




Payment forecast model – the Hungarian experience

Pichler Balázs
Central Monitoring Department
National Development Agency

Proiect co-finanțat din Fondul European de Dezvoltare Regională prin POAT 2007-2013

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Needs for forecast payments

- Monitor whether N+3/2 targets will be met – National Development Agency
- Data is needed to plan yearly budget – Finance Ministry

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Alternatives

- Bottom-up approach – to aggregate the forecasts of beneficiaries
- Payment model – to create payment profiles for the programs

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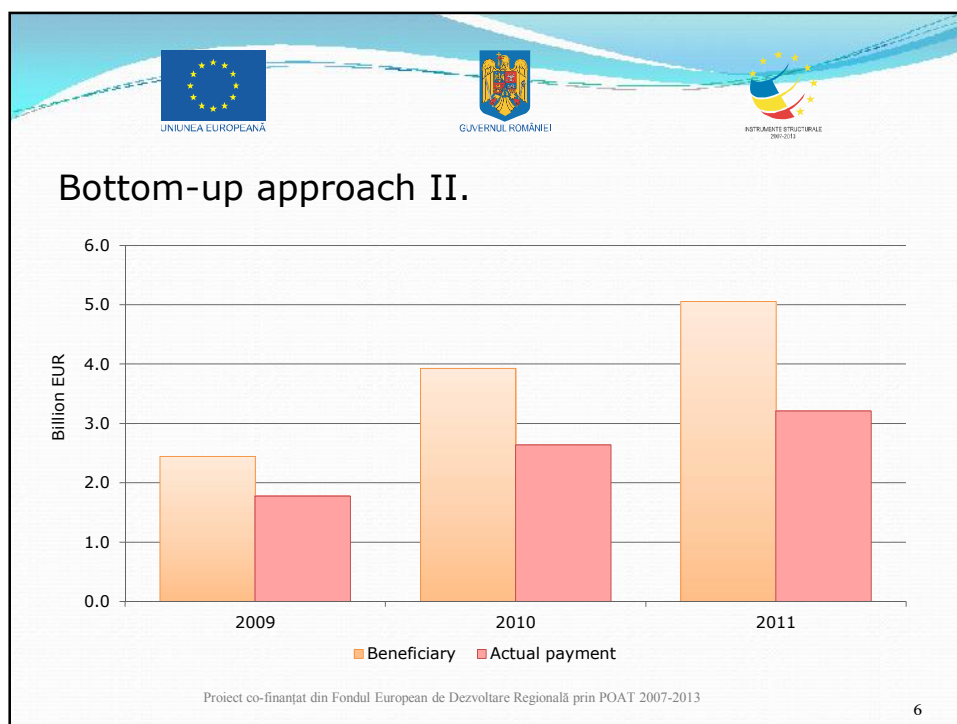



Bottom-up approach

- Payment plan is included in every contract
- IT system contains the data of the contract's payment plan
- Payment plans can be aggregated from project to program level
- Experience: beneficiaries are over optimistic, no sanction for missing plan

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Payments forecast model I.

- Forecast future payments based on past experiences
- Past experiences: payment profiles of the implemented projects of the programs 2004-06
- 5 operational programs
- Number of contracts: 19 300
- Total amount of payments: 2 470 M EUR

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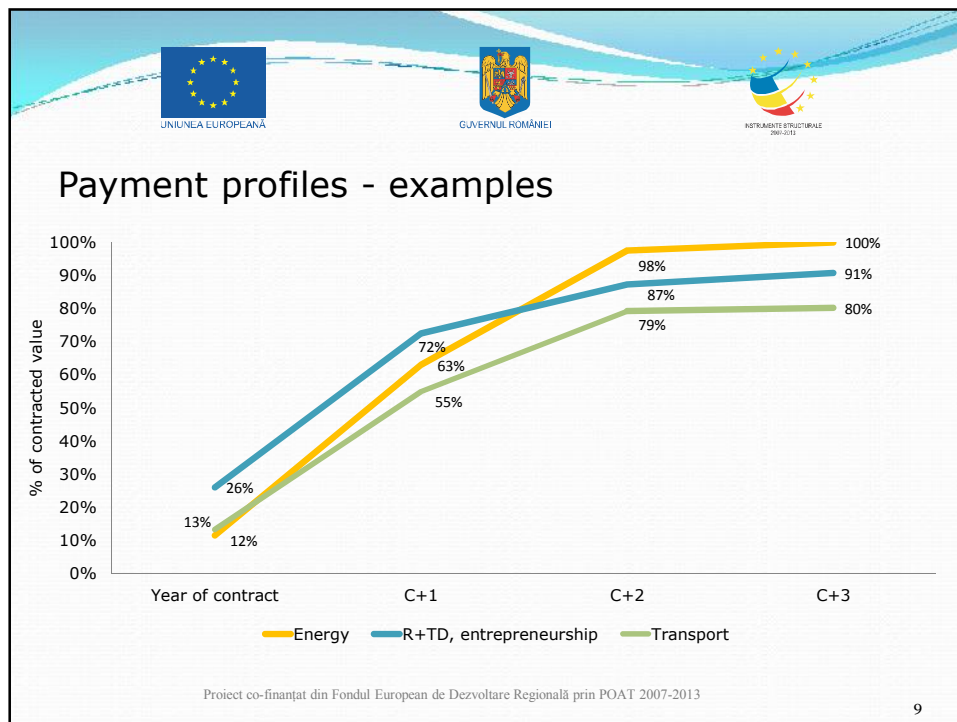


Payments forecast model II.

- Steps to create the model:
 1. Create groups from projects of past programs – based on main categories of EU priority themes (16)
 2. Create payment profile for each group based on contracted values and yearly payments
 3. Payment profiles shows yearly payments from the year of contract to the year of implementation

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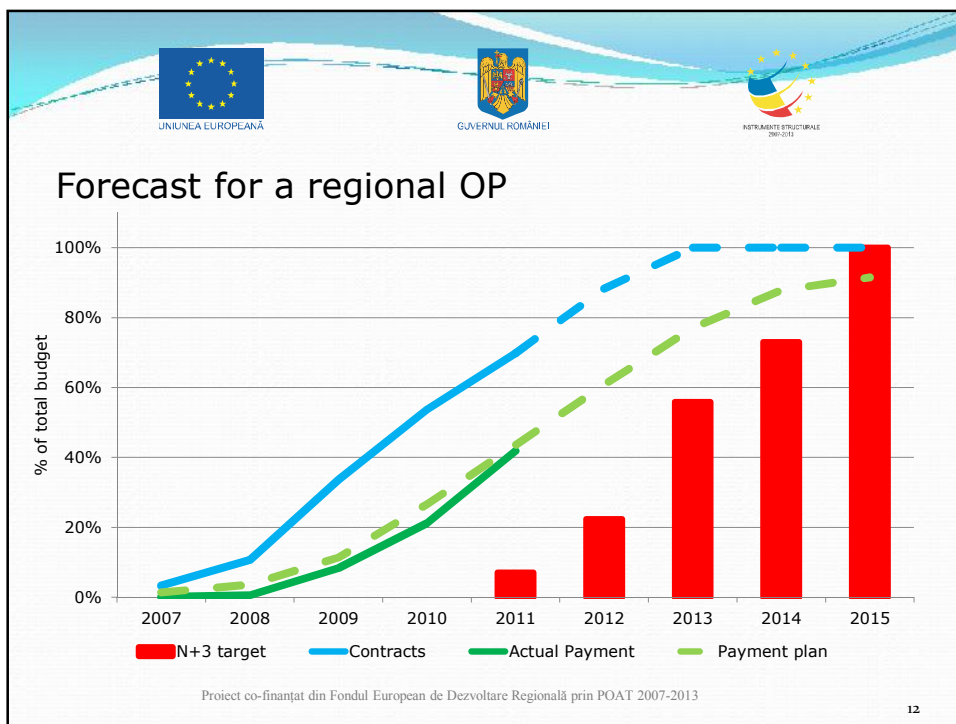
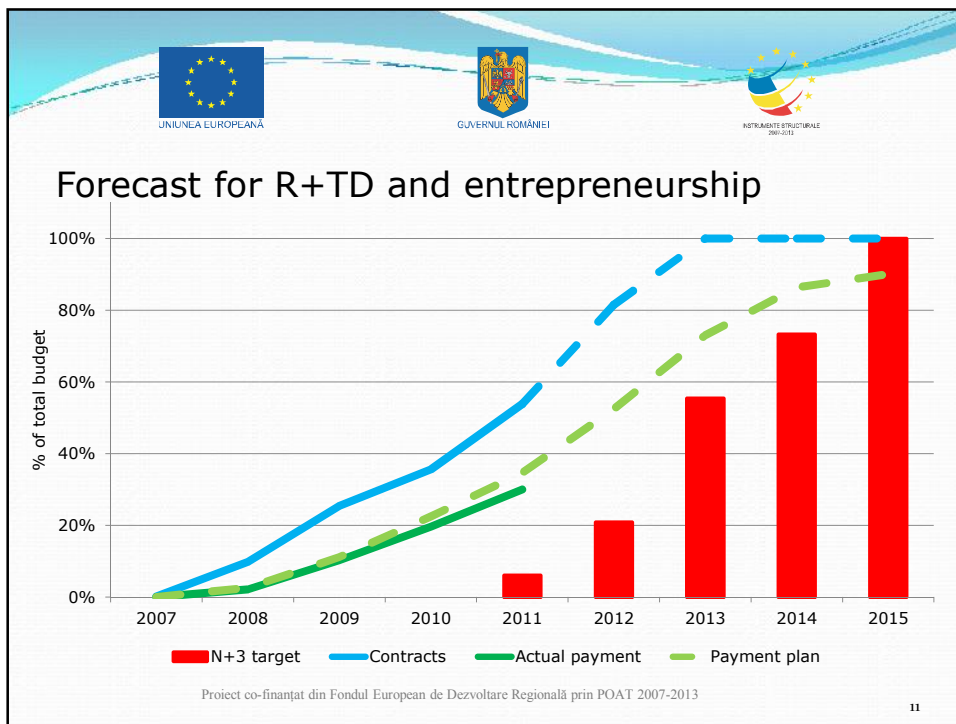
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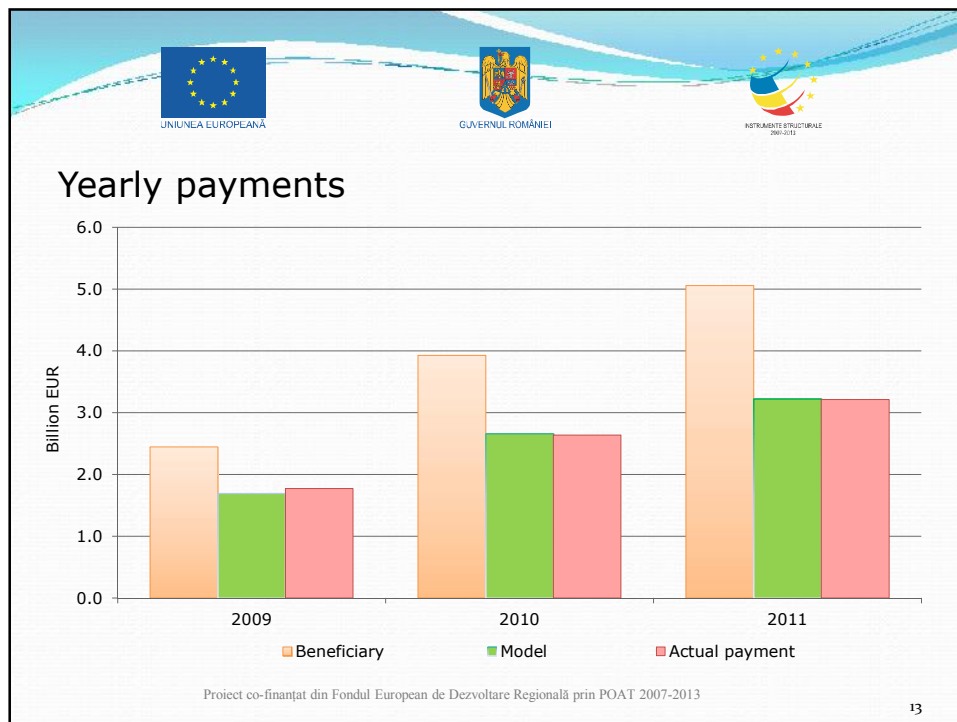
Payments forecast model III.

- Steps to create the model:
 4. Match payment profiles to current programs – based on EU priority themes
 5. From contracted amounts model estimates future payments
 6. Estimate future contracted values to create payment plan for entire programming period

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Lessons of the model

- Results are better at operational program than at priority level
- Model works well for programs with numerous similar projects
- Major projects with unique payment profiles represent a challenge for the model
- Overcommitment is needed for 100% absorption

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Challenges

- Update the model with payment profile of current program
- Estimate future contracted values
- Define unique payment patterns for major projects

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Thank you for your attention!

pichler.balazs@nfu.gov.hu

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