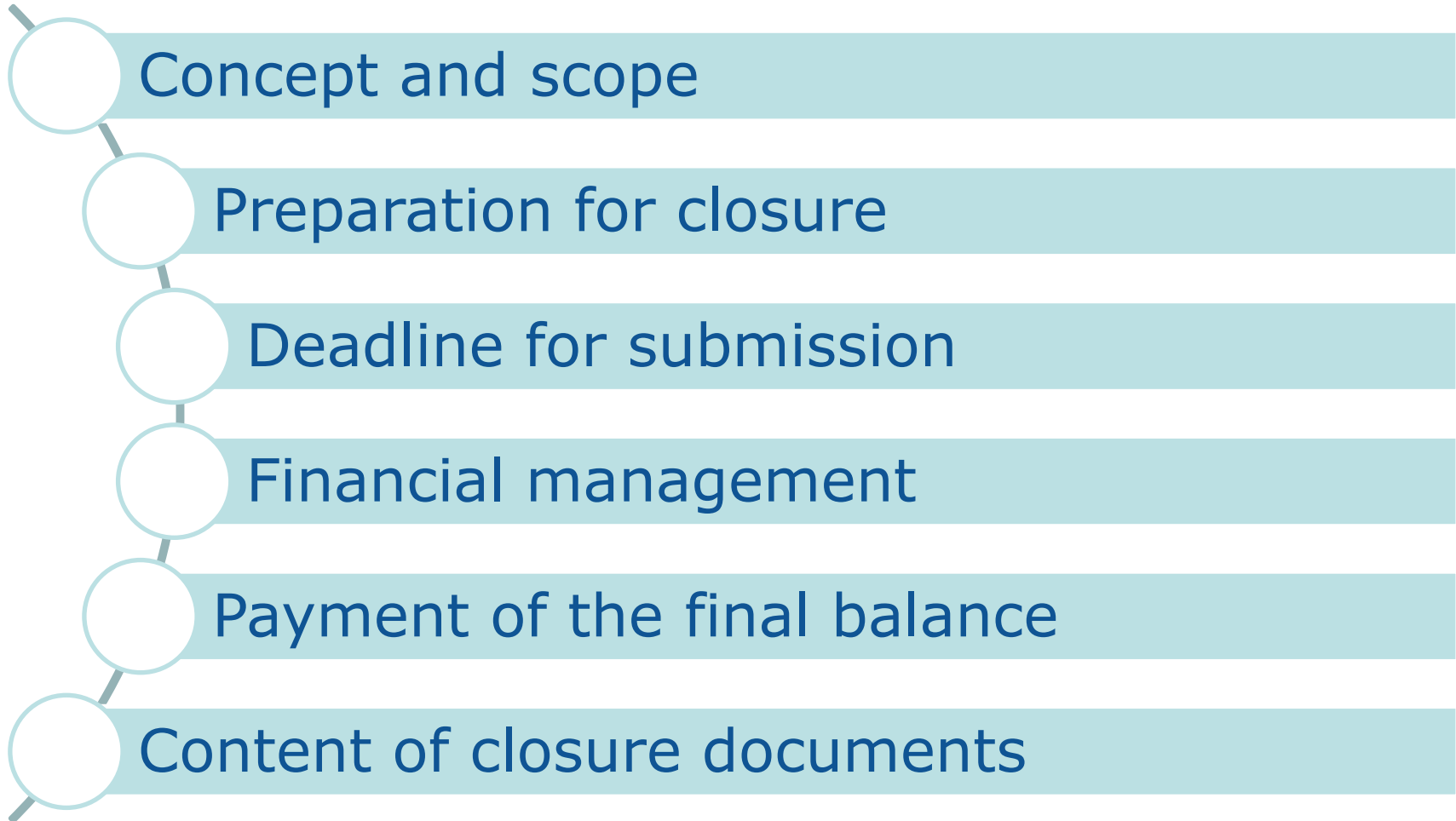




Closure Guidelines 2014-2020 (ERDF, ESF, EMFF and CF)

**Meeting with Estonian, Finnish
Latvian and Lithuanian Authorities
2 March 2022**

Outline



Process so far....

**Oct 2020 & March
2021**

Two EGESIF sessions,
300+ Q&A replied

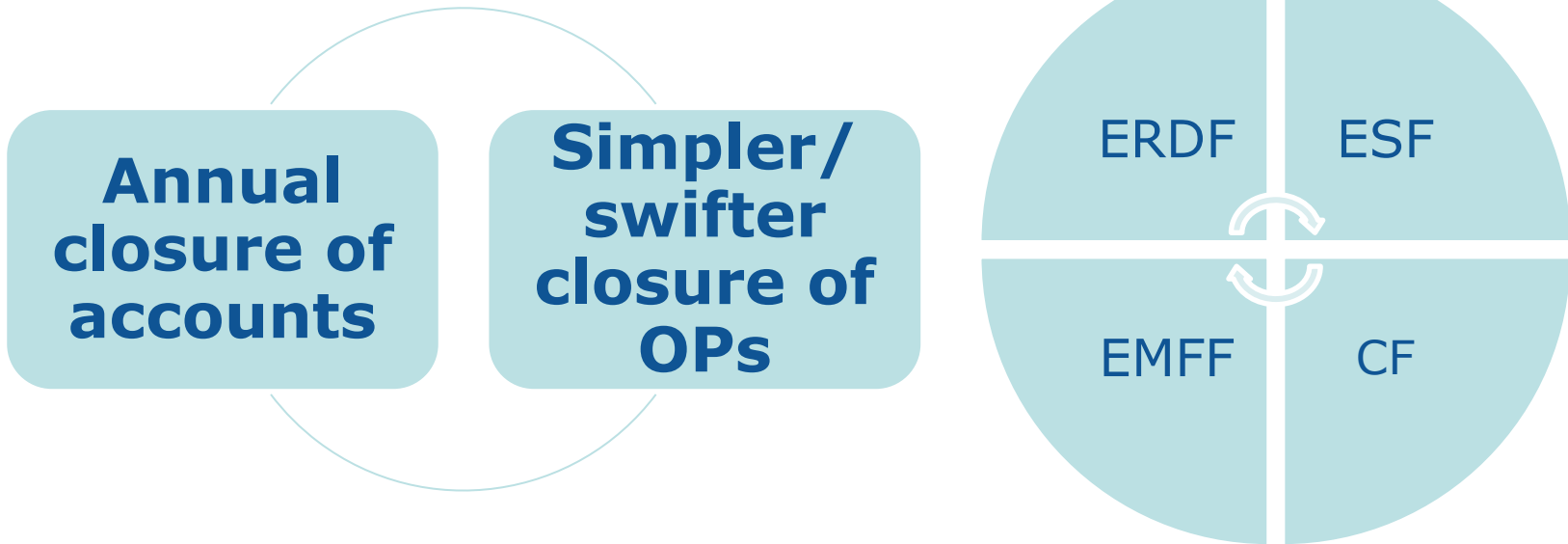
13.10.2021

Adoption via
Commission Notice

CGL Published in OJ on 14/10/2021: [link](#)

and available on InfoRegio

Concept and scope*



Early closure: possible if all activities related to the implementation of the programme have been carried out

*not covering FEAD, EAFRD, ENI-CBC

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 of resources between ERDF and ESF → only to the ongoing or future years

Beyond
31.12.2022

- No revision of indicators' targets

to be submitted by
30.09.2023

- PA transfers if same programme/Fund/cat. of region
- Request/notification/amendment of major projects

Timeline



Financial Management

Calculation of final balance.

To consider:

Clearance of **initial & annual pre-financing** (incl. REACT-EU) by programme, Fund and category of region

2020 accounts  amounts cleared or recovered

10% flexibility (CRII+) by Priority, per Fund / category of region N.B.! REACT-EU is external assigned revenue

Overbooking – only taken into account if declared in final accounting year

*Decommitment of unused commitments
(incl. REACT-EU)  in the closure process*

Example of a final balance calculation

| Financial Plan | | | | | | | |
|-----------------------|----------------|------------------------|----------------------|-----------------|----------------------|---------------|------------|
| Priority | Eligible Total | EU (Fund Contribution) | National Counterpart | National Public | National Private (*) | Public /Total | Cofin Rate |
| | A = B + (z) | B | (z) = (x) + (y) | (x) | (y) | P / T | C=B/A |
| Priority 1 | 95.000 | 81.000 | 14.000 | 14.000 | 0 | P | 85% |
| Priority 2 | 60.000 | 45.000 | 15.000 | 15.000 | 0 | P | 75% |
| Priority 3 | 61.000 | 52.000 | 9.000 | 9.000 | 0 | P | 85% |
| Less developed | 216.000 | 178.000 | 38.000 | 38.000 | 0 | | |
| Priority 4 | 800 | 600 | 200 | 150 | 50 | T | 75% |
| Priority 5 | 7.000 | 6.000 | 1.000 | 800 | 200 | T | 86% |
| Priority 6 | 27.000 | 20.000 | 7.000 | 5.000 | 2.000 | T | 74% |
| Transition | 34.800 | 26.600 | 8.200 | 5.950 | 2.250 | | |
| Programme | 250.800 | 204.600 | 46.200 | 43.950 | 2.250 | | |

Example of a final balance calculation

| Declaration of expenditure (all past accounting years) | | Paid over all past accounting years | Declaration of expenditure (last accounting year) | | | Sum of Total Paid in past years and Calculated Fund Contribution last year |
|--------------------------------------------------------|---------------------|-------------------------------------|---------------------------------------------------|---------------------|----------------------------------|----------------------------------------------------------------------------|
| Total expenditure | Public Contribution | | Total expenditure | Public Contribution | Calculated Fund Contribution (1) | |
| D1 | E1 | P | D | E | F=C*D or C*E | M=P+F |
| 70.000 | 70.000 | 59.684 | 30.000 | 30.000 | 25.579 | 85.263 |
| 34.000 | 34.000 | 25.500 | 20.000 | 20.000 | 15.000 | 40.500 |
| 44.000 | 44.000 | 37.508 | 20.000 | 20.000 | 17.049 | 54.557 |
| 148.000 | 148.000 | 122.692 | 70.000 | 70.000 | 57.628 | 180.321 |
| 500 | 400 | 375 | 220 | 180 | 165 | 540 |
| 6.500 | 5.500 | 5.571 | 1.500 | 700 | 1.286 | 6.857 |
| 20.000 | 17.000 | 14.815 | 4.000 | 2.200 | 2.963 | 17.778 |
| 27.000 | 22.900 | 20.761 | 5.720 | 3.080 | 4.414 | 25.175 |

Example of a final balance calculation

| Calculation at the level of the priority axis (all years, including last) | | Calculation at the level of the programme | | Declaration of expenditure all years | |
|---------------------------------------------------------------------------|---------------------------------------|-------------------------------------------|------------------------------------------------------------------------|--------------------------------------|----------------|
| Flexibility limit | Amount retained at priority level (2) | Capping to Public Contribution (3) | Capping to Amount retained at priority level and Fund Contribution (4) | Total | Public |
| $H=B+B*10\%$ | $J=\min(M,H)$ | $K=(E+E1)$ | $L=\min(J, \text{total B per category of region})$ | $D+D1$ | $E+E1$ |
| 89.100 | 85.263 | 100.000 | 85.263 | 100.000 | 100.000 |
| 49.500 | 40.500 | 54.000 | 40.500 | 54.000 | 54.000 |
| 57.200 | 54.557 | 64.000 | 54.557 | 64.000 | 64.000 |
| 195.800 | 180.321 | 218.000 | 178.000 | 218.000 | 218.000 |
| 660 | 540 | 580 | 540 | 720 | 580 |
| 6.600 | 6.600 | 6.200 | 6.600 | 8.000 | 6.200 |
| 22.000 | 17.778 | 19.200 | 17.778 | 24.000 | 19.200 |
| 29.260 | 24.918 | 25.980 | 24.918 | 32.720 | 25.980 |
| Capping to Public at Programme level | | 243.980 | | | |
| Final result at programme level | | | 202.918 | 250.720 | 243.980 |

Payment of the final balance



3 months from the date of acceptance of the accounts

or



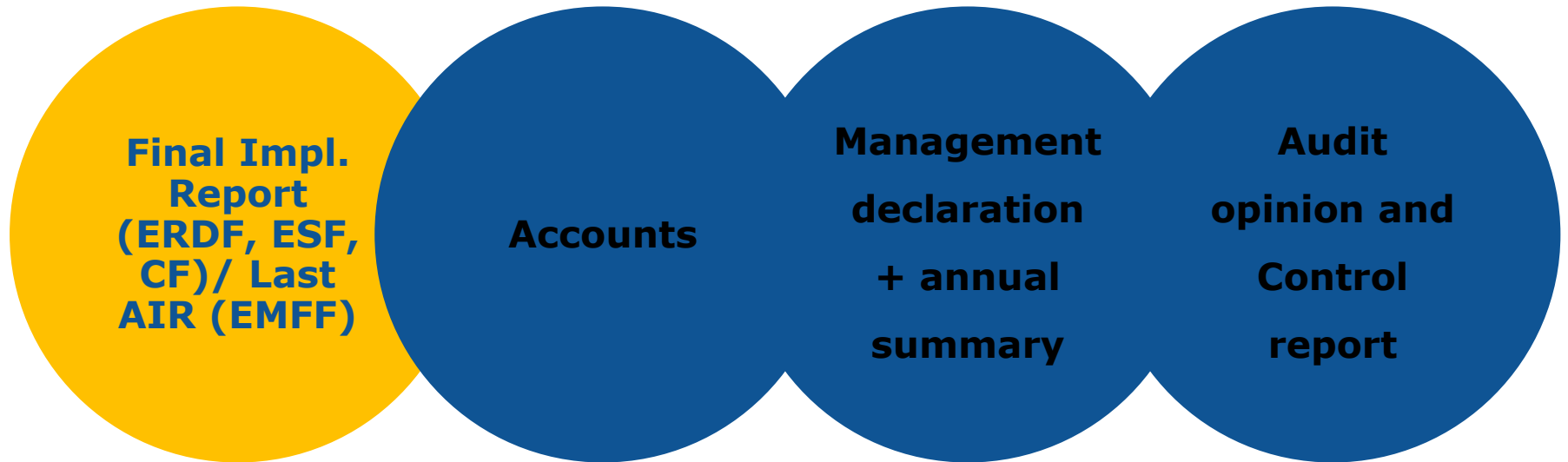
1 month from the date of acceptance of the FIR

whichever is later

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



Closure documents



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

Final Implementation Report

FIR (Annex V / X of
Regulation
2015/207) or last
AIR for EMFF

Phased operations (Annex I)

Non-functioning operations (Annex II)

Ongoing national investigations / suspended by
legal proceedings or administrative appeal
(Annex III)



Information on indicators and PF
Reporting of major projects

Final Implementation Report

Acceptance and deadlines:

- EC observations: 5 months from receipt + 2 months for MS reply
- Acceptance: no observations or addressed adequately



Indicators and Performance Framework

Use tables in Annex V / X of Regulation
2015/207 (ERDF, ESF, CF)

Use tables in Annex of Regulation
1362/2014 (EMFF)

- Values for output and result indicators up to and including 2023
- Explain 2023 achievement values, especially when significantly different from targets (deviation of more 20%)
- Any issues affecting the performance
- **!** non-functioning and phased operations



Performance framework indicators

- Revision of targets of PF indicators in duly justified cases / changes of allocations in priorities
- EC will assess achievement of targets values in FIR
- Serious failure (defined in IR 215/2014) to achieve targets → possibility of financial corrections if conditions of Article 22(7) CPR are met
- Treatment of Non-functioning operations



Phasing of operations (Annex I to FIR)

- At the time of submission of closure documents → all operations have to be functioning
- But possibility of phasing (Art. 118 of the CPR 2021-2027)

Conditions



(cumulative)

- Operation not co-financed in 2007-2013
- Total cost \geq EUR 5 million
- Two identifiable phases from financial point of view
- Audit trail → no double declaration
- 2nd phase - eligible under 2021-2027
- MS undertakes to complete in 2021-2027



Non-functioning operations (Annex II to FIR)

At the time of submission of closure documents → all operations have to be functioning

Total cost exceeds
EUR 2 million



10% of the total eligible expenditure of the OP



Functioning before **15 February 2026**

Not functioning by 15/2/2026 → MS to provide amounts to be corrected → the Commission will recover. If EC disagrees with calculation → may initiate financial correction procedure

Operations affected by on-going national investigations or suspended (Annex III to FIR)

MS decision to include / exclude from the accounts

If included → Annex III + MS to inform on the outcome of investigations, legal proceedings and/or administrative appeals

If irregularities are established → the Commission will proceed with recovery

Irregular amounts may be replaced by overbooking

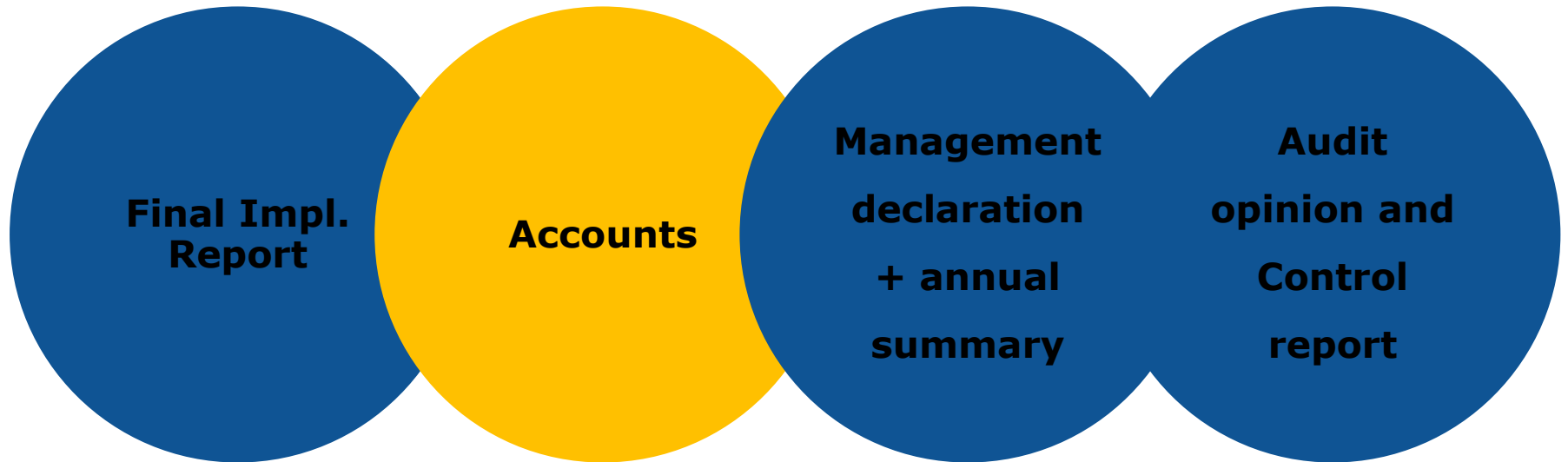


Suspended operations: no expenditure may be declared after July 2024

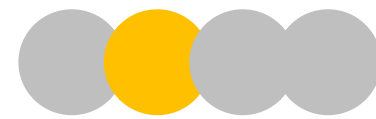


European
Commission

Closure documents



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



Accounts / Irregularities

As in previous years, all necessary deductions are made in the accounts of the final accounting year

Amounts to be recovered

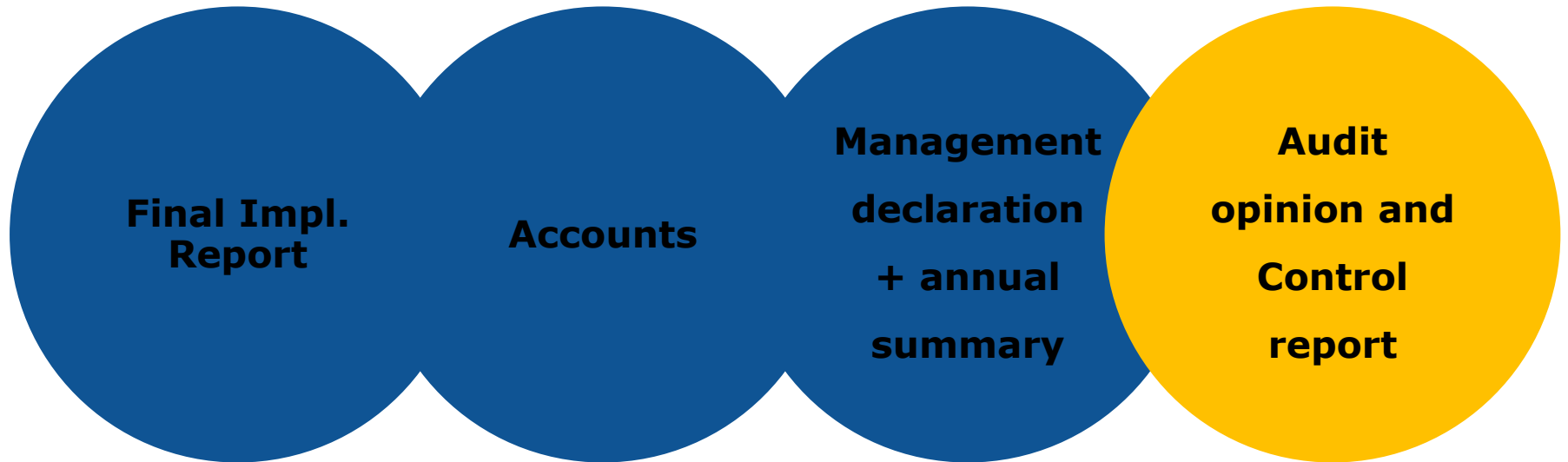
- EC will exclude from the calculation of the final balance
- MS should report on the outcome of the recovery procedure

Irrecoverable amounts

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



Closure documents



**Final Impl.
Report**

Accounts

**Management
declaration
+ annual
summary**

**Audit
opinion and
Control
report**

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



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 the legality and regularity of expenditure under **financial instruments**;
- ✓ assurance on the reliability of the data relating to **indicators**;
- ✓ assurance that the **public expenditure** paid to beneficiaries \geq the Funds contribution received

Questions?

