Guidance Note 13
Project Closure

Project closure requires particular attention to ensure a smooth end to your project, to avoid creating unnecessary delays in the process and to protect against ineligible costs for Project Partners (PPs).

I. Closure period

A. Project activities and project end dates

The closure period corresponds to the last 3 months of the project.

As indicated in the Grant Offer Letter (GOL), in order to allow sufficient time for the final reporting, the Programme requires each partnership to complete all activities related to project implementation 3 months before the official project end date.

The end date of project activities determines the last date by which all the project implementation related costs must have been incurred.

The project end date determines the last date by which all the project related costs must have been defrayed and incurred. The project end dates is indicated in both latest version of the GOL and Application Form (AF).

B. Eligibility of expenditure

As a general Programme rule, expenditure claimed by a PP must have been incurred and paid between the project's start and end date. However, please note that eligible expenditure during the project closure period is limited to staff costs, corresponding office and administration costs, and external expertise for FLC verification costs related to the drafting and submission of the final Project Report **only**.

In other words all Work Packages (WPs) apart from WP M related to Management must end 3 months before the project end date. Expenditure related to the Communication WP and/or the Implementation WPs is ineligible during the closure period.

When developing a project application, partnerships should be aware that the final date for which the Programme will accept project expenditure is the 30th of June 2023. Therefore, partners must ensure that their project activities are completed and closed by 31st of March 2023 in order to allow sufficient time for the submission of the final reports.

C. Project closure provisions

1. Pre-closure provisions

The Programme expects partner organisations to plan sufficient resources for the closure of the project. This should be thought through by the organisations both during the project development and implementation phase, and provisions put in place to ensure relevant staff can complete the final report.

FLCs must carry out an on-site visit before the project closure[1], therefore partners must ensure they make the necessary arrangements with your FLC early enough in the project lifetime. In any case, in order to be compliant with the GOL, all partners need to have been visited by their FLC before the end date of project activities. On-the-spot verifications should only be undertaken when a project is already advanced in terms of physical and financial progress. The timing of the verification, during the implementation of the project, is to be agreed by the PP and their FLC on the basis of the nature of the project. The on-the-spot check will have to be finalised before the final Report in order to allow for any potential recoveries.

As the Programme requires each project to dedicate the last 3 months of the project to closure activities, the project should hold its last partnership meeting at least 3 months before the project end date. As a general rule, costs related to a partnership meeting taking place during the closure period will not be reimbursed by the Programme. Exception could be granted on ad hoc basis.

If the partnership would like to amend their project in the late stages of its implementation, for instance for an end date extension, partners must submit a project modification more than 2 months before the end date of project activities. Modification requests later than this date will not be accepted.

The final reporting period is not restricted just to the closure period. The final Project Report could include both expenditure related to the project implementation and expenditure related to the project closure. For the final report the eligibility of expenditure is as follow:

- Expenditure related to the project implementation must be incurred before the end date of project activities and must be defrayed no later than the project end date. In other words, all project activities have to be completed by the end date of project activities, however invoices and other costs can be defrayed during the closure period.
- Expenditure related to the project closure must be defrayed no later than project end date.

2. Post-closure provisions

The final Project Report should be submitted to the Joint Secretariat (JS) as per the calendar agreed in the latest version of the GOL. Please note that any extension of the final Project Report submission date does not entail an extension of the project end date, which would need to have been requested with a project modification.
The final ERDF payment by the CA will be limited to the maximum ERDF amount per partner as indicated in the latest version of the approved AF. If an irregularity is detected through audits after the final payment of the final Project Report, this will be considered as undue payment received by the project. The Programme will therefore seek for recovery from the partners in accordance with the GOL[2].

[1] Art. 13.5 of the GOL
[2] Art 7.5 of the GOL

Scheme 1: Project closure

1. End date of Project Activities

The end date of project activities determines the last date by which all the project implementation related costs must have been incurred.

All Work Packages apart from WP M must have been completed.

Please note that although all project activities have to be completed 3 months before the project end date, invoices can be defrayed during the closure period.

2. Project end date

The project end date determines the last date by which all the project related costs must have been incurred and defrayed. The project end dates is indicated in both latest version of the Grant Offer Letter and Application Form.

Eligible expenditure during the project closure period are limited to staff costs, corresponding office and administration costs, and external expertise for FLC verification costs only.

Only cost for WP M can be claimed.

3. Submission of final Project Report to JS

The final reporting period is not restricted just to the closure period.

The final Project Report will include both expenditure related to the implementation of the project (with a deadline of incurred payment corresponding to the end date of project activities) and expenditure related to the project end date (with a deadline of payment defrayal corresponding to the project end date). It should also include the Roll-out and asset management plans (see section III B & III C).

The final Project Report should be submitted to the JS as per the calendar agreed in the latest version of the Grant Offer Letter.

4. Final payment to the project

The final ERDF payment by the CA will be limited to the maximum remaining ERDF amount per partner based on the latest version of the approved Application Form.

Evidence of the final ERDF payment reception should be provided to the LP, before being uploaded on the eMS final project report.

Once the final ERDF payment has been made to the project by the CA, no contest of amounts certified will be possible (More information in Guidance Note 12).

II. Requirements for Audit

A. Keeping records

Please refer to Guidance Note 6 section II about retention of documents.

Please note however that other, possibly longer statutory archiving periods, as required by national law, remain unaffected by the rules mentioned in the Guidance Note 6. Representatives of the Managing Authority/Joint Secretariat, Audit Authority, Consultative Audit Group, 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.

B. Revenue

Please refer to Guidance Note 10 section II C

III. Durability and roll-out

A. Durability / ownership of the project's infrastructure and investments

The ownership of the project's infrastructure and productive investments (financed under the Infrastructure and construction works budget line), and produced during the implementation of the project, must remain with the PPs for at least five years after the project end date, unless the items are fully depreciated.
There may be no substantial modification of the infrastructure and investments within five years after the project closure[3] 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.

B. Durability / Asset Management Plan

In order to help projects to achieve their long-term impact, the Programme requires that all PPs draw up clear plans and provisions ensuring long term benefit from their project's investments and equipment' purchases. Within this Guidance Note, these are referred to as assets.

This should be done through an Asset Management Plan (AMP), which should be updated each time a new asset is purchased. This is only relevant for assets:

- for which the full cost have been claimed[4]; and
- that are not going to be fully depreciated by the end of the project

[3] Art. 71 Common Provisions Regulation (EU) No 1303/2013
[4] Art. 5.13 of the GOL

AMPs must be established at partner level and submitted with the relevant Partner Report. A final version of the AMPs will be requested by the JS with the final Partner Report.

The AMP clarifies the ownership, the location as well as the provision put in place to maintain the use or future use of the asset purchased partly via ERDF.

A template is available on the Programme website.

C. Roll-out plan

In addition, the Programme requires all projects to indicate how they intend to roll-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 availability of project outputs and results (for example their applicability use) for a period of 5 years after the project end-date.

The Programme defines roll-out widely and as a result partnerships should conceptualise it as potentially acting through several different channels, such as:

- 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 PPs 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 weight 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 ever more widely in throughout the FCE programme area 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.

Projects must therefore incorporate meaningful roll-out activities in their Roll-out plan. A template is available on the Programme website. It should completed by the LP and uploaded in the attachments tab of the final Project Report.