

Member State questions received within the framework of 2014-2020 closure¹

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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	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

¹ Section II with additional questions and answers included on 05/02/2024.

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				Authorities should declare expenses on an ongoing basis in the interim payment applications to the 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?	declaring it at closure as overbooked expenditure. However, it is also possible to use overbooking in the 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

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					(EU) No 480/2014 specify how the level of the financial correction will be determined.
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</p>

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					<p>seriously affecting implementation of the priorities concerned.</p> <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</p>

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					<p>Commission will cooperate with Member States to that end.</p> <p>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.</p>
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</p>	<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.</p>

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				more transparent and comprehensible.	
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</p>

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					presentations (such as the annual activity reports, which are public documents).
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,</p>

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					<p>the final implementation report should additionally include:</p> <ul style="list-style-type: none"> — 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; — 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; — 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>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

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					shall be applied to the contribution from the ESI Fund determined on the basis of the expenditure declared by 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</p>	Please see the reply to question 331 in EGESIF_21-0012-05.

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				<p>interim payment application (including final interim payment application) or its deduction from the 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	Please explain what amounts should be included in column (P), whether they come from calculations of	The amounts included in column P come from the calculations of balance of previous (closed) accounting

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			balance	balance of previous Accounts, or these amounts should be recalculated according to the current data 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.	years and should not be re-calculated. Column K (capping to public contribution) is a requirement of 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

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					(and not only of the selected operations).
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	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

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				implemented by 31.12.2023?	for their completion.
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,	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.

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				but not the finances used from 1.01.2024 onwards to finance the operation?	Consider that in line with the latest version of the Closure Guidelines (C2022/C 474/01), the deadline to 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	There is no such date to correct the irregular expenditure, neither for the Member State nor for the

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				Commission's right to impose financial corrections in accordance with Articles 85, 144 and 145 of the CPR 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?	Commission, to preserve the EU budget.
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	Yes (column P).

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				in force?	
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</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</p>

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				<p>‘corresponding public contribution’ of each annual account be compared with the amount of the 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>purpose of compliance with Article 129 of the CPR. Conversely, Column B of Appendix 1 of the same Annex 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.

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42	France	5. Indicators and performance framework at closure	5.1 Reporting output indicators achievement values	The guidance on closure of programmes states in paragraph 5.1 that <i>“Although the achievement values 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.”</i> Do you confirm this possibility?	See reply to question 67 in EGESIF_21-0012-05.
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	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? 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	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>closure report (Annex IX to Implementing Regulation (EU) 2015/207) do not distinguish between the VFIPs (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</p>	

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				<p>accounting year, that its previous conclusions are still confirmed and that the data reported to the 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</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</p>

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				<p>requirements of Article 41 of the RDPC, which sets out the rules on payment claims.</p> <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>the programme. Unused ESIF resources will be returned to the Union budget. The eligibility of expenditure for 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</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</p>

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				an ex-ante study justify the constitution (and calibration) of the envelope? And if so on what model: "lighter" ex-ante study based on the framework of ex ante Covid and REACT?	the question. The escrow accounts are not intended for 'reinvestments'. Reinvestments or rather the use of the 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 programmes 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	Financial Instruments	The definition of the escrow account indicates that the escrow account must be agreed in writing.	The definition for the escrow account is provided in Article 2(26) CPR. The written agreement referred to in

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		Closure Guidelines		We understand that an agreement, other than the financing agreement, must govern the use of these funds. If so, do you have details of the information required?	Article 2(26) CPR could be the funding agreement or a separate agreement. Neither the CPR nor the 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.</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).

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				What happens to the funds still available at the end of these 6-4 year periods?	In relation to the capitalised management costs and fees, any resources left in the escrow account after the 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</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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				is some doubt about the wording, even if we think this is possible.	
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	5. Indicators and	5.2 Implications	The UK would welcome clarity on this contradiction:	In section 3.1 of the Closure Guidelines Member States

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	Kingdom	performance framework at closure	of the performance framework at closure	Programme amendments (section 3.1) and targets modification (section 5) 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>are invited to submit amendments three months before the end of the eligibility period to enable processing of 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	4. Financial	4.4 Overbooking	More guidance on impact on claims of overbooking	As indicated in section 4.4 of the Closure Guidelines, it is

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	Kingdom	management		i.e., can claims (or Priority Axes within claims) exceed 100% for a given year or should they be capped? (Section 4) –	recommended to declare overbooked expenditure only in the final accounting year if the programme 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	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:- <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 	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. The data fields 18-20 in SFC2014 are programmed and will be activated for the final implementation report. For clarification (because the question is not precise):

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				<ul style="list-style-type: none"> • that the amounts of funding for follow up investments allocated to an escrow account at the end of the programme is to be reported on line 20 <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	12.4.1 Financial instruments	With respect to our previous question on Quasi Equity: Can you advise whether Quasi Equity should	Quasi-equity is treated and reported as equity.

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		documents		be recorded under the category "Other" in column L, line 24?	
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</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,</p>

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				<p>obtain the support programmed?</p> <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</p>	<p>consequently, in a lower total volume of investments than initially planned.</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>also distorted, especially the figure of progress in percentage terms, as the reference-programmed 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	3.2. Submission/notification and amendment of	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

#	Member State	Section of the Closure Guidelines	Subcategory	Question	Reply
		programming periods	major projects		scope, timeline or eligible costs of the phased project compared to the initial approved phased major project, 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</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>2023/24 financial year. This is hardly feasible, or only if a very small payment request were to be submitted 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>UP2</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></td> <td>Completed</td> <td></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</p>
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					<p>procedure and provisions laid down Article 22(7) CPR.</p> <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</p>

#	Member State	Section of the Closure Guidelines	Subcategory	Question	Reply
					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.
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 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>the amounts were calculated. Upon receipt of this information, the Commission will proceed with the 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</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>closure-related documents?</p> <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</p>

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					<p>the operational programme not covered by the Commission decision, referred to in paragraph 10, 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</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</p>

#	Member State	Section of the Closure Guidelines	Subcategory	Question	Reply
				what will be the extent of the changes intended?	12.4 of the Closure Guidelines.
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	See reply to question 5 in EGESIF_21-0012-05.

#	Member State	Section of the Closure Guidelines	Subcategory	Question	Reply
				accounting year considered to be the final one)	
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?	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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				Therefore, in practice, would it be possible to finance 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	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

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				<p>has changed during the programming period, the rate of the last adopted version will be retroactive for the 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>Commission services recall that the calculations in Annex IV to the Closure Guidelines are for illustrational 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</p>

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					programme. In conclusion, it is up to the Member State to establish the rate of the Union support at the operation level following its national eligibility and the programme rules.
84	Austria	4. Financial management	4.3 Calculation of the final balance	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? 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>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	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?	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

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					necessary to absorb the EU resources of the operational programmes if option 100 % had not been activated.
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	<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>

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				EU contribution in the application. It seemed to us that the remaining amount, i.e. 350,000, is precisely "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	<p>The declaration of eligible expenditure in excess of the maximum Funds contribution per priority axis can only be done in the last accounting year running from 1 July 2023 to 30 June 2024.</p> <p>See replies to questions 14 and 18 in in EGESIF_21-0012-05.</p>
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		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?	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

#	Member State	Section of the Closure Guidelines	Subcategory	Question	Reply
		programming periods		<p>Namely, we found a question in Aprils' Q&A related to 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>national legislation, not just State aid. Within this obligation, as far as compliance with State aid rules are 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		<p>Please confirm that the concept of partially completed operation applies to all categories of</p>	<p>The concept of non-functioning operation may apply to any type of operation. See also reply to question 145 in</p>

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		operations		operations (infrastructure works, but also aid to enterprises).	EGESIF_21-0012-0.
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

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					of regions).
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</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.

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				<p>(municipal funds). The sum of EUR 800 000 corresponds to the amount 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>A similar approach is reflected at the level of the 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

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					<p>part of the management costs and fees and therefore cannot be declared as eligible expenditure according to 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.</p>
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>

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101	Germany	4. Financial management	4.3 Calculation of the final balance	It is possible to postpone 10 % of the funding between the substantive priorities without having to submit an 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>The question is not very clear. If it relates to 15% flexibility, as provided in Article 130(3) of the CPR, the 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</p>

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					the end of the preceding year at an aggregate level by priority for operations whose total eligible cost is less 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	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

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			balance		Guidelines is just a non-exhaustive example to illustrate the flexibility provided in Article 130(3) of CPR. It is not 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.

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112	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 based on the values reported in the final implementation report. That is values up to the year 2023.	See reply to question 67 in EGESIF_21-0012-05.
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	Re Article 65(10) where the CARE regulation added reference to “expenditure for operations addressing the migratory challenges as a result of the military	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

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			Overbooking	aggression by the Russian Federation shall be eligible as of 24 February 2022". 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).	priority pursuant to Article 92b(8), second subparagraph of the CPR.
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 it 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</p>

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					decommitment by the end of December 2022.
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

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					and ensure they contribute to the objectives of the relevant priorities.
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 	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.

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				<p>least 65% of the target value by the end of 2023. These definitions are given in the amended Closure 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%?</p>	
123	Bulgaria	12. Content of closure documents	12.1 Final implementation report	<p>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?</p>	<p>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).</p>
124	Bulgaria	6. Phasing of certain operations over two programming		<p>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</p>	<p>Please refer to QA00204 - Selection of phased operations - RegioWiki Extranet - RegioWiki (europa.eu)</p>

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		periods		the Managing Authority shall set no selection criteria according to Article 73, para 1 and 2 to be approved 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.

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128	Bulgaria	7. Non-functioning operations		Given the provisions for non-functioning operations, please confirm whether it is possible to include in the 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?	Member States can decide to include in the accounts for the final accounting year expenditure for non-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	Please consult the Ukraine Platform for relevant information.

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				local communities”, does not apply to programme amendments that have been approved by EC before 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	12.4.1. Financial	In the Closure Guidelines (section 12.4.1. Financial	See above replies to question 132.

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		closure documents	instruments	<p>instruments) it is stated that for financial instruments, programme audit authorities should obtain assurance 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</p>	

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				end of the Eligibility period because of unexpected delay caused e.g., by COVID 19 restrictions or 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</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>results of this analysis were documented in the Intercreditor Agreement (“ICA”) signed whereby 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-

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					CBC programmes with RU, BY, UA and MD was adopted on 9.11.2022 (OJ L 292 of 11.11.2022). The ENI-CBC 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 CRUI+ 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	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	The Commission applies the co-financing rate at priority level not at projects/beneficiary level. At closure, Article 129 CPR needs to be respected

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			beneficiaries	in financial plan of the programme?	
141	Interact	4. Financial management	4.3. Calculation of the final balance	I am eager to find out more on 15% flexibility and Article 30(5) of Interreg regulation mechanism in the context of (or: amendment to the programme before) the final closure	In accordance with Article 30(5) of the CPR, the 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	4.4.	How to deal with over-exhaustion on the level of	The question is not clear. If there is a programme where

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		management	Overbooking	single priorities (no over-exhaustion on programme level)	there is only one priority axis, then unfortunately it cannot benefit from the flexibility. But even in this case 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.

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					As for the payments to the beneficiary, Article 132(1) 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 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	4.3. Calculation	Could we get a concrete example on calculating the	The calculation mentioning the possible deductions and

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		management	of the final balance	final balance on a case, where 100% co-financing was used for the accounting years 2019-2020 and 2020-2021?	clearings and the final balance will be provided with the closure letter to the Member State. Annex IV to the 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

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					<p>eligibility of expenditure apply, including Article 65(2) CPR which provides that in order to be eligible for a 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</p>

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					document. The Commission appreciates if this template is used by as many programmes as possible in order to 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.

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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 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?	Following acceptance by the Commission of an early closure request, the final application for an interim 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	5.1. Reporting output	Is it possible to clarify again the differentiation between the reporting of indicator values for the	As explained in section 5.1 of the Closure Guidelines, although the indicator achievement values should

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		framework at closure	indicators achievement values	performance framework and the output indicator in the FIR?	correspond to the situation at 31 December 2023, in practice, outputs delivered by the co-financed 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	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

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				submission?	<p>with Article 63 (5) and (7) of the Financial Regulation. According to Article 50(7) CPR, the Commission has five 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</p>

#	Member State	Section of the Closure Guidelines	Subcategory	Question	Reply
					<p>section 7 of the Closure Guidelines and phasing of certain operations over two programming periods 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		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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		programming periods			
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

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					the Commission. Internally between the participating countries, provisions related to the apportionment in 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 CRII+ 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

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					the final implementation report and its annexes I, II, and III set out in the Closure Guidelines. The final 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

#	Member State	Section of the Closure Guidelines	Subcategory	Question	Reply
					well as Recital 118), as well as section 1 of the Closure Guidelines.
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		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.

#	Member State	Section of the Closure Guidelines	Subcategory	Question	Reply
		programming periods			At closure, all phased operations must be included in 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.

Section II - Additional questions

DISCLAIMER

This document was prepared by and expresses the view of the Commission services and does not commit the European Commission. Only the Court of Justice of the European Union is competent to authoritatively interpret Union law.

#	Member State	Category	Sub-category	Question	Reply
183	Romania	01. General principles		Regarding the FEAD closure, taking into account the most recent document Q&A “Main changes compared to 2007-2013 lessons learned linked to the 2020 closure“ where the EC answer was “The scope of the draft Closure Guidelines is limited to the ERDF, ESF, EMFF and the Cohesion Fund”, can you tell us whether a similar guide will be developed for FEAD as well?	Please refer to Commission Notice Guidelines on the closure of operational programmes adopted for assistance from the Fund for European Aid to the Most Deprived (2014-2020) were adopted on 27 December 2021 (Official Journal C 522/2021) (accessible through this link https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:JOC_2021_522_R_0001).
184	Italy	02. Possibility of early closure		Could the Member State change its mind and go back to the standard (not early) closure, provided the closure package has not been submitted to the Commission yet?	Yes. The regulatory deadline for the Member State to submit the closure documents is set out in Article 138 CPR 1Therefore, if the Member State has not submitted the closure documents for early closure, it can indeed submit them by the regulatory deadline.
185	Hungary	03. Preparation for Closure	3.1 Amendment of programmes	As a result of the temporary 100% co-financing, the amount of national financing will decrease, and the co-financing ratio will also change compared to the original plan. Is it necessary to modify the OP's financial table due to the temporary 100% EU co-financing?	No, the calculation of the final balance will be carried out by applying the co-financing rate of the last adopted financial plan.
186	Italy	03. Preparation for Closure	3.1 Amendment of programmes	Is it possible to launch the reprogramming procedure (OPA) after the deadline 30/09/2023 e.g. until 30 April to have the decision adopted by 31 July 2024, i.e. before the final payment application. If there is no need for an EC decision (Article 30.5), can financial transfers between axes be made until 31 July 2024?	Please refer to reply to question 59.

#	Member State	Category	Sub-category	Question	Reply
187	Malta	03. Preparation for Closure	3.1 Amendment of programmes	Should changes to a Programme's Evaluation Plan be submitted as a Programme change by 30 September 2023, or is the approval of the respective Monitoring Committee enough?	Evaluation plans and their amendments are examined and approved by the monitoring committees (see Article 110(2)(c) CPR). An evaluation plan is a stand-alone document, and its update does not require a programme amendment.
188	Malta	03. Preparation for Closure	3.1 Amendment of programmes	If funds need to be shifted from one Priority axis to another within the OP, by when is this possible? Is an OP change required or is there a percentage over the Priority axis budget that does not require a formal OP change?	<p>For the first question, there is no regulatory deadline (see also reply to question 59).</p> <p>On the second question, Article 30(5) CPR allows transfer of "<i>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>". Such transfers shall not affect previous years. They shall be considered to be not substantial and shall not require a decision of the Commission amending the programme. They shall however comply with all regulatory requirements and shall be approved by the Monitoring Committee in advance. The Member State is invited to notify the revised financial tables to the Commission before 31 December 2023 (end of eligibility period, as explained in section 3.1 of the Closure Guidelines).</p>

#	Member State	Category	Sub-category	Question	Reply
189	Malta	03. Preparation for Closure	3.1 Amendment of programmes	In case of OP modification for non-substantial transfers in accordance with article 30(5), is there a limit to do such modifications or can MA conduct as many of such modifications as they want?	<p>Article 30(5) CPR clearly states that “By way of derogation from paragraphs 1 and 2, for the programmes supported by the ERDF, Cohesion Fund and ESF, the 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 the same programme”.</p> <p>The ceilings are to be understood in total for all such non-substantial transfers (e.g., in case multiple such transfers are carried out). A detailed explanation on modalities was already provided on the CRII Platform (section “Transfers – Article 30(5) and Article 25a(5) CPR”). (https://webgate.ec.europa.eu/fpfis/wikis/pages/view_page.action?pageId=469663935)</p>
190	Czech Republic	03. Preparation for Closure	3.2 Submission/notification and amendment of major projects	The OP Environment plans on submitting a major project that foresees phasing. All the requirements for submission include also filling in a form in Annex II of the Commission implementing regulation nr. 207/2015 which follows requirements set in art. 101 of the CPR (Information necessary for the approval of a major project). The subparagraph c) of this article specifies that the Managing Authority should fill in “the total cost and total eligible cost, taking account of the requirements set out in Article 61“. However, it seems like the Annex II and its chapters count on the option that the project in question could be phased and the way the questions are laid down in the chapters suggests that this form should be only filled in with the	The information presented in the application document and its supporting documents needs to be for the entire major project (phase I+II). However, in part B.2 (the sub-points on EU Fund contribution), C.1 (in only the eligible costs column), C.3 (the eligible costs), G.1.1 (the EU fund contribution) and G.1.2 (the total eligible costs) only the amounts for phase I shall be presented. All other financial information will be for the entire project. It is also important to mention that the same referred regulation includes the requirement to describe each phase. In the part on indicators, indicators both for phase I (by 2023) and for the whole project (by completion of the whole major project) need to be included.

#	Member State	Category	Sub-category	Question	Reply
				<p>data relevant for the first phase of the phased major project? Therefore, we would like to ask whether in the form in Annex II the total eligible cost should be (for example, in chapter B.2) for both of the phases of the major project included or only for the first phase?</p>	
191	Italy	03. Preparation for Closure	3.2 Submission/notification and amendment of major projects	<p>We would like to clarify whether, for the submission of requests for amendments to major projects to be phased, the Commission is currently drawing up a draft phasing-in document to be annexed to the amended form in Annex 2 to Regulation (EU) No 207-2015 and to confirm that, by analogy with the procedure adopted for applications for phased major projects in the 2007-2013 programming cycle, a revision of the attached feasibility study and the related calculation of the funding gap is not required.</p>	<p>The Commission does not plan to draft other guidance than the existing Closure Guidelines published in the Official Journal of the European Union C 474 of 14 December 2022 (accessible through this link https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.C_.2022.474.01.0001.01.ENG&toc=OJ%3AC%3A2022%3A474%3ATOC).</p> <p>However, Commission services have provided advice to Member States in separate training sessions to improve the quality of the modification requests.</p> <p>According to section 3.2 of the Closure Guidelines, a modification request of a Major Project (phasing is considered a modification) must adhere to the same process used for the initial approval of the Major Project by creating a new version in SFC2014 and updating all necessary information.</p> <p>Members States are invited to contact Commission services to discuss potential modifications requests prior to the official submission/notification.</p>

#	Member State	Category	Sub-category	Question	Reply
192	Belgium	04. Financial Management	4.1 Decommitment	The part of commitments still open shall be decommitted if any of the documents required for the closure have not been submitted to the Commission”: does this mean that unused commitments on 31/12/2023 is lost? What about the payment requests after 31/12/2023?	<p>According to Article 86(4) and Article 136(2) CPR, the part of commitments still open by the end of the eligibility period (31 December 2023) will be automatically decommitted if the Member State does not submit the closure documents by the deadline set out in Article 141(1) CPR (15 Feb 2025, or 1 March if extended).</p> <p>Member States can declare expenditure to the Commission after 31 December 2023 (final date of eligibility) pursuant to Article 135 CPR.</p>
193	Belgium	04. Financial Management	4.1 Decommitment	Does the n+3 rule apply to REACT-EU or what is the deadline to use these amounts?	<p>REACT-EU resources are not subject to the n+3 rule. For REACT-EU resources, the 5th sub-paragraph of Article 92b(5) CPR provides that “By way of derogation from Articles 86(2) and 136(1) of this Regulation, the commitments for the REACT-EU resources shall be decommitted in accordance with the rules to be followed for the closure of the programmes”.</p>
194	Austria	04. Financial Management	4.2 Clearance of the initial and annual pre-financing	<p>In connection with EU funds, there is no offset against the pre-financing received at the start of the programme or in connection with the coronavirus crisis. Pre-financing shall always be offset in the context of an accounting exercise; in this specific case in the context of the accounting exercise for the closure of the programme (= accounts for the accounting year 2023/24).</p> <p>As a result, it would for example be (theoretically) possible, before the submission of the penultimate payment claim in the accounting year 2023/24, to obtain the entire EU allocation for the more developed</p>	<p>Annual pre-financing is cleared pursuant to Article 139(7) CPR after calculating the amount chargeable to the Funds or to the EMFF on the basis of the accepted accounts. Initial pre-financing shall be totally cleared at the latest at closure (Article 82 CPR).</p> <p>It is therefore possible to have sufficient expenditure declared and to receive the full EU allocation earlier than at programme closure.</p>

#	Member State	Category	Sub-category	Question	Reply
				category of region foreseen in the financial plan. Is this understanding correct?	
195	Hungary	04. Financial Management	4.3 Calculation of the final balance	In an OP, the largest part of the 15% flexibility would be given by Priority 8 (Financial instruments). Our question is whether a different co-financing rate from the other priorities could cause problems?	The question is unclear. The flexibility provided under Article 130(3) CPR is unrelated to the co-financing rate or nature of the priority axes (whether they involve financial instruments or grants).
196	Hungary	04. Financial Management	4.3 Calculation of the final balance	Regarding the 15% flexibility, we have in progress SAFE package, we will have the modification. We will reallocate to the SAFE priority from PO1 to PO5 HRDOP. Can we apply the 15% flexibility in this case as well?	In terms of the application of the flexibility provided under Article 130(3) CPR the SAFE priority axis works as any other priority axis. The ceilings for the contribution from the Funds or the EMFF through payments of the final balance will be calculated on the basis of the latest adopted financing plan. Member States are reminded that the 15% flexibility applies for each priority per Fund and per category of regions.
197	Italy	04. Financial Management	4.3 Calculation of the final balance	In general, we wonder what financial plan should be indicated, when for an OP, the contribution rate of 50 % was used until 30 June 2020 and for the accounting year 1 July 2020-30 June 2021 a contribution rate of 100 %, leading in fact to a reduction in national co-financing. Show all this be taken into account in order to correctly show in the table the EU contribution and the de facto reduced national contribution?	Calculation of the final balance at closure will be made based on the last adopted financing plan whether or not the 100% co-financing rate option was used in previous accounting years.
198	Italy	04. Financial Management	4.3 Calculation of the final balance	With reference to the basis of calculation of the total certified at the closure of the programme (the closure guidelines do not specify anything in this regard) is the reference value to be considered net of the accounts? The figure concerning the expenditure forecasts and the value of the remaining expenditure to be certified to date has been calculated taking into account the total that can be certified gross of the accounts. It is	In view of Articles 130 and 139 CPR, the basis for the calculation of the final balance at closure is the amount which has been paid to the programme in previous accounting years plus the amount calculated for the final accounting year, taking into account the need to clear the initial pre-financing and to recover the pending amounts recovered for the accounting year 2018-2019.

#	Member State	Category	Sub-category	Question	Reply
				therefore requested to clarify the basis of calculation from which the closure certification of the programme can be established.	
199	Italy	04. Financial Management	4.3 Calculation of the final balance	<p>In the latest version of the Closure Guidelines 2014-2020 (dated 14/12/2022), Annex IV “Example of the application of the flexibility and ceiling of public expenditure in the calculation of the final balance” has been amended. Some doubts about the columns in the example are set out below in relation to how the columns themselves are reported:</p> <p>a) In the first part of the table, that relating to the ‘financial plan’, the co-financing rate indicated for the priorities of the transition regions is higher than the provisions of Article 120 (3) (d) (according to which the co-financing rate for transition regions may not exceed 60 % or in the case of a reference to point (c) 80 %). The note linked to the two asterisks clarifies that this is the co-financing rate of the last decision taken. Under what hypothesis may the rate be higher? Can reference be made to the ‘average rate’ resulting from the application of the 100 % rate referred to by the Commission in the Q & A relating to CRII and CRII plus?</p> <p>b) We would ask you to confirm that in column P, ‘paid in all past accounting periods’, the value (no longer obtained by applying a formula as in the previous version of Annex IV) is simply the result of the sum of the payments made in past accounting periods and takes into account the possible use of the option of</p>	<p>a) The co-financing rate percentage is used purely as an example, irrespective of the ceilings set by Article 120(3) CPR. Annex IV to the Closure Guidelines serves the purpose of showing a non-exhaustive example of the application of the flexibility mechanism provided under Article 130(3) CPR (see replies to questions 26, 28, 308, 314 in EGESIF_21-0012-05).</p> <p>b) Yes.</p> <p>c) Indeed, in the Annex IV to the Closure Guidelines (published in the Official Journal of the European Union C 474 of 14 December 2022 (accessible through this link https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.C_.2022.474.01.00.01.01.ENG&toc=OJ%3AC%3A2022%3A474%3ATOC), the two last columns (D + D1 & E + E1) have been deleted.</p>

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				<p>100 % co-financing over one or two years, as provided for in Article 25a (1) and (1a). Yes</p> <p>c) In the last two parts of the table, account should be taken of the forecasts referred to in Article 130 (2) and Article 3, first paragraph, and Article 130 (3), second paragraph, respectively, namely: maximum contribution limit at axis level and maximum contribution limit at programme level. In the first case, the two values to be taken into account would be, on the one hand, those relating to the flexibility limit ($H = \text{axis} + 15\% \text{ of the axis}$) and, on the other hand, the expenditure indicated in the payment applications ($E + E1$). Similarly, with regard to the value of the 'calculation at programme level', the two values to be taken as a reference, according to the regulatory provisions, for the determination of the ceiling are, on the one hand, the contribution of the Fund to the programme laid down in the approval decision (total B) and, on the other hand, the public expenditure declared ($E + E1$). The example given does not seem to reflect exactly the regulatory wording, not least in the light of the terminology used to indicate the different headings of the columns (for example, the reference to "amount retained at priority level" is unclear) and/or some of the formulas indicated (e.g. $K = \min(\text{total L at programme level, total } (E + E1))$).</p>	

#	Member State	Category	Sub-category	Question	Reply
200	Italy	04. Financial Management	4.3 Calculation of the final balance	The national central administrations are requested to confirm that the allocation of the national share (revolving fund) of each priority used as the basis for calculating 15 % flexibility as well as for the calculation of overbooking will also be the one indicated in Table 18a of the OP as set out in the last Commission decision approving the programme, irrespective of the de facto reduction of national co-financing in the accounting year (s) concerned by the EU rate to 100 %.	The 15% flexibility provided under Article 130(3) CPR applies to the contribution from the Funds or the EMFF per Fund and per category of regions on the basis of declared expenditure. Therefore, the 15% flexibility is not a function of the “allocation of the national share” and it will be applied on the basis of the financial table 18a of the Programme as set out in the last Commission decision approving the programme.
201	Belgium	04. Financial Management	4.3 Calculation of the final balance	a) On programme level, how could the contribution of the funds exceed the eligible public expenditure declared (since contribution of the funds is calculated as a percentage of expenditure)? b) Why is there no reference to the amount actually paid to beneficiaries?	a) The described situation can happen e.g. if one or more priority axes with a “Total” calculation basis (and private expenditure part of the declared expenditure) benefits (or benefitted in one of the closed accounting years) from a 100% co-financing rate. b) The amounts actually paid to beneficiaries are mentioned in Article 129 CPR and in column C of Appendix 1 to Annex VII to Commission Implementing Regulation (EU) No 1011/2014
202	Italy	04. Financial Management	4.4 Overbooking	Is it possible to certify the overbooked expenditure first and only then make the corresponding changes to the financial plan for the programme.	Yes, it is possible.
203	Romania	04. Financial Management	4.4 Overbooking	In the payment application submitted at the end of 2022 for the OP, the maximum allocation at program level for the more developed region was reached; MA authorizes and pays the requests received from the beneficiaries that include the amounts for the more developed region, but these are not yet included in the statement of expenditure sent to CPA, respectively in the payment applications sent to the EC. In this	To benefit from overbooked expenditure, the Member State shall declare it in the final accounting year. It can be declared any time between the 1 July 2023 and until the date for the submission of the final application for an interim payment pursuant to Article 135 CPR.

#	Member State	Category	Sub-category	Question	Reply
				context, for the projects that have amounts for the more developed region, will the MS be able to declare expenditures to EC starting with July 1st, 2023 (point 4.4 of the Closure Guidelines) or only in the final application for an interim payment?	
204	Belgium	04. Financial Management	4.4 Overbooking	If overbooked expenditure in the final accounting year can replace irregular amounts declared in any accounting year, does this mean that former financial corrections could be reversed/undone?	The question is not clear. Financial corrections implemented in the previous accounting years cannot be reversed/undone by overbooking. Overbooking can be used to replace irregular amounts which are detected after the submission of the accounts for the final accounting year/after closure, without prejudice to Article 145(7) CPR.
205	Belgium	04. Financial Management	4.4 Overbooking	How can a MS consider overbooking in a certain accounting year if the irregular amounts are not known before audits on the declared expenditure are performed?	The irregular amounts resulting from deductions made in the accounts submitted in February of a given accounting year can be replaced by expenditure submitted in the following accounting year. At closure (as there is no subsequent accounting year), the irregular amounts may be replaced by overbooked expenditure (if available), without prejudice to Article 145(7) CPR.
206	Hungary	04. Financial Management		Based on the CPR, 15% flexibility is possible between OP priorities and within funds, but the legislation does not mention priorities linked to several thematic objectives. Can this option be used if a priority has several thematic objectives? If not, is an OP modification necessary?	The flexibility provided by Article 130(3) CPR applies per each priority per Fund and per category of regions. Different thematic objectives are not considered as an obstacle for the application of this flexibility.

#	Member State	Category	Sub-category	Question	Reply
207	Italy	04. Financial Management		<p>Article 129 of the Regulation states that "The Member State shall 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 and the EMFF paid by the Commission to the Member State". Article 131 also states that "in the case of State aid, the public contribution corresponding to the expenditure contained in a payment application has been paid to the beneficiaries by the body granting the aid". The question therefore arises as to whether it is correct to consider that:</p> <p>a) reimbursement by the administration to recipients of state aid must take place before 31/07/2024, the deadline for submission of the last payment application</p> <p>b) reimbursement by the administration to other non-aid beneficiaries (public bodies) may take place by 15/02/2025, the deadline for submission of the closure documents (or another date for the AA to account for them when auditing the accounts of the final accounting year as required by point 12.4.3 of the Closure Guidelines).</p>	<p>a) As provided for in Article 131(3) CPR, in case of State aid, public contribution corresponding to the expenditure included in a payment application must have been paid to the beneficiaries. In other words, Member States can only declare such expenditure to the Commission if public contribution has been paid to beneficiaries. (For each payment application is a different date because it always relates to expenditure included therein.)</p> <p>b) For reimbursement by the Region to the other beneficiaries (public bodies), the Member State needs to ensure the fulfilment of the requirements of Article 129 CPR by the closure of the programme and to take account of the deadline laid down in Article 132 CPR. Also, according to Article 2(14) CPR, one of the elements to consider an operation completed is that the corresponding public contribution has been paid to the beneficiaries.</p>
208	Malta	04. Financial Management		Can you please explain clearly till when payments (direct/reimbursement) can be made and till when we can certify Expenditure?	For payments to beneficiaries, please refer to Article 132 CPR. For the certification to the Commission please refer to Article 135 CPR and reply to question 106.
209	Germany	04. Financial Management		Where in the template we should take into account the annual pre-financing payments? In column p?	Column P in Annex IV shows the amount of the payments made in previous accounting years but there is no pre-financing clearing. Annex IV to the Closure Guidelines is a non-exhaustive example to illustrate

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					how the flexibility provided in Article 130(3) CPR will be applied. It is not to be considered as a calculation of the final balance.).
210	Czech Republic	05. Indicators and Performance Framework at Closure	5.1 Reporting output indicators achievement values	If some of the indicators of the performance framework will be included also in other tables that would get updated during 2024 (table nr. 3A), would that be considered troublesome if the values of these performances' framework indicators will not comply with their values in table nr. 5 (Information on the milestones and targets defined in the performance framework) where those will be fixed to the date of 31 December 2023? We suppose the Managing Authorities could just comment on the reasons for this inconsistency in the final implementation report. Could that be confirmed?	Correct, reporting for the same indicator can differ if reported in table 3a and table 5. A short explanation should be provided in the final implementation report.
211	Romania	05. Indicators and performance framework at closure	5.1. Reporting output indicators achievement values	"Although the indicator achievement values should correspond to the situation at 31 December 2023, in practice, outputs delivered by the co-financed operations until the date of submission of the final implementation report or the last annual implementation report for the EMFF of the programme can be reported in these documents". The financial indicators from the performance framework at 31st of December 2023 will not include all the expenditure which can be certified to EC and entered in the accounts, as 31st of December is the final date of eligibility of expenditure and the expenditure paid by beneficiaries in December 2023 will be certified in 2024.	Please see part C, section 15 of the model for the final implementation report (Annex V to Commission Implementing Regulation 2015/207). The financial indicator value is defined as "Total eligible expenditure incurred by beneficiaries and paid by 31 December 2023 and certified to the Commission / Article 22(7) of Regulation (EU) No 1303/2013". Accordingly, the financial indicator values may include expenditure incurred by beneficiaries and paid by 31 December 2023 and declared to the Commission beyond that date.

#	Member State	Category	Sub-category	Question	Reply
212	Czech Republic	05. Indicators and Performance Framework at Closure	5.2 Implications of performance framework for closure	<p>We would like to ask how the performance framework of an OP will be assessed in detail?</p> <p>We would like to ask whether the assessment will be made on the basis of article 6 or article 7 (Reg. 215/2014) and therefore whether the Commission will conduct the assessment separately for each category of region and each fund?</p>	The assessment of the performance framework will be made separately for each category of region and each fund.
213	Romania	05. Indicators and Performance Framework at Closure	5.2 Implications of performance framework for closure	How will the values of the performance indicators that could be affected by the non-functional projects be presented in the final implementation report	Please see reply to question 325 in EGESIF_21-0012-05.
214	Portugal	05. Indicators and Performance Framework at Closure	5.2 Implications of performance framework for closure	What treatment should be given to the projects included in the complaint list and their impact on the indicators?	<p>The question is not clear. We assume it relates to Annex III of the Closure Guidelines.</p> <p>Projects affected by ongoing national investigations may have an impact on the achievement values of the set targets. In cases where the 2023 achievement values are significantly different from the set targets (e.g., a deviation of more than 20%), Member States shall provide the relevant explanations within the column "Observations" of the indicators table. In this regard, see also reply to question 162.</p>
215	Czech Republic	05. Indicators and Performance Framework at Closure		In the column 'Observations', the Member States should explain (where necessary) the year 2023 achievement values, especially in cases where they are significantly different from the set targets (i. e. a deviation of more than 20 %). Is it also necessary to comment on overfilling, e.g., if the indicator is filled to 130%?	Yes, when the achievement values are lower or higher than 20% of the target value, this should be explained in the "Observations" column of the indicators table. See reply to question 162.

#	Member State	Category	Sub-category	Question	Reply
216	Czech Republic	05. Indicators and Performance Framework at Closure		How will the Commission practically approach the evaluation of the fulfilment of the objectives in the performance framework? How does the Commission assess, for example, flexibility, phasing of operations, non-functioning operations, an explanation of the Managing Authorities, in connection with crises, etc., when evaluating the fulfilment of the goals of the performance framework?	<p>It will be a case-by-case assessment, taking account of the reported values and explanations provided by the Member State.</p> <p>For phased operations (as described in section 6 of the Closure Guidelines), see reply to question 59 in EGESIF_21-0012-05. For non-functioning operations reported in the final implementation report following the template included in Annex III to the Closure Guidelines, see reply to question 325 in EGESIF_21-0012-05.</p>
217	Malta	05. Indicators and Performance Framework at Closure		What is the level of review to be done by the MA on indicators information: should it be a 100% review or is it upon MA's judgement?	<p>It is unclear what the question means by 'review': the justification or assurance on data reliability?</p> <p>It is the managing authority's responsibility to adapt its level of verification and the audit authority will give its assurance on the reliability.</p> <p>Additionally, please consider the functions of the monitoring committee set out in Article 49 CPR.</p>
218	Sweden	05. Indicators and 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 performance framework indicators can lead to potential financial corrections under Article 22(7) CPR.
219	Denmark	05. Indicators and Performance Framework at Closure		Considering that "Programme authorities should draw conclusions on the reliability of performance data in the ACR for the last accounting year" And 12.4 "- assurance of the reliability of the data on indicators" Does the EU agree that if there are no significant	Please refer to reply to question 230 in EGESIF_21-0012-05.

#	Member State	Category	Sub-category	Question	Reply
				changes in the calculation of performance data, the past horizontal audits carried out of 2019 indicators, as well as AA audits of operations, could be used for conclusions without further audit work?	
220	Greece	05. Indicators and performance framework at closure		Following the answer to Question 79 (Portugal) of the Q&As: «For the result indicators, the latest available data shall be reported in the final implementation report. In some cases, where the data for 2023 is not yet available to the managing authority (e.g. the national statistical office did not publish it) at the time of the submission of the final implementation report, that will be the achievement value for 2022. In these cases, the reasons for the absence of the 2023 data have to be clearly explained in the “observations” column of Table 1 in the final implementation report. In case the Commission returns the final implementation report with observations pursuant to Article 50(7) of the CPR, the managing authority may be able to complete the report with the 2023 data for the result indicators, if it becomes available before the resubmission of the final implementation report ” Please clarify the reporting requirements for the values of ESF longer term result indicator CR07.	The same logic applies for ESF common longer-term indicators. In principle the final implementation report includes achievements up until the end of 2023. For further information, please, refer to reply to question 67 in EGESIF_21-0012-05, and the overview in the ESF monitoring and evaluation guidance (p. 25).
221	Greece	05. Indicators and performance framework at closure		According to the guidelines of E.C Guidance Document for ESF Monitoring and Evaluation (August 2018) “For the two reporting rounds on longer-term result indicators (i.e. AIR submitted in 2019 & final report submitted in 2025) two distinct representative samples with non-overlapping participants within each investment priority shall be established. The Commission recommends the following approach: -	Programme authorities can carry out the survey in 2024 for estimating the value of the longer-term result indicator.

#	Member State	Category	Sub-category	Question	Reply
				<p>The data from the first set of samples is to be reported in the AIR submitted in 2019 and cover participants leaving operations up to mid-2018. - The second set of samples covers participants who left operations between mid-2018 until the end of 2023." Since there is a need to implement the survey in mid – 2024 for the second set of samples for participants who will leave the operations until the end of 2023, there will be no achievement values until 31/12/2023. Values will be available in the final implementation report in 2025. There is a need for further clarification</p>	
222	Romania	06. Phasing of certain operations over two programming periods	State Aid	<p>How does the phasing principle cope with state aid rules taking into account that almost all the projects to be phased were selected according to an eligible criterion related on a maximum implementation period, respectively until 31 December 2023 and the need to adapt the state aid schemes on new stated aid provisions of GBER?</p>	<p>The question is unclear. Commission Regulation (EU) 2023/1315 of 23 June 2023 amending Regulation (EU) No 651/2014 (the Green Deal GBER amendment) was adopted by the Commission on 23 June 2023. This amendment prolongs the application of the current GBER until 31 December 2026 (see amended Article 59). Therefore, Member States may prolong their schemes until that period. N.B. after the expiry, the exempted schemes remain exempted during the adjustment period of 6 months. Overall, the Amendment does not tighten any substantive rule. On the contrary, it intends to facilitate, simplify and speed-up Member States support for the EU's green and digital transitions. Member States are reminded of their general obligation to ensure compliance with applicable law.</p>

#	Member State	Category	Sub-category	Question	Reply
223	Romania	06. Phasing of certain operations over two programming periods	State Aid	How to apply the principle of phasing in the case of projects that have been selected and started on the basis of a state aid scheme on the related GBER 14-20, in the conditions where the principle of "incentive effect" is applied for the eligibility of the project, taking into account of the principle of "start of works", as they are defined in the scheme.	<p>According to Article 6 of the Commission Regulation (EU) No 651/2014 (the GBER) and, unless it is explicitly derogated in the text (see paragraph 5 of that Article), the incentive effect must be fulfilled by any measure granted under the GBER. To demonstrate the fulfilment of this condition the beneficiary should at least submit the application for aid before work on the project or activity starts, containing at least the information listed in paragraph 2 of Article 6 GBER. The provisions of Article 6 GBER will continue to apply at least until 31 December 2026, the date of the expiry of the GBER (see Communication to the Commission (C(2023) 1712 final on the Green Deal GBER amendment). The national schemes designed in accordance with the GBER mirror all the relevant compatibility conditions, including the one on incentive effect.</p> <p>Concerning phasing, it does not entitle to any derogation from the incentive effect requirement. Also, phasing does not automatically break the incentive effect of the public financing. It will depend on what changes the phasing would bring: if it involves a cost increase it will have implications on the fulfilment of the incentive effect. On the contrary, if it involves a simple change in the granting authority, and the design or the costs of the operation remain unaltered, it should be unproblematic. This being said, Member States should ensure that the operations, phased or not, are financed under valid national GBER schemes.</p>

#	Member State	Category	Sub-category	Question	Reply
224	Czech Republic	06. Phasing of certain operations over two programming periods		Article 118a of the CPR 2021-2027 specifies the conditions for operations subject to phased implementation that were selected for support before 29 June 2022. How to correctly define the terminology 'selected for support'? For some programme, the operations are first selected by the selection committee and then (after several months) a legal act is concluded. If the operations are selected by the selection committee before 29 June 2022 (but the legal act will be concluded after 29 June 2022), it will be possible to proceed according to Article 118a of CPR 2021-2027.	Please refer to QA00204 on REGIO wiki extranet for further details. <i>As explained there: 'The term 'selected' refers to the national procedure of selection of operations by the managing authority, compliant with the applicable EU, national and programme rules, during which the compliance of the operations with the criteria defined in the rules, selection criteria and relevant call is verified. In relation to phased operations falling under Article 118a CPR 2021-2027, such operations should have been selected under the rules of the 2014-2020 programming period following a selection process. The grant agreement (or equivalent document) is a subsequent step to the selection.'</i>
225	Czech Republic	06. Phasing of certain operations over two programming periods		We would like to clarify whether we understand correctly that the supplemented intervention areas in Annex 1 of Regulation 2021/1060 (number 183-187) apply exclusively to the second phases of phased projects in the sense of the new article 118a, and that it allows only to program the termination of the operations of the previous programming period.	Correct. Please refer to QA00204 on REGIO wiki extranet for further details.

#	Member State	Category	Sub-category	Question	Reply
226	Czech Republic	06. Phasing of certain operations over two programming periods		<p>In connection with the addition of Article 118a to Regulation 2021/1060 (joint regulation for PO 21 – 27), following the approval of the regulation on FAST CARE, which modified the conditions for operations covered by phased implementation and selected for support before June 29, 2022 according to Regulation (EU) no. 1303/2013, we would like to clarify whether we understand correctly that for projects that were contracted before June 29, 2022 with total costs over 1 mil EUR (up to EUR 5 million) and which we decide to phase, the following applies:</p> <p>a) The managing authority in PP 21-27 can automatically contract the second phases of such projects without a selection process (since the Closure guidelines state that both phases of such projects are subject only to the eligibility conditions of POs 14-20 and the managing authority does not apply the relevant articles regarding the selection of operations)</p> <p>b) The second phases of such projects must be taken into account in the program structure of the OP in PO 21 – 27, that means also in the financial plan and also in the relevant tables of dimensions (Annex 1 of regulation 2021/1060)</p>	Please refer to QA00204 on REGIO wiki extranet.

#	Member State	Category	Sub-category	Question	Reply
227	Czech Republic	06. Phasing of certain operations over two programming periods		<p>The projects that we would like to phase have a deadline of 31 December 2023. In case of phasing, it will be necessary to extend the implementation, and in this context we would like to make sure that such an extension of the implementation of the projects will not be perceived by the auditors as a breach of the contract, i.e. financial corrections will not be applied by the auditors - under following condition:</p> <p>a) the change to the implementation contract will be made in accordance with Slovak and EU public procurement legislation, or</p> <p>b) the recipient will penalize the supplier according to the implementation contract for the extension of the implementation period, in the event that the justification of the extension of the implementation is not in accordance with the SR and EU public procurement legislation stipulating contract changes</p>	<p>The managing authority is required to ensure that the beneficiary is provided with a document setting out the conditions for support for each operation including the specific requirements concerning the products or services to be delivered under the operation, the financing plan, the time limit for execution, as well as the requirements regarding information, communication and visibility.</p> <p>The above requirement equally applies for the first phase of the operation implemented in the 2014-2020 programming period (see Article 125(3)(c) of the CPR 2014-2020) and for the second phase implemented in the 2021-2027 programming period (see Article 73(3) of the CPR 2021-2027).</p> <p>The phasing should be reflected in the document setting out the conditions for support for each operation and it is up to the Member State to ensure that if the amendment of this document is needed, it is carried out in accordance with applicable rules, including the public procurement rules where necessary.</p>

#	Member State	Category	Sub-category	Question	Reply
228	Hungary	06. Phasing of certain operations over two programming periods		<p>After the FAST-CARE amendment (Regulation 2022/2039), how should the regulations for the second phase of phased projects be interpreted? Is it also expected that the requirements of the 2021-2027 CPR must comply with phase 2 of phased projects, or, as in the FAST-CARE package, only the four conditions from Article 188a must be met. According to this, what seems very important is that we can classify the operation in a specific objective or in a new intervention area according to CPR (completed with FAST-CARE intervention areas). While the closure guidelines (2021/C 417/01 Commission Notice) also stated that: "the second phase of the operation is eligible for co-financing from the ERDF, the ESF+, the Cohesion Fund or the EMFAF under the 2021-2027 programming period and is compliant with all applicable rules of the 2021-2027 programming period;" Based on the above, our question is: Does phase 2 have to meet all rules for the 2021-2027 period, or just the 4 conditions under FAST-CARE?</p>	<p>Please refer to QA00204 on REGIO wiki extranet for further details. As explained there: <i>'The rules which apply to the second phase of phased operations selected pursuant to Articles 118 and 118a CPR 2021-2027 are those of the programming period 2021-2027, except for operations selected pursuant to Article 118a CPR 2021-2027 with regard to the scope of eligibility being the one of the CPR 2014-2020 and relevant 2014-2020 Fund-specific Regulations and with regard to Article 73(1) and (2) CPR 2021-2027 which are derogated from.'</i></p> <p><i>'Article 118a(1), second subparagraph of CPR 2021-2027 derogates from Article 73(1) and (2) of the same CPR, so the managing authority may grant the support to such operations directly provided that the operations comply with all conditions set out in Article 118a CPR 2021-2027. In other words, for the operations that have been selected under the rules of the 2014-2020 programming period and are to be phased pursuant to Article 118a CPR 2021-2027, the managing authority does not need to set selection criteria and apply selection procedures according to Article 73(1) and (2) CPR 2021-2027 and should make a formal selection based only on the conditions set out in Article 118a CPR 2021-2027.'</i></p>

#	Member State	Category	Sub-category	Question	Reply
229	Italy	06. Phasing of certain operations over two programming periods		Should the total cost of the operation selected for support, more than EUR 5 000 000 or EUR 1 000 000, be understood as the total cost of the operation?	Yes. The threshold amounts (EUR 5 or 1 million) refer to total cost of an operation. Please refer to QA00176 on REGIO wiki extranet. The “total cost” of the operation covers all costs needed to implement the operation. It could include, as the case may be, expenditure not eligible for support under the programme, including costs covered by private resources.
230	Italy	06. Phasing of certain operations over two programming periods		<p>Is a phased operation in accordance with Article 118a, which is one of the planned actions attributed to a type of intervention in accordance with Annex I to Regulation (EU) 2021/1060, subject, for both phases, exclusively to all eligibility conditions of the 2014-2020 programming period?</p> <p>If the answer is yes, should the audit trail of the 2nd phase, which is eligible for support under the 2021-2027 programming, comply with Annex XIII to Regulation (EU) 2021/1060?</p>	<p>Please refer to QA00204 on REGIO wiki extranet for further details.</p> <p>For the second phase of the operation, Annex XIII requirements have to be complied with.</p>

#	Member State	Category	Sub-category	Question	Reply
231	Italy	06. Phasing of certain operations over two programming periods		<p>Is it possible to regard the design of a public works as an autonomous and financially distinguishable phase, to be reported in the context of the 2014-2020 programming period, on the basis of the provisions of Article 118a?</p> <p>The execution of the works relating to the public works would be carried out within the framework of the 2021-2027 programming period, in relation to which, moreover, it is perfectly consistent in terms of programme eligibility.</p>	<p>It is up to the Member State to define the phases for particular operations (in accordance with applicable rules). The 2021-2027 CPR provisions on phasing (Articles 118 and 118a) require that the phases be identifiable from a financial point of view, with separate audit trails.</p> <p>In case of major projects, phasing needs to be described in the major project application (or modification request) to be submitted to and approved by the Commission, clearly detailing for each phase the costs (total eligible and ineligible cost), the physical elements, the indicators and the timeline.</p>
232	Italy	06. Phasing of certain operations over two programming periods		<p>We would ask you to confirm whether the works, already selected on the OP, which were at the planning stage on 29 June 2022, that is to say, at the award stage of the works (contract not yet signed), are to be considered as having started?</p>	<p>Please refer to QA00204 on REGIO wiki extranet for further details. As explained there: <i>'One of the conditions linked to the phasing of operations pursuant to Article 118a CPR 2021-2027 is that they must have been selected and started before 29 June 2022 (see Article 118a(1) CPR 2021-2027). As explained in recital 10 of Regulation (EU) 2022/2039 (FAST CARE), the implementation of such operations should have started in accordance with the 2014-2020 legislative framework, which in the absence of a definition should be the date when the operations start being implemented and which shall be indicated in the document setting out the conditions of support and recorded and stored in computerised form by the managing authority.'</i></p>

#	Member State	Category	Sub-category	Question	Reply
233	Malta	06. Phasing of certain operations over two programming periods		How will this be recorded and done?	<p>Phasing of an operation over two programming periods should be carried out respecting the applicable rules and audit trail of 2014-2020 programming period.</p> <p>If it is a non-major project, the phasing should be reflected in the document setting out the conditions for support for the operation.</p> <p>If it is a major project - the Commission decision approving the project has to reflect the phasing. Again - this can be done with the initial submission of the major project or if it was adopted already, a major project modification request has to be submitted to the Commission.</p> <p>Phased operations should be listed (=recorded) in Annex I to the Closure Guidelines.</p>
234	Romania	06. Phasing of certain operations over two programming periods		<p>Considering the provisions of Reg. 1060/2021, art. 118 and art. 118a (Conditions for operations subject to phased implementation, selected for support under Reg. 1303/2013, either before or after 29 June 2022): (a) the operation, as selected for support under Reg. 1303/2013, has two phases identifiable from a financial point of view with separate audit trails Could you please detail the differences in interpretation regarding the financial phasing and technical-financial phasing from the 2007-2013 programming period, when definition of clear physical and financial scope per each phase was required. Moreover, only the financial phasing was not allowed.</p>	See reply to question 118 in EGESIF_21-0012-05.

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235	Romania	06. Phasing of certain operations over two programming periods		Please clarify whether art. 118a applies to operations with a total cost between 1 mil. to 5 mil. euros or to operations with a total cost above 1 mil. euros with no upper limit? In this context is not clear how to interpret the notwithstanding art. 118 of the Article 118a within the text of the Fast Care Regulation	<p>Article 118a CPR 2021-2027 applies to operations that were selected for support and started before 29 June 2022, with total costs exceeding EUR 1 million, without an upper limit of total costs.</p> <p>Article 118 CPR 2021-2027 applies to operations with a total cost exceeding EUR 5 million, without any specific time limit for selection and start of the operation.</p>
236	Romania	06. Phasing of certain operations over two programming periods		Need to clarify the interpretation of the Fast Care Regulation provisions regarding the applicability for all categories of interventions as in Annex I (including the newly 5 introduced by Fast Care Regulation): - only for the phased projects as according to art. 118a of Reg. 1060/2021 (minimum value of 1 mil. euro for projects contracted before 29th of June 2022) or - to all phased projects that fall under art. 118 and 118a (contracted before and after 29th of June 2022)	Please refer to reply to question 225 above.
237	Romania	06. Phasing of certain operations over two programming periods		Taking into account specific context of the Fast Care Regulation and the introduction of the article 118a within the Common Regulation, please clarify if the phasing process is possible for any type of project that complies with criteria under the article 118a and if the relevance of the context of Fast Care should be demonstrated for the phasing process (response to the challenges created by Russian Federation's military aggression against Ukraine, economic recovery following the COVID pandemic -19). To be more specific, it is possible to phase the compliance projects with the European directives in the field of water with a total cost exceeding 1 mil. euro that were selected for support and started before	<p>Phasing is possible for any type of operation complying with the conditions set out in Article 118a CPR 2021-2027 (except for operations addressing migratory challenges resulting from the military aggression by the Russian Federation, as per Article 118a(2) CPR 2021-2027).</p> <p>Answer to the specific question is yes, it is possible to phase such operations, if Article 118a CPR 2021-2027 conditions are met.</p>

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				29 June 2022 under art. 118a of the Regulation (EU) No 1303/2013?	
238	Romania	06. Phasing of certain operations over two programming periods		According to the provisions of Reg. 1060/2021 art. 118a - Does the deadline of June 29, 2022 only refer to the date of the start of the operation? Could the operation be selected after June 29, 2022 but started earlier?	To benefit from Article 118a CPR 2021-2027 the operations must have been selected for support and started before 29 June 2022. Member States cannot use Article 118a CPR 2021-2027 for operations which started before 29 June 2022 but were not yet selected by that time. Please refer to QA00204 on REGIO wiki extranet for further details (sub-questions 5 and 6).
239	Romania	06. Phasing of certain operations over two programming periods		Calculation of the value limits of 1 mil. or 5 mil. euros (the total cost of the operation), referred to in art. 118a and art. 118, should take into account the updated value of the financing contract with all the amendments made during implementation before the phasing/staging process, in situations where the contract was initially concluded below these values. There have been adjustments of costs after the conclusions of the contract taking into consideration the inflation rate and the construction prices. Also, it is important to be clarified the exchange rate. Please confirm this approach.	Correct. The total cost of the operation shall be based on the most recent estimates or data and must include all costs incurred for the operation from planning, works, services, supervision, land purchase, equipment, publicity and VAT (whether recoverable or not). Whether or not the individual expenditure items will be later considered eligible is not relevant. In relation to the exchange rate, please refer to question 1 in EGESIF_21-0012-05 and question 74 in this file.
240	Romania	06. Phasing of certain operations over two programming periods		Taking into consideration the fact that according to art. 118a the projects should fall within actions programmed under a relevant specific objective and is attributed to a type of intervention in accordance with Annex I, please clarify compulsory obligation of the phase 2 to comply with the enabling conditions for 2021-2027 attached to the selected operations.	Article 73(2) CPR 2021-2027 requires the managing authority to <i>“ensure that selected operations which fall within the scope of an enabling condition are consistent with the corresponding strategies and planning documents established for the fulfilment of that enabling condition”</i> . However, Article 118a(1), second subparagraph CPR 2021-2027 derogates from Article 73(1) and (2), thus this obligation does not apply to the selection of

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					operation consisting of the second phase of operation phased pursuant to Article 118a CPR 2021-2027.
241	Romania	06. Phasing of certain operations over two programming periods		According to ECs Guidelines on climate proofing, art. 118 sets out the conditions applicable to operations subject to phasing, but does not address the climate change immunity requirement. The Commission considers that the major projects approved for the period 2014-2020, which continue with additional funding in the period 2021-2027 as phased projects, should not be subject to climate change immunity, provided that both phases of these major projects have already been subject to such an assessment in accordance with the applicable provisions before their approval in the period 2014-2020. Moreover, in the period 2021-2027, the climate change immunization obligation applies in a more general sense and is no longer linked to the concept of "major project". Please confirm that this approach also applies to projects considered minor in the period 14-20 which are phased in the period 21-27 and which have completed the environmental procedure under the same conditions as the major projects	<p>There is a general obligation to ensure the climate proofing of investments in infrastructure which have an expected lifespan of at least 5 years, based on Article 73(2)(j) CPR 2021-2027. This obligation also applies to operations subject to phased implementation according to Article 118. Please refer to QA00204 on REGIO wiki extranet for further details (sub question 4a)</p> <p>For a phased non-major project that was subject to climate proofing before it was awarded support in the 2014-2020 programming period, the climate proofing obligation under the 2021-2027 CPR is considered to be complied with (i.e., the climate proofing does not have to be repeated, similar to the approach applied for major projects).</p>
242	Romania	06. Phasing of certain operations over two programming periods		Is there a possibility of phasing a project into two distinct projects for the period 2021-2027, at the level of different axes /areas of intervention, within the same programme?	<p>No, the concept of phasing is not about dividing one single operation into two distinct ones. It is introduced to allow co-financing of the entire operation across two programming periods, providing it meets all the requirements laid down in Articles 118 or 118a of CPR 2021-2027 and as explained in section 6 of the Closure Guidelines.</p> <p>In case of a major project as defined in Article 100 CPR,</p>

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					such operation cannot be transformed into two separate independent ones, as it is intended in itself to accomplish an indivisible task of a precise economic or technical nature.
243	Romania	06. Phasing of certain operations over two programming periods		If a project meets the phasing criteria, but requires updating the amount of the non-reimbursable financing in the current context determined by the pandemic crisis / military conflict in Ukraine and given that the legal framework in this regard is agreed with COM, can its value be updated once the new contract is concluded under 2021-2027 programming period? What would be the necessary pre-conditions at the level of the new funding programme?	Yes, the document setting out the conditions for support for phase II (for which the new contract concluded under 2021-27 period would be relevant) can be amended. As regards pre-conditions, please refer to QA00204 on REGIO wiki extranet
244	Romania	06. Phasing of certain operations over two programming periods		In the case of a phased project, part of the originally foreseen as ineligible expenditures are of an eligible nature, but they were not contracted as such due to co-financing pro-rata restrictions. If the project is phased, can these expenditures be considered eligible in phase II?	If the referred expenditure complies with the eligibility/programme rules 2021-2027, it may be eligible.
245	Hungary	07. Non-Functioning operations		"Non-functioning operations" provides the opportunity to submit expenditures of certain projects, in the proportion corresponding to the given level of implementation at the end of 2023. Our question is whether costs that emerged after 01.01.2024. should be financed from MS budget? If yes, then temporarily or permanently? That is, in the former case, if the projects are completed before the deadline of 15.02.2027, will the costs arising from 2024 on be eligible and financed from the OP and thus by the European Commission (of course, with the condition that the Commission finds the projects in order after	See reply to question 129.

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				their full control)?	
246	Hungary	07. Non-Functioning operations		Do we understand correctly that if these projects are not completed by end of 2023, they can be successfully closed even in the first half of 2024, then we can report the completion of the operations to the Commission as early as 2024, and we do not have to wait for the deadline of 02/15/2027?	If such operations are functioning by the date of submission of the closure documents they do not need to be reported in any special way. For non-functioning operations included in the final implementation report following the template included in Annex II to the Closure Guidelines the reporting tool in SFC2014 will be developed in due time.
247	Italy	07. Non-Functioning operations		<p>We ask if the threshold of EUR 2 million provided refers to the total amount of the project which, in the case of aid schemes, is intended as the sum of the amount of the public contribution and the private co-financing.</p> <p>Given that the projects are co-financed, it would be possible to assume that all expenditure incurred by 31/12/2023 — up to the amount of the public assistance granted — can be accounted for by the ERDF ROP, whereas expenditure incurred after that date are allocated and covered in part to private co-financing and any remaining part of the public contribution.</p>	<p>The revised Closure Guidelines published in the Official Journal of the European Union C 474 of 14 December 2022 (accessible through this link https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.C_.2022.474.01.00.01.01.ENG&toc=OJ%3AC%3A2022%3A474%3ATOC) lowered the threshold for non-functioning operations to EUR 1 million. This threshold refers to total cost (Funds contribution + National public + private if applicable) (see also reply to question 229 above).</p> <p>Expenditure after the eligibility date set out in Article 65 CPR is not eligible and is to be covered by national/other funds/private (see also reply to question 129).</p>
248	Italy	07. Non-Functioning operations		MA wonders whether an operation (less than EUR 2 million) that has been physically completed or fully implemented, for which all planned payments have been made by the beneficiary and which has contributed to the objectives of the relevant priorities, can be considered completed and operational if the corresponding public contribution from the ERDF ROP has been paid to the beneficiary, while the part of the	The question is not clear. Article 2(14) CPR provides that “completed operation” means “ <i>an operation which has been physically completed or fully implemented and in respect of which all related payments have been made by beneficiaries and the corresponding public contribution has been paid to the beneficiaries</i> ”.

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				public contribution related to other national and/or regional sources of funding (e.g. funds from the POC complementary programme) to ensure its completion beyond 31.12.2023 has not been paid to the beneficiary by the deadline of 15 February 2025.	<p>Article 2(15) CPR defines ‘public expenditure’ as “any public contribution to the financing of operations the source of which is the budget of national, regional or local authorities, the budget of the Union related to the ESI Funds, the budget of public law bodies or the budget of associations of public authorities or of public law bodies [...]”.</p> <p>On the basis of the above and in line with Article 2(14) CPR, the operation can be considered completed only when all related payments have been made by beneficiaries and the corresponding public contribution as defined in Article 2(15) CPR has been paid to the beneficiaries.</p>
249	Bulgaria	07. Non-Functioning operations		Given the provisions for non-functioning operations, please confirm whether it is possible to include in the 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?	Yes, it is possible to include expenditure for non-functioning operations in the accounts for the final accounting year provided all the conditions set out in section 7 of the Closure Guidelines are fulfilled. In terms of the output indicators values of a non-functioning operation to be reported in the final implementation report, please refer to section 5.1 of the Closure Guidelines.
250	Belgium	07. Non-Functioning operations		Member States may however decide to include in the accounts for the final accounting year such expenditure provided that: — the total cost of each non-functioning operation exceeds EUR 2 million Question: How much of the total cost was certified to the COM is not relevant?	The revised Closure Guidelines published on 14 December 2022 (2022/C 474/01) lowered the threshold of the total cost for each non-functioning operation to EUR 1 million (section 7). This threshold relates to the total cost of the non-functioning operation and not to what has been declared to the Commission.

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251	Austria	07. Non-Functioning operations		How is a project to be treated in the final implementation report, which is physically completed and fully implemented at the time of submission of the closure documents (and therefore does not actually fall within the definition of a non-functioning project), but for which not all project costs are included in the closure declaration, as they were partly incurred after 31/12/2023? Are there specific reporting requirements for such projects, similar to the non-functioning projects, or should they be treated as a project completed by 31/12/2023 and fully financed within the programme?	The operations that are functioning by the deadline to submit the closure documents are treated in the same way as the operations that are functioning by the end of the eligibility period. There is no need to report them in any special way. Please also see the reply to question 246 above.
252	Greece	07. Non-functioning operations		Does the Member State have the possibility of additional documentation in addition to the final report on unfinished projects? After 15/02/2026 in order to achieve their objectives, whether or not they participate in the Regional Unit, should any documentation be submitted? How will the EU be informed of the completion of these projects?	To enable the MS to inform the Commission services on the finalisation of non-functioning operations which the MS reported in Annex II to the Closure Guidelines, the Commission will develop the reporting format (to be embedded in SFC). There will be a possibility to submit additional documentation.
253	Hungary	08. Operations affected by ongoing national investigations or suspended by a legal proceeding or by an administrative appeal having suspensory		We would like to see the difference between non-functioning operations and suspended operations with examples	Example of a non-functioning operation: an operation comprising the construction of a 300km road where 100km is not yet built by the deadline to submit the closure documents. The Member State may include the expenditure of this operation in the accounts for the final accounting year provided that all the conditions set out in section 7 of the Closures Guidelines are fulfilled) and reports it in the final implementation report using the template set out in Annex II to the Closure guidelines as a non-functioning operation.

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		effect			<p>Example of an operation suspended by a legal proceeding: an operation comprising the construction of a 300km road is suspended because of an administrative appeal having suspensory effect. The Member State includes the operation in the accounts for the final accounting year and informs the Commission through the final implementation report using the template set out in Annex III to the Closure guidelines.</p> <p>Please see Sections 7 and 8 of the Closure guidelines for further details and explanations.</p>
254	Romania	08. Operations affected by ongoing national investigations or suspended by a legal proceeding or by an administrative appeal having suspensory effect		<p>Is our understanding correct as regards the provisions of section 8 of the 2014-2020 Closure Guidelines according to which Annex 3 can include expenditures affected by ongoing DLAF/DNA/ANI investigations, as well as expenditure subject to trials pending before courts? Thus, in case there are statements of findings as regards the debts that are contested in court by the beneficiary, the expenditure concerned can be included/ kept in the final payment application, until the verdict of the court. In supporting this understanding, the provisions of the EC Guidelines were taken into account, according to which an expenditure that was definitively withdrawn from the accounts can be redeclared, provided that there is a final ruling of the court as regards the legality and regularity of the expenditure.</p>	<p>Correct. Please also keep in mind that there is no possibility to declare any expenditure after the deadline to submit the final application for an interim payment in the final accounting year - the template set out in Annex III to the Closure Guidelines refers to expenditure which is declared to the Commission, and which will be monitored after closure: i.e., in line with section 8 of the Closure Guidelines, Member States must inform the Commission about the outcome of national investigations, legal proceedings and administrative appeals. Where irregularities are established, the Commission will proceed with recovery of the amounts concerned. Any irregular amounts may be replaced using overbooked expenditure (if available).</p>

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255	Romania	08. Operations affected by ongoing national investigations or suspended by a legal proceeding or by an administrative appeal having suspensory effect		Referring to the section 8 of the Guidelines - If the Member State (MS) decides to keep in the accounts for the last accounting year certain expenditure temporarily withdrawn from the 2021-2022 accounts, should the expenditure be included in Annex III to the FIR? How can the expenditure be replaced by using of overbooking? Is this done automatically by the EC?	<p>We understand that the question refers to ongoing national investigations, i.e. investigations carried out by national bodies different to the programme authorities, for which expenditure was excluded from the previous accounts following Article 137(2) CPR.</p> <p>If the investigation is finalised by 31 July 2024 with the result that the expenditure is legal and regular, the Member State can include it in the final application for interim payment to be submitted by 31 July 2024.</p> <p>If the investigation is not finalised by 31 July 2024 and if the programme authorities consider that the expenditure is legal and regular, it can be included in the final application for interim payment to be submitted by 31 July 2024 and the on-going investigation needs to be reported following the template set out in Annex III to the Closure Guidelines. Member State must inform the Commission of the outcome of the national investigation. Where irregularities are established, the Commission will recalculate the final balance (taking overbooked expenditure into account) and proceed with recovery if needed. Please see reply to question 331 in EGESIF_21-0012-05.</p>

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256	Romania	09. Expenditure affected by ongoing OLAF investigations, OLAF reports or audits of the Commission or the European Court of Auditors		Taking into account that Annex 3 can include expenditure subject to suspicions of fraud that are in investigation by DLAF/DNA/ANI, please clarify the rationale of the fact that the expenditures which are suspect to be ineligible (based on fraud suspicions) that are under OLAF investigations (section 9 of the 2014-2020 Closure Guidelines) are not treated in a similar manner, namely they cannot be included in Annex 3 and cannot be kept in the accounts. In our opinion, the request for exclusion should refer only to the cases for which OLAF has submitted a report and it is not contested by the Member State.	The two categories of expenditure are in fact treated in the same way by the Commission. Member States are invited to exclude this expenditure from the accounts for the final accounting year but they are not obliged to do so In the case of OLAF findings there is a contradictory procedure between the Commission and the Member State which may lead to a financial correction.
257	Austria	10. Irregularities	10.1 Treatment of irregularities in the final accounting year	<p>The final accounts (accounts for the accounting year 2023/24) should also include financial corrections relating to expenditure included in the previous (completed) accounting exercises. This is because, after the last payment claim of the accounting year 2023/24, no further payment claims can be sent to the Commission.</p> <p>These financial corrections to expenditure of previous accounting years are to be reported in Annex 2 of the accounts for the accounting year 2023/24, although they had not previously been included in any payment claim. This approach should be followed so that Annex 8 continues to show only those financial corrections, which are part of the expenditure of the last accounting year 2023/24; in order to ensure that the planned reconciliation with the audit authority's annual control report can also be carried out for the last accounting year.</p> <p>Is this understanding correct? Financial correction to</p>	<p>The standard rules apply every year of the 2014-2020 programming period, including in the final accounting year (from 1 July 2023 to 30 June 2024) with the following exception clarified in section 10.1 of the Closure Guidelines: if following the submission of the final application for an interim payment, the MS will need to deduct expenditure related to previous accounting years, such expenditure will be deducted from the accounts for the final accounting year in Appendix 1. It will be included in Appendix 2 and automatically reflected in Appendix 8 (appendix 8 compares expenditure declared in the final interim payment application and Appendix 1 of the accounts). Please refer also to reply to Question 340 in EGESIF_21-0012-05.</p> <p>Please also note that if the deduction of expenditure will result in a negative amount, the amount in Appendix 1 will be negative.</p>

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				expenditure of previous accounting year is possible provided that the expenditure had been declared to the Commission	
258	Czech Republic	10. Irregularities	10.3 Risk of irregularities leading to additional verifications by the programme authorities of expenditure already declared to the Commission	Chapter 10.3 obliges the program authorities to complete their additional verification by the submission of the final application for payment in July 2024, so that the expenses can still be declared. However, these expenses do not fall under Annex III of the EC guidelines (it is only for third parties), i.e. it is necessary to decide definitively whether or not they are eligible.	Correct, as detailed in section 10.3 of the Closure Guidelines, all additional verifications by the programme authorities on expenditure deducted from the accounts of an accounting year preceding the final accounting year in accordance with Article 137(2) CPR must be completed in time to enable the declaration of the expenditure at the latest in the final application for an interim payment for the final accounting year, for which the deadline for submission is pursuant to Article 135 CPR. In addition, such expenses shall not be listed using the template set out in Annex III to the Closure Guidelines, which is for operations affected by investigations by national bodies different to the programme authorities (as per Section 8 of the Closure Guidelines).
259	Slovakia	10. Irregularities	10.3 Risk of irregularities leading to additional verifications by the programme authorities of expenditure already declared to the Commission	Chapter 8 of the Commission guidelines nor Q&A document does not precisely deal with the situation of temporarily excluded expenditure according to Article 137(2) CPR in previous accounting years due to ongoing national investigations, which was not completed by 31 July 2024, i.e. by the deadline for submission of final application for payment. Chapter 8 allows the MS to keep expenditure in the final accounts, which was not excluded from the accounts of the previous accounting years under Article 137(2) CPR. Therefore, we expect that similar treatment should apply to expenditure excluded	Please refer to reply to question 331 in EGESIF_21-0012-05.

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				<p>according to Article 137(2) CPR in previous accounting years, so to have the possibility to re-declare these expenses in the final application for payment at the latest. If the assessment of legality and regularity could not be completed by 15 February 2025 objectively (e.g. police investigations, legal / administrative proceedings at the national level), we would proceed in accordance with this chapter 8 (i.e. keep or exclude these expenses from the final accounts).</p> <p>In most of the programs, Slovakia will not be able to replace these expenses by other eligible expenditure (based on overbooking). The last chance to declare expenditure, which is subject to ongoing national investigations, is in the final application for payment submitted by 31 July 2024.</p> <p>The similar possibility to include such expenditure in the final application for payment was provided for in the programming period 2007 – 2013 and the Commission was provided with a specific annex covering all these open cases. The Commission kept open commitments for this amounts until responsible national authorities delivered a final decision. The Member State therefore kept the Commission informed of the outcome of the investigations. Depending on the outcome of these proceedings, further payments were made, recovery of amounts already paid was carried out or payments already made were confirmed at the national level. Could the Commission confirm our understanding?</p>	

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260	Belgium	10. Irregularities	10.4 Amounts recovered after closure	If the Member State established irregularities after closure in relation to the expenditure included in the accounts, the amounts recovered after closure must be repaid to the budget of the Union. Any irregular amounts may be replaced using overbooked expenditure (if available). Question: How will this work in practice?	It is the responsibility of the Member State to inform the Commission of any irregular amounts even if their irregularity is established after closure of the programme. Following such information, the Commission will recalculate the final balance (taking overbooked expenditure into account), issue a revised closure letter and proceed with recovery if needed. On overbooking, please refer to reply to Question 296 in EGESIF_21-0012-05.
261	Czech Republic	10. Irregularities		We would like to ask for the clarification regarding what kind of procedure will be followed in a situation where the extrapolated financial correction due to the total residual error rate being over 2 % will not be deducted from the accounts in the last accounting year submitted to the Commission till 15 February/1 March 2025. Unlike in previous accounting years, it will no longer be possible to deduct the extrapolated correction in the subsequent Payment Application following the submission of the final accounts.	If there is irregular expenditure in the accounts, the Commission will apply financial corrections in line with Article 144 CPR. If the Member State agrees with the proposed financial correction, the Commission deducts the affected amount from the expenditure declared (overbooking may be used in such a case). If the Member State does not agree with the financial correction, the Commission may adopt the financial correction decision in the case of which the financial correction is net. If the conditions provided in Article 145(7) CPR are fulfilled, the financial correction is always net. The use of overbooked expenditure (if available) might reduce the impact of such financial correction.
262	Hungary	10. Irregularities		If the last interim payment is submitted and afterwards there are some irregularities discovered and it is determined that they can't be recovered is there a possibility of a "shared burden" like it was possible in 07-13 closure (below 10 000 EUR)?	If the Member State cannot recover the irregular amounts and concludes that these amounts should be reimbursed to the Union budget, it shall follow the same procedure as during the programming period, i.e., pursuant to Article 1 of Commission Delegated Regulation 2016/568 it shall submit a request to the Commission to confirm that conclusion. As clarified in section 10.2 of the Closure Guidelines: "The

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					Commission will determine whether the irrecoverable amounts should be charged to the budget of the Union in accordance with the rules established in Article 3 of the same Regulation. This concerns irrecoverable amounts included in Appendix 5 ('irrecoverable amounts') of the programme accounts set out in Annex VII to Commission Implementing Regulation (EU) No 1011/2014 and also amounts included in Appendix 3 ('amounts to be recovered') of the same Annex as amounts to be recovered which may become irrecoverable amounts after the accounts for the final accounting year have been submitted."
263	Hungary	10. Irregularities		<p>If you had submitted accounts with the systemic errors, currently the EC has the right to apply financial corrections that will cause decrease. Will that apply also for the last accounting year and accounts? For example, there is a project that we don't know yet if it is going to be good, but it will be included in the accounts, can this later be a problem for the decommitment?</p> <p>So overbooking can relieve us? There is no decrease cause overbooking covers that. Supposing that the overbooking is high enough and even with the EC deduction we remain above 100% absorption, the EC will not apply the net correction?</p>	Net financial corrections are applied only where the Member State does not agree to apply the correction for irregular expenditure and the Commission adopts a financial correction decision, or in the case that the conditions under Article 145(7) CPR are met. Otherwise, overbooked expenditure (if available) may be used to replace irregular expenditure.
264	Malta	10. Irregularities		The audit process / methodology to be followed in respect of Closure of a Programme	As regards to audit, the accounts of the final accounting year are similar to the previous ones and, in addition, require to provide information on open findings from Commission / European Court of Auditors audits; assurance on legality and regularity of expenditure under financial instruments; assurance on

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					reliability of data on indicators and finally information on the assurance that public expenditure paid to beneficiaries is at least equal to the Funds contribution received. See section 12.4 of the Closure Guidelines for information on specificities relating to the control report for the final accounting year.
265	Romania	10. Irregularities		How and when to declare the amounts that are not authorised and as a consequence are not included in the last statement of expenditure, but are under investigation due to suspicions of fraud/irregularity?	The last opportunity to declare expenditure to the Commission is 31 July 2024 (Article 135(2) CPR). No expenditure may be declared after this date.
266	Romania	10. Irregularities		Is there a time limit for the completion of administrative checks as a result of suspected irregularities?	<p>If the suspected irregularities concern expenditure already declared, the administrative checks should be finalised by the deadline for submission of accounts for the final accounting year.</p> <p>If the suspected irregularities concern expenditure which was not yet declared, or was deducted from the previous accounting years in accordance with Article 137(2) CPR, the administrative checks should be finalised by the end of July 2024 to include related expenditure, if found legal and regular, into the final interim payment application which is due by 31 July 2024 (as this is the last possibility to declare expenditure).</p> <p>Please see section 10.3 of the Closure Guidelines.</p>

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267	Croatia	10. Irregularities		<p>Closure guidance states that any irregular amounts may be replaced using overbooked expenditure (if available).</p> <p>So, our question is basically this: is this the only way of settling this issue and for how long these irregular amounts can be replaced by overbooked expenditures- what is the final date for this?</p>	There is no time limit to replace irregular amounts by overbooked expenditure.
268	Croatia	10. Irregularities		<p>What about expenditures paid to beneficiaries and then declared irregular (that must be recovered from the beneficiaries)? Will Member State be obliged to return these expenditures to the European Commission before these amounts are recovered from beneficiaries and what is the final date for this?</p>	<p>As explained in section 10.2 of the Closure Guidelines, in case of amounts to be recovered included in the accounts of the previous or final accounting years, the Commission will exclude this expenditure from the final balance calculation and the Member State will have to inform the Commission on the outcome of the pending recovery process.</p> <p>In case of successful recovery procedure, the amounts are already excluded from the final balance i.e. no financial impact on the programme.</p> <p>In case of unsuccessful recovery procedure, the MS are entitled to request the Commission to bare part of the cost on the Union budget (so called irrecoverable amounts), pursuant to Article 1 of Commission Delegated Regulation 2016/568.</p>
269	Austria	10. Irregularities		<p>A) For those potentially illegitimate amounts remaining in the accounts for the accounting year 2023/24, an Annex III in accordance with the closure guidelines shall be drawn up in parallel, and sent to the EC together with the final accounts.</p> <p>B) Only if this approach is followed, can an EU</p>	<p>A) Annex III to the Closure Guidelines concerns only cases of operations affected by ongoing national investigations or suspended by a legal proceeding or by an administrative appeal having suspensory effect, as described in Section 8 of thereof (i.e., ongoing investigations by national bodies different from programme authorities).</p>

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				reimbursement be obtained in cases where the initially potentially illegitimate expenditure turns out to be correct and regular expenditure.	<p>As explained in the above-mentioned section of the Closure Guidelines, before submitting the closure documents, Member States should decide whether or not to exclude from the accounts for the final accounting year all or part of the expenditure linked to such operations. If the expenditure remains included, Annex III should be filled in.</p> <p>B) Indeed, only if such expenditure remained included in the accounts for the final accounting year, the Commission will reimburse it. The latest date to declare expenditure to the Commission is 31 July 2024, the deadline to submit the final interim payment application. No expenditure can be declared after this date. As clarified in section 8 of the Closure Guidelines, Member States must inform the Commission about the outcome of national investigations, legal proceedings and administrative appeals. Where irregularities are established, the Commission will proceed with recovery of the amounts concerned. Any irregular amounts may be replaced using overbooked expenditure (if available).</p>
270	Czech Republic	11. Submission of Closure Documents		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?	The Commission will ensure that the programme authorities have the platform ready to submit the closure documents. The final implementation report will be submitted under the tab "Monitoring". There will be the possibility to encode the information provided following the templates contained in Annexes I, II or III (if needed) to the Closure Guidelines as structured data. Please refer also replies to Questions 73 and 159.

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271	Czech Republic	12. Content of Closure Documents	12.1 Final Implementation Report	Should both the chapters 9 and 13 of the template for the Annual and Final Implementation Reports set out in the Annex V in the Regulation No 207/2015 be left out for the purposes of the final implementation reports?	Yes, sections 9 and 13 of the template for the annual and final implementation reports set out in the Annex V to Commission Implementing Regulation No 207/2015 are not relevant for the purposes of the final implementation report.
272	Czech Republic	12. Content of Closure Documents	12.1 Final Implementation Report	The template that is a part of the Commission Implementing Regulations No 207/2015 (Annex V) is the same for the annual implementation report and the final implementation report. Due to the annual closure of the accounts the Managing authorities are used to describing in this template the numbers and progress made during the respective year. As this template is divided into 3 parts (A, B, C) from which only the second (B) and the third (C) part literally mention the final implementation report, we would like to know whether the Managing authority should in the part A (DATA REQUIRED EVERY YEAR - 'LIGHT REPORTS') describe the progress made only in the last year of implementation (2023) and then in the part B and C describe the overall development of the whole programming period? Or should the first part A cover the implementation of the whole programming period since it is the last implementation report? Given the uncertainties stated above, we would also like to ask if the Commission plans on amending the template based on the Annex V of the Commission Implementing Regulation No 207/2015 in general?	Yes, part A of Annex V to Commission Implementing Regulation No 207/2015 shall describe the progress made in the last year of implementation (2023), and part B and C shall describe the overall development of the programme during the whole programming period. The Commission does not intend to amend Annex V to Commission Implementing Regulation No 207/2015.
273	Czech Republic	12. Content of Closure Documents	12.1 Final Implementation Report	Final implementation report: How exactly should the Managing Authorities comment on the evaluations? Should the Managing Authorities comment on all of the evaluation	The required reporting on evaluation in the final implementation report is the same as for the annual implementation reports.

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				undertaken during the programming period or should they focus only on the evaluations not described yet in the annual implementation reports?	<p>As per Article 50(2) and (5) CPR, the final implementation report shall include a synthesis of the findings of all evaluations of the programme that have become available during the previous financial year, any issues which affect the performance of the programme, and the measures taken.</p> <p>As per Annex V of Commission Implementing Regulation (EU) 2015/207, Chapter 4 on “Synthesis of the evaluations” shall also be contained in the final implementation report, and it includes evaluations of the programme that have become available during the previous financial year.</p>
274	Czech Republic	12. Content of Closure Documents	12.1 Final Implementation Report	Closure Guidelines require information on the major projects in the table 12 of the FIR. These major projects have to be finished and functioning. The phased and non-functioning major projects must be reported in the tables given in the closure guidelines and must be attached to the FIR. However, in these tables there is no space for describing the situation in these major projects including stating the reason why they are phased or non-functioning in the first place. Could the MA describe the situation in the text of the FIR in the chapter 10? Or where else?	<p>The Member States are invited to use the space in section 10.1, following table 12, in the field “<i>Significant problems encountered in implementing major projects and measures taken to overcome them</i>”.</p> <p>The templates set out in Annex I and Annex II of the Closure Guidelines should only contain the list of phased and non-functioning operations, respectively.</p>
275	Czech Republic	12. Content of Closure Documents	12.1 Final Implementation Report	In the CGL the COM requires (chapter 12.1) to inform: - on the use made of the additional initial pre-financing from the REACT-EU resources to address the migratory challenges - on the fulfilment of the condition set out in the fourth subparagraph of Article 98(4) of the CPR Where exactly in the template for AIR/FIR should the	This information should be provided in Part B of Annex V of Commission Implementing Regulation (EU) 2015/207, under point 11.1 which requires to provide information and progress towards achieving the objectives of the programme for each priority axis. This should include, if appropriate, the REACT-EU priority axis and/or the dedicated priority axis to finance

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				MS inform about this?	operations addressing the migratory challenges as a result of the military aggression by the Russian Federation.
276	Malta	12. Content of Closure Documents	12.4.1 Financial instruments	In relation to Financial Instruments, can the same interpretation as that applicable for the Closure of the 07-13 Programme be given in terms of eligibility of expenditure?	The end of the eligibility period for financial instruments is 31 December 2023 (see Articles 42 and 65(2) CPR).
277	Bulgaria	12. Content of Closure Documents	12.4.1 Financial instruments	In the Bulgarian operational programmes the necessary 15% national co-financing (all Bulgarian regions are less developed in 2014-2020) is provided by the state budget as public national co-financing at programme level. Under the operations for support through financial instruments in addition to the national co-financing mentioned, above there is private co-financing provided by financial intermediaries and/or independent private investors that leverage programme contribution. Could you confirm that evidence for the use for intended purpose of the national co-financing complementing ESIF support in operations for financial instruments and private co-financing attracted by financial instruments could be provided/established after submission of closure documents until the project completion?	<p>The eligibility of expenditure for FI is determined at closure according to Article 42 CPR. In case of the financial instruments, the national public and private contributions, can be provided at the level of the fund of funds, at the level of the financial instrument or at the level of the final recipient (Article 38(9) CPR).</p> <p>Eligible expenditure for FI in case of loans consists of payments to final recipients (Article 42(1)(a) CPR), and, in case of guarantees, the amount of the programme resources committed in the guarantee contracts for the underlying new loans disbursed to final recipients (Article 42(1)(b) CPR).</p> <p>The evidence that support was used for the intended purpose will be assessed at a certain point in time when the audit of operations takes place irrespective of the mix of the funding (ERDF plus national public and private co-financing).</p> <p>As described in the audit methodology, it is expected that the bodies implementing the FI are verifying the use for intended purpose based on the conditions set in the funding agreement. The managing authority</p>

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					<p>should have procedures and methodology to verify that the use for intended purpose was checked by the bodies implementing the FI. Such verifications are performed, as a general rule, based on the internal procedures of the financial intermediary supplemented by a sample of investments resulting from a risk assessment which is proportionate to the amount of public support and the risks identified. The managing and audit authorities will consider the stage of implementation of the investment when verifying the use for intended purpose. In some cases, when the investment is not completed/not sufficiently advanced, the use for intended purpose may not be possible to be verified at the moment of the control/audit. The control/audit will then conclude on the eligibility of the investment based on the information/data available at that point of time.</p>
278	Romania	12. Content of Closure Documents	12.4.1. Financial instruments	Is the same approach necessary for financial instruments established under Article 38(1)(a) before the entry into force of Regulation (EU) No 1046/2018 (Omnibus Regulation)?	<p>The question is not clear. However, we assume that the question may concern the submission of the control report and the audit report by the EIB/EIF.</p> <p>No later than in the final interim payment application in the Appendix I the MS should demonstrate that the programme resources requested from the Commission in tranches have been used for eligible expenditure. Columns C and D should be equal to columns A and B in the Appendix I of the payment application.</p> <p>The control report submitted together with the final interim payment application should cover the eligible expenditure which was not covered in the previous</p>

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					<p>control reports, i.e. the amounts of programme resources related to the last tranche and the 15% of the previous tranches.</p> <p>For closure, the annual audit report should include in addition the annual reports, the audit of internal control systems applied by the EIB/EIF or other international financial institutions in relation to the points mentioned in 2.10. Annual audit report will be submitted with the final accounts.</p> <p>Please refer also to replies to Questions 342-343 in EGESIF_21-0012-05.</p>
279	Romania	12. Content of Closure Documents	12.4.1. Financial instruments	Are there any additional verifications needed from the AA on the completed projects? Is it necessary to extract a separate sample from the projects declared by the MA as finalized?	The audit authorities audit the expenditure declared to the Commission in each accounting year, including the final one. The additional audit work at closure is listed under section 12.4 of the Closure Guidelines. No confirmation that projects are completed is required as such. It is however the responsibility of the programme authorities to provide reliable information on project completion.

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280	Italy	12.4 Audit opinion and control report: Eligibility of expenditure for FI Article 42	12.4.1 Financial instruments Eligibility of guarantees Article 42(1)(b) CPR, Article 8 CDR 480/2014	<p>With regard to financial instruments, in particular instruments providing guarantees, the eligible expenditure at closure corresponds, within the meaning of Article 42 of Regulation (EU) No 1303/2013, to resources committed for guarantee contracts, existing or already maturing, calculated on the basis of a prudent ex ante assessment of risks covering a multiple amount of underlying new loans or other risk instruments for new investments in final recipients. Article 8 of Regulation (EU) No 480/2014 provides: ‘Where financial instruments provide guarantees [...] b) the multiplication ratio shall be determined by means of a prudent ex ante risk assessment of the specific guarantee product offered, taking into account the specific market conditions, the investment strategy of the financial instrument and the principles of economy and efficiency. The ex ante risk assessment may be subject to review where this is justified by subsequent market conditions.’ In view of the effects of the COVID-19 health crisis, coupled with a physiological increase in credit risk, resulting in higher provisions to protect the risk and, for the same resources committed, a lower multiplier effect than the one estimated when the financial instrument was set up, we wonder whether, in view of the current macroeconomic environment affected by unforeseeable and unprecedented events in recent years, the possibility of reviewing the risk assessment; provided for in Article 8 above, is applicable at the closure stage of the OP by redetermining the multiplication coefficient on the basis of the total</p>	<p>Article 8 of Commission Delegated Regulation (EU) 480/2014 provides the possibility of reviewing the ex-ante risk assessment if this is justified by the subsequent market conditions to establish the multiplier ratio for the specific guarantee product to be offered.</p> <p>Therefore, the revised multiplier should be applied to determine the eligible amount of guarantees committed for guarantee contracts when disbursing new loans (not to the loans already disbursed), or applied to the part of the loan which is not yet repaid. It is clarified in Article 42(1)(b) CPR “resources committed for guarantee contracts, whether outstanding or already come to maturity, in order to honour possible guarantee calls for losses, calculated on the basis of a prudent ex-ante risk assessment, covering a multiple amount of underlying new loans or other risk bearing instruments for new investments in final recipients.”</p>

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				<p>amount of loans actually granted to final recipients, where this is justified on the basis of appropriate documentation (e.g. sector studies of public bodies, reports by central banks or official databases) attesting to the occurrence of 'less favourable' market conditions in the business credit sector. This opportunity would make it possible to safeguard eligible expenditure, both with a view to respecting the principles of economy and efficiency set out in Article 8 and in line with the support policies adopted by the EU in this particular historical context.</p>	
281	Italy	12.4 Audit opinion and control report	12.4.1 Financial instruments	<p>We refer to financial instruments which provide for loans to final recipients to carry out investments, in particular to final recipients who, in view of the final date of eligibility of expenditure laid down in Article 65 of Regulation (EU) No n.1303/2013, may carry out the investment until December 2023 and obtain funding in the first half of 2024. Article 42 of the General Regulation provides that at closure the eligible expenditure for FEIs corresponds to the amount of loans disbursed within the eligibility period (31.12.2023). In view of the provisions of Article 68 of CPR 2021-2027 'Where a financial instrument is implemented in several consecutive programming periods, support may be provided to, or for the benefit of, final recipients, including management costs and fees, on the basis of agreements concluded in the previous programming period, provided that such support complies with the eligibility rules of the subsequent programming period. In such cases, the eligibility of expenditure submitted in payment</p>	<p>According to Article 42 CPR, programme support should be provided to the final recipients before 31 December 2023 and the final recipient may continue investment afterwards. Article 42 CPR does not require the investment to be completed but the support has to be disbursed and to reach final recipients before end 2023. As per section 12.4.1 of the Closure guidelines, 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.</p> <p>According to Article 42 CPR, it is not possible to obtain the funding in the first half of 2024 from 2014-2020 programming period FI. Programme resources of 2014-2020 paid to the FI but not used within eligibility period for eligible expenditure according to Article 42 CPR do not constitute eligible expenditure and must be returned to the programme.</p>

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				<p>applications is determined in accordance with the rules of the respective programming period”, we ask you to specify the conditions and any steps needed to ensure that loans granted after 31.12.2023 may constitute eligible expenditure within the meaning of Article 68.1 of Regulation (EU) 2021/1060 in the case of financial instruments with a duration exceeding the 2014-2020 programming cycle, implemented under the responsibility of the Managing Authority.</p>	<p>However, the FI which started the implementation in the 2014-2020 programming period can be continued into the 2021-2027 using the resources of the programming period 2021-2027 according to the provisions under Article 68(2) CPR 2021-2027 with the following conditions applied simultaneously:</p> <ul style="list-style-type: none"> • The FI operation was selected under 2014-2020 programming period. There is no need to formally select it again. • Public procurement rules are respected. • The necessary agreements for the FI implementation are made under 2014-2020 programming period. (i.e., funding agreements is modified before 31 December 2023, availability of funds of 2021-2027 programming period are committed to the FI) • Support by FI can be declared eligible expenditure only on the basis of eligibility rules of the period to which the expenditure is declared. • The payment applications should be determined in line with the rules of the respective programming period. <p>So, in summary, provided that all conditions above are met, the programme authorities can continue to implement the FI disbursing loans after end 2023 only from the programme resources of 2021-2027 programming period.</p> <p>For more detailed explanations, please refer to the notes of the workshop on continuation here: https://www.fi-</p>

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					compass.eu/sites/default/files/publications/ERDF_Knowledge_Hub_Report_Implementation_of_financial_instruments_across_consecutive_programming_periods.pdf
282	Italy	12.4 Audit opinion and control report	12.4.1 Financial instruments	<p>With regard to the application of Article 43 of the CPR, please specify whether, with regard to capital gains not used for the purposes of Article 43 (2) within the eligibility deadline (31.12.2023):</p> <p>a) a precise destination must be defined by the deadline for closure of the programme (e.g.: allocation to a new measure that will grant loans or grants even after the eligibility deadline and/or after the closure of the programme);</p> <p>b) at the closure of the programme, a deduction must be made from the eligible expenditure that can be reported at closure under the Financial Instrument, as exemplified in letter EGESIF_15-0031-01 Final 17/02/2016 under point 3.1.</p> <p>In addition, with regard to the application of Article 44 of the CPR, we wonder whether the principle referred to in EGESIF 15-0031-01 is also required for the resources found not to have been used for the purposes set out in the deadline for eligibility of expenditure. The application of the deduction on unspent resources at the end of 2023 may have particularly significant impacts, especially in the case of guarantee funds where the funds held on the funds, which must be interest-bearing in the light of the principle of sound financial management, are necessarily long-term.</p>	<p>Article 43 CPR concerns the treasury management of the ESIF, i.e. amounts paid to the FI, i.e. placed into the account of the FI, but not yet used for support to final recipients:</p> <p>a. According to Article 43(2) CPR the resources generated from the amounts paid into the account of the FI attributable to the ESIF prior their investment/ support to final recipients, should have been used by the end of the eligibility period, not just allocated to the different measures.</p> <p>b. If by the end of the eligibility period the amount generated from the treasury management attributable to ESIF had not been used in accordance with the provisions set out in Article 43(2) it should be deducted from the eligible expenditure.</p> <p>Provisions of Article 43 CPR do not concern the resources returned from the investments in final recipients, i.e. capital gains and interest, or release of the guarantees. Resources returned from the investments are governed by Articles 44 and 45 CPR.</p>

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283	Czech Republic	Issues not dealt with in The Guidelines	Durability	Durability of the non-functioning operations – we suppose that the period of durability of operation should start from the date the non-functioning operation is finished? Is that correct?	The durability rules are set out in Article 71 CPR and they apply to all operations under 2014-2020 programming period falling under the scope of this Article, including non-functioning operations. Starting point for durability is the final payment to the beneficiary.
284	Czech Republic	Issues not dealt with in The Guidelines	Durability	According to the art. 71 of the Regulation No. 1303/2013 the durability of operations lasts for 5 or 3 years and can start after the last payment to the beneficiary. In reality this would mean that the durability period could start while the physical part of a project is still in implementation. In the previous programming period, the durability period was counted once the operation was finished. Could you, please, elaborate further on this?	Article 71 CPR provides clearly when the durability period starts. It is not clear why the MS assumes that the durability period may start, i.e. the final payment to the beneficiary can be made during the implementation of the operation. The notion of “completed operation” is clearly defined in Article 2(14) CPR, according to which for the operation to be considered completed the physical completion is not enough, the final payment to the beneficiaries also needs to be made.
285	Greece	Issues not dealt with in the Guidelines	Financial correction principles	What is considered to be a disproportionate financial correction and how will the initial calculated percentage of the financial correction be reduced on this basis? Is there any relevant calculation methodology?	<p>The proportionality is assessed case-by-case taking into account the nature and gravity of the irregularity and financial loss to the Funds.</p> <p>In the case of the financial corrections made by the Commission for the serious deficiency in the management and control system, the extent and financial implications of that deficiency is to be taken into account for the purpose of the proportionality.</p> <p>In relation to financial corrections made by the Commission for a serious failure to achieve certain targets in the performance framework, the absorption level and external factors contributing to the failure</p>

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					are to be taken into account for the purpose of determining a proportionate financial correction. Each case is assessed on its own merits.
286	Austria	Issues not dealt with in the Guidelines	IMS	When will OLAF's IMS database be closed for the 2014-2020 programmes, i.e. by when do the funding bodies have to keep documents on e.g. insolvency cases and send them up-to-date to the audit authorities, so that the audit authorities can upload the information on irregularities to the IMS database?	<p>Reporting of irregularities is regulated in Article 122 CPR and Commission Delegated Regulation (EU) 2015/1970 of 8 July 2015.</p> <p>In relation to retention of documents requirements please refer to Article 140 CPR. Please note that the retention period may be interrupted either in the case of legal proceedings or by a duly justified request of the Commission. It is therefore recommended to retain the documents until the end of legal proceedings or until the Commission no longer interrupts the retention period.</p> <p>In relation to IMS database, it will not be closed, so there are no restrictions in time for reporting or updating of irregularity cases.</p>
287	Germany	Other queries	Automatic Decolmitment	Could the Commission explain, under which conditions, art. 87 CPR could be applicable with a view to the Covid –pandemic	For questions relating to COVID-19, force majeure and decolmitment, please refer to CRII platform.
288	Italy	Other queries	Technical assistance	In the case of operations where the MA is a beneficiary (e.g. technical assistance services), if the activities end by the final eligibility date of the expenditure set at 31/12/2023, is it possible for the expenditure to be incurred (i.e. paid) by the MA before the final date for submission of the payment claim (by 31/07/2024)? If, on the other hand, it is not possible to reimburse expenditure after 31/12/2023, is it possible to finance	<p>Article 65 CPR states that in order for a given expenditure to be considered eligible, it has to be <i>"incurred by a beneficiary and paid between the date of submission of the programme to the Commission or from 1 January 2014, whichever is earlier, and 31 December 2023"</i>.</p> <p>In case of expenditure incurred by the beneficiary and</p>

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				part of the services from regional resources or from the Supplementary Operational Programme?	paid after 31 December 2023 (not eligible for 2014-2020 EU funding), it can be covered by national or other resources.
289	Hungary	Other queries		What is the closure process of REACT EU projects?	There is no specific closure process for REACT EU projects at EU level. For implementing arrangements, please refer to Article 92b CPR.
290	Spain	4.Financial management	4.4. Overbooking	<p>Given that payment applications are cumulative only within a given accounting year, if a priority reaches the maximum contribution from the Funds set out in the Commission decision approving the programme before the last accounting year, expenditure declared to the Commission in excess of this maximum contribution from the Funds under that priority shall not be carried over to the following accounting year.</p> <p>This means that, if you wish to obtain the corresponding aid, once an OP has been amended to increase the support of a given priority, or if you wish to make use of the 10 % flexibility foreseen in Art. 130.3 CPR, it will be necessary to proceed as indicated in the Closure Guidelines in the following paragraph: The certifying authorities may therefore decide that the amounts entered in their accounting system in a given accounting year are declared to the Commission in a subsequent accounting year or even in the last accounting year for the purpose of closure.</p> <p>This process represents additional workload. Firstly, as implementation data are in principle cumulative, and</p>	<p>1. Following the concept of annual acceptance of the accounts, payment applications are cumulative only within a given accounting year and so if overbooking is declared in an accounting year that is not final, it will not be taken into account at closure because it is not carried over to the next accounting year.</p> <p>It should be recalled that overbooking is an optional flexibility that may be used. Please see reply to question 14 in EGESIF_21-0012-05.</p> <p>2. The temporary increase of the co-financing rate to 100% in the accounting year 2020-2021 provided by Article 25a CPR will speed up reimbursement of the EU resources, but it will not increase the total Fund allocation to the programme. The implication for the programme would be reaching the maximum Fund contribution faster.</p> <p>If a priority axis reaches full absorption during the accounting year 2020-2021 (when the 100% co-financing rate is applied), the programme authorities should refrain from declaring any additional</p>

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				<p>SRs appear in the information systems, it would be necessary to decertify over-executed amounts in order to re-certify them. An entirely pointless task, given that this expenditure was properly verified, audited by the Audit Authority, and even included in the respective annual account.</p> <p>This approach would not be limited to using the 10 % flexibility for overbooking at closure (in this case, this would be done once for each priority concerned in each programme). The additional problem is that, if support is sought for expenditure declared in an accounting year in which there is an overbooking over the version of the programme in force at that time, even if at a later stage the allocation of the priority axis concerned is increased, the 'surplus' expenditure is not taken into account for payment and has to be re-declared after the approval of the new programme version. In addition, in order not to be declared twice, this 'excess' expenditure declared at the time must be decertified.</p> <p>1. In the light of the above, we would like to know the regulatory basis of this rule which complicates financial management. Its implementation would clearly contradict the desire to simplify.</p> <p>In addition to these disadvantages, there are also others, for which it would be good to find a solution or at least to have guidance on how to proceed:</p> <p>2. Financial damage. In cases where over-</p>	<p>expenditure for that priority. In fact, the same principle applies for the accounting year 2020-2021 as for any other accounting year: should the programme authorities wish to benefit from overbooking, it would need to be declared to the Commission in the final accounting year.</p> <p>In addition, once the certifying authority submits the payment application to the Commission, the co-financing rate according to the financial plan in place will be applied automatically by SFC2014. Thus, if expenditure is declared at closure, the co-financing rate applicable at closure will be applied.</p> <p>3. The degree of absorption of a programme should measure the relation between the EU contribution planned and EU payments made. The overbooking will not modify the absorption rate.</p> <p>4. According to Article 50(2) CPR, the data transmitted in the annual implementation reports should relate to values for indicators for fully implemented operations and also, where possible, having regard to the stage of implementation, for selected operations. In the final implementation report, the indicators should correspond to the declared expenditure (please consider reply given to question 147 in EGESIF_21-0012-05).</p> <p>5. It is reminded that using overbooking is optional. Moreover, the Closure Guidelines explain that as soon as a priority reaches full absorption, the certifying</p>

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				<p>implementation was achieved by certifying expenditure at a rate of 100 % in the 2020/2021 accounting year, the new recertification of expenditure would be at the nominal rate, which represents a considerably lower amount of support. Article 25a CPR clearly states that a co-financing rate of 100 % may be applied to expenditure declared in payment applications during the accounting year starting on 1 July 2020 and ending on 30 June 2021, without including any additional requirements. Therefore, we consider that all the amounts declared in that accounting year should be able to apply the rate of 100 % and that, if we insist on the need to re-certify them, this re-certification should be made at the same rate of 100 %.</p> <p>3. Difficulty in monitoring programmes. The data on the implementation of the programmes in terms of support, which are used to measure the degree of absorption of the programmed support, do not correspond to the support actually taken into account, but to an expectation of support if the appropriate amounts are finally recalculated. Another monitoring parameter should be defined, which is the support actually declared with a valid effect for the Commission. In addition, in order to estimate the result at closure on the basis of the implementation forecasts of the various bodies, a correction should be made due to the changes in the rate of the amounts decertified and re-certified.</p> <p>4. Disconnection between financial and physical output</p>	<p>authority may decide that amounts entered in their accounting system in an accounting year are declared to the Commission in the final accounting year for the purpose of closure. It means that the Member State would refrain from declaring overbooking in the other accounting years and would declare it only in the final accounting year.</p> <p>6. Please see the reply to sub-question 5 above.</p> <p>The legal requirements for durability of operations and availability of documents are set out in Articles 71 and 140 CPR respectively. The durability period starts from the final payment to the beneficiary and is not in that sense linked to the expenditure declared to the Commission. The availability of documents period starts from the submission of the accounts in which the expenditure of the operation is included. If expenditure was deducted from one accounting year and re-declared in another accounting year, the availability of documents period will start from the submission of the accounts in which the expenditure of the operation is effectively included. Deduction and re-declaration of expenditure should not affect the audit work which should be carried out as usual.</p> <p>7. The Closure Guidelines will not be modified for these issues.</p>

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				<p>data. If we decided to retain the statements of expenditure, it could be decided to maintain the certification and subsequent accounting of the indicators. There might be no match between the physical output indicators and the expenditure actually declared. It is only at the end, if the amounts are re-certified, that there would be a correspondence between the two data.</p> <p>5. Operational difficulties. The decertification of overbooking involves identifying the expenditure withdrawn and re-certified. Depending on the size of the reimbursement claims, it may be necessary to 'cut' them to match excess certified amounts. On the other hand, withdrawing expenditure that was included in one declaration and re-declaring it in another declaration implies modifying the time limits for keeping the documentation, which are linked to the declaration in which the expenditure is included.</p> <p>6. Legal uncertainty about compliance with regulatory obligations. Expenditure already declared in a closed accounting year must comply with the provisions of the Regulation on durability of investment, maintenance of documentation, audit of expenditure, indicators, etc. If certain amounts have to be withdrawn, in order to be re-included in a subsequent accounting year, it is not clear with reference to which declaration the requirements should be met and the deadlines to be counted. Should the expenditure included in a declaration from a previous accounting year be audited again? how is the re-certified</p>	

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				<p>expenditure taken into account in the declarations of assurance and in the calculation of the error rate?</p> <p>This list is not intended to be exhaustive in setting out the management difficulties introduced by these provisions, which are difficult to reconcile with the nature of operational programmes, which are essentially multiannual programmes with strategic objectives and not a superposition of support schemes of an annual duration. It is therefore possible to identify new disadvantages of which we have not hitherto been aware. It should be noted that, given the date of publication of the Closure Guidelines, at that time some OPs already had axes with amounts declared sufficient to obtain support in excess of the programmed amount.</p> <p>In conclusion, we consider that the amounts declared should always be cumulative, with appropriate mechanisms being put in place so that these declared expenditure, which are already audited and included in the corresponding accounting year assurance package, are automatically incorporated into the Commission's management and payment system.</p> <p>7. Is there a possibility of modifying the Closing instructions and incorporating the fact that the last Annual Account is cumulative? It would be the solution to all these problems:</p> <ul style="list-style-type: none"> • Annexes of the Accumulated Accounts for all accounting years • Cumulative Total Execution Report for all accounting 	

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				years <ul style="list-style-type: none">• Total summary of controls for all accounting years• Total Audit Report that includes all accounting years• Overall audit report	