



The 9th Regional CBC Consultative Forum

The new generation of Interreg IPA programmes and their simplifications

*IPA/EUSAIR/Accession Negotiations
Team Leader, REGIO D1, Gilles Kittel,*

Brussels, 12 May 2023

In this presentation...

- 1 Cohesion Policy fundamentals
- 2 ETC: Goal 2 of the Cohesion Policy
- 3 Simplifications and additional tools for a revived ambition
- 4 The new generation of Interreg IPA programmes
- 5 Conclusions

Why new Interreg IPA programmes are even more responsive to the changing context?

#EUbudget, #EUSolidarity, #StrongerTogether

1 Cohesion Policy fundamentals

#EUinmyregion



Cohesion policy in the European Green Deal



*“**Cohesion Funds** play a crucial role in supporting our regions and rural areas from East to West, from South to North to keep up with the transformations of our world. In this transition, we must recognise and respect that we do not all start from the same point. We all share the same ambition but some may need more tailored support than others to get there.”*



- Investing in place-based innovation and smart economic transformation.



- Deploying technological and social innovation on a large scale.

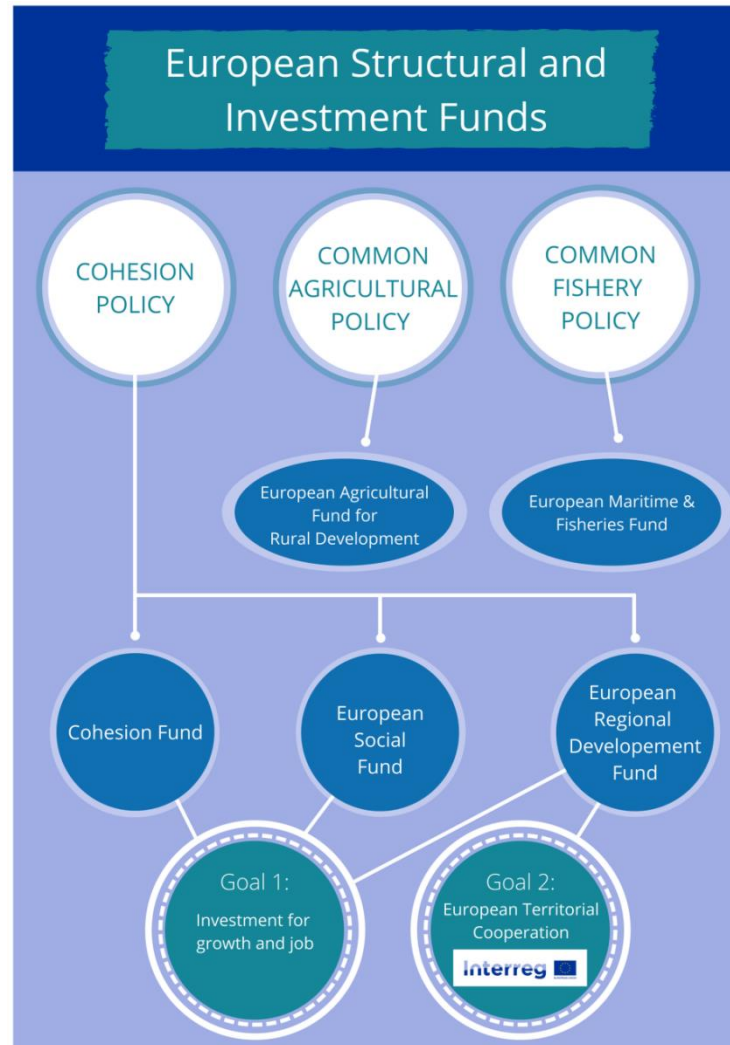


- Facilitating phase-out of unsustainable practices.



- Ensuring a just transition for all regions.

2 ETC: Goal 2 of the Cohesion Policy



The next generation of Interreg programmes

- **Overall objective of new Cohesion Policy:** stronger strategic focus on transition to a smart and low carbon economy
- **New generation of ETC programmes:** Stronger need for thematic and territorial focus
- Full integration of external border cooperation
- Simplification
- Audit and management verification streamlining

Partnership principle

- Involving all those who are concerned/ affected by the programme.
- At all stages: preparation, selection, monitoring, implementation
- Much wider than the national and regional public authorities
- “Balanced” representation (both sides of the border, all interests, etc.)
- Capacity building: TA can help them to contribute effectively to the programme

Two new Interreg specific objectives

- **ISO1: Better cooperation governance**
 - Focus on support to cross border cooperation beyond funding
 - Link with actions under the Border Focal Point
 - Not an extension of TA
- **ISO2: Safer and more secure Europe**
 - Including protection and economic and social integration of third country nationals including migrants and beneficiaries of international organisations

ISO1 & Technical assistance

ISO1

- Better cooperation PROJECTS:
 - Support project partners to cooperate.
 - Support projects partners to prepare projects in substance (but role of JS!).
 - Can support the development of a territorial strategy under PO 5.
- Cooperation throughout Europe:
 - Interreg Europe

Technical assistance

- Better PROGRAMME management:
 - Enable programme partners to attend the MC
 - Enable programme partners to take part in TASKS of the MC (e.g. decision-making)
- Cooperation throughout Europe:
 - Interact

3 Simplifications and additional tools for a revived ambition



Projects of limited financial volume – Art. 24 ETC

- Compulsory for strand A programmes
- Optional for strands B and D programmes – upon justification
- Within small project fund(s) or as regular project or both
- No definition of the terms ‘projects of limited financial volume’
 - Definition in the context of the programme (size, purpose, target groups)
 - The term ‘small projects’ applies only within SPFs.
 - Thresholds for the application of the SCOs.

Small project fund – Art. 25 ETC

- Provides legal certainty and simplification:
 - Only for Interreg, under any PO or ISO and for any specific objective
 - SPF = “operation”
 - Σ SPF up to 20% of an Interreg programme
 - "Final recipients" implement “joint small projects” (with a cross-border effect).
 - Small projects <> people-to-people
 - Selection of small projects \neq delegation of tasks to an IB.
 - Staff & other costs (cf. Art.49 to 53 CPR) for the management of the SPF -> up to 20% of the total eligible costs of the respective SPF(s).
 - Use of SCOs obligatory if public contribution to a joint small project < EUR 100 000, in accordance with Art.48(1) CPR.
- The beneficiary shall be:
 - A cross-border legal body (e.g. an association in a country) or
 - An EGTC or
 - **A Body with legal personality**, involving representatives from at least two participating countries, of which at least one is a Member State, shall select the joint small projects.

Forms of support and grants (Art. 47 & 48 CPR)

- Forms of support (Programme -> projects), Art.47 CPR :
 - grants,
 - financial instruments
 - or prizes
 - or a combination
- Forms of grants, Art.48 CPR :
 - a) Eligible costs incurred (i.e. real costs, contributions in kind and depreciation),
 - b) unit costs (SCO),
 - c) lump sums (SCO),
 - d) flat-rate financing (SCO),
 - e) a combination of a) to d)
 - f) financing not linked to costs, provided such grants are covered by a reimbursement of the Union contribution pursuant to Article 89 CPR + Appendix to CP template

SCOs in the 2021 2027 period

- Art. 48 CPR (Forms of grants) and Art. 88 CPR (Union contribution based on unit costs, lump sums and flat rates)
- Total cost of an operation \leq EUR 200 000 -> SCO obligatory; basis for flat rates = real cost.
- Flat rates (ETC regulation):
 - Staff costs, up to 20% (Art. 19 ETC)
 - Travel and Accommodation, up to 15%
 - Technical Assistance
- Art. 48(2) & Art. 49-Art.52, CPR: FIVE methods to establish SCO's

Increased use of financial instruments

- Encouraging financial instruments (FIs) by **simplification**:
 - Lighter ex-ante assessments
 - Integrated rules for grants and FIs => easier to master rules, easier to combine instruments
 - simpler rules on eligibility, payments and management fees
 - No separate reporting
- Voluntary contribution, as a general rule, up to **5%** of each Fund **to new "InvestEU" instrument**.
- **Rules of InvestEU apply**, but cohesion objectives pursued.

LIPs - Art.57 ETC

- Infrastructure project:
 - Comprising set of works, activities and services to fulfil indivisible function (no slicing)
 - Investments delivering cross border (or transnational) impacts and benefits
 - Sole acquisition of infrastructure (amount of works contract) above EUR 2 5 million (including VAT)
- Applicable public procurement rules
- Concept note to be sent to COM:
 - 2 months before the meeting of steering committee envisaged to select the project
 - Description limited to essential elements nature, location, budget, partners, objectives and deliverables
 - Maximum 3 pages

Simpler management and control

- **No designation procedure:** roll-over of existing systems
- **Fewer layers of control:** Certification Authorities replaced by an accounting function which will not duplicate controls
- **Fewer verifications:** Currently 100% of payment claims covered by administrative verifications, in future risk-based sample
- **Enhanced proportionate system:** For programmes with good track record on error rates, proper functioning of system => Reliance on national systems, no system audit, 30 max audit sample
- **Simpler process for acceptance of accounts**
- **Clarity on document retention period** for beneficiaries.

Technical assistance - Art. 27 ETC

- Calculated as a flat rate, no more a separate priority or a specific programme as in 2014-20
- 10% flat rate to be applied as a percentage to the eligible expenditure included in each payment application:
 - Interreg IPA strand A (CBC) programmes: 10%
 - Interreg IPA strand B (TN) programmes with ERDF>50%: 10%
 - Interreg IPA strand B (TN) programmes with ERDF<50%: 8%
 - Interreg IPA strand C programmes: 8%
- If programme allocation between EUR 30m and EUR 50m, the TA amount shall be increased by EUR 500 000.

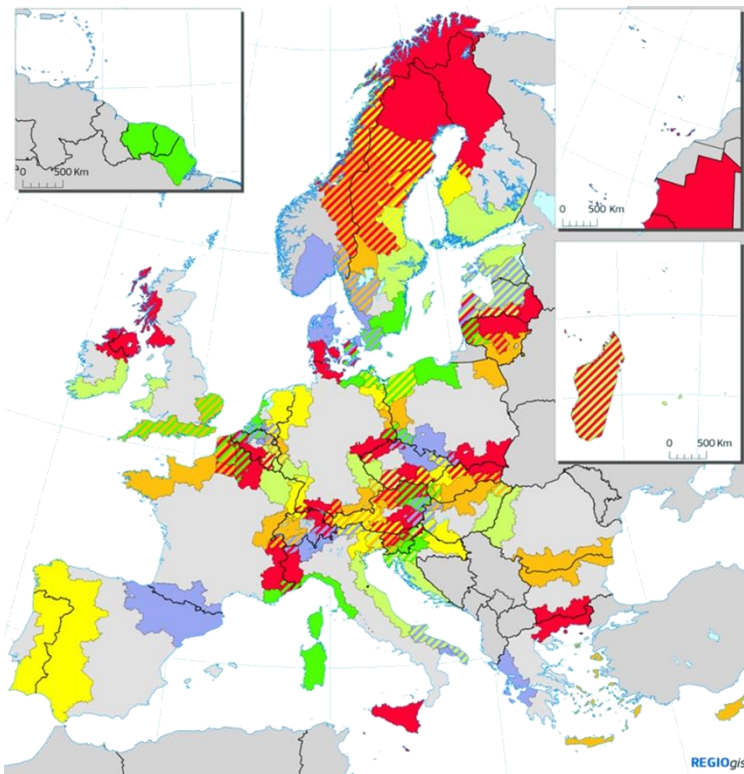
4

The new generation of Interreg IPA programmes

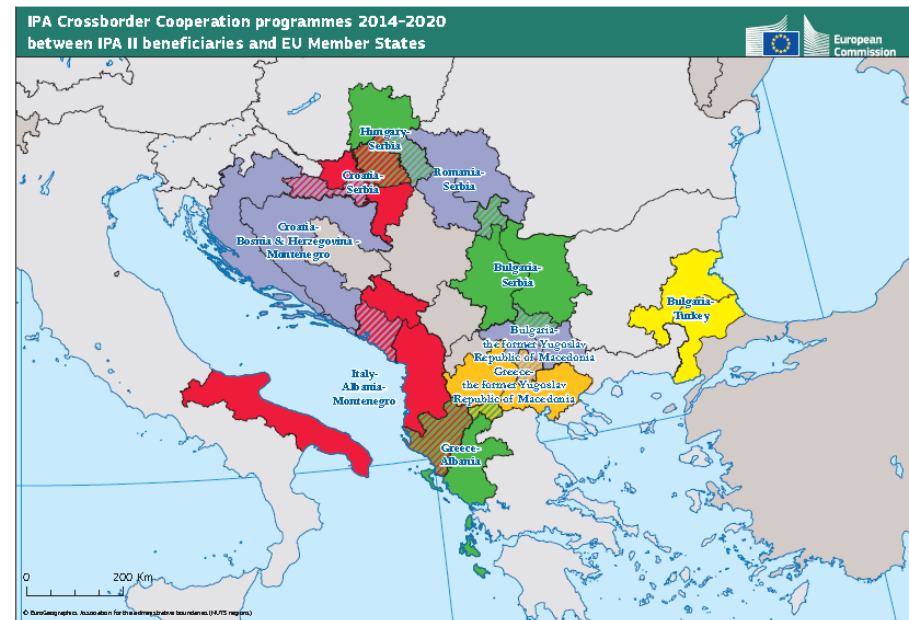
PASSION LED US HERE

Emphasis on the coherence and continuity of cooperation programme areas

Internal Interreg CBC programmes



Interreg IPA CBC programmes



Matching plus (= ERDF +5%)

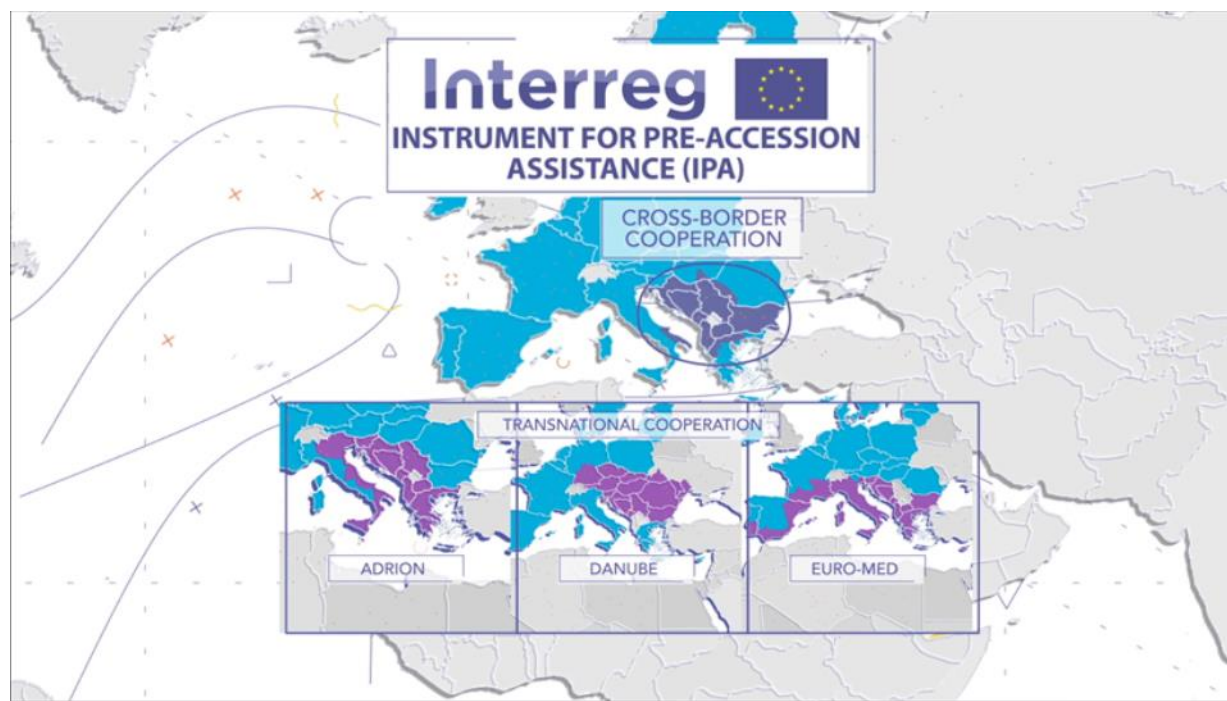
CCI	Programme	2021-2027 ERDF Allocation	IPA III allocation (Matching +5%)	Total EU funds
2021TC16IPCB001	HUNGARY-SERBIA	31 000 000	32 550 000	63 550 000
	<i>Sub total Hungary</i>	31 000 000	32 550 000	63 550 000
2021TC16IPCB002	ROMANIA-SERBIA	36 374 062	38 192 765	74 566 827
	<i>Sub total Romania</i>	36 374 062	38 192 765	74 566 827
2021TC16IPCB003	CROATIA - SERBIA	18 673 977	19 607 676	38 281 653
2021TC16IPCB004	CROATIA- BOSNIA and HERZEGOVINA - MONTENEGRO	57 407 658	60 278 041	117 685 699
	<i>Sub total Croatia</i>	76 081 635	79 885 717	155 967 352
2021TC16IPCB005	BULGARIA - TURKEY	14 269 738	14 983 225	29 252 963
2021TC16IPCB006	BULGARIA - NORTH MACEDONIA	12 916 849	13 562 691	26 479 540
2021TC16IPCB007	BULGARIA - SERBIA	15 804 360	16 594 578	32 398 938
	<i>Sub total Bulgaria</i>	42 990 947	45 140 494	88 131 441
2021TC16IPCB008	ITALY-ALBANIA-MONTENEGRO	32 695 846	34 330 638	67 026 484
	<i>Sub total Italy</i>	32 695 846	34 330 639	67 026 485
2021TC16IPCB009	GREECE-NORTH MACEDONIA	13 000 000	13 650 000	26 650 000
2021TC16IPCB010	GREECE - ALBANIA	13 000 000	13 650 000	26 650 000
	GREECE-TURKEY	0	0	0
	<i>Sub total Greece</i>	26 000 000	27 300 000	53 300 000
	CYPRUS - TURKEY	0	0	0
	Interreg IPA CBC PROGRAMMES WITH EU MSs	245 142 491	257 399 614	502 542 105

Preferential treatment

Shaping IPA III Allocation -> = ERDF + 5%:

- Application of more flexible IPA III rules regarding:
 - co-financing,
 - pre-financing &
 - TA

3 Interreg IPA TN & 1 Interreg IPA IR programmes



NEW

+ URBACT IV
(enlarged to 5 IPA
countries)

NB: EURO NEXT MED &
NEXT Black Sea -> also
partially financed through
IPA.








“A stronger Europe in the world”

- **Reconfirmed EU membership** perspective for the WB region
- **Joint willingness** of both REGIO and NEAR to support this agenda through the post 2020 Interreg IPA programmes and their IPA III allocations:

<i>IPA Allocations to Interreg IPA ETC (in M€)</i>	2021-2027 IPA III	2014-2020 IPA II	Variation
IPA contribution to Strand A (CBC)	257,40	227,80	13%
IPA contribution to Strand B (TN)	138,18	60,00	130%
IPA contribution to Strand C (IN)	5,00	0,00	N/A
Total	400,58	287,80	39%

- **Increase in the IPA III allocation to Strand A**, following a matching plus principle & taking into account the ERDF allocation increases proposed by the MS.
- **Significant increase in the IPA allocation to Strand B**, to better support the two relevant MRS (EUSAIR & EUSDR)
- **New IPA allocation for Strand C - URBACT IV**

All specific objective selected by Interreg IPA CBC programmes 2021-2027

		Total	Interreg TN ADRION	IPA CBC Greece - Albania	IPA CBC South Adriatic	IPA CBC Croatia - Bosnia - Montenegro	IPA CBC Greece - the Rep. of North Macedonia	IPA CBC Bulgaria - the Rep. of North Macedonia	IPA CBC Bulgaria - Serbia	IPA CBC Croatia - Serbia	IPA CBC - Hungary - Serbia	IPA CBC Romania - Serbia	TN Danube Regional Programme
	PO1 R&D	4	X			X				X			X
	SMSs	3			X	X			X				
	Skills for S3	2	X										X
	PO2 Energy efficiency	3			X	X						X	
	Renewable energy	3								X		X	X
	Climate change, risk prevention	9	X	X	X	X			X	X	X	X	X
	Water	2		X	X								
	Circular economy	4	X	X		X	X						
	Nature protection, biodiversity	8	X	X	X		X	X			X	X	X
	Sustainable urban mobility	1	X										
	PO3 Developing Intermodal TEN-T	1						X					
	Mobility, Improved access to TEN-T and cross-border mobility	4	X	X	X		X						
	PO4 Labour markets	1											X
	Education	4			X						X	X	X
	Health	5		X		X	X			X		X	
	Culture and sustainable tourism	8		X	X	X	X			X	X	X	X
	POS Integrated development in areas other than urban	2						X	X				
	ISO1 Institutional capacity of public authorities	3	X		X						X		
	Capacity to implement MRS/SBS	2	X										X
	Other actions	3					X					X	X
	ISO2 Actions in border crossing and mobility and migration management	1									X		

Please note that this remains indicative information since only one programme has been adopted until now.

Conclusions

#EUbudget, #EUSolidarity, #StrongerTogether

Principles underlying the strategic approach

- Partnership and transparency principles into real actions
- Critical role of social partners and other CSOs in promoting regional cooperation and people-to-people relations -> building bridges.
- Development of policy solutions through joint efforts across regional borders.
- Need for more:
 - bottom-up cooperation involving the social partners, socio-economic agents and civil society organisations, as well as any engaged actors from the entire geographical area, using the quintuple helix approach (university-industry-government-public-environment).
 - extensive and regular cooperation with the European Commission and its delegations.
 - cross-sectoral and cross-territorial coordination, particularly with respect to institutional capacity building
 - leveraging of other EU, local and/or private resources
 - coordinated action aimed at reducing bureaucratic obstacles

Expected results of this more strategic approach

- Enhancing complex ecosystems of actors (from multiple levels of government, to private firms and non-profit entities),
- Stimulating policy interactions,
- Creating synergies,
- Allowing positive overlapping and
- Providing additionality to mainstream programmes

Coordination mechanisms at different levels

- Programming -> potential synergies with national or other EU funds.
- Implementation -> through coordinated calls for proposals that are either joint calls, logical sequence of calls and/or coordinated selection criteria.
- Projects -> coordination among beneficiaries to achieve the highest possible level of synergies.

Other key take aways

- Good balance achieved between continuity and innovative elements, offering genuine simplifications and new tools for strategic implementation
- New elements on thematic concentration and small projects
- Interreg programmes do not operate in isolation.
- Seek better coordination and complementarities
 - Link with Macro Regional Strategies (EUSAIR and EUSDR)
 - Link between different Interreg strands (examples of EURO MED, Adriatic Ionian, NEXT MED, Black Sea) and other EU funds
- Expected benefits: more ambitious projects, new partners, good project pipeline, visibility

A woman with long brown hair, wearing a black sleeveless top, black leggings, and black boots, is captured in a dynamic pose. She is holding a purple umbrella with her right arm extended upwards. Her left leg is kicked out to the side, and her left arm is extended outwards. She is smiling and looking towards the right. The background is a bright yellow wall made of horizontal wooden planks.

Questions & feedbacks

#ThisistheEU

#ThisIsTheEU



The EU is built
on solidarity

Thank you

- © European Union 2023

- Unless otherwise noted the reuse of this presentation is authorised under the [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/) license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.

- Pictures, source: Unsplash