

**Minutes of the
5th Programming Committee Meeting
of the
INTERREG VI-A ROMANIA-HUNGARY
PROGRAMME**

**Date: July 11th, 2022
- Double Tree By Hilton Hotel, Oradea-**



Partnership for a better future



LIST OF PARTICIPANTS

NAME	INSTITUTION
Dan BĂLĂNESCU	Managing Authority - Ministry of Development, Public Works and Administration (MDPWA), Romania
Nikoletta HORVÁTH	National Authority (2014-2020) - Ministry of Foreign Affairs and Trade, Hungary
Anna-Monika MODZELEWSKA	European Commission (COM) - DG Regional and Urban Policy
Radu NECȘULIU	Ministry of Development, Public Works and Administration (MDPWA), Romania
Roxana MIHAI	Ministry of Internal Affairs, Romania
Marian-Constantin VASILE	Timiș County Council
Andrei LUCACI	
Iustin CIONCA	Arad County Council
Gabriela CHIRICHEU	
Ilie BOLOJAN	Bihor County Council
Mircea MĂLAN	
Oana NICULA	
István Tamás JANKÓ-SZÉP	Satu Mare County Council
Marius Valentin NICULAE	Regional Development Agency - West Region, Romania
Mihai Sorin PASCU	Association for the Promotion of Natural and Cultural Heritage of Banat and Crișana „Excelsior”



Radu MĂTIUȚ	Arad Chamber of Commerce, Industry and Agriculture
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Oszkár SESZTÁK	Szabolcs-Szatmár-Bereg County Council
Illés ÚSZ	
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László BULCSÚ	
Mihály ZALAI	Békés County Council
Anikó NAGY-SZÖLLŐSI	
László GÉMES	Csongrád-Csanád County Council
Eszter Anna CSÓKÁSI	
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Monica TEREAN	Joint Secretariat (JS)
Cristina VESA	
Marius OLARIU	
Carmen CHIRILĂ	
Orsolya CAMERZAN	



A G E N D A

-5th Meeting of the PROGRAMMING COMMITTEE - Decision on Interreg VI-A Romania-Hungary Programme

11th of July, 2022

DoubleTree by Hilton Hotel, Oradea

EET	CET	
12 ⁰⁰ - 13 ⁰⁰	11 ⁰⁰ - 12 ⁰⁰	Brunch and registration
		Welcome Speech
13 ⁰⁰ -13 ³⁰	12 ⁰⁰ -12 ³⁰	Mr. Dan BĂLĂNESCU – <i>Managing Authority (MA)</i> Mrs. HORVÁTH Nikoletta – <i>National Authority (NA)</i> Mrs. Anna-Monika MODZELEWSKA – <i>European Commission (COM)</i>
13 ³⁰ -14 ³⁰	12 ³⁰ -13 ³⁰	Presentation of the main observations included in the European Commission’s Official Letter on the Interreg VI-A Romania-Hungary Programme The programming expert will present the main modifications recommended by the European Commission on the IP (Performance framework, financial allocation - linked to codes of intervention, Table centralizing all COM comments and the proposed solutions to revise the IP, etc.)
14 ³⁰ -15 ⁰⁰	13 ³⁰ -14 ⁰⁰	Presentation of the European Commission’s approach regarding the Operations of Strategic Importance (OSIs) included in Appendix 3 to the IP The EC representative will present COM’s approach regarding OSI proposals, included in Appendix 3 to the Interreg VI-A Romania-Hungary Programme.
15 ⁰⁰ -17 ⁰⁰	14 ⁰⁰ -16 ⁰⁰	Discussions and agreement on the approach to revising Appendix 3



Welcome speech, introduction of the Programming Committee (PC) members and presentation of the Agenda

Mr Dan BĂLĂNESCU welcomed the participants to the 5th PC meeting and presented the context thereof, namely to discuss and brainstorm on the recommendations made by the European Commission (COM) in relation to the content of Interreg VI-A Romania-Hungary Programme (IP), and included in the Official Letter. He reminded the members that, since no decision was planned to be taken on the occasion, no supporting materials were sent to the PC members, except for the Official Letter, on which the PC members were invited to express their point of view. Based on the PC members' position, a set of documents will be elaborated in response to each point of the COM's letter. The official answers will be approved either through a written procedure or during another PC meeting, before being submitted to the COM.

Further, **Mr BĂLĂNESCU** invited the **Hungarian National Authority's** representative, **Mrs Nikoletta HORVÁTH** to give a welcome speech. **Mrs HORVÁTH** greeted the participants and emphasised that the meeting's goal was to give the PC members the opportunity to present and substantiate their opinion in order to reach a jointly accepted solution, suitable for the region, and hence to finalise and have the IP adopted, as soon as possible. She wished everyone good luck with the negotiations.

Mr Dan BĂLĂNESCU thanked **Mrs Nikoletta HORVÁTH** for her intervention and gave the floor to the COM's representative, **Ms Anna-Monika MODZELEWSKA** for an introduction speech.

Ms Anna-Monika MODZELEWSKA also greeted the participants and thanked them all for attending the meeting in person. She expressed her appreciation for the efforts made to organize the event, considering the challenges of the pandemics and the war in Ukraine, which were both affecting the programming exercise, with an impact on the final budgetary allocations of the programmes, as well. **Ms MODZELEWSKA** explained that in order to ensure the transparency of the COM's work, she prepared a presentation illustrating the rationale behind the detailed observations in the COM's official letter.

She also confirmed that the main scope of the meeting was to openly discuss the different views that the PC members had in relation to COM's observations, to have a factual-based debate, supported by solid arguments and to finally come up with solutions that are in line with the regulatory framework and could be thus accepted by the COM.

Mr Dan BĂLĂNESCU thanked **Ms MODZELEWSKA** for her intervention and, before proceeding with the meeting, he asked the participants to fill in and sign the GDPR Agreement and the Declaration of impartiality and confidentiality. He proposed a slight

modification of the topics on the agenda order, namely to start the meeting with **Ms MODZELEWSKA's** presentation, continue with discussions regarding the approach on Appendix 3, and conclude with the presentation of proposed answers to the main observations included in the COM's Letter. As no objections were raised in that regard, the proposal was considered approved.

The modified Agenda of the 5th PC meeting was approved, no supplementary topics were added.

Ms Anna-Monika MODZELEWSKA took the floor and explained that the COM's Official Letter was a result of a quality assessment process performed by several different departments of the European Commission. The letter was also subject to a quality review in order to ensure the equal treatment of different IPs under evaluation and the adequate quality of the observations formulated. Further, she pointed out, that the IP had to be revised and resubmitted along with an official answer to the COM's observation.

Ms MODZELEWSKA highlighted the following two main aspects that hinder the IP adoption:

- The amount of the allocation established for the OSIs;
- Issues identified in relation to certain OSIs listed in Appendix 3 of the IP, especially those to be developed under the healthcare and tourism and culture fields.

In addition, she specified that the COM's concerns regarding the budget allocated to OSIs were based on the status of implementation of the current Programme. Thus, COM considered the allocation rate is too high, representing an important risk factor, therefore, according to their opinion, it should be reduced.

Further on, **Ms Anna-Monika MODZELEWSKA** delivered her presentation (attached to the present minutes), detailing the arguments that lead to COM's positions and to the observations regarding the IP content. She began with some details on the Interreg V-A Romania-Hungary 2014-2020 Programme's current implementation status, highlighting the importance of acknowledging the risks that had materialized in the current programming period.

Main topics of the presentation were:

- *Current implementation – risk of de-commitment at closure:* taking into consideration the 52,6% current execution rate of payments (cut-off date 08.07.2022) the COM requests an action plan regarding the acceleration of payments, in order to avoid major difficulties at closure and overcome the risk of de-commitment.

- *Payment forecasts accuracy*: the programme's spending forecast is reliable and reflects a realistic evolution of payments.
- *Border Orientation Paper*: the conclusions regarding the operations addressing healthcare services are to be taken into consideration for the next Programme.
- *Selection of Interreg operations*: the importance to observe the provisions of article 22 (2) of the Interreg Regulation 2021/1059; some of the project relevance aspects have to be further detailed, taking also into account the relevant conclusions of the European Court of Auditors' (ECA) [Special Report 14/2021 Interreg Cooperation](#).
- *Specific situation regarding investments in health (SO4.5)*: information on several types of possible investments, the conclusions of the Country Reports on [Romania](#) and [Hungary](#) and the main directions of the Recovery and Resilience Facilities prepared by the two member states, were considered. The importance of mapping the healthcare needs and further designing the investments accordingly and the complementary and synergy with the mainstream programmes were highlighted.
- *Specific findings within ECA reports 14/2021 and 27/2021*: relevant observations and conclusions of the reports were detailed and examples of projects lacking clear cross-border character/not-fulfilling all Interreg requirements were also presented.

Ms Anna-Monika MODZELEWSKA concluded her presentation by reiterating that the information delivered aimed to better explain the COM's concerns and observations related to Appendix 3 of the IP and to the 50% allocation rate. She mentioned that the observations were based, as well, on the lessons learned in the current programming period.

Before giving the floor to the PC members, **Mr Dan BĂLĂNESCU** thanked **Ms MODZELEWSKA** for the complex presentation and made two observations in relation thereof. Specifically, he pointed out that the absorption rate within Interreg V-A ROHU Programme, even if lower as compared to the Interreg average, showed a certain dynamic lately. For the running year, there is no risk of decommitment, and no funds have been lost at Programme level up to present, **Mr BĂLĂNESCU** said. For the year 2023, continuous efforts are undertaken by the Programme's structure to overcome all the difficulties and have a good absorption rate at the end of Programme's implementation.

The second observation concerned the information on OSIs, and **Mr BĂLĂNESCU** reminded the COM's representative that the OSIs-related process started 2 years back, and some steps and/or related decisions had been already taken in that direction. He

also underlined that ROHU Programme applied a transparent and structured procedure when selecting the projects.

Further, **Mr BĂLĂNESCU's** wanted to know if, in case the OSIs listed in Appendix 3 would fulfil all COM's requirements and follow the good-practice examples presented by **Ms MODZELEWSKA**, such projects could be kept on the list.

In reply, **Ms Anna-Monika MODZELEWSKA** clarified that the ECA report of 2021 did not refer to the selection procedure applied by Interreg V-A ROHU Programme, yet the COM had to perform follow-ups on ECA's recommendations. She mentioned the focus to be placed on effectiveness, efficiency and economy in the context of a reduced Interreg budget and in line with the financial regulation provisions.

As to Appendix 3, two aspects were underlined by **Ms MODZELEWSKA**: the allocation of half of the total ERDF budget (not acceptable by the COM due to certain shortcomings) and the insufficient cross-border relevance of some of the OSIs. She also wanted to point out that all parts involved in the implementation of the current programme and in the programming process were on the same side, making joint efforts to find solutions for the current Programme implementation, as well as to fasten the process of future programme adoption and implementation, in order to avoid the loss of funds.

Based on the current period experience, the COM considers the allocation of 50% of the budget to the OSIs of high risk, especially taking into consideration their stage of development and the extent to which they are able to meet the requirements. The issues related to Appendix 3 could be addressed in several ways, **Ms MODZELEWSKA** said; the number of listed OSIs could be reduced, the appendix could mention only one OSI (sufficient condition to fulfil the legal requirements); the projects now listed in the Appendix could be further developed (using technical assistance or external expertise, if the case), and translated into OSIs at a later stage. Nevertheless, in the Official Letter, the COM proposed having clear terms for checking the OSI preparation/implementation status.

Mr Dan BĂLĂNESCU thanked **Ms MODZELEWSKA** for the intervention and clarifications and invited the PC members and observers to take the floor.

Mr Ilie BOLOJAN started by greeting the participants. Further, **Mr BOLOJAN** made 2 general remarks by considering that specificities of a region are better known by its inhabitants and the relevant local authorities than by those not present in the area and relying on figures and averages, which can be deceiving, and also that the stakeholders in the cross-border region are committed to implementing relevant, important, CBC projects, to the benefit of and for the good cooperation of the population living along the border.

As regards the OSI allocation, **Mr BOLOJAN** considered that by keeping it at the proposed percentage, a better concentration of funds would be ensured, resulting in

durable and sustainable projects, capable to produce side-effects at the region level. He acknowledged the risk of having fewer projects with larger budgets because failure to implement one or two of them might jeopardize the entire programme. Nevertheless, the lessons learnt from the previous cooperation programmes could be useful in preventing certain errors. Also, **Mr BOLOJAN** considered that a quicker start of programmes' implementation and a shorter period for signing the related financing contracts, at least in the first half of a programming period, would certainly help to increase the programmes' performance. Another way to mitigate the risks related to OSIs' implementation would be to establish strict, compulsory terms, assumed by the OSIs' beneficiaries through written commitments. Failure to comply with such terms would result in the re-allocation of funds dedicated to the project(s) at risk.

Further, **Mr BOLOJAN** referred to the healthcare and culture sectors, in case of which, the related OSIs were considered not in line with Interreg requirements. Thus, regarding healthcare, some recommendations included in the COM representative's presentation do not reflect the actual situation in Programme Area (e.g. the number of physicians per capita, overlapping with NRR Facility as regards the development of primary healthcare, legislative adjustments, etc). As to the culture domain, the OSI proposed by Bihor County Council particularly addresses the needs identified at the local level (e.g.: lack of dedicated spaces to organize cultural events and intercultural exchanges in the context of an increased demand for such activities. Moreover, the proposal fulfils the criteria of durability and sustainability, will have a significant impact beyond the project itself and is in line with the cultural strategy performed for Bihor – Hajdú-Bihar region, at the end of 2021.

Mr Ilie BOLOJAN concluded that, in order to have a consistent Programme with real impact in the area, the proposed allocation and the OSI listed in Appendix 3 should be kept. Nevertheless, conditions to mitigate the possible risks of decommitment should be formulated by the Programme. He also mentioned the case of RO-SE Programme, through which similar strategic projects in the field of healthcare were considered feasible and included in the related Appendix 3, while in the case of RO-HU Programme, such projects were considered not appropriate.

Ms Anna-Monika MODZELEWSKA took the floor, underlining that the COM had an administrative role, and part of such role was to assess the submitted programmes. Referring to the compulsory conditions to be introduced in the grant agreements, she found such conditions not sufficient to ensure the proper level of payment generation, recalling the participants the situation in the current Programme. Also, although acknowledging the needs in the area and the role of the local stakeholders in identifying such needs and deciding upon the actions to be further financed, **Ms MODZELEWSKA** emphasized that the information included in her presentation reflected the recommendations/directions resulting from the analyses performed at the national levels and that Interreg programmes should act in complementarity with the

mainstream and RRF ones. Moreover, the needs should be assessed at the entire programme area level and investments should be planned in such a way to ensure the best possible results, and to cover as many people as possible.

In what concerns the OSI proposed under the specific objective 4.6, the COM's representative agreed that the project had a strong cross-border character and even a capitalization component on the strategic projects currently implemented in Debrecen. However, an important aspect mentioned by the COM in relation to the OSIs was the degree of allocation and the risks associated therewith, and the introduction of compulsory conditions within the grant agreements/financing contracts would not solve the problem, in COM representative's opinion.

Mr László GÉMES thanked for the floor and following a short introduction, he confirmed they arrived in the spirit of cooperation, and wish to demonstrate to the COM the advantages of the projects they came up with. With regards to the previous programming period, in **Mr GÉMES's** opinion, the delays were not caused by the components of the Programme, nor by the county representatives. He thought that for more flexibility, processes should be simplified and the administrative burden reduced. Further, **Mr GÉMES** shared his background of 13 years leading a community, including experience in project generation and implementation; followed by 3 years of having led Csongrád-Csanád. Due to the county's geographical location (neighbouring both Serbia and Romania), Csongrád-Csanád county is engaged in cross-border programmes and the cooperation with Timiș county is very good, addressing common challenges. As for the size of OSIs, **Mr GÉMES** pointed out that the dissipation of resources would not be efficient, hence Csongrád-Csanád county would not support it. At the county level, one must think on a larger scale, as that will bring the desired positive cross-border effect, he added. Tourism is typically a field demonstrating this international impact, as it is powered by citizens travelling to and from other countries; similarly, culture is one of the most important fields and plays an essential role in preserving the European culture, especially in light of the increasing migration pressure from South and the foreign cultures coming with it. Csongrád-Csanád county initiated a number of county identity programmes, which are supposed to promote county culture and traditions to the youngsters, with a considerable and self-evident cross-border effect. Another issue addressed by the COM was healthcare, and while **Mr GÉMES** agreed with many points of view previously stated, he emphasized that several aspects were under national (and not county) jurisdiction. The healthcare projects the county proposed rather fall under the category of medical tourism; the region has abundant thermal water sources that can be used for preventive and curative purposes as well, potentially attracting patients not only on local but on cross-border and even international levels. These developments could be good examples of how to achieve cross-border success within the healthcare objective. **Mr GÉMES** reiterated that – in agreement with the rest of the county council presidents – they stand for keeping the current size and ratio of OSIs, as in terms of

administration, authorisation processes and public procurement, the proposed size would not make a difference, as any meaningful development would exceed the provided thresholds. Referring back to the Bihor County Council President's intervention, he agreed that project implementation could be accelerated if administrative aspects were sped up as well. In addition, the proposal to introduce strict deadlines could contribute to a successful implementation of projects/Programme. **Mr GÉMES** closed his argument by adding that the implementation of proposed OSIs, with COM's approval, would be for the benefit and pride of both member states.

Mr Dan BĂLĂNESCU thanked **Mr László GÉMES** for his intervention and gave **Ms Anna-Monika MODZELEWSKA** the opportunity to reply.

Ms Anna-Monika MODZELEWSKA underlined the financial constraints of the future Programme (smaller budget, inflation further decreasing the purchasing power). Even if the proposed operations are of good quality and correspond to the needs, it is important to adapt to the financial means currently available. The goal of the meeting is to find a way to include one or two emblematic OSIs in the Programme, adjusted to the budget at hand. She reiterated that, at the present stage, the OSIs fiches missed the cross-border impact and dimension, and also added that the purpose of the meeting and her role was not to select the projects and that she and the COM would only comment on the selection criteria, but would not be directly involved in the funding decision of those proposals. She noted, that she was not questioning any of the personal assessments, but on behalf of the COM, she was trying to see if the proposals conform to the principle of best value for money. **Ms MODZELEWSKA** then explained that there was a limited budget available, and as there were already known obstacles to implementation, the focus should be on finishing the programming exercise and preparing the new calls, while also monitoring the current programming period. She expressed her support for a reduced administrative burden and proposed, as an example, the simplification of Appendix 3. She noted that the indicative list should be changed because the strategic character was limited. She proposed to either reduce the list or to generally define healthcare strategic operations, to be further developed into individual projects, at a later stage, when related expertise would be available. She emphasized, that it was of key importance to concentrate the resources and the focus of the Programme.

After thanking **Ms MODZELEWSKA** for her intervention, **Mr Dan BĂLĂNESCU** gave the floor to **Mr István Tamás JANKÓ-SZÉP**.

Mr István Tamás JANKÓ-SZÉP kindly asked **Ms MODZELEWSKA** to clarify whether the pieces of information included in the presentation were newly discovered or already known a few months before.

Ms Anna-Monika MODZELEWSKA responded that the COM's assessment on the Member States under the European Semester was publicly available, and both countries'

administrations were involved. As regards to programming and the RRF, it falls under national competence and is coordinated by the competent ministries; however, those documents are publicly available, too. The ECA reports were presented in order to illustrate the examples of a good selection process and good projects with a cross-border character, as well as weak projects lacking that dimension. The ECA report on Interreg Programmes was issued last year and officially sent to all Programmes by the Commission, she added.

Mr István Tamás JANKÓ-SZÉP thanked for the answer and mentioned that, if already known, the COM's observations listed in the Official Letter, could have been sent to the Programme even in November or December, however at that time, no comments on the 50% allocation and/or the project proposals were formulated.

Ms Anna-Monika MODZELEWSKA clarified that Programme's revision is a joint exercise of COM services, observing the principle of equal treatment. On the other side, the financial risk in the 2014-2020 period had been very well known to the participants, as well as the fact that the programme is below average in terms of performance. She further explained that average values are the only benchmarks the administration can use, as projects and their complexity cannot be assessed individually.

Mr István Tamás JANKÓ-SZÉP noticed once again that relevant information was already known in the period when the Programming Committee decided to allocate up to 50% for OSIs, and highlighted that at that time no objection was received from the COM.

Ms Anna-Monika MODZELEWSKA clarified that the objections mainly referred to the absence of the cross-border character within the projects. She further confirmed, upon **Mr JANKÓ-SZÉP's** request to clarify the reference to Article 23, that no selection of operations was intended in the context of the meeting.

Mr István Tamás JANKÓ-SZÉP further noted that **Ms MODZELEWSKA** frequently used the word "mapping" (of needs/problems). In his view, mapping was a programming task, not an issue to be addressed by launching a call for proposals in that respect. He considered that **Ms MODZELEWSKA** described a typical two-step procedure: first mapping, then implementing projects generated based on the mapping results. However, in **Mr JANKÓ-SZÉP's** opinion, the current programming exercise was the period for mapping and identifying certain fields of intervention, and the Programme had already fulfilled that first step.

Ms Anna-Monika MODZELEWSKA replied that complementary with the mainstream programmes should also be ensured and noted that the health sector was one where the national competence is largely involved.

In reply, **Mr István Tamás JANKÓ-SZÉP** recalled that the Programme already contains a part related to the complementarity with the mainstream programmes and asked the JS to confirm.

Ms Monica TEREAN confirmed **Mr JANKÓ-SZÉP's** suppositions and further noted that the assessment grids would also contain relevant criteria, as project applications would be expected to demonstrate complementarity and synergy. Further, **Ms TEREAN** proposed the participants to find common ground for agreement, starting by stating that healthcare is an important field for everyone; however, the problem was that the cross-border element should be more visible. She presented the potential solution of including in the future calls the requirement to clearly demonstrate the cross-border character, based on county or regional strategies already available, for example. She recalled the participants that the previous HU-RO Programme had also used a similar solution by requiring a so-called cross-border feasibility study and asked feedback in this regard, but several participants replied that such study was not helpful at the time.

Mr István Tamás JANKÓ-SZÉP considered that all those types of information mentioned by **Ms TEREAN** are usually part of the call for proposals, to be referred to by all applicants wishing to submit a project initiative. Regarding the recommendations formulated at the end of COM representative's presentation on how projects should prove their cross-border character, **Mr JANKÓ-SZÉP** proposed a list of requirements to be complied with when the projects proposed would be further developed. That way the cross-border character could be ensured, based on the assessors' decision.

Ms Monica TEREAN added that higher scores could be given for the cross-border element, to be included in the assessment grid. She emphasized that, as opposed to mainstream programmes, those projects are expected to be relevant most of all from a cross-border perspective.

Mr Dan BĂLĂNESCU thanked for the interventions and kindly reminded the participants that the purpose of the meeting was to find the best solutions in the spirit of cooperation rather than competition. He then gave the floor to Timiș county, to be followed by Csongrád-Csanád county.

Mr Marian VASILE greeted all participants and stated that discussions should focus on identifying solutions and expressed his disagreement regarding some proposals and ideas included in **Ms MODZELEWSKA's** presentation. He noticed that the budget managed by the Commission is coming from the Member States' contributions and drew attention to the fact that the counties in the Programme Area are the most performant in both countries, significantly contributing to the national budgets, and so they should be motivated to further develop. **Mr VASILE** expressed his support for **Mr BOLOJAN's** statements on OSIs. He underlined that the OSIs could have an important impact on the region, provided they are developed jointly and in cooperation with all parties involved. Supported by his PhD experience, he confirmed the significance of intelligent rural and urban development. In order to implement impactful, consistent projects and intelligent infrastructure investments, a considerable budget would be needed, said **Mr. VASILE**, considering also the increased prices in the market. He mentioned that introducing and

meeting certain deadlines would not cause any problems for the beneficiaries, and while the figures presented before were not impressive, it was of key importance to consider also the major factors such as the global pandemic and the war, which obviously affected the projects/Programme implementation. Nevertheless, the difficulties have been successfully overcome. He concluded by emphasizing that the objective should be to jointly find ways to implement the much-needed strategic operations, instead of finding arguments against such an approach.

Mr Dan BĂLĂNESCU thanked for the intervention, and he pointed out that as the COM mentioned, from an administrative and managerial point of view the rough numbers indeed might give reason for concern. Nevertheless, the purpose of the meeting is to tackle such concerns and to prove that through commitment and identified solutions they can be surpassed. In his understanding, none of the affirmations led to the idea that projects under health, tourism and culture were to be rejected but to be further prepared in compliance with the Interreg dimension. He then asked **Ms MODZELEWSKA** to proceed with her comments.

Ms Anna-Monika MODZELEWSKA confirmed that her role and objective was to listen to arguments and find a solution together with the Programming Committee and that she arrived to the meeting to discuss the possibilities, anticipating the criticism against the COM's observations. However, she explained that the content of the letter was consulted with her superior, who very closely monitored the current programme and asked for an Action Plan as part of a regular approach in the case of programmes with underperforming indicators. She understood that the PC members wanted to keep the projects in Appendix 3 as they were, with the allocated budget, and include, at a later stage, in the financing contracts the condition to exclude from financing the projects that would not observe the deadlines. Based on her experience, the 50% is too high, and she would rather include a general indication of operations in Appendix 3. She also clarified that the COM was not questioning the intervention areas such as healthcare, culture or tourism; quite the opposite in fact. Tourism and culture are typical areas of excellence for Interreg programmes, with very good demonstrated results, further confirmed by the examples the participants provided thus far. However, she would like to discuss the technical approach to Appendix 3 and eventually agree on something that the COM could accept.

Mr Marian VASILE took the floor and stated that the COM Letter clearly mentioned that projects in Appendix 3 under healthcare, tourism and culture were not compliant with the Interreg requirements and restrictions in relation to the allocated budget. He then concluded that the indicative list might have room for improvement, but it was mainly due to the fact that counties' representatives were trying to tackle the current crisis on a daily basis and elaborate on their project ideas under such circumstances. He agreed that the project ideas could be improved, however, that should be a common effort.

Mr Dan BĂLĂNESCU acknowledged the struggle that the local level was facing in light of the pandemics, the war and the spiralling economic crisis. However, he emphasized that Programme's structure purpose was exactly to find the best solutions, in a cooperative manner. He gave the floor to **Ms MODZELEWSKA**.

Ms Anna-Monika MODZELEWSKA emphasized COM's comment in relation to 50% of the budget allocation was based on the evidence COM collected during regular monitoring activity, reviewed by the evaluation team in the Annual Implementation Report. She clarified that that was not her personal decision and she cannot deviate from COM's conclusions. She then reiterated that programmes are checked and then classified based on different units' benchmarks; the current Programme being classified as a critical one. **Ms MODZELEWSKA** explained she did not question the difficulties and consequences caused by the pandemics and the migration crisis due to the war, and she expressed her gratitude for the county council representatives' work in tackling the situations. However, based on existing information and compared to other programmes, that should be part of the risk assessment: if in the current period the Programme had this underperformance, it is not advised to allocate 50% of the budget to the OSIs. She continued by agreeing that there was an increase in the prices, considering the fact another reason for questioning such a high number of operations in Appendix 3. She further noted that the county representatives referred to a number of possible interventions in a different field, which had not been discussed before and was considered a new factor in the process.

Ms Monica TEREAN clarified that **Mr Marian VASILE** referred to the new innovative elements that could be brought to the initially presented, existing ideas in view of improvement and better compliance with the overall concept.

Mr Dan BĂLĂNESCU gave the floor to Csongr ad-Csan ad county.

Mr L aszli G EMES referred to a previous statement suggesting that they should not start individual fights on the meeting, and clarified that those are not of individual nature but represent the joint position of the eight County Council Presidents, as opposed to the entirely different position of the COM, while in his experience the Joint Secretariat appears to side with the Commission instead of supporting the counties, despite being financed by the two national governments. Since it has been made clear in **Ms MODZELEWSKA's** replies that the COM agrees with the importance of healthcare, tourism and culture and instead needs to be further convinced of the cross-border character, **Mr G EMES** gave the example of the project of Timis county and proudly stated that it does have a cross-border effect beneficial for Csongr ad-Csan ad county as well, similarly to the project presented by **Mr BOLOJAN**, as he was able to reach the meeting venue in 2:10 hours despite arriving from the farthest of all. He confirmed he would gladly visit Oradea anytime once that project is finished, then he gave the floor to **Ms CS OK ASI**.



Mrs Eszter CSÓKÁSI took the floor as she had some concrete remarks related to data currently available for the COM. She referred to a recent survey conducted by DG SANTE in the topic of examining the cross-border effects of the health care Directive 2011. Despite all efforts made, DG SANTE refused to analyse the Hungarian-Romanian border section because there had been no sufficient patient flow in the particular border area. **Mrs CSÓKÁSI** underlined she is having regular contact with hospitals in the county, therefore experiencing the large number of patients coming from Romania, consequently, she asked DG SANTE about the relevance of the information. The data (a relatively low number) have been received from the so-called national contact points but classified as not public. However, when doctors are asked about average patient flow, they usually say that approximately a couple of hundreds of patients per month are from Romania. **Mrs CSÓKÁSI** wanted to know whether all the remarks mentioned before in terms of cross-border health care effects are still relevant if DG SANTE has the official information of a relatively low level (including incorrect data) of cross-border patient flow. She questioned that in the lack of relevant reliable information on the above topic, COM might consider differently what the border area needs are in terms of health care developments. In this context, the 2 counties decided to complete the future joint strategic health care project of Timiș and Csongrád-Csanád with a pilot project, through which:

- 1) the real concrete figures of cross-border patient flow between the 2 counties are to be mapped;
- 2) by involving the national health insurance funds of the 2 countries, an accounting model is to be developed due to which the population of both counties could use the health care services on both sides of the border – the pilot sites of the project would be the ones where the investments are to be realised;
- 3) a network is to be created in which on-call medical health care services would be available in the direct border area;
- 4) the facilities of cross-border ambulance services would be extended.

In such a way, the COM would receive realistic cross-border data.

The other comment **Mrs CSÓKÁSI** added was in connection with the '50% allocation. She informed the participants that as a delegated member in 2 cross-border operational programmes for 16 years, she knows that the beneficiaries of Csongrád-Csanád county all completed and finished their strategic projects in the Hungary-Serbia Programme 1,5 years ago. In the 2 programmes the organisations running projects are nearly the same, which means that if the Hungary-Serbia Programme beneficiaries successfully completed their projects but they have not finished their Romania-Hungary Programme projects, it is not necessarily their fault. She emphasised that the COM should not take sanctions on the border area because of administrative burdens and difficulties required. The beneficiaries are indeed taking hard efforts to complete their projects. She

stated that the reason the COM does not recommend the 50% allocation due to the previously mentioned underperformance in figures and indicators in the phase of 2014-2020 is a sanctioning for the 8 counties – however, they are not to be blamed for it, their cooperation is excellent, have good project ideas, which they would like to continue in the future.

The last remark **Mrs CSÓKÁSI** made was that comment nr. 50 listed by the COM criticised the railway system to be developed between Szeged and Timișoara, the system must be guaranteed to be completed. She said there might be different COM opinions. In one Hungary-Serbia IPA Programme project, they developed the feasibility study for a cross-border railway line of 100 km; in the following project, an authorisation plan was made for a 40-km line, and then in a strategic project an authorisation plan was made for a 60-km line. The first section has been constructed, it is first expected to be used in August, all station buildings have been renovated; only the overhead cables are expected to be changed. She added that in the Hungary-Serbia IPA Programme the same project topic was realised and in that project, the COM did not ask for any justification, comment or guarantee – practically it is said to be one of the largest investments in nearly 100 years.

Mr Dan BĂLĂNESCU thanked **Mrs CSÓKÁSI** for the comments. He assured the participants that they (MA, NA, JS) would do everything to obtain maximum results from the projects as well as would welcome suggestions (via e-mail, phone, etc.) to changes that would help beneficiaries to implement their projects, especially future ones.

Ms Anna-Monika MODZELEWSKA thanked for receiving information on DG SANTE data especially because the criticism is in line with the one included in the report of EU Court of Auditors on indicators of INTERREG. She emphasised that there is a lack of reliable data in particular sectors. She informed the participants that COM is now developing something with the statistical offices of the member states, the results of which will be told later on. As regards the reliability of data on cross-border patient flow, she said that one of their experts indirectly confirmed that there is a lack of data and they would need additional information, which would be useful to share. DG SANTE also recommended finalising the mapping exercise. She confirmed that **Mrs CSÓKÁSI** was right in that sense.

Regarding the differences between the 2 operational programmes, **Ms MODZELEWSKA** firstly mentioned that Serbia is not a member state, which could be one of the reasons for the differences – however, she acknowledged the arguments. Regarding the issue of guarantee on the technical assistance, she mentioned the COM was very much criticised in the previous programming period about that, even had to make a lot of financial corrections in terms of projects financed from technical assistance, which were never delivered (a high number of studies prepared with large budget/feasibility studies financed but projects not implemented). She confirmed that the request for a guarantee is asked because of that – even if it seems legally not valid. She promised to come back

to this observation because it may be not proportionate in the current project, will take note on this comment because she needed to clarify on this with colleagues.

Mrs Eszter CSÓKÁSI added that she recently participated in a workshop on cross-border transportation where Slawomir Tokarski from DG Region encouraged cross-border regions to implement plans and feasibility studies from Interreg because due to their CBC character they cannot be financed from any other national funds.

Ms Anna-Monika MODZELEWSKA confirmed that this is truly a programme with a topic of cross-border intervention where complementarity with the mainstream programmes can be generated. All the works and documents for it can relatively easily be implemented. The question is not the eligibility but about the guarantee, and how the project will be implemented later on, it would be good to know if there are any mainstream programme funds secured or if the project will be put into the CEF.

Mr Dan BĂLĂNESCU thanked for the remarks and before the break gave the floor to BRECO Oradea, Ministry of Internal Affairs and Békés County.

Mrs Livia Banu addressed statements such as underperforming, not producing payments. She asked for the graph to be shared, including performance of the Programme compared to the other Interreg programmes. She doubted that underperformance is the proper word to use because the trend of spending is roughly similar to the rest of the Interreg programmes. The difference can be seen because the RO-HU Programme started 2 years later and this is not to be solved by changing/reducing the allocations for strategic projects. According to her, the prolonging discussions will lead to the same situation: starting late and being blamed for underperformance – however, it is not as such, the performance is the same, with a 2-year delay in time. She was worried that the same path would be followed but expecting different results.

Mr Dan BĂLĂNESCU gave the floor to the representative of Ministry of Internal Affairs Romania.

Ms Roxana MIHAI expressed her understanding in relation to COM's concerns on the proposed 50% allocations, justified by the current Programme's experience but noted that the PC members, also members of the current MC, knew all the aspects, yet considered that such allocation was necessary. The purpose of the meeting should not be a reduction of the allocation, nor of the number of proposed OSIs, but on measures to mitigate the possible risks, taking also into account the late start of current Programme implementation and the possible delays in the implementation of the future-one. She also underlined that despite the difficulties in the programming process, the PC members finally reached an agreement on the IP content, the 50% allocation and appendix 3 included, and all parties, and the COM as well, should try to identify solutions in that regard.

Ms Anna-Monika MODZELEWSKA took the floor and noted that she is representing the COM and accepts that the PC might have a different opinion from that of the COM. After the meeting, the PC members will formulate the answers to be officially sent to the COM. The letter should clearly explain the occurrence of the current situation, and the COM will re-assess the situation on the new basis.

Mr Dan BĂLĂNESCU emphasized that the present parties were all partners looking for solutions. The discussions were based on the letter sent to the programme bodies by the COM, and there are issues that had to be negotiated among each other. He recalled to the participants that no decision was envisaged to be made at the meeting. In the Programme's interest, the PC must provide clear answers to the COM's letter, the content of which should be agreed upon by all parties involved. The COM should be provided with an acceptable reply, in order to avoid further clarifications that would waste valuable time.

Mr Mihály ZALAI considered that the actual state of play of the current Programme shouldn't affect the OSIs proposed in Appendix 3, because, as **Ms BANU** also mentioned, the Programme's underperformance is mostly due to the 2-year delay in starting its implementation. The OSI proposals in the field of healthcare would ensure that the whole population of the area be impacted by such large investments, leading to the improvement of the living conditions and the fulfilment of Programme's indicators.

He also mentioned that the strategic project of Békés and Arad counties is still on hold since last year, as the MA didn't come up with any recommendation/solution which would help move forward with the implementation. For that reason, the implementation of the OSI proposal was even more crucial since the lack of implementation of the current strategic project negatively affects the two counties' populations.

In **Mr ZALAI's** opinion, the cross-border impact assessment of proposed OSIs is too early at present stage, more in-depth expertise has to be done. Békés county's healthcare project proposal is precisely in line with the objectives set by the COM and presented by **Ms. MODZELEWSKA**. The 8 counties understand and accept the COM's position, and they are ready for a compromise. He agreed with **Mr BOLOJAN's** proposal that the implementation of such projects should be very closely monitored, and that major delays should lead to the termination of the financing contracts and to the reallocation of related funds.

Mr ZALAI believes that adjusting the indicators connected to the 50% allocation rate should be set even higher and Programme bodies need to improve and outperform the performance indicators together. However, he proposes that this should be done without radically changing the Programme elements, but rather through the separate examination of each problem solved by targeted solutions.

Mr Dan BĂLĂNESCU proposed further consultations and brainstorming to speed up project planning and implementation, in order to avoid losing more time.

Ms Anna-Monika MODZELEWSKA confirmed there is no other addition and that the COM is aware of the agreements between parties, as well as of previous experiences not always proving to be effective.

Ms Nikoletta HORVÁTH thanked for everyone's contribution to the Programme document and to the COM's comments. She considered that parties must work together to solve all existing problems. Important changes are needed in the implementation processes. Examples of available good practices should be taken into account. Two aspects must be dealt with: preparedness and trust. Preparedness means that a faster, more efficient implementation process must be established. In terms of trust, a proper call for proposals and useful handbooks should be elaborated. In the future, programme bodies intend to change the previous custom and aim at making the MC part of the development of the calls for proposals. The presentation of OSI proposals may have been too early. With a short preparation time, the 2-3 pages of material cannot adequately present the strategic concept of a project with an implementation time of 2-3 years. On behalf of the Ministry of Foreign Affairs and Trade, Hungary, **Ms HORVÁTH** can offer the help of external experts to the counties in order to prepare proper documentation.

Ms Anna-Monika MODZELEWSKA underlined that Appendix 3 was created in order to identify operations that will serve for the communication and promotion. Since the current Programme already has strategic projects, it is clearly understood that parties would like to continue the logic of such projects. The dialogue for finding solutions to the previously mentioned misinterpretations and/or differences of opinions should continue.

Mr Dan BĂLĂNESCU thanked for the comments and announced a half-hour technical break.

Conclusions:

After the technical break, **Mr Dan BĂLĂNESCU** resumed the meeting and pointed out that COM's Official Letter on the IP content was the basis for the negotiation process, the starting point for IP revision. Thus, in relation to the up to 50% allocation of the Programme's ERDF budget for OSIs, a thorough analysis comprising all pertinent arguments presented by PC members during the meeting, to support and justify such allocation, would be officially forwarded to the COM, on the occasion of answering the Official Letter. **Mr BĂLĂNESCU** assured the PC members they would all be involved in the process of preparing the answers to COM's comments. He further gave the floor to Mrs Monica TEREAN, to present the technicalities related to Appendix 3.

Mrs Monica TEREAN explained that in order to address the COM's concerns in relation to certain OSIs as not being fully compliant with the overall Interreg objective at the current stage, the support of external experts would be requested. The experts will be asked to prepare the necessary supporting documents proving OSIs' cross-border

relevance at the regional level, especially for those under development in the cultural and healthcare fields. The PC members will be kindly asked to provide the experts with all relevant information in this regard, and their support will be requested in approving the intermediate results of the analyses to be performed and the final versions of the said documents that will become part of the IP.

Mr Dan BĂLĂNESCU underlined once again that the IP revision and the elaboration of answers to COM's comments would be a common effort of all parties involved. The other points on the 5th PC Meeting Agenda would be postponed and dealt with within a future physical/online meeting, or through a written procedure. He invited the COM's representative and any of the participants to take the floor if they wished to.

Ms Anna-Monika MODZELEWSKA thanked the participants for attending the meeting and for the opportunity to discuss important aspects related to Appendix 3. She summarized the steps to be further undertaken:

- drafting and submitting to the COM the conclusions of the 5th PC Meeting;
- presenting the relevant arguments for preserving the proposed up to 50% ERDF allocation for OSIs (e.g. the net value for the money as opposed to the current period, the actual reasons, etc);
- setting up a proper mechanism, in line with COM's recommendations, regarding the control-points in OSIs implementation, with clear/firm due-date;
- conditions to mitigate the decommitment risk to be included in the assessment criteria and financing contracts (at a later stage);
- developing at the Programme level the 2 documents related to the culture and healthcare sectors, with the support of external experts, aimed at enhancing the scope of relevant OSIs and making them more in line with the COM's expectations. The finalization of the documents will not be a pre-requirement for the IP re-submission, yet a clear commitment in relation to such documents should be assumed, as they will be uploaded to the SFC and become part of the IP;
- the proposed up to 50% ERDF allocation to the OSIs needs to be consulted with the COM; this should be done in the context of written correspondence. An agreement with the COM on the OSIs and related allocation has to be reached as soon as possible, so the programming experts (after further consultation with the PC members) be able to prepare the answers and revise the IP, especially in terms of performance framework and adjusted indicators.

Mr Dan BĂLĂNESCU closed the meeting by thanking the participants for their attendance and contributions. He also addressed special thanks to **Ms MODZELEWSKA**, who, in turn, expressed her understanding of the PC members' position and stated that the strong arguments presented during the meeting deserve proper attention. **Mr**

BĂLĂNESCU reassured the participants that MA would keep close cooperation with the PC members in relation to IP revision.

The proposed allocation for the OSIs of up to 50% of the total Programme budget should be kept and duly justified.

Appendix 3 to the IP should remain unchanged; further supporting documents proving OSI's CBC relevance at the regional level (especially of those to be submitted under culture and healthcare fields) will be developed within a clear deadline, uploaded to SFC and become part of the IP. The supporting documents will not represent a prerequisite for IP resubmission.

The IP is going to be revised and the answers to COM's letter be prepared.

Synthesis of the 5th PC meeting

During the 5th PC meeting, no decision was made.

Further discussions/meetings are envisaged in order to reach an agreement on the approach to revising the IP and on the answers to be sent as a reply to COM's Official Letter