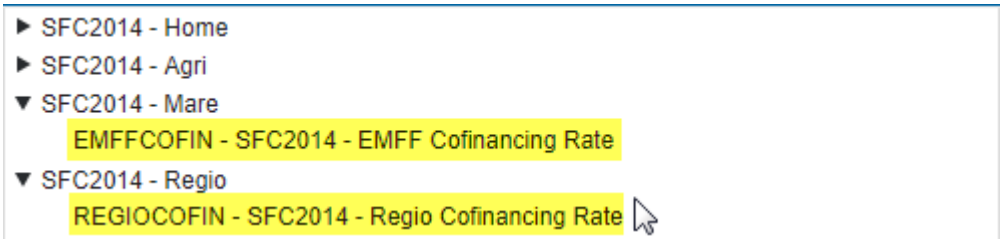
# PA - Cofinancing Rate - How to assess total eligible expenditure and national funding for an OP in case of an increase in co-financing rates?

To help National Authorities assessing total eligible expenditure and national funding for an Operational Programme in case of an increase in co-financing rates, a new report called **'Cofinancing Rate'** has been developed indicating the new minimum national funding for reaching the maximum EU funding adopted in the decision on the OP.

For additional information on how to generate such report using SFC2014, follow this link to the quick guide: https://ec.europa.eu/node/quick_guide/2762

You can find this report under the funds of MARE & REGIO:




For more details about the 'Cofinancing Rate' in case of an increase, please click on the link **- - Read more - -**

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**IT development illustrating the impact of an increase in co-financing rates on total expenditure and national funding**

1. A programme modification may affect the European Union co-financing rate. The new rate is applicable, for payment applications introduced by national authorities in SFC, only after notification from the Commission that the modifying decision has been adopted.

The introduction of the annual accounts changes the declaration of eligible expenditure. Eligible expenditure is now declared cumulatively over the current accounting year and not over the entire programming period. For each accounting year, the amount chargeable to the Fund is determined by the accepted annual accounts.

As already described in the Guidance note on the preparation, examination and acceptance of accounts*, any agreed changes in the co-financing rate applies only to the current and future accounting years. The change is applied to the first payment application submitted following the adoption of the modifying decision. The change is retroactive only to the cumulative expenditure declared during that accounting year.

2. National authorities should consider this principle when assessing the appropriate total eligible expenditure and national funding for an operational programme when expenditure is already declared for the priority concerned before the change of the co-financing rate entered into force.

The financial tables attached to the programme will always only show the new co-financing rate currently in force for a given priority. However, previous eligible expenditure has been reimbursed at a different co-financing rate, which was in force when the payment application was submitted during previous accounting year(s).

Accordingly, if the co-financing rate for a given priority has been increased, the minimum amount of eligible expenditure and the minimum national funding required to reach the maximum EU funding is higher than indicated in the new financial table in force. This is because some expenditure has been reimbursed previously at the lower co-financing rate in force during previous accounting year(s).

3. To help national authorities assessing total eligible expenditure and national funding for an operational programme in case of an increase in co-financing rates, the Commission services will develop indicative working tables showing the new minimum national funding required for reaching the maximum EU funding adopted in the decision on the operational programme.

These tables will only constitute a working tool to assist Member States and will not replace the official financial tables attached to the various decisions on the operational programmes. The information included in these tables may change over time. For instance, in case expenditure is withdrawn in the annual accounts – compared to the amount submitted in the final payment application of the accounting year concerned-, it will affect the calculation. It is therefore recommended to check the information on a regular basis in particular after the acceptance of accounts for an accounting year.

*Guidance for Member States on preparation, examination and acceptance of accounts point 8.1 calculation of the annual balance: "*Unlike the 2007-2013 period, where the co-financing rate was applied on retroactive base to the expenditure declared since the beginning of the programming period, the co-financing rate in the 2014-2020 period will be applied to the expenditure declared in the annual accounting year.*

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