FINAL REPORT ON THE STUDY ENTITLED

Mid-term evaluation of the Interreg A NEXT Poland – Ukraine Programme

Contracting Authority:

Ministry of Development Funds and Regional Policy

Contractor:

EGO – Evaluation for Government Organizations S.C.

Interreg Co-funded by the European Union

NEXT Poland – Ukraine

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Summary

This report presents the results of the mid-term evaluation of the Interreg A NEXT Poland–Ukraine 2021–2027 cross-border cooperation program, with a budget of €262.1 million, implemented across six thematic priorities in thirteen NUTS III subregions on the Polish side and in six regions of Western Ukraine. The study is formative in nature: its aim is to provide the Managing Authority and the Joint Secretariat with operational insights to optimize processes in the second half of the 2021–2027 programming period and to prepare the framework for the next edition after 2027. The evaluation is being conducted under conditions unprecedented in the history of European territorial cooperation: a full-scale war in Ukraine and the severing of cooperation with Belarus, which forced a revision of schedules, procedures, and the program's architecture itself. The evaluation was conducted using a mixed-methods approach based on methodological and source triangulation, combining desk research, in-depth interviews, CAWI surveys, *mystery client* research, SPF benchmarking, case studies, social network analysis, and a cognitive walkthrough of the CST2021 ICT system.

Program Implementation System

The program implementation system has functioned efficiently in its first half, though it is accumulating tensions that will surface during the intensive spending phase. A total of 77 projects have been contracted, including 65 regular projects and 12 large infrastructure projects (LIPs), selected through a special non-competitive procedure, with a total value of eligible expenditures of EUR 243.08 million. The evaluation mechanism involving a working group plus an external expert, with arbitration in cases of a discrepancy of at least 20 points and decision-making oversight by the Monitoring Committee, is viewed positively by beneficiaries (92.9% cite the clarity of the criteria), but it leaves a gap in feedback to rejected applicants (57.6% of whom did not understand the rationale for the evaluation) as well as structural issues such as the lack of disaggregation of scoring criteria and an imprecise definition of "the added value of cross-border cooperation." The Monitoring Committee demonstrated strategic flexibility by reallocating €34.79 million among priorities in response to war-related needs (Tourism → Environment, Cooperation → Health/Environment) and by utilizing the *strategic upgrade* mechanism in a cost-effective and substantively justified manner.

The actual level of recognized expenditures remains low for now (€22.47 million, 9.2% of contracted funds), reflecting the recent signing of contracts, the low level of

preparation and partners' for project implementation, and a lack of motivation among partners to report due to advance payments. However, the risk lies not in the procedures but in operational factors: the war primarily affects the beneficiaries' staff (54.5% of ratings of 4–5 on the impact scale) and the implementation schedule (43.4%).Certification on the Ukrainian side is slower: of the €100 million on the Ukrainian side, only €7 million has been certified so far. National control functions efficiently (69.7% positive ratings; only 3 out of 104 audits resulted in a financial correction), and in the quantitative survey, 29.3% of beneficiaries report significant liquidity problems, citing payment terms and payment backlogs as the source of the issue. The most serious systemic barrier is the CST2021 system, which functions as a data registry rather than a tool supporting data processing. The UX audit identified eleven usability issues, including four of critical priority: the lack of automatic currency and lump-sum calculations, the requirement to work in external Excel spreadsheets, version comparison without highlighting changes, and the lack of integration with the InforEuro database. Consequently, the regulatory simplifications of the 2021–2027 period—particularly lump sums and the digitization of processes—are partially offset at the implementation level by the limitations of the IT system itself. A significant language asymmetry is also evident: Ukrainian applicants rate the WOD2021 module significantly lower (36.4% positive ratings) than Polish applicants (68.2%), indicating a language barrier at the application stage that is absent at the reporting stage.

Project Accounting and Financing System

The project settlement and financing system in the Interreg NEXT Poland-Ukraine program uses simplified cost options (SCO), in which three categories of soft costs—personnel, office, and travel—are covered by flat rates calculated automatically as a percentage of direct costs or personnel costs. The mechanism itself is viewed positively by both beneficiaries and auditors on both sides of the border—it eliminates the labor-intensive verification of minor expenses and simplifies reporting.

The flat rates for personnel costs in regular projects (i.e., projects with funding ranging from 200,000 to 2.5 million EUR), amounting to 6% of direct costs, are among the lowest among comparable Interreg programs. This result is based on a comparison of projects with similar profiles and budgets. The program also does not offer alternative methods for accounting for personnel costs (e.g., unit rates). In the survey data (CAWI, n=96), nearly one in two beneficiaries (45%) assess the rates as barely cost-effective or too low given actual costs and inflation. Based on the collected qualitative data, including the transcript from and discussions on the CM

forum, it can be inferred that this issue primarily affects regular projects with smaller budgets. The available quantitative data do not allow for a definitive conclusion, as the CAWI survey was not designed with a breakdown by budget range. The evaluation recommends verifying this hypothesis using data from the current programming period and considering differentiated rates (or the introduction of unit rates) when designing the future program.

The advance payment system is a unique solution compared to other cross-border programs, where the reimbursement model predominates. In the PL-UA program, beneficiaries can receive up to 85% of funding in advance payments. Nearly 90% of Ukrainian partners state that without advance payments they would not be able to implement projects (compared to 47% on the Polish side; a statistically significant difference, $p < 0.001$). Advance payments are therefore an instrument enabling the Ukrainian side to participate in the program.

Despite the advance payment system, financial liquidity is rated significantly worse on the Ukrainian side: 39% of beneficiaries there report problems, compared to 22% on the Polish side ($p = 0.006$). Based on the qualitative data, it can be said that the source of the problems is primarily the unstable financial situation of Ukrainian entities (they lack their own funds to finance project activities, even during the period of payment request verification and while awaiting the next advance payment). Additionally, inflationary and exchange rate pressures (which reduce the real value of planned budgets) and the advance payment settlement mechanism can be cited. The 70% rule stipulates that the next full advance payment may be disbursed only after at least 70% of the previous one has been settled. This means that in some cases, a slower-moving partner may cause a reduction in the advance payment for the entire project and liquidity difficulties for the more efficient partner. On the other hand, as the MA points out, this is an important mechanism that protects the program from funds being frozen in projects (it encourages partners to spend advance payments efficiently).

Changes to Cohesion Policy after 2027—the transition to a performance-based payment (P-BA) model and the N+1 rule—will have a limited but significant impact on how projects are settled. The PL-UA program will not be part of the National and Regional Partnership Plan but will constitute a separate chapter of the Interreg plan. At the beneficiary level, programs will likely retain their current methods, but the Managing Authority may tighten requirements regarding indicators and timeliness, as delays in projects will block reimbursement for the entire program (e.g., for reaching the next milestone). . Off-the-shelf flat-rate catalogs represent a significant simplification for the program. There is, of course, a risk that the average rates proposed by the EC's will not fully meet the needs of the PL-UA program. In such a

case, the program has the option to develop its own rate methodology. However, this is a more complex process, requiring justification based on historical data for higher rates, followed by approval from auditors and the EC.

Small Projects Fund

The Small Projects Fund is intended to finance small-scale, grassroots cross-border initiatives that build direct contacts between communities. The PL-UA program features two funds managed by separate operators: the Carpathian Euroregion Association (Cooperation priority) and the Ternopil Regional Development Agency (Environment priority).

The operational model—with Euroregions and a regional agency serving as operators—is consistent with the standards of other Interreg programs, and the Carpathian Euroregion, drawing on the experience of the Interreg Poland-Slovakia program, launched the call for proposals more efficiently than the Ukrainian operator, which was building its capacity from scratch. A distinguishing feature of the SPF under the PL-UA program is the highest funding ceiling among comparable programs.

Unlike regular projects, SPF beneficiaries must fully pre-finance activities from their own funds (there are no advance payments). This change stems from the new institutional architecture—in the previous programming period, small projects were managed directly by the Joint Secretariat and advance payments went directly to the implementing entities; current operators did not want to assume the financial risk associated with advance payments. The loan mechanism offered by the Ministry of Funds and Regional Policy alleviates this problem, but it applies exclusively to Polish NGOs.

The consequences of the lack of advance payments are evident in the applicant structure[1] .. The share of Ukrainian NGOs fell from 39% in the 2014–2020 period to 17% in the current one (from 30 to just 6 entities), while Polish NGOs maintained their position (31%). The overall share of Ukrainian applicants decreased by 6.5 percentage points—they were replaced by Polish local governments and hospitals, which have stronger financial resources. The data pertain to the first call for proposals and require verification in subsequent rounds, but the direction of the change is consistent with qualitative evidence regarding the difficult financial situation of Ukrainian partners under wartime conditions. If this trend continues, the SPF will

[1] By "applicants," we mean the leaders of so-called small projects in the previous programming period and lead partners applying for funding from the SPF in the current one.

increasingly serve as an instrument supporting grassroots initiatives on the Ukrainian side.

A clear strength of the SPF is the advisory support provided by the Carpathian Euroregion—78.7% positive ratings in the CAWI survey, and consultations with the operator are the only information channel with a median score of 5 on a five-point rating scale. The application generator proved to be the weakest link: one in four respondents rated it negatively, and over 15 of the 47 open-ended responses regarding barriers during the application stage directly pointed to technical issues with the generator—freezing, spontaneous data deletion, and save failures. An additional difficulty highlighted by respondents is the requirement to work exclusively in English, which forces smaller organizations to seek additional assistance with translations and verification of documentation accuracy.

Partnerships and Cross-Border Cooperation Structures

The program's partnership network is simultaneously fragmented, genuinely cross-border, and financially motivated. A social network analysis covering 189 institutions reveals 67 independent cooperation components,[2] of which 71.6% are pairs of two entities implementing a single project. Only 4.8% of institutions participate in more than one project; the program functions as an incubator for individual partnerships but does not generate them in the form of an integrated, continuous network with recurring nodes. The beneficiaries' motivation is primarily financial. The sustainability of partnerships remains conditional: 73.8% of relationships depend on continued access to EU funds; Ukrainian partners, however, declare the independence of these relationships more frequently (39.0%) than Polish partners (14.1%).The asymmetry of roles is structural: the Polish side acts as the leader in 74.5% of projects, which stems from staff stability and procedural experience, but does not translate into a poorer assessment of cooperation by Ukrainian partners (the quality of cooperation is rated similarly on both sides, with approximately 75% positive assessments). What is characteristic, however, is the difference in the perception of the working model: 77.6% of Poles describe projects as "parallel," while 43.9% of Ukrainians describe them as "integrated."

Beneficiary activity within the program's eligible area (measured by the number of administrative units from which beneficiaries originate) has clearly expanded (154 Polish municipalities compared to 78 in the PBU; 104 Ukrainian hromadas compared

[2]In network analysis, a "component" refers here to an isolated group of institutions linked by the implementation of one or more joint projects, but not connected to other groups in the network.

to 41), but activity is concentrated in regional centers: Lublin, Rzeszów, and Białystok account for 27% of Polish entities, while Lviv, Uzhhorod, Ivano-Frankivsk, and Lutsk account for 46% of Ukrainian ones. Blank spots remain in the part of Mazovia covered by the program, 36 border municipalities that will not continue their participation after 2022, and peripheral Ukrainian oblasts (Rivne, and parts of Ternopil). Podlaskie is a special case, where the exclusion of Belarus forced a shift from neighborly cooperation to thematic cooperation; the region maintained its activity mainly through health projects. Entry barriers fall into four categories: geopolitical, financial (especially the lack of advance payments in the SPF on the Ukrainian side), procedural, and personnel-related.

Horizontal principles remain largely declarative: only 26.3% of beneficiaries believe they had a significant or very significant real impact on the project, 25.3% consider them purely formal, and 28.3% have no opinion. This does not mean that the principles are being violated or not implemented; it means that their verification within the program consists of confirming the absence of violations, rather than active implementation with added value beyond national regulations. Architectural accessibility is the only area that is actually verified, but this is due to building codes rather than program procedures; DNSH and digital accessibility remain substantively unclear to most applicants, which necessitates outsourcing verification to external auditors or independent state bodies.

Communication, Information, and Institutional Support

The system of communication and institutional support provided by the program's implementing agencies works well where it is based on direct contact and can be improved where it requires active dissemination of information to potential new beneficiaries. CAWI data organizes information channels about calls for proposals into a uniform hierarchy regardless of the respondent group: meetings and training sessions (4.71 in beneficiaries' ratings) and consultations with the Joint Secretariat (4.62) dominate over the website (4.50), newsletters (4.17), and social media (3.86). The program's Facebook profile effectively raises awareness of results, but the complex terminology in its posts and the weakness of the YouTube channel (140 subscribers, 151 views of the main video over three years) limit its educational role.

The strongest spontaneous demand from both the Polish and Ukrainian sides concerns the language of the program documentation: Polish applicants are calling for English to be dropped, while Ukrainian applicants are calling for full Ukrainian versions of the rules, the handbook, and CST2021. The Communication Strategy

Declaration regarding the publication of documents in English “with translations into PL and UA” is not being fully implemented.

At the institutional level, a disconnect is evident between the Joint Secretariat and the Regional Contact Points in Poland: the latter perceive communication with headquarters as one-sided, and their proposals are rarely reflected in the annual information and promotion action plans.

The key finding regarding institutional support is that accessibility, not quality, is the main problem with the system. The *mystery client* survey showed high ratings for subject matter expertise (4.29 out of 5), service culture (4.71), and completeness of information (4.50) when contact is made; however, 22% of contacts (16 out of 72, mainly via email and phone) resulted in no response. These shortcomings are concentrated in a few institutions. The Polish-Ukrainian disparity (33% vs. 9% of unanswered inquiries) has a structural cause: Polish RCPs are embedded within marshal’s offices (stability of access at the expense of a “bureaucratic” style), while Ukrainian ones operate as specific individuals (in-depth consulting at the expense of dependence on the availability of a single person). Email is the riskiest channel (26% of inquiries are lost); the phone encourages further action in 79% of cases, and a personal visit in 100%. The CAWI survey suggests that the pre-application stage is less well-supported in terms of information than the implementation stage: an information gap is reported by 34% of SPF applicants, 30% of rejected applicants, and only 15% of beneficiaries. Consideration could be given to utilizing the potential of Regional Contact Points for project advisory purposes, as their current role is limited to providing information and promotion. National control is rated positively (69.7% of ratings as good or very good), but two systemic bottlenecks—long processing times for documentation and an artificial exchange rate in settlements on the Ukrainian side—primarily impact the financial liquidity of Ukrainian partners.

Indicator System

The program’s indicator system is based on two layers: program indicators (RCO/RCR) selected from the common EU catalog and additional project indicators (PLRO/PLRR) drawn from the national Common List of Key Indicators. The system’s design is sound—program indicators cover 100% of five out of six priorities, and the only gaps concern project types that were simply not contracted. The study did not identify any difficulties regarding indicators measuring infrastructure interventions. Indicators such as “number of fire trucks” or “kilometers of trails” are unambiguous and straightforward to measure.

Problems center on the precision of indicators with broad definitions. Indicator RCO116 (“jointly developed solutions”), used in 42 of 77 projects, aggregates under a single code outputs ranging from strategic documents and research methodologies to GIS systems and medical data exchange platforms. A similar issue concerned indicator PLRO150 (training participants, 41 projects), which the Managing Authority is currently replacing with indicators RCO81 or RCO85, which have more precise metrics.

The upcoming 2028–2034 programming period shifts the role of indicators from a monitoring tool to a settlement tool. Under the new approach, failure to achieve a declared indicator results in no payment, regardless of costs incurred. For a cross-border program with a partner in a conflict zone, this poses a particularly high risk. It requires a conservative approach to indicator selection and precision in the calculation of unit costs.

The program has data from 77 projects, which provide a solid basis for calibrating unit costs and negotiating payment amounts with the European Commission—an analysis of this data should precede work on the new program document. The assessment of the qualitative effects of cross-border cooperation should be entrusted to evaluations, not to an indicator system.

The Communication Strategy’s indicators have the correct structure, but they primarily measure activity and reach (website visits, social media engagement), not the actual effectiveness of communication. Most of the indicators labeled as “outcomes” are in fact measures of exposure, and the only indicator of an actual outcome is “80% beneficiary satisfaction” based on surveys. The target values lack a clear methodology or baseline figures, making it difficult to assess whether the goals are ambitious or conservative.

Ukrainian Specifics: Project Registration Procedure

The project registration procedure at the Secretariat of the Cabinet of Ministers of Ukraine is a prerequisite for the entire financial and accounting cycle on the Ukrainian side; without it, the partner will not receive the first advance payment, will not obtain a VAT exemption, and will formally violate Ukrainian law. The evaluation of the application at the SCMU itself takes ten business days and is considered efficient; however, the actual bottleneck lies before the Secretariat, at the stage of compiling the package of six documents. The most serious sticking points are the letter of support from the government authority (most often the Regional State Administration), which is prone to staffing shortages and reorganizations, and the procurement plan, which the Ukrainian side must agree upon and approve jointly

with the Polish partner. The third hurdle is the certified translation of the entire package into Ukrainian. A particular procedural risk is the “six-month rule”: a delay in submitting documents exceeding six months from the project start date requires the inclusion of an implementation report, and in extreme cases may result in refusal of registration and loss of the right to VAT exemption for the entire implementation period.

The assessment of the procedure is clearly asymmetrical between partners from both countries. 56.9% of Polish beneficiaries selected the “I don’t know” response; the registration procedure in Kyiv remains largely incomprehensible to the Polish lead partner, who observes its effects (delays in the partner’s launch) but has no control over its course. Among Polish respondents who have an opinion, negative assessments predominate. Ukrainian partners, who actually handle the registration, assess it more leniently (51.2% as easy or very easy), treating it as a routine, albeit time-consuming, administrative operation. The procedural consequences for project implementation are, however, significant. The VAT exemption mechanism, though formally attractive (savings of around 20% on large investments), has two weak points: any change in purchase parameters requires re-registration, and the exemption does not cascade down the subcontracting chain, which raises bid prices or discourages contractors from participating in project tenders. Payment of the first advance to the Ukrainian partner is contingent upon completed registration, which creates a liquidity gap between contract signing and receipt of funds; any change to the budget or procurement plan during implementation requires re-registration and suspends tax-exempt spending. Reporting asymmetry: the Ukrainian partner simultaneously manages a flexible program reporting cycle, rigid semi-annual and annual reports to the Secretariat of the Cabinet of Ministers of Ukraine (SCMU), and monthly supplier reports to the State Tax Service, which generates an additional administrative burden. Reorganizations of the Ukrainian central administration remain a potential external risk: a case documented in interviews involving the restructuring of a ministry resulted in a six-month paralysis of contract signing and the need to re-register the project. This is not a systemic phenomenon confirmed across the entire sample, but it illustrates the scale of risk for which the program must be operationally prepared.

1. Introduction

1.1. Subject, objectives, and scope of the evaluation

The subject of this report is the mid-term evaluation of the Interreg A NEXT Poland–Ukraine 2021–2027 cross-border cooperation program, which continues and strengthens the development ties between the two countries through large-scale infrastructure projects, regular projects, and the Small Projects Fund (SPF). The program is implemented across six thematic priorities: ENVIRONMENT, HEALTH, TOURISM, COOPERATION, BORDERS, and ACCESSIBILITY. The program's budget amounts to EUR 262.1 million, of which 90% (EUR 235.9 million) comes from the European Regional Development Fund and the Instrument for Neighborhood, International Cooperation, and Development. The area of support covers, on the Polish side, thirteen NUTS III subregions stretching from Podlasie to Podkarpacie, and on the Ukrainian side, six regions of Western Ukraine: Volyn, Lviv, Zakarpattia, Rivne, Ternopil, and Ivano-Frankivsk. The Polish Ministry of Funds and Regional Policy serves as the Managing Authority, while the Secretariat of the Cabinet of Ministers of Ukraine acts as the National Authority on the Ukrainian side.

The evaluation was commissioned pursuant to Article 35(1) of Regulation (EU) 2021/1059 of the European Parliament and of the Council, which requires the Managing Authority to assess the program against the evaluation criteria arising from cohesion policy. Its purpose is to verify the effectiveness, efficiency, and coherence of the program implementation system at the midpoint of the programming period, with particular emphasis on the relevance of the findings for planning the next programming period after 2027. The study is formative (improvement-oriented); its essence is not merely an ex post assessment of activities to date, but above all to provide the Managing Authority and the Joint Secretariat with operational knowledge that will allow for the optimization of processes in the second half of the 2021–2027 programming period and the preparation of solid foundations for the next financial perspective.

The scope of the evaluation covered all submitted and registered projects, regardless of their subsequent status, as well as the entire institutional system of the program on both sides of the border. The evaluation was conducted based on five criteria: **effectiveness** (the degree to which program objectives were achieved at the output and outcome levels), **efficiency** (the ratio of inputs to outputs, including the duration of key processes), **relevance** (the adequacy of interventions to the needs of beneficiaries and cross-border conditions), **coherence** (the internal logic of the

program and its alignment with other EU and national policies), and **visibility** (the effectiveness of information and promotion activities and the program's recognition among target groups).

1.2. Context of the study

The mid-term evaluation of the Interreg A NEXT Poland–Ukraine 2021–2027 program is being conducted under conditions unprecedented in the history of European territorial cooperation. The full-scale war in Ukraine, ongoing since February 24, 2022, has fundamentally altered the program's operational context, impacted the implementation capabilities of Ukrainian partners, changed the structure of needs in the border region, necessitated a revision of schedules and procedures, and simultaneously elevated the importance of cross-border cooperation as an instrument for supporting border communities. At the same time, cooperation with Belarus was severed, necessitating a redefinition of the program's original three-country architecture and the reallocation of funds to the bilateral Polish-Ukrainian relationship. Added to this are new challenges related to energy and cybersecurity, as well as the prospect of Ukraine's accession to the European Union—variables that will shape both the current implementation of the program and its future edition.

The specific nature of the evaluation conducted under conditions of armed conflict influenced the selection and organization of methods. Contact with partners on the Ukrainian side required flexibility in remote communication methods for the vast majority of interviewees, accounting for power outages, air raid alerts, and transportation disruptions, as well as particular attention to translations and terminology.

1.3. Research Methodology

The evaluation was conducted using a mixed-methods approach, based on the principle of methodological and source triangulation: each of the eleven research questions formulated in the ToR was verified using at least two independent techniques, and in key areas such as the implementation system or the SPF, as many as four. This research design allows for the comparison of self-reported data with observational data, as well as objective indicators with the perceptions of process participants.

The primary methods consisted of:

- **desk research** covering program documentation, data from the CST2021 system, implementation reports, and minutes of Monitoring Committee meetings;

- **in-depth interviews (IDIs)** with representatives of program institutions (the Managing Authority, the National Authority (a written response to the questions was received), the Joint Secretariat and its Branch in Lviv, the Monitoring Committee, national auditors on both sides of the border, and 2 Polish and 2 Ukrainian Regional Contact Points), with beneficiaries, and with representatives of local government units that were inactive in the program: a total of 29 interviews and 1 written response.
- **surveys (CAWI)** among beneficiaries (n=113), entities whose applications did not receive funding (hereinafter "rejected applicants") (n=33), and SPF applicants (n=47);
- **a *mystery client* survey** covering a total of 72 contacts, including the Joint Secretariat—6 contacts; the Lviv branch—5 contacts; and SPF managers—11 contacts (6 with the SPF manager in Rzeszów and 5 with the SPF manager in Ternopil); ten Regional Contact Points – 50 contacts.
- **benchmarking of Small Project Funds** against the Interreg Poland–Slovakia, Czech Republic–Poland, Poland–Saxony, and Meuse-Rhine (NL-BE-DE) programs;
- **2 case studies** (an infrastructure project and a regular project).

These were supplemented by two additional methods:

- **social network analysis (SNA)** to visualize the structure and resilience of cross-border partnerships;
- **an exploratory tour** of the CST2021 system providing technical recommendations regarding the interface and user flows.

The sample selection was purposeful and based on the research question matrix. The interview sample comprised 29 interviews (including 19 with representatives of program institutions, 5 with beneficiaries, and 5 with representatives of inactive local government units), taking into account two sub-profiles distinguished within the local government unit category: peripheral entities that have never applied, and former beneficiaries of the previous 2014–2020 programming period, enabling a comparative assessment of administrative burdens. Field research was conducted in Polish and Ukrainian, using a remote format (Google Meet).

Among the methodological limitations, the research team identified: the early stage of implementation of many projects (especially SPFs, for which the lack of approved projects at the time of the study limits the possibility of ex post evaluation), difficulties in contacting some Ukrainian partners due to wartime conditions, the

risk of self-selection among survey respondents, and the limited comparability of benchmarking data resulting from the differing program architectures of the reference programs. The triangulation method used and the validation workshops with the Contracting Authority were intended to minimize the impact of these limitations on the quality of the conclusions.

Due to the requirements of the Accessibility Standards for Cohesion Policy 2021–2027 and the WCAG 2.1 Good Practice Guide, the report consistently uses tabular formats in place of charts and cartograms. This decision stems from the desire to ensure that quantitative data remains fully accessible to all audiences, including screen reader users, for whom simple tables with a clearly marked header row are much easier to interpret than graphics requiring extensive alternative text. At the same time, tables preserve the full precision of numerical values, whereas charts often force the reader to estimate the reading. Where spatial or network visualization is essential for understanding the findings (maps, diagrams of cooperation networks), graphic elements have been included in the appendices along with alternative descriptions.

2. Program Implementation System

This chapter addresses the following research questions:

1. Is the adopted program implementation system (calls for proposals, project evaluation and selection, including the involvement of external experts, contracting, reporting, monitoring, and financing) coherent, effective, and efficient?
a) Does the adopted call schedule facilitate the effective and efficient implementation of the program and projects?
b) Is the project evaluation process, including the evaluation criteria and the selection of project evaluators, appropriate, consistent, and effective? To what extent is the scope of project evaluation, carried out by both the Joint Secretariat and external experts, effective? Does it contribute to ensuring the high quality of projects selected for funding? Are all elements of the project evaluation procedure necessary to ensure the selection of high-quality projects? Can elements be identified that could be simplified or omitted without negatively impacting the quality of project selection?
c) Does the Central ICT System 2021 (CST2021) enable the effective and efficient management of program processes? How do all system users (by type) evaluate the functionality of all its applications? How do partners evaluate the CST2021 system? Does the CST2021 system effectively support the work of the MA, MC, and JS?
d) Is the adopted expenditure reporting system appropriate and effective? Does it allow the pace of reporting to be aligned with the pace of project implementation? Do partners consider it effective and efficient?

2.1. Contracting and Calls for Proposals

In 2023, the Program conducted a broad call for regular projects (closed on August 31, 2023). Several separate non-competitive calls were conducted for large infrastructure projects. The decision to hold a single call allowed the Managing Authority and the Joint Secretariat to focus their attention on simultaneously managing two major areas: health and the environment. The Monitoring Committee decided that health projects would be evaluated first, which automatically delayed the review of environmental proposals.

The schedule was affected by two strategic decisions of the MC, directly related to the context of the war. In December 2023 (3rd meeting), €2.56 million was reallocated from the “Cooperation” priority to “Health” and another €2.56 million to “Environment,” and in April 2024 (4th meeting), at the request of the Ukrainian side, the regular call for proposals under the “Tourism” priority was terminated, and €27.13

million was transferred from it to the “Environment” priority. **The** total value of budget reallocations between priorities reached **€34.79 million**. The rationale was the assessment that, under wartime conditions, needs in the areas of water and wastewater management and ecosystem protection are more urgent than support for cross-border tourism.

Time from Call for Proposals to Contract

Data from the CST2021 system reveal a certain duality in the pace of contracting. For regular projects (N=65), the average time from the close of the call for proposals to the signing of the contract was **388 days** (median 389).

Table 2.1. Assessment of technical advisory services during the application phase

Priority	Number of projects	Average time from call for proposals to contract (days)	Median	Range
P1 Environment	44	419	411	322–628
P2 Health	20	306	309	209–497
P4 Cooperation	1	642	643	—

Source: CST2021 monitoring data.

LIPs were selected through a special closed, non-competitive procedure for strategic projects. The contracting procedure takes place outside the CST2021 system, relying on electronic correspondence and the physical signing of documents.

Evaluation process

The selection of regular projects is based on a two-stage model: a formal evaluation (highly algorithmized, with a detailed checklist specifying the scope of possible revisions) and a substantive evaluation conducted jointly by a Joint Secretariat staff member and an external expert. In the event of a discrepancy of ≥ 20 points or conflicting recommendations, the application proceeds to a third evaluation. This mechanism, based on standardized guidance materials, was designed to ensure the reliability of results and eliminate the possibility of arbitrary adjustments to the ranking lists by regional authorities.

At the end of the process, the MC makes the decision. It does not evaluate the applications directly, but verifies the experts' work based on documentation packages received prior to the meeting. In this context, the MC also exercised its authority to award additional points (*the* so-called *"strategic* upgrade"): at the third meeting, three projects from the "Health" priority (ophthalmology, cardiology/neurosurgery, laparoscopic urology) were elevated, citing their importance for the care of war victims and refugees. At the same time, the MC rejected an attempt by the Transcarpathian region to circumvent the order of the reserve lists (5th meeting), citing the principle of transparency and the hierarchy of Specific Objectives. Both decisions illustrate that the Committee is capable of using its strategic discretion in a coordinated manner where there is a genuine program interest, while maintaining procedural rigor under local pressure.

From the applicants' perspective, the clarity of the competition documentation varies depending on the outcome. In the CAWI survey, the vast majority of beneficiaries consider the documentation to be clear, while those whose applications were rejected rate it noticeably worse, and the SPF falls in the middle with a significant percentage of poor ratings.

Table 2.2. Assessment of the clarity of competition documentation (Manual, instructions, rules)

Assessment	Beneficiaries (regular projects and LIP)	Rejected applicants (regular projects and LIP)	SPF applicants (operator)
Very good	10.6%	3.0%	6.4%
Good	65.5%	42.4%	51.1%
Average (formal style)	23.0%	45.5%	31.9%
Poor	0.9%	6.1%	8.5%
Very poor	0.0%	3.0%	2.1%

Source: CAWI of beneficiaries (n=113), rejected applicants (n=33), SPF applicants (n=47).

The winners perceive the evaluation criteria as clear: **92.9%** of beneficiaries rate them positively ("definitely yes" 23.9% + "rather yes" 69.0%). Among rejected applicants, the picture is the exact opposite: 66.6% give an average or lower rating. SPF, with a high proportion of new applicants, falls in between (55.4% positive, 38.3%

average). However, it is crucial to identify the source of dissatisfaction: 57.6% of those whose applications were rejected did not fully understand the justification for the evaluation of their application (19 out of 33 selected the option “the justification helped me understand the reasons, but left many questions unanswered”). The problem concerns not the criteria themselves, but **the feedback provided after evaluation**—this is a different issue from the transparency of the rules.

The structure of the criteria itself is not without flaws. External experts point out that evaluation points are not always distinct: the same error by an applicant can lower the score in several places on the evaluation sheet, which creates the risk of “double punishment”: a situation in which an expert deducts points for a given error or weakness in one criterion and then lowers the score again for a similar aspect in a second criterion." Furthermore, the concept of “the added value of cross-border cooperation” remains insufficiently operational; experts call for a clearer definition to distinguish Interreg interventions from national operational programs and aid mechanisms for Ukraine.[3] Added to this are technical limitations: CST2021 does not provide dedicated fields for certain program criteria; key information is entered by applicants in the general “Additional Information” field, which makes it difficult for assessors to identify it.

The evaluation process for regular projects took an average of 177 days (median 126), but with significant variation: the “Environment” priority averaged 106 days, while the “Health” priority took as long as **258 days** (with a maximum of 588). This difference stems not from the substantive difficulty of the “Health” priority, but from the higher volume of applications and the priority’s top position in the evaluation queue. The evaluation timeline also includes the resolution of appeals and the necessity of a third evaluation in cases of discrepancies.

Substantive Advisory Services During the Application Phase

The assessment of advisory services covers two distinct pathways: (1) WS advisory services for regular projects and LIPs; (2) Carpathian Euroregion advisory services during the application phase under the SPF.

[3] For example, four components: (a) joint planning of activities, (b) exchange of results and methodologies, (c) sustainability of contact after the project, (d) values unattainable in a single country.

Table 2.3. Evaluation of technical advisory services during the application phase

Evaluation	Beneficiaries (regular projects and LIP)	Rejected applicants (, regular projects, and LIP)	SPF applicants (operator)
Very good	35.4%	18.2%	38.3%
Good	44.2%	30.3%	40.4%
Average	14.2%	30.3%	4.3%
Poor	0.0%	12.1%	2.1%
Very poor	0.0%	0.0%	2.1%
Not applicable	6.2%	9.1%	12.8%

Source: CAWI of beneficiaries (n=113), rejected applicants (n=33), and SPF applicants (n=47).

The SPF operator is rated very positively: only 4.3% rated it "average" vs. 30.3% among rejected applicants of the main program (it is worth noting, however, that this assessment pertains solely to the call for proposals stage, as the competition had not yet been decided at the time of the survey). This aligns with qualitative feedback from open-ended questions ("The Euroregion handled the situation perfectly during the uncertainty"; "I rate my contact with the Euroregion as very good"). Information gaps are reported by **15.0% of beneficiaries (regular projects and LIPs), 30.3% of rejected applicants (regular projects and LIPs), and 34.0% of SPF applicants.** Four topics dominate the open-ended responses: public procurement procedures (especially for Ukrainian partners—inconsistencies with Ukraine's martial law and the procedures available in the Prozorro system), eligibility of personnel costs and interpretation of Annex 2, project settlement and changes, as well as the operation of the application generation system itself (gaps in instructions and training videos). These are also the four areas that future editions of the FAQ, webinars, and calibration meetings with experts should address; the problem lies not in the parties' intentions, but in access to precise, operational knowledge.

The Restrictiveness of the Manual: A Deliberate Choice for Simplification

An analysis of program documents indicates that the Managing Authority has introduced a number of requirements that are more restrictive than the minimum

set forth in Regulation (EU) 2021/1059. The most significant example is the complete exclusion of the possibility of claiming actual costs in the categories of: personnel, office and administration, and travel. The Manual explicitly states: *"It is not possible to settle the cost categories indicated below as actual costs [...] Within the Program, flat- -rate financing applies to the following cost categories: Staff, Travel and accommodation, Office and administration."* The Interreg Regulation provides a choice in these areas; the Program turns this option into an obligation.

This decision is part of a deliberate effort to simplify procedures and reduce the risk of errors, and in this regard is consistent with the SCO philosophy. However, it constitutes a certain limitation in a technical sense: it restricts the flexibility provided for in the basic acts. Interviews with auditors indicate that, in practice, the use of broad lump sums significantly reduced the auditors' workload; the mechanism proved particularly effective in technical assistance.

In summary, the recruitment schedule should be considered functional; it allowed for the efficient contracting of a larger pool of funds than originally anticipated. The flexibility of the Management Committee in reallocating funds within the program ("Tourism" → "Environment," "Cooperation" → "Health") served as a real safety buffer under wartime conditions. The two-stage evaluation mechanism, involving a pair of WS + expert, with arbitration in case of a 20-point discrepancy and CM oversight, ensures overall reliability; areas for improvement include the disconnect between criteria and clarifying the "added value of cross-border cooperation." Feedback to rejected applicants represents a distinct, recognizable shortcoming: approximately 58% of them assess that the response they received allowed them to more or less understand the reasons for rejection, but left many questions unanswered.

2.2. Certification and Program Progress

At first glance, the overall picture of progress is mixed: the program has signed **77 contracts** with a total eligible expenditure **of €243.08 million** (EU co-financing of €207.55 million), yet **the** level of actual certified expenditure stands **at** only **€22.47 million**, which corresponds to 9.2% of the contracted amount. The average contract implementation rate is 13.0% (median 6.6%). The lower expenditure amount reflects the fact that 69 of the 77 project contracts were signed only between June 2024 and January 2025, and five large LIPs completed contracting in November–December 2025 and January 2026.

Table 2.3. Contracting and Expenditure Levels by Priority

Priority	Projects	Eligible Expenditures (EUR million)	Recognized Expenditures (EUR million)	% of progress
P1 Environment	46	103.60	8.92	8.6%
P2 Health	24	63.22	12.19	19.3%
P3 Tourism	1	4.31	1.36	31.5%
P4 Cooperation	1	5.68	0.00	0.0%
P5 Boundaries	1	11.91	0.00	0.0%
P6 Availability	4	54.36	0.00	n/a
TOTAL	**77**	**243.08**	**22.47**	**9.2%**

Source: CST2021 monitoring data, as of 2026-02-25.

The “Health” priority is being absorbed the fastest (19.3% progress, 40 WOP); this is due to the earlier launch of contracts (starting in March 2024) and the nature of the interventions: purchases of medical equipment and renovations are more linear over time than environmental investments. The “Environment” priority, which has the largest project portfolio, is only now entering a phase of intensive implementation. The “Accessibility” and “Borders” priorities have not yet generated any expenditures.

Certification

According to an interview with a representative of the Managing Authority, out of a pool of approximately €100 million on the Ukrainian side, only €7 million has been certified so far—Ukrainian beneficiaries are just entering the phase of settling large procurement procedures. Polish expenditures are being processed efficiently by provincial offices and the European Projects Center.

As of the date of this analysis, the WOP database lists 188 submitted applications, of which 174 have been approved, including 103 through batch approvals. Eligible expenditures covered by batch approvals amount to €22.28 million, requested advance payments total €28.97 million, and reimbursements amount to €3.71 million. The disparity between these latter categories reflects the structure of the

program's advance payment system: beneficiaries receive funds in advance in installments and receive reimbursement when the value of expenses submitted for settlement exceeds the value of the advance received under the project. In this sense, beneficiaries' sensitivity to the pace of application verification stems not from the need to reimburse costs already incurred, but from the mechanism linking the amount of the next advance payment to the degree of settlement of the previous one—full payment requires settlement of at least 70% of the prior advance, and at a lower settlement level, the amount of the next tranche is proportionally reduced in accordance with the grant agreement. This is a phenomenon typical of the early phase of program implementation, but it carries certain risks: beneficiaries become more sensitive to the pace of claim verification, which directly impacts their current financial liquidity.

National Audit

Beneficiaries generally evaluate the work of national auditors positively: 69.7% of ratings are good or very good. The negative portion (7.0%) is concentrated among Ukrainian partners, for whom an additional challenge is the ambiguity of public procurement procedures resulting from Ukrainian wartime legislation and from discrepancies between Ukrainian procurement legislation and EU requirements specified in Annex 2 to the financial agreement between Poland, the European Commission, and Ukraine.

Table 2.4. Assessment of the quality of CC controls (beneficiaries)

Assessment	n	%
Very good (partnership approach)	27	27.3%
Good (clear guidelines, effective dialogue)	42	42.4%
Average (meticulous, time-consuming)	14	14.1%
Poor (bureaucratic, not in the Manual)	3	3.0%
Very poor (inconsistent comments, lack of dialogue)	4	4.0%
I don't know / hard to say	9	9.1%

Source: CAWI of beneficiaries (n=99), excluding beneficiaries in the initial stage of project implementation.

The data on the audit results themselves confirm the high quality of the beneficiaries' work: out of 104 audits conducted (across 48 projects), only 3 resulted in recommendations and financial corrections, and the total amount of expenditures deemed ineligible was EUR 110,909. The fact that 80 out of 104 audits concerned public procurement is a clear indication of where the audit apparatus focuses its attention and confirmation that this area remains the source of the greatest interpretative doubts.

Interviews conducted indicate that a mechanism limiting procurement risk is the auditor's ability to conduct an ex-ante assessment of the tender procedure before its conclusion. This approach is particularly effective on the Ukrainian side, where martial law has limited the procedures available in Prozorro to a single type, giving rise to interpretive disputes.

Reporting

The maximum reporting periods are 6 or 8 months, depending on the project type; in both cases, the beneficiary may submit the WOP earlier at any time during this period. However, interviews with auditors indicate that beneficiaries often use the full available period, which complicates workload planning for the auditors. Infrequent reporting creates an additional exchange rate issue on the Ukrainian side: the difference between the exchange rate on the date of the actual transaction and the artificial rate at the time of reporting many months later results in significant discrepancies. CST2021 does not automate either the conversion of the EUR exchange rate or the calculation of the proportional grant amount, which forces beneficiaries to perform manual calculations and generates errors requiring auditors to reject applications.

At the beneficiary level, the main consequence of the above is liquidity strain. Nearly one in three beneficiaries reports significant problems in this regard.

Table 2.5. Project Financial Liquidity

Option	n	%
Yes, smooth cash flow	35	35.4%
Mostly yes, with brief bottlenecks	35	35.4%
Rarely; we use our own funds for a short time	22	22.2%

Definitely not hindering implementation	7	7.1%

Source: CAWI of beneficiaries (n=99), excluding beneficiaries in the initial stage of project implementation.

29.3% of beneficiaries report significant cash flow problems. In the open-ended question (one change that would make work easier), three requests recur: increasing the advance payment amount, a lump-sum payment instead of installments, and shortening the review period for payment requests to 30 days. There is also a request *for "simplified reporting"* and *"reporting no more frequently than every six months,"* which simultaneously confirms the auditors' request to standardize the cycle. However, a more in-depth discussion of advance payments and simplifications in expenditure reporting belongs in Chapter 3 (financial simplifications).

The 70% mechanism does not hinder cash flow in the sense of cutting off access to funds. The beneficiary receives the next advance payment in full if they have settled at least 70% of the funds received previously; at a lower settlement level, the amount of the next tranche is merely reduced proportionally, and the beneficiary still has the advance funds necessary to implement the project. This mechanism is further supplemented by the possibility of a reimbursement payment if the beneficiary has submitted valid expenses exceeding 100% of the advance payments received. In this sense, the 70% mechanism itself should be treated as a rule determining the amount of subsequent payments, rather than as a barrier to project financing.

A separate issue, however, is the interdependence of settlements between partners. Since settlement occurs at the level of the entire project, rather than for an individual partner, a delay in approving one partner's expenditures—resulting, for example, from an audit or administrative delays—may reduce the amount of the tranche allocated to the partner on the other side of the border. This, in turn, may necessitate modifying tender schedules. This is an operational risk stemming from the structure of joint project settlement, not from the 70% threshold itself.

Impact of the War

The CAWI survey measured the impact of the war across five dimensions on a scale of 1–5. The picture is clear: the war is affecting staff (54.5% rated 4 or 5) and the implementation schedule (43.4% rated 4 or 5), and significantly less so administrative and banking operations.

Table 2.6. Impact of the war on project implementation (beneficiaries, scale 1–5)

Area	Average	Median
Staff (mobilization, migration)	3.21	4
Delays in implementation	3.06	3
Project implementation (power, supplies)	2.97	3
Billing (internet, CST)	2.18	2
Banking operations	1.97	2

Source: CAWI of beneficiaries (n=99, including 59 Ukrainian and 40 Polish beneficiaries), excluding beneficiaries in the initial stage of project implementation.

These data are important for assessing the risk of decommitment. The risk does not lie with the program's procedures, but rather in the operational reality of the beneficiaries, mainly Ukrainian ones. In response, the MC implemented a preventive mechanism: the possibility of using post-tender savings was limited to a maximum of EUR 100,000; surpluses are automatically transferred to fund projects from the reserve list, which, given the lack of time to prepare new technical documentation, safeguards the pool of contracted funds.

2.3. CST2021 System

From the perspective of the Managing Authority and the Joint Secretariat, the Central ICT System 2021 (CST2021) streamlines the program's operations: data from grant applications (WOD2021) is migrated to project management and control modules, and the reporting module allows for the generation of data for the purpose of certifying expenditures. A single system for multiple EU programs ensures institutional consistency and, at least in theory, clarity for beneficiaries with experience in European funds.

However, problems emerge at the level of daily use: the interface's lack of intuitiveness, the absence of automation for key calculations, a failure to adapt to the specific nature of the PL-UA cross-border program, and instability in file handling. All these issues accumulate for applicants and beneficiaries, who spend the most operational time in the system. This chapter addresses two research questions: (1) whether CST2021 enables the effective and efficient management of program processes and how different user groups evaluate it; (2) Does the system

impose unnecessary steps, thereby negating the benefits of the legal simplifications envisaged for the 2021–2027 period?

The answers are based on the triangulation of three sources: a CAWI survey (beneficiaries N=113, including N=95 valid responses regarding CST2021; rejected applicants N=33), a UX audit of the CST2021 system conducted using the expert heuristic analysis method supplemented by user interviews , and individual in-depth interviews (IDI) with representatives of the MA, IB, CC, and project managers.

CST2021 user evaluation: quantitative perspective

In the CST2021 survey, two user groups provided evaluations: beneficiaries (at the stage of reporting project expenditures and progress) and applicants whose proposals were not selected for funding (at the stage of submitting an application in the WOD2021 system). These represent different stages of the process and different system modules, which limits the direct comparability of evaluations between the groups. In both cases, "Don't know / Hard to say" responses and missing data were excluded from the analysis; the reported N values refer to valid responses.

Table 2.7. Assessment of CST2021 functionality in the beneficiary reporting module

Rating	**N**	**%**
Very good	16	16.8%
Good	37	38.9%
Average	34	35.8%
Poor	7	7.4%
Very poor	1	1.1%
Total	95	100.0%

Source: CAWI survey of beneficiaries (n=95), excluding "don't know/hard to say" responses.

More than half of the beneficiaries (55.8%) rate the functionality of CST2021 at the reporting stage positively as "good" or "very good." The dominant response is "good" (38.9%), with "average" coming in a close second (35.8%). The percentage of clearly negative ratings is low (8.4%), which means that the system does not constitute a barrier preventing work. At the same time, the fact that over one-third of users consider it merely average, and the percentage of "very good" responses is only 16.8%, indicates that CST2021 is not perceived as a tool that significantly facilitates

daily work. Such results are typical for systems that “work, but get in the way”: users are able to complete their tasks, but in doing so experience friction that reduces work comfort without completely blocking it. The UX audit provides an explanation for this friction: the identified barriers (lack of automated calculations, forcing work in Excel, chaotic attachment management) do not prevent the task from being completed, but they extend the time needed to complete it and generate frustration. One project manager summed up this duality in an interview, describing CST2021 as “very intuitive” and representing “noticeable progress compared to older systems like LSI or SL2014,” only to go on in the same interview to describe in detail the many hours spent “struggling with Excel” for each payment request. This combination of declarative acceptance of the system as a whole alongside criticism of specific processes explains why the distribution of ratings is concentrated in the middle of the scale: users appreciate digitization as such, but they are critical of CST2021 for shortcomings in automation and user support.

Table 2.8. Assessment of WOD2021 functionality by applicants with rejected applications

Rating	**N**	**%**
Very good	2	6.1%
Good	17	51.5%
Average	9	27.3%
Poor	4	12.1%
Very poor	1	3.0%
Total	**33**	**100.0%**

Source: CAWI survey of rejected applicants.

Among applicants whose proposals were not selected for funding, the majority (57.6%) rated the functionality of the WOD2021 application positively. However, the percentage of negative ratings (15.2%) is nearly twice as high as among beneficiaries. Another notable feature is the different distribution within the scale: rejected applicants are significantly more likely to choose the “good” rating (51.5% compared to 38.9% among beneficiaries), but nearly three times less often “very good” (6.1% compared to 16.8%). Interpreting these results requires taking two factors into account. First, rejected applicants evaluated only the system module (WOD2021 application generator) whereas beneficiaries evaluated both the WOD2021 system and the reporting module, and thus differences in distributions may reflect both the

distinct characteristics of the modules and differing user experiences. Second, one must consider whether the very fact of an application's rejection influences the retrospective evaluation of the tool used to submit it. The higher percentage of negative ratings in this group (15.2% versus 8.4%) could suggest a rationalization effect—the transfer of some of the frustration associated with the failure onto the tool. At the same time, however, this hypothesis cannot be accepted uncritically: the UX audit confirms real barriers in the WOD2021 application, such as overly restrictive character limits in descriptive fields (approx. 4,000 characters for complex infrastructure projects), which directly reduce the substantive quality of the application. It is also worth noting that over half of the rejected applicants (51.5%) are first-time applicants to the Interreg program; their assessment of the system is therefore not biased by comparison with previous solutions (such as SL2014), but at the same time may reflect adaptation difficulties that experienced users have already overcome. Overall, the higher percentage of negative evaluations among rejected applicants is likely the result of both real interface barriers and a selection effect, though the available data does not allow for a precise separation of these two components.

The picture emerging from the survey data is consistent with observations from the qualitative interviews. In the CAWI open-ended question about "one change that would make work easier," CST2021 is the most frequently mentioned topic. The following requests recur in respondents' statements: *"Abandon CST and switch to JEMS*," *"The CST system should be more intuitive*," *"Change the IT system*," *"the ability to translate the application in the CST system into other languages*," *"a Ukrainian version of CST2021*." It is worth noting that some users cite the JEMS system, used in other Interreg programs, as a point of reference, suggesting that their criticism does not stem from a general aversion to IT systems, but from specific experience with an alternative solution. It is therefore worth considering reviewing the solutions in the JEMS program with a view to potential improvements to CST for the Interreg Program, provided that such changes at the level of a single program are feasible.

CST2021 Evaluation by Partners: Poland vs. Ukraine

The cross-border perspective of the PL-UA program justifies an analysis of evaluations broken down by Polish and Ukrainian partners. The results reveal an interesting and counterintuitive asymmetry.

Table 2.9. Assessment of CST2021 functionality in the reporting module: beneficiaries by partner country

Evaluation	Poland	Ukraine
Very poor	0.0%	2.5%
Poor	10.9%	2.5%
Average	38.2%	32.5%
Good	38.2%	40.0%
Very good	12.7%	22.5%

Statistics	Poland	Ukraine
Average (scale 1–5)	3.53	3.77
Median	4.0	4.0
Positive ratings (4–5)	50.9%	62.5%
Negative ratings (1–2)	10.9%	5.0%

Source: CAWI survey of beneficiaries (n=95), excluding "don't know/hard to say" responses.

Among beneficiaries, Ukrainian partners rate the CST2021 reporting module slightly higher than Polish partners—62.5% positive ratings versus 50.9%—while also having a lower percentage of negative ratings (5.0% versus 10.9%). However, the difference does not reach the threshold of statistical significance, which means it should be treated as a trend rather than a systematic difference. The observed trend may stem from different frames of reference: Ukrainian partners, when compared to their national administrative systems, may rate CST2021 more favorably than Polish partners, who have experience with other EU systems (SL2014, JEMS).

Among rejected applicants, the trend is reversed: Polish applicants rate the WOD2021 application more highly (68.2% positive ratings compared to 36.4% among Ukrainian applicants). The odds ratio of 3.75, though statistically insignificant with such a small sample, suggests that if the sample size were larger, the difference might prove systematic. The reversal of the direction of the difference between the groups is noteworthy: Ukrainian partners rate the system better at the reporting stage (once they have mastered it), but worse at the application stage. The source of difficulties at the application stage may be language barriers—the system does not offer a Ukrainian version of the interface at this stage—and reduced availability of

guidance compared to the implementation stage, when the beneficiary already has an assigned project manager.

Technical and Functional Barriers of CST2021

Survey data indicate that CST2021 is the most frequently identified operational bottleneck of the program. Qualitative interviews and a UX audit allow us to reconstruct the specific mechanisms that generate this assessment. The barriers identified can be grouped into several thematic areas, each of which has been confirmed by at least two independent data sources (interviews and UX analysis).

Lack of automation for currency and flat-rate calculations. This is a problem unanimously identified by all user groups, from project managers and national controllers to the Joint Secretariat. The system does not convert expenses at the EUR exchange rate from the InforEuro database, does not automatically calculate flat-rate costs (6%, 15% of eligible costs), and does not calculate the grant amount. The consequence is a forced workflow outside the system: the beneficiary exports data to an Excel spreadsheet, manually enters exchange rates, calculates the amounts, and either imports them back or enters them manually, creating discrepancies between the Excel file and the data in the system. As one interview respondent put it:

"I open an Excel file and have to calculate it—simply put, calculate it by hand."

The problem is not limited to beneficiaries; it cascades throughout the entire verification chain. National auditors must independently verify the arithmetic of each application, and the Joint Secretariat cannot aggregate summary applications when partial applications contain calculation errors. The UX audit classifies this problem as critical, violating the heuristics of error prevention. It is worth noting that this problem has been resolved in other Interreg programs; the interview respondent points to a positive example from the Lithuania–Poland program, where the exchange rate is automatically inserted into the system.

Forced work outside the system: "Excel juggling." A consequence of the lack of automation is the paradox of the ICT system, which forces intensive work in spreadsheets. The process of generating, exporting, manually filling in, and re-importing Excel files is described by project managers as the most burdensome aspect of working with CST2021. The problem is exacerbated by the fact that after import, the system sometimes truncates partner data, forcing users to re-enter it.

One project manager described the process as follows: *"Here we're just fiddling around with this Excel, and that's the only drawback when it comes to payment*

requests…", and another added: *"Mainly fiddling around with these Excel files—let's put it that way—because we're supposed to have an electronic system, we import it, then we have to extract it and so on, right?"*

The UX audit assigns this issue a critical priority and indicates that it constitutes a violation of the heuristic of aligning the system with the real tasks of users (project beneficiaries).

Reactive data validation. The system checks the validity of the application only after the "Check Validity" function is explicitly called or when an attempt is made to submit it, and even then it verifies only the completeness of the fields, not their substantive or arithmetic correctness. The lack of real-time "inline" validation means that the user only learns of errors after filling out the entire form, which forces them to return to previous sections. One of the interview respondents confirmed: *"It checks the completeness of the application. It doesn't remember, because I've never had a situation where it cross-checked the numbers."* This feature of the system exacerbates the impact of other barriers; even if a beneficiary makes a calculation error, the system is unable to detect it before the application is forwarded to the controller.

Chaotic management of attachments. All documents from correspondence, reports, and audits end up in a single "Attachments" tab without any connection to the context in which they were added. For multi-year projects, the number of documents grows, and the search mechanism is ineffective. An interview respondent described it as follows: *"Everything that appears in the system (…) ends up in a general bin called 'Attachments' (…) it's such a big bin that it's sometimes a bit hard to find your way around."*

The problem is compounded by an additional risk: the open mechanism for replacing attachments allows partners to exchange documents during an ongoing review, which poses a threat to the integrity of the audit trail.

Comparing versions without highlighting changes. The "Compare Versions" feature for project data generates full blocks of text from both versions without highlighting specific modifications. With multi-page descriptions, changing a single word requires manual searching or, as interviews indicate, copying the text to MS Word and comparing versions there. An interview respondent described: *"The system allows us to generate the entire field without clearly indicating what has changed (…) In practice, this means that I either check it word by word, or I copy it back into Word and compare the versions."* The UX audit classifies this issue as critical.

Character limits are too restrictive. The limit of approximately 4,000 characters in description fields is insufficient for projects with complex documentation, especially infrastructure projects. A construction project manager noted: *"The limited number of characters meant that we had to really simplify and limit our descriptions. Sometimes this was done, to put it bluntly, to the detriment of the description."* The problem is not merely a matter of convenience; insufficiently detailed task descriptions can hinder substantive assessment and lead to the eligibility of expenditures being questioned.

Lack of language localization. The CST2021 system does not offer a fully Ukrainian-language interface, which poses a barrier for Ukrainian partners, particularly during the application phase when support from a project mentor is not yet available. This issue arises both in survey data (requests for a "Ukrainian version of CST2021") and in interviews. The lack of recognition for Ukrainian region codes—forcing UA partners to enter them manually instead of selecting them from a list—constitutes an additional, albeit smaller, component of the same barrier. Survey data provide indirect confirmation of this barrier: among rejected applicants, Ukrainian partners rate the WOD2021 application significantly lower than Polish partners (36.4% positive ratings versus 68.2%), and the application stage, unlike the reporting stage, does not yet provide the support of an assigned project mentor who could compensate for the interface's shortcomings.

Results of the CST2021 system UX audit

An expert heuristic analysis of the CST2021 system, based on Jakob Nielsen's 10 usability heuristics, covered key user flows in the WOD (grant applications), Projects, Payment Requests, and e-Audits modules. The expert analysis was supplemented by five individual in-depth interviews with representatives of four user groups: the Managing Authority, the Joint Secretariat, the National Controller, and project managers. The full UX analysis, including the results of the heuristic analysis, screenshots, and design recommendations, constitutes a separate appendix to the report.

The key conclusion of the audit can be summarized as follows: **CST2021 functions as a data repository rather than a tool that supports users in processing data.** The system accepts data but does not calculate it, does not perform mathematical validation, and does not offer intelligent suggestions. As a result, users across all groups—from beneficiaries to auditors—perform a significant portion of their analytical work in external spreadsheets.

The audit identified eleven usability issues, classifying them into four priority levels. Four issues were given critical priority: the lack of automatic currency and flat-rate

calculations, the need to work outside the system (workflow via Excel), comparing document versions without highlighting changes, and the lack of automatic currency conversion (integration with InforEuro). Six issues were classified as high priority: reactive validation checking completeness rather than correctness, chaotic management of attachments, overly restrictive character limits in description fields, an unclear budget editing path, lack of alerts for budget overruns, and errors during the “ ” stage of partial requests that block aggregate aggregation. One issue—the lack of context-sensitive help in forms—was classified as medium priority.

Table 2.10. Matrix of cross-cutting issues: UX audit results

Issue	Management perspective (MA/IB/CC)	Beneficiary perspective	Priority
No currency conversion (InforEuro)	✓	✓	Critical
No automation of flat rates	✓	✓	Critical
Forced to work in Excel	—	✓	Critical
Comparing versions without diff	✓	—	Critical
Validation of completeness, not correctness	✓	✓	High
Chaotic attachment management	✓	✓	High
Character limits in descriptions	—	✓	High
Unclear budget editing path	—	✓	Average

No budget alerts	—	✓	High
Errors blocking request aggregation	✓	—	High
No context-sensitive help	✓	—	Medium

Source: CST2021 system UX audit.

A key observation is the cross-cutting nature of the most serious issues: four out of the five highest-priority issues affect both the administrative perspective and the beneficiaries' perspective. These issues are therefore not subjective complaints from a single group of users, but systemic barriers affecting the entire process chain—from the applicant, through the controller, to the Joint Secretariat aggregating data for certification purposes.

To ensure the analysis is comprehensive, it is worth noting the aspects that users view positively. The move away from paper documentation is appreciated, even if it is accompanied by criticism of the details. The Joint Secretariat emphasizes that *"despite initial difficulties, digitization is a major convenience."* The financial statements and summaries module operates stably. Integration with the National e-Invoice System (KSeF) functions without issues. Changes to the readability of the interface in the invoice view, introduced during the system's ongoing development, are also viewed positively. These positive aspects indicate that the issues with CST2021 lie in the areas of automation and user support, rather than in the very concept of digitizing the program's processes.

Does the system impose redundant tasks

The 2021–2027 Financial Perspective introduced a number of regulatory simplifications aimed at reducing the administrative burden on beneficiaries and institutions. The most important ones in the context of the PL-UA program include: the expanded use of flat rates as simplified cost accounting methods, the digitization of processes eliminating the circulation of paper documents, and the standardization of procedures within a single ICT system. The research question concerns whether the implementation layer—that is, the CST2021 system itself—does not, in practice, negate the benefits resulting from these regulatory simplifications.

The collected data indicate that in several key areas, the answer is yes: the system generates additional work where regulations are intended to eliminate it.

Lump-sum payments without automation: a simplified accounting method that does not simplify. The lump-sum rates (6% and 15% of eligible costs) were introduced so that the beneficiary would not have to document and account for each indirect expense individually. In practice, however, the CST2021 system requires the beneficiary to calculate the lump-sum amount independently and enter it manually, even though the percentage ( ) is defined in the system. The auditor must then independently verify the correctness of this calculation. We are thus faced with a paradox: regulatory simplification (a lump sum instead of documenting costs) generates an additional calculation and verification cycle that stems solely from IT system limitations, not from legal requirements. As a WS representative noted: *"These are the kinds of things that could be calculated automatically, and we would certainly avoid such basic errors."* Another respondent described the absurdity of the situation: *"I have to calculate, say, indirect costs; even though I choose the percentage of indirect costs myself, I have to enter a flat rate off the top of my head and calculate it."*

Digitization that forces work in Excel. The digitization of processes—one of the flagship simplifications of the 2021–2027 perspective—assumes that data entered once into the system does not need to be re-entered or processed outside of it. CST2021 breaks this rule in a key process: the payment claim. The lack of automation for currency calculations forces a cycle of exporting data to Excel, manually converting it, and then importing or re-entering the results. On a program-wide scale, this means that instead of being processed in a single environment, each payment request requires many hours of work across two systems simultaneously. Beneficiaries describe this process as *"juggling with Excel,"* and the UX audit unequivocally identifies it as a violation of the fundamental principle of aligning the system with the actual process. The problem is all the more telling given that working solutions exist; an interview respondent points to the Lithuania–Poland program system, where the exchange rate is automatically inserted into the payment request: *"There, right in the system, if we have a payment request, say, for the period up to April, the rate for May is automatically applied in the system."*

Validation that does not prevent errors. Digitization was also intended to simplify data verification**;** the system should detect errors earlier and automatically, reducing the number of back-and-forth exchanges between the beneficiary and the controller. CST2021 fulfills this function only partially: validation checks for completeness (whether fields are filled in), but not for arithmetic correctness. As a result, claims containing calculation errors pass through system validation and are

then returned by the controller for correction, generating exactly the same administrative iterations that digitization was intended to eliminate. Furthermore, errors at the level of partial applications block the aggregation of collective applications at the Joint Secretariat level, causing delays in expenditure certification to cascade upward through the institutional chain.

An unclear budget editing workflow. The system allows users to add new budget items and modify existing ones in draft mode; however, users do not always follow the correct procedure. Instead of editing an existing item and adding a new one, they attempt to delete items and enter new ones in their place . The issue relates to the communication of available functionality, not its absence. In the UX report, we recommended adding a “tooltip” next to the budget changes section to explain the correct workflow.

2.4. Summary

The project evaluation and selection system operates consistently, but feedback to rejected applicants remains lacking. The two-stage mechanism (formal evaluation + substantive evaluation by a pair of WS members and an external expert), the arbitration mechanism for discrepancies of ≥ 20 points, and the decision-making role of the Monitoring Committee ensure the reliability of the process. 92.9% of beneficiaries consider the criteria to be clear and objective. A weak point is the closure of the process for rejected applicants: 57.6% of them indicate that the justification for the evaluation did not clarify all their doubts. Added to this is the problem of the criteria’s design—the lack of a clear point-based system and an insufficiently operational definition of “the added value of cross-border cooperation.”

The call schedule and the MC’s flexibility in reallocating funds proved effective. Although a single large call extended the evaluation period, it allowed for the contracting of more funds than originally planned, and coordinated reallocations (TOURISM → ENVIRONMENT €27.13 million; COOPERATION → HEALTH/ENVIRONMENT €5.12 million) served as a real buffer against the changing needs caused by the war. The MC’s *strategic upgrade* mechanism was used sparingly and with consistent justification (medical projects for war victims), and procedural rigor on the reserve lists was maintained despite regional pressure.

National control and expenditure reporting are assessed positively, but cash flow and the reporting cycle are clear weaknesses. 69.7% of beneficiaries rate the work of the National Audit Office as good or very good; only 3 out of 104 audits resulted in a financial correction (a total of €110,909 in ineligible costs). At the same time, 29.3% of beneficiaries report significant liquidity problems.

CST2021 functions solely as a data repository, not as a tool to support data processing, which forces all user groups to perform analytical tasks in external spreadsheets. It was also observed that Ukrainian applicants rate the application submission stage significantly lower than Polish applicants (36.4% vs. 68.2% positive ratings), which may result from language barriers at this stage of the process. The source of the identified difficulties is not the regulations or program requirements, but solely the implementation layer of the IT system, which partially negates the potential for regulatory simplifications planned for 2021–2027. The lack of automation for lump-sum payments and currency calculations, along with validation limited to field completeness, forces redundant actions such as “ ” “Excel juggling,” or repeated corrections. However, these are surmountable barriers that can be removed through specific development changes which do not require modifications to the system architecture, yet would allow for the full realization of the legislator’s intent regarding the digitization of processes.

Information gaps are concentrated in four areas: procurement procedures (especially on the part of the UA under martial law), eligibility of personnel costs, making changes to the project, and handling CST2021. A lack of information is reported by 15.0% of beneficiaries (regular projects and LIPs), 30.3% of rejected applicants (regular projects and LIPs), and 34.0% of SPF applicants. These are specific topics to be explored in greater depth in methodological materials, FAQs, and calibration meetings.

The asymmetry in PL/UA certification is the main risk to the N+3 rule in the 2026–2027 timeframe. Of the €100 million on the Ukrainian side, only €7 million has been certified so far. The cause lies not in procedures, but in operational factors (staff: 54.5% of ratings 4–5 in CAWI; schedule: 43.4%) and in the upcoming wave of settlements for large investment contracts, for which the control apparatus may be too limited. The implemented mitigation mechanisms (ex-ante assessment, lump sums, a €100,000 cap on savings) are working, but may not be sufficient without a parallel strengthening of the control apparatus.

3. Project Settlement and Financing System

This chapter provides answers to the following research questions:

2. To what extent does the program simplify administrative procedures for partners and potential partners?

a) Do the simplified expense settlement methods introduced into the program reduce the administrative burden on partners? Is this system appropriate, effective, and efficient? Could this system be applied more broadly in the future (in relation to the draft regulations for the 2027+ period)? How could its appropriateness, effectiveness, and efficiency be improved, if at all?

b) Does the adopted system of advance payments for projects involving partners from Poland and Ukraine ensure the smooth implementation of projects? Can any issues with its implementation be identified? What advantages and disadvantages can be identified regarding the progress of advance payments for projects?

c) From the perspective of partners from Poland and Ukraine, what significance does the form of financing based on advance payments have in the decision to join a project? If it were not possible to finance projects through advance payments, and financing were based solely on reimbursement, would the partners decide to participate in the project?

3.1. Simplified Cost Options (SCO)

The Interreg NEXT Poland–Ukraine program uses simplified cost options (SCO), which allow beneficiaries to account for selected cost categories without submitting individual invoices. In regular projects and large infrastructure projects (LIP), direct costs—such as equipment, infrastructure, and external services—are accounted for based on actual costs (invoices). In contrast, three categories of costs related to project management are covered by flat rates, calculated automatically as a percentage of approved direct costs or personnel costs.

Table 3.1. Flat rates in the PL-UA program

Cost category	Regular projects	LIP projects
Personnel costs (% of direct costs)	6%	2%
Office and administrative costs (% of personnel costs)	15%	15%
Travel and accommodation costs (% of personnel costs)	15%	7%

Source: own analysis based on the Interreg NEXT Poland–Ukraine 2021–2027 program documentation.

This mechanism exempts beneficiaries from the obligation to document the exact amount of soft costs—there is no need to submit payrolls, electricity bills, or airline tickets. It is sufficient to demonstrate that the staff is actually working on the project (e.g., an employment contract) and that direct costs have been properly accounted for. The lump-sum categories are strictly linked: if a partner opts out of the personnel lump sum, they automatically lose the right to office and travel lump sums, as the latter are calculated as a percentage of personnel costs. The program also does not allow personnel costs to be claimed as actual costs or project management to be outsourced to external firms; both of these options are explicitly excluded in the program manual.

Flat-rate amounts compared to other Interreg programs

Comparing flat rates across programs requires caution. Programs differ in terms of project types, budget ranges, and available reimbursement methods, and the percentage rate in all programs is intentionally based on the scale and nature of the project: the higher the budget and the more infrastructure involved, the lower the percentage. The table below takes these differences into account. The starting point is the three project categories within the PL-UA program: regular soft projects, regular infrastructure (or investment) projects[4] , and large infrastructure projects

[4] According to the PL-UA program handbook, an infrastructure project requires a building permit or involves construction works valued at over 50,000 EUR. An investment project involves the purchase of equipment (furnishings) for over 50,000 EUR (in mixed projects, the predominant type of cost in the budget is decisive). In turn, a soft project is any other project that does not meet the above criteria (i.e., any expenses for construction work or equipment do not exceed EUR 50,000, and there is no requirement to obtain a building permit).

(LIP) , listed alongside the rates that a similar project would receive in three comparable cross-border programs.

Table 3.2. Flat-rate funding for personnel costs: what rate would a project with a profile typical for PL-UA receive in other Interreg programs?

Project type (according to the PL-UA classification)	*PL-UA*	*PL-Slovakia*	*PL-Saxony*	*CZ-Poland*
Regular soft (budget: 200,000–2.5 million EUR)	*6%*	*20%[1]*	*20%[2]*	*unit rates[3]*
Regular infrastructure/ investment (budget: EUR 200,000 – 2.5 million)	*6%*	*15%[4]*	*20% (PL) / 20% or unit rates (DE)[5]*	*2–4%[6]*
Large-scale infrastructure LIP (grant over 2.5 million EUR)	*2%*	*15% or 3%[7]*	*20% (PL) / unit rates (DE)[5]*	*2–4%[6]*

Source: own analysis based on the program documentation of individual Interreg programs.

Rates refer to personnel costs as a percentage of the partner's other direct costs. In the PL-UA program, the rate does not depend on the nature of the project (soft vs. infrastructure); in both cases, a uniform 6% applies to regular projects. Notes: [1] PL-SK: soft projects, funding up to EUR 700,000. [2] PL-SN: flat rate of 20% for both parties; program limit: costs including VAT below EUR 5 million. [3] CZ-PL: hourly/monthly rates according to 3 job profiles. [4] PL-SK: 15% for all infrastructure projects, except major road projects; funding from 900,000 to 4 million EUR depending on priority. [5] PL-SN: Polish partners 20% with no limit; German partners 20% up to 1.5 million EUR in direct costs, above that amount unit rates apply. [6] CZ-PL:

2% (emergency services) or 4% (tourism) for investment projects. [7] PL-SK: 15% (tourism/culture, funding up to 4 million) or 3% (major roads, funding up to 4 million).

The table paints a varied picture. In the segment of large infrastructure investments (third row of the table), the 2% rate in PL-UA falls within the range applied by other programs; PL-SK lowers the rate to 3% for large road projects; CZ-PL applies 2–4%. The logic is the same: with budgets in the tens of millions, even a low percentage generates sufficient funds for project management.

The differences are most evident in regular projects. An infrastructure project with funding of around 2 million EUR receives a 6% rate in the PL-UA program, while in PL-SK a similar project benefits from 15%, and in PL-SN Polish partners receive 20% with no budget limit. In soft projects, the disparity is even greater: 6% in PL-UA versus 20% in PL-SK and PL-SN, as well as unit rates in CZ-PL that guarantee market-rate compensation regardless of the project's value.

The PL-UA program stands out from the others in yet another aspect: it applies a uniform rate for regular projects without distinguishing between soft and infrastructure projects. It also does not offer alternative methods for accounting for personnel (unit rates or actual costs), making the 6% flat rate the only available option.

In this context, it is worth noting that the tension between the simplicity of the mechanism and its adequacy became apparent early in the program. During the second meeting of the Monitoring Committee, the Ukrainian side pointed out that for standard regular projects valued at €200,000–€1 million, the 6% rate results in a monthly salary of approximately €300 per employee. Representatives of the Ukrainian National Authority warned that such low amounts could lead to poor implementation quality and even force the covert coverage of personnel costs from the external services budget, which contradicts the very logic of simplification. The rates ultimately remained unchanged, were based on historical calculations from the previous programming period (2014–2020), and complied with the requirements of the regulations.

Data from the reporting system show the budget structure within which regular projects operate:

Table 3.3. Structure of regular projects by budget value

Project value (EUR)	Number of projects
Up to 1 million	4
1–2 million	17
2–3 million	42
Over 3 million	2
Total	**65**

Source: Author's own analysis based on data from the program's reporting system.

Most regular projects (42 out of 65) fall within the range of 2–3 million EUR. Projects with budgets below 1 million EUR, which are most sensitive to the low flat-rate, constitute a small portion of the total (4 projects). Nevertheless, the 17 projects in the €1–2 million range constitute a group where the strain signaled by the Ukrainian side may already be felt.

How beneficiaries assess lump sums: data from the CAWI survey

The survey (CAWI) covered 96 beneficiaries with settlement experience (after excluding respondents in the initial implementation phase and those who indicated "not applicable"). The question concerned the overall assessment of the adequacy of flat rates.

Table 3.4. Beneficiaries' assessment of the adequacy of lump-sum rates

Assessment	n	%
Very adequate (incentive to participate)	14	14.6%
Adequate (sufficient for management)	39	40.6%
Moderately adequate (on the verge of profitability)	25	26.0%

Insufficiently adequate (too low vs. expenditure/inflation)	16	16.7%
Definitely inadequate	2	2.1%

Source: Author's own analysis based on a CAWI survey of program beneficiaries (n=96, after excluding respondents at the initial implementation stage).

The picture is ambiguous. About 55% of beneficiaries consider the rates adequate or very adequate, but nearly half of the respondents (45%) express dissatisfaction, with nearly 19% of them assessing the lump sums as too low in relation to actual costs and inflation. A comparison of Polish and Ukrainian partners shows no statistically significant difference in the assessment of the adequacy of the rates (Mann-Whitney test: p = 0.907); the lump-sum mechanism is perceived similarly on both sides of the border, which distinguishes it from the advance payment system, where the PL–UA difference is significant (see subsection 3.3).

Based on the CAWI data, it was not possible to verify the hypothesis from the qualitative material that beneficiaries of lower-value projects perceived the rates as less adequate. A comparison of the LIP group (n=15) and regular projects (n=81) yielded virtually identical results (mean: 3.47 vs. 3.49 on a scale of 1–5; p = 0.924). However, the CAWI data do not allow for a definitive conclusion on this matter; only a breakdown into LIPs and regular projects is available, and the issue pertains to smaller regular projects (under €2 million), which are overshadowed in the aggregate data by the dominant group of projects with budgets of €2–3 million.

Voices from the field: what beneficiaries and auditors say

Qualitative data from in-depth interviews (IDIs) confirms that the lump-sum mechanism itself is viewed positively by both beneficiaries and auditors on both sides of the border.

Beneficiaries appreciate above all the reduction in documentation requirements. The manager of one of the regular projects calls lump-sum costs an "excellent tool," emphasizing that internal accounting handles the settlement according to its own standards, without collecting additional project documentation. A project coordinator from the municipality of Wizna confirms that lump sums have simplified reporting under the program, although as a public finance sector entity, the municipality must still collect documentation for its own procedures.

> "Lump-sum costs are an excellent tool because we don't have to report them as part of project expenses; instead, it's a lump sum— —that the

> accounting department handles according to accounting standards." Regular project manager, Poland

Both Polish and Ukrainian national auditors unanimously praise lump sums as a huge simplification. Before their introduction, they verified in detail the beneficiary's fractional consumption of electricity, water, or rent; currently, they only check the correctness of the percentage rate calculation. Ukrainian auditors describe lump sums as a "very nice mechanism" to which partners have adapted well.

> "This works best with administrative costs, where we used to verify water, electricity, rent—everything—using some method (...) these aren't large costs, but they involve a lot of work on both sides." National inspector, Poland

Summary of Subsection 3.1

Simplified reimbursement methods in the PL-UA program fulfill their basic function: they reduce administrative burdens and are widely used. Beneficiaries and auditors evaluate the mechanism itself positively, and a comparison between the Polish and Ukrainian sides shows no differences in the perception of the adequacy of the rates.

The question of the level of rates remains open. A nominal comparison of 6% in PL-UA versus 15–20% in PL-SK and PL-SN requires context, as the programs operate partly within different budget ranges and implement different types of projects. However, a comparison that accounts for these differences (Table 3.2) shows that even when comparing projects with similar profiles and grant amounts, the rate in PL-UA is the lowest among the analyzed programs. The PL-UA program is also the only one that does not differentiate rates based on the nature of the project and does not offer beneficiaries alternative methods for accounting for personnel. CAWI data confirm that 45% of beneficiaries assess the rates as barely viable or too low, and the Ukrainian side had already raised this issue at a Monitoring Committee meeting. Data limitations do not allow this issue to be attributed to a specific budget group, but the population structure (Table 3.3) suggests that the strain may primarily affect the 21 projects with budgets under 2 million EUR.

3.2. Prospects for expanding simplifications in the context of post-2027 changes

The future of simplified accounting methods is taking shape as part of a broader financial reform of Cohesion Policy for the period 2028–2034. In 2025, the European Commission presented a legislative package proposing, among other things, a

transition to a performance-based approach (P-BA) and the consolidation of programs under National and Regional Partnership Plans[5] . However, Interreg programs, including PL-UA, will not be part of the National and Regional Partnership Plans but will be subject to a separate Interreg Plan, under which each program will constitute a separate chapter with its own monitoring committee. The direction of these changes is clear enough to allow for the formulation of scenarios relevant to the PL-UA program, with the caveat that the final form of the regulations remains subject to negotiation[6] .

From cost reimbursement to payment for results

The most significant systemic change is the planned transition from a cost-based model to a results-based approach (P-BA). Under the current system, funds were disbursed after documented expenses (invoices) were submitted. In the new model outlined in the European Commission's draft regulation for the post-2027 period, the release of funds takes the form of "decoupled financing." This means that payments will be based on the achievement of pre-agreed milestones and target indicator values[7] .

However, this change will primarily revolutionize the "top-level" relationship—that is, the rules for settlements between the European Commission and program authorities or Member States. The new EU monitoring framework aims to simplify and harmonize the assessment of EU budget implementation at this level.

The situation is different at the "lower level," i.e., in the direct relationship between the program and the final beneficiary. The EU regulation explicitly states that the system being introduced should not be treated as a mechanism determining the eligibility of operational expenditures and does not predetermine what will be funded for the beneficiary[8] . This means maintaining the flexibility that experts from the Interact working group unequivocally advocated for. They point out that the

[5] European Commission, EU budget 2028–2034, legislative package from July–September 2025, https://commission.europa.eu/strategy-and-policy/eu-budget/long-term-eu-budget/eu-budget-2028-2034_en; Draft Regulation establishing the European Fund for Economic, Territorial, and Social Cohesion, EUR-Lex, CELEX:52025PC0565R(01).
[6] The analysis in this subsection is based on draft EC regulations, positions of the European Parliament, reports of the European Court of Auditors (Review 04/2025: The Future of EU Cohesion Policy), and discussion papers from the Interact network, and is of a predictive, non-conclusive nature.
[7] European Commission, Regulation of the European Parliament and of the Council establishing a framework for the monitoring of budgetary expenditure and the implementation of the budget, as well as other horizontal provisions for Union programs and actions, Brussels, July 16, 2025, COM (2025) 545 final
[8] Ibid.

final decision on whether to apply P-BA to beneficiaries should remain entirely optional and depend on the specific program[9] .

It is worth noting here that while the P-BA model itself at the project level does not necessarily mean payment only at the very end (allowing for flexibility and proportional settlement of milestone payments), analysts warn against imposing it top-down on multi-stakeholder cross-border consortia, such as in Interreg programs[10] . This stems from the fact that the results of projects based on collaboration among multiple partners are often not immediately visible but become apparent over the long term. Enforcing settlement based solely on results carries the risk of significant cash flow problems for beneficiaries.

What the change means for SCO

Simplified cost options (SCO) will not only remain in place but will actually be legally strengthened at the "lower level" (program–beneficiary relationship). According to the new draft regulation for Interreg programs, for all operations whose total cost does not exceed EUR 400,000[11] , public support must take the form of unit rates, lump sums, or flat rates[12] . The planned changes include three elements:

Expansion of off-the-shelf rate catalogs

Currently, developing a new SCO unit rate is a labor-intensive task for the Managing Authority, requiring the collection of multi-year market data and its econometric analysis. The new regulations are intended to introduce universal, nationwide unit costs (e.g., a uniform cost per man-hour for a researcher or trainer), which will allow implementing authorities to approve cost estimates more quickly and reduce redundant paperwork.

Shift from input-based accounting to output-based accounting

Following the experience of the Horizon Europe program and the P-BA mechanisms tested in the National Reconstruction Plan, lump sums allocated to entire work

[9] Interact
Interact, Post 2027 Discussion Paper: Performance-based Approach and SCOs, https://www.interact.eu/media/1353/download/PBA%20and%20SCOs%20Post%202027%20Discussion%20Paper.pdf
[10] Ibid. and E. Rubio, C. Alcidi, Navigating the European Commission's MFF Proposal for 2028–2034: Mapping Risks and Opportunities for Cohesion Policy and Regional Development, European Parliament, Policy Department for Regional Development, Agriculture and Fisheries, Brussels 2026.
[11] Proposals have already been made to lower this threshold to EUR 300,000
[12]European Commission, Proposal for a Regulation of the European Parliament and of the Council establishing the European Fund for Economic, Social, and Territorial Cohesion, Agriculture and Rural Areas, Fisheries and Maritime Affairs, Prosperity and Security for the period 2028–2034 and amending Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509, Brussels, July 16, 2025, COM(2025) 565 final.

packages rather than individual cost items may become an increasingly common mechanism. The beneficiary would not account for staff working hours or individual trips but would receive a fixed amount for delivering a measurable result.

Maintaining the option to choose

A full transition to lump sums is not planned for all types of projects. The aforementioned requirement to use SCO applies to projects under 300–400 thousand EUR. The European Parliament's position clearly stipulates that large and complex infrastructure projects must retain the option of accounting based on actual costs[13] . Experts from Interact also point out that at the lowest level, programs must have flexibility in choosing a method ranging from actual costs, through the existing SCO, to new outcome-based formulas (e.g., lump sums for entire work packages, modeled on the Horizon Europe model)[14] .

Opportunities and risks of the new model

The potential benefits of this new approach are significant. Moving away from tracking individual invoices and receipts promotes organizations with a strong management culture. Freeing teams from the burden of audits opens up funding for communities that have previously avoided EU programs due to the complex accounting requirements faced by smaller NGOs, startups, and research entities.

However, the risks are equally real. Lump-sum amounts calculated ex ante based on historical data and market prices do not respond to sudden inflation shocks, rising construction material prices, or sharp fluctuations in exchange rates. Experiences from the current PL-UA program confirm that these risks are not abstract: beneficiaries report losses resulting from the euro's depreciation between the time of application submission and project implementation. A lump-sum system, lacking indexation mechanisms, would shift the entire price risk onto the beneficiary.

An additional threat is the risk of "gold-plating"—a phenomenon in which national administrations, fearing accusations of waste, impose their own control requirements on beneficiaries that go beyond the EU minimum. Experience with the implementation of the RRF (National Recovery Plan) shows that abandoning

[13] European Parliament, Navigating the European Commission's MFF Proposal for 2028–2034, CASP_STU(2026)776029_EN, https://www.europarl.europa.eu/RegData/etudes/STUD/2026/776029/https://www.europarl.europa.eu/RegData/etudes/STUD/2026/776029/

[14] Interact, Post 2027 Discussion Paper: Performance-based Approach and SCOs, https://www.interact.eu/media/1353/download/PBA%20and%20SCOs%20Post%202027%20Discussion%20Paper.PDFhttps://www.interact.eu/media/1353/download/PBA%20and%20SCOs%20Post%202027%20Discussion%20Paper.pdf

cost controls at the EU level does not necessarily mean less bureaucracy at the national level[15] .

What this may mean for the PL-UA program

Based on an analysis of draft regulations for the post-2027 period and expert opinions (in particular from the Interact working group and an independent analytical study by CASP for the European Parliament)[16] , the following predictions regarding the mechanics of the PL-UA program can be formulated, with the caveat that the final form of the regulations is still subject to negotiation:

LIP Projects

It can be assumed that the program will maintain flexibility for LIP projects, and they will most likely continue to be eligible for reimbursement based on actual costs. This is because projects of such a large scale will not be subject to the EU requirement to use only simplified cost options (SCO). Furthermore, practitioners from the Interact group and European Parliament analysts explicitly point out that enforcing full flat-rate billing (the P-BA model) for large, complex, or innovative investments is too risky and inappropriate, partly due to the risk of consortia losing financial liquidity.

Regular projects

According to the draft EU regulation, the use of simplified cost options (SCO) or non-cost-related forms (FNLC) will be mandatory for operations valued at less than EUR 400,000 (however, the value of this threshold is still subject to legislative negotiations). Project budgets for regular projects in PL-UA generally exceed this amount, which means that the Managing Authority will not be legally required to impose an exclusive lump-sum approach on them. As a result, at the so-called “lower level” of the (in the program–beneficiary relationship), the Managing Authority will retain flexibility in its choices. In theory, the program will be able to apply one of three implementation models to these projects:

- Pure actual cost model – a return to traditional invoice-based accounting (unlikely due to the administrative burden)
- Hybrid model (continuation of the status quo) – a proven combination of infrastructure settlement based on invoices and soft costs and personnel costs using lump sums

[15] CEPS, EU Cohesion Policy Post-2027: Why and How to Enhance Flexibility, https://cdn.ceps.eu/wp-content/uploads/2024/09/ID-A_2024-13_cohesion-policy.pdf;https://cdn.ceps.eu/wp-content/uploads/2024/09/ID-A_2024-13_cohesion-policy.pdf Institut Jacques Delors, Navigating the European Commission's MFF Proposal for 2028-2034, 2026.
[16] Ibid.

- PBA model – transferring the payment-for-results mechanism directly to beneficiaries (payments of fixed amounts for specific work packages or milestones).

Pressure from "above" will trickle down

Even if settlement at the beneficiary level remains similar to the current system, the program itself will receive funds from the European Commission under a performance-based payment system. The Managing Authority may therefore tighten requirements regarding timeliness and hard physical indicators; delays in projects will no longer be solely the beneficiary's problem but will block reimbursement for the entire program.

Flat rates at the EU level and a "safety valve" for the program

Since the PL-UA program will constitute a separate chapter of the EU Interreg Plan (rather than the National Partnership Plan—PPKR) in the new programming period, any national catalogs of flat rates will not automatically apply here. However, the calculation process could be modified and simplified if—in line with strong recommendations from European Parliament analysts and the proposals of the Interact working group—the European Commission were to introduce universal off-the-shelf rates through its own implementing acts (e.g., uniform labor-hour rates).

The use of such off-the-shelf solutions would significantly simplify programs, including PL-UA, relieving them of the burden of independently calculating and negotiating methodologies. However, this approach carries certain risks for cross-border projects, especially at external borders. Centralized, EU-wide flat rates may prove inadequate for the specific nature of international cooperation—they may not account for the higher costs of coordinating multilingual consortia, travel expenses, and, above all, the risk of economic fluctuations, such as inflation or sudden changes in exchange rates in third countries. In such a case, however, there would be an additional safety valve. If the pre-set EU off-the-shelf rates turned out to be too low for beneficiaries, the program always retains the option of developing its own, customized methodology for calculating rates. However, it is important to be aware that this procedure is much more complicated and difficult to carry out. It requires the collection of detailed historical data to prove actual costs, and the methodology developed in this way requires final approval from the Audit Authority and the European Commission

Auditors' Views on the Future of Lump Sums

Among auditors of the PL-UA program, two distinct approaches to further expanding simplifications have emerged.

Proponents of a conservative approach believe that the current list of lump sums is the maximum. Further lump-summing, e.g., of costs for analyses, evaluations, or consulting services, would risk a loss of transparency in the management of public funds. It would then be difficult to verify the quality of the delivered result if the indicators in the application are not strictly and mathematically defined. With regard to hard investments, these auditors point out that actual costs based on public procurement better reflect market realities.

Supporters of the expansion see room for lump-sum billing of promotional costs (e.g., informational signs) and the organization of standard project events (opening and closing conferences). The audit would then be based on substantive documents, the agenda, and the attendance list, rather than on invoices for room rental and catering.

3.3. Project Advance Payment System

Pre-financing rules in the program

The Interreg NEXT Poland–Ukraine Program offers beneficiaries of regular projects and LIPs a choice between two financing schemes: pre-financing or reimbursement of incurred costs. Pre-financing funds are transferred to the Lead Partner's account, which is responsible for distributing them to the other partners based on the Partnership Agreement.

The pre-financing system is organized in tranches, the maximum amount of which increases as the project progresses:

Table 3.5. Structure of pre-financing tranches in the PL-UA program

Tranche	Regular projects	LIP projects
First advance payment	20%	10%
First interim advance payment	30%	10%
Second interim payment	35%	15%
Third interim payment	—	20%
Fourth interim payment	—	20%

Maximum total of advance payments	**85%**	**75%**

Source: own analysis based on the Interreg NEXT Poland–Ukraine 2021–2027 program documentation.

The remaining portion of the grant is paid as a final (balancing) payment upon project completion. The disbursement of subsequent tranches is contingent upon the approval of progress reports by auditors. In practice, the rule is that partners submit reports after at least 70% of the funds from the previous advance have been spent.

The system also has a built-in flexibility mechanism: if a partner spends more than they received in the advance, the next payment covers both a new installment and a refund of the surplus—this is a seamless combination of advance payments and reimbursement that protects efficient implementers from having their own funds frozen.

The PL-UA Program Compared to Other Programs: The Exception, Not the Rule

Advance payments for regular projects in the PL-UA program are an almost unprecedented solution among cross-border programs. A review of other programs, especially those in the Polish border region, shows that the reimbursement model predominates.

Table 3.6. Comparison of advance payment systems in Interreg programs

Program	**Advance payments in regular projects**	**Base model**
Interreg PL-UA	**Yes, up to 85% of funding, in 3 installments**	**Advance payments**
Interreg Czech Republic-PL	No	Reimbursement
Interreg Poland-Saxony	No	Reimbursement
Interreg PL-Slovakia	No	Reimbursement

Interreg Meuse-Rhine	Exceptionally (up to EUR 50,000 or 50% of the partner's ERDF budget)	Reimbursement with exceptions

Source: own analysis based on the program documentation of individual Interreg programs.

In the Czech Republic-Poland, Poland-Saxony, and Poland-Slovakia programs, beneficiaries must ensure their own financial liquidity and pre-finance activities from their own funds; they receive reimbursement only after the payment request is approved. While external, national support mechanisms do exist (advance financing by the Ministry of Finance and Public Administration, available exclusively to Polish NGOs), these are not systemic program solutions that the entire partnership could utilize. The only program that allows for advance payments to a limited extent, within its own program rules, is Interreg Meuse-Rhine, but only under exceptional circumstances and with a low limit.

The decision to provide advance payments in PL-UA was not accidental; it stemmed from the specific nature of the program, in which a significant portion of the partners (the Ukrainian side) operate under conditions of limited access to working capital, exacerbated by war and macroeconomic instability. In this context, the advance payment system is not so much a convenience as a prerequisite for the program's operation.

The significance of advance payments: a key condition or a convenient addition?

Data from the CAWI survey allow us to answer the question of what significance the advance payment-based financing model has in the decision to join the project. The results of the counterfactual question ("If the program offered only reimbursement, would you have decided to participate?") are unequivocal:

Table 3.7. The importance of advance payments for the decision to participate in the program overall

Response	n	%
A necessary condition (without advance payments, we definitely would not have joined)	25	25.3%

Crucial (without advance payments, participation would be in question)	39	39.4%
Moderate (reimbursement would be manageable)	24	24.2%
None (we would undertake the project on a reimbursement basis)	11	11.1%

Source: own analysis based on a CAWI survey of program beneficiaries (n=99).

Nearly 65% of beneficiaries state that without advance payments, project implementation would be doubtful (a necessary or key condition) for the project. This result becomes even more significant when broken down by partner country, and this is the strongest conclusion drawn from the quantitative data in the entire chapter.

Table 3.8. Importance of advance payments: Poland vs. Ukraine

Response	**Poland (n=58)**	**%**	**Ukraine (n=41)**	**%**
A necessary condition	7	12.1%	18	43.9%
Key	20	34.5%	19	46.3%
Moderate	21	36.2%	3	7.3%
None	10	17.2%	1	2.4%

Source: Author's own analysis based on a CAWI survey of program beneficiaries (n=99).

For Ukrainian partners, advance payments are almost universally essential: 90% of them (37 out of 41 valid responses) rated them as crucial or a prerequisite for participation. On the Polish side, 47% chose one of these two categories, and over half ( ) believe they would be able to handle reimbursement. The difference is statistically significant and substantial (chi-square = 23.50; $p < 0.001$).

Qualitative data confirms this picture. Polish partners speak of advance payments as a valuable but not essential aid. A coordinator from a small municipality emphasizes that without an advance payment, "we would probably have to take out a loan," but

does not rule out participation in the program. The lead partner of a large project admits that his institution had set aside funds "just in case we received some money for project implementation," but immediately adds: "without advance payments for the Ukrainians, there's no chance; they wouldn't be able to carry it out."

> "We're very happy that we have the opportunity to get an advance payment, because we're a small municipality, so expenses in the range of 1.8 million are very large for us (...) otherwise we'd probably have to take out a loan." Project coordinator, municipality in Poland

> "Without advance payments for the Ukrainians, there's no chance—I'll say that right off the bat. They wouldn't be able to pull it off. We gave them an advance payment earlier, before we received it from Warsaw, so they'd have liquidity." Lead partner, Poland

Data from the reporting system completes the picture: out of 733 regular and LIP projects in the program, 22 combine advance payments with reimbursement, while the rest rely solely on advance payments. Among the 22 "mixed" projects, it can be inferred from triangulation with CAWI data and interviews that advance payments are primarily used by the Ukrainian side, while Polish partners in the same projects more often manage on a reimbursement basis.

Financial liquidity in projects: a view from both sides of the border

The assessment of financial liquidity reveals a clear asymmetry between Polish and Ukrainian partners. The CAWI survey (n=99 respondents with implementation experience) yields the following distribution.

Table 3.9. Assessment of financial liquidity: Poland vs. Ukraine

Liquidity assessment	Poland (n=58)	%	Ukraine (n=41)	%
Yes, the system works efficiently	27	46.6%	8	19.5%
Mostly yes, there are	18	31.0%	17	41.5%

occasional brief slowdowns				
Probably not; we have to commit our own funds for a long time	11	19.0%	11	26.8%
Definitely not; deadlines are hindering implementation	2	3.4%	5	12.2%

Source: Author's own analysis based on a CAWI survey of program beneficiaries (n=99).

According to the majority of beneficiaries, the payment system is functioning properly, but a significant group, especially on the Ukrainian side, reports significant problems. On the Polish side, 78% rate the system positively (combined "yes" and "somewhat yes" categories), while 22% report serious difficulties (combined "somewhat no" and "definitely no" categories). On the Ukrainian side, the proportions look completely different: 61% are satisfied, while 39% report problems, including 12% who explicitly mention a standstill in implementation (compared to 3% on the Polish side). The difference is statistically significant (Mann-Whitney U = 1560.5; p = 0.006).

The assessment of the level of advance payments (the size of the tranches), however, is similar on both sides of the border (p = 0.530). Half of the beneficiaries assess the tranches positively, while the other half point to shortcomings during periods of peak spending. This means that the problem on the Ukrainian side does not lie in the inappropriate structuring of the tranches, but in the mechanisms that cause even properly designed tranches to fail to ensure liquidity.

Causes of liquidity problems

The qualitative data allows us to identify several overlapping mechanisms that explain the asymmetry in the assessment of liquidity.

Financial fragility of Ukrainian partners

The source of the problems is not dramatic institutional bottlenecks—inspections and payments do occur with delays, but interviewees do not describe them as excessively long. The same moderate delays, which are manageable on the Polish side, become severe on the Ukrainian side due to low financial resilience. Polish partners manage well enough that they sometimes informally extend credit for Ukrainian activities, transferring an advance to the partner even before receiving funds from Warsaw.

Time required to review payment requests

Auditors have the statutory 60 days to verify an application. In practice, the process runs smoothly provided there is good cooperation with the beneficiary, but auditors are often heavily overburdened (one of them admits to verifying 10 reports at once), which means that the actual analysis of the request begins late, and beneficiaries are given very short deadlines (3–4 days) to provide clarifications. Taking into account the time required for the payment itself, the entire cycle from submitting the report to receiving the next tranche can take about 3 months. For a partner with solid financial backing, this is a period to weather; for a Ukrainian NGO or a small local government, it is a serious liquidity gap.

> "Settling the advance payment also took some time. Because I think we were supposed to receive the second advance payment sometime in December. So that took time too, even though we submitted the payment request at the end of August—that's how long the verification took at the first level of control." Beneficiary, Poland

Interdependence of partners in the settlement of tranches

Advance payments are settled at the project level, not at the level of individual partners. The Lead Partner submits a consolidated payment request covering the expenditures of all parties. This principle reinforces the partnership's shared responsibility and is consistent with the Lead Partner's role as the entity responsible for implementing the agreement.

The 70% threshold—the requirement to spend at least 70% of the previous advance payment—determines the disbursement of the full amount of the next tranche. If the project does not reach this threshold, it is not deprived of funding: it receives the next tranche reduced by the difference between the 70% threshold and the actual expenses claimed. This is a mechanism designed to protect the Managing Authority from over-funding projects that do not implement activities in accordance with the schedule.

In practice, however, this mechanism can generate tensions within partnerships where the pace of implementation is uneven on both sides of the border. If one partner reports expenditures more slowly—whether due to delays in implementation or difficulties in preparing documentation—it lowers the total level of project spending, which translates into a lower tranche for the entire partnership. For a partner with low financial resilience, even a partial reduction in the tranche can mean a halt in the implementation of activities:

> "And if one of the partners starts delaying work, then, so to speak, the partner on the other side of the border also starts experiencing delays in everything. Because receiving the next tranche is delayed." Member of the Monitoring Committee, Lviv

Inflation and exchange rate factors

Beneficiaries submitted grant applications when the euro exchange rate was higher; the current decline in the exchange rate means that "automatically, they have slightly less of these funds in the budget for specific expenditures." With prices rising at the same time, beneficiaries are faced with the need to seek additional funds from their own budgets or through reallocations between budget lines, which requires a formal procedure to amend the project.

> "The financial problems with the project were such that the project's assumptions themselves were based on conditions from some time ago. Unfortunately, everything is going up, and here our problem was coming face-to-face with the reality that the funds that were initially planned were, unfortunately, too small." Beneficiary, Poland

Example: Hospital in Krosno when the lead partner suspends the investment[17]

A large infrastructure project under the Health priority involved several hospitals on both sides of the border. The lead partner was an institution from Lviv, and one of the partners was the provincial hospital in Krosno.

The problem arose when the Lviv-based leader suspended its part of the investment due to protracted procedures for obtaining permits for the historic building. Funds for the Krosno hospital stopped flowing even though, on the Polish side , everything was ready for implementation. The hospital had contracted services with the National Health Fund (NFZ) in the building covered by the investment starting January 1, and tender deadlines were

[17] Based on an interview with a representative of the Regional Contact Point

approaching. The beneficiary was unsure whether they could contact the Managing Authority in Warsaw directly; communication had previously taken place exclusively through the lead partner in Lviv.

The beneficiary knew that, in theory, it was possible to renegotiate the distribution of advance payments within the partnership (the lead partner could "transfer" part of its advance payment to the other partner), but the procedure is time-consuming. To save the investment and avoid losing contracts with the National Health Fund (NFZ), the local government of the Podkarpackie Province allocated 2 million PLN from its own budget. The hospital completed the investment using provincial funds and is now awaiting reimbursement.

This case illustrates three potential systemic weaknesses: (1) the interdependence of project partners, where a delay by the lead partner paralyzes the other partners; (2) uncertainty regarding a partner's ability to contact the Managing Authority directly when all communication goes through the lead partner, creating a "broken telephone" effect in a crisis situation; (3) the limited flexibility of the advance payment system, which formally allows for transfers between partners, but in practice the procedure takes so long that it forces partners to seek solutions outside the program. It should be noted, however, that this is a description of an individual case; it is unclear to what extent these phenomena are systemic in nature.

It is worth noting that the mechanism for transferring advance payments within the partnership—the same one that the hospital in Krosno was unable to use in another project—worked effectively. The Ukrainian partner, whose first advance payment was too low to launch a tender for 200,000 EUR, asked the Polish partner to transfer part of its advance payment. "Instead of 75,000, we received 200,000," recalls the interviewee, "without any additional questions. We made the necessary changes to the schedule." The additional amount was deducted from the Polish partner's final installment. The difference between the two cases lay in timing: in the Ukrainian project, the renegotiation took place at an early stage, without any time pressure.

The flip side of the coin: underutilization of advance payments

Beneficiaries' liquidity problems are not the only risk associated with the advance payment system; the MA also points to the opposite problem. In the initial phase of program implementation, some beneficiaries did not use the advances provided or reported expenditures of negligible amounts. The first reports were often purely factual, lacking a significant financial component. This phenomenon stems partly from the nature of the advance payment system: beneficiaries who received funds

“upfront” do not feel pressure to report expenditures quickly, unlike in the reimbursement model, where submitting a payment request is a prerequisite for receiving any funds.

From the program’s perspective, unused advance payments mean that funds are frozen that could have gone to other projects. This is an argument for maintaining the 70% threshold as a disciplinary mechanism; without it, the risk of excessive “freezing” of funds would be greater. The picture of financial liquidity in the program is therefore two-sided: beneficiaries report that funds are arriving too slowly, while the MA observes cases where funds arrive but are not spent on time.

3.4. Summary

The advance payment system in the PL-UA program is a unique solution compared to comparable Interreg programs and serves as a prerequisite for participation, particularly for Ukrainian partners, 90% of whom state that without advance payments, their participation in the program would at least be in question. On the Polish side, advance payments are appreciated but are not a prerequisite; over half of Polish partners state that they would be able to operate under a reimbursement model.

Cash flow is viewed positively by most beneficiaries, but the picture varies significantly between countries. From the beneficiaries’ perspective, the main source of problems is not the flawed design of the tranches (their assessment is similar on both sides), but the overlap of several factors: the low financial resilience of Ukrainian partners, the length of the regulatory audit cycle (up to 60 days for verification plus time for disbursement, totaling approximately 3 months), the interdependence of partners in project settlement (the 70% rule, while not blocking disbursement, reduces the amount of the next tranche if implementation proceeds at an uneven pace), and inflationary and exchange rate pressures. The MA also notes that some beneficiaries do not use advance payments on time or delay reporting expenditures, which freezes program funds. In this context, the 70% threshold serves a disciplinary function, protecting the program from excessive disbursement of funds to beneficiaries who do not implement activities according to the schedule. The system also features mechanisms beneficial to partners: a reduced tranche below the 70% threshold (instead of a complete payment block), reimbursement of expenses exceeding the advance amount during the next tranche, and the ability to transfer advances between partners; however, as the case of the hospital in Krosno demonstrates, in crisis situations, the time required to activate these mechanisms may necessitate seeking solutions outside the program.

4. Small Projects Fund (SPF)

This chapter provides answers to the following research question:

3. Are the system and procedures for implementing the SPF consistent and will they allow for the effective and efficient achievement of its objectives?

4.1. Architecture and Operational Model of the SPF

The Small Projects Fund (SPF) is an instrument of the Interreg NEXT Poland–Ukraine program designed to finance small-scale, bottom-up cross-border initiatives, primarily *people-to-people* projects that build direct contacts between communities on both sides of the border. The program comprises two separate funds, each with its own operator: the SFP under the Cooperation priority is managed by the Carpathian Euroregion Association (Poland), and the SFP under the Environment priority by the Ternopil Regional Development Agency (Ukraine).

Local and regional authorities, entities operating in the public interest, and non-governmental organizations with legal personality may apply for funding for small projects. A prerequisite is a cross-border partnership involving at least one entity from Poland and one from Ukraine. Funding ranges from €20,000 to €90,000, with a maximum project value of €100,000, and covers up to 90% of eligible costs. Implementation typically lasts up to 12 months, with the possibility of extension to 18 months in exceptional cases.

The thematic scope depends on the priority. Under the Cooperation priority, soft and investment activities are funded in the areas of culture, cross-border education (youth exchanges, educational technologies), and healthcare and emergency services. Under the Environment priority, initiatives related to waste management, recycling, and environmental awareness are supported; small infrastructure components worth up to EUR 50,000 are also eligible here.

Rules for settling small projects

Small projects are settled exclusively using simplified lump-sum methods. The budget consists of one or more lump sums allocated to specific tasks. Each is constructed by first estimating actual costs in three categories (experts and external services, equipment and supplies, and in the Environment priority also infrastructure and construction works), and then adding fixed percentage rates: 20% of personnel costs for management and administrative expenses ( ), 15% of personnel costs for office and administrative expenses, and 7% of personnel costs for travel and

accommodation. Opting out of the personnel lump sum automatically excludes the other two categories.

Settlement is based on a "pass/fail" principle: the operator verifies whether the task has been fully completed in accordance with the contract. If so, the entire lump-sum amount is paid out. If not, nothing is paid, with no possibility of partial settlement. The beneficiary does not need to submit invoices or accounting documents; they only provide substantive evidence confirming completion (reports, attendance lists, photographic documentation). The risk is therefore clear: incomplete documentation means losing the entire amount allocated to the task.

A key feature of the system is the absence of advance payments for small project implementers. Unlike regular projects, where partners may receive advance funding, SPF beneficiaries must fully pre-finance activities from their own funds and wait for reimbursement after the tasks are completed and approved. The implications of this approach for the applicant structure are analyzed in subsection 4.2.

Status of SPF Implementation

At the time of the field research, the implementation of the SPF was in its early stages, with a clear asymmetry between the two sides of the border. On the Polish side, the Carpathian Euroregion announced the first call for proposals, although the evaluation procedure has not yet been completed. A second call under the same priority is still planned. On the Ukrainian side, the situation was significantly less advanced; the grant agreement with the Ternopil Regional Development Agency was signed only during the study period, and calls for proposals had not yet begun.

The delay on the Ukrainian side stems partly from the fact that the SPF structure with top-down selected operators is a novelty in this program; in previous editions (Poland–Belarus–Ukraine 2014–2020), small projects were managed directly by the JTS, without intermediaries. The Carpathian Euroregion, having experience with the SPF in the Poland–Slovakia program, was able to get started more quickly; the Ukrainian operator is building its capabilities from scratch.

However, these delays should not jeopardize the achievement of the program's objectives. Small projects have a short implementation cycle (up to 12–18 months), and the program follows the n+3 rule, which allows three additional years from the moment funds are contracted until they are actually spent. The condition is that calls for proposals must be completed by the end of 2027, which remains realistic at the current pace, provided that calls on the Ukrainian side launch in the coming months.

Comparison with other Interreg programs

To assess the extent to which the solutions adopted in the PL-UA program are typical or deviate from the standard, the SPF was compared with instruments from the Poland–Slovakia (PL-SK), Czech Republic–Poland (CZ-PL), Poland–Saxony (PL-SN), and Meuse-Rhine (NL-BE-DE) programs.

Table 4.1. Comparison of SPFs in selected Interreg programs

Dimension	PL-UA	PL-SK	CZ-PL	PL-SN	Meuse-Rhine
SPF Operator	Euroregion + regional agency (UA)	Euroregions + regional governments (SK)	Euroregions (6 entities)	Euregio Neisse	EUWT Euregio Meuse-Rhine
Funding (EUR)	20,000–90,000	10,000–80,000	30,000–80,000*	3,000–30,000	0.7–70,000 (4 types, see box)
Max. project value	100,000	100,000	2× grant	100,000	1,000–100,000 (4 types)
Funding rate	up to 90%	up to 80%	up to 80%	up to 80%	70%
Infrastructure	Yes (Environment priority, up to EUR 50,000)	yes (tourism is a priority)	yes (limited tourism infrastructure)	no	yes (large-scale projects)
Advance payments to project implementers	no	no	no	no	no
Lump sums	yes	yes	yes (+ unit rates)	yes	yes (+ vouchers for educational mobility)
Staff rate	20%	20%	20%	20% (or actual costs for PL)	none (total lump sum)

Travel rate	7% of personnel costs	2% of personnel costs	7% of personnel costs	15% of personnel costs	none (lump sum)

*Source: Author's own analysis based on the program documentation of individual Interreg programs. * In CZ-PL, the amount depends on the partnership formula: projects with a Lead Partner can receive up to 60–80 thousand EUR.*

The comparison leads to several observations. First, the PL-UA program offers the highest funding ceiling (90,000 EUR) and the highest rate (90%) among the analyzed programs, which increases the instrument's attractiveness but simultaneously raises the pre-financing threshold that the beneficiary must cover (in the event the organization opts for the maximum allowable budget).

The reimbursement model is largely consistent across Polish programs. All four programs use lump-sum amounts, a "meets/does not meet" principle, no accounting documents, and similar personnel rates (20%). Differences lie in the details: the CZ-PL program is the only one that uses two separate mechanisms depending on the type of project. For initiatives with a "broad" target group (festivals, publications), it uses a classic lump sum, whereas for projects with a quantifiable, "narrow" group (workshops, camps), the budget is constructed as the product of a unit rate and the number of person-days (e.g., 56 EUR per person-day). This eliminates the need for detailed budget estimates and significantly simplifies accounting. In contrast, in the other programs, differences can be seen, for example, in travel rates, which range from 2% (PL-SK) to 15% of personnel costs (PL-SN). None of the Polish Interreg programs provide for advance payments to implementers of small projects. In all four cases, the beneficiary must fully pre-finance the activities from their own funds. This is therefore a standard practice in Poland, though as shown in subsection 4.2, it is not without consequences, particularly in the context of the program with the Ukrainian partner. Meuse-Rhine also does not use advance payments in the Small Projects Fund.

The Meuse-Rhine Small Projects Fund, however, stands out with two noteworthy solutions. First, it employs four distinct project types with predefined budget ceilings, ranging from educational mobility projects up to €1,000 to "maxi" projects worth up to €100,000, which allows the level of administrative requirements to be tailored to the scale of the project (see box below). Second, it does not impose rigid percentage rates for personnel, office expenses, or travel. Unlike Polish programs, where these categories are covered by flat-rate rates of 20%/15%/7% ( ), in Meuse-Rhine the entire budget is set as a single lump sum based on the individual project; the implementer decides how to allocate funds among the cost categories. Settlement is based solely on substantive evidence, without invoices or timesheets.

Four paths in the Meuse-Rhine SPF, ranging from a school trip to a €100,000 project

The Small Projects Fund (SPF) in the Interreg Meuse-Rhine program (Netherlands–Belgium–Germany), managed by the Euregio Meuse-Rhine EGTC, stands out for its diverse funding pathways. Instead of the uniform "from–to" ranges used in Polish programs, the SPF defines four distinct project types, each with its own budget ceiling, level of administrative requirements, and reimbursement method. The co-financing rate for all types is 70%.

Educational mobility (max. 1,000 EUR, grant of 700 EUR): cross-border field trips and school exchanges for children aged 3–18. The only type based on a voucher system: the voucher value is calculated based on the market cost of renting a 50-person coach for a full day. The applicant only needs to provide the number of participants. It requires minimal administration.

Microprojects (max. 2,000 EUR, grant of 1,400 EUR): one-off cross-border events, e.g., a sports tournament or a neighborhood picnic. Settled with a lump-sum payment based on a one-page cost breakdown. No supporting documents are required.

Small "light" projects (max. €40,000, grant of €28,000): larger undertakings, e.g., civic festivals, theater productions. The lump-sum amount is determined based on a detailed budget proposal supported by price quotes. Settlement is based on supporting documentation, without invoices.

"Maxi" small projects (max. €100,000, grant of €70,000) for cross-border initiatives that are too small for a standard Interreg project, including infrastructure components. The same accounting rules apply as for "light" projects.

The variety of pathways allows for a very wide range of initiatives to be supported, from a school trip costing €700—requiring a single form—to an infrastructure project costing €70,000 with a full budget and bids. The educational mobility model is particularly interesting as it is potentially transferable to Polish programs with budgets under €1,000, eliminating virtually all bureaucracy while maintaining the cross-border nature of the activity.

An additional feature of the Meuse-Rhine model is continuous recruitment with four decision dates per year, as well as intensive advisory support from the operator (so-called "accompaniment"), which involves guiding applicants—often small, volunteer-based organizations—through the entire application process.

4.2. Assessment of the demand for advance payments and the structure of applicants

As described in subsection 4.1, implementers of small projects in the current programming period cannot count on advance payments; they must fully pre-finance activities from their own funds and wait for reimbursement after approval. This is a change from the previous programming period (Poland–Belarus–Ukraine 2014–2020), in which small projects (then referred to as *"projects with small budgets" or* PSBs) were subject to the program's general contracting rules, and lead partners could apply for advance payments under the terms specified in the grant agreement.

This change stems from the new institutional architecture. Under the 2014–2020 programming period, small projects were managed directly by the Joint Secretariat (WS); there were no intermediaries, and advance payments could be directed directly to the implementing entities. In the current model, funds are managed by the SPF operators (the Euroregion and the regional agency), who then distribute them further. If an advance payment system were introduced, the operators would have to assume full financial responsibility for the funds disbursed to their small beneficiaries, and in the event of project failure or a negative audit, they would risk losing that money. The operators did not want to take on this risk. An additional argument was the relatively small scale of the projects, with a maximum value of 100,000 EUR; it was considered that it is easier for beneficiaries to secure liquidity on their own than with budgets in the range of 2 million EUR.

To compensate for the lack of advance payments, a loan mechanism administered by the Ministry of Funds and Regional Policy was planned. Polish non-governmental organizations that have signed a grant agreement under any Interreg program may obtain an interest-free loan (*de minimis* aid) of up to 50% of the ERDF grant amount. The loan is repaid upon receipt of the reimbursement. However, this mechanism is available exclusively to Polish NGOs and does not include Ukrainian partners or local governments.

Testing the hypothesis: Did the lack of advance payments affect the composition of applicants?

There is concern that the lack of advance payments particularly affects the participation of non-governmental organizations in the SPF; these are entities with the weakest financial resources, for whom the requirement of full pre-financing may constitute an insurmountable barrier. To verify this, the applicant structure was

compared between the 2014–2020 programming period (when advance payments were available) and the 2021–2027 period (when they are not).

Data from the current programming period pertain to the first call for proposals announced by the Carpathian Euroregion (114 unique applicants, excluding duplicates). Data from the previous programming period include applicants from Poland and Ukraine in the PL-BY-UA program (263 entities). The comparison includes only partners from these two countries to ensure consistency.

Table 4.2. Structure of SPF applicants by entity type: comparison of programming periods

Entity type	2014–2020	2021–2027	Change
Local government	43.3%	48.2%	+4.9 pp
Culture (community centers, museums)	9.1%	6.1%	−3.0 pp
NGOs	33.1%	29.8%	−3.3 pp
Universities / education	8.0%	7.9%	−0.1 pp
Healthcare / hospitals	0.4%	6.1%	+5.7 pp
Other	6.1%	1.8%	−4.3 pp

Source: Author's own analysis based on data from the reporting system of the PL-BY-UA 2014–2020 program (n=263, applicants from PL and UA) and data from the SPF operator regarding the first call for proposals for PL-UA 2021–2027 (n=114, unique applicants).

Overall, the decline in the share of NGOs (from 33.1% to 29.8%) is relatively small. The share of local governments (+4.9 pp) and healthcare institutions (+5.7 pp) is growing more noticeably; in the previous programming period, these were virtually absent among SPF applicants.

However, the picture changes significantly when the analysis is divided down by country.

Table 4.3. Share of NGOs among SPF applicants: comparison by country

Country	2014–2020	2021–2027
Poland	30.6% (57 out of 186)*	31.8% (28 out of 88)
Ukraine	39.0% (30 out of 77)	16.7% (6 out of 26)
Total	33.1% (87 out of 263)	29.8% (34 out of 114)

*Source: Author's own analysis based on data from the PL-BY-UA 2014–2020 reporting system and data from the SPF operator regarding the first call for proposals for PL-UA 2021–2027. *The number of applicants is given in parentheses.*

Polish NGOs maintained their position; their share among Polish applicants remained virtually unchanged (30.6% vs. 31.8%). The decline was concentrated on the Ukrainian side: the share of Ukrainian NGOs fell from 39.0% to 16.7%, and in absolute numbers from 30 to just 6 entities.

At the same time, the geographical distribution of applicants shifted. In the 2014–2020 period, entities from Poland accounted for 70.7% of the total, and those from Ukraine for 29.3%. Currently, the ratio stands at 77.2% to 22.8%; the Ukrainian side's share has decreased by 6.5 percentage points. Ukrainian entities (including NGOs) have been replaced primarily by Polish institutions, local governments, and hospitals.

The direction of this change is consistent with qualitative evidence gathered in interviews, which point to the difficult financial situation of Ukrainian partners amid the ongoing war. The lack of advance payments exacerbates this asymmetry: Ukrainian NGOs, which have neither budgetary reserves nor access to the Polish loan mechanism, have limited capacity to pre-finance even relatively small amounts.

It should be noted that the data from the current perspective pertain exclusively to the first call for proposals. Further calls are planned by both the Carpathian Euroregion and the Ukrainian operator from Ternopil. The composition of applicants may therefore change in subsequent rounds. Nevertheless, the direction of the change is clear and should be monitored: if the trend continues, the SPF in the PL-UA program will increasingly cease to function as an instrument supporting grassroots, civic initiatives on the Ukrainian side and will increasingly become a tool of Polish public institutions.

4.3. Availability and Quality of Support for SPF Applicants

Support available at the application stage

The support system for SPF applicants is based on two institutional pillars: SPF operators and Regional Contact Points (RCPs). Formally, the responsibility for informing and training beneficiaries rests with the operator, who receives remuneration for this purpose from the program budget. However, it was assumed that RCPs would actively support this process using their own budgets; the support is intentionally two-pronged.

In practice, applicants can count on several forms of assistance. Before the call for proposals, step-by-step training sessions are organized to teach how to prepare an application, define objectives, and draw up a budget. Individual consultations (by phone and in person) are available, and the Carpathian Euroregion operates a dedicated email address for small projects. The institutions also provide a database of support materials: a program handbook, instructions for using the application generator, and a list of frequently asked questions. An important function is facilitating the search for cross-border partners; program offices match entities with similar profiles on both sides of the border. None of these institutions will write the application for the applicant, but the scope of free substantive assistance is extensive.

Assessment of Support

The CAWI survey (n=47) allowed for an assessment of the usefulness of the various information channels used by SPF applicants during the call for proposals. Respondents rated them on a scale of 1–5 (where 5 indicates the highest usefulness). Not all applicants used every channel, hence the varying number of responses.

Table 4.4. Usefulness of information channels during the SPF call for proposals under Priority 4. COOPERATION (scale 1–5)

Information channel	Average	Median	n
Meetings / training sessions	4.22	4	37
Consultations with the Euroregion (SPF operator)	4.13	5	31

Newsletters and direct email correspondence	4.11	4	36
Program website	4.09	4	43
Consultations with WS	4.07	4	27
Consultations with the RCP	4.03	4	33
Program social media	3.70	4	37

Source: Author's own analysis based on a CAWI survey among SPF applicants under Priority 4. COOPERATION (n=47).

The overall level of satisfaction with information channels is high; average ratings for all channels except social media exceed 4.0. SPF applicants most frequently use the program's website (43 responses), meetings and training sessions (37), and social media (37), indicating widespread use of publicly available channels. Channels requiring direct contact (consultations with the Euroregion, WS, RCP) have fewer users, but those who use them rate them very highly.

Consultations with the Carpathian Euroregion stand out as the only channel with a median of 5. This means that over half of those using this channel rated it the highest possible score. Meetings and training sessions received the highest average (4.22), but their median (4) indicates a more even distribution of ratings. The program's social media ranks clearly lowest (3.70); while popular, it is less valued as a source of substantive knowledge about the call for proposals (which is understandable given its nature—it serves more for interaction and conveying brief information than in-depth knowledge).

A detailed assessment of the operator's advisory services confirms and reinforces this picture.

Table 4.5. Evaluation of the SPF Operator's Advisory Services

Rating	**n**	**%**
Very good	18	38.3%
Good	19	40.4%

Average	2	4.3%
Poor	1	2.1%
Very poor	1	2.1%
Not applicable	6	12.8%

Source: Author's own analysis based on a CAWI survey among SPF applicants under Priority 4. COOPERATION (n=47).

78.7% of respondents rated the operator's advisory services as good or very good, while only 4.2% gave critical ratings. This is the highest satisfaction rate among all elements of the call for proposals system evaluated in the survey. The above data paint a consistent picture: the SPF information and advisory system works well, and its strongest element is direct contact with the Carpathian Euroregion, both in the form of individual consultations and substantive advice during the preparation of the application. This picture is generally consistent with the results of the mystery client survey, described in Chapter 6.

This positive picture is confirmed by the qualitative data. A Polish SPF applicant rated the training conducted by the Carpathian Euroregion as "very informative" and praised the ability to contact staff directly by phone; if she had questions, she could simply call a specific person and obtain the necessary information. At the same time, she expressed the need for such support to continue during the implementation phase: an informational meeting before the project launch and ongoing advisory services that would give implementers a "sense of security" during the settlement process.

In turn, the role of regional structures proved particularly important for one of the Ukrainian applicants. A representative of the Ukrainian partner, who had no prior experience with Interreg programs, received assistance in finding a Polish partner through the RCP, which conveyed the project concept to the Polish side.

Intervention regarding the generator: when support saves the application

While preparing her first application for the SPF, the Ukrainian applicant entered all the data into the generator, but when she tried to save it, the system blocked the operation, indicating an error. The reason turned out to be an overlooked " " sub-item hidden within one of the form blocks. Under pressure from the approaching deadline, the applicant panicked and called the regional Interreg program coordinator. She, in turn, connected her with an experienced person from Zakarpattia, who helped her, step by step, locate and fill in the missing element. The application was saved and submitted on time.

This case illustrates two things. First, the real value of an informal support network: the problem was solved not by the procedure, but by a quick phone call to someone who knew the system inside out. Second, the scale of frustration generated by the application generator's interface: even a minor oversight (a hidden sub-item) can block the entire process, and the system does not indicate precisely what needs to be corrected.

Evaluation of Recruitment Procedures

In addition to the SPF operator's guidance, the CAWI survey allowed for the evaluation of the three remaining elements of the recruitment procedure: the competition documentation, the application generator, and the clarity of the evaluation criteria. The results were compiled into a single table, standardizing the scale to a five-point scale (from "very poor" to "very good").

Table 4.6. Evaluation of selected elements of the SPF recruitment procedure

Evaluation	Competition documentation (B1)	Application generator (B2)	Clarity of evaluation criteria (B4)
Very good	6.4%	12.8%	12.8%
Good	51.1%	34.0%	42.6%
Average	31.9%	27.7%	38.3%
Poor	8.5%	8.5%	4.3%
Very poor	2.1%	17.0%	2.1%

Source: Author's own analysis based on a CAWI survey among SPF Priority 4 applicants. COOPERATION (n=47). Scale B4 (from "definitely not" to "definitely yes") standardized with B1 and B2 for comparability.

The three elements of the procedure form a clear hierarchy of quality. The competition documentation scores the highest with 57.5% positive ratings, though over 40% of respondents point to problems. Open-ended responses mentioned issues with inaccessible language and the lack of translation into national languages (Polish and Ukrainian). The clarity of the evaluation criteria falls in the middle: 55.4% of respondents report good or very good understanding, but as many as 38.3% rate it as merely "average." For the SPF, whose beneficiaries are typically small, local organizations with limited administrative capacity, such a high percentage of

moderate ratings suggests that the criteria are formulated too vaguely—applicants are unable to translate them into specific elements of the application.

The application generator is by far the weakest link in the system. 25.5% of respondents rated it as poor or very poor, with one in six explicitly calling it “very poor.” This is the highest percentage of critical ratings in the entire CAWI survey, which comprises three questionnaires. Issues with the generator also dominate the open-ended responses to the question about barriers (Q23). Of the 47 reports, over 15 directly concern the generator. Applicants report system crashes, the arbitrary deletion of entered data, the disappearance of attachments, and very long loading times. A quote from one of the respondents captures the scale of the frustration: *“Improve the operation of the application generator... it often fails to save information, deletes it on its own... and replaces files that have already been attached*.”

The same issues are confirmed by interviews: both Polish and Ukrainian applicants reported data disappearing after reopening the system (an error partially fixed during the call for proposals) and save failures due to hidden, unfilled fields.

The second critical issue raised in the open-ended responses is the budget requirement for three price quotes with meticulous detail (respondents note that even minor expenses like gifts or notebooks require full justification) and price volatility in Ukraine, which causes quotes to quickly become outdated. The third recurring problem is the language barrier: the lack of Polish and Ukrainian versions of the regulations, the application form, and the generator itself. The requirement to work in English forces applicants to translate all documentation, which in the case of a Ukrainian beneficiary meant writing the application in Ukrainian, translating it using DeepL, and engaging an English teacher to verify it.

4.4. Summary

The Small Projects Fund under the PL-UA program is an instrument in the initial phase of implementation; at the time of the study, the evaluation of applications from the first call for proposals was ongoing on the Polish side, while the Ukrainian operator had only just launched the call (applications can be submitted starting May 5, 2026). Nevertheless, the collected data allow for a preliminary assessment of several aspects of the system.

The operational model, with Euroregions and a regional agency serving as top-down designated operators, aligns with the standard adopted in other Polish Interreg programs. The accounting rules (lump-sum amounts, no invoices, the “meets/does not meet” principle, no advance payments) also do not deviate from the solutions

applied in the PL-SK, CZ-PL, and PL-SN programs. The only significant distinguishing feature is the high funding ceiling (up to 90,000 EUR, 90% rate).

The absence of advance payments, though understandable given the risk involved for operators, brings about a noticeable shift in the applicant structure. Compared to the previous programming period, the share of Ukrainian NGOs dropped from 39% to 17%, while Polish NGOs maintained their position. Replacing Ukrainian organizations are entities from Poland—local governments and hospitals—with stronger institutional and financial backing.

Advisory support from the Carpathian Euroregion is clearly a strength of the system—78.7% positive ratings in the CAWI and consistent confirmation in interviews. The weakest link is the application generator, rated negatively by one in four respondents and the most frequently cited barrier. The language barrier (the lack of Polish and Ukrainian versions of the documentation and the generator) poses an additional challenge, particularly for smaller organizations with no experience in applying for Interreg program funding.

5. Partnerships and the Structure of Cross-Border Cooperation, Horizontal Principles

This chapter provides answers to the following research questions:

4. What factors determine participation in a project? What are the partnership structures? Who most often initiates partnership activities? Who is most active before, during, and after the project is completed?
a) What is the structure of partnerships in terms of geographic location, number of partners, type of partners, type of projects, and project themes?
b) To what extent does the geographical location of partners influence their activity in applying for funding from the program?
c) What forms of partnerships are most common in implemented projects? What factors determine whether partners engage in cooperation under the program?
d) Are there areas with lower activity in applying for program funding? If so, what are the reasons for this?

5. Are horizontal principles taken into account during project implementation in accordance with the program documents, and if so, how?
a) Are the activities carried out by partners in projects consistent with the principles of universal design (including architectural accessibility, the presence of a sign language interpreter, equipping the conference room with an induction loop, providing promotional materials in accessible formats, etc.)? Do partners view the application of horizontal principles as a substantive part of project implementation or as a formal requirement?
b) Do partners face difficulties in implementing horizontal policies?
c) What challenges do partners face in implementing horizontal principles in their projects? How do they cope with them?

5.1. Structure and Dynamics of Partnerships

A network analysis (SNA) of the Interreg NEXT PL-UA 2021–2027 Program partnerships, supplemented with data from the CAWI survey and IDI interviews, allows us to describe cooperation in three dimensions: who works with whom (network structure), why partnerships are formed in the first place (motivations), and what the work on the project looks like (operational model). The picture that

emerges differs significantly from the public discourse about the program as a tool for solidarity-based support for Ukraine.

How to Read a Network Analysis: A Brief Introduction

Social network analysis (SNA) is a method that, instead of analyzing each institution in the program separately, examines the structure of connections between them. Each institution is a single point on the map (a node), and each joint project implementation is a line connecting two points (an edge). The more frequently two institutions collaborate, the stronger the connection. This perspective reveals insights that are lost in standard statistics: who acts as a bridge between different communities, whether the network is cohesive or fragmented into isolated groups, and to what extent institutions from both countries are actually connecting.

This analysis considered only projects with signed agreements. The network comprises 189 institutions connected by 222 collaborative relationships across 67 distinct "islands" (components), the largest of which consists of just nine entities (4.8% of all institutions in the program).

The most striking observation concerns the network's architecture itself. The program does not create a single large, interconnected ecosystem of cooperation where institutions get to know each other through a single project and form subsequent partnerships with new entities. Instead, it consists of 67 independent islands of small groups of institutions that collaborate among themselves but have no connections with other program participants.

The largest island comprises 9 institutions. The second and third also have 9 each. Beyond that, the scale drops sharply: components with 4–6 nodes are few and far between, and the vast majority consist of pairs of two institutions working on a single project and nothing more. This is the case for 48 of the 67 components in the network.

Table 5.1. Fragmentation of the collaboration network: distribution of component sizes

Component size	Number of components	Share
9 institutions (largest)	3	4.5%
5–6 institutions	5	7.5%
3–4 institutions	11	16.4%

2 institutions (pairs)	**48**	**71.6%**

Source: Author's own analysis based on CST2021 data (as of 2026-02-25).

In practice, this means that 95.2% of the institutions participating in the program are one-time participants appearing in only one project. Only 9 institutions (4.8%) have more than one project in the current call. In practice, this means that in the current call, 95.2% of institutions appear in only one project. Only 9 institutions have more than one project in this call. Two methodological issues should be emphasized: (1) the number of projects in a single call is not a measure of the temporal durability of partnerships; this would require continued observation in subsequent years and comparison with 2014–2020; (2) the low percentage of returning institutions is partly a deliberate effect of the program: the broad distribution of support across a large territory, the popularity of calls for proposals, and the competitive mechanism intentionally open the program to new entities. From the perspective of inclusion, this pattern is positive; from the perspective of building a sustainable, concentrated network of experienced institutions, it signals a dispersion of resources. A visualization of the network diagram is provided in **Appendix 1**.

Partnerships are indeed cross-border

Territorial homophily is the tendency of entities to partner with entities from the same country. In a network with high homophily (a homogeneous structure), Polish institutions would primarily cooperate with Polish ones, Ukrainian institutions with Ukrainian ones, and only as many cross-border connections would be established as are formally necessary—in practice, one per project—which is the minimum requirement for a cross-border partnership. In the Interreg NEXT PL-UA Program, the picture is the opposite: 67.1% of all edges in the network are PL–UA cross-border relationships. Cross-border cooperation is thus the norm, not a formal minimum; the network is truly cross-border in nature, rather than consisting of parallel activities confined to their own national environments.

Fragmentation does not mean that the program is essentially funding domestic projects. The analysis shows that institutions do not confine themselves to national clubs. In homogeneous networks, Poles would cooperate mainly with Poles, Ukrainians with Ukrainians, and relatively few connections would cross the border (only those formally necessary—1 connection per project). In Interreg PL-UA, the situation is different: 67.1% of all edges are PL–UA cross-border relationships.

Table 5.2. Type of relationship in the Interreg PL-UA network

Type of relationship	Number of edges	Share
PL–PL	29	13.1%
UA–UA	44	19.8%
PL–UA (cross-border)	**149**	**67.1%**

Source: SNA analysis, CST2021 data.

This finding is significant because in cross-border cooperation programs, there is a risk that both sides carry out parallel activities on their respective sides of the border, merely pretending to be part of a joint project. The program data contradict this: three-quarters of all connections cross the border. As expected, the link holding the network together is PL–UA partnerships, not domestic clusters.

Beneficiaries' motivation: the predominance of development and investment goals

When asked what determined the formation of a partnership, beneficiaries primarily point to **funding for a specific investment**—that is, purely budgetary calculations based on the available grant.

Table 5.3. Factors determining the formation of a partnership

Factor	n	%
Funding for a specific investment (financial motivation)	**53**	**46.9%**
Continuation of cooperation from previous years	25	22.1%
Program requirement (need for a partner	22	19.5%
Solidarity with Ukraine in the face of war	8	7.1%
Other	5	4.4%

Source: CAWI survey of beneficiaries, n=113.

The picture is similar on both sides of the border: 45.3% of Polish beneficiaries and 49.0% of Ukrainian beneficiaries cite financial motivation as the dominant factor. Solidarity with Ukraine in the face of war appears as the primary motivation in only 7.1% of responses. The structure of motivations aligns with the program's objectives: Interreg, by definition, is an instrument of cross-border cooperation centered on shared needs and investments, not a humanitarian mechanism. CAWI data confirm that beneficiaries interpret the program's role in this w , despite parts of the public narrative that, after 2022, portrayed Interreg PL-UA as an aid instrument[18] .

An additional signal comes from the question regarding the sustainability of partnerships. Only 25.3% of beneficiaries declare plans to continue cooperation regardless of continued access to EU funds. For 48.5%, sustainability is conditional ("yes, if there are new calls for proposals"), and another 25.3% respond "hard to say—geopolitics." The fact that the sustainability of 73.8% of partnerships depends on continued EU funding is a strong argument in the discussion of whether the program creates relationships that will survive the expiration of grants.

It is noteworthy that the Ukrainian side declares significantly greater sustainability of the relationship independent of funding: 39.0% of Ukrainian respondents indicate "yes, specific plans" compared to 14.1% on the Polish side. A possible interpretation: for Polish partners, especially local governments, a project with a Ukrainian partner is just one of many tools in their portfolio—another call for proposals, another contract. For Ukrainian institutions, the relationship with a Polish partner is a strategic asset, often the only channel for accessing external funding in wartime conditions.

Qualitative interviews add an important caveat to this picture. Alongside partnerships formed for the investment itself, there is a segment of so-called administrative partnerships established solely to meet a formal requirement, without any real intention of cooperation. As one respondent puts it, cross-border cooperation then boils down to a "mandatory conference," without bringing communities closer together. At the same time, the same data reveals the other extreme: partnerships rooted in joint emergency services exercises, built on

[18] Official statements from the central and local government confirm the shift in public discourse, in which the EU's Interreg structural program after 2022 began to be presented as an instrument for emergency aid and support for refugees. See, e.g.: the official description of the program's objectives, which mentions "supporting the reconstruction of Ukraine following the end of Russian aggression" (Interreg NEXT Poland–Ukraine Program 2021–2027, ewt.gov.pl [accessed: May 30, 2026]); statements from the Ministry of Funds and Regional Policy framing medical investments within the rhetoric of war (see Support for hospitals in Lviv, Ternopil, and Krosno from the Interreg NEXT Poland-Ukraine program, gov.pl, April 19, 2024); as well as local government publications categorizing infrastructure calls for proposals explicitly as "Aid for Ukraine" (see Interreg NEXT Poland–Ukraine 2021–2027, miasta.pl, June 1, 2023).

communication channels established during the 2022–2023 humanitarian crisis, which are enduring and carry over from project to project.

Who plays the leading role

The structure of roles in partnerships is clearly asymmetrical. Of the 673 entities in the program, 322 are from Poland and 351 from Ukraine—comparable numbers. But when looking at the role within the project, the picture changes. Polish partners act as the lead beneficiary (applicant) in 194 cases , while Ukrainian partners do so in only 67. Ukrainians dominate as regular project partners: 284 compared to 128 Polish ones.

In the Lviv Oblast, one of the most active regions on the Ukrainian side, out of 28 ongoing projects, the Ukrainian side is the lead partner in only four. This asymmetry stems from specific reasons: the personnel and financial stability of Polish local governments, better familiarity with EU procedures, and experience from previous Interreg programming periods. For a Ukrainian partner, a Polish institution serves as a guarantee that the project will be completed and settled, especially amid the instability of war.

Quality of cooperation vs. working model

The assessment of the quality of cooperation itself is high and, importantly, does not differ between leaders and partners. 74.8% of respondents rate the cooperation as good or very good; the asymmetry of formal roles does not translate into a perception of poorer cooperation on the part of the Ukrainian side.

Table 5.4. Assessment of the quality of cross-border cooperation

Assessment	Leaders (n=53)	Partners (n=46)
Very good (trust, shared plans)	24.5%	30.4%
Good (smooth flow of information)	49.1%	45.7%
Average	24.5%	23.9%
Poor	1.9%	0.0%

Source: CAWI of beneficiaries, n=99, excluding beneficiaries in the initial stage of project implementation.

A different picture emerges when asked about the project work model. Here, the asymmetry in perception is clear:

Table 5.5. Project work model: PL vs. UA perspective

Model	Poland (n=58)	Ukraine (n=41)
Parallel ("we in PL, they in UA, we combine at the end")	**77.6%**	51.2%
Integrated (joint team, exchange of personnel/resources)	19.0%	**43.9%**
Asymmetric (expert–learner)	3.4%	4.9%

Source: CAWI of beneficiaries, n=99, excluding beneficiaries in the initial stage of project implementation.

The Polish side describes its project as "parallel" in 77.6% of cases—two separate teams working on their respective sides of the border and coordinating reporting. The Ukrainian side, meanwhile, in nearly half of the cases (43.9%) views the same project as "integrated," involving the exchange of people and resources. These figures do not align in the sense that they refer to the same projects, yet their participants have opposite impressions regarding how the project is organized.

The most likely interpretation: Polish leaders manage the project formally (they write the application, aggregate reports, and handle accounting), which from their perspective looks like coordinating two parallel lines of work. Ukrainian partners, who receive advance payments from the Polish budget for the same project, request technical assistance with reporting, and frequently host the Polish team on their premises, feel a much stronger sense of integration. Alternatively, the difference may stem from a slightly different understanding of the very concept of a "joint team" in both administrative cultures. However one interprets this difference, it is worth noting it as a topic for further exploration in the qualitative data, as this asymmetry disappears during the quality assessment itself.

Intensity of contact

A separate argument in favor of the thesis that partnerships are mostly genuine rather than superficial stems from data on the frequency of contact. 51.5% of partnerships maintain substantive contact at least once a week, and another 37.4%

at least once a month. Only 11.1% of partnerships maintain contact less frequently or engage exclusively in report . Given that financial motivation outweighs relational motivation in the program, this level of engagement is surprisingly high.

Types of Institutions

The structure of beneficiaries is heavily concentrated among a few types of entities. On the Polish side, local government communities (81 entities) and independent public healthcare facilities (75) dominate. On the Ukrainian side, the order is identical: local government communities (96) and independent public healthcare facilities (60). Together, these two types account for nearly half of all program entities (312 out of 673, or 46.4%). Foundations, associations, and universities are present, but their share is much lower (a total of about 17.5%).

The average number of entities per project is 2.6 (median 2), and the most common structure remains the classic leader-partner duo (177 out of 189 projects, or 93.7%). Only 38 projects (20.1%) involve four or more partners, and it is in this subgroup that large consortia of emergency services and inter-university clusters are concentrated.

Central network nodes: who ties the partnerships together

Despite the fragmentation of the network, several institutions serve as hubs with a relatively high number of partners. The Association of Local Governments "Euroregion Carpathians Ukraine" stands out for having the highest density of connections (3 projects, 8 partners, 10 joint projects), as does the Hrubieszów–Rivne municipal cluster implementing a project (9 institutions in a single component). On the Polish side, the Provincial Headquarters of the State Fire Service in Rzeszów (2 projects, 6 partners) and the Maria Curie-Skłodowska University in Lublin (2 projects, 5 partners) stand out.

The betweenness centrality index describes only one type of role in the network: the role of a "bridge" between distinct groups of institutions. A low index for all program institutions indicates a lack of such bridges, but does not mean that hub institutions are unnecessary. On the contrary: within their own clusters (components), institutions such as the Carpathian Euroregion, the fire departments in Rzeszów and Ternopil, Maria Curie-Skłodowska University, and the Hrubieszów-Rivne municipal councils act as hubs—they bring together several partners into single, multilateral consortia. Without them, these consortia would not exist. We are therefore talking about the lack of a structure connecting the various clusters with one another, not the lack of important institutions within the clusters themselves

In summary, the network of partnerships under the Interreg NEXT PL-UA 2021–2027 Program is fragmented, cross-border, and financially motivated. This fragmentation is evident in the 67 independent components,[19] most of which are single-project partnerships; the program does not create a single ecosystem of cooperation, but rather dozens of independent contracts. The cross-border nature is strongly pronounced: two-thirds of the network's edges are PL–UA relationships, indicating that the partnerships are not a façade for parallel domestic activities. The motivation is primarily financial—nearly half of the beneficiaries cite funds for a specific investment, while solidarity with Ukraine appears in just 7.1% of responses, which contrasts with public discourse. The asymmetry of roles between the Polish side (leaders, administrators) and the Ukrainian side (partners, contractors) is structural: in 74.5% of projects, the Polish side is the leader, but this does not translate into a lower assessment of the quality of cooperation by the partners. However, asymmetry emerges in the perception of the working model: Poles view the project as "parallel," while Ukrainians see it as "integrated." The sustainability of partnerships after the program ends remains conditional for 73.8% of respondents, depending on the availability of further EU funds.

5.2. Territorial Activity and "Blind Spots"

The current programming period has significantly expanded the program's geographic reach on both sides of the border, while also revealing areas where activity remains marginal or is declining. The analysis below compares a map of beneficiaries from the 2014–2020 and 2021–2027 perspectives, illustrates the specific nature of the change following Belarus's exclusion from the program, and systematizes the barriers preventing new entities from entering.

Scale of territorial involvement

In the current programming period, the program includes entities from 154 municipalities on the Polish side (compared to 78 in the 2014–2020 period) and 104 Ukrainian hromadas (compared to 41 previously). The geographic scope has thus doubled, and on the Ukrainian side, it has nearly tripled. This significant quantitative change means that the program attracts a much broader group of beneficiaries than the previous PBU.

[19] A component is a group of institutions linked to one another through joint projects, either directly (the same institutions in the same project) or indirectly (through a common third-party institution). Components are isolated from one another: if institution A cooperates with B, and B with C, then A, B, and C form a single component, even if A and C have never been in the same project. The program identified 67 such groups, with the smallest comprising two institutions and the largest comprising nine.

Table 5.6. Distribution of municipalities/hromadas benefiting from both programming periods

Area	2014–2020 only	2021–2027 only	In both periods	Total
Lublin	11	27	16	54
Subcarpathian	9	41	9	59
Podlaskie	13	26	10	49
Masovian	3	13	7	23
Total PL	**36**	**107**	**42**	**185**
UA circuits (total)	6	69	35	110

Source: compilation of beneficiary registers for the 2014–2020 and 2021–2027 programming periods. Technical Assistance projects were excluded from the analysis.

The data reveal two distinct trends on both sides of the border. The Polish side is opening up to new beneficiaries: 72.7% of current municipalities are first-time participants. At the same time, retention of previous participants is moderate—only 53.8% of municipalities from the 2014–2020 period have returned to the program. The Ukrainian side maintains greater continuity in its participants (85.4% retention), but the scale of expansion is even greater there: 69 hromads joined the program for the first time. **Appendix 2 contains a map visualizing the Polish municipalities and Ukrainian hromads from which Interreg program beneficiaries originate in both programming periods**.

Concentration in regional centers

The distribution of institutions is strongly centered around provincial and regional capitals. On the Polish side, the three largest centers**—Lublin (37 institutions), Rzeszów (31), and Białystok (18)—account for over a quarter of all Polish beneficiaries**. On the Ukrainian side**, Lviv (42), Uzhhorod (32), Ivano-Frankivsk (26), and Lutsk (21) account for nearly half of all Ukrainian entities**. This concentration stems in part from the fact that these are the locations of provincial hospitals, emergency services, and universities—entities that naturally dominate the priorities of P1 Environment and P2 Health. However, this confirms another finding of the program: projects are implemented in regional centers, not at the county border. If

the program's mission is to support border regions, it is worth noting that the structure of beneficiaries increasingly describes border regions not as a community of smaller units, but rather as a network of regional centers.

Podlaskie: reconfiguration following the exclusion of Belarus

The situation in the Podlaskie Voivodeship warrants special attention. In the 2014–2020 period (PBU program), nearly nine out of ten projects in Podlaskie had a Belarusian partner, and the Grodno Region was a partner in every other project. This was a short-distance, neighborly cooperation, rooted in the history of the border region and in personal contacts between officials. Belarus's exclusion from the program after 2022 cut off this direction entirely. Podlasie had nowhere to "move a few dozen kilometers south"—Ukraine begins only beyond the Lublin region.

The data show that the region fared better in the program than might have been expected: 21 projects in 2021–2027 compared to 44 in the PBU, and 49 municipalities remain active (including 10 in both programming periods). But the change is not merely quantitative. **The partner selection mechanism has undergone a fundamental change.** Under the old system, partnerships were largely predefined by geography: Białystok partnered with Grodno, Suwałki with Lida, and Biała Podlaska with Brest. Today, municipalities in Podlasie seek Ukrainian partners for specific project topics: Suwałki cooperates with Ternopil on wastewater treatment plants, Białystok with Lutsk on sewage, and Drohiczyn with Dobrotvor. "Long-distance" partnerships are also becoming more common: Podlasie municipalities are teaming up with Uzhhorod, Ivano-Frankivsk, or the Zakarpattia Oblast—a move that wouldn't make sense in the logic of the border region, but does make sense when the project focuses on emergency response or hospital cooperation.

This shift signifies a transition from neighborly cooperation to thematic cooperation. Volyn serves as the geographically closest point of contact, but the other regions are selected on an ad hoc basis depending on the project's substantive content. Podlaskie did not so much "shift" its cooperation from Belarus to Ukraine as it did switch from a model of cooperation rooted in the daily practice of the border region to a project-based, thematic model lacking a natural line of communication with the partner. Qualitative interviews confirm that health projects played a key role in this process, allowing the region to remain active despite the severing of natural geographical ties.

Blind Spots

Two areas deserve special mention as regions with a deficit of activity. The first is Mazovia, which is heavily underrepresented in the program (23 municipalities, or

12.4% of the total number of Polish participants) and, according to interviews, is realistically involved mainly in a single strategic project. The reasons for this situation stem from a combination of factors: distance from the border with Ukraine, market saturation with other national programs, and a lack of tradition in cross-border cooperation.

The second area consists of border municipalities that are not continuing their participation; a total of 36 units from the 2014–2020 period do not appear among the beneficiaries at all in 2021–2027. Among them are units traditionally active in the PBU (Kleszczele, Krasiczyn, Leżajsk, Dorohusk, Białopole), which suggests that the change in the programming period ( ) or the change in the war-related conditions discouraged them from applying for the new call. Diagnosing the causes would require a separate study; hypotheses include the loss of a natural partner on the Belarusian side (for municipalities in Podlasie), fear of geopolitical risk, and competition from simpler national programs.

Interviews add a third thread: local governments on the Polish side often opt out of Interreg due to the complexity of procedures and the staffing burden; given the availability of domestic support programs (National Recovery Plan, FEnIKS, regional programs), cross-border projects lose out in the competition for officials' limited time.

Classification of entry barriers

The interviews and CAWI allow us to classify the barriers preventing entities from applying into four categories.

Fear of an escalation of hostilities, negative media coverage, and physical travel difficulties (hour-long queues at the borders) discourage some Polish local governments from establishing cooperation. For entities that had a Belarusian partner, the war meant the necessity of immediately terminating projects unilaterally and seeking a new direction for cooperation.

The Small Projects Fund's current reimbursement-based financing model**,** rather than an advance payment model, differs from the microproject support mechanisms in the previous programming period, which allowed for advance payments. This shift in the Small Projects Fund's financing model from advance payments to reimbursement cuts off small NGOs and smaller institutions from the program, as they lack the capital for initial self-financing. Beneficiaries explicitly state in interviews that for the Ukrainian side, the lack of advance payments is a deal-breaker: *"Without advance payments, there's no chance for the Ukrainians—I'll say that right off the bat. They wouldn't be able to pull it off"* (Beneficiary). Additionally,

the requirement to provide an own contribution before reimbursement for certain types of activities eliminates some applicants as early as the financial planning stage.

The interviews consistently describe a “staff shortage” on the Ukrainian side: Ukrainian local governments are dropping out of the program en masse due to a lack of qualified personnel, a lack of English language skills, and a lack of project management expertise. High staff turnover in the Ukrainian administration further increases the risks of partnership.

In summary, the map of the program’s territorial activity reveals two parallel trends. The program has significantly expanded its geographic reach on both the Polish side (154 municipalities compared to 78 in the PBU) and the Ukrainian side (104 hromadas compared to 41). At the same time, activity is heavily concentrated in regional centers (Lublin, Rzeszów, Białystok, Lviv, Uzhhorod, Ivano-Frankivsk, Lutsk), rather than in ordinary county border areas. Significant gaps remain on the Polish side in Mazovia and among the 36 municipalities that will not continue their participation after 2022; on the Ukrainian side, in the Rivne and Rivne regions and parts of the Ternopil region. A special case is the reconfiguration of Podlaskie: the exclusion of Belarus forced a fundamental shift in the cooperation model from “neighborly” to “thematic,” and the region maintained its activity mainly through health projects. Entry barriers can be categorized as geopolitical, financial, procedural, and personnel-related, and their combined impact explains both the low activity of Ukraine’s peripheral regions and the withdrawal of Polish local governments from the program in favor of easier domestic funding sources.

5.3. Horizontal principles in project practice

Assessing the implementation of the horizontal principles of equal opportunities and non-discrimination, accessibility, gender equality, sustainable development, and “do no significant harm” (DNSH) in the Interreg NEXT PL-UA 2021–2027 Program requires distinguishing between declarations in project proposals and actual implementation during the program’s execution. Research materials consistently show that this distinction is significant: declarations far outweigh the actual integration of these principles into projects.

Horizontal principles: between declaration and project practice

The question in the CAWI survey concerned the actual impact of horizontal requirements on the design of the project. The beneficiaries’ responses are presented in the table below.

Table 5.7. Impact of horizontal requirements on project implementation

Impact	n	%
Very significant (model project)	6	6.1%
Large (significantly shaped the project)	20	20.2%
Medium (budget/service adjustments)	11	11.1%
Small (minor elements: logos, driveway)	9	9.1%
No impact (purely formal provisions)	**25**	**25.3%**
I don't know / hard to say	28	28.3%

Source: CAWI of beneficiaries, n=113.

Only 26.3% of beneficiaries state that horizontal principles had a significant or very significant real impact on the project. 25.3% consider them purely formal, and an additional 28.3% have no opinion on the matter, which in itself is a sign that these principles are not considered a significant element of implementation. In total, 53.6% of respondents do not associate horizontal principles with actual activities within the project. It should be noted that the low perceived importance of horizontal principles may partly stem from their natural integration into the statutory activities of some beneficiaries (e.g., in the area of environmental protection), where the implementation of a principle is not viewed as a separate project requirement. At the same time, the picture emerging from the interviews, particularly with auditors, indicates that apart from architectural accessibility, these principles are not subject to in-depth verification in practice.

The CAWI data confirm in numbers what emerges from the interviews: from the beneficiaries' perspective, horizontal principles largely remain a matter of formal requirements rather than an actual element shaping the intervention. Two levels must be distinguished: at the level of MA, IB, and controller procedures, compliance with horizontal principles is verified during application assessment, monitoring, and settlement; at the level of project practice, beneficiaries often treat these requirements as a formal element, without any real translation into action. The analysis in this chapter concerns the latter level.

Differences in perception: not all principles are equal

Beneficiaries do not treat horizontal policies as a single, uniform block. The degree of their actual implementation depends strictly on the specific nature of the project being carried out and the profile of the institution. When the principles align with the entity's day-to-day operations, they become a natural part of the undertaking and cease to be a "horizontal requirement," simply becoming part of the project. Such alignment is most common in the areas **of environmental protection and climate policy**, which for some entities constitute statutory tasks and integrate easily with operational activities.

The situation is quite different when it comes to **accessibility requirements**, ranging from architectural to digital. The two main sources of difficulty identified in the interviews are the lack of a direct connection to the nature of the project and rising costs.

In soft or non-infrastructure projects, technical accessibility requirements are often perceived as abstract. As one respondent puts it:

> *"We're a rather unique entity here, and unfortunately, our project and what we're implementing don't have much to do with accessibility, because these are more technical matters—we're not adapting physical facilities here."* — Beneficiary.

When a project does not involve the modernization of physical space, accessibility standards lose their significance, and beneficiaries focus on those principles that are "close to their hearts" due to their profession or the institution's mission. When a project requires their consideration at the operational level, accessibility rarely paralyzes the execution of tasks, but it poses a clear financial challenge:

> *"It doesn't cause trouble or difficulties, though there are quite a few requirements that significantly drive up costs. True, it's about those accessibility standards, so that we can meet them"*—Beneficiary.

Architectural accessibility is the only element actually verified

The national auditor most familiar with the mechanisms for verifying horizontal principles sharply distinguishes between two regimes: architectural accessibility (verified in practice) and all other elements of horizontal principles (verified "pro forma").

Architectural accessibility—elevators, ramps, threshold-free entrances, and adapted restrooms—is the only element actually verified. In the case of Poland, this stems

from the applicable building code, which makes the issuance of building and occupancy permits for public facilities contingent upon meeting accessibility standards. However, this is not due to the Interreg program, but rather a consequence of current building regulations: without ensuring architectural accessibility, a public building simply will not obtain a building permit or an occupancy permit. In this sense, the program "benefits" from existing national regulations in the case of Poland, but does not itself add significant value to them. If the accessibility requirement were not included in the program provisions, the reality of physical projects would look exactly the same.

In other areas—digital accessibility, equal opportunities, gender equality, and DNSH—verification largely consists of the inspector noting that "they see no evidence that the principle has been violated." Such a verification standard does not examine active compliance with the principle, but only the absence of an overt violation. As the respondent puts it: in the Interreg NEXT PL-UA program, these principles are not treated as a priority, unlike in European Social Fund projects, where stricter oversight is maintained, for example, regarding induction loops at meetings or text formatting in accordance with WCAG.

DNSH and digital accessibility principles incomprehensible to users

Two horizontal principles pose particular difficulties for beneficiaries and auditors, not because they are costly, but because they are unclear in terms of substance.

The "do no significant harm" (DNSH) principle, new in the current framework, remains unclear to program participants. A controller's statement on this matter is surprisingly direct:

> *"No one will be able to tell you what this actually means or how it's actually supposed to work"* (Auditor).

DNSH requires specialized environmental expertise that neither beneficiaries nor, for the most part, auditors possess. In practice, for beneficiaries—especially those outside the environmental sector—verification of the DNSH principle boils down to accepting statements and standard boilerplate language, without any substantive discussion of the project's impact on the six environmental objectives.

Digital accessibility (WCAG 2.0) poses a similar barrier, albeit in a different dimension. It requires specialized IT knowledge that program officials, auditors, and the beneficiaries themselves do not possess. In practice, institutions that want to comply with WCAG in good faith must hire external auditors, which generates

significant additional costs. Free tools for automatically scanning websites are sometimes used as a supplement, but their results rarely have a decisive impact on the recognition of cost eligibility.

Gender Equality

The principle of gender equality in the Interreg PL-UA program is difficult for respondents to justify in context. Artificially enforcing the principle (e.g., awarding women extra points in recruitment) is often viewed critically, as it frequently lacks support from actual data on the underrepresentation of a given gender in a specific intervention area. In emergency services projects or environmental investments, the realistic recruitment criteria are professional, not gender-balanced; attempting to enforce parity under such conditions appears to be a cosmetic measure.

The “outsourcing of responsibility” mechanism

Interviews and the CAWI reveal a characteristic mechanism for dealing with horizontal principles, which can be described as outsourcing verification to other bodies.

In the areas of infrastructure and the environment, partners and auditors rely on decisions by independent state bodies regarding environmental conditions, approvals from the environmental protection agency, and standard building and occupancy permits. These decisions are treated as proof of compliance with the principles of sustainable development and architectural accessibility. The mechanism is rational (it avoids duplication of inspections), but it means that the program itself does not contribute anything to the verification process beyond what is required by national regulations. The mechanism observed in the interviews primarily concerns the Polish side; on the Ukrainian side, a similar logic of relying on decisions by national authorities exists, although the harmonization of environmental and construction law with the EU acquis is the subject of an ongoing accession process. A full comparison of both regimes was beyond the scope of this evaluation.

In the area of digital accessibility, the most common approach is to commission an external audit. The cost of an audit conducted by an IT specialist is included in the project budget as a separate line item, and this is essentially the only way WCAG 2.0 becomes a tangible part of the project work.

In summary, the horizontal principles in the Interreg NEXT PL-UA 2021–2027 Program are implemented in two different ways. Where their content overlaps with the requirements of national law (architectural accessibility, certain environmental

regulations), they are enforced effectively, but not through program procedures, rather through the existing regulatory framework in both countries. Where the overlap is weaker or absent altogether, verification under the program is largely formal in nature, as confirmed by interviews with auditors. Only 26.3% of beneficiaries report a significant or very significant impact of these principles on their project; 25.3% consider them purely formal; 28.3% have no opinion. This assessment does not imply that the rules are being violated; it means that the program's added value beyond the minimum required by national law is limited in its current design. A more comprehensive measurement of the actual degree of implementation (especially regarding DNSH and WCAG) would require a separate study, including technical audits, which was beyond the scope of this evaluation. The variation in perceptions among beneficiaries stems from the fact that beneficiaries do not treat all principles uniformly: those aligned with the institution's mission (environmental protection for natural entities) are accepted naturally; those detached from substantive activities (accessibility in soft projects, WCAG for websites) are perceived as a formal burden. Architectural accessibility is the only element that is actually verified, but this is due to building codes, not the program's procedures. DNSH and digital accessibility remain incomprehensible to most users, which necessitates outsourcing verification to external auditors or independent state bodies. The actual impact of the Interreg program on horizontal principles, in terms of added value beyond the minimum required by national regulations, is limited in its current structure.

5.4. Summary

The partnership network is fragmented but genuinely cross-border. It generates many new cross-border partnerships and intentionally distributes support more widely. However, measurement in a single call for proposals does not show whether these partnerships are becoming established; this would require continued monitoring in subsequent programming periods. From the perspective of the current call for proposals, the program is effectively building new PL–UA connections (67.1% of pairs cross the border).

The beneficiaries' motivation is primarily financial. 46.9% of beneficiaries cite funding for a specific investment as the main reason for forming a partnership. These proportions are similar on both sides of the border. In the beneficiaries' own perception, Interreg functions as **a development instrument**. This is an important argument in the discussion about a possible redirection of program funds toward strictly wartime objectives; a shift in focus would have to occur in parallel with a

change in the profile of participants, as the current beneficiary population views the program from an investment perspective.

The sustainability of partnerships is conditional. Only 25.3% of beneficiaries declare plans to continue cooperation independent of further EU funding; 73.8% of partnerships **exist only as long as funding is available**. The Ukrainian side declares greater independence of the relationship from funding (39.0% "yes, specific plans" vs. 14.1% on the Polish side), which can be explained by the strategic importance of Polish partnerships in wartime conditions. This finding is significant because the narrative of building a long-term cross-border fabric requires a foundation in the form of support mechanisms independent of subsequent grants, which are currently absent from the program.

The asymmetry among leaders is structural, but it does not diminish the quality of cooperation in the partners' assessment. The Polish side acts as the leader in 74.5% of projects (in the Lviv Oblast, 24 out of 28 projects), which stems from its greater personnel stability, procedural experience, and, in wartime conditions, its status as a guarantor of project completion. Ukrainian partners do not rate the cooperation lower than the leaders do (30.4% "very good" vs. 24.5%), which contradicts the thesis about the negative effects of the Polish side's dominance. However, an asymmetry emerges in **the perception of the working model**: 77.6% of Poles describe their project as "parallel," while 43.9% of Ukrainians describe it as "integrated." This is a topic worth exploring further: the same projects look different from the perspective of the formal leader and the operational partner.

The program's territorial scope has expanded significantly, but it remains concentrated in regional centers. The inclusion of 154 Polish municipalities (compared to 78 in the PBU) and 104 Ukrainian hromadas (compared to 41) represents a significant expansion. At the same time, the three largest centers on the Polish side (Lublin, Rzeszów, Białystok) account for 27% of the entities, while the four largest on the Ukrainian side (Lviv, Uzhhorod, Ivano-Frankivsk, Lutsk) account for 46%. The program is increasingly becoming **a network of regional centers** rather than a community of smaller borderland units.

Horizontal principles are largely declarative. Only 26.3% of beneficiaries believe these principles had a significant or very significant real impact on the project; 25.3% consider them purely formal; 28.3% have no opinion. In total, **53.6% do not associate these principles with actual actions**. Architectural accessibility is the only area that is actually verified; it is enforced by building codes, not by program procedures. DNSH and digital accessibility are substantively incomprehensible to most applicants, which necessitates outsourcing verification to external auditors or

independent state bodies. The added value of the Interreg program regarding horizontal principles beyond the minimum required by national regulations is limited in its current structure.

6. Communication, Information, and Institutional Support

This chapter addresses the following research questions:

6. Were the program activities in the area of communication (from the communication strategy and annual action plans) directed at partners and potential partners effective and efficient?
a) Which communication activities and tools are most effective in reaching partners and potential partners?
b) Which communication activities and tools do not produce the intended effect?
c) Should communication activities be tailored to different types of partners from Poland and Ukraine? If so, how? What changes should be implemented?
d) Does the division of tasks among program institutions regarding communication ensure the proper implementation of the program's communication strategy and annual information and promotion action plans?

7. Is the cooperation between partners and potential partners with national controllers, the Joint Secretariat, the Joint Secretariat Branch, and Regional Contact Points effective and efficient? Do partners and potential partners receive comprehensive answers to their questions?
a) Do partners and potential partners receive the necessary support from the JS, the JS Branch, and the RCP during the project advisory phase and when applying for program funds?
b) Is the scope of support provided by the Joint Secretariat in the areas of control, advisory services (ex ante verification of contracts), and financial settlement at an appropriate level?
c) Are the training sessions offered by program institutions for project partners relevant, effective, and efficient (both in terms of subject matter and frequency)?
d) How do project partners and potential partners assess communication and cooperation with the CC, the WS, the WS Branch, and the RCP? Is the scope of the information provided understandable to them? Can areas requiring improvement be identified regarding accessibility or the method of communication with the aforementioned institutions?

6.1. Effectiveness of Communication, Information, and Promotion Activities

We assess *the* effectiveness of communication against the Program Communication Strategy (v. 2, July 24, 2024), whose main objective is *"to promote opportunities and positive changes within the Program resulting from cooperation between local and regional actors and communities in Poland and Ukraine."* The Strategy sets ambitious target indicators for 2030: project partners' satisfaction with the support at a level of at least 80%, 10 training sessions for potential partners (4 on the Polish side, 6 on the Ukrainian side) and 250 consultations, 500 publications on the program's website with 100,000 visits, 500 social media posts, 20 regional events, and 8 internal meetings between the Joint Secretariat, the Lviv Branch, and the RCP dedicated to communication and cooperation. The implementation tool is the Annual Information and Promotion Action Plans (AIPAPs), prepared by the Joint Secretariat in cooperation with the Joint Secretariat Branch in Lviv and the RCPs, accepted by the Ukrainian National Authority, and approved and coordinated by the Managing Authority. The APIPs are sent for information to the members of the Monitoring Committee. In accordance with the strategy, project documents are published in English with translations into Polish and Ukrainian. The Joint Secretariat's tasks include promotion and *training videos*. We will return to these statements later in this chapter, comparing them with empirical data.

Hierarchy of Communication Channels for Calls for Proposals: Assessment by Applicants and Beneficiaries

Data from the CAWI survey arrange the channels of information about calls for proposals into a clear hierarchy, consistent regardless of the respondent group. From the perspective of usefulness, beneficiaries rated meetings and training sessions highest (average 4.71 on a scale of 1–5) as well as consultations with the Joint Secretariat (4.62); in both cases, the median response was 5. The program website (4.50) and newsletters (4.17) ranked in the middle, while consultations with the JSC scored 4.02. Social media received the lowest ratings (3.86). The same pattern is repeated among rejected applicants (regular projects) and SPF applicants, although the ratings there are 0.4–0.8 points lower than among beneficiaries. In the Small Projects Fund, consultations with the Euroregion were highly rated (average 4.13, median 5), at a level similar to the other direct channels. The differences between the leading channels for SPF beneficiaries are small (0.1–0.2 points), so they should not be overinterpreted; however, the high rating of this channel may indicate the value of a model based on a local operator.

Table 6.1. Assessment of the usefulness of information channels regarding calls for proposals

Channel	Beneficiaries (regular projects)	Rejected applicants (regular projects)	SPF applicants
Meetings / training sessions	4.71	4.00	4.22
Consultations with WS	4.62	3.79	4.07
Program website	4.50	3.86	4.09
Consultations with the Euroregion (SPF only)	—	—	4.13
Newsletters / email	4.17	3.66	4.11
Consultations with the RCP	4.02	3.92	4.03
Social media	3.86	3.48	3.70

Source: CAWI of beneficiaries (n=113), rejected applicants (n=33), SPF applicants (n=47), ratings from only those who used a given channel, scale 1–5.

The table confirms a consistent hierarchy regardless of the respondent group: direct channels (meetings, consultations with the WS) are rated higher than passive channels (website, newsletter, social media). The greatest gap between the groups occurs with channels requiring direct contact; beneficiaries rate them 0.7–0.8 points higher than rejected applicants, which reflects a difference in the intensity of actual engagement with these channels, rather than their objective quality.

Individual interviews provide justification for this pattern. Representatives of institutions and the applicants themselves agree that partner forums play a central role in the application process. Program participants admit that without such meetings, finding a foreign partner is extremely difficult. Formats based on direct contact facilitate the rapid establishment of relationships, as confirmed by and successful initiatives organized in cooperation with the Ukrainian branch of WS. Training sessions, seminars, and consultations also serve a function beyond

knowledge transfer; beneficiaries view them as a platform for exchanging experiences between institutions and a way to mitigate the effects of staff turnover.

The conclusion is clear: direct channels—meetings, training sessions, and consultations with WS and the SPF operator—serve an operational function. The website acts as a documentation hub. Social media serve an informational and promotional function, building awareness of the program and informing the public about events and results.

Website: primary knowledge repository

The website's layout is modern, minimalist, and consistent with the Interreg visual identity (navy blue + white + EU accents). The homepage is structured into clear functional blocks: Program slogan, **News** (10 latest posts with publication dates), **Quick Links** (SPF, Calls for Proposals, Library, Competitions, Find Partners), The Program in Numbers (budget of €214.4 million, 10 regions, 79 projects, 206 partners), and the expandable section "How Does the Program Help?" with 6 priorities (each with a project counter and the amount of EU funding). The information hierarchy is correct—the most important program facts are visible "without scrolling"—and the typography and large buttons are also user-friendly for mobile users and seniors. The footer displays the full contact details of the Joint Secretariat, social media channels (Facebook, YouTube), and legally required links (Accessibility Statement, Privacy Policy, Site Map).

The main menu is flat and intuitive. The Calls for Proposals section has a separate tab with a clear division into ongoing and completed/planned calls, assigned to the SPF operator (Tarnopol Regional Development Agency, Carpathian Euroregion), and links to their documentation. The website serves as an authoritative repository; all channels (FB, YT, email) link to it as the source of truth.

The website is trilingual (PL / EN / UA), with a clear language selector in the top right corner. This feature is essential for a cross-border program; a limitation (identified in the remainder of the evaluation) is the inconsistent availability of native Ukrainian versions of application documents, though the website's language layout itself is exemplary.

The website has an Accessibility Statement (drafted on May 29, 2025, last reviewed on March 31, 2026) prepared based on an external audit (Nfinity.pl Sp. z o.o.). Declared status: partially compliant with the Act of April 4, 2019, on digital accessibility.

We used the Interreg Europe program website (interregeurope.eu)—a mature, award-winning platform for an interregional cooperation program—as a benchmark for the additional evaluation of the Program's website. The comparison is not intended to assess "better/worse" (the scale and budget of both programs are incomparable), but to identify solutions that, from the user's perspective, transform the website from a passive repository into an active working tool—thus addressing precisely the weakness revealed by our CAWI survey.

The most interesting solution is the good practices database—a searchable, filterable catalog of proven solutions submitted by beneficiaries and validated by program experts. For the user, this means that the website not only provides information about calls for proposals but also offers concrete, ready-to-use substantive knowledge about "what worked and how in another region". The mechanism is two-way: a user logged into their account can submit their own practice from their dashboard using a ready-made template. This is significant because it engages the community in co-creating content, rather than treating them solely as passive readers.

Another noteworthy solution is the Policy Learning Platform, a thematic knowledge center that combines libraries of studies and recommendations with expert services ("on-demand" helpdesk, peer reviews, benchmarking). From the user's perspective, the "one-stop shop" approach is key here: in one place, they can find documents, experts, events, and contact information for an advisor within the topic that interests them.

The third element is a community/partner search engine—the ability to browse network members by country and subject area and to submit a project idea independently ("Submit a project idea"). This solution directly supports the most difficult stage of the application process. The whole system is tied together by a user account with a personalized dashboard that consolidates submissions, profile, and activity in one place.

The reference to the evaluation of the Program's website based on a quantitative survey is direct and reinforces the earlier conclusions. To recap: respondents rated the Program website highly as a source of information on calls for proposals, but lower than direct channels such as meetings, training sessions, and consultations with the Managing Authority. In other words, the website serves as a reliable "documentation resource," but it does not replace human contact when it comes to application-related knowledge and, importantly, partner matching. Interreg Europe's solutions demonstrate how part of this function can be transferred to the website: the database of good practices lowers the substantive barrier, while the

partner search tool and idea submission partially alleviate the burden on partner forums and individual consultations, which are currently a bottleneck (and at the same time the highest-rated channel). However, we must keep things in perspective: the Program's website is cost-effective, trilingual (PL/EN/UA), and well-structured in terms of information hierarchy and accessibility, and its role as the "source of truth" to which all other channels refer is a real asset given the Program's current scale.

The conclusion drawn from this comparison is therefore not a recommendation for a costly expansion of the website, but rather an indication of the direction of evolution: considering lightweight, modular interactive elements—primarily a simple, searchable database of project results/best practices and a partner-search mechanism—that could partially transfer to the website what currently requires direct contact.

Social media: good visibility of results, poor applicant journey

The assessment of social media as an information channel should be read in conjunction with the content analysis. The program's Facebook profile effectively tells the story of results, particularly in the areas of safety and public health implemented in the shadow of war. Updates on projects such as *RescueCars* (an emergency ambulance for hospitals in Ivano-Frankivsk and Łosice), *Future4Kids* (a CT scanner in Mukachevo), *CROSSDIAM* (an angiography machine worth over 8 million PLN for a hospital in Lublin), *ClimSafe*, and *FireFighters* are concrete and well-documented. At the same time, communication is underway regarding "soft" projects in the areas of ecology and participation (e.g., *EcoParks*, *CleanBug*, *SafeSewerage*), and video series aimed at young people ("Our Backyard," "Young Nature Explorers") fulfill the program's target objectives.

The analysis reveals two areas with significant potential for improvement. The first is a linguistic dichotomy: messages aimed at the general public and youth are engaging, featuring direct phrasing and graphic elements, but when administrators communicate results, dry, technocratic jargon such as "biplanar digital angiography," "mechanical thrombectomy," "heavy tanker-type rescue and firefighting vehicle." Translating such results into language that conveys tangible benefits for residents would allow for a more complete demonstration of the program's real impact and strengthen its public reception. The second area is the need to standardize calls to action: in messages about educational campaigns, the CTA is precise (target group, deadline, link to the terms and conditions in PL and UA), whereas in communications regarding calls for proposals for multi-year investment projects, the Facebook page serves mainly as an informational

reference—users are directed to the “Calls for Proposals” section on the homepage, and the burden of procedural education falls on the PDF documentation.

The YouTube channel points to another area that could be strengthened. With a program budget of €214 million and the Joint Secretariat’s role as a producer of “promotion and training videos” as stated in the Communication Strategy, the subscriber base hovers between 138 and 140 people, and the main introductory video has garnered 151 views over nearly three years. The channel’s architecture is logical (playlists aligned with priorities, virtual tours with audio description), but it lacks content that would actually attract applicants to YouTube—such as a short, several-minute video demonstrating the process of logging in, filling out the budget, and validating the application. The strategic statement therefore remains only partially realized in its most practical sense. The picture from social media is thus consistent with the CAWI assessment: this channel works well as a tool for building brand awareness and communicating results, but it does not replace project consulting. This is also confirmed by interviews with RCP: wide-reaching communication relies on regional portals, email newsletters, social media, and traditional print media, but traditional event formats—such as school competitions, picnics, and festivals supported by personal contacts—are more effective in reaching smaller communities.

Language barrier: the strongest common demand from both sides

The most prominent spontaneous request emerging from the data concerns the language of program documentation. Ukrainian applicants and beneficiaries repeatedly express the need for the rules and guidelines to be translated into Ukrainian, as well as for a Ukrainian version of the CST system and the application generator. On the Polish side, the dominant demand is to abandon the use of English in the application documentation: *“The program is implemented in Polish, but the use of English poses a significant problem”* (open-ended response in the CAWI survey).
The interviews confirm that this is not a minor inconvenience. A representative of the Polish RCP puts the scale of the problem bluntly:

> *“I get the impression that many beneficiaries or potential beneficiaries don’t even consider a program where so much of the material is in English”* (RCP representative).

Representatives of the Joint Secretariat acknowledge that the decision to rely on English-language solutions is a deliberate choice, one that may, however, cut off

some local actors from funding. The lack of translations of key documents prevents partners from thoroughly familiarizing themselves with the procedures before joining the project.

Language is therefore the first and common recommendation from both sides of the program, stemming from both the open CAWI responses and the interviews. Selective working translations are insufficient; native versions of the manuals, the application generator, and the CST are needed, not just *ad hoc* translations. The provision in the Communication Strategy stating that project documents are to be published in English "with translations into PL and UA" is not fully implemented in practice; working translations are provided, but not operational, native versions of the documentation and IT systems.

Division of tasks among institutions: two perspectives

From the beneficiaries' perspective, the division of tasks among institutions is clear: Regional Contact Points (RCPs) serve for the ongoing exchange of information on project implementation (signaling needs, operational contacts), while the Joint Secretariat remains the point of contact for substantive and programmatic matters. At the institutional level, however, the picture is not uniform—the two sides of this arrangement, the RCPs and the JS, describe it differently. Below, we present both perspectives, highlighting points of divergence resulting from differing institutional roles within the program implementation system.

From the perspective of one of the Polish RCPs, the planning of annual information and promotion activities is perceived as one-sided. In its assessment, the proposals of the regional points are rarely reflected in the final form of the Annual Information and Promotion Action Plan (RPDIP):

> "We have the impression that these tasks are, in a way, imposed on us. […] our proposals were not taken into account either; there seems to be a lack of such a joint dialogue" (RCP representative).

This is accompanied by the perception, from the same perspective, that certain promotional tasks (including central management of social media profiles and coordination of promotional packages) are handled at the central level, which is said to weaken the RCP's position in the regions.

From the WS's perspective, the picture looks different. The RPDIP is prepared by the WS in cooperation with the WS Branch in Lviv and the RCP, consulted with the Ukrainian National Authority, approved by the Managing Authority, and communicated to the Monitoring Committee. The WS notes that when planning

tasks for 2026, it requested proposals from the RCP; the response was limited and focused primari ly on the demand to increase funds allocated for task implementation. In the WS's assessment, the involvement of some RCPs in promoting the regions remains limited; some RCPs maintain a minimum of two posts per month on social media, and their communication with beneficiaries is conducted primarily via email. The RPDIP is defined as a minimum, not a ceiling; RCPs are encouraged to engage in activities that go beyond their basic obligations.

The mid-term evaluation does not determine which side is at fault; rather, it documents that the deficit is mutual: the WS expects activity exceeding the RPDIP minimum and constructive proposals, while some RCPs expect a partnership-based approach to setting annual plans and a clear scope of autonomy in the regions. This issue warrants further exploration in subsequent studies.

Central administration of the program's Facebook profile remains a deliberate feature of the communication architecture, ensuring a unified voice and impartiality toward all regions. Regional branches may submit regional content for publication; the phenomenon observed by the Central Office of maintaining the minimum publication threshold suggests rather a lack of utilization of the channel by the regional network than a deficit on the part of headquarters. A signal reinforcing this interpretation is the high rating of in-person events organized by the WS. The WS branch in Lviv indicates that centrally organized training sessions and team-building events are the most popular among beneficiaries.

On the Ukrainian side, tensions regarding the division of tasks are of a different nature. The burden of day-to-day outreach work—explaining program rules, training beneficiaries, and conducting field visits—rests in practice on the WS Branch in Lviv. According to a WS representative, the distinction between the Branch's explanation of program rules and official communication with the Ukrainian National Authority in Kyiv requires refinement. These jurisdictional misunderstandings are highlighted in the interviews as an open issue; further exploration is planned for the final evaluation.

The conclusion drawn from this divergence of views is not conclusive. The mid-term evaluation documents a lack of dialogue between the WS and part of the RCP in both directions. The WS expects activity going beyond the RPDIP minimum and constructive proposals, while part of the RCP expects a partnership-based approach to setting annual plans and a clear scope of autonomy in the regions.

6.2. Quality and Coherence of Institutional Support

The assessment of support varies significantly among applicant groups

The CAWI survey shows that the quality of the guidance provided during the application stage is rated inconsistently, depending on whom we speak with. Beneficiaries gave a positive rating (good or very good) in 79.6% of cases. Among SPF applicants, where advisory services are primarily provided by operators, the ratings are nearly identical (78.7%). The Communication Strategy aims for partner satisfaction with support to reach at least 80% by 2030 (specific objective: Support for Project Partners in implementing and promoting their projects). For the group of beneficiaries, the target has practically been achieved.

This disparity does not stem from the rationalization of failure itself. The structure of the responses is explained by another parameter: experience. Among those rejected, 51.5% are first-time applicants. For this group, the existing set of advisory tools proves insufficient. This is confirmed by the percentage of people reporting information gaps: the pre-application stage is “less well-supported” in terms of information than the implementation stage. The earlier an applicant is in the process, the more frequently they report a knowledge deficit.

Table 6.2. Information gaps by respondent group

Group	Percentage reporting an information gap	Stage in the project cycle
Beneficiaries (regular projects and LPI)	15.0%	Implementation
Rejected applicants (regular projects and DPI)	30.3%	application (51.5% first-time applicants)
SPF applicants (prior to evaluation results)	34.0%	application (microprojects)

Source: CAWI of beneficiaries (n=113), rejected applicants (n=33), SPF applicants (n=47).

The most frequently cited gaps form a recurring set: public procurement (with the issue of conflicts between Ukrainian law and the program's *lack of training and explanations for authorized persons"*), detailed rules for budgeting and planning under volatile prices, the procedure for project amendments, practical use of the CST and the application generator, and finally the issue of the language of documentation (discussed in 6.1). These are topics that require hands-on guidance, not formal information.

Mystery Client Survey Results

The main finding of the mystery client survey is clear: the quality of service, when contact is made, is high. The average rating for content was 4.29 out of 5, for culture and attitude 4.71, and for completeness of information 4.50. The problem is not how institutions communicate with applicants; the problem is that 22% of contacts (16 out of 72) resulted in no response.

The lack of responses is not evenly distributed. They are concentrated in a few locations. The worst result was recorded by the RCP in Rivne: 100% lack of response (5 out of 5) to both four phone calls over three days and three emails sent from three different addresses over 14 days. Next were the SPF Operator in Ternopil and the RCP in Lviv, each with 60% non-response, the Joint Secretariat at 33%, and the RCP in Ternopil, the RCP in Zakarpattia, and the SPF Operator in Rzeszów at 17–20%. The remaining seven institutions (the RCP in Białystok, Ivano-Frankivsk, Lublin, Rzeszów, Siedlce, Lutsk, and the WS Branch in Lviv) responded to every contact.

Table 6.3. Mystery client institution ranking (n=72, ascending by % of non-responses, descending by substantive quality)

Rank	Institution	% of non-responses	Substance	% "encourages application"
1	RCP Rzeszów	0%	4.80	100%
2	RCP Ivano-Frankivsk	0%	4.60	100%
2	RCP Lublin	0%	4.60	100%
2	RCP Lutsk	0%	4.60	100%
5	RCP Białystok	0%	$4.40	100%

6	WS Lviv Branch	0%	4.40	80%
7	RCP Siedlce	0%	3.20	60%
8	SPF Rzeszów Operator	17%	4.20	67%
9	RCP Ternopil	20%	4.50	60%
10	RCP Zakarpattia	20%	4.00	60%
11	WS (CPE Warsaw)	33%	3.75	50%
12	RCP Lviv	60%	5.00	40%
12	SPF Operator Ternopil	60%	3.50	40%
14	**RCP Rivne**	**100%**	n/a	0%

Source: mystery client research.

On the Ukrainian side, 33% of contacts resulted in no response, while on the Polish side, only 9% did. Paradoxically, however, when the Ukrainian side does respond, it performs better than the Polish side: average substantive quality 4.41 vs. 4.17, courtesy 4.81 vs. 4.62, and completeness 4.70 vs. 4.31.
The explanation for this paradox lies in the institutional structure of the RCP on both sides of the border. In Poland, the RCPs are housed within the marshal's offices of Lublin, Podlasie, Mazovia, and Subcarpathia. It is likely that the inquiry is routed to a central inbox and handled as part of routine administrative procedures, with clear role assignments and cover arrangements. The risk that no one will respond is low, even if a specific employee is absent. The price for this reliability, however, is a formal, "bureaucratic" response—exactly the pattern seen in the RCP in Siedlce (substantive quality 3.20, completeness 3.20) and in emails from WS (CPE Warsaw). In Ukraine, RCPs are specific individuals fulfilling this role. The advantage is in-depth consulting, grounded in a real understanding of the organization's ecosystem; this is evident in the high ratings for content (e.g., RCP in Lviv 5.0, RCP in Ivano-Frankivsk and Lutsk 4.60). The trade-off, however, is that availability becomes dependent on the availability of a single person. Vacation, illness, evacuation, lack of a substitute—all of this is immediately reflected in the statistics.

The concentration of non-responses on the UA side (RCP in Rivne 5/5, RCP in Lviv 3/5, SPF Operator in Ternopil 3/5) is consistent with this hypothesis, and the war situation is an additional factor.

Mystery client data shows that the choice of channel drastically affects the outcome. In-person visits (n=6) achieved 100% effectiveness and a 100% rate of encouraging further action. Phone calls (n=24) resulted in a 79% rate of encouraging further action with a 21% non-response rate. Email (n=42) is the most unreliable channel: 26% of inquiries go unanswered, and when a response is received, it encourages further action in only 57% of cases.
The median email response time was 44.7 hours (approx. two business days), ranging from 0.6 hours (WS branch in Lviv) to 240 hours (RCP in Zakarpattia, an extreme case). 42% of responses arrive within 24 hours, 65% within three days. It is important to note, however, that there is no correlation between response time and substantive quality (Pearson $r \approx -0.14$). Quick responses (RCP in Rzeszów median 13.2 hours; RCP in Białystok 15.9 hours) are of equally good quality as slow ones (RCP in Lublin 149.4 hours with content quality rated at 4.67). However, there is no time standard: the range from one hour to ten days suggests that an SLA for emails simply does not exist.

The mystery client's qualitative analysis identifies three recurring response patterns. The first is "referral instead of advice": the institution technically fulfills its duty to provide information, but the applicant leaves the interaction primarily with a list of links and the operator's address. This pattern appears exclusively in the email channel.

The second pattern is "a vague suggestion"—the service culture is high, but the advice boils down to a general "try to make it work."

The third model—"project consulting." This includes specific proposals for adapting a project idea to meet priority criteria, recommendations for alternative funding sources (the Visegrad Fund, Local Action Groups, social economy loans), and proactive offers of assistance in finding a partner.

Joint Secretariat and Lviv Branch: Beneficiary Evaluation

Beneficiaries evaluate the Joint Secretariat's support very positively, noting the staff's proactiveness and substantive expertise. JS staff initiate phone contact themselves when inaccuracies appear in documents, which speeds up administrative processes. The institution's understanding in crisis situations is also appreciated:

> *"As they say, there was a lot of understanding and support from the program. [...] The Secretariat is loyal to all of this. It talks to us, helps us."* (Beneficiary)

For beneficiaries, WS serves as the central hub for resolving complex substantive and program-related issues.

The WS branch in Lviv has taken on the main burden of explaining the program's rules and training Ukrainian applicants. The institution supports projects at every stage, from learning how to write applications, through ongoing consultations, to field visits. Ukrainian partners praise the office for its immediate response to inquiries, which aligns with the mystery client results: a median email response time of 1 hour, the fastest in the entire sample. At the same time, tensions are emerging: delays when the branch is used as an intermediary to urge beneficiaries to submit missing documentation, and a lack of a clear division of responsibilities between the branch in Lviv and the national institution in Kyiv. The identified tensions and delays stem from the growing centralization of decision-making in Ukraine, where the requirement for multiple approvals in Kyiv slows down or even paralyzes the efficient implementation of projects. In this situation, the WS Branch in Lviv must shoulder the burden of constantly instructing and assisting beneficiaries in navigating complex administrative and technical procedures. At the same time, a clear difference in management approach is emerging between the WS Branch and the National Authority, manifested in Kyiv's lack of understanding of the needs of cross-border communities, excessive top-down control instead of supporting local initiatives, and the passivity of central authorities in protecting Ukrainian project applicants from financial losses resulting, among other things, from unfavorable exchange rate conversions.

Regional Contact Points: Function and Potential

Since the start of the current edition, the RCP's mandate has included an informational and promotional function without authority over accounting advice (which remains the exclusive domain of national auditors) and without a role in the formal circulation of project documents (this is handled by the project leader in accordance with the grant agreement). In parallel with this formal process, the Joint Secretariat conducts direct consultations (via email and telephone) with each project partner.

The mystery client assessed another aspect of the RCP's work: the quality of pre-application consultations (project idea → priority → application process). In this dimension, full availability and substantive quality of 4.40–4.80 (on a scale of 1–5) were achieved by 3 out of 4 PL RCPs (Rzeszów, Białystok, Lublin) and 3 out of 6 UA RCPs (Ivano-Frankivsk, Lutsk, and partially Zakarpattia). The Rzeszów RCP has a larger pool of expertise; in the 2014–2020 cycle, it served as a program branch, and

currently performs expanded tasks in cooperation with the WS (administration of the Facebook profile—through this year, the Interreg Cooperation Day finale, and editing of *The Crossborderer* magazine), which may explain its top score in the sample. The empirical finding is that, in the area of pre-application consultations, RCPs have potential that could be utilized more broadly in the next period.

On the Ukrainian side, the current division of roles is consistent with the institution's stage of development. Administrative consulting in more complex areas (MPT procedures, settlements) is handled by the WS Branch in Lviv; the UA RCPs are a younger structure, still building their competency base. This is a deliberate choice, not an oversight. Horizontal cooperation is going well: the PL and UA RCPs praise their working relationship with the WS Branch in Lviv, which is based on mutual support and rapid communication.

National auditors: efficient cooperation despite real systemic barriers

The process of verifying and settling applications is based on a decentralized system involving provincial offices, specialized budget units, and the Ukrainian State Audit Service (DASU). This multitude of actors creates interpretive difficulties regarding the division of roles between the WS and national controllers (KK). WS representatives acknowledge that it was necessary to continuously synchronize procedures and refine checklists to clearly distinguish formal errors corrected by the WS from those requiring direct intervention by the KK.

On the Ukrainian side, DASU directly explains to partners the mechanisms for reviewing reports and the audit process, which streamlines the flow of information in the eastern part of the program.

The CAWI survey confirms the positive assessment of national control: 69.7% of beneficiaries rate the quality of control as good or very good. In interviews, beneficiaries emphasize the substantive and open nature of the cooperation; the frequency of contact naturally increases during the preparation of payment claims, and ongoing relations remain free of tension. Beneficiaries highly value the advisory role of auditors during training sessions; experts' presentation of a list of the most common mistakes provides practical knowledge that facilitates subsequent settlements.

The advisory role of national auditors emerges in the IDI interviews in two distinct forms. The first is ongoing preventive contact. Ukrainian project beneficiaries are eager to maintain regular telephone contact with auditors, inquiring about gaps in

the documentation even before its formal submission, which helps avoid deficiencies and sanctions during the verification phase. This is a relationship-based model of work, not one based on post-hoc settlement; its effectiveness depends on the availability of a specific auditor and their willingness to engage in such dialogue.

The second stage involves ex ante verification of documentation. Polish beneficiaries describe their direct interactions with auditors as positive and, importantly, actively take advantage of the opportunity to have their documentation reviewed in advance of its formal submission, viewing this approach as both useful and convenient. In practice, this reduces the risk of financial corrections during the formal audit phase and saves auditors from subsequent correction loops. This indicates that the advisory function of the KK, although not covered by a separate indicator in the program's monitoring, is effective in the field and is appreciated on both sides of the border.

Despite this efficient communication, project implementers encounter systemic barriers. The main burden is the lengthy processing time for documentation by auditors; delays in approving reports can disrupt cash flow, blocking the transfer of subsequent tranches to Ukrainian project partners. Beneficiaries also note an information gap regarding the technical preparation of documents; there is a lack of clear guidelines on the desired file format and method of submission (individual scans vs. batch files).

A second financial barrier specific to Ukrainian partners is exchange rate fluctuations. Due to the time lag between the incurrence of an expense and its settlement, the artificial exchange rate used in the system diverges from the market rate at the time of the transaction. Beneficiaries perceive a lack of flexibility on the part of national controllers in this area, viewing institutional passivity toward currency fluctuations as a significant flaw in the settlement system (interview with a WS representative, Ukrainian side).

It is also worth noting that the Communication Strategy does not assign any communication role to national controllers; they appear in the document solely as recipients of internal communication. Meanwhile, from the beneficiaries' perspective, national controllers perform a de facto advisory function, as evidenced by the high ratings of training sessions conducted by controllers. Open-ended responses from the CAWI survey point in a similar direction: *"Consultations and recommendations from the auditor should be exclusively in writing*," *"Communication from the auditors*," *"Combining the Joint Secretariat and the Audit Team into a single unit would facilitate the flow of information and streamline administrative procedures."*

6.3. Training for project partners

Training is the highest-rated communication channel

Data from the CAWI allow us to view training indirectly as a communication channel regarding the program: it was precisely meetings and training that received the highest average rating among beneficiaries (4.71 out of 5) and were the second-ranked channel among SPF applicants (4.22). The median rating is 5. This confirms that a formalized educational program is effective provided it is accessible and tailored to the recipient's needs.

In interviews, respondents describe the training as comprehensive support covering the full project lifecycle, from application preparation through implementation to reporting. Beneficiaries highly value this program, highlighting its practical usefulness. The initial meetings were particularly valuable, as they explained the differences between standard and strategic projects and raised awareness of the most common mistakes. Institutional representatives view the training as a tool for continuously improving partners' competencies.

Complex procedures require a step-by-step approach

The main challenge for partners is the complex program procedures and non-intuitive IT systems. Online lessons and detailed instructions provided at the initiative of the institutions proved to be an effective response to these difficulties. Respondents in interviews emphasize that presenting topics in a practical way and demonstrating processes step-by-step—such as using the CST system with the opportunity to ask questions—significantly facilitates coping with administrative requirements.

However, acquiring this knowledge takes time. Representatives from the Ukrainian side note in interviews the cumulative nature of the training's effectiveness. Understanding complex procedures, such as public procurement, occurs gradually: the first training session can be overwhelming, the second allows for initial independent attempts, and only after the third does the process become fully understandable and capable of proper implementation.

The role of educational meetings extends far beyond the transfer of technical knowledge. Beneficiaries see them as a key tool for building networks and exchanging experiences. The high substantive quality of the seminars allows for establishing relationships with more experienced partners, which brings long-term benefits in cross-border cooperation:

> *"In my opinion, such training sessions are absolutely essential [...] because, first, we have the opportunity to learn the basics [...] and second, to exchange experiences"* (Beneficiary).

Gap: Applicants Before the First Call

However, the data show a clear deficit in training aimed at individuals before the first call for proposals. Critical feedback from the CAWI of rejected applicants is consistent and recurrent: *"practical training instead of theoretical step-by-step guidance, specific cases instead of presentations from previous years"*; *"the training was too general and only for those who had already won. For those still at the application stage, it's simply very general information"*; *"quick, specific feedback from an expert"*; *"detailed instructions and examples on how to fill out the application in the CST2021 system (especially the budget section), quick technical support"* (answers to open-ended questions in the CAWI survey), which points to possible areas for improvement.

The working hypothesis, which is also confirmed by data on information gaps (34% in the SPF, 30% among rejected applicants, 15% among beneficiaries), is that training sessions are too general and, in practice, targeted at those who have already been selected. **For first-time applicants, there is a lack of a workshop format focusing on specific cases, with CST support and rapid expert feedback**. To be precise, training as a channel is highly rated. The diagnosis of the gap concerns a different segment of applicants before the first call for proposals, who expect a workshop format. These two theses are not contradictory; they concern different phases of the project cycle.

Another significant shortcoming is the lack of competence in preparing grant applications. The lack of *grant-writing* skills is a serious barrier limiting participation in the program, particularly among smaller communities, and requires an urgent intensification of training specifically in this area. At the same time, the supervising bodies are calling for the organization of a greater number of dedicated training sessions specifically targeting the specific problems of beneficiaries during the implementation phase.

Organization and accessibility: logistical and geopolitical barriers

The training organization model is evolving from a local to a centralized one, in which regional institutions primarily provide technical support for event implementation. WS representatives strive to ensure the equality of the message by

delivering identical training and informational content to beneficiaries on both sides of the border. However, the geopolitical reality imposes significant limitations: due to the inability of staff to travel to Ukraine, in-person training for potential partners currently takes place exclusively on Polish territory, which may hinder an understanding of Ukrainian realities.

The requests made by beneficiaries in interviews, as well as by one Polish and two Ukrainian RCPs, converge on several points. First, a shift from a purely informational role to in-depth advisory work, especially in the case of smaller communities and institutions applying for the first time on the Ukrainian side. Second, building the capacity of Ukrainian applicants is essential for the effective use of the program's budget, particularly in the area of microprojects. Third, the burden of educational and awareness-raising activities in Ukraine currently rests almost entirely on the Lviv office. To optimize this process, WS representatives see a need for Ukrainian central institutions to become involved in communicating the program's rules and organizing training sessions [Interview_WS1]. Fourth, technical support must include clarifying reporting rules. Beneficiaries often do not understand the definitions and objectives assigned to indicators, leading to situations where different projects use radically different and incomparable methods to report the same results, e.g., in water and sanitation investments. Clear and unambiguous communication of program indicators is one of the most urgent areas for improvement.

6.4. Summary

Direct channels—meetings, training sessions, and consultations with WS and SPF Operators—are effective; passive channels serve an awareness-raising function. Beneficiaries' ratings of 4.71 for meetings and 4.62 for consultations with WS, contrasting with 3.86 for social media, leave no doubt: it is personal contact and consultation that determine the operational effectiveness of communication. Mystery client visits have a 100% success rate, phone calls have a 79% encouraging effect, emails have a 57% response rate, and 26% go unanswered. The website, newsletters, and social media serve as a documentation resource and a tool for building brand awareness.

The pre-application stage receives less informational support than the implementation stage. Information gaps are reported by 34% of SPF applicants and 30% of rejected applicants for regular projects, and only 15% of beneficiaries of regular projects. Among those rejected, 51.5% were first-time applicants; this group naturally reports that the guidance provided by WS and RCP is insufficient. Before the first call for proposals, applicants need workshops based on specific applications and CST support, rather than informational presentations.

Availability, not quality, is the main problem with institutional support. A *mystery client* research showed that when contact is established, substance (4.29), professionalism (4.71), and completeness (4.50) are high. The problem lies in the fact that 22% of contacts are lost, and the shortfalls are concentrated in several institutions: RCP Rivne (100%), SPF Operator Ternopil (60%), RCP Lviv (60%), and WS CPE Warsaw (33%). The Polish-Ukrainian asymmetry in " " (33% vs. 9% of no responses) has a structural cause: Polish RCPs are offices (stability of access at the expense of a "bureaucratic" style), while Ukrainian ones are individuals (in-depth consulting at the expense of critical dependence on the availability of a single person).

The language of program documentation is the strongest spontaneous call for change. Polish applicants are calling for the discontinuation of English, while Ukrainian applicants are calling for full Ukrainian versions of the regulations, the handbook, and the CST system. Individual working translations are insufficient; native versions of documents and tools are needed.

Regional Contact Points are underutilized relative to their potential. Established after the call for proposals closed, they have been relegated to an informational and promotional role. At the same time, some RCPs achieve full availability and high substantive ratings in mystery client tests, which means they can support WS as providers of project advisory services.

Training sessions are highly rated, but a gap exists in the workshop format for first-time applicants. The current offering primarily targets those already selected; feedback from rejected applicants in the CAWI survey is consistent in its call for: practical, step-by-step workshops, concrete case studies instead of presentations from previous years, hands-on CST, and expert feedback. The cumulative nature of effectiveness (full understanding only after the third training session) means that a single training session does not solve the problem.

National control is rated positively by beneficiaries (69.7%), but it faces two systemic barriers. First, the long processing times for documentation disrupt the financial flow of projects and block the transfer of tranches to Ukrainian partners. The second is the use of an artificial exchange rate in settlements, which diverges from the market rate at the time of expenditure; this primarily affects Ukrainian beneficiaries and is perceived as a sign of institutional inflexibility.

7. System of Indicators

This chapter provides answers to the following research questions:

8. To what extent do program indicators correspond to the planned activities? Is the selection of indicators appropriate in terms of their relevance to the implemented projects?
a) Is the current system of program and project indicators in the program relevant and useful in relation to the objectives and activities planned in the program and the projects being implemented? To what extent are the indicator metrics adequate for the activities planned and implemented in the program?
b) Would a more detailed specification of the current indicator metrics allow for a more accurate reflection of the outcomes of the projects being implemented?
c) How should the activities envisaged in the program be measured in the next programming period, taking into account the draft regulations for the next programming period?
d) To what extent are the indicators included in the Communication Strategy relevant and useful from the perspective of the effectiveness of information and promotion activities and support for program management? Are the adopted indicators sufficiently detailed to enable effective monitoring of progress toward achieving the Communication Strategy's objectives?

7.1. Relevance and usefulness of the indicator system

The indicator system for the Interreg NEXT Poland–Ukraine 2021–2027 program is based on two main categories. The first category consists of mandatory program indicators, which are essential for evaluating the implementation of the entire program. The second category comprises additional (project) indicators, enabling beneficiaries to measure additional, specific aspects of the implemented activities. It should be emphasized that measures from the common EU catalog of output (RCO) and result (RCR) indicators may appear in both the group of program indicators and the group of additional indicators. This system is supplemented at the project level by national indicators (PLRO for output and PLRR for outcome), which are drawn from the nationwide Common List of Key Indicators. Indicators designed specifically for the settlement of Small Project Funds (SPF) constitute an additional, separate layer. In accordance with the rules, beneficiaries select indicators exclusively from a closed list assigned to a given specific objective and are not permitted to add their own custom indicators.

The logic behind this division is as follows: program indicators allow data from all projects to be aggregated to higher levels (specific objective, priority, entire program) and reported to the European Commission. Project indicators measure the specific, tangible outcomes of individual interventions—ranging from the number of fire trucks purchased to the length of renovated hiking trails—which program indicators cannot capture due to their general nature.

Coverage by the logical framework

The analysis of data from the monitoring system includes 428 indicator records assigned to 77 contracted projects. The distribution of indicators by project is presented in Table 7.1.

Table 7.1. Distribution of indicators by project (N=77)

Indicator category	Mean	Median	Min	Max
RCO (software product)	2.06	2.0	0	4
RCR (programmatic result)	1.57	1.0	1	4
PLRO (project output)	1.77	2.0	0	4
PLRR (project result)	0.01	0.0	0	1
Total outputs (RCO+PLRO)	3.83	4.0	—	—
Total results (RCR+PLRR)	1.58	2.0	—	—

Source: Author's own analysis based on data from the program's reporting system.

All projects have at least one RCO indicator and at least one RCR, thus meeting the minimum requirement for contributing to the program's objectives at both levels (output and outcome).

A comparison of the indicators actually used in contracted projects with the program's logical framework matrix shows nearly complete coverage (Table 7.2).

Table 7.2. Coverage of expected indicators from the logical framework by priority

Priority	Number of projects	RCO	RCR	PLRO	Comments
1. Environment (SO 2.4, 2.5, 2.6, 2.7)	46	6/6 (100%)	7/8 (88%)	12/14 (86%)	No RCR85; PLRO057 and PLRO174 not used due to the absence of projects related to lake drainage and restoration
2. Health (SO 4.5)	24	2/2 (100%)	3/3 (100%)	4/4 (100%)	—
3. Tourism (SO 4.6)	1	3/3 (100%)	2/2 (100%)	2/2 (100%)	One LIP project
4. Cooperation (SO 6.3)	1	3/3 (100%)	3/3 (100%)	0/2 (0%)	SPF project indicators were to be developed by the fund manager
5. Boundaries (ISO 7.4)	1	3/3 (100%)	4/4 (100%)	n/a	The matrix does not provide for PLRO
6. Availability (SO 3.2)	4	2/2 (100%)	1/1 (100%)	N/A	The matrix does not provide for PLRO

Source: own analysis based on the program's logical framework (Table 7 of the methodological document) and data from the program's reporting system.

Gaps in coverage concern only indicators for which no projects of the appropriate type were contracted; for example, the absence of lake restoration projects under Objective 2.5 explains the absence of PLRO174. No deficiencies were identified in the structure of the matrix itself.

Matching indicators to project types

The program provides for three categories of regular projects: infrastructure, investment, and soft projects. The selection of RCO indicators is appropriate in both dimensions: it corresponds both to the type of intervention (infrastructure and investment projects use input-type RCO indicators such as RCO69, RCO31, or RCO24, while soft projects use indicators of cooperation and knowledge transfer) and to the thematic area (health, environment, cooperation). 61 out of 77 projects have at least one indicator directly measuring infrastructure or investment expenditures; the remaining 16 use exclusively cross-border cooperation indicators, primarily RCO81 (participation in cross-border activities) and RCO116 (jointly developed solutions). These projects are concentrated in Priority 1 – Environment (12), Priority 2 – Health (3), and Priority 4 – Cooperation (1).

The only caveat concerns the distinction between soft projects and those with a technological component: by definition, the RCO116 indicator covers both strategic documents and methodologies as well as digital tools, so the RCO indicator set alone does not allow for a clear distinction between a purely soft project and one that produces, for example, a GIS system or a medical data exchange platform.

Aggregation of project indicators into program indicators

The system's logic assumes that project indicators (PLRO) provide more detail for program indicators (RCO). Each PLRO is logically linked to the corresponding RCO; for example, PLRO041 (rescue units equipped with gear) contributes to RCO24 (investments in disaster monitoring systems). Aggregation works correctly in this direction.

The reverse relationship was incomplete in the case of the PLRO150 indicator (training participants), which is the most widely used project indicator—41 out of 77 projects use it. Only 17 of them simultaneously reported RCO81 (participation in joint cross-border activities). This meant that in the remaining 24 projects, training measured at the project level did not translate into any program indicator and was not visible in reporting to the European Commission. It is currently being replaced with program indicators RCO81 or RCO85 (participation in joint training programs). Once this adjustment is complete, the gap in the aggregation will be closed.

At the outcome level, the situation differs from that at the output level. The program provides for only two project-level outcome indicators (PLRR): PLRR042 (endangered species covered by conservation measures) and PLRR023 (cultural events). In practice, only one of them is used, in a single project. Projects report results directly to the general program RCR indicators, without project-level detail. However, the small number of PLRR indicators does not constitute a systemic shortcoming. Result indicators measure effects among end-users (the population using infrastructure, users of healthcare facilities), which do not require a breakdown by project variant. Adding more PLRRs would increase the administrative burden on beneficiaries without a proportional analytical gain, especially since results are measured with a delay: in the monitoring data, only 1 out of 121 RCR records has any achieved value.

7.2. Specification of indicator metrics

Program indicators: comparative context

The November 2024 INTERACT report, *"Stock taking of common Interreg indicators in 2021–2027*," based on data from 86 Interreg programs, a survey of 33 programs, and indicator fact sheets from 29 programs, provides a comparative context for program indicators. The study evaluated indicators against the RACER criteria (relevance, acceptability, clarity, ease of use, reliability) on a scale of 1–6.[20] The results for the indicators most frequently used in the PL-UA program are presented in Table 7.3.

Table 7.3. RACER assessment of Interreg program indicators (scale 1–6)

Indicator	Relevance	Acceptability	Clarity	Ease of use	Reliability
RCO87 Partner organizations	5.5	5.2	5.0	4.6	4.8
RCO116 Jointly developed solutions	5.0	4.4	3.6	3.7	3.7

[20] INTERACT, Stocktaking of Common Interreg Indicators for 2021–2027, November 2024, Chapter 4.3

RCO85 Participation in training	5.2	4.9	4.4	3.5	4.4
RCO81 Participation in cross-border activities	5.3	5.0	4.1	4.2	4.4
RCO115 Joint public events	5.3	5.3	4.9	4.1	4.2

Source: INTERACT, Stocktaking of Common Interreg Indicators in 2021–2027, Table 4, p. 18. N=12–30 programs depending on the indicator.

RCO116 ("jointly developed solutions") received the lowest scores among the seven most popular Interreg indicators in both clarity (3.6/6) and reliability (3.7/6). INTERACT identified definitional confusion between "solutions" and "pilot actions" (RCO84), a lack of a common understanding of *the* concept *of "solution"* among programs, and difficulties in validation: six programs reported the need to revise beneficiary targets as early as the contracting stage. For RCR84 (partner organizations after the end of the project), INTERACT identified the problem of double-counting the same institutions appearing in multiple projects and recommended counting at the specific objective level and using unique organization identifiers.

These issues concern indicators imposed by the European Commission. The PL-UA program will not change their definitions but may provide clarifications in the application documentation and program manual. INTERACT's findings serve as a reference point to be considered when preparing for the new programming period.

Project indicators: evaluation of metrics

Additional project indicators (PLRO/PLRR) were drawn from the national Common List of Key Indicators (CLKI). The scope for their operationalization at the program level boils down to selecting appropriate measures from the CLKI list and defining guidelines for their reporting in a specific, cross-border environment. Analysis of monitoring data allows the PLRO indicators to be divided into three categories in terms of metric precision.

The first group consists of well-defined indicators with an unambiguous unit of measurement and an obvious method of verification (Table 7.4). These primarily concern the infrastructure and equipment of physically quantifiable facilities, verified by an acceptance protocol. They do not require changes to their metrics.

Table 7.4. Project indicators with precise metrics

Indicator	Number of projects	Unit	Range of target values
PLRO041 Rescue units equipped with equipment	14	units	2–54
PLRO042 Fire trucks	12	units	2–9
PLRO050 Supported wastewater treatment plants	5	units	1–2
PLRO051 Wastewater treatment plants constructed	2	units	1–2
PLRO053 Water treatment plants	2	pcs	1–2
PLRO133 Supported healthcare providers	19	units	1–2
PLRO136 Restored hiking trails	1	km	2.96
PLRO137 Hiking trails created	1	km	19.8

Source: Author's own analysis based on data from the program's reporting system.

The second group consists of indicators requiring clarification, where the metadata leaves room for interpretation. This results in inconsistencies in reporting across projects (Table 7.5).

Table 7.5. Project indicators with imprecise metrics

Indicator	Number of projects	Issue	Examples of inconsistencies
PLRO150 Training participants	41	No minimum threshold for "training"	Target values ranging from 2 (equipment training) to 750 (workshops, eco-camps, picnics, conferences).
PLRO073 Information and education campaigns	10	No definition of "campaign"	Target values from 1 to 9. Social media posts, a picnic, a " " a series of workshops, and a conference with a publication—all counted as a "campaign"
PLRO158 Wide-reaching information and promotional activities	15	The definition is based on formal criteria (number of tools and target groups), not on actual reach	Target values 1–2. A final conference with 40 participants and a media campaign reaching thousands are treated identically

Source: author's own analysis based on data from the program's reporting system.

PLRO150 deserves special attention due to the scale of its implementation (41 projects) and the magnitude of the discrepancies. A beneficiary conducting certified rescue training for 4 firefighters and a beneficiary organizing 9 educational picnics

for 750 people report to the same indicator using the same method—an attendance list. The aggregated number of participants fulfills its reporting purpose, but without distinguishing between types of training formats (e.g., brief briefings vs. multi-day certified courses), its analytical value remains limited. As noted in the section on aggregation, this indicator is currently being replaced by RCO81 and RCO85.

In interviews with representatives of program institutions, opinions emerged that indicators should better reflect qualitative outcomes: the sustainability of partnership relationships, institutional capacity building, and the actual removal of cross-border barriers. This demand is understandable; the current system focuses on quantities and overlooks the quality of the actions undertaken.

However, these expectations must be weighed against three limitations. First, it is difficult to quantify quality (especially across the many fields covered by the program), so the resulting indicators would likely be overly broad and of limited analytical value. Second, in the future, indicators will form the basis for financial settlements (see subsection 7.3); the more ambitious the indicator, the greater the financial risk for the beneficiary . Third, in the summary of its analyses, INTERACT distinguishes the monitoring function of indicators from their evaluative function: “indicators are not direct evidence of achievements, but a tool illustrating the scope, range, and intensity of results”[21] . A deeper assessment of qualitative effects should be conducted through evaluations, not through the indicator system.

The recommended refinements therefore focus on low-cost changes that improve data quality without increasing the administrative burden or financial risk. They primarily concern: in PLRO150, the introduction of a minimum time threshold distinguishing training from a short, one-time event; defining a “campaign” in PLRO073 as a cycle of activities lasting at least one week, directed at a specific target group; introducing in the program manual a requirement to categorize “solutions” when reporting RCO116 (e.g., strategic document / digital tool / methodology / operational standard).

[21] INTERACT, Stocktaking of common Interreg indicators in 2021–2027

7.3. Measurement of activities in the future programming period

Regulatory changes

Draft European Commission regulations (particularly *the* so-called *Performance Regulation*)[22] introduce changes that fundamentally reshape the role of indicators in operational programs. A comparison of the current and future models is presented in Table 7.6.

Table 7.6. Comparison of indicator systems: current and future perspectives

Aspect	**2021–2027 Perspective**	**2028–2034 Perspective**	**Implications for PL-UA**
Settlement mechanism	Cost reimbursement: The EC reimburses documented expenses	P-BA: The EC pays for achieving the indicator. Each indicator is assigned a specific *payout value*	Unit costs from the current methodology will form the basis for negotiating payout values; an error in valuation results in a real financial loss
Selection of indicators	The beneficiary selects from a closed list (2–4 RCOs per project)	Program level: one output indicator from Annex I per intervention area Project level: Possibility to maintain multiple supporting indicators	Current flexibility will be limited at the program level; however, the role of the PLRO does not necessarily need to change. A greater number of project indicators is possible (provided they aggregate to the program level).
Time discipline	N+3 rule	N+1 rule	For a program with a partner in a conflict zone, this

[22] European Commission, Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a budget expenditure tracking and performance framework and other horizontal rules for the Union programmes and activities, COM(2025) 545 final.

			poses a huge risk; the current 13-month delays would be unacceptable
Horizontal requirements	Ex-ante conditionality	DNSH as a measurable requirement; *gender scoring* (scores 0–2); 35% climate spending target	Additional reporting requirements for each indicator

Source: COM(2025) 545, INTERACT P-BA and SCOs Post 2027 Discussion Paper[23] .

The most significant change is the transition from a cost-reimbursement model (*compliance-based*) to a performance-based model (*Performance-Based Approach*, P-BA). Under the current system, the EC reimburses the program for documented expenses. Under the new model, payment will only be made after demonstrating the achievement of an indicator or milestone, with a predetermined financial value assigned to it. In theory, this is intended to improve the program's cash flow, e.g., through higher advance payments from the EC and decoupling payment from the tedious process of verifying invoices. In practice, however, this poses a significant risk—if indicators are not achieved on time due to delays, cash flow could be seriously jeopardized.

Binary risk

P-BA introduces a phenomenon referred to in the literature as "binary risk." If a beneficiary fails to achieve the declared indicator, they do not receive a payment regardless of the costs incurred. Market, implementation, and exchange rate risks are transferred from the managing authority to the project contractor.

For the PL-UA program, this risk is exacerbated by three factors specific to the Polish-Ukrainian border region: instability on the Ukrainian side resulting from the war (destroyed infrastructure, disrupted supply chains, unpredictable security situation), exchange rate fluctuations between the hryvnia and the euro complicating ongoing settlements, and the specific nature of cross-border projects requiring the coordination of multiple partners across two legal frameworks.

A rational response is conservatism in the selection of indicators: fewer but reliable indicators, with realistically estimated target values.

[23] INTERACT, P-BA and SCOs Post 2027 Discussion Paper

Database for future valuations

The program has an advantage: data from the monitoring of 77 projects contracted under the current programming period, as well as a unit cost methodology based on data from the 2014–2020 programming period. This data constitutes the only solid basis for negotiating *payout values* with the EC. Interlocutors from the MA point to the need to "trace the correlation between indicators tested in the current programming period and the thematic areas selected for continuation."

Prior to programming the new financial framework, the program should conduct a unit cost analysis based on data from the current 77 projects, not only from the 2014–2020 perspective, as in the current methodology. The analysis should account for inflation, cost differences between the Polish and Ukrainian sides, and differences between project types (infrastructure vs. soft projects).

Separation of monitoring and evaluation functions

The tension between stakeholders' demands (measuring the quality of cooperation, the sustainability of relationships, and capacity building) and the rigidity of the P-BA is resolved by separating the two functions of the system. Indicators should serve a monitoring and reporting function—simple, unambiguous, achievable, and forming the basis for disbursements. The assessment of the qualitative effects of cross-border cooperation should be conducted through evaluations (mid-term, ex-post), case studies, and qualitative research, not through an indicator system.

This is not a renunciation of measuring quality; it is a shift of quality measurement to a tool that is suited for this purpose and in which failure to achieve a target does not block the disbursement of funding. INTERACT formulates the same principle: indicators reflect "the scope, range, and intensity of results," while evaluations assess "broader impacts and objectives." In the P-BA model, where an indicator becomes a hard currency for accountability, this distinction takes on significant practical importance.

An additional aspect requiring attention is the limited flexibility in selecting indicators. The new Annex I to Regulation COM(2025) 545 requires the assignment of exactly one output indicator per intervention area. The program should analyze which existing indicators (RCO and PLRO) best align with the new list and plan for any necessary consolidations. The N+1 rule and the Ukrainian context also require the incorporation of safety mechanisms into the target values; it is worth considering the use of unit rates (instead of lump sums for the entire milestone), which allows for proportional disbursement upon partial achievement of the target.

7.4. Communication Strategy Indicators

The program's communication strategy defines eight specific communication objectives, each with a set of output and outcome indicators—a total of approximately 35 indicator pairs—with target values for 2030 and defined measurement sources. The objectives include raising awareness of the program, showcasing the effects of cooperation, supporting beneficiaries, communicating results, promoting the program's visibility, building institutional engagement, and consulting on future perspectives.

Output indicators measure communication activities: the number of training sessions, consultations, events, website publications, and social media posts. Impact indicators measure reach: the number of website users, social media reactions, the number of participants, and mentions in traditional media. Selected indicators illustrating the structure of the system are presented in Table 7.7.

Table 7.7. Selected indicators of the Communication Strategy

Specific Objective	Output indicator	Target value	Outcome indicator	Target value
1. Awareness of the program	Training for potential beneficiaries	10	Value of submitted applications > 200% of the call budget	>200%
2. Results of cooperation	Partner forums	2	Media mentions of project results	10
4. Support for beneficiaries	Training for beneficiaries	15	80% beneficiary satisfaction	80%
5. Dissemination of results	Publications on the website	500	Number of visits to the publications page	100,000
5. Sharing results	Social media posts	500	Reactions to posts	4,000

6. Program visibility	Events involving beneficiaries	5	Event participants	500

Source: Program Communication Strategy, Chapter 8.

The system has a logical structure and is based on realistic data sources. However, the analysis reveals three limitations.

First, most of the indicators labeled as “outcomes” actually measure reach, not the effect of communication. The number of website visits, social media reactions, or event participants are exposure metrics that indicate how many people were exposed to the message, but not whether it changed their knowledge, attitude, or behavior. This is a common practice in the communication strategies of operational programs, but it limits the analytical value of the monitoring. The only indicator measuring the actual result is “80% beneficiary satisfaction” (Objective 4), based on surveys of beneficiaries.

Second, the result indicator for Objective 1 (program awareness)—the value of submitted applications exceeding 200% of the call budget—is a measure of demand for funding, not the effectiveness of communication. Demand depends on many factors (the program’s attractiveness, availability of other sources, institutional capacity), of which communication is only one. There is no indicator that would directly measure the effect of information activities, e.g., the percentage of institutions within the program’s scope that are aware of its opportunities. A dedicated awareness survey would, however, be costly and unreliable: it would require reaching institutions that are unfamiliar with the program (by definition, the most difficult group to recruit), and the program does not have a contact database covering all potentially eligible entities on both sides of the border. A realistic alternative is to monitor the data the program already possesses: the percentage of new applicants in subsequent calls for proposals, the geographic diversity of applicants, and the sources of information about the call declared in the applications or at the time of submission.

Third, the targets appear to have been set without a clear methodology; the strategy does not indicate the basis for adopting, for example, 100,000 website visits or 4,000 social media reactions. The lack of baseline values (initial status) makes it impossible to assess whether the goals are ambitious or conservative.

Output indicators are sufficiently detailed to monitor activity. The problem is that the system does not distinguish between different types of activity in terms of quality—a training session for 200 people and one for 10 people are counted as a

single training session in the current system. Outcome indicators are too general to allow for an assessment of the effectiveness of specific communication channels.

The recommended improvements are based on data the program already possesses and do not require an additional budget. They include: supplementing reach indicators with engagement quality metrics available in Google Analytics (average time on site, percentage of returning users) and social media tools (ratio of comments to likes); using data from recruitment rounds as an approximate measure of communication effectiveness (percentage of new applicants, their geographic diversity, declared source of knowledge about the program); and establishing baseline values for indicators that are already measurable today, in order to measure change, not just the final state.

7.5. Summary

The indicator system for the Interreg NEXT PL-UA 2021-2027 program is correctly structured and consistent with the intervention logic. Coverage by program indicators is complete across all priorities, and project indicators accurately specify outputs at a level commensurate with the program's thematic diversity. The small number of project-level result indicators (PLRR) does not constitute a shortcoming; program results are sufficiently homogeneous to be reported directly to the RCR indicators without the need for further specification.

The issues lie not in the system's design, but in the precision of indicator metrics with broad definitions. The RCO116 indicator ("jointly developed solutions"), used in 42 of 77 projects, aggregates under a single code outputs ranging from strategic documents and research methodologies to GIS systems and medical data exchange platforms, as confirmed by both monitoring data analysis and INTERACT findings (the lowest clarity and reliability scores among the seven most popular indicators). In the case of PLRO150 (training participants, 41 projects), which did not distinguish between participation in a one-time event and certified training, the Managing Authority has already made a correction; the indicator is being replaced by RCO81 or RCO85, which have more precise metrics.

The refinement of metrics should be targeted and low-cost: categorizing types of solutions, defining the concept of a "campaign." Expanding the system with qualitative indicators in the context of the upcoming programming period would create a disparity between the ambition of measurement and the financial security of beneficiaries.

The upcoming 2028–2034 financial framework shifts the role of indicators from a monitoring tool to an accounting tool. The transition to P-BA, the N+1 rule, and

binary risk require conservatism in the selection of indicators and precision in the valuation of unit costs. The program has data from 77 projects, which provide a solid foundation for negotiating *payout values* with the EC; their systematic analysis should precede program work. The assessment of the qualitative effects of cross-border cooperation should be entrusted to evaluations, not to an indicator system.

The Communication Strategy's indicators have the correct structure but primarily measure activity and reach. The recommended improvements do not require an additional budget; they are based on data the program already collects (website analytics, call for proposals data, satisfaction surveys).

8. Ukrainian Specifics: Project Registration Procedure

This chapter provides answers to the following research question:

9. Is the project registration procedure in Ukraine appropriate, effective, and efficient? What consequences does the current registration system have for the program and project implementation? How do Ukrainian project partners assess the impact of the project registration procedure in Ukraine on project implementation?

8.1. Legal Framework and Registration Procedure at the SCMU

Every Interreg NEXT PL–UA project implemented by a Ukrainian entity must be registered with the Secretariat of the Cabinet of Ministers of Ukraine (SCMU) as "international technical assistance" before any expenditures are made. Without this registration, the partner will not receive a VAT exemption, will not receive the first advance payment, and will formally violate Ukrainian law. The procedure is therefore not so much an additional administrative step as a prerequisite for the entire financial and accounting cycle on the Ukrainian side.

Legal basis and essence of registration

The framework governing external projects financed by EU assistance is established by Resolution No. 153 of the Cabinet of Ministers of Ukraine dated February 15, 2002, "On the Creation of a Unified System for the Acquisition, Use, and Monitoring of International Technical Assistance." The Resolution defines international technical assistance (ITA) as resources and services provided to Ukraine on a non-repayable and free-of-charge basis, pursuant to international agreements. Interreg NEXT projects fall under this definition and are therefore subject to the ITA registration regime.

Registration is not merely a reporting formality. It constitutes the sole basis for activating two privileges that are critical for project budgets: VAT exemptions (0% rate) and customs duty exemptions on equipment imports. The Interreg NEXT program treats VAT on the Ukrainian side as an ineligible cost; therefore, any tax paid is charged to the partner's own budget. A project can technically begin

activities without registration, but this is explicitly treated as a violation of Ukrainian law, which entails reputational and tax risks.

Institutional Roles: Interreg vs. Ukrainian Law

The conceptual framework of Ukrainian law does not align with the EU terminology used in the Program Manual. In particular, "Beneficiary" in Ukrainian law refers to the government body overseeing the sector, not the entity receiving funds—which can be a source of real misunderstandings during the document preparation phase. The mapping of roles is presented in the table below.

Table 8.1. Comparison of institutional roles in the Interreg system and Ukrainian law

Role in the Interreg NEXT program	**Equivalent in Ukrainian law (Resolution No. 153)**	**Scope of responsibility in the registration process**
Managing Authority (MA)	Development Partner (Donor)	Ministry of Funds and Regional Policy of the Republic of Poland. Issues a letter of application initiating the procedure and confirms the project number.
Lead Partner / Project Partner	Contractor (Implementer) or Recipient	Ukrainian entity implementing the project. Prepares the procurement plan and coordinates the procedure on the Ukrainian side.
No direct equivalent	Beneficiary (as defined by the UA)	Government authority (e.g., Regional State Administration, ministry) confirming the project's alignment with national strategy. Supervisory role, not financial.

National Authority (NA)	Coordinator	Secretariat of the Cabinet of Ministers of Ukraine (SCMU) – the body responsible for registering and monitoring the entire MPT.

Source: own compilation based on Resolution No. 153 of the Cabinet of Ministers of Ukraine dated February 15, 2002, and the Interreg NEXT PL–UA 2021–2027 Program Manual.

The practical consequence of this arrangement is that, in addition to the obligations arising from the grant contract, the Ukrainian partner must involve a third party (most often the regional state administration) in the procedure; this third party has no formal role in the Interreg program, yet its letter of support is a prerequisite for registration. Exceptions are projects in the area of civil society development, where this requirement is waived.

Document package and deadlines

Successful registration requires the submission of six documents, prepared in the original language along with a certified translation into Ukrainian.

Table 8.2. Mandatory set of registration documents at the SCMU

Document	Issuer	Practical notes
Application letter from the Recipient	Ukrainian partner	Contains details of all parties, EDRPOU codes, and coordinator details.
Letter of application from the Development Partner	MA or IB on behalf of the donor	Must include the unique project number assigned by the donor.
Certified copy of the grant contract	Development Partner or Contractor	Specifies the objectives, tasks, budget, timeline, and implementation phases.
Letter of support from the beneficiary (government agency)	e.g., Regional State Administration	Confirms the project's compliance with the Cabinet of Ministers'

		Action Program, the Ukraine–EU Association Agreement, the UN SDGs, and regional strategies. **A frequent source of delays.**
Joint Agreement Document	Project parties	This function is usually fulfilled by the application form or partnership agreement, provided they include objectives, indicators, a list of resources, and the parties' commitments.
Procurement Plan (Annex 5)	Contractor (Ukrainian partner), approved by the Development Partner on the Polish side	Formally optional for registration, *but de facto* mandatory as it determines VAT exemption. Submitted in two copies, according to a strictly defined GMU template. **A frequent source of delays** due to the need to agree on the content with the Polish partner and discrepancies between the templates used on the Polish side and the format required by the GMU.

Source: own analysis based on Resolution No. 153 of the Cabinet of Ministers of Ukraine dated February 15, 2002.

The evaluation of an application at the SCMU formally takes ten business days, counting from the date of submission of complete and error-free documentation. This timeframe is confirmed by both regulations and the experience of interviewees:

“The registration process itself, once the document package is complete, simply involves sending it here. Ten business days, or approximately two weeks.” (Beneficiary).

The problem, therefore, does not lie with the SCMU itself, but in the stage of preparing the package. The interviews help clarify exactly where the delays arise.

The first sticking point is **the letter of support from the Beneficiary (as defined by Ukrainian law)**. This process can be lengthy due to the official document circulation; one respondent emphasized that he waited over two weeks just for the letter . Staff shortages and reorganizations on the part of the Regional State Administrations and other authorities further prolong this stage.

The second sticking point is **the procurement plan**. Polish entities use a different template than the one required by the GMU, which forces Ukrainian partners to modify and adapt these documents on their own. Additionally, although the procurement plan is prepared by the Ukrainian contractor, it must be approved by the Polish partner, introducing another round of coordination.

A third burden affecting all documents is **the need for translations;** the entire package is submitted in the original language along with a certified translation into Ukrainian, which requires time, cost, and coordination with certified translators.

A particular procedural risk is the so-called “6-month rule.” If registration documents are submitted more than six months after the actual project start date specified in the grant contract, the partner must attach an additional report on the implementation results to date to the application. In extreme cases, when the implementation period has already expired, the SCMU has the right to refuse registration, which means that VAT cannot be recovered for the entire duration of the project. This rule forces Ukrainian partners to begin the registration process immediately after signing the contract, and in practice, as interviews show, even earlier—in parallel with contract negotiations.

8.2. Program participants’ assessment of the registration procedure

The CAWI questionnaire for beneficiaries included a five-point scale question regarding the difficulty of the project registration procedure in Kyiv. The distribution of responses shows that categorical judgments are in the minority in this sample; moderate assessments predominate, and one-third of respondents selected the answer “I don’t know / hard to say.”

Table 8.3. Assessment of registration difficulty by respondent's country (CAWI beneficiaries, q33)

Country	Very difficult	Difficult	Moderately difficult	Easy	Very easy	I don't know	Total
Poland (n=58)	1.7%	12.1%	20.7%	6.9%	1.7%	56.9%	100%
Ukraine (n=41)	4.9%	12.2%	31.7%	46.3%	4.9%	0.0%	100%

Source: CAWI of beneficiaries (n=99), excluding beneficiaries in the initial stage of project implementation.

Two observations are relevant here. First: 56.9% of Polish beneficiaries select the "I don't know" option. For the Polish lead partner, the registration procedure in Kyiv remains a black box—they see the result (a delay in the partner's start) but have no control over the process. Among Polish respondents who have an opinion (n=25), the distribution is clearly negative: only five people consider the procedure easy or very easy, while eight find it difficult or very difficult.

The second observation is less obvious and underscores the "bottleneck" thesis. On the Ukrainian side, the proportion of "don't know" responses is zero—everyone is familiar with the procedure firsthand. The distribution of Ukrainian ratings is also clearly less negative than that of the Polish: 51.2% consider the procedure easy or very easy, 31.7% moderately difficult, and only 17.1% difficult or very difficult. Ukrainian partners, even though they are the ones actually handling the registration, rate it more leniently than Polish leaders, who are waiting for it.

The following interpretation suggests itself: for Ukrainian partners, registration with the SCMU is a routine, albeit time-consuming, administrative operation, embedded within a legal framework they are familiar with. For Polish leaders, it is an external, non-transparent element that blocks the schedule.

The two remaining CAWI questions allow us to pinpoint the importance of registration on the list of program issues more precisely. Among rejected applicants, 15.2% of respondents cited legal differences—including registration in Ukraine—as the main barrier to partnership (*"Differences between the needs of both partners, developing a shared vision"*). For some applicants, these differences proved sufficient to abandon the application or not see it through to the end.

Among beneficiaries already implementing projects (105 open-ended responses to the question about one change that would facilitate their work), registration in Kyiv is practically absent. Respondents focus on the CST system, advance payments, language, and procurement. For those who have completed the registration process, the issue is present but not dominant in the frustration ranking. For those who applied and were rejected, the legal barrier—namely registration—played a significant preventive role. Taken together, these two signals indicate that registration functions more as a screening barrier (weeding out less well-prepared partnerships at the application stage) than as a problem that escalates during implementation.

The interviews confirm and elaborate on the picture emerging from the quantitative data. Interviewees consistently distinguish between the time spent by the SCMU and the total time required for a partner to complete the formalities. The Kyiv center itself operates efficiently; evaluating a complete application usually takes between five days and two weeks. **The bottleneck is the preparatory stage**.

> *"The registration itself—once the document package is ready, it's sent here. Ten business days, roughly two weeks. (...) But to gather the documents, the package of documents that goes for registration, that's what's needed from the ODA [Regional State Administration].*" (Beneficiary).

The main barrier is gathering attachments from external entities, primarily the letter of support from the Regional State Administration. Reorganizations and staff shortages in these offices can prolong this stage disproportionately to the volume of the documentation itself.

It is worth noting that the overall assessment of the procedure by Ukrainian interviewees is subdued. The procedure itself, provided the required documentation is complete, is not considered by beneficiaries to be bad or dysfunctional. However, they consider the broader administrative environment in which the procedure operates to be dysfunctional—specifically, the instability of ministry structures, changes in responsibilities, and the wartime working conditions of local offices.

This picture is consistent with the CAWI findings regarding the impact of the war: among those whose applications were rejected, the average rating of the war's impact on "attachments and certificates" is 3.03, and on "budget planning under uncertainty" is 3.65 (on a scale of 1–5, where 5 indicates a strong impact). The registration procedure in Kyiv compounds wartime administrative instability, which increases the actual time cost of every operation related to certificates.

8.3. Consequences for project implementation

VAT exemption: the mechanism and its weak links

A project registered with the SCMU gains access to a VAT exemption when purchasing goods and services. However, the mechanism does not operate as a tax refund; Ukrainian legislation provides for an exemption at the time of the transaction, provided that several conditions are met simultaneously: active project registration, an approved procurement plan, relevant clauses in contracts with suppliers, and monthly reporting of the scope of the exemption by contractors to the State Tax Service.

It is worth clarifying the legal basis for this arrangement. Unlike an income tax exemption, a VAT exemption does not require a separate provision in an international agreement. The supply of goods and services within the customs territory of Ukraine and the import of goods into the customs territory of Ukraine as MPT or goods financed from MPT funds are exempt from VAT pursuant to a direct provision in the Tax Code of Ukraine. However, to benefit from this preference, the relevant contracts must contain an unambiguous reference to the MPT project and its compliance with the procurement plan.

In this context, it is necessary to separately highlight another bureaucratic burden. Contractors and subcontractors, in exercising their right to a tax exemption, are required to submit to the State Tax Service, by the 20th day of each month, a written and electronic confirmation of the scope of the exemption using the appropriate form. Failure to comply with this obligation may result in the exemption being challenged.

Any of these links can fail. Any change—a different supplier selected in a tender, a different amount, or a different product range—requires an update to the registration in the SCMU. During this time, the partner cannot issue invoices with a zero VAT rate for the new purchase configuration, which in practice halts deliveries or forces the partner to cover the tax from their own funds.

The second weak link is the subcontracting chain. The VAT exemption applies to direct project transactions but does not extend down the supply chain. Subcontractors supplying key materials—cement, sand, and steel—still purchase them with VAT included. Main contractors, when calculating the risk of unrecoverable costs, avoid bidding on project tenders or set their prices with a safety margin.

> *“It may happen, for example, that contractors don’t want to bid… because… their subcontractors who supply sand and cement, right? There will be VAT there. So this isn’t resolved. And even if it worked perfectly, it would still generate losses.”*

The result is the opposite of the intention: instead of paving the way for rapid implementation, the status of a registered project may generate market resistance, delay the selection of contractors, and postpone the start of investment works.

The effectiveness of the mechanism also depends on local factors. In regions where few international projects are carried out—interviewees cited the example of Tarnopol—tax officials are unfamiliar with the specifics of the MPT, which multiplies interpretive doubts and lengthens procedures. In large metropolitan areas, where international projects are routine, the procedure works more efficiently.

From the beneficiary’s perspective, the economic calculation varies depending on the scale of the project. For large infrastructure investments, savings of around 20% constitute a financial argument sufficient to overcome resistance from one’s own accounting departments, though this requires determination: “Sometimes you also have to convince them that it’s worth doing because the savings are significant; 20 percent is no small amount” [Interview_WS4 (UA)]. For smaller “soft” projects, the administrative workload often exceeds the tax benefit, which reduces motivation

Pre-financing: linking registration to liquidity

The program offers two reimbursement models: reimbursement and advance payment. For Ukrainian partners, the advance payment model is predominant due to limited own resources. Regular projects receive advance payments of up to 85% of the EU grant value in three tranches (20%, 30%, 35%); Large Infrastructure Projects receive up to 75% in five tranches.

A critical point is the conditionality of the first installment. The payment of the initial advance to the Ukrainian partner requires the prior submission of a document confirming the project’s registration with the SCMU. This creates a mandatory sequence: signing the grant contract → completing the registration package → the SCMU procedure → payment of the first advance. Each step involves translation, a letter from the Beneficiary, and 10 business days at SCMU, and a time gap arises between the signing of the agreement and the receipt of funds, during which the partner cannot incur eligible expenses without risking the loss of VAT exemption.

The mechanism of subsequent tranches exacerbates this interdependence. The next advance payment is released after 70% of the previous one has been spent. If, during

implementation, it becomes necessary to change the budget or procurement plan, the partner must re-register the project. Until this procedure is completed, purchases under the new budget structure with VAT exemption are not possible. This limits the pace of spending and may prevent reaching the 70% threshold, and thus the release of the next tranche.

Reporting Asymmetry

The Ukrainian partner manages two monitoring systems in parallel, each with different reporting schedules. The Interreg program requires periodic reports on flexible cycles (up to 8 months for regular projects, 6 months for LIPs). The Ukrainian MPT system, however, imposes strict deadlines: semi-annual reports by July 10 and annual reports by January 10, submitted by the Recipient to the Beneficiary (n authority), and from there to the SCMU. Failure to meet this obligation is treated as unsatisfactory project implementation and may result in sanctions on the Ukrainian side, regardless of the Joint Secretariat's assessment.

This asymmetry is exacerbated by the third cycle: monthly reports from suppliers to the State Tax Service regarding the scope of the VAT exemption (due by the 20th of each month). A Ukrainian partner that fails to ensure compliance with this reporting requirement on the part of contractors risks having the exemption challenged.

Administrative reorganizations as a potential external risk

The research material reveals a single but telling case illustrating the potential risks associated with the instability of Ukrainian central structures. When administrative reorganizations occur, the beneficiary may be required to re-register the application with the SCMU because the "Beneficiary" (government agency) listed in the documentation changes. The operational consequences of such a scenario are documented by one of the interviewees:

> *"These changes took six months. We couldn't sign any contracts, make payments, or do anything. (...) We made the change, re-registered with the Secretariat of the Cabinet of Ministers, and re-registered our grant application because the main beneficiary [...] had changed."*

This is an isolated case recorded in the interviews, not a systemic phenomenon confirmed across the entire sample. However, it illustrates the extent to which the reorganization of administrative structures can directly impact a specific project's timeline—a six-month paralysis in signing contracts and making payments, plus an additional three-month delay in obtaining permits. In the face of such disruptions, the attitude of the program institutions becomes a key stabilizing factor. The

Ukrainian beneficiary explicitly points to the understanding and flexible support provided by the Program in situations necessitated by Ukrainian administrative conditions.

8.3. Summary

The first bottleneck lies before the SCMU, not within the SCMU. The Secretariat itself processes applications within ten business days. Delays stem from the stage of compiling documentation, particularly the letter of support from the government authority (primarily the ODA). This stage of the procedure is the most vulnerable to staffing shortages and reorganizations.

The asymmetry in perception between Poland and Ukraine is real and has operational significance. Polish leaders view the procedure more negatively than their Ukrainian partners, primarily because its process is opaque to them. 56.9% of Polish beneficiaries are unable to assess it, and among those who do have an opinion, negative assessments predominate. This is not a sign that the procedure is worse than Ukrainian partners believe; it is a sign of the Polish leader's lack of insight into the registration status, which directly affects their spending and contracting schedule.

Reorganizations of the Ukrainian central administration remain a potential external risk. A single case documented in interviews shows that the restructuring of a ministry can trigger a re-registration process and result in months of paralysis for a specific project. This is not a systemic phenomenon confirmed across the entire sample, but it illustrates a risk for which the program must be prepared. The program has no influence over this variable, but it does influence the response, and beneficiaries highly value the Joint Secretariat's flexibility in such situations.

The rigidity of the procurement plan is a structural feature, not a procedural error. It stems from the design of the MPT mechanism itself, in which the list of procurements covered by the exemption must be approved and stable. The program cannot change it on the Ukrainian side; however, it can minimize the number of updates through planning discipline at the application stage.

9. Conclusions and Recommendations

This chapter provides answers to the following research questions:

10. Are modifications to program documents (program, manuals, etc.) necessary? If so, to what extent?

11. What changes to the implementation system and institutional structure should be adopted for the 2027+ period compared to the current system, in light of the draft regulations?

9.1. Modifications to program documents

The material collected during the evaluation does not indicate a need to overhaul program documents—the Program, Program Manual, and competition documentation are, at the strategic level, consistent with the logic of the intervention, and the system of project evaluation and selection criteria functions as intended. However, changes are necessary at the level of operational provisions, whose current structure generates interpretive discrepancies, information gaps, or an imbalance of burdens among program participants.

The first group of modifications consists of changes to the Program Manual. The first group of modifications consists of changes to the Program Manual that are clarifying in nature, rather than restructuring existing solutions. In the area of operationalizing horizontal principles, the proposed change involves supplementing them with practical verification tools for beneficiaries (simplified WCAG guidelines with specific examples, a list of free tools for self-verification, and an optional central audit service). In the context of war, it is worth clarifying the provisions on equal opportunities to include persons with disabilities resulting from armed conflict, veterans, civilian victims, and internal and external refugees—with the caveat that its full operationalization requires parallel work on a system of indicators in the future (the current Program lacks measurement tools for this type of activity).

The second group of recommendations concerns the design of indicator matrices in the future program—based on experiences from the current financial framework. Although indicator catalogs are largely imposed from above at the European Commission level (common EU indicators) or the national level (e.g., from the CLKI list), the Managing Authority retains the flexibility to operationalize them in the program documentation. An analysis of the indicator system revealed two issues in the design of certain indicator templates. The first is the lack of eligibility criteria—the metrics do not define which activities count toward the indicator, which means

that beneficiaries report activities of incomparable scale and quality under the same activity code (e.g., a multi-week campaign and a one-time promotional event). The second is excessive aggregation without typology—indicators covering heterogeneous products do not require their differentiation, causing the program to lose information about what it actually produces. The recommendation formulates two principles: define eligibility criteria where the indicator measures participation in a specific type of activity, and introduce a typology where the indicator aggregates heterogeneous outputs.

The third group of changes concerns the information process and communication with applicants. On the evaluation procedures side, the existing feedback mechanism—an evaluation grid provided individually to each applicant—could be supplemented with a summary channel (an anonymous synthesis of the most frequently recurring weaknesses in applications, published after the call for proposals). On the pre-application information side, there is a shortage of working, non-legally binding versions of key Small Projects Fund application documents in Polish and Ukrainian—making them available remains at the discretion of the SPF operators, depending on the profile of the applicants. English remains the legally binding language of the program. The language-related request is the strongest spontaneous signal from both sides of the program, but its implementation should be supplementary in nature and not replace the monolingual architecture.

The fourth group of modifications goes beyond strictly program-related documents and concerns internal acts regulating the support architecture. The mandate of the Regional Contact Points is sufficient in its current form—activities such as matchmaking, thematic webinars, and beneficiary support fall within its current scope. The change proposed in R11 therefore concerns better utilization of the existing mandate, not its expansion. Part of the program-related documentation needs to be supplemented with an information package addressed separately to Polish and Ukrainian partners, explaining the asymmetrical nature of the registration procedure in the SCMU and the logic of the procurement plan on the Ukrainian side.

The scope of necessary changes is therefore broad, but is largely of a clarifying nature. Its rationale is to bridge the gap between the program's well-designed architecture and the operational details where dysfunctions that reduce implementation effectiveness are revealed.

9.2. The 2027+ Outlook and Systemic Recommendations

The 2028–2034 program perspective—as outlined in the European Commission's draft regulations—introduces three changes that have structural significance for the Interreg A NEXT Poland–Ukraine program. The first is the transition to a performance-based approach, which transforms indicators from a monitoring tool into an accounting tool—each declared indicator becomes a financial commitment. The second is the tightening of the decommitment rule from N+3 to N+1, reducing the program's time buffer. The third is the use of rate catalogs developed by the EC (off-the-shelf), which would be a significant simplification, though they carry the risk of not aligning with the specific nature of cross-border cooperation within the context of a particular program. This risk is mitigated, however, by the fact that the program may choose to develop its own methodology for estimating rates (opting out of the off-the-shelf catalog). In this context, maintaining the program's current institutional architecture is not sufficient. Changes are necessary in four key areas.

The first area concerns financial mechanisms. The advance payment system, which currently sets this program apart from other Interreg programs (90% of Ukrainian partners state that they would not participate in the program without advance payments), should be maintained as a core requirement of the program. At the same time, the evaluation identified signs of liquidity issues—significantly more frequent on the Ukrainian side—which may stem not only from the financial fragility of the partners but also from elements of the program's mechanics. Before introducing changes to these mechanics, however, the program requires a reliable diagnosis based on data from the reporting system, not merely on qualitative indicators. The flat rate for personnel costs for regular projects (i.e., those with grant values ranging from 200,000 to 2.5 million EUR) is currently one of the lowest among comparable programs. A cost analysis (e.g., based on internal records of a sample of projects or simulations) will help determine whether a flat rate for this group of projects meets beneficiaries' needs or requires differentiation (or the introduction of alternatives, such as unit rates). When designing P-BA milestones, the program should establish an architecture allowing for phased and partial settlement of indicators—including negotiating with the EC a pro-rata payment mechanism upon partial achievement of the target and a risk margin. In the context of conflict on the Ukrainian side, making payments contingent on an "all-or-nothing" principle would pose a threat to project liquidity, not merely an inconvenience.

The second direction concerns the competence infrastructure. The network of Regional Contact Points could be utilized more fully. Currently, it primarily serves an

informational and promotional function, although *mystery client* studies suggest that the best RCPs are capable of providing support to beneficiaries. The architecture of the post-2027 program could expand the use of RCPs as the "operational arm" of the Joint Secretariat, with a mandate encompassing existing partner matchmaking and the provision of substantive support—which is particularly important for program newcomers. On the Ukrainian side, parallel solutions are needed to reduce the fragility of a model reliant on individual personnel.

The third direction concerns the IT system. The full modernization of CST2021—with automatic currency conversions, flat-rate calculations, a "diff" function for comparing document versions, and full Ukrainian localization—should be completed before the first call for proposals under the future financial framework. Without this step, the potential for post-2027 regulatory simplifications will once again be blocked at the implementation level.

The fourth area concerns monitoring. The evaluation identified signals that require targeted diagnostic actions for further tracking—a decline in the share of Ukrainian NGOs among SPF applicants and liquidity issues on the Ukrainian side. In both cases, the recommendations call for first diagnosing the causes based on data, and only then considering corrective actions.

Ukraine's accession aspirations and the post-war transformation of the partner country constitute a context that extends beyond the scope of the current evaluation but influences the design of the post-2027 program.

9.3. Specific Recommendations

Program implementation system

R1. Strengthen the feedback system for applicants.

Expected effects and justification. Supplementing the existing feedback mechanism (the evaluation grid provided to each applicant) with a consolidated channel may reduce the proportion of "average/poor" ratings in the feedback received by rejected applicants.

Implementation method. (1) After the conclusion of each call for proposals, the WS publishes on the program's website a collective, anonymous summary of the most frequently recurring weaknesses in applications, based on expert evaluations. (2) Maintaining and developing existing wrap-up meetings conducted by the WS as the

main channel for sharing experiences with first-time applicants—with active promotion of these meetings by the RCP and SPF operators.

Intended audience. Managing Authority and Joint Secretariat.

Timeframe. Future financial perspective.

R2. Maintaining a flexible expenditure reporting system in the future financial framework.

Expected effects and justification. The current flexible reporting system supports the financial liquidity of the program (reimbursement from the EC) and beneficiaries (faster disbursement of subsequent tranches). The system is consistent with the planned results-based payment (P-BA) logic for the 2028+ period, in which rapid reporting on task completion becomes a prerequisite.

Implementation method. Maintain the provisions of the Program Manual regarding the flexible reporting cycle in the future perspective. Concurrently—continue periodic monitoring of the workload of national auditors and, if necessary, fund additional positions from technical assistance funds in provincial offices where the backlog of verifications would be significant.

Intended audience. Managing Authority; consultation with national auditors and the Joint Secretariat.

Timeframe. Future financial perspective.

R3. Modernization of the CST2021 system to bridge the gap between regulatory simplifications and the implementation layer.

Expected effects and justification. The implementation of the package of development changes will eliminate the paradox of "simplifications that do not simplify"—a situation in which the IT layer negates the benefits of lump sums and the digitization of processes provided for by EU legislation. Expected effects include: shortening the time required to process a payment request on the part of the beneficiary and the controller, reducing the number of accounting correction iterations, improving the integrity of audit documentation, lowering barriers for Ukrainian partners during the application stage (currently 36.4% positive ratings vs. 68.2% for Polish partners) and more complete achievement of certification indicators within the N+3 timeframe. The barriers identified in the UX audit can mostly be resolved without modifying the system architecture.

Implementation method. The package of changes will be implemented in three priority phases. *Phase one (critical changes):* integration with the InforEuro database and automatic conversion of EUR exchange rates; automatic calculation of flat-rate costs (6%, 8%, 15%) and grant amounts; a "diff" function for comparing document versions with specific changes highlighted; a lock preventing the replacement of attachments after they have been uploaded during evaluation or inspection. *Phase two (high-priority changes):* expansion of validation to include checking for accounting accuracy (rather than just field completeness); streamlining attachment management by introducing context-sensitive folders and a search engine; increasing character limits in descriptive fields to a level appropriate for infrastructure projects; enabling the addition of new budget lines in edit mode; alerts for budget overruns at the individual line level; a module for distributing indicators among partners. *Phase Three (localization and user support):* a full Ukrainian version of the interface in the WOD2021 and CST2021 applications; recognition of Ukrainian region codes from dropdown lists; context-sensitive help in form fields; video tutorials (see R19). In parallel, the redesign of the "e-inspections" module should be planned based on the full findings of the UX analysis (Appendix). The reference point should be solutions used in other Interreg programs—in particular, the automatic currency conversion feature in the Lithuania–Poland program system and the JEMS system architecture, which users themselves mention in the open-ended responses of the CAWI survey.

Intended audience. Ministry of Funds and Regional Policy (product owner) in cooperation with the CST2021 development team; consultations with the Managing Authority, the Joint Secretariat, and national controllers on both sides of the border.

Timeframe. Phase One — up to 12 months from the adoption of the recommendations (critical for handling the backlog of settlements in 2026–2027). Phase two — by the end of 2027. Phase three — in parallel, with full language localization available no later than in the first call for proposals of the 2028+ programming period.

Simplifications and financial mechanisms

R4. Assessment of actual personnel costs in regular projects and consideration of differentiated flat rates in the future programming period.

Expected effects and justification. The current flat rate for personnel costs in regular projects (with grant values ranging from €200,000 to €2.5 million) is 6% of direct costs and is among the lowest among comparable Interreg programs . The CAWI survey indicates that nearly one in two beneficiaries (45%) assess the rates as barely

viable or too low, and the discrepancy between the rate and actual management costs was already highlighted by the Ukrainian side at a Monitoring Committee meeting—especially regarding projects with budgets under €1 million.

These factors do not necessarily mean that the rate is inadequate for all regular projects. For an infrastructure project with a significant budget, e.g., exceeding €2 million, 6% of high direct costs generates an amount that covers management costs. For a smaller project (e.g., combining soft and investment activities), where the direct cost base is lower, the same percentage may prove insufficient.

The Managing Authority conducted an analysis of actual costs at the beginning of the current programming period and, based on this, deliberately reduced the rate from the permissible 15% to 6%. Since then, however, cost realities have changed (inflation, wage pressure), and the structure of projects in the current programming period provides new data. Repeating this analysis—with a clear breakdown by layers, primarily budget ranges—will allow us to verify whether the flat rate still meets the needs of beneficiaries or requires differentiation

Implementation method. During the programming phase of the new financial framework—conduct an analysis of actual personnel costs, broken down by project tiers based on budget. The study can be conducted on a sample of projects, assuming they will provide access to part of their accounting records, e.g., payroll lists. An alternative is to simulate labor costs for projects of varying scales (market rate × time × number of employees compared to the lump-sum amount). Based on the results—consider differentiating rates (e.g., by appropriately designing priorities and calls for proposals) or selecting an alternative billing mechanism, such as unit rates.

Intended audience. Managing Authority (during the programming process for the new programming period).

Timeframe. Diagnosis and potential changes prior to the launch of the 2028+ programming period.

R5. Maintaining the advance payment system in the future programming period as a boundary condition of the program.

Expected effects and justification. The advance payment system in the PL-UA program is a unique solution among Interreg programs, where the reimbursement model predominates. Data from the CAWI survey confirm that advance payments serve as a boundary condition for participation: 90% of Ukrainian partners rated them as crucial or a necessary condition for participation in the program (chi² =

23.50; $p < 0.001$). On the Polish side, advance payments are valued, but more than half of the partners would be able to operate under a reimbursement system.

Implementation approach. When designing the future framework—maintain the advance payment system as part of the program. Any modifications to the system's mechanics (amount and structure of tranches, settlement rules) should be based on the analysis described in R6.

Intended audience. Managing Authority and Joint Secretariat.

Timeframe. Systemic changes — by 2028+.

R6. Implementation of periodic monitoring of financial barriers on the beneficiaries' side. Review of advance payment mechanisms in terms of partners' financial liquidity

Expected effects and justification. Financial liquidity in projects is assessed significantly worse on the Ukrainian side: 39% of Ukrainian partners report problems, compared to 22% on the Polish side ($p = 0.006$). The main source of difficulty is the financial situation of Ukrainian entities—they lack available own funds that would allow them to continue operations between successive advance payment tranches. However, this financial fragility is compounded by program mechanics that may exacerbate the problem—the interdependence of partners under the 70% rule (where delays by one partner reduce the tranche for the entire project) and the length of the regulatory verification cycle (up to 60 days). These are qualitative indicators—the evaluation lacks data to determine how frequently and on what scale these problems occur.

Before introducing changes to the advance payment mechanism, the program needs a reliable diagnosis based on hard data. Without it, it is unclear which of the identified bottlenecks actually require intervention and which are incidental.

Implementation approach. The recommendation consists of two stages.

Step one — diagnosis. The Managing Authority and the Joint Secretariat should conduct an analysis of data from the CST2021 system and feedback from beneficiaries, covering, among other things: the average time from report submission to tranche disbursement, the percentage of projects failing to reach the 70% threshold, and the frequency of using the advance payment transfer mechanism within partnerships. It is advisable to supplement the system data with a short survey or interviews with project managers and partners reporting liquidity difficulties.

Step two — consider improvement measures. Based on the results of the diagnosis, consider implementing improvements in those areas that prove to be actual bottlenecks. Areas to explore include, among others: modifying the 70% rule (e.g., lowering the threshold or calculating the threshold at the level of individual partners rather than the entire project) and reviewing the conditions for the disbursement of the first tranche and its amount (currently up to 20%).

Intended audience. The Managing Authority and the Joint Secretariat.

Timeframe. Diagnostic phase — within the current programming period (up to 12 months from the adoption of the recommendations). Implementation of any improvements — within the current programming period, if regulations and the progress of projects permit, or in the next programming period.

Small Project Funds (SPF)

R7. Monitor the composition of SFP applicants and—if the trend is confirmed—consider compensatory mechanisms.

Expected effects and rationale. The share of Ukrainian NGOs among small project applicants fell from 39% in the previous programming period to 17% in the first call for proposals under the current programming period's SPF. This is, for now, an observation from a single call for proposals—it does not indicate a lasting trend, but it is a signal that warrants monitoring. If this trend continues, the SPF will increasingly fail to fulfill its role as an instrument supporting grassroots initiatives on the Ukrainian side.

A strong explanatory hypothesis is the lack of advance payments in the SPF—unlike regular projects, small project implementers do not receive pre-financing and must commit their own funds, which for many Ukrainian NGOs is likely a barrier preventing participation. However, this hypothesis requires verification—the decline may also result from other factors (the effects of the war, changes in the landscape of non-governmental organizations in Ukraine).

Implementation approach. The recommendation involves three consecutive steps.

Step one — monitoring. Incorporate an analysis of applicant structure (by entity type and country) into the program's ongoing monitoring—for both the Carpathian Euroregion's calls for proposals and the Ternopil-based operator. Data should be reported after each call for proposals.

Step two — diagnosing the causes (if the trend is confirmed). If the decline persists in subsequent calls for proposals — conduct a diagnosis of the causes, e.g., in the form of a short survey or telephone interviews with Ukrainian NGOs that implemented small projects in the previous programming period but did not apply in the current one. The goal is to determine whether the main barrier is the lack of pre-financing or other factors.

Step three — consider actions (based on the results of the analysis). If the analysis confirms that the barrier is the lack of advance payments, the program may consider actions in two directions:

- changing the small project management model—e.g., returning to a model in which the program authority (rather than the operator) manages the funds and can directly provide advance payments to implementers;
- regulatory safeguards for the SPF operator — creating conditions that will allow the operator to provide advance payments for small projects without incurring disproportionate financial risk (the MA has already begun work in this direction, requesting that the state's liability for beneficiaries of small projects be included in the new EU regulation or — alternatively — in the financial agreement with Ukraine).

Intended audience. Managing Authority, SPF operators.

Timeframe. Monitoring — ongoing, starting with the next call for proposals. Assessment — after data from at least two consecutive calls (2027–2028). Potential corrective actions — depending on the assessment results and the regulatory framework, in the current or next programming period.

R8. Fix the SPF application generator before the next call for proposals.

Expected effects and justification. The generator used by the Carpathian Euroregion is the only element of the system rated clearly negatively—25.5% of ratings were poor or very poor, and it was the most frequently cited barrier in feedback. Fixing the generator will reduce the risk of losing applications due to technical errors, limit applicant frustration, and improve the quality of submitted applications.

Implementation method. Repair priorities include: eliminating save errors and unintended data deletion, improving stability during longer work sessions, clearer error communication (the system should precisely indicate which field needs to be filled in, rather than blocking the save without explanation), and—if technically possible — the introduction of Polish- and Ukrainian-language versions of the interface.

Intended audience. SPF operators in cooperation with the IT system provider.

Timeframe. Before the next SPF call for proposals.

R9. Make the competition documentation and the application generator available in the national languages (Polish and Ukrainian).

Expected effects and justification. The requirement to work exclusively in English is a barrier highlighted by SPF applicants—particularly smaller organizations with no experience in international programs point to the need to translate documentation, which lengthens the application process and may discourage participation. This barrier primarily affects the Small Projects Fund, where the target group is, by definition, smaller entities with limited human resources.

At the same time, English as the sole language of the program is justified—it simplifies the audit process (a single auditor verifies documents in a single language) and eliminates the risk of inconsistencies between language versions of the application, which in bilingual programs can lead to rejection. A decision on a potential change requires weighing the benefits of greater accessibility against the costs of increased procedural complexity.

Implementation approach. Consider making key SPF documents (call for proposals guidelines, application generator user manual) available in Polish and Ukrainian—as supplementary materials alongside the binding English version. Regardless of the decision regarding the language of the documentation—consider introducing Polish- and Ukrainian-language versions of the application generator interface, which does not affect the language of the application itself but facilitates navigation within the system.

Intended audience. Managing Authority, SPF operators.

Timeframe. Before the next SPF call for proposals or in the future

Partnerships, cooperation structure, and horizontal principles

R10. Active use of the mandate of Regional Contact Points to support cross-border partnerships.

Expected outcomes and rationale. The current mandate of the RCPs allows for broader involvement of these entities in building cross-border partnerships than is currently the case in practice.

Implementation method. Utilizing the existing RCP mandate to carry out three activities: (1) organizing *matchmaking* meetings prior to calls for proposals, (2) a series of thematic webinars for potential applicants, (3) individual support in preparing project concepts.

Intended audience. The Managing Authority in cooperation with the Regional Contact Points and the Joint Secretariat.

Timeframe. Medium term — RCP capacity building by the end of 2026; full launch of the new mandate — prior to the first call for proposals under the 2028+ perspective.

R11. Expand wrap-up meetings, strengthening the component for first-time applicants.

Expected effects and rationale. The WS training offer is available through the same channels as the calls for proposals, but some first-time applicants do not take advantage of it before submitting their application—hence the need to strengthen the introductory component rather than create a separate track. Expanding and better promoting the existing format of meetings with applicants—without creating a separate track for first-time applicants—will avoid the risk of unequal treatment of applicants while increasing the accessibility of program knowledge for new entities.

Implementation method. Expanding the format of existing meetings with applicants to include a regular introductory component before each call for proposals—program rules, common application errors, partnership structure. (2) Active promotion of the meetings by Regional Contact Points (RCPs) and SPF operators in the regions, with a focus on reaching new entities.

Intended audience. Joint Secretariat in cooperation with SPF Operators and Regional Contact Points.

Timeframe. Future financial perspective.

R12. Adapting digital accessibility requirements to the specific nature of the program.

Expected effects and justification. The current WCAG 2.0 requirements are difficult to verify in practice—neither beneficiaries nor auditors possess sufficient IT expertise, resulting in the formal acceptance of declarations without actual verification. Without clarification, the rule will remain a mere formality, and the costs of commercial WCAG audits (currently borne by individual projects) will continue to represent a suboptimal use of funds. Operationalizing the requirements while

simultaneously introducing a central audit service will increase the actual degree of compliance of program outcomes with WCAG while reducing the burden on projects.

Implementation approach. Three complementary actions: developing simplified guidelines with concrete examples and a list of free tools for self-verification; launching a central WCAG audit service funded by technical assistance, available to all program beneficiaries (instead of requiring a commercial audit in every project); clearly defining in the Manual which WCAG elements are mandatory and which are recommended.

Intended audience. The Managing Authority in cooperation with external experts in the field of digital accessibility.

Timeframe. Short-term — development of guidelines in 2026; launch of the central audit service — medium-term, by the end of 2026.

Communication, information, institutional support

R13. “Two-person” solutions on the Ukrainian side.

Expected effects and rationale. Ukrainian RCPs operate in practice as single-person units, and the availability of a specific individual in wartime conditions is fragile—vacation, illness, evacuation, or an air raid alert can mean days or weeks without a response. The introduction of “two-person” solutions will increase the availability of RCPs on the Ukrainian side.

Implementation method. Three complementary measures: a mandatory shared email account managed by at least two people per RCP; automatic autoresponders with information about an alternative contact point during extended absences or a direct referral to the WS branch in Lviv; rotational substitutions between RCPs in neighboring regions (e.g., Lviv ↔ Ivano-Frankivsk, Ternopil ↔ Rivne) with a clear, publicly available contact address for each point.

Intended audience. The Joint Secretariat branch in Lviv (which manages the RCP network in Ukraine) in cooperation with individual points in Ukraine and the National Authority.

Timeframe. Short-term — implementation within 6 months of the adoption of the recommendation.

R14. Working translations of application documentation in the SPF while maintaining English as the program language.

Expected effects and justification. The language of program documentation is the strongest spontaneous demand from both sides of the program, resulting from both open-ended CAWI responses and interviews. This demand primarily concerns the Small Projects Fund, where smaller entities (especially Ukrainian NGOs) have limited resources to work in English. At the same time, maintaining English as the legally binding language of the program is essential due to the monolingual regulatory framework and the decision of the working group on the new programming period.

Implementation. While maintaining English as the legally binding language of the program, consider making key SMP application documents (call for proposals, application form, generator user guide) available in parallel Polish and Ukrainian versions—as working translations that are not legally binding. The decision rests with the SPF operators, depending on the profile of applicants and the balance between translation costs and accessibility.

Intended audience. Managing Authority, Joint Secretariat (document content).

Timeframe. The next financial perspective.

R15. Workshop-style training for applicants prior to the first call for proposals.

Expected effects and justification. The current training offer is mainly aimed at already selected institutions with prior project experience, while 51.5% of rejected applicants are first-time applicants, and 34% of SPF applicants report information gaps during the application stage. Introducing a workshop format will increase first-time applicants' chances of returning to the program with a better-prepared application and reduce the proportion of "average/poor" ratings among rejected applicants. This format directly addresses recurring requests from and open-ended CAWI responses: "practical training instead of theoretical step-by-step guides," "specific case studies instead of presentations from previous years."

Implementation method. A series of *hands-on* workshops (at least three sessions due to the cumulative nature of the training's effectiveness), conducted in both languages (PL and UA) with the option for remote participation. System-neutral workshop content (operation of the program's IT system, budget design, public procurement simulations) — without prejudging a specific system (CST2021 or its successor in the future).

Intended audience. The Joint Secretariat in cooperation with Regional Contact Points and SPF Operators.

Timeframe. Short-term — the first cycle of workshops by the end of 2026, preceding subsequent calls for proposals; full integration as a permanent element of the program's architecture — 2028+.

R16. Add procedural tutorials to the YouTube channel.

Expected outcomes and rationale. There is a lack of a systematic set of procedural tutorials (logging into the system, filling out the budget, validating the application, reporting indicators) that would be consistent with other recommendations in the area of communication. The tutorials are not part of the program's promotional strategy (the YouTube channel serves a different purpose), but rather a supplement to the reference materials available to applicants and beneficiaries.

Implementation method. As part of the future program perspective (prior to the first call for proposals), develop and publish a series of short video tutorials (5–10 minutes) demonstrating how to work within the program's IT system—in two language versions (PL, UA). Embed the materials both in the existing tab on the program's website and on the YouTube channel. The content should be technology-neutral—presenting the system supporting the given call for proposals (currently CST2021/WOD2021, and in the future, its potential successor).

Intended audience. Joint Secretariat (production); Regional Contact Points (distribution).

Timeframe. Full set of tutorials — before the start of calls for proposals in the 2028+ timeframe

Indicator system

R17. Incorporating lessons learned from the current programming period when designing indicator metrics for the future program

Expected effects and justification. An analysis of the current programming period's indicator system revealed two issues in the design of certain metrics that reduce data quality without providing any visible benefits to the program.

The first problem is the lack of eligibility criteria—the indicator does not specify which activities count toward the indicator and which do not. The result is that

activities of incomparable scale and quality are reported under the same code. An example from the current programming period: the campaign indicator (PLRO073) does not define what a “campaign” is—as a result, both a multi-week series of activities targeting a specific audience and a one-time promotional event can be reported as a campaign. Similarly, the wide-reach activity indicator (PLR158) does not specify a minimum number of recipients—it is unclear at what threshold an activity qualifies as “wide-reach.”

The second problem is excessive aggregation without typology—the indicator covers qualitatively different products, but the template does not require them to be distinguished. The result is a loss of information about what the program actually produces. Example: indicator RCO116 (“jointly developed solutions”), used in 42 out of 77 projects, grouped strategic documents, digital tools, research methodologies, and data exchange platforms under a single code. The program lacks information on what types of solutions are being developed in cross-border projects—only how many there are in total.

Implementation approach. When designing indicator sheets for the new program, apply two principles derived from the experience of the current programming period.

First, define eligibility criteria. If an indicator measures participation in a specific type of activity (training, campaign, large-scale event), the indicator sheet should include minimum criteria to determine what qualifies: e.g., minimum duration, required format, minimum reach. The goal is not to multiply formal requirements, but to ensure that the indicator counts what the program intends to count—without leaving too much room for interpretation by beneficiaries (which would result in widely varying solutions in terms of quality and scale).

Second, introduce a typology where the indicator aggregates heterogeneous outputs. If products of different types are reported under a single code, the data sheet should require the beneficiary to specify the product type (e.g., strategic document / digital tool / methodology / operational standard). The typology does not change the indicator’s definition or reporting to the EC—it serves for internal program analysis and enables an answer to the question of what the program actually produces.

Intended audience. Managing Authority and Joint Secretariat

Timeframe. When designing the indicator system for the future program (2028+

R18. Designing mechanisms for flexible indicator reporting in the future, taking into account the Ukrainian context.

Expected effects and justification: Expected effects and justification. The transition to a performance-based approach transforms indicators from a monitoring tool into an accounting tool—each declared indicator becomes a financial commitment. Combined with the N+1 rule and binary risk (no payment if the indicator is not met), this creates conditions in which failure to meet a target represents not only an analytical problem but a direct financial loss for the program.

This risk is particularly high in the PL-UA program, where the ongoing armed conflict, institutional instability, and exchange rate fluctuations on the Ukrainian side increase the likelihood that projects will not meet the indicators in full or on time. Making payments contingent on an "all-or-nothing" principle could, under these conditions, lead to investment paralysis—or to the avoidance of ambitious projects in favor of "safe," easily measurable ones.

Implementation approach. When designing the indicator system and milestone architecture for the future program, apply two principles. First, design milestones to allow for phased and partial settlement of indicators. Instead of making payment contingent on 100% achievement of the entire target, divide it into logical intermediate stages. It is crucial to negotiate flexibility mechanisms with the European Commission: the possibility of proportional (pro rata) payments upon partial achievement of the objective and a risk margin—that is, the assumption that not all interventions need to be fully successful for the program to settle a given milestone.

Second, estimate the payout values assigned to milestones based on data from the 77 current projects, taking into account inflation, cost differences between Poland and Ukraine, and differences between project types (infrastructure, soft, mixed).

Intended audience. The Managing Authority and the Working Group preparing the Chapter of the Interreg Poland–Ukraine 2028–2034 Plan

Timeframe. During the programming of the 2028+ perspective and during negotiations on the new program document with the European Commission.

R19. Supplement the monitoring of the Communication Strategy with data from recruitment campaigns and baseline values for the indicators

Expected effects and justification. The Communication Strategy's outcome indicators essentially measure reach and exposure (website visits, social media

reactions, number of event participants), not the effectiveness of communication activities. The only actual outcome indicator is “80% beneficiary satisfaction,” based on surveys. The target values lack a clear methodology or baseline figures, making it difficult to assess whether the goals are ambitious or conservative and whether the program is making progress.

At the same time, the program has data that allows for an approximate assessment of communication effectiveness without an additional budget—namely, data from calls for proposals. The percentage of new applicants, their geographic diversity, and the declared source of knowledge about the program are the closest indicators of the actual outcome of information activities that the program can measure at no cost.

Implementation approach. Supplement the monitoring of the Communication Strategy with two elements. First—use data from calls for proposals as an approximate measure of communication effectiveness. This includes: tracking the percentage of new applicants (institutions applying for the first time) in subsequent calls, monitoring the geographic diversity of applicants (whether communication reaches beyond traditional centers of activity), and including a question in the application form about the source of information regarding the call for proposals (meeting, website, social media, contact with the RCP, recommendation from another beneficiary).

Second—establish baseline values for reach indicators that the Communication Strategy already measures (website visits, social media engagement, event attendees). Without baseline values, it is impossible to assess whether goals have been achieved or to compare the effectiveness of communication across years.

Intended audience. Joint Secretariat (communication monitoring).

Timeframe. When designing the communication strategy for the future program.

Ukrainian Specifics

R20. Information package for Polish and Ukrainian partners.

Expected outcomes and rationale. Dual-track informational material tailored to the roles of both partnership parties will allow Polish partners to realistically understand the sequence of events between the formal project launch and the disbursement of the first advance payment (56.9% of Polish beneficiaries are unable to assess the registration procedure on the Ukrainian side). The package does not eliminate the

gap itself, but makes it predictable and reduces the risk of the lead partner being caught off guard by requests for documents resulting from Ukrainian procedures.

Implementation. The package is intended for project partners from the moment the project is selected for funding by the Monitoring Committee (without waiting for the grant agreement to be signed). It consists of two components: (1) For Ukrainian partners—guidance on the early preparation of documents for registration with the SCMU, with a recommendation to begin the procedure as soon as the call results are announced, even before the grant contract is signed. (2) For Polish partners — a brief description of the project registration procedure on the Ukrainian side, its stages and typical duration, as well as an indication of typical requests made by Ukrainian partners (e.g., approval of the procurement plan).

Intended audience. Joint Secretariat (preparation and coordination) in cooperation with the Lviv Branch and the National Agency in Kyiv.

Timeframe. Short-term — development and initial distribution in 2026, with updates following any significant changes on the Ukrainian side.

TABLE OF RECOMMENDATIONS

No.	Content of the proposal (with reference to the report)	Content of the recommendation	Intended audience	Implementation deadline	Recommendation class
R1a	The project evaluation and selection system operates consistently, but more than half of the rejected applicants (57.6%) indicate that the justification for the evaluation provided in the evaluation grid does not answer their questions (Section 2.1)	Supplement the existing feedback mechanism (evaluation grid provided individually) with a collective channel: after the call for proposals closes, the Managing Authority publishes on the program's website an anonymous summary of the most frequently recurring weaknesses in the proposals for that call.	Managing Authority	future financial perspective	program
R1b	as above	Develop and actively promote existing meetings with beneficiaries organized by the WS as the main channel for sharing experiences with newcomers — with active	Joint Secretariat	future financial perspective	program

		distribution of invitations by the RCP and SPF operators.			
R2	A flexible expenditure reporting system supports the financial liquidity of the program (reimbursement from the EC) and beneficiaries (faster disbursement of tranches) and allows the exchange rate to be locked in even on a monthly basis. (Section 2.2)	Maintain a flexible expenditure reporting system in the future financial framework as a solution consistent with the logic of results-based payments.	Managing Authority	future financial perspective	program
R3	CST2021 functions solely as a data repository, not as a tool supporting data processing; a UX audit identified 11 usability issues (4 critical); UA: 36.4% positive ratings for WOD2021 vs. 68.2% for PL. (Chapter 2.3)	Implement three phases of CST2021 modernization: (1) critical phase — integration with the InforEuro database, automatic calculation of lump-sum costs (6%, 8%, 15%), “diff” function for comparing document versions, attachment replacement lock; (2) priority phase — accounting validation (,	Ministry of Funds and Regional Policy (as the owner of the CST2021 product)	Phase 1: through December 31, 2026; Phase 2: through December 31, 2027; Phase 3: prior to the first call for proposals under the future financial framework	horizontal

		not just field completeness), context-sensitive folders for attachments, increased character limits, budget alerts; (3) localization — full Ukrainian version of the interface, Ukrainian region codes, context-sensitive help, video tutorials.			
R4	The flat rate of 6% for personnel costs in regular projects is the lowest among comparable programs; 45% of beneficiaries assess the rates as barely viable or too low; the Ukrainian side raised concerns during the MC meeting. These findings require verification using actual cost data from the current financial framework. (Section 3.1)	Conduct an analysis of personnel costs, grouping projects by budget size. Base the study on an analysis of internal accounting records (e.g., payroll) provided by a sample of beneficiaries or on expert simulations. On this basis, consider differentiating flat rates or introducing alternative billing methods (e.g., unit rates)	Managing Authority	Before launching the 2028+ programming period	Program Strategic

R5	The advance payment system is a unique solution compared to other Interreg programs and constitutes a prerequisite for the participation of Ukrainian partners—90% of UA partners rated advance payments as crucial or a necessary condition for participation in the program ($chi^2 = 23.50$; $p < 0.001$). (Chapter 3.3)	In the draft of the new program for the 2028+ period, maintain the advance payment system as a prerequisite for the program. Any modifications to the advance payment mechanism should be based on the analysis described in R6. and	Managing Authority	future financial perspective	program strategic
R6	Financial liquidity is significantly worse on the Ukrainian side (39% vs. 22% of problems; $p = 0.006$), mainly due to the difficult financial situation of Ukrainian entities; qualitative data points to potential difficulties also on the program mechanics side (the 70% rule at the project level, the length of	Conduct an analysis of data from CST2021 (time from report to payment, % of projects not reaching the 70% threshold, use of advance payment transfers), supplemented by interviews with project supervisors and partners reporting difficulties. Based on the results, consider implementing	Managing Authority and Joint Secretariat	Diagnosis: up to 12 months from the adoption of the recommendations; improvements: within the current operational	Operational Program

	the regulatory verification cycle up to 60 days), but the evidence base does not allow for determining their scale or frequency.	improvements—including, among others, lowering or calculating the 70% threshold at the partner level (rather than the project level) and reviewing the conditions and amount of the first tranche.		program period (if regulations and the progress of projects allow) or in the next	
R7a	The share of Ukrainian NGOs among SPF applicants fell from 39% to 17% between programming periods (data from a single call for proposals); a strong explanatory hypothesis is the lack of advance payments in the SPF—small project implementers do not receive pre-financing, and the MFiPR loan mechanism is available exclusively to Polish NGOs. This hypothesis requires	Include an analysis of the structure of SPF applicants (type of entity × country) in the program's ongoing monitoring. If the downward trend is confirmed—conduct a targeted analysis of the causes (survey/interviews with Polish NGOs that withdrew from participation). If the analysis confirms a pre-financing barrier—consider actions in two directions: changing the	Managing Authority	Monitoring: ongoing starting with the next call for proposals; diagnosis: after data from 2 consecutive calls (2027–2028); actions: depending on the results of the diagnosis	Programmatic Strategic

	verification in subsequent calls for proposals. (Chapter 4)	SPF management model (program institution instead of an operator) or regulatory safeguards allowing the operator to provide advance payments for small projects (the MA has begun work in this direction).			
R7b	as above	Conduct periodic reporting on the structure of applicants (entity type × country) and submit data to the Joint Secretariat after each call for proposals.	SPF operators (Carpathian Euroregion; operator from Ternopil)	Ongoing starting from the next call	Program Operational
R8	The SPF application generator is the lowest-rated tool in the program system—25.5% of ratings are poor or very poor; >15 out of 47 open-ended responses indicate technical issues (freezing,	Instruct the IT system provider to repair the generator, addressing four elements: (1) elimination of save errors and spontaneous data deletion, (2) improvement of stability during longer work sessions, (3) precise	Managing Authority	Prior to the next call for proposals for the Operational Program	Operational Program

	data loss, save failures). (Section 4.3)	error messages indicating the specific field requiring completion (instead of blocking the save without explanation),			
R9a	SPF applicants report a language barrier—the requirement to work exclusively in English makes it difficult for smaller organizations with limited staff resources to apply; at the same time, using a single language simplifies the audit trail and eliminates the risk of discrepancies between language versions. (Section 4.3)	Consider making key SPF documents (call for proposals guidelines, application generator instructions) available in Polish and Ukrainian as supplementary materials alongside the binding English version. Also consider providing Polish- and Ukrainian-language versions of the application generator interface. .	Managing Authority, SPF Operators	Before the next SPF call for proposals or in the future	operational program
R9b	as above	If a decision is made to make documents available in national languages, post them on the call for proposals website and include them in the information	SPF operators (Carpathian Euroregion; operator from Ternopil)	Before the next call for proposals for the SPF or in the next	operational program

		packages distributed prior to the call.			
R10	The partnership network is fragmented (67 separate “islands” of cooperation, 95.2% one-time institutions); The current RCP mandate allows for broader involvement in building cross-border partnerships than is currently the case. (Chapters 5.1, 6.2)	Within the existing RCP mandate, organize: (1) matchmaking meetings prior to calls for proposals, (2) a series of thematic webinars for potential applicants.	Managing Authority	Future financial perspective (before the first call for proposals)	Program Strategic
R11	Without systematically reaching out with information to entities outside the current pool of beneficiaries, the program funds one-off cooperation initiatives instead of building a long-term cross-border network — 95.2% of institutions in the network are one-time participants. (Chapters 5.1, 6.3)	Expand the format of existing meetings with applicants conducted by the Joint Secretariat, strengthening the introductory component before each call for proposals (program rules and , common application errors, partnership structure).	Joint Secretariat	Future Financial Perspective	strategic program

		The format remains available to all applicants.			
R12	Horizontal principles are largely declarative—53.6% of beneficiaries do not associate them with actual actions, and WCAG 2.0 requirements are difficult in practice for beneficiaries and auditors to verify. (Chapter 5.3)	Implement three complementary measures: (1) develop simplified WCAG guidelines with concrete examples and a list of free tools for self-verification; (2) launch a central WCAG audit service funded by technical assistance, available to all beneficiaries (instead of requiring a commercial audit for every project); (3) clearly specify in the Program Manual which WCAG elements are mandatory and which are recommended.	Managing Authority	Guidelines: 12/31/2026; central audit service: 12/31/2026	Operational Program
R13	Accessibility, not quality, is the main issue with institutional support on the Ukrainian side—33% of contacts on the UA side remain unanswered vs. 9%	Introduce three organizational solutions for Ukrainian RCPs: (1) a mandatory shared email inbox managed by at least two people per RCP;	Joint Secretariat (as the manager of the RCP network)	Implementation: within 6 months of the adoption of the recommendations	Programmatic Operational

	on the PL side; Ukrainian RCPs rely on individual staff members. (Chapter 6.2)	(2) automatic autoresponders with information about an alternative contact point during extended absences; (3) rotating substitutions between RCPs in the same region (Lviv ↔ Ivano-Frankivsk, Ternopil ↔ Rivne) with a clear, publicly available contact address.			
R14a	The language of program documentation is the strongest spontaneous demand from both sides of the program; Ukrainian applicants rate WOD2021 significantly lower than Polish applicants (36.4% positive vs. 68.2%). (Chapter 6.1)	While maintaining English as the legally binding language of the program, make the Rules and Regulations, the Program Manual, and key application documents available in parallel Polish and Ukrainian versions as working translations (not legally binding). Publish the versions simultaneously and implement a consistent update mechanism	Managing Authority (content of program documents)	12/31/2026	Strategic Program

R14 b	as above	Ensure full localization of the CST2021 and WOD2021 interfaces (interface, drop-down lists with Ukrainian region codes, system messages) in three language versions.	Ministry of Funds and Regional Policy (as the owner of the CST2021/WOD 2021 product)	As part of Phase 3 of the CST2021 modernization (see R3), no later than before the first call for proposals of the future financial perspective	horizontal
R15	Training sessions are highly rated, but a gap exists in the workshop format for first-time applicants—the current offering primarily targets those already selected, while 51.5% of rejected applicants are first-timers. (Chapter 6.3)	Organize a series of *hands-on* workshops comprising at least three sessions (given the cumulative nature of the training's effectiveness), conducted in both languages (PL and UA) with the option for remote participation: working on specific grant applications, step-by-step guidance on the CST2021 system, budget preparation, procurement simulations (taking into account Ukrainian martial law), elements *of grant writing* for smaller	Joint Secretariat	Full integration as a permanent element of the program's architecture: future financial	programmatic operational

		communities. Workshop materials to be made available online as a repository.			
R16	The YouTube channel could be supplemented with a set of procedural tutorials (login, budget, validation, indicator reporting, processing payment requests). (Section 6.1)	As part of the future program perspective (prior to the first call for proposals), develop and publish a series of short video tutorials (5–10 minutes) demonstrating how to work in the IT system supporting the program for a given call for proposals—in two language versions (PL, UA). Upload the materials both to the existing tab on the program's website and to the YouTube channel. Technology-neutral content (adapted to the IT system supporting the program at any given time)	Joint Secretariat	Full tutorial package: future financial perspective (before the start of calls for proposals)	Operational Program
R17	The indicator system of the current financial	When designing indicator sheets for the	Managing Authority and	When designing the indicator	operational program

	framework revealed two issues in the metrics: (1) lack of eligibility criteria — the indicators do not define what actions qualify for them, leading to the reporting of actions of incomparable scale under a single code (e.g., a multi-week campaign and a one-time promotional event count equally toward PLRO073); (2) excessive aggregation without typology—indicators covering heterogeneous products (e.g., RCO116) do not require a distinction between their types, causing the program to lose information about what it actually produces. (Chapter 7.2)	future program, apply two principles: (1) for indicators measuring participation — define eligibility criteria (e.g., minimum duration, format, event reach) so that the indicator counts what the program intends to count; (2) for indicators aggregating heterogeneous outputs— introduce a mandatory typology for reporting (e.g., strategic document / digital tool / methodology), enabling internal analysis without changing reporting to the EC.	Joint Secretariat	system for the future program (2028+)	
R18	The transition to P-BA transforms indicators from a monitoring tool into an	When designing the milestone architecture for the future program, apply	Managing Authority and Joint	In programming the 2028+ perspective and	programming strategy

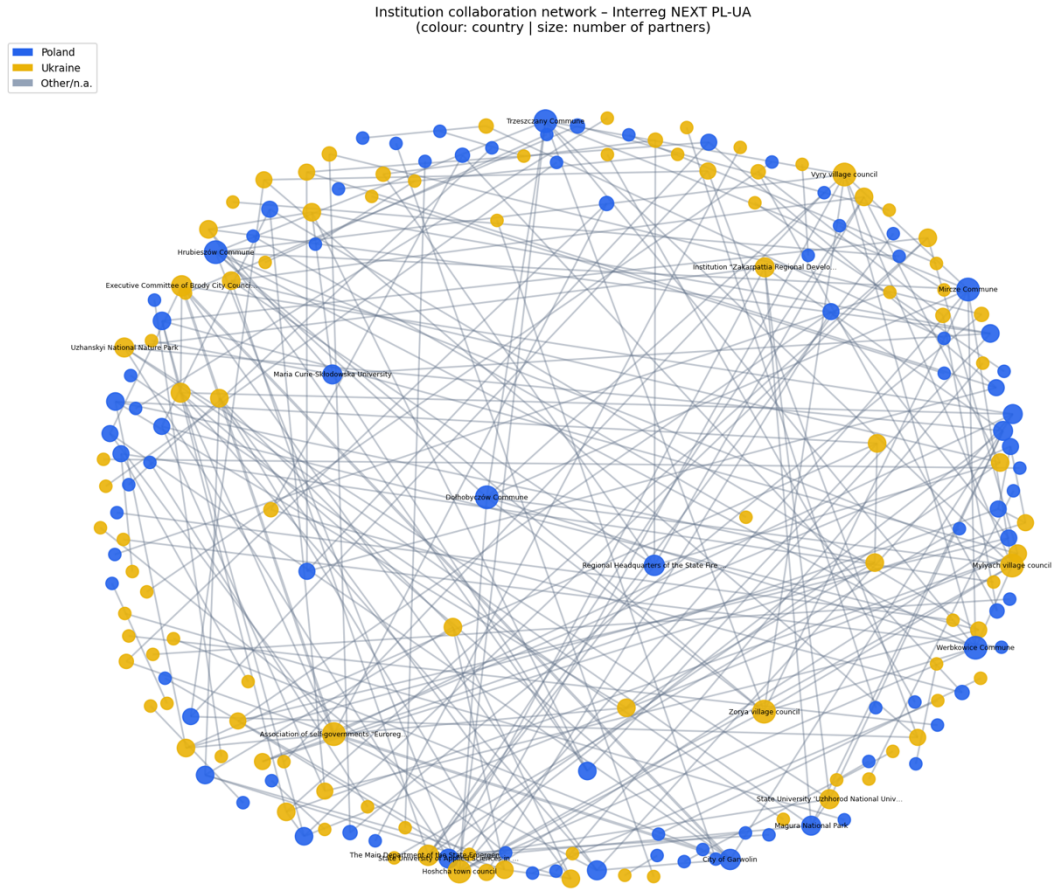
	accounting tool—combined with the N+1 rule and binary risk, every declared indicator becomes a financial commitment. The risk of failing to achieve indicators is particularly high in the PL-UA program, where armed conflict, institutional instability, and exchange rate fluctuations on the Ukrainian side increase the likelihood of partial achievement of objectives. (Chapter 7.3)	two principles: (1) design milestones that allow for phased and partial settlement of indicators—including negotiating a pro-rata payment mechanism and a risk margin with the EC; (2) estimate payout values based on data from 77 current projects, taking into account inflation, cost differences between Poland and Ukraine, and differences between project types.	Programming Committee	negotiations with the EC	
R19	The Communication Strategy indicators measure activity and reach, but not the effectiveness of communication activities—most outcome indicators are measures of exposure (visits, reactions, participants), not changes in the knowledge or	Supplement monitoring with data from calls for proposals as an approximate measure of communication effectiveness: percentage of new applicants, geographic diversity of applicants, source of information about the call	Joint Secretariat	When designing the communication strategy for the future	Operational Program

	behavior of the audience. Target values do not have baseline values. (Chapter 7.4)	(question in the application form). Establish baseline values for reach indicators that the strategy already measures.)			
R20	The first bottleneck in the Ukrainian registration procedure occurs before the SCMU (completing documentation, letter of support from the authority); 56.9% of Polish beneficiaries are unable to assess the procedure—which indicates a lack of insight on the part of the lead partner into the registration status, directly affecting the schedule for disbursement and contracting. (Chapters 8.2, 8.3)	Develop and distribute a two-part information package: (1) for Ukrainian partners — guidelines on early preparation of documents for registration with the SCMU, with a recommendation to begin the procedure as soon as the call results are announced, even before the grant contract is signed; (2) for Polish partners—information on the obligation to agree on a procurement plan with the Ukrainian partner, an explanation of the required format of the	Joint Secretariat	Development and initial distribution: 2026; updates: upon any significant change on the Ukrainian side	programmatic operational

		Cabinet of Ministers of Ukraine, and the division of roles (the plan is drawn up by the Ukrainian contractor but requires approval by the Polish partner). The package is informational in nature—it does not eliminate the gap between the start of the project and the payment of the first advance, but it makes it predictable.			

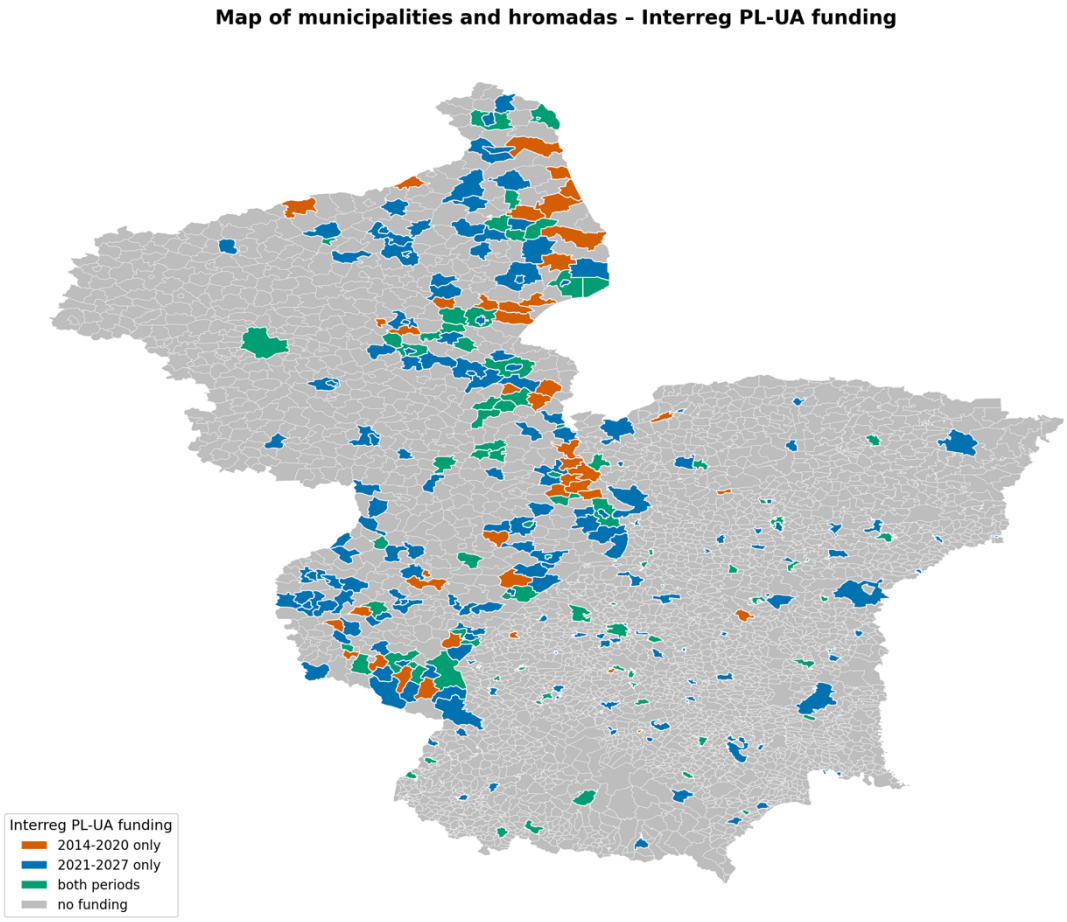
Attachments

Appendix 1. Visualizations of partnership networks in the Interreg A NEXT Poland–Ukraine program (SNA)



A circular diagram of the network of institutional cooperation in the Interreg NEXT PL-UA program. The nodes represent institutions: blue – Polish, orange – Ukrainian, gray – other or undetermined. The size of the node corresponds to the number of partners. A dense network of gray edges connects the nodes within the circle, illustrating numerous cross-border links; the largest (central) nodes are institutions serving as cooperation hubs.

Appendix 2. Map of municipalities and hromadas from which entities receiving support under the Interreg A NEXT Poland–Ukraine program originate



Choropleth map of the Interreg PL-UA support area covering Polish municipalities and Ukrainian hromadas along the Polish-Ukrainian border. Territorial units are colored according to funding status: orange – 2014–2020 period only, blue – 2021–2027 period only, sea green – both periods, gray – no funding. Most of the area remains gray (no support); funded units are concentrated in the border zone, particularly on the Ukrainian side, as well as in the Polish regions of Podkarpacie and Lubelszczyzna.