

Decommitment of funds

➔ Background Information

Decommitment of funds on programme level:

According to the structural funds regulation of the European Union (EU), the European Commission (EC) will automatically decommit any part of a budget commitment of an Operational Programme (OP) that has not been used by 31 December

- + of the third year following the year of budget commitment until 2010,
- + of the second year following the year of budget commitment from 2010 on.

Decommitment of funds on project level:

Following the Subsidy Contract (SC), this decommitment risk on programme level has also consequences on project level. If a project only presents certifications of expenditure legitimating an ERDF request of less than 80% of the foreseen ERDF request according to table 6.2 of the Application Form (AF), the difference will be deducted proportionally according to the decommitment on programme level.

The Partnership Agreement (PA) foresees that in the case of a decommitment on project level the deduction shall be imputed to the project participants that have contributed to it by not reporting according to the budget plan of the project unless a different decision is taken by the Project Steering Group (PSG).

Guidance

The following example shall illustrate the consequences on project level:

A project should request €500.000 ERDF until November 2010 (according to the financial table 6.2 of the AF).

Actually the project presents certifications of expenditure entitling to an ERDF request of € 300.000. Therefore the difference is € 200.000 whereas a deviation of 20% (in that case € 100.000) would be accepted by the programme. The amount that could be deducted is € 100.000.

Based on the assumption that an ERDF amount of € 1.000.000 has been decommitted on programme level and 10 projects are under the accepted 20% of deviation from the plan by a total ERDF amount of € 5.000.000, the above-mentioned project would lose ERDF funds in the amount of € 20.000 (the proportion between the € 1.000.000 decommitted and the € 5.000.000 deviation is 1:5, i.e. one fifth of € 100.000 will be lost for the abovementioned project).

Reference Documents

- + Article 93 Article of Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999
- + Operational Programme “Alpine Space”

Annexes

- + Application Form Step 2 with guidance
- + Template Certification of Expenditure
- + Subsidy Contract
- + Partnership Agreement