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# COMMISSION DECISION

## of 16 July 2025

## on the approval of guidelines on the closure of the rural development programmes of the Member States adopted for assistance from the European Agricultural Fund for Rural Development (EAFRD) for the period 2014-2022

(C/2025/3947)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Whereas:

(1) The rural development programmes of the Member States approved for assistance from the European Agricultural Fund for Rural Development (EAFRD) for the programming period 2014-2020 were adopted under Regulation (EU) No 1305/2013 of the European Parliament and of the Council ([1]) and extended until 31 December 2022 with the Regulation (EU) 2020/2220 of the European Parliament and of the Council ([2]).

(2) Taking into account the importance of timely and efficient closure of these rural development programmes in accordance in particular with Regulation (EU) No 1303/2013 of the European Parliament and of the Council ([3]), Regulation (EU) No 1305/2013, Regulation (EU) No 1306/2013 of the European Parliament and of the Council ([4]), Commission Delegated Regulation (EU) No 907/2014 ([5]) and Commission Implementing Regulation (EU) No 908/2014 ([6]), it is necessary to provide proper guidance on the closure of these programmes.

(3) The closure of the 2014-2022 rural development programmes of the Member States will draw on the experience of the closure of the 2007-2013 rural development programming period and should propose simplified procedures aiming to build on the best practices identified during the closure of the previous period.

([1]) Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 (OJ L 347, 20.12.2013, p. 487, ELI: http://data.europa.eu/eli/reg/2013/1305/oj).

([2]) Regulation (EU) 2020/2220 of the European Parliament and of the Council laying down certain transitional provisions for support from the European Agricultural Fund for Rural Development (EAFRD) and from the European Agricultural Guarantee Fund (EAGF) in the years 2021 and 2022 and amending Regulations (EU) No 1305/2013, (EU) No 1306/2013 and (EU) No 1307/2013 as regards resources and application in the years 2021 and 2022 and Regulation (EU) No 1308/2013 as regards resources and the distribution of such support in respect of the years 2021 and 2022 (OJ L 437, 28.12.2020, p. 1, ELI: http://data.europa.eu/eli/reg/2020/2220/oj).

([3]) Regulation (EU) No 1303/2013 of the European Parliament and of the Council on laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320, ELI: http://data.europa.eu/eli/reg/2013/1303/oj).

([4]) Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 (OJ L 347, 20.12.2013, p. 549, ELI: http://data.europa.eu/eli/reg/2013/1306/oj).

([5]) Commission Delegated Regulation (EU) No 907/2014 of 11 March 2014 supplementing Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to paying agencies and other bodies, financial management, clearance of accounts, securities and use of euro (OJ L 255, 28.8.2014, p. 18, ELI: http://data.europa.eu/eli/reg_del/2014/907/oj).

([6]) Commission Implementing Regulation (EU) No 908/2014 of 6 August 2014 laying down rules for the application of Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to paying agencies and other bodies, financial management, clearance of accounts, rules on checks, securities and transparency (OJ L 255, 28.8.2014, p. 59, ELI: http://data.europa.eu/eli/reg_impl/2014/908/oj).

(4) The purpose of the guidelines is to facilitate the closure process by providing the methodological framework under which the closure exercise should take place for the financial settlement of outstanding Union's budgetary commitments through payment of the final balance, recovery of sums unduly paid and/or decommitment of any unused commitments.

(5) The guidelines should therefore be approved,

HAS DECIDED AS FOLLOWS:

*Sole Article*

The Commission guidelines on the closure of rural development programmes of the Member States adopted for assistance from the European Agricultural Fund for Rural Development (EAFRD) for the period 2014-2022, as set out in the Annex, are hereby approved.

Done at Brussels, 16 July 2025.

*For the Commission*
Christophe HANSEN
*Member of the Commission*

*ANNEX*

**GUIDELINES ON CLOSURE OF 2014-2022 RURAL DEVELOPMENT PROGRAMMES**

## 1. GENERAL PRINCIPLES OF CLOSURE

The rural development programmes of the Member States financed by the European Agricultural Fund for Rural Development (EAFRD) for the programming period 2014-2020 were adopted under Regulation (EU) No 1305/2013 ([1]) of the European Parliament and of the Council. The period laid down in Article 26(1) of Regulation (EU) No 1303/2013 was extended until 31 December 2022 by Regulation (EU) 2020/2220 of the European Parliament and of the Council ([2]). Therefore, these guidelines apply to the programming period from 2014 to 2022.

These Guidelines apply to the closure of the rural development programmes, in accordance with Regulation (EU) No 1303/2013 ([3]), Regulation (EU) No 1305/2013, Regulation (EU) No 1306/2013 ([4]), Commission Delegated Regulation (EU) No 907/2014 ([5]), Commission Implementing Regulation (EU) No 908/2014 ([6]), Commission Implementing Regulation (EU) No 808/2014 ([7]) and Commission Implementing Regulation (EU) No 809/2014 ([8]).

Closure of programmes concerns the financial settlement (in EUR) of the Union's outstanding budgetary commitments through payment (in EUR) of any final balance to the Member State of each rural development programme (RDP) or a recovery (in EUR) of sums unduly paid by the Commission to a Member State and a de-commitment (in EUR) of any final balance.

All of the Commission's and Member States' rights and obligations regarding financial support remain valid until the closure of the rural development programmes. The closure of RDP does not affect the Commission's right to adopt further financial corrections or recover unduly paid amounts.

([1]) Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 (OJ L 347 20.12.2013, p. 487, ELI: http://data.europa.eu/eli/reg/2013/1305/oj).

([2]) Regulation (EU) 2020/2220 of the European Parliament and of the Council laying down certain transitional provisions for support from the European Agricultural Fund for Rural Development (EAFRD) and from the European Agricultural Guarantee Fund (EAGF) in the years 2021 and 2022 and amending Regulations (EU) No 1305/2013, (EU) No 1306/2013 and (EU) No 1307/2013 as regards resources and application in the years 2021 and 2022 and Regulation (EU) No 1308/2013 as regards resources and the distribution of such support in respect of the years 2021 and 2022 (OJ L437, 28.12.2020, p. 1, ELI: http://data.europa.eu/eli/reg/2020/2220/oj).

([3]) Regulation (EU) No 1303/2013 of the European Parliament and of the Council on laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347 20.12.2013, p. 320, ELI: http://data.europa.eu/eli/reg/2013/1303/oj).

([4]) Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 (OJ L 347, 20.12.2013, p. 549, ELI: http://data.europa.eu/eli/reg/2013/1306/oj).

([5]) Commission Delegated Regulation (EU) No 907/2014 of 11 March 2014 supplementing Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to paying agencies and other bodies, financial management, clearance of accounts, securities and use of euro (OJ L 255, 28.8.2014, p. 18, ELI: http://data.europa.eu/eli/reg_del/2014/907/oj).

([6]) Commission Implementing Regulation (EU) No 908/2014 of 6 August 2014 laying down rules for the application of Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to paying agencies and other bodies, financial management, clearance of accounts, rules on checks, securities and transparency (OJ L 255, 28.8.2014, p. 59, ELI: http://data.europa.eu/eli/reg_impl/2014/908/oj).

([7]) Commission Implementing Regulation (EU) No 808/2014 of 17 July 2014 laying down rules for the application of Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (OJ L 227, 31.7.2014, p. 18, ELI: http://data.europa.eu/eli/reg_impl/2014/808/oj).

([8]) Commission Implementing Regulation (EU) No 809/2014 of 17 July 2014 laying down rules for the application of Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to the integrated administration and control system, rural development measures and cross compliance (OJ L 227, 31.7.2014, p. 69, ELI: http://data.europa.eu/eli/reg_impl/2014/809/oj)

As explained above, Regulation (EU) 2020/2220 ('the Transitional Regulation') adopted in 2020, extended the period laid down in Article 26(1) of Regulation (EU) No 1303/2013 until 31 December 2022 (see Article 1(1) of Regulation (EU) 2020/2220).

The Transitional Regulation also introduced the possibility to finance rural development programmes with additional funding from the European Union Recovery Instrument (EURI) ([9]) for the years 2021 and 2022 to address the impact of the COVID-19 crisis and its consequences on the agricultural sector and rural areas of the Union. However, the additional EURI funds are subject to certain conditions and thus had to be programmed and monitored separately from the EAFRD support for rural development. Despite this separation, the rules laid down in Regulation (EU) No 1305/2013, including the rules on amendments to rural development programmes, in Regulation (EU) No 1306/2013, including the rules on automatic decommitment, and in Regulation (EU) No 1307/2013 apply, unless otherwise provided for in the Transitional Regulation. The EURI part of the 2014-2022 rural development programmes will be closed at the same time as the EAFRD part. All rules applicable to EAFRD funds also apply to EURI funds, unless otherwise specified.

As a result of the Transitional Regulation, the 2014-2022 rural development programmes have been extended for two additional years ([10]) (except for the United Kingdom) with additional EAFRD and EURI funding and extended implementation until the end of 2025 (the end of the eligibility period for the rural development programmes) ([11]).

## 2. PREPARATION FOR CLOSURE

### 2.1. Guidance and assistance

The Commission will cooperate closely with the Member States in order to provide the necessary guidance and assistance in the run-up to closure.

### 2.2. Deadlines for the last request for changes in the programmes

The procedures and deadlines for amendments of the rural development programmes are specified in Article 4 of Commission Implementing Regulation (EU) No 808/2014.

2.2.1 *Article 4(2) of Implementing Regulation (EU) No 808/2014:*

— Programme amendments of the type referred to in Article 11, point (a)(i), of Regulation (EU) No 1305/2013 may be proposed no more than four times during the duration of the programming period.

— A single amendment proposal may be submitted for the combination of all other types of amendments per calendar year and per programme, with the exception of 2025. 2025 is the only year when more than a single amendment proposal may be submitted provided that the combined amendments concern exclusively the adaptation of the financing plan, including any resulting changes to the indicator plan. In addition, four additional amendment proposals for the combination of all other types of amendments per programme may be submitted during the programming period. MS can use these additional amendment proposals in 2025, if not used before.

2.2.2 *Article 4(3) of Implementing Regulation (EU) No 808/2014:*

— Member States are to submit their last programme amendment of the type referred to in Article 11, point (a)(iii), of Regulation (EU) No 1305/2013 to the Commission by 30 September 2022.

— Other types of programme amendments are to be submitted to the Commission by 30 September 2025.

([9]) Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis (OJ L 433I, 22.12.2020, p. 23, ELI: http://data.europa.eu/eli/reg/2020/2094/oj)

([10]) Article 1 of Regulation (EU) 2020/2220.

([11]) Article 2(2) of Regulation (EU) 2020/2220 extended the deadline for eligibility of the EAFRD expenditure as set in Article 65(2) of Regulation (EU) No 1303/2013.

### 2.3. **Submission of quarterly declarations of expenditure before the closure**

Member States are to continue to submit quarterly declarations of expenditure for the expenditure incurred by the paying agency until the final date of eligibility of expenditure in accordance with the timing set out in Article 22(2) of Implementing Regulation (EU) No 908/2014. Therefore, the last quarterly declaration of expenditure to be received by the Commission is the one for the fourth quarter of 2025, for which a declaration of expenditure is to be submitted by 31 January 2026.

The total of the pre-financing and the intermediate payments paid by the Commission for the respective programme must not exceed 95% of the total EAFRD and EURI contribution provided for in the respective programme ([12]). This means that the Commission will have to stop reimbursing the quarterly declarations of expenditure when the cumulative amount paid to a RDP will reach 95% of the combined EAFRD and EURI total contribution (as established by the latest version of the decision approving the respective programme).

Once the RDP has reached the 95 % level of the combined total contribution from both EAFRD and EURI, the Commission will proceed with the clearing of the pre-financing with each subsequent declaration of expenditure. The final balance for the respective programme will be paid or recovered at the closure of the programme.

## 3. **ELIGIBILITY OF EXPENDITURE**

### 3.1. **Final date of eligibility of expenditure and general applicable rules**

Following Article 65(2) of Regulation (EU) No 1303/2013 ([13]), the final date for eligibility of expenditure is 31 December 2025, which means that expenditure should be incurred by a beneficiary and paid before 31 December 2025. In addition, the expenditure will only be eligible for a contribution from EAFRD (and EURI) if the paying agency actually pays the relevant aid before 31 December 2025.

Payment of advances for measures that do not fall under the integrated administration and control system (non-IACS) ([14]) are allowed pursuant to Article 42 and Article 45 of Regulation (EU) No 1305/2013. According to Article 63 of that Regulation, advances are to be secured with a bank guarantee, or an equivalent guarantee provided by a public authority. The guarantee may be released when the competent paying agency establishes that the amount of the actual expenditure corresponding to the public contribution related to the operation exceeds the amount of the advance.

As 2025 is the last year of implementation of the RDP, Member States have to clear advances paid to beneficiaries and related to projects completed under the 2014-2022 programming period.

In the context of carry-over as specified in point 3.8 below, advances not cleared by a Member State by the end of 2025 should be linked to ongoing projects for which the financing will be ensured under the Common Agricultural Policy (CAP) Strategic Plan 2023-2027 pursuant to Article 155(4) of Regulation (EU) 2021/2115 ([15]).

Any uncleared/unused advances for EAFRD 2014-2022 or for EURI not linked to carry-over under the CAP Strategic Plan before 31 December 2025, must be recovered from the beneficiary to ensure the protection of the financial interest of the Union. In case the Member State does not initiate recovery procedures for these amounts before the deadline to submit the final account or declare a self-correction in the final accounts for this amount, the Commission will deduct these amounts from the final balance in the financial clearance of the accounts procedure before closure.

([12]) Article 34(2) of Regulation (EU) No 1306/2013.

([13]) The deadline set in Article 65(2) of Regulation (EU) No 1303/2013 was extended for two years by Article 2 of Regulation (EU) 2020/2220.

([14]) Article 67(2) of Regulation (EU) No 1306/2013 lists rural development measures which are covered by IACS system. Non-IACS measures are measures which are not listed in this article.

([15]) Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013 (OJ L 435, 6.12.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/2115/oj).

The Certification Body in the respective Member State will need to confirm in the report concerning the final accounts due by 30 June 2026 that advances paid to the beneficiaries under the 2014-2022 programming period are cleared, and that only advances related to projects with final payments under the CAP Strategic Plan for the 2023-2027 period remain uncleared, or that Member State has initiated the necessary recovery procedures.

### 3.2. **Additional national financing**

The eligibility date of 31 December 2025 does not apply to additional national financing. Therefore, payments from additional national resources to beneficiaries of the rural development programme may be made after 31 December 2025.

Member States may support farmers with additional national financing outside the rural development programme in compliance with State aid rules. For additional national financing included in rural development plans under Article 82 of Regulation (EU) No 1305/2013, payments made after the closure of the programme must be subject to a separate State aid assessment. It is the responsibility of the Member State to obtain this authorisation in advance to ensure that payments to beneficiaries are compliant with State aid rules.

Additionally, Member States are responsible for ensuring that beneficiaries fulfil their commitments throughout the specified period, even if part of the commitment extends beyond the rural development programme's closure. This requires Member States to carry out the necessary checks in accordance with Regulation (EU) No 1306/2013 until the end of the commitment period. If commitments are not, or not fully, complied with until the end of the commitment period, Member States must recover the corresponding amounts and reimburse them to the Union budget (see transitional rules in Article 104(1), point (a)(iv), of Regulation (EU) 2021/2116 ([16]) and Article 14, point (b), of Commission Implementing Regulation (EU) 2022/1173).

### 3.3. **Financial plan – capping of expenditure by measure**

The Commission is obliged to cap any declared expenditure exceeding the amounts programmed in the financial plan in force for each measure in accordance with Article 36(3), point (b), of Regulation (EU) No 1306/2013.

If the expenditure is capped for a measure, and a Member State makes duly justified changes in its RDP within the time limits specified in Article 4 of Implementing Regulation (EU) No 808/2014, the expenditure excluded may be paid later after acceptance of the RDP modification by the Commission (as provided for in Article 23(2) of Implementing Regulation (EU) No 908/2014).

### 3.4. **Special provisions concerning expenditure for operations specified in Article 59(4), points (e), (f) and (g), of Regulation (EU) No 1305/2013**

The following section explains the specific provisions for expenditure on operations referred to in Article 59(4), points (e), (f) and (g) of Regulation (EU) No 1305/2013, which provide for derogations from the EAFRD contribution rates laid down in Article 59(3). These derogations apply to specific cases where higher co-financing rates are permitted under certain conditions, which require verification and possible adjustments at closure to ensure compliance with the rules.

Article 59(4), point (e), of Regulation (EU) No 1305/2013 provides that the maximum co-financing rate is 100% for operations receiving funding from funds transferred to the EAFRD in application of Article 136a(1) of Regulation (EC) No 73/2009 and Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013. Therefore, compliance with this provision will be checked at closure. If the cumulative expenditure declared by the Member State exceeds the amounts allocated as transfers from other funds to EAFRD, a payment correction (capping) will be applied.

Article 59(4), point (f), of Regulation (EU) No 1305/2013 provides that the co-financing rate is 100% for an amount of EUR 100 million (in 2011 prices) allocated to Ireland, for an amount of EUR 500 million (in 2011 prices) allocated to Portugal and for an amount of EUR 7 million (in 2011 prices) allocated to Cyprus.

([16]) Regulation (EU) 2021/2116 of the European Parliament and of the Council of 2 December 2021 on the financing, management, and monitoring of the Common Agricultural Policy and repealing Regulation (EU) No 1306/2013 (OJ L 435, 6.12.2021, p. 187, ELI: http://data.europa.eu/eli/reg/2021/2116/oj).

At closure, compliance with Article 59(4), point (f), of Regulation (EU) No 1305/2013 will be verified. If the cumulative total expenditure declared by the Member State concerned for all relevant budget lines exceeds the amounts allocated in accordance with Article 59(4), point (f), of Regulation (EU) No 1305/2013, a payment correction (capping) must be applied.

Article 59(4), point (g), of Regulation (EU) No 1305/2013 allowed Member States (Greece and Romania) receiving financial assistance as of 1 January 2014 in accordance with Article 136 and 143 TFEU to increase the EAFRD contribution rate by a maximum of 10 percentage points up to a total of 95%. for expenditure incurred in the first two years of the implementation of a rural development programme (i.e. until the second quarter of 2017 for Romania and the fourth quarter of 2017 for Greece). However, Article 59(4), point (g)also requires that the EAFRD contribution rate which would be applicable without this derogation shall be respected for the total public expenditure made during the programming period.

At closure, the Commission will verify that the temporary derogation under Article 59(4), point (g), has been correctly applied by the relevant Member States. Specifically, the Commission will check that, after a 2-year period, the contribution rate used does not exceed to the applicable maximum rates set out in Article 59(3) for the entire programming period. Compliance with Article 59(4), point (g), of Regulation (EU) No 1305/2013 is checked and corrections should be made in case of non-compliance.

### 3.5. **Specific eligibility rules applicable to financial instruments actions under Article 42 of Regulation (EU) 1303/2013**

In the programming period 2014-2022, only loan and guarantee funds have been set up by EAFRD managing authorities. Therefore, these guidelines do not go into details regarding equity or quasi-equity financial instruments (FI).

The eligibility of the financial instruments' expenditure at closure is defined in Article 42 of Regulation (EU) No 1303/2013 (and in the relevant provisions in Commission Delegated Regulation (EU) No 480/2014 ([17]), as explained in the following paragraphs). According to Article 42 of Regulation (EU) No 1303/2013, at closure of a programme, the eligible expenditure of the financial instrument will be the total amount of programme contributions effectively paid or, in the case of guarantees, committed by the financial instrument within the eligibility period, corresponding to:

(a) payments to final recipients, and in the cases referred to in Article 37(7) of Regulation (EU) No 1303/2013 payments to the benefit of final recipients;

(b) resources committed for guarantee contracts, whether outstanding or already come to maturity, in order to honour possible guarantee calls for losses, calculated on the basis of a prudent ex ante risk assessment, covering a multiple amount of underlying new loans or other risk-bearing instruments for new investments in final recipients;

(c) capitalised interest rate subsidies or guarantee fee subsidies, due to be paid for a period not exceeding 10 years after the eligibility period, used in combination with financial instruments, paid into an escrow account specifically set up for that purpose, for effective disbursement after the eligibility period, but in respect of loans or other risk-bearing instruments disbursed for investments in final recipients within the eligibility period;

(d) reimbursement of management costs incurred or payment of management fees of the financial instrument.

Only expenditure incurred in accordance with Article 42 of Regulation (EU) No 1303/2013 can be considered eligible. Investments by the final recipients do not need to be completed.

Programme resources committed to FI in the funding agreement and/or paid to it, but not disbursed to final recipients or set aside for guarantee contracts for the disbursed underlying loans, etc., are not eligible expenditure.

([17]) Commission Delegated Regulation (EU) No 480/2014 of 3 March 2014 supplementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund (OJ L 138 13.5.2014, p. 5, ELI: http://data.europa.eu/eli/reg_del/2014/480/2019-05-30).

The eligibility period and subsequent submission of final accounts are subject to the transitional provisions set out in Article 1 and Article 2(1) of the Transitional Regulation.

For loans, the eligible expenditure corresponds to the programme resources effectively disbursed to final recipients as stated by Article 42 of Regulation (EU) No 1303/2013. Programme resources committed in the contracts with final recipients and not disbursed, are not eligible. Interest rate subsidies, guarantee fee subsidies and technical support paid to the benefit of final recipients during the eligibility period are also eligible expenditure.

For guarantees, programme resources committed for guarantee contracts are eligible only if the underlying loans or other risk-bearing instruments have been disbursed to final recipients. If the financial intermediary or the entity benefiting from the guarantees has not disbursed the planned amount of new loans or other risk-sharing instruments to final recipients, the eligible expenditure will be reduced proportionally (as provided for in Article 8, point (d), of Delegated Regulation (EU) No 480/2014).

The eligibility of expenditure defined in Article 42(1), point (c), concerns the case of combination of grants and financial instruments in one single operation as defined in Article 37(7) of Regulation EU No 1303/2013. The calculations have to also take into account the relevant funding agreements as required by Article 11 of Commission Delegated Regulation (EU) No 480/2014.

The amount to be paid to an escrow account contains:

(a) the discounted payment obligations in case of a capitalised interest rate or guarantee fee subsidies for a period not exceeding 10 years after the eligibility period, and/or

(b) the discounted management costs and fees to be paid after the eligibility period for a period of six years in case of micro-credit.

The approach for establishing the amount to be paid into an escrow account, as long as there is clear reasoning for the choice of methodology, may differ. Member States may either (i) follow the project finance approach and use 4% suggested in case of operations generating net revenue (Article 19 of Commission Delegated Regulation (EU) No 480/2014), or (ii) apply the base rates set by the Commission. ([18])

Article 42(2) of Regulation (EU) No 1303/2013 provides for an exception regarding micro-credit. Capitalised management costs or fees due to be paid for a period not exceeding six years after the eligibility period, in respect of investments in final recipients which occurred within the eligibility period, which cannot be covered by Articles 44 or 45, may be considered as eligible expenditure when paid into an escrow account specifically set up for that purpose. In addition, according to Article 14(1), (2) and (4) of Delegated Regulation (EU) No 480/2014 capitalised management costs and fees to be reimbursed as eligible expenditure in accordance with Article 42(2) of Regulation (EU) No 1303/2013 have to be calculated at the end of the eligibility period as the total of discounted management costs and fees to be paid after the eligibility period for the period laid down in Article 42(2) of that Regulation, and in accordance with the relevant funding agreements. Capitalised management costs and fees to be paid after the eligibility period for a financial instrument providing micro-credit should not exceed 1 % per annum of the programme contributions paid to the final recipients within the meaning of Article 42(1), point (a), of Regulation (EU) No 1303/2013 in the form of loans, which have yet to be paid back to the financial instrument, calculated pro rata temporis from the end of the eligibility period until repayment of the investment, the end of the recovery procedure in the case of defaults or the period referred to in Article 42(2) of Regulation (EU) No 1303/2013, whichever is earlier. Any resources left in the escrow account after the period referred to under Article 42(2) of Regulation (EU) No 1303/2013, or as a result of an unexpected winding-up of the financial instrument before the end of that period, have to be used in accordance with Article 45 of that same Regulation.

Reinvested resources, returned or released guarantees cannot be declared as eligible expenditure, i.e. funds falling under a second and subsequent cycles of investment.

([18]) The methodology is set out in the Communication from the Commission on the revision of the method for setting the reference and discount rates (2008/C 14/02) (OJ C 14, 19.1.2008, p.6). Base rates are published here: https://competition-policy.ec.europa.eu/system/files/2023-12/reference_rates_base_rates2024_1_croatia_eurozone.pdf.

Further, resources from treasury management invested pursuant to Article 43 of Regulation (EU) No 1303/2013 are also considered ineligible expenditure at closure. Interest earned on payments from the RDP to the financial instrument, which are attributable to the European Structural and Investment (ESI) Funds contribution concerns treasury management of the RDP resources paid to the financial instrument. At closure of the RDP, any of these amounts which have not been used in accordance with Article 43 of Regulation (EU) No 1303/2013 should be deducted from the eligible expenditure.

If there is net negative interest, it can be covered from the resources returned according to Article 44(1), point (b), of Regulation (EU) No 1303/2013.

In all cases, records should be maintained by the Managing Authority.

The payment of the final balance is regulated by Article 41(2) of Regulation (EU) No 1303/2013.

With regard to the re-use of resources after the end of the eligibility period, Article 45 of Regulation (EU) No 1303/2013 applies.

In the period remaining until closure, Member States and Managing Authorities may withdraw contributions from programmes to the financial instruments referred to in Article 38(1), points (a) and (c), and from the financial instruments referred to in Article 38(1), point (b), implemented in accordance with Article 38(4), points (a), (b) and (c), of Regulation (EU) No 1303/2013 only if the contributions have not already been included in an application for payment as referred to in Article 41 of that Regulation.

### 3.6. **Carry-over of integrated administration and control system (IACS) interventions from the RDPs 2014-2022 to the CAP Strategic Plans 2023-2027**

Under Article 155(3) of Regulation (EU) 2021/2115, commitments incurred under the multi-annual measures specified in Articles 22, 28, 29, 33, and 34 of Regulation (EU) No 1305/2013 (corresponding to measures 8.1, 10, 11, 14, and 15 of the rural development programmes) can be carried over to interventions pursuant to Article 70 of Regulation (EU) 2021/2116 of the CAP Strategic Plan (EAFRD). Additionally, Article 155(5) of Regulation (EU) 2021/2115 permits commitments under Articles 28 and 29 of Regulation (EU) No 1305/2013 (measures 10 and 11 of the rural development programmes) to receive support from the EAGF (eco-schemes) in the CAP Strategic Plan, provided these commitments fulfil specific conditions, such as eligibility for 'eco-schemes type b' under Article 31(7), first sub-paragraph, point (b).

New conditionality requirements apply to expenditure carried-over from ongoing RDP commitments to the CAP Plan which will be funded from the CAP Plan budget (2023–2027). Article 48 of Regulation (EU) No 1305/2013 allows farmers to withdraw from these commitments if they do not agree to the new conditions, such as those related to conditionality.

#### 3.6.1. *Payments Across Programming Periods*

Paying advances under the RDP while settling final payments under the CAP Plans should only occur in exceptional cases and to a limited extend regulated by Article 155 of Regulation (EU) 2021/2115.

As Article 155 provides for the eligibility of certain expenditure incurred in the previous programming periods under the condition that such expenditure is included in the CAP Plans and respects the rules of the new legislative framework, the rules relating to their obligations as well as rules on checks and controls might change significantly for beneficiaries in case of measures under integrated administration and control system (IACS). Hence, combining payments for an individual commitment from two programming periods, governed by distinct legal frameworks, creates significant administrative complexity for both Managing Authorities and beneficiaries and should be avoided as much as possible.

To address potential funding gaps and avoid the complexity of applying different sets of rules to the expenditure incurred in the two programming periods, Member States can explore other possibilities, such as reallocating the RDP financial envelope or using additional national financing ("top-up") to ensure that final payments can be processed under the RDP.

Member States also should keep in mind that costs incurred by beneficiaries are only eligible under CAP Plans if incurred as of 1 January 2023 (Article 86(4) of Regulation (EU) 2021/2115).

3.6.2. *Conditionality and Cross-Compliance Checks*

Following the recent simplification of Article 83(2) of Regulation (EU) 2021/2116 (amended by Regulation (EU) 2024/1468 ([19])), farmers with a maximum size of holding not exceeding 10 ha are exempted from conditionality controls. Consequently, they are not subject to the system of controls for conditionality and for this reason these farmers are not exempted from controls concerning cross-compliance in accordance with Article 104(1), second subparagraph, point (a)(iv), of Regulation (EU) 2021/2116. In different words, farmers with a maximum size of holdings not exceeding 10 ha are subject to controls concerning cross-compliance when they are receiving the relevant support from rural development plans.

Prior to the recent amendment of Article 104(1), second subparagraph, point (a)(iv), of Regulation (EU) 2021/2116, Article 12 of Delegated Regulation (EU) 2022/1172 laid down transitional rules reducing excessive administrative costs and burdens related to checks for certain beneficiaries, subject at the same time to cross-compliance and conditionality. For beneficiaries receiving area-based payments, the rule in Article 12 of Delegated Regulation (EU) 2022/1172 limited the checks only to conditionality requirements. Only where a non-compliance with conditionality requirements was found, the corresponding cross-compliance obligation was to be checked. However, following the amendment of Article 104(1), second subparagraph, point (a)(iv) of Regulation (EU) 2021/2116 such corresponding cross-compliance obligations do not have to be checked in cases of non-compliance with conditionality requirements (as Articles 96 and 97 of Regulation (EU) No 1306/2013 have been repealed).

3.7. **Carry-over of non-IACS interventions from the RDPs 2014-2022 to the CAP Strategic Plans 2023-2027**

Pursuant to Article 155(4) of Regulation (EU) 2021/2115, expenditure relating to legal commitments to beneficiaries incurred under the measures mentioned in that Article ([20]) may be eligible for an EAFRD contribution under the CAP Strategic Plans under the following conditions:

— the expenditure was a) incurred after 31 December 2025 (expenditure incurred is understood as the expenditure incurred by the paying agency) and b) is provided for in the CAP Strategic Plan in accordance with the rules of Regulation (EU) 2021/2115, except for Article 73(3), first subparagraph, point (f), and c) complies with Regulation (EU) 2021/2116;

— the EAFRD contribution rate of the intervention established in the CAP Strategic Plan in accordance with Regulation (EU) 2021/2115 to cover those measures applies.

In this context, legal commitments are understood as commitments to the beneficiaries which are grant decisions or other administrative acts adopted by the national authority that give rise to legitimate expectations of the beneficiary.

Member States may include the carried-over expenditure in their CAP Strategic Plans ([21]), by planning a separate intervention or by including the expenditure in an existing intervention with a separate unit amount. The carried-over expenditure should be indicated in the financial plan. This will then be approved by the European Commission in the context of an amendment of the CAP Strategic plan.

([19]) Regulation (EU) 2024/1468 of the European Parliament and of the Council of 14 May 2024 amending Regulations (EU) 2021/2115 and (EU) 2021/2116 as regards good agricultural and environmental condition standards, schemes for climate, environment and animal welfare, amendment of the CAP Strategic Plans, review of the CAP Strategic Plans and exemptions from controls and penalties (OJ L, 2024/1468, 24.5.2024, ELI: http://data.europa.eu/eli/reg/2024/1468/oj)

([20]) The following Articles are concerned: Articles 14 to 18, Article 19(1), points (a) and (b), and Articles 20, 23 to 27, 35, 38, 39 and 39a of Regulation (EU) No 1305/2013, Article 35 of Regulation (EU) No 1303/2013 and Article 4 of Regulation (EU) 2020/2220.

([21]) According to the structure of Annex I of Implementing Regulation (EU) 2021/2289 of 21 December 2021 laying down rules for the application of Regulation (EU) 2021/2115 of the European Parliament and of the Council on the presentation of the content of the CAP Strategic Plans and on the electronic system for the secure exchange of information, in particular points 5(d) and (e) (OJ L 458, 22.12.2021, p. 463, ELI: http://data.europa.eu/eli/reg_impl/2021/2289/oj).

Expenditure related to commitments for investments in large-scale infrastructure, eligible under Regulation (EU) No 1305/2013 but not under the CAP Strategic Plans pursuant to Article 73(3), first subparagraph, point (f), of Regulation (EU) 2021/2115, can be included in the CAP Strategic Plan, but only for the purpose of carry-over. This exception is provided for in Article 155(4), point (a), of Regulation (EU) 2021/2115. Therefore, such an intervention cannot be used for new commitments under the CAP Strategic Plan but can only be used to finance remaining commitments made under the RDP. This can be done, either by planning a separate intervention in the CAP Strategic Plan, or by planning, within an existing intervention, an action/sub-intervention providing for financing of the investment in large scale infrastructure started under the RDP.

With regard to the carry-over of expenditure related to commitments in the context of LEADER, this is possible pursuant to Article 155(4) of Regulation (EU) 2021/2115. However, given that LEADER concerns projects implemented by Local Action Groups in the context of local development strategies approved under RDPs 2014-2022, which have to be finished by the end of the programming period, such carry-over should be limited and linked to duly justified specific circumstances.

In principle, Article 155(4) of Regulation (EU) 2021/2115 allows for the carry-over of all kinds of LEADER support (including preparatory actions). However, this carry-over of commitments, in practice, primarily concerns projects with legal commitments under RDP sub-measure 19.2 (Support for the implementation of operations under the Community-Led Local Development strategy) where for justified reasons specific projects cannot be finished before the end of 2025, despite initially being planned to finish on time. Member States, however, are to provide information in their CAP Strategic Plan management and control systems about the payments and controls of such projects.

In general, Member States are advised to limit the amounts of carry-over commitments as much as possible and tailor the calls to the still available budget under the RDPs with a view to implementing the projects before the end of 2025. However, to make best use of available funds and minimize the risk of unused EAFRD/EURI budget, a certain level of overbooking and possible carry-over is acceptable, as long as the conditions of Article 155(4) of Regulation (EU) 2021/2115 are fulfilled.

### 3.8. **Interest generated by the pre-financing**

As required by Article 35(4) of Regulation (EU) No 1306/2013, the Commission is to clear the total prefinancing amount in the clearance of accounts decision before the rural development programme is closed. To that end, Member States are kindly asked to post to the rural development programme the interest generated on the prefinancing they received and to deduct it from the amount of public expenditure indicated on the final declaration of expenditure.

## 4. **SUBMISSION OF DOCUMENTS FOR CLOSURE**

### 4.1. **Documents to be provided by Member States for the closure**

The Commission clears the accounts of the accredited paying agencies each year ([22]). Consequently, the closure of a programme will be based on the annual accounts for all the successive financial years (2015-2025) and the corresponding financial clearance decisions.

According to Article 7(3) of Regulation (EU) No 1306/2013, the annual accounts of an accredited paying agency are to be accompanied by a management declaration signed by the person in charge of the accredited paying agency. In accordance with Article 9(1) of Regulation (EU) No 1306/2013, read together with Article 5(3) of Implementing Regulation (EU) No 908/2014, the certification body is to provide an opinion on the completeness, accuracy and veracity of the annual accounts of the paying agency, on the proper functioning of the paying agency's internal control system and on the legality and regularity of the expenditure for which reimbursement has been requested from the Commission. The certification body is to draft that opinion based on the audit principles and methods set out in Articles 6 and 7 of Implementing Regulation (EU) No 908/2014. That opinion has to be supported by a report that makes the statements required under Article 5(4) of Implementing Regulation (EU) No 908/2014. Details regarding the content of the paying agency's annual accounts are set out in Article 29 of Implementing Regulation (EU) No 908/2014.

([22]) Article 51 of Regulation (EU) No 1306/2013.

The Commission will specify the information to be submitted by the Member States in relation to the closure for the EAFRD programming period 2014-2022 (clearance of the last annual accounts) and establish specific guidelines containing guidance to the Member State's certification bodies on the certification audit and reporting to be performed for the closure of the EAFRD programming period 2014-2022 ([23]).

In accordance with Article 37 of Regulation (EU) No 1306/2013, the closure of a programme can be done only after receiving the last annual progress report on the implementation (i.e. the annual implementation report).

### 4.2. **Deadline for the submission of the documents for closure**

The deadline for the submission of the last annual implementation report is **30 June 2026** (Article 75(1) of Regulation (EU) No 1305/2013).

The documents needed for the clearance of the accounts concerning financial year 2025 should be sent to the Commission by 15 February 2026 ([24]). Each financial year covers expenditure incurred by the paying agencies from 16 October (n-1) until 15 October (n). In addition, for the final execution year (16 October 2024 until 31 December 2025) Member States are to present the accounts covering the expenditure incurred until 31 December 2025 to the Commission, no later than six months after the final eligibility date, i.e. by 30 June 2026 ([25]).

If the Member State has not submitted the above-mentioned documents to the Commission by 30 June 2026, the balance will be automatically de-committed ([26]).

### 4.3. **Changing documents after the deadline for their submission**

In general, the Member State will not be allowed to modify any of the documents listed under point 4.2 after the deadline for their submission, unless requested by the Commission following clarifications during the reconciliation process, except for correcting clerical mistakes.

At the request of the Commission or on the initiative of the Member State, further information concerning the clearance of accounts may be addressed to the Commission within a period determined by the Commission, taking into account the amount of work required for providing that information. In the absence of such information, the Commission may clear the accounts based on the information in its possession ([27]).

In duly justified cases, the Commission may accept a request for late submission of information, if that request is received before the deadline for submission concerned ([28]).

### 4.4. **Availability of documents** ([29])

The supporting documents regarding the expenditure financed and the assigned revenues to be collected by the EAFRD (including EURI) must be kept at the disposal of the Commission for at least three years following the year in which the final payment by the paying agency has taken place.

In the case of irregularities or negligence, the supporting documents must be kept at the disposal of the Commission for at least three years following the year in which the amounts are entirely recovered from the beneficiary and credited to the EAFRD (including EURI) or in which the financial consequences of non-recovery are determined under Article 54(2) of Regulation (EU) No 1306/2013.

In the case of a conformity clearance procedure provided for in Article 52 of Regulation (EU) No 1306/2013, the supporting documents, with the exception of cases of irregularities, must be kept for at least one year following the year in which that procedure has been closed with or without a financial correction or, if a conformity decision is the subject of legal proceedings before the Court of Justice, for at least one year following the year in which those proceedings are closed.

([23]) Guidelines for the Certification Audit of the EAGF/EAFRD Accounts – Reporting Requirements and Opinions issued by the Certification Body.
([24]) Article 30(2) of Implementing Regulation (EU) No 908/2014.
([25]) Article 37(1) of Regulation (EU) No 1306/2013.
([26]) Article 37(3) of Regulation (EU) No 1306/2013.
([27]) Article 30(3) of Implementing Regulation (EU) No 908/2014.
([28]) Article 30(4) of Implementing Regulation (EU) No 908/2014.
([29]) Article 32 of Implementing Regulation (EU) No 908/2014.

The supporting documents may be kept either in paper form, in electronic form or in both forms.

Documents may only be kept exclusively in electronic form if the national law of the Member State concerned permits the use of electronic documents as evidence of the underlying transactions in national court proceedings.

If the documents are kept in electronic form only, the system for doing so is to comply with point 3(B) of Annex I to Delegated Regulation (EU) 2022/127.

## 5. CLOSURE OF THE PROGRAMMES

### 5.1. Clearance of accounts

The last clearance of accounts decision preceding the closure of a rural development programme will be based on the same documentation (Article 29 of Implementing Regulation (EU) No 908/2014) as any earlier annual clearance decision but will have a different timeline and will concern five "quarters" instead of four.

The last clearance of accounts decision preceding the closure will determine the amounts of expenditure effected in the Member State during the period from 16 October 2024 to 31 December 2025, which will be chargeable to the EAFRD based on the accounts referred to in Article 29 of Implementing Regulation (EU) No 908/2014. The last clearance of accounts decision will also determine the eligible expenditure for the financial instruments referred to in Article 42(1) of Regulation (EU) No 1303/2013 and any reductions and suspensions under Articles 41 and 42 of Regulation (EU) No 1306/2013.

As a result of the clearance of accounts decision, the amount that is recoverable from or payable to the Member State will be established by deducting the intermediate payments in respect of the period from 16 October 2024 to 31 December 2025 from the expenditure recognised as being chargeable to the Fund for the same period. However, when the pre-financing and the intermediate payments reach 95% of the total EAFRD and EURI contribution (see point 2.3 of these Guidelines), the Commission will proceed with the clearing of the pre-financing with each following declaration of expenditure. In this case, the amount recoverable or payable will be established by deducting the intermediate payments in respect of the period from 16 October 2024 to 31 December 2025 and the cleared pre-financing amount for the respective period from the expenditure recognised as being chargeable to the fund for the same period.

The Commission will communicate to the Member State the results of its examination of the accounts, together with any amendments it proposes, within three months of receiving the final accounts.

If for reasons attributable to the Member State the Commission is unable to clear the accounts within four months of receiving them, the Commission will notify the Member State of the additional inquiries it proposes to undertake.

### 5.2. Calculation of the closure balance

In the clearance of accounts decision referred to in point 5.1. of these Guidelines, the Commission will also calculate and incorporate the balance to be paid or recovered at the closure of a rural development programme. However, it should be noted that if there are annual accounts for previous financial years that are still not cleared after the clearance decision for the last execution year, the programme cannot be closed, and the balance cannot be paid.

Any pending recovery orders issued by the Commission will be offset from the payment of the final balance.

Where a Member State has made financial adjustments following its controls and has recovered the corresponding amounts, it has to reallocate the amounts to the programme concerned. In accordance with Article 56 of Regulation (EU) No 1306/2013, amounts of the Union financing under the EAFRD which are cancelled and amounts recovered, as well as the interest thereon, are to be reallocated to the programme concerned. Therefore, amounts recovered from irregularities concerning the 2014-2022 programming period cannot be used to fund operations under the CAP Strategic Plan, nor can they be reallocated to operations/projects which have been subject to a financial adjustment ([30]). At the closure of a RDP, the amounts which the Member State has not reused, have to be returned to the Union budget and therefore will be deducted from the final balance.

([30]) Article 56 of Regulation (EU) No 1306/2013.

At the closure of a RDP, the Commission will also take account of the last annual progress report on the implementation of a rural development programme referred to in Article 75 of Regulation (EU) No 1305/2013. The Commission will inform the Member State within five months of the results of its examination of this report ([31]).

The Commission will take any pending payments reduced or suspended under Articles 41 and 42 of Regulation (EU) No 1306/2013 into account in the closure balance by reducing the final payment by these amounts of reductions and suspensions.

The Commission will inform the Member State in writing of its proposal for the balance to be paid or recovered.

An example of the final balance calculation is provided in Table 1 of these Guidelines.

### 5.3. **Reductions due to non-respect of the payment deadline at the programme closure**

The verification of the respect of the last payment deadline for the payments to the beneficiaries under RDP programmes preceding the closure of a rural development programme will be based on the same provisions (Article 75(1) of Regulation (EU) No 1306/2013 and Article 5a of Delegated Regulation (EU) No 907/2014) as each annual payment deadline exercise, but will have a different timing, similarly to the last clearance of accounts decision.

The calculation of the 5% threshold referred to in Article 5a(2) of Delegated Regulation (EU) 907/2014 for the last year of implementation will not change, i.e. the reserve period will take into account the following quarters: Q3 2024 until Q2 2025. Q3 and Q4 2025 will be treated as late payment quarters and will not change the reserve.

The last calculation of the payment deadlines reduction for a given programme will be based on 5 instead of 4 quarters i.e. Q4 2025 will be taken into account.

### 5.4. **Payment of the balance**

The Commission will pay the balance, subject to resource availability, not later than six months after the last annual accounts and the annual progress report are considered to be receivable, and all the annual accounts have been cleared. ([32]) This payment of the final balance is without prejudice to any later conformity decisions after the closure of a programme.

### 5.5. **De-commitments**

The part of budget commitments that is still open on the last eligibility date for expenditure (31 December 2025) for which the Member State has not made a declaration of expenditure by 30 June 2026 will be automatically de-committed by the Commission ([33]).

After paying the balance, the Commission will de-commit any outstanding open commitments within six months after the closure ([34]).

According to Article 15(1) of Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council ('the Financial Regulation') ([35]), de-committed appropriations may be made available again in the event of a manifest error attributable solely to the Commission.

([31]) Article 50(7) of Regulation (EU) No 1303/2013.
([32]) Article 37(2) of Regulation (EU) No 1306/2013.
([33]) Article 38(2) of Regulation (EU) No 1306/2013.
([34]) Article 37(2) of Regulation (EU) No 1306/2013.
([35]) 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. This Regulation has been repealed by Regulation (EU, Euratom) 2024/2509. However, pursuant to its Article 277(4), repealed Regulation (EU, Euratom) 2018/1046 continues to apply to legal commitments entered into before the entry into force of Regulation (EU, Euratom) 2024/2509. Pursuant to Article 76 of Regulation (EU) No 1303/2013 regarding the legal commitments in the rural development programs, Regulation (EU, Euratom) 2018/1046 thus still applies.

## 6. RESPONSIBILITIES AFTER CLOSURE

### 6.1. Follow-up of undue payments detected after the submission of the documents for closure

The responsibility to recover undue payments does not end at the closure of a rural development programme, but the Member States have to pursue the recovery of any undue payments detected after the closure of the programmes where Union funds have been paid to the beneficiaries, as per Article 59(1), point (e), of Regulation (EU) 2021/2116 ([36]).

The amounts concerned are to be reported to the Commission in accordance with Annexes II and III to Regulation (EU) No 908/2014 and the "50/50" table, for the purposes of Article 54(2), first and second subparagraph, and Article 54(3), second subparagraph of Regulation (EU) No 1306/2013.

Article 54 of Regulation (EU) No 1306/2013 is applicable to the ongoing recovery procedures and to the recovery procedures to be initiated as regards the unduly paid amounts arising from the EAFRD 2014-2022 programming period.

A Member State may decide to halt the recovery procedure, in cases where the costs incurred are higher than the amount to be recovered as specified in Article 54(3), point (a), of Regulation 1306/2013 or when the recovery proves impossible due to the insolvency, recorded and recognised under national law, of the debtor or the person legally responsible for the irregularity, as specified in Article 54(3), point (b), of Regulation 1306/2013.

The amounts to be charged to the Member States in relation to the outstanding irregularity cases which will fall under the 50/50 rule ([37]) after the closure decision will have to be refunded to the Union budget on a yearly basis.

### 6.2. Conformity clearance after closure

The closure of a rural development programme does not pre-judge any later conformity clearance decision, which could include amounts to be charged to the Member State following audits by the Commission.

### 6.3. Assessment of the performance framework at closure

The assessment of the achievement of the final target of the RDP performance framework will take place in 2026 based on the final Annual Implementation Report. In this assessment, the Commission ascertains the degree of achievement of the final targets and identifies any serious failures in their achievement.

Serious failure to achieve a performance framework priority means that the achievement rate of a target or targets (where there are more than two targets per priority) is below a certain percentage as defined in Article 6 of Commission Implementing Regulation (EU) No 215/2014. Furthermore, the finding of a serious failure to achieve a priority is subject to a number of cumulative conditions as provided for in Article 22(7) of Regulation (EU) No 1303/2013. Before the Commission can establish a serious failure to achieve a priority, it has to establish that the serious failure is due to a weakness in implementation and communicate that to the Managing Authority, which must be given a possibility for corrective action.

The Commission may apply a financial correction for an established serious failure of a performance framework priority but is not obliged to do so.

The Commission will not apply financial corrections where the failure to achieve a performance framework priority is due to the impact of socio-economic or environmental factors, significant changes in the economic or environmental conditions in the Member State concerned or because of reasons of force majeure seriously affecting the implementation of the priorities concerned ([38]).

([36]) Previous Article 58(1)(e) of Regulation (EU) No 1306/2013.
([37]) Article 54(2) of Regulation (EU) No 1306/2013.
([38]) Article 22(7) of Regulation (EU) No 1303/2013.

**TABLE 1: Example of final balance calculation**

| **Calculation of the final balance for a RDP** |
|---|
| I - **Verification of the respect of financial plan per measure:** |
| a) Total expenditure declared in annual declarations of the programming period 2014-2022 |
| b) Adjustments |
| c) Minus total capping at measure level |
| II - **Deduction of amounts already paid to the RDP:** |
| a) Pre-financing paid |
| b) Interim payments |
| = Final Balance due |
| - Suspensions/interruptions |
| **= FINAL BALANCE to be paid or recovered** |