

**IPA ADRION 3<sup>rd</sup> Monitoring Committee meeting**

**15 May 2023**

*Approved minutes*

*Online meeting*

*Draft Minutes*

<p><b>Item 1</b></p>	<p><b>Verification of presence of all participants attending the meeting and Approval of the draft agenda</b></p> <p><b>JS:</b> Confirms the quorum.</p> <p><b>SI:</b> Asked to include the Application form in the list of documents for discussion, as SI provided some comments to this document.</p> <p><b>The quorum is reached.</b> (participants' list: see Annex A)</p> <p><b>The draft Agenda is approved including the document related to the Application form under the column "accompanying documents".</b></p>
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<p><b>Item 2</b></p>	<p><b>Approval of the Application package of the three strategic projects to be approved under Priority Axis 4 (ISO1)</b></p> <p><b>MA:</b> Gives the floor to the EC for opening remarks and invites the participating countries coordinating three projects to give a short overview on recent negotiations before moving on to the discussion.</p> <p><b>EC:</b> Informs on the position of the EC and highlights the seriousness of the moment. He calls that the discussion moves forward fast and that everything must be finalised by the end of June 2023 to avoid disruption of the assistance that currently is being provided by ADRION Facility Point project to EUSAIR. IPA ADRION programme offers a very generous package for the support of the strategy, which far exceeds what has been used in other macro-regional strategies. The available amount of funding is absolutely the maximum with no room for increasing. The Monitoring Committee (MC) also needs to protect the</p>
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programme plans and the projects it is going to support. He expects the agreement among the three projects with clear delineation of responsibilities and absence of overlapping of tasks within the available budget.

**SI:** Agrees with the message of the EC and thinks that the comments that were sent by the SI delegation went to this direction. The process was very demanding. Several meetings among the lead partners (LP) institutions were held with the project partners as well as with the MC representatives of the three participating countries hosting the future LPs. All the three LPs tried to detect possible overlapping and to overcome them. The Italian LP remained very firm on its position both in terms of activities and budget and it was not possible to fine tune the proposal. The EUSAIR Governing Board asked the three LPs for a further presentation of the projects through which it would ask questions and receive clarifications. Finally, another meeting was recently held with the LPs, EUSAIR presidency, MA and the IPA ADRION MC Chair and it was decided that the three projects would be presented again to the EUSAIR Governing Board and IPA ADRION MC members.

**IT:** Made efforts to come to a compromise and was very collaborative in the discussion on how to avoid overlapping. The only element that still must be discussed is the budget. The project 1 – EUSAIR Facility Point - would mobilise the entire budget available of Priority Axis 4 and proposed to reduce the requested budget by only the 8%. This is a key aspect, the funds must be secured for other two projects as well. This is why the discussion must be extended to the MC as the three LPs did not manage to reach an agreement.

**HR:** the LPs presented the state of play to the EUSAIR Governing Board, and the process is still ongoing. He thanks the EC for emphasising the sense of urgency as it is necessary to speed up the process. Countries need additional time to fine tune the proposal and discuss it with the Governing Board and MC. This meeting is the step to the right direction to speed up the process.

**Chair:** Emphasises the message of the EC that the budget of Priority Axis 4 will not be increased. She reminds of the role of the MC, i.e.: the discussion of the Application Package and what is on the agenda, as well as the fact that the three project proposals are not subject of the today's meeting.

*The meeting goes on by analysing the comments received on Priority Axis 4 Application Manual. The JS presents the comments received, MA proposals, and asks the MC for their approval. Minor comments are not reported in the minutes but in Annex 1 and 2.*

**HR:** Asks to include a map envisaging the revised NUTS regions of Croatia.

**MA:** Informs that the MA supports the proposal to allocate the whole budget of Priority Axis 4 to the three strategic projects if this helps to finalise them and reach an agreement.

**Chair:** Would like to know what options are available and, in case the whole budget is allocated to the three projects, whether it is necessary to modify the programming document, and the next steps to be adopted.

**MA:** The programming document under Priority Axis 4 foresees another line of intervention addressed to the support to exchanges and capacity building. In case the whole budget is allocated to three projects, there will be no resources for these topics.

**EC:** Reminds that the flexibility of the budget within the same Priority Axis is under responsibility of the MC. Even though under responsibility of the MC, changes within a priority axis will have to be justified to the EC at a certain point of time. Shifting of funds between priorities must be approved by the EC. He reminds that the budget dedicated to the support of EUSAIR is by far the largest support among all other MRSs.

**MA:** The proposal is to wait until the mid-term review with the entire budget reserved to the support to EUSAIR Governing Board and, in case of underspending, to allocate part of the unspent budget to the other initially envisaged activities.

**HR:** Asks if in the preparation phase the three projects should plan their budget considering the entire amount of the funds allocated to Priority Axis 4. He proposes that more scenarios should be prepared for all possibilities and their consequences, e.g., considering the case where 100% or 80% of Priority Axis 4 budget is devoted to them. He does not think that today's meeting is the right moment to discuss this issue.

**Chair:** Agrees with the Croatian proposal to have scenarios with different allocation of resources to the three projects and how they would affect the planned activities. She proposes to move on and to leave this point for discussion for another meeting.

**SI:** Reminds that on top of what was allocated to the EUSAIR support through ADRION programme 2014-2020, there were additional 4-5 MEUR of EC grants. The exact figure was asked and will be provided by the EC. The key implementers of EUSAIR are expecting the same level of support as it was in the past. However, several factors changed the new financial perspective: two additional countries joined EUSAIR, EUSAIR action plan is currently being revised with the possible addition of new pillars and new Thematic Steering Groups, and inflation has an impact on the budget. As the EC informed that there will be no additional grants, she asks for the support of the EC to face all mentioned challenges and to come to an acceptable and solid support for the future. This could be resolved in two ways: either by adjusting the budget or, if this is not possible, by revising the support to the strategy.

**EC:** He is not sure that 2014-2020 is the right reference period, as the EUSAIR started at a later stage compared to some other strategies. He proposes to agree upon actions for the future and start implementing them. He also suggests moving forward with 80% of Priority Axis 4 funds and deciding at a later stage if more funds are needed. Budget increase will depend on the performance, and now the participating countries should concentrate on finalising the proposed activities as they do not seem ideal now.

**IT:** states that Italy needs time to consider whether to allocate the entire ISO 1 budget to EUSAIR governance support projects or just a percentage of those resources.

**MA:** Suggests giving additional time to the three leading participating countries to work on their proposals, otherwise the MA and JS will prepare a proposal based on what reported in the programming document and its annex 3.

*JS goes on with the discussion of the received comments on the document.*

**IT:** confirms that the number of project partners in its led project would be 3 coming from Albania, Bosnia and Herzegovina, and Italy.

**SI:** with reference to the approved minutes of the 15<sup>th</sup> Task Force meeting held in Brussels in 2021, according to her understanding the adopted decisions also included the fact that the projects 2 and 3 would not have more than 2 partners each (LP and PP).

**Since the interpretation of the number of partners in project 2 and 3 was different among the MC members, this decision remains pending.**

**HR and IT:** Observe that, as far as the request of SI to include in the application manual references to avoid conflict of interest by envisaging the exclusion of National Coordinators, it should not be accepted as their participation cannot be considered as such and remind that the MC Rules of Procedure already envisages an exception regarding the projects, including the involvement of LPs in the decisions aimed at supporting EUSAIR under Priority Axis 4.

**The MC asks the Commission to express its opinion about conflict of interest in the three strategic projects supporting EUSAIR; the decision remains pending.**

*The JS goes on with the discussion of the received comments on the document.*

**SI:** Asks for clarifications about the achievements of the proposed indicators and asks whether the indicators should be covered cumulatively at programme level and not at project one.

**JS:** Clarifies that when the methodological document on indicators was drafted, more than one year ago, it was meant that all the three projects should have contributed to feeding the envisaged indicators, i.e.: all output and result indicators must be selected by all the strategic projects. The request for including in the application manual text the word “together” might generate misunderstanding and does not reflect what it was initially envisaged.

**The MC asks the Commission to express its opinion on the correct contribution to the indicators; this decision remains pending.**

*The discussion on the comments received on the document goes on.*

**The MC decides that the following topics will be discussed at a later moment:**

- **Dates on the opening and deadline for the submission of the three project proposals;**
- **Allocation of resources among the three projects.**

**SI:** With regard to the content of the application form, she asks to leave points C 2.6 (*Which synergies with past or current EU and other projects or initiatives will the project make use of?*) and C 2.7 (*How does your project build on available knowledge?*).

**The MC approves in keeping the points C 2.6 and C 2.7 in the application form.**

**The MC asks the Commission an interpretation of art. 36.4 lett. e) of Interreg Regulation.**

**The MC decides that the decision regarding the use of a specific visualisation of the three strategic projects (use of and *ad hoc* logo) is pending and asks for EC interpretation.**

**The MC decides that the decision of a further possible increase of the three projects budget is pending.**

**The MC approves that the maximum accepted level of underspending, at the time of the mid-term review, is of 20%.**

**The MC decides that the decision regarding the eventual shifting of funds among the projects after the mid-term review is pending.**

**SI:** As far as the implementation of the result indicator RCR84 is concerned, she observes that it is not in the power of the EUSAIR Facility Point and of the supporting structures, to force the Governing Boards and the TSGs to cooperate after the finalization of the projects.

**The MC asks the Commission an interpretation on the contribution of the projects to the result indicator RCR 84 before adopting the final decision.**

**JS:** Explains that, with regard to the IT proposal of not uploading to JEMS platform proofs of expenditure but only proofs of deliverables, it cannot be accepted from a technical point of view as payment of funds will be provided prior verification of expenditure (real costs) or simplified cost options, which, in some cases, are based on other budget lines calculated on real costs. Similarly, it is not possible to avoid partners reports, where proofs of expenditure are uploaded and further visible to the controllers for the checks. Also, the request for increasing the rate of eligible staff costs to cover the remaining eligible costs cannot be accepted as not supported by the EU Regulation.

**The MC rejects this request and approves the original proposed text of the Application Manual with regard to these topics.**

**SI:** Observes that communication shall be differently dealt by the three projects and that it will be one of the functions of the EUSAIR Facility Point. Because of that, also the assessment of communication activities should be dealt differently. Communication is a horizontal aspect in a standard project, but it is a work package in the EUSAIR Facility Point. Moreover, it will also incorporate the communication activities related to projects 2 and 3. Therefore, the latter should have only very basic communication activities and this aspect is not highlighted in the assessment grid: this could cause problems as these three projects are not at the same level.

**JS:** Observes that the proposed assessment grid includes some minimum common standards for all the three projects to avoid having *ad hoc* assessment grids per each of them. If projects 2 and 3 do some communication activities or not, this will be clarified in the application form.

**IT:** Shares the opinion that communication will be mainly implemented by the project EUSAIR Facility Point, in charge of the development of the communication plan its coordination with the other two projects.

**The MC decides that, since the distribution of tasks among the three projects has not been finalized yet, also the definition on how communication must be assessed shall remain pending.**

**The MC confirms that the proposed scores attributed to each assessment criteria shall stay as proposed.**

**JS:** As far as the IT proposal to have JS dedicated officers for the strategic projects, MA considers that the current JS configuration does not allow this request, also taking into account the two overlapping programming periods. If this is considered as necessary, then the budget of core TA should be increased accordingly, or a dedicated person might be hired by the LP using its own budget.

**IT:** Replies that it would like to discuss this point in the next MC meeting, since there will be the opportunity to discuss the technical assistance.

**The MC decides that the request of having dedicated JS officers in charge of following the implementation of Priority Axis 4 strategic project is pending.**

(See annex 1 and 2).

*The MC then moves to the discussion on the draft Application Form.*

**SI:** Asks for a further simplification of the application form and suggests counterchecking what already adopted by the Danube and Alpine Space programmes.

**MA:** Replies she does not oppose on requests for simplification, but this should not make loose of sight regulatory obligations or procedures, and asks the EC its opinion about. It is however worth to clarify that MA is not shifting the EC the burden of the choice, but in the spirit of saying yes to this request, MA nevertheless wants to involve the EC on this.

**The MC decides that the content of the application form is pending.**

**MA:** Takes the opportunity to recap the discussion regarding the application manual: the version approved until today will be sent to the MC; pending decisions will be highlighted in the text.

*The discussion goes on with regard to the analysis of the draft template of the subsidy contract and partnership agreements.*

**JS:** Informs that the text of the approved templates for standard project was revised according to the specificities of the Priority Axis 4 strategic ones. In accordance with the outcomes of the morning discussion, some decisions are still pending.

(see annexes 3 and 4).

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**he MC approves the templates of the subsidy contract and partnership agreement except for the pending items. The documents will be updated once a decision on the pending issues will be taken.**

*The discussion goes on with regard to the analysis of the draft text of the terms of reference.*

**JS:** As far as the draft text of the terms of reference is concerned, she explains that the proposed text has been based on the 1<sup>st</sup> call for proposals announcement, as well as on the terms of reference drafted for the 2014-2020 EUSAIR Facility Point. Some points are still pending as no decision has been taken. It is also highlighted that the announcement will not be publicly available, but it will be sent to the LP of the three projects (see annex 5).

**MC accepts the text of the terms of reference, except for the pending items. The document will be updated once a decision on the pending issues will be taken.**

**Chair:** Invites the MA to sum up the decisions and set the next steps.

**MA:** Proposes the MC the following:

- All the comments discussed during the MC meeting and for which a common agreement has been reached will be included in a new version of the application package;
- All the pending issues for which a decision could not be taken by the MC will be highlighted in the documents as “under discussion”;
- All the other pending issues for which it has been decided to have the support of the EC before taking the final decision, will be sent to EC for opinion. EC replies will be included in the documentation to be sent to the MC.

The MA underlines the need to convene another IPA ADRION MC meeting to take the final decision on the Priority Axis 4 application package, taking also into account the EC message to move forward in the process, as well as avoid

	<p>the risk of disruption of the assistance currently provided to the EUSAIR Facility Point project. Based on that, MA proposes to the MC the following two options:</p> <ul style="list-style-type: none"> <li>- Include a new item related to Priority Axis 4 package in the agenda of the next IPA ADRION MC foreseen to be held in Sarajevo (25 May 2023), if the three projects reach an agreement in the meantime on the pending issues (under discussion points) or</li> <li>- Convene a new IPA ADRION MC meeting dedicated to Priority Axis 4 projects after the meeting in Sarajevo, always if the three projects reach an agreement.</li> </ul> <p><b>SI:</b> Informs that the Governing Board of EUSAIR will have a discussion on the three strategic projects on 29 May 2023. Therefore, she considers beneficial even for the IPA ADRION MC to know the opinion of the Governing Board on these projects before taking the final decision. On the other hand, she underlines that in the agenda of the 4<sup>th</sup> IPA ADRION MC meeting foreseen to be held in Sarajevo, there is not enough time also for discussing the strategic projects. Therefore, she proposes to concentrate on technical assistance on the next IPA ADRION MC in Sarajevo and convene a new IPA ADRION MC following the EUSAIR Governing Board. She also proposes to consider the possibility of having an online MC meeting, as the forthcoming period is full of obligations for JS and MC members.</p> <p><b>MA:</b> Agrees with the Slovenian proposal.</p> <p><b>JS:</b> Informs that in the forthcoming days the revised version of the documents will be sent to the MC, also including the received EC comments, along with the excel file that indicates the decisions taken and the pending issues.</p> <p><b>MC agrees on the following timeline and next steps:</b></p> <ul style="list-style-type: none"> <li>• <b>MA/JS will send in the forthcoming days to the IPA ADRION MC a revised version of the documents of the application package, also including the EC comments, along with the excel file that indicates the decisions taken and the pending issues;</b></li> <li>• <b>A new IPA ADRION MC will be devoted to the finalization of the package on the strategic projects of Priority Axis 4 following the meeting of the EUSAIR Governing Board foreseen on 29th May 2023. The MC meeting should take place online if possible.</b></li> </ul>
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<p><b>Item 3</b></p>	<p><b>AOB</b></p> <p><b>Information on the state of play of signature of the financing agreement by IPA participating countries.</b></p> <p><b>Chair:</b> Asks to be informed on the state of art of the financing agreements signature.</p> <p><b>MA:</b> Informs that the process for the definition of the institution entitled to sign the financing agreement is moving forward. Emilia-Romagna Region has received a letter from the Italian Ministry of Foreign Affairs stating that the</p>
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	<p>Region can sign the financing agreement on behalf of the State, providing that it accepts that in case of raising issues, there will be an arbitration between the Commission, the State and the Region. Since the issue of arbitration is not a clear cut one, the Region has required the opinion of its lawyers in this regard. In case the regional lawyers reply saying that the condition set for signing the document may pose some issues for the Region, the Region will require further formal reassurance from the Central Government, otherwise it will proceed with the signature of the financing agreement. She assures the MC that the process is actually in its final stage.</p> <p><b>EC:</b> Underlines that it is necessary to define as soon as possible the institution that will be entitled to sign the document, as based on that some adjustments maybe needed to the text. She stresses that from the formal communication of the institution, EC will take a couple of days to revise the text and provide the final version of the document. She also informs that the EC modified the final provision in some cases, thus supporting the programmes in this regard.</p> <p><b>The MC acknowledges the provided information.</b></p>
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*End of meeting: h: 16:30 CEST time*