

The European Social Fund



# Closure Guidelines ESF/FEAD

TWG Meeting  
8<sup>th</sup> of February 2023

*DG EMPL G.2 – EGF, Shared Management*



# Outline

- Early Closure
- Preparation for closure
- Timeline
- Financial management
- Payment of the final balance
- Content of closure documents



## Early Closure

- *Possible if all activities related to the implementation of the programme have been carried out*
- *An earlier accounting year than the one running from 1 July 2023 to 30 June 2024 should be considered as the final accounting year of the programme.*
- *MS must submit the closure documents (Art. 141 CPR and Art. 52 FEAD Regulation) by 15 February of the year following the accounting year considered.*
- *Early closure should follow all rules established for closure.*
- *For FEAD OP I type: the final structured survey has to be carried out in 2022 (or the last year in which food and/or basic material assistance is distributed)*



## Frequent question on Early Closure

- ***What is the procedure to request an early closure?***  
*Provided that MS have carried out all the activities related to the implementation of the programme. The request can be done through a letter sent to the Commission for each programme submitted by SFC2014.*



## Preparation for closure

*adopted by*  
**31.12.2020**

- Transfers between Funds, programmes or categories of regions

*By 15 November*  
**2021 or 2022**

- [REACT EU] Transfer between ERDF and ESF → only to ongoing or future years

*Beyond*  
**31.12.2022**

**No revision of indicators'** targets unless due to changes in allocations for a priority or phasing of operations.

*to be submitted by*  
**30.09.2023\***

- transfers btw PA if same OP/Fund/CoR
- Request/notification/amendment of major projects

**Reminder: 31 December 2023 – eligibility period ends**



## Timeline

*[Possible extension to 1 March 2025]*

**July 2023 – June 2024**

**Final accounting year:**

interim payment applications (with overbooking)

**July 2024**

Final application for an interim payment (with overbooking) – paid at 90 %

**15.02.2025**

**Submission of 5 Closure documents:**  
FIR, accounts, management declaration (+ annual summary), audit opinion and control report



# Financial Management

## *When calculating final balance to consider:*

- Clearance of **initial & annual pre-financing** (incl. REACT-EU) by OP/Fund/CoR
- **2020 accounts (2018/2019 accounting year):** amounts recovered
- **Overbooking** – taken into account if declared in final accounting year
- **ESF Only: 15% flexibility** by Priority, per Fund / CoR



## Payment of the final balance

3 months from the  
date of acceptance  
of the accounts

or

1 month from the  
date of acceptance  
of the FIR

**whichever  
is later**

**legality and regularity** issues can be raised by EC after  
payment of the final balance and closure of the programme





## FEAD Closure documents

**FIR**

**Accounts**

**Management  
declaration +  
annual  
summary**

**Audit opinion  
and Control  
report**

**for the final accounting year  
(1 July 2023 to 30 June 2024)**



# Final Implementation Report (FIR) - FEAD

- ✓ Deadlines
- ✓ Substantive issues to be included
  - Indicators and assessment of the actions
  - OP type II programmes provide additional information
  - Suspended operations or under investigation



# ESF Final Implementation Report (FIR)

- ✓ Structure
- ✓ Deadlines
- ✓ Substantive issues to be included
  - Indicators (Common and programme specific)
  - Performance Framework
  - Reporting on Major Projects
  - Phased operations
  - Non-functioning operations
  - On-going national investigations / suspended operations



## ESF FIR: Structure

### Implementing Regulation 2015/207

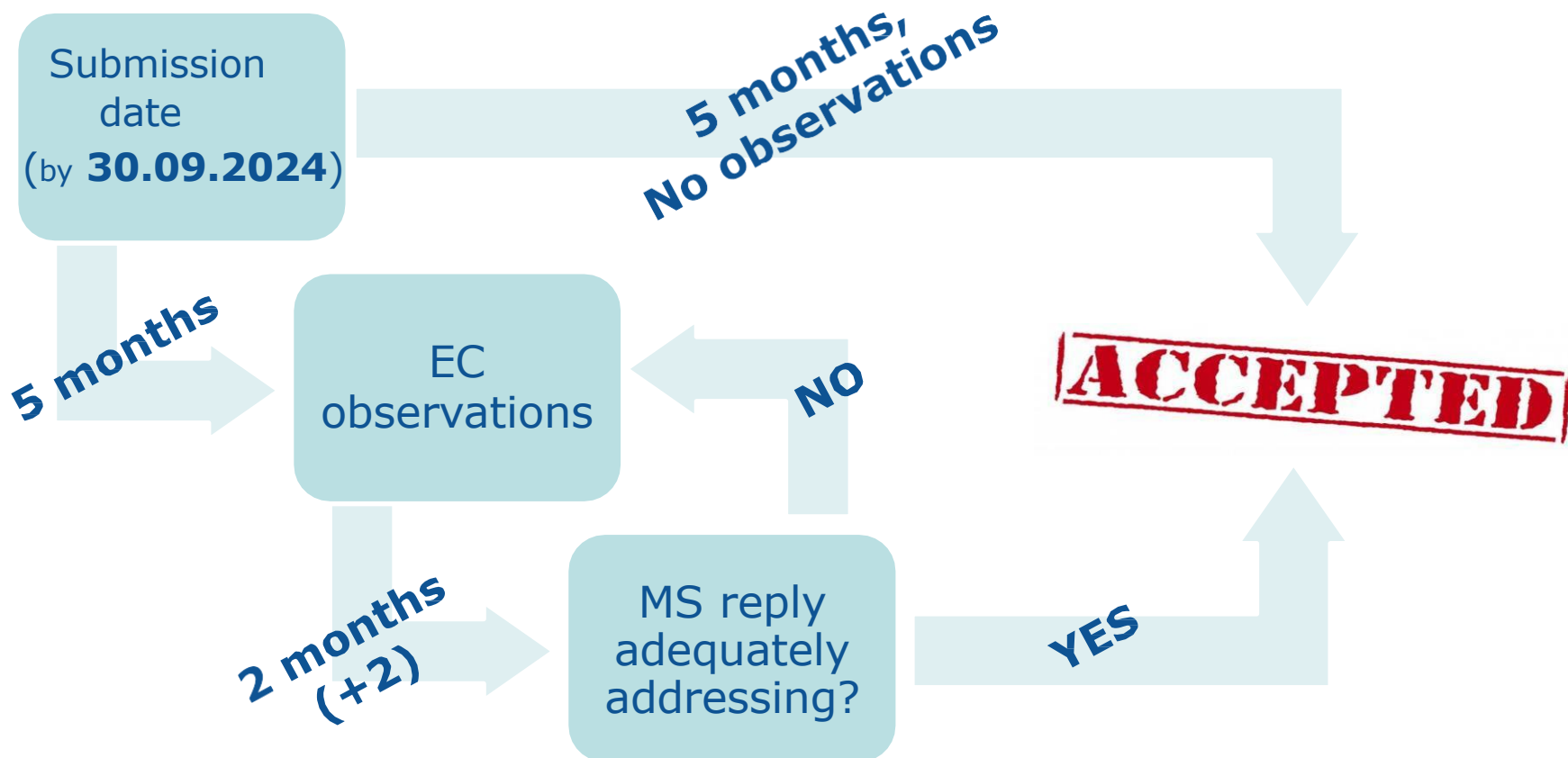
- **Annex V: Investment for growth and jobs**



- ✓ Report on the use made of additional REACT EU pre-financing (Reg 2022/613)
- ✓ Report on the fulfilment of article 98(4), 4<sup>th</sup> subparagraph

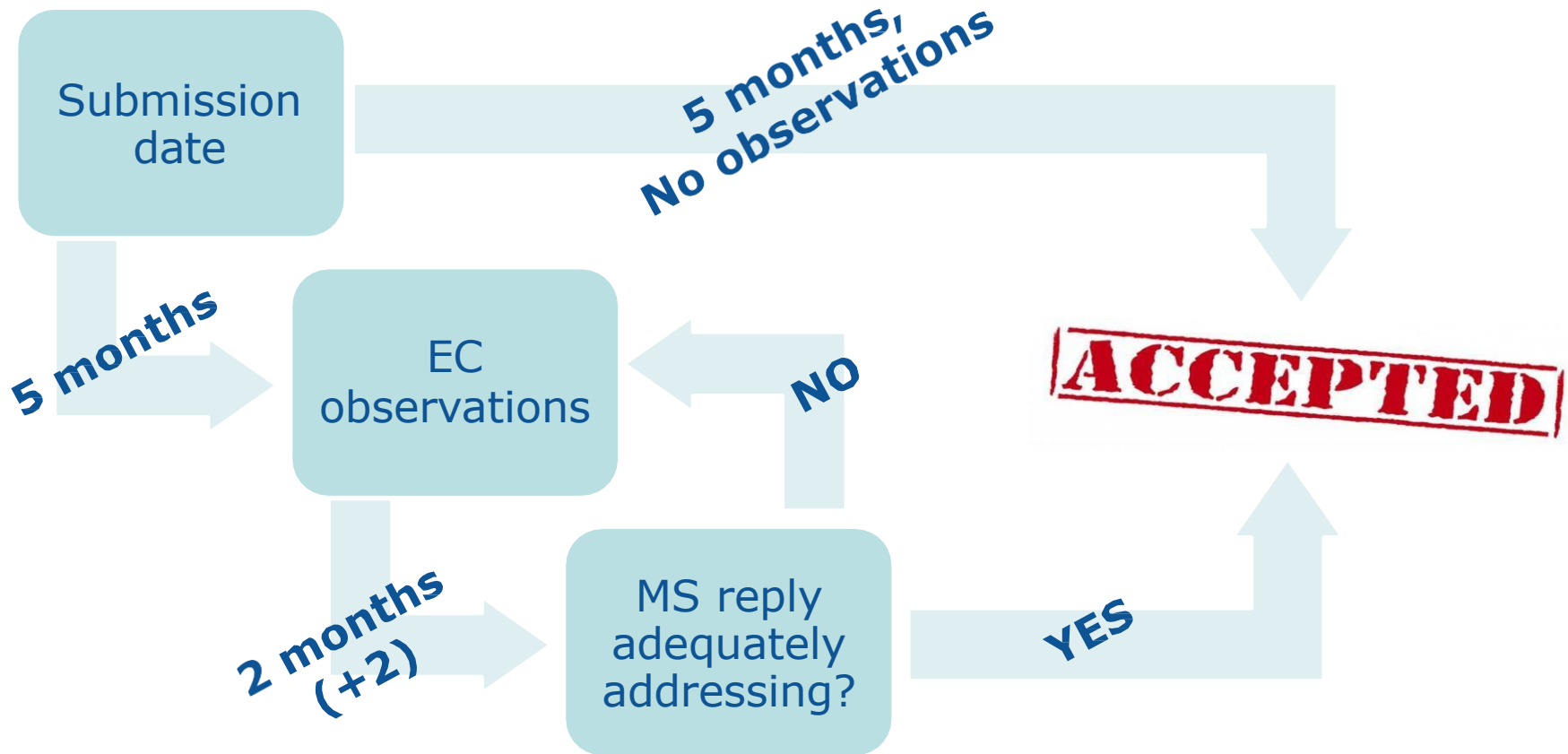


## FEAD FIR: Acceptance and deadlines





# ESF FIR: Acceptance and deadlines





## **FIR: Indicators and assessment of the actions**

- ✓ reference to the common indicators used for partially or fully completed operation
- ✓ assessment of the actions which take into account the principles set out in Article 5 FEAD Regulation.
- ✓ the data reported should cover the activity implemented up to 31 December 2023



## FEAD FIR: OP type II

- ✓ Member States should provide:
  - ✓ data on programme specific indicators and quantified target values,
  - ✓ information on changes in the result indicators,
  - ✓ information on and an assessment of the progress towards achieving the programme's specific objectives.





## Suspended operations or under investigation

- ✓ MS decision: include / exclude from the accounts
- ✓ Irregularities established: Commission proceeds with the recovery
  - Possibility to use overbooking (if available)
- ✓ *No expenditure may be declared after the final interim claim for the final accounting year*



## ESF FIR: Common and programme specific indicators

- ✓ Tables 1-4 of Annex V to Regulation 2015/207
- ✓ Values by end of 2023
- ✓ Observations: "Significantly different"? 20% deviation
- ✓ Special cases
  - Phased operations into 2021-2027
  - Non-functioning operations



## ESF FIR: PF indicators

- ✓ Table 5 of Annex V to Regulation 2015/207
- ✓ Revision of Targets: Specific cases through Programme Amendment
- ✓ Serious failure: <65% of Target Value (**financial correction**)




## ESF FIR: Major Projects Reporting

- ✓ Successful implementation
- ✓ Explain any divergence in implementation:  
Table 12 (Annex V)
- ✓ Also phased projects from 2007-2013



## Phasing of operations (Annex I to CGL)

**CPR  
conditions  
for phasing**  
(cumulative) 

- *Two phases from financial point of view*
- *Total cost  $\geq$  EUR 5 million*
- *Audit trail  $\longrightarrow$  no double declaration*
- *2<sup>nd</sup> phase: eligible under 2021-2027*
- *MS undertakes to complete*

**FAST CARE**  
(new  
art.118a)

- Project selected and started before 29 June 2022
- Total cost  $\geq$  EUR 1 million
- Relaxation of eligibility rules for 2<sup>nd</sup> phase



## Non-functioning operations (Annex II to CGL)\*



CGL: exclude expenditure from the last accounts for non-functioning operations, **unless...**

Total cost >  
**EUR 2 million**  
**(1 million)**

**10%** of total  
eligible  
expenditure of  
OP  
**(15%)**

Functioning  
before **15  
February  
2026**  
**(15 Feb  
2027)**

\* Following the revision of the Closure guidelines



## On-going national investigations or suspended operations (Annex III to CGL)

- ✓ MS decision: include / exclude from the accounts
- ✓ If included: Annex III + MS to inform on the outcome
- ✓ Irregularities established: Commission proceeds with the recovery
  - Possibility to use overbooking (if available)
- ✓ *Suspended operations: No expenditure may be declared after July 2024*



## Closure documents

**FIR**

**Accounts**

**Management  
Declaration  
+ Annual  
summary**

**Audit  
opinion and  
Control  
report**

**for the final accounting year  
(1 July 2023 to 30 June 2024)**





# Accounts / Irregularities

## Deductions: as in any accounting year

### Amounts to be recovered

- EC will exclude from of the final balance
- MS should report on the outcome

### Irrecoverable amounts

- EC will exclude from of the final balance
- EC will assess if amounts should be charged to EU budget



## Audit opinion and control report

***Audit opinion** as any other accounting year*

***Control report** = as any other accounting year +*

- ✓ information on **open findings** from EC/ECA audits;
- ✓ assurance on reliability of data on **indicators**;
- ✓ **ESF Only:** assurance on legality and regularity of expenditure under **financial instruments**;
- ✓ **ESF Only:** assurance **public expenditure** paid to beneficiaries  $\geq$  Funds contribution received



## Relevant Q&As

- Clarify the **link between annual closings** and the invitation to "postpone the declaration of **overbooking** to the last financial year".
  - Following the concept of annual acceptance of the accounts, payment applications are cumulative only within a given accounting year. So as to ensure that overbooking is not lost for the programme, amounts entered in the CA accounting systems in an accounting year can be declared to the Commission in the final accounting year
- *Is it in this possible to declare less than 85% for a PA in combination with declaring an additional 15% in another so as to receive the total budget?*
  - Article 130(3) CPR foresees a maximum of 15% flexibility for the contribution from the Funds for each priority (per fund and per CoR). The CPR does not set a minimum amount that needs to be declared in each priority. The contribution from the Funds at programme level is limited to the eligible public expenditure declared or the contribution from each Fund and category of regions to each operational programme, whichever is lower.



## Relevant links

- *Closure Guidelines for ERDF, ESF, CF and EMFF – [C\\_2022474EN.01000101.xml \(europa.eu\)](#)*
- *Closure Guidelines for FEAD – [C\\_2021522EN.01000101.xml \(europa.eu\)](#)*

The European Social Fund



**THANK YOU FOR YOUR ATTENTION!**

