



11th Interreg Europe Monitoring Committee Meeting 10 December 2019

**Radisson Blu Royal Hotel
Runeberginkatu 2, Helsinki, Finland**

Chaired by: Annukka Mäkinen, Association of Finnish Local and Regional Authorities

Participants: See Participants' List (Annex 02).

Decision notes: Interreg Europe JS

1.	Welcome, opening and approval of the agenda
	<p>Chair welcomed all participants. Director for regional development, Ms. Johanna Osenius from the Ministry of Economic Affairs and Employment of Finland briefly presented the Finnish presidency priorities. Especially in terms of environment, Osenius mentioned the negotiation agenda also related to the ETC regulations. The revised structure of Interreg programmes included strand C was confirmed by the Council.</p> <p>Decision: The agenda (Annex 01) is approved.</p>
2.	Presentation of the new MC members
	The new members from IE and UK presented themselves.
3.	Presentation of the iEER project
	Christine Chang from the Helsinki-Uusimaa Regional Council, lead partner of the IEER project, presented the project as well as its achievements (see Annex 03).
4.	Update on general programme developments
	<p>JS presented the latest development in terms of JS human resources (Annex 04). Afterwards, JS gave an overview of the meetings the JS participated in. JS mentioned 2 additional meetings (one with the European parliament and a second one with the Finnish presidency) that had not been listed in the overview table. The MC did not have any comments.</p> <p>Regarding Brexit, the UK took the floor. Two days before the Parliament elections, it was impossible to predict if Brexit would happen at the end of January 2020. In the meanwhile efforts were made to keep projects going as usual, to continue preparations for a potential BREXIT in 2020 and to envisage future possibilities of cooperation with the EU. The EC presented similar efforts on the EU-side.</p>



5. General Data Protection Regulation	
	<p>The JS presentation is provided in Annex 05.</p> <p>Decision: Following the proposal of the Chair and LV, the MC approved to remove the list from the Interreg Europe website. The MC agreed to have the lists updated by February and in the course of the update inform the respective institutions about the use made of the list. JS will provide a template email.</p>
6. Update on Communication activities (2019 + plan 2020)	
	<p>The presentation of the JS can be found in Annex 06.</p>
7. Update Policy Learning Platform	
	<p>JS and PLP project manager updated the MC about the latest PLP achievements and developments as well as the strategic orientations for 2020 (see Annex 07.1 and Annex 07.2). In addition, Mr Jan Nylander from Gavleborg Region (SE) presented his positive experience and learning value from the peer review organised in his region the 29-30 January 2019 on "Leadership and governance of regional innovation processes".</p>
8. Projects monitoring	
	<p>This point was introduced by a presentation of the JS (see Annex 08).</p> <p>Decision:</p> <ul style="list-style-type: none">- The two pilot actions submitted by projects Green Screen and School Chance are approved.- JS will put in copy the NCP in its first feedback on pilot action requests (i.e. the NPC where the pilot action is located).- The proposal to change the pilot action approval procedure (i.e. possibility for the JS/MA to decide on pilot actions not requiring additional ERDF funding) is rejected.- The editorial change in the programme manual update is approved.
9. Programme evaluation – update	
	<p>JS first presented the point (see Annex 09).</p> <p>The Terms of Reference (ToR) for the 2020 evaluation had been updated according to the comments received from the Partner States before the meeting. Only two comments were not integrated (on open procedure and on new operational evaluation). JS presented the reasons and asked for the MC approval of the Terms of Reference (ToR).</p> <p>Decision: The updated evaluation plan was approved. The Terms of Reference for the 2020 evaluation (with the updated paragraph under Article 3) was approved.</p>
10. Monitoring system (iOLF/iDB, EMS/IMS)	
	<p>The JS presentation is provided in Annex 10.</p>
11. Finance	
	<p>The JS presentation is provided in Annex 11.3.</p>



Regarding national contributions to the technical assistance budget, the **JS** confirmed that partner states which overpaid their national contribution to the TA budget (due to the transfer of remaining national contribution from Interreg IVC) could still decide at a later stage on its further use (reimbursement to the partner state or transfer to the future Interreg Europe programme).

As a small mistake was noticed in the payment forecast, the JS agreed to update the note (see Annex 11.2)

Following questions about the use of Arachne, the JS explained that the checks performed with the help of Arachne to detect phantom providers or conflict of interests in public procurement did not lead to meaningful results. The check was very time-consuming, subject to a high level of interpretation and often even impossible due to missing data. Making use of FLC's professional scepticism, their knowledge of the institutional and local context, making use of information available on institutional websites seems to be a more efficient strategy. Arachne is then one of many tools that can be used on demand to follow-up on a first suspicion reported by FLC and to support further investigation. Arachne did not seem to be the tool the most suited in the Interreg context (involvement of public bodies not sufficiently reflected in Arachne, many below-EU-threshold tenders). The advice would thus be to avoid the use of Arachne in the future and to focus on other elements and levels to prevent and detect fraud in the field of public procurement.

A member state voiced its surprise about the need to use the amount of 7 million that is still available from the previous programming period as bridge funding to avoid any treasury gaps for the current period. The JS underlined that this was necessary due to the following:

- the programme pre-financing provided by the EC is very limited
- 10% are withheld by the EC from each interim payment claim, which further reduces the pre-financing in the course of an accounting year.
- interim payment claims were already submitted very frequently (every 2 months) to avoid cash shortages and could hardly be further increased.

The JS also mentioned in this context the importance of the Council proposal to reduce the EC withhold from each interim payment claim from 10% to 5% in the future programming period.

Regarding the presentation on the 2019 audit results, the JS was asked to add the audit results and the projected error rate before and after contradictory procedure to the MC supporting document. (see Annex 11.3.1 for the updated note).

The MA agreed to share their checklist for the management declaration, which the MA had developed following a system audit (see Annex 11.3.2).

On key performance indicators, the **JS** specified that the audit of the reliability of indicators are covered by the external audit firm, Ernst & Young, during system audits and audits of operations. Regarding IE question about state aid checks, the JS indicated that due to the nature of the activities carried out during the first phase of the projects, there was no activity that could potentially be state-aid relevant. Nevertheless, a whole procedure was in place and was taken into consideration during project assessment and also first level control. State aid relevant activities were more likely to exist in the context of pilot actions financed in the second phase of projects. However, so far only cases of indirect state aid occurred which do not fall directly under programme responsibility, but have to be handled by the project partners directly. Nevertheless, the JS also provides guidance to the concerned project partners. Due to the very limited number of state aid cases in Interreg Europe, any further simplification of state aid rules (a simpler and broader general block exemption for ETC and special de-minimis rules for low value aid) would be very much welcomed.

Finally, regarding audit, several partner states highlighted the good results of the audit campaign and the efforts made by the JS to keep the error rate low. The JS highlighted that the error rate was also so low thanks to MC efforts to keep programme rules as simple and limited as possible and project partners having understood and correctly applied these rules.



12. Any other business	
	<p>The EC informed that the EC had issued the decision C (2019) 8406 following the submission of the Interreg Europe 2018 annual implementation report in June and sent it to all EU-MS (see example attached). The receipt of this decision does not require any reply from the programme authorities. An underachievement has been noted for only one priority but as the achievement rate for this priority is still above 80% of the initial target, this underachievement is therefore considered as a reasonable deviation. The decision is based on the state of play as of 31/12/18 but the EC is aware that the target has already been met and even exceeded only 3 months later in March 2019.</p>
<p>End of Meeting</p> <p>NOTE: To ensure transparency of the Monitoring Committee meetings, the decision notes are published on the Interreg Europe's website. Annexes as mentioned in the notes can be requested by email: info@interregeurope.eu</p>	