

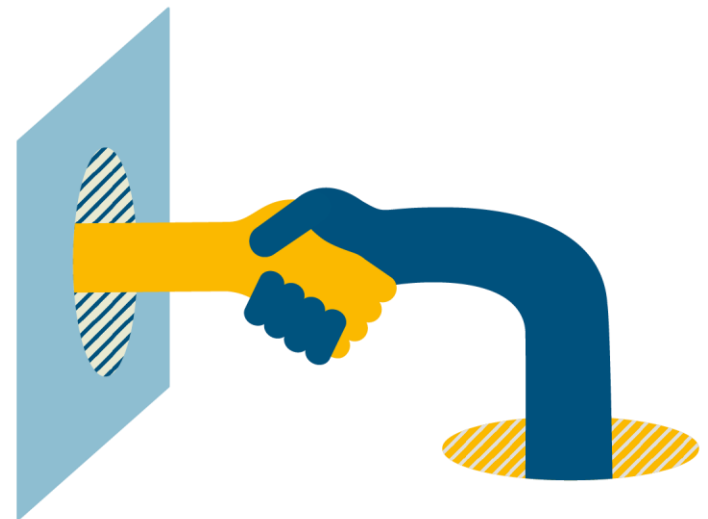
# Results of the Survey

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

22 February 2018 | Nice, France

**Aija Prince, Interact**



# Survey on 2007-2013 spending

(February 2017)

## WHY?

- to sum up the experience of previous programming period
- to provide recommendations and support

## RESULT

- The spending level achieved **during 2007-2013**
- The main bottlenecks identified
- Trends detected to ensure high spending level
- The **main methods** used to overcome challenges and to increase overall spending levels
- Ideas for current period



# Summary

- Initiative of one Interreg programme
- Survey conducted in February 2017
- 26 out of 77 programmes participated
- ~ 34% of all programmes from 2007-2013
- Participating programmes with 45. – 400. Meuro budget



**What was the average final spending rate per programmes participating in the survey (2007-2013)?**

Mentimeter  
Question



# **The average final spending rate per programmes participating in the Survey (2007-2013)**

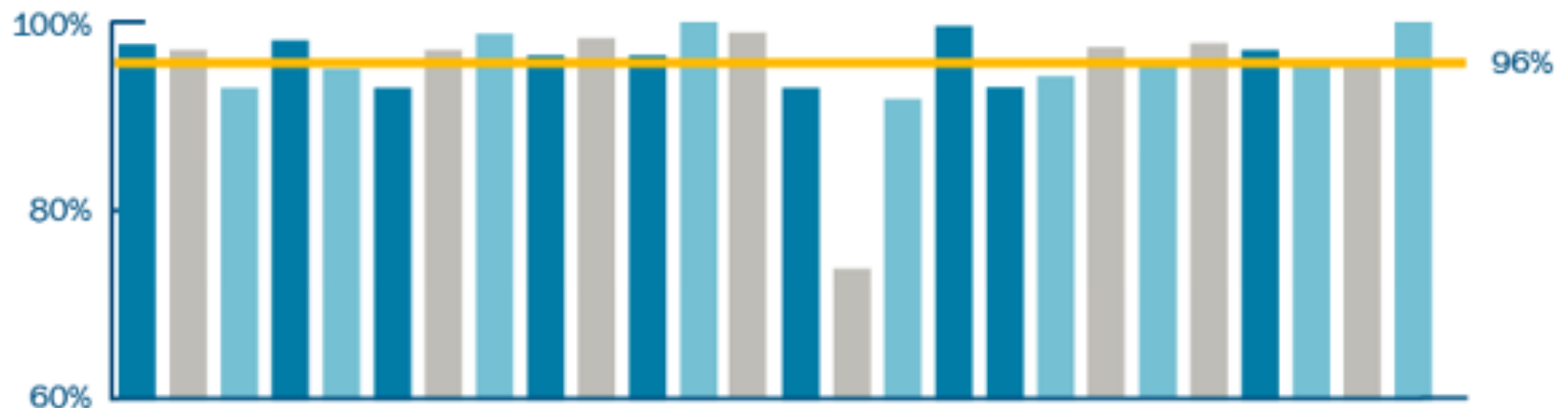
**c) 95%**



# Programme spending level

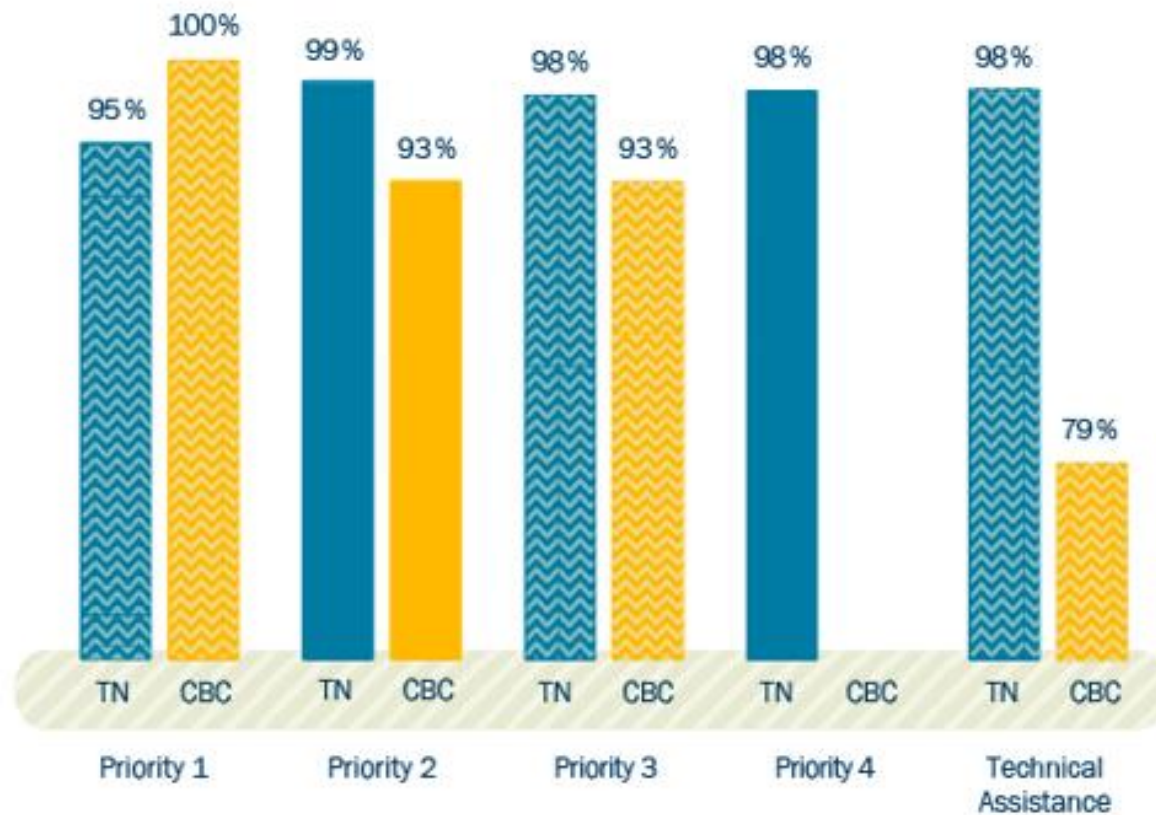
Final spending rates – 73% - 100%

Average per programme

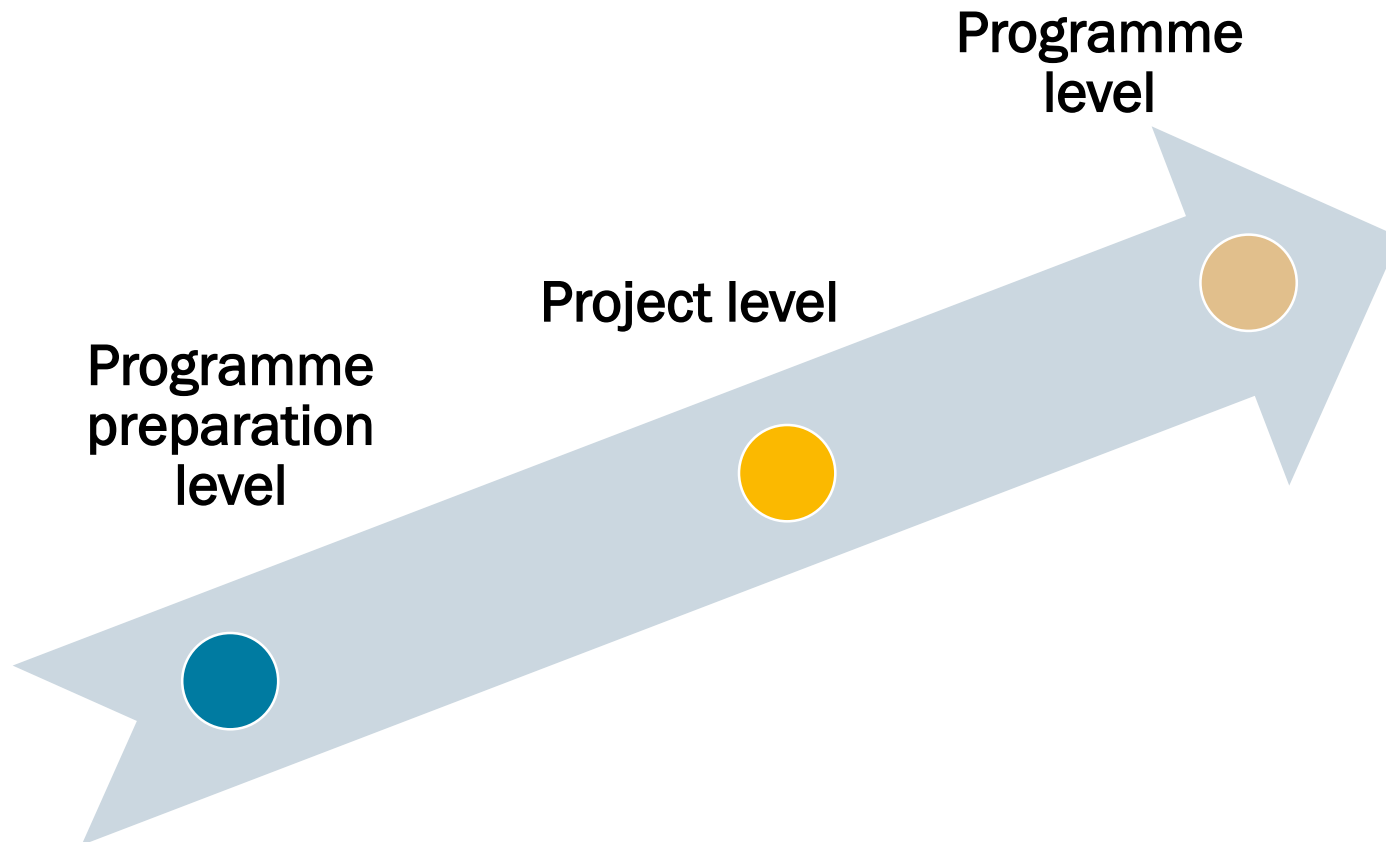


# Programme spending level (2)

## Spending per priority (example)



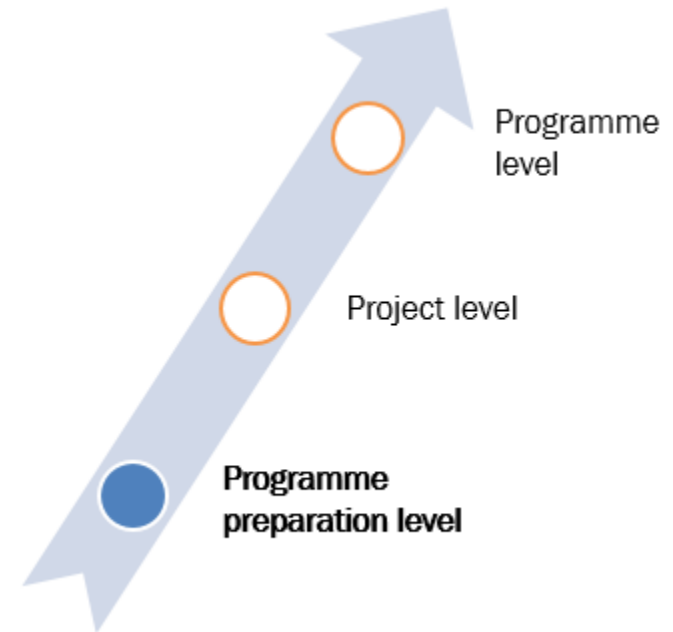
# Factors influencing programmes spending





# Factors influencing programmes spending

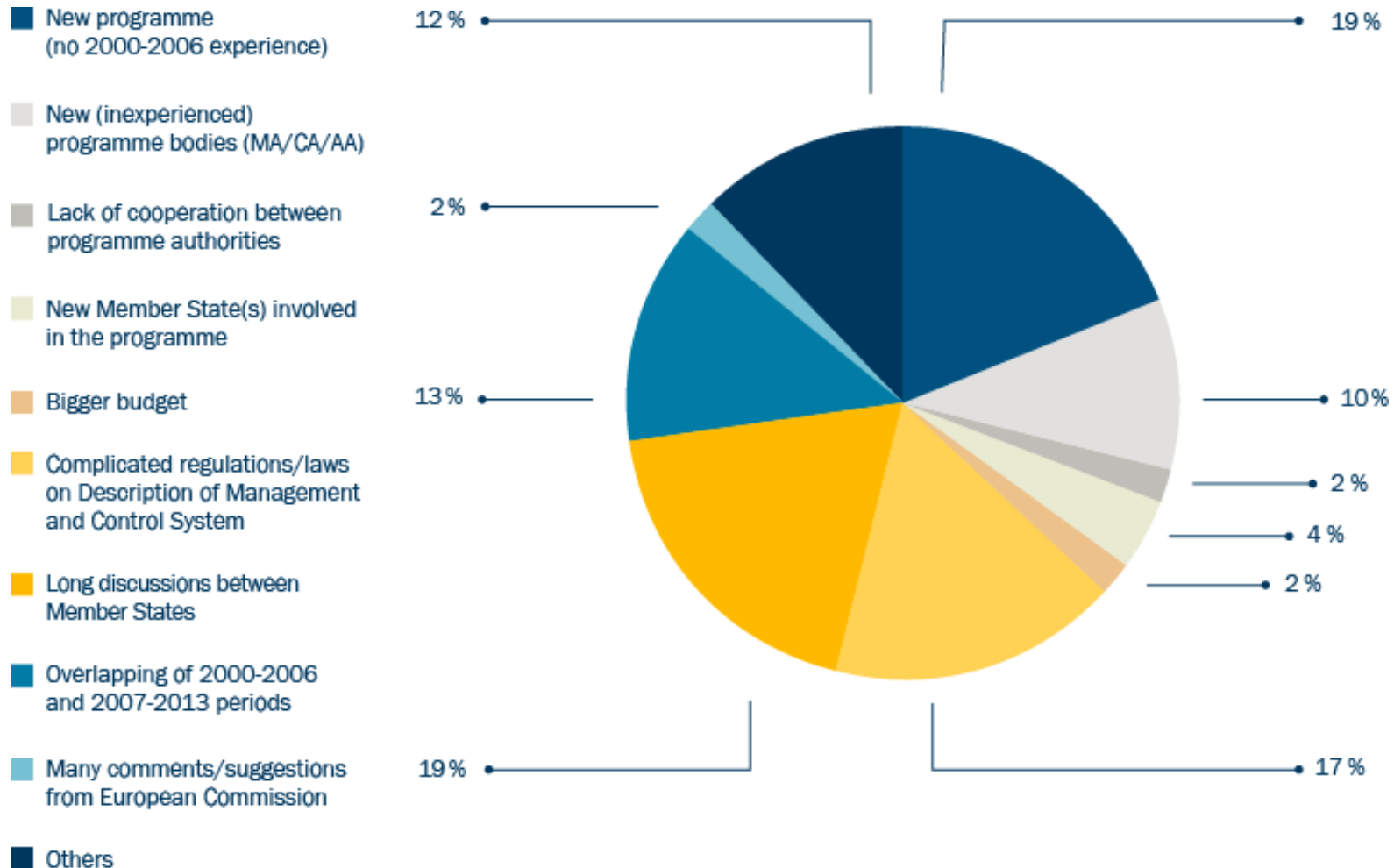
- Approval of OP
- Application procedures
- First calls, reports and reimbursements
- The percentage of budget allocations to the 1st call
- Planning calls
- Additional calls
- Over-commitment
- Waiting list(s)
- Changing co-financing rates
- Additional allocation to already approved projects, other



# Operational programmes approval



# Reasons for late programme approval



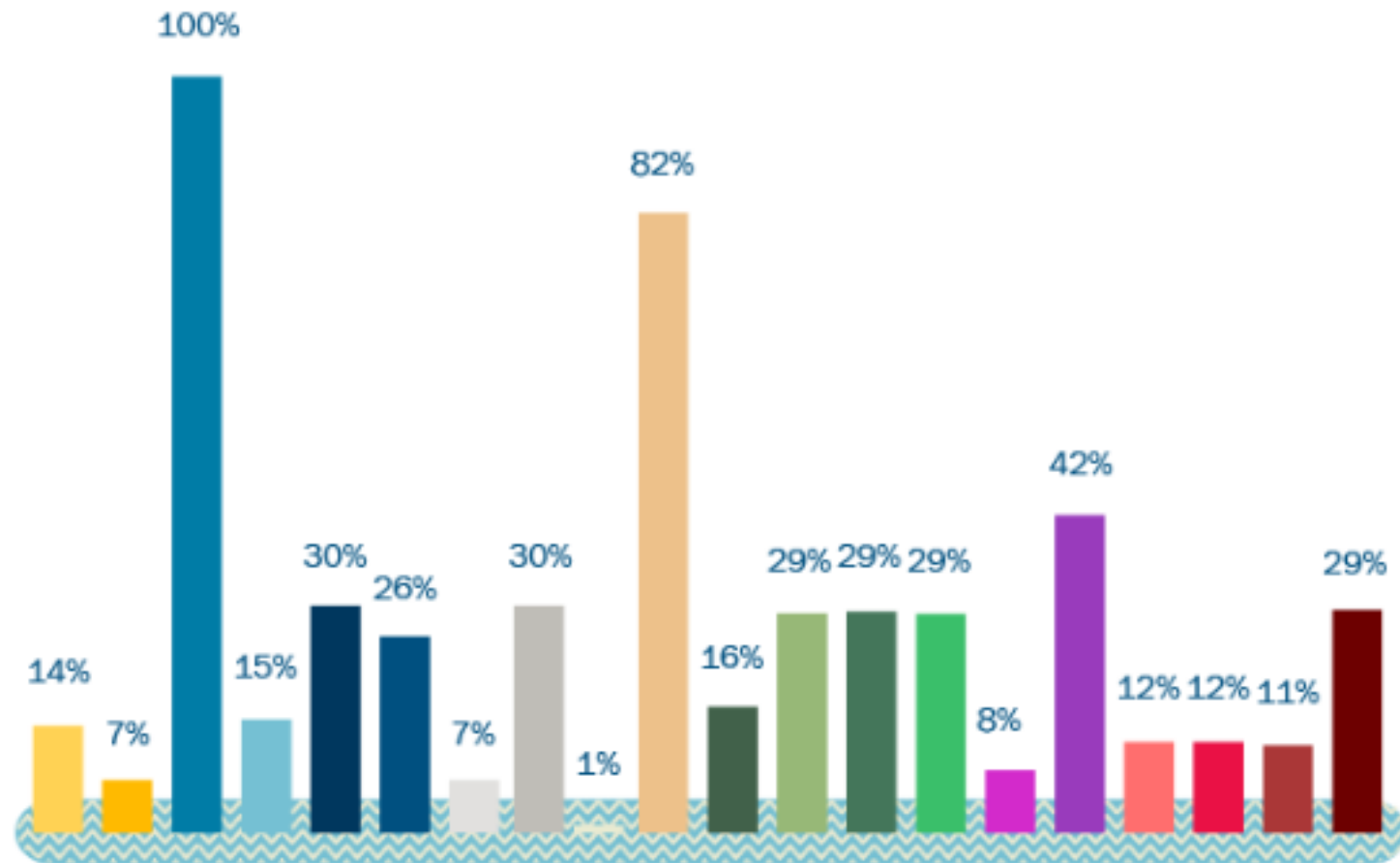
# Application procedures



# Period between the first call opened and the first reimbursement of the programme

Period	The shortest	The longest
Time between first call opened and first projects contracted	4 months	14 months
Time between first projects contracted and first reports submitted	3 months	11 months
Time between first reports submitted and first reimbursement	Less than 1 month	12 months
Time between first call opened and first projects reimbursement	11 months	23 months

# The percentage of budget allocations to the first call



# Planning calls

Calls	Planned	Reality
Minimum	1 / year	6
Maximum	22	22 (18 regular and 4 additional)



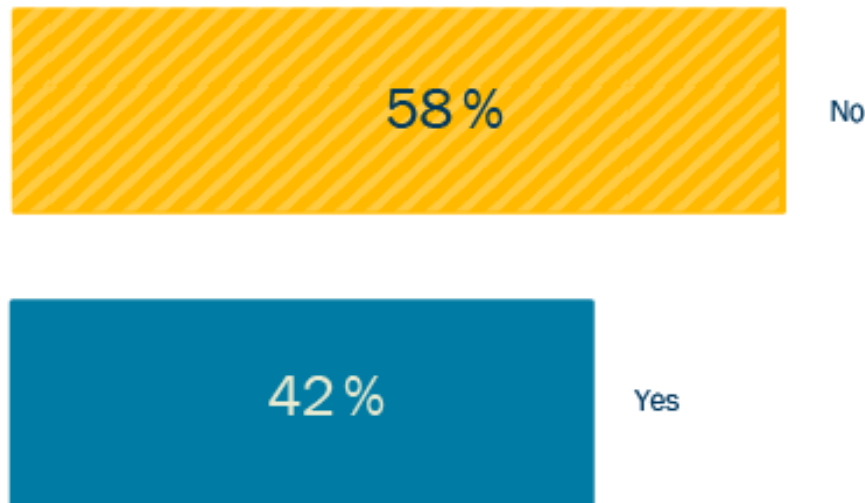
# Why approval rate was not achieved?

- Lack of qualitative projects received;
- High number of irrelevant/not eligible applications
- Difference between planned and actual rate was high during the first and second year of the programme implementation, later improved
- Enlargement of the eligible area
- Work with organisations not used to EU projects management
- New, pilot programme
- Resources in some measures were used very early, while the quality of projects within other measures was considered low.





# Additional calls



- restricted to just some beneficiaries
- restricted to just one/some of the programme priorities or topics
- calls for clusters, 100% ERDF financed, there were three themes: maritime environment; economic development and eco-construction/energy-efficiency
- seed money calls and calls for extensions for the ongoing projects
- calls for short projects with limited budget
- regular additional calls, with no budgetary or thematic restrictions

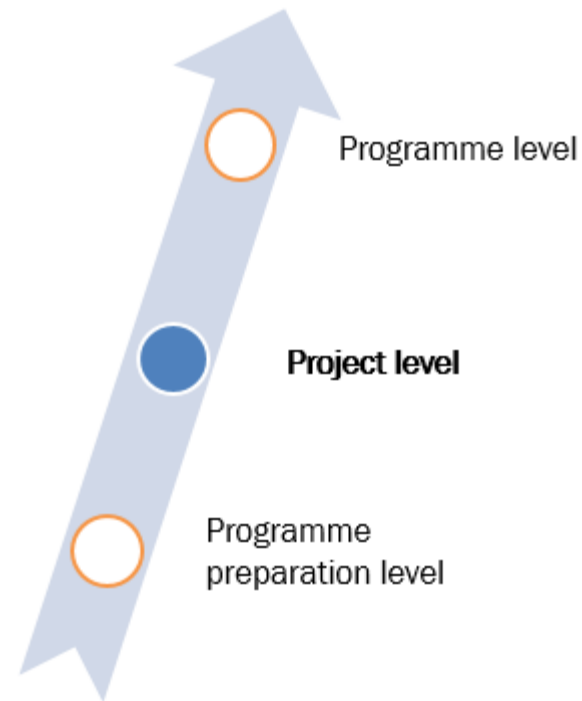
# Additional allocations to already approved projects



- projects could apply for additional funding to cover some additional activities
- projects could get additional funding for capitalisation activities
- projects received additional allocations to cover overspending of their budgets
- special calls for extensions for the ongoing projects

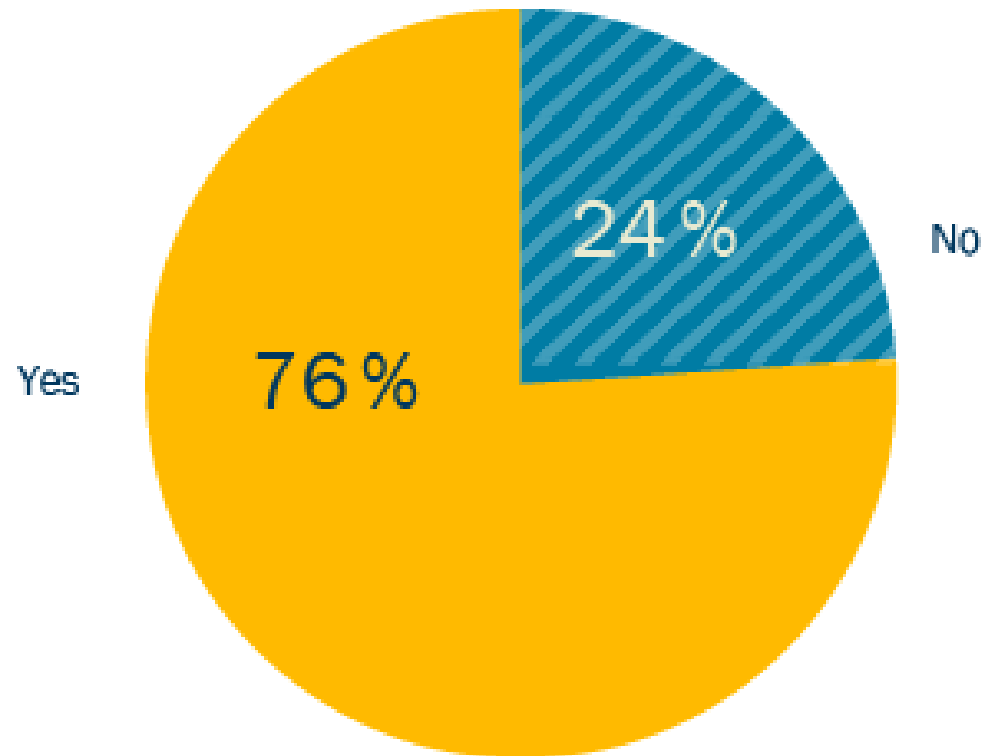
# Factors influencing programmes spending (project level)

- Projects spending forecast
- Projects reporting
- Projects budgets cuts
- Projects modifications
- Reimbursements



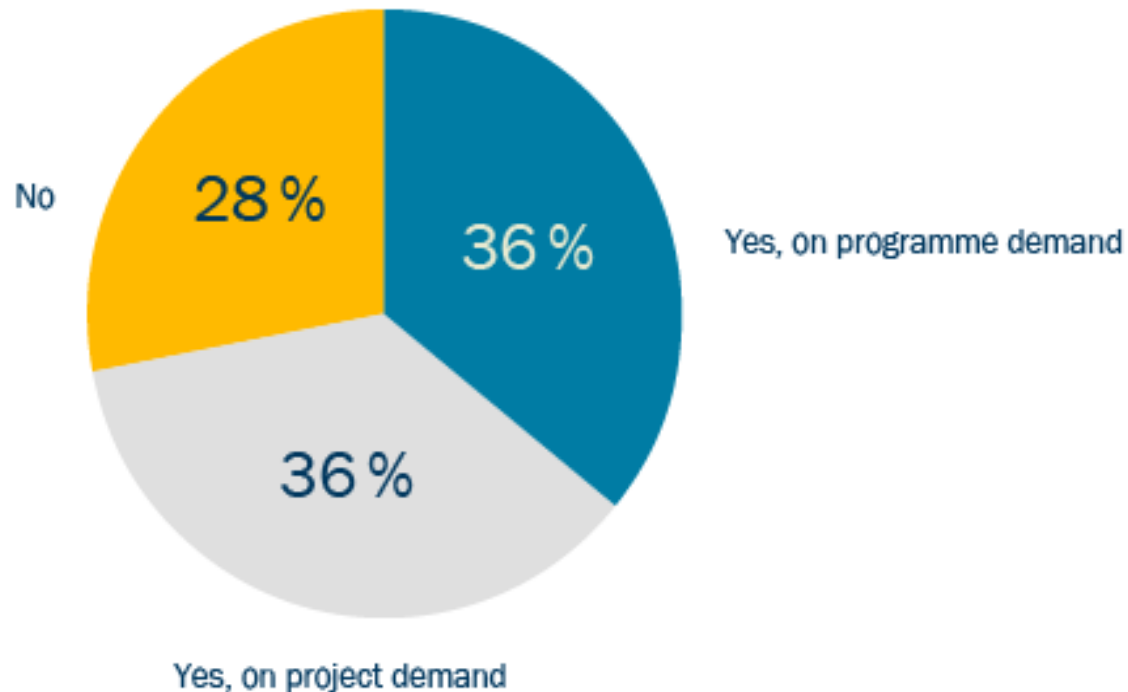
# Spending forecast

Were projects asked to forecast spending in the Application Form?

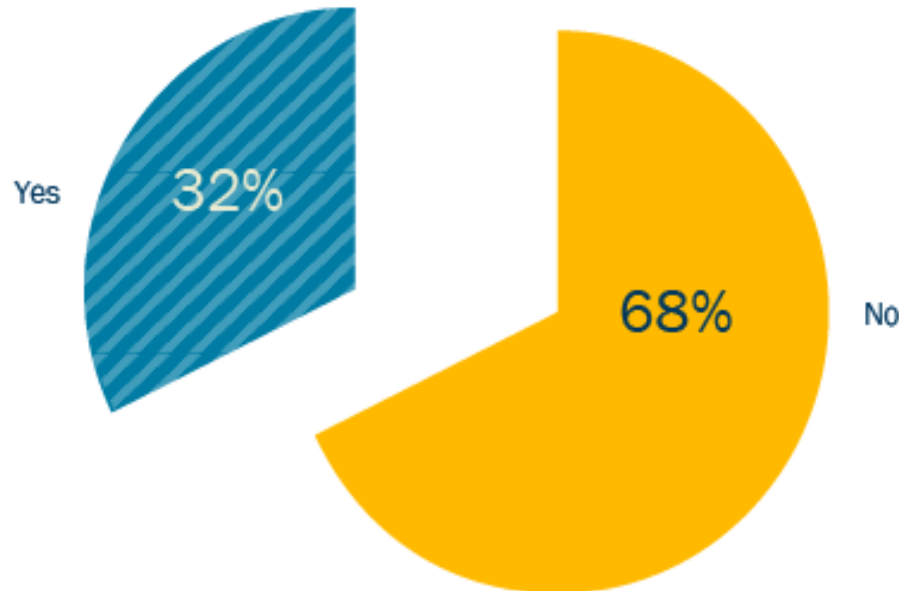


# Project reporting

Were additional/ interim reports allowed or requested?



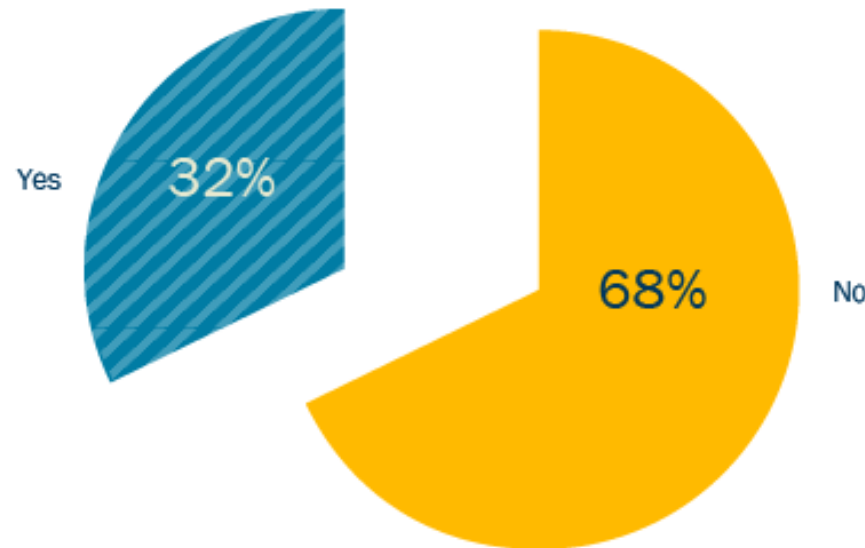
# Project budget cuts



- if project underspends during the first 4 reports, its budget would be cut accordingly
- after the third project report, in case of significant underspending budget cuts were discussed with the lead partner and were approved by the MC
- underspent amounts were checked close to the end of projects and cut.

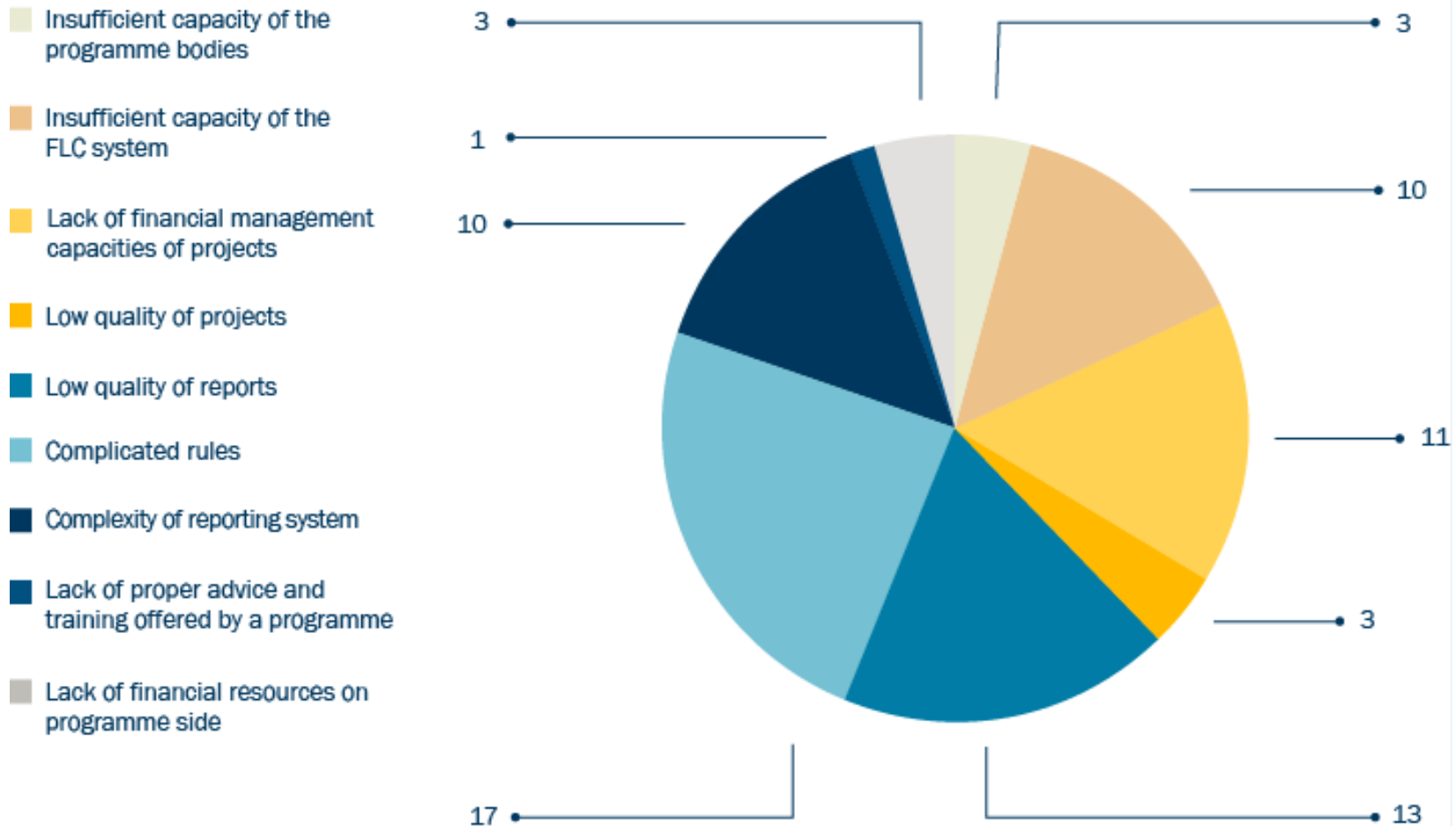
# Project modifications

Were there any limits on how many modifications were allowed per year or project lifecycle?



- projects could only undergo one 'major' budget change (minor changes were covered by a flexibility rule to be reported with the progress reports)
- one budget modification per lifetime
- only 2 modifications per project lifetime
- once a year
- maximum 3 modifications two times a year
- as a rule, one major (significant) change once in the project lifetime

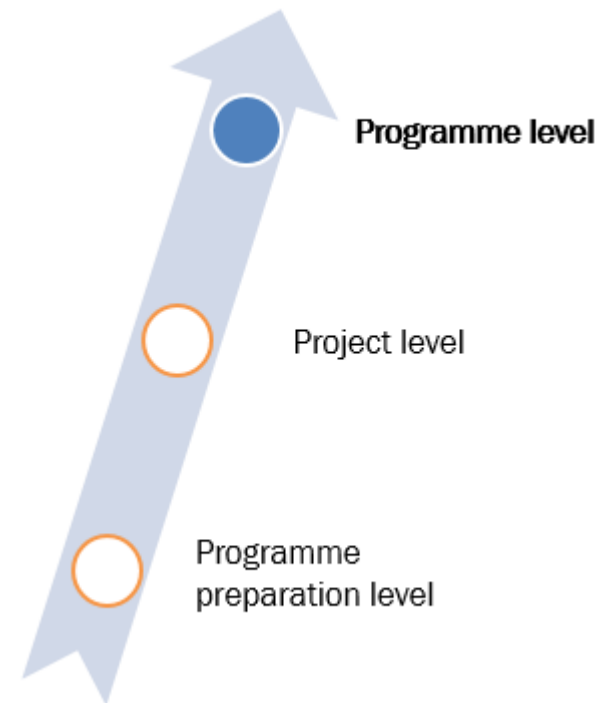
# Bottlenecks in project reporting





# Factors influencing programmes spending

- Management and control systems
- Decommithment
- Error rate
- Programme interruptions
- Payment claims to EC
- Modifications of the OP
- Programme closure



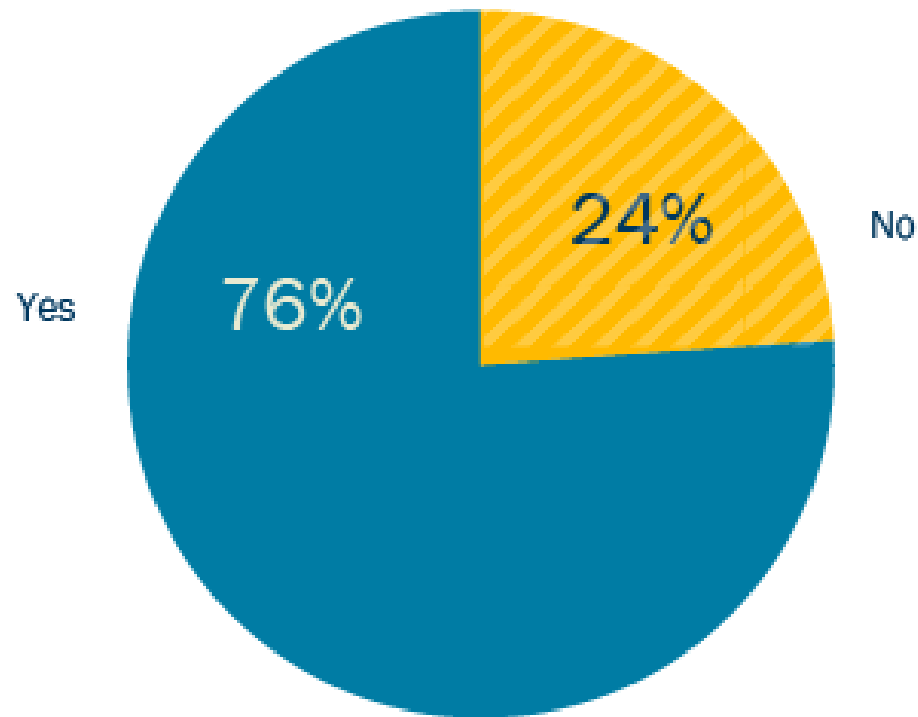
# Decommitment

Did your programme face decommitment?



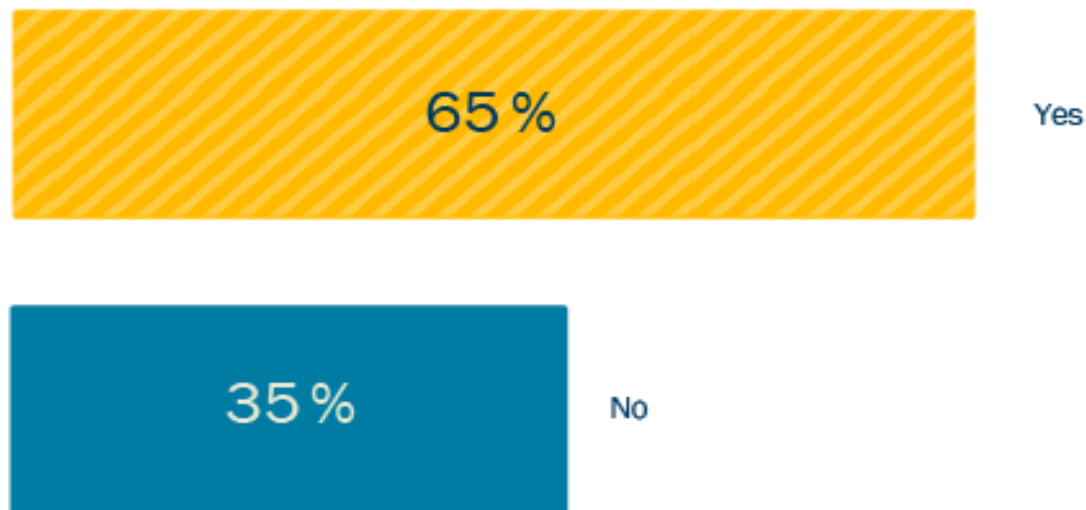
# Error rate

Have you ever exceeded the 2% error rate?



# Programme interruptions

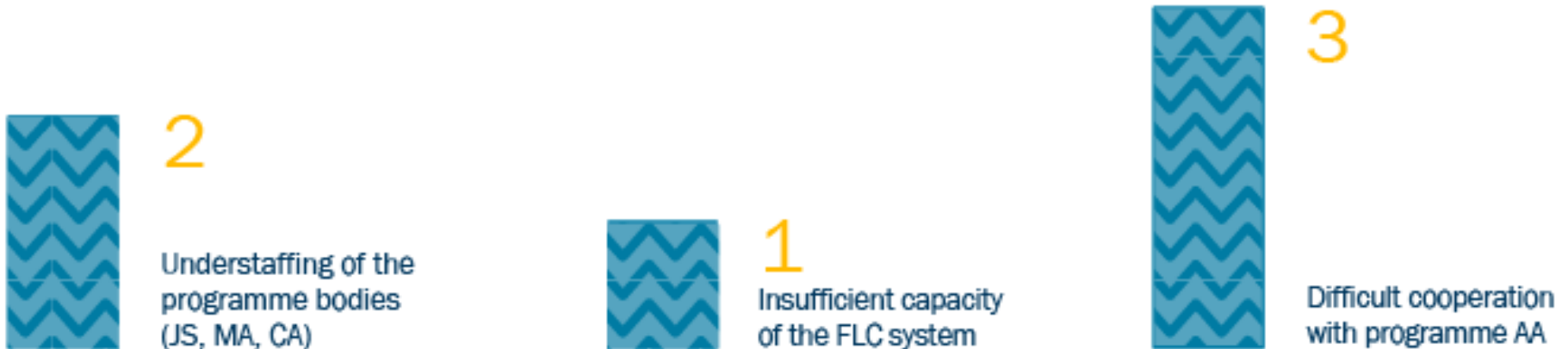
Did your programme face interruption?



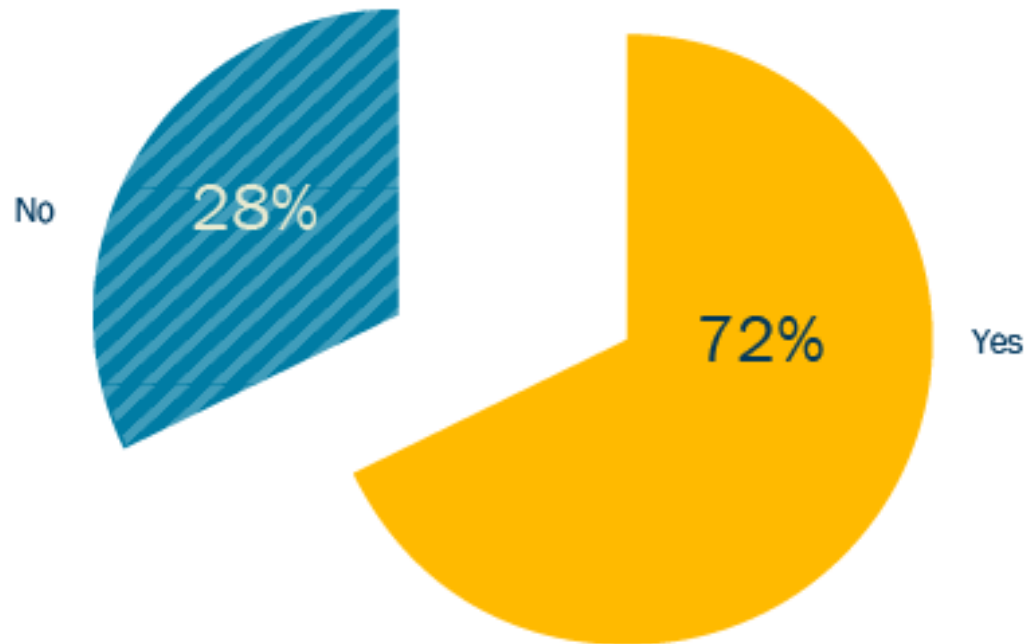
## Reasons

- exceeded error rate at the programme level
- system audit findings like First Level Control system failures
- general deficiency of the management and control system
- delays on the Audit Authority side

# Bottlenecks in programme claiming from the Commission



# OP Modifications (incl. budget reallocations)



# Programme closure

Did you use the 10% flexibility rule over priority axis at closure?

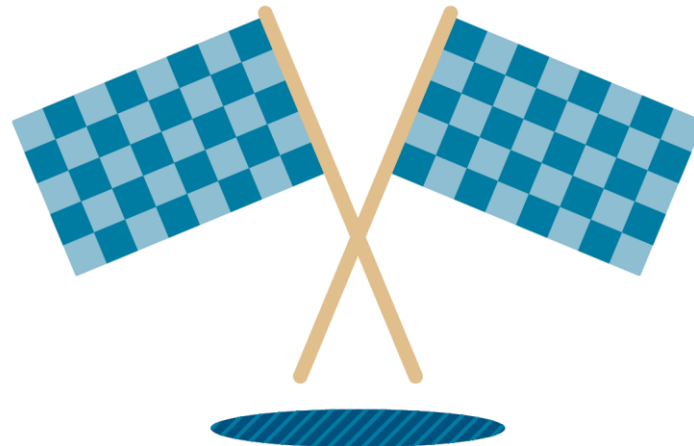


How is the 5% retention financed?

- Member States own budget
- National co-financing for TA
- Interest on the programme account
- Regional funds

# Conclusions

- 2007-2013 was a challenging period
- National co-financing for TA
- Really high spending rate among participating programmes
- There is not one universal method to ensure high spending rate
- Mixture of available methods is the best solution
- Effective use is the key i.e. best use of as much funds as possible for implementation of valuable and high quality projects!

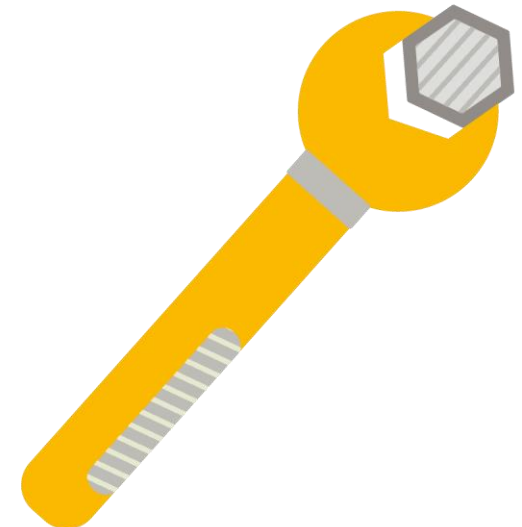




# Mostly used methods

Over 50% of participating programmes used the following methods:

- Additional funds allocated towards already approved projects
- Obligatory projects spending plans in the Application Form
- Allowing many projects modifications
- Allowing additional / interim projects reports
- Modifying their own Operational Programme.



# Other commonly used methods

Over 30% of participating programmes used the following methods:

- Organisation of additional calls
- Over-commitment of funds
- Waiting list(s) of projects to be approved once funds are available
- Cutting the budget of under spending projects



# What programmes are planning to use in 2014-2020 period?

Measures planned	Amount of programmes planning to use	% of programmes planning to use
Over commitment of funds	11	42 %
Waiting lists of projects	10	38 %
Additional/targeted calls for proposals	13	50 %
Additional allocations to existing projects	7	27 %
Close monitoring of project spending	16	62 %
De-commitment of project budgets in case of underspending	11	42 %

# What programmes are planning to use in 2014-2020 period – other methods?

- n+1-rule with automatic de-commitment for projects,
- limitation of project extension time: only once and in principle for maximum 1 year,
- mid-term project review,
- obligation to decrease budget when there are savings after the finalisation of major public procurement procedures in the projects,
- targeted calls for regular projects,
- 50% pre-payment to project partners after submission of partner reports,
- use of flat rates and lump sum,
- bridge financing from national state budget.

# Cooperation works

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All materials will be available on:

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