

# Decommitment methodology and process in 2014-2020

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Halfway through the programming 2014-2020 – halfway through the programme spending?

22 February 2018 | Nice, France

**Iuliia Kauk, Interact**



# Decommitment

Carrot



Encouragement

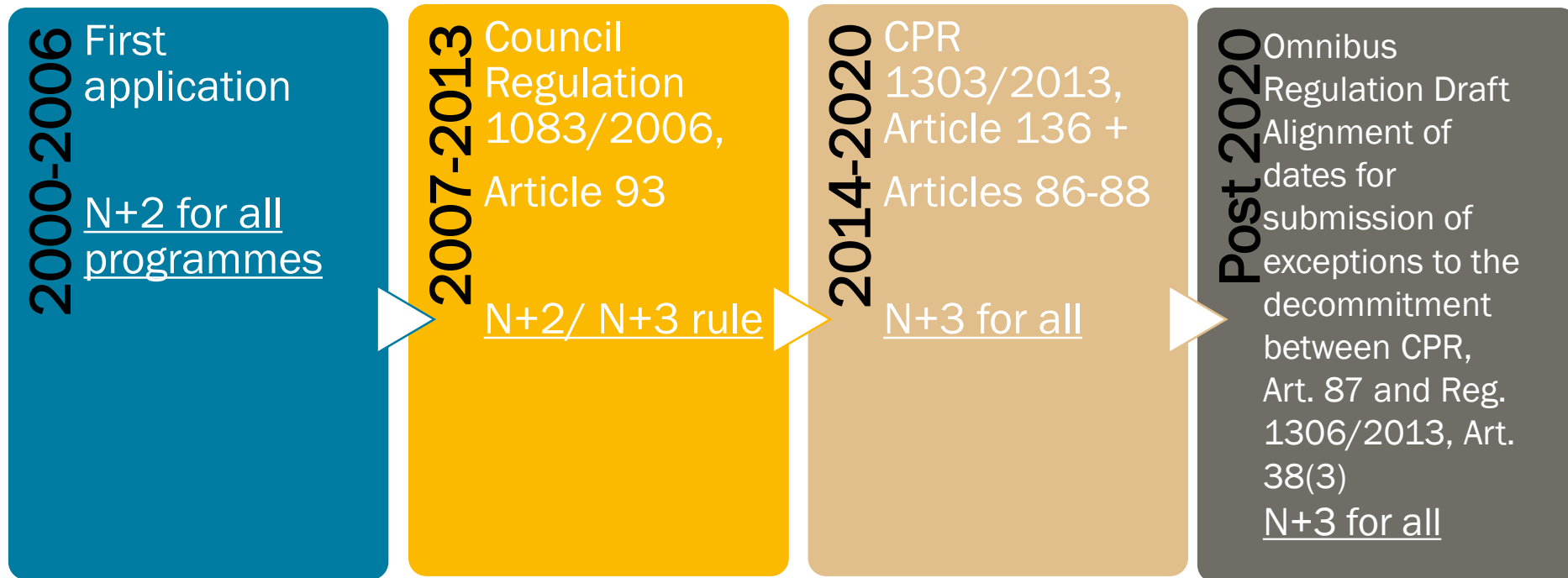
**VS.**

Stick



Punishment

# Legal background



\*IPA CBC programmes – CIR 447/2014, Article 46(4): *Articles 86 to 88 and 136 of Regulation (EU) No 1303/2013 concerning decommitment shall apply.*

\*Interreg ENI programmes – CIR 897/2014, Article 66

# EGESIF explanatory notes

- *EGESIF\_17-0012-00 as of 28/06/2017 – Decommitment methodology (N+3) and process in 2014-2020*
- *EGESIF\_17-0012-01 as of 30/08/2017 - Decommitment methodology (N+3) and process in 2014-2020*
- **EGESIF\_17-0012-02 as of 23/11/2017 - Decommitment methodology (N+3) and process in 2014-2020**



# Decommitment – basics

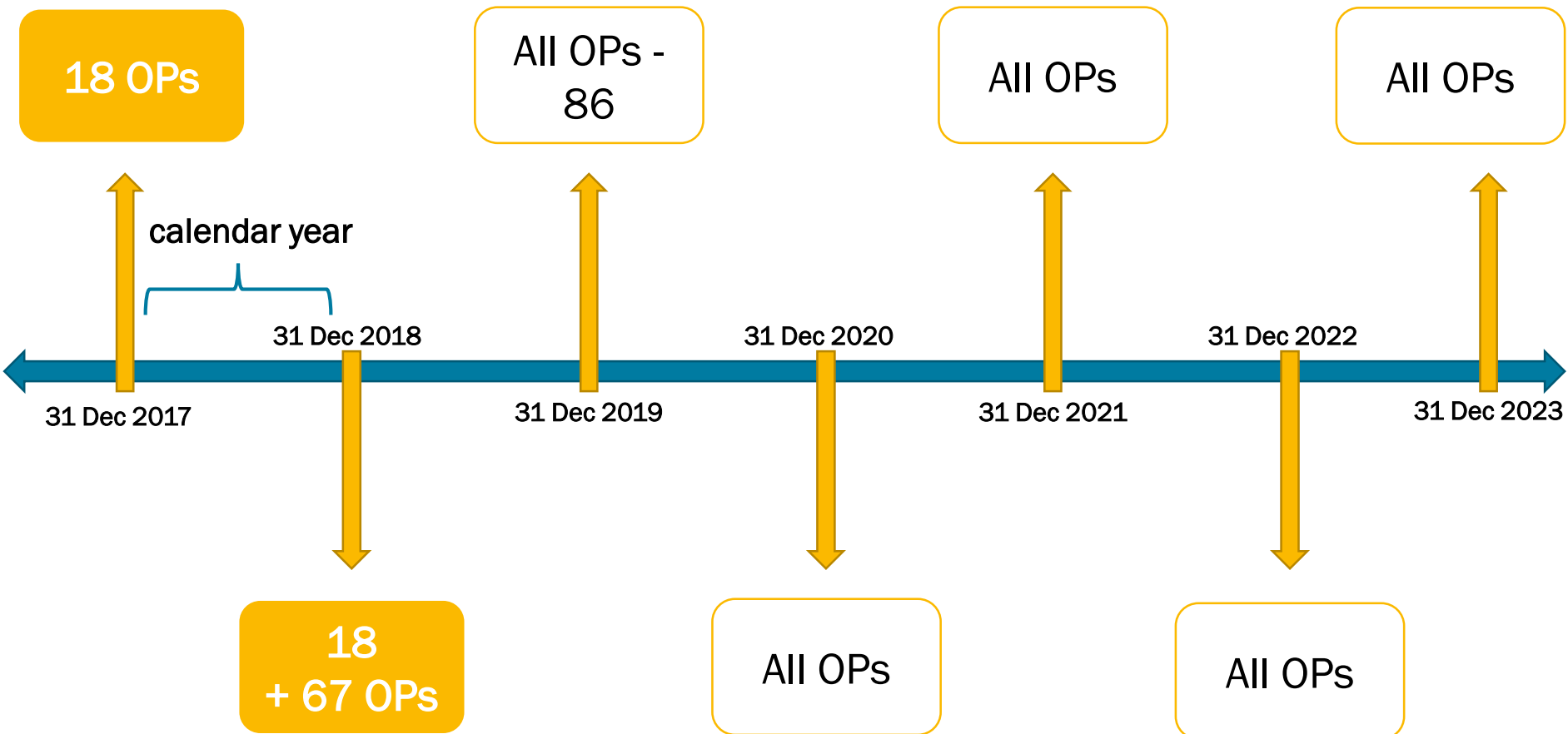
Article 136(1) CPR:

*‘The Commission shall decommit any part of the amount in an operational programme that has not been used for payment of the initial and annual pre-financing and interim payments by 31 December of the third financial year...’*

**N+3 for all!**

First targets to be met – by 31 December 2017

# Decommitment – targets



# Decommitment targets by the end 2017

Interreg VA DE - DK

Interreg VA BE - NL

Interreg VA DE - AT - CH - LI

Interreg VA AT - DE

Interreg VA DE - CZ

Interreg VA Central Baltic

Interreg VA SE - NO

Interreg VA DE - NL

Interreg VA ÖKS

Interreg VA FR - CH

Interreg VA FR - DE - CH

Interreg VA Nord

Interreg VA Botnia-Atlantica

Interreg VB Northern Periphery and Arctic

Interreg VB Alpine Space

Interreg VB Central Europe

Interreg VB Baltic Sea Region

Urbact

# N+2/N+3 decommitment in 2007-2013

ETC objective, ERDF	Amount, mln EUR
Interact	847 570.00
Romania-Bulgaria CBC	11 668 404.08
Öresund – Kattegatt – Skagerak	1 394 083.00
Italy – Slovenia	6 935 156.00
Italy – Malta	2 998 685.00
Two Seas (FR-Engl-Flanders)	1 780 516.00
Channel (FR-UK)	13 053 830.00
France – Switzerland	1 510 330.00
Ocean Indien (Reunion)	115 692.00
ETC Caraïbes	2 597 194.00
Amazonia (France-Brazil-Surinam)	1 846 560.00
Greece – Italy	1 130 615.00
South East Europe	7 152 784.00
<b>TOTAL amount decommitted</b>	<b>ca 53 mln</b>



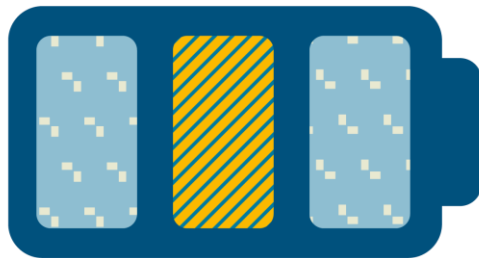
# Interact implementation 2007-2013

## Interact II decommitment in numbers – practical experience

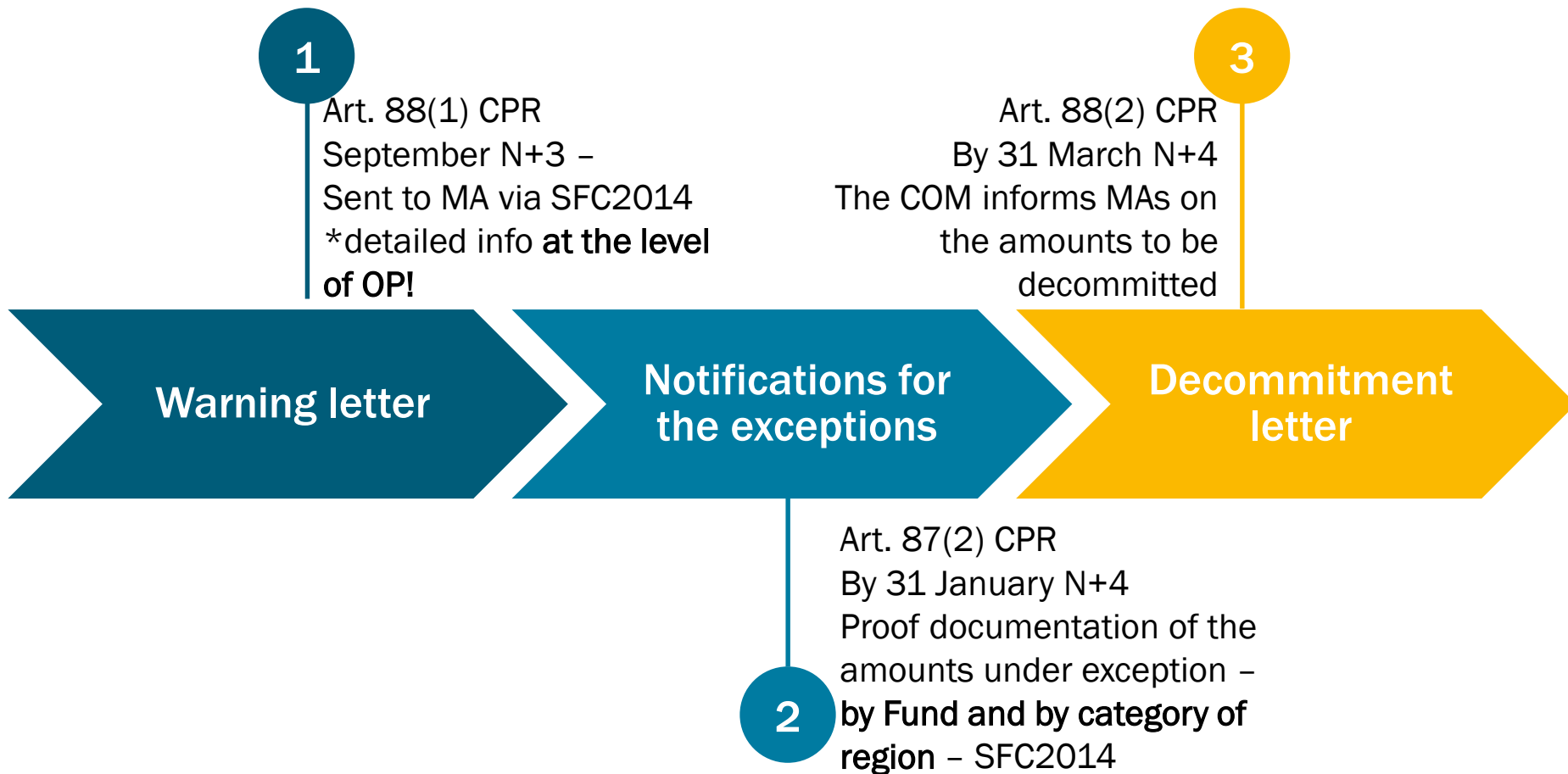
Item	ERDF (EUR)	National contribution (EUR)	Total (EUR)
2014 N+2 target	27 065 662	N/a	N/a
Advance payments	3 063 016	N/a	N/a
Interim applications for payment submitted to the European Commission until 31 December 2014	23 155 076	N/a	N/a
<b>Amount decommitted</b>	<b>847 570</b>	<b>149 571</b>	<b>997 141</b>
ERDF allocation / programme budget before decommitment	30 154 277	5 321 344	35 475 621
ERDF allocation / programme budget after decommitment	29 306 707	5 171 773	34 478 480

# Decommitment procedure

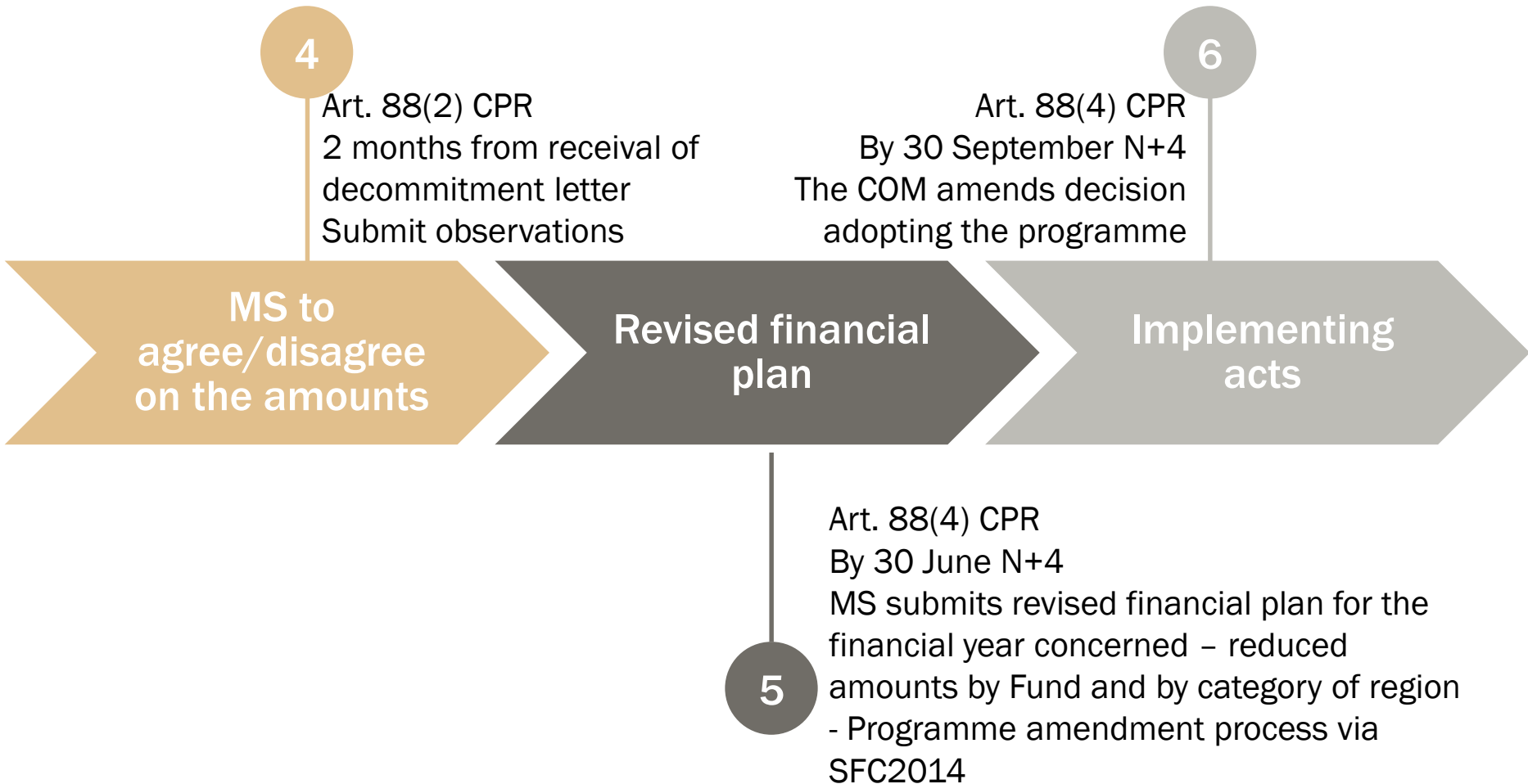
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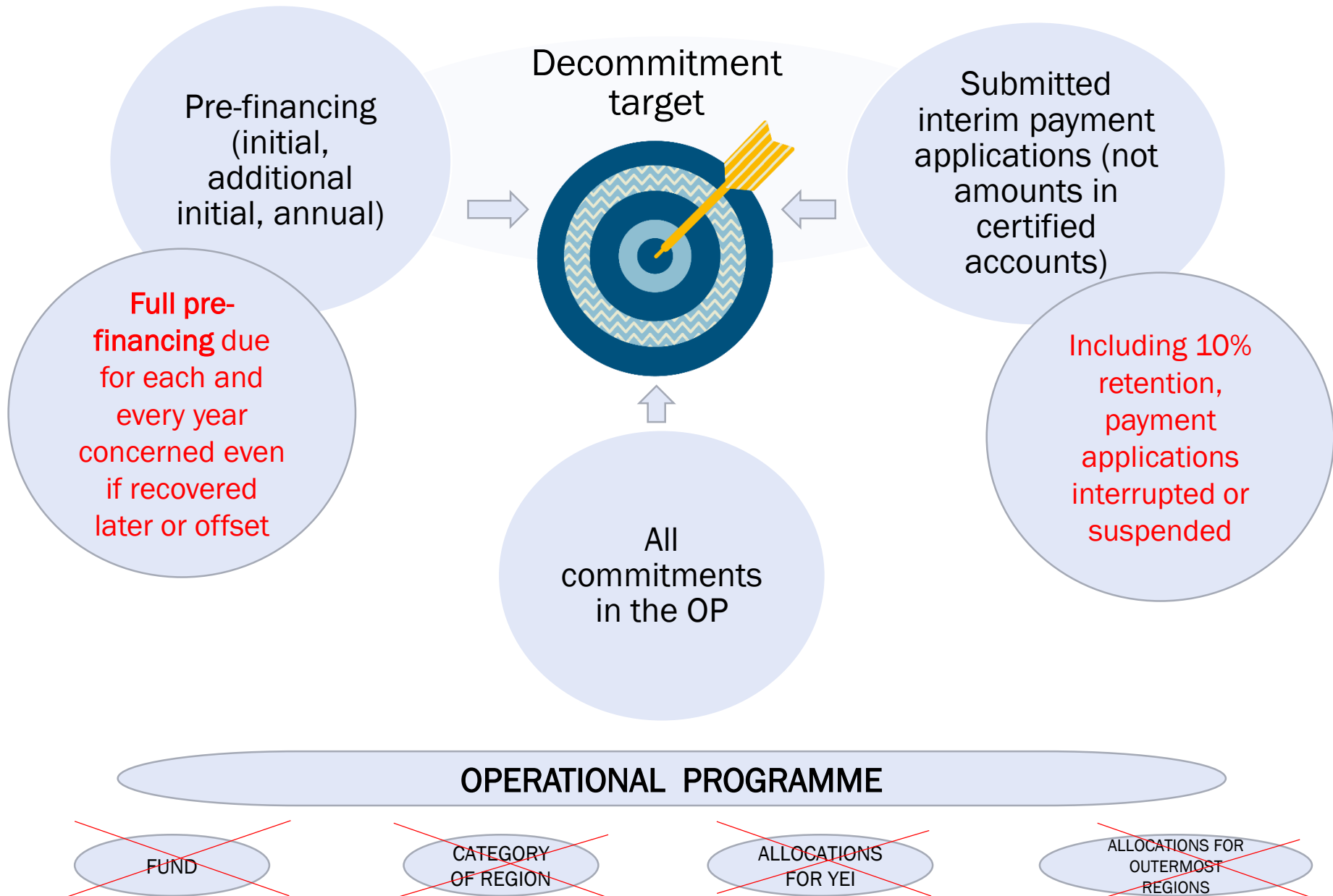
# Decommitment procedure - roadmap



# Decommitment procedure - roadmap



# Decommitment target



## ... NOT included in calculations of decommitment targets



Recoveries

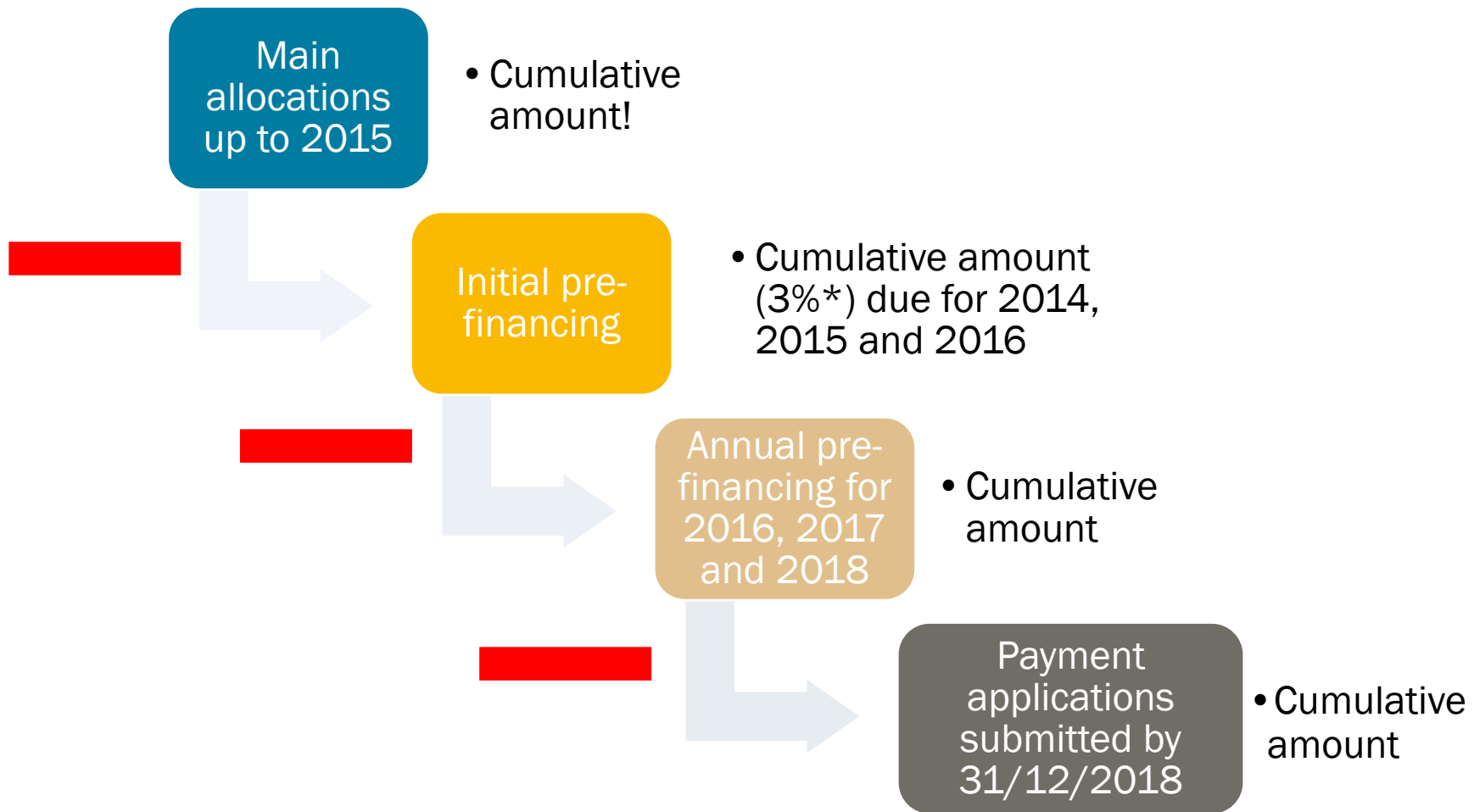
- *Offsetting of recoveries against future payments (pre-financing and/ or interim payments)*



Annual  
accounts

- *Results of examination and acceptance of accounts*

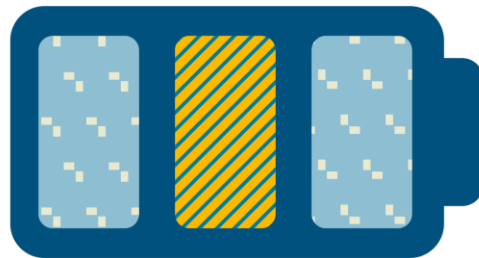
# e.g. calculation of target by 31/12/2018



\* For Greece – 10% (additional initial pre-financing: 3,5% in 2015 and 3,5% in 2016) – Article 134 CPR as modified by Article 1 of Regulation 2015/1839

# If a risk of decommitment materialises...

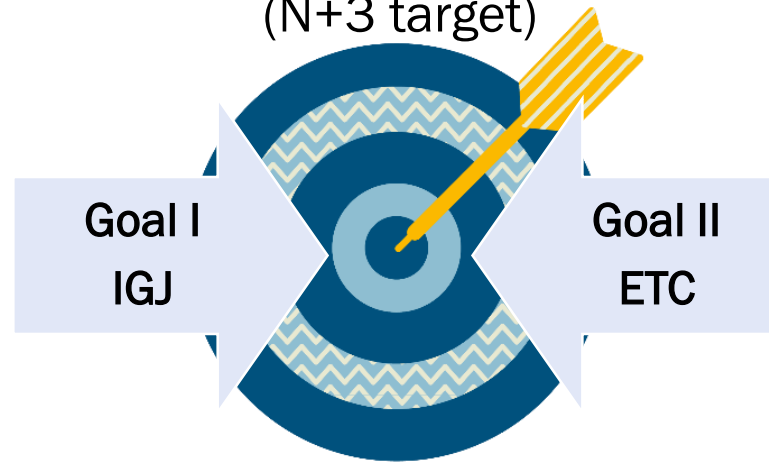
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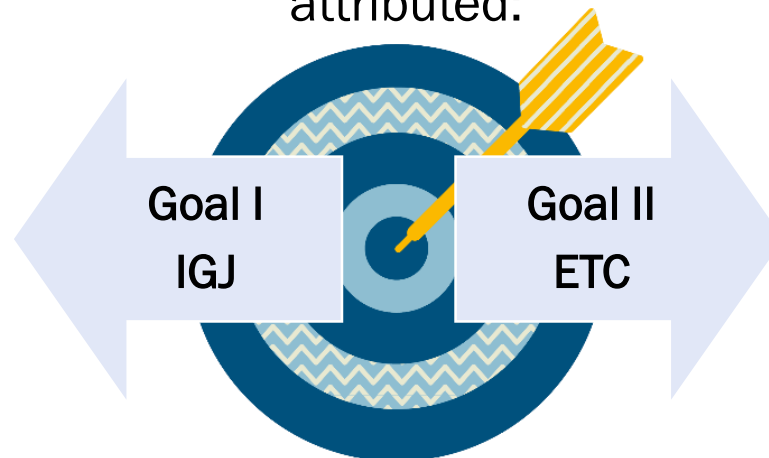


# Decommitment procedure and regulatory framework

Decommitment target  
(N+3 target)



Decommitment to be attributed:



- per Fund (Art. 92(1) CPR)
- per category of region (Art. 90(1) CPR)
- YEI specific allocation

- No division between categories of regions
- At level of OP!

# EGESIF Q&A following publication of decommitment procedure on 13 July 2017

## 1. What is the proof documentation for the exception to the decommitment (Article 87(a) and (b) CPR)?

- *Programme authorities should be able to produce any appropriate documentation demonstrating that there are legal or administrative proceedings in respect of the operation at stake which have suspensory effect on the implementation of an operation at stake under the national law or the Member State's judicial system (Article 87(a) CPR).*

# EGESIF Q&A following publication of decommitment procedure on 13 July 2017

2. If recoveries are offset against the annual pre-financing, how do I calculate decommitment target – using full amount of the pre-financing or offset amount?

- *Results of the examination and acceptance of accounts, including the recoveries, have no impact on the decommitment calculations (even if offset against future pre-financing). Additional initial pre-financing follows the same rules and is fully counted when calculating decommitment targets*

# Decommitment via Annual accounts

Decommitment target

Balance of annual accounts

CALENDAR YEAR  
1 January N – 31 December N

**BASIS**

ACCOUNTING YEAR  
(1 July N – 30 June N+1)

31 December N+3

**DUE**

To be cleared EVERY YEAR  
– 31 May N+1 – 30 days

**INCLUDED**  
Additional initial (Art. 134 CPR as modified by Art. 1 of Regulation 2015/1839)

**INITIAL PF+ADDITIONAL INITIAL**

To be cleared at CLOSURE of programme – Art. 81 CPR

**INCLUDED – FULL ANNUAL PRE-FINANCING**

**ANNUAL PF**

**ACTUAL ANNUAL PRE-FINANCING**  
(decreased amount if offset)

Submitted interim payment applications, not in certified accounts – **100%**

**PAYMENT CLAIMS**

**90%** of amounts in certified accounts

# Post-2020 – Outcomes from workshop on future simplification in ETC for post-2020

Issues addressed	Proposal/ explanations
<p>Designation and reporting (Art. 124 CPR – Procedure for designation of the MA and CA, Art. 21 ETC – Designation of authorities)</p>	<p>To abandon the designation procedure Not clear added value of designation System audit</p>
<p>MCS, Art. 72 CPR Annex III, CIR 1011/2014</p>	<p>Continuation, instead of re-inventing the wheel If continuation of the programme with the same MA, DMCS should not be changed Update of DMCS – in case rules changed on EU level If MA is new, new DMCS to be prepared</p>
<p>Control systems: Art. 23 ETC, Art. 125 CPR – Function of MA</p>	<p>To organize management verifications at programme level and to abandon the option to implement management verifications at MS level Stronger, more organized sampling approach for management verifications (no more 100% approach)</p>

# Post-2020 – Outcomes from workshop on future simplification in ETC for post-2020

Issues addressed	Proposal/ explanations
<p>Art. 127 CPR – Functions of the AA; Art. 7(1), Annex VII CIR 205/2015 – Audit of operations</p>	<p>Audit of operations – at Interreg level and no longer at programme level System audits through programme audit authority Sampling</p>
<p>Cash flow Art. 134 CPR – Pre-financing Art. 131 CPR – Payment applications</p>	<p>To introduce higher programme pre-financing connected with the committed amounts – the more funds are committed, the more pre-financing is received by the programme To make the advance payments made by programmes to the beneficiaries eligible to be claimed from the EC</p>

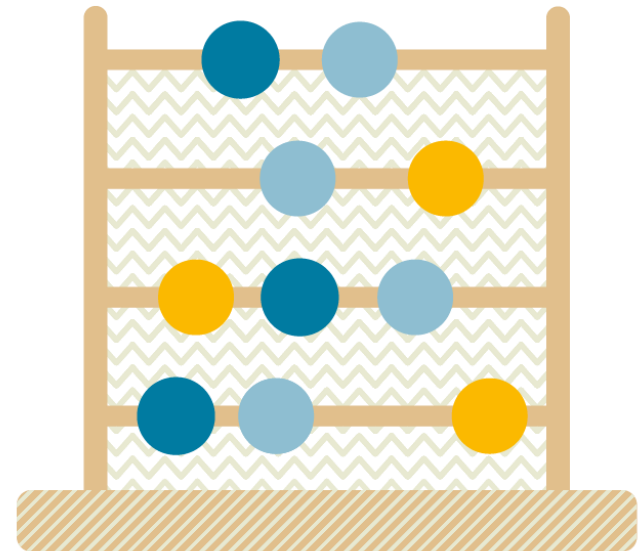
# Exercise – calculation of decommitment targets

Your task

- In pairs, calculate decommitment targets for the budget commitments of the programme for the programming 2014-2020.

For the feedback you are asked to:

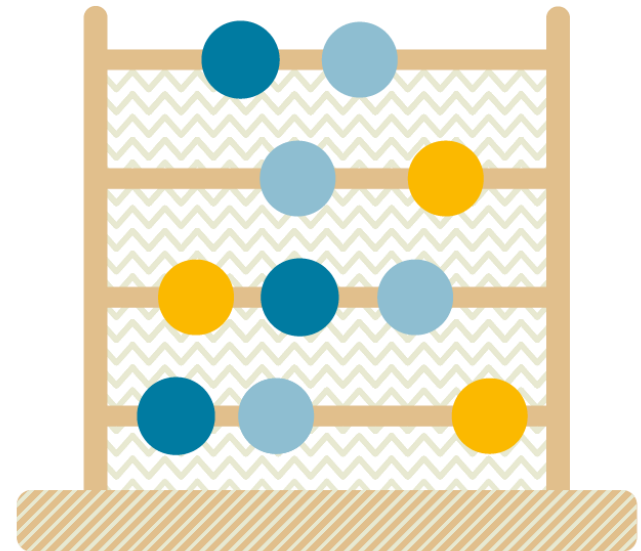
- be prepared to discuss your group's calculations with other groups.



# Exercise – calculation of decommitment targets - keys

[N+3 calculator – template for Interreg programmes](#)

[N+3 calculator – template for Interreg-IPA CBC programmes](#)





# Cooperation works

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All materials will be available on:

[www.interact-eu.net](http://www.interact-eu.net)