**IQ-Net review paper, autumn 2021**

**Denmark**

*By Henrik Halkier, Aalborg University, Denmark*

*7 November 2021*

Pernille von Lillienskjold and Ebbe Poulsen, both at the Danish Business Authority (DBA) were interviewed for the review paper on 12 October 2021.

# Finalising the 2014-20 programmes

1. Please briefly summarise your view on the **current financial and implementation progress** of the programme(s), including progress with implementing additional REACT-EU resources (where relevant). [Please note that this question seeks interviewees’ impressions of progress, rather than data, which will be collected centrally.] What impact is REACT-EU having on the implementation of current programmes?

Progress with the original programmes is close to full commitment, although it has perhaps been slightly slower than normally due to the impact of the pandemic. The exception from this overall picture is the urban axis 4 where the balance between requirements and funding has limited demand, as noted in the thematic paper (section 1.2).

1. Please provide an update on **programming and implementation of REACT-EU resources**, including structures chosen for implementation (e.g. single Priority Axis in one OP; multiple Priority Axes in a multi-fund OP; several OPs). How are you dealing with the tight time frame and extra capacity required for implementation? What additional challenges are you facing related to programming REACT-EU resources (e.g. internal and external coordination; thematic challenges)? Please complete the table below with dates (Month/Year).

Programming and implementing the additional 170M € funding from REACT-EU is clearly a major challenge also in Denmark. However, resources will either be used to provide additional funding to expand the reach of existing programmes delivered through the six cross-municipal business development centres *(erhvervshuse)*, or to adress eight major regional challenges (so-called ‘business lighthouses’), individually set by government and to be directed by a new tier of partnership organization, the so-called Regional Growth Teams (*Regionale Vækstteams*). REACT-EU resources have in other words been allocated in relatively big chunks to existing (or easy-to-establish) organizations, and thus the draw on administrative resources in the programme administration in Silkeborg has been less extensive than it would have been with alternative policy designs, e.g. if new calls aimed at individual SMEs had been instituted.

Table : Progress with REACT-EU programming

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| MS/region | OP amended | Submitted to COM | Approved by COM | Call launched | Funds committed | Revisions planned for 2022? |
| AT |  |  |  |  |  |  |
| BE (Vla) |  |  |  |  |  |  |
| CZ |  |  |  |  |  |  |
| DK | February | February/March | April | June/July | Lighthouse call deadline 23.11.21, others on hold | Following the announcement of the financial frame for 2022, revisions will be made in December 2021/January 2022 |
| EL |  |  |  |  |  |  |
| ES (Biz) |  |  |  |  |  |  |
| FI |  |  |  |  |  |  |
| IE: NWRA |  |  |  |  |  |  |
| IE: SRA |  |  |  |  |  |  |
| NL |  |  |  |  |  |  |
| PL (W-M) |  |  |  |  |  |  |
| PT |  |  |  |  |  |  |
| SK |  |  |  |  |  |  |

1. Do you use **over-commitment or ‘overbooking’** as a strategy within your OP(s) and if so, does this bring challenges? How are you dealing with these?

Currently project generation is the main focus, overbooking may be introduced at a later point in time. The main problem is to secure projects that can be completed by beneficiaries by the end of 2023, also because some projects are subject to EU rules of public tendering.

1. Please provide an **update on programme implementation**, including:
	1. the **ongoing impact of COVID-19** and **any new responses/solutions** (e.g. ongoing thematic shifts and reallocation across priorities, new working practices, new project calls)
	2. **any other action being taken to facilitate programme implementation.**

Only minor adjustments have been undertaken, making use of increased Commission flexibility to e.g. make payments in advance.

1. Have you introduced **programme amendments to the 2014-20 PAs/OPs** in the past six months/are further changes expected (e.g. using the flexibilities offered by CRII/CRII+; allocating the additional resources under REACT-EU)?

No changes since April 2021.

1. Have any **other wider changes** taken place or challenges arisen in the past six months which will affect OP implementation (e.g. elections, institutional changes, political decisions, new legislation, new thematic challenges)?

No.

1. **Audit requirements** have been highlighted as a factor behind implementation delays. Can you identify any **lessons learned from preparing for audits** (in particular, EU/ECA audits), or which minimise the associated burden? Have you identified any ways that MAs can prepare themselves better for audits?

The main audit challenges are associated with a congestion of deadlines and bottlenecks that puts the internal audits under considerable time pressure.

1. Please provide an update on preparations for **programme closure**, including the timetable, planned closure-related activities and main challenges foreseen. Do you expect absorption of to REACT-EU resources to have an impact on the closure timetable?

This is very much business-as-usual in the sense that well-tested measures are used to ensure that complete absorption of EU funds can be achieved. The most important feature, like in earlier programme closures, is to focus continuously on progress of existing projects in order to be able to reallocate funds between projects if appropriate. Supporting new projects at this stage is more difficult: the deadlines are very short, and competition from Corona-compensation measures with up to 100% subsidy also influences demand negatively.

1. What are your **priorities now, and for the next six months**?

The primary concerns are REACT-EU programming, programme closure, and programme preparation: three things that the introduction of REACT-EU have closely intertwined.

# Preparation of 2021-27 programmes

1. To what extent has **programming of REACT-EU resources** delayed finalisation of the 2021-27 programmes?

See answer to 11 below.

1. To what extent is the **COVID-19 crisis** continuing to affect preparation of new OP(s) (e.g. new deadlines, approach to consultation, thematic priorities, funding allocations; financial prioritisation of policy objectives, priorities and interventions; changes in management, monitoring and evaluation arrangements)?

Both REACT-EU and the COVID-19 crisis have contributed to delaying the new programme: REACT-EU through internal work pressures in the Danish Management Authority, COVID-19 by moving the focus of national government and ministers and the Commission away from Structural Funds Programming, and, importantly, contributed to delaying the finalisation of EU rules for the coming programming period.

1. Please describe **the status of** **PA programming** and complete the table below with dates (Month/Year).

Table : Expected schedule for PA finalisation & approval

|  |  |  |
| --- | --- | --- |
|  | PA finalised/submitted | PA approval |
| AT |  |  |
| BE |  |  |
| CZ |  |  |
| DK | Both PA/OP drafts nearly finished, public consultation till end-December, informal version of the text to Commission ultimo 2021 |  |
| EL |  |  |
| ES |  |  |
| FI |  |  |
| IE |  |  |
| NL |  |  |
| PL |  |  |
| PT |  |  |
| SK |  |  |

1. Please describe the **status of OP programming**, and complete the table below with dates (Month/Year). Please specify where the date relates to one specific OP rather than all OPs.

Table : Expected schedule for OP finalisation, approval & launch

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | OPs finalised/submitted | OP approval | OP launch | First projects approved/commitments made |
| AT |  |  |  |  |
| BE (Vla) |  |  |  |  |
| CZ |  |  |  |  |
| DK | Both PA/OP drafts nearly finished, public consultation till end-December, informal version of the text to Commission ultimo 2021 |  | Launch early 2022, first calls expected in Q1 prior to final approval of OP by Commission |  |
| EL |  |  |  |  |
| ES (Biz) |  |  |  |  |
| FI |  |  |  |  |
| IE:NWRA |  |  |  |  |
| IE: SRA |  |  |  |  |
| NL |  |  |  |  |
| PL (W-M) |  |  |  |  |
| PT |  |  |  |  |
| SK |  |  |  |  |

1. Please report any **new information on changes to programme architecture** (e.g. use of multi-fund OPs; categorisation of regions; changes in use of different Funds; changes in OP numbers; balance between national and regional programmes).

An increased number of specific focus areas has resulted in a larger number of priorities than in earlier programmes, especially in the ERDF programme.

1. Please provide an **update** **on the selection of investment priorities** in the OP(s). Please highlight new/innovative priorities for 2021-27/departures from the 2014-20 approach, with brief reasons for the new priority/ies.

The new programme has mainstreamed green sustainability issues, and this will clearly influence investment priorities.

1. Are there any **other outstanding issues** related to finalising the 2021-27 OP(s): e.g. related to thematic concentration, or other issues? [Please note that progress with programming of Territorial Just Transition Plans will be covered by the Thematic Paper.]

Danish programme managers expect no major issues to be outstanding, potentially controversial areas have already been clarified through extensive dialogue with the Danish desk in the Commission. Only regarding JTF would the Danish government seem to have priorities that may be seen as contentious by the Commission.

1. What are the latest developments on the planned use of **territorial development instruments**, i.e.(a) Integrated Territorial Investments; and (b) Community Led Local Development?

Like in previous programming periods, only the urban axis falls under this heading.

1. Please provide an update on the **planned approach to implementing financial instruments**. Do you plan to recapitalise existing FIs from the 2014-20 period (i.e. roll over FI(s) already set up in 2014-20, rather than set up a new FI)? According to any new gap analyses/ex ante assessments, has the market changed significantly since previous studies (and if so, how)?

The previous programme originally included financial instruments, but these were then made optional as not real gaps in the provision of finance have been identified – and hence there is nothing to roll over into the new programme and no new initiatives are being planned.

1. Are any **financial transfers under CPR Article 26** proposed/approved for programmes? If so, what is their extent and their justification? [N.B. Article 26 allows for the transfer of up to 5 percent of the initial national allocation of each Fund to any other instruments under direct or indirect management. So, for example, the MA could request the transfer of part of its financial allocation to Horizon Europe to fund Horizon Partnerships. Note that transfers to InvestEU are not covered under this Article.]

No, only the usual reallocation of funds from inter-regional to national programmes.

1. **Other issues**
2. What **issues or themes** would you like to discuss with partners at the next IQ-Net conference (e.g. during workshops) or have covered in **future papers or Coffee Break Workshops**?

FRO could be a possible topic for future Coffee Break Workshops.