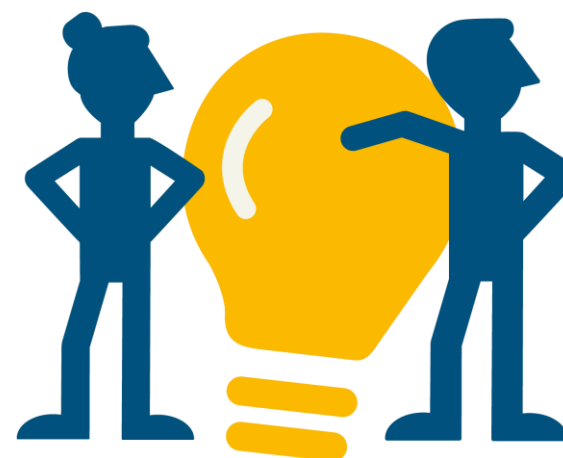


2021–2027: What's new?

Q&A from the event on the Interreg Regulation for 2021-2027

14/04/2021

Online



Disclaimer:

The document has been prepared by Interact following discussions with services of DG Regio. It is thus not an official document of the European Commission nor an official position of the European Commission.

Version 1 – July 2021

Session 1 - Preparation of Interreg programmes

No	Question	Answer
1	Art.14 ETC: SO (vi) "Other actions to support better cooperation governance" is not in the Dec.2020 version. Please clarify possibilities for each strand.	<p>The list of activities for ISO 1 in Article 14 is not exhaustive. Since there is the formulation 'in particular' it also allows for 'other actions'. Thus, next to the five actions listed also a sixth option, i.e. 'other actions' is included in the regulation and will be offered in SFC. It should be used when combining several actions in the list or when supporting other programme-specific options not covered by the list.</p> <p>What is open to each strand is very clearly listed in the final version of the regulation.</p>
2	Article 17: operations of strategic importance: is it compulsory to include them in the programme?	A list shall accompany the programme. If programme does not foresee any operations of strategic importance, the text can be: "No OSIs are planned under this programme."
3	Due to the late publication of the regulations, how is DG Regio planning to cope with the massive submissions of programmes foreseen in the second half of 2021?	<p>The Regulation gives the Commission 5 months after submission for the approval of the programme. The Commission services have organised themselves to meet this requirement.</p> <p>The Commission also encourages the programme authorities to share the mature drafts of their programmes with their desk officers so work can be carried out upstream.</p> <p>SFC will be open for submission as of September 2021 (provided all technical aspects are ready).</p>
4	Do you have examples for "cross-border legal bodies"?	<p>We are aware of one example.</p> <p>The basic requirement to set up a cross-border legal body is that the organisation from one country becomes member in the organisation of the other country. In practice in most cases the organisation will be an association. Please note that there are private-law and public-law "associations", e.g., Euregio Rhein-Waal is a DE-NL public-law body (Zweckverband).</p>
5	Will the functional area approach lead to overlapping and duplicating activities by neighbouring programmes?	<p>No, it should not; but indeed it might require to step up coordination capacities at Member State level. Looking at functional areas means to look at territories from a functional perspective and to provide integrated responses to shared challenges.</p> <p>In most cases it will be clear which functional relation within the cross-border functional area is particularly relevant for which neighbouring country. E.g., certain transport links will be decisive for cross-border workers from one country, the commuter catchment areas with other neighbouring countries will look differently. Indeed, in small countries such areas might overlap: then it is important to depict decisive aspects and/or infrastructure elements or to provide proportions (e.g. in commuter relations) to develop a shared understanding on the importance of functional relations to the neighbouring countries. This will help to guide applicants in project development and at a later stage it will help also the MC in decision-making.</p>

		Coordination and cooperation across programmes is recommended in particular in case of neighbouring programmes.
6	If eligibility is not anymore limited to the programme area, doesn't it shift away attention and focus from the programme territory towards themes and topics?	This seems to be a misunderstanding. The current period (2014-2020) clearly allowed expenditure outside the programme area, however it was limited and had to be monitored accordingly (with some exceptions, see Article 20 of the current Interreg Regulation). In the future the requirement to monitor or limit the spending outside the programme has been deleted, the requirement that the spending outside the programme area contributes to the programme objectives remains (Article 37(1)).
7	Thematic concentration for land border programs (max. 4 POs, PO2 and PO4 compulsory): does ISO1 count as a PO? If there are PO2+PO4+ISO1 only one additional PO is possible?	ISO1 and ISO2 are each considered a policy objective indeed. The concentration is 60% on a maximum of 4 POs for internal land borders programmes. There is still space to add other policy objectives outside the 60% concentration.
8	Do I understand well that in SPF final recipients (final small beneficiaries) shall not form a joint project according to legislation?	Indeed, for the final recipients in SPFs (Art. 25), the partnership rules for Interreg projects do not apply. But still the joint small projects have to be developed in partnership and have a cross-border dimension / cross-border impact. See reply to Q 12 for further details.
9	Article 24 and 25 - projects of limited financial volume and SPF: are they compulsory for strand A? Does the 20% cap refer to both?	Yes, for strand A it is compulsory to either have small-scale projects directly managed by the MA [option acc. Article 24(a)] or to implement an SPF according to Article 25 (or both). The cap refers only to the SPF. For small-scale projects no such provisions have been established. Small-scale projects according to Article 24(a) are fully-fledged projects, i.e. they should be selected by the MC and comply with the partnership and cooperation requirements set out in the Regulation. Please have a look at the material from this event: https://www.interact-eu.net/library#3332-presentations-hands-articles-24-25-small-scale-simple-smart
10	Number of characters is to be counted WITHOUT spaces?	Yes, confirmed. This was done in order to align with the requirements for the investment for jobs and growth programmes.
11	Can you provide the staff working document on monitoring and evaluation?	The document is still a draft (May 2021). In case you are interested in it please join our network on Evaluation and Results. Please contact: Daniela.Minichberger@interact-eu.net
12	Is fulfilment of the (minimum 3) criteria for cooperation also obligatory for Small Projects within a SPF (is that what Art.25 II means by "joint projects")?	No, for the final recipients in SPFs (Art. 25), the partnership rules for Interreg projects do not apply.

		<p>The intention of the reference to “joint small projects” in Art 25(2) is to ensure the cross-border dimension in the selection of small projects and to exclude the risk that SPFs managed by national legal bodies would select small projects without a cross-border dimension.</p> <p>Where there is no cooperation between people on each side of the border within a small project, people from the other side should at least participate in the activities of the small project or clearly benefit from it.</p>
13	How "results" should be considered as they are not mentioned in the template for interreg programmes. Should they be considered in the intervention logic?	Yes, results have to be considered in the intervention logic. Article 34 of the Interreg Regulation refers explicitly to result indicators. The concept for result indicators is now different. These are direct result indicators capturing achievements at project level.
14	How to handle "result indicators" if "results" are not considered in the template for interreg programmes? Which results we have to refer to?	Same as output indicators also result indicators are included in section 2.1.3 of the IP template. Section 2 of the template has to be completed per Specific Objective (SO). Hence result indicators - same as output indicators - are a crucial element of the intervention logic to be defined and developed at level of the SOs.
15	Art 15. The 80% ERDF to be dedicated to SBS or MRS by Transnational programmes. Is it when such programme is covered entirely by the Strategy?	Indeed, for this requirement we have 4 programmes which are fully aligned with the 4 macro-regional strategies (Baltic Sea, Danube, Alpine Space and Adriatic-Ionian area). In those cases, it has to be at least 80% (could be 100%) of support to the priorities of the strategies (excluding TA). But of course, there has to be a proportionate approach: if there is a programme which covers only a tiny corner of the MRS or SBS, they will not be obliged to have 80% for the priorities of MRS/SBS.
16	The numbers of the intervention codes have not changed in the latest version of CPR (as of March 2021). Would you advise where these changed codes are?	<p>The changes are relevant to ISO1 and ISO2. For ISO2, it is intervention code 173: Interreg: border crossing management and mobility and migration management, and ISO1 it is 135 (now 172): Enhancing institutional capacity of public authorities and stakeholders to implement territorial cooperation projects and initiatives in a cross border, transnational, maritime and inter regional context.</p> <p>It is recommended to check the numbering again once the Regulations are published.</p>
17	Would DG accept a draft programme for pre-review in absence of programme environmental assessment?	It is not regulated by any provisions. Pre-review is part of the informal exchanges between DG REGIO and the programmes. When the MA has a "mature" draft, even without a completed strategic environmental assessment (SEA), it can share it with its desk officer and can expect some feedback from the desk officer (also based on the internal discussions within DG REGIO). It will not reflect the entire scope of possible comments that you might receive with formal submission, which should include the documents related to the SEA, that need to be completed before the formal programme submission to the Commission.
18	When will be the appendix 3 available? The latest Interreg draft regulation	The regulation with all appendices, including appendix 3, will be available upon adoption and publication in the Official Journal, planned for the end of June.

	included only appendix 1 and 2 when linguistic check started.	A full version of the regulation with appendices was distributed to Member State Delegates by the Council on 20 May in view of adoption of the Council's position at first reading. However, it seems that the template consists of a field with 2.000 characters called "List of planned operations of strategic importance with a timetable"
19	Do the indicators reflect the project impact on the specific territory and/or cooperation?	It is stipulated in the Interreg Regulation to set up an indicators system consisting of output and result indicators. Assessing the programme impact is rather a task for the programme evaluation activities. The indicator achievements will be an important element to assess the impact of the programme. An ongoing evaluation and/or early reflections when preparing the evaluation plan might help to develop a grid linking result indicators to potential impact at an early implementation stage. Based on such grid it might become easier to prepare for a sound impact assessment and impact evaluation at a later stage.
20	Are priorities compulsory? Do they 'overarch' specific objectives or rather fine-tuning specific objectives into type of actions?	Priorities are the place to define the Policy Objective (PO) in the programme context. Under each PO you may select several Specific Objectives (SOs). Hence, the priority has the function to provide an 'overarching' title and approach to the selected SOs. The types of action should be described for each SO.
21	Speakers mentioned the concept of "operation". How is the term "operation" linked to results and outputs? How is it taken into account in the evaluation system?	Operation means "a project, contract, action or group of projects selected under the programmes concerned" (point (4) of Article 2 CPR. For ETC, with lead partner and other partners, an operation is normally a "group of projects". This is also valid for the operation in the form of a Small Projects Fund (SPF). Output and result indicators measure achievements at level of projects / operations. The monitoring data on output and result indicators is one of the major information sources on programme performance and programme achievements. Thus, it is a key pillar for the programme evaluation.
22	Article 17(4): what is the impact of using the "Interreg funds" in the Programme management and the unique sample for control of operations (Art. 49(1) ETC)?	There will be no differences in treatment between Interreg programmes regardless their source of financing. In other words, any Interreg programme with external funds will be subject to the same sampling rules as internal Interreg programmes: minimum 3 items per programme, possibly larger depending on the sampling parameters and the number of partners.
23	Ad informal submissions: by which means should the mature draft CP be provided to the EC - via mail to the desk officer in charge?	When programme authorities have a mature version of their 2021-2027 programmes, they should share that by e-mail with the desk officer in charge of that programme.
24	Intervention field 172 was mentioned for ISO1, but in the February 2021 version of Annex I to the CPR such field does not exist.	Correct reference is 173: "Interreg: border crossing management and mobility and migration management (formally 135 bis). See Q16.

25	Is the sole beneficiary obligation or possibility for SPF?	Yes, the sole beneficiary (either EGTC or cross-border legal body or a body having legal personality) is an obligation.
26	What management verifications should be set up for SPF?	<p>The SPF is an operation and hence falls under the general programme rules. The frame for management verifications is set out in Interreg regulation in the article on functions of the MA. Management verifications are the responsibility of the MA.</p> <p>In practice a meaningful task division between MA/JS, the SPF beneficiary and national controllers should be established. An efficient and recommended approach would be that the SPF beneficiary (being responsible for the results of the 'project SPF') checks the outcomes of small projects and management verifications are done in accordance with risk-based sampling.</p> <p>We clearly suggest using risk-based sampling. This approach underlines that we should move away from a system where national controllers check every single small project. Hopefully most small projects will be reimbursed based on SCOs (see regulatory requirements).</p>
27	Article 13 - co-financing rates: are different co-financing rates within a single programme allowed? Would it be a decision of the programming task force?	Contrary to 2014-2020, the maximum co-financing rate is established at the level of each Interreg programme, not at the level of each priority (Article 13(1) ETC). It is therefore possible to apply modulated co-financing rates within the same programme and even inside a priority, as long as it is within the frame of equal treatment. The initial decision would probably be taken by the programming committee.
28	Is it allowed to launch a call before the programme is adopted?	There is nothing to prevent this legally, but so many 'ifs' would have to be built in that it is strongly recommended not to do it (taking into account if the regulations are adopted, if implementing acts are adopted, the programme is approved, the Monitoring Committee is set up, the MC defined the selection procedures and criteria). So, in theory it is possible, but practically it can be risky.

Session 2 - Programme bodies

No	Question	Answer
29	If the MA is externalising the accounting function, does it have to do it via public procurement?	<p>Point (l) of Article 42 on external expertise and service costs of beneficiaries explicitly covers the “costs for the accounting function on programme level pursuant to Article 76 of Regulation (EU) [CPR] and Article 47 of this Regulation”.</p> <p>Hence, as such the costs for the “accounting function” are eligible. Where the MA is a “contracting authority” (i.e., it externalises or purchases services), the MA has to apply the EU PP Directive and the national rules transposing it, when externalising the accounting function.</p> <p>See also Q41 (not “externalisation” but “entrusting”).</p>
30	Article 72 and Article 76 and Annex XVI CPR 1.3.4. Indicate how the principle of separation of functions between and within the programme authorities is respected. If the staff carrying out the accounting function (payments to lead partner, interim payment application to EC, annual accounts) is within the same regional department of the Managing Authority (the representative of the Managing Authority is the same representative of the structure in charge of the accounting function) the principle of separation of function has to be respected?	The Certifying Authority is discontinued and replaced by the concept of “accounting function”. If programme decides to entrust the accounting function to the MA, it can be covered by the people working in the MA without further requirements. There is an obligation to have a separation of functions between authorities but where the accounting function is inside the MA, the same person can perform MA tasks and tasks related to the accounting function. The accounting function has no role in checking anything; it is about drawing up the accounts and payment claims, receiving payments from the Commission).
31	Can the MC set more rigid requirements than the regulation sets on partnership? E.g., partners from at least 3 countries in TN cooperation or LP only based in the programme area?	The requirements from the Regulation are the minimum requirements and the MC has the right to add to those rules. At the same time, the MC should always consider if additional requirements are in the spirit of simplification.
32	In CBC programme may MC members coming from regional authorities request from partners on their territory additional	The requirements from the Regulation are the minimum requirements and the MC has the right to add to those rules. At the same time, the MC should always consider if additional requirements are in the spirit of

	documentation to participate in a programme?	simplification. Moreover, any specific rules limited to parts of the programme area should be avoided since it might be in conflict with the principle of fair and equal treatment.
33	Could the MC member organisation be a partner in a project?	Yes, as long as rules for avoiding conflict of interest are met.
34	The composition of the MC is problematic due to the fact that the members of the MC are also potential beneficiaries. This situation will be continued?	<p>The role of the Monitoring Committee and the importance it plays within the partnership principle are of fundamental importance to the functioning of cohesion policy as a whole and to Interreg programmes in particular.</p> <p>Provided the programme has clear rules to avoid conflicts of interest, the composition of the Monitoring Committee is not problematic. It is up to the programme to set unambiguous rules of procedure and rules to avoid any conflict of interest.</p> <p>See Commission Notice "Guidance on the avoidance and management of conflicts of interest under the Financial Regulation", OJ C 121, 9.4.2021, p. 1, EUR-Lex - 52021XC0409(01) - EN - EUR-Lex (europa.eu)</p>
35	Selection of strategic projects to be listed in the Programme is to be made by the MC for the 'outgoing' programme? The regulation is not mentioning a programming committee (task, demarcation line between 'old' and 'new' programme). Or is the list not ranked as selection?	The whole approach to operations of strategic importance means that the programme identifies those projects which make a difference. It means simply to identify those and not more. The list is not a selection in the meaning of Article 22 ETC. The selection of projects is at the discretion of the MC. Even if listed in Appendix 3 to the programme, the strategic projects still have to be selected by the MC.
36	Are the operations of strategic importance under the responsibility of the MA or the Member State? See also Article 40 CPR.	<p>Operations of strategic importance falls under the responsibility of the MC. The MC is in charge of approving/endorsing the programme for the next period (eventually including the annex with the projects), to select those projects in accordance with Article 22 and to examine the progress in implementation.</p> <p>[NB: Neither Art. 40 nor Art. 41(1)(g) CPR apply to ETC, but Article 30(1)(f) ETC; see Art. 1(5) CPR.]</p>
37	If SCOs are not determined based on "off the shelf" formula, who is responsible for approving them and in which moment? (Interreg sample audits? designation?)	<p>It is important to distinguish whether SCOs are used between the Commission and programmes (then there is need to fill in Appendix 1) or used between the programme and beneficiaries (then NO need to fill in Appendix 1).</p> <p>Programme-specific SCOs can either be part of the programme (Appendix 1, Article 94 CPR), in this case a positive ex-ante assessment of the AA is necessary for the programme submission. Otherwise, the AA will audit the methodology either ex-ante (early system audit) or as part of their regular audit work. In any case,</p>

		it is recommended to work closely with the AA to explore the possibility of an ex-ante assessment of the SCOs before starting to implement them. (Designation is discontinued).
38	The MC has the right to select operations unless this is delegated to a Steering Committee (SC) (Art. 22): this is only an option – is this correct?	<p>The starting point is to guarantee that operations under Interreg programmes are not selected by one side of the border, this is what is specific compared to mainstream programmes.</p> <p>It is an Interreg-specific task for the MC, but it is optional to set up a SC taking over the task of joint selection of operations. Its function is limited to the selection of operations. In such case the role/task of the MC is similar to the mainstream programmes plus the task of supervising the SC, as the SC acts under the responsibility of the MC.</p> <p>Indeed, in certain situations it might be better to separate the monitoring tasks of the MC (i.e., the global overview on programme achievements) from the "micro-management" (selection of individual operations and follow-up to major changes of operations, etc.). The latter task could be given to a different body which could be a SC.</p>
39	Would you share the link regarding the conflict of interest instructions?	<p>Link to Commission Notice Guidance on the avoidance and management of conflicts of interest under the Financial Regulation 2021/C 121/01 - EUR-Lex - 52021XC0409(01) - EN - EUR-Lex (europa.eu)</p> <p>In this guidance there is a specific chapter on avoidance of conflict of interest under the shared managed programmes.</p>
40	Who are the programme partners mentioned in Art. 28? How is the conflict of interest defined in the case of MC members? Did we understand correctly that there is no vote per MS principle anymore?	<p>For each programme the rules of procedure for the MC establish the rules on the voting rights. So it is for the programme partners to agree (either consensus, or one vote per MS, or one vote per member or qualified majority etc.). But times are over for the MC to only have territorial authorities around the table without the broader partnership. In theory, one could decide that the authorities have the voting rights but not the associated partners, but it would be against the partnership principle, and it also would void the importance that the EC gives to the involvement of the other partners in the MC.</p> <p>The MC in Interreg has the same task as in mainstream programmes plus the selection of projects. One option is that the selection of projects is done by a Steering Committee (SC) established by the MC. You will still have the obligation to have a broad partnership in the SC, but voting rights could be different in the SC. The key role of the MC is about: how is the programme managed, how is the programme achieving its objectives, so there is no reason to exclude any partners from the voting rights. The EC will insist on having the broad partnership in the MC and the SC but voting rights might differ.</p>
41	Is there still an obligation to separate the accounting function strongly from MA/JS as it used to be in the previous programmes?	As the Certifying Authority is discontinued and replaced by the accounting function, and where a programme decides to give this function to the MA, then this can be covered by the people working in the MA without further conditions. There is an obligation to have a separation of functions between authorities but where the accounting function is inside the MA, the same person can do an MA tasks and also tasks of the

		<p>accounting function. To repeat, accounting function has no role in checking anything: it is about drawing up the accounts, payment claims and receiving payments from the EC.</p> <p>NB: Where Interreg programme partners entrust the accounting function to a body other than the managing authority in accordance with Article 72(2) CPR, the body concerned shall also be identified as a programme authority (Article 71(1) CPR). This is neither a case of external service (Art. 42 ETC) nor of public procurement, but the identification of programme authorities up-stream.</p>
42	Could the contact points or regional antennas be intermediate bodies?	<p>Please note that the answer provided only covers internal cooperation!</p> <p>Interreg programmes can have intermediate bodies, and these intermediate bodies can take over some of the tasks of the MA. They may not act on behalf on one participating country only. The issue with the question is what does "regional" mean: is it a body in the region which only covers part of the programme area and only acts on behalf of that region, or is it covering a sub-programme acting on behalf of bilateral interests? This makes a difference for the answer.</p> <p>The general approach is that intermediate bodies (IBs) can be accepted under Interreg programmes provided they act on behalf of the programme partnership. So if there is a regional body (e.g. institute of environmental affairs) in one region which would assess all the project applications that concern environment but they do it for the whole programme area and not only for the region in one Member State out of 2 or 3, then this is possible (Article 45(5) ETC).</p> <p>In 2014-2020, IBs on one side of the border were accepted. However, in 2014-2020 intermediate bodies were part of the designation process, so you could check whether any of the regional bodies were designated officially as an IB - then it may continue to work unilaterally in 2021-2027 (as an exception established in Article 45(5) ETC). Bodies not designated in 2014-2020 cannot be covered by the guarantee of the past.</p> <p>So, to summarise, there is no way to set up IBs that act on behalf of just one participating country. Please note that the IB does not assist the MA but takes over (some of) the responsibilities and legal liabilities of the MA. In a way, IBs replace the MA. Contact points and antennas do not "replace", but "assist" either the MA or JS.</p>

Session 3 - Implementation

No	Question	Answer
43	Is there a chance to postpone 2024 milestone for output indicators? if not, will a 0 target be accepted, since projects might not have delivered outputs by then?	It is not possible to postpone the 2024 milestones for output indicators. The 0 value for milestones connected with output indicators will be accepted in well justified cases that should be detailed and explained in the methodological document. (e.g., it might be actions taking longer to deliver or the call for a type of action might happen later in programme implementation etc.). In the mid-term review the progress in reaching the milestones and targets set for indicators will be only one of the elements considered. The milestones should be set realistically.
44	Did I get that right that there will be no more project & programme logos, but only the EU funding logo?	No more project logos but there will be programme logos in line with common branding. You will find the extensive guidance in the Interreg Brandbook. Interact is fine-tuning last details with Commission before publishing the draft (and the final version comes out when regulations are final).
45	Can final recipients in actions carried out in the context of small projects funds also be counted as participations under RCO 81?	Yes, final recipients - e.g., representatives of schools acting as final recipients in a school project and taking part in a joint exchange action - can be counted as participations in meaning of RCO 81. This is also confirmed in the definition in the Fiche quoted below: <i>Joint actions across borders could include, for instance, exchange activities or exchange visits organized with partners across borders. Participations (i.e., number of persons attending a joint action across borders - e.g. citizens, volunteers, students, pupils, public officials, etc.) are counted for each joint action organised on the basis of attendance lists or other relevant means of quantification.</i>
46	How does Art. 36 ETC ('highlighting the financial support from the INTERREG fund') go together with the CPR provision of only ref. to EU funding?	They are consistent. CPR makes an exception for Interreg, and the Interreg Regulation explains how the reference must be made, i.e., use of the term 'Interreg' next to the emblem of the Union. The 3 rd subparagraph of Article 2 ETC explains how to read "the Funds" in the CPR.
47	Have you got a new penalty grid for communication? Are the penalties also cumulative?	With regard to non-compliance for communication requirements, the Regulation introduces a new element (Art. 36(6) ETC) "Where remedial actions have not been put into place, the managing authority shall apply measures, taking into account the principle of proportionality, by cancelling up to 2 % of the support from the funds" from the beneficiary or final recipient concerned. There are no penalty grids. The methodology for penalties needs to be further developed by the MA.
48	Besides reporting obligation broken down by type of intervention, we have to report also by type of project (e.g., limited financial volume, small projects...)?	No, such level of reporting is not required according to the reporting templates annexed to the 2021-2027 CPR

Session 4 - Management & Control

No	Question	Answer
49	Will there be a 2021 budget allocation, or will there be any change considering the publication of the relevant regulations and acts mid-2021?	If the programme is approved in 2022, the 2021 allocation will not be lost, but will be either added to the 2022 budget (if the programme is submitted in 2021 and the Commission has completed its examination – but not yet formally adopted the programme) or split in four and added to the years 2022, 2023, 2024 and 2025 (if the programme examination is concluded in 2022).
50	If we choose to co-finance TA at a different rate, will this be reflected only in the amounts introduced in the two columns in table 8 - with and without TA?	In table 8 only the EU contribution is split into “with and without TA”. The national contribution is not split into “with and without TA”. If there is an increase in the national co-financing for TA, it will not be directly reflected in table 8.
51	What is the deadline for the use of the 2014-2020 programme technical assistance for the programming/ implementation of the 2021-2027 programme?	The 2014-2020 TA is under the rules of the CPR for the 2014-2020 period. That TA can be used for the preparation of the new programme, but under eligibility rules of the 2014-2020 CPR where the final date of the eligibility of expenditure is defined (Article 65(2) - 31 December 2023). When the new regulations enter into force, they will apply as of 1 January 2021 (so there is a small overlap there).
52	How shall programmes manage to cover TA expenditure during the early years of programme implementation, when TA is based on EC reimbursements?	Pre-financing provided to the programme can be used, another option could be savings from the 2014-2020 period, there are also programmes where MS have agreed to pay their TA contributions fully at the start of the programme.
53	Can the JS assist as well the Audit Authority? or is it forbidden?	This is not defined anywhere in the Regulations, and it is a common practice that the JS/MA support the work of the audit authority in organisational matters (this support is limited to logistical or organisational questions). The audits themselves, however, are the sole responsibility of the audit authority.
54	Can you elaborate in which cases the MA can/ could overrule the AA?	<p>Relates to Article 37(4) - In the event of a difference of opinion between the managing authority and the audit authority with regard to the eligibility as such of an Interreg operation selected under the respective Interreg programme, the opinion of the managing authority shall prevail, taking due account of the opinion of the monitoring committee).</p> <p>This means that ONLY in the case that a project as a whole would be considered not eligible by the AA, the MA's position would prevail. This does not apply to any other eligibility (of expenditure) matters as well as system audits.</p>

55	Is it possible to use the salaries of staff of the programme structures (MA, NAs) paid from the state budgets as national co-financing to programmes?	<p>The Regulation does not specify or regulate the sources of national co-financing.</p> <p>However, important to keep in mind that salary is considered expenditure and not co-financing.</p> <p>Nevertheless, salaries can be considered as contributions in kind (Article 67(1) CPR): It “in the form of provision of (...) services (...) for which no payment supported by invoices, or documents of equivalent probative value, has been made, may be eligible where [certain] conditions are fulfilled”.</p>
56	In accordance with point (f)(i) of Article 17(3) ETC we should indicate the total financial allocation by year (Table 7. Financial appropriations by year). Is there a rate to respect by year or are we free to fill in this table as we want?	<p>The table is filled in automatically on the Commission side. The starting point is the MFF and then overall allocation for each Member State over years (formalised by an Implementing Act based on CPR). This has to be respected. Then the individual programmes can deviate from that profile provided there is a compensation in another programme. In a national context, it is easy to do. In an Interreg context, where we have at least 2 Member States to compensate from a different profile with another programme of the same Member State, that would be a tricky and time-consuming task. That is why the practice has been that in Interreg programmes financing per year follows 100% the overall profile from the MFF. In theory, you could deviate from that, but it would be very difficult. Conclusion: stick to MFF.</p>
57	Flat rate for TA applied to eligible expenditure: will it be applied to total (EU funds plus co-fin) or applied to EU funds eligible expenditure?	<p>The flat rate will be applied to the eligible expenditure declared in the payment application (Annex XXIII of CPR), before applying the co-financing rate of the corresponding priority.</p>
58	Programmes are now struggling with apportionment of liabilities for TA. What is EC opinion on which MS is to repay TA in case of ineligible project expenditure?	<p>TA liabilities require a new thinking as it now comes as a flat rate.</p> <p>Since Article 52(3) ETC is binding for all Interreg programmes and refers to the apportionment of liabilities among the participating partners set out in the Interreg programmes, we would see that it is indeed for the programme negotiations how to implement this provision.</p> <p>Please have a look at the material from the 4th CBC Finance Network meeting.</p> <p>https://www.interact-eu.net/library#3285-presentation-4th-cbc-finance-network-meeting</p>
59	How to estimate for a programme the effort needed for audit on operations? How many audit per Interreg programme can be expected?	<p>Stratification shall be by programme. The project partner will be the sampling unit. The sample size would be minimum 3 items per programme in case of programmes with fewer than 500 partners and minimum 5 items for programmes with 500 or more partners. Details were presented to Audit Authorities and Managing Authorities in the Interreg AAs network meeting on 26 May and in the Technical Meeting European Commission – Audit Authorities on 4 June (presentations are available on the Interact website).</p>

60	Art 52(5), 2 nd subparagraph: What tools does the MA have to offset from MS? What money flow could this mean?	How the recovery procedure will look like in practice has to be further looked at and is also part of the programme negotiations. See also Q 58.
61	Does the reduction in the accounts have an impact on technical assistance and amounts already paid?	The reduction in each payment application is linked to the amount of TA the programme will receive (as it is a flat rate which is calculated on top of the projects' expenditure). For more information have a look at the material from the 4th CBC Finance network meeting - https://www.interact-eu.net/library#3285-presentation-4th-cbc-finance-network-meeting
62	Table 8 with and without TA - where can we see template? is that in SFC only or also in annex in regulation? split only for ERDF or also for nat. contribution?	The split between EU contribution with and without TA has been in the CPR. It will be in SFC, and in the new version of the Annex template. In table 8, only the EU contribution is split between the TA and without TA and it is linked to the payment claim (Article 91 CPR). National contribution is not split between TA and without TA, which means the EC in the financial table will not see if there is an increase in the share of the national contribution, which was a deliberate choice of the policy in view of simplification of the flat rate.
63	Concerning VAT: is it allowed to be stricter than the legislation: can VAT be made not eligible for operations below EUR 5m if it is non-recoverable?	If this is because of specific national rules, it is not forbidden to be more restrictive. EU rules as established in the CPR state that VAT is eligible for projects below EUR 5m.
64	Art. 41 ETC (Travel & acc. Costs): if the MA chooses 15%, may the Audit Authority say "too high, it only should be 10%" or is 15% allowed (off-the-shelf method)	No, the AA may not make such a statement. This is a provision directly from the Regulations (off-the-shelf) and does not require any further justifications for a specific percentage up to 15% from the MA.
65	De-commitment on the 2027 allocation is N+2, correct? and not N+3?	Eligibility of expenditure ends as of 31 December 2029, so the deadline for spending the 2027 commitment is effectively N+2. However, decommitment works different for that final year. It goes together with the submission of the closure documents. In practical terms, it will not be calculated separately as it is part of the closure of the programme.
66	If the programme is approved in 2022, will the pre-financing for 2021 be paid together with pre-financing of 2022 and cleared with the balance of 2022 accounting year? Can the programme decline the pre-financing for 2021?	Please note that the replies only concern the internal cooperation programmes. See also Q49. If the programme is approved in 2022, the pre-financing of 2021 will not be lost, but will be paid upon programme adoption in 2022, together with the pre-financing of 2022. The 2021 pre-financing will be cleared in the spring 2023, while the 2022 pre-financing will be cleared in spring 2024). Pre-financing of 2021 cannot be declined. If the programme does not need it, it does not have to touch it, it will be just

		recovered/cleared in the accounts. The Commission is not going to ask if the programme wants pre-financing, as it is in the Regulation, it will be paid.
67	Art. 52(5) Offsetting from MS - But in real the offsetting will be made against the beneficiaries who have nothing to do with the original irregularity!	How the recovery procedure will look like in practice has to be further looked at and is part of the programme negotiations.
68	Speaker said flat rate can't be calc. on another flat rate. Does this mean that if 20% calculating Staff Costs cannot claim 15% for admin costs?	<p>Yes, it is possible to calculate a flat rate on another flat rate. It must have been a misunderstanding.</p> <p>Regulations allow to calculate flat rate on top of a flat rate (e.g., if you have staff costs of 20%, you can have on top 15% for office and administration, and also 15% for travel and accommodation), unless this is explicitly forbidden: Where a 40% flat rate is used, it is not allowed to use a flat rate to calculate staff costs. There you will have to use either real costs or unit costs (Article 56(3) CPR and Article 38(4) ETC).</p> <p>Careful that the two following conditions are fulfilled:</p> <ul style="list-style-type: none"> (1) it is not forbidden by the Regulation (Article 56 (3) CPR) and (2) that there is no double financing either i.e., that the same categories of costs are not included in the calculation of a flat rate in any of the two calculations (that the basis is not the same in the two calculations)
69	Forms of grants - combinations: Can we use in the same operation for Equipment both unit costs(e.g. laptop..) and real costs (for other equipment needed)	Yes, provided you ensure there is no double financing (items covered by the unit costs, are not included in the real costs).
70	Please can you give us an example of calculation of payment of technical assistance? Does the retention rate of 5 % also apply to technical assistance?	Please see detailed example in the presentation . Retention for the TA applies.
71	Does the amount for TA in column D of the template for statement of expenditure (Annex XXIII to the CPR) correspond to the calculation of payment for TA?	<p>Annex XXIII for Interreg will be the same as for other ERDF programmes. TA will not be included by the programmes when reporting to the Commission.</p> <p>Annex XXIII implements Article 91(3) CPR. Point (b) thereof states that the amount for technical assistance calculated in accordance with point (b) of Article 36(5) CPR is only to be indicated, "where applicable". As TA is reimbursed in accordance with point (a) of Article 36(5) CPR, column D does not need to be filled in.</p>

72	Is VAT still eligible if it isn't registered in the accounting system?	Expenditure cannot be eligible if it is not registered in the accounting system (all expenditure need to be registered, esp. those related to real costs).
73	In case of payments made directly by the programme to project partners during project's life, is it still compulsory to go through the LB for recovery?	Payments and recoveries are different issues. As direct payments to other partners are only exceptionally (Article 47(2) ETC), recoveries have to follow the "recovery chain" as set out in Article 52(1) and (3) ETC.
74	Article 40(2) ETC: O&A costs as a fixed % of the gross employment costs in accordance with Article 54 new CPR. Can Art. 54(a) CPR be used for Interreg, or only (b)?	Yes, Article 40(2) explicitly refers to option (b), but this should not automatically limit the other options from Article 54 CPR. The reference in the Interreg Regulation states "...may be calculated...", which would not exclude option (a) (or option (c) for that matter) from the CPR to be used in Interreg.
75	In case of obligation of SCOs (projects up to 200,000/100,000EUR): no funding of real costs at all or is this possible as basis for SCOs?	<p>Real costs can be used only in the basis costs for the flat rate calculation, otherwise, only SCOs.</p> <p>Article 53(2) new CPR provides the reply: yes, <u>the whole operation</u> must be implemented using SCOs where the total cost of an operation does not exceed EUR 200 000.</p> <p>No obligation to use SCOs in case of state aid (but not de minimis).</p> <p>Exception from the obligation to cover the whole operation with SCOs:</p> <p>a) in case of use of flat rates: then, the categories of costs to which the flat rate applies (the basis costs) can be reimbursed based on real costs and b) allowances and salaries to participants can also be reimbursed based on real costs.</p>
76	What about the stratification strategy (IPA) for Interreg sample and a programme integrating IPA and ERDF according to Interreg point (b) of Art.17(4) ETC	<p>There will be no differences in treatment between Interreg programmes regardless the source of financing (any programme with external funds will be subject to standard rules as for ERDF programmes: minimum 3 items per programme in case of programmes with fewer than 500 partners and minimum 5 items for programmes with 500 or more partners).</p> <p>See also Q59 and presentation from Interreg AAs network meeting on 26 May</p>
77	Will the programmes indicate TA when making a payment request in SFC or will they only indicate project expenditure?	No, the TA will not be indicated specifically because the percentage is indicated in the programme. The Commission will know which percentage to apply, and it will then be automatically applied by the Commission per priority to the amount declared per priority. See also Q71