

Lump sum for closure costs ISBP 2021-2027



SME
development



Sustainable
tourism



Green
technologies



Sustainable
transport



Skilled
labour force



Cooperation
capacity building



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Closure costs in the ISBP 2014-2020

- ✓ expenditures that are related to the preparation and First Level Control of the final project progress report
- ✓ costs related to the project closure are eligible under Work Package 1 Management and coordination only
- ✓ costs which arose in the project implementation phase can however be paid in the project closure phase.



Closure costs in the ISBP 2014-2020

Common mistakes and problems:

- ✓ costs related to the project closure reported in other WPs
- ✓ waiting until the last moment for submitting the final partial report to include as many closure costs as possible
- ✓ delays in submission of final progress reports which affects the overall liquidity of the Programme



Analysis

Lump sum for closure costs

Sources of the data used:

- ✓ based on historical data of real closure costs from the approved final payment claims (35 projects)
- ✓ costs of the final project progress report preparation:
 - staff costs in WP1
 - external expertise (external project management and FLC) in WP1
 - costs of office and administration calculated as 15% of eligible staff costs
- ✓ extreme values were excluded
- ✓ the indexation rate included



**Developing
the calculation methodology**



Lump sum for closure costs

Average closure costs = proposed lump sum

13 000 EUR

- ✓ The amount is suitable for **73%** of the finalized projects
- ✓ Trigger for payment (obligatory output) – final progress report
- ✓ The lump sum will be reimbursed to LP and distributed in partnership based on internal agreement



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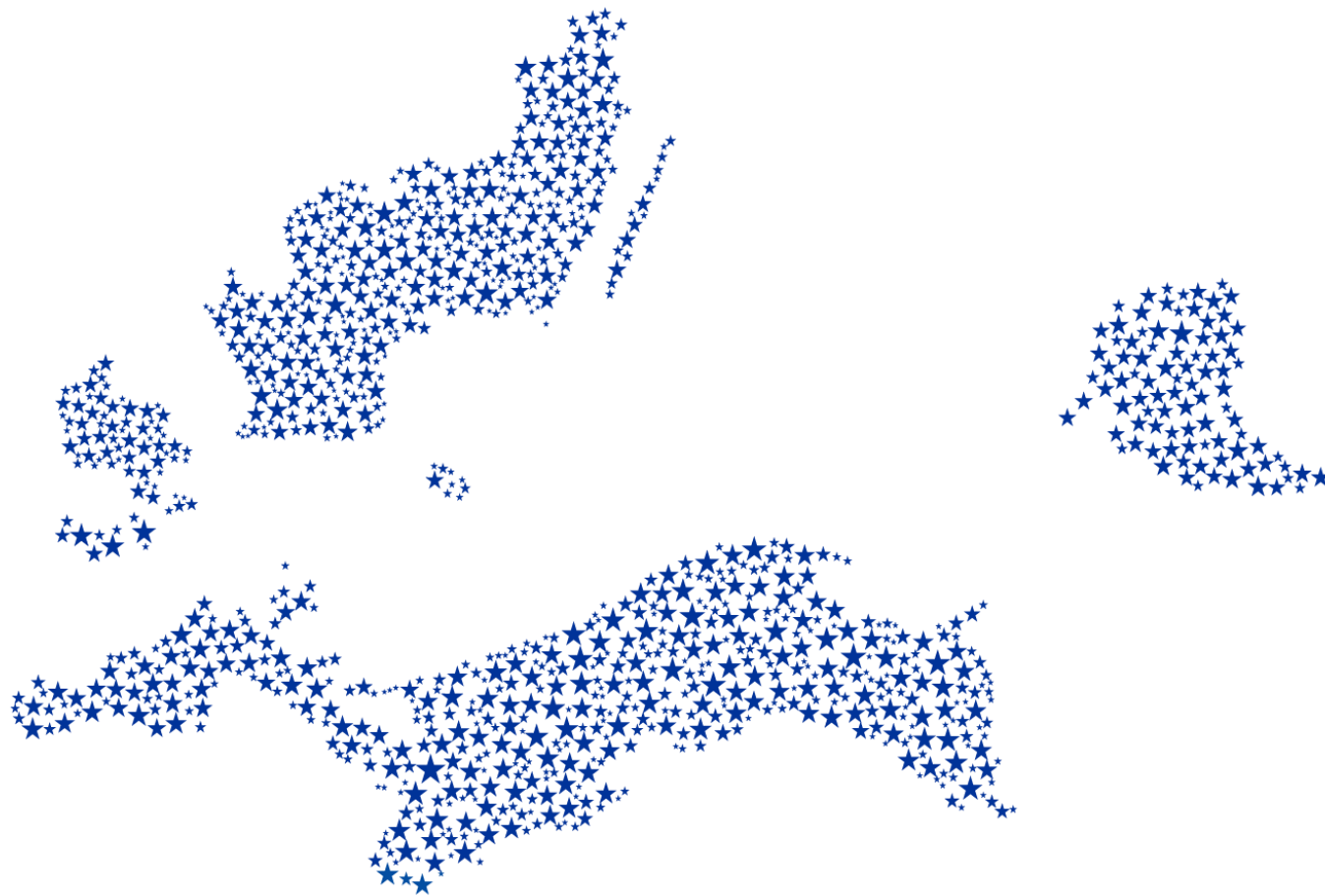
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Benefits of lump sum for closure costs

- ✓ Lower administrative burden for beneficiaries, JS and FLCs
 - Secure and known amount for all closure activities
- ✓ Lower risk of delays in submission of final progress reports
 - No waiting until the last moment for submitting the final partial report to include as many closure costs as possible
- ✓ No delays in reimbursement of project partners
 - Lump sum= fast check = faster reimbursement
- ✓ Allows to define precisely a cost eligibility period for a project – from the start date until end date defined in AF (without real costs incurred after the project end date)



Thank you!

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