



Linking Estonia and Latvia

Part-financed by the European Regional Development Fund



European Union

SPENDING LEVEL

Estonia - Latvia Programme 2007-2013

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01 June 2017

ERDF 2007-2013 spending

	Total ERDF in the OP	Total certified ERDF	Implementation rate
Priority Axis 1 Increased cohesion of the Programme Area	21 914 737,00	22 578 681,87	103,03%
Priority Axis 2 Higher competitiveness of the Programme area	10 426 615,00	10 103 062,58	96,90%
Priority Axis 3 Active, sustainable and integrated communities	3 593 484,00	3 703 617,50	103,06%
Priority Axis 4 Technical Assistance	2 293 713,00	1 831 250,28	79,84%
TOTAL	38 228 549,00	38 216 612,23	99,97%



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Simplifications for reducing administrative burden

Information about weaknesses

- Mid-term evaluation in 2010
- Final project reports

Results

- Pre-payment system
- Flat rate approach for reporting administrative costs
- Simplifications:
 - Application form for smaller projects
 - Partner and progress report forms
 - Control of reports
 - More flexibility in project management activities
 - Requesting changes to project activities and budget

Significant problem: modest SME involvement

Reasons for modest interest and involvement

- Private sector actors saw each other as competitors
- Problems with pre-financing and 50% co-financing
- Economic recession: SMEs focused at survival
- Complex programme requirements

JTS efforts to attract the businesses

- Contact-making trips for entrepreneurs
- Invitations to contact forums

Results

- Increase of submission, but problems with quality
- 11 SMEs as partners out of total 278 project partners

Amendment of the OP in 2012

Reasons to amend the OP

- Socio-economic changes
- Need to specify Programme implementation

Amendments in the OP

- Decrease ERDF for SMEs under priorities 1 and 2
 - Priority 1: from €1 000 000 to €600 000
 - Priority 2: from €1 907 296 to €500 000
- ERDF co-financing rate to TA from 35.76% to 49%
- Specification of Monitoring Committee procedures
- Granting *de minimis* aid
- ERDF co-financing rate of revenue generating projects

Significant problem: interruption of payments

Error rate of audited operations: 6.32% in 2012 ACR

- Combination of a single large case in a small sample
- April 2013 - March 2014: interruption of payments

Corrective and complementary measures in 2013

- 37 audits: 45% of projects, 35% of expenditure
- Changes to site visit reports
- Review of FLC checklists for controlling procurements

Results

- Error rate for 2011 expenditure: 0.91%
- Error rate for 2012 expenditure: 0.78%.

Payments to projects from bridge financing

“Fine-tuning” to use maximum of the funding

- Simplifications as a result of mid-term evaluation
- Combination of
 - Different types of calls and
 - “Top-down” projects
- Financial aspects
 - Keeping track and re-use of surplus
 - Making use of the allowed flexibility of payments on the basis of priority axes
 - Changing co-financing rate of a project to spend the last surplus of the programme
 - Avoiding book-keeping mistakes

Technical Assistance co-financing rates 2007-2015

Year	Co-financing rate (%)				
	ERDF	National	<i>Estonia</i>	<i>Latvia</i>	Total
2007-2012	35,76	64,24	25,97	38,27	100,00
2013	88,20	11,80	4,78	7,02	100,00
2014	43,96	56,04	22,66	33,38	100,00
2015	71,97	28,03	11,33	16,70	100,00
2007-2015 average	49,00	51,00	20,62	30,38	100,00

Thank you!

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