

Member State questions received within the framework of 2014-2020 closure

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#	Member State	Section of the Closure Guidelines	Subcategory	Question	Reply
1	Poland	4. Financial management	4.4 Overbooking	Excess expenditure should be declared in the last accounting year. How should we calculate the level of expenditure declared to the Commission taking into account the annual closure (accounting year). Should we calculate the level of expenditure declared to the Commission based only on the values resulting from applications for payment to the Commission? Or maybe we should consider the expenses excluded and the reductions included directly in the annual accounts for all completed accounting years (reduce the already declared expenditure to the European Commission by the reductions and exclusions resulting from the annual accounts)?	The expenditure declared and paid over the past accounting years cannot be modified and is fixed. The expenditure declared should be taken from the annual accounts' declarations. The amounts accepted and paid over the past accounting years are visible in Table 8 of the interim payments' calculation report.
2	Poland	4. Financial management	4.4 Overbooking	In relation to the fact that "Member States may consider declaring overbooked expenditure only in the final accounting year, except if:— they need to declare it in an earlier accounting year to replace irregular amounts detected (within the limits of the Funds or the EMFF contribution for the priority)" – the question is, when the allocation on an axis for a given moment has been exhausted and there are financial corrections of low value, the Certifying Authorities should declare expenses on an ongoing basis in the interim payment applications to the	As explained in Section 4.4 of the Closure Guidelines, declaring overbooking is only useful and recommended in the final accounting year, because expenditure declared to the Commission in excess in previous accounting years will not be carried over the next accounting year (i.e., this excess would be lost). In earlier accounting years, after having reached 100% of the allocation for a given priority, Member States can still accumulate but not declare expenditure in view of declaring it at closure as overbooked expenditure. However, it is also possible to use overbooking in the

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				European Commission? , Can it cover the cumulative value of detected irregular amounts, e.g. in the final application for payment to the European Commission for a given financial year, so that the value of declared over-programmed expenses is close to the total value of financial corrections?	earlier accounting years to replace irregular amounts which must be deducted. It is possible, as explained by the Member State, to cover the cumulative value of detected irregular amounts by overbooked expenditure in the final application for an interim payment for earlier accounting years.
3	Poland	4. Financial management	4.4 Overbooking	Are there any possibilities of overbooking one priority axis at the expense of the other priority axis before the last accounting year (i.e. in 2022/2023)? Is there any flexibility instrument or only program change is required?	No, there is no flexibility possible before the final accounting year.
4	Poland	4. Financial management	4.4 Overbooking	What are the possibilities of overbooking whole program?	The Member State can declare as much overbooking as it wishes; all the priority axes may be overbooked. However, contribution from the Funds through payments of the final balance by the Commission will respect the priority and category of regions level ceilings as set out in Article 130(3) CPR.
5	Poland	5. Indicators and performance framework at closure		What are the consequences of achieving the output and result indicators of the Programme above 20% of the declared value?	There are no consequences. Values will simply need to be explained in the final implementation report.
6	Poland	5. Indicators and performance framework at closure	5.2 Implications of the performance framework at closure	What are the effects of failure to achieve the output and result indicators set out in the Programme?	A serious failure to achieve performance framework targets may give rise to financial corrections if the conditions of Article 22(7) CPR are met. A serious failure is assessed in accordance with the criteria set out in Article 6(3) and (4) of the Commission Implementing Regulation (EU) No 215/2014. Articles 2 and 3 of Commission Delegated Regulation (EU) No 480/2014 specify how the level of the financial correction will be determined.

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7	Poland	5. Indicators and performance framework at closure	5.2 Implications of the performance framework at closure	Will it be possible to waive the imposition of a financial correction in case the effects of the pandemic have affected the achievement of the target values of output and result indicators declared in the Programme?	<p>According to the first subparagraph of Article 22(7) CPR, the Commission may apply financial corrections to priorities which, on the basis of the final implementation report, have seriously failed to achieve the targets relating to the indicators and key implementation steps set out in the performance framework.</p> <p>The second subparagraph of Article 22(7) CPR sets out that when applying financial corrections, the Commission shall take into account, with due regard to the principle of proportionality, the absorption level and external factors contributing to the failure. Consequently, the Commission shall take into consideration the elements referred to in the above provision when applying financial corrections under Article 22(7) CPR. Subject to a case-by-case analysis, the COVID-19 outbreak due to its nature may be considered as an external factor, which may contribute to a serious failure to achieve targets.</p> <p>According to the third subparagraph of Article 22(7) CPR, the Commission shall not apply financial corrections in case the failure to achieve targets is due to (1) the impact of socio-economic or environmental factors, (2) significant changes in the economic or environmental conditions in the Member State concerned or (3) because of reasons of force majeure seriously affecting implementation of the priorities concerned.</p>

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					<p>Subject to a case-by-case analysis, the COVID-19 outbreak may be considered as triggering socio-economic factors or causing significant changes in the economic conditions in the Member State, which in both cases may result in a serious failure to achieve targets. In such cases, financial corrections will not be applied. Further advice in relation to the impact of the COVID-19 outbreak on monitoring, reporting and on the performance framework, including particularly in relation to force majeure aspects, has already been provided on the CRII Platform.</p> <p>As mentioned, the Commission will assess each situation on a case-by-case basis. A clear causal link between the COVID-19 outbreak and the serious failure to achieve targets will need to be demonstrated showing that the serious failure is clearly attributable to the COVID-19 outbreak. The impact of the COVID-19 outbreak on the specific indicator target (as the impact will be different depending on the type of intervention) should be clearly quantified with data and evidence.</p> <p>It is noted nevertheless that all efforts should be made (e.g. by making use of the possibilities provided by the amendments to the CPR; adjustments to operations; reprogramming if necessary and possible, etc.) to ensure that programme targets are met. The Commission will cooperate with Member States to that end.</p>

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					Further information in relation to the impact of the COVID-19 outbreak on monitoring, reporting and on the performance framework, including particularly in relation to force majeure aspects, is available to Member State authorities on the CRII Platform.
8	Poland	8. Operations affected by ongoing national investigations or suspended by a legal proceeding or by an administrative appeal having suspensory effect		<p>If only part of the expenditure of an operation relates to ongoing national proceedings, should the amounts of expenditure in Annex III, columns Total certified expenditure (EUR) and public contribution (EUR) be entered which relate only to expenditure which meets the following cumulative conditions: have been shown in the statement of expenditure for the last financial year and for which national proceedings are pending?</p> <p>It is crucial to us that the potential expenses encumbered with the proceedings do not cover the entire operations, as usually the national proceedings are pending in relation to a single contract within a project (operation). Therefore, we would like to receive confirmation from the European Commission, whether in Annex III, the appropriate column of total certified expenditure (EUR) and public contribution (EUR) relate to the expenditure indicated as subject to the proceedings only, or whether these both columns should be interpreted differently (more broadly - e.g. all certified expenditure cumulatively). A similar appendix in the financial period 2007-2013, was much more transparent and comprehensible.</p>	The columns of total certified expenditure (EUR) and public contribution (EUR) in Annex III refer only to the amounts affected by the investigations / proceedings.

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9	Poland	12. Content of closure documents	12.3 Management declaration and annual summary	There is no information on the preparation of the annual summary, despite the title indicating the declaration and the summary. Does the EC intend to add any information in this regard or does the EC plan to amend Guidance for Member States on the Drawing of Management Declaration and Annual Summary?	The structure of the annual summary should be as for any other accounting year. The model for the management declaration is included in Annex VI to Commission Implementing Regulation (EU) 2015/207. The Commission does not intend to amend the Guidance for Member States on the Drawing of Management Declaration and Annual Summary (EGESIF_15-0008-05).
10	Poland	12. Content of closure documents	12.1 Final implementation report	Will the SFC2014 system in the Monitoring module be adjusted to the new requirements for Final Implementation Report (Annexes II and III).	Yes, SFC 2014 will be adjusted in due time.
11	Poland	1. General principles		What conclusions has the Commission drawn from the analysis of the annual closings? Which areas should Member States pay particular attention to, taking into account the experience of the Commission?	<p>Specific problems/risks related to the individual systems are communicated and discussed between the audit authority and Commission auditors in the framework of annual coordination meetings with audit authorities and within the assessment and follow-up of annual control reports. If needed, the respective certifying authorities and managing authorities should discuss with their audit authorities the concerned areas.</p> <p>Furthermore, every year in spring the Commission audit services present to the audit authorities in a technical meeting the results from their assessment of audits and controls on the management and control systems for the latest assurance package and the aggregated reporting in the DGs' Annual Control Reports.</p> <p>The audit authorities have access to the related presentations (such as the annual activity reports, which are public documents).</p>

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12	Poland	1. General principles		What are the biggest differences that the EC identifies between the annual closure and the final closure of the 2014-2020 programmes?	<p>As regards the audit work, the Closure Guidelines in section 12.4 clarify that apart from standard information presented in any annual control report submitted by the audit authority, the control report for the final accounting year should also include:</p> <ul style="list-style-type: none"> · information on open findings stemming from the audits carried out by the Commission services or the European Court of Auditors, which should be provided in section 8 “Other information” of the control report; · assurance on the legality and regularity of expenditure under financial instruments (Articles 41 and 42 CPR); · assurance on the reliability of the data relating to indicators; · assurance that the amount of public expenditure paid to beneficiaries is at least equal to the contribution from the Funds and the EMFF paid by the Commission to the Member State (Article 129 of the CPR). <p>As regards the final implementation report, its structure is set out in Annex V (Investment for Growth and Jobs goal) and Annex X (European Territorial Cooperation goal) to Commission Implementing Regulation (EU) 2015/207. In terms of its content Articles 50(2) and (5), 111(3), 92b(7) and 98(4) of the CPR shall be taken into account.</p> <p>As described in section 12.1 of the Closure Guidelines, the final implementation report should additionally include:</p>

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					<p>— a list of all phased operations (including major projects) with the amount of the eligible expenditure for the first phase incurred in the 2014-2020 programming period in accordance with section 6. The list should follow the template in Annex I to the Closure Guidelines;</p> <p>— a list of all non-functioning operations (including major projects) in accordance with section 7. The list should follow the template in Annex II to the Closure Guidelines;</p> <p>— a list of all operations affected by ongoing national investigations or suspended by a legal proceeding or by an administrative appeal having suspensory effect in accordance with section 8 of the Closure Guidelines. The list should follow the template in Annex III to the Closure Guidelines.</p> <p>For the programmes supported by the EMFF a final implementation report is not required. Instead, the last annual implementation report (which should include the tables in Annex I, II and III to these guidelines, where applicable) must be submitted by 31 May 2024, and include the information described in Article 50(2) of the CPR and Article 114 of the Regulation (EU) No 508/2014. The structure of such annual implementation report is set out in Annex to Commission Implementing Regulation (EU) No 1362/2014.</p>

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13	Latvia	12. Content of closure documents	12.4.1. Financial instruments	May we provide the information regarding the audit work in different sections (as the ones defined in the Guidelines: 9, 4 and 5), since we usually are providing this information in: section 4 (system audits); section 8 (audits on legality and regularity). And at the closure – combination of both we could explain in section 9.	Yes, as long as the information is there, and the audit work is sufficient to obtain reasonable assurance about the legality and regularity of the related expenditure.
14	Latvia	12. Content of closure documents	12.4 Audit opinion and control report	What does “at least” mean as referred to in Article 129 of the CPR?	The question is not clear. The provision under Article 129 CPR aims to ensure that the entire contribution the Member State received from the Funds and the EMFF has been passed on to beneficiaries. “At least” means that by the closure the amounts of public expenditure (as defined in Article 2(15) of the CPR) paid to beneficiaries declared to the Commission are equal or higher than the contribution from the Funds and the EMFF paid by the Commission to the Member State.
15	Latvia	12. Content of closure documents	12.4 Audit opinion and control report	Does COM expect AAs to attach the calculation of TPER and RTER to the ACR?	Yes. This applies to any accounting year, not only to the final accounting year.
16	Latvia	5. Indicators and performance framework at closure	5.2. Implications of the performance framework for closure	Could you please clarify whether this financial correction should be performed by Member state before submission of closure documents, or it will be performed by the EC during evaluation of closure documents?	The corrections for the serious failure to achieve targets in the performance framework will be applied by the Commission considering all grounds are fulfilled in accordance with Article 22(7) of the CPR. This is not an irregularity which Member States can correct themselves in accordance with Article 143 of the CPR. This is a financial correction for which the grounds are set out in Articles 22(7) and 144(4) of the CPR. In addition, according to Article 3(2) of Commission Delegated Regulation (EU) No 480/2014, the flat rate shall be applied to the contribution from the ESI Fund determined on the basis of the expenditure declared by

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					the Member State under the priority that meets the conditions referred to in the first subparagraph of Article 22(7) of the CPR, after the application of any other financial corrections.
17	Latvia	9. Expenditure affected by ongoing OLAF investigations, OLAF reports or audits of the Commission or the European Court of Auditors		<p>Please clarify whether the Certifying Authority may reintroduce expenditure deducted from previous Accounts as ongoing assessment due to the reasons described in section 8 and 9 of Closure guidelines:</p> <ul style="list-style-type: none"> - ongoing national investigations include investigations carried out by national bodies different to the programme authorities; - expenditure affected by potential irregularities identified in ongoing OLAF investigations (if such investigations and the concerned affected expenditure are known to the Member States at that stage); - OLAF reports; Commission's or the European Court of Auditors' audits in the final payment application of the final accounting year, otherwise regardless of outcome of above-mentioned procedures all losses will be on the Member state budget. The MA would include all these cases in final implementation report, Annex III. <p>According to EC guidelines "Guidance for Member States on Amounts Withdrawn, Recovered, to be Recovered and Irrecoverable Amounts" it is stated: "...Withdrawal of irregular expenditure from the interim payment application (including final interim payment application) or its deduction from the</p>	Please see the reply to question 331 in EGESIF_21-0012-05.

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				<p>accounts is considered final and this expenditure should not be re-introduced in any subsequent interim payment application for any accounting year (with the exception of specific cases related to decisions by a Court or other bodies in the judicial system referred to in section 10). However, for cases of expenditure under ongoing assessment of its legality and regularity previously included in an interim payment application, Article 137 (2) CPR gives a possibility to deduct such expenditure from the accounts and later re-introduce it to the Commission if found to be legal and regular...".</p> <p>Latvian Authorities have deducted a number of project cases as final withdrawals where national investigations (criminal or legal proceedings) are still in progress. The final conclusions within these cases are not predictable and the possibility that the final conclusion may be in favour of the Beneficiary cannot be excluded. Being aware of the risk that the legal proceedings will not be concluded by the time when the final payment application should be submitted to the EC (until 31.07.2024.), is there a possibility that these cases could also be included in the final payment application, similarly as described in above mentioned question.</p>	
18	Latvia	4. Financial management	4.3 Calculation of the final balance	Please explain what amounts should be included in column (P), whether they come from calculations of balance of previous Accounts, or these amounts should be recalculated according to the current data	The amounts included in column P come from the calculations of balance of previous (closed) accounting years and should not be re-calculated. Column K (capping to public contribution) is a requirement of

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				of financial table (in our opinion they can slightly differ)? It is not clear why calculation of column (K) is necessary, we do not see, that this data is used in further calculations. We would appreciate if the Commission could provide more detailed example of calculation with real data, including output data, overbooking at least in one priority, taking into account clearance of initial, annual advances (also clearance of balance for 2020), otherwise it is not complete.	Article 130(3) of the CPR. See also section 4.3. of the Closure Guidelines. The contribution from the Funds through payments of the final balance in the final accounting year shall not exceed the eligible public expenditure declared or the contribution from each Fund and category of regions to each operational programme as laid down in the decision of the Commission approving the operational programme, whichever is the lower.
19	Estonia	5. Indicators and performance framework at closure	5.1 Reporting output indicators achievement values	Please indicate if there are any consequences in case an indicator outside performance framework remains at 0 fulfilment? Is justification in AIR enough or should OP be amended prior to exclude the indicator?	No consequences (see also the reply to question 88 in EGESIF_21-0012-05). A justification should be included in the final implementation report.
20	Estonia	5. Indicators and performance framework at closure	5.2 Implications of the performance framework at closure	What are the consequences if something that has been promised in the OP text is left undone due to various reasons? _Shall somebody check if everything agreed is fulfilled or are the checks limited to indicators and financial progress?	No universal reply can be provided to this question. Programme authorities shall explain implementation variations and/or deviation from target values in the final implementation report.
21	Estonia	5. Indicators and performance framework at closure	5.2 Implications of the performance framework at closure	In current period, the categories of intervention in OP are "informative", the actual usage comes from reporting. Should we try aligning the intervention categories with the actual usage before the end of the period in OP or may they remain as an informative prognosis. Shall somebody analyse the differences and ask for justifications in the closing phase?	As in the closure of the 2007-2013 programmes, the final implementation report should present the final picture of the categorisation data as far as possible in line with the final declaration of expenditure. The categorisation data does not have to match 100% to the final expenditure declared but the purpose of the final implementation report is to present the categorisation profile of the operations selected <u>and</u> finally supported (and not only of the selected operations).

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22	Estonia	5. Indicators and performance framework at closure	5.2 Implications of the performance framework at closure	Shall there be a separate template to report on the non-functioning operations by 15.02.2026	Yes, it will be developed in due time. Consider that in line with the latest version of the Closure Guidelines (C2022)8836, 7/12/2022), the deadline to complete non-functioning operations has been extended to 15 February 2027
23	Estonia	6. Phasing of certain operations over two programming periods		Please elaborate also on the rules and conditions of phasing of certain operations over two programming periods. What is meant under the condition that there must be two identifiable phases from financial point of view? Is this in the sense of functioning (2 separately functional parts) or in the sense of building (for example phase I and phase II, but not necessarily separately functional).	Please refer to the reply to question 118 in EGESIF_21-0012-05.
24	Estonia	7. Non-functioning operations	Concept of non-functioning operation	What exactly can be a non-functioning operation? What are the conditions? Is it a non-functioning project? Does it expect to be an investment project or also projects of ESF nature?	For the concept of operation and completed operation see Article 2(9) and (14) of the CPR, and the reply to question 120 in EGESIF_21-0012-05. Section 7 of the Closure Guidelines clarifies the treatment of non-functioning operations at closure. The concept of non-functioning operations is not limited to investments in infrastructure. It applies to any type of operation, including also 'ESF-type' operations.
25	Estonia	7. Non-functioning operations	Concept of non-functioning operation	Please elaborate in more detail on what conditions are to be met for the non-functioning projects. For example, is it allowed to start a procurement today if the final date is already expected later than 31.12.2023 (and with the aim to finish this later with national funding, but at most part use SF) or is one of the criteria, that initially it was foreseen to be implemented by 31.12.2023?	Yes, it is possible to have an operation with final date of completion after 31 December 2023. However, the eligibility of expenditure must respect Article 65(2) of the CPR. The operations must be functioning by the deadline to submit the closure documents unless they comply with the conditions set out in section 7 of the Closure Guidelines to benefit from additional two years for their completion.

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26	Estonia	7. Non-functioning operations	Concept of non-functioning operation	Prices have grown considerably, and procurements tend to fail, some investments might be at risk of not being finalized anymore with the 31.12.2023 cut-off, however, they were planned to be financed from the current period. For example, school buildings that we have already started to build but may not be ready by 2023 (a major problem is material supply failures).	<p>The selection and implementation of operations is the responsibility of the Member State.</p> <p>Operations which are not physically completed or fully implemented and/or not contributing to the objectives of the relevant priorities by the deadline to submit the closure documents can either benefit from additional two years to complete them provided that they comply with the conditions for non-functioning operations set out in section 7 of the Closure Guidelines or they can be phased provided they comply with the conditions set out in Articles 118 and 118a of Regulation (EU) 2021/1060 (see also section 6 of the Closure Guidelines).</p>
27	Estonia	7. Non-functioning operations	Concept of non-functioning operation	Is an operation non-functional in case the construction works of a supported object (i.e., hospital) are physically completed by 31.12.2023 but an operating permit is not issued by that time?	Member States must ensure that all operations are functioning by the deadline to submit the closure documents. By this deadline, the operation must be physically completed or fully implemented and having contributed to the objectives of the relevant priority(ies). This means that the operation must be completed and in use so that if the operating permit is not issued by that date, the operation cannot be considered functioning.
28	Estonia	5. Indicators and performance framework at closure	5.1 Reporting output indicators achievement values	Do we understand correctly, that in case of non-functioning operation, it is allowed to report financing up to 31.12.2023 and indicators achieved by 31.12.2023; and if by 15.02.2026 the operation is functioning, also add additional indicators achieved, but not the finances used from 1.01.2024 onwards to finance the operation?	Yes, correct. The outputs delivered by the operations that became functioning within the deadline set out in the Closure Guidelines will be taken into account. The expenditure incurred by the beneficiaries and paid after 31 December 2023 is not eligible for support. Consider that in line with the latest version of the Closure Guidelines (C2022/C 474/01), the deadline to

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					complete non-functioning operation has been extended to 15 February 2027
29	Estonia	7. Non-functioning operations		And if this operation remains non-functioning by 15.02.2026, all indicators and financing related to the operation must be excluded? And which costs should be excluded exactly – the costs of the whole project or costs directly related to the object/activity that will not become functional?	See reply to question 145 in EGESIF_21-0012-05.
30	Estonia	4. Financial management	4.4 Overbooking	Please indicate, if the costs of non-functioning operations, that remain non-functioning by 15.02.2027, shall be replaced with overbooking and 15% flexibility (if there is excess reporting) or is there any other options for replacing those costs with eligible costs/objects after 15.02.2027?	See the previous reply and the reply to question 296 in EGESIF_21-0012-05.
31	Estonia	12. Content of closure documents	12.4.1 Financial instruments	How does the audit authority assess the eligibility of FoF expenditures if FI is implemented by EIB and escrow account is used (escrow account is opened and maintained by EIB)? What activities MA and AA have to conduct? The AA cannot audit EIB, but EIB provides an annual audit report prepared by an external audit firm, on the basis of which it can provide reasonable assurance on the internal control system. If escrow account is opened and maintained by EIB, does it mean that in closing MA and AA can rely on external audit report concerning the eligibility of escrow account?	According to Article 40(1) and (2) CPR, no on-the-spot verifications and no audits can be conducted at the level of the EIB. MA and AA can rely on the control reports sent with each application for payment and the annual audit report drawn up by EIB's external auditors (including the verifications on the escrow account, i.e. on that the amount paid into escrow account has been calculated correctly respecting the applicable provisions of Articles 42(1)(c), 42(2) and 42(3) CPR and Articles 11 and 14 of Commission Delegated Regulation (EU) No 480/2014).
32	Estonia	14. Legality and regularity issues		Considering that the closure of an operational program shall be without prejudice to the Commission's right to impose financial corrections in accordance with Articles 85, 144 and 145 of the CPR	There is no such date to correct the irregular expenditure, neither for the Member State nor for the Commission, to preserve the EU budget.

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				and, in the case of the EMFF, Article 105 of Regulation (EU) No 508/2014 – what will be the last date the European Commission is entitled to make such financial corrections?	
33	Estonia	4. Financial management	4.3 Calculation of the final balance	Do we understand correctly that the table provided is a sample and will be more complex and more precise in real life? That the calculations are made in Fund level (not PA level, in case of multi-fund OP-s)?	Yes. Indeed, the final calculation result will be at Fund level.
34	Estonia	4. Financial management	4.3 Calculation of the final balance	Please elaborate how costs related to 100% co-financing are taken into account in the balance calculation? How is missing national co-financing calculated exactly.	Costs related to 100% co-financing will be part of the calculation of the balance of the relevant accounting year and in the example in Annex IV of the Closure Guidelines will be reflected in column P.
35	Estonia	4. Financial management	4.3 Calculation of the final balance	Please elaborate, how possible changes in EU co-financing rates at PA level are taken into account in the balance calculation?	In the balance calculation, the co-financing rates indicated in the financing plan in force when the final application for an interim payment for the final accounting year is submitted, will be taken into account. The previous accounting years, included in column P, are considered as closed and will not be re-calculated.
36	Estonia	4. Financial management	4.3 Calculation of the final balance	Do we understand correctly, that in case both, public and private co-financing are used, total eligible cost and PA EU% are the basis for calculation of national contribution?	The question is not clear. What is calculated is the EU contribution, not the national contribution. In case the calculation is based on the total (national counterpart = national public + national private), the calculation is done by applying the co-financing rate on the total expenditure (column D).
37	Estonia	4. Financial management	4.3 Calculation of the final balance	Do we understand correctly that the payments received in the accounting years preceding the last accounting year are taken into account as actual payments made not recalculated according to the OP in force?	Yes (column P).

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38	Finland	4. Financial management	4.4 Overbooking	<p>Point 4.3 of the Closure Guidelines explains the calculation of the final balance. In ERDF, NSPA category of region is already overbooked and on the other hand, the more developed regions category is possibly not reaching the 100 % level at the end of programme period 2014-2020.</p> <p>Is it possible to transfer funding of projects from the NSPA category of region into more developed regions category even if the expenditure of those projects has already been reported in the NSPA category in the previous payment claims?</p>	<p>It is not possible to transfer between categories of regions. As mentioned in section 3.1 of the Closure Guidelines, the transfer of funds can only occur “between the priority axes of the same programme under the same category of region and the same Fund”. Hence transfer of Funds from transition regions to more developed regions is not possible at this stage.</p>
39	Finland	11. Submission of the closure documents	11.2. Modification of the closure documents after the deadline for their submission	<p>Could the transfer of funding be possible due to a clerical error related to some bigger projects that have ended up in the wrong category of region?</p> <p>We understand that the transfer of funding cannot be done in the final payment claim in July, because the amount of payments cannot be negative on priority/category of region level. Is there anything that can be done in order to avoid the loss of COM reimbursements?</p>	<p>If clerical errors have been detected in relation to the expenditure declared in the last accounting year, corrections (withdrawal and declaration under another priority axis) should be done in the final payment application. Expenditure declared for a priority axis in the accounts for the last accounting year cannot be above the amount declared in the final payment application submitted in the last accounting year.</p>
40	France	12. Content of closure documents	12.4 Audit opinion and control report	<p>At the time of closure, the CA must ensure that the amount of public expenditure paid to beneficiaries is at least equal to the EU contribution in accordance with Article 129 of Regulation (EC) No 1303/2013.</p> <p>For this check, should the sum of columns B ‘corresponding public contribution’ of each annual account be compared with the amount of the</p>	<p>The model for the accounts set out in Annex VII to Commission Implementing Regulation (EU) No 1011/2014 provides in its Appendix 1 Column C “Total amount of corresponding payments made to beneficiaries under Article 132(1) of Regulation (EU) No 1303/2013”. This column should be considered for the purpose of compliance with Article 129 of the CPR. Conversely, Column B of Appendix 1 of the same Annex</p>

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				<p>contribution from the Funds paid to the Member State (SFC data)?</p> <p>According to the 2014-2020 closure guidelines, the certifying authority must ensure that compliance with Article 129 CPR is respected in its calculations for the final accounts. The national audit authority should include this aspect in its audit of the accounts for the final accounting year and report about the assurance obtained in chapter 6 of the final control report.</p> <p>For the part “Amount of public expenditure paid to beneficiaries”: Rather, should it not be based on the sum of columns C of Appendix 1 of the accounts rather “Total amount of corresponding payments made to beneficiaries under Article 132.1 CPR)? Or is this problem because this column potentially does not take into account payments made after the 90-day deadline and project management operations and that is why the sum of columns B is preferred?</p>	<p>is on “Total amount of the corresponding public expenditure incurred in implementing operations”, i.e. it captures the corresponding public expenditure on the basis of the eligible expenditure incurred by beneficiaries and paid in implementing operations (and declared to the Commission) but not the public contribution that the managing authority pays to the beneficiaries on the basis of their payment claims.</p> <p>It should also be noted that all payments of the public contribution made to the beneficiaries by the closure count towards the compliance with Article 129 CPR (regardless of whether they have been reported in Column C or not). National authorities are reminded that, in accordance with Article 25(1)(f) of Commission Delegated Regulation (EU) No 480/2014, the audit trail must allow the payment of the public contribution to the beneficiary to be verified. At the submission of the assurance package of the final accounting year, the national authorities will have all the necessary information and should ensure that at closure Article 129 of the CPR is respected.</p>
41	France	2.Possibility of early closure		Is it possible to start the closure process on part of an operational programme, where only one or two active axes remain, such as those dedicated to REACT-EU?	In line with section 2 of the Closure Guidelines, Member States may request an early closure provided that they have carried out all the activities related to the implementation of the programme. Therefore, the early closure is not possible until REACT-EU allocations are consumed.
42	France	5. Indicators and performance	5.1 Reporting output	The guidance on closure of programmes states in paragraph 5.1 that “ <i>Although the achievement values</i>	See reply to question 67 in EGESIF_21-0012-05.

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		framework at closure	indicators achievement values	<i>of the indicators must correspond to the situation at 31 December 2023, in practice the outputs delivered by co-financed operations up to the date of submission of the final implementation report of the programme may be indicated in these documents.” Do you confirm this possibility?</i>	
43	France	5. Indicators and performance framework	5.1 Reporting output indicators achievement values	The delay in the operations could lead to the submission of the last supporting documents in the last days before the closure date. This risks making it difficult to certify all expenditure incurred and to increase expenditure in the last call for funds. For completed operations which have been partially paid, is it possible to record the indicator values in the final implementation report?	For financial indicators, only declared expenditure can be considered in the reporting. For output indicators, outputs actually delivered based on the expenditure declared under the programme should be reported in the final implementation report of the programme.
44	France	12. Content of closure documents	12.4.2 Reliability of data	<p>Data on indicators should be reported in the final implementation report of the MA using Tables 1, 2, 3 and 4 of Annex V of Regulation 2015/207. For its part, the AA must verify the reliability of the indicator data in its annual control report for the last accounting year. For closure, what is expected from the Commission <u>which differs from</u> the verification of the reliability of the performance indicators carried out each year in the ACRs?</p> <p>The Closure Guidelines state in Section 12.4 that the control report for the last accounting year should also include (inter alia) “assurance of the reliability of indicator data”. However, the guidelines of the closure report (Annex IX to Implementing Regulation (EU) 2015/207) do not distinguish between the VFIPs</p>	The reply provided to question 230 in EGESIF_21-0012-05 is clear on the audit work to be carried out at closure in what concerns the reliability of performance indicators.

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				<p>(Verification of the reliability of performance indicators) exercise to be carried out by the AA in each annual closure report from that of the last accounting year. Nevertheless, the Question 230 of the Commission’s FAQ on closure specifies that "In order to ensure a consistent approach to obtaining assurance on the reliability of data on indicators and milestones, Article 27(2) of Delegated Regulation (EU) No 480/2014 (as amended by Regulation 2019/886) specifies that this element is to be covered in each audit of operations. During audits of operations, the audit authority should verify the correct recording of relevant information for the selected sampling units in the IT systems used for recording and storing data. At closure, a final assessment shall be provided for key requirement 6, with confirmation that the aggregated data reported to the Commission is correct. This final assessment should build on previous audit work carried out in this area in the context of audits of operations and system audits, complemented by any work necessary for closure to reach a final conclusion on the aggregated data reported in the final audit report. In particular, while the audit authority has confirmed in its previous audit work (as part of its audits of operations/systems) the reliability of the IT system used to collect the data, it is expected that the audit authority will conclude, on the basis of its control tests, i.e. audits of operations in the last accounting year, that its previous conclusions are still confirmed and that the data reported to the</p>	

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				<p>Commission in the final implementation report are correct.'</p> <p>Do you confirm that the control report for the last accounting year should rely essentially on the latest VFIPs for the last accounting year to ensure that the aggregated data in the final report sent to the Commission are reliable?</p>	
45	France	12. Content of closure documents	12.4.1 Financial instruments	<p>Does it have consequences if the financial instrument is not fully consumed at the end of the programming period? Can this lead to a possible return to the EC? What is the impact on the annual accounts?</p> <p>ANCT Arguments: In accordance with Article 41.1 and Article 65.2 of the CPR, the final date for the eligibility of expenditure is 31 December 2023. However, some managing authorities may choose in their funding agreement, in particular for administrative reasons, to advance this deadline. Furthermore, it can be noted that the EC opened up the possibility to continue the financial instruments on the following programming at the beginning of 2021 EGESIF. If the financial instrument is underutilised, or if expenditure is made after the cut-off date, these amounts will not be included in the reporting of expenditure made and sent by the MA to the EC. For FIs, these returns of expenditure to the EC are carried out in quartiles, in accordance with the requirements of Article 41 of the RDPC, which sets out the rules on payment claims.</p>	<p>If the programme resources paid to Financial Instruments are not used according to eligibility rules in Article 42 of the CPR, these resources have to be returned to the programme. Whether the unused programme resources are lost to the programme or not, it depends whether there are sufficient or extra expenditure in other operations (for example, grant operations).</p> <p>There cannot be situations for the investments to take place after the end of the eligibility period, i.e. programme resources not used for the expenditure in line with Article 42 of the CPR, are returned to the programme. Programme resources committed to Financial Instruments and committed to final recipients do not constitute eligible expenditure, yet.</p> <p>We advise that the managing authorities identify if there are resources not used fully through the Financial Instruments to reallocate them to other operations in the programme. Unused ESIF resources will be returned to the Union budget. The eligibility of expenditure for</p>

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				<p>On the question of repayment, more specifically, the traditional decommitment rules apply (Title IX of the RDPC).The repayment will therefore depend on the financial volumes committed, but in most cases the under-utilisation results in a lower payment of EC contributions to the MA, corresponding to the actual amounts committed, and not a repayment. On the issue of annual accounts: Payment claims are sent to the EC in the course of the process, on the basis of a FSB, so these payment claims are “watertight” and independent.</p> <p>Do you think this interpretation is correct? Are there any other points to raise?</p>	<p>Financial Instruments is determined at closure. Therefore, at closure the audit authority shall give assurance of the remaining expenditure. Regarding Financial Instruments subject to phased applications for interim payments (advance payments in tranches), the eligibility of expenditure related to the last tranche, as well as up to 15 % of the amounts included in previous tranches, might not be covered by previous audits of operations. Programme audit authorities should obtain assurance on the legality and regularity of this expenditure before submission of the accounts for the final accounting year (aiming to ultimately confirm at closure the eligibility of expenditure for FI in line with Article 42 CPR). Programme audit authorities should report how they have obtained this assurance and confirm to the Commission the eligibility of the total expenditure of the financial instruments according to Article 42 of the CPR in the control report for the final accounting year (see also section 12.4.1 of the Closure Guidelines).</p>
46	France	12. Content of closure documents	12.4.1 Financial instruments	<p>Paragraphs 2 and 3 of Article 42 CPR make it possible for managing authorities to set up a blocked guarantee account (definition given in Article 2 (26)), which is considered to be eligible expenditure at closure. This allocation is intended to cover reinvestments (§ 2 — until 2027) and management costs and fees (§ 3 — until 2029) at the end of the programming period. For reinvestments (§ 2): should an ex-ante study justify the constitution (and calibration) of the envelope? And if so on what model:</p>	<p>In order to place the programme resources into the escrow accounts it does not require ex-ante assessment.</p> <p>Articles 42(1)(c), 42(2) and 42(3) CPR are the only ones in accordance with which programme resources can be contributed to the escrow accounts.</p> <p>There is an incorrect reference to the reinvestments in the question. The escrow accounts are not intended for ‘reinvestments’. Reinvestments or rather the use of the</p>

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				“lighter” ex-ante study based on the framework of ex ante Covid and REACT?	resources returned are defined in Articles 44 and 45 CPR.
47	France	Issues not dealt with in the Closure Guidelines	Financial Instruments	<p>Must the allocation of this envelope be provided for in the financing agreement?</p> <p>We could be in the event that the MAs might wish to finance this account through funds provided for in the financing agreement but not invested (in order to avoid underspending). Would this be possible and what would it imply (modification of the financing agreement?)</p>	<p>If during the implementation the body implementing FI (the fund manager) identifies the need for the follow-on investments in the SMEs which have received the initial investment, and the programme resources are still available in the instrument these programme resources can be paid into the escrow account according to Article 42(3) CPR at closure. If there is a scope for the modification of the funding agreement by adding additional programme resources to the FI for the purpose of paying them into the escrow account in line with Article 42(3) CPR, the funding agreement may be modified. It may be problematic to contribute additional programme resources to the FI due to procurement rules. Procurement rules should always be respected.</p> <p>The establishment of an escrow account has a dedicated purpose clarified in Articles 42(2) and 42(3) CPR. Setting up an escrow account is subject to Article 2(26) CPR which requires a written agreement between the MA and the body implementing FI or a bank account set up on terms providing equivalent guarantees on the payments out of the funds. Set up of the escrow account could also be part of the funding agreement or a separate agreement.</p>
48	France	Issues not dealt with in the Closure Guidelines	Financial Instruments	<p>The definition of the escrow account indicates that the escrow account must be agreed in writing.</p> <p>We understand that an agreement, other than the</p>	The definition for the escrow account is provided in Article 2(26) CPR. The written agreement referred to in Article 2(26) CPR could be the funding agreement or a separate agreement. Neither the CPR nor the

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				financing agreement, must govern the use of these funds. If so, do you have details of the information required?	implementing and delegated acts specify the contractual details of the agreement concerning the escrow account.
49	France	12. Content of closure documents	12.4.1 Financial instruments	What supporting documents are expected in order to ensure the eligibility of a guarantee account (ex-ante, funding agreement and written agreement) and expenditure on guarantee accounts?	<p>The pre-requisites for the amounts paid into escrow account to be eligible should respect the provisions and calculation methodology in Articles 42(1)(c), 42(2) and 42(3) of the CPR and Articles 11 and 14 of Commission Delegated Regulation (EU) No 480/2014.</p> <p>Supporting evidence should be maintained to ensure an audit trail exist to prove that the amount paid into escrow account has been calculated correctly respecting:</p> <ul style="list-style-type: none"> A) the applicable provisions of Article 42(1)(c) CPR and Article 11 CDR (for capitalised interest rate subsidies and guarantee fee subsidies); B) the applicable provisions of Article 42(2) CPR and Article 14 CDR (for capitalised management costs and fees calculated in case of equity-based instruments and micro-credit); <p>the applicable provisions of Article 42(3) CPR (for follow-on investments in case of equity-based instruments).</p>
50	France	12. Content of closure documents	12.4.1 Financial instruments	<p>The clearance of accounts</p> <p>The funds on the guarantee account are available 6 years after the end of the closure period to cover post-closure management costs and fees, and 4 years to cover reinvestments. What happens to the funds still available at the end of these 6-4 year periods?</p>	<p>In relation to the follow-on investments, any amounts paid into the escrow account which are not used for investments in final recipients paid in the period referred to in the first subparagraph of Article 42(3) CPR shall be used in accordance with Article 45 CPR (see Article 42(3), last subparagraph CPR).</p> <p>In relation to the capitalised management costs and fees, any resources left in the escrow account after the</p>

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					period referred to under Article 42(2) of the CPR, or as a result of unexpected winding-up of the financial instrument before the end of that period, shall be used in accordance with Article 45 CPR (see Article 14(4) of Commission Delegated Regulation (EU) No 480/2014).
51	France	12. Content of closure documents	12.4.1 Financial instruments	Will controls and audits be carried out on the reinvestments made, and on management costs and costs incurred after 2023?	<p>Controls must be in place to ensure that resources paid back to financial instruments, including capital repayments, gains and other earnings or yields generated during a period of at least eight years after the end of the eligibility period (i.e., 31 December 2031) are re-used in accordance with the aims of the programme either within the same FI or in other FI.</p> <p>Programme audit authorities should obtain assurance that the final amounts, including the amounts paid into escrow accounts, declared at closure are eligible.</p>
52	France	12. Content of closure documents	12.4.1 Financial instruments	<p>Article 45 of the CPR clarifies the framework for the re-use of funds repaid or released. Thus, for a period of eight years after the end of the eligibility period, managing authorities must adopt the necessary measures to ensure that the funds are used in accordance with the objectives of the programme to the same or new FIs. This provided that an assessment of market conditions establishes the need to maintain such investment or other forms of support.</p> <p>Can these funds be used for support other than through IFs, and therefore by way of a subsidy? There is some doubt about the wording, even if we think this is possible.</p>	Yes, it is possible to use the resources returned in the form of grants for eight years after the end of the eligibility period or until 31 December 2031 according to Article 45 CPR.

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53	France	12. Content of closure documents	12.4.1 Financial instruments	Can these funds be used as co-financing to the cohesion policy funds of the next programming period? We have not read any objections in the texts.	If the programme under the 2021-2027 programming period in accordance with Regulation (EU) 2021/1060 is consistent with the aims of the programme under the programming period 2014-2020 in accordance with Regulation (EU) 1303/2013, the resources returned maybe used as national co-financing of the programme 2021-2027, including as national co-financing in a financial instrument. If the resources returned from 2014-2020 contribute to the financial instrument implemented under 2021- 2027 programming period in accordance with Regulation (EU) 2021/1060 as national public contribution (national co-financing) then their use has to comply with 2021-2027 legal framework including thresholds on management costs and fees.
54	France	12. Content of closure documents	12.4.1 Financial instruments	Article 45 of the CPR states that it is necessary that “an assessment of market conditions establishes the need” for the use of these funds. What is expected here as an assessment, is a simple writing from the MA sufficient?	A market assessment would be equivalent to an analysis of the conditions that were in effect when the financial instrument was constructed compared to current conditions (target group, market conditions, market offer, analysis of needs, whether there are still the same gaps etc.) So yes, in principle a simple but complete account of the market conditions is sufficient. This exercise should not become cumbersome and counterproductive.
55	France	12. Content of closure documents	12.4.1 Financial instruments	Is the use of these funds subject to control/audit by the CICC or any other body? We assume that not, but the setting of rules for the use of these funds could imply a verification of their compliance.	It is expected that the competent national authority will ensure that the necessary management and monitoring are in place to fulfil the obligations under Article 45 of the CPR.
56	United Kingdom	5. Indicators and performance framework at	5.2 Implications of the performance	The UK would welcome clarity on this contradiction: Programme amendments (section 3.1) and targets modification (section 5)	In section 3.1 of the Closure Guidelines Member States are invited to submit amendments three months before the end of the eligibility period to enable processing of

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		closure	framework at closure	the time periods still do not match, and in fact the timescale for changing the programme as a whole appears to have been shortened to September 2023	<p>programme amendments. This applies to all types of amendments.</p> <p>For indicators, under section 5.2 of the Closure Guidelines, Member States are “recommended” not to modify targets beyond end 2022, except for cases where the revision is due to changes in allocations for a given priority or phasing of certain operations. The rationale is that it does not make sense to continue modifying target values till the very end of the period to adjust them to the level of implementation on the ground: Member States will have the possibility to clearly explain deviations higher than 20% in the final implementation report. This will make sense in terms of being able to follow and understand what the programme has achieved and the elements which may have influenced the achievement (or not) of targets.</p> <p>For indicators under the performance framework, the specific rules applying to it under the CPR and the Commission Implementing Regulation (EU) 2015/207 will continue to apply giving Member States the possibility to modify targets if duly justified.</p>
57	United Kingdom	12. Content of closure documents	12.1 Final implementation report	Recognition from EC that ETC programmes have more Closure challenges due to range of partners involved – can EC give ETC more flexibility on Closure requirements?	ETC programmes follow the same rules as the rest of the programmes covered by the Closure Guidelines
58	United Kingdom	4. Financial management	4.4 Overbooking	More guidance on impact on claims of overbooking i.e., can claims (or Priority Axes within claims) exceed 100% for a given year or should they be capped?	As indicated in section 4.4 of the Closure Guidelines, it is recommended to declare overbooked expenditure only in the final accounting year if the programme

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				(Section 4) –	authorities would like to make use of it for irregularities at and after closure and for the 15% flexibility set out in Article 130(3) of the CPR. Overbooked expenditure declared in previous accounting years will be lost at closure as it is not carried over to the following accounting year.
59	United Kingdom	3. Preparation for closure	3.1 Amendment of programmes	How late can amendments to Operational Programmes be submitted?	In order to ensure proper implementation of programmes and timely preparation of closure, the Closure Guidelines in section 3.1 recommend Member States to submit requests for programme amendments including amendments of financing plans to transfer funds between the priority axes of the same programme under the same category of region and the same Fund, by 30 September 2023.
60	United Kingdom	5. Indicators and performance framework at closure	5.2 Implications of the performance framework at closure	More clarity on offsetting rules between performance indicators and where overperformance on one indicator can compensate for underperformance on another (Section 5)	There is no such a thing as offsetting of performance among indicators.
61	United Kingdom	12. Content of closure documents	12.4.1 Financial instruments	<p>As a matter of clarity, we understand the Commission's response to our queries with respect to reporting on Financial Instruments in escrow accounts at the end of the programme to mean:-</p> <ul style="list-style-type: none"> • that the amounts of fees allocated to an escrow account at the end of the programme for capitalised management fees is to be reported on line 18 of the final Financial Instrument report and the amounts • that the amounts of funding for follow up 	<p>Information to be reported in the data fields 18-20 should be reported in the SFC2014 in the structured form as part of the final implementation report and not in the excel format.</p> <p>The data fields 18-20 in SFC2014 are programmed and will be activated for the final implementation report.</p> <p>For clarification (because the question is not precise):</p>

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				<p>investments allocated to an escrow account at the end of the programme is to be reported on line 20</p> <p>The confusion relates to the comments in the overall heading of the form which states:-</p> <p>“The report on implementation of financial instruments should include the following information for each financial instrument for which any programme amounts have been committed by the end of reporting year.</p> <p>All data should be reported cumulatively from set-up of the instrument until end of reporting year.</p> <p>Where applicable, all payments from programme resources by end of reporting year and other information communicated by the beneficiaries should be included, without prejudice of subsequent validations to be made by the Managing Authority, which may lead to future adjustments.”</p>	<p>Capitalised management costs and fees paid into escrow accounts are possible for equity-based instruments and micro-credit only (Article 42(2) CPR). They should be reported in the data field 18 under the respective product.</p> <p>Amounts paid into escrow accounts for follow-on investments are only for equity instruments (Article 42(3) CPR). Such amounts should be reported in the data field 20.</p> <p>The comment in the quotation marks is from the annotated reporting template and provides guidance for the annual reporting. Where necessary it will be updated for the final reporting. The annotated template in excel form is for guidance only; it does not have to be filled in. The reporting takes place in the SFC2014 in the structured form.</p> <p>The version 04/05/2021 of the annotated template is available at the following link:</p> <p>https://www.fi-compass.eu/publication/ec-regulatory-guidance/2021-update-annotated-template-reporting-financial-instruments</p>
62	United Kingdom	12. Content of closure documents	12.4.1 Financial instruments	With respect to our previous question on Quasi Equity: Can you advise whether Quasi Equity should be recorded under the category “Other” in column L, line 24?	Quasi-equity is treated and reported as equity.

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63	United Kingdom	12. Content of closure documents	12.4.1 Financial instruments	<p>A timetable and more detail on the potential to pay funding into an escrow account to cover eligible costs of financial instruments post-Closure (as set out in article 42 of regulation 1303/2013).</p> <p>Specifically, is there a deadline for such payments to be made into the escrow account? (Section 12)</p>	<p>General remark: at closure of a programme eligible expenditure of the FI are the amounts of programme contributions which were paid to the FI and used according to Article 42 CPR within the eligibility period, i.e., by 31 December 2023.</p> <p>The amounts paid to escrow accounts should be calculated and paid at the end of the eligibility period.</p>
64	Spain	4. Financial Management	4.3 Calculation of the final balance	<p>Financial plan of the OPs after 100% co-financing</p> <p>Once the 2020-2021 accounting year has been closed, and the volume of expenditure that has led to a Union contribution at a co-financing rate of 100 % is known, it is clear that the programmed expenditure in the OPs Financial Plan does not correspond to the expenditure that would be necessary to obtain the programmed support. The latter expenditure is lower, and depending on the volume of the amounts declared at 100 %, sometimes much lower than the current figure in the Financial Plan.</p> <p>Is the new version of the OPs (e.g. subject to approval by the 2022 Monitoring Committees) to be modified to take into account the effect of the application of the 100 % rate in the Financial Plan, so that the planned expenditure actually corresponds to the expenditure that needs to be certified in order to obtain the support programmed?</p>	<p>Regarding the first question “is the new version of the OPs to be modified to take into account the effect of the application of the 100 % rate in the Financial Plan”:</p> <p>The temporary increase of the co-financing rate to 100% in the accounting year 2020-2021 will speed up reimbursement of the EU resources, but it will not increase the total Funds’ allocation for the programme, and it will not have to be compensated by an increase in the national contribution. In practice, applying the temporary 100% co-financing rate means that (i) the total contribution from the Funds will be reached sooner than without it; (ii) the average EU co-financing rate for the whole programming period will be higher than initially planned, and (iii) consequently, the national co-financing will be proportionally lower, which would be possible thanks to the derogation from Article 120(3) CPR pursuant to Article 25a(1) CPR (CRII Plus package). The lower national co-financing will result, consequently, in a lower total volume of investments than initially planned.</p>

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				<p>If the answer is “no”, there would be some strange effects for which a solution should be found:</p> <p>a) The ratio (selected operational expenditure)/(planned expenditure) reported under Article 112 would be clearly underestimated, thus losing its informative value on the progress of the OP. There are currently several OPs that appear with a selection of operations below 100 % (which would mean that they still have resources to be allocated) which, if we consider the expenditure declared at 100 %, would far exceed the expenditure needed to obtain the programmed support.</p> <p>The effect is even more prominent if we consider axes or managing bodies rather than programmes. To give an example, if we look at the Pluri-regional Programme - POPE COVID health expenditure, the selection rate of operations currently considered is 93.4 %. However, due to certification at a rate of 100 %, the implementation level amounts to 103.9 % of the planned support. The results cannot be more inconsistent and thus the reports generated on the basis of the financial plans are absolutely unusable for monitoring purposes.</p> <p>b) Programme implementation data, as expenditure declared by beneficiaries to the managing authority, is also distorted, especially the figure of progress in percentage terms, as the reference-programmed</p>	<p>Therefore, the financing plan does not have to be adjusted in order to compensate for the reduced national co-financing. The Commission is aware of the discrepancy between the real national and EU contribution and the ones in the current financial plans and considers that this should not be corrected. Such a correction could cause more problems along the way.</p> <p>Article 130(3) of the CPR ensures that the total contribution from the Funds paid out through payments of the final balance to a programme shall not exceed the eligible public expenditure declared and the contribution from each Fund and category of regions to each operational programme as laid down in the decision approving the operational programme, while providing up to a 15% flexibility (as per the FAST-CARE amendment) between the allocations of priorities of the programme.</p> <p>It is also important to keep in mind that in accordance with Article 129 of the CPR Member States have to ensure that by the closure of the operational programme, the amount of public expenditure paid to beneficiaries is at least equal to the contribution from the Funds paid by the Commission to the Member State. At closure Member States therefore need to ensure that the entire contribution they have received from the Funds has been passed on to beneficiaries.</p>

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				<p>expenditure is higher than the necessary to obtain the planned EU support.</p> <p>c) The targets of the financial indicators relate to the expenditure planned to be certified in the programme, i.e. in principle the expenditure that needs to be certified to absorb the programmed support, which initially corresponded to the programmed expenditure. If financial indicators continue to refer to programmed expenditure and this expenditure is not adjusted, these indicators will have output levels below those that should actually be foreseen. If the financial plan is not adjusted, the targets of the financial indicators should be adjusted and then decoupled from programmed expenditure.</p> <p>Finally, it should be noted that the amended financial plan would result in effective rates (programmed support)/(programmed expenditure) above the nominal rates of the programme, set according to the ceilings set in the CPR. The rates considered as the ratio between programmed support and expenditure are those used in the calculation of closure support algorithm (Annex IV of the Closure Guidelines).</p>	<p>a) Underestimation of the ratio (selected operational expenditure)/(planned expenditure) reported under Article 112</p> <p>b) Distortion of implementation data</p> <p>c) Distortion of target indicators</p> <p>There is indeed a distortion in the data provided under Article 112 CPR. 100% co-financing is not reflected in these data properly, as this reporting is based on the total (EU+national) amounts. The Commission acknowledges this distortion in the presentation of the Article 112 data here: https://cohesiondata.ec.europa.eu/stories/s/Cohesion-policy-2014-2020-investment-progress/4e3b-ddcr.</p> <p>The authorities can find further information in the CRII Q&A website</p>
65	Spain	6. Phasing of certain operations over two programming periods	3.2. Submission/notification and amendment of major projects	If the application for the approval of a major project included already a phasing proposal, do we need to present again an application for phasing afterwards?	If a major project application already foresaw the phasing of the major project, and is approved as such, there is no need to later submit an amendment or notification of phasing. However, if there is a change in scope, timeline or eligible costs of the phased project compared to the initial approved phased major project,

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					a modification should be submitted to reflect these changes. For amendments of major projects see reply to question 11 in EGESIF_21-0012-05.
66	Germany	4. Financial management	4.2 Clearance of the initial and annual pre-financing	<p>In ref. to Article 139(7), second subparagraph, of Regulation (EU) No 1303/2013, the result of the clearance of accounts for 2018/2019 in early summer 2020 was not offset against the 2020 advance to be paid out, like in all other financial years. The offsetting is to take place only at the very end of the funding period after the adoption of the last accounting. In this sense, see also the guidelines of the COM for the closure of the FP 2014 - 2020 according to the Communication of the COM, Official Journal of the EU C 417 of 14.10.2021, point 4.3, p. 5.</p> <p>In the case of the OP ESF Thuringia, however, this involves EUR 14.3 million that still has to be offset or repaid to the EC for the financial year 2018/19. Since no other payments for the OP 2014-2020 can be expected after the last accounting in 2025, the only possibility for offsetting is the retention from the payment applications in the financial year 2023/2024. A repayment to the Commission would have to be made for a sum exceeding this retention. In order to achieve a retention with which 14.3 million could be offset, we would have to submit payment applications with a total volume of at least 180 million euros, i.e., approx. 144 million euros Union contribution, in the 2023/24 financial year. This is hardly feasible, or only if a very small payment request were to be submitted</p>	<p>No, as both the CPR (Article 139(7)) and the Closure Guidelines (section 4.2) clearly state that amounts not recovered by the Commission in 2020 for the accounts submitted in 2020, will be cleared or recovered at closure and will be taken into account when calculating the final balance for the programme.</p> <p>Of course if the programme reaches a full absorption, there will be no recovery at closure but a clearance, the latter one having no direct impact on the state budget of Thüringen. If the programme authorities see already now that a full absorption will not be reached, then timely provisions in the state budget will have to be made.</p>

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				<p>in 2022/23.</p> <p>For a possible repayment to be arranged in 2025, timely provisions would have to be made in the Thuringian state budget.</p> <p>Is there is a possibility to offset the sum earlier, as long as payments are still being made by the COM for the OP 2014 - 2020.</p>																																	
67	Estonia	5. Indicators and performance framework at closure	5.2 Implications of the performance framework at closure	<p>Estonian authorities have a question on Article 2 (2) (d) of the Commission delegated regulation No 480/2014. The interpretation of points (a) to (c) of Article 2(2) is clear for the Estonian authorities. However, they request a clarification on the calculation described under point (d).</p> <p>The request concerns the explanation of this calculation on the basis of a specific example, showing the calculation method, the value of the achievement/absorption coefficient and also the possible rate of the financial correction of the priority concerned.</p> <table border="1"> <thead> <tr> <th colspan="4">UP2</th> </tr> <tr> <th></th> <th>Targets for 2023</th> <th>Achievement (EUR/no)</th> <th>Achievement (%)</th> </tr> </thead> <tbody> <tr> <td>Financial indicator</td> <td>9 327 587</td> <td>5 238 198</td> <td>56</td> </tr> <tr> <td>Output indicator</td> <td colspan="3">Completed</td> </tr> <tr> <td>2.1 Innovation, advisory services and partnerships with scientists</td> <td>6</td> <td>2</td> <td>33</td> </tr> <tr> <td>2.2 Productive investments in aquaculture</td> <td>15</td> <td>6</td> <td>40</td> </tr> <tr> <td>2.4 Increasing potential of aquaculture sites and measures on public and animal health</td> <td>8</td> <td>12</td> <td>100</td> </tr> <tr> <td>2.5 Promoting human capital of aquaculture in general and of new aquaculture farmers</td> <td>1</td> <td>2</td> <td>100</td> </tr> </tbody> </table>	UP2					Targets for 2023	Achievement (EUR/no)	Achievement (%)	Financial indicator	9 327 587	5 238 198	56	Output indicator	Completed			2.1 Innovation, advisory services and partnerships with scientists	6	2	33	2.2 Productive investments in aquaculture	15	6	40	2.4 Increasing potential of aquaculture sites and measures on public and animal health	8	12	100	2.5 Promoting human capital of aquaculture in general and of new aquaculture farmers	1	2	100	<p>Article 6(4) Commission Implementing Regulation (EU) No 215/2014 provides that for a priority whose performance framework includes more than two indicators, a failure to achieve at least 65% of the target value by the end of 2023 for at least two of these indicators shall be deemed a serious failure to achieve the targets.</p> <p>On the basis of the data provided, it seems that a serious failure to achieve the targets of the performance framework would exist in the case described by Estonia (for financial and output indicators), as there would be a failure to achieve at least 65% of the target value for more than two of the relevant indicators in the priority.</p> <p>Consequently, the Commission would be in a position to consider whether to apply financial corrections in respect of the priority concerned in line with the procedure and provisions laid down Article 22(7) CPR.</p>
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					<p>The level of financial correction to be applied is based on the “achievement/absorption coefficient”, which shall be calculated according to Article 2(2) of Commission Delegated Regulation (EU) No 480/214.</p> <p>In the Estonian example:</p> <ul style="list-style-type: none"> • the final achievement rates for the four output indicators would be 33%, 40%, 100% and 100% (ref. Article 2(2)(a) of Commission Delegated Regulation (EU) No 480/214.) • the average of the final achievement rates would be 68.25% (ref. Article 2(2)(b) of Commission Delegated Regulation (EU) No 480/214.) • the final value achieved for the financial indicator would be 56% (ref. Article 2(2)(c) of Commission Delegated Regulation (EU) No 480/214.) • the “achievement/absorption coefficient” would be 122% (=68.25/56) (ref. Article 2(2)(d) of Commission Delegated Regulation (EU) No 480/214.) <p>According to Article 3(1) of Commission Delegated Regulation (EU) No 480/214., a financial correction can be applied if the “achievement/absorption coefficient” is less than 65%, no financial correction would apply in this specific case.</p> <p>It is noted that all efforts should be made (e.g. by making use of the possibilities provided by the amendments to the CPR; adjustments to operations; reprogramming if necessary and possible, etc.) to</p>

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					ensure that programme targets are met. The Commission will cooperate with Member States to that end.
68	Netherlands	4. Financial management	4.3. Calculation of the final balance	<p>The four IGJ Dutch programmes have a TA axis of 4% in the approved financial plan. The application of the 15% flexibility (for one or more programmes) on this TA axis would result in exceeding this TA limit on the programme level and on Member State level.</p> <p>Do we understand correctly that with the payment of the final balance, applying the flexibility on the TA axis, the ERDF contribution will exceed the 4 % (on programme and MS level), i.e., that the 4% limit does not apply at closure?</p>	Correct. Article 119(1) of the CPR (Technical assistance threshold) refers to the allocation to programmes/Member States (i.e., all programmes funded under the Investment for Growth and Jobs goal). This check was done at the moment of programmes adoption, in the beginning of the programming period and the threshold is respected by all Member States. On the other hand, the 15% flexibility set out in Article 130(3) of the CPR (as per the FAST-CARE amendment) is applied to declared expenditure at closure. Therefore, the 15% flexibility at closure will be applied to all priorities (including Technical Assistance).
69	Portugal	6. Phasing of certain operations over two programming periods		It is necessary to clarify whether the threshold of 5 million euros applies to two phases together or separately.	See reply to question 133 in EGESIF_21-0012-05.
70	Czech Republic	7. Non-functioning operations		It is stated in the Closure Guidelines, that if the operations are non-functioning by 15 February 2026, Member States, taking into account the status of completion and implementation as well as the achievement of the overall objectives of the operations, should provide the Commission with the amounts to be corrected and justification as to how the amounts were calculated. Upon receipt of this information, the Commission will proceed with the	The declared expenditure related to the operations, which by the set deadline are physically not completed or not fully implemented and have not contributed to the objectives of the relevant priorities, is not eligible and should be corrected by the Member State. See reply to question 145 in EGESIF_21-0012-05.

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				<p>recovery of the amounts concerned. Any irregular amounts may be replaced using overbooked expenditure (if available). If the Commission disagrees with the calculation of the amounts to be corrected, it may launch a financial correction procedure.</p> <p>Could the Commission services elaborate more on this section of the Closure Guidelines in order to make it clear how to proceed with the corrections' calculation made by the member state in detail (an example would be helpful in particular)?</p>	
71	Czech republic	11. Submission of the closure documents	11.1 Deadline for submission of the closure documents	<p>In the Closure Guidelines it is stated that the closure documents must be submitted by 15 February 2025 (except for the last annual implementation report of the EMFF which must be submitted by 31 May 2024). This deadline may be extended by the Commission to 1 March 2025, upon communication by the Member State concerned, according to Article 63(7) of the Financial Regulation.</p> <p>Could the Commission elaborate on the explanation on under which condition the deadline could be extended? It seems like the above-mentioned Article of the Financial Regulation only relates to two documents (accounts of the expenditures and the annual summary of the audit control reports). Does it mean that the extension of the deadline cannot be used for the final implementation report or other closure-related documents?</p>	<p>According to Articles 138 and 141(1) of the CPR and Article 63(5) of the Financial Regulation, all closure documents, including the final implementation report, shall be submitted by 15 February 2025. This is a regulatory deadline, which must be complied with (unless it has been extended by the Commission to 1 March 2025, upon communication by the Member State concerned, according to Article 63(7) of the Financial Regulation).</p> <p>The Guidance for Member States on Preparation, Examination and Acceptance of Accounts (EGESIF_15_0018- 04) advises that such requests should be sent before 15 February 2025 to the Commission (via SFC2014) in the form of a letter setting out the exceptional circumstances justifying the request for extension.</p>

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				<p>The deadline for submitting the final closure documents has been set on Saturday 15. 2. 2025. Would it be possible to postpone the submission to Monday 17. 2. 2025 or does the documents have to be sent on Saturday the latest with no exceptions? In the previous programming period, the majority of the tasks related to the final check of the closure documents took place on the very day of the deadline. Considering the fact that the deadline is set for a weekend we would appreciate if a postponement to next working day was possible.</p>	
72	Czech Republic	6. Phasing of certain operations over two programming periods		<p>In the CPR (art. 96 (2) e)) a list of major projects that should be implemented during the programming period is required in the beginning of the programming period as an annex to the programme document. Could the major projects (submitted for notification) that foresee phasing and are not on this list, be simply added to the list or do we need a Commission's decision in order to edit this list? In the Regulation nr. 288/2014, section 12 it is stated that for the amendment of this list the decision of Commission is not necessary, but we would like to make sure that this rule applies for the purposes of the closure as well.</p>	<p>Yes, the major projects that foresee phasing and are not on the list required by Article 96(2)(e) of the CPR (table 27 of the operational programme) can indeed be simply added to the list and there is no need for a Commission's decision approving this list unless the newly added major projects trigger the need of an OP modification (e.g., introduction of a new priority axis, new investment priority, etc.). As provided in Article 96(10) of the CPR, this list remains under the responsibility of the Member States and is not one of the elements of the operational programme approved by the Commission decision. The list should be updated on a regular basis, anytime when necessary, regardless of whether the update concerns major projects that will be phased or not. In accordance with Article 96(11) of the CPR: "The managing authority shall notify the Commission of any decision amending the elements of the operational programme not covered by the Commission decision, referred to in paragraph 10,</p>

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					<p>within one month of the date of that amending decision. The amending decision shall specify the date of its entry into force, which shall not be earlier than the date of its adoption.”</p> <p>In case an already approved major project will now be subject to phasing, a major project modification should be submitted to the Commission following the same procedure as the initial procedure through SFC 2014. As provided in section 3.2 of the Closure Guidelines, it is recommended to submit a request or a notification for major project approval or amendment by 30 September 2023. Phased projects should also be communicated as part of the closure documents in accordance with the Closure Guidelines. For amendments of major projects see reply to question 11 in EGESIF_21-0012-05.</p>
73	Czech Republic	12. Content of closure documents	12.4 Audit opinion and control report	<p>In the previous programming period, there were some changes made in the SFC system in order to prepare the system for submitting the closure documents to the Commission. Is the Commission planning any changes to SFC in this programming period as well? We understand that, e.g., the final control report that is supposed to be submitted by the Audit authority, will have some additional categories (as stated in the Closure guidelines, section 12.4) and therefore there should be also changes in the system. Could we ask for some time specification of when exactly these changes are going to take place in the system and what will be the extent of the changes intended?</p>	<p>Closure module in SFC2014 will be further developed and it will be ready in due time. However, in the case of the control report for the final accounting year, there will be no changes in SFC as the categories included in section 12.4 of the Closure Guidelines will be part of the control report text (it is not a structured data). In addition, the structure of the control report for the final accounting year, as for any other accounting year, is set out in Annex IX to the Commission Implementing Regulation (EU) 2015/207, which will not be amended. The available template contains already a part that can accommodate the reporting on the points under section 12.4 of the Closure Guidelines.</p>

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74	Czech Republic	Issues not dealt with in the Closure Guidelines	Exchange rates	Is there going to be any specific date to which the exchange rate (CZK-EUR) should be fixed in case of the operations that are going to be phased (or non-functioning) to calculate the limit set in the CGL? Is it going to be specified by the Commission, or could the Managing Authorities put forward a date for the exchange rate according to their own decision (e.g., the day of the grant decision issued by the Managing Authority, date of the call publishing etc.)? In some cases, it may cause a big difference in the general costs of the operation and some projects might only reach the 5 million EUR limit if an exchange rate of a specific date is used.	For the purpose of calculating the threshold of phased projects, the calculation of the total costs of both phases may be made using a conversion into euro on the basis of the amount indicated in the document setting out the conditions for support, by using the monthly accounting exchange rate of the Commission in the month during which this document was last amended. The same rule can be applied for the threshold of non-functioning operations. The conversion rate for all expenditure declared should be made on the basis of Article 133 of the CPR. See reply to question 1 in EGESIF_21-0012-05.
75	Czech Republic	5. Indicators and performance framework at closure		<p>It is stated in the Commission implementing Regulation (EU) No 215/2014 (art. 6), that the milestones or targets of a priority shall be deemed to be achieved if all indicators included in the related performance framework have achieved at least 85 % of the target value by the end of 2023. The same art. 6 (2, 3, 4) describes other options to achieve the milestones or targets of a priority.</p> <p>Could the Commission say more, what happens, if the milestones or targets of a priority shall be achieved between 65 – 85 % (this range is missing in the Regulation)?</p>	In line with Article 22(7) of the CPR, the Commission may apply financial corrections only in case of a serious failure to achieve the targets (see detailed conditions in the Article referred above). A serious failure is assessed in accordance with criteria set out in Article 6(3) and (4) of the Commission Implementing Regulation (EU) No 215/2014. Following this Article, the example given by the Member State (achievement of the target value between 65-85%) is not considered a serious failure to achieve the targets and will not trigger a financial correction for this matter.
76	Italy	2. Possibility of early closure		What procedure should be used (e.g., insertion of a request letter on SFC with an indication of the accounting year considered to be the final one)	See reply to question 5 in EGESIF_21-0012-05.

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77	Italy	2. Possibility of early closure		Does such early closure necessarily take place on the basis of the accounting period between 1 July 2022 and 30 June 2023?	No, there is no deadline for the request of an early closure, as long as all the activities related to the implementation of the programme have been carried out. It can refer to any accounting year before the final accounting year as defined in Article 2(29) of the CPR. See also reply to question 8 in EGESIF_21-0012-05.
78	Italy	2. Possibility of early closure		If it is decided, to consider the 2021-2022 accounting year as the final one, is it correct that - the final interim application would be sent in July 2022, and the 4 closure documents by February 2023 (Accounts, ACR and Opinion, Annual Summary and Management Declaration, and Final Implementation Report),	Yes, this is correct.
79	Italy	2. Possibility of early closure		The column of the Final implementation report in the performance framework relating to the 2023 indicators and targets of the 2023 FP, could be completed stating that they were already achieved in 2022?	Yes, as indicated in section 5 of the Closure Guidelines, "Member States are required to include in the final implementation report the cumulative (annual for the ESF): values for output and result indicators up to and including the year 2023. For ERDF and Cohesion Fund output indicators and for ESF outputs and result indicators, values will relate to operations that are co-financed by the programme".
80	Italy	6. Phasing of operations over two programming periods		Do the provisions of Article 118 of CPR 21-27 'Conditions for operations subject to phased implementation' still make it possible to publish notices financed both by the 14-20 OP and by the 21-27 programme, for example for multiannual training courses? Therefore, in practice, would it be possible to finance	It is not possible, neither under Article 118 of the CPR 2021-2027 nor Article 118a of the same regulation. The total cost of both phases of the operation (together) shall exceed EUR 5 million or EUR 1 million respectively.

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				a three-year vocational training course (relating to school years 21/22, 22/23 and 23/24) worth EUR 300,000, with the 14-20 OP, up to a value of EUR 220,000, to cover expenditure incurred up to December 2023 and then to use the 21-27 programme, for the remaining EUR 80,000, relating to expenditure incurred after 31.12.2023, to cover part of the costs of the last year?	
81	Italy	7. Non-functioning operations		Is expenditure incurred by 31/12/2023 relating to operations concluded after that date but no later than the deadline for submission of the closure documentation (February 2025) eligible, using regional or ministerial funding sources to cover expenditure incurred after 31/12/2023?	Yes, expenditure incurred by beneficiaries and paid by 31 December 2023 is eligible provided that the operations are completed/fully implemented and contribute to the objectives of the relevant priority/ies by the date of submission of the closure documents (unless they comply with the conditions set out in section 7 of the Closure Guidelines to benefit from additional two years for their completion). It should also be noted that – unless a derogation applies – in line with Article 65(6) CPR, operations shall not be selected for Fund support where they have been physically completed or fully implemented before the application for funding under the programme is submitted by the beneficiary to the managing authority, irrespective of whether all related payments have been made by the beneficiary.
82	Italy	4. Financial management	4.3 Calculation of the final balance	Annex IV of the Closure Guidelines seems to indicate that the closure would be calculated on the basis of the co-financing rate present in the latest approved OP version. This means that if the co-financing rate has changed during the programming period, the rate of the last adopted version will be retroactive for the	The rate of the last adopted version of the programme only applies to the final accounting year. The “c” referred to in Annex IV is to be understood as the “c” applicable per single accounting year. Furthermore, the Commission services recall that the calculations in Annex IV to the Closure Guidelines are for illustrational

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				<p>whole period. However, the simulation presented in Annex IV does not seem to take into account the 100 % co-financing rate adopted in 2020-2021. In this case, the last rate applied at closure would necessarily be lower. If the simulated methodology were to be applied, there would be an unbalance, due to the fact that the share of national co-financing corresponding to the last applicable rate would be missing for the 20-21 accounting year.</p>	<p>purposes only. The amounts paid in previous years are calculated and paid to the Member State in accordance with the co-financing rate in force at the time of the application. Indeed, it is possible to have two (or more) different co-financing rates. The co-financing rate in force at closure will be applied only to the expenditure submitted in the final accounting year.</p>
83	Spain	6. Phasing of operations over two programming periods		<p>Is it possible to phase projects financed under REACT-EU? - If yes, is the co-financing rate at 100% maintained during the period 2021-2027?</p>	<p>1. Yes. According to Article 92b(2), third subparagraph of the 2014-2020 CPR, as amended, the phasing provisions of the 2021-2027 CPR are applicable to operations supported by the REACT-EU resources. Therefore, if all the conditions established by Articles 118 and 118a CPR 2021-2027 are complied with, operations supported by REACT-EU resources can be phased into the 2021-2027 programming period. Please note, section 6 of the Closure Guidelines details the requirements and responsibilities of Member States in this regard as well as the potential implications.</p> <p>2.The co-financing rate at the priority axis of the programme is fixed by the Commission decision adopting a programme, while the rate of the Union support at the operation level is established by the Member State authorities in the document setting out the conditions for support and it can be higher or lower than the co-financing rate at the priority axis of the programme. In conclusion, it is up to the Member State to establish the rate of the Union support at the</p>

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					operation level following its national eligibility and the programme rules.
84	Austria	4. Financial management	4.3 Calculation of the final balance	<p>The CARE Regulation allows the ESF co-financing rate to be increased to 100 % for the accounting year 2021/2022. How will this be taken into account in the calculation of the recognised contribution of the Fund and the final payment?</p> <p>According to Annex IV of the closure guidelines, the recognised ESF amount would be calculated by applying the initial co-financing rate to the total expenditure declared. This would mean that all national co-financing would have to be charged in order to be able to draw on all ESF funds. However, this would remove the 100 % ESF co-financing rate provided for in the CARE Regulation in the financial year 2021/2022 (apart from the fact that of course, this resulted in a faster ESF reflow).</p>	<p>The 100% co-financing option provided under the Regulation (EU) 2022/562 for the accounting year 2021-2022 will be processed during the acceptance of the corresponding annual accounts and will have no effect on closure calculations.</p> <p>Annex IV of the Closure Guidelines represents a non-exhaustive, conceptual illustration of how the flexibility and the capping between priorities works at closure but not a final balance calculation. We confirm that column P (“paid over all past accounting years”) will not be recalculated.</p>
85	Austria	4. Financial management	4.3 Calculation of the final balance	<p>If the 100 % co-financing rate is applied in the accounting year 2021/2022, is the national co-financing replaced by ESF resources in the accounting year 2021/2022 to be cleared up to the final statement in order to be able to receive the entire ESF funding? In other words, does the application of the 100 % co-financing reduce national co-financing by the amount replaced by ESF resources, or not?</p>	<p>The 100% option and the related reduction of the national co-financing share applies to the eligible expenditure declared in the accounting year 2021-2022. As a result, the 100 % option, while essentially leading to a net financial reduction of operational programmes resulting from the reduction of national co-financing for the accounting year 2021-2022, does not in itself lead to a reduction in the share of national co-financing included in the financial plan for operational programmes but only to a de-facto reduction in the share of national co-financing that would have been necessary to absorb the EU resources of the operational programmes if option 100 % had not been activated.</p>

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86	Estonia	6. Phasing of certain operations over two programming periods		Can one start a procurement process for delayed projects that will be finalized with national budget (as non-functioning projects) or phased in 2021-2027. They want to be sure that they can start the projects now even if the foreseen end date of procurement already goes beyond 31 December 2023.	<p>Selection and implementation of the operations is the responsibility of the Member State.</p> <p>The regulatory framework does not require to finalise the procurement of the operations within the eligibility period. However, only expenditure incurred by a beneficiary and paid within the eligibility period, i.e. by 31/12/2023, can be considered eligible in the 2014-2020 programming period (Article 65(2) of the CPR).</p> <p>For non-functioning operations, see section 7 of the Closure Guidelines.</p> <p>For phased operations, see Articles 118 and 118a of the CPR 2021-2027 and section 6 of the Closure Guidelines.</p>
87	Poland	4. Financial management	4.4. Overbooking	do you have any more detailed guidelines, instructions, etc. regarding the overbooking mechanism? We are trying to understand the mechanism, but what was presented at the closure meeting on January 22 is not entirely clear to us. So far, it seems to us that overbooking is summed up from individual accounting years. For example, if we declare to the Commission in 2020 the amount of eligible expenditure in the amount of PLN 1 million, where the own contribution is 50% and part of the EU 50%, the Commission approves the eligible expenditure in the amount of 85% (i.e. PLN 850,000), but the reimbursement is only 500,000 = amount of EU contribution in the application. It seemed to us that the remaining amount, i.e. 350,000, is precisely	<p>Overbooking is a possibility to declare to the Commission eligible expenditure in excess of the maximum Funds contribution set out in the Commission decision approving the programme, which can be used for the 15% flexibility at closure or for compensating the withdrawal of irregular expenditure in the accounts or after the closure.</p> <p>It relates to the declaration of eligible expenditure to the Commission and not to the remaining amounts not covered by EU contribution as indicated in your example.</p> <p>The declaration of eligible expenditure in excess of the maximum Funds contribution per priority axis can only</p>

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				"overbooking", which will allow for "excess" certification in case there are corrections in the last financial year and the need to withdraw previously confirmed expenses. However, your presentation shows that overbooking does not add up in individual accounting years. Does this mean that we can only apply this mechanism to expenditure declared from July 2023 to July 31 2024, and not previously certified by the Commission? If so, it is a very unfavourable and for us in practice an extremely risky mechanism, because it requires over-contracting in the last year of the program implementation a bit "blind" just in case and at the risk of the MA. This worries us a bit. I am asking for guidelines or a more detailed description of this mechanism, if you have such materials	be done in the last accounting year running from 1 July 2023 to 30 June 2024. See replies to questions 14 and 18 in in EGESIF_21-0012-05.
88	Poland	4. Financial management	4.3. Calculation of the final balance	When to apply the 15% flexibility (in 2025 or 2027)?	In line with Article 130(3) CPR, the flexibility will be applied by the Commission when calculating the final balance to the programme.
89	Greece	6. Phasing of certain operations over two programming periods		Query on the non-eligibility of contractual advances for phased operations that are not covered by activities on the ground in the first phase pursuant to Article 118 CPR 2021-2027	See reply to question 131 in EGESIF_21-0012-05.
90	Croatia	6. Phasing of certain operations over two programming periods		What is the procedure/approach in case of phasing the Major Project to perspective 2021-2027 where the awarded grant is individual state aid measure that was previously notified and approved by EC? Namely, we found a question in Aprils' Q&A related to	There is no difference between the phasing of an operation with State aid and one without State aid as far as the legal compliance is concerned. Both types have to continue complying with all applicable EU and national legislation, not just State aid. Within this obligation, as far as compliance with State aid rules are

#	Member State	Section of the Closure Guidelines	Subcategory	Question	Reply
				<p>phasing of operations implemented under State Aid Scheme, where the answer was that "operation implemented under a State aid scheme can be phased provided that the phased operation complies with State aid rules, notably with procedural rules applicable to prolongation of an aid scheme"</p> <p>However, we have a case of individual State aid measure in line with Energy and Environmental State aid guidelines (EEAG), awarded for the implementation of major project for revitalisation of energy efficient district heating system (CCI - 2020HR16RFMP002), which is considered for phasing. The measure was notified to the Commission pursuant to Article 108(3) of the TFEU (SA.53628 (2019/N)). We kindly ask if you could explain in more detail what are procedural steps that need to be taken in this case considering state aid regime?</p>	<p>concerned an operation implemented under a State aid scheme can be phased provided that the phased operation complies with State aid rules, notably with procedural rules applicable to prolongation of an aid scheme. DG COMP would need to be contacted to enquire about the conditions related to the prolongation of the State aid decision if such extension is possible. We suggest contacting the same unit in DG COMP to whom the State aid notification was initially made by the Member State.</p>
91	Italy	7. Non-functioning operations		<p>Please confirm that an operation partially physically completed and which contributed, albeit partially, to the achievement of the relevant objectives — if the completed part can be considered independent and partially functioning — at the time of the verification to be carried out to 15.02.2026 can be revised from the point of view of the physical and financial objectives in order to count the respective indicators.</p>	<p>Indicators for the partially completed operations will be considered. Please consider that non-functioning operations will be assessed after 15 February 2027, the deadline for Member States to physically complete or fully implement such operations and ensure that they contribute to the objectives of the relevant priorities.</p>
92	Italy	7. Non-functioning operations		<p>Please confirm that the concept of partially completed operation applies to all categories of operations (infrastructure works, but also aid to enterprises).</p>	<p>The concept of non-functioning operation may apply to any type of operation. See also reply to question 145 in EGESIF_21-0012-0.</p>

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93	Italy	7. Non-functioning operations	Indicators	In the case of aid to undertaking, when the Member State at 15 February 2026 considers that it has achieved some of the objectives of an operation in part, is it possible at that time to review the scope of the project, from the point of view of the objectives to be achieved and the financial volume, so that it can still contribute to the achievement of the output and financial indicators, also useful for achieving the Performance Framework? In the case of aid, will the operation therefore contribute to the exploitation of the indicator CO01 “N. of companies receiving support” as well as the financial indicator relating to “certified public expenditure”? What are the elements that the Commission will consider when assessing the partial completion of the project in case of aid to undertaking?	The selection and implementation of an operation is the responsibility of the Member State. If the Member State considers changes in the conditions of the implementation of the operation after its selection, it must ensure that such changes are in line with the respective legal framework, for example, corresponding call for proposals and document setting out the conditions for support. Where public procurement rules apply, the limitations for changes following from those rules also need to be respected. Outputs actually delivered based on the expenditure declared under the programme will be taken into account by the Commission. See reply to question 145 in EGESIF_21-0012-05.
94	Italy	7. Non-functioning operations	Partial completion	Please clarify the application of the proportionality principle in the definition of the amounts to be corrected, i.e. what criterion should the MS follow in order to reduce the amount of expenditure incurred and paid included in the accounts of the final accounting year for the operation partially completed in light of the failure to achieve all the original objectives of the project?	See reply to question 145 in EGESIF_21-0012-05.
95	Netherlands	4. Financial management	4.3. Calculation of the final balance	Does the 10% flexibility, in case of overbooking in final accounting year, also apply to the TA axis?	The 10% flexibility is now 15% flexibility. The TA axis is considered as any other priority axis and the 15% flexibility is fully applicable (per Fund, and per category of regions).

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96	Romania	6. Phasing of certain operations over two programming periods		Contract advance payments increases and certification of expenditure not covered by activities (answers: 1) Not encouraged due to procurement distortion and 2) Legally not possible Which article prevents it?	See reply to question 131 in EGESIF_21-0012-05.
97	Germany	4. Financial management	4.3. Calculation of the final balance	When will the Commission provide the programmes with a calculation tool (e.g. Excel) to calculate the final balance at closure? (see answer to question 26 EGESIF_21-0012-04 Q+A version 4)	The Commission services are not planning to provide an Excel tool to calculate the final balance. In fact, it is a complex calculation, which is not possible to simulate with Excel. Currently, the Commission services are adjusting the IT systems to enable producing the calculation sheets for closure. Like in closures of the programmes in 2007-2013, the Member State will receive a calculation sheet, explaining the Commission's closure proposal, as an annex to the closure letter.
98	Germany	12. Content of closure documents	12.4.3 Public expenditure paid to beneficiaries	<p>Please confirm that the amount to be demonstrated in accordance with Article 129 of Regulation (EU) No 1303/2013 includes own resources and non-cash co-financing (e.g., teachers' weekly hours) from public bodies invested in operations supported by the ERDF or the ESF.</p> <p>Example is the energy renovation of a primary school: The beneficiary is the municipality of Musterdorf. The total eligible expenditure of the operation is EUR 800 000. The funding is made up of EUR 400 000 ERDF + EUR 300 000 Land resources + EUR 100 000 own resources of the municipality of Musterdorf (municipal funds). The sum of EUR 800 000 corresponds to the amount</p>	<p>Article 129 of the CPR sets out that by the closure of the operational programme, the amount of public expenditure paid to beneficiaries is at least equal to the contribution from the Funds and the EMFF paid by the Commission to the Member State. This provision aims to ensure that the entire contribution the Member State received from the Funds and the EMFF has been passed on to beneficiaries. It requires that the payment (from the MA) to the beneficiary be checked - excluding contributions in-kind as well as any other expenditure which is the own contribution/co-financing of the beneficiary - against the contribution paid by the Commission to the Member State.</p> <p>A similar approach is reflected at the level of the</p>

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				<p>reported by the certifying authority in the accounts in column D of Annex 8 in accordance with Article 137(1)(a) of Regulation (EU) No 1303/2013.</p> <p>The Commission has clarified that for the last financial year the same rules apply as for any other financial year. Moreover, the eMS programme made available by Interact to Interreg programmes does not provide for the separate recording of public own resources. We therefore assume that the calculation method used to ensure that Article 129 of the basic Regulation is complied with at programme closure is the same as the method used to calculate public expenditure for the accounts in accordance with Article 137 of Regulation (EU) No 1303/2013. Thus, in the example provided for in Article 129 of Regulation (EU) No 1303/2013, the beneficiary municipality of Musterdorf received public expenditure amounting to EUR 800 000.</p>	<p>operation in Article 69(1) of the CPR which sets out as one of the conditions for the eligibility of contributions in kind that the public support paid to the operation which includes contributions in kind does not exceed the total eligible expenditure, excluding contributions in kind, at the end of the operation.</p> <p>The reply to the question is therefore negative, and the own resources/contribution in kind of the beneficiary, including beneficiaries which are public bodies, should not be taken into account for assessing compliance with Article 129 of the CPR.</p>
99	Germany	12. Content of closure documents	12.4.1 Financial instruments	Please confirm that negative interest/deposit fees are part of the eligible expenditure of financial instruments at closure.	The issue of negative interest was addressed through the Omnibus regulation and reflected in Article 44(1)(b) of the CPR. The provisions envisage that resources returned attributable to the support from the ESI Funds may cover the losses in the nominal amount of the ESI Funds contribution to financial instrument resulting from negative interest, if such losses occur despite active treasury management by the bodies implementing FIs. Negative interest is not counted as part of the management costs and fees and therefore cannot be declared as eligible expenditure according to

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					Article 42(1)(d) of the CPR. The calculation methodology to establish the eligible management costs and fees is set out in Article 13 of Commission Delegated Regulation (EU) No 480/2014.
100	Germany	5. Indicators and performance framework at closure	5.1. Reporting output indicators achievement values	<p>In the section ‘5.1. Reporting on performance for output indicators’ of the closure GL, the following passage is included: “For non-functioning operations (see section 7 of these guidelines), only outputs actually delivered on the basis of the expenditure declared under the programme should be reported in the final implementation report of the programme. In certain cases, this means that an output of zero is transmitted.”</p> <p>What does this wording mean in concrete terms? It may be possible to provide an example of how to identify outputs. In particular, construction projects, such as energy renovation of public buildings, could be classified under the category of ‘non-functioning projects’. For these projects, for example, OP indicator CO 34 “Estimated annual reduction in greenhouse gas emissions” is reported. How should the indicator be reported if projects have not yet been fully implemented by 31/12/2023 (but it can be expected that this will be achieved by 15.2.2026)?</p>	<p>In case of non-functioning operations, which Member States decide to keep in the accounts for the final accounting year, it can happen that zero-output indicator is reported by the time of the submission of the closure documents. In such case, an explanation should be added in the column “observations”. Outputs delivered by non-functioning operations will be reported and assessed after 15 February 2027, which is the deadline to physically complete or fully implement such operations and ensure they contribute to the objectives of the relevant priorities. It is important to note that this does not apply to Performance Framework indicators, which have to be reported with values achieved by 31 December 2023.</p> <p>Indicators for the partially completed operations will be considered. Please consider that non-functioning operations will be assessed after 15 February 2027, the deadline for Member States to physically complete or fully implement such operations and ensure that they contribute to the objectives of the relevant priorities.</p>
101	Germany	4. Financial management	4.3 Calculation of the final	It is possible to postpone 10 % of the funding between the substantive priorities without having to submit an	The question is not very clear. If it relates to 15% flexibility, as provided in Article 130(3) of the CPR, the

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			balance	amendment to the Commission. Our question is whether the 10 % relates to the ERDF funds paid by the Commission to the programmes or whether the basis is the sum of the funds actually paid to the projects?	<p>Commission will apply the 15% flexibility at closure.</p> <p>In case of modifications pursuant to Article 30(5) of the CPR, which states that “<i>Member State may transfer during the programming period an amount of up to 8 % of the allocation as of 1 February 2020 of a priority and no more than 4 % of the programme budget to another priority of the same Fund of the same programme</i>”, the Member State shall notify the revised financial tables approved by the monitoring committee to the Commission and these will be taken into account for the application of the flexibility.</p>
102	Germany	4. Financial management	4.1 Decommitment	Could the Commission explain, under which conditions, art. 87 CPR could be applicable with a view to the Covid –pandemic	<p>The amount concerned by decommitment must be reduced by the amounts equivalent to that part of the budget commitment for which it has not been possible to make a payment application for reasons of force majeure seriously affecting implementation of all or part of the programme (Article 87(1)(b) of the CPR). In line with the second subparagraph of Article 87(1) of the CPR, the national authorities claiming force majeure have to demonstrate the direct consequences of the force majeure on the implementation of all or part of the programme.</p> <p>In line with Article 25a(8) of the CPR, by 31 January of the following year, the Member State shall send to the Commission information on the amounts for which it has not been possible to make a payment application by the end of the preceding year at an aggregate level by priority for operations whose total eligible cost is less</p>

#	Member State	Section of the Closure Guidelines	Subcategory	Question	Reply
					than EUR 1 000 000. Please also see the corresponding replies on the CRII Platform (sections 'COVID-19 and Force Majeure' and 'Decommitment').
103	Germany	12. Content of closure documents	12. Accounts	On what specific point is the final accounts for the ESF and FEAD funds different from the previous accounts with regard to certification?	The examination and acceptance of the accounts of the final accounting year follows the same rules as those for the examination and acceptance of the accounts of any other accounting year.
104	Germany	4. Financial management	4.1 Decommitment	Covid as force majeure (Art 87) What are the main steps in practice? Can it be done only at project or also at priority axis level? Should it be motivated in the documents on the accounts or in other closure documents?	Force majeure can be argued on a case-by-case basis including for the impact from COVID-19. For more information please see the corresponding replies on the CRII Platform (sections 'COVID-19 and Force Majeure' and 'Decommitment').
105	Germany	4. Financial management	4.3 Calculation of the final balance	With regard to the Annex IV to the Closure guidelines, will DG REGIO provide to the MS the excel table 10% flexibility	Please refer to reply provided to question 26 in EGESIF_2021-0012-05.
106	Germany	4. Financial management	4.3 Calculation of the final balance	Must the final payment application be made until July 2024?	The certifying authority has to submit the final application for an interim payment by 31 July following the end of the previous accounting year pursuant to Article 135(2) of the CPR. For the final accounting year, which runs from 1 July 2023 to 30 June 2024 (Article 2(29) of the CPR), the final application for an interim payment is due by 31 July 2024 (Article 135(2) of the CPR). This is the last possibility for the Member State to declare expenditure to the Commission before closure.
107	Germany	4. Financial management	4.3. Calculation of the final balance	Where in the template we should take into account the annual pre-financing payments? In column p?	As already explained (reply provided to question 26 in EGESIF_2021-0012-05), Annex IV to the Closure Guidelines is just a non-exhaustive example to illustrate the flexibility provided in Article 130(3) of CPR. It is not

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					to be considered as a calculation of the final balance. Thus, there is no pre-financing clearing in the example. Column P in the Annex IV shows the amount of the payments made in previous accounting years.
108	Sweden	9. Expenditure affected by ongoing OLAF investigations, OLAF reports or audits of the Commission or the European Court of Auditors		In the case of cases that have been appealed or remarked during audits and in case of delays — should these cases continue to be reported to the programme after we have sent the closure of the programme and, if so, for how long.	The question is not clear. If it refers to the on-going investigations, please refer to sections 8 or 9 of the Closure Guidelines and the relevant replies in EGESIF_21-0012-05.
109	Sweden	11. Submission of the closure documents	11.1 Deadline for submission of the closure documents	According to article 50 (CPR) the last annual report on implementation of the programme is due 2023 and includes the financial year 2022	Correct. According to Article 111(1) of the CPR, the last annual implementation Report (which is an annual report) is the one for the year 2022 that should be submitted by 31 May 2023. See reply to question 291 in EGESIF_21-0012-05.
110	Sweden	5. Indicators and performance framework at closure	5.2 Implications of the performance framework at closure	A final report on implementation of the programme for ERDF is due 15th of February 2025. Cumulative values for output and result indicators up to the year 2023 are to be included in the final report. No values for 2024 are to be included or commented.	See reply to question 67 in EGESIF_21-0012-05.
111	Sweden	5. Indicators and performance framework at closure	5.2 Implications of the performance framework at closure	The assessment on the achievement of the target values for indicators are only based on indicators in the performance framework.	Both result and output indicators and performance framework indicators are assessed, but only the assessment of performance framework indicators can lead to potential financial corrections pursuant to Article 22(7) CPR.
112	Sweden	5. Indicators and performance	5.2 Implications of the	The assessment on the achievement of the target values for indicators are based on the values reported	See reply to question 67 in EGESIF_21-0012-05.

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		framework at closure	performance framework at closure	in the final implementation report. That is values up to the year 2023.	
113	Sweden	5. Indicators and performance framework at closure	5.2 Implications of the performance framework at closure	Assessment on the achievement of the target values for indicators are not based on values for 2024.	See reply to question 67 in EGESIF_21-0012-05.
114	Ireland	Issues not dealt with in the Closure Guidelines	Cost increases and military aggression by the Russian Federation against Ukraine	Are there new provisions re the impact of the Ukraine crisis and cost increases associated with same (including the general increases in fuel and other inflationary pressures)? If so what is the likely period they will be applicable (a certain number of months since Ukraine crisis erupted or on an ongoing basis given continued ongoing inflationary pressures due to this and other unforeseen factors?	The question is not clear. The Commission has provided guidance via the Ukraine Platform on the flexibility to adjust operations affected by the military aggression against Ukraine. Please refer to that platform for more information.
115	Ireland	Issues not dealt with in the Closure Guidelines	Cost increases and military aggression by the Russian Federation against Ukraine	Where DUCGs projects are affected by inflation/Ukraine crises, is there a mechanism to allocate an increase or further grant award to the project to cover the additional costs?	The question is not clear. Please refer to the Ukraine Platform for relevant information.
116	Ireland	4. Financial management	4.3 Calculation of the final balance	Can allocations be transferred between OPs within the same Fund prior to closure (i.e., a regional transfer of allocation)?	Transfer between programmes is not possible after the end 2020. See reply to question 23 in EGESIF_21-0012-05.
117	Ireland	4. Financial management	4.3 Calculation of the final balance and 4.4 Overbooking	Re Article 65(10) where the CARE regulation added reference to “expenditure for operations addressing the migratory challenges as a result of the military aggression by the Russian Federation shall be eligible as of 24 February 2022”.	It is not possible to programme (normal) ERDF and REACT-EU funding in the same priority – the addition of REACT-EU funding was always into a separate, distinct priority pursuant to Article 92b(8), second subparagraph of the CPR.

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				Can MS reprogramme ERDF to this expenditure and have React EU allocation programmed to it in the same priority axis? Can MS overbook on this reprogrammed ERDF expenditure at closure and use the 10% flexibility with other priorities (we understand you can't use 10% flexibility at closure between React EU expenditure and other ERDF expenditure).	
118	Bulgaria	3. Preparation for closure	3.2 Submission/notation and amendment of major projects	With regard to major projects, will an infrastructure project be deemed a major one if its funding has exceeded the 50 MEUR threshold as a result of an indexation solely due to the raised prices of the materials and energy with no other modifications in the scope, purposes, indicators, etc. Shall the MS submit such project as per Article 102, para 2 of the CPR or shall it only notify the Commission as per Article 102, para 1?	<p>The major project threshold from Article 100 CPR refers to total eligible cost of the project. Once total eligible costs exceed that threshold (for whatever reason), the project becomes major. It is for the MS to decide whether it then notifies the project under Article 102(1) or submits is under Article 102(2) procedure.</p> <p>The Member State has the possibility to determine cost increases as not part of the total eligible costs, thus the project could remain non-major.</p>
119	Bulgaria	4. Financial management	4.4. Overbooking	Is it possible to declare in a Payment claim to the Commission overbooked expenditure under a given priority in 9th accounting year (not in the final 10th accounting year) for the purpose of avoiding N+3 rule decommitment? Afterwards, at the stage of preparation of the accounts for 9th accounting year, the overbooked expenditure would be deducted from the accounts in case no irregularities have been detected for their replacement?	<p>There are no legal constraints to declaring expenditure to the Commission and then excluding the overbooking from the accounts. However, we invite MSs consider other alternatives - for instance - amending the programme (shifting money from nonperforming to performing Priority Axis).</p> <p>Member States can exclude from the accounts of the 9th accounting year (July 2022-June 2023) expenditure declared for the purpose of avoiding n+3 decommitment by the end of December 2022.</p>

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120	Bulgaria	5. Indicators and performance framework at closure 6. Phasing of certain operations over two programming periods	5.1. Reporting output indicators achievement values	According to the Closure Guidelines, section 5.1. Reporting output indicators achievement values: “For phased operations, only outputs actually delivered by the phase included in the 2014-2020 programming period can be reported in the final implementation report of the programme.” In this context, should we exclude the contribution of phased projects when reporting the value of selected operations (S) in the final implementation report? Example: target value within the performance framework: 100 people; (S – selected operations) 120 people under all operations, incl. phased and non-functioning; (F – fully implemented) 40 people for phase A (of which for the non-functioning 0 people) and 80 people remaining for phase B. Should the MA require a decrease of the indicator value by the beneficiary at project level?	The question/example is not clear. For phased operations, only outputs actually delivered by the phase included in the 2014-2020 programming period can be reported in the final implementation report of the programme. Other outputs (together with the related expenditure) must be reported under the 2021-2027 programming period. Please see reply to question 59 in EGESIF_21-0012-05. The selected values to be reported in table 3A: Common and programme specific output indicators are the forecasts provided by the beneficiaries. The output indicator values linked to a phase of an operation no longer funded under 2014-2020 but under 2021-2027 should only be reported as selected under 2021-2027 On the question on whether the selected values should follow the achieved values in phased operations, our advice would be to do so. The second phase of the operation should then start in 2021-2027 with a positive selected value.
121	Bulgaria	5. Indicators and performance framework at closure	5.1. Reporting output indicators achievement values	With regard to Section 5.1 of the Closure guidelines, could you please clarify: does it mean that the contribution of non-functioning projects should not be added to the common value of selected operations (S) in the final implementation report? (Same example is applicable)	Correct, for non-functioning operations, only outputs actually delivered (based on the expenditure declared under the programme) should be reported in the final implementation report of the programme. In certain cases, this will mean zero outputs (see reply given to question 56 in EGESIF_20-0012-05). Outputs delivered by non-functioning operations will be assessed after the 15 February 2027, the deadline for Member States to physically complete or fully implement such operations and ensure they contribute to the objectives of the relevant priorities.

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122	Bulgaria	5. Indicators and performance framework at closure	5.2 Implications of the performance framework at closure	<p>Articles 6(2) the Commission Implementing Regulation (EU) No 215/2014 provides that the milestones or targets of a priority shall be deemed to be achieved if all indicators included in the related performance framework have achieved at least 85 % of the milestone value by the end of 2018 or at least 85 % of the target value by the end of 2023. By way of derogation, where the performance framework includes three or more indicators, the milestones or targets of a priority may be deemed to be achieved if all indicators except for one achieve 85 % of their milestone values by the end of 2018 or 85 % of their target value by the end of 2023. The indicator, which does not achieve 85 % of its milestone or target value, shall not achieve less than 75 % of its milestone or target value.</p> <p>Articles 6(3) and (4) of the Commission Implementing Regulation (EU) No 215/2014 provide that a priority will be deemed to have seriously failed to achieve the targets set out in the performance framework in the following cases:</p> <ul style="list-style-type: none"> - if there are no more than two indicators in the performance framework related to a priority and any of these two indicators has failed to achieve at least 65% of the target value by the end of 2023 or - if there are more than two indicators in the performance framework related to a priority and at least two of these indicators have failed to achieve at least 65% of the target value by the end of 2023. <p>These definitions are given in the amended Closure</p>	<p>On the treatment of performance where the target values are between 65% and 85%, the Commission will analyse the situation on a case-by-case basis, taking into account the information and data provided in the final implementation report as well as whether there was a procedure initiated by the Commission under Article 22(7) of the CPR.</p>

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				Guidelines as a "Serious failure" which may lead to appliance of financial correction in accordance with Article 22(7) of the CPR. The draft Closure Guidelines have been amended and now they stipulate that "In the column "Observations", Member States should explain (where necessary) the year 2023 achievement values, especially in cases where they are significantly different (i.e. deviation of more than 20%) from the set targets". Given the levels defined above, how would the Commission treat the intermediate levels of indicators achievement values - between 80% and 85% and between 65% - 80%/85%?	
123	Bulgaria	12. Content of closure documents	12.1 Final implementation report	In the Closure Guidelines, Annex I LIST OF ALL OPERATIONS PHASED FROM 2014-2020 INTO 2021-2027, in the first column "PRIORITY FUND/CATEGORY OF REGION" with respect namely to the category of region, the MS should set the category as it is defined for 2021-2027, is that correct? For example, if in 2014-2020 a region was "Less developed region", while in 2021-2027 it is "Transition region", should "Transition region" be indicated in this column?	In the Annex I to the final implementation report on phased operations all the columns should refer to information relative to the 2014-2020 programming period, except the last one (which is expressly asking for information on the 2021-2027 programming period). The table should inform in which programme/Fund/priority/category of region the phased operations are (in case the Commission needs to deduct any expenditure in the future).
124	Bulgaria	6. Phasing of certain operations over two programming periods		With regards to Article 118a of the FAST CARE amendment, how should we understand the word "directly" within the text "the managing authority may decide to grant support to such an operation under this Regulation directly"? Does this mean that the Managing Authority shall set no selection criteria according to Article 73, para 1 and 2 to be approved	Please refer to QA00204 - Selection of phased operations - RegioWiki Extranet - RegioWiki (europa.eu)

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				by the monitoring committee and shall make a formal selection based only on the conditions set in letters (a) – (d) of sentence 2, Article 118a of the FAST CARE amendment?	
125	Bulgaria	6. Phasing of certain operations over two programming periods		With regard to the phased projects, how shall we read the sentence “Therefore both phases of these phased projects are subject to all the eligibility conditions of the 2014-2020 programming period” – does this mean that support can be provided for activities under a second phase of a project, even if they are not eligible for funding under the 2021-2027 Fund specific Regulations, provided that they were eligible under the 2014-2020 Fund specific Regulations?	This is correct. See Section 6 of the Closure Guidelines and reply given in QA00204 .
126	Bulgaria	6. Phasing of certain operations over two programming periods		Point 6 of Closure Guidelines “PHASING OF CERTAIN OPERATIONS OVER TWO PROGRAMMING PERIODS” – in case of phased operation (first phase 2014-2020, second phase 2021-2027), the second phase is financed by 2021-2027 programme budget or by 2014-2020 budget, whose use can be extended to 2021-2027 period to cover the expenses of the second phase?	Phase II must be financed from the 2021-2027 budget.
127	Bulgaria	7. Non-functioning operations		Because of the discrepancy between the draft Closure Guidelines and the EC answers to the Member State questions within the framework of the EGESIF discussion on the draft Closure Guidelines, could you please clarify which is the deadline for completion of non-functioning operations: 15 February 2026 or 15 February 2027?	15 February 2027. Please refer to the Closure Guidelines published in the Official Journal of the European Union C 474 of 14 December 2022 (accessible through this link) and section 7 thereof.
128	Bulgaria	7. Non-functioning		Given the provisions for non-functioning operations, please confirm whether it is possible to include in the	Member States can decide to include in the accounts for the final accounting year expenditure for non-

#	Member State	Section of the Closure Guidelines	Subcategory	Question	Reply
		operations		accounts for the final accounting year expenditure, incurred and paid for a project for which there are activities remaining to be carried out and indicators yet to be achieved?	functioning operations provided they observe the requirements set out in section 7 of the Closure Guidelines. Regarding the reporting of indicators achievement values of non-functioning operations, please refer to section 5.1 of the Closure Guidelines.
129	Bulgaria	7. Non-functioning operations		Point 7 of Closure Guidelines “NON-FUNCTIONING OPERATIONS” – expenditure that occurs after 31 December 2023 are part of which allocations: 2014-2020 or 2021-2027?	For non-functioning operations, neither of the two. Expenditure incurred after 31 December 2023 is non-eligible expenditure in accordance with Article 65(2) of the CPR. The non-functioning operation must be completed by national or other resources past the end of the eligibility period.
130	Bulgaria	9. Expenditure affected by ongoing OLAF investigations, OLAF reports or audits of the Commission or the European Court of Auditors		Is it possible for the managing authority to include in the accounts for the final accounting year all or part of the expenditure for a project with ongoing OLAF investigation, for which OLAF has not yet issued a final report and for which the payment deadline referred to in article 132, paragraph 1 of Regulation 1303/2013 has been interrupted on the basis of Article 132, paragraph 2, letter "b" of the Regulation due to this investigation?	At closure, Member States may include in the accounts for the final accounting year expenditure affected by potential irregularities identified in ongoing OLAF investigations, OLAF reports or the Commission's or ECA's audits. Article 132(2)(b) CPR does not affect the declaration of the expenditure by the Member State to the Commission, as this provision explains the case where managing authorities may interrupt payment to beneficiaries.
131	Bulgaria	12. Content of closure documents	12.1. Final implementation report	Please confirm that the condition for programmes that have a dedicated priority axis to finance operations addressing the migratory challenges as a result of the military aggression by the Russian Federation, namely “at least 30% of the financial allocation of that priority axis shall be attributed to operations which have beneficiaries that are local authorities and civil society organisations operating in local communities”, does not apply to programme amendments that have been approved by EC before	Please consult the Ukraine Platform for relevant information.

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				the entry into force of the current Closure Guidelines amendment and the FAST-CARE Regulation, respectively	
132	Bulgaria	12. Content of closure documents	12.4.1. Financial instruments	The EC Closure Guidelines aim to address the risk regarding the eligibility of support through financial instruments for projects that will not be physically completed by the end of the eligibility period due to delays or other reasons. In this regard, would it be possible in the concrete case of a loan financial product (or loan with embedded guarantee as well) to transfer the residual FI resources into an escrow account opened by the name of the final recipient. In the above scenario, the FI residual amounts will be blocked in the escrow account until the fulfilment of the preliminary conditions for their absorption by the final recipient, namely the provision of expenditure justification documents for targeted spending of the FI funds in accordance with the ESIF rules and the requirements of the respective operational programme. In line with the proposed mechanism the fulfilment of the requirement of Art. 42, par. 1, b. a) from Regulation No. 1303/2013 for the payment of the FI amounts to the final recipient, while their subsequent targeted expenditure will be possible after 31.12.2023 in the period until the submission of the final report of the respective programme according to the EC Closure Guidelines.	Articles 42(1) (c), 42(2) and 42(3) of the CPR are the only ones in accordance to which escrow accounts can be set up for financial instruments. In case of loans and guarantees, it is not possible to set up escrow accounts. Programme support should be provided to the final recipients before 31/12/2023 and the final recipient may continue investment afterwards. Article 42 of the CPR does not require the investment to be completed. The additional assurance is included in the Closure Guidelines in the sentence providing the following: "However, it is not necessary for the final recipient to have completed the implementation of an investment supported by the financial instrument by the submission of the closure documents."
133	Bulgaria	12. Content of closure documents	12.4.1. Financial instruments	In the Closure Guidelines (section 12.4.1. Financial instruments) it is stated that for financial instruments, programme audit authorities should obtain assurance	See above replies to question 132.

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				<p>that the final amounts declared at closure are eligible. However, it is not necessary for the final recipient to have completed the implementation of an investment supported by the financial instrument by the submission of the closure documents. Referring to the above provisions of the Closure Guidelines, as well as to Art. 42, par. 1(a) from Regulation No. 1303/2013 could you confirm the applicability of the following approach: The support through financial instruments committed under an investment which is not yet completed by the end of Eligibility period is paid to final recipient in a kind of escrow account by the end of 31.12.2023. The support through financial instruments paid in such escrow account is used by final recipient for eligible expenditures before submission of the programme closure documents and there is evidence that the support provided through the financial instrument was used for its intended purpose. The expenditures are covered by checks of the programme audit authorities carried out before submission of the programme closure documents. We would highly appreciate confirmation of the Commission services about the approach described above as it can facilitate the completion of infrastructure investments supported through financial instruments that need longer period for construction works and cannot be completed by the end of the Eligibility period because of unexpected delay caused e.g., by COVID 19 restrictions or</p>	

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				consequences of the war in Ukraine, etc.	
134	Bulgaria	12. Content of closure documents	12.4.1. Financial instruments	<p>Eligible expenditures at closure regarding to the implementation of SME Initiative Programme Bulgaria Art. 42 (1) (b) on eligible expenditure at closure states that the eligibility multiplier will be calculated on the basis of a prudent ex-ante risk assessment, the same referred to in Regulation 480/2014, Art. 8. Key pillars of the relevant analysis are (i) the ERDF resources made available, (ii) the minimum rating targeted by the senior risk takers and (iii) the minimum amount of credit enhancement (to be provided by the ERDF) needed to support the commitment of the more senior risk takers.</p> <p>A key feature of the SMEI is the blending of resources from different risk takers (MS, EC, and EIB Group). Thus, the first task of the EIF services when putting the SMEI in place was to perform the above-mentioned prudent risk analysis also to verify whether it was conceivably possible to achieve the minimum leverage required, whilst simultaneously satisfying the credit risk requirements (defined as a minimum ratings) of the risk takers. For the SMEI in Bulgaria, this prudent ex-ante risk assessment was run by EIF services to confirm whether the eligibility multiplier for the SME Initiative in Bulgaria could be compatible, or even corresponds, to the minimum leverage of 4.3x required by the Member State pursuant to Art. 39.5 of the CPR. The results of this analysis were documented in the Intercreditor Agreement ("ICA") signed whereby</p>	The eligible expenditure should be in line with Article 39(8)(a) of the CPR corresponding to the first option in the question, i.e. all ERDF contributed amounts, once the portfolio of loans to SMEs reaches the eligibility multiplier mentioned in the ICA (Intercreditor Agreement).

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				<p>under the definition of “Minimum MS Leverage Requirement” is clearly stated that the 4.3x leverage is also the “the minimum leverage requirement with regard... also for the purpose of Article 8 (d) of Commission Delegated Regulation (EU) No 480/2014 of 3 March 2014”.</p> <p>Based on the abovementioned, please clarify which amount should be accepted as eligible in case of portfolio guarantees in the meaning of Article 42(1)(a), (b) and (d) of Regulation (EU) No 1303/2013 :</p> <ul style="list-style-type: none"> - all ERDF contributed amounts, once the portfolio of loans to SMEs reaches the eligibility multiplier mentioned in the ICA or - the correct amount of the eligible expenditure should be the percentage of the guarantee covered by the ERDF. 	
135	Interact	1. General principles		Will there be guidelines for the IPA programmes?	The Commission has adopted modified closure guidelines to include the IPA CBC programmes, but not IPA-IPA. The modified Closure Guidelines were published in the Official Journal of the European Union C 474 of 14 December 2022 accessible through this link
136	Interact	1. General principles		Closure in accordance with suspensions of Financial Agreements with Russia and Belarus	The Commission services will draft specific ENI-CBC Closure Guidelines, because the legal basis is different than for IPA-CBC programmes and because (contrary to IPA-CBC) there is no cross-reference to the CPR or Regulation (EU) No 1299/2013. The ad hoc act presented on 22/7/22 by the Commission to address the programme implementation disruption of the ENI-CBC programmes with RU, BY, UA and MD was adopted on 9.11.2022 (OJ L 292 of 11.11.2022). The ENI-CBC

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					Closure Guidelines will refer to that act.
137	Interact	2. Possibility of early closure		What exactly does the MA have to do if we want an early closure? Just submit documents or also request to COM should be sent before?	The programme authorities should write a letter to the Commission requesting an earlier accounting year to be considered as the final accounting year. Acceptance by the Commission can be granted if the Member State has carried out all the activities related to the implementation of the programme. See reply to question 6 in EGESIF_21-0012-05.
138	Interact	4. Financial management	4.3. Calculation of the final balance	Is a capping of the ERDF amount to be paid foreseen in case of non-compliance with the thematic concentration?	There is no capping within the limit of the 15% flexibility in accordance with Article 130(3) CPR. It is also noted that pursuant to Article 25a(5) CPR added with the CRII+ amendment, financial allocations set out in requests for programme amendments submitted or transfers notified pursuant to Article 30(5) CPR (non-substantial transfers), after 24 April 2020, shall not be subject to the requirements on thematic concentration.
139	Interact	4. Financial management	4.3. Calculation of the final balance	Is a capping of the ERDF amount to be paid foreseen if it exceeds the technical assistance %?	There is no capping within the limit of the 15% flexibility in accordance with Article 130(3) CPR. Compliance with requirements related to technical assistance was verified in the process of adopting the programmes/amendments. When applying the flexibility clause, the technical assistance axis does not need to be treated differently from the other axes.
140	Interact	12. Content of the closure documents	12.4.3 Public expenditure paid to beneficiaries	Will there be a capping in case ERDF paid to the beneficiary is smaller than the ERDF amount calculated at Priority Axis level within the % foreseen in financial plan of the programme?	The Commission applies the co-financing rate at priority level not at projects/beneficiary level. At closure, Article 129 CPR needs to be respected
141	Interact	4. Financial	4.3. Calculation	I am eager to find out more on 15% flexibility and	In accordance with Article 30(5) of the CPR, the

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		management	of the final balance	Article 30(5) of Interreg regulation mechanism in the context of (or: amendment to the programme before) the final closure	Member State may initiate during the programming period a transfer up to 8 % of the allocation of a priority to another priority of the same Fund of the same programme. Such non-substantial transfer does not require a decision of the Commission amending the programme. However, in accordance with the second subparagraph of Article 30(5) of the CPR, such non-substantial transfer requires the prior approval of the monitoring committee and the subsequent notification to the Commission of the revised financial tables of the programme. Once the Commission is informed, the financial plan is considered modified, and the 15% flexibility pursuant to Article 130(3) CPR will be applied on the latest financial plan. It is noted that the FAST-CARE amendment to the CPR added Article 30(6) which allows transferring financial allocations between different thematic objectives within the same priority of the same Fund and category of region of the same programme without the need for a Commission decision. Such transfers shall comply with all regulatory requirements and shall be approved by the monitoring committee in advance.
142	Interact	4. Financial management	4.4. Overbooking	Could you please define overbooking on priority level? Does it start at 100% exhaustion or at 110% exhaustion (including the 15% flexibility)?	See reply to questions 14 and 36 in EGESIF_21-0012-05.
143	Interact	4. Financial management	4.4. Overbooking	How to deal with the overbooking at Priority level? When should they be reported?	See reply to questions 14 and 36 in EGESIF_21-0012-05.
144	Interact	4. Financial management	4.4. Overbooking	How to deal with over-exhaustion on the level of single priorities (no over-exhaustion on programme level)	The question is not clear. If there is a programme where there is only one priority axis, then unfortunately it cannot benefit from the flexibility. But even in this case

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					it is beneficial to have overbooked expenditure, because the irregular amounts (if any) may be replaced from the overbooking (except for cases falling under Article 145(7) of the CPR), and the programme would still receive the maximum ERDF contribution.
145	Interact	4. Financial management	4.3. Calculation of the final balance	When using the 15% flexibility pursuant to Article 130(3) CPR, do the programmes still have to respect the 6% increase cap regarding technical assistance set out in Article 119(5) CPR? Is the 15% flexibility applicable also to the Technical Assistance Priority Axis?	Compliance with Art. 119(5) CPR is relevant at programme adoption and later amendments of the financing plan of the programme. At closure, the 15% flexibility applies also to the TA priority axis, which is considered in the same way as any other priority axis.
146	Interact	4. Financial management	4.3. Calculation of the final balance and 4.4. Overbooking	Is it possible for the Certifying Authority to make payments to the beneficiaries before the submission of the final report, which exceed the programme budget, but within the 15 % flexibility rule?	The Member State may declare expenditure to the Commission which exceed the financial plan of the programme, and even the 15 % flexibility set out in Article 130(3) of the CPR. That means the programme has overbooked the expenditure, which provides a buffer that may be used for replacing irregular amounts and for the 15% flexibility. Member States are encouraged to have overbooked expenditure available in the final accounting year in order to benefit from the 15% flexibility at closure and if irregular expenditure needs to be replaced at/after closure. See reply to question 36 in EGESIF_21-0012-05.
147	Interact	4. Financial management	4.3. Calculation of the final balance	Must payments to the beneficiaries be made by the Certifying Authority before 31 December 2023? Which is the correct: 31/12/2023 end date for project expenditure or for reimbursing projects?	No, payments to beneficiary do not have to be performed before 31/12/2023. Pursuant to Article 65(2) of the CPR, 31 December 2023 is the end date for eligibility of expenditure on the ground, i.e., for expenditure to be incurred by the beneficiary and paid. As for the payments to the beneficiary, Article 132(1) provides that subject to the availability of funding from

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					initial and annual pre-financing and interim payments, the managing authority (the certifying authority in case of ETC programmes, Article 21(2) Regulation (EU) No 1299/2013) shall ensure that a beneficiary receives the total amount of eligible public expenditure due in full and no later than 90 days from the date of submission of the payment claim by the beneficiary. The payment deadline to the beneficiaries can be interrupted in the cases provided in Article 132(2) CPR.
148	Interact	4. Financial management	4.3. Calculation of the final balance	How can the Certifying Authority pay the beneficiary before 31 December 2023 if it didn't receive all the funds? (10% balance paid in 2025?)	Beneficiaries do not need to be paid by 31 December 2023. According to Article 65(2) CPR expenditure needs to be incurred by the beneficiary and paid by 31 December 2023. As for the payments to the beneficiary, Article 132(1) CPR provides that subject to the availability of funding from initial and annual pre-financing and interim payments, the managing authority (the certifying authority in case of Interreg programmes pursuant to Article 21(2) of Regulation (EU) No 1299/2013) shall ensure that a beneficiary receives the total amount of eligible public expenditure due in full and no later than 90 days from the date of submission of the payment claim by the beneficiary. The payment deadline to the beneficiaries can be interrupted in the cases provided in Article 132(2) CPR.
149	Interact	4. Financial management	4.3. Calculation of the final balance	Will the Certifying Authority proceed with payments to beneficiaries after programme closure?	It is up to the programme authorities as long as Articles 129 and 132 CPR are respected.
150	Interact	4. Financial management	4.3. Calculation of the final balance	Could we get a concrete example on calculating the final balance on a case, where 100% co-financing was used for the accounting years 2019-2020 and 2020-	The calculation mentioning the possible deductions and clearings and the final balance will be provided with the closure letter to the Member State. Annex IV to the

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				2021?	Closure Guidelines provide a calculation example. However, this example does not intend to be complete as it just intends to illustrate the 15% flexibility rule pursuant to Article 130(3) CPR. The 100% co-financing rate does not change the calculation of the final balance. The financial plan valid at the time of closure is what is important. The 100% co-financing rate is like any other change in the co-financing rate. It allows the programme to spend ERDF allocated to the programme faster, allows less national contribution, so programmes will reach maximum absorption earlier. But this does not impact the calculation method of the final balance.
151	Interact	4. Financial management	4.3. Calculation of the final balance	Will the Commission provide a calculation sheet for calculating the final amount to be cleared by the programme and send it to the programmes before closure?	No, the Commission will not provide a specific calculation sheet indicating the amount to be cleared before closure. The calculation mentioning the possible deductions and clearings and the final balance will be provided with the closure letter to the Member State. To be noted that the clearing of pre-financing may start as soon as the programme receives the maximum Funds contribution through payments (pre-financing and interim payments). Eligible expenditure included in the accounts will be used to clear the annual pre-financing first and thereafter the initial one, after acceptance of the accounts.
152	Interact	4. Financial management	4.3 Calculation of the final balance	Is expenditure to develop and maintain (up to the end of 2023) the website for 2021-2027 programme eligible from the 2014-2020 TA?	Yes, in accordance with Article 59(1) CPR, technical assistance actions financed may concern the previous and subsequent programming period. Provisions on the eligibility of expenditure apply, including Article 65(2) CPR which provides that in order to be eligible for a

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					<p>contribution from the ESI Funds, expenditure should be incurred by a beneficiary and paid until 31 December 2023.</p> <p>In addition, the following should also be noted:</p> <ul style="list-style-type: none"> - the activities have to be in compliance with 2014-2020 national eligibility rules and must fall within the scope of the 2014-2020 programme financing them; - the scope of technical assistance is limited to actions that are linked to the functions necessary for the implementation of the ESI Funds, so 2014-2020 ESIF technical assistance cannot be used to cover activities specifically aimed at other funds governed by the 2021-2027 CPR (e.g. AMIF, ISF, BMVI); and - double financing has to be avoided.
153	Interact	Issues not dealt with in the Closure Guidelines	Monitoring and evaluation	What is the minimum requirement for programme evaluation?	The question is not clear. Please refer to the Guidance Document on monitoring and evaluation (2014-2020) (EGESIF_18-0032-00) (accessible through this link)
154	Interact	Issues not dealt with in the Closure Guidelines		Is there a template for the provision of information required under Article 114 CPR	<p>In accordance with Article 114 of the CPR, by the end of 2022 the programmes are expected to submit to the Commission a summary of all the evaluations that have been carried out by the programmes.</p> <p>That does not mean that all the evaluations have to be completed by 2022. Whatever evaluation is completed after will be reported in the final implementation report.</p> <p>The template of Article 114 CPR is attached to this document. The Commission appreciates if this template is used by as many programmes as possible in order to</p>

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					provide a good basis for programme evaluations for the ex-post evaluation, that will be drafted by the Commission.
155	Interact	7. Non-functioning operations		Please confirm that the principle of proportionality can be applied for all projects, namely if we can consider partially completed operations to be partially contributing to the objectives of the relevant priorities, do we need to partially apply corrections or no amounts are to be recovered?	See reply to question 145 in EGESIF_21-012-05.
156	Interact	6. Phasing of certain operations over two programming periods		What is specific for operations under programmes that stop, such as Two Seas?	Given that this programme will not be continued in the following programming period due to the withdrawal of the United Kingdom of Great Britain and Northern Ireland for the European Union, phasing of operations into 2021-2027 programming period is not an available option. It is possible to have non-functioning operations, which will need to be completed by 15 February 2027 (provided they comply with the conditions set out in section 7 of the Closure Guidelines) with own national or other resources.
157	Interact	11. Submission of the closure documents	11.1. Deadline for submission of closure documents	Related to the Final Implementation Report by the Managing Authority: when is the deadline? Is it 30 March 2024 or 2025? What is the relationship between the Final Implementation Report and the last annual control report? Does the Final Implementation Report need to be submitted prior to the annual control report? Does the last annual control report need to report on the accuracy of data in the Final Implementation Report?	According to Articles 138 and 141 CPR, the final implementation report and all closure documents shall be submitted by 15 February 2025 (or by 1 March 2025) pursuant to Article 63(5) and (7) of the Financial Regulation. As in the previous programming period the programme authorities must communicate between each other so that the documents are coherent.
158	Interact	2. Possibility of early closure		If we plan to present the closure package by the end of June 2023 – what about the Annual	Following acceptance by the Commission of an early closure request, the final application for an interim

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				Implementation Report for the period July 2022 to June 2023? Do we have to submit 2 reports, i.e. the Annual Implementation Report and the Final Implementation Report?	payment could be submitted by 31 July 2023. The closure documents referred to in Article 141 CPR should then be submitted at latest by 15 February 2024 or 1 March 2024 (meaning it is possible to submit the closure package earlier than the deadline). To be noted that normally the SFC14 FO is closed/blocked. It would therefore require a manual intervention from the SFC team (to open and then close again the system), which can be requested closer to the submission moment. In accordance with Article 111(1) CPR, the Member State shall submit to the Commission an annual implementation report every year including 2023. If a programme wants to benefit from early closure using the option to submit the final implementation report at latest by 15 February or 1 March 2024, the annual implementation report due in May 2023 would not be required.
159	Interact	12. Content of closure documents	12.1. Final implementation report	Will the final implementation report be integrated in SFC under Annual Accounts section, or will it be where all Implementation Reports are located in SFC?	The final implementation report and the 3 annexes will be integrated into the SFC (structured data) under the implementation reports section.
160	Interact	2. Possibility of early closure		Final implementation report template: will it be different from the "usual" one and will it be available soon enough in SFC, if programmes want early closure?	The structure of the final implementation report is set out in Annex V and Annex X to Regulation (EU) No 2015/207. The annexes I, II, III from the Closure Guidelines will be added. The SFC will be updated accordingly, and it should be ready in time for the first early closure.
161	Interact	5. Indicators and performance framework at closure	5.1. Reporting output indicators achievement	Is it possible to clarify again the differentiation between the reporting of indicator values for the performance framework and the output indicator in the FIR?	As explained in section 5.1 of the Closure Guidelines, although the indicator achievement values should correspond to the situation at 31 December 2023, in practice, outputs delivered by the co-financed

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			values		operations until the date of submission of the final implementation report of the programme, or the last annual implementation report for the EMFF, can be reported in these documents, except for the performance framework indicators, where, as stated in Article 6 of Commission Implementing Regulation (EU) No 215/2014, the values to be reported are the values achieved by the end of 2023.
162	Interact	5. Indicators and performance framework at closure	5.2. Implications of the performance framework for closure	When indicators have deviations of 20% - does the Commission make financial corrections or could the programme justify such deviations?	When reporting on indicators, the deviations should be explained in the table in the final implementation report (last column called 'observations'). A serious failure is assessed in accordance with the conditions of Article 22(7) of the CPR and criteria set out in Article 6(3) and (4) of the Commission Implementing Regulation (EU) No 215/2014. For indicators outside the performance framework, deviations amounting to more than 20% of the set target value have to be explained in the final implementation report using the template tables 1,2,3 and 4 set out in Annex V to Commission Implementing Regulation (EU) 2015/207 (no other consequences).
163	Interact	5. Indicators and performance framework at closure	5.2. Implications of the performance framework for closure	Do the requirements to justify deviations amounting to more than 20% apply only to output indicators or to result indicators as well?	It applies to both indicator sets. Data for both indicators have to be submitted and deviations of more than 20% are considered significant. The table in the final implementation report includes the option to have observations for output as well as result indicators.
164	Interact	12. Content of closure documents	12.1. Final implementation report	Can the Commission give a more precise calendar for the approval of the FIR? Could it even be in 2026 if comments are made in the 5th month following submission?	According to Article 141 CPR, the final implementation report and all closure documents shall be submitted by 15 February 2025 (or by 1 March 2025) in accordance with Article 63 (5) and (7) of the Financial Regulation. According to Article 50(7) CPR, the Commission has five

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					<p>months to comment on the final implementation report – that means until July 2025.</p> <p>The Member State has maximum 2 months to reply to Commission’s observations. 2026 seems to be very late but it could happen in case of repeated rounds of observations.</p> <p>It shall be noted that in accordance with Article 50(7) CPR, if no observations are sent within 5 months, the final implementation report is deemed accepted.</p> <p>The Closure Guidelines provide for a number of flexibilities aimed at facilitating the closure process. For example, the use of overbooked amounts as explained in section 4.4 of the Closure Guidelines. The Commission also invites Members States to organise preparatory meetings prior to the official submission of the closure package.</p>
165	Interact	7. Non-functioning operations		<p>Will non-functioning operations apply to those programmes not continuing into 21 - 27 programmes? Will non-functioning operations be managed differently by those programmes that will not continue into the new programming period?</p>	<p>Reporting a non-functioning operation is an option given to Member States, and it is not linked to the next programming period, it is an additional time given to Member States to complete an operation (until 15 February 2027 under section 7 of the Closure Guidelines). It is important to note that the funding for these non-functioning operations will not be from the 2021-2027 funding, but from national sources or other sources.</p> <p>If this question comes from a programme cooperating with the United Kingdom, we have to distinguish between non-functioning operations explained in section 7 of the Closure Guidelines and phasing of certain operations over two programming periods</p>

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					<p>referred to in section 6 of the same document.</p> <p>Phasing is not possible for programmes cooperating with the United Kingdom, because there is no follow up programme.</p> <p>If the programme authorities decide to declare the expenditure related to non-functioning operations at closure, provided they comply with the conditions set out in section 7 of the Closure Guidelines, the operations will need to be funded with national/other funds from all the cooperating parties (Member State and United Kingdom) in order to be completed by 15 February 2027. In accordance with the Withdrawal Agreement (OJ C 384I,12.11.2019, p. 1), the United Kingdom is obliged to pay whatever is needed until the closure of the programmes, including for non-functioning operations, i.e., the United Kingdom committed to pay for these costs beyond the Brexit date.</p>
166	Interact	5. Indicators and performance framework at closure		Is COVID considered force majeure or not?	Please consult the CRII Platform for relevant information.
167	Interact	6. Phasing of certain operations over two programming periods		The operation to be phased has to have 2 financially identifiable phases. What does 2 financial phases mean? Are those phases not linked to physical completion as in 2007-13 period?	See reply to question 118 in EGESIF_21-0012-05.

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168	Interact	8. Operations affected by ongoing national investigations or suspended by a legal proceeding or by an administrative appeal having suspensory effect		How will programme closure be managed if ongoing investigation is unresolved? If a project partner is subject to any investigation that is likely to continue beyond the programme end date, how is this managed?	Please refer to section 8 of the Closure Guidelines and replies to questions 174, 175 and 178 in EGESIF_21-0012-05.
169	Interact	10. Irregularities	10.2. Amounts to be recovered and irrecoverable amounts	Can Interreg have irrecoverable amounts? Doesn't the liable Member State bear responsibility for those amounts?	Yes, a priori Interreg does not have irrecoverable amounts. If the lead beneficiary (LB) does not get it back from other project partners (PP) or if the managing authority does not get it back from LB/sole beneficiary, the Member State, where the LB/sole beneficiary/PP is located, has to step in as an 'insurance' company. A problem at programme level between the managing authority, Member State and Commission can only occur where a Member State or participating third country refuses to step in for the LB/PP who should reimburse. No such cases are known today. This is the only way that it could happen to have irrecoverable amounts in Interreg. A different issue is a dispute between the Commission and the programme. Any recovery claim from the Commission is addressed to all participating countries, not only to one. The "programme" reimburses towards the Commission. Internally between the participating countries, provisions related to the apportionment in

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					case of financial corrections were to be set out in the programme document. That key also applies to recoveries under Article 27(3) Regulation (EU) No 1299/2013. In accordance with this recovery chain at the end – if LB or PP refuse to pay - the request would go to the Member State refusing to step in for the beneficiary who does not reimburse in accordance with the agreement between participating countries how to share cases of financial liability towards the Commission.
170	Interact	Issues not dealt with in the Closure Guidelines		If a programme is continuing in 2021-27 period (same Member States) can the MC of the 14-20 programme shift its decision-making mandate to the 2021-27 period?	This question is not linked to the 2014-2020 Closure Guidelines.
171	Interact	5. Indicators and performance framework at closure	5.1. Reporting output indicators achievement values	When additional funding under CR11+ was given to a private beneficiary, should the Common Indicator (CI) 27 on private investment be adjusted accordingly?	For the situation related to CI 27 Private investment matching support in R&D project, the programme should report on the actual achievements, not on what could have been achieved. In this specific case, it seems that the target of the common indicator 27 will not be reached, as the private investment is reduced following the 100% co-financing from EU funds of certain projects.
172	Interact	12. Content of closure documents	12.1. Final implementation report	Can the AIR 2022 be used as the final implementation report (and be recalled simply in 2025) even though we are only able to close the programme financially in 2025?	Under Article 50(1) CPR, from 2016 until and including 2023, each Member State shall submit to the Commission an annual report on the implementation of the programme in the previous financial year. Activities performed during 2023 and 2024 (like audits, management verifications, etc.) have to be presented in the final implementation report and its annexes I, II, and III set out in the Closure Guidelines. The final

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					implementation report is a document covering the entire programming period.
173	Interact	4. Financial management	4.4. Overbooking	Does the overbooking "final accounting year" refer to the last year the programme submits accounts or the formally final accounting year (July 23-June 24)?	As payment applications are cumulative only within a given accounting year, overbooked expenditure will not be carried over to the next accounting year. In order to benefit from overbooked expenditure, Member States may wish to declare it in the final accounting year (1 July 2023 to 30 June 2024 pursuant to Article 2(29) of the CPR), i.e. the latest in the final application for interim payment due by 31 July 2024 pursuant to Article 135(2) of the CPR. The same logic applies in case of early closure (see section 2 of the Closure Guidelines).
174	Interact	2. Possibility of early closure		If a programme plans an early closure, will the overbooking rule still apply for the last accounting year?	Yes.
175	Interact	4. Financial management	4.4. Overbooking	If overbooking was declared earlier than in the last accounting year, should the Certifying Authority correct the annual documents which declared overbooking?	No changes regarding expenditure declared and accepted in the past (accepted) accounting years are possible at this stage.
176	Interact	1. General principles		At closure -means the final payment claim?	The final application for an interim payment shall be submitted by 31 July following the end of the previous accounting year (i.e., by 31 July 2024 for those programmes which are not under early closure under section 2 of the Closure Guidelines). The scope of the closure process is laid down in the CPR (See Section II of Chapter II of Title II of Part Four entitled "Closure of operational programmes", and its Article 141 CPR, as well as Recital 118), as well as section 1 of the Closure Guidelines.

#	Member State	Section of the Closure Guidelines	Subcategory	Question	Reply
177	Interact	12. Content of closure documents	12.1. Final implementation report	When does the financial data (as in Article 112 CPR) have to be transmitted for the last time to the Commission?	The last transmission of financial data will be made with the final implementation report, as detailed in Annex V, section 3.4 of the Commission Implementing Regulation (EU) No 2015/207.
178	Interact	Issues not dealt with in the Closure Guidelines	Ex post evaluation under Article 57 CPR	If a programme decides to carry out an "ex-post evaluation", what is this evaluation expected to include?	In accordance with Article 57 of the CPR, ex post evaluations shall examine the effectiveness and efficiency of the ESI Funds and their contribution to the Union strategy for smart, sustainable, and inclusive growth taking account of the targets established in that Union strategy and in accordance with specific requirements established in the Fund-specific rules.
179	Interact	5. Indicators and performance framework at closure	5.2. Implications of the performance framework for closure	I thought cooperation programs could not have financial correction due to non-compliance with performance framework indicators (only applicable to mainstream programmes). Is that a mistake?	The performance framework (see Articles 20 to 22 of the CPR) applies to Interreg (see also Article 8(2), 1st subparagraph, point (v) Regulation (EU) No 1299/2013: <i>"identification of implementation steps and financial and output indicators, and where appropriate, result indicators, to be used as milestones and targets for the performance framework in accordance with Article 21(1) of Regulation (EU) No 1303/2013 and Annex II to that Regulation"</i>), although the ETC programmes did not benefit from the performance reserve. The provisions set out in Article 6 of Commission Implementing Regulation (EU) No 215/2014 are therefore also applicable to ETC programmes.
180	Interact	6. Phasing of certain operations over two programming periods		What is the procedure for phasing-in operations late in implementation due to Covid/war-related sanctions: Timeframe for implementation & eligibility of costs?	Operations can be phased into 2021-2027 programming period if they respect the conditions established in Articles 118 and 118a of the CPR as explained in section 6 of the Closure Guidelines. At closure, all phased operations must be included in

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					the final implementation report using the template set out in Annex I to the Closure Guidelines.
181	Interact	10. Irregularities	10.1. Treatment of irregularities in the final accounting year	If the program uses the withdrawal, must information be sent regarding the recoveries from the beneficiaries?	The question is not clear. We assume it relates to a situation where a withdrawal is applied, and programme authorities ask whether the follow-up after closure must be done (information on recovery sent to the Commission by Member States). In such a situation the Commission does not request after closure to provide information about such a recovery (the amounts withdrawn are not charged to the EU budget).
182	Interact	11. Submission of closure documents	11.1. Deadline for submission of closure documents	If we are ready to present the closure package before February, why do we have to wait until the deadline?	Programme authorities may submit the closure package following the submission of the final application for an interim payment for the last accounting year and the closure deadline set out in Article 138 CPR.