

Financial programme management

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Interreg Knowledge Fair/ 23-25 May 2023

Interact



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Welcome to the Interreg Knowledge Fair

This is a **pilot activity** for Interact, testing a new approach to our service delivery – and **whether it works for you!**

While you are here, you will be asked to **rate individual sessions** (in Whova) and to respond to a **4-question survey** at the end of each day.

Please share your feedback with us!



Plan

90 mins

01

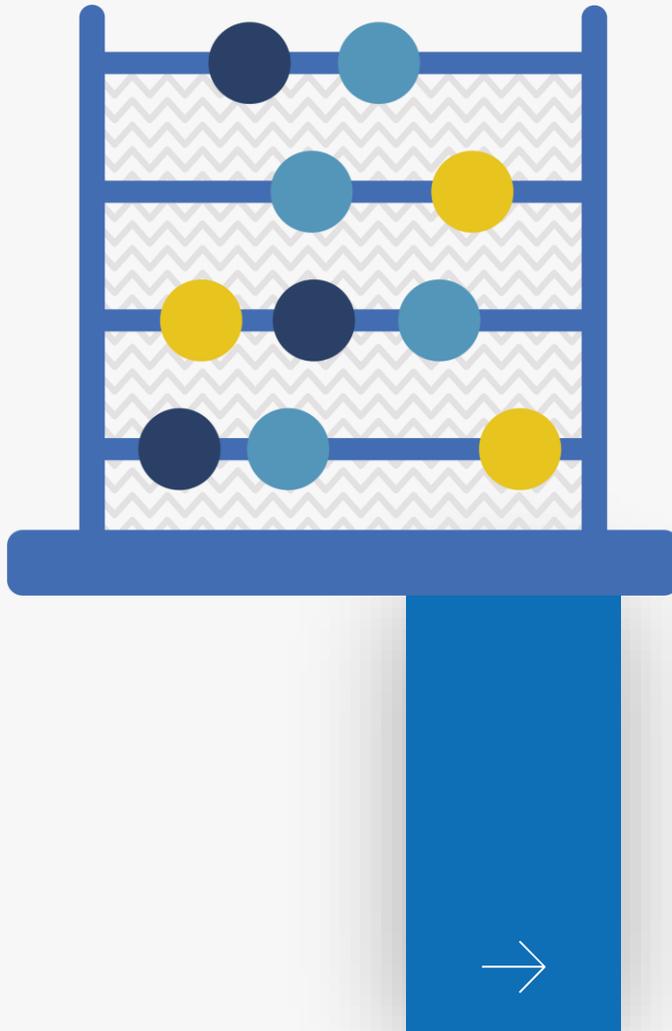
State of play of the
Interreg programmes
implementation

02

Hot topics –
few updates

03

Hot topics –
discussion in
groups



State of play of Interreg programmes implementation

3 May, 2023

Source: [Cohesion Open Data platform](#)

(Interreg + IPA-II programmes, ENI programmes are not covered)

Real spending rates are higher!

Where are we in the 2014-2020 programming period?

9th accounting year

- 1 July 2022 – 30 June 2023
- 10th accounting year left – 1 July 2023 – 30 June 2024
- Final eligibility of expenditure (N+3) – *for projects to incur their expenditures* – 31 December 2023
- For programmes – 30 June 2024 (July 2024 – final payment claim to EC)

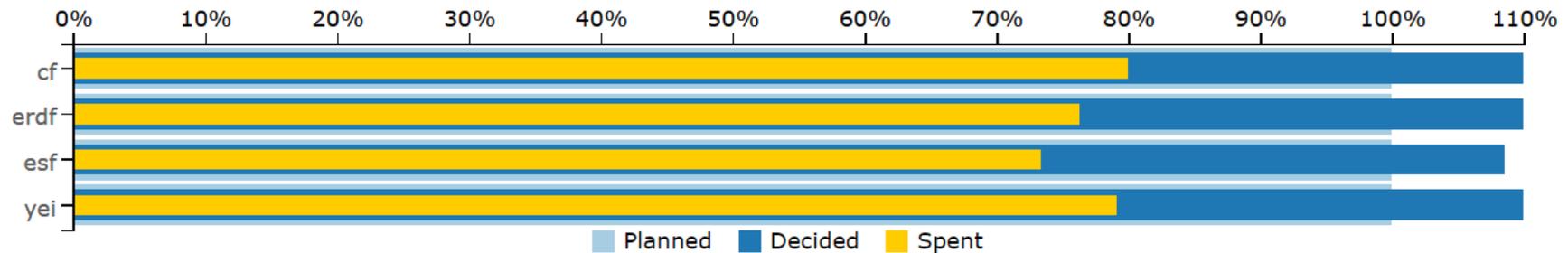
Implementation by Fund

Total cost % of Planned

2014-2020: Cohesion Policy financial implementation (total cost) by Fund

[Explore this Data](#)

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Period Covered:

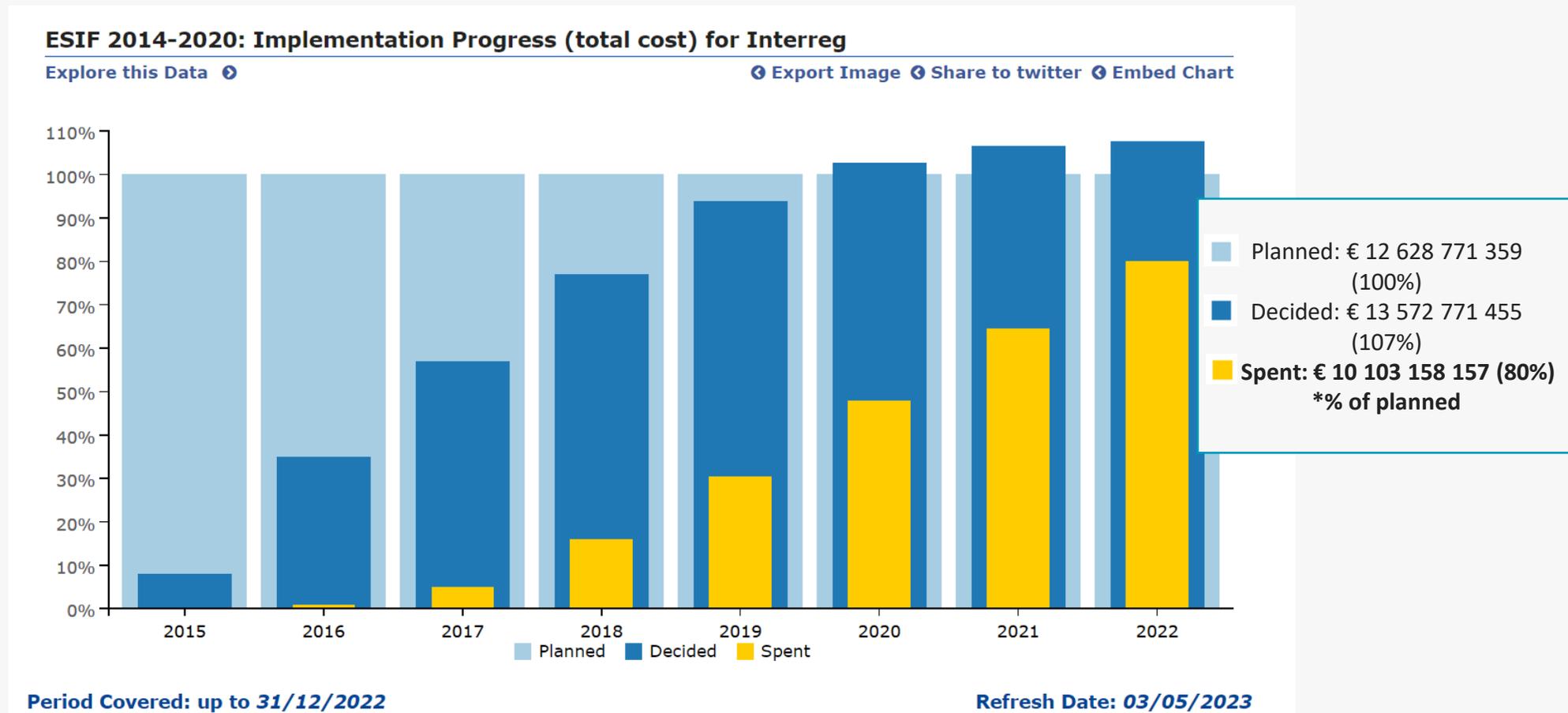
CF, ESF, ERDF, YEI: 31/12/2022

Refresh Date: 03/05/2023

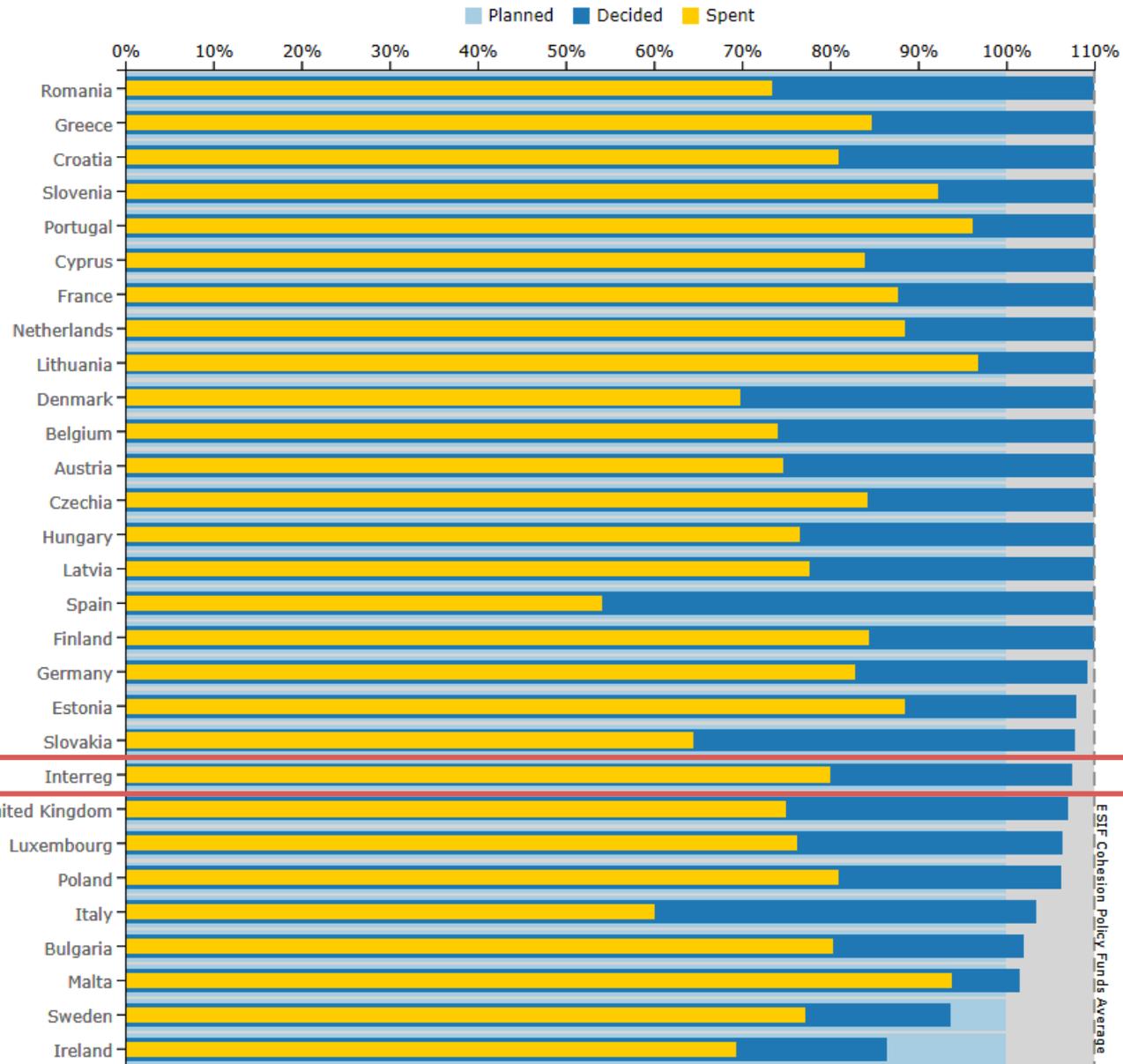
■ Planned: € 308 269 198 126 (100%)
■ Decided: € 368 950 393 588 (110%)
■ Spent: € 235 316 915 659 (76%)

Implemented finances, total costs

ESIF 2014-2020: Implementation progress (total costs) of Interreg



Financial progress by country



Planned: € 12 628 771 359 (100%)
 Decided: € 13 572 771 455 (107%)
Spent: € 10 103 158 157 (80%)
 *% of planned

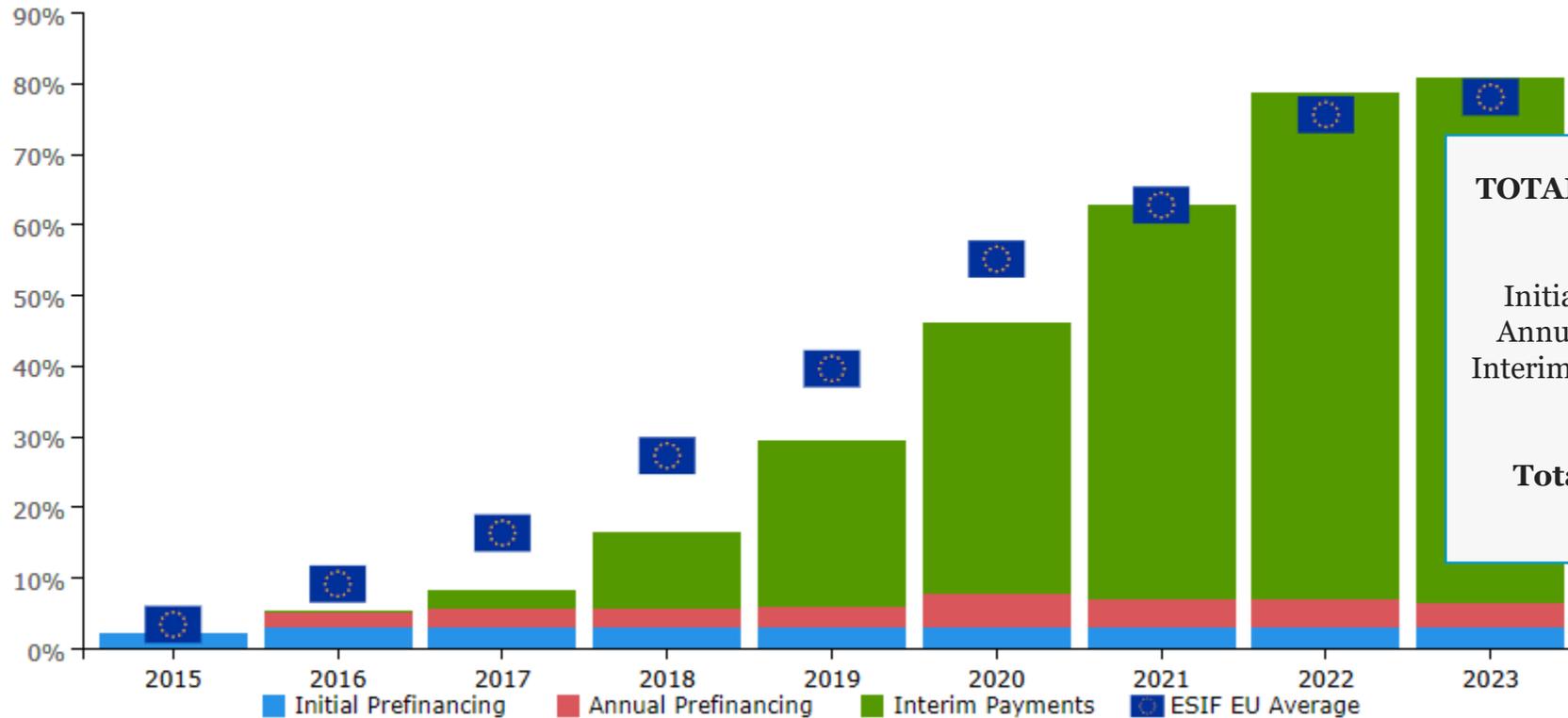
EU average spent
 – 79%

Total EU payments

ESIF 2014-2020: Total EU payments all ESI Funds – time series cumulated to the end of each year (daily update): Interreg

[Explore this Data](#)

[Export Image](#) [Share to twitter](#) [Embed Chart](#)



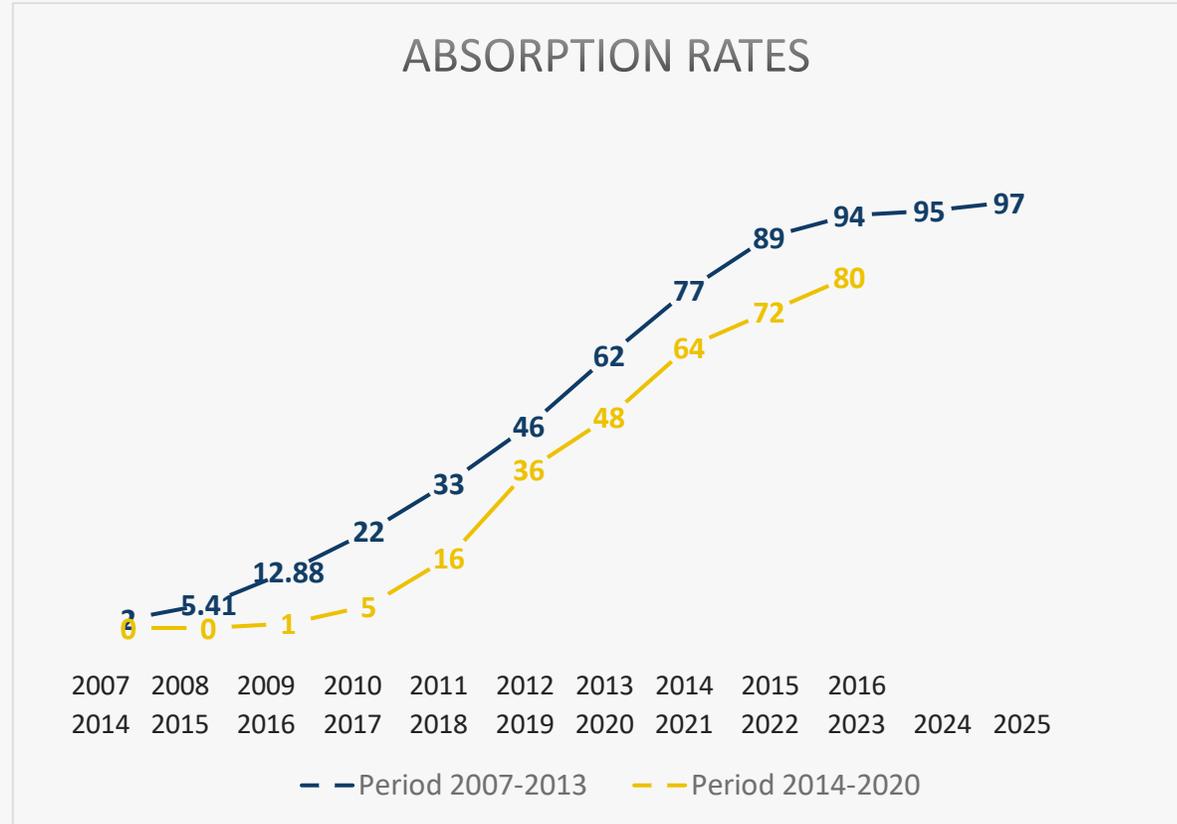
TOTAL EU allocation: € 9 405 684 127 (100%)

Initial PF: € 277 009 955 (3%)
 Annual PF: € 329 231 442 (4%)
 Interim Payments: €6 980 526 628 (73%)

Total EU payments: €7 586 768 025 (80%)

Refresh Date: 03/05/2023

ERDF Absorption rates



Reasons for lower absorption rates in 2014-2020

- Late adoption of the main legal documents (+ lots of “secondary” legislation);
- New designation process for MA/CA – the majority of programmes designated in 2017 – 4th year of the programme implementation;
- Closure of the 2007-2013 programming period (clearance of the accounts with the final accounting year);
- Slower submission of payment applications as compared to forecasts;
- COVID-19 pandemic;
- Energy crisis;
- War of Russia in Ukraine.

Decommitment, for 2022

IPA programmes (10)

- No risk of decommitment (all programmes achieved targets for 2022)

ENI programmes (15)

- Several programmes suspended, resources transferred to strengthen cooperation with Ukraine and Moldova

CBC internal programmes (53)

- All programmes reached their targets by 2022.

TN programmes (15)

- 1 OMR programme's decommitted, 2 introduced force majeure exemption requests

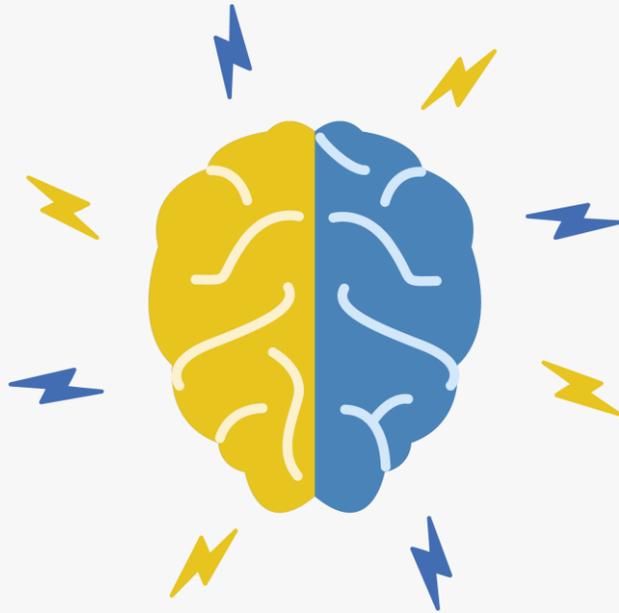
INT programmes (4)

- Reached their targets.

2023

The commitments related to the last year of the period (i.e., for the 2020 main allocation) should be de-committed in accordance with the closure guidelines (according to Article 86(2) of Regulation (EU) No 1303/2013).

What is your current spending rate (2014-2020)?



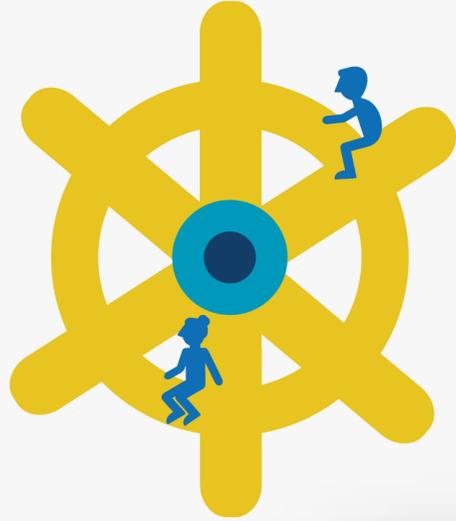
- Below 50%
- 50 – 60%
- 60 – 70%
- 70 – 80%
- 80 – 90%
- 90+ %

Early closure* of the 2014-2020 programmes

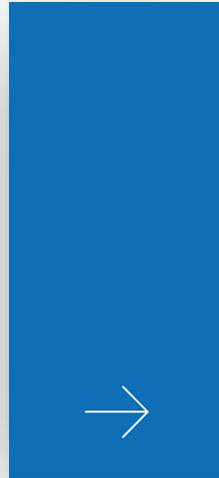
*in 9th accounting year – 1 July 2022 – 30 June 2023



- 3 programmes so far – anyone else?



Progress with the 2021-2027 programmes



Interreg programmes adoption



- All 86 Interreg programmes adopted by the end of 2022
 - *(incl. 6 programmes with participation of Ukraine and Moldova; all programmes with Russia and Belarus stopped).*
- 3% of the cohesion policy budget, ca EUR 10 billion (incl. external EU funds)



Pre-financing payments

	Programmes adopted in the 1st half of 2022	Programmes adopted in the 2nd half of 2022
Y2022	PF 2021 & PF 2022	PF 2021 & PF 2022
Y2023	PF 2021 offset against PF 2023 PF 2022 recovery (limited by submission of interim claims)	PF 2023
Y2024	PF 2024	PF 2021 offset against PF 2024 PF 2022 recovery (limited by submission of interim claims)

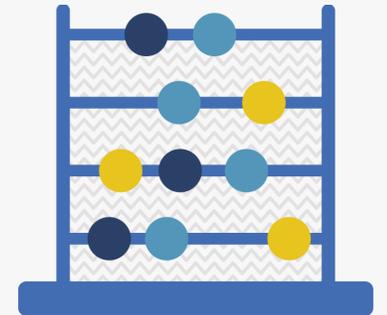
[Source: CPR Expert Group](#)

- Article 51(5) IR: PF of 2021 and 2022 cleared with the subsequent accounting year, from 2023 – in the final accounting year.
- **The date of the programme adoption (= date of the EC decision adopting the programme) decides which scenario for clearance applies:**
 - adopted before 30/06/2022 - pre-financing for 2021 and 2022 is cleared in 2023;
 - after 30/06/2023 – both PF are cleared in 2024.

Decommitment (N+3)

- Financial allocations start with 2022 for all
- First decommitment target for all – from 2025:
 - *1st target is increased by 25% of the 2021 allocation – reprogramming mechanism (2025 target – 2022 allocation + 25% of the 2021 allocation)*

Decommitment target (amounts to be submitted in the payment applications, 100%) = financial allocation – pre-financing – deductions



[Calculate your decommitment targets](#)

Risk-based management verifications in 2021-2027

MA risk assessment is subject to system audits and audit of operations

System audit – testing expenditures subject to RBMV of the MA

Audit of operations – testing expenditures mainly NOT subject to RBMV of the MA

Errors/ irregularities from RBMV are not extrapolated

Errors/ irregularities from audits are extrapolated

It is possible that the operation/ payment claim/ expenditure is not verified by MA but audited by AA

EC Reflection paper on RBMV – to be published in May 2023

SCOs - several implementation issues

Assurance on legality and regularity for SCOs and FNLC (Art. 94, 95 CPR)

MA to confirm that expenditures entered in accounts are legal and regular vs management verifications focused on fulfillment of conditions for reimbursement

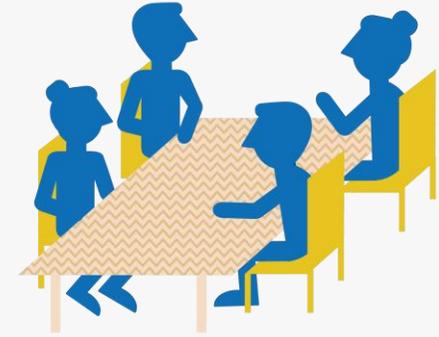
SCOs under Art. 94

- Use of SCOs in national currency (Art. 87 CPR – all amounts in programme should be in euro)

Article 72(1)(e) and Annex XVII CPR

Collection of data linked to expenditure (procurement) vs management verifications of SCOs not covering the underlying costs or specific procurement procedures

Group work



- I. TA
- II. Annex XVII CPR – collection of data
- III. Common sample in Interreg
- IV. Management and control system
- V. Eligibility of expenditure and matrix of costs
- VI. Decommitment and strategies to speed up spending of 2014-2020
- VII. Arachne, EDES

How this will work:
3 topics/ 15 mins each ->
rotation

- Take notes (challenges/ solutions)
- Discuss in plenary

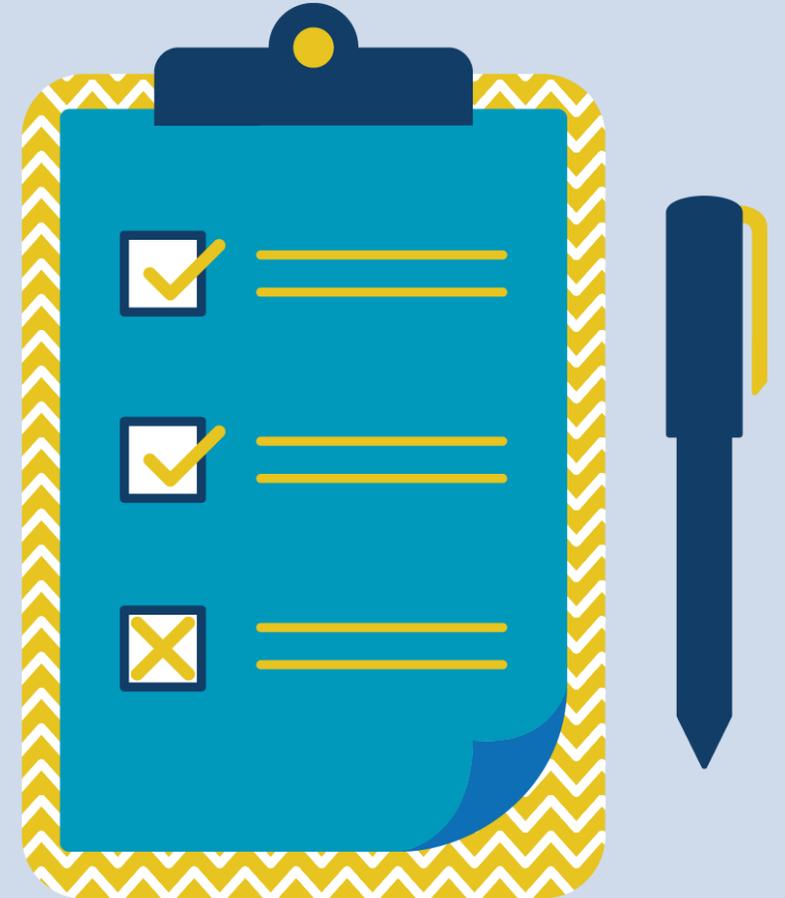
Thank you for being here!

Your opinion matters to us.

Please take a few minutes to provide us with feedback to help us improve our services.

Log into the **Whova app**, go to the **relevant session**, and tell us what you think in the **session Q&A**.

You can also talk to us at the Conference Support stand in the networking area.



Cooperation works

All materials will be available on:

[Interact / Events / Interreg Knowledge Fair \(23-25 May 2023\)](#)