



Payment of the Final ERDF Tranche to the Projects

As announced in the MA's letter to the LP of the approved projects of June 13th 2006, herewith detailed information on the procedure to be followed with regard to the payment of the final ERDF tranche is provided.

1. Legal Basis

Art 32 (3) of Council Regulation (EC) No 1260/1999 implies that the final 5% of the total ERDF contribution to the "Alpine Space" programme will only be provided by the EC after the Paying Authority has submitted a certified statement of expenditure actually paid, after the final report on the implementation has been approved by the EC and after the winding up declaration has been submitted by the Member States. As the acceptance of the above-mentioned closing documents by the EC is not to be expected before end 2010, the final ERDF payment will most likely be initialised only then.

2. Consequences for the "Alpine Space" Projects

The above-mentioned provision is already considered in the Subsidy Contract that sets out the following: *"Disbursement of the subsidy is subject to the condition that it can be covered by the available ERDF-funds the PA has received from the European Commission."*

As a consequence of this EU regulation and in order to ensure equal treatment of all approved projects, the Steering Committee has decided that the last 5% of the ERDF funds that were granted to the projects will be transferred to the Lead Partners only after the Paying Authority has received the final ERDF tranche from the EC.

It is up to the project partnership to decide on how this 5% of the ERDF funds shall be pre-financed. However it is recommended that the funds are pre-financed by public project participants that do have the respective financial resources.

3. Examples

The following examples shall illustrate the consequences of the above-mentioned rule:

Example 1:

ERDF funds in the amount of € 1.000.000 have been approved for the project "ALPSEXAMPLE". After project closure a total ERDF amount of € 990.000 is requested (€ 800.000 have already been paid out within the project implementation and after the acceptance of the regular progress reports, € 190.000 are requested in the last progress report that is part of the final report).

The final report is approved by JTS and MA, the respective payment is therefore to be initialised. As a consequence of the rule as explained above, the Paying Authority will only pay out an amount of € 150.000. The differing amount of € 40.000 will be paid only after the PA has received the final ERDF tranche from the EC which is expected for the end of 2010 at the earliest.

Example 2:

ERDF funds in the amount of € 1.000.000 have been approved for the project "ALPSEXAMPLE II". After project closure a total ERDF amount of € 850.000 is requested (€ 800.000 have already been paid out within the project implementation and after the acceptance of the regular progress reports, € 50.000 are requested in the last progress report that is part of the final report).

The final report is approved by JTS and MA, the respective payment is therefore to be initialised. Due to the underspending (less than 95% of the approved ERDF budget were requested for), the Paying Authority can pay out the requested amount of € 50.000 and the project can formally be closed.