

IPA ADRION 4th Monitoring Committee meeting

25 May 2023

Hotel holiday, Sarajevo, Bosnia and Herzegovina

Approved minutes

	<p>Verification of presence of all participants attending the meeting</p> <p>Approval of the draft agenda</p> <p>Chair: The quorum is reached. Presents participants from the EC and asks for a tour de table, as there are some new members. (participants' list: see Annex A and B). She also asks on eventual comments regarding the proposed agenda.</p> <p>The MC approves the proposed agenda.</p>
<p>Item 1</p>	<p>IPA ADRION Technical Assistance budget</p> <p>MA: Presents the proposal for the budget of the Technical Assistance (TA) in accordance with the 2021-2027 regulatory framework. Based on the new approach of calculation, some scenarios are presented; the chosen one assumes that overall projects financial absorption capacity would be of 85%. Based on that, the overall budget necessary for the programme implementation at core level (<i>core</i> TA) is further presented: its structure according to budget lines and the necessary staff for the programme implementation is also proposed.</p> <p>He also presents the share of budget for the national TA per participating country and asks for the approval of the proposal to be devoted both to core and national TA.</p> <p>ART-ER: Complements the overview by proposing a revised JS organisation, taking into account the higher programme budget and the valorisation of existing skills.</p> <p>(See annexes 1 and 2).</p>

	<p>Chair: Asks for more clarifications with regard to the proposal, in particular a report on spent and remaining budget of 2014-2020 ADRION core TA budget and additional information on the salary of each JS member.</p> <p>RS: Agrees that more information is needed about the expenditure incurred so far, in particular with regard to the changes proposed in comparison with the proposal submitted to the 16th IPA ADRION Task Force held in July 2022, and plans for hiring the new staff.</p> <p>Chair: Agrees that the two proposals should be presented to be compared.</p> <p>HR: Needs more details on the budget line devoted to external expertise. The highest share is devoted to JEMS maintenance; details would also be necessary with regard to the person in charge of providing JEMS technical support. Similarly, also more information about business intelligence tool which has been approved one and a half year ago would be required, as some budget was already devoted to this tool in the programming period 2014-2020. He also expresses some concerns about the transparency of the proposal, in particular about the increase of IPA share of national TA: even though it is absolutely necessary for the improvement of administrative capabilities, the MA should also provide details on which initially forecast expenditure was reduced to balance the corresponding increase of resources. He also asks MA if MC members are expected to approve the proposed JS new organization, as MA decision to appoint people without asking for MC for previous approval should not be repeated in the future. The JS needs to be more attractive and asks how many applications were received of the offered open positions.</p> <p>SI: Shares the points that were expressed by the other colleagues, especially the one expressed by Croatia, and asks who appointed the JS staff to the new positions and based on which merits. She is also not sure that these persons should be present at the meeting and thinks that this discussion should be done at a higher level. Participating countries signed letters of agreement with consent that they will finance the TA. As the JS is joint, she expects that all decisions are done jointly, and now she feels excluded from the decision-making process and wants to know the <i>modus operandi</i> for the future.</p> <p>Chair: highlights that all JS staff of ADRION 2014-2020 is continuing working in the new programme and asks what it has been changed to justify new different management positions and salaries, and why and how this was adopted. She stresses that the Programme implementation has to be carried out jointly and highlights that information is missing at all levels such as Programme Annual event¹. Even though the event was promoted on the programme web site, it could have been further promoted at local level by inviting universities and research institutes etc.</p> <p>RS: asks about the savings of the 2014-2020 ADRION Programme as some countries could express their interest in using them now. She also highlights that in the previous proposal the intermediate staff level was not included, and the salaries were equal to all. She asks for clarifications about.</p> <p>GR: Agrees with all comments and reminds the conclusions from the 16th Task Force according to which the JS should become more attractive for potential non-Italian applicants. She would like clarifications on how this basic</p>
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¹ The event was present in EUSAIR agenda and all technicalities (e.g.: registration) related to that event were managed by the EUSAIR annual event organizers.

agreement would be reflected in this proposal. The MC also talked about the expat allowances to encourage applicants from other countries. For the 2014-2020 the answer is still pending, and she would like to know if it is included.

Chair: agrees that the expat allowance is still pending and is very important.

SI: Definitely agrees that it is necessary to see the overall TA spending for 2014-2020 and a comparison with the new budget. She would like to have 100% transparency for each position, the name of the proposed staff member, and asks for a clear picture of the current situation and the future one. She also would like to have further clarifications regarding project and finance officers hired with an external expert contract. Their engagement was approved when monitoring activities were predominant and an ad hoc solution to bridge that problem having regard to the programme life cycle was necessary. The internal staff has been reinforced now, but the project and finance officers hired with an external expert contract are still present. She asks for the salaries of all the JS staff, paid from budget lines staff and external expertise. For the sake of transparency and good cooperation, she reminds that in the IPA Adriatic programme a big share of people was paid from external expertise, and people working in the JS were not receiving information regarding the programme implementation. Regarding the new proposed staff, it was understood that they would be hired from the 2014-2020 programme with a temporary contract; according to the information provided now, they will have a fixed contract. The order of the information is not consistent and prevents the MC to have a complete picture.

Chair: Agrees that what proposed is not transparent. For example, as an IPA Programme, no IPA officers are envisaged.

HR: Reminds that in MED programme, the leftovers from the TA of the countries which have not spent it have been distributed among the other countries in order to reach the good spending level. Expat allowance is still something that is not resolved. People who decide to move to Bologna are in a different position and they must be given some extra support in comparison to those already living in Bologna. Another question is related to the programme webpage: the call that is now open, by now one third of the planned budget has been spent, and the platform for partner search is not in force yet.

MA: acknowledges the high number of concerns and starts with presenting some details on salaries that were already sent to the MC. She admits that there was a mistake in the presentation of the new organisational scheme, as reported names are proposed and not appointed, and they are part of the proposal. ART-ER, the Emilia-Romagna in-house company has its autonomous system in managing the JS staff and making decisions on hired people. Salaries will be seen in detail later, they have been increased for everyone, and salaries for those who will have more responsibilities are higher.

Regarding the expat, as the budget is tight, we decided to increase the salaries and give it only once and not on a regular basis. She also clarifies that the new staff will work full time, which is not a requirement for those hired with an external expert contract.

SI: Appreciates the explanations but would like to have them in writing, indicating the names and number of positions and to compare it with other programmes.

Chair: Highlights that the agreed bonuses were paid out to some staff as agreed, whereas the approved expat allowance approved by the MC was not paid yet.

JS: Points out that the bonuses were also not paid in full with respect to the MC decision.

SI: Reminds all members that the bonuses were discussed years ago and asks, when MC members take a decision, to check with ART-ER if it possible and inform the MC members duly.

MA: Stresses that nothing has to be approved today if the MC members are not convinced. MA is happy to revise the budget based on comments of MC members. MA is aware about the lack of transparency and the difficulties of the IPA ADRIATIC Programme, but it is not fair to jump to conclusions before seeing the whole picture.

NM: Points out that there is a difference between expat allowance and reallocation costs, since expat allowance is something that is given regularly.

RS: Reminds that the reply from ART-ER was never received on expat allowance. It is a question of principle, as we are talking about financial compensation on persons that are reallocating. IPA is now more than ERDF amount and we did not want to reduce our spending in the country. We want to connect your core team with the efforts in our countries and to have IPA officer and to see how you will support this process in your TA.

Chair: Informs that all IPA countries presented detailed national TA budget. She regrets that no ERDF participating countries had a chance to see the results of negotiation on the national TAs. She agrees that it is necessary to better connect national and core TA and NCP efforts. She points out that there are some issues that are supposed to be discussed at the NCP meetings, as for example those related to the first call for proposals issues.

GR: Three points on staff must be explained: number of staff currently working and the proposal of total number of staff from all categories (staff and external) for new programme; the proposed increase of salaries, with a focus on the average increase at the level of officers and at the level of the coordinators and head of units and on which bases it was decided (including an eventual link to the inflation rate in Italy); the table that presented staff (FTE) project and finance officers, where their numbers are decreasing after first three years.

SI: Needs to see the whole picture before taking a decision. She also asks for the organizational chart of the whole JS to have an idea on the number of people the intermediate persons will coordinate and is the salary they would receive. She also repeats what it was said on other occasions, that the programme is trying to build an international JS. She understands that all the proposed 4 heads, majority of them has the Italian citizenship; she asks if there are no other staff members who are capable to perform this job or if there was something wrong with the engagement process, as this proposal is not politically correct for the programme with 10 participating countries.

MA: Explains that the levels of salaries were calculated taking into account various types of contracts present in Italy with different level. The JS staff has contracts that exist at national level. When you have a promotion, you move one or two levels up. Higher diversity of the JS is a good point, the issue is if you want to make people already present in JS grow or inject new people from

outside, which would require to make a public call. As we have people inside the JS that are working for years, and that would deserve to grow in their work, the proposal was made in this way. This core bunch has Italian citizenships. The point is if we want to hire externally to have diversity in nationalities or promote existing staff. She also informs that following the clarifications provided by some of you, she will not use the word expat any longer but reallocation costs from now on.

HR: Observes that expat allowance is an important issue, and that we cannot just stop talking about it as it was approved.

MA: Convenes that the MA proposal did not take into consideration expat allowance as it was approved, but that was a choice as there were not enough resources.

RS: Points out that the role of the MA is to represent countries of an international programme in front of ART-ER. We know we have to fit in the system, but there are certain margins where we can work within, and we would appreciate that. We do not want that new salaries that are proposed for new JS staff are not appealing enough to move to Bologna. We want new salaries to be competitive and to have also balanced salaries in the JS and to stimulate existing staff. We would like MA to explain ART-ER that this would help the programme. We are insisting on expat allowance as for us it is a symbol of something that was a MC decision and was not respected.

SI: Reminds on two comments pending to be provided in the new proposal, one is the budget for IT JEMS maintenance of over 1 MEUR which seems extremely high and asks for the costs of the JEMS officer. Moreover, she asks for clarifications on the need of a junior communication officer junior why currently this role is covered by an external expert. She also asks how costs of MC meetings will be paid, as in MC Rules of Procedure it was decided that they will be paid from the core TA.

MA: Will provide report on *core* TA for 2014-2020. She also informs that, overall, MEUR 5,5 were spent and validated by controllers, whereas ca MEUR 0,5 were still to be verified. Current absorption rate is 77%. She finally informs that answers to all questions about new staff and status of expat allowance will be forwarded to ART-ER and feed backs will be provided in writing.

JS: As far as the request from Croatia on the programme web site is concerned, the procedure for engaging service providers was closed in April 2023 and the contract was signed within the same month with an Austrian company that is currently implementing the first two envisaged milestones. She informs that the procedure is lengthy but in progress. For the setting in place of the new web site, savings from 2014-2020 ADRION were used, as otherwise it would have meant to wait for the approval of the new technical assistance budget. Now we are at the stage of the web design, the proposal is currently being checked internally: MC request for partner search and intranet section have been envisaged, and if you would like to have a preview of the new website, we can provide you with the proposal that the service provider made. The timeline for the development of the website is of 2 months; the new web site should be ready at the end of June 2023.

HR: Reminds that Croatia asked to be included in preparation of public procurement to be sure that the future website contains all what MC members would like, to have the functionalities that the MC members consider

important. He also asks if the envisaged costs will be supported by the old or by the current programme, as there are EUR 75.000,00 in the IPA ADRION budget foreseen for the site.

JS: Procedure used 2014-2020 budget to start as soon as possible. The envisaged amount of money in IPA ADRION budget is for integration of all technicalities and functions that were not done so far, and for project web pages. For additional functions, she invites MC representatives to send their requests.

RS: Asks for clarification from ART-ER, if the reallocation allowance will be paid only once to new staff, what is the situation for the expat allowance for the staff that was approved previously.

GR: Concerning the amount of external expertise for the assessment of projects, and as we do not know how many proposals will be submitted, asks for the unit cost of each evaluation.

HR: Asks if the JS coordinator will coordinate JEMS Officer as well and what is the percentage of the JEMS Officer out of the whole amount dedicated to JEMS maintenance.

MA: Explains that JEMS and JEMS Officer in new programme are outsourced to a company that was appointed as external support; the framework contract signed does not allow to know the amount of the JEMS officer. JEMS officer is not an ART-ER employee.

GR: Asks the justification in writing for the amount for the service provider for JEMS, apart from the salary for the JEMS Officer, that seems too high.

MA: Will share the whole list of ICT services. Some services are fixed, and some are activated only if necessary. The amount of budget also includes this contingency reserve for services that might be necessary. MA must intervene on JEMS to make it compliant with the security standards of the Emilia-Romagna Region. JEMS must also be linked to the accounting system of the Emilia-Romagna Region to work in one system instead of two.

SI: with regard to the linking between JEMS and the accounting system of the Region for the functions of CA, she asks if the programme budget is integrated in the regional account, or it is separated. She also asks whether, in case of crises, also programme funds would be affected by potential cuts. Finally, she asks what the case of the Italian national co-financing is, in which account those funds are deposited.

MA: As far as the programme budget is concerned, it is on dedicated regional budget chapters and cannot be used for other purposes.

EC: Asks if the funds are on the account that is interest generating, as in this case the interest must be kept separately from the regional budget as the MC will decide on its future use.

IT: Asks for a clear list of questions that must be provided for the next meeting.

MA: Sums up the requests:

1. Provide list of persons working in the JS, staff and external experts, names, job descriptions, salary and type of contract and its duration; information on the contracts of the people to be hired; proposed increase of salaries (average increase) and background reason;

	<ol style="list-style-type: none"> 2. Comparison with other similar Programme regarding the number of staff which work in the JS; 3. Differences in costs if coordinating positions in the JS are hired externally; 4. Provide information regarding the number of the staff project and finance officers which is going to decrease over the years; 5. Percentage of salary to be devoted to JEMS officer in relation to the ICT framework contract, as well as justification on the forecast overall amount; 6. Comparison of the current proposal on the staff costs and the one presented during the 16th Task Force; 7. The level of the increase in proposed salaries among the coordinator, the heads and the staff; 8. Information on what expenditure it was reduced in comparison with the first TA budget proposal to balance the increase of resources; 9. Information on the amount of bonuses granted to JS staff; 10. Information about the expat allowance vs. reallocation costs approved in the previous programme period, taking into account that expat allowance was not approved as <i>una tantum</i>; 11. Clarification of all other budget lines including the list of services of the ICT company in charge for JEMS together with the personnel who will be engaged and if this cost refers to the salaries why VAT is included; 12. Information on Business Intelligence Tool; 13. List of functionalities of the new websites; 14. How the organization of the MC meeting is going to be paid; 15. Information on Programme account and interests within regional administration and the Italian national co-financing for the core TA; 16. Share the information on the meetings for the definition of national TAs with IPA countries and how the final amount has been defined taking into account increase for IPA national TA; 17. Report on core TA for 2014-2020, what was verified, what is in the eMS waiting for validation, what is foreseen in already signed contracts, the percentage of the remaining budget, and if it is expected that the programme will be closed by the end of the year.
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<p>Item 3</p>	<p>Information about the Financing Agreement</p> <p>Chair: Reminds that IPA countries will be blocked if the Financing Agreement (FA) is not signed and asks about the timeline.</p> <p>MA: The national government informed the Regions that are hosting Interreg MAs of programmes with IPA countries to consider that they can sign the FA but in case of any issues they must go to arbitration. This is the system that regions generally don't use. Internal legal advisors were asked for an opinion.</p>
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	<p>If the opinion is positive, the FA will be signed by the Region, otherwise it will be sent back to the central government.</p> <p>EC: reminds that the EC is waiting for the answer in this respect.</p> <p>Chair: Aware that these procedures may take time, but stresses that they must be done in timely manner, reminds that there are internal procedures in each country preceding the signature of the TA.</p>
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Item 3	<p>AOB</p> <p>Next meeting scheduled for 11-12 July, in Belgrade to further discuss TA and ISO1.</p>
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End of meeting: h: 18:00 CEST time