

Minutes from the shortened written procedure of the Monitoring Committee 22 September 2023 – 26 September 2023

In accordance with Article 9 of the Rules of Procedures of the Monitoring Committee, the shortened written procedure was held 22 September 2023 – 26 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;

Background information on launch of the new shortened written procedure

In the previous written procedure held 7-21 September 2023 the amended Programme document and the Programme Manual with its Annexes were not approved by the MC.

Within the consultations between the Chairperson and Heads of delegations it was agreed that the Programme document and Annex 6 of the Programme Manual needed further amendments and that a shortened written procedure shall be launched to approve the modified versions of these documents.

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 mEUR 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 includes 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.

Changes in the Programme document compared to the version submitted in the previous written procedure concern, i.a.:

- deleting general statements under each SO targeting Olsztyński subregion and adding additional exemplary action within ISO1 priority as well as stressing the energy cooperatives as one of potential, exemplary forms of ownership only under the action in SO2.2;
- modifications in the wording of Annex 3 concerning Operations of Strategic Importance.
- deleting the text relating to decommitment under chapter 7.3.

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 are introduced, 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.

*In the text of Annex 6 to the Programme Manual, the insertion "NB: The decision on the financial, management and organisational eligibility of private project partners is taken by the National Authority of the respective Programme Member State!", proposed in the previous written procedure, was excluded from the currently proposed text.

At the same time, the Managing Authority intends to apply simplified costs option in the form of lump sum for the 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 is presented in Appendix No. 1 below). Thus, the Monitoring Committee is 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.



Outcome of the written procedure

The **Swedish delegation approved** the changes as proposed.

The **Danish delegation approved** the changes as proposed.

The **joint delegation of Euroregions approved** the changes as proposed.

The **Lithuanian delegation approved** the changes as proposed.

The **Polish delegation approved** the changes as proposed.

The **German delegation approved** the changes as proposed.

Decision

- The amended Interreg South Baltic Programme 2021-2027 document has been approved as proposed.
- Programme Manual with its annexes as well as decision on 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 has been approved as proposed.