



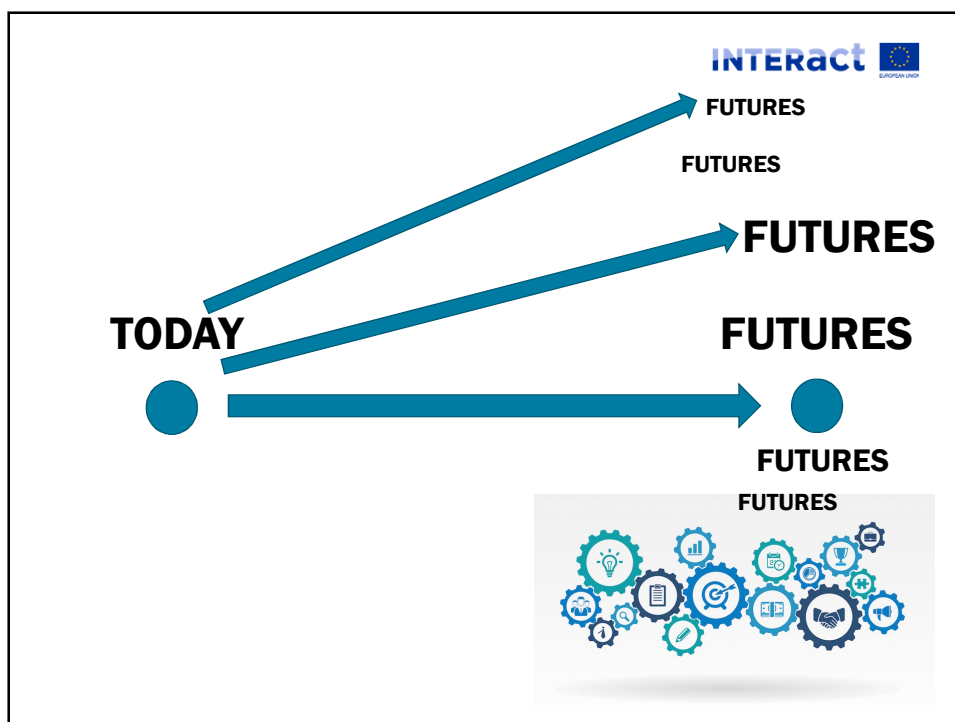
Project Development – Budget Planning

Interreg Financial Management Camp
14 – 17 November 2017 | Lille, France

Iuliia Kauk, Interact Programme



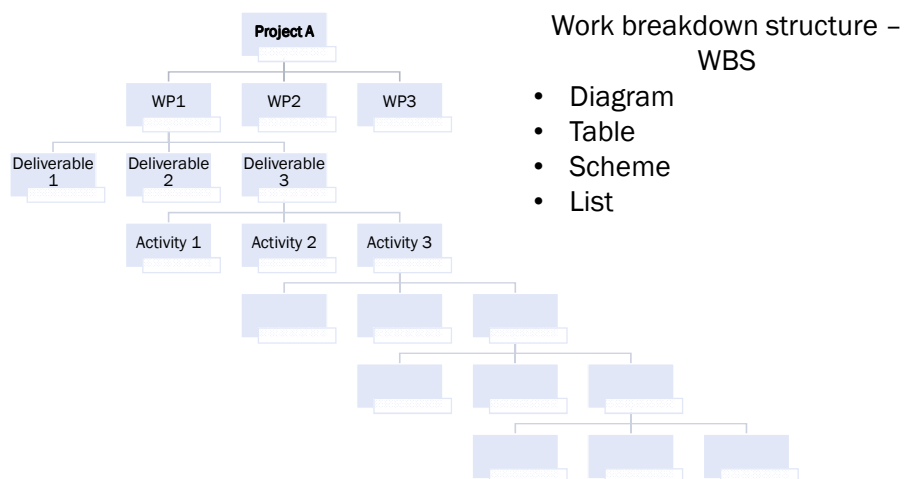


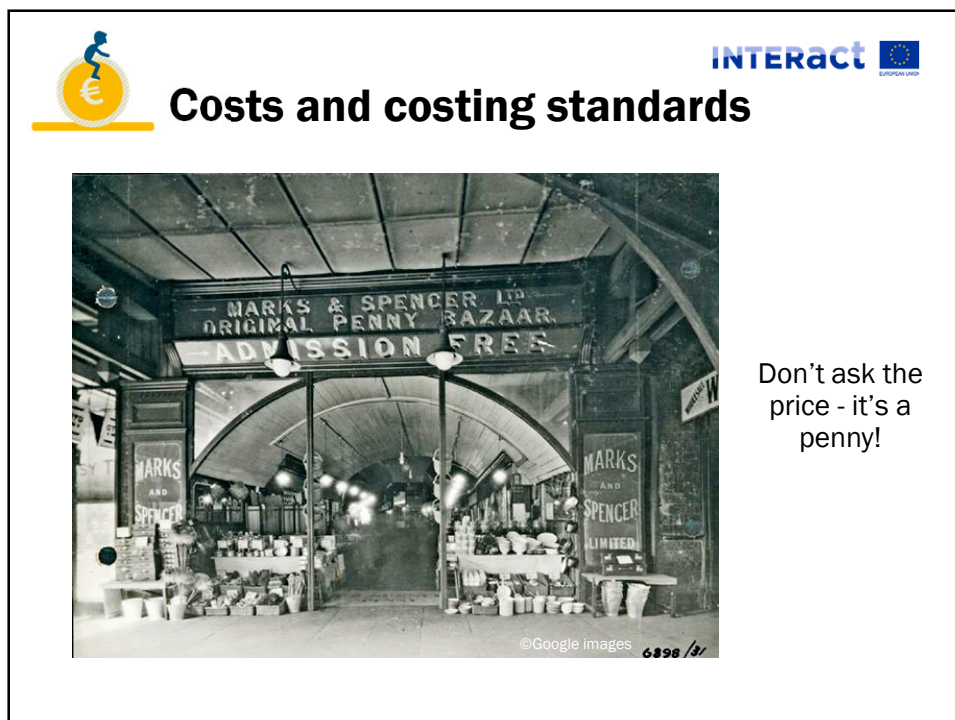
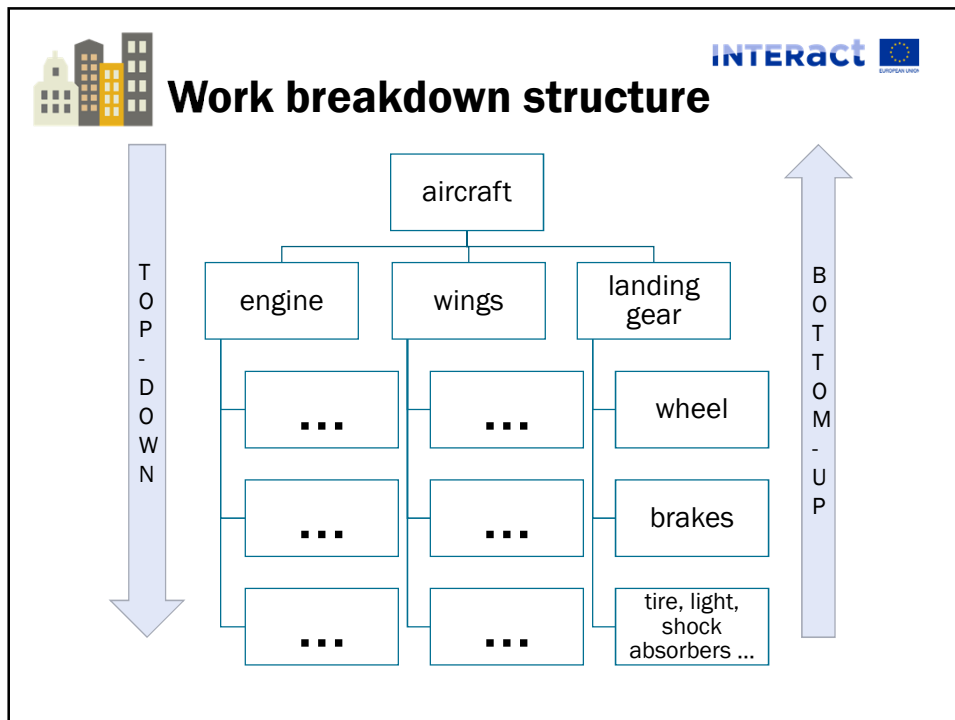


Project budget



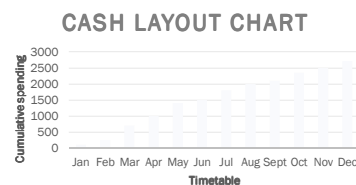
Scope





Schedule

1. Ensure you have all cost outlays captured (all tasks, estimates, resources)



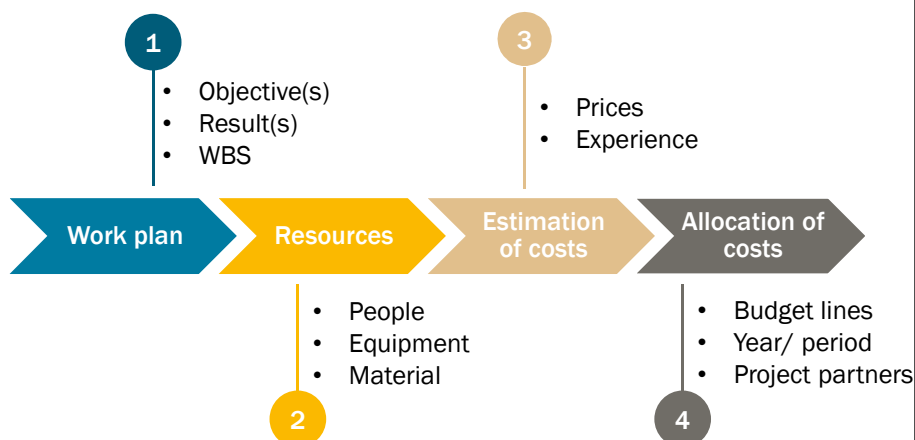
Gantt chart

	8:00	8:30	9:00	9:30	10:00	10:30	11:00	11:30	12:00
Registration									
Welcome and introduction to Project Management									
Coffee break									
Project Idea Generation									
Project Development									
Eligibility of expenditures									

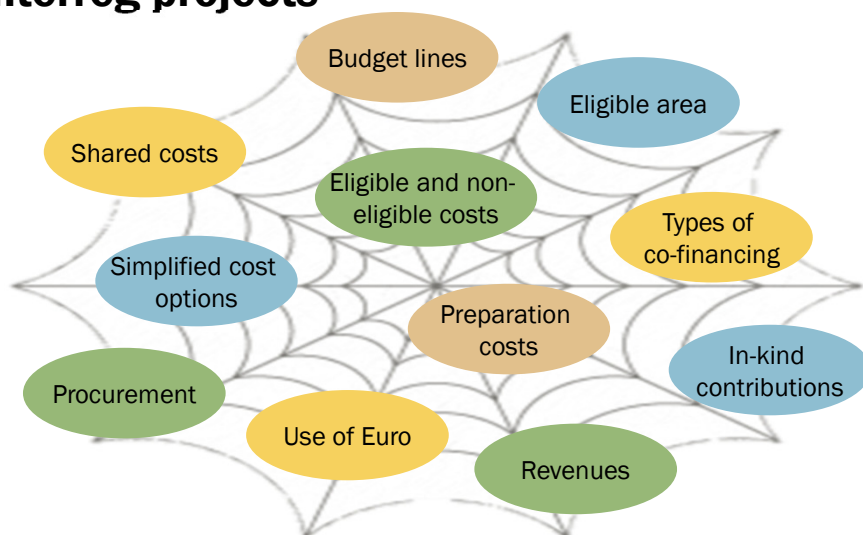
2. Examine your resource costs and how they are going to be assigned across the project life
3. Group similar cost types together in your WBS

Projects do not always run to plan, but by having a cost outlay plan and diligently tracking your expenses against that plan, you can anticipate issues and proactively manage your project budget.

Budget planning steps



Specificities of budget planning in Interreg projects



Financing sources



Programme co-financing <ul style="list-style-type: none"> • ERDF, IPA II, ENI • ERDF equivalent 	Support from the EU funds (ERDF, IPA II, ENI) and ERDF equivalent (Norwegian, Swiss fund, etc.)
Co-financing rate (%)	The max rate of programme co-financing (separate for EU funds and each ERDF equivalent)
Contribution <ul style="list-style-type: none"> • public • private 	Counterpart to programme co-financing secured by the partners (own and/ or external resources).
Automatic public contribution	Public funding automatically allocated to a project partner from national/regional sources, external to the partner organisation.

Preparation costs

- Real costs or lump sum
- Granted only after project approval or granted anyway

Shared costs

- Some services procured by 1 partner but costs of service shared among all/ some partners
- 1 partner pays, costs are spread between number of partners and the cash flow between partners is organised

In-kind contributions

- Office space
- Voluntary work, other services



Procurement

- Finding and purchasing goods/ services via a tendering or competitive bidding process.
- Public procurement rules vary substantially from one country to the other, especially below the EU threshold for public procurements.
- Interreg applies **national**, regional and institutional and programme-specific public procurement rules.



Eligible area

2 scenarios of location of operations and expenditures incurred:

- In the Union part of the programme area
- Outside the Union part of the programme area (both inside and outside the EU) under conditions.

IF:

- Operation is of the benefit for the programme area
- Ceiling of 20% of the EU support to all operations outside respected at programme area
- Management, control and audit obligations



Revenues

Regulation (EU) No 1083/2006, Article 55:

cash in-flows directly paid by users for the goods or services provided by the operation, such as charges borne directly by users for the use of infrastructure, sale or rent of land or buildings, or payments for services **less any operating costs and replacement costs of short-life equipment** incurred during the corresponding period.



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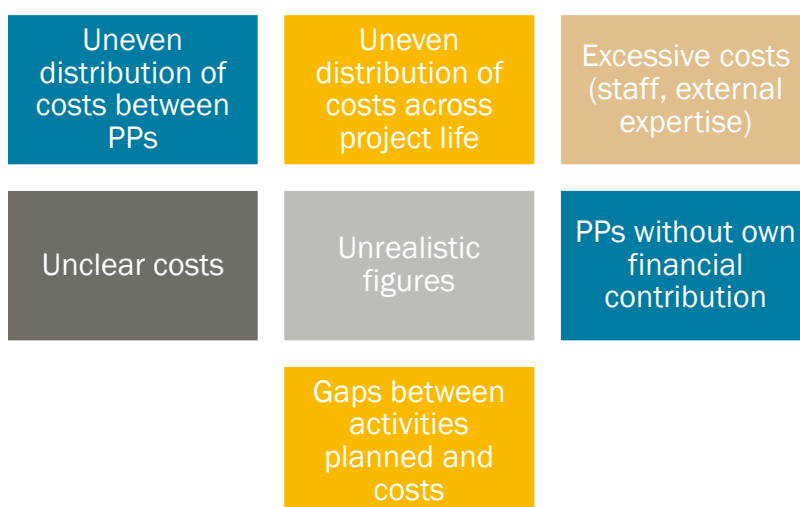
- During the project implementation
- After the project completion – CPR Article 61

Revenues

Calculation methods:

1. Flat rate net revenue % for the (sub)sector: 30% - road; 20% - rail, solid waste
2. Discounted net revenue of the operation
3. Decrease of the max co-financing rate for all operations of the corresponding programme priority/ measure

Project budget danger signs



Exercise

Your task:

Prepare the budget for a given work package 3:

- List all activities to be implemented
- Estimate costs related to each activity
- Attribute each cost item to a specific budget line



Feedback:

- **Fill in the budget table of WP3 per budget line**
- **Be ready to discuss outcomes**

Cooperation works

All materials will be available on:

www.interact-eu.net