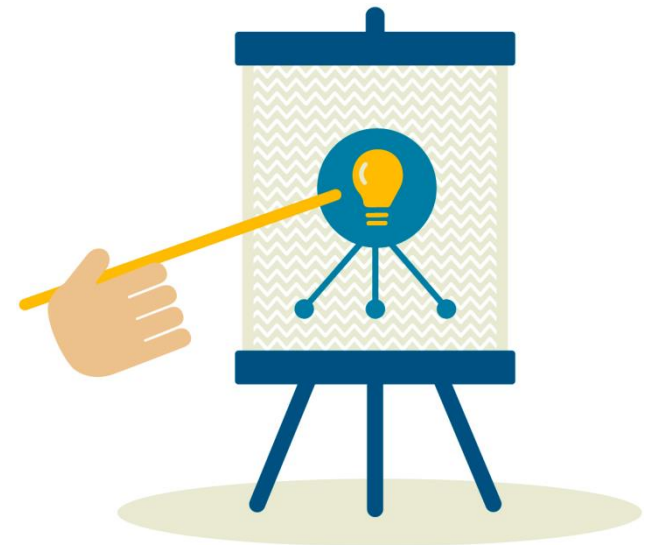


Welcome and Introduction

Halfway through the programming 2014-2020 – halfway through the programme spending?

22 February 2018 | Nice, France

Iuliia Kauk, Interact



Objectives

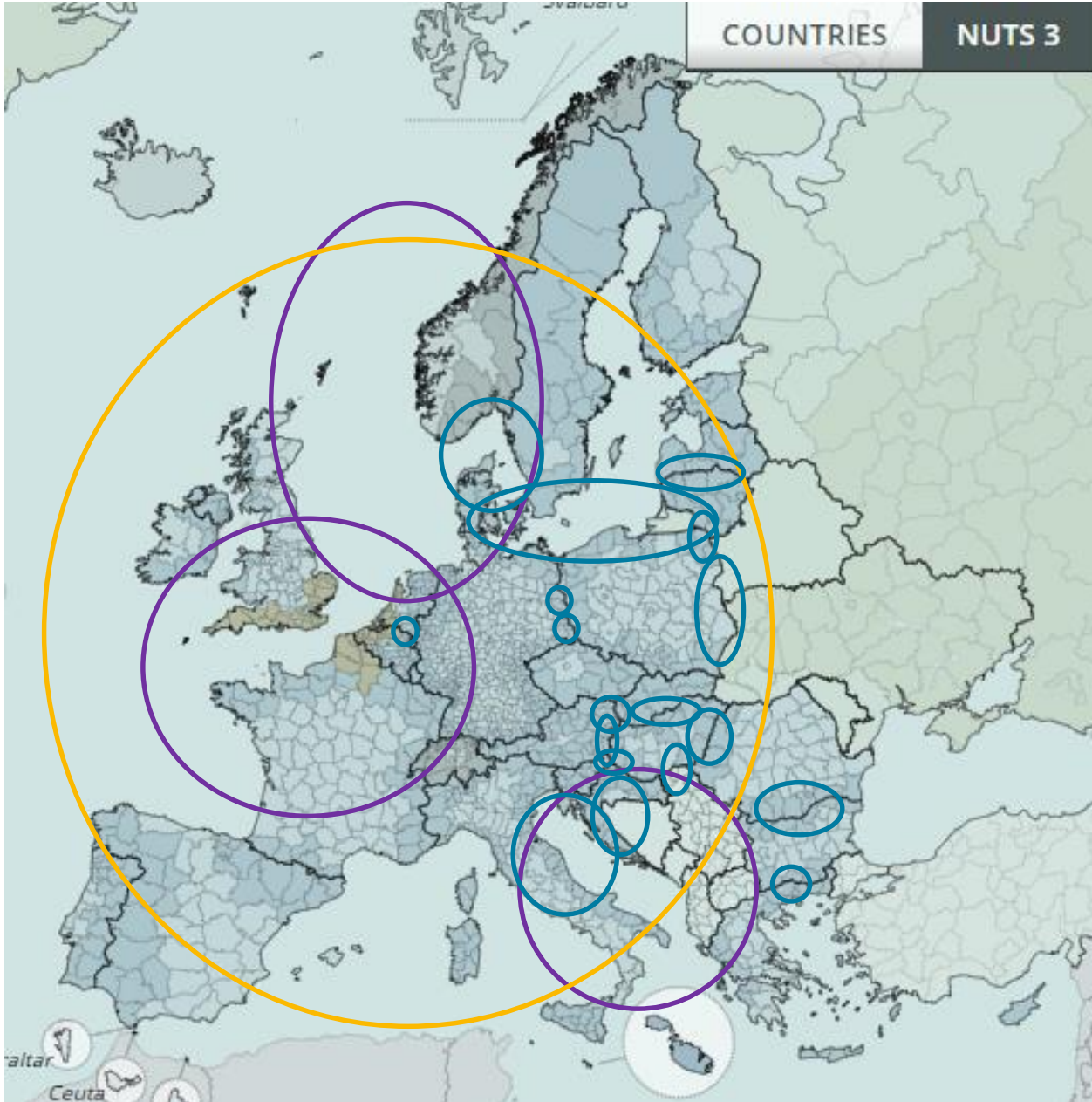
- Get an update on the state of play of the Interreg implementation progress until 2017;
- Identify and discuss main caveats/ challenges in the smooth programme implementation;
- Recap/ get familiar with methods and strategies to ensure high level programme spending used in previous programming;
- Discuss different programmes' approaches being used/ planned to be used in the programming 2014-2020



Agenda

- Interreg Implementation until the end of 2017
- Decommitment Mechanism
- Practical Experience: Interreg V-A Romania - Bulgaria
- Interact Survey on Programme Spending 2007-2013: Lessons Learned
- Practical Experience: Interreg V-A ÖKS
- Discussions/ Exchange, Case Studies
- Wrap up and Closure

Who is here?



Interreg VA: 18

- CBC – 15
- ENI - 1
- IPA CBC – 2

Interreg VB (TN): 3

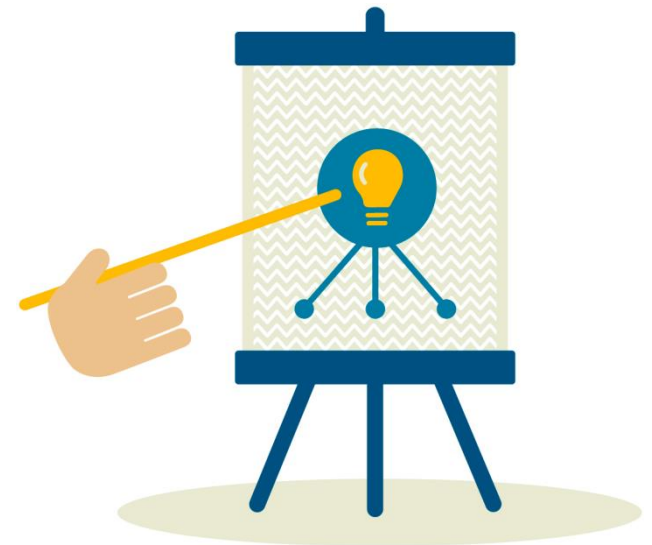
Interreg VC (IN): 1

Interreg Implementation until the end of 2017 – State of play

Halfway through the programming 2014-2020 – halfway through the programme spending?

22 February 2018 | Nice, France

Iuliia Kauk, Interact



New design of the EU Cohesion Policy 2014-2020

- New legal framework
 - Common Provision Regulation for 5 Funds

- Europe 2020 Strategy goals
- 11 thematic objectives (Art. 9 CPR)
- Investment priorities

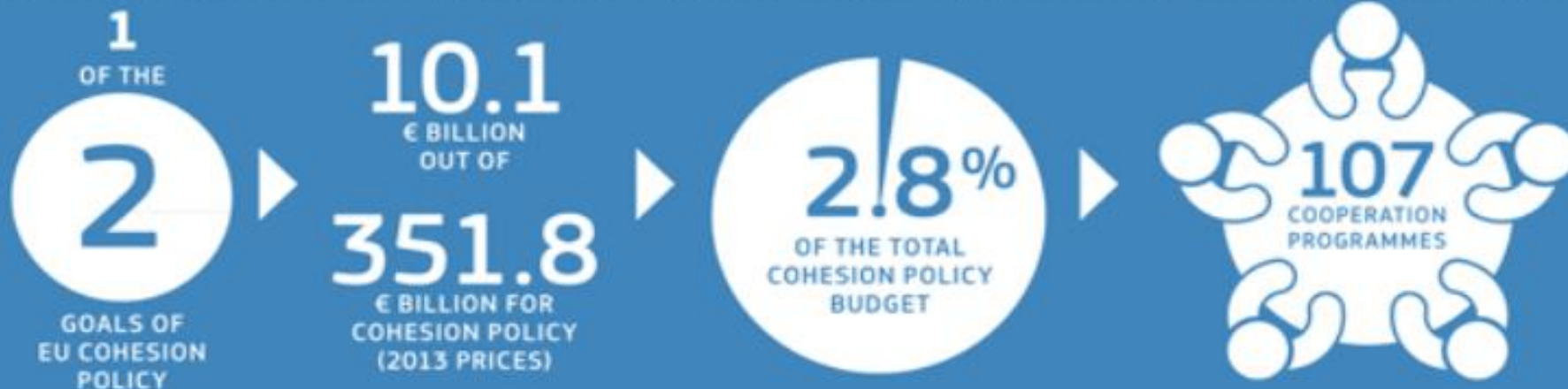
- Common Strategic Framework
 - Partnership Agreement and programmes

- Performance framework
 - Ex-ante conditionalities
- Financial instruments

- Simplification
- Focus on results

Management and control (tasks of different authorities, compliance, accounts)

INTERREG 2014-2020



► CROSS-BORDER INTERREG VA

60 COOPERATION
PROGRAMMES
INTERNAL BORDERS

6.6
€ BILLION

12 **INTERREG IPA**
INSTRUMENT FOR
PRE-ACCESSION

242*
€ MILLION

16 **INTERREG ENI**
EUROPEAN
NEIGHBOURHOOD
INSTRUMENT

634*
€ MILLION

► TRANSNATIONAL INTERREG VB

15
COOPERATION
PROGRAMMES

2.1
€ BILLION

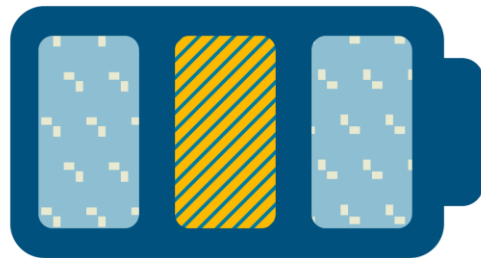
► INTERREGIONAL INTERREG VC

4 COOPERATION
PROGRAMMES

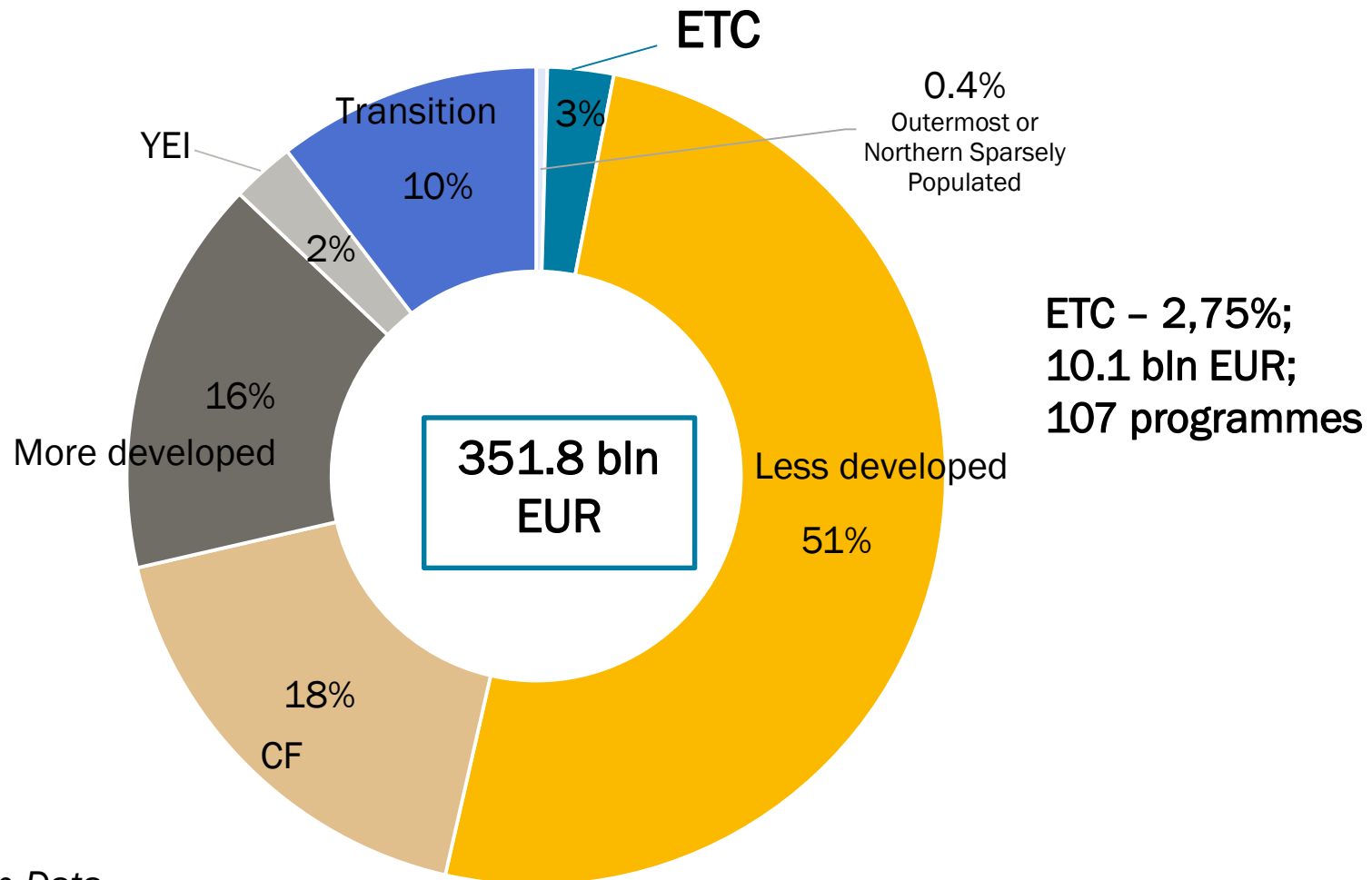
- INTERREG EUROPE
- INTERACT
- URBACT
- ESPON

► **0.5**
€ BILLION

2017. State of Play of Financial Implementation of Interreg

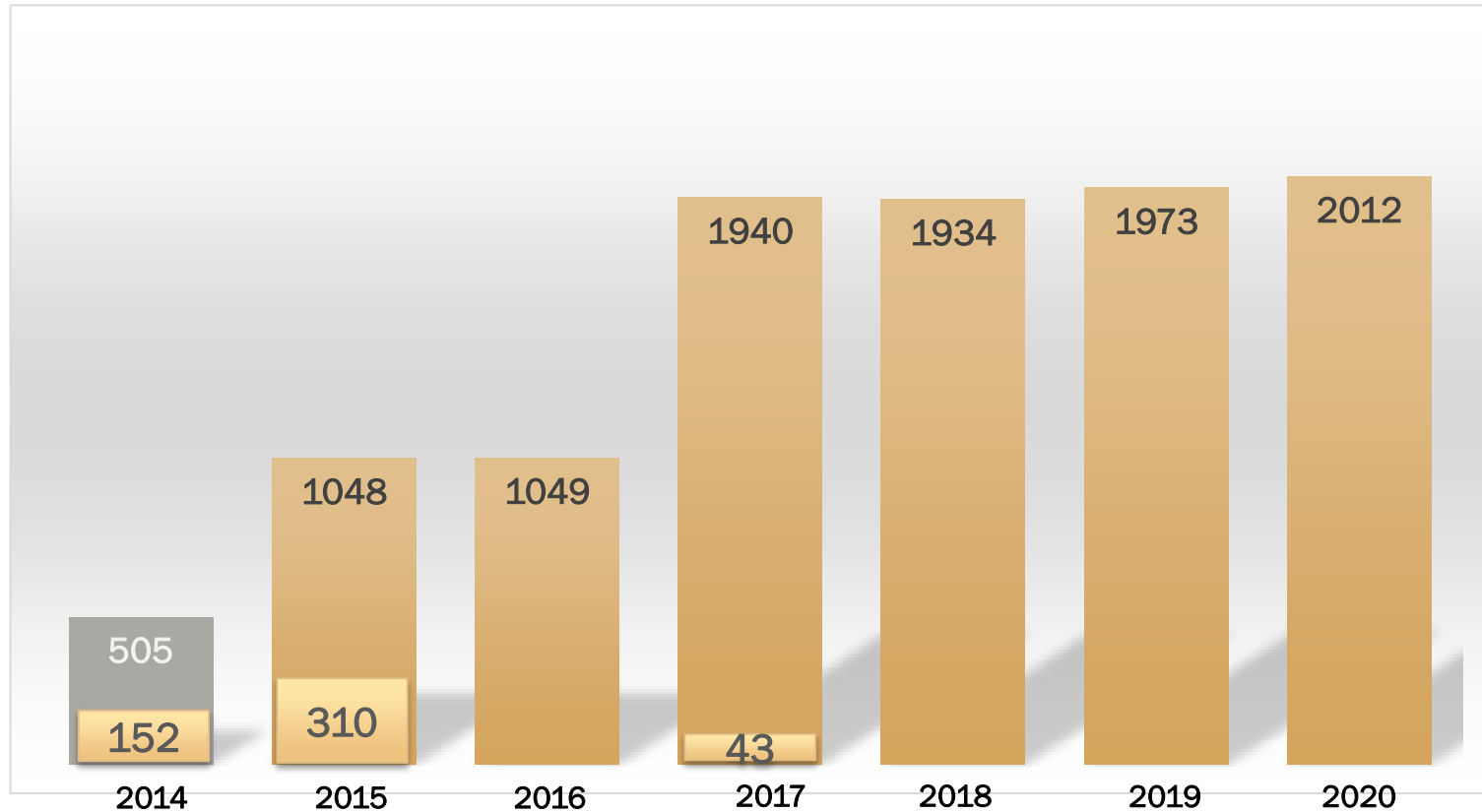


Heading 1b ('Economic, social and territorial cohesion') 2014-2020 commitments, current prices



Adjustment of 2014-2020 envelope

Heading 1b annual allocations after MFF revision (Art.19 Council Regulation 1311/2013), mIn EUR



Source: Analysis of the budgetary implementation of the European Structural and Investment Funds in 2015, DG Budget

Adopted programmes and status of designation of authorities by 31 December 2017

ETC	Total No of programmes adopted	No of designated authorities	Total allocation of adopted programmes, MEUR		Total initial pre-financing paid, MEUR (CBC, TN, IR) **cumulative, excl. IPA CBC
			Total funding	Union support	
2014	18	0	3 026	1 981	19.7
2015	67 (incl. IPA, PEACE, ESPON, URBACT)	6	9 927 *9 484	7 714 *7 337	164.9
2016	1 (IPA CBC Italy-Albania, Montenegro)	17	92.7	78.8	184.7
2017	0	39			n/a

*without IPA CBC. Source: EC.

** PF paid to IPA CBC – 94.2 MEUR.

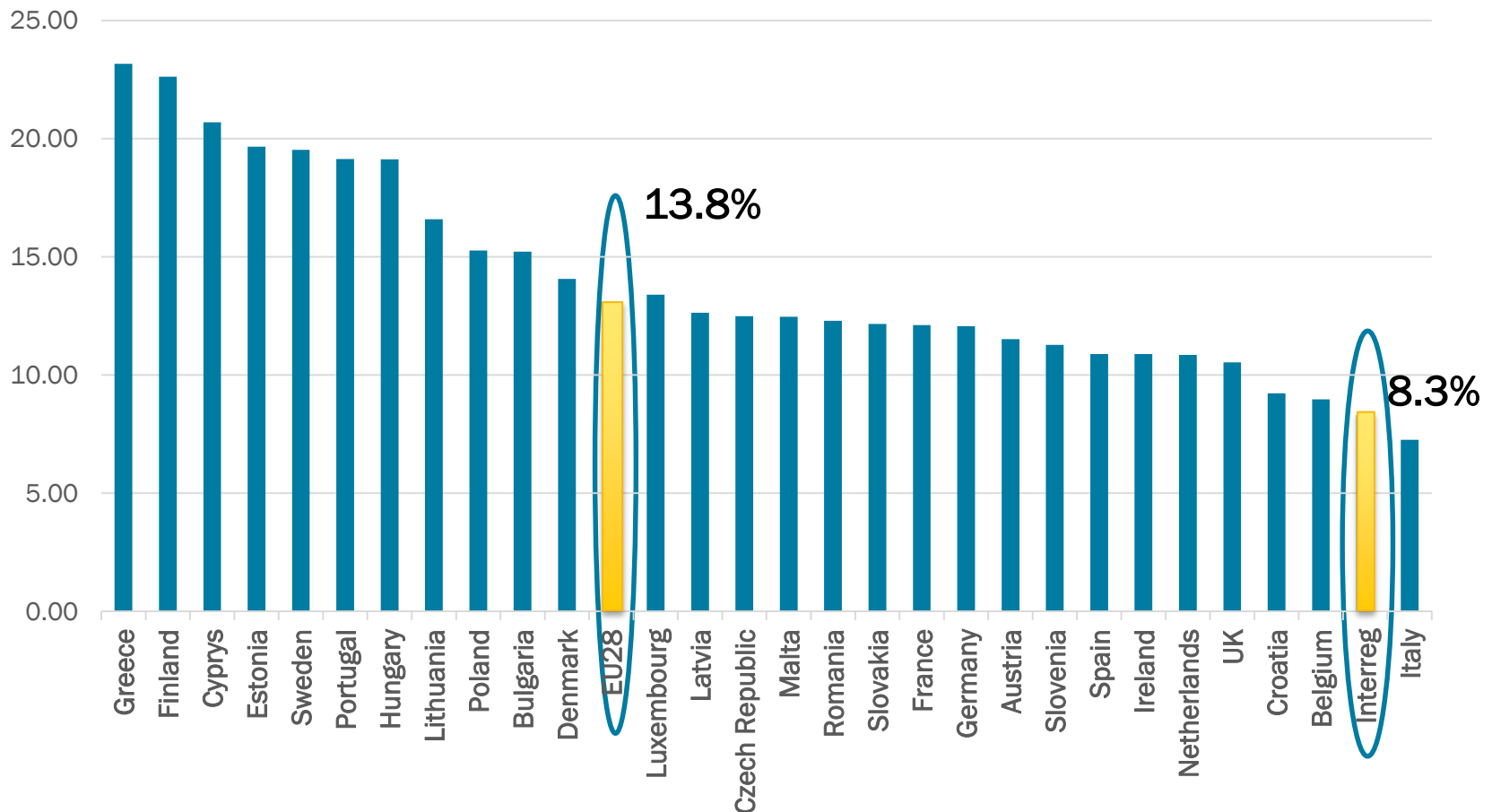
Analysis of 2015/2016 budgetary implementation

- Delays in implementation

Main reasons for delays in implementation

- Late adoption of the main legal issues
- New designation process for MAs/CAs – delays at national level
- Additional requirements introduced by the new regulations (e.g. fulfilment of ex-ante conditionalities, common strategy and stronger coordination requirements)
- Absence of a deadline for automatic decommitments at the end of 2016
- Closure of 2007-2013 programming
- Very slow submission of payment applications as compared to their forecasts

Regional Policy 2014-2020 EU payment rate, 2017, %

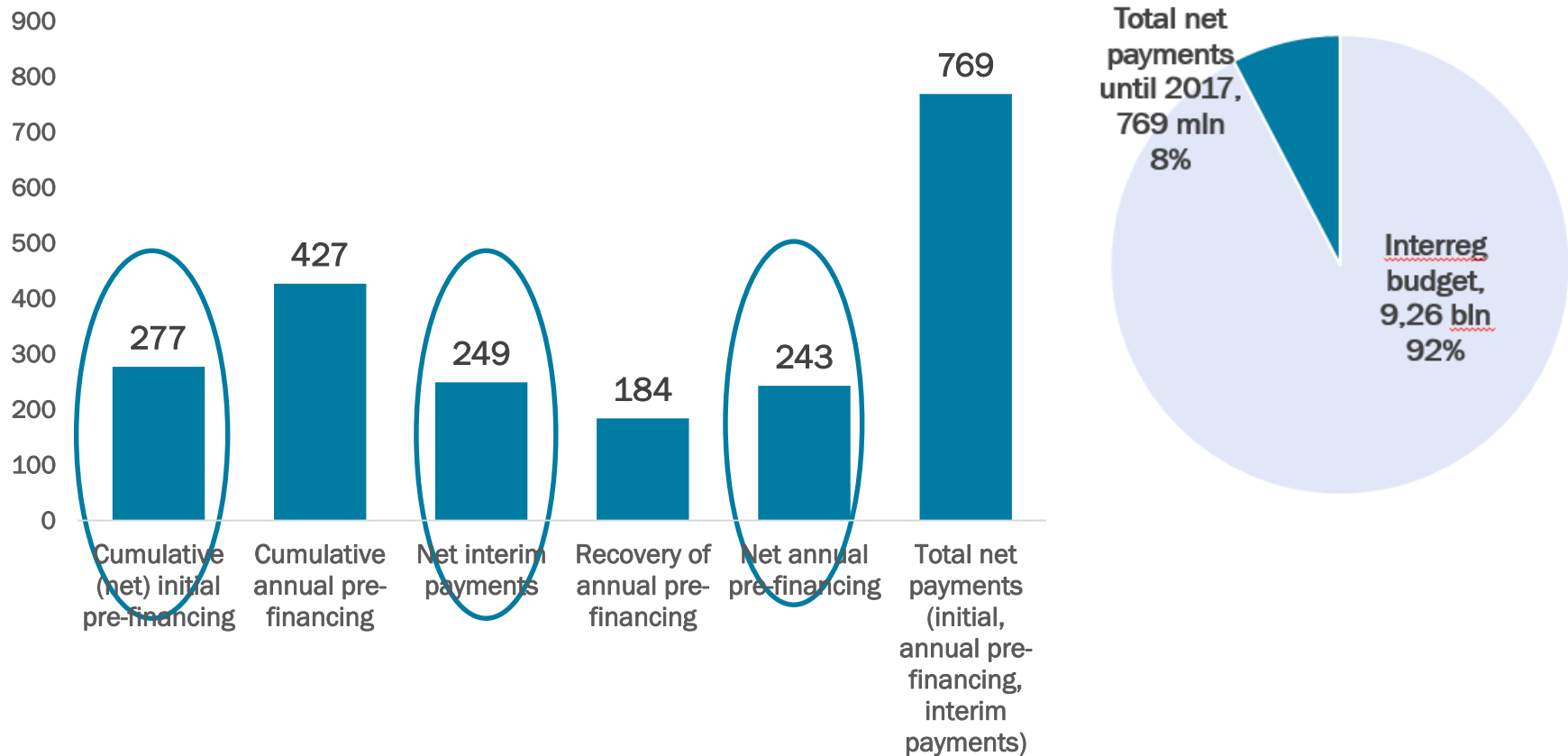


Source: Regional Policy 2014-2020 EU payment details, Cohesion Data

What is counted in payment rate?

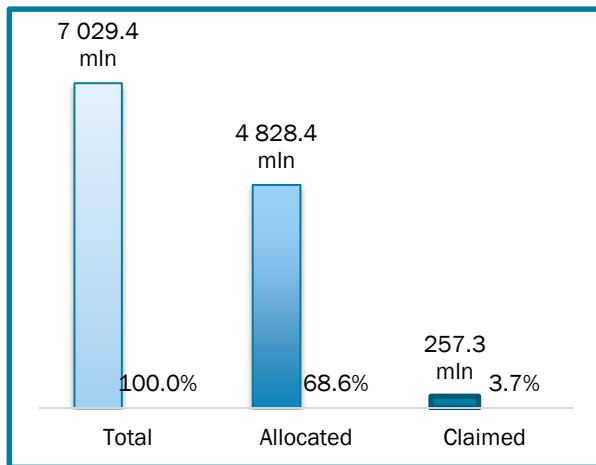
- Pre-financing (initial, additional initial, annual)
- Cumulative initial pre-financing – 3% of the amount of support from the Funds (3 instalments, 2014-2016)
- Cumulative annual pre-financing – certain % of the amount of support from the Funds, paid annually between 2016 – 2023
- Net interim payments – interim payment claims submitted plus annual pre-financing covered by expenditure
- Recovery of annual pre-financing – balance of annual accounts, offsetting positive balance against future annual pre-financing
- Net annual pre-financing - cumulative annual pre-financing diminished by recovery of annual pre-financing

Interreg payment details, 2017, mln EUR

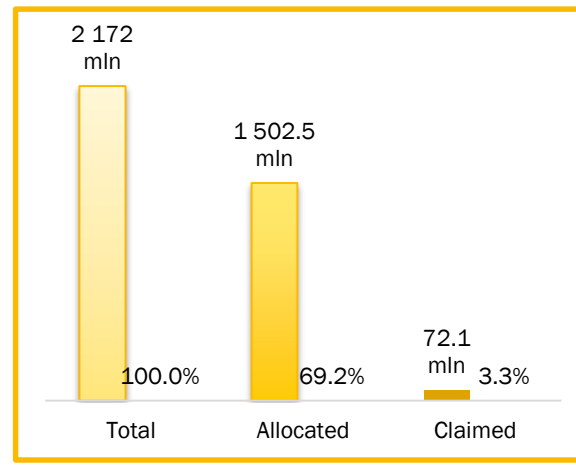


Interreg implementation until Dec 2017

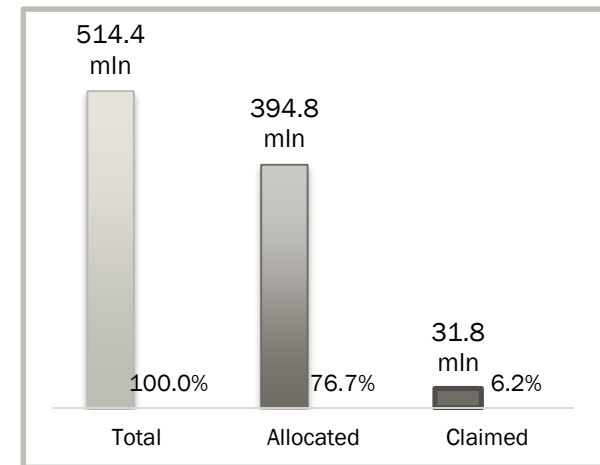
Interreg V-A + Interreg-IPA
Cross-border



Interreg V-B
Transnational

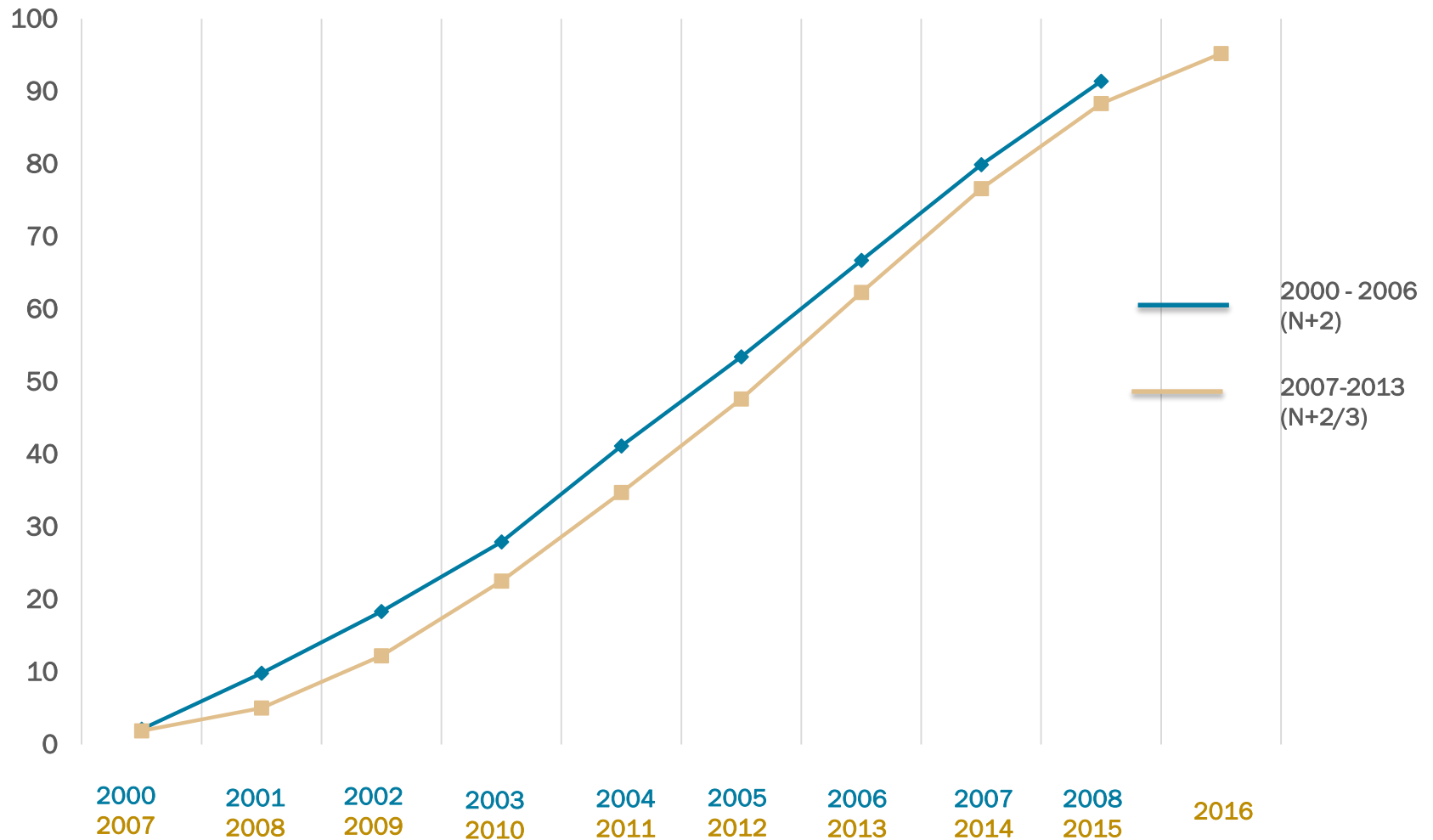


Interreg V-C
Interregional

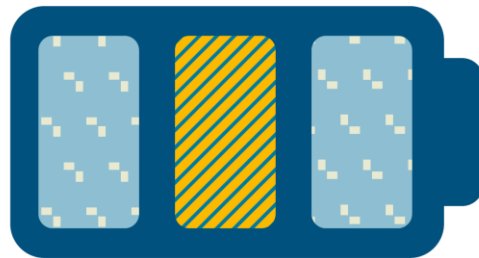


Source: Regional Policy 2014-2020 EU payment details, Cohesion Data

ERDF absorption rate, EU28



2017. State of Play of Performance Framework Implementation of Interreg



Performance framework – why?

- Financial indicators; output indicators; key implementation steps
- Monitor that implementation is as planned
- Keeping it as simple as possible (minimise number of indicators)
- Priority axis level
- Realistic milestones and targets



Implementation of the PF in 2014-2020 ESIF – EC, Final Report 2016

76 Interreg programmes:

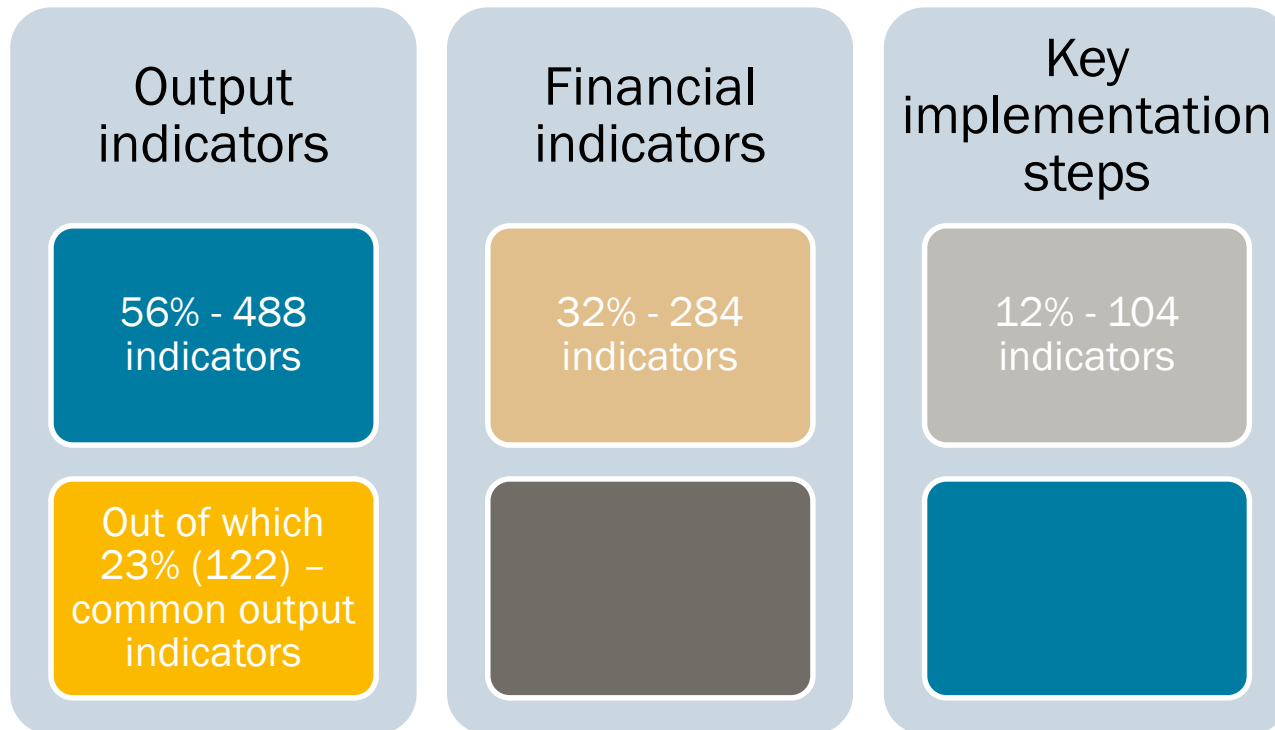
- Interreg V-A – 57 programmes
- Interreg V-B – 15 programmes
- Interreg V-C – 4 programmes

*No IPA-CBC programmes - PF introduced later than the study was commissioned

*No ENI-CBC programmes – no PF at all



Performance framework in 75 Interreg programmes



In total: 285 PAX, 876 indicators

70% of all PAX (201) – more than 2 indicators in their performance framework;

30% (84 PAX) – 2 indicators for their PF

PF in Interreg strands

Interreg VA
CBC - 57

Financial indicators
- all 57

KIS - 25
programmes

Output indicators -
all 57 programmes
(44 programmes -
common output)

Interreg VB
TN - 15

Financial indicators
- all 15
programmes

KIS - 6
programmes

Output indicators -
21 programmes (6
programmes -
common output)

Interreg VC
IN - 4

Financial - 3
programmes

KIS - 1 programme
(ESPON)

Output indicators -
all 4 (no common
output indicators)

Financial indicators

Typology – % reached by 2018

- Category I, low share – 0 - 20%
- Category II, moderate share – 20.1 – 30%
- Category III, high share – 30.1 – 40%
- Category IV, very high share – 40.1 – 50%

For ETC programmes – **low share** of the total target to be reached in 2018:

- 9% (7 programmes) – moderate share target in 2018
- 1 programme – high share target of financial indicators reached in 2018

Results of the web-survey

- 15 programmes: 9 CBC, 2 IPA, 1 ENI, 3 TN
- Co-financing sources: IPA programmes – IPA fund, ENI programme – ENI fund, 1 – multifund (ERDF, IPA II), other – ERDF
- CP approved: 2 programmes – 2014; others – 2015



Designation of programme authorities

53 %

Smooth designation

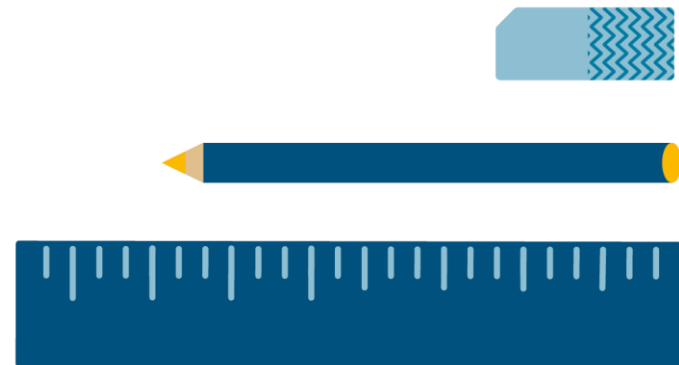
47 %

Not smooth designation

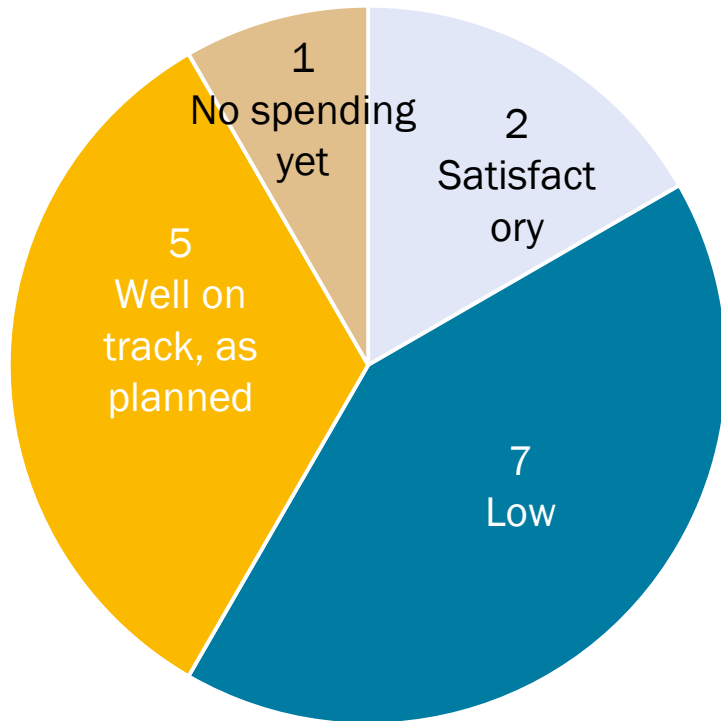
Problems encountered	Possible reason/ explained by?
Development of e-monitoring system; Setting-up of Programme bodies (MA; CA; JS; FLC coordination unit).	<ul style="list-style-type: none"> • New programme?
Establishing the Joint Monitoring system; including the MS to the Manual for Beneficiaries	<ul style="list-style-type: none"> • Increased administrative burden for applicants? • Delays in approval of monitoring system? • Process of eMS audit?
New programme bodies setup in partner countries, which required to create new working procedures	<ul style="list-style-type: none"> • Experience of other programmes?
Audit authority is checking formal requirements concerning reports' verification - documents to be checked by the JTS/MA (100% ?) within report verification	<ul style="list-style-type: none"> • Experience of other programmes?

First decommitment targets

- 2 programmes approved in 2014 – first targets in 2017 – fully met
- All others – first decommitment targets to be met by 31 December 2018
- Meeting decommitment target by 31 December 2018:
 - from 0% to 352%



Overall programme spending



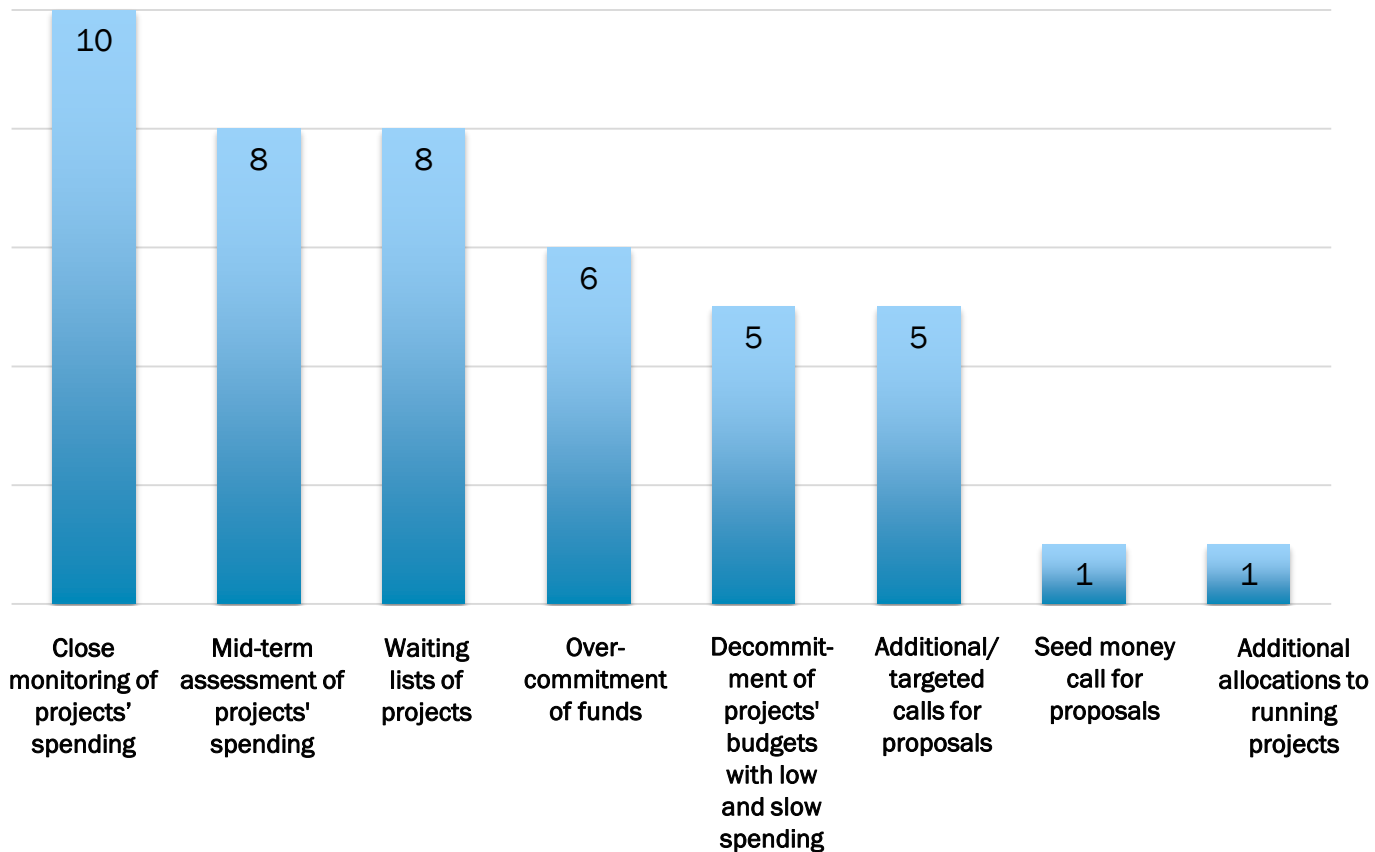
Main reasons for low spending:

- Slow projects' reporting
- E-reporting/ own MS
- Setting up MCS/ description of bodies/ approving MCS/ update
- Low quality of project proposals – intervention logic

Other reasons:

- Designation process
- Lack of advance pre-financing payment from EU budget and possibility to fund projects
- State aid topic

Measures to increase overall programme spending



**Other: extension of eligibility period - NWE*

Performance framework of programmes (financial indicators) – milestones 2018

- Milestones reached:
 - variation between 0% and 91% - PA level
- Milestones to be reached by the end of 2018:
 - 85 % of programmes – milestones will be reached
- How milestones will be reached in 1 year:
 - upcoming reporting deadlines
 - projects starting implementation in the early 2018
 - advance payments towards projects (IPA)

Milestones and targets – is it possible to amend financial indicators?

Article 30 CPR – Amendment of programmes

Annex II CPR – Method for establishing the performance framework, point 5

- Revision of milestones and targets – only in duly justified cases (i.e. significant change in the economic, environmental, labour market conditions)
- Expected impact of the changes to the programme on achieving the Europe2020 strategy, specific programme's objectives, horizontal principles defined in Articles 5, 7 and 8 of CPR, PA

Cooperation works

All materials will be available on:

www.interact-eu.net