



**INTERact**

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## Current financial developments in European Territorial Cooperation Programmes

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THE EVENT



- Synthesis of current financial topics
- Some topics (eg. public procurement, state aid) left aside, but touched upon
- Other seminars and materials on these topics (next slide)
- Questions collected beforehand will be shown after presentations (if not answered in the presentations)
- You are invited to ask additional questions



**Financial newsletter** (a copy in the materials)

[http://www.interact-eu.net/interact\\_newsletter/interact\\_december\\_newsletter\\_the\\_financial\\_issue\\_s/250/7160](http://www.interact-eu.net/interact_newsletter/interact_december_newsletter_the_financial_issue_s/250/7160)



**Public procurement seminar: 50 questions and answers on public procurement in ETC + presentations**

[http://www.interact-eu.net/public\\_procurement/public\\_procurement/436/7267](http://www.interact-eu.net/public_procurement/public_procurement/436/7267)

**Consultation on the EU public procurement policy (Green Paper) open until 18 April**

[http://ec.europa.eu/internal\\_market/publicprocurement/modernising\\_rules/consultations/index\\_en.htm](http://ec.europa.eu/internal_market/publicprocurement/modernising_rules/consultations/index_en.htm)

**Current challenges for Audit Authorities and Groups of Auditors**

[http://www.interact-eu.net/audit\\_authority/audit\\_authority/433/7266](http://www.interact-eu.net/audit_authority/audit_authority/433/7266)



**General Regulation 1083/2006**  
on the **ERDF**, the **ESF** and the **Cohesion Fund**  
as amended by  
**Regulation 248/2009,**  
**Regulation 1341/2009,**  
**Regulation 85/2009,**  
**Regulation 539/2010.**

**Regulation 1828/2006 for the Implementation of General Regulation 1083/2006:**  
as amended by  
**Regulation 846/2009.**

**ERDF Regulation: 1080/2006**  
as amended by  
**Regulation 397/2009,**  
**Regulation 437/2010.**

All amendments as well changes to particular articles here:

[http://www.interact-eu.net/regulatory\\_framework/regulatory\\_framework\\_2007\\_13/286/3747](http://www.interact-eu.net/regulatory_framework/regulatory_framework_2007_13/286/3747)



# Simplification



## Pioneers of simplification

More and more programmes apply flat rates:

- Interreg Flanders-Netherlands (From 2009)
- Interreg IV C (from the 4th call as of 1 December 2010)
- North West Europe (from 8th call as of 4 March)
- INTERREG IVA Programme for Northern Ireland, the Border Region of Ireland and Western Scotland



Flanders-Netherlands	Interreg IV C	North West Europe	Northern Ireland, the Border Region of Ireland and Western Scotland
Indirect costs: overhead costs	the administration budget	Administration costs	indirect costs/overheads
10% of the staff costs of beneficiary	12% of the budgeted staff costs	11% of the total budgeted staff costs	20% of the approved direct labour costs



### Simplification

- It is still not to late to implement simplification options in the 2007 - 2013 programming period
- For the 2014 - 2020 programming period proposal to have harmonised budget lines, common definitions of staff costs etc.
- INTERACT First Meeting of the Future Working Group on Finance Management - Eligibility, Simplified Cost Options and First Level Control (7 - 8 April, Brussels)



# Decommitment



- Pre-financing (7,5% for Old MS and 9% for New MS) is deducted from **the first** decommitment target
- But only if the programme has already sent a financial claim to the Commission within 24 months of payment of the first pre-financing (which is only possible if Art. 71 DMCS has been officially submitted) - no matter the amount of the claim



## Regulatory exceptions to automatic decommitment

- (Major projects) and Aid schemes (Art. 94 Reg. 1083/2006)
- Interruption for legal proceedings and administrative appeals (Art. 95 of Reg. 1083/2006)
- Commission suspension or payment interruption or capping (Art. 96 of Reg. 1083/2006)
- *Force Majeure*: “when delays in implementation result from circumstances which are independent of the party concerned, abnormal or unforeseeable and whose consequences cannot be avoided despite the diligence shown” (Art. 96 of Reg. 1083/2006)



## How to avoid decommitment?



### **At programming stage:**

- Good planning of spending forecast over years in the OP (less money for first years, more for last years)
- Fast programme set up after approval
- Simplification of programme rules
- Strategic decision on co-financing level (the lower co-financing level the more difficult it is to reach decommitment targets in early years)



### **At project generation and selection stage:**

- Project generation strategy (many small projects or rather few big ones? Or mixture of both?)
- How strict is the programme in assessment/approval – conditional approvals? Project changes before approval?
- Waiting list
- Overallocation of funds (assuming project budgets are overestimated)
- Fast signature of Subsidy Contracts



**At project implementation stage:**

- Monitoring of project spending
- Close contact with projects (support in case of problems, preventing mistakes)
- Strict/flexible reporting periods
- Fast/simple payment procedure and efficient FLC system
- Project modifications (budget reallocations, changing/adding activities, etc.)
- Additional allocations for existing projects (for existing activities, for new activities, for new partners)



**At project closure and after project closure stage:**

- Allowing projects early closure if all activities are implemented earlier than planned
- Estimation of project savings
- Recycling of unused funds as soon as possible (for existing or new projects)
- Fast approval of projects from waiting list



**Cross-programme Analysis on irregularities,  
recoveries and decommitment.**

Exchanging experience between several Territorial  
Cooperation programmes – short fact sheets on  
each topic will be available in the fall.