PROJECT MANAGEMENT HANDBOOK

CHAPTER VI

Stage 5: Project Closure

Contents

1 Closure process

All projects have to undergo a formal closing procedure which typically requires the gathering and collection of both content and financial information related to the project, and co-ordination between the lead partner and each of the different partners. During this process project managers will need to demonstrate that the results and impacts of the project have been achieved in comparison to the targets proposed in the application. Thus, attention needs to be paid to indicators and the completion of all work packages, as well as satisfactory final reporting by all project partners on the activities they have carried out.

The closure process can take time, but with good planning and organisation – from the start of the project – partners can already be informed about what is expected of them during this period. Despite being prepared, the reality is that delays are not unusual during this time. Project managers might have to spend extra time motivating project staff, since all of the project activities are completed.

Programmes and the European Commission have been aware of difficulties and have tried to react by publishing forms and requirements much earlier, and by ensuring that the 90-day limit for processing reports and making payments also applies to final reports. However, project managers also have an important role to play in preparing the partnership and ensuring that all vital information and evidence is collected before essential staff move on.

In financial terms, programmes need confirmation that it is safe to pay out the last part of the grant and that no problems are expected in future. While projects are in the main implementation phase, programmes can afford to be somewhat flexible in terms of financial control findings. If there are problems deductions can be made from later payments, and expenditure affected by open questions can be left out until a later date. However, project closure means that no questions can be left open: All problems need to be finally resolved. This is perhaps the main challenge of project closure, though the actual checks carried out differ little from financial checks at earlier stages. If financial management in the project has been good, the closure check should be a formality that just confirms the findings of other first level control checks.

1.1 Steps to project closure

Finalisation of all project activities

Programmes will monitor carefully whether the project has implemented all activities and delivered all outputs proposed in the application. This may lead to a cut in the EU grant if changes have been made but never discussed and agreed with the programme. The total paid to the project can never exceed the initial grant.

Sometimes it is not possible for a project to achieve all of the targets set at the start of the project. Activities may not produce the intended results, or the original targets may have been unrealistic. These kind of problems need to be included in project progress reports as soon as they have been detected, along with clear evidence that the project has learnt from the failure and taken action to ensure that overall objectives will not be affected. Programmes will generally react harshly if serious under-performance is only announced at the end of the project.

Communication of the results

The success or failure often depends on planning and the quality of the results on offer. Result promotion should therefore be built into the communication work package and budgeted at project start, and achieving promotional targets should be ranked as highly as other success criteria.

During the closure period, a project will typically concentrate on communicating the project successes, legacy and future:

- *Showcase success* – base this on evidence, testimonials and stories gathered throughout the project, and make a final communication product which gives an overview of what the project changed from its start to its end.
- *Accessibility* – to the knowledge and outputs produced by the project needs to be ensured. First thing to do is to adjust the look of the website so that the key information is easily accessible by relevant target groups.
- *The end. No, it's not the end!* – Don't let your audience think that with the end of the project it is all over. Interreg projects are investments that initiate a process of change, and it should be made clear that this change has started and is continuing, after the project ends.

Accumulation of project records

The initial step in closing an Interreg project is the accumulation of all official project records. These records include all accounts, papers, photographs or other documentary materials made or received by the project partnership in connection with the implementation of the project (i.e., the evidence needed for the audit trail). These records are generally kept by the project partner responsible for each activity. Many programmes now require that the most important documents are also uploaded to programme websites and/or databases to ensure that these materials are available for distribution and do not disappear after project closure.

Preparation of project final report

In order to receive the final payment, projects need to submit final reports. The content of these reports varies considerably – sometimes they are little more than a regular progress report for the final months of the project. In other cases, they are a separate document asking the project to analyse and evaluate their achievements. Project managers should investigate programme requirements for the final report as soon as possible after the start of the project, as this may help greatly in making sure that the right data is monitored during the project's lifetime.

A final report typically includes:
- *Executive summary*.
- *Information on the project's achievement* towards the project and programme objectives and results, the durability of the project's outputs, as well as information about any challenges faced by the partnership during the implementation of the project.
- How the project results and outputs will be *communicated and disseminated* following the closure period.
- *Continuation of project activities* – will there be any follow up activity or further impact as a result of the project's activities? For example, new projects or a continuation of networks? Have there been any spin-offs as a result of the project - new activities or approaches that were unanticipated?
- *Partnership evaluation*. Programmes may use the project closure phase as an opportunity to ask lead partners for the overall evaluation of the partnership, how it worked, what kind of problems were experienced, and what solutions were proposed.
- *Opportunity to give feedback* on the programme's implementation. This feedback will provide valuable input for the future development of the programme.

Last financial report

The final project report will also require the certification of all claimed costs by the controller. Controllers must also check if all findings and recommendations resulting from previous controls have been implemented by project partners.

Moreover, the Managing Authority, in most cases via the Joint Secretariat, must ensure that all expenditure claimed during the whole implementation period of the project is correct. At the stage of checking of the final project report the JS will double check if the project has been carried out in accordance with the approved application, subsidy contract and any other conditions. The Certifying Authority will ensure that all irregularities found during the project implementation have been recovered, and that the final project report can be reimbursed.

1.2 Time and resource planning for the closure stage

Project managers should be aware of the risks involved in collecting information for the final report: As activities have finished, partner organisations may already be losing interest in the project and moving on to new activities. Some key staff may already have left the organisation. It is therefore very important that the process of accumulating the necessary information starts in good time. This is particularly true when partners have only been involved in the earlier stages of the project – they may already have received full payment for their activities, so it can be very hard to get them to put in the time required for final reporting.

When does all project work need to stop?

The date for closing the project will have been set in the subsidy contract, based on the information provided in the application. However, project managers need to find out exactly what this date means. In some programmes all activities, including final reporting, must be completed by the stated end date. In practice, this means that project activities need to be completed some months before so that there is enough time for final invoices to be processed and the final report to be completed. In other programmes, the end date is the point at which all activities must be completed. An additional period of two or three months is provided for writing the final report and doing the final control of the project – and costs related to this closure work are eligible within this shutting down period.

How long does it take to get the last money?

In principle the programme is obliged to keep the deadline of 90 days from the final project report is submitted to the programme, as the period for reimbursement. However, in case some follow ups on controls are yet to be delivered by a project, or findings of on-the-spot checks still need to be implemented, or irregularities still to be recovered, the period of 90 days can be prolonged. However, it is crucial in order to speed up the final project reimbursement to resolve all pending issues as soon as possible.

2 Obligations after project closure

One other important issue is to be clear about the meaning of closure: It is the end of project activities and payments from the programme, but does not represent the end of project requirements. Even though the programme has accepted the final report and made the final payment, the project is still subject to checks by European Commission auditors, the European Court of Auditors and other national and European institutions.

There are a number of obligations to be aware of:
· All project records and documentation must be retained and stored in case of future project audits. While some programmes are still asking projects to keep documents for up to five years, the official regulations[1] state that:
    - The Managing Authority must ensure that all supporting documents regarding expenditure of a project with a total eligible budget below 1 million EUR are made available, upon request, for a period of three years from 31 December following the submission of the accounts in which the expenditure of the project is included.
    - In the case of projects with a total eligible budget above 1 million EUR, all supporting documents must be made available for two years from 31 December following the submission of the accounts in which the final expenditure of a project is included.
· Projects involving State Aid have to retain all documents until ten years after completion of the project.
· Remember that the rules regarding ownership of project deliverables and revenue continue after the end of the project.

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1 CPR Regulation (EU) No 1303/2013 §140 (1)

- If an irregularity is found after the final payment has been made to the project, the programme will issue a recovery note to the lead partner. The lead partner must repay the full amount required to the programme, then recover this amount from the project partner concerned. This means that the lead partner must have sufficient resources to cover the whole project budget, in the absolute worst case.
- If the lead partner does not succeed in securing repayment from the project partner, the Member State or third country on whose territory the project partner concerned is located or (in the case of an EGTC) is registered, must reimburse the Managing Authority for amounts unduly paid to that project partner.

3 Project legacy

Some projects aim to achieve a clear and immediate change; for example, improving the quality of water in a shared river by building a waste treatment plant. Once this has been done, there is nothing more to be said, and the project is over once a plaque has been put up to acknowledge the EU's contribution. The majority of Interreg projects are, however, small parts of much longer, more complex processes such as increasing the level of innovation in regional economies, greening regional manufacturing, or improving the sustainability of regional transport. This means almost inevitably that there will be new projects after the Interreg project closes. Project legacy is all about giving these subsequent projects the best possible start.

It may help to consider this point as comprising of three separate needs:
- Ensuring that project activities have a lasting impact on project partner organisations and stakeholders
- Ensuring that project activities have a lasting impact on the wider programme area and beyond
- Trying to ensure that there is commitment and funding to take the next steps

It is important to note that there are no additional funds available for this work after the end of the project. Thus, activities to support these aims need to be planned and budgeted from the start, and main deliverables should be in place early enough to allow a realistic period in which to communicate them properly.

3.1 Impact on project partners and stakeholders

The 'durability' or legacy of project outcomes is a major principle of Interreg. In many programmes, some of the selection criteria aim to ensure that outputs and results (sometimes even the partnerships) continue to have a lasting impact after the end of the project. As an absolute minimum this needs to be ensured within project partner organisations and the stakeholder groups who have worked most directly with the project: If a project's results are abandoned immediately after the end of the project, and there is no interest in working further on the theme, it is unlikely that any lasting benefit will have been achieved.

'Mainstreaming' or 'capitalisation' describes the process of introducing new ideas and practices into the normal procedures of target organisations. The activities involved can take different shapes and forms, depending on the type of output and solution, target groups and wider project stakeholders involved. It is generally one of the main objectives of dissemination and publicity activities, but goes one step further than general promotion by trying to ensure the application and implementation of what was produced in the project. Projects with a serious mainstreaming strategy will definitely have the advantage during the application process. Many of the keys to success are discussed in previous chapters in the context of stakeholder involvement, needs analysis and communication.

Planning for what happens with the actual outputs after the end of the project is a key part of project development and management, and steps towards these objectives should be initiated early on in the project. There are four key questions to ask:
- What outputs will the project produce that should be made available to a wider audience?
- Which target groups should be informed about which outputs?
- What is the best way of reaching these target groups?
- How do we expect them to make use of these outputs?

Discussion on these issues should start early in the project's life. The starting point should be to address how the project should impact each project partner, who in each organisation will need to support project results in order for this to happen, and how they can be involved most effectively. It is always important to remember that people tend to support ideas they have had a chance to influence! The same process should also be applied to the direct target groups of the project. If it was SMEs, for example, is there some kind of regional business or interest organisation that can take over the findings? If work has been successful, can SMEs be persuaded to continue with their own funding? This already raises the final question: Is it enough that the target group is aware of the project outcome and draws some knowledge from it, or has the project developed a tool which should ideally be used in its entirety by new stakeholders in future? This type of question should shape the communication strategy in the final part of the project, to define a set of actions that will get the necessary information to the relevant people – rather than relying on luck with an open final conference and a publication for general distribution.

Some thought also needs to be given to any products and services developed by the project. If a project partner has been participating as part of an approved State Aid scheme, there are few limitations: Products and services can be developed commercially, and the project partner can use the revenue to continue the work.

However, there are strict limits for the majority of project partners, and it is not possible to just sell or charge for access to project outputs (see below). As a result, planning will generally be based on free handover of project results to public organisations willing to fund future operating and development costs. This handover must be publicised, and must include background data and any other materials needed for another organisation to duplicate the work of the project. As a result, programmes generally insist that the developers of project outcomes cannot retain any intellectual property rights over their work other than the right to be acknowledged as the author.

This kind of handover is not possible where there has been an investment in infrastructure and/or equipment (see below). In these cases, the project partner will itself have to budget for operating and maintenance costs after the project. Any revenue (money paid to project partners relating to services or products developed during the project) generated within 5 years of the end of the project must be reported, and the amount repaid to the programme.

3.2 Making an impact

If the first step is to target the immediate users of project results, the next should be to go after policy makers and politicians to ensure that they also take up and understand core issues identified by the project. In most cases, it is no longer possible to finish the project with the production of a research report or completion of a pilot; there is an expectation that the partnership will find out who else in the programme area could make use of what has been achieved, and ensure that the results are effectively communicated to them.

This process takes time and effort. It requires that policy agendas and needs are understood, and that trusting relationships can be built to satisfy concerns about whether the project has reliable answers and can remove barriers, improve performance, etc. As with other stakeholders, policy-makers are unlikely to take over finished results if they have not been involved in shaping them in some way, or cannot, as a minimum, see their own policies clearly reflected in project proposals.

This process of building a good relationship with key stakeholders right from the start of the project should really pay off at project closure. There is no point in developing recommendations if responsible authorities will not consider them. There is no point identifying good practices if organisations are unwilling to implement them. There is no point writing reports if they are never read by anyone outside the partnership. Agreements need to be made about how and when outputs will be handed over to stakeholders, and what they expect to do with them.

Stakeholder support is essential if project results are to be 'mainstreamed' and become accepted parts of regional, national and/ or European policies or procedures. This is extremely unlikely to happen if stakeholders are first contacted near the end of the project and presented with completed outputs. Opportunities for giving input will be expected and must be provided by the project. Remember also that

the programme and the national and regional representatives working on the different programme committees can be invaluable here, and may be able to gain access to different contacts.

3.3 Planning the next steps

Every project needs a clear end. There must be a point at which it can be clearly stated that the project's objectives have been achieved (or will not be achieved). This is one area where requirements are becoming stricter in many programmes: Endless continuations of old activities or dependency on further funding to produce sustainable stand-alone outputs are very likely to be rejected. After a certain time, project activities should be able to find their own funding if they have genuine value for the programme area.

On the other hand, there is general understanding for the fact that Interreg and other programme funding plays an increasingly important role for many public organisations. A lot of work is structured around complex portfolios of projects operating under different funds, with Interreg providing new international insights, knowledge and inspiration. This often feeds into eventual investments or research in other, more substantial, programmes - which may in turn generate a new wave of issues needing exploration in an Interreg project. These synergies are positive, and create opportunities for exchanges of knowledge and experience across different sectors and levels of government, ensuring that different funding instruments can be employed with greatest effect.

It is positive to explore at project end and report to the programme how your outcomes can feed into these wider processes, what will be taken up by other initiatives, and what remains as potential new areas for Interreg funding.

3.4 Programme activities to support project legacy

Programmes are increasingly aware of the role they need to play to support these processes. While projects are themselves the most effective communicators to local and regional audiences, programmes may have good access to national and European institutions. Furthermore, by combining the messages of all successful projects under a given theme, programmes may be able to create critical mass in terms of the scope and depth of material available, and prevent overloading key audiences.

A number of programme activities have been developed to support these goals. There is an ever- greater focus on project results and how they link through the 'intervention logic' to the wider strategic goals being pursued at programme level. This is reflected in the need to provide precise result descriptions and targets in the application form, and report on them on a regular basis, especially in final reporting for the programme. These results represent the main information the programme can use to promote its impact on the programme area, and projects should carefully consider how they present themselves in order to ensure that they have a positive place in programme publicity.

Some programmes have also run a number of initiatives based on thematic synergies, bringing together related projects (sometimes with additional funding, sometimes without) in order to peer review results, identify and address gaps, and create a stronger voice in policy debates. It is expected that similar approaches will continue in the 2014-2020 period.

A number of related initiatives have also already been run in the 2007-2014 period by the INTERACT programme, and similar approaches may be tried in future. These include attempts to define a common terminology for discussing project results across all programmes, the KEEP database to display these results in a user-friendly format, and a range of thematic analyses building on these inputs. Being part of this process can greatly increase the profile of the project and the project partners involved, giving them a greater voice in future policy discussion.

4 Project closure checklist

	Success criteria	Yes	No	Comments
Closure steps	All thematic activities have been finalised.	☐	☐	
	The final results have been communicated to the identified target groups.	☐	☐	
	The partners have checked if all project documentation is available in each partner organisation.	☐	☐	
	All final reports have been submitted to the programme.	☐	☐	