

Interreg



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IPA ADRION

Interreg VI B - IPA Adrion 2021 – 2027

Technical Assistance

Report on budget breakdown

6th MC meeting – Belgrade 25-26 July 2023

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Adrion 2014 – 2020 technical assistance approved budget

The technical assistance (TA) budget for the programming period 2014 – 2020 has been approved in the first monitoring committee held in Bologna on 17th – 18th November 2015. The budget for Core TA is summarised in the following table:

CORE TA BUDGET BREAKDOWN	Total Cost claimed (ERDF, IPA II, national contribution)	Expenditure allocation on ERDF + national contribution source	Expenditure allocation on IPA II + national contribution source
1. Staff costs (MA/CA/AA/JS)	4.630.275,00	4.033.569,00	596.706,00
2. Travel costs JS+MA+CA+AA	403.080,00	335.080,00	68.000,00
3. Promotion and Communication SERVICE CONTRACT (website, programme layout, printing material)	309.900,00	269.900,00	40.000,00
4. Organisation of committees (facilities, light catering, etc.)	129.000,00	117.000,00	12.000,00
5. TA (MA/CA/AA/JS) indirect costs	463.027,50	435.027,50	28.000,00
6. Costs related to the CA included in the MA/JS budget		-	
7. Expenses related to system audits and audits of operation (SERVICE CONTRACT)	677.400,00	677.400,00	
8. External expertise (assessment, capacity building, state aid, translations, etc.)	295.980,00	225.980,00	70.000,00
9. Programme evaluation and studies	200.000,00	140.000,00	60.000,00
10. Preparation of future programme		-	
11. IT service (Customisation OF E-MS & Maintenance) + equipment, web conference service, webinars etc.	250.000,00	150.000,00	100.000,00
12. Reserve	331.200,50	261.200,50	70.000,00
Core TA (ERDF+IPA+national contribution)	7.689.863,00	6.645.157,00	1.044.706,00
National TA (NCP, MC Meeting, National Events, ...)	1.229.219,00		
TOTAL TA budget (as per Priority Axis 5 of the Cooperation Programme)	8.919.082,00		

Use of 2014 – 2020 budget

Certified expenditure

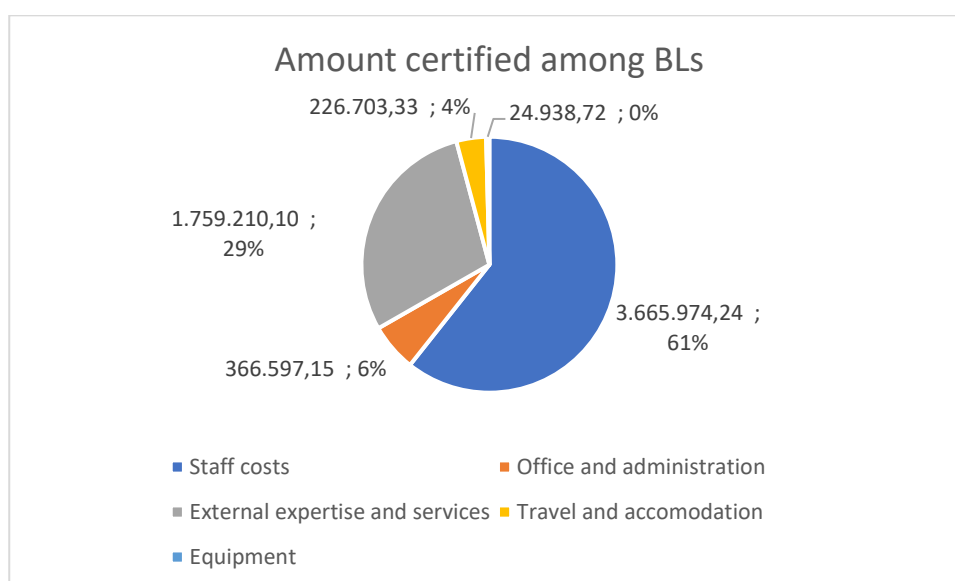
This paragraph presents the level of financial implementation of the Core Technical Assistance project (RER-ART-ER).

The data presented concern the amounts included among those confirmed by the Certifying Authority and included in the interim payment application to the EU Commission.

The level of expenditure, with the exception of 2017 where expenses from previous years were also reported, shows a slightly increasing trend and an average level of €1,007,237 per year. The upward trend in spending is mostly due to the consultants who have been contracted to support the JS. The following table shows the amount report per year and per budget lines:

Year	Amount certified
2017	1.209.489,85
2018	869.967,16
2019	894.279,76
2020	1.006.990,72
2021	983.031,32
2022	1.079.664,73
Total	6.043.423,54

Budget line	Amount certified per BL
Staff costs	3.665.974,24
Office and administration (10%)	366.597,15
External expertise and services	1.759.210,10
Travel and accommodation	226.703,33
Equipment	24.938,72
Total	6.043.423,54



Project absorption rate

In order to offer the full picture of projects spending capacity, the following data per project have been considered:

- The reports submitted to the JS/MA, processed and paid
- The reports submitted to the JS/MA and currently being monitored;
- The amounts sent to controllers for verifications and still to be included in reports (it is assumed that the entire amount will be considered as eligible). Please note that if the controllers asks for clarifications to the beneficiary, that amount is not visible on eMS any longer until it is resubmitted by the beneficiary to the controller.

More precisely:

Call	State of play
1 st call projects	Projects activities, monitoring and administrative project closure fully finalized.
2 nd call projects	Project activities finalized, monitoring still ongoing for some of them, some verifications of expenditure still missing; administrative project closure in progress. The overall financial performance will improve slightly.
3 rd call projects	Project activities will be finalized in the second part of 2023, monitoring still ongoing. The overall financial performance will improve following the receiving of the last project progress reports.
4 th call projects	Project activities finalized, monitoring finalized; administrative project closure of some projects still in progress.
5 th call projects	Projects activities ongoing until end of September 2023; the unique report expected end of 2023 and will not feed the 2023 programme financial performance. In case of need, the projects will be asked to submit an extraordinary interim report by the end of the year.
Strategic call (priority axis 4)	Project activities finalised end of August 2023; two additional project progress reports expected.
National Technical Assistance budget	Final report expected end of 2023 to feed the overall programme financial performance.

Priority Axis and Specific Objective	Total Budget	Reported to JS*	Pending FLC certification	Financial Performance*
Priority 1 - Innovative and smart region	26.817.889,51	20.825.857,63	568.069,39	79,77%
<i>S.O 1.1 - Support the development of a regional innovation system for the Adriatic-Ionian area</i>	26.817.889,51	20.825.857,63	568.069,39	79,77%
Priority 2 – Sustainable Region	55.137.975,04	45.265.311,02	1.568.002,08	84,94%
<i>S.O 2.1 – Promote the sustainable valorisation and preservation of natural and cultural heritage as growth assets in the Adriatic-Ionian area</i>	30.579.636,61	26.605.822,78	954.844,59	90,13%
<i>SO.2.2 – Enhance the capacity in transnationally tackling environmental vulnerability, fragmentation, and the safeguarding of ecosystem services in the Adriatic-Ionian area</i>	24.558.338,43	18.644.621,46	613.157,49	78,42%
Priority 3 – Connected Region	20.310.366,62	15.405.999,49	421.957,83	77,93%
<i>S.O 3.1 - Enhance capacity for integrated transport and mobility</i>	20.310.366,62	15.405.999,49	421.957,83	77,93%

<i>services and multimodality in the Adriatic-Ionian area</i>				
Priority Axis 4 - Supporting the governance of the EUSAIR	11.501.170,00	7.735.088,45	480.245,61	71,43%
<i>S.O 4.1 Facilitate the coordination in implementing the EUSAIR by enhancing institutional capacity of public administrations and key stakeholders and by assisting the progress of implementation of joint priorities</i>	11.501.170,00	7.735.088,45	480.245,61	71,43%
Priority Axis 5 -Technical Assistance	9.550.773,36	6.839.921,61	44.935,50	72,09%
<i>Technical Assistance</i>	9.550.773,36	6.839.921,61	44.935,50	72,09%
TOTAL	123.318.174,53	96.137.581,13	3.083.210,41	80,46%

* Project performance still to be confirmed as some costs are still pending (FLC certification), as well as the checks of JS/MA/CA are still to be performed

As far as the financial absorption of the finalized projects is concerned, the table below reports data which take into account:

- First call finalized projects (priority axis 1, 2 and 3);
- Second call projects (priority axis 2), i.e.: projects with finalized activities and whose last project progress reports have been submitted.

Priority Axis and Specific Objective	Total Budget	Reported to JS	Pending FLC certification	Financial Performance*
Priority 1 - Innovative and smart region	16.814.082,65	15.398.269,84	0,00	91,58%
<i>S.O 1.1 - Support the development of a regional innovation system for the Adriatic-Ionian area</i>	16.814.082,65	15.398.269,84	0,00	91,58%
Priority 2 – Sustainable Region	51.409.917,27	44.721.122,24	1.566.652,08	90,04%
<i>S.O 2.1 – Promote the sustainable valorisation and preservation of natural and cultural heritage as growth assets in the Adriatic-Ionian area</i>	29.912.814,86	26.080.093,93	954.844,59	90,38%
<i>SO.2.2 – Enhance the capacity in transnationally tackling environmental vulnerability, fragmentation, and the safeguarding of ecosystem services in the Adriatic-Ionian area</i>	21.497.102,41	18.641.028,31	611.807,49	89,56%
Priority 3 – Connected Region	13.387.856,67	12.407.910,34	0,00	92,68%
<i>S.O 3.1 - Enhance capacity for integrated transport and mobility services and multimodality in the Adriatic-Ionian area</i>	13.387.856,67	12.407.910,34	0,00	92,68%
TOTAL	81.611.856,59	72.527.302,42	1.566.652,08	90,79%

** Project performance still to be confirmed as some costs are still pending (FLC certification), as well as the checks of JS/MA/CA are still to be performed

Remaining TA 2014-2020 budget

For what concerns the usage of the budget at disposal for the entire programming period, the table below shows the level of expenditure already certified on the total budget at disposal of Emilia- Romagna Region and ART-ER. Moreover, it shows the amount of expenditure that have to be certified.

Please note that according to ART. 59 CPR 1303/2013 resources of the 2014-2020 programming period can be used also for the 2021-2027 programming period, so to speed up the set-up of the first call of proposals, some expenditures related to ICT assistance have been covered with 2014-2020 remaining budget.

	RER	ART-ER	Total
Budget	2.894.571,50	4.795.292,50	7.689.864,00
CA Certified	1.947.506,46	4.095.917,08	6.043.423,54
Remaining budget committed and to be paid and certified	770.374,42	699.375,42	1.469.749,84
CA Certified + Committed	2.717.880,88	4.795.292,50	7.513.173,38
Financial corrections art. 144 of Reg. (EU) 1303/2013¹	11.572,40		11.572,40
Unspent and not yet committed	141.618,22	0,00	141.618,22
Percentage	4,89%	0,00%	2,15%

It is important to highlight that the most part of the remaining budget has already been committed and the related expenditure will be paid during 2023. The remaining budget of EUR 141.618,22 may be devoted to other activities upon request of the MC.

The following tables detail how the remaining budget has been used or will be used² both for the needs of the MA and the JS:

Emilia-Romagna Region

Committed, paid and to be certified in 2023 (Managing Authority and Audit Authority)		
Staff cost MA & Adm Costs		95.000,00
Travels		10.000,00
External expertise	<i>Audit Authority (VAT 22%)</i>	157.733,19
External expertise	<i>public procurement for communication activities (projects promotion Adrion 2014-2020, IPA Adrion Annual event, branding IPA Adrion (VAT 22%))</i>	65.512,54
External expertise	<i>Public Procurement ICT Technical I Assistance eMS and Jems (VAT 22%)</i>	362.915,63
External expertise	<i>Public Procurement Power Bi (VAT 22%)</i>	80.520,00
External expertise	<i>MA FLC (VAT 22%)</i>	4.880,00
External expertise	<i>Last payment Adrion Evaluation Plan</i>	17.313,06
	TOTAL	793.874,42

¹ The financial correction is due to the limitation to sub-contracting in public procurement in Italian Legislation. See European Court of Justice judgement C-63/18. After this judgment the European Commission ordered to Italian MAs to practice a 5% correction on expenditures reported related to public procurement that include limitation to sub-contracting

² Please note that some expenditures have already been paid but have not been reported yet.

ART-ER

Committed, paid and to be certified in 2023 (JS - Art-ER)		
Staff cost JS		339.600,00
Office and administration		33.960,00
Travel and accommodation		50.196,32
External expertise and services	<i>FLC</i>	984,00
External expertise and services	<i>Finance Officer</i>	54.101,01
External expertise and services	<i>Project Officer</i>	60.305,19
External expertise and services	<i>Communication Officer</i>	34.045,00
External expertise and services	<i>Website maintenance</i>	22.600,00
External expertise and services	<i>Web Library</i>	18.500,00
External expertise and services	<i>Purchase of images</i>	708,98
External expertise and services	<i>Professional independent evaluator</i>	4.095,00
External expertise and services	<i>Expert on Fraud and corruption in the European Territorial Cooperation</i>	2.000,00
External expertise and services	<i>New Website</i>	18.920,00
External expertise and services	<i>Hosting Server</i>	1.812,00
External expertise and services	<i>MC Organizational Costs</i>	29.362,81
External expertise and services	<i>Other Costs</i>	28.185,11
TOTAL		699.375,42

Considering that Emilia-Romagna Region Staff is not employed full time on the programme, the table below shows the people working for the MA and CA in the Adrion 2014-2020 programming period.

The time devoted to the programme, as stated in the internal regional acts is higher compared to the budget approved by MC and allocated to the TA Core budget. The difference is covered by the Emilia-Romagna Region resources.

Position	Name of the appointed person	Time devoted to the programme (in %) according to the Regional acts n. 11992/2017, n. 17868/2017, n. 19119/2019	Working time in % allocated to CORE TA (average)
MA	Mr Francesco Raphael Frieri*	5%	0%
	Ms Caterina Brancaleoni*	10%	0%
	Ms Veronica Lenzi	10%	5%

MA Deputy	Mr Lodovico Gherardi	50%	40%
Legal and Administrative Officer	Ms Rossana Pruni	50%	40%
Accounting & Financial Officer	Mr Salvatore Maltese	60%	50%
Administrative officer	Ms Agnese Tassinari	100% (from 2015 to 2018) 50% (from 2019 to 2023)	100% 50%
IT officer	Mr Luca Basso (from 2015 to 2019)	40%	40%
CA Deputy	Ms Barbara Parma	70%	50%
Support to CA Deputy	Ms Elena Cavani*	70%	0%

*not reimbursed by the programme

The table shows the total amount certified by the MA for the staff cost from 2014 to 2022:

YEAR	2014-2017	2018	2019	2020	2021	2022
MA STAFF certified	188.454,86 €	157.641,42 €	122.997,44 €	110.162,35 €	110.542,21 €	69.072,58 €

Proposed 2021 – 2027 budget

Prudent approach

Art. 27 Interreg Regulation (Technical Assistance):

1. The amount of the funds allocated to technical assistance shall be identified **as part of the financial allocation of each priority of the programme** in accordance with point (f) of Article 17(3) and **shall not take the form of a separate priority or a specific programme.**
2. **Technical assistance to each Interreg programme shall be reimbursed as a flat rate by applying the percentages** set out in paragraph 3 of this Article to the eligible expenditure **included in each payment application** pursuant to point (a) or (c) of Article 91(3) of Regulation (EU) 2021/1060 as appropriate.
3. **The percentage of the ERDF contribution and the external financing instruments of the Union to be reimbursed for technical assistance** shall be as follows:
 - a. [...];
 - b. [...], for strand B programmes where the support from the ERDF is 50 % or less [...]: 10 %; and
 - c. [...].

With the given set of rules, it is necessary to take into consideration the risk related to the financial performance of the programme. Moreover, in formulating the first proposal the MA considered the following situations:

Exogenous

- Bigger programme (more countries, higher budget);
- Effective granted 2014-2020 projects spending capacity (based on historical data);
- Inflation rate and increased cost of life.

Endogenous

- Parallel implementation of 2 programmes until end of 2023 (including programme closure);
- Delays in programme submission to EC call for an urgent need to start planning how to avoid risk of decommitment (cumulative target year 2026: MEUR 11,4; year 2027: MEUR 35,4);
- Workload attributed to each JS member (as described in the document “Information in response to the requests of clarification on the current and future JS organization, staff salaries and costs raised during the Monitoring Committee meeting of the 25th of May 2023 in Sarajevo.”) ;
- Effective spending capacity of 2014-2020 Technical Assistance budget (priority axis No 5) (based on historical data).

Prudent approach:

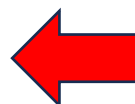
Driving principles which have accompanied the drafting of the proposal:

- Possibility of getting the max percentage of 10% of EU contribution in relation to the amount to be reimbursed to projects (i.e.: spending capacity of 100% of their budget) seems rather remote;
- High programme financial targets to be achieved in 2026 and 2027 challenging to be reached;
- Budget elaborated on real needs of programme implementation confronted with effective projects spending capacity;
- Realistic figures proposed to share awareness and clear picture in case projects performance is lower than expected.

Having into consideration these principles in the 4th MC held in Sarajevo on 25th of May 2023 the Managing Authority proposed, for the moment, to allocate a budget equal to the 85% of the available budget for TA.

Project financial performance scenarios and		
	EU contribution	EU + National contribution
Maximum budget 2021-2027 (100%)	12.426.288,00	14.619.162,35
Scenarios performance 95%	11.804.973,60	13.888.204,24
Scenarios performance 90%	11.183.659,20	13.157.246,12
Scenarios performance 85%	10.562.344,80	12.426.288,00

Technical assistance Core budget	10.596.626,92
National technical assistance	2.017.438,35
Total	12.614.065,28
Level of performance necessary to cover the TA budget	86%
Financial risk for Emilia-Romagna Region with respect scenario 85%	187.777,28



Staff and indirect costs

The Following table shows the amount for each job profile of the MA/AFU that will be covered by the Core TA budget:

Programme Body	Job profile	2023	2024	2025	2026	2027	2028	2029	2030	Total
MA	General Manager	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
MA	Area Manager CTE - development cooperation	30.398,83	30.398,83	30.398,83	30.398,83	30.398,83	30.398,83	30.398,83	0,00	212.791,79
MA	MA Staff Coordinator	14.567,55	29.135,10	29.135,10	29.135,10	29.135,10	29.135,10	0,00	14.567,55	174.810,60
MA	Legal and administrative officer	11.992,45	19.187,92	19.187,92	19.187,92	19.187,92	19.187,92	19.187,92	0,00	127.119,97
MA	Administrative and accountant officer	18.711,63	18.711,63	18.711,63	18.711,63	18.711,63	18.711,63	18.711,63	9.355,81	140.337,19
MA	Financial and monitoring Officer	12.494,45	12.494,45	12.494,45	12.494,45	12.494,45	12.494,45	12.494,45	6.247,23	93.708,41
MA	Financial and monitoring assistant	18.711,63	18.711,63	18.711,63	18.711,63	18.711,63	18.711,63	18.711,63	9.355,81	140.337,19
AFU	AFU Coordinator	42.757,10	42.757,10	42.757,10	42.757,10	42.757,10	42.757,10	42.757,10	21.378,55	320.678,24
AFU	AFU Financial officer	16.298,22	37.253,08	37.253,08	37.253,08	37.253,08	37.253,08	37.253,08	18.626,54	258.443,21
Total MA Staff costs		106.876,53	128.639,55	128.639,55	128.639,55	128.639,55	128.639,55	99.504,45	39.526,40	889.105,14
Total AFU Staff costs		59.055,32	80.010,18	80.010,18	80.010,18	80.010,18	80.010,18	80.010,18	40.005,09	579.121,46
Total Staff costs of the Core TA		165.931,85	208.649,73	208.649,73	208.649,73	208.649,73	208.649,73	179.514,63	79.531,49	1.468.226,60
Indirect costs		16.593,19	20.864,97	20.864,97	20.864,97	20.864,97	20.864,97	17.951,46	7.953,15	146.822,66

The time, in terms of full time equivalent (FTE) is indicated in the table below:

Programme Body	Job profile	2023	2024	2025	2026	2027	2028	2029	2030
MA	General Manager	0,00	0,05	0,05	0,05	0,05	0,05	0,05	0,00
MA	Area Manager CTE - development cooperation	0,20	0,20	0,20	0,20	0,20	0,20	0,20	0,00
MA	MA Staff Coordinator	0,20	0,40	0,40	0,40	0,40	0,40	0,00	0,20
MA	Legal and administrative officer	0,25	0,40	0,40	0,40	0,40	0,40	0,40	0,00
MA	Administrative and accountant officer	0,50	0,50	0,50	0,50	0,50	0,50	0,50	0,25
MA	Financial and monitoring Officer	0,30	0,30	0,30	0,30	0,30	0,30	0,30	0,15
MA	Financial and monitoring assistant	0,50	0,50	0,50	0,50	0,50	0,50	0,50	0,25
AFU	AFU Coordinator	0,70	0,70	0,70	0,70	0,70	0,70	0,70	0,35
AFU	AFU Financial officer	0,35	0,80	0,80	0,80	0,80	0,80	0,80	0,40
		FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Total FTE/cost MA Staff		1,95	2,35	2,35	2,35	2,35	2,35	2,35	0,85
Total FTE/cost AFU Staff		1,05	1,50	1,50	1,50	1,50	1,50	1,50	0,75
Total FTE/cost TA core Staff		3,00	3,85	3,85	3,85	3,85	3,85	3,85	1,60

Please note that all job profile refers to one person working part time on the programme, apart of the “AFU Financial officers” that consist of two people working part-time on the programme.

For what concern the **cost of JS staff** please refer to the document: “Information in response to the requests of clarification on the current and future JS organization, staff salaries and costs raised during the Monitoring Committee meeting of the 25th of May 2023 in Sarajevo.”

Managing Authority organisational chart and tasks

Managing Authority / Head of the General Directorate Resources, Europe, Innovation and Institutions:

Is responsible for the programme implementation and has got the following duties:

- adopts regional decisions concerning staff organisation and the composition of antifraud risk assessment team;
- adopts the regional act that approves the call and the attached Programme manual (merit opinion);
- signs the management declaration;
- signs subsidy contracts;
- signs financial agreements with IPA countries;
- detects irregularities and puts in place any necessary action aimed to the recovery of any amount unduly paid, through the support of the Accounting function Unit – Management of the IPA Adrion Programme financial resources and whole management of the requests of payment to the European Commission);

- Manages the whole procedure of the request of payment to the EC;
- communicates any reprogramming to the EU Commission;
- is responsible for reporting to the relevant Italian Ministries and other national authorities;
- revokes contribution to beneficiaries and suspend operations;
- adopts the regional act on designation of the Managing Authority (merit opinion).

Head of the Area European territorial cooperation and development cooperation:

is responsible for the Management of the activities concerning activities and tasks of the MA of the IPA Adrion Programme, in particular:

- Coordinates and supervises the entire MA and JS team;
- Adopts administrative decision for the payment of contribution to beneficiaries;
- Supervises all financial and communication aspects;
- Represents the Programme vis-à-vis the European Commission, the Monitoring Committee and other relevant Programmes;
- Adopts regional decisions concerning the fraud risk assessment;
- Provides legitimacy advise for the adoption of the Regional Government decision that approves the call and the attached Programme manual;
- Provides legitimacy advise for adoption of the Regional Government decision on designation of the Managing Authority.

MA Coordination Officer:

With Decision n. 6 of January 2023 (annex 24) of the Head of the Department “European policies coordination, programming, institutional reorganisation and territorial development, participation, cooperation and evaluation”, the following functions have been delegated to the MA Coordination Officer:

- to adopt determination for the procurement of goods and services finalised to the management of the programme;
- to be responsible for the payment of the invoice related to the above procurement;
- to be responsible for the payments to ART-ER related referring to the partnership agreement;
- to adopt the regional act that approves the call and the attached Programme manual (legitimacy opinion);

In addition to the above mentioned, MA Coordinator:

- is responsible of the preliminary activities concerning managing and implementing the cooperation programme (functions foreseen in art. 72 Regulation n. 2021/1060);
- Is responsible for the management of contract with ART-ER and payments related to the technical assistance;
- co-represents the Programme vis-à-vis the European Commission, the Monitoring Committee and other relevant Programmes;

- responsible of the Monitoring Committee organization;
- ensures the update of relevant methodologies, manuals and guarantees training for the staff (including the JS);
- supervises the definition of procedures and selection criteria of the received project proposals and ensures their transparency and fairness;
- ensures dialogue with relevant actors (EC, Ministries, etc.) and stakeholders;
- is member of the EUSAIR (Adriatic-Ionian macro-regional strategy) Steering Group;
- is responsible of the core TA budget and its sound use.

Legal and administrative officer: supports the MA coordinator with regard to all the Programme legal aspects.

In addition:

- provides legal support for the implementation of the Programme;
- drafts the template of the subsidy contracts and partnership agreements;
- elaborates the subsidy contracts of the approved operations and prepares their amendments;
- coordinates the anti-fraud self assessment team;
- convenes and coordinates the antifraud risk assessment team and gives them any important communication;
- is in charge of drafting the administrative regional acts;
- follows activities in compliance with state aid rules.

Financial Officer:

- ensures links with the regional Directorates with regard to financial and accountancy aspects setting in place alerting systems to minimize risks;
- supports in providing Programme data to the European Commission (performance data);
- supports the MA coordinator in the verification of the projects reports for the request for reimbursement;
- develops and implements methodologies and ensures data quality of the monitoring system, the annual reports; ensures transfer of data to the Italian relevant Ministries;
- data entry in Jems for the management of irregularities;
- gives information to the Accounting functions Unit related to irregularities to complete data for accounts and to guarantee accordance between the content of the documents foreseen in article 98 of Reg. 1060/2021.

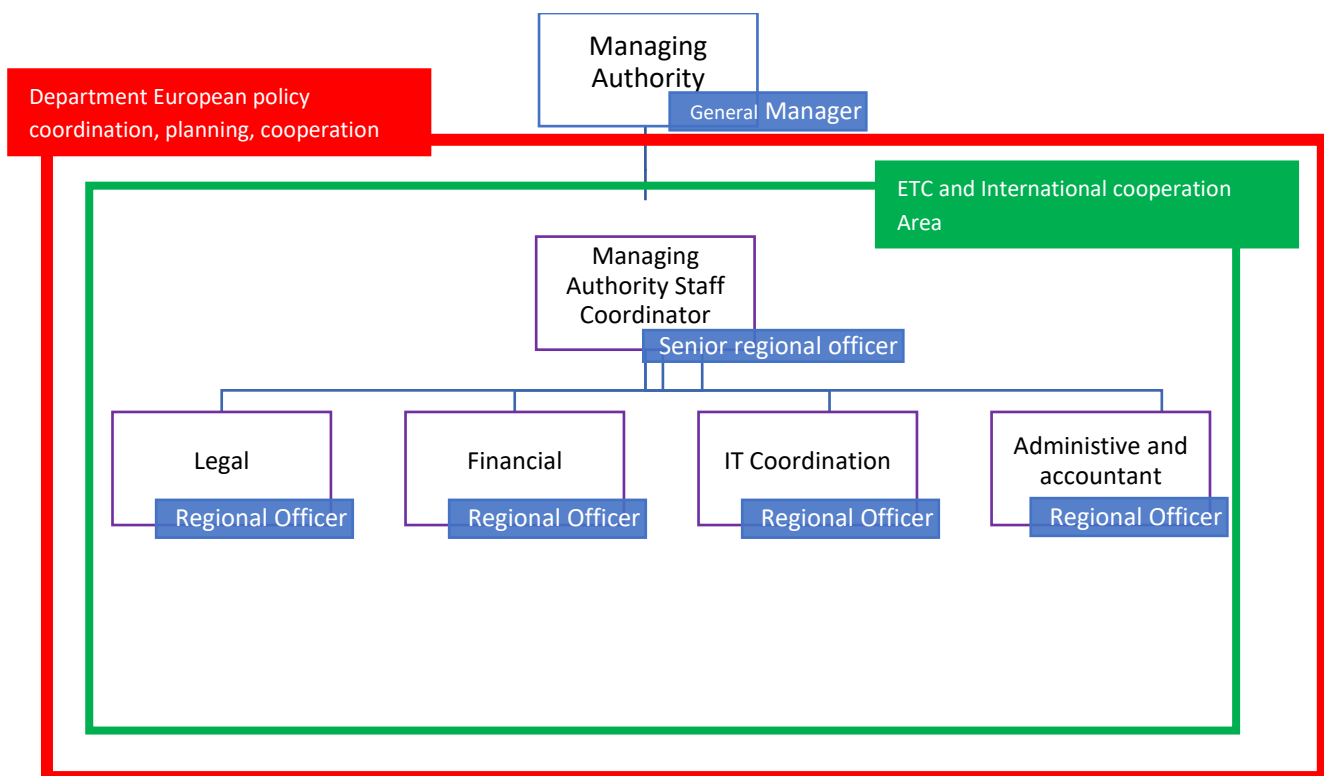
IT coordination Officer:

- coordinates the IT services of the programme and ensures their fulfilment with the EU requirements;
- also ensures the implementation of the Joint electronic Monitoring System – Jems - to record and store in computerized form data on each operation necessary for monitoring, evaluation, financial management, verification and audit, including data on individual participants in operations, where applicable.

Administrative and accounting Assistant:

- supports the MA staff in all the relevant daily activities;
- supports the MA coordinator in monitoring the fulfilment of the JS activities to the annual PAR;
- supports the preparation for all the calls for tender (public procurement) for the MA;
- administrative support in collecting documents related to core TA expenditure incurred by Emilia-Romagna Region to be submitted to first level controller;
- supports drafting the administrative regional acts;

Current organizational chart of the MA:



Accounting function unit

The task carried out by each member of the accounting unit are the following:

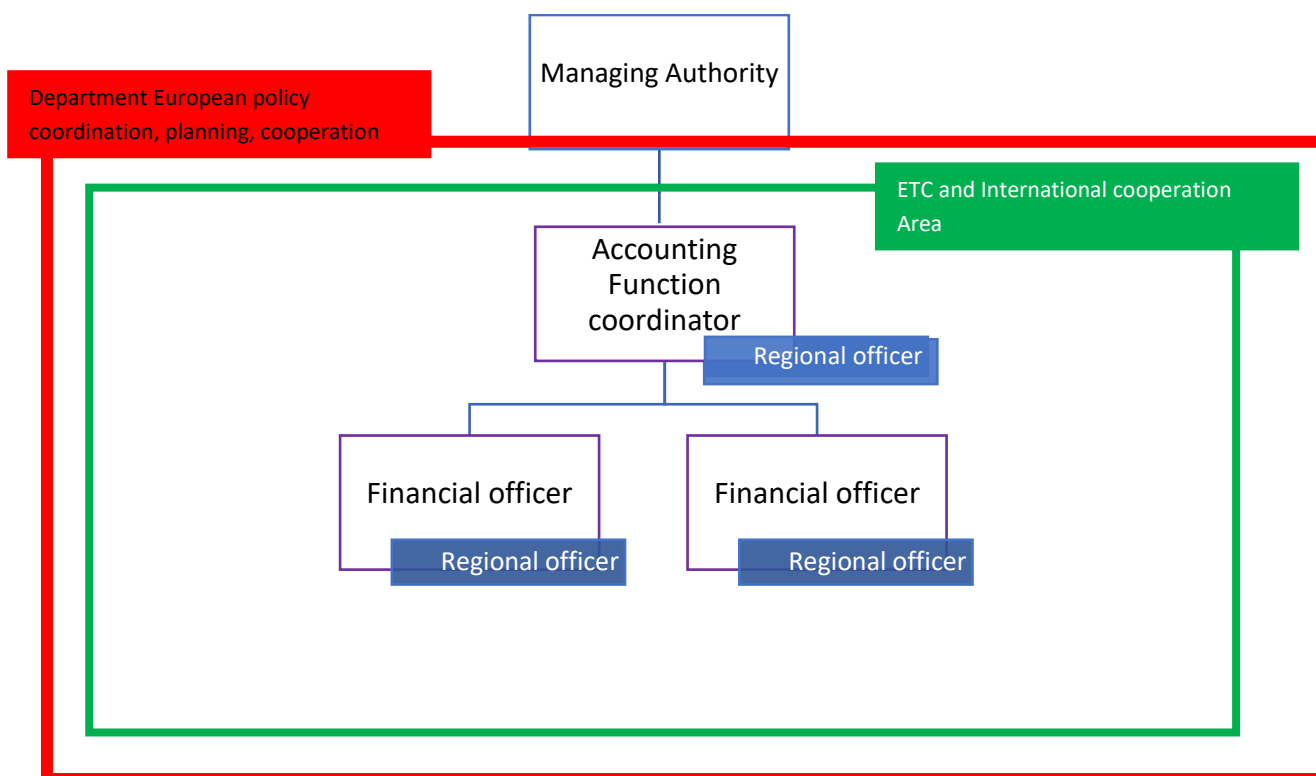
Coordinator officer:

- elaborates and updates the AFU manual of procedure (including check list and templates) and updates the description of the management and control system (CA section);
- responsible of the preliminary activities concerning:
 - payments to Lead Partners of the projects approved, following the set up and submission of project report confirmation within JEMS;
 - checks on proposal of MA statement of expenditure to include in an interim payment application (MA approval projects on JEMS);
 - drawing interim payment application in compliance with CPR;
 - drawing final interim payment in compliance with article CPR;
 - the preparation of the accounts in compliance with article CPR;
 - submission of financial data to the European Commission;
- keeps data on JEMS related to payment from European Commission and payment to projects updated;
- contributes to the implementation of the section of e-MS “Audit and Correction” with regard to the section of findings format related to Financial Correction Programme Level;
- keeps the Debtors’ Ledger and monitors records of the amounts recovered, withdrawn, to be recovered, irrecoverable.

Financial Officer:

- supports the coordinator officer in:
 - activities connected to payments to Lead Partners of the projects approved;
 - checking the proposal of MA statement of expenditure to include in an interim payment application;
 - submitting of financial data to the European Commission;
 - activities connected to the drawing of the accounts in compliance with CPR;
 - keeping the Debtors’ Ledger updated;
- keeps the accountability of the financial records concerning payment to beneficiaries (collects and connects data from SAP accounting regional system and data from JEMS).

In order to carry out the accounting function the MA is supported by a specific unit that is part of the Department “European policies coordination, programming, institutional reorganisation and territorial development, participation, cooperation and evaluation” and it consists of one coordinator and two financial officer.



Joint Secretariat tasks and effort

For details on JS Staff job profiles and task refer to the document: “Information in response to the requests of clarification on the current and future JS organization, staff salaries and costs raised during the Monitoring Committee meeting of the 25th of May 2023 in Sarajevo.”

Travel and accommodation

The estimation of travel and accommodation costs have been calculated in a different manner by MA and JS in consideration of the different approach:

MA estimated its costs knowing, more or less, the number of events and people participating to each of it; the following table reports MA estimation:

type of event	2023	2024	2025	2026	2027	2028	2029	2030	Total	Note
Main governing bodies meetings										
MC meeting	4.800,00 €	4.800,00 €	4.800,00 €	4.800,00 €	4.800,00 €	4.800,00 €	4.800,00 €	4.800,00 €	38.400,00 €	3 people travelling 2 times per year for 800,00 € each travel
Governing Board EUSAIR/Forum	2.400,00 €	2.400,00 €	2.400,00 €	2.400,00 €	2.400,00 €	2.400,00 €	2.400,00 €	2.400,00 €	19.200,00 €	1 people travelling 3 times per year for 800,00 € each travel
FLC meetings	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	12.800,00 €	2 people travelling once year for 800,00 € each travel
Support to applicants and beneficiaries										
Annual Events	4.800,00 €	2.400,00 €	2.400,00 €	2.400,00 €	2.400,00 €	2.400,00 €	2.400,00 €	2.400,00 €	21.600,00 €	3 people travelling once year for 800,00 € each travel
Capitalization events				2.400,00 €				2.400,00 €	4.800,00 €	3 people travelling once year (2026/2030) for 800,00 € each travel
Other meetings										
Meetings with the European Commission	1.600,00 €	2.000,00 €	2.000,00 €	2.000,00 €	2.000,00 €	2.000,00 €	2.000,00 €	2.000,00 €	15.600,00 €	1 person travelling once year for 800,00 € each travel
Meetings with INTERACT	3.200,00 €	4.000,00 €	4.000,00 €	4.000,00 €	4.000,00 €	4.000,00 €	4.000,00 €	4.000,00 €	31.200,00 €	2 people travelling 2 times per year for 800,00 € each travel
Meetings with other stakeholders	4.800,00 €	4.800,00 €	4.800,00 €	4.800,00 €	4.800,00 €	4.800,00 €	4.800,00 €	4.800,00 €	38.400,00 €	3 people travelling 2 times per year for 200,00 € each travel
Working Group meetings										
TOTALE	23.200,00 €	22.000,00 €	22.000,00 €	24.400,00 €	22.000,00 €	22.000,00 €	22.000,00 €	24.400,00 €	182.000,00 €	

Instead for what concern JS travel and accommodation, considering the difficulty in estimating travels, given the fact that it is not possible to foresee how many participations to project and national events are needed, the estimation was done starting from the amount of the previous programming period and then it has been raised of almost the 50% in consideration of the increase in the number of JS staff.

The total amount foreseen is EUR **338.000,00**.

External expertise

ICT Technical assistance

In order to ensure an adequate audit trail of the reporting and monitoring process, eMS shall be regularly updated with the technical releases provided by INTERACT for the development and implementation of eMS, and further tested.

Technical support shall be provided by the appointed ICT company in charge of ensuring the regular technical maintenance of the system.

From 2016 until 2017 the appointed ICT company has been PLOT, the Austrian company which developed the system for INTERACT. In 2018, through a public procurement procedure, MA contracted ZEROODD soc coop. for the customization activities of eMS. During this period an eMS officer were appointed in ART-er.

From 2017-2023 total expenditure for eMS technical assistance (external expertise): **799.080,64 €**

In this amount is not considered the costs covered by the Emilia-Romagna Region for the ICT infrastructures, around 30.000€

From 2016 to 2019 the eMS officer was appointed by Art-er.

According to the core Technical Assistance work plan for the year 2019, it was supposed to hire the professional figure eMS officer following the decision of the previous appointed person to leave the position.

The vacancy notice for the position in subject, prior approval by the Monitoring Committee, was published on ERVET/ADRION web sites on 17 December 2018; the deadline was 11 January 2019.

Overall, 9 candidatures were received and 3 were invited to the written and oral tests, even if only 2 accepted the invitation. None of them reached the minimum score necessary for being hired.

Moreover, the MA IT Coordination Officer (internal MA staff) shall leave his position end of July 2019.

Due to the above, and to the potential risk of launching again the vacancy notice for eMS officer without receiving valuable candidatures number on one side, and the need of ensuring ADRION key stakeholders, including beneficiaries and potential beneficiaries with the necessary support on the other, ADRION MA decided to explore other possibilities.

Emilia-Romagna Region- through the electronic public procurement system - signed a framework contract with the society Engineering in charge of ICT services. Such kind of contract allows on demand services.

The company was to replace both the position of eMS officer and MA IT Coordination Team as from end of July 2019.

So in 2019, the Adrion Programme chose to contract a supplier for all the activities related to the management of the EMS platform, including employing a full-time person in the role of EMS Officer (*approved in the 12th MC meeting*)

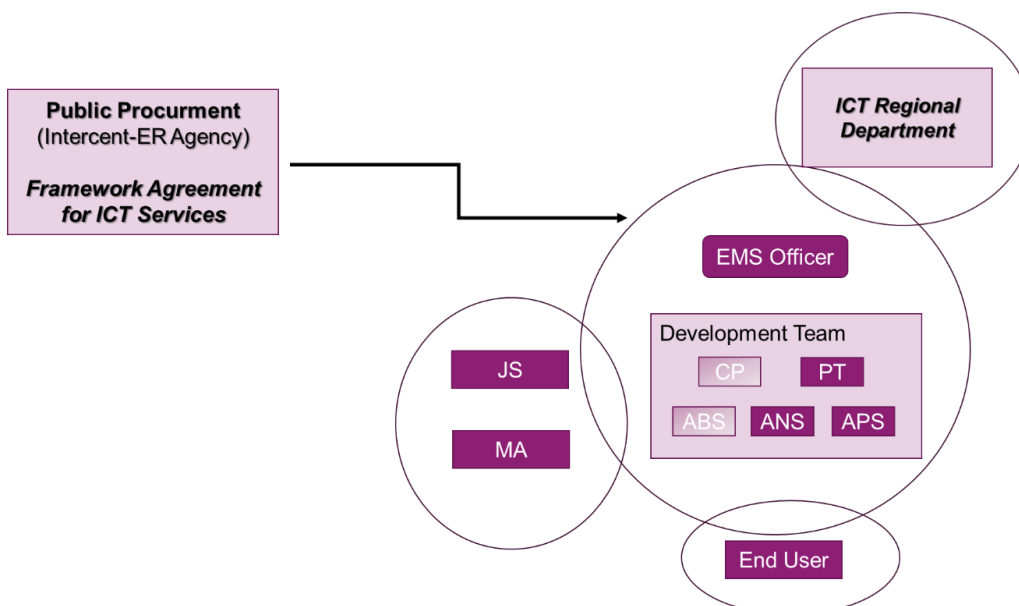
The procurement contract (Framework Agreement)

In line with its public procurement process, Regione Emilia-Romagna, through its procurement agency Intercent-ER, initiated a procedure for acquiring development, maintenance and evolution services for their IT systems (framework agreement); the procedure is meant to choose the best supplier available based on various aspects, including the profiles of the resources they have and the prices they offer.

The procurement contract in use for providing the IT services needed for the Adrion/IPA Adrion Programme is part of said procedure, and is divided between a base recurring fee (which includes software maintenance and all the operations needed to guarantee the software keeps working as intended, first and second level support for both the users of EMS/JEMS and the JS/MA, and the activities done by the EMS/JEMS Officer) and a plafond for on-demand activities.

Contract structure	How it's used	Weight on the overall contract	What it covers	Weight of the activity
Fee for daily maintenance	Recurring, on a monthly basis	50%	All activities that the EMS/JEMS Officer can perform on their own, using the software available to the programme	50%
			Data analysis and 2nd level support from the Development Team on issues signaled by the JS or end users	50%
			Software updates	
On-Demand Plafond	On-Demand (might not be used if there's no need)	50%	Development of plugins	100%
			Integrations between EMS/JEMS and different software solutions available to the Service	
			Data extractions and manipulations	

ICT Technical Assistance currently organization:



Team composition

On a technical level, contracting a supplier means having a team of IT constantly available and involved in the development of both customizations for the EMS/JEMS platform and of new features (or even systems) that surround the platform (i.e. interfaces meant to interact with the other Regional software platforms); collaborating with a supplier that has experience in working in the Regional Data Center environment lets us address and even anticipate any issues that might arise about the compliance of the software with the Regional requirements; moreover, the Technical Support team is often asked to intervene directly on the production database both for extracting data for custom reports and for fixing issues with the data: those operations are only possible if the team is constantly up-to-date about the state of the art of all the software ecosystem, and are frequently very time-critical, requiring the technical team to intervene on very short notice; this would be extremely difficult and time consuming without a team that is actively engaged in the development of features for the EMS/JEMS platform.

Short	Title	Role description
CP	Project Manager	Responsible for managing the contract, and ensuring the project stays in line with its scope, budget and timeline
PT	Systems Architect	Responsible for leading all development activities, and designing the overall infrastructure
ABS	Senior Business Analyst	Responsible for advising on business solutions, providing support on the business scope, expert on both the software solution and the underlying business requirements
ANS	Senior Systems Analyst	Responsible for analysing problems with the software, extracting data and providing technical support
APS	Senior Developer	Responsible for developing solutions

The Role of the EMS/JEMS Officer

The EMS/JEMS Officer is an expert in both the procurement procedures of the Adrion/IPA Adrion Programme and using the software solution (EMS/JEMS). They provide support to both the JS, the MA and the applicants on technical and administrative issues

Having an EMS/JEMS Officer from the same supplier that manages the Technical Support, although marginally more expensive than hiring someone directly, means being able to short-circuit all those operations that are related to both EMS as a platform and EMS as a software, thus significantly reducing the effort for the other members of the JS and MA. The person appointed as EMS/JEMS Officer also supports the JS and the MA on several activities, including providing guidance for the introduction and the use of both EMS and JEMS platform, gathering information and requirements about upcoming calls and suggesting improvements on the existing and upcoming software that coexists with EMS/JEMS, keeping track of all the open issues and working in close contact with both the JS and the MA.

Typology of ICT activities developed by the technical assistance:

Typology of ICT activities:	Examples	Who does it	Contract part
Scenario 1	Retrieve information available on EMS/JEMS	The EMS/JEMS Officer	Covered in the base fee
	Retrieve information available on the Datawarehouse		

	Support an end-user with an issue with EMS/JEMS		
	Collect and analyze the requirements from MA/JS to customize EMS/JEMS according to the programme's needs		
	Contact with Interact to be constantly updated about JEMS evolution and intervene when possible		
	Coordination with IGRUE and other Italian MAs		
Scenario 2	Fix an issue on a project that requires manipulation on database level	The Development Team	Covered in the base fee (up to 50 times)
	Update EMS/JEMS software with new releases and patches	The Development Team	Covered in the base fee (up to once)
	Extracting and preparing data for submission to the IGRUE	The Development Team	Covered in the base fee (up to 2 times)
	Retrieve information not available on EMS/JEMS	The Development Team	On-Demand Plafond
	Retrieve information available on EMS/JEMS that needs to be processed (i.e. cross checking between different areas of the system)	The Development Team	On-Demand Plafond
Scenario 3	Retrieve historical information (e.g. the status of a project at a given past date)	The Development Team with support from the Regional ICT Service	On-Demand Plafond
Scenario 4	Develop a plugin (e.g. customized checks and blocks)	The Development Team	On-Demand Plafond
	Integrate EMS/JEMS with a different software (e.g. SAP ERP, ENGRAMMA)		
	Develop a new software solution that covers specific requirements (i.e. Payback)		

- **Typologies of ICT activities/1**

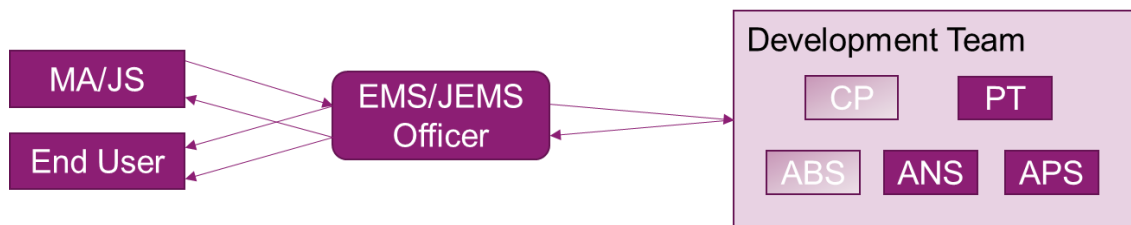
Scenario 1	Retrieve information available on EMS/JEMS
	Retrieve information available on the Datawarehouse
	Daily support to the end-user on issues with EMS/JEMS
	Collect and analyse the requirements from MA/JS to customize EMS/JEMS according to the programme's needs
	Contact with Interact to be constantly updated about JEMS evolution and intervene when possible
	Coordination with IGRUE and other Italian MAs



The EMS/JEMS Officer retrieves the information needed from EMS/JEMS interface, and gives feedback to the JS or to the end user. If needed, they provide additional information about the software functionalities. Moreover, they are directly in contact with Interact to be updated about JEMS evolution, providing feedbacks and presenting the Programme’s needs that, eventually, may be embedded in the platform. They also collect MA/JS requirements to customize EMS/JEMS accordingly.

- **Typologies of ICT activities /2**

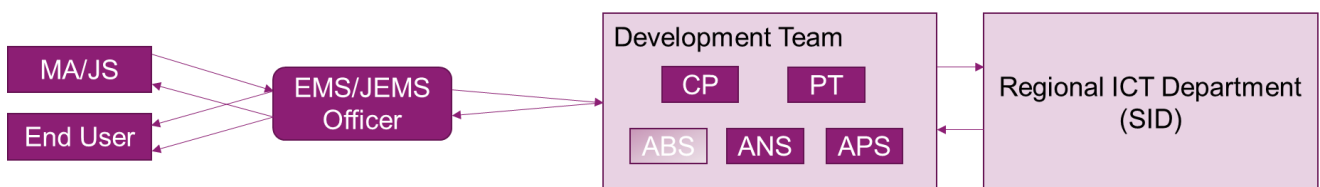
Scenario 2	Fix an issue on a project that requires manipulation on database level
	Update EMS/JEMS software with new releases and patches
	Extracting and preparing data for submission to the IGRUE (department of the Italian Ministry of economics and finance devoted to the relation with the EU)
	Retrieve information not available on EMS/JEMS via the interface
	Retrieve information available on EMS/JEMS that needs to be processed (e.g. cross checking between different areas of the system)



The EMS/JEMS Officer activates, through a ticketing system, the development team providing technical details needed and possible solutions. This might lead to the need to develop a query or a procedure for extracting or manipulating the requested data.

- **Typologies of ICT activities /3**

Scenario 3	Retrieve historical information (e.g. the status of a project at a given past date)
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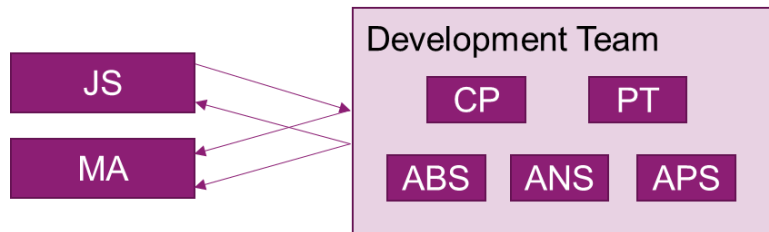


The EMS/JEMS Officer activates, through a ticketing system, the Development Team with the details of the request.

The Development Team identifies the data needed and contacts the Regional ICT Department that provides the historical data needed to answer the request.

- **Typologies of ICT activities /4 (on demand)**

Scenario 4	Develop a plugin (e.g. customized checks and blocks on application forms)
	Integrate EMS/JEMS with a different Emilia-Romagna Region software (e.g. SAP ERP, ENGRAMMA)
	Develop a new software solution that covers specific requirements (i.e. counter for the 90 days for payments to beneficiaries)



The MA/JS contacts directly the Development Team with a need for a new solution.

The Development Team identifies the requirements and comes up with an analysis of the solution and an estimate for the effort of the activity. If the estimate is approved (MA and ICT regional department), the team proceeds with the development of the proposed solution.



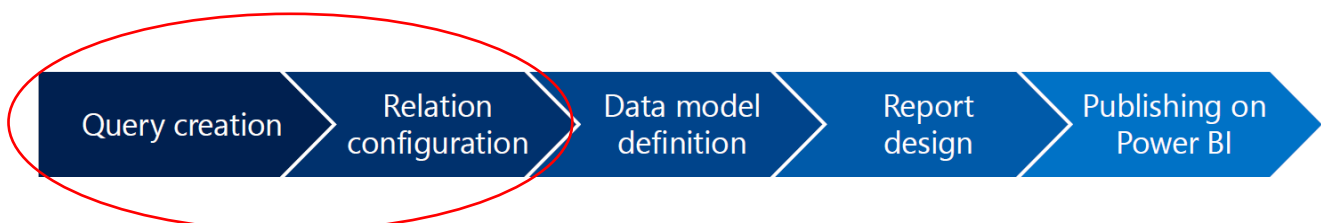
POWER BI

Following the MC approval along the 16th MC meeting, the MA shall set in place Business Intelligence tool to reduce the effort/time in querying the eMS database and elaborate data, promote a data-driven decision making and optimizing internal processes, in particular in relation to the overlapping of 2014-2020 and 2021-2027 programming period.

The tool that has been developed is based on the e-MS relational database. To work the business intelligence tool, need to extract data from the DB and a data model must be created starting from a larger DB and taking only that information that are considered interesting for the analysis.

Even if most of the work already done may be re-used activating scale economies with the existent BI tool, such as functional analysis, the starting point is changed since the JEMS is based on a different DB.

It is necessary to do, once again, the first two steps of the process:



The MA, basing on past experience, estimated this work 80.000,00 (22% of VAT excluded) for a total amount of 97.600,00.

Other external expertise and equipment

ICT hardware

Considering that Notebook undergoes rapid obsolescence with an average life of 3 - 5 years, the MA considers useful to plan a budget for the purchase of new PCs. This amount has been calculated on a flat-rate basis at 40,000.00 euros (VAT included)

Projects independent assessors and State aid assessors

For the quality assessment of the project application has been estimated a total amount of EUR 303.048,00.

The estimation has been done considering a unit cost of EUR 450,00 (VAT excluded) for the expected number of project proposal.

Update and maintenance of IPA ADRION website and development of project websites

An amount of EUR 75.750,00 out of which an amount of 25.000,00 has been foreseen for the upgrading and maintenance of the IPA ADRION site and the remaining part is devoted to the development of the websites of the funded projects (JS made an estimation of around 90 websites). The reported amount includes VAT costs.

In particular the main features of the new IPA ADRION website shall include:

- a. Provision of general information and achievements of the Programme in accordance with EU Regulation, e.g.: funding priorities, past and new calls for proposals, IPA ADRION guidance for project applicants, IPA ADRION news and events, project news, contacts, etc. and link to Interact/Interreg platform (i.e. Keep; Interreg website),
- b. Hosting of project pages for each funded project (to be implemented),
- c. National Contact Point pages embedded in a multilevel dashboard for multiple users,
- d. Embedding of Intranet Platform for MC members and NCP's,
- e. Embedding of a Partner Search Tool for potential beneficiaries.

External experts to support JS

Please refer to the document "Information in response to the requests of clarification on the current and future JS organization, staff salaries and costs raised during the Monitoring Committee meeting of the 25th of May 2023 in Sarajevo." for information on needs and calculation

The total cost 1.547.976,67 (includes VAT and social contribution).

Programme Assessors

The estimation of programme assessor has been done taking into account the historical data at disposal of the MA; the amount foreseen is EUR 96.380,00 that includes 22% of VAT for EUR 17.380,00.

Events and communication materials

The indicated amount of 228.800 euros includes events related to launch of the Calls for Proposals and related meetings for selected partners (es. Lead Partner and Implementation seminars), annual events and Monitoring Committee meetings. As far as communication materials are concerned, the amount includes leaflets, banners and publication as well as multimedia material that will be produced throughout the programming period. The reported amount includes VAT costs.

Overview of TA core proposed budget

Budget item	Managing Authority e AFU	Joint Secretariat	Total
Staff costs	1.468.226,60	4.178.543,25	5.646.769,85
Office and administration	146.822,66	417.854,33	564.676,98
Travel and accomodation	182.000,00	338.000,00	520.000,00
IT service and maintenance	1.281.000,00		1.281.000,00
IT equipment	40.000,00	-	40.000,00
IT support for BI Tool	97.600,00	-	97.600,00
Project assessors	-	322.239,00	322.239,00
Project assessors state aid	-	91.500,00	91.500,00
Events and communication materials	-	228.800,00	228.800,00
Project officer/financial officer external	-	1.234.640,00	1.234.640,00
Programme website development and maintenance	-	75.750,00	75.750,00
Programme assessors	-	96.380,00	96.380,00
Communication officer junior	-	313.336,67	313.336,67
Reserve	-	80.000,00	80.000,00
Total Budget TA Core	3.215.649,26	7.377.043,24	10.592.692,50

2014 – 2020 National TA budget consumption

The following table shows the state of the art in national TA budget:

	Total contract	Total committed*	%	Total reported
Albania	186.495,00	3.380,30	1,81%	3.380,30
without reserve	156.995,00			
Greece	117.948,75	77.884,00	66,03%	77.884,00

BiH	187.784,80	143.568,93	76,45%	143.568,93
without reserve	158.284,80			
Croatia	112.960,75	108.234,71	95,82%	81.965,16
Italy	136.972,75	106.101,51	77,46%	106.101,51
Montenegro	183.361,20	138.641,14	75,61%	138.641,14
without reserve	153.861,20			
Serbia	192.359,00	151.920,24	78,98%	133.254,29
without reserve	162.859,00			
Slovenia	111.336,75	111.634,27	100,27%	111.634,27
TOTAL	1.229.219,00	841.365,10	68,45%	796.429,60

**amounts sent to FLC and to be certified*

A relevant information is the difference in financial implementation between ERDF and IPA countries; in particular an average amount of the 84.27% has been committed and reported by ERDF countries, instead IPA countries (with exclusion of Albania; statistically is an outlier) reported an average of the 77,01% of their resources.

The total unspent amount for National TA equals to EUR 387.853,90 and represent the 31,55% of the initially allocated budget.

Brief history of the fundamental steps of the negotiation on the National TA

- 16th TF (19/07/2022) first MA proposal, no objections from ERDF countries, many criticisms from IPA countries who consider the MA proposal not adequate to the new reality of the program (IPA ADRION) and to the new financial allocation from this derivative
- September 2022 proposal by IPA countries coordinated by Serbia
- October 2022 (04/10/2022) first MA meeting of IPA countries to discuss the principles on which to base the request to increase the budget (Sarajevo coinciding with the GB EUSAIR). The MA formally requests that the IPA countries develop their own plan of activities and that they justify in detail the reasons for the request for a budget increase
- November 2022 (24/11/2022) second meeting with the delegation of the IPA countries (Belgrade) in which the IPA delegations explain the content of their proposals which the MA accepts in principle, however requesting that the activities and results obtained by the individual NCPs are monitored annually in order to confirm or redefine the national budget following the activities carried out and results achieved. The IPA countries agree with this proposal and link the request for resources to the precise identification of the activities to be carried out.

Letter of agreement

- Signed in September 2022
- The total amount of national co-financing resources has been entered here without going into the merits of the resources required for the national TA.

- The IPA partners requested additional resources to their co-financing quota

Fundamental principles on which the proposal of the IPA countries on the distribution of National AT is based

- Increase in resources (IPA about 55% of the total program budget) which implies a more intense and active participation of the partners in this area
- Increased responsibilities and involvement of the IPA partners within the program (from this programming the IPA partners can also assume the role of LP) which requires a greater commitment from the NCPs aimed at:
 - Involve the largest number of stakeholders in order to increase the participation of national partners;
 - Train potential national partners on the rules, procedures and practices of ETC programmes;
 - Organize events and meetings at national level to disseminate good practices;
 - Have closer relations with the JS officers taking into account that the NCPs are in fact an active part of the JS (in this regard the IPA countries require that there is a JS officer who is entrusted with the task of liaising with the NCPs of the IPA countries to better coordinate their activities from a transnational perspective.

Proposal for allocation of National TA budget

Country	Country status	Total	Budget share
Croazia	EU Member	133.244,14 €	6,60%
Grecia	EU Member	158.628,07 €	7,86%
Italia	EU Member	258.442,01 €	12,81%
Slovenia	EU Member	125.765,46 €	6,23%
Albania	IPA country	260.704,47 €	12,92%
Bosnia ed Erzegovina	IPA country	271.500,00 €	13,46%
Montenegro	IPA country	205.500,00 €	10,19%
Macedonia del Nord	IPA country	241.570,00 €	11,97%
Serbia	IPA country	362.084,20 €	17,95%
Total		2.017.438,35 €	100,00%

Interest generated by the pre-financing.

The MA confirms that the bank account in which the pre-financing is deposited does not generate any interest.

In particular article 66 (6) of the Italian Law n. 388 of the 23rd December 2000 states that: “the income relating to EU funding continues to flow into the non-interest-bearing bank account of each institution and opened at the Central Bank of Italy”.