

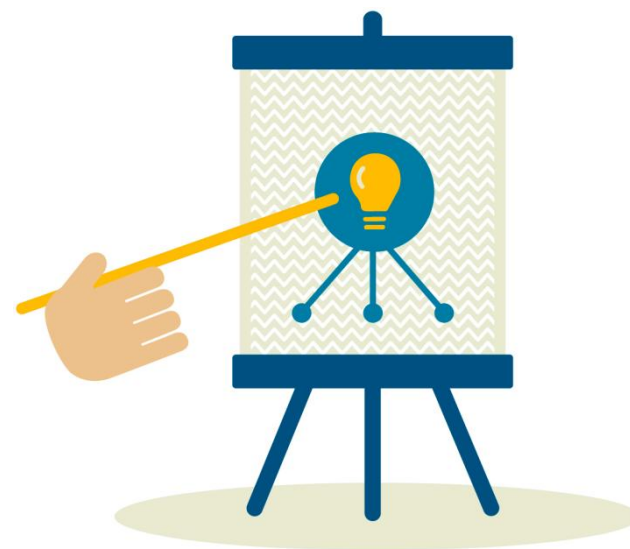
# CBC/ IPA-CBC finance network meeting

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Welcome and Introduction

16 - 17 October 2018 | Geneva,  
Switzerland

Interact team



# Housekeeping

- Timing
- Fire exits
- Electronics and mobiles
- Breaks/ lunch breaks
- Questions
- Be physically and mentally present
- Share experience, network!
- Feedback



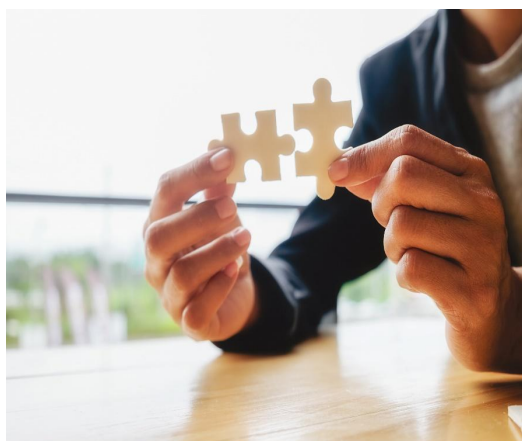
# Why did we come to Geneva?

## To Do List

1. *Lake Geneva*
2. *Maison Tavel*
3. *Palais des Nations*
4. *Parc des Bastions*
5. *FONDUE AND  
CHEEEEEEESE!!!*



# Meeting objectives



# Agenda

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## Day 1

Welcome and Introduction

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Interreg CBC financial implementation

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Managing programme's financial  
implementation

- Programme cash flow
  - Decommitment
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## Day 2

Financial audit and control, irregularities

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Eligibility of expenditures, SCOs

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Omnibus regulation and future

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AOB

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# Questions from registration

## Day 1

Questions	Covered in session:
Challenges related to programmes financial implementation (3)	Session 'Managing programme's financial implementation' – Day 1
Financial consequence at programme level in case of non-performance, modifications of OP Financing Plan/ thematic concentration	
Decommitment and how to avoid it (3)	
Risks for the current programming period 2014-2020 (2)	Partly in session 'Interreg CBC programmes financial implementation' – Day 1 AOB



# Questions from registration

## Day 2

Questions	Covered in session:
Role of National authority in managing irregularities and related recoveries within the programme	Session 'Financial audit and control, irregularities' - Day 2
Financial audit and control and different levels of control (2), possibility to perform samples verifications, Irregularities needed to be reported to OLAF; irregularities – sampling methods	
Eligibility of expenditures (2); Staff costs settlement, 1720 hours method - shall we handle with it like with the standard SCO, shall the hourly rate considering the exact person be determined in advanced, in the subsidy contract?	Session 'Eligibility of expenditure and SCOs' – Day 2

# Questions from registration

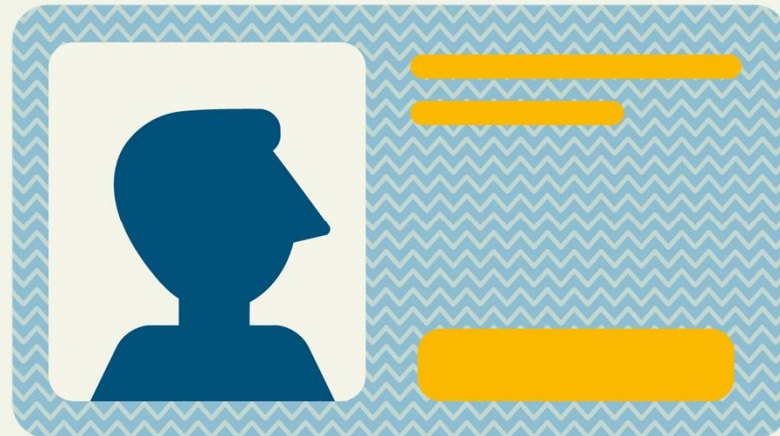
## Day 2 (continuation)

Questions	Covered in session:
SCOs in post 2020 (5)	Session 'Omnibus regulation and future' – Day 2
Post 2020 (3), future regulations, TA as flat rate	
How will Omnibus regulation affect Interreg programmes (5) and its direct impact on ETC Regulation	
Control system post 2020	Session 'Financial audit and control' + session 'Omnibus regulation and future' – Day 2
Examples with revenues generated by the projects and how it will be identified during the implementation, projects which state aid.	AOB
Pre-financing/ results of annual accounts	Event 'Annual accounts' from 2 October, read report on the website + AOB





# Introduction



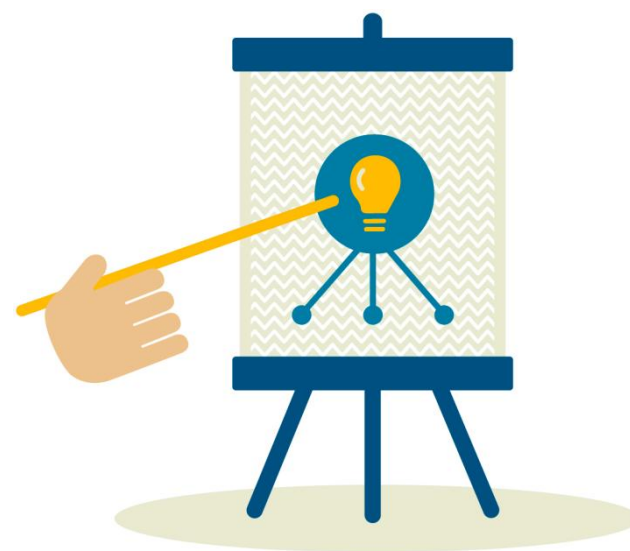
# Programmes' financial implementation

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Network meeting of finance officers of  
Interreg CBC and IPA-CBC programmes

16-17 October 2018 | Geneva, Switzerland

Malgorzata Zdunek, Interact



# Who is here?



Interreg V - A: 14

Interreg IPA CBC: – 9

NA Cyprus - 1

Interreg VC (IN): 3

EC DG Regio - 2

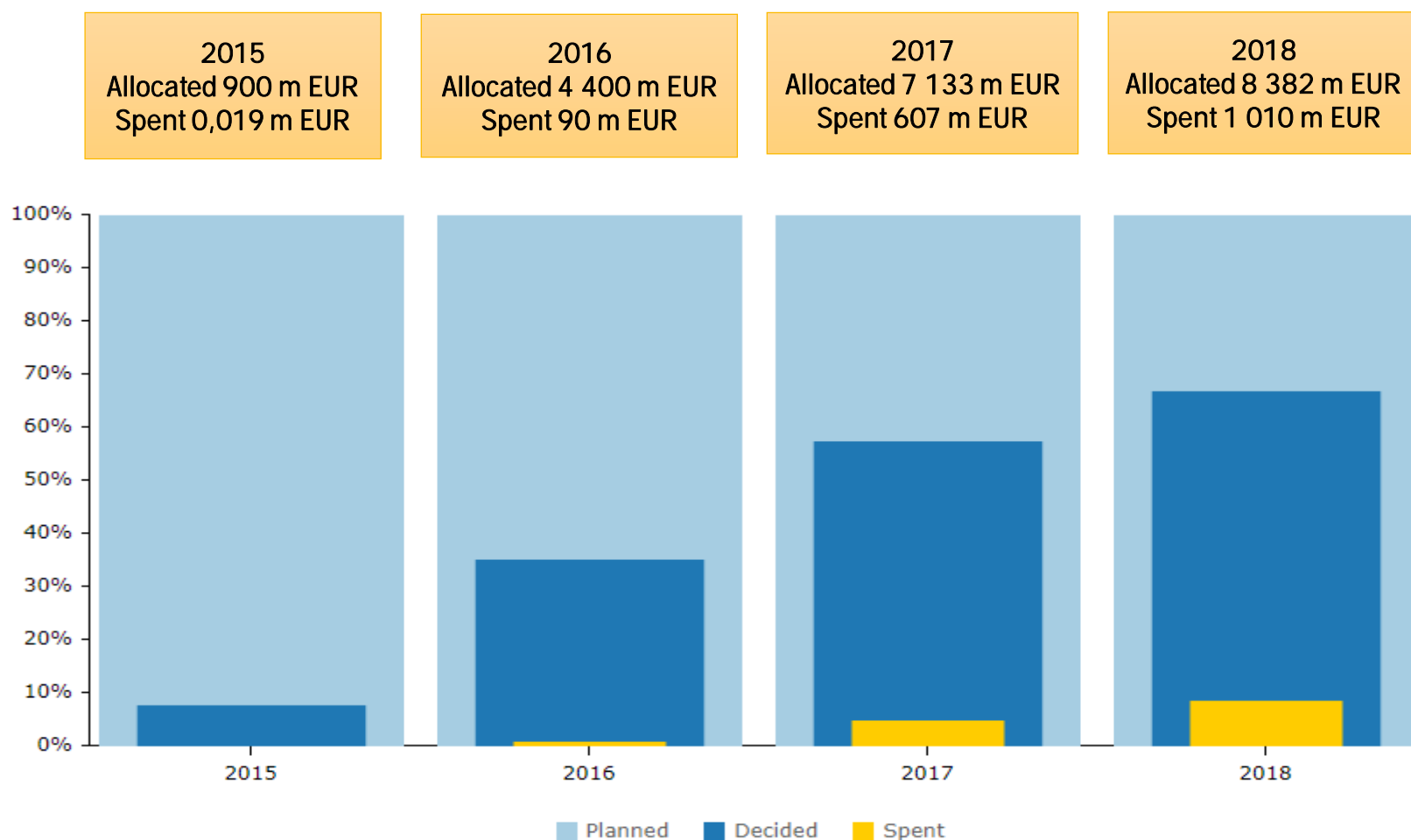
Post it time!

Current stage of  
programmes'  
financial  
implementation



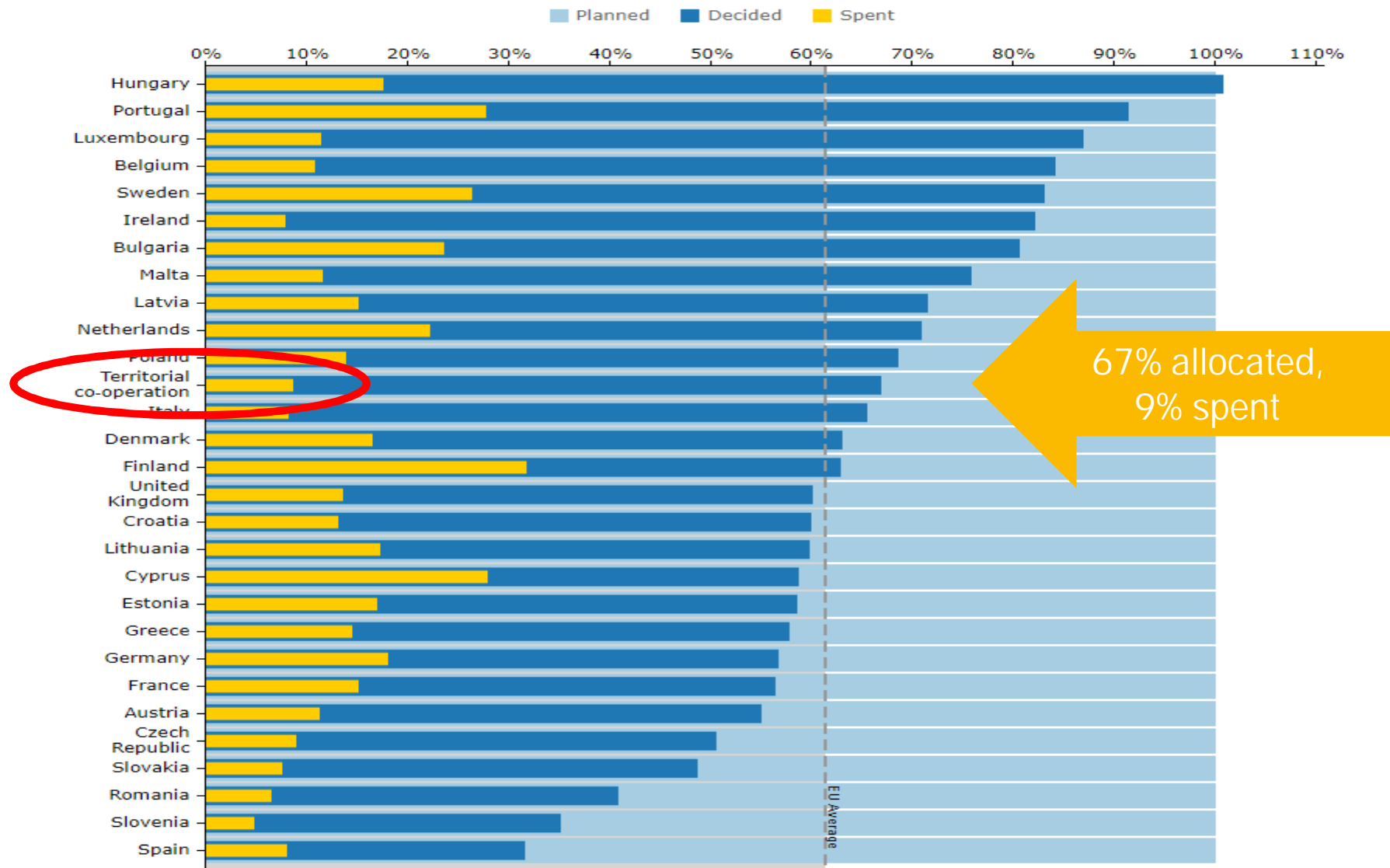


# Interreg 2014-2020 EU allocated and spent



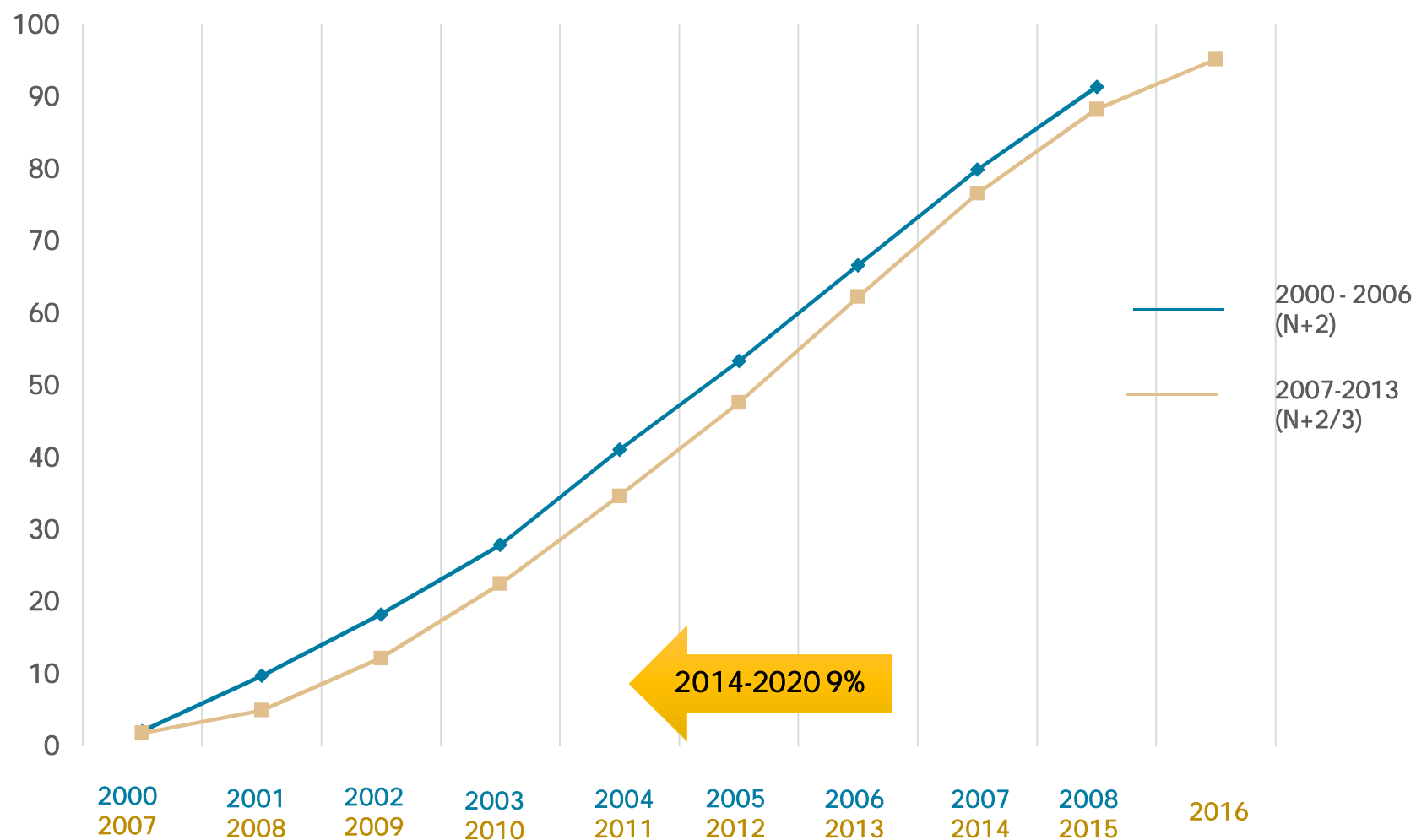
Source: Regional Policy 2014-2020, Cohesion Data

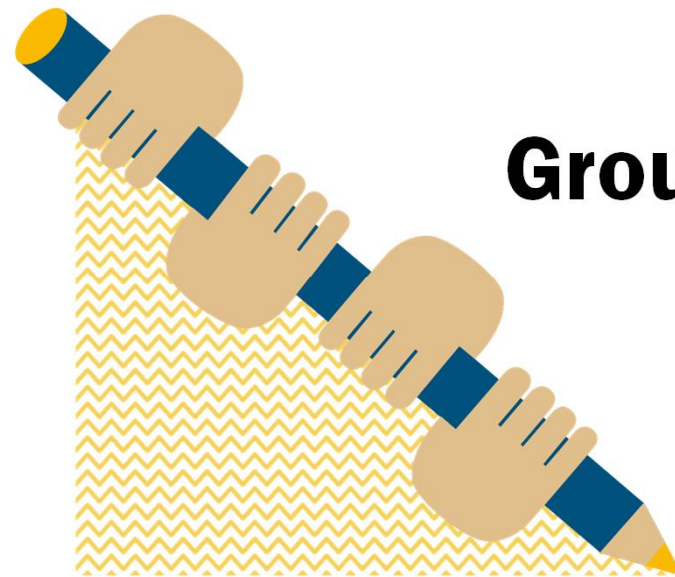
# ERDF 2014-2020



Source: Regional Policy 2014.2020, Cohesion Data – state as of 30.06.2018

# ERDF absorption rate, EU28





## **Group work**



# Group work!

## Timing:

20 minutes

## Task:

- Share with others main problems and challenges faced
- Discuss the reasons of delayed implementation



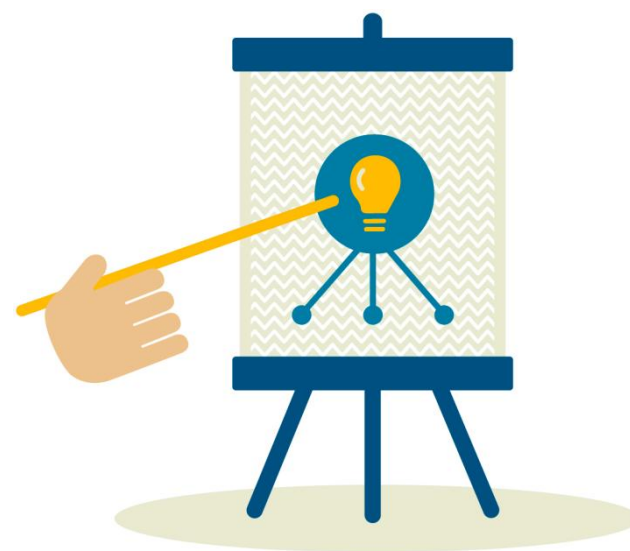
# Managing programmes' financial implementation

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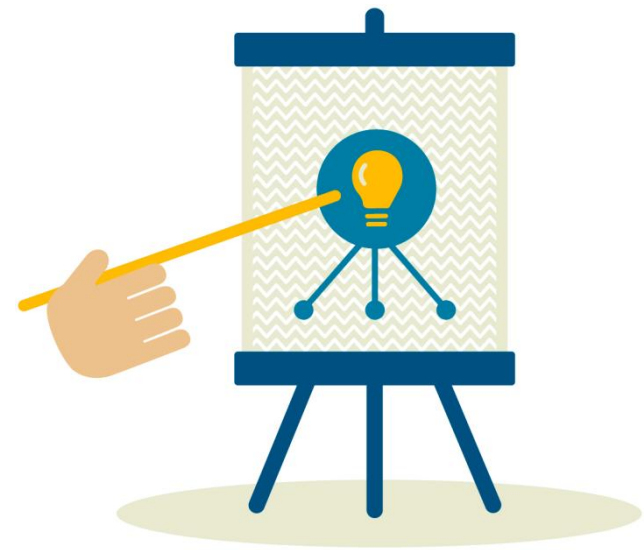
Network meeting of finance officers of  
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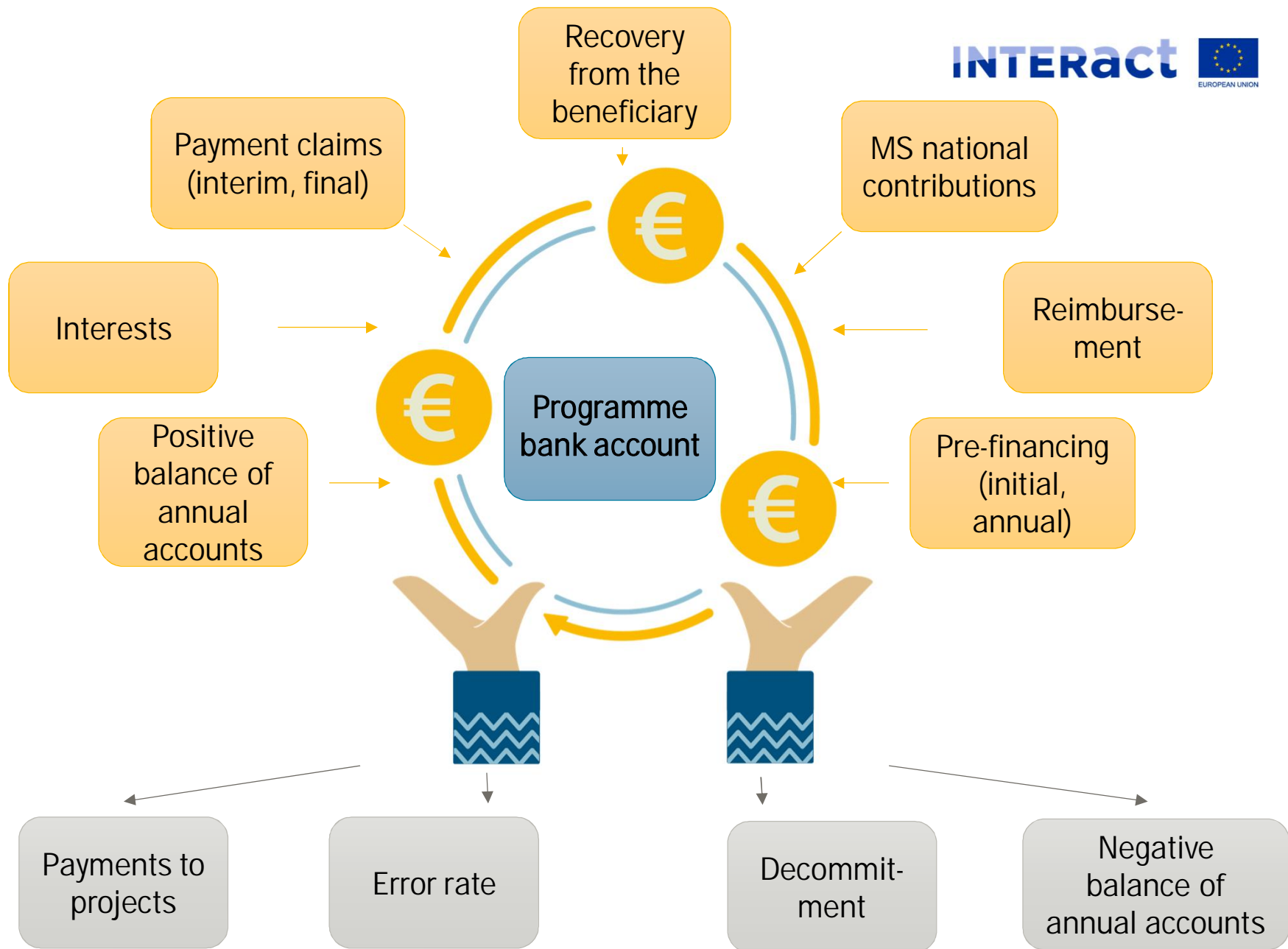
16-17 October 2018 | Geneva, Switzerland

Iuliia Kauk, Malgorzata Zdunek,  
Interact



# Cash flow and liquidity





Please click on the each element for information. 'Programme bank account' is clickable as well.



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Initial	1%	1%	1%							
Annual			2%	2,625 %	2,75%	2,875 %	3%	3%	3%	3%

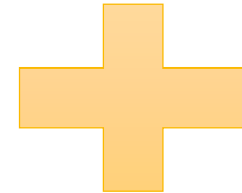
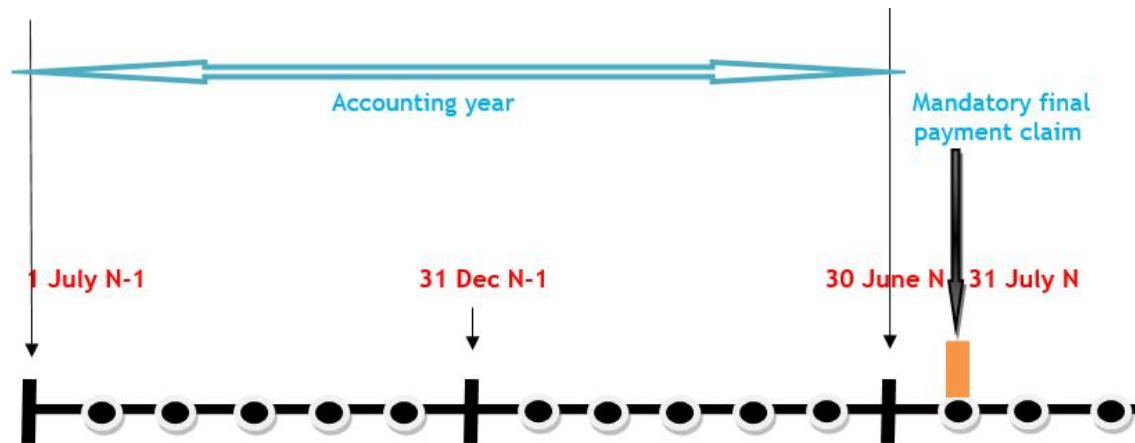


### Initial pre-financing

- 1% of total fund for each year: 2014, 2015, 2016
- Available for the whole period – must be accounted for (cleared) by the end of 2023 and, thus, at **final closure**

### Annual pre-financing

- For years 2016 – 2023
- Paid before 1 July each year
- Must be accounted for (cleared) by the end of **each accounting year** – not available for the whole programming period



### Interim payment claim

- A programme can claim total eligible expenditure entered into the CA accounting system after certification during the whole accounting year

### Final payment claim

- Is obligatory and needs to be submitted for each accounting year (1 July N-1 to 30 June N) between 1 July N and 31 July N

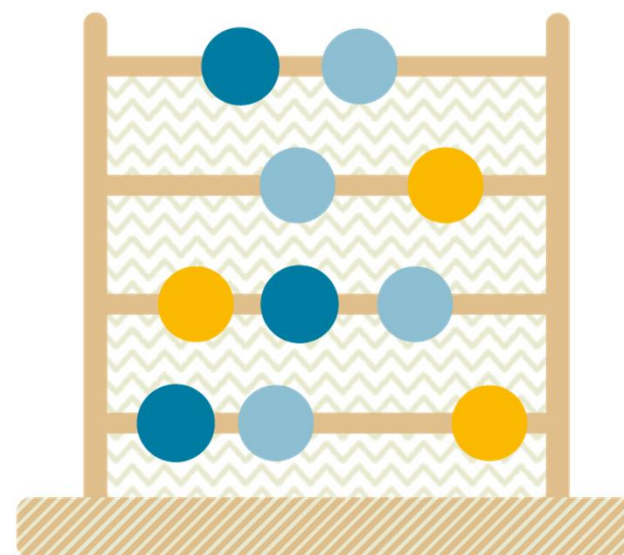
The claims are reimbursed by the EC:

$$\text{Payment} = (\text{eligible expenditure} \times \text{priority co-finance rate}) \times 90\%$$

# Exercise – calculation of the balance of the annual accounts

Your task (10 mins):

- Based on your programme's data (amounts claimed from the EC during the first three accounting years + estimations), calculated annual balance
- Feedback (5 mins):
- Joint discussion



## Calculation of the balance of the annual accounts

Balance of the annual accounts =  
Amount in payment claims submitted to  
the EC – amount reimbursed by the EC  
(90%) – planned annual pre-financing -  
deductions

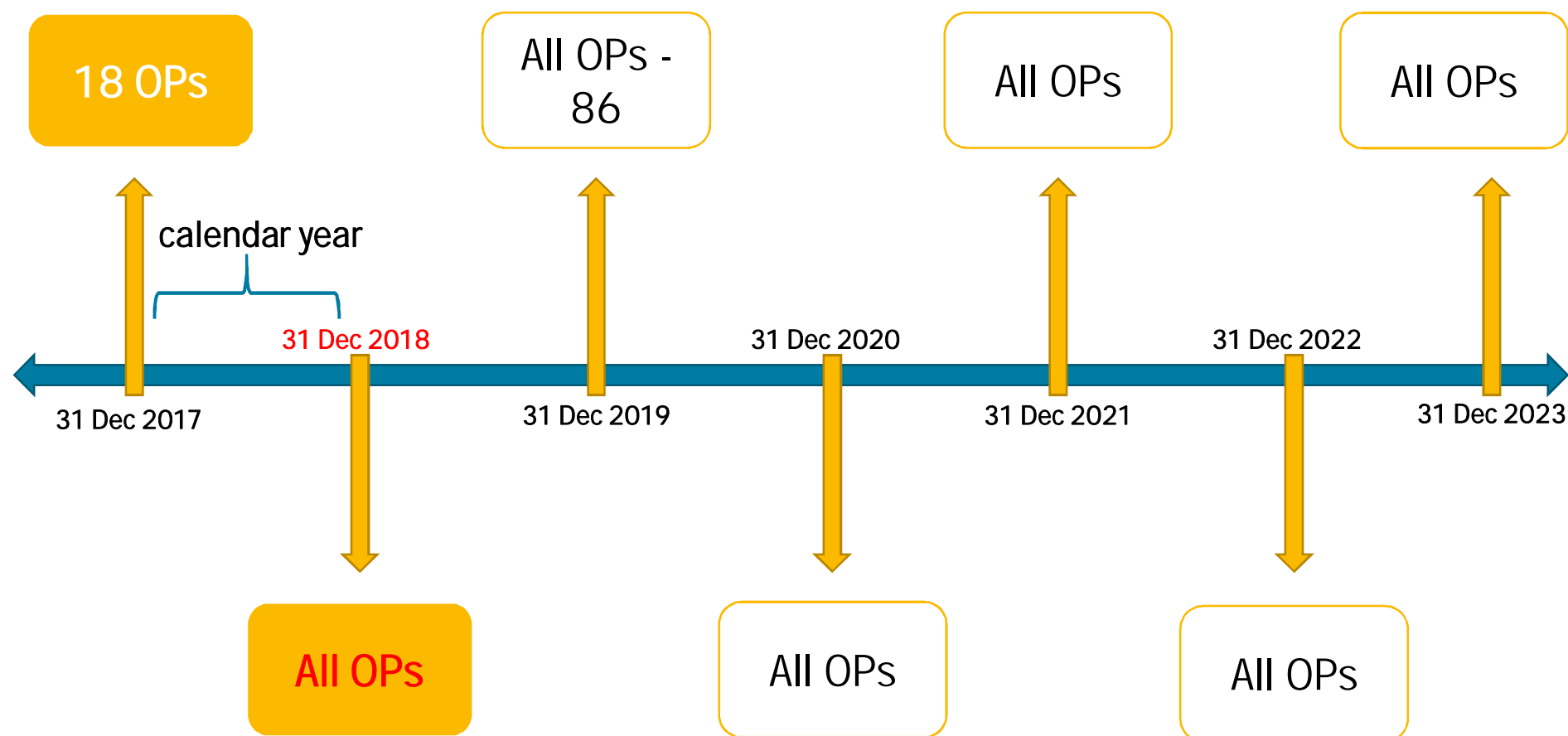


# Decommitment methodology and process in 2014-2020

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# Decommitment – targets



# Decommitment risk – state of play as of October 2018

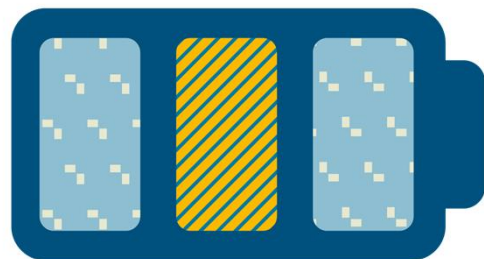
Target of December 2018:

**27 Interreg programmes** (CBC + TN) are at the risk of decommitment (EUR 42 mln)

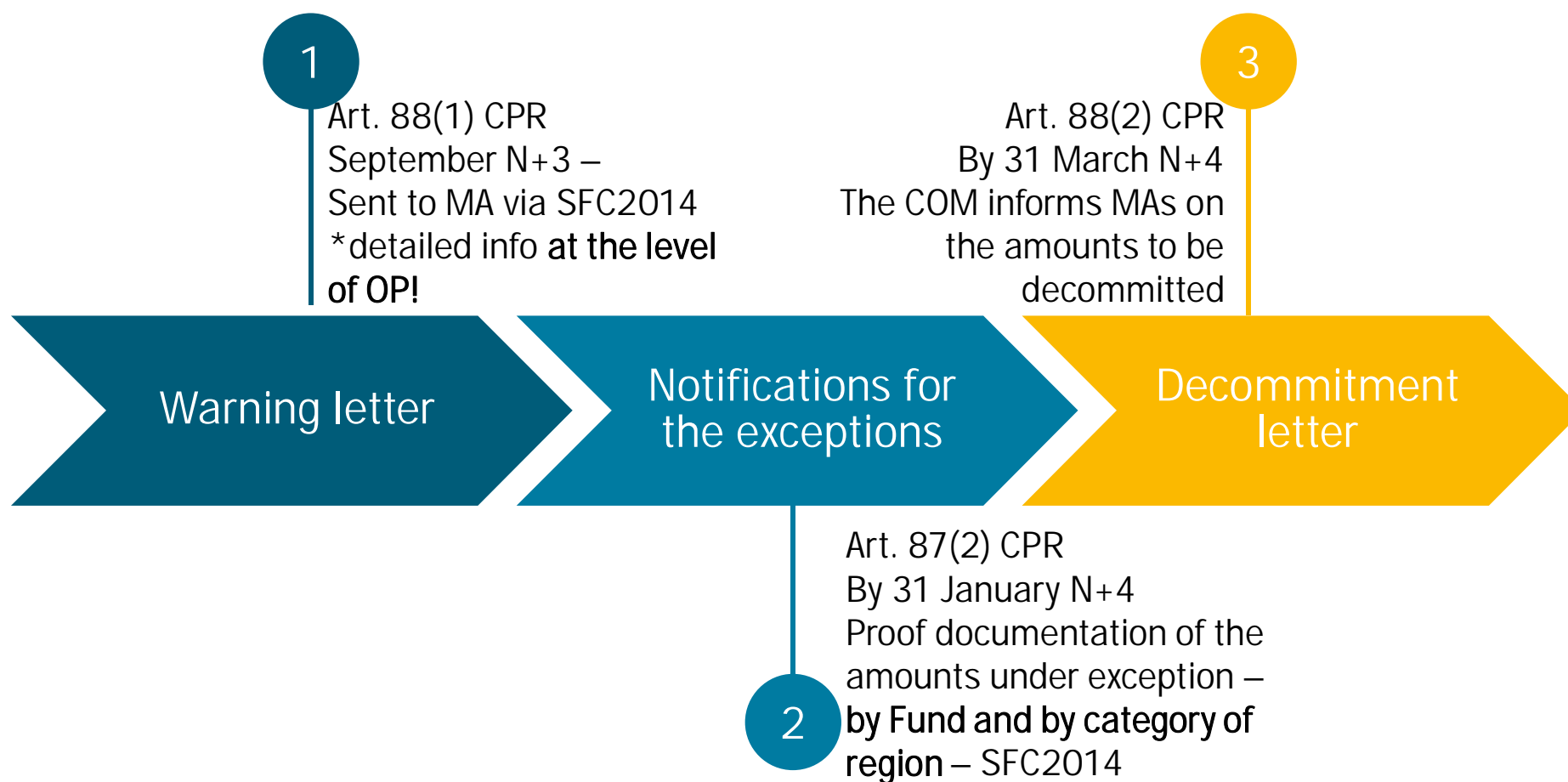


# Decommitment procedure

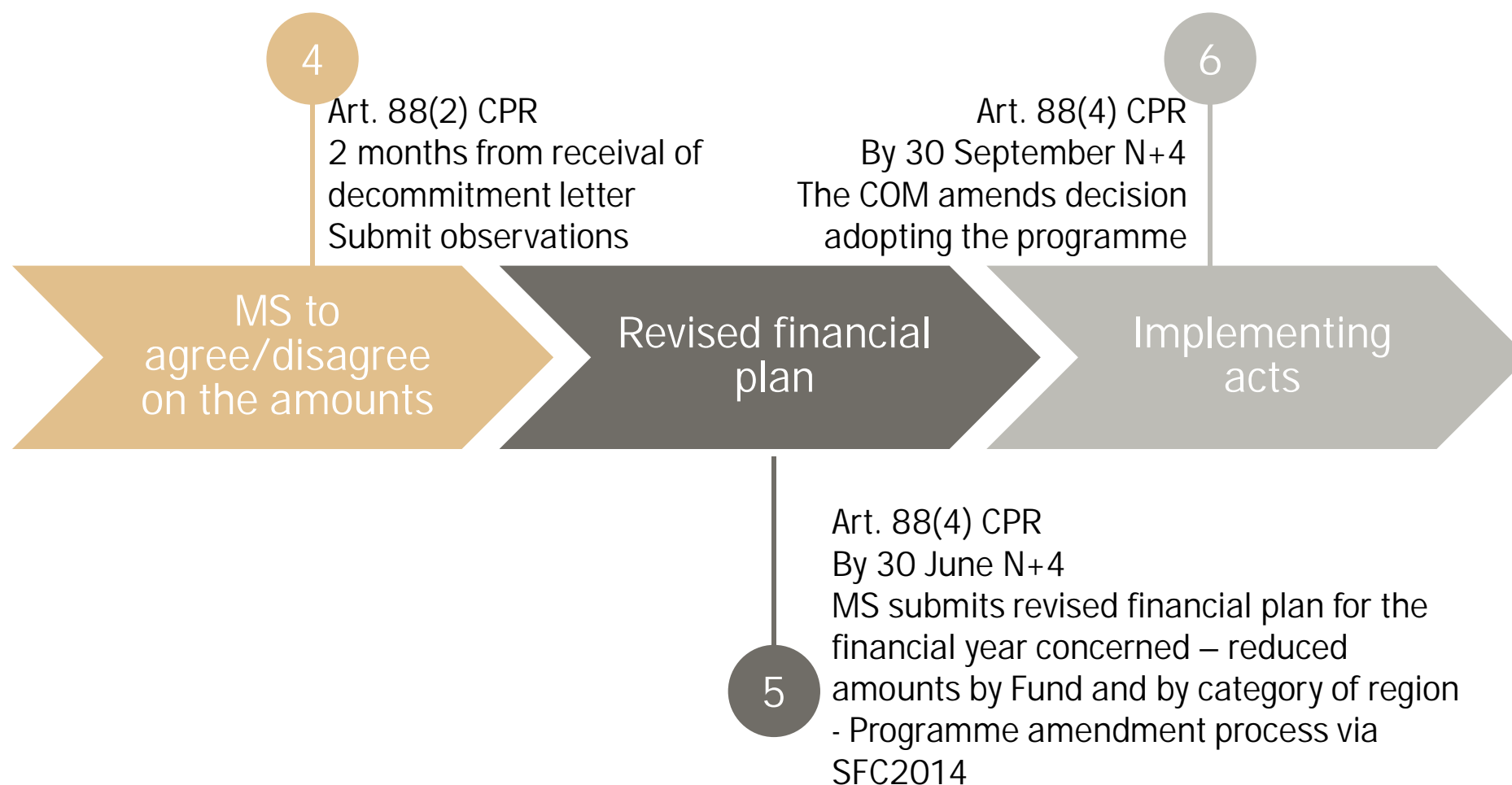
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# Decommitment procedure - roadmap

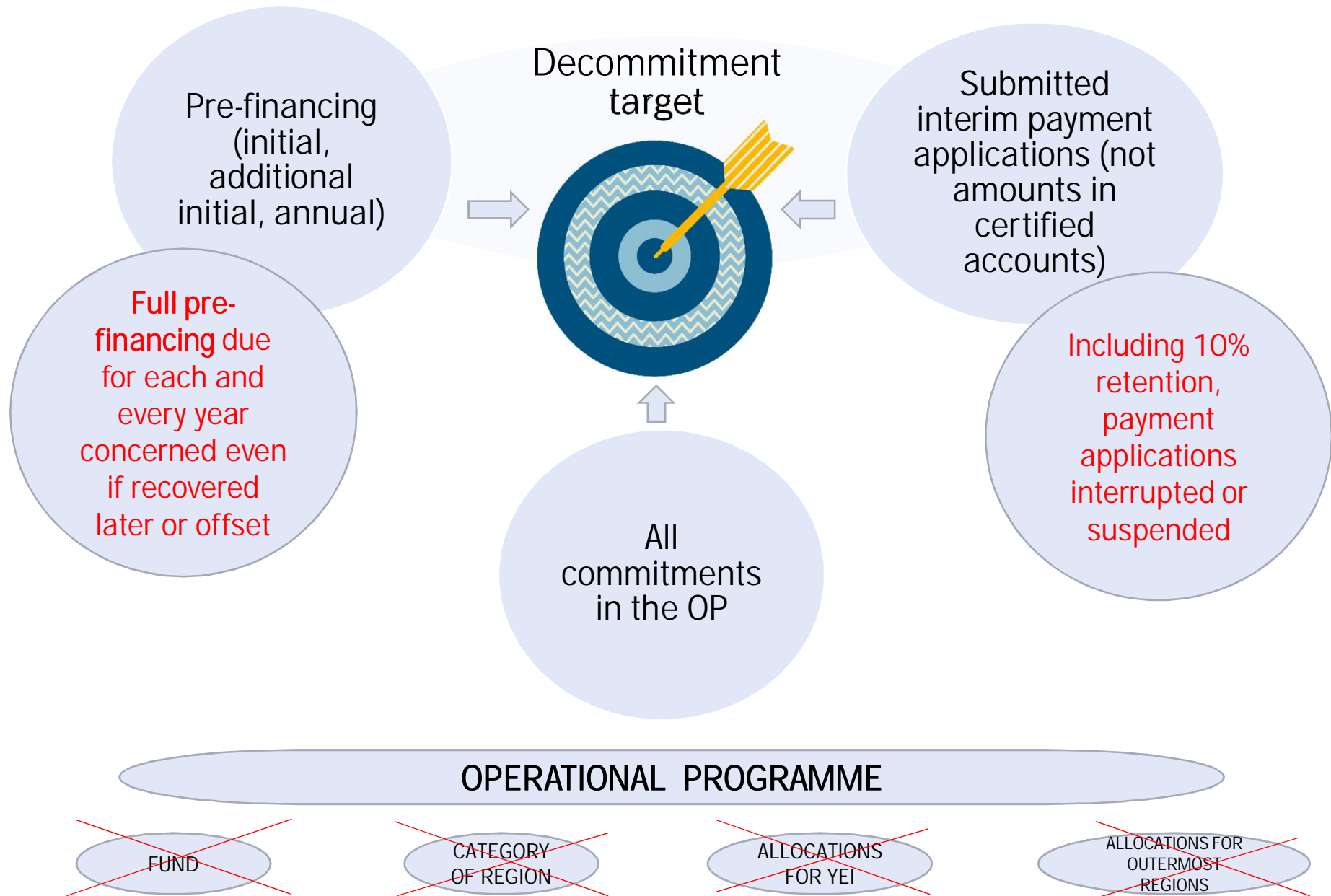


# Decommitment procedure - roadmap





# Decommitment target



... NOT included in calculations of  
decommitment targets



Recoveries

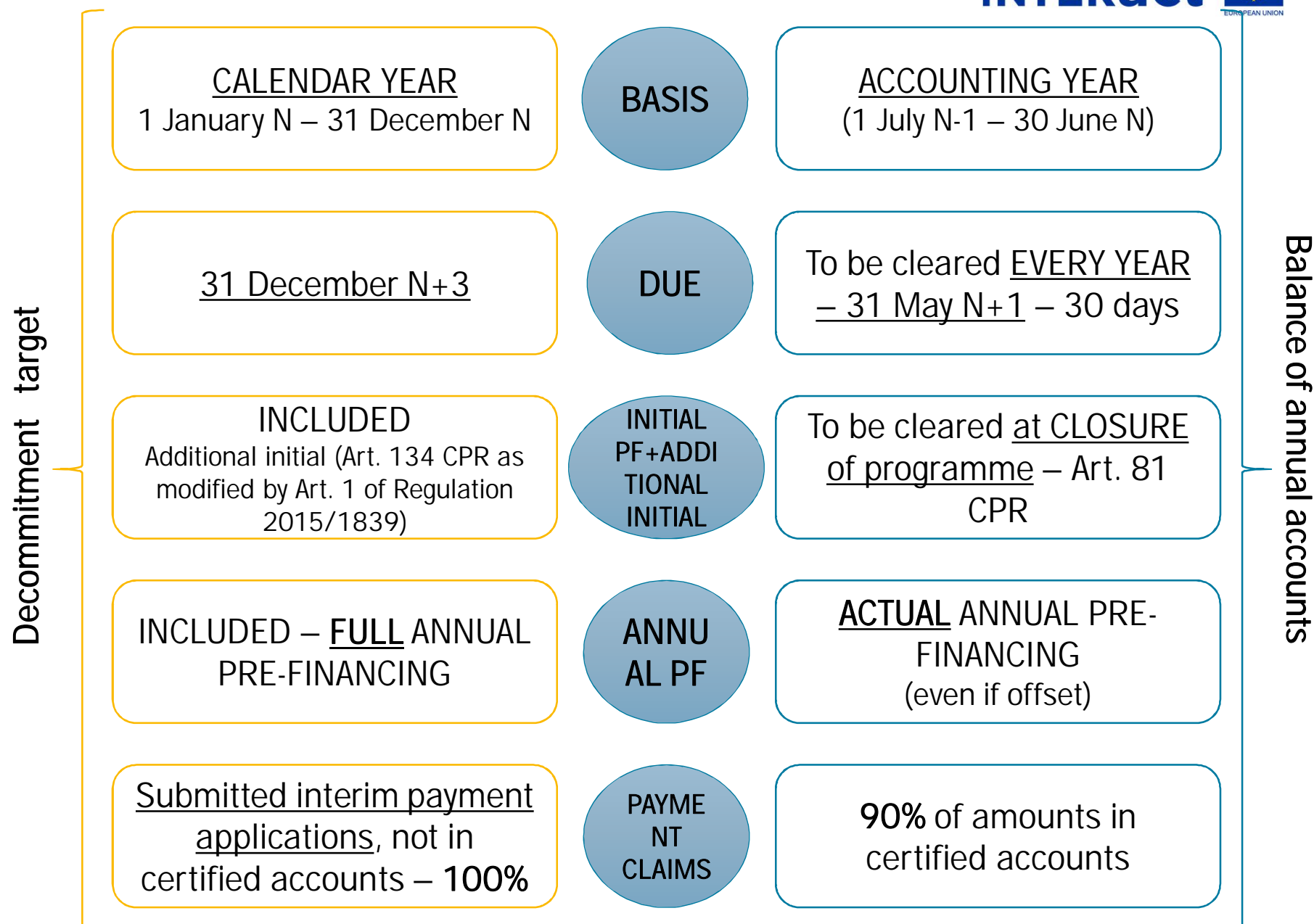
- *Offsetting of recoveries against future payments (pre-financing and/ or interim payments)*



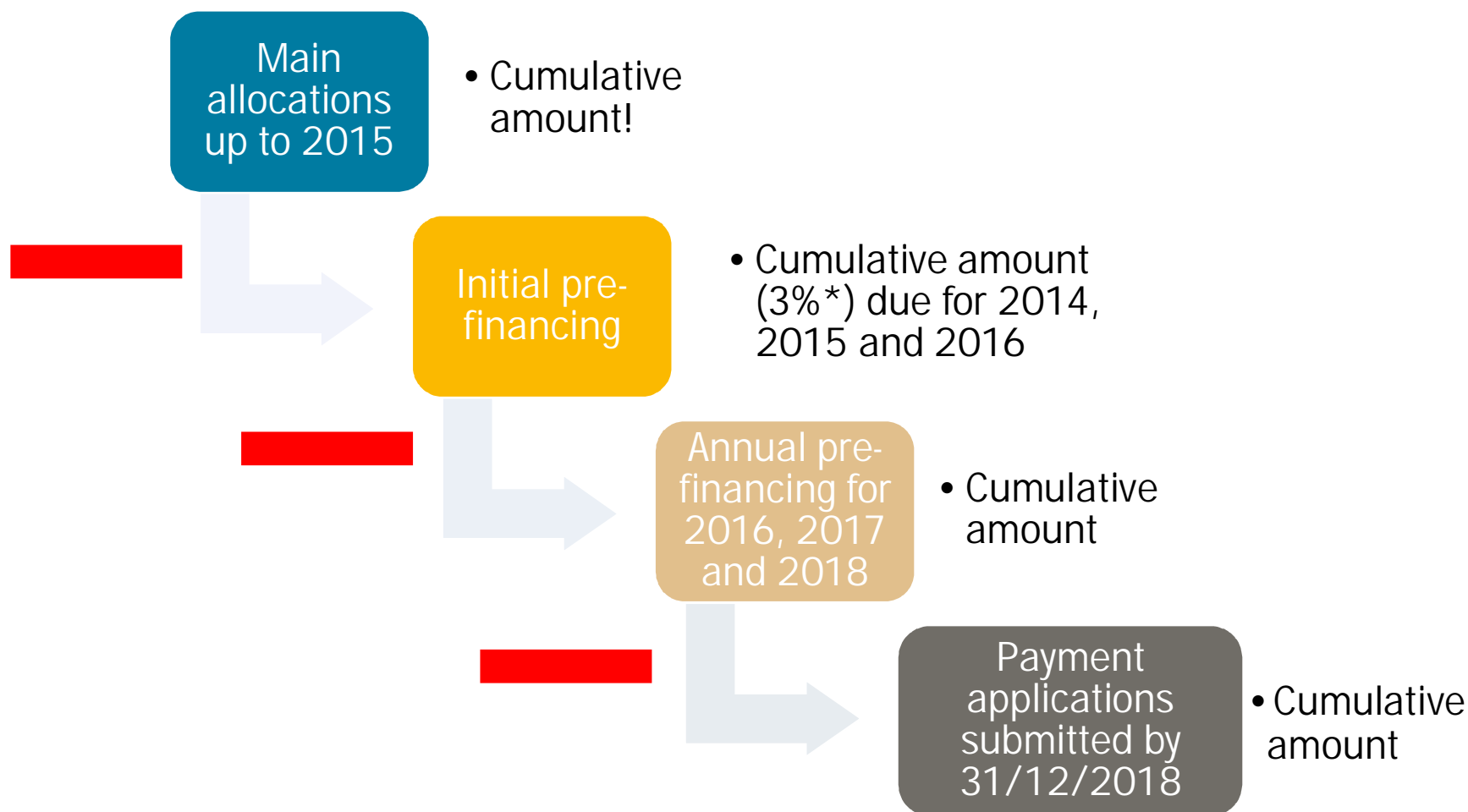
Annual  
accounts

- *Results of examination and acceptance of accounts*

# Decommitment via Annual accounts



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

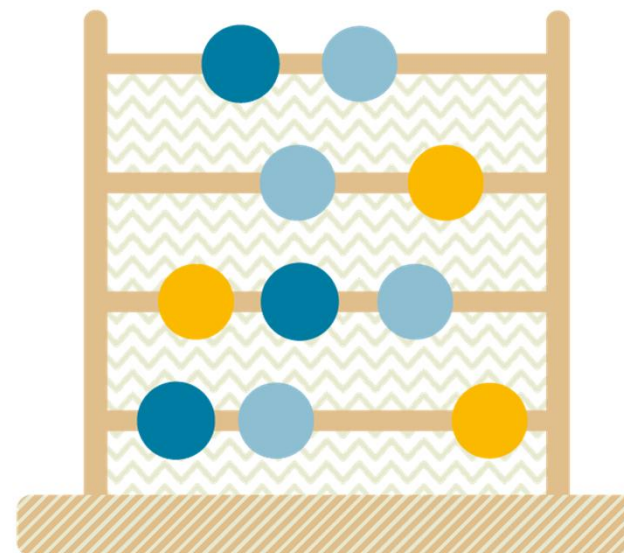


\* For Greece – 10% (additional initial pre-financing: 3,5% in 2015 and 3,5% in 2016) – Article 134 CPR as modified by Article 1 of Regulation 2015/1839

# How to calculate your programme's decommitment targets?

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

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



# How to speed up your programme's spending?



Factsheet\* '[Diminishing the risk of decommitment](#)'

*\*Factsheet is part of a Repository project*



# Cooperation works

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All materials will be available on:

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