

Interreg-IPA CBC Hungary-Serbia

Minutes of the 2nd meeting of the Programming Committee

LOGISTICAL DATA

Date: 17 September 2020

Time: 10:00 AM

Venue: Online meeting

LIST OF PARTICIPANTS

Name	Institution	Function in PC
Ms Joanna Kirylo	European Commission, DG REGIO	Advisor, EC
Ms Magali Lenoel	European Commission, DG REGIO	Observer, EC
Ms Nikoletta Horváth	Ministry of Foreign Affairs and Trade – Managing Authority, Hungary	Deputy Member
Mr Mihajilo Dašić	Ministry of European Integration, National Authority, Serbia	Member, Co-Chair
Ms Valentina Vidović	Ministry of European Integration, National Authority, Serbia	Deputy Member
Ms Sanda Šimić	Ministry of European Integration, National Authority, Serbia	Advisor
Ms Katarina Ginić	Ministry of European Integration, National Authority, Serbia	National Authority
Ms Borbála Bogán	Ministry of Foreign Affairs and Trade – Managing Authority, Hungary	Managing Authority
Ms Dóra Dékány	Ministry of Foreign Affairs and Trade – Managing Authority, Hungary	Deputy Member
Mr Viktor Oroszi	Ministry of Foreign Affairs and Trade Budapest; EU Strategy for the Danube Region	Member
Ms Ágota Józán	Bács-Kiskun County, Hungary	Member
Mr Béla Hegyesi	Ministry of Finance	Member
Ms Eszter Csókási	Csongrád County, Hungary	Member
Mr Zoltán Nógrádi	Csongrád County Council	Deputy Member
Ms Aleksandra Vukmirović	Standing Conference of Towns and Municipalities	Member
Mr Siniša Trkulja	Ministry of construction, transport and infrastructure	Member
Ms Tijana Živanović Milić	Ministry of construction, transport and infrastructure	Deputy Member
Ms Jelena Vasiljević	Chamber of Commerce and Industry of Serbia	Member
Ms Ana Hamović	Chamber of Commerce and Industry of Serbia	Deputy member
Mr Vladimir Obućina	Government of Autonomous Province of Vojvodina	Deputy Member
Ms Jasmina Radonjić	Ministry of Construction, Transport and Infrastructure, Serbia	Deputy Member
Mr Endre Balaša	Regional Developmental Agency PANONREG	Advisor

Ms Jelena Radoman Ilić	Developmental Agency Serbia	Deputy Advisor
Ms Irena Živković	Regional Center for Socio-Economic Development "Banat"	Advisor
Mr Branislav Milosav	Regional Center for Socio-Economic Development "Banat"	Deputy Advisor
Ms Nikica Rodin	Statistical Office of the Republic of Serbia	Deputy Advisor
Mr Richárd Gönczi	SZPO Hungary	Deputy Member
Mr Gyula Ocskay	CESCI	External expert
Ms Kitti Dubniczki	CESCI	External expert
Mr Andor Végh	CESCI	External expert
Mr János Halász	Joint Secretariat, Interreg-IPA CBC Hungary- Serbia, SZPO Hungary	Joint Secretariat
Mr Dejan Vujinović	Joint Secretariat Antenna, Interreg-IPA CBC Hungary-Serbia, Subotica	JS Antenna

AGENDA

- 10:00-10:10 Introduction, Approval of the Agenda
- 10:10-11:20 Discussion and decision regarding the territorial analysis carried out for the Programme
- 11:20-12:00 Status of EU legislation process
- 13:00-13:30 Proposal and discussion regarding next steps
- 13:30-14:00 AOB

MORNING SESSION

On behalf of the Ministry of Foreign Affairs and Trade, Hungary, acting as the Managing Authority (MA) of the Interreg-IPA Cross-border Cooperation Hungary-Serbia Programme, **Ms Nikoletta Horváth deputy head of the Managing Authority, Co-chairperson of the meeting** welcomes the participants of the Programming Committee (PC) to its second meeting.

The other Co-chairperson of the meeting was **Mr Mihajilo Dašić, Assistant minister from the Ministry of European Integration of the Government of the Republic of Serbia – the Serbian National Authority (NA)**, in charge of the cross-border and transnational cooperation programmes. **Mr Dašić** continues with his welcome speech.

Ms Joanna Kirylo, the Desk officer of the European Commission, responsible for the current programme, also introduces herself to the PC and offers to share some best practices related to programming.

After the welcome speeches, it is concluded that the quorum is met.

The PC approves the agenda.

Mr Ocskay presents the territorial analysis. At the end of the presentation he emphasizes that the cooperation programme will contain only a very short summary of the analysis and draws the attention that CESCOI needs 2-3 weeks to incorporate possible comments into the document.

Ms Simić shares how impressed the Serbian National Authority is with the work of CESCOI. She also mentions that although the relaunch of the process, which was necessary because of the lack of involvement of the NA in the first round, might have caused a bit of delay, now it is proven how beneficial it was for the final result. Ms Simić considers the analysis the best so far, especially since the topic of functional areas was added in the best possible way. The content can be a very good basis for the programming of the next period as well as for the future financial perspective after 2027, because of the elaboration of functional areas and this kind of focusing to the interventions to specific areas and needs.

Ms Horváth agrees with **Ms Simić** that now we are scratching the surface of functional area topic, and we have time to figure out what should be done in the future perspective, based on these bricks. The process is long and evolving and now we are making the foundation of the whole system.

Ms Kirylo fully shares the comment that the analysis is excellent and can be used as a best practice example to other programmes. She mentions that the functional area concept is also new for the Commission, but the way CESCOI elaborated the topic might be the best possible solution, which can help other programmes and stakeholders to better understand the concept of functional areas. **Ms Kirylo** explains that the importance of functional areas is present not only in planning, but in the implementation as well, because if a programme does not have common issues then it is difficult to have robust and genuine partnerships or projects answering adequately the needs of the region.

Ms Horváth shares one more feedback relating to the presentation, namely, that we could have the feeling that we still do not really run with the POs selection. She explains that in the initial Commission legislative proposal (at the time of consultations) *the culture and tourism* were explicitly mentioned under PO5. However, the situation has evolved and now other possibilities of funding tourism and cultural heritage are under negotiations and interpretation. That is why **Ms Horváth** asks **Ms Kirylo** to provide all the possible information relating to these interpretations so we can narrow down the POs to be considered during the planning.

Mr Ocskay thanks the compliments received from **Ms Kiryllo** and **Ms Simić** and says that criticism indeed helped the performance. He mentions his concerns as he can see certain shortcomings, that are general in Europe, because there are no data available on cross-border flows. It means that for territorial, economic and social cohesion the territorial assets are what can be analysed, but there is no access to data on labour mobility, student mobility, health mobility. **Mr Ocskay** says that CESC is ready to deliver a separate study on the approach used to elaborate the functional area topic if it can be useful for the Commission. He also mentions that sharing the document is certainly possible but only after the proofreading.

Mr Horváth hopes that by the time of selection of the POs during the preparation of Chapter 2, we will have a clear picture on the requirements of PO4 and PO5 in terms of EU legislation.

Ms Kiryllo mentions that nothing is decided at the moment, so information she can give is only to get a picture of how the negotiations are going. She informs the PC that there are no changes in PO1 and PO3, PO2 is compulsory for every programme and PO4 will most probably be compulsory for CBC programmes. The big change is that a fifth specific objective is introduced under PO4, which is *enhancing the role of culture and tourism in economic development, social inclusion and social innovation*. Infrastructure should be eligible under this specific objective. In addition, specific objectives (I-X) mentioned in article 4 of the ESF regulation should also apply to the Interreg programmes. Regarding PO5, she continues, there are lively discussions on the interpretation of how it should be implemented. **Ms Kiryllo** also explains that there are no changes in ISO 1, but in case of ISO 2 it is to be confirmed whether it will include *the protection and economic and social integration of third country nationals including migrants*. She adds that currently the EU Council proposes the insertion of the Recital in ERDF/CF regulation (10a) Investments supporting the creative and cultural industries, cultural services and cultural heritage sites could be financed under any policy objective provided that they contribute to the specific objectives and that they fall within the scope of support from the ERDF.

Ms Horváth remarks that based on the current interpretation the restriction for thematic objectives to Interreg the PO2 does not apply.

Ms Kiryllo says that from legal point of view it is the initial legislative proposal of Commission that is binding.

Ms Simić asks **Ms Kiryllo** what the situation is with ISO 2? She explains that it would not be good to choose POs now as we are lacking much information, which makes the selection risky. She refers to what **Mr Ocskay** mentioned relating to the accessibility of data on cross border flow, as the NA is also struggling because of these missing data. Additionally, there are spatial planning institutions that are rarely dealing with cross-border planning; however, the concept of cross-border planning should be better embedded into our systems. As a reflection to **Mr Ocskay's** words, **Ms Simić** suggests thinking about establishing a cross-border institute under ISO 1 depending on how the second phase is going. She repeats that the paper is good enough to serve as a basis for future planning.

Ms Horváth shares the idea that if there are gaps identified in the territorial analysis and we have the tool to make our reaction then why not, but it might come in a later stage when discussing programme strategies and POs. **Ms Horváth** invites the members to express their comments.

Mr Gönczi shares the opinion of the Authorities and the Commission, as he is very satisfied with the content of the analysis. He remarks that the terminology 'eligible area' shall not be used in the document. He agrees with **Ms Simić** that due to the uncertainties the selection of POs would be too early now. **Mr Gönczi** confirms the interpretation of compulsory POs mentioned by **Ms Horvath**. He also explains that there is still no common understanding whether applying ISO 1 and ISO 2 are

compulsory when planning the programme documentation. according to the latest state of the art we are aware. He expresses uncertainty regarding the 85 % co-financing rate and the Serbian EU accession that can influence the programme implementation, because of the IPA/ERDF shift. **Mr Gönczi** mentions the disappointment because of the latest news on the serious decrease of budget in the HU national Interreg envelope, which is also a factor of uncertainty. He expresses uncertainty regarding the 85 % co-financing rate and the Serbian EU accession that can influence the programme implementation. **Mr Gönczi** mentions the disappointment because of the latest news on the serious decrease of Interreg budget.

Ms Kirylo explains that wording of ISO2 is now 'may' contribute, so it is not compulsory. She also informs the PC that there is an agreement between the Council and the Parliament that PO4 should be compulsory for CBC programmes, but this is still under discussion. By mid-October we should know how the Interreg regulation will look like. As in the Interreg regulation there are some cross-references to other regulations, we should wait for all the relevant legal documents to be agreed upon, to have some legal certainty. This should happen by mid-November. **Ms Kirylo** suggest addressing the MFF group with the concern relating to the Interreg 'envelope'. **Ms Kirylo** offers that she asks other programmes if they faced the same problems of data on cross-border flow how they could tackle it.

Ms Radonjić says that the transport connections are well covered in the analysis. She agrees with the conclusions that this programme cannot tackle certain obstacles and even though there is a need for large transport infrastructures, it cannot be financed by the programme. She emphasizes the importance of river transport. To this chapter the comments were sent to the national authorities. She joins to the mentioned concerns relating to data on cross-border flows, as it applies to cross-border goods as well.

Ms Horváth confirms that all the comments are or will be channelled to CESC that will incorporate them into the document.

Mr Oroszi is also satisfied with the content of the analysis. However, he mentions that the river cruises and riverine passenger transport was not really mentioned, it was only the Danubian freight transport highlighted. He mentions that the so called DAVID forms in control procedures that should also be mentioned in the analysis since it was introduced by Hungary and Serbia in the first phase. The adoption of the Hungarian Port Development Master Plan should also be mentioned. In Chapter 5.1.3 the EUSDR related embedding procedure should appear as well as the priority list of the new EUSDR actions. Regarding the identified challenges (in chapter 7.2) several EUSDR initiatives could be connected like the Joint Programme of Measures of the Integrated Tisza River Basin Management Plan, the activities of the EUSDR PA5 Disaster Management Working Group, the mapped deep geothermal energy potential of the border region thanks to the DARLINGe project.

Ms Csókási also congratulates to CESC and considers the analysis very detailed. Minor comments were already sent to CESC. She asks whether it is known already how much the approximate budget is for the next programming period.

Ms Živanović supports all the compliments to the preparation of the document emphasizing that it is very balanced between the two sides of the border. She adds that the chapter of EGTC is very well elaborated. However, a few clarifications were already sent to the National Authority of Serbia for consideration. Namely, certain documents are not mentioned, such as the Territorial Agenda and the Urban Agenda of the European Union. Another remark is the social challenges on maps and data, because on the maps it is not the same territorial level that has been analysed in Hungary and in Serbia. A third remark is to propose to change the footnote relating the national spatial plan.

Mr Trkulja stresses the importance of the special purpose area plans. 14 of them are about infrastructure that relates to PO3, 2 of them are about waterways and 12 spatial plans are for natural protected sites and 2 for cultural protected sites. He draws the attention to take these plans into account. He explains that these are some kinds of functional areas.

Ms Vukmirović agrees that the analysis is very comprehensive. She mentions subchapter of people to people topic about partner settlements contains that twinning co-operations can be made between settlements and not municipalities. According to the legislation, only municipalities are entitled to form official co-operations that should be pointed out here, because it changes the idea of creating these co-operations. Another remark is that clear distinction needs to be made between municipalities, cities and towns.

Ms Horváth thanks for the valuable inputs. Replying to **Ms Csókási's** question she mentions that based on the unofficial calculation the decrease might be 30-35 %, which is very disappointing.

Mr Ocskay thanks for the suggestions and asks for comments in written that can be much more precise and the detailed information could help a lot in the finalisation. **Mr Ocskay**, reflecting to the cross-border flows issue, mentions that the flow of goods is known only at national level. He adds that in many cases, the data availability depends on Interreg A projects, which needs financing and once a project terminates the continuation is not ensured. He explains, replying to **Ms Živanović** that the different level of observations is because many data are not available at the same level. **Mr Ocskay** continues that the size of the document might be inspiring to include all the plans and documents that are available, but it is important to see that many of them do not have cross-border impact. Only those documents and plans with cross-border impact are relevant to the analysis.

Ms Horváth confirms **Mr Ocskay's** request that the comments need to be sent via e-mail. **Ms Horváth** declares that the territorial analysis is approved by the Programming Committee with the following condition: the comments should be sent by Monday (21 September 2020), then the final document will be proofread by CESCO. She asks the members whether they agree that once the final document is prepared by CESCO, it will be sent to the PC for information. No objections are signalled.

Ms Simić confirms that the territorial analysis is approved conditionally.

Decision no.5/2020 (17.09) – The PC conditionally approves Territorial Analysis.

Ms Horváth summarises the topics mentioned throughout the meeting and gives the floor to the members if there are any further comments

Ms Kirylo mentions that as of today the 85% co-financing rate is still applicable. She also explains how tourism and cultural heritage related projects can be implemented under the POs with presenting examples.

1. PO4 and PO5 but also
2. PO1, PO2, PO3 and ISOs- in these cases:
 - a. the prime impact of the projects would not be on tourism and/ or cultural heritage but on the objective of the PO;
 - b. in addition, under these POs, it is not possible to earmark funds for tourism and cultural heritage;
 - c. and no specific calls can be planned (applicants would compete against other projects contributing to the specific objective).

PO1 - a **Smarter Europe**: innovation in tourism and cultural heritage, creative industries (where this is part of the smart specialisation strategy), digitisation of cultural heritage, etc.;

PO2 - a **Greener, carbon free Europe**: protection of natural sites for ecotourism, energy efficiency of tourism buildings;

PO3 - a more **Connected Europe**: transport infrastructure that contributes to tourism capacity and accessibility;

She also informs the PC about how other programmes progressing with the programme planning and mentions that the HU-SRB programme is performing very well.

Ms Simić thanks **Ms Kirylo** for all the information that she continuously provides to the Programme, which are very important and useful for the authorities.

Ms Horváth informs the PC on the next steps. She explains that PraG procedure is ongoing relating to the tender for writing Chapter 2 (programme document). She talks about Hungary-Slovakia Programme, namely that the planning of that programme is already in a more advanced level. Based on experience the conclusion is that even the experts who are drafting the programme strategy have to go to the field and make the same consultations. Therefore, in order to make the clear distinction between scope and activity the territorial analysis should be considered as final and further consultations will be made by the next expert team respecting the partnership principle approach. She proposes that once the territorial analysis is final it can be published and disseminated and when the expert team will be available after the PraG procedure, it will initiate consultations with the region. This way parallel processes, like duplication in consultations, can be avoided, but still the principles can be respected. She also asks for agreement on two technical changes to ToR of Chapter 2 (relative to/regarding functional areas and online interviews).

Ms Simić thanks for the information and supports the proposal and the fine-tuning of the territorial analysis.

As there were no further comments **Ms Horváth** concludes the 2nd PC.