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Contribution of the AEBR to the discussion on

Simplification of management and administration

in cross-border cooperation programmes

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Introduction:

The **EU Regulation** currently in force has brought about **substantial improvement and simplification** compared to previous regulations (for example, a separate regulation for territorial cooperation, simplified accounting procedures, a common account that can no longer be split, lump sums).

Interreg A programmes are lived-in **European integration through cross-border cooperation** at regional level. They must therefore be further strengthened in future, also financially, with an active and responsible involvement of the regional and local level.

Problems:

- The **administrative load** for public authorities and final beneficiaries due to regulations for management and financial administration is **still considered by many border regions** as being **too high**, and it could **discourage** the use of EU funds (e. g. rules on offers, tenders, audit etc.).
- Current considerations to introduce "**gold plating**" are opposed as they will lead to new burdens and could deter users even more from applying for EU funds.
- In **cross-border cooperation**, specific **problems** exist **in addition** to those faced in programmes only at national level.
- **National regulations** should not **play any role** in cross-border programmes because **a system with EU funds** (= EU rules) and **national** co-financing (= national rules) creates two legal levels. In the **cross-border** case, even **three levels** have to be considered. The national level first thinks national and then cross-border, while the regional/local level along a border is thinking and working just the other way on.
- The EU and member states are **more experienced in programmes than in regular projects**. In the regulation, there are numerous rules for the programme level, but only very few for project implementation, which allows different national interpretations.
- A too strong need of security may lead to **mistrust and fear** not to fulfil EU and national rules. National ministries involved in Interreg A try **to beat themselves in the interpretation of EU regulation**. The regulation is not interpreted in the sense of practicability.
- **Too slow implementation** of the programmes, very often because of too late approval of the regulation/start of Interreg A programmes and difficulties with the understanding of EU regulations. Those who write the regulation do not always mean the same as those who have to read and implement it.
- **Changes / suggestions for improvement during an ongoing programme period create uncertainty** as to their binding nature.
- **Too much time** goes by **until the project leader can begin**, often going through excessive **controls**, until the **beneficiary receives the EU money** (up to one year).
- **With geographically larger Interreg A programmes, there is a growing influence of the national level** (centralisation). Decisions are often taken far away from the final beneficiaries.
- With the **partnership agreements**, a **new problem** arose **because cross-border programmes were not explicitly excluded**. **One state** determinates **his priorities** but the **neighbour country** has chosen **other ones**. Because both sides persisted on their national priority, several cross-border programmes have lost a minimum of 2-3 months until they agreed on joint priorities.

- Improvable **decentralization of tasks** (for example to an EGTC or a similar cross-border structure) and the involvement of cross-border organizations in decision-making for some programme areas (in several programmes, they do not have any right to vote).
- In cross-border regions with a multilateral tradition (for example Euroregion Neisse-Nisa-Nysa or Euregio Tatra), bilateral programmes impede trilateral projects.

Answers:

- The **regulations and requirements** have to be **adopted before** the start of the programmes (maybe with explanations to provide more clarity). They must remain stable longer than one period, and shall only be modified in special cases when absolutely necessary.
- The **EU regulation** should **include all important rules which are necessary for the implementation of the programmes**, but very clearly and described in detail, and must be **binding for all programmes** (to overcome different national laws).

Result: There is **no room for national amendments, interpretations or –even worse- “gold plating”**. Clear and uniform legal provisions will reduce the administrative burden and costs.

- The **EU** should not provide minimum but **maximum standards** for the implementation (incl. accounting and audit) of programmes and projects (maximum = **what is absolutely necessary, and nothing more beyond that**).
- In several programmes, there is still a need for a better and clearer **distribution of tasks** (e.g. Managing Authority only responsible for legal supervision of the Monitoring Committee and quality control of the programme implementation). The **project selection** should rather be carried out by the **involved cross-border structures / regions**.
- In several programmes, there is still a need for **clearer division/separation of tasks** between first level control (with specified standards, not allowing accountants' or auditors' personal interpretation, e.g. eligibility of costs), Certifying Authority and second level control.
- In some programmes, **the link** between **Monitoring Committee** and **Joint Technical Secretariat** (bilingual), which should primarily play a strong advisory role (positive and negative project sketches / applications must be forwarded to the Monitoring Committee for decision) has to be improved (in some programmes, this applies also for regional coordination points).
- **Reduction of time and costs by simplification** of application and implementation procedures, as well as financial controls (avoiding “gold plating”) and increasing the use of digitised procedures.
- A **selection of projects** should be done **in two stages**:
 1. **Submission of a project outline**, which assesses whether the project is eligible and can be elaborated. This saves time, labour and costs for those who are rejected.
 2. On the basis of the evaluation in stage 1, elaboration of the final application with all the necessary details for a final approval.
- **Less obligation** to provide **evidence in the application** (e.g. for financial, operational capacity) by use of lump sum), cancellation of the accreditation obligation for public authorities.
- Greater use of **lump-sums** or **simplified statement of costs** (e.g. standardized unit costs) in the accounting.
- Only **one audit and approval** (audit pact!).

- **Less documents**, copies instead of originals, no double-checking of the same documents and increased use of digitised procedures.
- Less and harmonised **reporting**.
- Clear rules and procedures for volunteer work.
- **Stronger evaluation of the results**, not only of expenditure and correct administration.
- **Flexibility** in the programmes in order to react to unforeseen circumstances (but **still cross-border** oriented and **without endangering** the middle and long-term **strategy alignment** of the programme).
- Clear **deadlines for audit and certifying** (max. 3 months).
- **Territorial cooperation** should be either **excluded from the partnership agreements between the EU and the member states or only mentioned without the obligation** to strictly follow the chosen national priorities. Anyhow, in the end, there has to be a compromise.
- **Geographically large Interreg A programmes should allow a wider thematic choice and/or sub-programmes** to meet the diverse regional situations and needs (e. g. Spain/Portugal with a relatively more humid North, a drier area in the Middle and a sea coast with mass tourism in the South).
- In areas with **traditional multilateral cooperation** and corresponding structures, **multilateral programmes** might be submitted (e. g. Euregio Meuse-Rhine), and **multilateral projects** should be **possible** in all priority axes **within the bilateral programmes concerned**.
- The **role of EGTCs** or **similar cross-border structures** should be strengthened (implementation of sub-programmes or specific programme parts, right to vote in the decision making bodies, etc.).
- **Use of the "best practice" of Interreg agreements at the DE / NL border**, signed by all partners, including the Euregios. In addition to the management and implementation of the programme, it also regulates the participation of cross-border structures, steering committees per Euregio and co-financing for the entire programme period on one account. **Joint funding rules** regulate eligibility, project selection and audit. Both documents are available for the programme start, so that it can begin immediately.
- Accordingly, future **allocation of EU-funds and national funds** to the same single **bank account** (without national sub-accounts like in the current regulation).

Advantage: The public authorities have to sign a contract on how this will be implemented. The **beneficiary will receive only one contract** (for example, from a bank) for the **total funding**. The bank has to control the beneficiary and report to the Monitoring Committee.

Final remark:

Within the **single market** there is a **rule**: if a **product** may be **sold in one Member State**, it has to be **accepted in all others**. **Why** that is **not possible in case of accounting services**, financial control or audit (free movement of services in the Single Market!) when it comes to EU-support programmes?