

Changes in cash flow – proposal post 2020

Liquidity and cash flow management in Interreg

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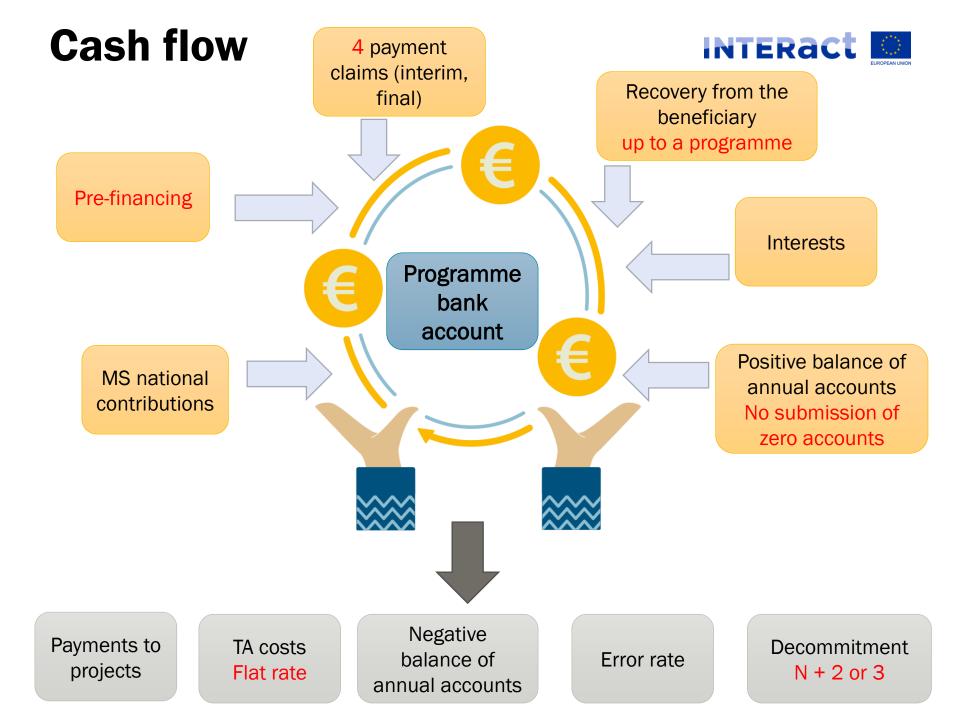
European Regional Development Fund



Not changed

- Annual accounts and its timing
- 10% retention
- Clearing pre financing annually
- Off-setting negative balance of annual accounts







Pre - financing

Years / % proposed	European Commission	European Parliament
2021	1%	3 %
2022	1%	2,25 %
2023	1%	2,25 %
2034	1%	2,25 %
2025	1%	2,25 %
2026	1%	2,25 %



Payment claims

Only four times a year:

- **√** 30.04
- ✓ 31.07
- ✓ 31.10
- ✓ 26.12





TA

- CBC 6% (7% EP)
- NDICI 10%
- Components 2,3 and 4 7% (8% EP)



- Below 30 M€ % to be established in the CP
- 30 50M€ additional 0,5M€ paid with first interim payment claim

... paid as flat rate of eligible projects expenditures





TA – European Parliament proposal

Amendment

Technical assistance to each 1. Interreg programme shall be reimbursed as a flat rate by applying the percentages set out in paragraph 2 for 2021 and 2022 to the yearly instalments of the prefinancing pursuant to points (a) and (b) of Article 49(2) of this Regulation and then to the eligible expenditure included in each payment application pursuant to [points (a) or (c) of Article 85(3)] of Regulation (EU) [new CPR] as appropriate for subsequent vears.



TA – EP proposal – CBC example

	2021	2022
TA %	7	7
Pre-financing %	3	2,25
Total % applied	10	9,25



Other changes

Decommitment EC – N+2 EP – N+3

Payment to the beneficiary EC – 90 days EP – 60 days

No submission of "zero" accounts

No control summary in the assurance package

No appendices on recoveries



Other changes

Program	nme budget flexib	oility (%)
	Priority axis	Total
EC	5	3
EP	7	5

	ts (years after 31.12.X nent to the beneficiary)
EC	5
EP	3



Other changes

Maximum co – financing rates EC – 70 % EP – 85%



EC VAT always eligible



Timeline

Milestone				20	019	9	_	2020														2021																20	22					
	5	6	7	8	9	10	011	. 12	2 1	2	3	4	5	6	7	8	9	10)11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	.12
Regulations entry into force																																												
Collection of pre- agreements																																												
CP submission																																												
EC observations																																												
Reviewed CP submission																																												
EC approval of the CP																																												
Programme operational preparations																																												
First call open																																												
Assessment																																												
First projects approval																																												
First contract signed																																												
First project reports submitted																																												
First claim to the EC																																												
First reimbursement																																												
Pre-financing paid																																												
First annual accounting year																																												



Timeline

					20)21										20 2	22						2023												2024										
	1 2 3 4 5 6 7 8 9 10 11 12 1 2										2	3	4	5	6	7	8	9 1	01	11	2 1	L 2	3	4	5	6	7	3 9	10)11	12	1	2	3	4	5 6	7	8	9	10) 11 1	12			
Accounting years																																													
Pre-financing payment																																													
Payment claims																																													
Submission of annual																																													
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accounts																																													



What's next in Interact?

- 19-20 March Finance advisory for Croatia
- 26-27 March AIR and Performance Review
- 9-10 April 2nd CBC finance officers network
- Week 20-24 May [lunch-to-lunch] Programme management for beginners



Cooperation works

All materials will be available on:

www.interact-eu.net



European Regional Development Fund