



Financial Institute for Regional Development, PI

The IFDR - Certifying Authority

28 January 2010

IFDR



Topics

1. Functions of CA
2. Automatic Decommittment
3. Experience

IFDR



1. Functions of CA

IFDR Functions
European Territorial Cooperation 2007-2013

Operational Programmes		National Correspondent	Certifying Authority	Paying Authority
Cross-border PT/ES		√	√	√
Transnational	Atlantic Area	√	√	√
	SUDOE	√		
	MAC	√	√	√
	MED	√		
Interregional		√		



1. Functions of CA

Date of presentation of applications for payment
(Article 87 in Regulation (EC n.º1083/2006))

1. The certifying authority shall satisfy itself that requests for interim payments for each operational programme are grouped together and sent to the Commission, as far as possible, on three separate occasions a year. For a payment to be made by the Commission in the current year, the latest date on which a application for payment shall be submitted is 31 October.



1. Functions of CA

Functions - CA

- Drawing up and submitting to the Commission certified statements of expenditure and applications for payment;



1. Functions of CA

Functions - CA

Certifying that:

- the statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents;
- the expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected;



1. Functions of CA

Functions - CA

- Ensuring for the purposes of certification that it has received adequate information from the managing authority on the procedures and verifications carried out in relation to expenditure included in statements of expenditure;



1. Functions of CA

Functions - CA

- Taking account for certification purposes of the results of all audits carried out by or under the responsibility of the audit authority;
- Maintaining accounting records in computerised form of expenditure declared to the Commission;
- Keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation.



1. Functions of CA

Functions - CA

- The Certifying Authority certifies the legality and regularity of expenditure declared to EC
- Certification role of CA can be expected to be stronger compared to previous period



1. Functions of CA

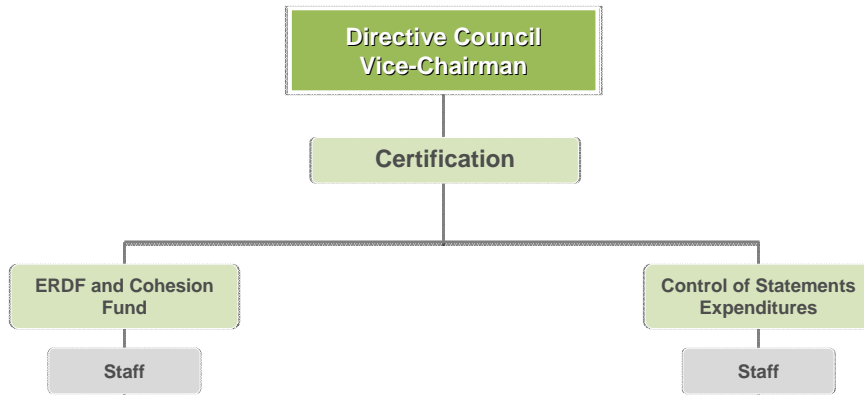
Certifying Process

- Each expenditure claim is submitted by the Managing Authority to the Certifying Authority together with the evidence required by the Certifying Authority about the legality and regularity of the amount represented;



1. Functions of CA

Certification Unit



1. Functions of CA

Certification Unit

ERDF and Cohesion Fund Group

- Responsible for checking the reception of claims and their completeness (financial, technical and numerical checks) and for drawing up of statements of expenditure and their submission to the Commission.



1. Functions of CA

Certification Unit

Control of Statements of Expenditure Group

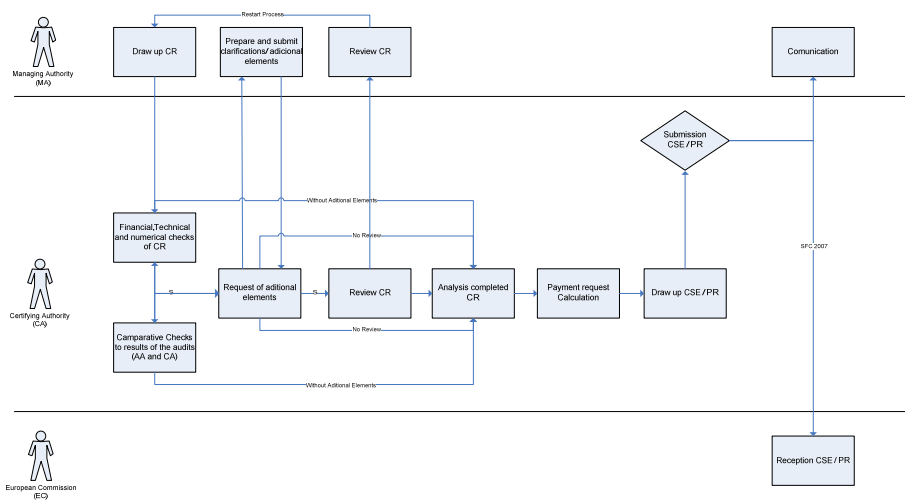
- Responsible for checking the substance of the information provided (checks of conformity with the community law, assessment of management verifications carried out by the Managing Authority and Intermediate Bodies, review of the results of audits carried out by the Audit Authority, etc).



1. Functions of CA

Certification Unit

Certification Of Statements Of Expenditure and Payment Request



2. Automatic Decommitment

Automatic decommitment

(Article 93 in Regulation (EC) n.º1083/2006)

1. The Commission shall automatically decommit any part of a budget commitment in an operational programme that has not been used for payment of the pre-financing or interim payments or for which an application for payment has not been sent in conformity with Article 86 by 31 December of the second year following the year of budget commitment under the programme, with the exception mentioned in paragraph 2.



2. Automatic Decommitment

Automatic decommitment

(Article 93 in Regulation (EC) n.º1083/2006)

2. For Member States whose GDP from 2001 to 2003 was below 85% of the EU-25 average in the same period, as listed in Annex II, the deadline referred to in paragraph 1 shall be 31 December of the third year following the year of the annual budget commitment from 2007 to 2010 under their operational programmes.



2. Automatic Decommitment

Automatic decommitment

(Article 93 in Regulation (EC) n.º1083/2006)

2. This deadline shall also apply to the annual budget commitment from 2007 to 2010 in an operational programme falling under the European territorial cooperation objective if at least one of the participants is a Member State referred to in the first subparagraph.



2. Automatic Decommitment

Automatic decommitment

(Article 93 in Regulation (EC) n.º1083/2006)

3. That part of commitments still open on 31 December 2015 shall be automatically decommitted if the Commission has not received an acceptable application for payment for it by 31 March 2017.



2. Automatic Decommitment

Atlantic Area

Total Cost that must be certified by 31 Dec

Un: Mil €

N+3/N+2 rule Budget Commitment	2007	2008	2009	2010	2011	2012	2013	2014	2015
2007	→			9.142					
2008		→		30.265					
2009			→			51.978			
2010				→			97.894		
2011					→				
2012						→		122.012	
2013							→		158.798



2. Automatic Decommitment

Calculation

2000-2006	2007-2013
Calculation based on total ERDF declared on certified expenditure	Calculation based on ERDF rate for each priority axis to total eligible cost or total public eligible cost



2. Automatic Decommitment

Regulatory exceptions to automatic decommitment (Articles 95 and 96 in Regulation (EC) n.º1083/2006)

- Interruption for legal proceedings and administrative appeals
- Commission suspension or payment interruption or capping
- Force Majeure



2. Automatic Decommitment

Major project and Aid scheme

(Article 94 in Regulation (EC) n.º1083/2006)

- When the Commission takes a decision to authorize a major project or an aid scheme, the amounts potentially concerned by automatic decommitment shall be reduced by the annual amounts concerned by such major projects or aid schemes.
- For these annual amounts, the starting date for the calculation of the automatic decommitment deadlines referred to in Article 93 shall be the date of the subsequent decision necessary in order to authorize such major projects or aid schemes.



2. Automatic Decommitment

Certification Unit - Additional task

Provisional forecast of payment requests

✓ At the latest by 30 April each year, the **Certifying Authority** shall send the Commission a provisional forecast of their likely applications for payment for the current financial year and the subsequent financial year



1. Functions of CA

Provisional forecast of payment requests

2009-2010

Un: Mil €

European Territorial Cooperation	FORECAST	
	2009 *	2010
Madeira - Açores - Canárias	ERDF 1.945	8.667
Atlantic Area	ERDF 8.429	20.454
Portugal – Espanha	ERDF 35.334	56.703

* Includes pre-financing payed by the Commission



2. Automatic Decommitment

Provisional forecast *versus* payment requests 2009

ERDF Un: Mil €

European Territorial Cooperation	Forecast			Payment Claim EU	Rate (Reimbursement)
	Total	Pre-financing	Reimbursement		
Madeira - Açores - Canárias	1.945	1.385	560	69	12%
Atlantic Area	8.429	2.601	5.828	600	10%
Portugal - Espanha	35.334	6.685	28.649	11.881	41%



3. Experience

Period 2000-2006

Programme Implementation ERDF

Operational Programmes	20
URBAN	3
INTERREG	5



3. Experience

Automatic Decommitment OP/Year

OP / Year	N+2	N+2/Commitment
	€	%
Technical Assistance ERDF		
2001	2.634.958	3,58
2002	2.405.387	3,27
2003	881.722	1,20
POSC		
2005	4.244.858	1,34
AGRO		
2005	919.096	0,08
IC / Year		
URBAN		
2003	33.384	0,59
INTERREG IIIC		
2002	6.468.405	4,68
2004	1.180.695	0,89



3. Experience

Main Causes
INTERREG IIIC

- Late approval – September 2002
- Institutional changes – change of Managing Authority from Italy to Spain
- Project appraisal and selection procedure – long processes
- Slow submission of project claims resulting in low value of payment claims to EU



Causes of Automatic Decommitment

- i. Programmes were approved later than anticipated
- ii. The date of programme approval does not represent the start of activity
- iii. Problems committing resources and in aligning different national rules and requirements
- iv. Political and institutional changes
- v. Slow submission of project claims resulting in low value of payment claims to EU
- vi. Exchange rates between countries – euro and national currencies, e.g. £



Possible responses to avoid automatic decommitment

- Awareness of the N+3 / N+2 rule
- Quality of the project selection process
- Carefully monitoring the progress made
- Speed up submission of payment claims
- Reallocation of funds between priorities



Thank for your attention

