



Update on Programme Implementation CP Interreg V-A SI-HU

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Some conclusions from 6th MC

- MC members were informed regarding the status of the closure of the OP SI-HU 2007-2013 – Closure documents were supplemented in September 2017. MA received pre-closure letter in August 2018 where in explanation some documents were not taken into consideration. EC suggested to pay back roughly 1,7 million EUR from Member States in programme. MA replied to pre-closure letter with supplements in September 2018 and asked for resolution. There is no EC resolution on closure documents for the programme so far. We expect to have EC clarification meeting in first months of 2019 or optimistically end of 2018.
- MC members gave mandate to JS to upload the AIR 2017 in SFC.– AIR was amended according to discussion at MC meeting and submitted to SFC. AIR 2017 has been approved by EC on 16th of July 2018.
- MC members requested additional explanations for 1st evaluation and asked JS to focus on workshops on administrative eligibility criteria to improve base of projects going into evaluation. – The JS sent additional explanations for the evaluation in Written procedure and focused the workshop held in May to administrative eligibility criteria along the quality.
- Projects were confirmed and new deadline has been set on 29th of June 2018 at 12:00. – New projects have been received and evaluated according to Assessment criteria. Only 1 project failed on administrative criteria.



Open irregularities (financial liability)

- Still open from perspective 2007-2013
 - AC (Martineum) – LP paid back ERDF but is unable to recover funds from PP (24.160,67 EUR ERDF) – we are trying to find the solution in favour of the LP
 - Pannon pleasure (currently in Court proceedings-Lawsuit)
 - LP (Občina Lendava) did not pay back total ERDF, just partly - 24.037,31 EUR ERDF remains open
 - PP (Skanzen) did not pay back - 15.663,48 EUR ERDF
 - For National funds Court ruled that applicant has to return only 50% of irregularity, the same ruling can be expected in ERDF lawsuit – **Member States will have to pay 50% ERDF to CA if this happens.**



Programme activities (1)

- Several individual Consultations/Meetings with potential applicants (formal and informal)
- Workshop for potential applicants (2nd Priority) and reporting workshop for beneficiaries was organised (May 2018)
- The European Cooperation Day 2018, recreational biking marathon in Porabje was co-organised in September 2018 (around 150 bikers were present)
- On-going updates of the eMS and the programme website
- Regular Applications for Payments sent to CA and requests for payment sent to EC. EC is currently paying the funds (90%) in a month deadline.
- Administrative and Quality Assessment of projects in June's deadline
- Regular exchange of knowledge (with programmes from: Austria, Hungary, Croatia, Slovenia)
 - Exchange of knowledge between different Interreg programmes from Austria, Hungary, Croatia and Slovenia (July 2018)
 - Workshop for FLC's and AA's of usage of Arachne (July 2018)
 - Workshop for AA's for using the eMS in relation to audit trail (November 2018)



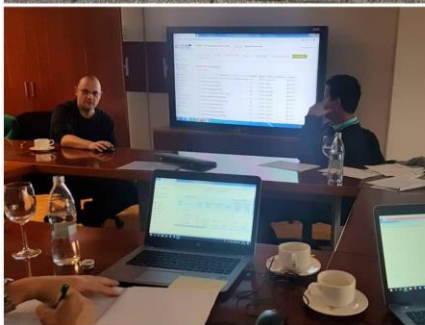
Workshop for FLC's and AA's of usage of
Arachne



Exchange of knowledge between different
Interreg programmes from Austria,
Hungary, Croatia and Slovenia



The European Cooperation Day 2018, biking marathon in Porabje region



Workshop for AA's for using the eMS in relation to audit trail



Programme activities (2) – on going:

- Preparation of Management declaration and Annual summary of controls for accounting year ending 30th of June 2018
- Preparation of TOR for Evaluation of efficiency and effectiveness also impact evaluation – Milestone measurement
- Preparation of Annual implementation report 2018
- Checking of the Partner Progress Reports and Lead partners Progress Reports – sending them to CA and EC
- Updates of the Programme manuals and preparation of remaining manuals
- Bilateral programme group meeting based on Audit authority's request to add additional administrative burden for document nomenclature
- 5th Deadline activities – finishing up
- 6th Deadline activities – start up



Audits

- Auditing of operations for accounting year ending 30th of June 2018 has been done, we are expecting first final reports. No major problems in draft reports.
- Audit of IT system has been done and draft report issued. No major recommendations have been issued. Reply to draft audit report is in preparation.



Audits – Area of special attention

- Documentation of controls – **audit trail**
- **Error and irregularities** monitoring has to be improved – organisational matter only
- MA has to invest more in education about fraud prevention and conflict of interest



CP Financial plan and realisation based on CONTRACTED programme funds

| PRIORITY | PLANNED ERDF | CONTRACTED ERDF | % | PLANNED NATIONAL CO- FINANCING | CONTRACTED NATIONAL CO- FINANCING | %2 | PLANNED TOTAL | CONTRACTED TOTAL | %3 |
|--------------------------|----------------------|----------------------|--------------|--------------------------------------|---|--------------|----------------------|----------------------|--------------|
| 1 - ATTRACTIVE REGION | 10.000.000,00 | 9.687.941,05 | 96,88 | 1.764.705,89 | 1.710.086,56 | 96,90 | 11.764.705,89 | 11.398.027,61 | 96,88 |
| 2 - COOPERATIVE REGION | 3.295.015,00 | 1.759.633,83 | 53,40 | 581.473,24 | 310.523,60 | 53,40 | 3.876.488,24 | 2.070.157,43 | 53,40 |
| 3 - TECHNICAL ASSISTANCE | 1.500.000,00 | 1.500.000,00 | 100,00 | 1.500.000,00 | 1.500.000,00 | 100,00 | 3.000.000,00 | 3.000.000,00 | 100,00 |
| TOTAL | 14.795.015,00 | 12.947.574,87 | 87,51 | 3.846.179,13 | 3.520.610,17 | 91,54 | 18.641.194,13 | 16.468.185,04 | 88,34 |
| % | 100,00 | 87,51 | | 100,00 | 91,54 | | 100,00 | 88,34 | |

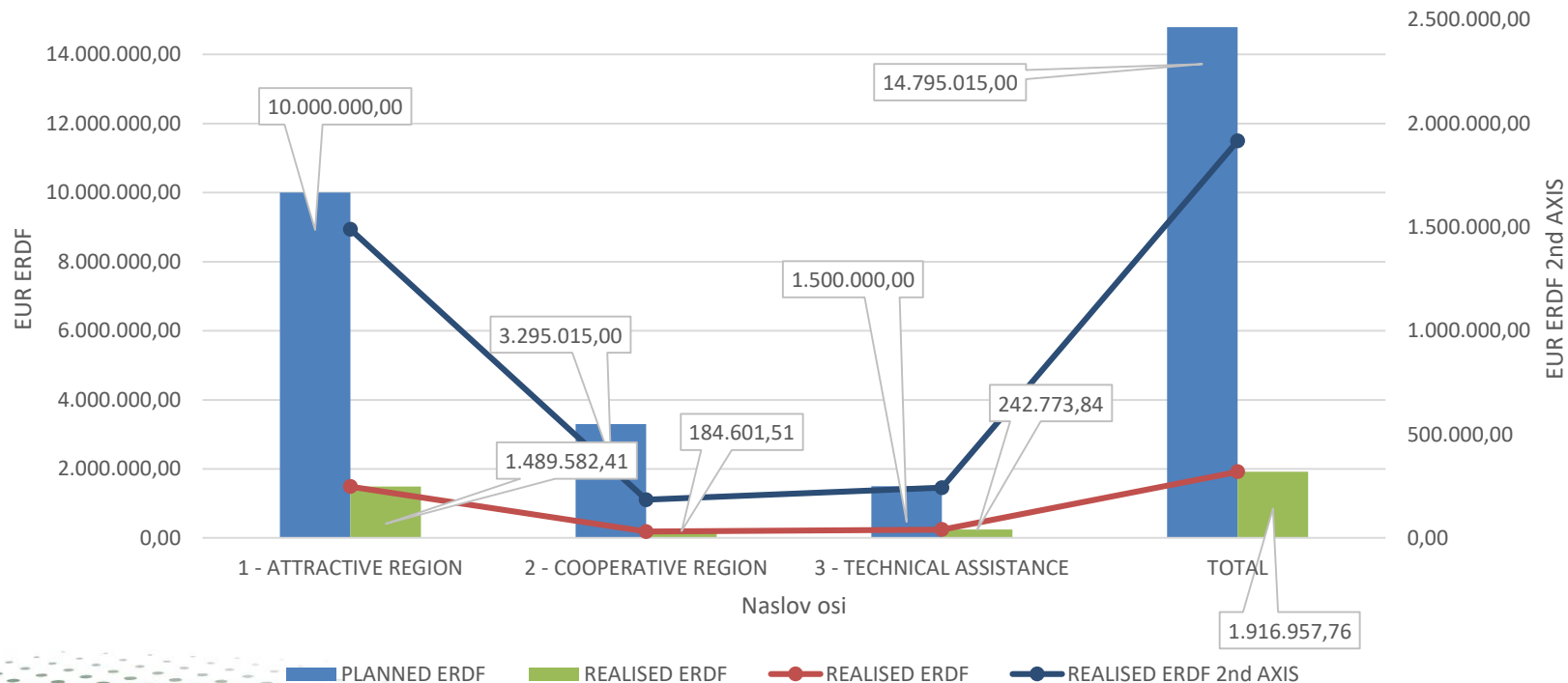


CP Financial plan and realisation based on TOTAL programme funds

| PRIORITY | PLANNED | | | REALISED | | | PLANNED | | |
|--------------------------|----------------------|---------------------|--------------|-----------------------|-----------------------|--------------|----------------------|---------------------|--------------|
| | ERDF | REALISED ERDF | % | NATIONAL CO-FINANCING | NATIONAL CO-FINANCING | %2 | TOTAL | TOTAL | %3 |
| 1 - ATTRACTIVE REGION | 10.000.000,00 | 1.489.582,41 | 14,90 | 1.764.705,89 | 262.867,48 | 14,90 | 11.764.705,89 | 1.752.449,89 | 14,90 |
| 2 - COOPERATIVE REGION | 3.295.015,00 | 184.601,51 | 5,60 | 581.473,24 | 32.576,74 | 5,60 | 3.876.488,24 | 217.178,25 | 5,60 |
| 3 - TECHNICAL ASSISTANCE | 1.500.000,00 | 242.773,84 | 16,18 | 1.500.000,00 | 242.773,84 | 16,18 | 3.000.000,00 | 485.547,68 | 16,18 |
| TOTAL | 14.795.015,00 | 1.916.957,76 | 12,96 | 3.846.179,13 | 538.218,06 | 13,99 | 18.641.194,13 | 2.455.175,82 | 13,17 |
| % | 100,00 | 12,96 | | 100,00 | 13,99 | | 100,00 | 13,17 | |

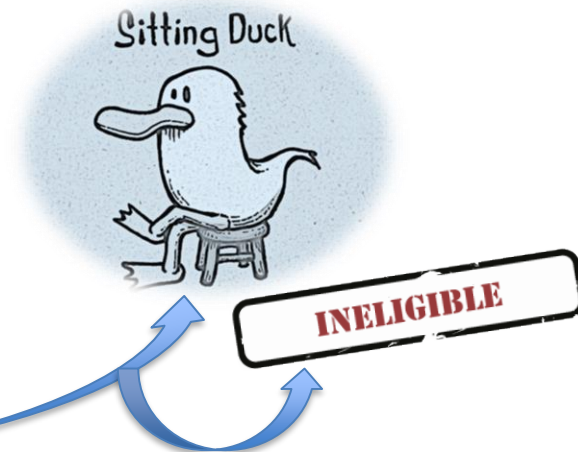
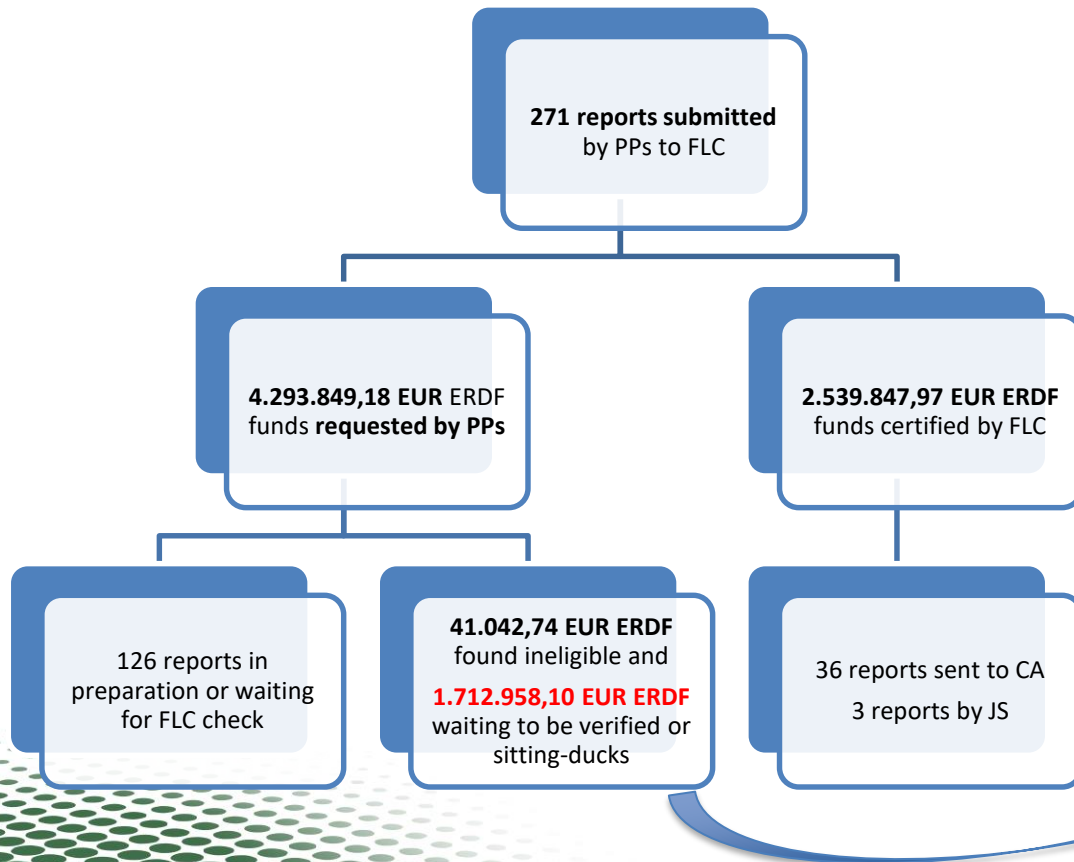


Planned vs. contracted ERDF with realisation





- Currently the system functions but there are some delays at FLC level – close or a bit above 90 days checks
- **Financial liquidity** is already an issue – **NO MONEY ON ACCOUNT**





| Calendar year | ERDF allocation (Table 15 of OP) | N+3 | Deduct initial pre-financing 3% | Deduct annual pre- financing 3% | Calendar year (N+3) = total must be claimed form COM by 31 December | (N+3) cumulative | (N+3) already claimed cumulative |
|---------------|-------------------------------------|----------------------|---------------------------------------|------------------------------------|---|---------------------|--|
| 2014 | 0,00 | | | | | | |
| 2015 | 1.805.355,00 | | | | | | |
| 2016 | 1.530.187,00 | | | | | | |
| 2017 | 2.780.340,00 | | | | | | 462.634,23 |
| 2018 | 2.835.947,00 | 1.805.355,00 | -443.850,45 | -1.091.132,36 | 270.372,19 | 270.372,19 | 1.842.712,84 |
| 2019 | 2.892.666,00 | 1.530.187,00 | | -425.356,68 | 1.104.830,32 | 1.375.202,51 | |
| 2020 | 2.950.520,00 | 2.780.340,00 | | -443.850,45 | 2.336.489,55 | 3.711.692,06 | |
| 2021 | | 2.835.947,00 | | -443.850,45 | 2.392.096,55 | 6.103.788,61 | |
| 2022 | | 2.892.666,00 | | -443.850,45 | 2.448.815,55 | 8.552.604,16 | |
| 2023 (2024) | | 2.950.520,00 | 443.850,45 | 2.848.040,39 | 6.242.410,84 | 14.795.015,00 | |
| TOTAL | 14.795.015,00 | 14.795.015,00 | | | 14.795.015,00 | | |



Underspending of projects

- Currently projects are **spending in line** with applications plan, only minor differences – **96%** forecasted spending is reported (4,5 million EUR ERDF is planned) – **currently reported to FLC is 4,2 million EUR ERDF**
- Biggest differences are currently in Technical assistance projects where costs have not been certified

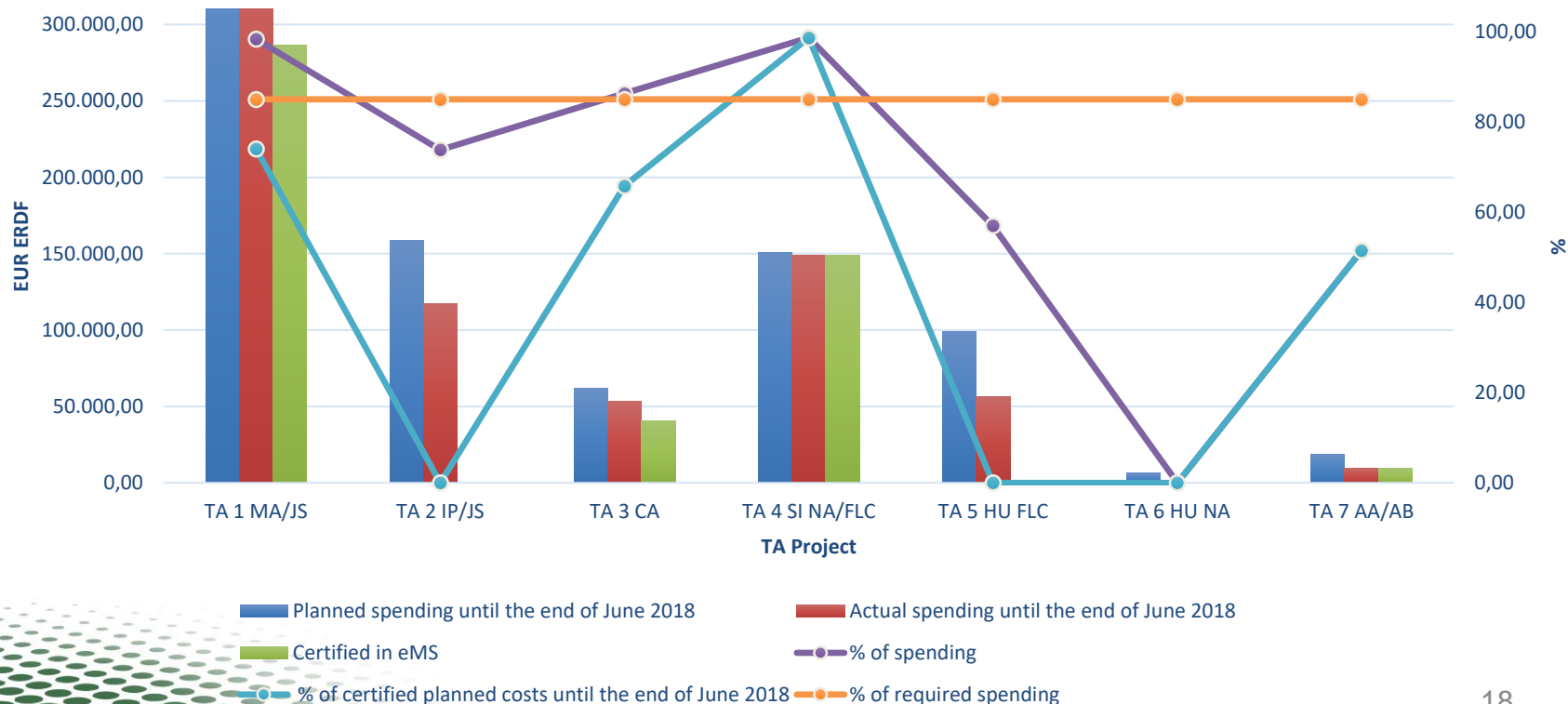


Use of Technical Assistance Funds CP Interreg V-A Slovenia-Hungary

| Project | Planned spending until the end of June 2018 | Actual spending until the end of June 2018 | % of spending | Total planned costs | % of total spending | Certified in eMS | % of certified planned costs until the end of June 2018 |
|----------------|---|--|---------------|---------------------|---------------------|-------------------|---|
| TA 1 MA/JS | 386.883,00 | 380.625,12 | 98,38 | 1.299.615,50 | 29,29 | 286.471,26 | 74,05 |
| TA 2 IP/JS | 158.918,60 | 117.326,84 | 73,83 | 513.539,50 | 22,85 | 0,00 | 0,00 |
| TA 3 CA | 62.074,93 | 53.582,65 | 86,32 | 191.220,00 | 28,02 | 40.846,73 | 65,80 |
| TA 4 SI NA/FLC | 150.672,50 | 148.667,98 | 98,67 | 461.762,50 | 32,20 | 148.667,98 | 98,67 |
| TA 5 HU FLC | 99.135,66 | 56.510,92 | 57,00 | 423.118,87 | 13,36 | 0,00 | 0,00 |
| TA 6 HU NA | 6.198,80 | 0,00 | 0,00 | 38.643,63 | 0,00 | 0,00 | 0,00 |
| TA 7 AA/AB | 18.571,43 | 9.561,63 | 51,49 | 72.100,00 | 13,26 | 9.561,63 | 51,49 |
| Total | 882.454,92 | 766.275,14 | 86,83 | 3.000.000,00 | 25,54 | 485.547,60 | 55,02 |



Spending of technical assistance projects





**THANK YOU FOR
YOUR ATTENTION**

QUESTIONS?