

Exchange on

How to **speed up spending** of 2014-2020 programmes?

Iuliia Kauk. Grzegorz Golda / Interact / 14.02.2023

Interact



Co-funded by
the European Union
Interreg

Working agreements

- a) Please stay muted unless talking
- b) Please turn your cameras on
- c) Rename yourself (indicate your programme too)
- d) Questions policy – chat, e-hand, speak up 😊
- e) Be open and share!



Agenda

01

State of play
Approaches and strategies to speed up spending rates of the 2014-2020 programmes

02

Approaches from programmes

03

Group work

04

Feedback round

05

Wrap-up and closure



State of play of the Interreg programmes implementation

8 February, 2023

Source: [Cohesion Open Data platform](#)

(Interreg + IPA-II programmes, ENI programmes are not covered)

Real spending rates are higher!

Where are we at in the 2014-2020 programming period?

9th accounting year

- 1 July 2022 – 30 June 2023
- 10th accounting year left – 1 July 2023 – 30 June 2024
- Final eligibility of expenditure (N+3) – *for projects to incur their expenditures* – 31 December 2023

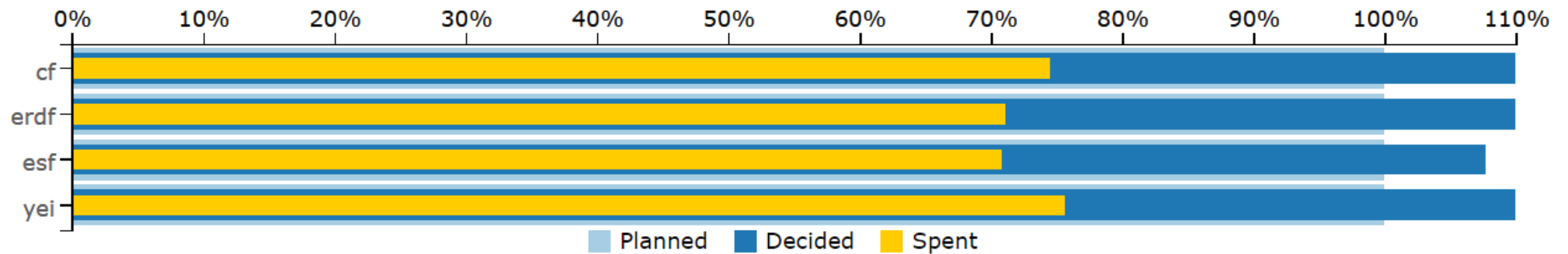
Implementation by Fund

Total cost % of Planned

2014-2020: Cohesion Policy financial implementation (total cost) by Fund

Explore this Data

Export Image Share to twitter Embed Chart



Period Covered:

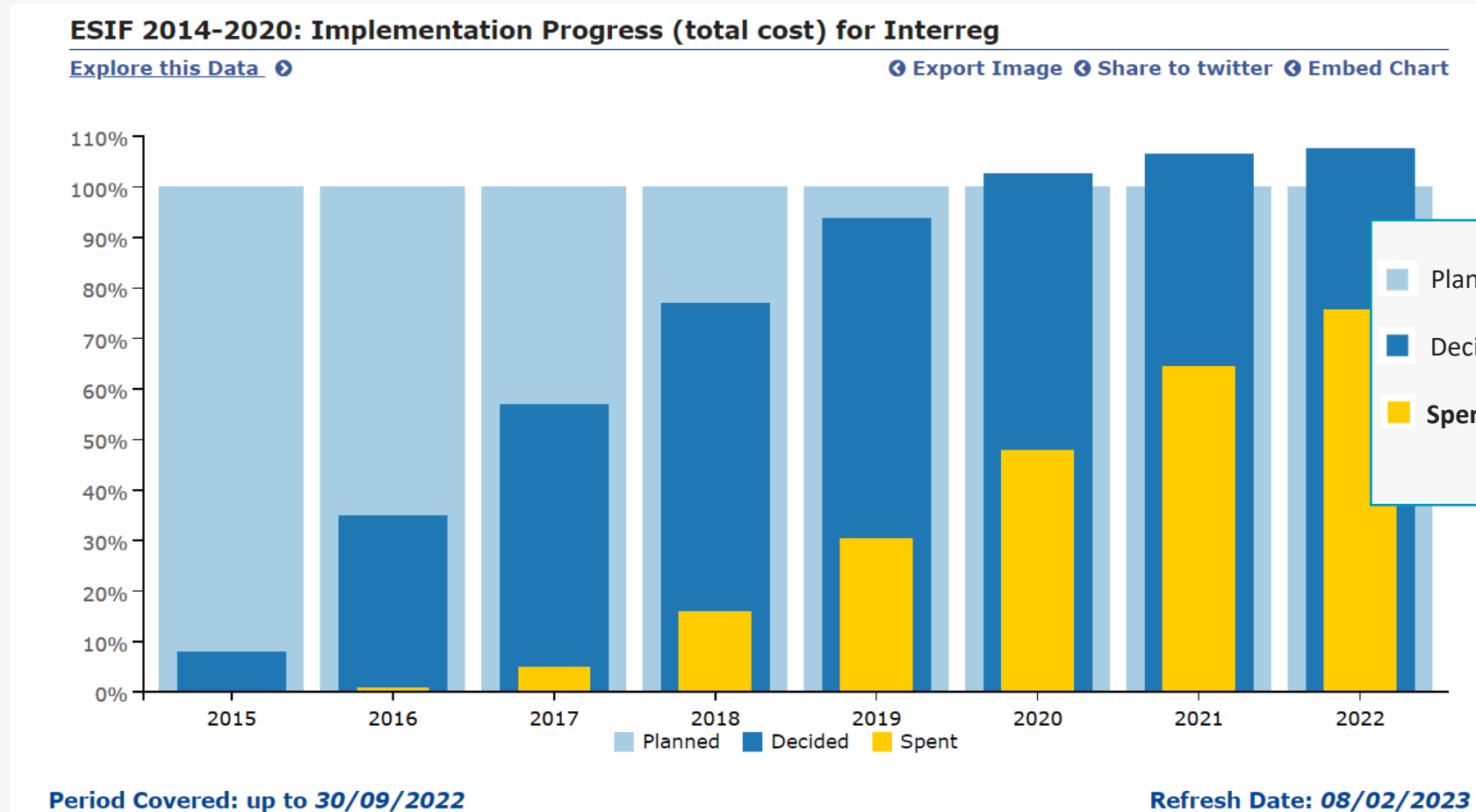
CF, ESF, ERDF, YEI: 30/09/2022

Refresh Date: 08/02/2023

Planned: € 306 949 987 765 (100%)
 Decided: € 359 966 054 826 (117%)
 Spent: € 218 365 423 382 (71%)

Implemented finances, total costs

ESIF 2014-2020: Implementation progress (total costs) of Interreg

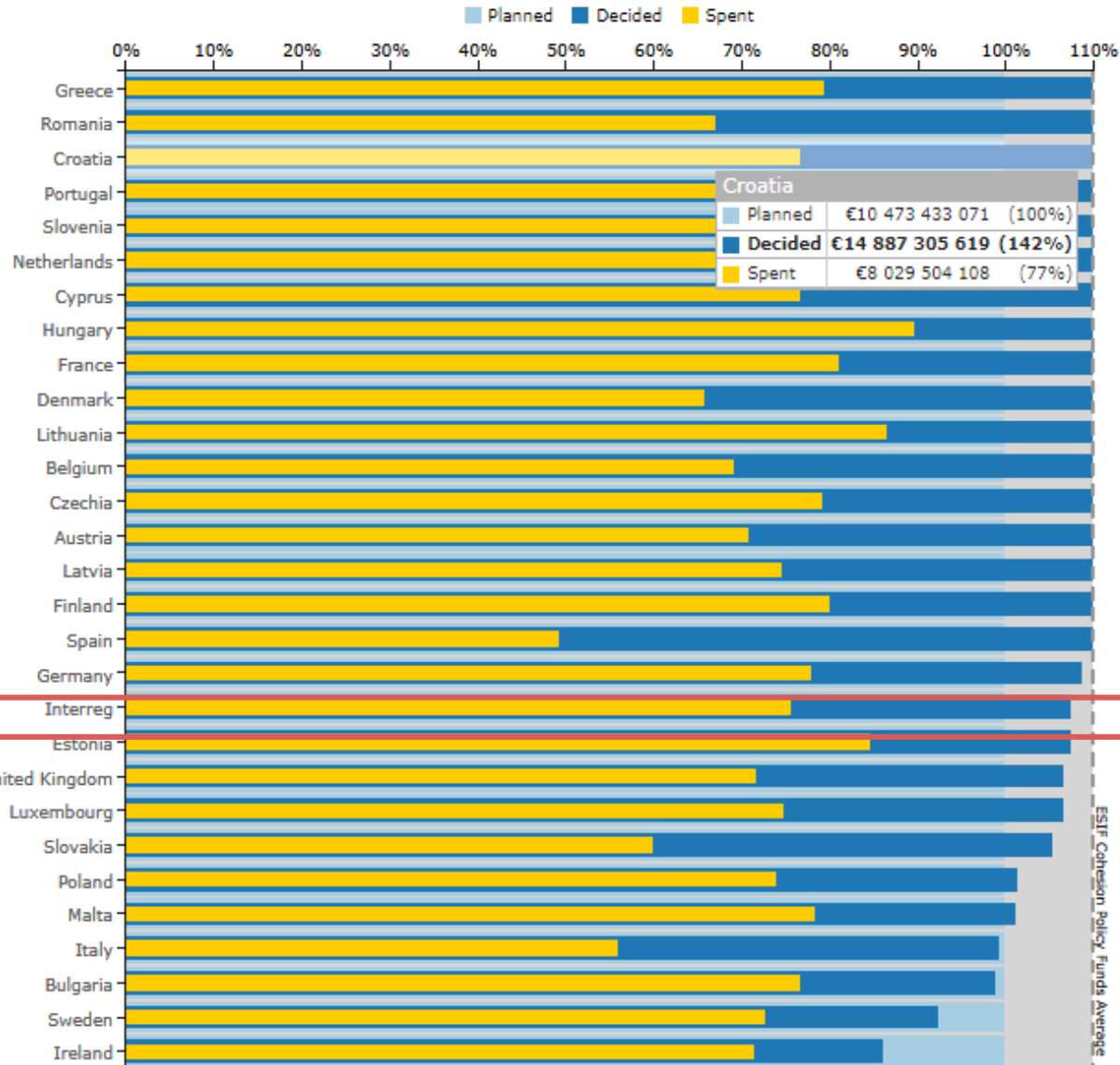


Financial progress by country

2014-2020: Cohesion Policy financial implementation (total cost) by Country

Explore this Data

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Interreg

Planned: € 12 630 418 792 (100%)

Decided: € 13 569 531 311 (107%)

Spent: € 9 549 282 793 (76%)

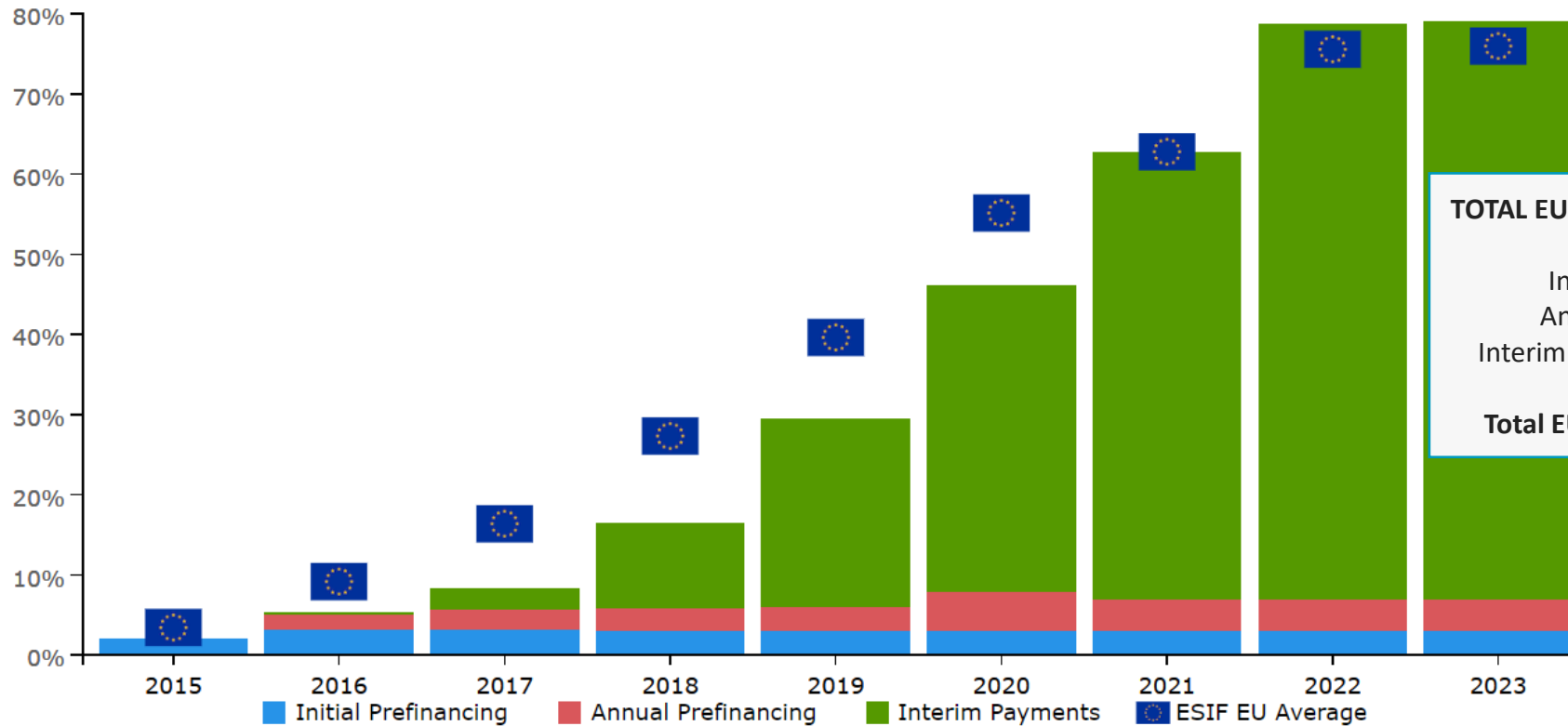
***% of planned**

Total EU payments

ESIF 2014-2020: Total EU payments all ESI Funds – time series cumulated to the end of each year (daily update): Interreg

[Explore this Data](#)

[Export Image](#) [Share to twitter](#) [Embed Chart](#)



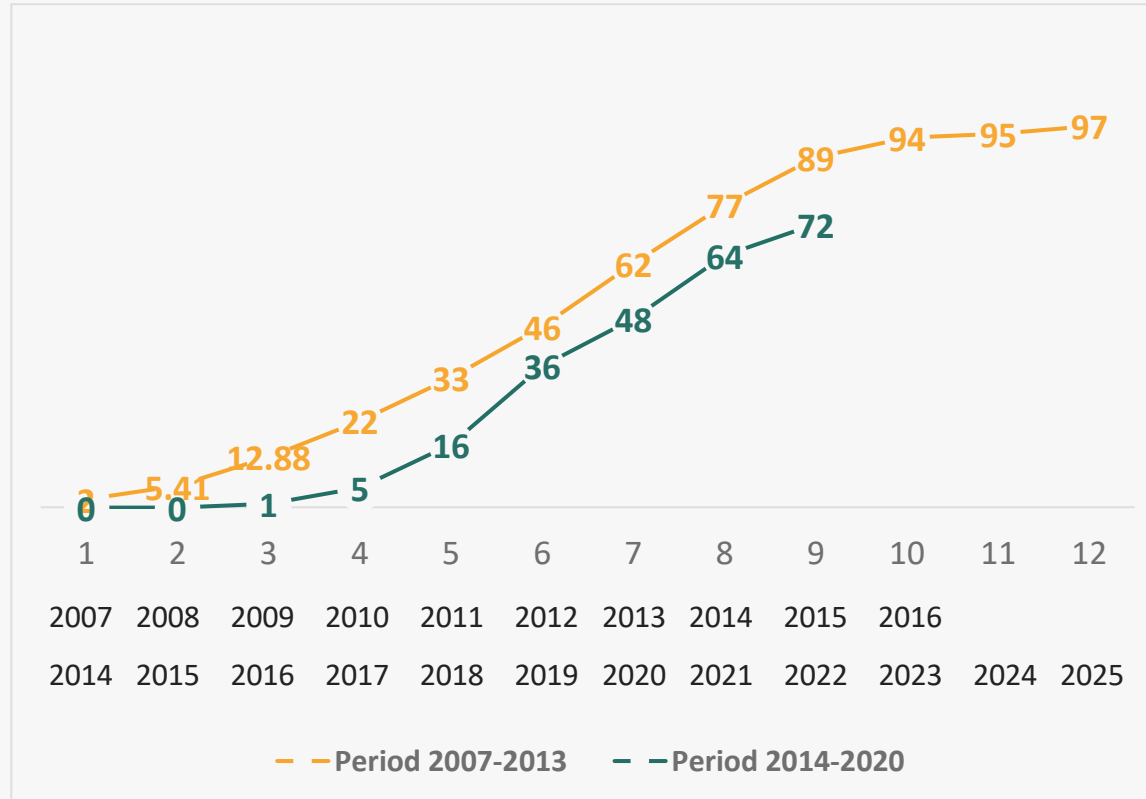
TOTAL EU allocation: € 9 405 684 127 (100%)

Initial PF: € 277 009 955 (3%)
 Annual PF: € 358 525 962 (4%)
 Interim Payments: €6 795 302 989 (72%)

Total EU payments: €7 430 838 906 (79%)

ERDF Absorption rates

Comparison of 2 programming periods



Reasons for lower absorption rates in 2014-2020

- Late adoption of the main legal documents (+ lots of “secondary” legislation);
- New designation process for MA/CA – the majority of programmes designated in 2017 – 4th year of the programme implementation;
- Closure of the 2007-2013 programming period (clearance of the accounts with the final accounting year);
- Slower submission of payment applications as compared to forecasts;
- COVID-19 pandemic;
- Energy crisis;
- War of Russia in Ukraine.

Decommitment, for 2022

IPA programmes (10)

- No risk of decommitment (all programmes achieved targets for 2022)

ENI programmes (15)

- Several programmes suspended, resources transferred to strengthen cooperation with Ukraine and Moldova

CBC internal programmes (53)

- All programmes reached their targets by 2022.

TN programmes (15)

- 1 OMR programme's decommitted, 2 introduced force majeure exemption requests

INT programmes (4)

- Reached their targets.

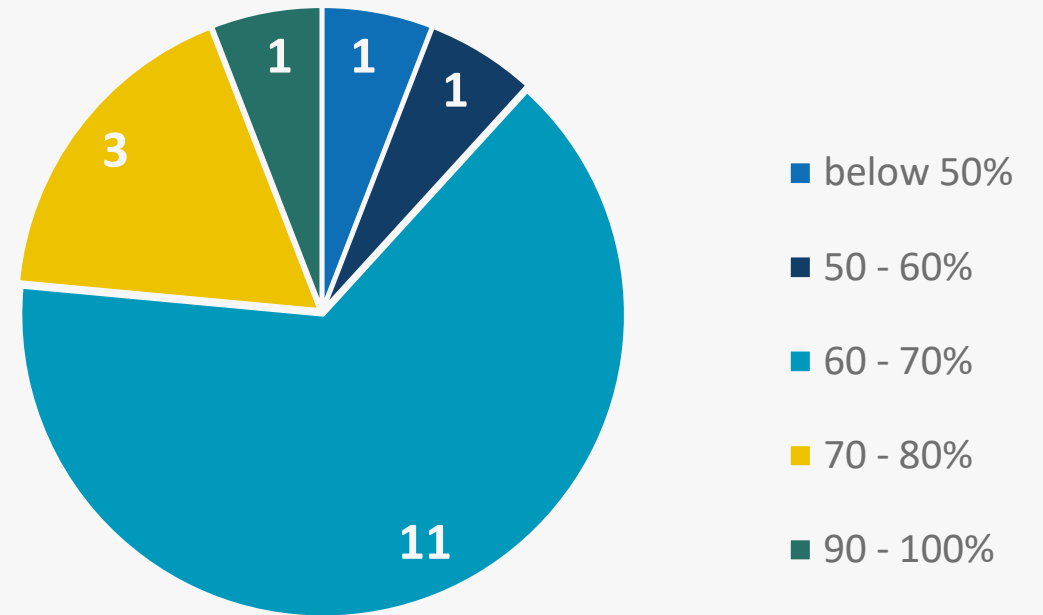
2023

The commitments related to the last year of the period (i.e., for the 2020 main allocation) shall be decommitted in accordance with the closure guidelines (according to Article 86 (2) of Regulation (EU) No 1303/2013).

Information collected in the registration

17 programmes

What is your current (2023) spending rate?



Information collected in the registration

17 programmes

Are you planning for an early closure? (before 1 July 2023 – 30 June 2024)

- 2 programmes (1 July 2022 – 30 June 2023, final documents to be submitted by 15 Feb 2024)

Information collected in the registration

17 programmes

Are you planning to phase operations/ to use non-functioning operations?

- 1 programme – for phasing of operation
- For the rest - NO



Getting implementation of 2014-2020 programmes **back on track**

Measures introduced by the EC in times of uncertainty.



Coronavirus Response Investment Initiatives

CRII (Regulation (EU) 2020/460) - Record-speed approval of CRII – proposed on 13 March, adopted on 30 March, entry into force 1 April 2020:

- Extended scope of ERDF (incl. working capital in SMEs, TO1 – health services);
- COVID-19-related expenditures eligible as of 1 February 2020;
- Article 30(5): a programme may transfer during the programming period an amount of up to 8% of the allocation as of 1 February 2020 of a priority and no more than 4% of the programme budget to another priority of the same Fund of the same programme (**not substantial transfers**, no decisions from the EC but notify revised financial tables, approved by the MC);
- Providing liquidity – not recovering the 2019 annual pre-financing (cleared at closure).

Coronavirus Response Investment Initiatives

CRII+ (Regulation (EU) 2020/558) proposed on 2 April, adopted on 22 April, entry into force on 24 April:

- Article 25a(1): Providing liquidity through a 100% EU co-financing rate for ERDF in the accounting year (1 July 2020 – 30 June 2021) – temporary action; applied to any priority axis (one or more) – to be approved by EC; **extended for the next accounting year by Art 25a(1a) (Regulation 2022/562, April 2022) – not** to be approved by the EC;
- Additional flexibility via new Article 25a:
 - No requirement to comply with thematic concentration rules for amounts transferred between funds on or after 24 April 2020 (using Article 30(5) CPR);
 - Selection of retrospective projects was allowed, even outside of the programme context;
 - Simplifications via no further amendments of the Partnership Agreements when amending the programme; AIR for 2019 – extended deadline (from May to September 2020);
- Article 130(3) NEW 10% flexibility at closure within programmes as regards the EU contribution.

FAST-CARE Regulation (1/3)

REGULATION (EU) 2022/2039, adopted on 19 October, entry into force 25 October 2022.

Modifies CPR 2013/1303 (latest consolidated version 25/10/2022) & CPR 2021/1060 (latest consolidated version 26/10/2022)

Offers more flexibility in the implementation of the cohesion policy.

Amendments to CPR (2013/1303):

- Article 30(6): possibility to transfer financial allocations between different thematic objectives within the same priority of the same Fund and the category of the region – **non-substantial transfers**, not requiring a decision from the EC (but to be approved by the MC; revised fin. tables to be notified to the EC);
- Article 30(7): a co-financing rate of up to 100% to a priority axis promoting the socio-economic integration of third-country nationals that have been established within a programme, including those dedicated to operations addressing migratory challenges as a result of the military aggression by the Russian Federation – no decision from the EC (**only notified as non-substantial transfers**), to be approved by the MC (+ revised tables).

FAST-CARE Regulation (2/3)

- Article 65 CPR (1303/2013) – eligibility:
 - possibility to declare expenditure for physically completed operations that address migratory challenges resulting from the military aggression by the Russian Federation;
- Article 70 CPR (1303/2013) – location of operations:
 - no restrictions for Interreg as to the location of an operation;
- Article 120 CPR (1303/2013) – co-financing rates:
 - a separate PA promoting the socio-economic integration of third-country nationals with a co-financing rate of up to 100 % may be established within an operational programme. Such a priority axis may be entirely dedicated to operations addressing migratory challenges as a result of the military aggression by the Russian Federation;
- Article 130(3) CPR (1303/2013) – final balance:
 - Flexibility of up to 15% at the priority axis level (contribution of the funds to the PA).

FAST-CARE Regulation (3/3)

Amendments to CPR 2021/1060:

- Article 112 – co-financing rates:
 - where a separate priority is established within a programme to support operations promoting the socio-economic integration of third-country nationals, a co-financing rate of up to 100 % shall be applied to expenditure declared in payment applications until the end of the accounting year ending on 30 June 2024. After that date, the co-financing rate set out in the programme in accordance with the maximum co-financing rates listed under paragraphs 3 and 4 shall apply.
- New Article 118a - Conditions for operations subject to phased implementation that were selected for support before 29 June 2022 under Regulation (EU) No 1303/2013

Regulation for ENI programmes

[Regulation \(EU\) 2022/2192](#), adopted 9 Nov 2022, published in OJ – 11 Nov 2022.

13 ENI programmes concerned under ENI Regulation 232/2014, 2 programmes under 1299/2013

15 Articles

- Definition of the programme implementation disruption;
- Adjustments to a programme involving cumulative changes between thematic objectives (including TA) up to 30% of original Union contribution – **non-substantial transfers**, not requiring a decision from the EC;
- Expenditures for projects addressing the migratory challenges as a result of programme implementation disruption are eligible as of 24 February 2022;
- Only admin verifications are possible where on-the-spot checks cannot be done;
- Direct award for project addressing migratory challenges is possible;
- Use of euro: method chosen to convert expenditure incurred in a currency other than the euro into euro as set out in the programme, may be changed retroactively as of the start date of a programme implementation disruption.

Regulation for ENI programmes

[Regulation \(EU\) 2022/2192](#), adopted 9 Nov 2022, published in OJ – 11 Nov 2022.

- Financial responsibilities, recoveries and repayments to the MA
- Derogations from Interreg Regulation (1299/2013) applicable for TN programmes (Article 15):
 - Payments directly to project partners;
 - Conversion to euro;
 - Management verifications (admin checks only, also for projects where infrastructure was destroyed before verifications could be carried out);
 - Amendments to the documents setting out the conditions for support of the operations affected by a programme implementation disruption; replacement of LP, changes to the fin. plans.

Other secondary legislation/ documents

- [EC closure guidance](#) (CGL) – adopted and published in OJ on 14 December 2022 (modified after FAST-CARE Regulation) + extension to IPA-CBC programmes (not for ENI-CBC!)
- [Q&A document published by the EC](#) + additional Q&A document is expected beginning of 2023 with 600+ questions from MS on programme closure

Other:

- Interact's [Q&A document](#) from the Interact event on the 2014-2020 programme closure – September 2022



Preparation for Closure 2014-2020

Few reminders

Beyond 31.12.2022

No revision of indicators' targets unless...

Requests for programme's amendments – by 30.09.2023

- Transfers between priority axes if same OP/ Fund (Article 30(1) CPR)
- For IPA-CBC programmes, 30 Sep – notification on substantial transfers with EC approval (31 Dec – for transfers between priority axes)
- Request/ notification/ amendment of major projects

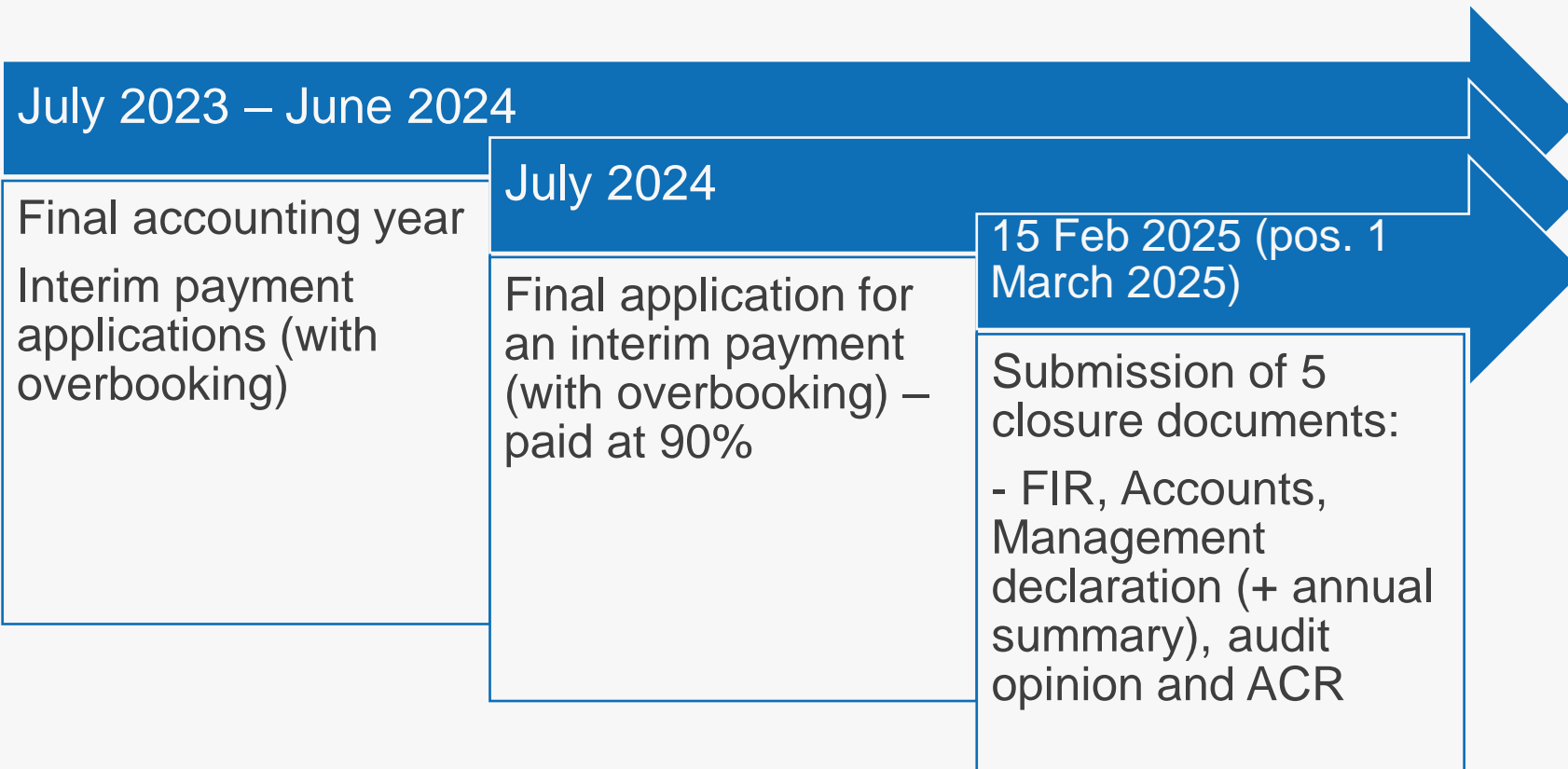
31.12.2023

Final eligibility date

+ Notifications on the revised financial tables to the EC for non-substantial transfers (Article 30(5) and (6) CPR) and amendments to the co-financing rate (Article 30(7) CPR) – before 31 Dec 2023.

Preparation for Closure 2014-2020

Few reminders



Remedy Approaches

Measures offered by the EC

Phasing of operations

Article 118 CPR

Article 118a „new“ CPR
(as amended by FAST-
CARE)

Non-functional operations

EC closure guidance

Ongoing national investigation/ suspended operations

EC closure guidance

Flexibility with transfers + Overbooking

Article 30(5)-(7) CPR
EC closure guidance

Phasing of operations over two programming periods

Article 118 CPR (2021/1060)

Article 118 CPR 2021/1060:

Selection of operations consisting of the second phase of an operation selected for support and started under CPR 1303/2013

NEW: Article 118a CPR (2021/1060)

Article 118a CPR 2021/1060:

Conditions for operations subject to phased implementation that were selected for support before 29 June 2022 under CPR 1303/2013 **(not applicable to IPA-III)**.

Annex I to CGL

List of all operations phased from 2014-2020 to 2021-2027 – to be attached to the FIR (closure document of 2014-2020)

- 2 identifiable phases (fin. point of view);
- total costs (2 phases) \geq EUR 5m;
- complete and detailed audit trail;
- 2nd phase is eligible under 2021-2027
- MS undertakes in the FIR for 2014-2020 (Article 141) to complete the 2nd and final phase in 2021-2027.

- Project selected and started before 29 June 2022;
- 2 identifiable phases;
- operation falls within actions programmed under a relevant specific objective and is attributed to a type of intervention in accordance with Annex;
- complete and detailed audit trail (no double-financing)'
- total costs (both phases) \geq EUR 1m.

Conditions to be met

Non-functioning operations

Annex II to CGL – together with FIR (2014-2020 programme closure)

Exclude from the final accounting year

Expenditure incurred and paid for operations that are not physically completed or fully implemented and/or not contributing to the objectives of the relevant priorities – to be excluded from the final accounts.

Can be left in provided that:

- The total cost of each non-functioning operation \geq EUR 1 million;
- the total expenditure certified to the EC for non-functioning operations does not exceed 20 % of the eligible total expenditure (EU and national) decided for the programme

If left in the final accounting year:

Non-functioning operations must be physically completed or fully implemented and they should contribute to the objectives of the relevant priorities by 15 February 2027; amounts for non-functioning operations to be reimbursed to the EU budget if operations are non-functioning by the date.

Ongoing national investigations or suspended operations

MS decision

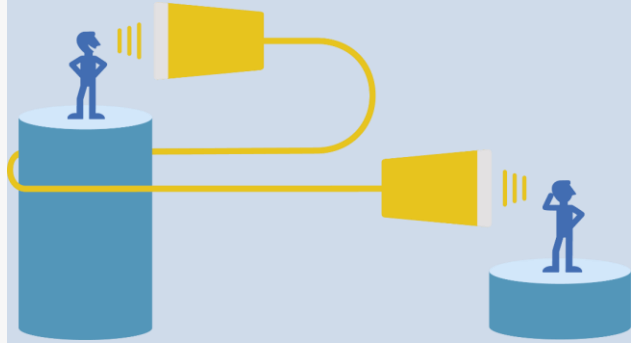
MS to decide whether or not to exclude from the final accounting year all or part of the expenditure of an operation affected by the ongoing national investigations or suspended by a legal proceeding.

Final deadline: 30 June 2024

- No expenditure may be declared for operations suspended by a legal proceeding or by an administrative appeal having a suspensory effect after the submission of the final application for an interim payment for the final accounting year – **30 June 2024**.

Annex III to CGL (together with FIR)

If operations affected by the above are NOT EXCLUDED from the accounts for the final accounting year, Annex III to CLG should be submitted with FIR.
IF irregularities are established, inform EC; the EC will proceed with the recovery of the amounts concerned. Any irregular amounts may be replaced using overbooked expenditure (if available).



Programme's strategies



Programmes' Approaches

How to speed up the absorption of programme funds?

Overbooking of programme funds

+ additional calls for proposals, calls for seed money projects, capitalisation projects, waiting lists of projects

Additional projects reports

+ projects' modification, additional allocations to already approved projects (additional activities)

Increasing co-financing rates for priority axes

Up to 100% (priorities to promote the socio-economic integration of third-country nationals)

Close monitoring

Projects' spending forecasts, budget cuts for non-performing projects and reallocation to other projects; increased programme's flexibility

Overbooking

Up to 15% at the priority level

- Flexibility can apply to any priority (including technical assistance!);
- If all priorities are overbooked, there is no possibility to use this flexibility, but overbooking can still be used to replace irregularities (either in the final accounting year or any prior to it);
- Thematic concentration for programme amendments pursuant Article 30(5) of CPR 1303/2013 is not an issue at programme closure and does not need to be considered!
- Overbooking needs to be included in the final accounting year (last accounting year before closure of the programme, which can be earlier than 2023-2024 in case of early closure);
- Before the last accounting year, overbooking should not be included, because it will be lost for the programme (will not be carried over to the next year);
- Additional calls – time factor, old vs new programme interest, capacities of applicants;
- Waiting lists of projects – takes time to defrost projects, not always ready to go.

Ongoing projects – modifications/additional reporting

Considerations

- Equal treatment;
- projects' modifications – additional activities - ongoing projects (Art 65(6) CPR);
- projects' modifications – capacities (on programme and project side);
- projects' modifications – enough time for preparation and implementation phase (on programme and project side);
- additional reporting – various options (reports on request, prioritization, disentangle reports etc), programme flexibility rules;
- additional reporting – no programme cash flows flaws;

Increasing of co-financing rates

Considerations

- Equal treatment;
- For priority axis (FAST-CARE - up to 100% (priorities to promote the socio-economic integration of third-country nationals)) – how to implement increase of rate on project's level?;
- For bordering projects;

Break

Experience sharing

1. Interreg 2 Seas programme –
Julie Lefebvre, Steeve
Degroote
2. Interreg Italy-Albania-
Montenegro (South Adriatic)
– Davide Marciano



Group work

- Timeline: 30 minutes
- 2 groups
- Task: discuss strategies and approaches applied/ planned to be applied in your programme to ensure high spending rates of the 2014-2020 programmes
- Appoint a rapporteur!
- Take notes in the spreadsheet



Programmes' Strategies

How programmes combine different approaches?
Please share [HERE](#)

Programme	Approaches									
	CRII/CRII+	Phasing of operations	Other FAST CARE	8% flexibility (Art 30(5))	Overbooking	Additional calls	Ongoing projects modifications/ additional reporting	Co-financing rate increase	Close monitoring	Other
Interreg V-A Belgium - Germany - The Netherlands (Euregio Maas-Rijn)										
Interreg V-A Romania - Hungary										
Interreg V-A Germany/Brandenburg - Poland										
Interreg V-A France - Belgium - The Netherlands - United Kingdom (2 Seas)										
Interreg V-A Italy - Croatia										
Interreg V-A Italy - France (Maritime)										
Interreg V-A France -Italy (ALCOTRA)										
Interreg V-A Germany - Denmark										
Interreg V-A France - Germany - Switzerland (Rhin Supérieur)										
Interreg TN Adriatic - Ionian										
Interreg TN Indian Ocean Area										
Interreg TN Atlantic Area										
IPA CBC Italy - Albania - Montenegro										
IPA CBC Romania - Serbia										
IPA CBC Croatia - Bosnia and Herzegovina - Montenegro										
ENI CBC Lithuania - Russia										
ENI CBC Latvia - Lithuania - Belarus										

Summary - Measures to speed up programme's spending rates (1/2)

- Projects from the reserve list;
- Overcommitment;
- CP modification to reallocate budget from undercommitted priorities to overcommitted priorities;
- Programme evaluation including analysis of Programme performance and the use of funds;
- Mandatory project Initiations Stage (first 6 months after approval focused on setting up the project administratively – no access to claiming module if not completed to speed up the process);
- Regular but fixed claim submission deadlines (4/year) + 1 mandatory claim submission per year per project partner, quick payment process;
- Performance framework for projects (project performance calculated based on outputs delivered and budget spent compared to cumulative targets – corrective measures could be applied in case of underperformance);

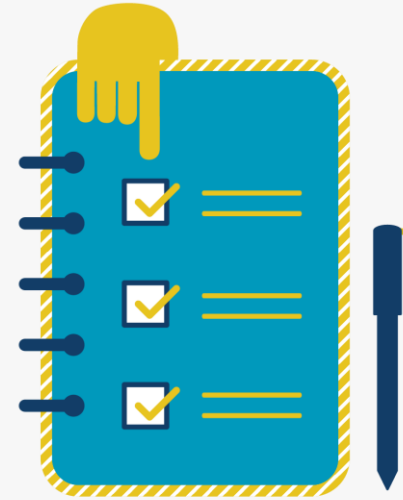
Summary - Measures to speed up programme's spending rates (2/2)

- Preventative monitoring focused on both output delivery and budget spending (annual contacts, milestones, project health check-ups);
- Covid-19 specific measures (projects allowed to apply for time extensions and ERDF increase, extended claiming windows, flexibility at Programme management level on major modifications decision process);
- Inclusion of additional clustering and capitalization activities within 1st call projects at a mature stage of project implementation; follow-up call for proposals devoted to closed projects for enhancing communication of achieved results, which had suffered from pandemic limitations; launch of one extraordinary call for proposals in order to absorb left fund;
- Financing additional activities of the already running projects;
- Support webinars, and proximity approach with national coordinators, national authorities and partners with low execution.

Evaluation survey

Please fill in our evaluation survey.

Thank you very much in advance!



Cooperation works

All materials will be available on:

Interact Library at www.interact-eu.net/library