



The 2014-2020 Interreg Programme Management Handbook is composed of fact sheets. Each theme is covered by one fact sheet so that the reader can easily and quickly choose the relevant fact sheet.

## Fact Sheet; **Technical Assistance**

### **1. What is it? What is the definition of the term / theme of this fact sheet?**

Technical Assistance (TA) is the part of a programme's budget which is used to finance the programme management and implementation structures, MA, Joint Secretariat, CA, AA. As it is part of the overall programme budget, it is formally an own priority besides the 'thematic' priorities.

### **2. Why we are discussing it?**

TA is normally the only source of financing available for the programme management and implementation (structures) covering all costs by the Managing Authority (MA), Joint Secretariat (JS), Certifying Authority (CA) and Audit Authority (AA). Hence, the TA and its efficient and sustainable use are of utmost importance to ensure smooth programme implementation, as essential services for the project developers and owners are financed from it. It has to be well planned and monitored from the very beginning throughout the whole programming period and even beyond, as the programme management and implementation does not finish with 31.12.2020, but only once the programme is closed. This means that TA has to be planned from day 1 (at the earliest 01.01.2014 or the date of submitting the cooperation programme, whichever is first) until the last day of eligibility - being 31.12.2023 (Art. 65(2) CPR Regulation).

### **3. Reference to the regulations and what is new in the 2014-2020 programming period compared with the 2007-2013 programming period**

TA is mentioned or referred to in several articles of the CPR Regulation. However, for Interreg the most relevant is Art. 17 ETC Regulation, which limits TA to 6% respectively 7% of the total ERDF allocated to the programme. The latter (7%) applies to programmes with an ERDF allocation of maximum 50 MEUR. However, the ERDF allocated to TA should not be below 1.5 MEUR and not more than 3 MEUR for programmes with a TA of 7%. Another question then to be decided by the programme's Member States is the co-financing rate for the TA, which does not necessarily need to be the same as for the 'thematic priorities' but is similarly limited to 85% (Art. 120(3) CPR Regulation). Art. 8(2) ETC Regulation then defines that similar to the 'thematic priorities' also the TA priority has to have its own intervention logic (specific objective, expected results and result indicators, actions to be supported, output indicators) - with some limitations regarding defining expected results and result indicators for programmes with a Union contribution to the TA not exceeding 15 MEUR (hence, most Interreg programmes). As TA is used to finance project development/generation, support/monitoring as well as capitalization and information activities by the programme and mainly the Joint Secretariat, also the use of TA for this purpose should take a more content-quality and result-oriented approach. Regarding the functions of the MA/Joint Secretariat and CA laid down in Art. 125-126 CPR Regulation and Art. 23-24 ETC Regulation, this also includes aspects such as staffing and budgetary arrangements (deciding on the proportion of TA set aside for the work of each body).

Legislative framework:

- ETC Regulation (EU) No 1299/2013 articles 8(2), 17, 23, 24
- CPR Regulation (EU) No 1303/2013 articles 65(2), 120(3), 125, 126



#### 4. Challenges and frequently asked questions

The key challenge when it comes to TA is that it is limited to 6% respectively 7% of the total ERDF allocation to the programme, but has to finance programme management and implementation for 10 years (from 2014 until 2023, when the eligibility of expenditure ends). It therefore requires very careful long-term planning and follow-up of the use of TA, complemented by continuous short-term planning and monitoring of TA expenditure.

Another challenge is that as TA is part of the overall programme budget, the over- or underspending of TA directly contributes to the programme meeting (or not) the annual spending targets, thus avoiding decommitment. Programmes often have to tackle low spending rates by their projects, although at the same time the programme itself might have a relatively low spending rate of its TA. This implies that what applies to projects also applies to the programme management structures: the need to use and spend the money according to the planned (annual) budgets.

A challenge specific to TA is the transition from one programming period to another, especially those years where TA from two periods is available at the same time (e.g., in 2014-2015 TA from both 2007-2013 and 2014-2020 programmes). In the case where a programme continues from one period to another and where implementation structures with the MA and Joint (Technical) Secretariats remain the same, it is necessary to clearly separate activities and expenditure for the two programme periods and TA budgets.

#### 5. How they are addressed?

The challenge of limited resources for 10 years of programme management and implementation has to be addressed by a combination of long-term and continuous short-term financial planning and monitoring. For the long term planning, a financial perspective for the whole eligibility period (2014-2023) should be drawn up, dividing the total amount of available TA into annual allocations, depending on each year's cost intensity. This financial perspective consists to a large extent of a long-term human resource plan, as normally salaries and other staff-related costs is the main share of TA expenditure. It is also important to include the three years after '2014-2020' until the last day of eligibility on 31.12.2023, as during these years the programme implementation and management, then mainly focusing on its closure, also have to be financed. The financial budget should be presented to the Monitoring Committee for approval at its very first meeting.

Consequently, the long-term TA planning financial perspective needs to be broken down into annual TA budgets, the latter naturally depending on the concrete activities foreseen for each year, including all relevant costs such as salaries, event costs, costs for information and promotional activities, travel costs and costs for external experts, etc. Hence an annual work plan and budget should be drawn up and approved by the programme's Monitoring Committee. This annual work plan and budget will most probably to a large extent be the work plan for the Joint Secretariat, and activities and expenditure by the MA/CA and AA also need to be included. Just as with the procedures for monitoring and reporting project spending, procedures foreseen to monitor and report on the use of TA should be laid down in the programme's Description of the Management and Control System.

Regarding the impact of the TA on meeting the annual spending target and avoiding decommitment, it plays an essential role especially at the beginning of the programme implementation when there is not yet any (or only very little) project spending (as no projects have yet been approved). To 'compensate' for this "missing" project spending, many of the most costly TA activities (e.g., establishing the programme website and monitoring system, and bigger publicity actions like large-scale opening/information/project generation events) could be carried out during the first year of programme implementation. Even if the share of TA of the total programme budget/expenditure is relatively low, this early expenditure can be crucial for meeting the first N+3 target, also taking into account that no programme starts its



implementation on the first day of eligibility of the new funding period 2014-2020. Also in this context it should be pointed out that the main aim of TA is not to spend it and to avoid decommitment, but to ensure with these financial resources efficient, result-oriented and sustainable programme implementation.

## 6. How does it work in practice?

The long-term TA financial perspective needs to be drawn up right at the beginning, even before the programme starts, as it needs to cover costs from the first to the last day of programme implementation. As this will be a 10- year perspective (2014-2023), it can of course only be a qualified estimation. The basis for this estimation is to outline the main activities (and related costs) of the Joint Secretariat in particular. These to a large extent depend on the strategic planning and scheduling of the calls for proposals and allocation and absorption of funds as the calls and the number of approved and running projects, have a direct impact on the human resource needs and staffing. Since a large, if not the largest, part of the TA will be used to cover salaries, such a strategic call/work load/staff planning for 2014-23 will be of utmost importance and will be a very good basis for drawing up a financial perspective for the coming 10 years.

The short-term annual work plans and budgets are then to be drafted by the programme authorities/bodies and approved by the programme's Monitoring Committee. As TA is also co-financed by the ERDF, the same rules and regulations apply to both the co-financed projects and the programme management and implementation costs. Hence, typically the budget lines used for the TA budget (planning and monitoring) are the same or at least very similar to those for the projects. As the work plan and budget need to be approved by the end of the previous year, the planning and drafting process normally should start after the summer break, so that by (late) autumn/ early winter the programme management has an approved work plan and budget for the coming year.

The TA expenditure then naturally needs to be monitored, followed up and not least be reported, as TA expenditure is not treated differently from any other programme funding spent by the co-financed projects. This means programme implementation and management costs will be reimbursed upon submission of an activity and financial report. The frequency of reporting could be streamlined with the milestones/reporting periods the programme applies to its co-financed projects. The reporting by the Managing Authority to the Monitoring Committee on the implementation of the annual work plan and budget would then be an essential part of a Monitoring Committee meeting in the spring of the following year.

The question who exactly is involved in the long-term and short-term budget planning and later monitoring and reporting cannot be answered on a general level. Certainly, the management level (Head of Managing Authority, Head of the Joint Secretariat) bears the final responsibility and hence should lead the process. But essential contribution might be provided by other staff members (e.g., Financial Officers, Joint Secretariat's Info/Contact Points etc.).

## 7. Reference to other, more-detailed papers

- *Co-financing salaries, bonuses, top-ups from Structural Funds during the 2007-2013 period (Final Report)*<sup>1</sup>

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<sup>1</sup> Available at

[http://ec.europa.eu/regional\\_policy/sources/docgener/studies/pdf/financing\\_salaries/financing\\_salaries\\_study.pdf](http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/financing_salaries/financing_salaries_study.pdf)