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Romania-Bulgaria CBC Programme 2007-2013 Funds Decommittment



Common borders. Common solutions.

Nice, France, 22nd of February 2018



Reasons for funds decommitment



External factors



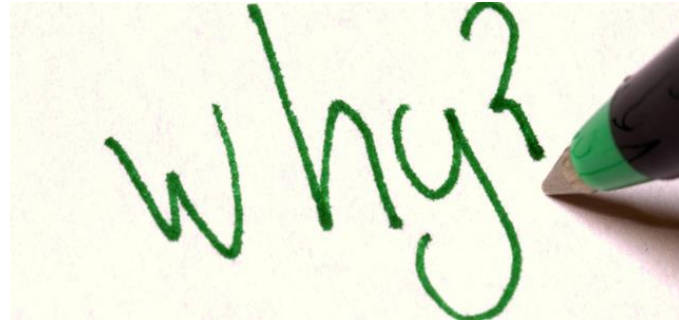
- Absorption targets set exclusively by EC (due to MFF)
- High absorption target set for the 1st year: ~15 Meuro (in 2011 for CBC) vs. ~ 4 Meuro (in 2018 for Interreg)
- Delays in reimbursement of amounts certified to EC
- EC Regulation 1083/2006, Art. 93 - *Automatic decommitment* - rules:
 - ✓ N+3 for 2007-2010
 - ✓ N+2 for 2011-2013
- Economic crisis - in 2014 amendment of EC Regulation 1083/2006, Art. 93 (2) for RO and SK - extending the n+3 rule for the entire programming period, **excepting ETC Programmes => in 2013 double absorption target** (n+3 for 2010 allocation and n+2 for 2011 financial allocation)



Reasons for funds decommitment



Internal factors



- 1st exercise for RO and BG under the principles and requirements of structural funds (post-accession EU funds)
- Non-observance of reimbursement schedules by the Programme beneficiaries
- Delays in project evaluation, contracting, important no. of contract addenda and notifications
- Public procurement procedures - delays, financial corrections etc.
- Economic crisis -> lack of beneficiaries financial capacity



How decommitment has been technically dealt with?



Target 2014

- Absorption target 2014: 37,949,588 Euro
- Amount certified to EC at 31 Dec 2014: 31,335,325 Euro
- Amount suspended (EC Reg. 1083/2013, art. 95): 1,516,451 Euro
- Amount decommitted (**from PA1, PA2, PA4**): **5,097,811 Euro**

Priority Axis	Fund	Community	Amount Decommitted	Amount suspended	New financial allocation per PA
1	2	3	4	5	6
1	ERDF	83,245,902	-2,036,334		81,209,568
2	ERDF	78,915,659	-1,922,188		76,993,471
3	ERDF	40,431,960	0		40,431,960
4	ERDF	8,659,644	-1,139,290		7,520,354
TOTAL		211,253,165	-5,097,812	1,516,451	206,155,353

Year	Structural Funding (ERDF)	Amount Decommitted (ERDF)	Structural Funding (ERDF) available
2007	32,528,986		32,528,986
2008	24,193,100		24,193,100
2009	28,646,754		28,646,754
2010	30,454,255		30,454,255
2011	28,580,186		28,580,186
2012	32,528,091	-5,097,812	27,430,279
2013	34,321,793		34,321,793
Grand Total	211,253,165	-5,097,812	206,155,353



What did we do to prevent further funds decommitment for 2007-2013?



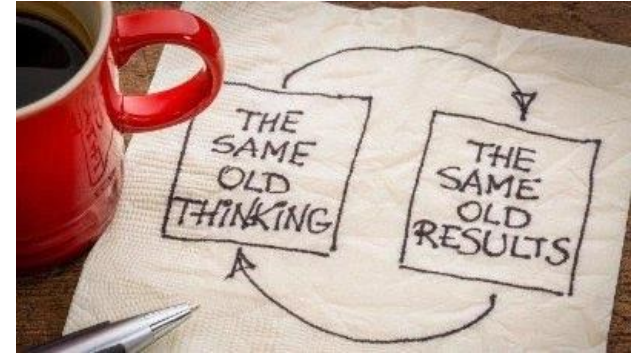
- Full contracting considering the potential economies of projects
- after an analysis of the budgetary execution of finalized projects
- Addenda for funds decommitment at project level in case of a budgetary execution under 100% (projects under implementation and/or finalized)
- Overcontracting: +135% of the Programme financial allocation



Lessons learnt



- Fast launch call for proposal asap (March 2015) after Programme approval (Febr. 2015);
- Dedicated call for proposal for hard projects (March 2015) - high values, long implementation period, finalization during 2018 = the 1st absorption target deadline
- **Automatic decommitment** of total budget at project level at half of the implementation period for lack of/weak performance:
 - ✓ financial execution lower than 75% as initially estimated - 10% decommitment
 - ✓ financial execution lower than 50% - 25% decommitment
 - ✓ ***Without prejudice to beneficiaries' obligation of implementing the project according to the approved AF***





Final absorption rate for Romania-Bulgaria CBC Programme 2007-2013



Initial ERDF financial allocation: 217,823,757 Euro
Total ERDF decommitted: 11,668,404 Euro
Final ERDF financial allocation: 206,155,353 Euro

Final absorption rate: 92.94%

=ERDF certified to EC vs. **initial** Programme ERDF financial allocation (**before** the funds decommitment)

- ✓ Includes the amount certified to EC in the final application of payment (closure doc.)
- ✓ Depends on the EC analysis of closure package of documents which will decide on the final balance



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Thank you!



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