

Minutes from the written procedure of the Monitoring Committee 7 September 2023 – 21 September 2023

In accordance with Article 9 of the Rules of Procedures of the Monitoring Committee, the written procedure was held 7 September 2023 – 21 September 2023. The following issues were subject to the Monitoring Committee decision:

- Approval of changes in the Interreg South Baltic Programme 2021-2027 document;
- Approval of changes in the Programme Manual and its Annexes, approval of the mandate for the Managing Authority to introduce relevant changes in the Programme Manual after obtaining the approval on methodology for closure cost calculation from the Audit Authority;
- Approval of the Evaluation Plan for the (Interreg VI-A) Poland-Denmark-Germany-Lithuania-Sweden (SOUTH BALTIC).

Ad: 1. Background information on changes in the Interreg South Baltic Programme 2021-2027 document

Additional funds were transferred to the Interreg South Baltic Programme 2021-2027 (Programme) in the amount of 8.3 m EUR ERDF, which constitutes an increase of 9.7% versus the current allocation. Therefore, it is necessary to introduce changes to the Programme document.

The new funds are distributed between Priorities and Measures of the programme in accordance with the previously approved percentage division. It is also necessary to accordingly amend the target values of indicators, due to the increase in the allocation, but also due to the result of selection of projects from the 1st call for proposals (the declared target value of result indicator RCR84 by the project selected under Programme measure 1.2 surpassing the to-date targeted value in the Programme). Also, the amended text of the Programme included the relevant information on the inclusion of Olsztyński sub-region in the Programme eligible area and tailored measures allowing to overcome the negative consequences that it is facing due to Russian aggression against the Ukraine.

More information was provided in the amended Programme text in “track changes” mode and the detailed description and justification of changes. Additionally, the amended methodological document for the performance framework of the Programme and indicators matrix were attached for informational purposes.

Ad: 2. Background information on changes in the Programme Manual and granting mandate for the Managing Authority to introduce relevant changes in the Programme Manual

Due to the expected launching of the 2nd call for proposals, the following technical and substantive changes to the Programme Manual were proposed, among others:

- Refinement of the description of the scope of intervention of Programme Measure 3.1.;
- the amendment to GBER published on 23 June 2023 changed the amounts of State aid that can be awarded under GBER articles 20 and 20a;
- the information in eligibility criteria regarding the elements taken in particular into consideration by the JS during the verification of project partners was added;
- the logotype was changed to correspond to all relevant communication requirements and visibility rules in line with the Commission's guidance;
- description of the assessment process was revised to be more clearly presented, highlighting the ranking of projects based on given points.

More information on changes was provided in the overview of changes and the Programme Manual itself.

At the same time, the Managing Authority intends to apply simplified costs option in the form of a lump sum for project closure costs. Due to the fact that the methodology, which is the basis for determining the lump sum is under development, the MA will introduce the relevant provisions to the Programme Manual after the methodology is pre-assessed by the AA, no later than October 4th, 2023. (the expected scope of changes was presented in Appendix No. 1 below). Thus, the Monitoring Committee was asked to authorize the MA to introduce relevant changes to the PM after obtaining the approval of the Audit Authority. The lump sum for closing costs will be applicable to Beneficiaries submitting applications from the 2nd call and will be the only way to declare the project closure costs.

In the situation of rejection of the methodology by the AA, the provisions of the Programme Manual regarding the settlement of project closure costs will remain unchanged. Then, the closure costs will be declared as real costs.

Appendix No. 1

Section IV, sub-section 3.8 of the Programme Manual, expected to be modified as follows, in case the proposed methodology for closure is approved by the AA:

Closure costs of the project are declared only by a lump sum in the amount of EUR,
(based on our estimation: of about EUR 13 000,00. The amount may be slightly modified as a result of changes in methodology during pre-assessment by the AA.)

The catalogue of closing costs covered by a lump sum remains closed and includes:

1. Staff costs – costs related to the works of project staff exclusively related to the closure phase

2. External expertise and services – costs of the external First Level Control to the final progress report preparation and verification, costs of preparing the final progress report outsourced to an external company,
3. Office and administration costs – related to the closure phase,
4. Travel and accommodation costs – related to the closure phase.

Payment of the lump sum is due if the product indicator is achieved and proved by the submission of the final progress report.

The amount of the lump sum is paid out to the lead partner. The granted amount of the lump sum may be distributed by the lead partner between the project partners based on an internal agreement between the project partners.

Due to the using lump sum, there is no possibility to declare any expenses related to closure costs as real costs.

Activities related to the project implementation phase are not allowed to be implemented in the project closure phase. As a rule, payment for expenses related to the project implementation phase, should be paid before the end of the project implementation phase. However, in justify cases, costs related to activities carried out in the implementation phase paid after the project's end date are eligible if the accounting documents were issued during the project implementation period and are not considered as closure costs. In this situation, the beneficiary is obliged to clearly describe such expenditures.

Ad: 3. Background information on approval of the Evaluation Plan

The Evaluation Plan for the (Interreg VI-A) Poland-Denmark-Germany-Lithuania-Sweden (SOUTH BALTIC) is based on Articles 35 of the Regulation of the European Parliament and of the Council (EU) No 2021/1059 under which the Managing Authority of the Programme is obliged to carry out evaluations of the Programme related to one or more of the following criteria: effectiveness, efficiency, relevance, coherence and Union added value.

In accordance with Article 35(6) of the Interreg Regulation the evaluation plan must be submitted to the Monitoring Committee of the Programme no later than one year after the adoption of the Programme by the European Commission. In line with Article 30(2)(b) of the Interreg regulation, the evaluation plan shall be subject to the approval by the MC.

The Evaluation Plan anticipates at least two evaluation studies during the Programme implementation, both valued at around 50,000 EUR and will be contracted by the Joint Secretariat. The first study will be a mid-term evaluation (2025/2026) and the second one shall relate strictly to the impact evaluation of the Programme. Mandatory nature of the impact evaluation results from the provisions of Article 35 (2) of the Interreg Regulation and refers strictly to the assessment of the effects of the Programme and its impact on the lives of inhabitants of the eligible area. The impact evaluation of the Programme should be conducted by 30 June 2029. TA resources planned for the implementation of evaluation and studies amount to 150,000 EUR, which allows for the introduction of additional, unplanned research to the Programme Evaluation Plan if needed.

Summary of the written procedure

The **Swedish delegation** submitted remarks to the amended Interreg South Baltic Programme 2021-2027 document and Annex 6 of the Programme Manual.

The **Swedish delegation** approved the proposed Evaluation Plan, however asked that the Plan is presented also at the next MC meeting.

The **other delegations** did not cast their votes, which equals **abstaining** from voting.

The outcome of voting - decisions:

- The **amended Programme document** and the **Programme Manual with its annexes were not approved**.
- The **Evaluation Plan** has been **adopted**. It shall also be presented at next MC meeting.

During the procedure, the MA informed also the Heads of delegations of the reception of the opinions and suggestions provided by the European Commission regarding the amended Interreg South Baltic Programme 2021-2027.

Within consultations between the Chairperson and the Heads of the Delegations it was agreed that the Programme document and Annex 6 of the Programme Manual need further amendments, answering presented remarks. It was agreed that a new, shortened written procedure regarding modified versions of the documents in question will be launched.