

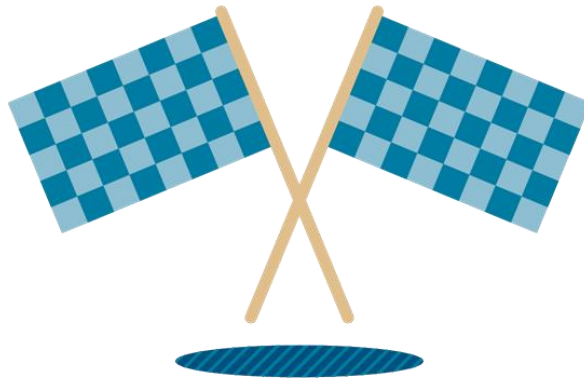
Q&A – Programme closure 2014-2020

This document presents Q&A from the Interact “Programme closure 2014-2020” online workshop held on 22nd September 2022. Please check the event material at [Interact Library](#) (presentations and videos).

Version 2.0. Question 30 has been updated (24/01/2023).

Content

Session 1: General issues	4
Closure documents: Final Implementation Report) FIR and its annexes	9
Closure documents: Assurance package	14
Other questions (slido.com)	16



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Abbreviations

AA	Audit authority
ACR	Annual control report
AIR	Annual implementation report
CA	Certifying authority
CGL	Closure guidelines
CPR	Regulation (EU) 1303/2013
CRII+	Regulation (EU) 2020/558
EC	European Commission
FAST-CARE	Regulation (EU) 2022/2039
FIR	Final implementation report
MA	Managing authority
MC	Monitoring Committee
MS	Member State
TA	Technical assistance

Session 1: General issues

Topics covered:

- Rationale of 2014-2020 closure/ General principles/ Scope
- Preparation for closure/ Early closure/ Programme amendments
- Timeline
- Financial management
- Payment of the final balance
- Overbooking
- 10% flexibility

1. Will there be guidelines for the IPA programmes?

The EC has adopted modified guidelines to include the IPA-CBC programmes, but not IPA-IPA. The [modified guidelines](#) were published in the Official Journal 474 on 14.12.2022. Provisions specific for IPA have been integrated into the current document.

2. Closure in accordance with suspensions of Financial Agreements with Russia and Belarus

REGIO D.1 will draft specific ENI-CBC Closure Guidelines because the legal basis is different (than for IPA-CBC) and because (contrary to IPA-CBC) there is no cross-reference to Regulations 1299 or 1303. The [ad hoc act](#) presented on 22/7/22 by the EC to address the programme implementation disruption of the ENI-CBC programmes with RU, BY, UA and MD was adopted on 9.11.2022 (OJ L 292 of 11.11.2022). The ENI-CBC CGL will refer to that act: works have started since autumn.

3. What exactly does the MA have to do if we want to opt for an early closure? Do we just submit documents or should the request to EC be sent before?

The process is very simple. The programme authorities have to write a letter to the Commission requesting an earlier accounting year to be considered as the final accounting year. The earliest possible time for closure is, therefore, if you consider the current accounting year to be the final, to provide the accounts by February 2023. We already have one request. Acceptance can be granted if the Member State has carried out all the activities related to the implementation of the programme.

4. Is a capping of the ERDF amount to be paid foreseen in the case of non-compliance with the thematic concentration?

No capping within the limit of the 15% flexibility (in accordance with Article 130(3) as amended by FAST-CARE Regulation (EU) 2022/2039). It is also noted that further to Article 25a(5) CPR added with the CRII+ amendment, financial allocations set out in requests for programme amendments submitted or transfers notified pursuant to Article 30(5) CPR, after 24 April 2020, shall not be subject to the requirements on thematic concentration.

5. Will there be a capping if it exceeds the technical assistance %?

No capping within the limit of the 15% flexibility (in accordance with Article 130(3) as amended by FAST-CARE Regulation (EU) 2022/2039). 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.

6. Will there be a capping in case ERDF paid to the beneficiary is smaller than the ERDF amount calculated at the priority axis level within the % foreseen in the financial plan of the programme?

This is linked to Article 129 CPR. It says that the MS should 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. As per section 12.4.3 of the CGL, the certifying authority should ensure that, in its calculations for the final accounts, compliance with Article 129 CPR is respected. 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. The compliance should be ensured at the aggregate level (not per priority axis).

7. I am eager to find out more about 10% flexibility and Article 30(5) of the Interreg Regulation mechanism in the context of (or amendment to the programme before) the final closure.

In accordance with Article 30(5) CPR, the Member State may initiate during the programming period a transfer of 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% (as per FAST-CARE Regulation (EU) 2022/2039) flexibility will be applied to the latest financial plan. It is noted that the FAST-CARE amendment to the CPR added Article 30(6) which also now also allows transferring financial allocations between different thematic objectives within the same priority of the same Fund and category of the region of the same programme without the need for a Commission decision.

8. Could you please define overbooking on a priority level? Does it start at 100% exhaustion or at 110% exhaustion (including the 10% flexibility)?

Overbooking is expenditure declared to the Commission in excess of the amounts, defined in the financial plan in force, attached to the programme. Once the maximum (100%) EU contribution is reached for the priority (there is a calculation sheet attached to every payment or to the accounts each accounting year), you may consider declaring the overbooked expenditure only in the final accounting year except if:

- you 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);
- or

- you modify the financing plan of the programme to increase the Funds or the EMFF contribution for the overbooked priority in accordance with the rules applicable to the programme amendments.

Overbooked expenditures declared to the Commission in the final accounting year will be considered at and after closure to replace irregular amounts¹ (declared in any accounting year, including the final accounting year) and for the 15% flexibility (as per FAST-CARE Regulation (EU) 2022/2039), provided that you have over-spending in one priority, but an underspending in another).

9. How to deal with overbooking at a priority level? When should they be reported?

The Member States may wish to declare overbooking to the Commission in the final accounting year. If some overbooked expenditure is declared to the Commission in the earlier accounting years, it will not be carried over to the next accounting year (as payment applications are cumulative only within a given accounting year). See also the answer to question 8.

10. How to deal with over-exhaustion on the level of single priorities (no over-exhaustion at the programme level)?

The question is not clear. If there is a programme where there is only one priority axis, then unfortunately it cannot benefit from the flexibility. But even in this case it is beneficial to have overbooking, because the irregular amounts (if any) may be replaced from the overbooking (except for cases falling under Article 145(7) CPR), and the programme would still receive the maximum ERDF contribution.

11. When using the 10% flexibility option, do the programmes still have to respect the 6% TA rule? Is the 10% / 15% flexibility applicable also to the Technical Assistance priority axis?

Compliance with requirements related to technical assistance was verified in the process of adopting programmes/ amendments (Article 119(5a) CPR). The 15% flexibility (as per FAST-CARE Regulation (EU) 2022/2039) applies to the declared expenditure in any priority axis, including the TA.

12. Is it possible for the certifying authority (CA) to make payments to the beneficiaries before the submission of the final report, which exceeds the programme budget, but within the 10% flexibility rule?

There can be payments, which exceed the financial plan of the programme, and even the 15% flexibility (as per FAST-CARE Regulation (EU) 2022/2039). That means the programme has overbooked the expenditure, which provides a buffer that may be used for replacing irregular amounts. So, the answer is yes, programmes are encouraged to make overspending in order to benefit from the 15% flexibility (as per FAST-CARE Regulation (EU) 2022/2039) at closure

¹ Without prejudice to Article 145(7) CPR

and also if irregular expenditure needs to be replaced at closure, or in earlier accounting years if the MS so desires (except for cases falling under Article 145(7) CPR).

13. Must payments to the beneficiaries be made by the CA before 31 December 2023?
Which is the correct: the 31/12/2023 end date for project expenditure or for reimbursing projects?

No, payments to beneficiaries do not have to be made by the 31st of December 2023, payments by beneficiaries must be performed by this deadline. There are several provisions to be read together. Pursuant to Article 65(2), 31/12/2023 is the end date for eligibility of expenditure on the ground; i.e., for expenditure to be incurred by the beneficiary and paid in implementing their operations (Article 131(1)(a)). Article 129 requires that by closure the amount of public expenditure paid to beneficiaries at least equals the contribution from the Funds paid by the Commission to the Member State.

The 10% of the certified expenditure in the final accounting year, which is withheld by the Commission until acceptance of the accounts and of the FIR, counts of course to the total contribution from the Funds mentioned above.

14. How can the CA pay the beneficiary before 31/12/2023 if it didn't receive all the funds?
(10% balance paid in 2025?)

The CA does not need to pay the beneficiary by 31/12/2023, as explained in the reply to question 13. Expenditure needs to be incurred by the beneficiary and paid in implementing operations by that day. As for the CA payments to the beneficiary, Article 132(1) provides: *"subject to the availability of funding from initial and annual pre-financing and interim payments, the managing authority [the CA in case of Interreg: Article 21(2) ETC] 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.

15. The CA will proceed with payments to beneficiaries after programme closure?

It depends on the availability of funding as provided in Article 132(1) CPR.

16. Could we get a concrete example of calculating the final balance on a case, where 100% co-financing was used for the accounting years 2019-2020 and 2020-2021?

This topic is too complex to present now: The calculation mentioning the possible deductions and clearings and the final balance will be provided with the closure letter. The CLG has a calculation example, but it is not a complete one, it just intends to illustrate the 15% (as per FAST-CARE Regulation (EU) 2022/2039) flexibility rule. 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; it allows less national contribution, so programmes will reach maximum absorption earlier. But this does not impact the calculation method of the final balance.

17. When will the closure tag in SFC be activated?

The Commission intends to activate the relevant module by February 2023 at the latest.

18. Will the EC 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 EC 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. It has to be noted that the clearing of pre-financings may start as soon as the programme receives the maximum Funds contribution through payments (prefinancing and interim payments). Eligible expenditures included in the accounts will be used to clear the annual prefinancing first and thereafter the initial one, after acceptance of the accounts.

19. What happens if the effective paid-out amount to the beneficiary differs from the amount resulting from the closure procedure?

In accordance with Article 129 CPR, at closure, the MS should ensure 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. As per section 12.4.3 of the CGL, the certifying authority should ensure that, in its calculations for the final accounts, compliance with Article 129 CPR is respected. 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.

20. Please confirm that the amount to be reported under Article 129 also includes own resources and non-cash co-financing from public bodies.

No, Article 129 talks about public expenditure paid to beneficiaries, therefore, own resources/ contributions in-kind of the beneficiary, including beneficiaries who are public bodies, should not be taken into account for assessing compliance with Article 129.

21. Is expenditure to develop and maintain (up to the end of 2023) the website for the 2021-2027 programme eligible from the 2014-2020 TA?

Yes, in accordance with Article 59 CPR: TA actions financed may concern the previous and subsequent programming period. Provisions on the eligibility of expenditure apply, including Article 65(2) which provides that in order to be eligible for a contribution from the ESI Funds, expenditure should be incurred by a beneficiary and paid by 31/12/2023.

In addition:

- the activities have to be in compliance with the 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).

Double financing has to be avoided.

Closure documents: Final Implementation Report) FIR and its annexes

Topics covered:

- Structure: Annex X
- Indicators (general and programme-specific) and Performance Framework: COVID and Ukraine
- Phased operations
- Non-functioning operations
- Ongoing national investigations and suspended operations

22. What is the minimum requirement for programme evaluation?

[The Guidance Document on monitoring and evaluation \(2014-2020\)](#) gives you a good overview of the requirements:

- the ex-ante evaluation was mandatory in the 2021-2020 period;
- the ongoing evaluations are expected to be carried out according to the evaluation plans;
- at least once during the programming period there should be evaluations that look at the effectiveness, efficiency and impact of the programmes;
- during the programming period it also should be evaluated how the EU funds have contributed to achieving the objectives of each priority axis of the Programme;
- the ex-post evaluation is – in accordance with the CPR – under the responsibility of the Commission. However, the Commission is also encouraging the programmes to carry out the ex-post evaluations individually by each programme. If possible, the programmes could include these ex-post evaluations in the 2021-2027 evaluation plan.

23. Is there a template for Article 114 CPR?

In accordance with Article 114, 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. That does not mean that all the evaluations have to be completed by 2022. So whatever evaluation is available up to that point. Whatever evaluation is completed after will be reported in the final implementation report.

The template of Article 114 can be found [here](#). The Commission appreciates it if this template is used by as many programmes as possible to provide a good basis for programme evaluations for the ex-post evaluation that will be drafted by the Commission.

24. 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?

In accordance with the CGL, at the time of submission of the closure documents (15 February 2025), Member States must ensure that all operations in the programme are functioning; i.e., they have been physically completed or fully implemented and have contributed to the objectives of the relevant priorities.

If the operations are not fully physically completed or fully implemented and have not contributed to the objectives of the relevant priorities by 15 February 2025 (or 15 February 2027 provided they comply with the conditions set out in the CGL to be granted an additional period for completion), they are considered non-functioning operations.

Member States should exclude from the accounts for the final accounting year expenditure incurred and paid for such non-functioning operations (if no additional period can be granted for their completion) or provide the Commission with the amounts to be corrected and justification as to how the amounts were calculated (if operations benefited from additional period to be completed but remained non-functioning by 15 February 2027). In both cases, a financial correction implemented on these non-functioning operations should respect the principle of proportionality.

In accordance with the principle of proportionality, it could be concluded in some cases that the non-functioning operation is partially physically completed or partially implemented and contributes partially to the objectives of the relevant priority. In that case and subject to the programme authorities' case-by-case assessment, the expenditure related to that part of the non-functioning operation may be considered eligible. Outputs actually delivered by the non-functioning operation based on the eligible expenditure declared will be taken into account by the Commission. The remaining expenditure (if any) is considered irregular and must be subject to financial correction.

25. 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 Brexit, phasing of projects into the 2021-2027 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 the CGL) with their own national or other resources. See questions 34 and 35 on programmes with the UK.

26. Related to the Final Implementation Report by the MA: when is the deadline? Is it 30 March 2024 or 2025? What is the relationship between the FIR and the last annual control report? Does the FIR 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 FIR?

The FIR and all closure documents need to be submitted by 15 February 2025 (or by 1 March 2025 in accordance with Article 63(7) of the Financial Regulation). Like in the previous programming period the programme authorities must communicate with each other so that the documents are coherent.

27. If we plan to present the closure package by the end of June 2023 – what about the AIR for the period July 2022 to June 2023? Do we have to submit 2 reports, i.e., the Annual Implementation Report (AIR) and the Final Implementation Report (FIR)?

Following acceptance by the Commission of an early closure request, the final application for interim payment could be submitted by 31 July 2023. The 5 closure documents should be submitted **at the latest** by 15 February 2024 (meaning it is possible to submit the closure package earlier than the deadline). It has to be noted that normally the SFC14 FO is closed/ blocked. It would therefore require 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) of the CPR, the Member State shall submit to the Commission an AIR every year including 2023. If a programme wants to benefit from early closure using the option to submit the FIR at the latest by 15 February 2024, the AIR due in May 2023 would not be required.

28. Will the FIR be integrated into SFC under the Annual Accounts section or will it be where all implementation reports are located in SFC?

FIR and the 3 annexes will be integrated into the SFC (structured data) under the implementation reports section.

29. FIR template - will it be different from the "usual" one and will it be available soon enough in SFC, if programmes want early closure?

The same template is to be used as for AIR, but annexes I, II, III from the CGL will be added. IT staff is working on the SFC, and it should be ready in time for the first early closure, by February 2023.

30. Is it possible to clarify again the differentiation between the reporting of indicator values for the performance framework and the output indicator in the FIR?

As explained in the closure guidelines section 5.1, 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 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 art. 6 of IR 215/2014, the values to be reported are the values achieved by the end of 2023.

31. When indicators have deviations of 20% - does the EC make financial corrections or could the programme justify such deviations?

When reporting on indicators, the deviations should be explained in the table in the FIR (the last column is called 'observations'). A serious failure is assessed in accordance with the conditions of Article 22(7) 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% have to be explained – no other consequences.

32. 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 more than 20% are considered significant. The table includes an option to have observations for output as well as result indicators.

33. Can the EC give a more precise calendar for the approval of the FIR? Could it even be in 2026 if comments are made in the 5th month following submission?

The submission of the closure documents, including FIR, is scheduled for 15 February 2025 and the Commission has 5 months to comment – that means until July 2025. Then the MS has a maximum of 2 months to reply to the Commission's observations. 2026 seems to be very late

but it could happen in case of repeated rounds of observations. In accordance with Article 50(7), if no observations are sent within 5 months, the FIR is deemed accepted.

Please consider closure as a common effort and let's not prolong it. That is also why overbooking helps a lot. Once you end up in a contradictory procedure with the EC it is much easier to take out the expenditure without financial consequences for the programme. We also advise you to have preparatory meetings prior to the official submission of the closure package.

34. Will non-functioning operations apply to those programmes not continuing into the 2021-2027 programmes? Will non-functioning operations be managed differently by those programmes that will not continue into the new programming period?

Reporting as a non-functioning operation is an option given to programmes, and it is not linked to the next programming period, it is an extra time given to the programmes to finish an operation (until 15 February 2027). The funding, however, will not be from the 2021-27 funding, but from national sources or other sources if you have them.

If this question comes from a programme cooperating with the UK, we must distinguish between non-functioning operations and phasing. Phasing is, of course, not possible for these programmes because there is no follow-up programme.

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 the CGL (min. 1 MEUR/operation; non-functioning operations correspond to max. 20% of total certified expenditure), the operations will need to be funded with national/other funds from all the cooperating parties (Member State and United Kingdom) to be completed by 15 February 2027. In accordance with the withdrawal agreement, the UK is obliged to pay whatever is needed until the closure of the programmes, including for non-functioning operations; i.e. the UK committed to pay for these costs beyond the Brexit date.

35. For phasing operations – is the UK eligible?

Only for the PEACE programme, combining the PEACE programme and Interreg CBC between Ireland and Northern Ireland. There is no phasing for any other of the 14 Interreg programmes in which the UK was a participating country in 2014-2020.

36. Is COVID considered force majeure or not?

Several Member States have raised the question of whether the outbreak can be regarded as an instance of *force majeure*. That concept is of restricted scope and describes a situation in which a person is completely prevented from complying with an obligation. In Union law, the notion of *force majeure* generally presupposes circumstances which a) are abnormal and unforeseeable, b) are beyond the control of the one claiming '*force majeure*', and c) could not have been avoided despite the exercise of all due care. Where Union law refers to reasons of *force majeure*, all three conditions set out by the Court of Justice have to be fulfilled and properly demonstrated on a case-by-case basis. *Force majeure* may be conceived even more restrictively under national law.

There may be instances in which circumstances resulting from the COVID-19 outbreak qualify as a force majeure event and thus constitute a valid justification for the incapacity to comply

with an obligation. However, it is not clear that the outbreak is necessary to be regarded as a force majeure event in all cases. Instead, the Commission considers that careful analysis and flexibility should be given to all cases where there is a failure by beneficiaries to fulfil obligations in a timely manner for reasons related to the COVID-19 outbreak (for example, the unavailability of staff due to quarantine in a country because of the outbreak). Equally, the Commission will follow the same principles in assessing the compliance of Member States with their obligations.

In any case, all due care must be taken to avoid, mitigate and minimise the consequences of the event, and the assessment by the national authorities should also comprise an examination of whether such due care has been taken. *A case-by-case assessment, therefore, inevitable to establish whether flexibility can be exercised.*

37. The operation to be phased has to have 2 financially identifiable phases. What do 2 financial phases mean? Are those phases not linked to physical completion as in the 2007-2013 period?

They must be financially identifiable to make sure that we don't finance the same expenditure twice. In 2007-2013 they had also to be physically identifiable but not in 2014-2020. Phased operations need to be completed in 2021-2027 period; failing this could entail a financial correction of both phases.

38. How does phasing concretely work? Do we have to formally select a project in the 2021-2027 programme representing phase 2 of the project partially implemented in 2014-2020?

This question is subject to an official interpretation request within the Commission services. The answer will be communicated later.

39. How will programme closure be managed if the 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?

Programmes are invited to exclude ongoing national investigations or suspended operations. However, if they decide to keep them in the accounts for the final accounting year, they should be included in Annex III of the FIR. The amounts related to these operations have to be incurred and paid within the eligibility date, and they will be included in the calculation of the final balance (the Commission will pay them).

However, the MS must inform the Commission of the outcome of these investigations or proceedings afterwards. If finally, the amounts related to these operations are found to be irregular, the Commission will proceed with the recovery.

Closure documents: Assurance package

Topics covered:

- Assurance package: accounts and irregularities
- Management declaration and Annual Summary
- Audit opinion and control report (financial instruments, indicators)

40. What is required in addition to the annual closure of accounts?

The question is not clear. The accounts template is the same, however, there are some specificities about reporting, see section 10.2 CGL “In the accounts for the final accounting year, Member States may report amounts to be recovered and irrecoverable amounts relating to expenditure declared not only in the previous accounting years but also in the final accounting year. Member States may also report in the accounts for the final accounting year amounts that have become amounts to be recovered or irrecoverable amounts after the end of the final accounting year but before submission of the closure documents.”

Possibly the question refers rather to what is put in section 12.4 - additional work/ clarification of the AA: The control report for the final accounting year should also include:

- 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 of the 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).

41. What about the unsettled disputes between programme and Commission in terms of irregularities?

For Interreg programmes, the recovery chain at programme level is indeed different from mainstream programmes and set out in Article 27(3) Reg 1299/2013. If the question covers cases where the EC is of the opinion that the MA should recover an amount linked to irregular expenditure, but where the MA is not willing to recover, this would lead to the 1st step of a financial correction procedure by the EC and there is no exception for Interreg/ IPA, as covered by Article 144 CPR (based on para 1, point (b)), applying to IPA-CBC via Article 44(6) of Reg 447/2014.

42. 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 partner (LP) does not get it back from other project partners (PP) or if the MA does not get it back from LP/ sole beneficiary, the MS, where the LP/ sole beneficiary/ PP is located, has to step in as an ‘insurance’ company.

A problem at programme level between MA, MS and EC can only occur where MS or participating the third country refuses to step in for the LP/PP who should reimburse. No such cases are known today. This is the only way that it could happen.

A different issue is a dispute between the EC and the programme. Any recovery claim from the EC is addressed to all participating countries, not only to one. The “programme” reimburses the EC. 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) Interreg Regulation. In accordance with this recovery chain at the end – if LP or PP refuse to pay - the request would go to the MS refusing to step in for the beneficiary who does not reimburse in accordance with the agreement between participating countries on how to share cases of financial liability towards the COM.

43. If a programme is continuing in the 2021-2027 period (same Member States) can the MC of the 2014-2020 programme shift its decision-making mandate to the 2021-2027 period?

This question is not linked to the 2014-2020 CGL.

44. What is the deadline for beneficiaries to refund irregular amounts already received?

This is not a question for the EC. See also the reply to the question related to recovery.

Other questions (slido.com)

45. 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 CI27 Private investment matching support in the 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

46. Can AIR 2022 be used as the final report (and be recalled simply in 2025) even though we are only able to close the programme financially in 2025?

In the CPR an AIR is requested for each year including 2023. Activities performed during 2023 and 2024 (like audits, management verifications etc.) have to be presented in the FIR, and its annexes I, II, and III. FIR is a document covering the entire programming period.

47. Does the overbooking "final accounting year" refer to the last year the programme submits accounts or the formal final accounting year (July 23-June 24)?

Overbooking may originate from previous accounting years. To benefit from it, MS may wish to declare it in the final accounting year (July 23-June 24); i.e., the latest in the final application for interim payment due by 31 July 2024). The same logic applies in case of early closure.

48. If a programme plans an early closure, will the overbooking rule still apply for the last accounting year?

Correct.

49. Would it be possible to share with us what should be the deadline to be respected by the project beneficiaries to refund the funds surplus already received?

This is not a question for the EC.

50. If overbooking was declared earlier than in the last accounting year, should the CA correct the annual documents which declared overbooking?

No, there is no need to correct the past accounts which contained overbooking; this overbooking cannot be "used" anymore in the final accounting year.

51. "At closure" – does it mean "the final payment claim"?

Closure means the whole exercise from submission of the closure documents (FIR, the accounts, the management declaration and the annual summary, and the audit opinion and control report) to the payment of the final balance.

52. Please give a concrete example regarding the handling of payments to project partners (latest possible date) - payment claim before last payment claim (of the CA towards the EC)?

This concerns the internal procedures of the programme authorities. Not for the EC to decide.

53. When does the financial data (as in Article 112) have to be transmitted for the last time to the EC?

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) 2015/207.

54. For state aid: the expenditure is eligible if paid to the beneficiary. The payments to the beneficiary could be done by the closure and not by 31.12.2023?

In accordance with Article 65(2) CPR, the final date of eligibility is 31.12.2023. In accordance with Article 131(3) CPR: "In the case of State aid, the public contribution corresponding to the expenditure included in a payment application shall have been paid to the beneficiaries by the body granting the aid or, where the Member States have decided that the beneficiary is the body granting the aid pursuant to point (10)(a) of Article 2, paid by the beneficiary to the body receiving the aid."

55. If a program decides to carry out an "ex-post evaluation", what is this evaluation expected to include?

In accordance with Article 57 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

56. I thought cooperation programs couldn't have financial correction due to non-compliance with performance framework indicators (only applicable to mainstream programmes). Is that a mistake?

The performance framework (Articles 20 to 22 CPR) applies to Interreg (see also Article 8(2), 1st subparagraph, point (v) ETC: "*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*"), although the Interreg 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 Interreg programmes.

57. What is the procedure for phasing-in operations late in implementation due to Covid/war-related sanctions: what is the timeframe for implementation & eligibility of costs?

Operations can be phased if they respect the conditions established in Articles 118 and 118a of the CPR. At closure, all phased operations must be listed in Annex I of the FIR.

58. If the program uses the withdrawal, should the information be sent regarding the recoveries from the beneficiaries?

The question is not fully clear but possibly it is about the situation that withdrawal is applied and it is asked whether the follow-up following closure must be done (information on recovery

sent to EC by MS), in such a situation we do not ask after closure to give us information about recovery (as we do not pay the amounts withdrawn).

59. If we are ready to present the closure package before February, why do we have to wait until the deadline?

Closure package should be submitted in the time between the final application for an interim payment (by 31 July n) and by 15 February n+1.

60. Is there a requirement to submit an AIR in 2024, reporting on implementation during 2023?

No, as per Article 50(1) of the CPR: from 2016 until and including 2023, each MS shall submit to the Commission an annual report on the implementation of the programme in the previous financial year.

See also Article 111(1) of the CPR: By 31 May 2016 and by the same date of each subsequent year until and including 2023, the MS shall submit to the Commission an annual implementation report in accordance with Article 50(1) CPR.