

The Minutes from the written procedure of the Monitoring Committee

29 April 2025 – 13 May 2025

In accordance with the Article 9 of the Rules of Procedures of the Monitoring Committee, the written procedure was held from 29 April 2025 until 13 May 2025. The following issues were subject to the Monitoring Committee decision:

- ▶ approval of the changes in the Programme Manual and its Annexes;
- ▶ approval of the change in the Monitoring Committee Rules of Procedure;

Background information on the requested changes in the Programme Manual and Monitoring Committee Rules of Procedure:

In 2024 Audit Authority (AA) performed audit of the Management and Control System (MCS) of the Interreg South Baltic Programme 2021-2027, which is obligatory according to Article 48(2) of Interreg Regulation in the scope of: Appropriate criteria and procedures for the selection of operations in the completed calls and thematic audit on maintaining the principle of impartiality in calls for proposals.

Pursuant to Article 48 (5) and (6) of Interreg Regulation, the AA prepares:

- a) an annual audit opinion in accordance with Article 63(7) of the Financial Regulation.
- b) an Annual Control Report that meets the requirements of Article 63(5)(b) of the Financial Regulation, which presents, an analysis of the nature and extent of errors and deficiencies in the systems, as well as the proposed and implemented corrective actions.

Outcome of the audit verification

The audit identified findings and recommendations that were presented to the Managing Authority (MA), two main issues were identified that need further development on the programme level.

The programme documents (incl. Rules of Procedure of the Monitoring Committee) for the South Baltic Programme do not contain the provisions on further proceeding with positively assessed projects. In particular, according to the AA, there is a lack of unambiguously identified, quantifiable and objective criteria on which the MC shall take the decision on a project's co-financing/rejection or moving to a reserve list. Thereby, the procedure of selection of projects for funding adopted in the Programme, does not provide assurance of maximising the contribution of Union funding to the achievement of the objectives of the programme.

The AA recommended to supplement the procedure of MC on the selection of project applications in a way which will ensure unambiguous, objective and quantifiable criteria, known to applicants at the moment of the announcement of the call for proposals. Also, it was recommended to make it obligatory to rank the evaluated project applications according to the number of points obtained, also after the MC meeting, in line with recommendation of the European Court of Auditors (ECA).

Proposed solutions

In order to fulfil the recommendations of the AA we propose to supplement:

- **the Rules of Procedure of the MC**, stating that the projects will be selected to maximise the contribution of the EU funding to the achievement of the objectives of the Programme,
- **the Programme Manual** indicating clearly, that the assessed applications are ranked according to the scoring received, also after the MC meeting. Stating as above, that the projects will be selected to maximise the contribution of EU funding to the achievement of the objectives of the Programme, but also that the MC may propose changes in the ranking list.

In addition to the changes introduced after Audit recommendations, a number of other changes are also introduced to the PM:

- Specifying certain provisions and eliminating inconsistencies,
- Simplifying and clarification of information on state aid,
- Changes in procurement rules for Polish partners due to change of the horizontal Guidelines on the eligibility of expenditure for 2021-2027 in Poland,
- Updating the links as new Programme website was launched.

The changes to the PM with their justifications were listed in the overview table and exact wording of proposed modifications was presented in the document attached.

Recommendation:

The proposal was to approve the proposed changes to the Programme Manual, Programme Manual Annexes and the Monitoring Committee Rules of Procedure.

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 abstained from voting** on the proposed changes.

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

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

The **German delegation abstained from voting** on the proposed changes.

Decision

The proposed changes to the Programme Manual, Programme Manual Annexes and the Monitoring Committee Rules of Procedure have been approved by the Monitoring Committee. However, both Sweden and Germany expressed concerns about the possible impact of introduced changes on the functioning procedures and expressed the intention to further discuss this issue during the next meeting of the Monitoring Committee.