

## METHODOLOGY ON HOW TO USE AVAILABLE ERDF IN THE CONTEXT OF THE INTERREG V-A ROMANIA – HUNGARY PROGRAMME

### CONTEXT

Interreg V-A Romania – Hungary Programme is closing on December 31<sup>st</sup>, 2023. Following contracting and implementation of 60 (out of 100) selected projects, ERDF funding has become available and shall be used according to the legal and procedural framework in force, transparently and efficiently, so that to ensure the best possible performances of the Programme.

Situation of available ERDF is presented in **Annex 1. ROHU ERDF**, as it is in September 2022. Nevertheless, this paper is intended to set the general methodology for using any available ERDF, until the end of the Programme implementation, conditioned by the Monitoring Committee<sup>1</sup> approval. Annex 1 will be updated continuously, according to further occurrence of available funding, as the case may be

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### THE PROCEDURAL AND LEGAL FRAMEWORK

The **Memorandum of Implementation (MoI)** signed by the Member States (MSs) on 9<sup>th</sup> of October 2017 (amended February, 2020), provides that “funds may be over-contracted for projects under an Open Call for Proposals (CfP), up to 110%, from the beginning of the Programme’s implementation, based on the Monitoring Committee decision for selection of operations, under each Open Call for Proposals”.

Following such provision and based on agreed methodology for over-contracting, an amount of 4.815.279,36 mil euro has been committed to projects (as presented in Annex 1\_ROHU ERDF, under each scenario, as Step 1) selected under the open calls. Consequently, the **methodology<sup>2</sup> of over-contracting for projects within the Open Call for Proposals** provides – under section 3.5 - special measures to be implemented in case **unused ERDF becomes available**:

*Step 1 In case unused ERDF becomes available, it will be prevalently used in the framework of each Ip, respectively PA, in the ranking order of the over-contracted projects.*

<sup>1</sup> As provided by the EU Regulation 1303/2013 and the MC Rules of Procedures for Interreg V-A ROHU

<sup>2</sup> Annex 2\_Methodology of over-contracting within the open calls for proposals

*Step 2* After exploiting possibilities in step 1 and there are insufficient/no savings under a certain Ip/PA for covering the related over-contracted projects, but unused ERDF becomes available under others, reallocation will be possible, following Cooperation Programme modification (if the case).

The ranking order shall be the basis for awarding the reallocated ERDF, meaning that best scored over-contracted projects will be funded/covered first.

A dedicated sole ranking list (presented in Annex 1\_ROHU ERDF) shall be drafted in this regard, gathering all over-contracted projects that haven't been already covered under Step 1 hereinabove. In case of equal total scores, the algorithm provided by the methodology (please see Step 1.1, point 3.2) will be applied.

In case of need, a revised version of the Cooperation Programme, regarding reallocation of unused ERDF between Priority Axis shall be submitted to the European Commission for approval, at least 6 months before December 31<sup>st</sup> 2023, or as provided by the relevant legislation in force. Following such approval, unused ERDF will be awarded to over-contracted projects, as stipulated in Step 2 under point 3.5.

According to **REGULATION (EU) 2020/460<sup>3</sup>**, the Member State may transfer during the programming period an amount of up to **8 % of the allocation as of 1 February 2020 of a priority and no more than 4 % of the programme budget to another priority of the same Fund of the same programme**. Such transfers shall not affect previous years. They shall be considered to be not substantial and shall not require a decision of the Commission amending the programme. They shall however comply with all regulatory requirements and shall be approved by the monitoring committee in advance. The Member State shall notify the revised financial tables to the Commission.

**The eligibility rules<sup>4</sup>** under Interreg V-A Romania-Hungary Programme set maximum ceilings for the ERDF funding, therefore the unused/saved ERDF shall be provided to projects under implementation up to the limits (maximum amounts to be committed to running projects are calculated in Annex 1\_ROHU ERDF) regulated by the relevant call for proposal for each Priority Axis/Investment priority:

FLAGSHIP PROJECTS*		NORMAL PROJECTS	
Investment priorities 6/c, Ip 7/b, Ip 9/a	€ 11,815,000.00 / project	Investment priorities 5/b, 6/b, Ip 6/c, Ip 7/b, Ip 7/c, Ip 8/b, Ip 9/a	€ 2,550,000.00 / project
Investment priorities 7/c, 8/b	€ 8,360,918.00 / project	Investment priority 11b/1	€ 340,000.00 / project
		Investment priority 11b/2	€ 68,000.00 / project

<sup>3</sup> **OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 30 March 2020 amending Regulations (EU) No 1301/2013, (EU) No 1303/2013 and (EU) No 508/2014 as regards specific measures to mobilise investments in the healthcare systems of Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative)** for the programmes supported by the ERDF, Cohesion Fund and ESF

<sup>4</sup> <https://interreg-rohu.eu/en/closed-calls/>

<p>* In line with the requirements provided for in the Commission' "Aide Memoire on the strategy, management, financial &amp; control arrangements" for ETC programmes, a maximum of 50% ERDF allocation may be made available for Flagship projects.</p>		
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## METHOD

Given the procedural framework (i.e. the Memorandum of Implementation) the over-contracted projects are to be provided with available ERDF first.

Given the timeframe left until the end of the programming period, the rest of any additional funding is to be provided **only to projects currently under implementation**, conditioned by proper justification. Thus, with respect to the eligibility rules, current beneficiaries might be called to submit (until a set deadline) requests for additional funding up to the maximum ERDF threshold, targeting:

1. increased costs for activities implemented or being implemented in the context of their projects (e.g. costs are higher, may have increased and/or have not been covered by the approved project budget, etc.);
2. costs related to additional activities, to be further implemented, complementary to the project work plan and directly contributing to the projects goal/objectives/results/indicators.

Given the social and economic context affecting projects under implementation, facing pandemic restrictions, prices increase and other related challenges, it is of utmost importance to support projects to compensate such unforeseen circumstances.

Monitoring Committee will decide upon the best funding scenario, considering:

- ✓ transparency and equal treatment, making sure all interested parties have access to the public funding;
- ✓ Programme's overall performance, specifically the output and results indicators and the absorption rate.

## STEPS OF THE PROCESS

- 1) MC approves the present methodology and funding scenario;
- 2) JS calls projects to submit requests for additional funding;
- 3) Projects submit requests for additional funding, using provided template herein included;
- 4) JS verifies requests submitted and puts together a list, comprising all relevant elements for decision for funding (who, what, how much, when, why);
- 5) MC decides upon projects to receive additional funding;
- 6) JS prepares Addenda for selected projects.

It is expected that not all requests will be approved for funding, mainly due to limited available ERDF. Therefore, any approved request will remain on a reserve list and will be called upon occurrence of additional available ERDF.

Such approach will allow projects to be reimbursed for additional costs planned, committed or already made and/or to implement additional activities during entire year of 2023.

**REQUEST FOR ADDITIONAL FUNDING**  
**under Interreg V-A Romania-Hungary Programme**  
**(template)**

**1. WHO**

Project code:

Partner(s) requesting the additional funding:

**2. HOW MUCH**

Amount requested (EUR) / partner:

**3. WHAT FOR**

Activities under implementation or performed / foreseen for which additional funding is requested:

Results and deliverables directly achieved by the additional funding / activities:

**4. WHY**

Justification in the context of the overall performance of the project:

**5. WHEN**

Envisaged timeframe

**6. SUPPORTING DOCUMENTS/DATA**

(e.g., result of a public procurement, addenda to works/equipment/services contracts following increase of costs, Covid-19 and other exceptional/unforeseen situations generating extra costs, market price cost estimation, surveys, etc.)

**PRIORITISATION AND SELECTION CRITERIA**

The Joint Secretariat will prioritize the AFRs, to facilitate the MC decision on selection with a view to maximizing the contribution of Union funding towards the achievement of objectives of the Programme, using the following criteria:

**Mandatory:**

1. The type of costs is eligible (reference to question 2 and 3)

Note: The type of costs included in the Additional funding request (AFR) should be in line with the relevant GfA and Programme general rules on eligibility of expenditure (Annex III to GfA), directly contributing to the project goal/objectives/results/indicators.

2. The amount is realistic, cost-effective, and justified (reference to question 4 and 6)

Note: The AFR should be accompanied by supporting documents, such as invoices, public procurement documentation, addenda to works/ equipment/services contracts following increase of costs, Covid-19 and/or other exceptional/unforeseen situations generating extra costs, market price cost estimation, surveys, etc.

3. The timeframe is within the Programme's implementation period (i.e., until 31 December 2023, at the latest) and the planning is realistic, based on information provided (reference to question 5)

Note: Each AFR should provide information on the envisaged timeframe. Priority will be given to AFRs with the shortest planned timeframe.

**General:**

The technical and financial progress of the project.

Note: The project implementation status up-to-date will be taken into consideration. Priority will be given to projects proving a sound project management.

**Prioritization:**

1. Additional funding is necessary to cover the remaining parts of invoices/activities originally planned and reported under the project, which could not or could only be reimbursed partially due to the limited financial allocation of the affected budget line

Note: Only invoices solely connected to the project, where increase of prices and the limited financial allocation in the budget hindered the 100% reimbursement under the relevant ROHU project.

2. Additional funding is necessary to continue the activities and/or maintain the results of the project effectively in the follow-up/sustainability period with the possibility to introduce new activities

**The Monitoring Committee will select the projects to receive additional ERDF funding, considering the prioritization provided and based on the following selection criteria:**

1. The balanced impact of funding in the Programme area
2. The source of the available ERDF, originally dedicated to Open/Restrictive Calls (share in %) or as decided by the Monitoring Committee.