Guidance Note 13
Project Closure

I. Final report

This report should be used to give an overview of what has been delivered and achieved, including information for communication purposes and programme statistics.

The main objectives of this document are:

- To collect evidence of the contribution to programme and project indicators
- To understand the durability and transferability potential of project outputs and results at project, programme and policy level
- To support capitalisation activities, at project and programme level

The final report consists of the following main elements:

- Information on project overall implementation, its objective, results, outputs and main achievements, including its contribution to strategies and horizontal principles, as well as the added value of cross-border cooperation
- Information regarding communication activities, and specifically story telling or a testimonial
- Feedback on the Programme, its bodies and its set up
- A focus on future outlook, in terms of durability, transferability and replicability of project results and outputs after project closure and impact of the project
- Identification of net revenue

After the completion of the project, together with the last project report (PR), the LP must submit a final report to the joint secretariat (JS) via the electronic monitoring system (eMS). Its purpose is to provide an overview of the project and partnership achievements at the time of closure, but also the envisaged long-lasting effects or change the project will deliver.

As specified in the subsidy contract (SC) the final report shall be submitted to the JS within three months after the project closure date.

In the final report, the results and change delivered by the project should be presented, especially about the contribution to the selected programme specific objective and result indicators.

Experience of cross border co-operation should be described as well as the synergies with other projects and initiatives. The project management and the partnership should be reviewed with a critical eye. The project should also detail planned follow-up measures and further steps for utilisation and dissemination of the project outputs to ensure durability.

Please note that the closure of the last project report and the implementation of any necessary (financial) corrections or follow-up measures due to audits or controls, as well as the closure of the final report is also a precondition for the transfer of the final ERDF payment.

II. Guidance

The **final report** is the last document to be submitted by the project LP. The LP should prepare the final report with all the partners during the closure period foreseen in the Management WP in order to collect partner evaluations and information.

The last reporting period could be shorter or longer than the 6 months period. Accordingly, the staff costs can also be reported for a reporting period longer or shorter than the normal 6 monthly basis.

Expenditure related to activities foreseen in the approved application form and in line with the programme rules are eligible provided that they have been incurred, invoiced and paid before the project closure date.

If payments are made after the closure date, the related expenses can be accepted if the activities have been implemented and invoices issued before the project closure date but respecting the deadline for submission of the final report. (In this case please contact the FLC body responsible as well as the lead partner in advance)

The **last invoice of the first level controller (FLC)** is eligible even if the work performed took place after the project closure, provided that the following procedure is respected:

1. The project partner submits its partner report and the financial documents to the FLC as for previous reports;
2. The FLC performs the eligibility check of the partner report and invoices the partner for its work;
3. The FLC reverts the partner report to the partner in order to include the FLC invoice in an amended list of expenditures in the eMS and the partner pays the FLC’s invoice;
4. The FLC verifies the payment and the revised partner documents and issues the certificate.

III. Requirements after project closure

After their closure, projects must fulfil certain requirements regarding durability/ownership, revenue and record keeping. These requirements are aimed at guaranteeing transparency and durability of the projects funded.

A. Durability / ownership

The ownership of the project's infrastructure and investments[1] (financed under the infrastructure and construction works budget line), and produced during the implementation of the project, must remain with the project partners for at least five years after the project end date. There may be no substantial modification[2] of the infrastructure and investments within five years after the project closure date regarding:

- a cessation of operation;
- a relocation outside the programme area;
- a change in ownership giving a firm or a public body an undue advantage;
- a substantial change affecting the nature of the infrastructure and/or construction work which would result in the undermining of its original objective.

Any unduly paid sums will be recovered by the programme in proportion to the period for which the requirements are not fulfilled. In the event of a non-fraudulent bankruptcy of a partner, this measure will not be applied.

B. Revenue

In line with Article 65 of the Common Provisions Regulation, any revenue generated during the implementation period of the project, must be reported at the latest with the final project payment claim. This should be specified in the Final Report in order to ensure that all related requirements have been taken into account. Should the project be identified as revenue-generating in accordance with art. 61 of the Common Provisions Regulation, the Managing Authority is entitled to ask for a refund to the Programme in proportion to the contribution from the funds.

More information regarding net revenue is available in Guidance Note 6 "Net revenue".

C. Keeping records

All supporting documents (such as invoices, public procurement files, contract, etc.) must be made available during the **lifetime of the project.** At the end of the project **the deadline for keeping documentation will be communicated** to the lead partner. If any State aid was granted (de minimis, GBER, or notification to the EC) to any partner or final beneficiary all the related documentation must be made available for **10 years** from the date of granting State Aid.

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[1] The infrastructure investments are understood as basic physical and organisational structures and facilities (e.g. buildings, power supplies) needed for the operation of the FCE organisations or enterprises. These include transportation, energy as well as water and waste management infrastructure.

[2] 2 The following conditions must be respected:
No cessation of operation;
No relocation outside the programme area;
No substantial change (e.g. different use than indicated in the application form);
No change of ownership giving an undue advantage.

Please see the Infrastructure and construction works budget line description for further details.

The following rules apply to the archiving of documents:

- The documents must be kept either in the form of the originals, or certified true copies of the originals, or on commonly accepted data carriers including electronic versions of original documents or documents existing in electronic version only.
- Where documents exist in electronic form only, the computer systems used must meet accepted security standards that ensure that the documents held comply with national legal requirements and can be relied on for audit purposes.
- Other, possibly longer statutory archiving periods, as required by national law, remain unaffected by the rules mentioned above.
- Representatives of the Managing Authority/Joint Secretariat, Audit Authority, Group of Auditors, auditing bodies of the Member States, authorised officials of the European Commission and the European Court of Auditors are entitled to examine all relevant documentation and accounts of the project even after its closure.

D. Project website and internet-based tools

Any external website or internet-based tool should be maintained online by the beneficiaries until 31st December 2023. After that period, they must be stored locally to be able to show them in case of a control. A log of the evolution of websites and adequate local back-up systems are required from developers.

E. Closing letter

After reimbursement of the final payment to all project partners, the MA will issue a Closing Letter addressed to the LP, formalising the closure of the project.

F. Control after project closure

Controls can occur after the project end date. Key factors, related to being prepared for control after project closure, are indicated below.

- The organisations acting as project partners should understand their obligations during the open-to-control period, regardless of the continuity of the staff assigned to the project, especially in terms of the access to documents, information systems and infrastructure and equipment financed by the project;
- The original documents and the computerised systems need to be easily accessible during the full open-to-control period. If the period for retention of documents and computerised records required by the national rules or the organisation’s usual practice is less than the open-to-control period, ad-hoc adequate procedures have to be designed and implemented at the beginning of the project;
- Even if infrastructure or equipment is transferred after the project closes, the agreement with the recipient has to include the right of access during the open-to-control period. All technical documentation and photographs should be kept in the project archives (as needed, copies of the technical documents can be given to the owners of the equipment or infrastructure);
- Any equipment at the end of its useful life for example, obsolete computers, needs to be removed from the organisation’s inventory following adequate recorded procedures which have to be archived with the project documents, even after project closure;

- Technical documentation must include all supporting documents and photographs proving all the activities financed during project implementation, both tangible and intangible;
- Financial documentation must be accessible in its original form or equivalent according to national law and must include proof of delivery of services and supplies;
- The Lead Partner and project partners must agree to nominate a contact person during the open-to-control-period with adequate knowledge of the project, its content, its archives and computer systems and records.

G. Audit trail

Regarding the retention of documentation, projects should consider both national and EC regulations. The strictest rule should be applied. All project partners shall keep all supporting documents.

According to Art. 11 of the Subsidy Contract and Art. 10 of the Partnership Agreement, the LP and all the partners undertake to archive and store in a single location the technical, financial and administrative file on the operation in accordance with the provisions of the regulations up to 31 December 2028.

The following main documents must be available for control purposes:

- Each invoice and accounting document of probative value related to project expenditure (originals to be retained at the premises of the project partner concerned)
- All supporting documents related to project expenditure (e.g. payslips, bank statements, public procurement, documents etc) to be retained at the premises of the project partner concerned
- If relevant, documentation of on the spot visits by the MA/JS and national authorities

IV. Delivering change, sustainability and roll-out

A. Delivering change

The programme expects that all FCE projects will deliver change within the programme territory. Change is understood to be long-term beneficial economic, environmental or social effects that occur in a defined period of 5 years and 10 years after the project end-date, extending the project impact over time. The programme estimates that a period of 5-10 years would be the average time that is needed for projects to deliver longer-term impact. The change that the project will deliver should be estimated prior to the submission of an application to the programme and should be based on the assumption that the project is successful in reaching its objectives.

B. Durability of investments

In order to help projects to measure their long-term impact, the programme requires that all applicants draw up clear plans and provisions for both the durability aspects of their project's investments and the roll-out of their achievements across the FCE territory in a dedicated work package in the application form. Durability and roll-out can trigger or lead to long-term effects which deliver the required change.

As far as **durability** (see Art. 71 Common Provisions Regulation (EU) No 1303/2013) **of infrastructure and investments** (financed under the infrastructure and construction works budget line) is concerned, in order for the investments to be considered as durable and hence eligible to be co-financed by the programme, they must fulfil certain conditions in the period of 5 years after the final payment is made to the project by the programme. If these conditions are not respected the sums unduly paid will be recovered

For **equipment-related investments** financed under the equipment budget line, the above provisions on durability will not apply directly. However, equipment should remain operational after the project's closure and continue to serve the same purpose as during the project.

C. Roll-out

In addition, the programme requires all projects to indicate how they envisage rolling-out the technologies, products, processes or services they have implemented through their projects. Roll-out is defined as a series of project activities that increases the viability of project outputs and results (their applicability, use or market share) for a period of 5 years after the project end-date.

- **Projects must therefore incorporate meaningful roll-out activities in the action plan section of the long-term effects work package.**
- **The programme defines roll-out widely and as a result, partnerships should define and measure it in terms of:**

  - *Geographical (approaches/solutions applied in locations different from those covered by the project, as well as outside the FCE territory);*
  - *Institutional (deployed in organisations other than project partners themselves);*
  - *Sectoral (applied in the same sector on a larger scale or in different economic sectors);*
  - *Contextual (applied in the same or different thematic context), etc.*

The programme places importance on the robustness of the roll-out plan as this ensures that the partnership is committed to achieving long-term results, which justifies the allocation of ERDF funds, and in particular, the programme expects that:

- **Project results can be sustained and used/applied even more widely in FCE and beyond;**
- **The ERDF funds invested in the projects can be further leveraged and consequently that;**
- **The long-term benefits of funded projects will outweigh their initial costs.**