

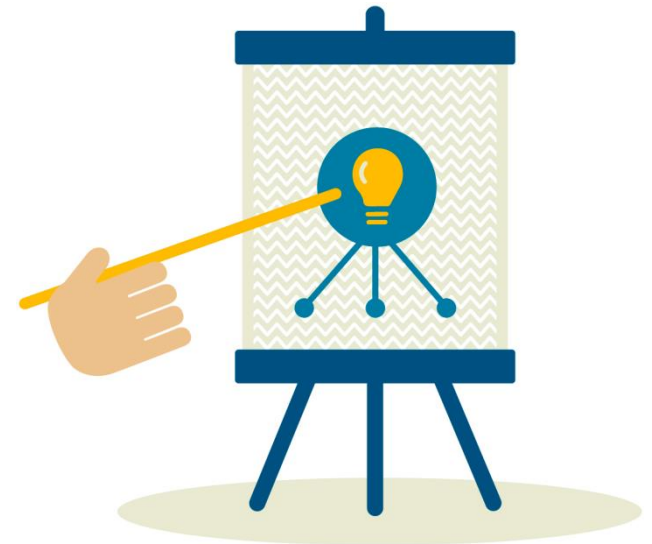
# Decommitment methodology and process in 2014-2020

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Liquidity and cash flow management in  
Interreg programmes

28 February 2019 | Ljubljana, Slovenia

**Iuliia Kauk, Interact**



# Decommitment

Carrot



Encouragement

**VS.**

Stick



Punishment

# Legal background

**2000-2006**

First application

N+2 for all programmes

**2007-2013**

Council Regulation 1083/2006, Article 93

N+2/ N+3 rule

**2014-2020**

CPR 1303/2013, Article 136 + Articles 86-88

N+3 for all

**Post 2020**

Omnibus Regulation, adopted July 2018  
Alignment of dates for submission of exceptions to the decommitment  
CPR Art. 87 and Reg. 1306/2013, Art. 38(3)  
N+3 for all

# 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

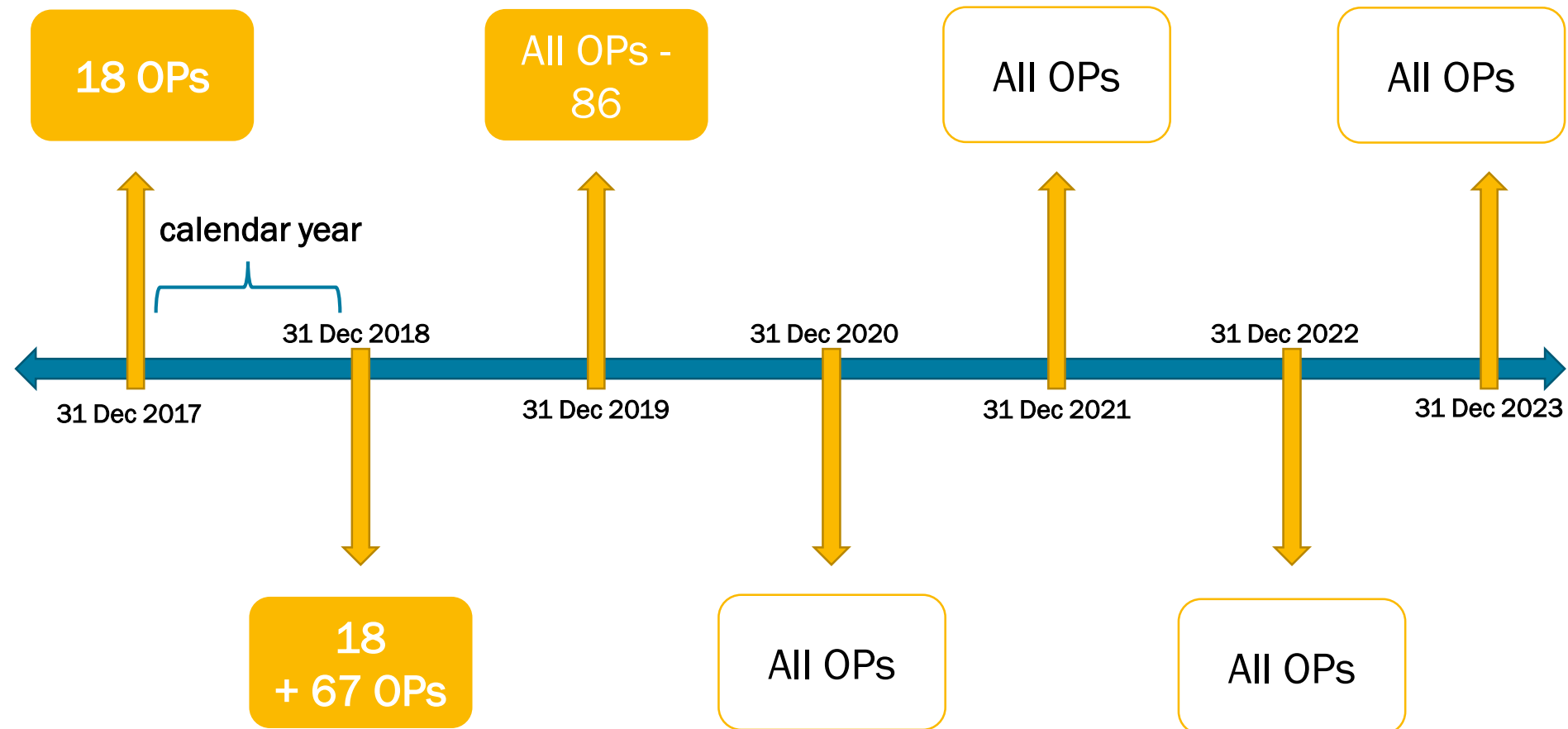
Article 136(1) CPR:

*‘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 – state of play in the end of 2018

42

MEUR



27

**Interreg  
programmes**

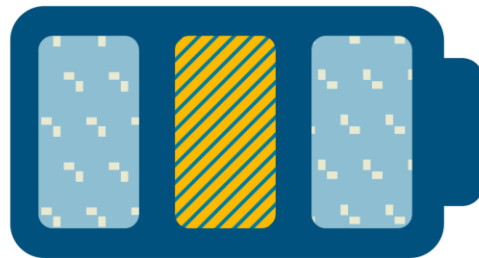
# N+2/N+3 decommitment in 2007-2013

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-Eng-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>

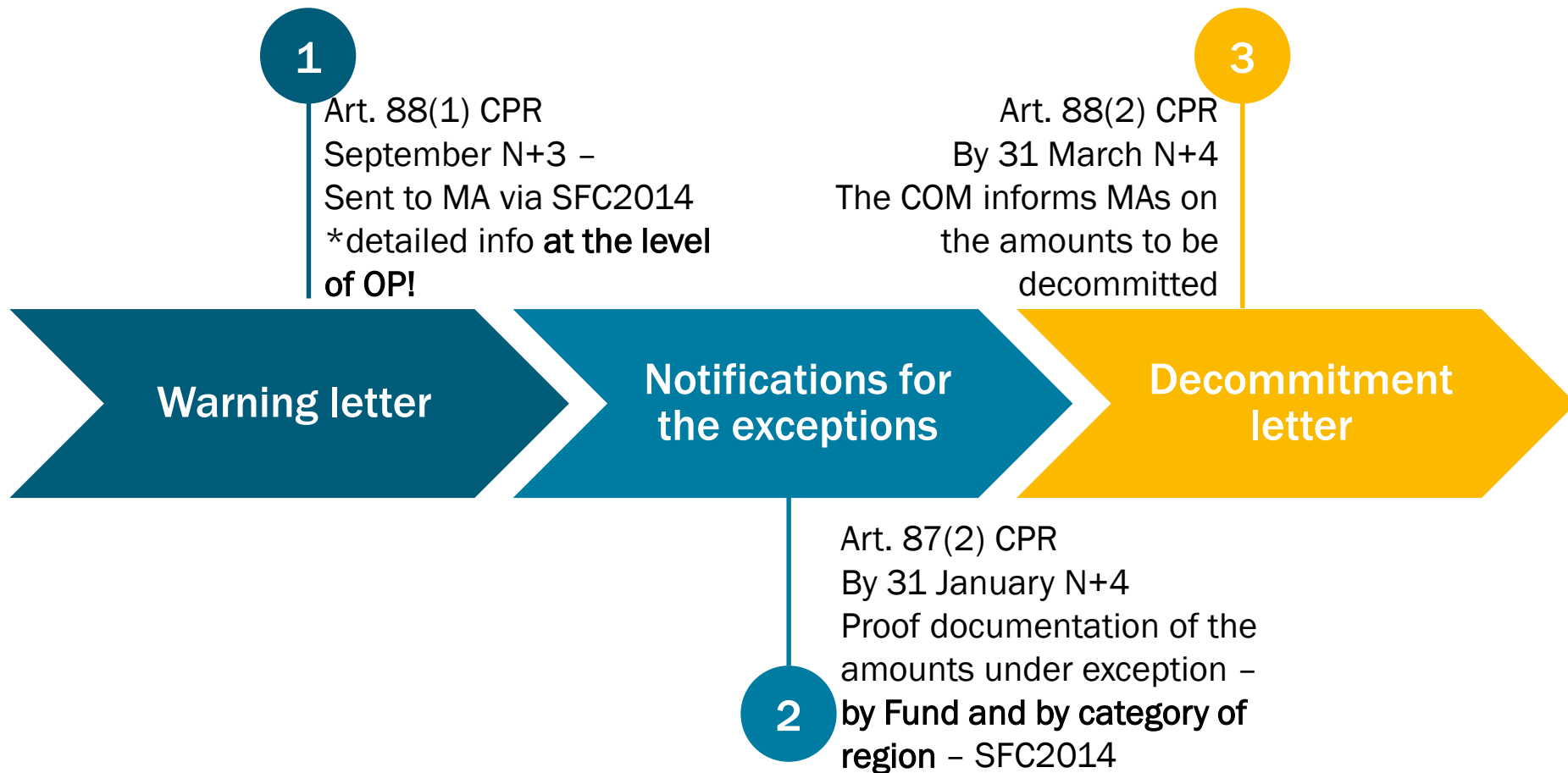


# Decommitment procedure

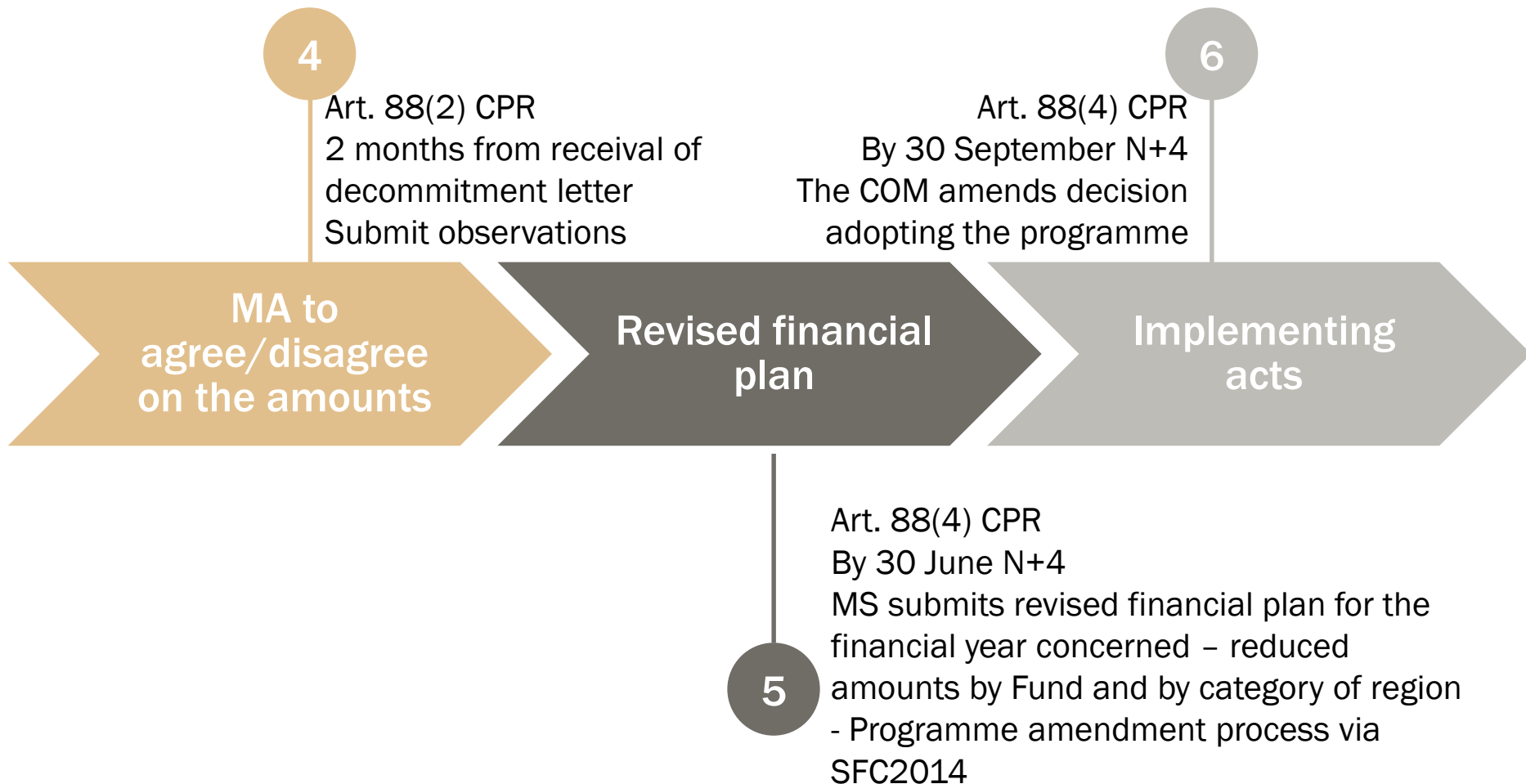
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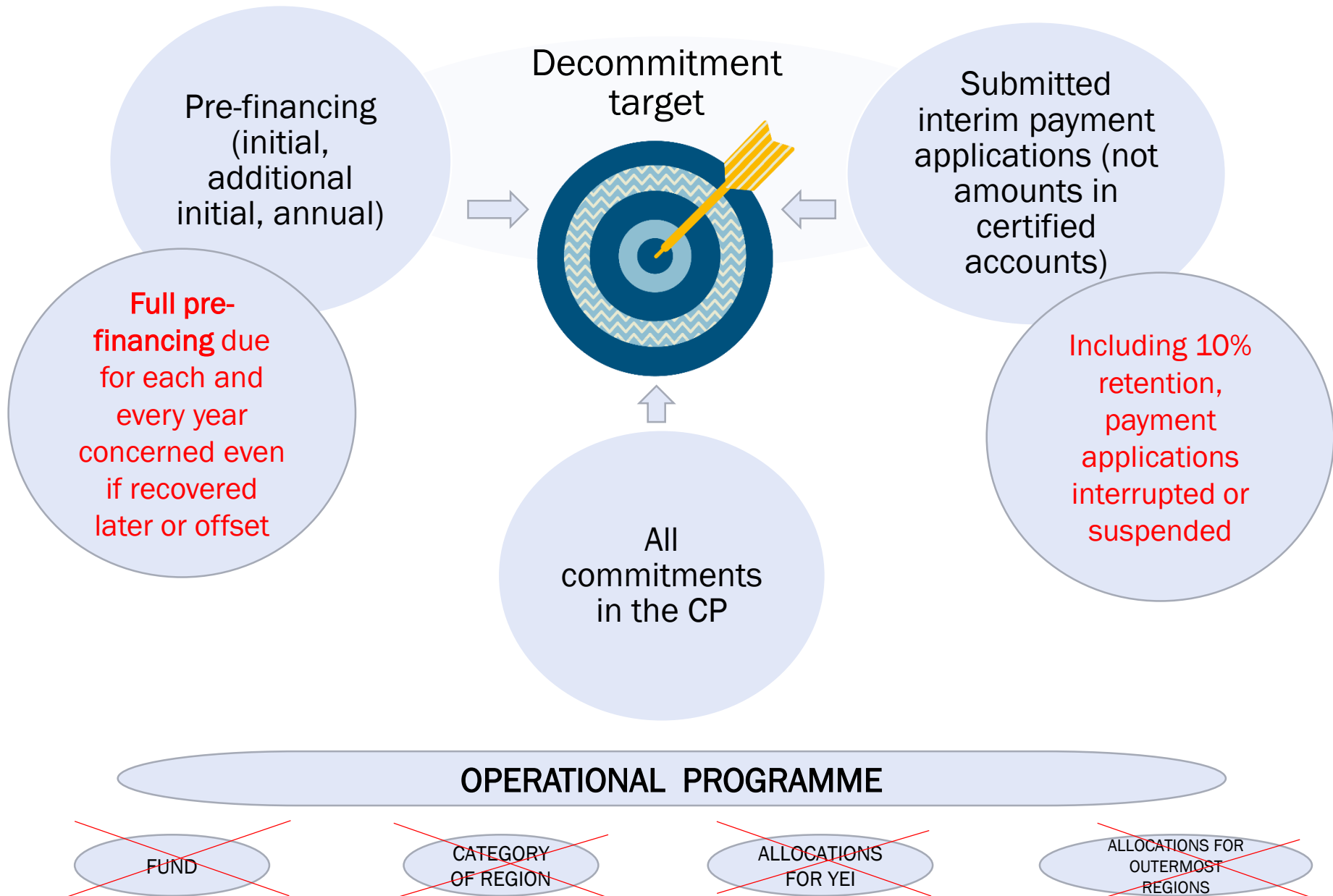
# Decommitment procedure - roadmap



# Decommitment procedure - roadmap



# Decommitment target



# ... NOT included in calculations of decommitment targets



Recoveries

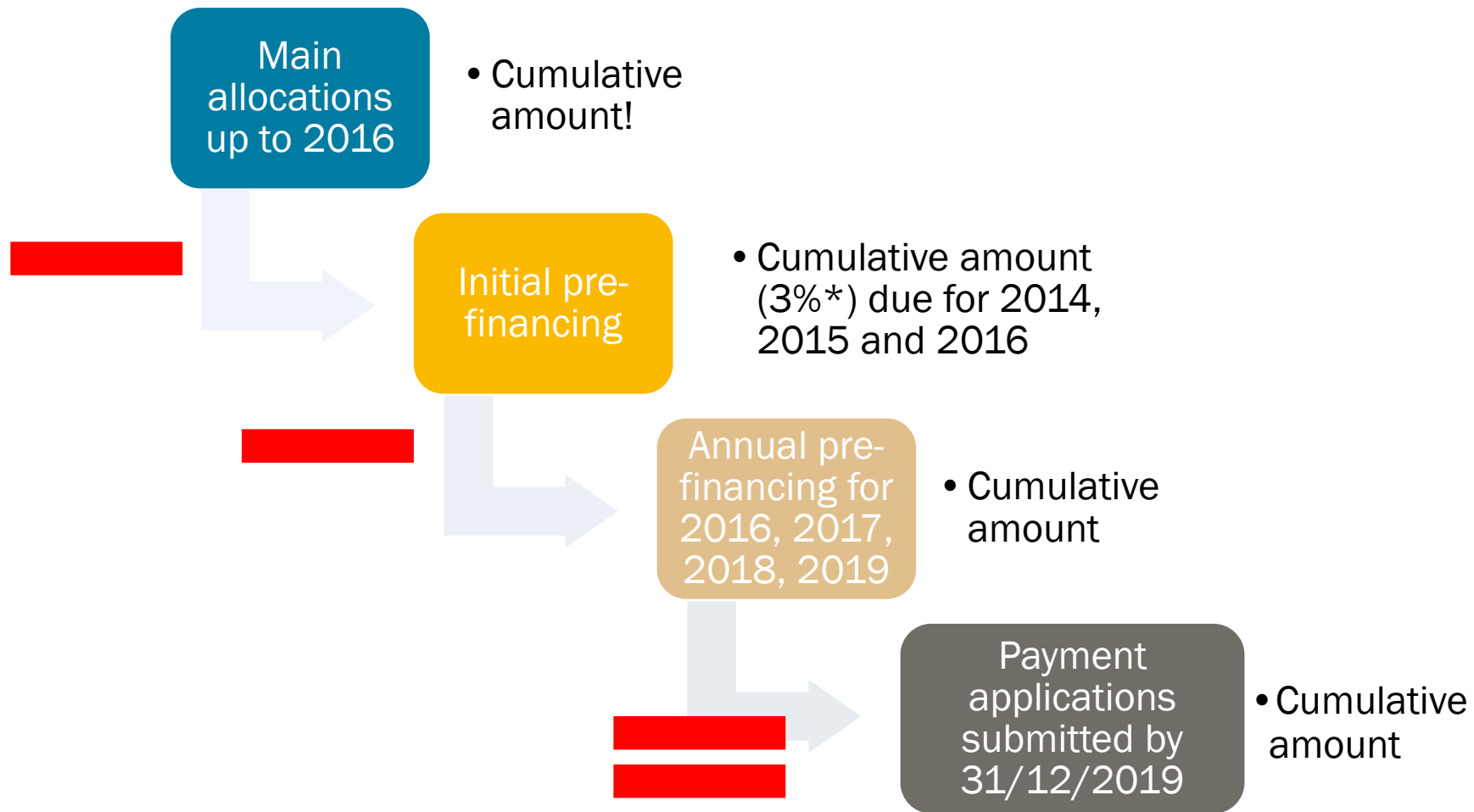
- *Offsetting of recoveries against future payments (pre-financing and/ or interim payments)*



Annual  
accounts

- *Results of examination and acceptance of accounts*

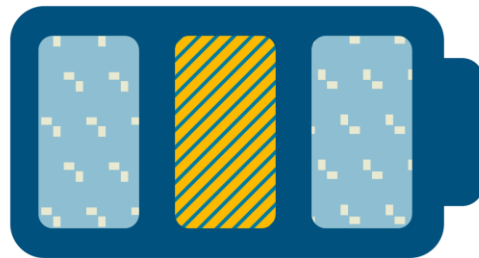
# e.g. calculation of target by 31/12/2019



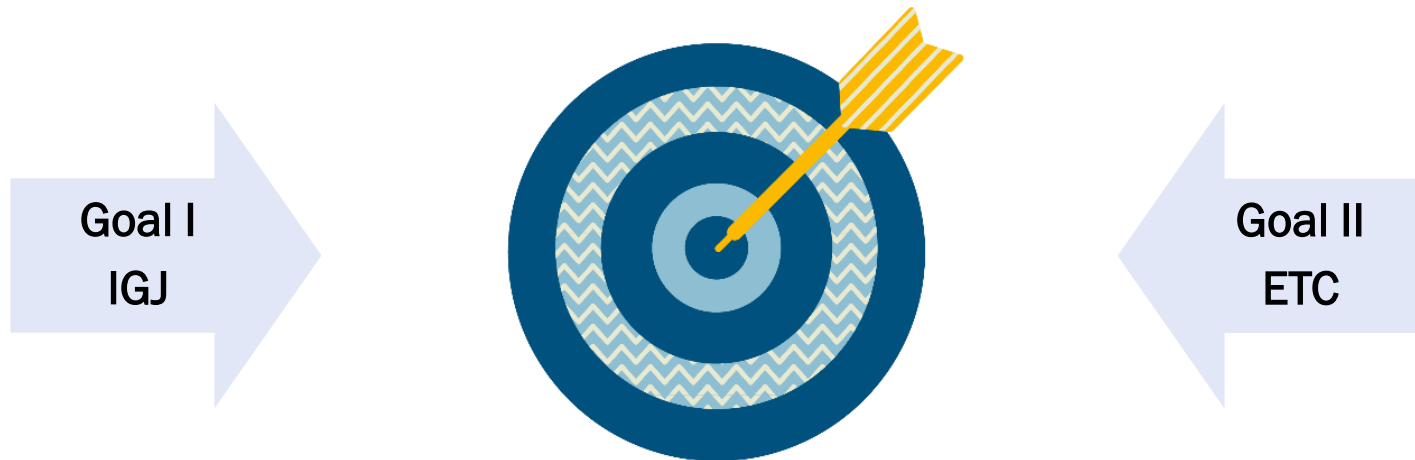
\* For Greece – 10% (additional initial pre-financing: 3,5% in 2015 and 3,5% in 2016) – Article 134 CPR as modified by Article 1 of Regulation 2015/1839

# If a risk of decommitment materialises...

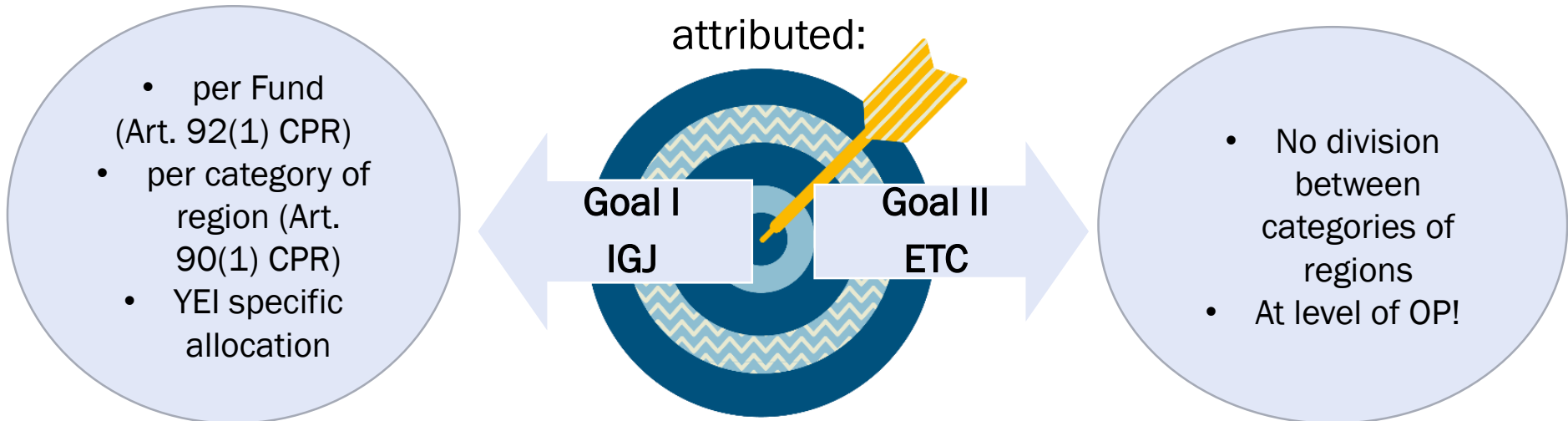
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# Decommitment target N+3



Decommitment to be  
attributed:





# How to calculate decommitment targets?

check our library



Publications, Presentations and Videos

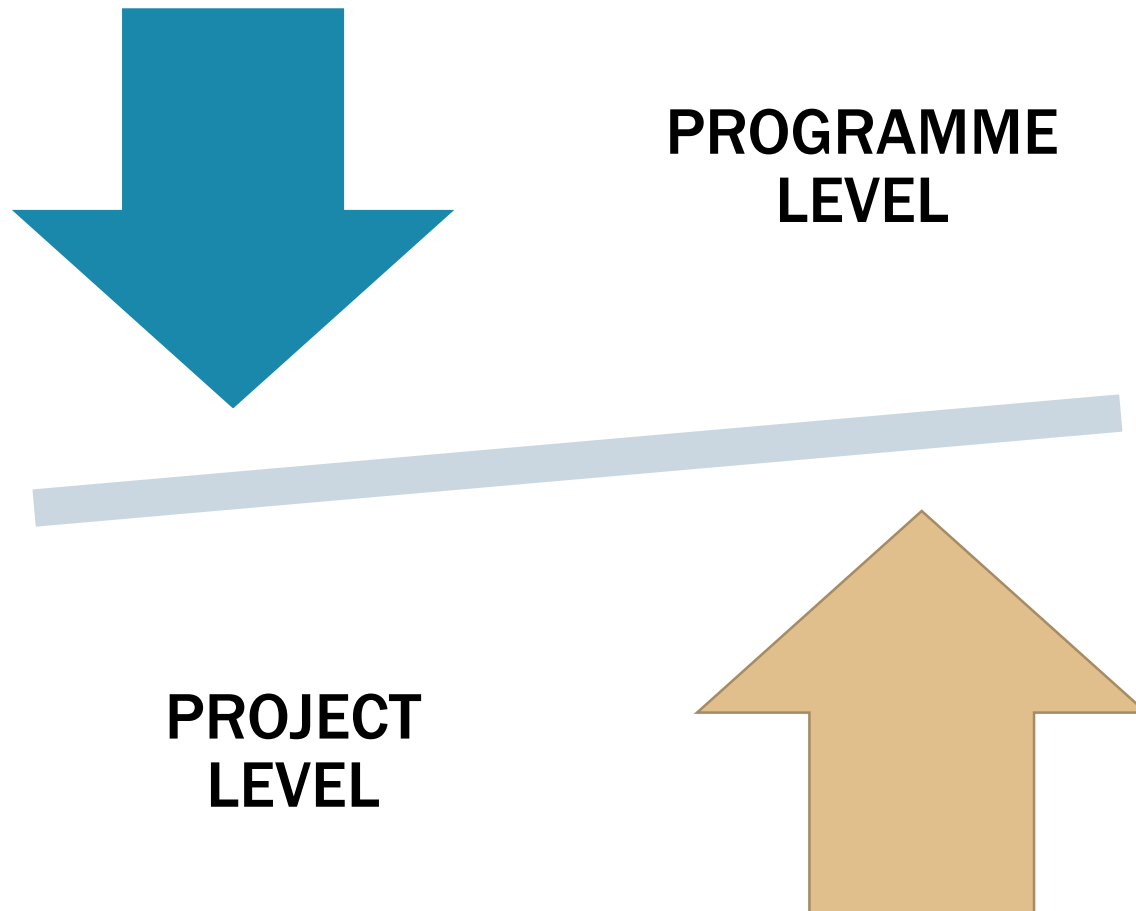
# **How to speed up programme's spending And how to avoid decommitment of programme funds**

## FACT SHEET I

### **DIMINISHING THE RISK OF DECOMMITMENT**



# Root causes of decommitment



# Programme level

DELAYS IN THE  
PROGRAMME SET-  
UP (MCS)

E-COHESION  
(DEVELOPING OWN,  
ADAPTING EMS)

LOW QUALITY OF  
PROJECT  
PROPOSALS

LOW INFLOW OF  
PROJECT  
PROPOSALS

LOW PROJECT  
APPROVAL  
LEVEL

SLOW  
CERTIFICATION AND  
PROCESSING OF  
SUBMITTED PPRs

PROGRAMME'S  
INTERRUPTION  
(ERROR RATE > 2%)

PROBLEMS IN THE  
COOPERATION  
BETWEEN  
PROGRAMME  
BODIES

LIQUIDITY  
PROBLEMS OF THE  
PROGRAMME  
ACCOUNT

# Project level

UNREALISTIC  
PROJECT'S  
SPENDING PLAN  
(TOO HIGH  
SPENDING  
TARGETS AT THE  
PROJECT START)

E-MONITORING  
SYSTEMS AND E-  
REPORTING (TIME  
REQUIRED FOR SET-  
UP AND LEARNING)

NOVELTY OF  
INTERVENTION  
LOGIC AND SHIFT TO  
RESULT  
ORIENTATION

DELAYS IN  
CONTRACTING  
PHASE (EXTENSIVE  
ADMINISTRATIVE  
PROCEDURES)

MC's APPROVAL OF  
PROJECT  
APPLICATIONS  
UNDER  
CONDITIONS

TOO MANY PROJECT  
MODIFICATIONS

# Remedy methods – programme level

- Overcommitment of programme funds
- Additional and targeted calls for project proposals
- Seed money calls for proposals, small-scale projects
- Waiting (reserve) lists of projects
- Planning TA budget spending in a way to claim major costs (e.g., IT equipment) during the first years of the programme implementation

# Remedy methods – project level

- Close monitoring of projects' spending and mid-term assessment of projects' spending
- Decommitment of projects' budgets with the low spending level
- Additional project claims outside the usual reporting periods/  
partial payment claims
- Additional allocations to already running projects
- Fast reimbursement to projects
- Changing co-financing rates

# Decommitment mechanism in 2021-2027





# Cooperation works

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All materials will be available on:

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