

What's new in Interreg?

- latest news and updates

Grzegorz Gołda/ Controllers workshop

15-16 May 2024/ Split, Croatia

Interact



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Plan



From the past Interact events and communities



From Interreg Knowledge Fair 2024



From other sources

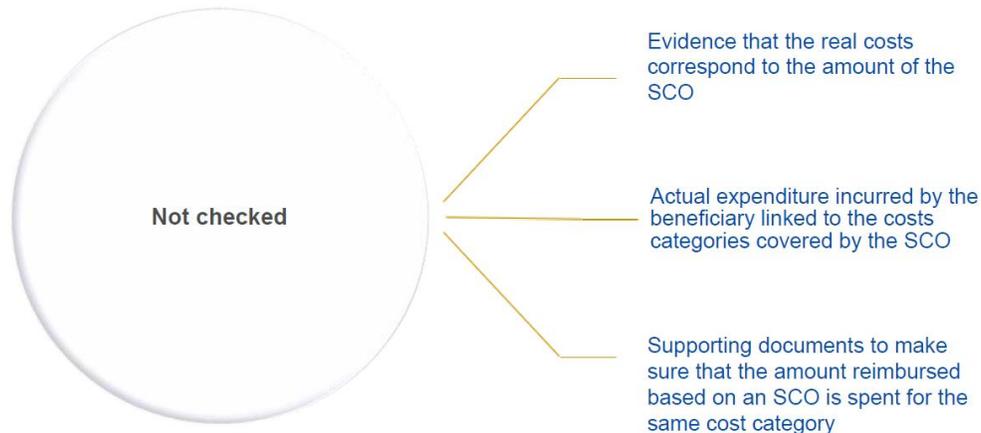


Future plans

Simplified Cost Options (SCOs) – let's make another step (November 2023) –

What not to check / Risk based management verifications (RBMV)

Aspects not checked



Things to in mind



Assess the risk of each type of SCO you use



Do not underestimate. Start cautiously. Adjust.



Be brave and simplify



SCOs – let's make another step (November 2023) – double financing

During implementation



Definition of categories of costs in the call: clear, transparent



Combination possible with clear delimitation



Procedures and arrangements set up to avoid double financing



Knowledge of the design of the methodology to avoid declaring costs already considered



6

Examples of audit findings



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SCOs – let's make another step (November 2023) – Lump sum Interreg Europe example

SLIDE 10

5. What worked well?

- ✓ Most partners happy to have the event in person
- ✓ Very limited delays on submission of final reports
- ✓ Less burden on the finance team for checking last reports
- ✓ Payment forecast was available earlier for the closure of the programme

SLIDE 11

6. What we learnt?

- Not to establish a lumpsum for a large period or long list of outputs
- Establish milestones or several lumpsum (1 per output)
- Monitor the projects closely during the implementation of the lumpsum to ensure they comply with requirements to get paid. Anticipate the risks.

SCOs – let's make another step (November 2023) – Staff unit costs Baltic Sea Region example

Verification:

Professional judgment and the following risk factors:

- Amounts of hours worked for the project and corresponding costs.
- Legal status of the project partners, focusing on private partners, local authorities, universities, NGOs, and associations.
- Project partners involved in more than one Interreg BSR project.
- Outcomes of the quality assessment of the AF.
- Outcomes of the CAT1 verification of previous reports.

Each project partner must be checked at least once during the project implementation.



Sample for verification:



1st Progress Report: **100%**

- At least the top 50% of project partners (staff budget-wise)
- At least two employees of the selected project partners.

Following reports:

- Minimum 25% (rounded up) but not less than 2 project partners
- Minimum 2 employees of the selected partners.



Common mistakes

- Missing signatures or one person signs it all
- E-signed files without metadata
- Inconsistent data (partner report / report of hours)
- Workload
- Manual corrections of eligible hours in the Report of Hours
- Insufficient task description



SCOs – How to...? (February 2024) – Travel and accommodation Flat rate (FR) verification

PRESENTATION

Regiowiki - QA00209 – Audit of travel and accommodation costs reimbursed based on a FR

The answer was updated on January 17, 2024

Main changes (answer to question no 2):

- reference to travel and accommodation activities in a description of activities of a partner progress report is sufficient evidence;
- where such activities are not mentioned in a report, any similar evidence is considered to be sufficient;
- what to do, when at the moment of verification no travel and accommodation have occurred within a project and (have a look at a subsidy contract or application form);
- one trip during entire lifetime of a project is considered a sufficient proof of the existence of the cost category.

Updates from Interact communities:

- 
- Financial management network – [STEP thread](#);
 - REMINDER: all methodological notes are available in the community “Financial Programme Management”/ [“Audit work” folder](#)
 - SCOs community – [update of the SCO guidelines; verification of SCOs](#),
 - Eligibility of expenditures network – [factsheets and matrix](#) ;
 - [Small projects network](#).

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From Interreg Knowledge Fair 2024

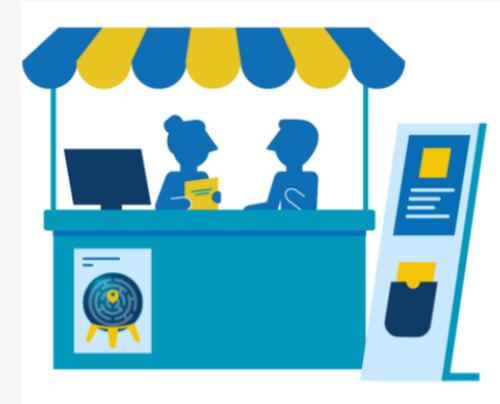


From other sources



Future plans

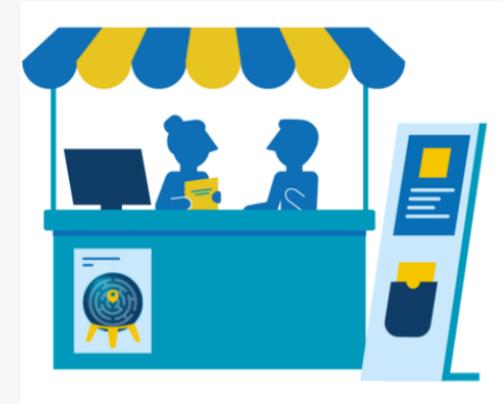
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Quotes from [the summary reports...](#)

- RBMV – Simplification or simplification –harmonisation of methodologies among programmes underlined, a need for specific guidelines for methodologies indicated (especially regarding the impact of SCOs). Enhancing feedback mechanisms and controller involvement in capacity building, Standardizing risk assessment frameworks;
- SCOs – exchange on implementation issues - the implementation challenges will be collected and monitored through [the SCOs community](#);

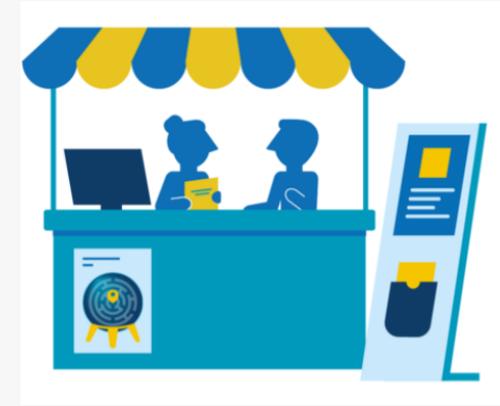
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Quotes from [the summary reports...](#)

- Site visits and risk assessment – identification on various risks categories, follow up by the delivery of relevant training to project partners, depending on the identified risks and difficulties in project implementation;
- Post 2027 Fina(ncia)l dreamland – first directions for further simplifications in financial implementation aspects.

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Quotes from [the summary reports...](#)

- Proactive rather than reactive approach to irregularities and fraud– Most common irregularities in Interreg 2014-2020 were: public procurement errors and ineligible expenditures related to staff costs, as well as missing documentation and accounting errors..
- [Audit findings – 7th meeting of the CPR expert group and Irregularities.](#)

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From the past Interact events and communities



From Interreg Knowledge Fair 2024



From other sources



Future plans

Updates from the DG Regio Transnational Network on simplification (last meeting March 2024)

Follow the network [HERE](#)

- Study on the uptake of SCOs and Financing not linked to costs (FNLC) for the CPR Funds in the 2014-2020 and 2021-2027 programming periods – conclusions November 2024;
- Updated Guidelines Notice on SCOs – target to adopt before the end of 2024;

Updated Guidelines Notice on SCOs - Provisional Timeline



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Updates from CPR Expert group (last meeting April 2024);

Follow the network [HERE](#)

- Audit experience/ audit findings – Joint Audit Directorate for Cohesion (DAC) presentation:
- more findings on application e.g: SCO for a number of hours which were not fulfilled; Some beneficiaries were selected (unclear criteria) to declare real costs instead of SCOs; Direct costs declared: 0, indirect costs (flat rate of direct) declared: > 0; Mandatory use of SCO not respected; Double funding (same category of costs in the basis costs and in the flat rate);
- wrong approach to verification: verification of invoices; AA identified ineligible costs but no corrections were made; Finding that real hourly rate is not lower than the SCO unit cost.

Updates from the Regio Wiki



- Article 36(6) Interreg Regulation - cancelling up to 2 % of the support from the funds
(NEW):
 - measures in case a partner /final recipient has not taken remedial actions to respect the transparency and communication provisions (remedial actions have not been put in place, MA's decision needed each time following the assessment according to its own procedure, on the level of relevant partner. cancelation may be applied by the MA once or multiply times).

Updates from the Regio Wiki

January 2024

- Revised answer on data collection;
- Revised answer on travel and accomodation flat rate verification;

Updates to the legal framework STEP regulation was published

29 February 2024

- For 2014-2020:
 - 100% co-financing rate for expenditure in the final accounting year – similar to CRII/CARE;
 - One or more priorities – both non-TA and TA, regardless of categories of regions
 - Applies to all expenditure in the entire accounting year – no differentiation per time period/payment application
 - Applies to ETC (not to IPA CBC (Art. 28 IPA IR) nor ENI CBC (Art. 12 ENI CBC IR))
 - More on 2014-2020 and 2021-2027 [HERE](#)

Updates and news from you...

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Future plans

What's next in 2024....

- Eligibility factsheets – revision May 2024;
- Q&A on eligibility – second half of 2024;
- SCOs guidelines – collection of Interreg input summer 2024;
- SCOs annual webinar – September 2024;
- Interact Academy – first training for practitioners October-December 2024.

Cooperation works

All materials will be available on:

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