



# **Policy context and highlights**

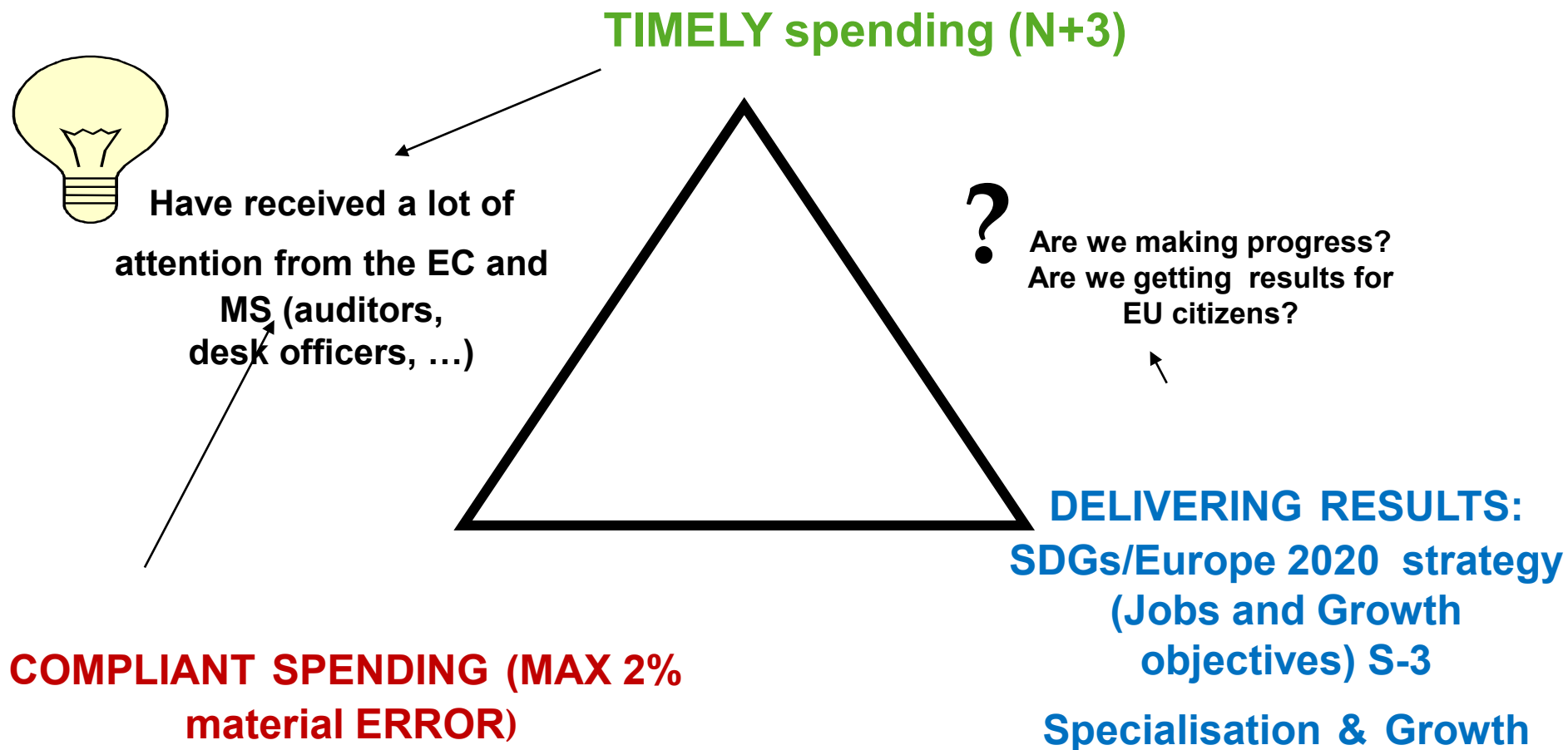
## ***Financial management and audit course for programming 2021-2027***

*Marco Lopriore, Expert EIPA*

# CONTENT

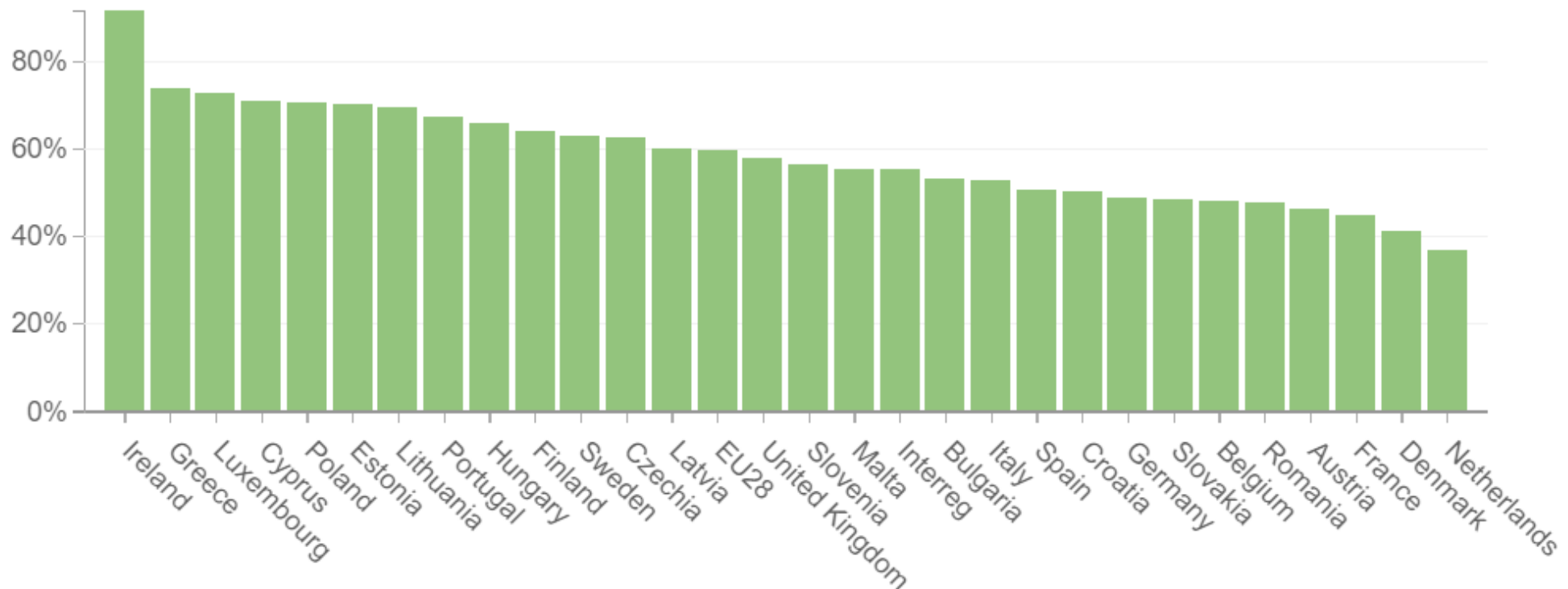
- **Highlights 2021-2027 legal framework for EU cohesion**
- **Emergency regs: CRR I and CRR II+**
- **Q&A note**

# Challenges of Cohesion policy



# Absorption 2014-2020

Regional Policy 2014-2020 EU Payment rate

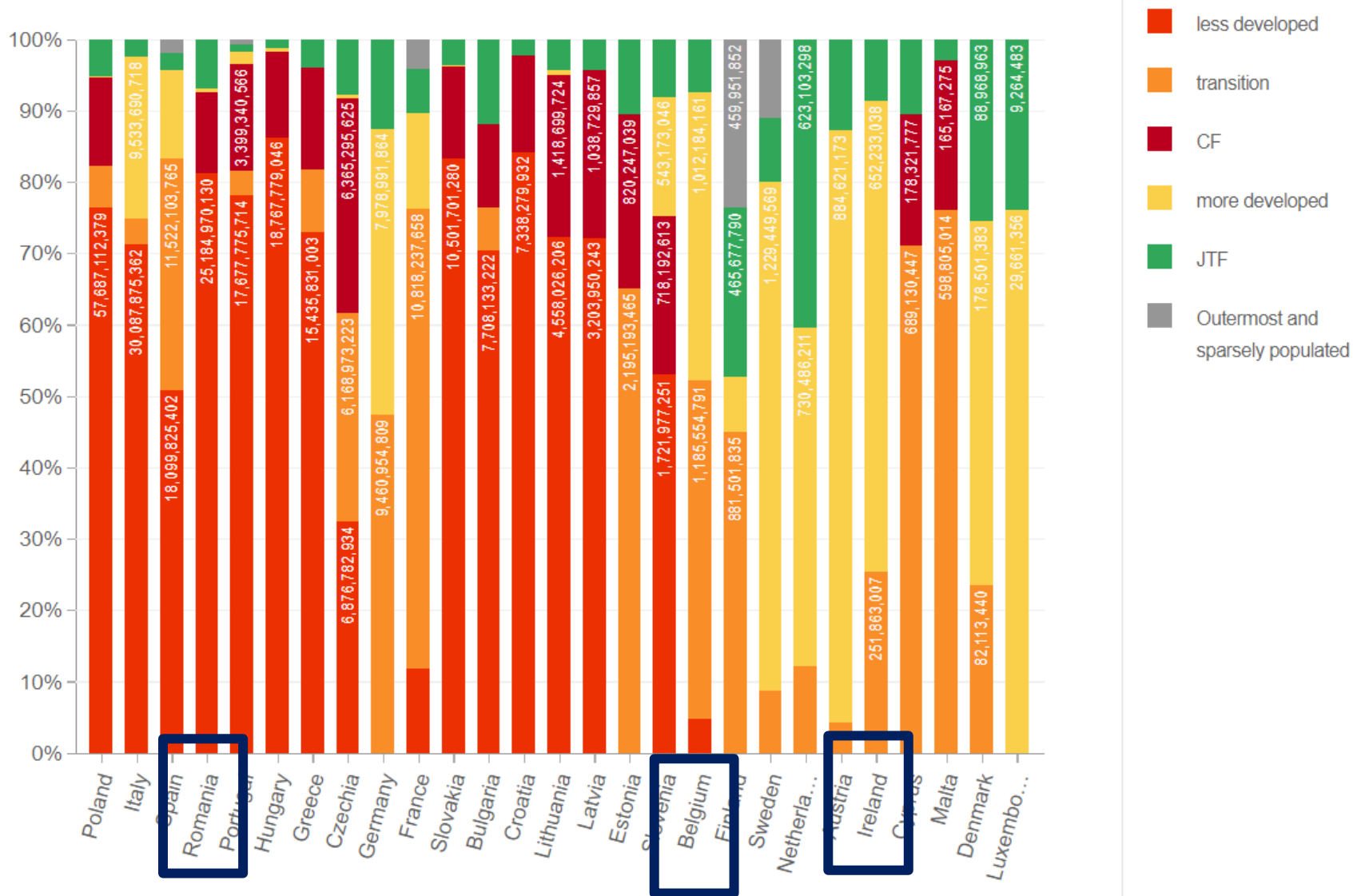


Click and drag to pan the chart



# **Financial highlights of the new Regulations 2021-2027**

# New budget allocation 2021-2027



# Additional resources Annex XXVI

MS	Resources (Mn EUR)	Focus purpose
BE	200	TR
BG	200	LDR
CZ	1 550	CF
CY	100	
EE	50	
DE	650	TR
MT	50	
PL	600	LDR
PT	300	TR
SI	350	MDR
IE	120 (plus 60 under Interreg)	PEACE
MT, CY	100 each	Remoteness
FI	100	Northern sparsely pop

# Simplification of Cohesion 2021-2027

- CPR with 7+1 funds (ERDF out) incl HOME Funds
- Text from more than 40 DA/IA to 700+ pages
- ERDF/CF merged while ESF+ merges ESF, FEAD, YEI and EaSI (direct management mode), **no merge EGAF for displaced workers (210 Mn EUR) nor EU4Health (4,5 Bn EUR)**

<b>JTF: Just Transition Fund</b>
<b>ERDF:</b> European Regional Development Fund ( <b>one single regulation with CF</b> )
<b>CF:</b> Cohesion Fund (single regulation with ERDF)
<b>ESF+:</b> European Social Fund Plus ( <b>includes merging of ESF, FEAD, YEI</b> )
<b>EMFAF:</b> European Maritime, Fisheries and Aquaculture Fund
<b>AMIF:</b> Asylum and Migration Fund
<b>ISF:</b> Internal Security Fund
<b>BMVI:</b> Border Management and Visa Instrument



# Changes for Cohesion 2021-2027

- **Thematic concentration flexibility**
- **Transfers/contributions outside Cohesion family**
- **Compliance with Charter FR and UNCRRPD**
- **Justification of all forms of support (also grants)**
- **OSI operations at programme level**
- **Clearer time for availability of supporting documents**
- **Penalties for non-compliance on publicity**
- **Clear phasing of operations**

# Efficiency & Conditions for success

- Semester: CSR 2019/2020, CSR 2024 for 5+2
- Macro-economic conditionality (art 19 CPR)
  - **Amendments** of programmes but **also suspensions** of commitment/payments
    - commitments shall be subject to a max. of 25 % of the commitments or 0,25 % of nominal GDP whichever is lower, in cases of non compliance with EDP/EIP
    - If persistence of non-compliance it can be higher
  - no amendments before 2023, after 2026 or in 2 consecutive years; ESF+/BMVI/ISF/AMIF exempted

# Country Report 2019 Romania (Annex D)

## Factors for effective delivery of Cohesion policy:

- improved and **simplified procedures** in order to eliminate excessive documentation and overbureaucratic requirements; enhanced use of **SCO**;
- increased **capacities of MA/IB**; **ACB Roadmap** on administrative capacity building
- improved and more efficient measures to prevent and address **Col, fraud & corruption**;
- continued **CB of local authorities** to increase quality of services' delivery (social, education and health sectors);
- **improved PP-performance**, in particular by reducing the rate of "single-bidding" instances or "no calls for bids" numbers;
- **broader use of FI** for RG and cost-saving activities.

# Crisis Response proofing of ERDF/CF and ESF+

## ERDF/CF

- Specific objectives: job creation in SME, distance online education/training, resilience health systems, **tourism/culture** in economic development,
- Scope of support: **Response to exceptional & unusual circumstances** (SME working capital, purchases of supplies in health systems)

## ESF +

- Green and digital transition
- 12,5% to Youth employment if NEET rate above EU
- Exceptional circumstances: **short-time working schemes** without combination with active measures, access to healthcare

# ESF + 2021-2027

- **Art 7 (Consistency & concentration): MS to programme ESF+ by prioritizing interventions that address the challenges identified in the European Semester, including in their NRP as well as in the relevant CSR adopted in accordance with Article 121(2) and Article 148(4) TFEU, and take into account the principles and rights set out in EPSR and the national and regional strategies relevant for ESF+ objectives, thereby contributing to the goals set out in Article 174 TFEU.**
- **Allocate appropriate resources to challenges of CSR**
- **Art 12 : support for CSR/EPSR under any ESF+ SO**
- **Table 8 Annex I: ESF+/ERDF/CF/JTF gender equality dimension tracking 100% (targeting), 40% (mainstream), 0% (neutral)**

# Annex III and IV Enabling conditions (ENC)

- 4 horizontal ENC and 16 thematic: more concrete, precise and measurable
- Automatically applicable to each specific objective (art 15.2): no prior applicability test as 2014-2020
- If failure on ENC, MS can incl it in a payment but will not be reimbursed (art 15.6)
- Cost of ENC fulfilment exempted from suspension (art 15.5)
- Continuously fulfilled throughout: MS to inform EC otherwise (art 15.6)
- MA to ensure that selected operations consistent with ENC (Art 73.2b)

# “Standard” TA: Real Cost or Flat rate TA

Real costs TA art 36.4 CPR	Flat-rate TA art 36.5 CPR
Level 1 EC – MS (art 51): EC reimburses on basis art 51.b – reimbursement provided to beneficiaries	Level 1 between EC-MS
Level 2 MA-beneficiary: MA can reimburse beneficiaries using all forms of support incl SCO schemes (art 53) except FNLC (it can be used on level 2 only if you have opted for it on level 1)	Level 2
Method to allocate pro-rata TA across categories of regions	“Automatic” pro-rata allocation categories of regions
Rates are maximum amounts; capping	No capping
Mono-fund priority	Mandatory for Interreg and HOME funds
	<b>ADV: MA maintains its own TA system but no reporting to EC on the use of Funds</b>

# Calculation flat-rate TA

- Flat-rate TA being reimbursed “automatically” as a % of the eligible expenditure in payment claims (art 36.5 CPR):
- ERDF: **3,5%**, CF: 2,5%, **JTF: 4%**,
- ESF+: 4%, For active inclusion in ESF +: 5%,
- EMFAF: 6%
- **MS where total ERDF/ESF+/CF under EUR 1 Bn: 6% (IE,MT,CY,DK,LU)**
- AMIF, ISF, BMVI: 6%
- **Outermost regions: additional 1%**
- *For real costs TA the % are maximum amount “up to”*



# Administrative Capacity Building (ACB): 3 instruments/tools for ACB

- **Capacity building** directly linked to investments in the programme (Art 3.4 ERDF/CF)
  - Programme authorities, sectoral/territorial actors, cooperation in/out MS
- Appropriate resources (art 9 ESF+) for capacity building of social partners and CSO
- **Technical assistance** for the effective administration and use of the Funds:
  - **Flat rate financing** for technical assistance of Member States (Art 36 CPR) for 'traditional' TA, incl. capacity building
  - **Financing not linked to costs** for technical assistance of Member States (Art 37 CPR - Roadmap) to reinforce capacity of MS authorities, beneficiaries and relevant partners

# European Public Prosecutor's Office (EPPO)

- **Operating since 1 June 2021 with Regulation (EU) 2017/1939**
- **22 EU Member States participate in enhanced cooperation.**
- **EPPO is in charge of conducting criminal investigations and prosecutions for crimes against the EU budget**
- **Only six weeks after EPPO started its operations, it has already processed more than a thousand reports of fraud affecting the financial interests of the EU.**

# New tool for zero-tolerance on fraud

- **Enhanced proportional arrangements: New role of the EPPO Office**
- [https://ec.europa.eu/antifraud-knowledge-centre/index\\_pt](https://ec.europa.eu/antifraud-knowledge-centre/index_pt)

The screenshot displays the homepage of the EU Funds Anti-Fraud Knowledge & Resource Centre. The interface is in Portuguese, as indicated by the 'PT português' language selector and the 'Pesquisa' (Search) button. The main navigation bar includes links to 'Useful tools', 'Definitions & Glossary', 'Guidance & Legislation', and 'Tests'. Below this, a grid of circular icons represents different content categories: Video modules, Library of Good practices and Cases studies, Definitions & glossary, Guidance & Legislation, and Tests. A sidebar on the left provides a summary of the content counts for each category. The main content area features a large banner with the title 'Anti-Fraud Knowledge & Resource Centre' and the subtitle 'Prevent and Detect Fraud in EU Funds'.

Category	Count
Video modules	8
Case studies	11
Good Practices	37
Definitions	71
FAQ	35
Tests	10

EU Funds Anti-Fraud Knowledge & Resource Centre

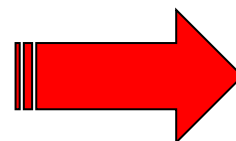
Anti-Fraud Knowledge & Resource Centre

Prevent and Detect Fraud in EU Funds

EIPA, 9/16/2021 - WWW.EIPA.EU ©

# Cohesion & crisis response


- Coronavirus Response Investment Initiative (CRII) Reg 2020/460
- Coronavirus Response Investment Initiative Plus (CRII Plus) Reg 2020/558
- **Temporary Framework for State aid** measures for economic support
- EC Guidance on **public procurement framework** in COVID-19 emergency



- **REACT-EU Reg.**  
2020/2221 of 23.12.2020  
*Amending CPR for COVID-19 repair, twin transition & resilient recovery*
- **Recovery & Resilience Facility (RRF) Reg.**  
2021/241 of 12.2.2021 *for investments & reforms*

## Third revision GBER (23.7.2021)

- **Facilitate the application of State aid rules during the ongoing coronavirus pandemic:**
- **National measures implementing (Invest EU, HE/Seal of Excellence, ETC/Interreg) only need ex-post notification**
- **Aid categories exempted from prior notification to EC (ex: EV/hydrogen charging stations, EE buildings, 4G and 5G mobile networks)**



# **Let's have a look at the EC Q&A Note on CRII/CRII+**

# COVID 19 Force Majeure



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL  
REGIONAL AND URBAN POLICY  
Administrative Capacity Building and Programme Implementation II  
The Director

ARES (2020) 14.92515

Brussels, 11. 03. 2020  
regio.a.3(2020)1685939

Mr Marco Lopriore  
European Institute of Public  
Administration (EIPA)  
P.O. Box 1229  
NL - 6201 BE Maastricht

**Subject: Training sessions for MS experts on identifying and preventing fraud and corruption – Order form No 2019CE16BAT134**

Dear Mr Lopriore,

Following your phone call with Ms Salmon, I confirm the cancellation of the second session of the training on identifying and preventing fraud and corruption which was planned on 11<sup>th</sup> and 12<sup>th</sup> of March 2020, as a preventive measure with regard to the coronavirus COVID-19 crisis.

I also confirm that this shall be considered as falling into the provisions of Article II.14 of the FWC regarding "Force Majeure" especially Articles II.14.2 and II.14.3 which provides the following:

**"II.14.2** A party is not liable for any delay or failure to perform its obligations under the FWC if that delay or failure is a result of force majeure. If the contractor is unable to fulfil its contractual obligations owing to force majeure, it has the right to remuneration only for the services actually provided."

**"II.14.3** The parties must take all necessary measures to limit any damage due to force majeure."

Therefore, the costs already incurred for the second session of the training of identifying and preventing fraud which cannot be cancelled or reimbursed through another source will be paid.

Please send us one invoice for the two training sessions including the supporting documents for the reimbursement of the costs already incurred by EIPA for the travel and hotel or other costs which cannot be reimbursed nor cancelled. Please also provide the evidence that these costs cannot be reimbursed by any other mean or a declaration on the honour certifying they cannot be reimbursed.

Yours sincerely,

Vittoria Alliata di Villafranca

# COVID 19

## Delivery adaptation



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL  
REGIONAL AND URBAN POLICY  
Administrative Capacity Building and Programme Implementation II  
The Director

Brussels  
REGIO.DDG.E/VA

**Subject: Change of training delivery mode for CCI 2020CE16BAT006 and CCI 2020CE16BAT029**

Dear Mr. Lopriore,

Since the outbreak of COVID-19, the organisation of training seminars for Member States experts by EIPA in collaboration with DG REGIO under the framework contract 2018CE16BAT060 has been greatly impacted, i.e. the training sessions planned between March 2020 and June 2020 had to be cancelled or postponed.

The status of the pandemic does not allow us to assume a return to normal in the following months. Under the current circumstances and being concerned about the safety of participants, the Commission prefers to adopt a prudential approach and adapt the teaching and interaction methods by shifting to the online mode.

Recent exchanges between EIPA and unit REGIO E1 have resulted in an adapted training programme for the seminars on *Identifying and preventing fraud and corruption in ESIF 2014-2020* (CCI 2020CE16BAT055) and a proposal to extend the remote training methodology to the trainings on *State Aid* and *Strategic Public Procurement*. I consider the organisation of the training in the form of an interactive webinar to be an appropriate solution and I hereby agree to have the same arrangement for the training sessions under CCI 2020CE16BAT006 and CCI 2020CE16BAT029 planned for the month of September 2020.

I expect the new remote delivery mode applicable to CCI 2020CE16BAT006 and CCI 2020CE16BAT029 to be in line with your technical proposal for CCI 2020CE16BAT055. The situation will be reassessed ahead of the training sessions scheduled for November 2020 and, if deemed necessary, the same approach shall be applied. Colleagues in unit REGIO E1 will be in contact with you on this matter.

Mr. Marco Lopriore  
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6201 BE Maastricht  
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# COVID 19 Amending Training Contract Latvia

1. Izteikt Līguma 2.4. apakšpunktu šādā redakcijā:

“2.4. Puses vienojas, ka paredzamais semināru laiks ir ne vairāk kā 16 (sešpadsmit) astronomiskās stundas, ieskaitot pārtraukumus, un un katrs no tiem var tikt sadalīts vairākās dienās.”

2. Papildināt Līgumu ar 2.7.1. apakšpunktu šādā redakcijā:

“2.7.1. Atsevišķos gadījumos pēc Pasūtītāja pieprasījuma Izpildītājs nodrošina Pakalpojumu attālināti. Tehnisko aprīkojumu Semināru vadīšanai tiešsaistē nodrošina Izpildītājs.”

1. Subparagraph 2.4. of the Contract shall be amended as follows:

“2.4. The Parties agree that the envisaged time of seminars does not exceed 16 (sixteen) astronomical hours including breaks and each of them can be spread within several days.”

2. In the Contract subparagraph 2.7.1. shall be added as follows:

“2.7.1. In certain cases upon the request of the Service Recipient Service Provider shall provide Training Service remotely. The Service Provider shall set up and host the online seminar via ZOOM and shall send the ZOOM invitation to the Service Recipient. Technical equipment for conduction of online Seminars shall be provided by Service Provider.”

# CRII Reg 2020/460

## ■ Transfers CPR Amendments:

- Art 2.1 CPR: Transfer up to **8% of the allocation as of 1.2.2020 of a PA and no more than 4% of OP** budget to another PA“ without EC decision

## ■ Wider ERDF Scope:

- Art 1.1: "ERDF may support **working capital in SMEs** where necessary as a temporary measure for effective response to public health crisis“
- Art 1.2: **Under the IP 1**, OP may support actions to foster "investment necessary for strengthening the crisis response capacities in health services"

## ■ Retroactivity and COVID 19 expenditure

- Art 2.2 CPR: "Expenditure of operations for fostering crisis response capacities in the context of the COVID-19 outbreak shall be **eligible as of 1.2.2020**“

## ■ Recoveries:

- Art 2.5 CPR: For 2020 submitted accounts, EC will **not issue a recovery** for amounts recoverable. The amounts shall be used to accelerate investments related to COVID-19 outbreak. Amounts not recovered shall be cleared & recovered at closure.

# CRII + Reg 2020/558: Radical flexibility

- **ERDF Scope of support – alignment with TFSA:**

- Art 1: Support from OP may be allocated to **undertakings in difficulty**, provided the support complies with TFSA. The definition of undertaking in difficulty can be found in: *Guidelines on State aid for R&R non-financial undertakings in difficulty*

- **CPR exceptional increase co-financing rates:**

- Art 2.1: for account year 1.7.2020 – 30.6.2021, **a co-financing rate of 100% may be applied for one or more PA**. Requests for modification of the co-financing rate shall be accompanied by the revised OP can only apply if the corresponding OP amendment is approved by EC.

# CRII + Reg 2020/558

## ■ CPR Transfer between funds and regions:

- Art 2.2: resources available in 2020 may be transferred between the ERDF, ESF & CF. Transfers shall not affect YEI/FEAD
- Art 2.3: resources available for programming for the year 2020 may be transferred between categories of regions
- Art 2.5: Transfers between priority areas and financial allocations at the co-financing rate of 100% shall **not be subject to thematic concentration**

## ■ CPR exception for physically completed operations:

- Art 2.7: waiving of requirement that operations cannot be supported where they have been **physically completed or fully implemented before application for funding** and can be supported by ERDF/ESF prior amendment of OP

# CRII + Reg 2020/558

- **CPR Partnership Agreement (PA):**

- Art 2.6: "**PA shall not be amended** and the OP amendments shall not entail the amendment of PA". The consistency between OP & PA shall not be verified

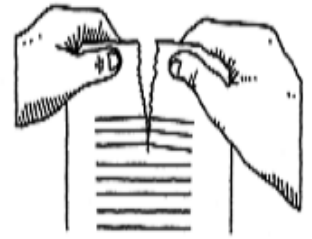
- **CPR Examination and acceptance of accounts:**

- Art 2.12: For the accounting year 1 July 2019 – 30 June 2020, audit authorities may use a **non-statistical sampling method**

- **CPR de-commitment and *force majeure*:**

- Art 2.8: For operations below EUR 1.000.000 TEC, information on the **amounts for which it has not been possible to make a payment application** shall be provided at an aggregate level by priority

# Force Majeure



3 conditions fulfilled & properly demonstrated on a **case-by-case basis**:

- are **abnormal and unforeseeable**
- are **beyond the control** of the one claiming 'force majeure',
- **could not have been avoided despite the exercise of all due care**

# Guidance on PP framework in emergency

## 1.4.2020 (2020/C 108 I/01)

- **Procedures and deadlines - Directive 2014/24/EU**
- Reduce substantially reduce the deadlines to **accelerate open or restricted procedures**
- Urgency vs. Extreme urgency

Description Procedure	Minimal Regular Deadlines	Minimal Shortened Deadlines
Open procedure	35 days	<b>15 days</b>
Restricted procedure (step 1: Request for participation)	30 days_	<b>15 days</b>
Restricted procedure (step 2: Submission of the tender)	30 days_	<b>10 days_</b>



# Do You Have Any Questions?

[m.lopriore@eipa.eu](mailto:m.lopriore@eipa.eu)



# Repurposing: E-learning schools

- **South of Italy NOP ESF ERDF Schooling** support projects with **13.000 €** for smart schools; project can buy notebooks, tablets, speaker e web-cam, software for e-learning (not more than 20% of costs), internet key/modem-router 4G/LTE, cupboards to keep notebooks safe.

Voci di costo	Percentuali previste
A. Progettazione	1,5% (max)
B. Spese organizzative e gestionali	6,5% (max)
C. Forniture	almeno 90%
D. Pubblicità	1% (max)
E. Collaudo/regolare esecuzione	1% (max)

# Modifications COVID 19

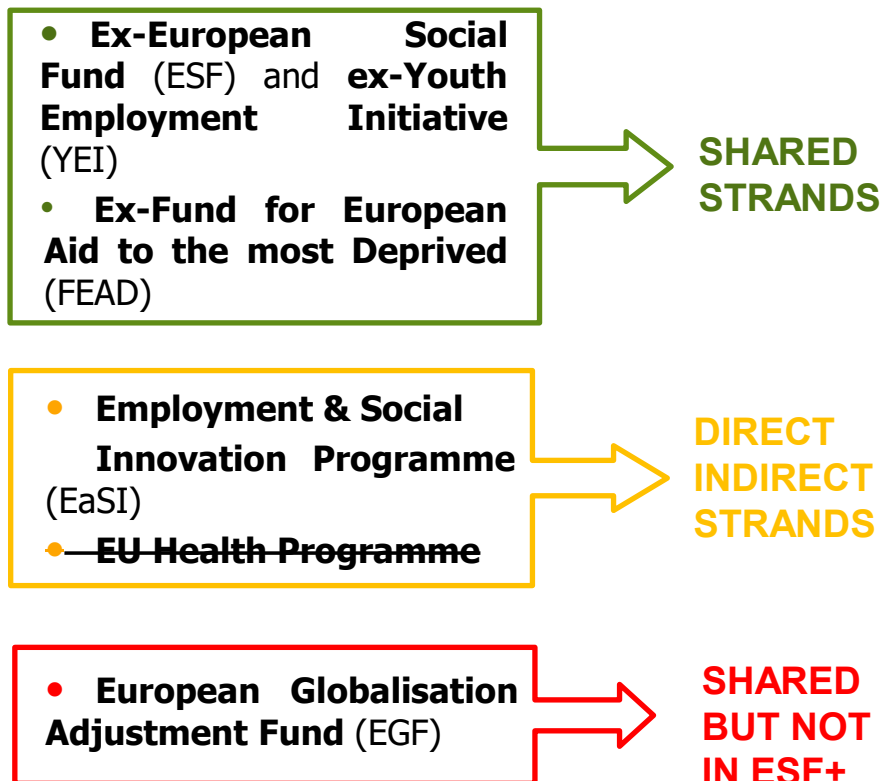
- <https://gov.wales/eu-structural-funds-programme-faqs-effect-coronavirus-html>

# Eligibility details COVID 19

- **From 1.2.2020, projects have incurred cancellation and other costs related to event bookings that cannot go ahead due to COVID-restrictions**
- **the expenditure will NOT be considered eligible if insurance contract in place = project can claim cost**
- **if a credit note has been issued, costs are not eligible the project should have exhausted all possibilities to claim the expenditure incurred by other means e.g. travel insurance**
- **if the project can obtain a partial repayment, only the remaining costs are eligible**

# Merging ESF+ Regulation

## CPR covers only shared management of ESF+...



**NEW 28.05.2020  
Health stand-alone  
programme**