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COMMISSION NOTICE

Guidelines on the closure of operational programmes adopted for assistance from the Fund for European Aid to the Most Deprived (2014-2020)

(C/2025/350)

The operational programmes under the Fund for European Aid to the Most Deprived for the programming period from 1 January 2014 to 31 December 2020, including those benefiting from REACT-EU, must be closed on time and efficiently. This calls for guidance on how to close those programmes in line with Regulation (EU) No 223/2014 of the European Parliament and of the Council [1] and the legal acts of general application adopted on that basis.

The guidelines take into account the unprecedented COVID-19 crisis in 2020 and 2021 and its impact on programme implementation.

The guidelines aim to help Member States with the closure process by explaining how it works. They cover the financial settlement of the EU's outstanding budgetary commitments by paying to the Member State any final balance under a programme; decommitting or recovering the sums unduly paid by the European Commission to the Member State; and/or decommitting any final balance.

The system of annual examination and acceptance of accounts has simplified the closure procedure significantly. As a result, programme closure should be based only on documents relating to the final accounting year and the final or most recent annual implementation report.

DISCLAIMER:

This is a working document prepared by the Commission. On the basis of applicable EU law, it provides technical guidance for colleagues and bodies involved in the closure of the Fund for European Aid to the Most Deprived. This guidance is without prejudice to the interpretation of the Court of Justice and the General Court.

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[1] Regulation (EU) No 223/2014 of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid to the Most Deprived (OJ L 72, 12.3.2014, p. 1).

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1. GENERAL PRINCIPLES

These guidelines apply to the closure of programmes under the Fund for European Aid to the Most Deprived (FEAD) in accordance with the FEAD Regulation for the 2014-2020 programming period ([2]).

Programme closure encompasses the financial settlement of the EU's outstanding budgetary commitments through payment of any final balance to the Member State ([3]) in respect of a programme and/or decommitment or recovery of the sums unduly paid by the Commission to the Member State. The closure of programmes is without prejudice to the Commission's power to impose financial corrections.

2. POSSIBILITY OF EARLY CLOSURE

Member States may request early closure of a programme provided that they have carried out all the activities related to the implementation of the programme. For this purpose, an earlier accounting year than the one running from 1 July 2023 to 30 June 2024 should be considered as the final accounting year of the programme. If the Commission accepts such a request, the Member State must submit the closure documents set out in Article 52 of the FEAD Regulation (the 'closure documents') by 15 February of the year following the accounting year considered. Early closure should follow all rules established for closure.

For food and/or basic material assistance programmes (i.e. type I operational programmes), the final structured survey has to be carried out in 2022. However, if the Member State implemented all of the programme's actions before 2022, it does not need to conduct the structured survey in 2022. In this case, the commission recommends conducting the survey in the last year in which food and/or basic material assistance is distributed.

3. DEADLINE FOR AMENDING PROGRAMMES

To ensure proper implementation of programmes and timely preparation of closure, Member States should submit requests for programme amendments ([4]), including amendment of the financing plan, by September 2023. This will permit decisions to be adopted before the final date of eligibility, 31 December 2023. The only exception is the submission of a revised financial plan reflecting, for the financial year 2020, a reduced amount of funding following application of the automatic decommitment rule set out in Article 59(1) of the FEAD Regulation. In this case, the request for programme amendment must be submitted to the Commission by 30 June 2024 ([5]).

Member States should notify the Commission of any decision to modify the elements referred to in the first subparagraph of Article 9(4) of the FEAD Regulation ([6]) before the final date of eligibility, i.e. 31 December 2023.

4. FINANCIAL MANAGEMENT

4.1. Decommitment

The automatic decommitment rule set out in Article 59(1) of the FEAD Regulation applies to all budget commitments, including those related to the last year of the programming period (2020).

([2]) Regulation (EU) No 223/2014 of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid to the Most Deprived (OJ L 72, 12.3.2014, p. 1).

([3]) According to Article 138(1) of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community, OJ C 384I, 12.11.2019, p. 1–177, in respect of the implementation of the Union programmes and activities committed under the MFF 2014-2020 or previous financial perspectives, applicable Union law, including the rules on financial corrections and on clearance of accounts, will continue to apply to the United Kingdom after 31 December 2020 until the closure of those Union programmes and activities, unless technical measures have been adopted by Joint Committee in line with Article 138(5) of the Withdrawal Agreement. However, it should be noted that the provisions of these guidelines relating to REACT-EU resources do not apply to the United Kingdom, as per the fifth subparagraph of Article 154 of the CPR, as amended by Regulation (EU) 2020/2221 of 23 December 2020.

([4]) Article 9 of the FEAD Regulation.

([5]) Article 61(4) of the FEAD Regulation.

([6]) As amended by Regulation (EU) 2020/559 of 23 April 2020.

The commitments still open at the latest by 15 February 2026, or 1 March 2026 if the Commission extends the deadline ([7]), will be decommitted if any of the closure documents have not been submitted to the Commission by then.

Under Article 6a(1) of the FEAD Regulation ([8]), the last year of the programming period for the FEAD programmes to which the Member States can allocate additional REACT-EU resources is 2021 or, where applicable, 2022. In accordance with Article 6a(3) of same Regulation, unused commitments related to additional resources will be decommitted in the course of closure.

4.2. **Clearance of pre-financing**

The Commission will clear the pre-financing paid to Member States not later than when the programme is closed ([9]). This also applies to additional pre-financing paid from the REACT-EU resources ([10]).

Amounts paid as pre-financing must be justified by eligible expenditure declared at programme closure at the latest. However, clearance of pre-financing may start as soon as the programme has received the maximum FEAD contribution set out in the Commission decision approving the programme. In this event, the Commission will use the eligible expenditure included in the request for payment to clear the pre-financing. Clearance will only be finalised after acceptance of the accounts.

4.3. **Calculation of the final balance**

For the final accounting year, as for any other accounting year, the Commission will reimburse 90 % of the amount claimed by a Member State as interim payment application, by applying the co-financing rate to the eligible public expenditure included in the payment applications, provided there are available commitments in the programme. The impact of REACT-EU in the co-financing rate will be taken into account at the moment of the closure calculation.

The Commission will determine the amount chargeable to the Fund for the final accounting year as described in Article 50 of the FEAD Regulation. Article 50(6) of the FEAD Regulation states that the Commission calculates the amount chargeable to the Fund for the accounting year based on the accepted accounts, taking into account both the amounts in the accounts and the total payments made by the Commission during the accounting year.

Once the Commission has calculated the amount chargeable to the Fund, it will clear the remaining pre-financing balance.

In line with Article 40(2) of the FEAD Regulation, the amount of the final balance paid from the Fund must not exceed the maximum possible amount of contribution from the Fund, as set out in the Commission decision approving the operational programme.

The resulting amount due to be paid/recovered calculated in accordance with the rules explained above will constitute the final balance for the programme.

4.4. **Overbooking**

Overbooking is the Member State practice of declaring to the Commission eligible expenditure in excess of the maximum Fund contribution set out in the Commission decision approving the programme.

As payment applications are cumulative only within a given accounting year, if a programme reaches the maximum Fund contribution set out in the Commission decision approving it before the final accounting year, expenditure declared to the Commission in excess of this maximum Fund contribution will not be carried over to the next accounting year.

Certifying authorities may therefore decide that amounts entered in their accounting system in an accounting year are declared to the Commission in a subsequent accounting year or indeed in the final accounting year.

([7]) Article 59(2) of the FEAD Regulation as amended by Regulation (EU) 2024/795 of 29 February 2024.
([8]) As amended by Regulation (EU) 2021/177 of 10 February 2021.
([9]) Article 44(4) of the FEAD Regulation.
([10]) Article 6a(4) of the FEAD Regulation, as amended by Regulation (EU) 2021/177 of 10 February 2021.

Taking the above into account, and should Member States wish to have overbooked expenditure available in the final accounting year, they could refrain from declaring overbooked expenditure to the Commission in any accounting year before the final accounting year, and use this expenditure to meet the programme's needs. Member States may consider declaring overbooked expenditure only in the final accounting year, unless they need to declare it in an earlier accounting year to replace irregular amounts detected (within the limit of the Fund contribution).

If overbooked expenditure is not needed before the final accounting year, Member States should declare it to the Commission only in the final accounting year, including expenditure incurred and paid during the previous accounting years ([11]). Overbooked expenditure declared to the Commission in the final accounting year will be considered at and after closure to replace irregular amounts (declared in any accounting year, including the final accounting year) that would be detected later. Without prejudice to Article 56(7) of the FEAD Regulation, the Member States may be able to replace irregular amounts detected after the submission of the accounts of the final accounting year/after closure using overbooked expenditure.

5. **REPORTING ON IMPLEMENTATION AT CLOSURE**

Under Article 2 of Commission Delegated Regulation (EU) No 1255/2014 ([12]), the final implementation report issued at closure must include the following items:

— information on the programme's implementation, with reference to the common indicators used for partially or fully completed operation;

— information on and assessment of the actions which take into account the principles set out in Articles 5(6), 5(11) and, where appropriate, Article 5(13) of the FEAD Regulation.

Regulation (EU) 2024/795 ([13]) (Regulation establishing the Strategic Technologies for Europe Platform – 'STEP Regulation'), which amended the FEAD Regulation with a view to provide more flexibility on closure of programmes supported by the FEAD, extends the eligibility period of the costs reimbursed pursuant to points (b) to (e) of Article 26(2) FEAD Regulation – the corresponding costs are eligible provided that the corresponding actions constituting the basis for payment (i.e. distribution of food/basic material assistance or provision of accompanying measures) take place until the submission of the final application for an interim payment for the final accounting year (i.e. the latest by 31 July 2025). Therefore, the data in the final implementation report must refer to what has been distributed by operations supported under the programme by the date of submission of the final application for an interim payment for the final accounting year. Any food or basic material assistance purchased but not distributed before the submission of the final application for an interim payment for the final accounting year should not be included in the final implementation report.

In addition, the Member States in which social inclusion of the most deprived persons operational programmes (Operational Programme type II) are implemented should provide:

— data on programme specific indicators and quantified target values,

— information on changes in the result indicators,

— information on and an assessment of the progress towards achieving the programme's specific objectives.

([11]) Member States may request early closure if they have carried out all the activities related to the programme's implementation. In such cases, an earlier accounting year (before 1 July 2023 – 30 June 2024) will be considered as the programme's final accounting year.

([12]) Commission Delegated Regulation (EU) No 1255/2014 of 17 July 2014 supplementing Regulation (EU) No 223/2014 of the European Parliament and of the Council on the Fund for European Aid to the Most Deprived by laying down the content of the annual and final implementation reports, including the list of common indicators (OJ L 337, 25.11.2014, p. 46).

([13]) Regulation (EU) 2024/795 of the European Parliament and of the Council of 29 February 2024 establishing the Strategic Technologies for Europe Platform (STEP), and amending Directive 2003/87/EC and Regulations (EU) 2021/1058, (EU) 2021/1056, (EU) 2021/1057, (EU) No 1303/2013, (EU) No 223/2014, (EU) 2021/1060, (EU) 2021/523, (EU) 2021/695, (EU) 2021/697 and (EU) 2021/241 (OJ L, 2024/795, 29.2.2024, ELI: http://data.europa.eu/eli/reg/2024/795/oj).

6. **IRREGULARITIES**

The accounts for any accounting year, including the final year, must include:

— the amounts withdrawn and recovered during the accounting year;

— the amounts to be recovered at the end of the accounting year; and

— the irrecoverable amounts ([14]).

The format for reporting withdrawals and recoveries, amounts to be recovered and irrecoverable amounts is set out in the model in Annex V to Commission Implementing Regulation (EU) 2015/341 ([15]) (Appendices 2, 3, and 4, respectively).

The Member States have to indicate the split of the amounts withdrawn and recovered during the accounting year and pending recoveries as at the end of the accounting year by accounting year of declaration of the corresponding expenditure.

6.1. **Treatment of irregularities in the final accounting year**

Given that after the final application for an interim payment, which must be submitted by 31 July 2025, no subsequent payment application can be submitted to the Commission, any necessary deductions (notwithstanding the fact that they may refer to expenditure declared in previous accounting years) must be carried out in the accounts of the final accounting year, and reported in Appendix 5 of the model for the accounts.

Under Article 49(2) of the FEAD Regulation, a Member State may decide to exclude expenditure from the accounts of the final accounting year due to an ongoing assessment of the legality and regularity of that expenditure. If such expenditure is subsequently found to be legal and regular, it cannot be re-declared because there will be no subsequent requests for interim payment in which to include it.

6.2. **Amounts to be recovered and irrecoverable amounts**

In the accounts of the final accounting year, Member States may report amounts to be recovered and irrecoverable amounts relating to the expenditure declared not only in the previous accounting years, but also in the final accounting year ([16]). They may also report in the accounts of 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 ([17]).

The Commission will exclude the amounts reported as to be recovered and irrecoverable from the calculation of the final balance ([18]).

The Commission will decide whether to reimburse the reported amounts from the EU budget, based on the outcome of the recovery process and/or of the Commission's assessment of the irrecoverable amounts, carried out in line with the procedure set out in Commission Delegated Regulation (EU) 2016/1986 ([19]). The amounts reported in Appendix 3 and 4 of the accounts and related to expenditure declared in the final accounting year should be included in column A of Appendix 1 of the accounts to allow for their possible future reimbursement from the EU budget, pending the outcome of related procedures or assessments.

The Member State should inform the Commission of the outcome of the pending recovery process as early as possible.

([14]) Article 49(1)(b) of the FEAD Regulation.

([15]) Commission Implementing Regulation (EU) 2015/341 of 20 February 2015 laying down detailed rules for implementing Regulation (EU) No 223/2014 of the European Parliament and of the Council as regards the models for submission of certain information to the Commission (OJ L 60, 4.3.2015, p. 1).

([16]) In order to allow Member States to make use of the possibility to declare amounts to be recovered as irrecoverable at closure or after closure for the amounts to be recovered relating to the final accounting year of the programming period.

([17]) Assurance package for the final accounting year.

([18]) This will result in a lesser amount to be paid or cleared in cases of positive final balance or a higher amount to be recovered in cases for which the final balance is a recovery.

([19]) Commission Delegated Regulation (EU) 2016/1986 of 30 June 2016 supplementing Regulation (EU) No 223/2014 of the European Parliament and of the Council with regard to the conditions and procedures to determine whether amounts, which are irrecoverable, shall be reimbursed by Member States concerning the Fund for European Aid to the Most Deprived (OJ L 306, 15.11.2016, p. 1).

If a Member State concludes that irrecoverable amounts should be charged to the EU budget, it should submit a request to the Commission to confirm such a conclusion using the form in the Annex to Commission Delegated Regulation (EU) 2016/1986 ([20]). The Commission will determine whether the irrecoverable amounts should be charged to the EU budget in accordance with the rules set out in Article 3 of the Delegated Regulation. This concerns irrecoverable amounts included in Appendix 4 ('irrecoverable amounts') of the programme accounts set out in Annex V to Commission Implementing Regulation (EU) 2015/341 as well as amounts included in Appendix 3 ('amounts to be recovered') of the same Annex as amounts to be recovered and which may become irrecoverable amounts after the accounts for the final accounting year have been submitted.

6.3. **Risk of irregularities leading to programme authorities carrying out additional controls of expenditure already declared to the Commission**

If a risk of irregularities is detected which leads to additional controls by the programme authorities of expenditure already declared to the Commission, the national authorities need to comply with the following deadlines:

— for expenditure deducted from the accounts of any accounting year preceding the final accounting year under Article 49(2) of the FEAD Regulation, the additional controls must be finalised in time to make it possible to declare the expenditure at the latest in the final application for an interim payment, for which the submission deadline is 31 July 2025;

— in case of a risk of irregularities leading to additional controls of expenditure declared in the final accounting year, the decision about the expenditure's legality and regularity and therefore the decision on whether to keep this expenditure in or deduct it from the accounts of the final accounting year should be taken at the moment of the submission of the accounts, for which the deadline is at the latest 15 February 2026, or 1 March 2026 if extended by the Commission.

7. **SUBMISSION OF CLOSURE DOCUMENTS**

7.1. **Deadline for submission of closure documents**

Member States must submit the closure documents at the latest by 15 February 2026 ([21]). The Commission may extend this deadline to 1 March 2026, following a request from the Member State concerned, made pursuant to Article 63(7) of the Financial Regulation ([22]).

The Commission will automatically decommit the part of commitments still open if any of the closure documents have not been submitted at the latest by the deadline of 15 February 2026 (or 1 March 2026, if extended) ([23]). In such cases, programme closure will be carried out based on the available information.

Failure to submit any of the closure documents may be an indication of a serious deficiency in the programme's management and control system, which puts at risk the EU contribution already paid to the programme. In such cases, the Commission may decide to impose a financial correction.

7.2. **Modification of the closure documents after the deadline for their submission**

Member States may not modify any of the closure documents after the deadline for their submission, except when the Commission requests a modification or in case of clerical mistakes.

([20]) Commission Delegated Regulation (EU) 2016/1986 of 30 June 2016 supplementing Regulation (EU) No 223/2014 of the European Parliament and of the Council with regard to the conditions and procedures to determine whether amounts, which are irrecoverable shall be reimbursed by Member States concerning the Fund for European Aid to the Most Deprived (OJ L 306, 15.11.2016, p. 1).

([21]) In accordance with Article 52(1) in conjunction with Article 48 of the FEAD Regulation as amended by Regulation (EU) 2024/795 and Article 63(5) of the Financial Regulation.

([22]) Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

([23]) Article 59(2) of the FEAD Regulation.

7.3. **Availability of documents**

In line with Article 51(1) of the FEAD Regulation, the retention period for documents could be interrupted either in the case of legal proceedings or by a duly justified request of the Commission.

8. **CONTENT OF CLOSURE DOCUMENTS**

8.1. **Final implementation report**

In line with Article 13(6) of the FEAD Regulation, the final implementation report must contain all the information required under Article 2 of Commission Delegated Regulation (EU) No 1255/2014 ([24]).

The information included in the financial implementation report should be consistent with the final control report, the closure declaration and the final statement of expenditure.

In line with Article 13(5) of the FEAD Regulation, the Commission will examine the final implementation report and inform the Member State of its observations within five months of the date of its receipt. If the Commission does not provide observations within this deadline, the report will be considered accepted.

Member States will be given two months to respond to the Commission's observations on the final implementation report. The Commission may extend this deadline by a further two months, at the Member State's request. The final implementation report will be accepted if the Commission has no observations or if all of the Commission's observations are adequately addressed.

8.2. **Accounts**

As for any other year, the accounts for the final accounting year must include the information listed in Article 49(1) of the FEAD Regulation. The structure of the accounts is set out in Annex V to Commission Implementing Regulation (EU) 2015/341 ([25]).

The examination and acceptance of the accounts of the final accounting year follows the same rules as those for the examination and acceptance of the accounts of any other accounting year.

The Commission will follow the relevant procedures to examine and accept the accounts of the final accounting year and inform the Member State at the latest by 31 May 2026 whether it accepts that the accounts are complete, accurate and true ([26]).

8.3. **Management declaration and annual summary**

As for all accounting years, the structure of the management declaration for the final accounting year is set out in Annex I to Commission Implementing Regulation (EU) 2015/1386 ([27]).

8.4. **Audit opinion and control report**

As for all accounting years, the structure of the audit opinion for the final accounting year is set out in Annex III to Commission Implementing Regulation (EU) 2015/1386.

As for any other accounting year, the structure of the control report for the final accounting year is set out in Annex IV to Commission Implementing Regulation (EU) 2015/1386.

([24]) Commission Delegated Regulation (EU) No 1255/2014 of 17 July 2014 supplementing Regulation (EU) No 223/2014 of the European Parliament and of the Council on the Fund for European Aid to the Most Deprived by laying down the content of the annual and final implementation reports, including the list of common indicators (OJ L 337, 25.11.2014, p. 34).

([25]) Commission Implementing Regulation (EU) 2015/341 of 20 February 2015 laying down detailed rules for implementing Regulation (EU) No 223/2014 of the European Parliament and of the Council as regards the models for submission of certain information to the Commission (OJ L 60, 4.3.2015, p. 1).

([26]) Article 50 of the FEAD Regulation.

([27]) Commission Implementing Regulation (EU) 2015/1386 of 12 August 2015 laying down detailed rules implementing Regulation (EU) No 223/2014 of the European Parliament and of the Council as regards the models for the management declaration, the audit strategy, the audit opinion and the annual control report (OJ L 214, 13.8.2015, p. 9).

The control report for the final accounting year should also include:

— information on open findings stemming from the audits carried out by the Commission or the European Court of Auditors, which should be provided in Section 8 of the control report ('Other information');

— assurance on the reliability of the data relating to indicators.

In the control report of the final accounting year, the national audit authorities should conclude that the data relating to indicators are reliable. They should also provide a final assessment on key requirement 6: 'Reliable system for collecting, recording and storing data for monitoring, evaluation, financial management, verification and audit purposes', set out in Table 1 of Annex II to Commission Delegated Regulation (EU) No 532/2014 ([28]). This final assessment should include in particular a confirmation that the aggregated data reported to the Commission is correct.

9. **PAYMENT OF THE FINAL BALANCE**

The Commission will pay the final balance no later than three months after the date on which the accounts of the final accounting year are accepted, or one month after the date of acceptance of the final implementation report, whichever date is later ([29]).

This is without prejudice to the Commission's power to interrupt the deadline for payment of the final balance or suspend such payment.

10. **LEGALITY AND REGULARITY ISSUES**

The Commission can raise issues related to the legality and regularity of underlying transactions concerning expenditure in the accepted accounts after payment of the final balance and closure of the programme.

Closure of the programme is without prejudice to the Commission's power to impose financial corrections under Articles 55 and 56 of the FEAD Regulation.

([28]) Commission Delegated Regulation (EU) No 532/2014 of 13 March 2014 supplementing Regulation (EU) No 223/2014 of the European Parliament and of the Council on the Fund for European Aid to the Most Deprived (OJ L 148, 20.5.2014, p. 54).

([29]) Article 52(2) of the FEAD Regulation.