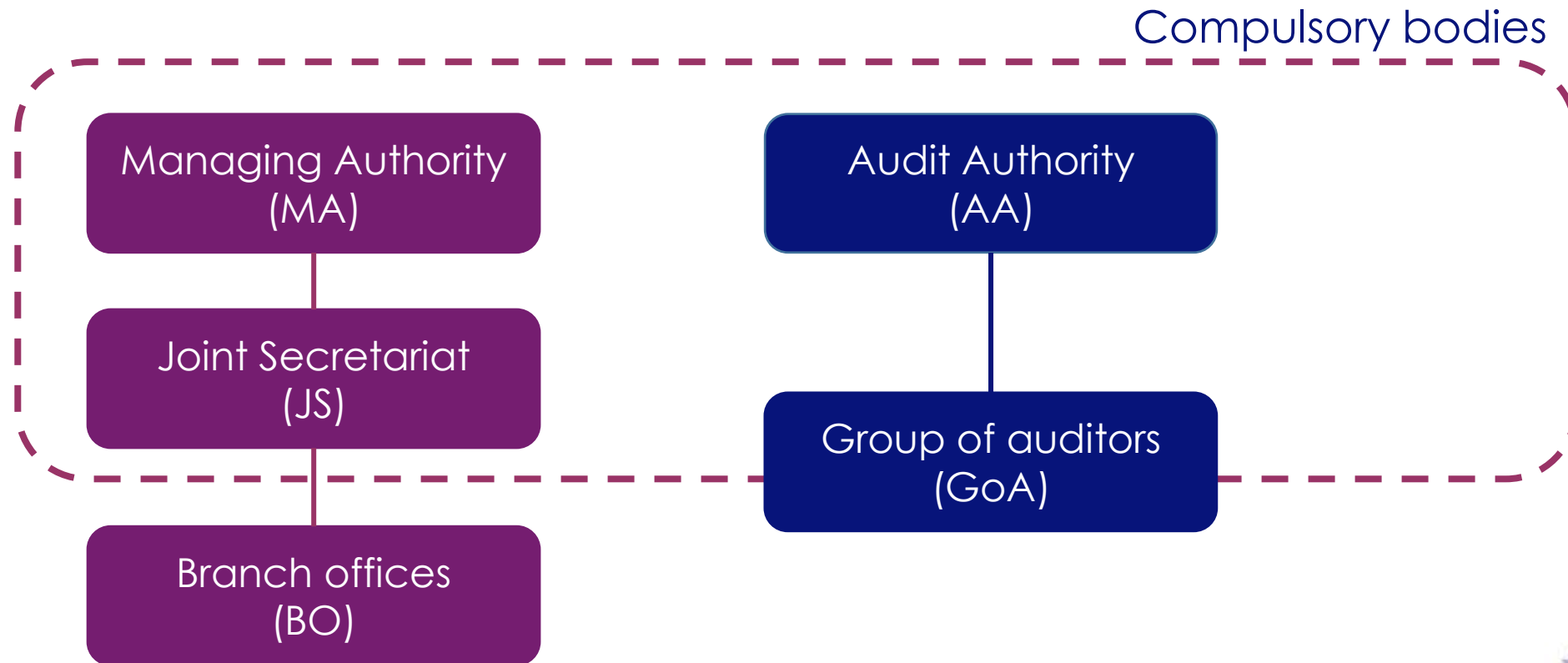
Decisions needed:

1. Will the programme set up steering committee(s)?
2. If yes, how to integrate programme partners?

Programme bodies



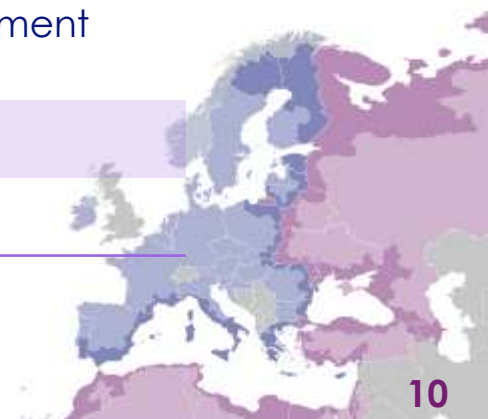
Same structure as in ENI CBC



Main functions of Managing Authority



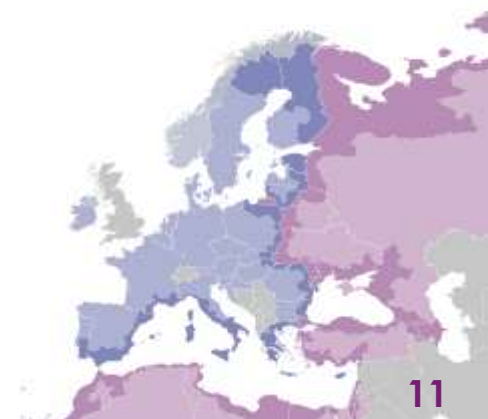
Function	ENI CBC	Interreg NEXT
Support the work of the Monitoring Committee	✓	✓
Submit annual report to European Commission	✓	Data transmission
Establish and maintain electronic system	✓	✓
Implement the information and communication plan	✓	✓
Implement the monitoring and evaluation plans	✓	✓
Manage project selection procedures	✓	Not mentioned
Carry out management verifications	✓	✓
Carry out on-the-spot project verifications	✓	Part of the management verifications
Anti-fraud measures	✓	✓
Prevent, detect and correct irregularities	✓	✓



The MA [...] **shall set up** a joint secretariat, with staff taking into account the programme partnership.

The joint secretariat shall **assist** the managing authority and the monitoring committee in carrying out their respective functions.

The joint secretariat shall also **provide information to potential beneficiaries** about funding opportunities under Interreg programmes and **shall assist beneficiaries and partners in the implementation of operations.**



For Interreg programmes also supported by external financing instruments from the Union, one or more **branch offices of the joint secretariat may be set up** in one or more partner countries **in order to carry out its tasks closer to potential beneficiaries and partners from the respective partner country.**



ENI CBC

Article 28: “**The Audit Authority shall be assisted by a group of auditors** comprising a representative of each participating country in the programme..”

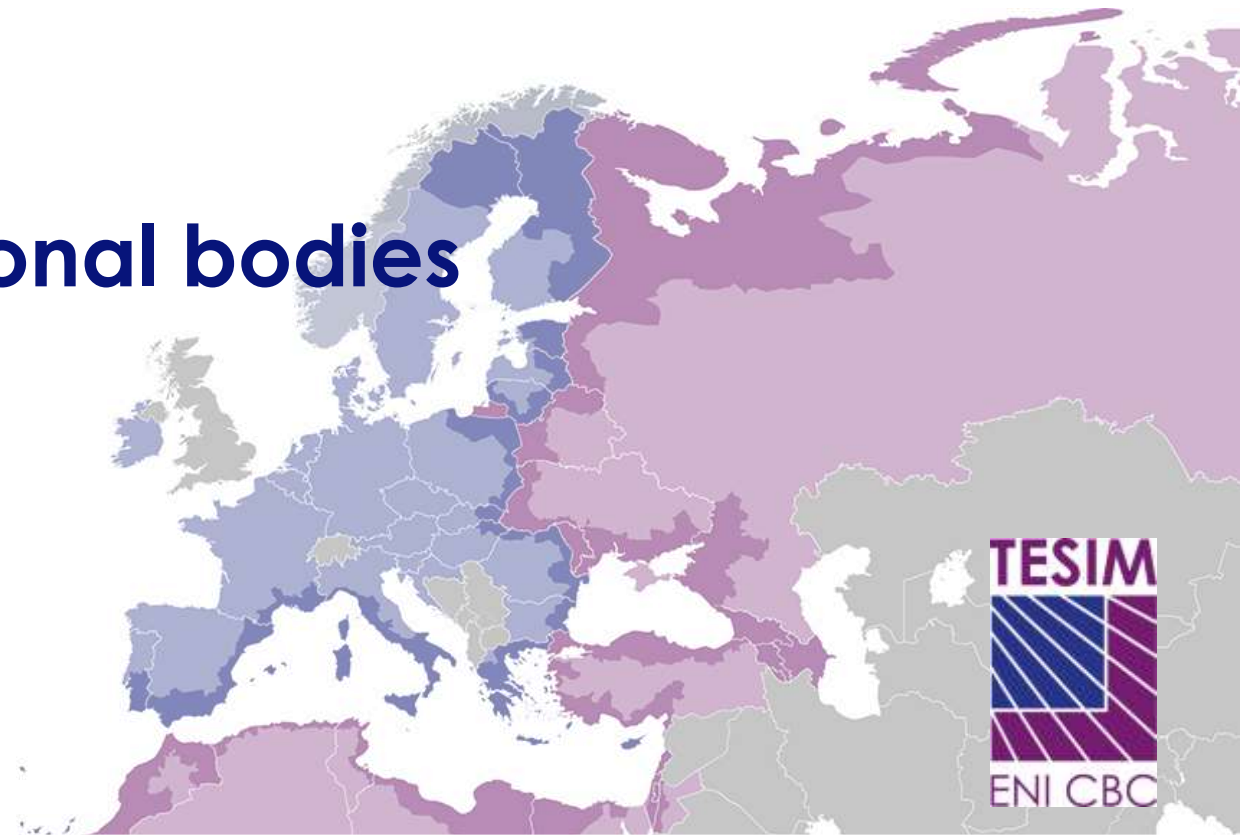
Interreg NEXT

Article 48: “**Where the audit authority does not have the authorisation in the whole territory** covered by a cooperation programme, **it shall be assisted by a group of auditors** [...]. Each Member State, and, where applicable, partner country shall be responsible for audits carried out on its territory.”

Decisions needed:

1. Will audit tasks be performed following the principle of continuity?
2. Or will countries take responsibility for audits in their territory?

National bodies



Interreg NEXT

Article 54: “Each partner country shall identify a national or regional authority as **contact point** for the managing authority (the ‘contact point’).

The contact point, a body equivalent to the Interreg programme communication officer [...] or the branch office or offices, shall support the managing authority and partners in the respective partner country with regard to communication.”

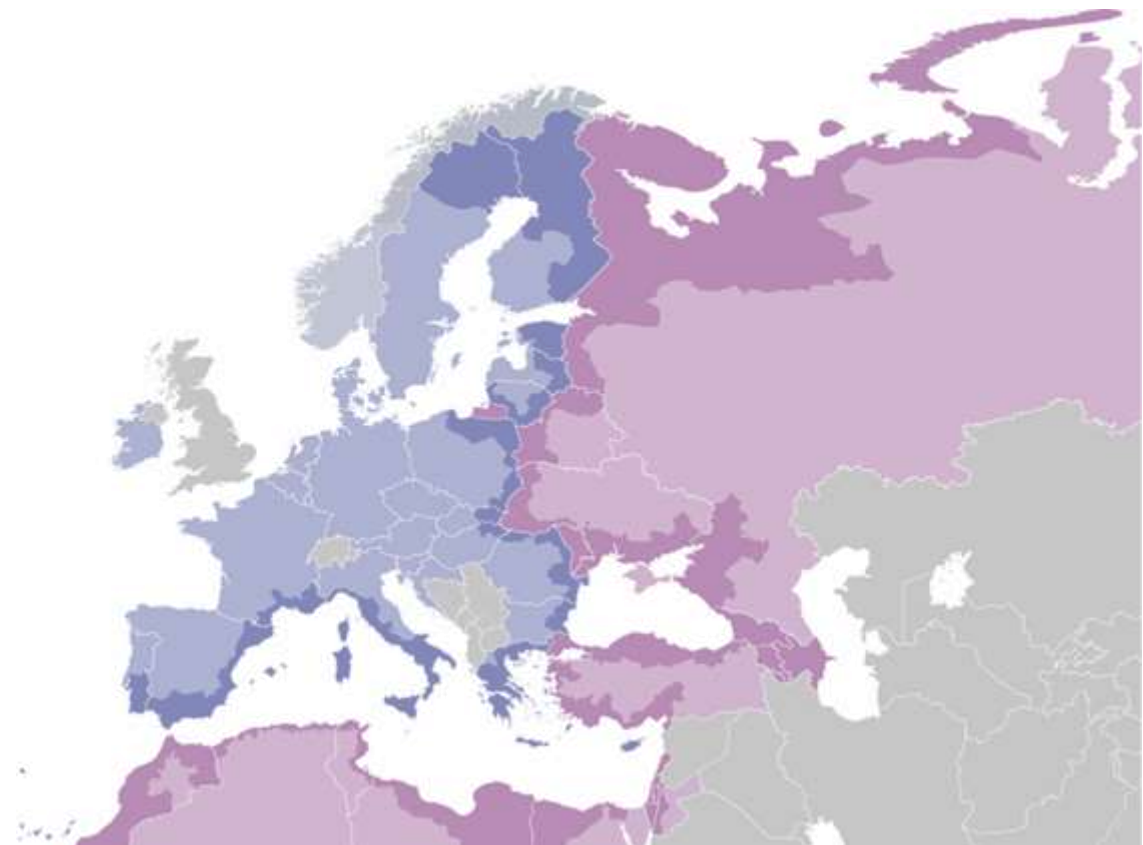
The **National Authority** and **Control Contact Point** are not identified as such in the Regulation, but the role of the Interreg NEXT “**Contact Point**” may be equivalent to them.

The concrete tasks of the contact points have to be decided by the programme.

Decisions needed:

1. Who will be the contact point?
2. Which role will be assigned to the contact points? What about the current roles of NA/CCP?
3. Will contact point assume the support to communication role?

**Any additional
question before the last topic
(financial management)?**





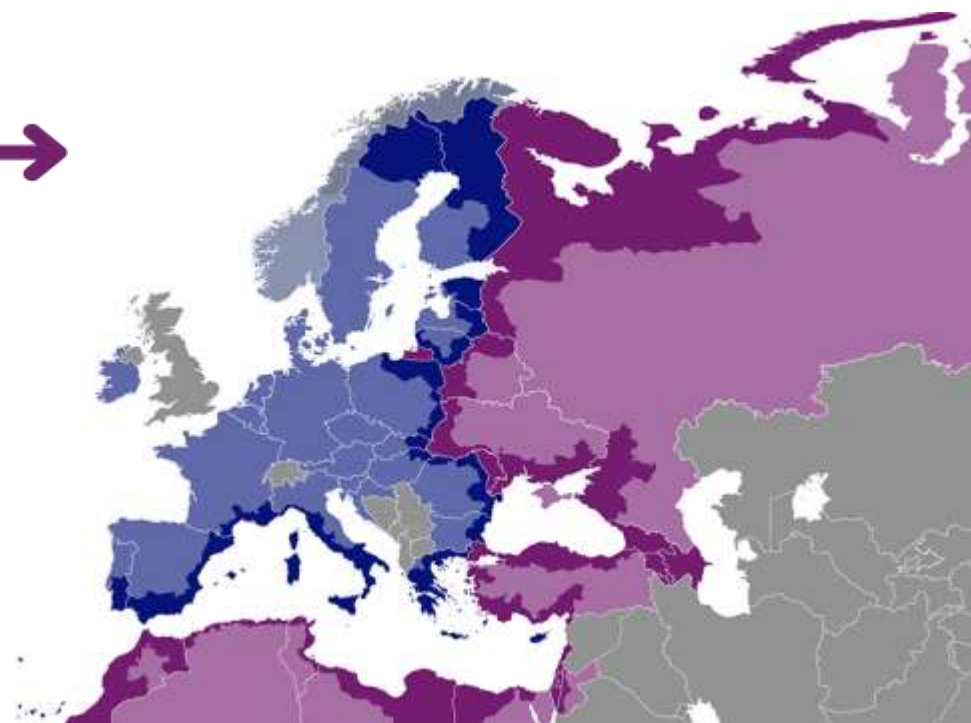
Technical support to the implementation
and management of ENI CBC programmes

Financial management Continuity and twists



Briefing in Ukraine and Republic of Moldova

25 May 2021



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Financial
planning



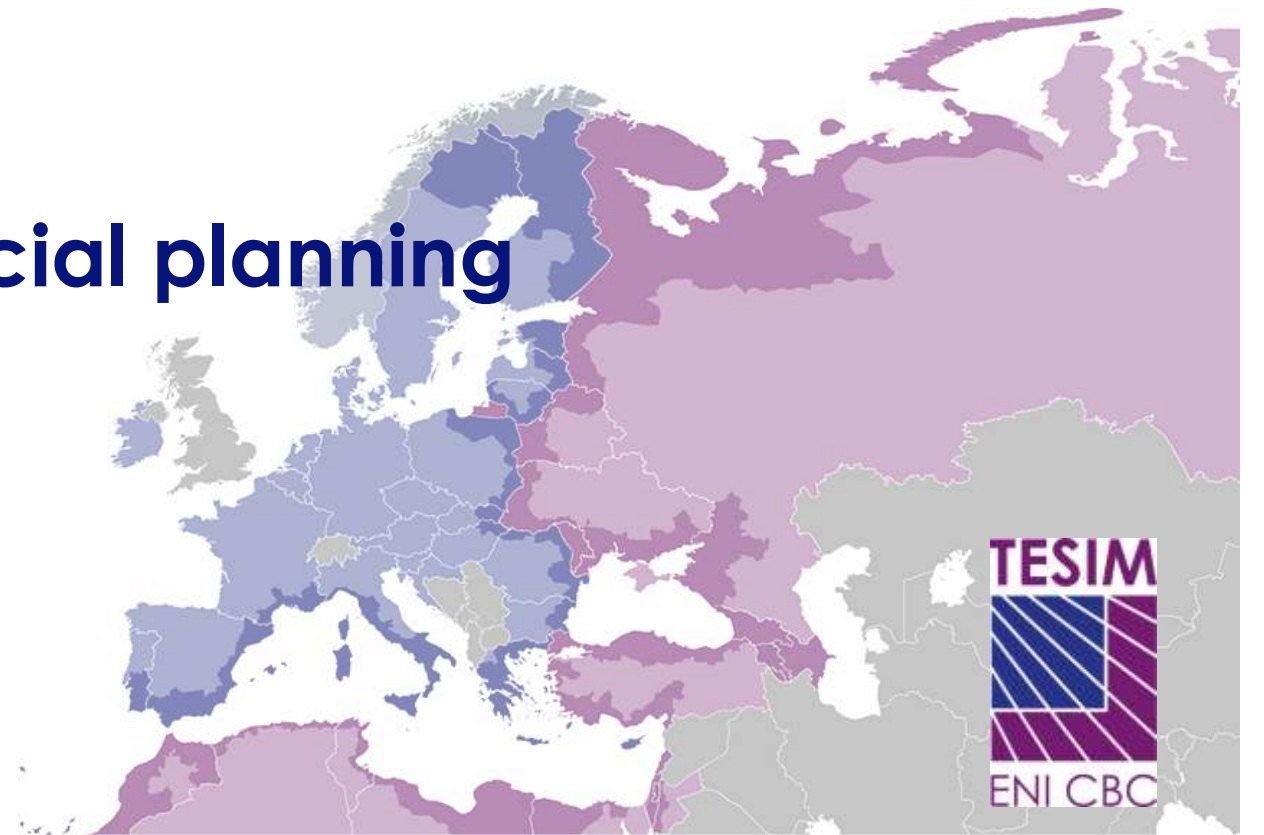
Management
verifications



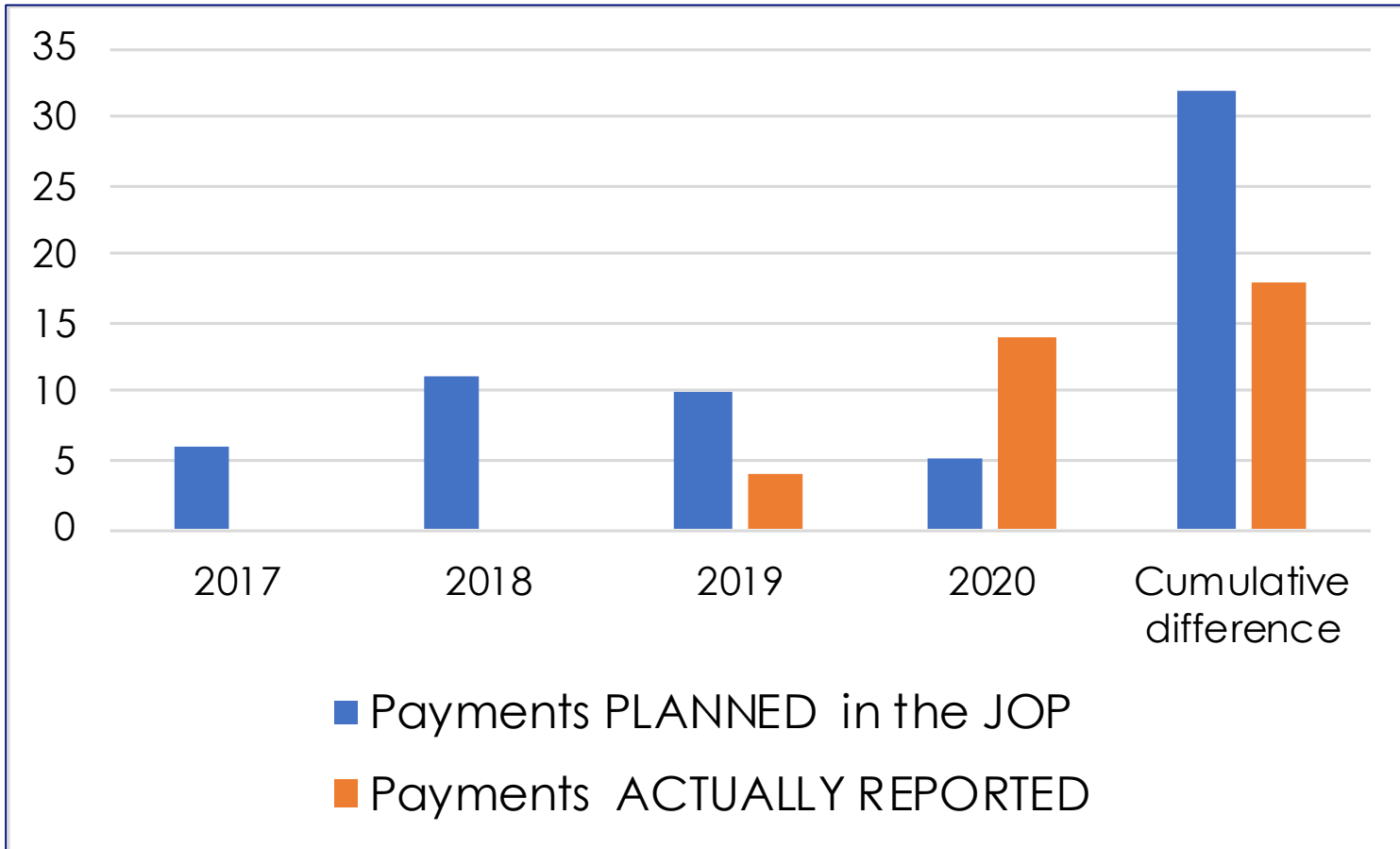
Responsibilities
for the
recoveries



Financial planning



Plan vs reality (an example from ENI CBC)



Annual budget allocations

VS

Tempo/capacities to absorb the allocations



The ENI CBC programmes had virtually no de-commitment risk while Interreg NEXT requirements (payments from the EC based in the actual needs), big implementation delays must be avoided!



There is a risk of losing funds!!



The need of improved cash-flow will be positive for the project beneficiaries

Factors that may impact an improved programme *cash flow*:

- Accurate planning (budget allocations per call and time of launch);
- Efficient project selection and contracting procedures;
- Simpler and more frequent reporting from projects;
- Efficient management verification procedures.

From EC to programmes



BUT...

Challenges:

- Planning a **'variable' budget** (e.g., if absorption rate by projects is 89%, 89% of the TA budget will be paid by EC)
- What changes at the level of programme bodies (e.g., BOs) – new requirement for **control and transfer of funds?**

Absorption rate in ENPI CBC



Programme	Projects	Technical assistance
Poland Belarus Ukraine	90%	70%
Romania Ukraine Republic of Moldova	85%	78%
Hungary Slovakia Romania Ukraine	76%	95%
Black Sea Basin	85%	95%
Mediterranean Sea Basin	85%	102%

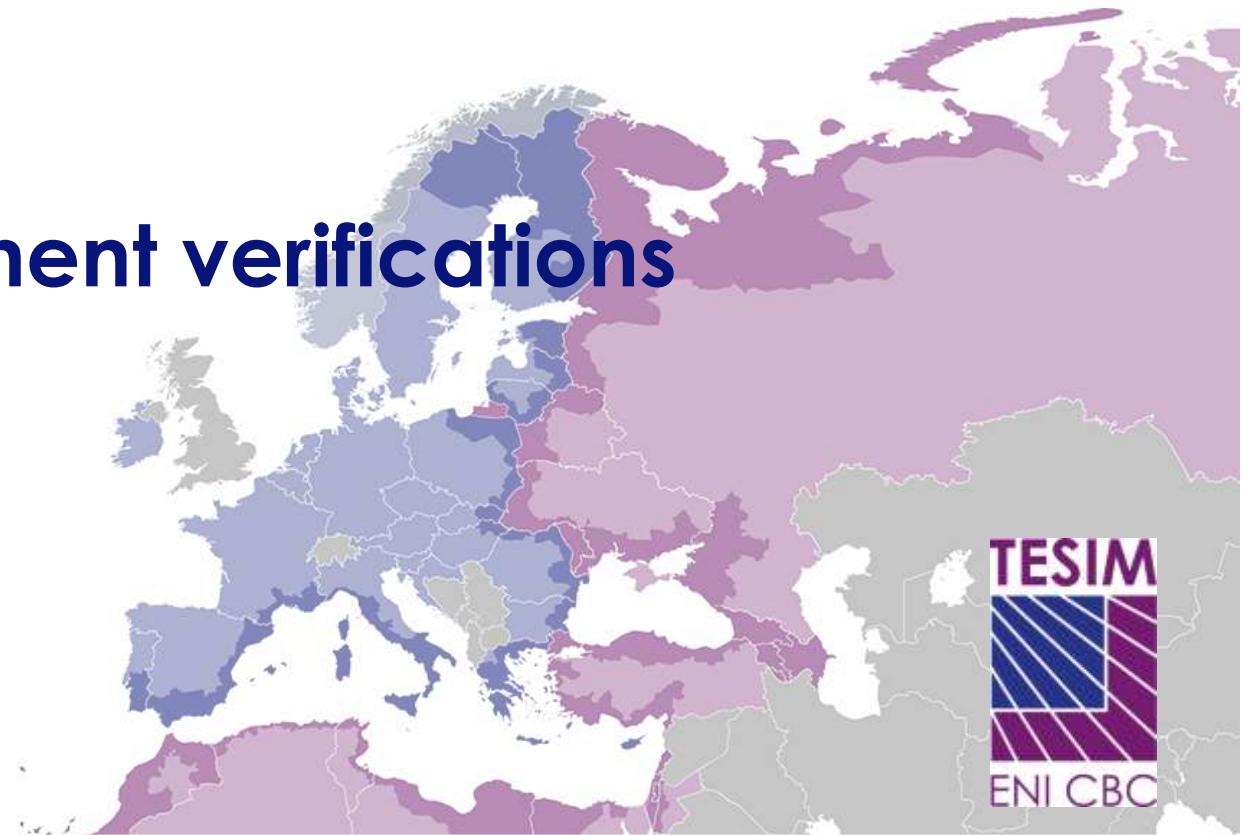
Potential loss of available funds:

- HSRU ± 1,5 M€
- BSB ± 0,6 M€
- MSB ± 4,6 M€

Beneficiary-oriented simplification of procedures may increase absorption rate and reduce the risk



Management verifications



From 2 levels in ENI CBC to 1 level in NEXT

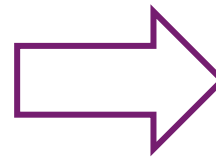
Partner report

- Art.32 - Expenditure verification by public officer or auditor

+

Report to MA/JTS

- Art.26 - Administrative and on-the-spot verification by the MA/JTS

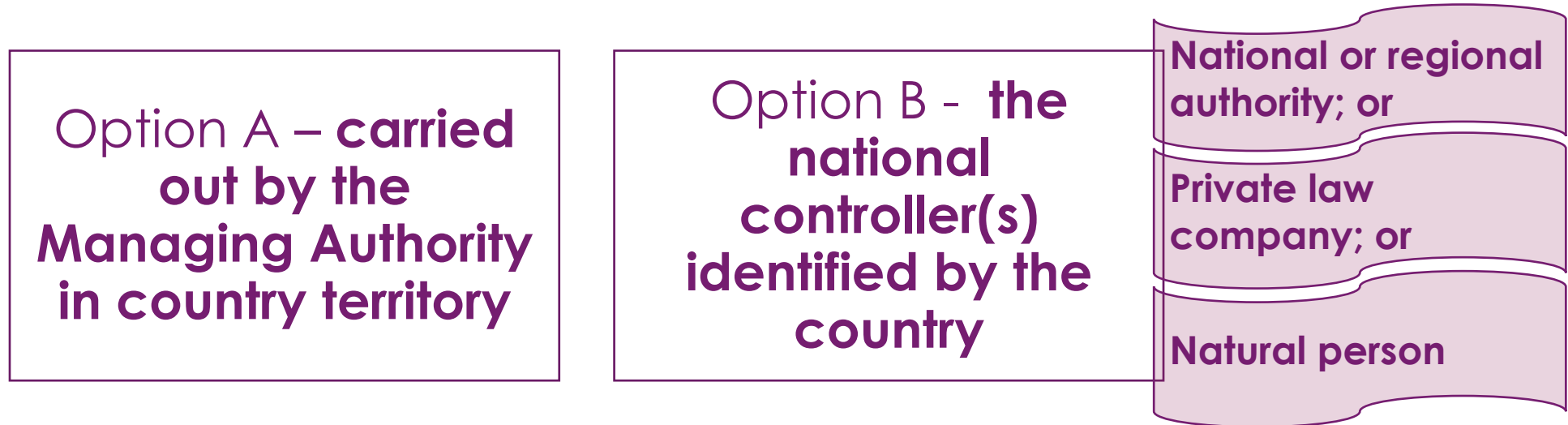


Partner/ Report to MA/JTS

- Art.46 - Management verifications by:

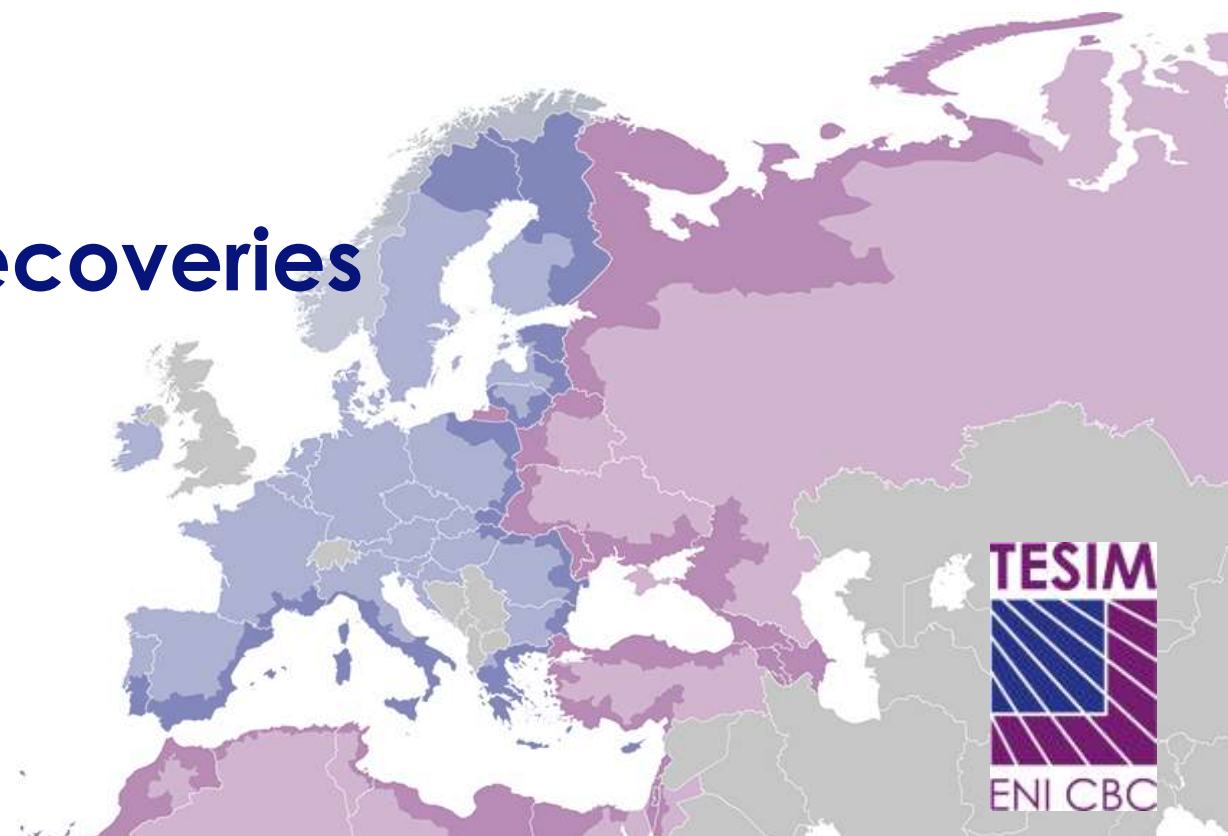
the Managing Authority; or

the national controller(s) identified by the country



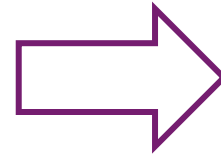
- **A choice to be made** by each participating country in a programme context
- **Within a programme, there could be a mixed approach**

Recoveries



ENI CBC

- Art.74 – the responsibility of the **partner country** for the unsuccessful recovery limited to **public bodies**



NEXT

- Art.52 – the responsibility of the **Member State and the partner country** for the unsuccessful recoveries extended to all partners located in the country

Maximum amount of waivers: 250€ per project per year!



What is the actual risk ? (ENPI experience)

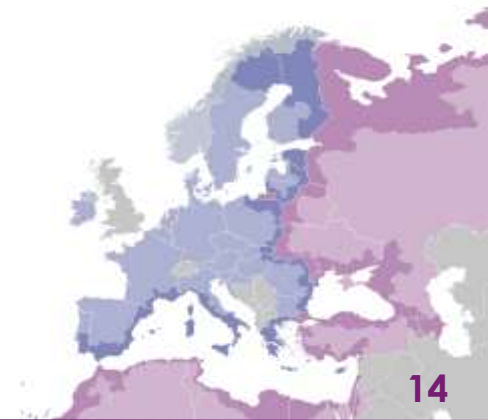


PROGRAMME	WAIVED AMOUNTS (EU funds only - In Euro)			PRIVATE BENEFICIARIES IN PARTNER COUNTRIES WITH WAIVERS (Number)
	TOTAL WAIVED AMOUNTS	OF WHICH, WAIVED AMOUNTS IN PARTNER COUNTRIES	OF WHICH, WAIVED AMOUNTS FOR PRIVATE BENEFICIARIES	
Kolarctic	0,00	0,00	0,00	0,00
Karelia	206.298,00	77.083,00	0,00	0,00
South-East Finland-Russia	0,00	0,00	0,00	0,00
Estonia-Latvia-Russia	0,00	0,00	0,00	0,00
Latvia-Lithuania-Belarus	0,00	0,00	0,00	0,00
Lithuania-Poland-Russia	12,57	12,57	0,00	0,00
Poland-Belarus-Ukraine	33.932,76	33.932,76	16.824,39	1,00
Hungary-Slovakia-Romania-Ukraine	36.298,68	36.298,68	35.648,97	3,00
Romania-Ukraine-Rep. of Moldova	32.379,47	32.379,47	22.409,76	4,00
Black Sea Basin	153.298,33	153.298,33	82.922,67	12,00
Mediterranean Sea Basin	58.566,82	58.324,42	35.965,20	2,00
Italy-Tunisia	96.599,12	96.599,12	17.119,91	2,00
	617.385,75	487.928,35	210.890,90	24,00
On total ENPI CBC funds	0,055%	0,044%	0,019%	

An average of 17.500€ per partner country of amount waived to private beneficiaries



- **(Based on ENPI data) The financial risk (amounts and types of errors) of the unsuccessful recoveries from public and private beneficiaries was minimal**
- **Each country has to assess the changes needed to assume this new responsibility.**



Any additional question on finance?

