

Technical assistance in Interreg in 2021-2027: all you need to know

Factsheet

May 2022



What is technical assistance?

Technical assistance (TA) is designed to finance the programme's management and implementation structures. For instance, it employs all programme staff; finances programme processes for administration; monitoring, evaluation, and communication activities; audit and control; activities of national contact points, if existing, etc. To summarize, TA covers all costs incurred by different programme bodies for the management and administration of the programme.

Why are we discussing it?

TA is part of the overall programme budget and is crucial for successful programme implementation. Each programme needs to budget TA in Table 8 under point 3, financing plan, Annex Template for Interreg programmes of the Regulation (EU) 2021/1059 (Interreg Regulation). It is reflected under the EU contribution part (column a2) and is not reflected under the breakdown of the national counterpart. Having said that, national co-financing for the TA is also expected by the EC, considering the cooperation character of Interreg programmes (i.e., TA should not be co-financed at 100%).

There are certain peculiarities when it comes to how the amount of the TA is calculated and reimbursed. In the 2021-2027 period, TA is reimbursed as a flat rate which is applied to the eligible expenditure included in the payment applications to the EC. Depending on the Interreg programme strand (internal or external cross-border, transnational, interregional programmes) and the programme budget size, different percentages of the flat rate are set out (see more in the next section).

Since reimbursement of the TA is directly linked to the project's implementation, to estimate the amount of the TA which a programme can theoretically get, one has to account for different scenarios of the programme's spending rate (e.g., 100%, 95%, 85% spending and so on). This also means that the final amount of the TA that the programme receives is only known ex-post (i.e., once the programme implementation has come to an end). It will also depend on the final project spending rate and can be impacted by the corrections of the project expenditure (since TA is a flat rate, where basis costs are the projects' expenditures submitted to the EC).

It is, thus, very important for programmes to do careful TA budgeting (depending on different programme spending scenarios), and close monitoring (further TA

commitments should be done only when there is a high certainty of the upcoming project spending). In case of irregular amounts found because of audits and/ or national checks during management verifications, corrected amounts should be reused in another operation(s) (since TA as such is not an operation and recommitment is possible).

Legal framework and TA novelties in the 2021-2027 programming period

In the 2014-2020 programming period, TA was an individual priority axis, along with other “content”-related priority axes. In the 2021-2027 period, TA is no longer a separate priority axis, it is part of the financial allocation of each priority (i.e., it is still part of the overall programme budget, but is simply not an individual priority axis as such).

Article 27 of the Interreg Regulation provides details on the TA flat rate percentage for different strands of Interreg programmes, as well as details on how the calculation of the TA amount should be done.

The percentage of the TA flat rate varies depending on the Interreg strand and programme budget size (and is applied to the ERDF contribution and the external financing instruments of the Union, where relevant):

- internal Interreg CBC programmes (strand A): 7%,
- external IPA-III CBC, NDICI-CBC, strand B programmes with ERDF support 50% or less, strand D programmes – 10%,
- strand B programmes (transnational) with ERDF support of more than 50%, strand C programmes (interregional) – 8%,
- for Interreg programmes with total ERDF allocation between EUR 30M and EUR 50M – an additional amount of EUR 500 000 is added to the amount resulting from the respective % of the flat rate,
- for Interreg programmes with total ERDF below EUR 30M, the amount of the TA and the resulting percentage is fixed in the EC decision approving the programme.

Additional EUR 500 000 are granted to Interreg programmes where **ERDF allocation** is between EUR 30M and 50M - not the programme’s total budget, especially in the case of IPA III programmes and NDICI programmes, where the budget is composed of ERDF and external financing instruments of the Union. For example, if we have an IPA III programme with an ERDF share of EUR 16M and an IPA III fund of EUR 16M, such a programme will not be entitled to the additional EUR 500 000, since its ERDF share is not within the range (EUR 30M and 50M), but below EUR 30M. In this case, point (5) of Article 27 of the Interreg Regulation will apply (the amount needed for TA will be expressed in EUR and the resulting percentage will be fixed in the Commission decision approving the Interreg programme concerned pursuant to Article 18).

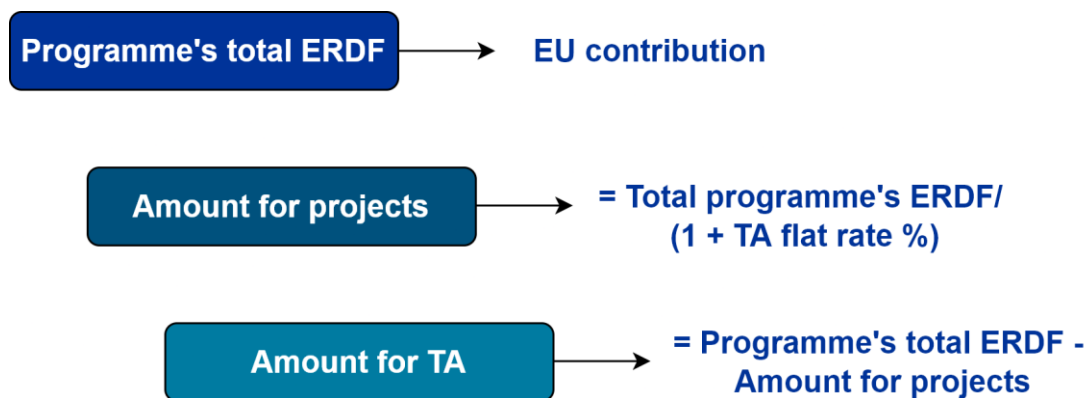
Budgeting of the TA

TA amount is calculated as a percentage of the reimbursed expenditure, and is, thus, not a fixed percentage of the programme's budget. In practice, this means that if the programme's TA is 8%, it does not translate into 92% of the programme's budget available for projects and 8% available for TA.

Since the programme will know the exact amount of the TA only at the end of the programme implementation, it is purely a theoretical exercise to estimate the amount of the TA within the programme's budget. It should be done following these steps (for demonstration purposes, below an Interreg programme with a total programme budget above EUR 50m is used).

Steps to calculate your TA amount

1. From the programme's total ERDF (or the ERDF contribution and the external financing instruments of the Union where relevant), calculate the amount of ERDF for projects = Programme's total ERDF / (1 + % of the flat rate);
2. Calculate the amount available for the TA = Programme's total ERDF (or the ERDF contribution and the external financing instruments of the Union where relevant) - Amount available for projects (received in Step 1);
3. Financial allocation per programme's priority (policy objective) should then be composed of the amount for projects and the percentage of the flat rate for TA.



Programmes should then apply the percentage of EU co-financing rate and national co-financing (for estimated amounts for both projects and TA) to calculate totals (EU and national co-financing) available for projects and TA financing. To make these calculations easier, Interact has prepared a [TA calculator](#) (with references to the respective fields of Table 8 of Annex to the Interreg Regulation to help you fill it in). It is available for both Interreg programmes with a budget above and below EUR 50M (in case of a budget between EUR 30M and EUR 50M, an additional amount of EUR 500 000 to the flat rate amount of the TA is foreseen - see below under **Question 8**).

This calculator can be used by all Interreg programmes, including NDICI and IPA III programmes.

By default, the calculator has 4 priorities. If you need to add more priorities or if you want to have an unprotected version of the file, please contact Luliia Kauk at Luliia.Kauk@interact-eu.net.



Practical advice: Amounts for TA (Table 8 of the Interreg Regulation, columns a1 and a2) should be filled as integers (amounts with no decimals). The practical solution could be to round down the amounts for TA you will receive when you use the TA calculator (not to exceed the percentage of the TA as set out in the Regulations).

Commonly asked questions

1. What are the advantages of the TA flat rate in the 2021-2027 programming period?

First of all, as it is a flat rate; i.e., a simplified cost option, it is a significant simplification in terms of no need for the checks of the underlying expenditure (i.e., costs covered by the TA should not be checked as it is a flat rate). Only basis costs (in the case of TA, it is all projects' expenditures) are to be controlled. Thus, it brings a significant reduction in time and efforts needed to verify TA expenditure. However, even though TA is a flat rate where underlying expenditures should not be checked, it does not lift all other requirements and rules that have to be respected (e.g., public procurement, bookkeeping, etc.).

2. What are the challenges connected with the TA flat rate?

As TA reimbursement is directly linked to the projects' spending, there is a risk that during the first years of programme implementation, when projects are just kicking off and when programme procedures are being established, there might be a shortage of financial resources to cover TA costs. On top of that, pre-financing is quite low: for 2021 and 2022, pre-financing is only 1% of the programme's ERDF (Article 51 of the Interreg Regulation) and must be cleared with the respective accounting year. To mitigate the risk of shortage of financial resources in the first years of programme implementation, the programme could use savings from the 2014-2020 programming period or arrange to receive national contributions to TA in full at the beginning of the programme.

It is of utmost importance to carefully budget TA taking into account different scenarios of projects' spending. Constant monitoring of the TA as well as ensuring a high project spending rate could also suffice to avoid TA shortage at the programme implementation stage.

3. Should national co-financing be provided to the TA flat rate amount?

Provisions in the legislative package for the 2021-2027 period do not explicitly refer to the national co-financing part of the TA expenditure. One will also not find the breakdown of the national counterpart for “with” and “without the TA” in Table 8 of Annex to the Interreg Regulation (as in the case with the EU contribution). However, at [Interact’s event](#) the EC colleagues confirmed that national co-financing is expected for TA as well. Since Interreg programmes are about cooperation, it is quite self-evident that costs related to the management and implementation of an Interreg programme should be shared among the Member States, partner countries or third countries participating in the programme. National co-financing for projects and for TA can differ though.

4. What about TA liabilities? Who is responsible for the irregularities found in the project expenditure which influence the TA amount?

As TA liability is directly linked to project irregularities (because TA is based on the project expenditure submitted to the EC), it seems logical to apply the same responsibility as for project irregularities. In many programmes, a Member State liability has been established for irregularities by “their” project partners, which would consequently result in the respective Member State covering TA irregularities. However, not only might there be other possibilities and it is important to keep in mind that actual TA corrections will only happen once project expenditure can no longer be allocated (towards the end of the programme, as TA is not an operation itself).

A good practice example is to include a paragraph in relation to the TA liability under the liability section in the Cooperation Programme. Here is an example of the provisional text from the Interreg Europe programme ([section 7.3](#), page 38):

For the technical assistance expenditure (calculated as a flat rate in accordance with Article 27 of Regulation (EU) 2021/1059 on ETC), the above liability principles applicable for project-related expenditure and systemic irregularities / financial corrections¹ may also be applied to TA corrections as they are the direct consequence of project expenditure related corrections.

¹ Section 7.3 Cooperation Programme of the Interreg Europe:

Liabilities and irregularities

For the use of the programme ERDF, Norwegian, and Swiss funding, the Partner State will bear liability as follows:

- For project-related expenditure granted to project partners located on its territory, liability will be born individually by each Partner State;
- In case of a systemic irregularity or financial correction (decided by the programme authorities or the Commission), the EU Member State will bear the financial consequences in proportion to the relevant irregularity detected on the respective Member State territory. Where the systemic irregularity or financial correction cannot be linked to a specific EU Member State territory, the Member State shall be responsible in proportion to the ERDF contribution paid to the respective national project partners involved in the programme.

5. Is retention (5%) applied to TA?

Retention of 5% is applied to the TA amount as it is applied to all interim payments included in the payment applications to the EC in the 2021-2027 period.

6. How to report the TA expenditure in SFC?

The SFC will no longer include a separate row for TA reporting. Instead, the payment application (template of which is available as Annex XXIII CPR) will have a column (column D), which will be automatically filled in in SFC. The automatic calculation will be done as follows: percentage of the TA flat rate (as defined in Article 27 of the Interreg Regulation) multiplied by the sum of the reported total amount of eligible expenditure incurred by beneficiaries and the total amount of Union contribution (column B + column C) in the respective payment application:

Column D = Flat rate % * (Column B + Column C)

Priority	Calculation basis (public or total) ¹	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with point (a) of Article 91(3) and point (c) of Article 91(4)	Total amount of Union contribution pursuant to points (a) and (b) of Article 91(4)	Amount for technical assistance in accordance with point (b) of Article 91(3)	Total amount of public contribution made or to be made in accordance with point (c) of Article 91(3)
	(A)	(B)	(C)	(D)	(E)
Priority 1					

7. It has been possible to apply a flat rate for the TA in the 2014-2020 programming period (voluntary basis, after Omnibus Regulation). Is it any different from the flat rate which is mandatory in the 2021-2027 period?

It is the same concept - a flat rate applied to the reimbursed expenditure included in the payment applications to the EC, thus, it is not any different. Furthermore, few CBC programmes² have already made use of the TA flat rate in the 2014-2020 period. However, in this case, TA was still its own priority axis.

² Interreg Flanders - the Netherlands, Austria - Bavaria, Bavaria - Czech Republic

8. How to estimate the amount of the TA where the programme's total ERDF is between EUR 50M and EUR 30M - the issue with the additional EUR 500 000, which are paid together with the first payment claim?

We advise you to use the [TA calculator](#) prepared by Interact to do this calculation (tab 2). Below you will find an explanation behind all calculations in the file.

For Interreg programmes where the **total ERDF allocation (note, not total budget!)** is between EUR 30M and EUR 50M, an additional EUR 500 000 is paid together with the first payment claim (and this amount is included in the percentage of the flat rate). The additional amount of EUR 500 000 is not an additional amount that should be added to the programme's total ERDF. It is an amount from the programme's budget, and it is taken from the available ERDF for projects and included in the flat rate percentage (thus, in fact, the percentage of the TA will be higher than indicated in Article 27 of the Interreg Regulation, see below in steps for detailed explanation).

Thus, to calculate the TA amount for a programme with a budget of EUR 30M (with a flat rate of 7%), the following steps need to be done.

Steps to program your TA amount

1. Calculate ERDF amount for projects = $30M / (1+0.07) = \text{EUR } 28\,037\,383.18$.

2. Calculate amount for TA = $30M - 28\,037\,383.18 = \text{EUR } 1\,962\,616.82$.

3. Deduct EUR 500 000 from the ERDF amount for projects:

$$28\,037\,383.18 - 500\,000 = \text{EUR } 27\,537\,383.18$$

4. Add EUR 500 000 to the amount for TA – this amount will be the maximum amount of the TA that your programme can receive (cap):

$$1\,962\,616.82 + 500\,000 = \text{EUR } 2\,462\,616.82$$

5. Calculate the actual percentage for the flat rate (which is higher than in Article 27 of the Interreg Regulation as it has to include an additional EUR 500 000!):

$$\text{Flat rate} = \text{ERDF for TA} / \text{ERDF for projects} = 2\,462\,616.82 / 27\,537\,383.18 = \mathbf{8.94\%}$$

6. Calculate ERDF for projects and TA for each priority:

$$\text{Priority amount} = \text{ERDF for projects} + (\text{ERDF for projects} * \text{Actual flat rate, } 8.94\%).$$

During the programme implementation, **for all interim payment claims reimbursements, the actual percentage of the flat rate will be used!** (i.e., higher than indicated in the Regulations).

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Additional EUR 500 000 will be paid with the 1st payment claim reimbursement as a lump sum. This amount is a sort of advance payment from the maximum ceiling of the TA amount (identified in Step 4) that the programme can theoretically receive (provided a 100% spending rate of projects).