



**ARCHIPELAGO**

une initiative africaine et européenne  
pour la formation professionnelle

projet financé par l'Union européenne

# ARCHIPELAGO Programme

## Training Session

Delft, 13.12.2019

### PRE-FINANCING



**PROGRAMME IMPLEMENTED BY**





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# PRE-FINANCING

- (i) An initial pre-financing payment of 100 % of the costs for the **first six months of implementation, it means the reference period who is six months.**
- Other pre-financing payments corresponding to 100% of the estimated budget financed by the contracting authority for the following reference period (excluding not authorized contingencies):
  - **Within 30 days following the end of the reporting period, the coordinator shall present an interim report.**



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# PRE-FINANCING

**(ii) further pre-financing payments of 100 % of the part of the estimated budget** financed by the contracting authority for the following reporting period (excluding not authorized contingencies):

- within 30 days after the end of the reference period, the coordinator submits an interim report.



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# PRE-FINANCING

- the coordinator may submit a request for further pre-financing payment before the end of the reporting period, when the part of the expenditure actually incurred which is financed by the contracting authority is more than 70 % of the previous payment (and 100 % of any previous payments). In this case, the following reporting period starts anew from the end date of the period covered by this payment request;



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- if at the end of the reporting period the part of the expenditure actually incurred which is financed by the contracting authority is **less than 70 % of the previous payment (and 100 % of any previous payments)**, the further pre-financing payment shall be reduced by the amount corresponding to the difference between the 70 % of the previous pre-financing payment and the part of the expenditure actually incurred which is financed by the contracting authority;

NB: this applies from the 3<sup>rd</sup> installment.



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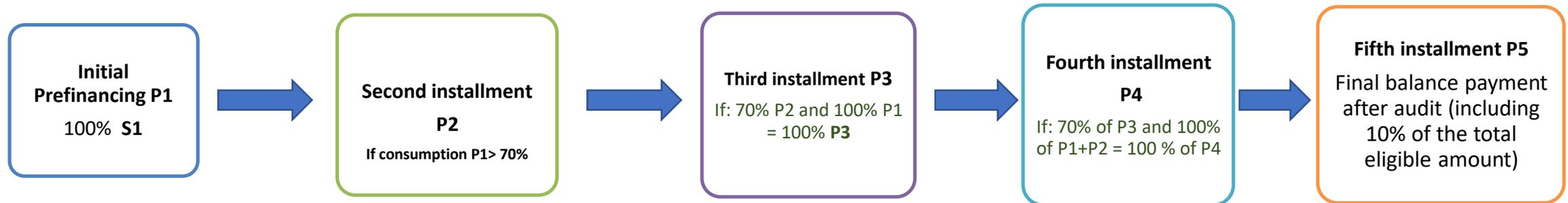
# PRE-FINANCING

- the total sum of pre-financing payments **may not exceed 90 % of the amount of the total budget of the Grant**, excluding not authorized contingencies;

(iii) the balance of the final amount of the grant will be done after submission of the final technical and financial report together with the expenses verification audit report made by the audit firm.



# PAYMENT STEPS



If consumption of P1 is less than 70% : no possibility to request P2  
Minimum 70 % of the eligible expenses



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# PRACTICAL CASE

## Chamber of Commerce and Industry of Brussels:

- Budget of the Action : 400 000 €
- 1st semester      2nd semester      3rd semester      4th semester  
100 000 €      100 000 €      100 000 €      100 000 €

⇒ The maximum amount of pre-financing = 90% of the total:  
= 400 000 € x 0,90 = 360 000 €



# PRACTICAL CASE

• 1st semester	2nd semester	3rd semester	4th semester
100 000 €	100 000 €	100 000 €	60 000 €

## Hypothesis:

At the end of the first semester, the project leader has spent at least € 70,000 (eligible) and can therefore request a second installment of € 100,000.

At the end of the second semester, if the project leader has spent 100% of the first semester and 70% of the second semester, he can claim 100% of the pre-financing of the third installment.



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# PRACTICAL CASE

- In the case where the project leader did not spend 70% of the second installment (and the first installment was 100% covered)

Expenses :	1st semester	2nd semester
	80 000 €	70 000 €

TOTAL : 150 000 €

The following pre-financing installment (3rd installment: 100 000 €) is reduced by the amount corresponding to the difference between the threshold of 70% of the pre-financing amount previously paid (70% of 100 000 € = 70 000 €) and the share of expenditure actually supported financed by the Contracting Authority on its second installment (50 000 €)

Therefore :  $70\,000\text{ €} - 50\,000\text{ €} = 20\,000\text{ €}$

This amount is to be deducted from the maximum pre-financing of the third installment of 100 000 €

=>  $100\,000\text{ €}$  (maximum pre-financing of the third installment) -  $20\,000\text{ €} = 80\,000\text{ €}$



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# BALANCE TO BE PAID

- The final balance to be paid (based on the final audit report of expenditure verification) is:

The total amount of the grant minus the total amount of pre-financing (payments) = the 10% withholding of the final balance.



The whole exercise is based on the fact that all costs are eligible



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# THANK YOU

## Hartelijk dank voor uw aandacht

Programme mise en œuvre par

