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WORKING PAPER

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WORKING DOCUMENT

From:	Commission Services
To:	Ad Hoc Working Party on JHA Financial instruments
Subject:	Annex 2 to the Fiche 3 on the explanations on the application of the CPR proposal to DG HOME Funds - CPR annotated text

Delegations will find attached a working document from the Commission - Common Provisions Regulation annotated text.



EUROPEAN
COMMISSION

Strasbourg, 29.5.2018
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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument

PARTS IN ORANGE INDICATE PROVISIONS NOT APPLICABLE TO THE SHARED MANAGEMENT COMPONENTS OF AMF, ISF OR BMVI

PARTS IN BLUE INDICATE PROVISIONS THAT ARE APPLICABLE TO THE SHARED MANAGEMENT COMPONENTS OF AMF, ISF OR BMVI BUT MAY NOT BE RELEVANT FOR THESE FUNDS/INSTRUMENT

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 177, 322(1)(a) and 349 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Having regard to the opinion of the Court of Auditors³,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) Article 174 of the Treaty on the Functioning of the European Union ('TFEU') provides that, in order to strengthen its economic, social and territorial cohesion, the Union is to aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions or islands, and that particular attention is to be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps. Article 175 of the TFEU requires that the Union is to support the achievement of these objectives by the action it takes through the European Agricultural Guidance and Guarantee Fund, Guidance Section, the European Social Fund, the European Regional Development Fund, the European Investment Bank and other instruments. Article 322 of the TFEU provides the basis for adopting financial rules determining the procedure to be adopted for establishing and implementing the budget and for presenting and auditing accounts, as well as for checks on the responsibility of financial actors.

¹ OJ C [...], [...], p. [...].

² OJ C [...], [...], p. [...].

³ OJ C [...], [...], p. [...].

- (2) In order to further develop a coordinated and harmonised implementation of Union Funds implemented under shared management namely the European Regional Development Fund ('ERDF'), the European Social Fund Plus ('ESF+'), the Cohesion Fund, measures financed under shared management in the European Maritime and Fisheries Fund ('EMFF'), the Asylum and Migration Fund ('AMIF'), Internal Security Fund ('ISF') and Integrated Border Management Fund ('BMVI'), financial rules based on Article 322 of the TFEU should be established for all these Funds ('the Funds'), clearly specifying the scope of application of the relevant provisions. In addition, common provisions based on Article 177 of the TFEU should be established to cover policy specific rules for the ERDF, the ESF+, the Cohesion Fund and the EMFF.
- (3) Due to the specificities of each Fund, specific rules applicable to each Fund and to the European territorial cooperation goal (Interreg) under the ERDF should be laid down in separate Regulations ('Fund-specific Regulations') to complement the provisions of this Regulation.
- (4) The outermost regions and the northern sparsely populated regions should benefit from specific measures and from additional funding pursuant to Article 349 of the TFEU and Article 2 of Protocol No 6 to the 1994 Act of Accession.
- (5) Horizontal principles as set out in Article 3 of the Treaty on the European Union ('TEU') and in Article 10 of the TFEU, including principles of subsidiarity and proportionality as set out in Article 5 of the TEU should be respected in the implementation of the Funds, taking into account the Charter of Fundamental Rights of the European Union. Member States should also respect the obligations of the UN Convention on the Rights of Persons with Disabilities and ensure accessibility in line with its article 9 and in accordance with the Union law harmonising accessibility requirements for products and services. Member States and the Commission should aim at eliminating inequalities and at promoting equality between men and women and integrating the gender perspective, as well as at combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. The Funds should not support actions that contribute to any form of segregation. The objectives of the Funds should be pursued in the framework of sustainable development and the Union's promotion of the aim of preserving, protecting and improving the quality of the environment as set out in Article 11 and Article 191(1) of the TFEU, taking into account the polluter pays principle. In order to protect the integrity of the internal market, operations benefitting undertakings shall comply with Union State aid rules as set out in Articles 107 and 108 of the TFEU.
- (6) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding.
- (7) Where a time limit is set for the Commission to take any action towards Member States, the Commission should take account of all necessary information and documents in a timely and efficient manner. Where submissions from Member States are incomplete or non-compliant with the requirements of this Regulation and of Fund-specific Regulations, thus not enabling the Commission to take fully-informed action, that time limit should be suspended until the Member States comply with the regulatory requirements.

- (8) In order to contribute to Union priorities, the Funds should focus their support on a limited number of policy objectives in line with their Fund-specific missions pursuant to their Treaty-based objectives. The policy objectives for the AMIF, the ISF and the BMVI should be set out in the respective Funds-specific regulations.
- (9) Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, the Funds will contribute to mainstream climate actions and to the achievement of an overall target of 25 % of the EU budget expenditure supporting climate objectives.
- (10) Part of the budget of the Union allocated to the Funds should be implemented by the Commission under shared management with Member States within the meaning of Regulation (EU, Euratom) [number of the new Financial Regulation] of the European Parliament and of the Council⁴ (the 'Financial Regulation'). Therefore, when implementing the Funds under shared management, the Commission and the Member States should respect the principles referred to in the Financial Regulation, such as sound financial management, transparency and non-discrimination.
- (11) The principle of partnership is a key feature in the implementation of the Funds, building on the multi-level governance approach and ensuring the involvement of civil society and social partners. In order to provide continuity in the organisation of partnership, Commission Delegated Regulation (EU) No 240/2014⁵ should continue to apply.
- (12) At Union level, the European Semester of economic policy coordination is the framework to identify national reform priorities and monitor their implementation. Member States develop their own national multiannual investment strategies in support of these reform priorities. These strategies should be presented alongside the yearly National Reform Programmes as a way to outline and coordinate priority investment projects to be supported by national and Union funding. They should also serve to use Union funding in a coherent manner and to maximise the added value of the financial support to be received notably from the Funds, the European Investment Stabilisation Function and InvestEU.
- (13) Member States should determine how relevant country-specific recommendations adopted in accordance with Article 121(2) of the TFEU and relevant Council recommendations adopted in accordance with Article 148(4) of the TFEU ('CSR's) are taken into account in the preparation of programming documents. During the 2021–2027 programming period ('programming period'), Member States should regularly present to the monitoring committee and to the Commission the progress in implementing the programmes in support of the CSRs. **During a mid-term review, Member States should, among other elements, consider the need for programme modifications to accommodate relevant CSRs adopted or modified since the start of the programming period.**
- (14) **Member States should take account of the contents of their draft National Energy and Climate Plan, to be developed under the Regulation on the Governance of the Energy Union⁶, and the**

⁴ OJ L [...], [...], p. [...].

⁵ Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds (OJ L 74, 14.3.2014, p. 1).

⁶ [Regulation on the Governance of the Energy Union, amending Directive 94/22/EC, Directive 98/70/EC, Directive 2009/31/EC, Regulation (EC) No 663/2009, Regulation (EC) No 715/2009, Directive 2009/73/EC, Council Directive 2009/119/EC, Directive 2010/31/EU, Directive 2012/27/EU, Directive 2013/30/EU and Council Directive (EU) 2015/652 and repealing Regulation (EU) No 525/2013 (COM/2016/0759 final/2 - 2016/0375 (COD)].

outcome of the process resulting in Union recommendations regarding these plans, for their programmes, as well as for the financial needs allocated for low-carbon investments.

- (15) The Partnership Agreement, prepared by each Member State, should be a strategic document guiding the negotiations between the Commission and the Member State concerned on the design of programmes. In order to reduce the administrative burden, it should not be necessary to amend Partnership Agreements during the programming period. To facilitate the programming and avoid overlapping content in programming documents, Partnership Agreements can be included as part of a programme.
- (16) Each Member State should have the flexibility to contribute to InvestEU for the provision of budgetary guarantees for investments in that Member State.
- (17) To ensure the necessary prerequisites for the effective and efficient use of Union support granted by the Funds, a limited list of enabling conditions as well as a concise and exhaustive set of objective criteria for their assessment should be established. Each enabling condition should be linked to a specific objective and should be automatically applicable where the specific objective is selected for support. Where those conditions are not fulfilled, expenditure related to operations under the related specific objectives should not be included in payment applications.. In order to maintain a favourable investment framework, the continued fulfilment of the enabling conditions should be monitored regularly. It is also important to ensure that operations selected for support are implemented consistently with the strategies and planning documents in place underlying the fulfilled enabling conditions, thus ensuring that all co-financed operations are in line with the Union policy framework.
- (18) Member States should establish a performance framework for each programme covering all indicators, milestones and targets to monitor, report on and evaluate programme performance.
- (19) The Member State should carry out a mid-term review of each programme supported by the ERDF, the ESF+ and the Cohesion Fund. That review should provide a fully-fledged adjustment of programmes based on programme performance, while also providing an opportunity to take account of new challenges and relevant CSRs issued in 2024. In parallel, in 2024 the Commission should, together with the technical adjustment for the year 2025, review all Member States' total allocations under the Investment for jobs and growth goal of cohesion policy for the years 2025, 2026 and 2027, applying the allocation method set out in the relevant basic act. That review together with the outcome of the mid-term review should result in programme amendments modifying the financial allocations for the years 2025, 2026 and 2027.
- (20) Mechanisms to ensure a link between Union funding policies and the economic governance of the Union should be further refined, allowing the Commission to make a proposal to the Council to suspend all or part of the commitments for one or more of the programmes of the Member State concerned where that Member State fails to take effective action in the context of the economic governance process. In order to ensure uniform implementation and in view of the importance of the financial effects of measures being imposed, implementing powers should be conferred on the Council which should act on the basis of a Commission proposal. To facilitate the adoption of decisions which are required to ensure effective action in the context of the economic governance process, reversed qualified majority voting should be used.
- (21) It is necessary to set out common requirements as regards the content of the programmes taking into account the specific nature of each Fund. Those common requirements can be complemented by Fund-specific rules. Regulation (EU) [XXX] of the European Parliament and

of the Council⁷ (the 'ETC Regulation') should set out specific provisions on the content of programmes under the European territorial cooperation goal (Interreg).

- (22) In order to allow for flexibility in programme implementation and reduce administrative burden, limited financial transfers should be allowed between priorities of the same programme without requiring a Commission decision amending the programme. The revised financial tables should be submitted to the Commission in order to ensure up-to-date information on financial allocations for each priority.
- (23) To strengthen the integrated territorial development approach, investments in the form of territorial tools such as integrated territorial investments ('ITI'), community-led local development ('CLLD') or any other territorial tool under policy objective "a Europe closer to citizens" supporting initiatives designed by the Member State for investments programmed for the ERDF should be based on territorial and local development strategies. For the purposes of ITIs and territorial tools designed by Member States, minimum requirements should be set out for the content of territorial strategies. Those territorial strategies should be developed and endorsed under the responsibility of relevant authorities or bodies. To ensure the involvement of relevant authorities or bodies in implementing territorial strategies, those authorities or bodies should be responsible for the selection of operations to be supported, or involved in that selection.
- (24) To better mobilise potential at the local level, it is necessary to strengthen and facilitate CLLD. It should take into account local needs and potential, as well as relevant socio-cultural characteristics, and should provide for structural changes, build community capacity and stimulate innovation. The close cooperation and integrated use of the Funds to deliver local development strategies should be strengthened. Local action groups, representing the interests of the community, should be, as an essential principle responsible for the design and implementation of CLLD strategies. In order to facilitate coordinated support from different Funds to CLLD strategies and to facilitate their implementation, the use of a 'Lead Fund' approach should be facilitated.
- (25) In order to reduce the administrative burden, technical assistance at the initiative of the Member State should be implemented through a flat rate based on progress in programme implementation. That technical assistance may be complemented with targeted administrative capacity building measures using reimbursement methods that are not linked to costs. Actions and deliverables as well as corresponding Union payments can be agreed in a roadmap and can lead to payments for results on the ground.
- (26) It is opportune to clarify that, where a Member State proposes to the Commission that a priority of a programme or part thereof is supported through a financing scheme not linked to costs, the actions, deliverables and conditions agreed should be related to concrete investments undertaken under the shared management programmes in that Member State or region.
- (27) In order to examine the performance of the programmes, the Member State should set up monitoring committees. For the ERDF, the ESF+ and the Cohesion Fund, annual implementation reports should be replaced by an annual structured policy dialogue based on the latest information and data on programme implementation made available by the Member State.
- (28) Pursuant to paragraphs 22 and 23 of the Inter-institutional agreement for Better Law-Making of 13 April 2016⁸, there is a need to evaluate the Funds on the basis of information collected

⁷ Regulation (EU) [...] on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments (OJ L [...], [...], p. [...]).

through specific monitoring requirements, while avoiding overregulation and administrative burden, in particular on Member States. These requirements, where appropriate, can include measurable indicators, as a basis for evaluating the effects of the Funds on the ground.

- (29) To ensure availability of comprehensive up-to-date information on programme implementation, more frequent electronic reporting on quantitative data should be required.
- (30) In order to support the preparation of related programmes and activities of the next programming period, the Commission should carry out a mid-term assessment of the Funds. At the end of the programming period, the Commission should carry out retrospective evaluations of the Funds, which should focus on the impact of the Funds.
- (31) Programme authorities, beneficiaries and stakeholders in Member States should raise awareness of the achievements of Union funding and inform the general public accordingly. Transparency, communication and visibility activities are essential in making Union action visible on the ground and should be based on true, accurate and updated information. In order for these requirements to be enforceable, programme authorities and the Commission should be able to apply remedial measures in case of non-compliance.
- (32) Managing authorities should publish structured information on selected operations and beneficiaries on the website of the programme providing support to the operation, while taking account of requirements for data protection of personal data in accordance with Regulation (EU) 2016/679⁹ of the European Parliament and of the Council.
- (33) With a view to simplifying the use of the Funds and reducing the risk of error, it is appropriate to define both the forms of Union contribution to Member States and the forms of support provided by Member States to beneficiaries.
- (34) As regards grants provided to beneficiaries, Member States should increasingly make use of simplified cost options. The threshold linked to the obligatory use of simplified cost options should be linked to the total costs of the operation in order to ensure the same treatment of all operations below the threshold, regardless of whether the support is public or private.
- (35) To enable immediate implementation of flat-rates, any flat rate established by Member States in the 2014-2020 period based on a fair, equitable and verifiable calculation method should continue to be applied for similar operations supported under this Regulation without requiring a new calculation method.
- (36) In order to optimise the uptake of co-financed environmental investments, synergies should be ensured with the LIFE programme for Environmental and Climate Action, in particular through LIFE strategic integrated projects and strategic nature projects.
- (37) In order to provide legal clarity, it is appropriate to specify the eligibility period for expenditure or costs linked to operations supported by the Funds under this Regulation and to restrict support for completed operations. The date from which expenditure becomes eligible for support from the Funds in case of adoption of new programmes or of changes in the programmes should also be clarified, including the exceptional possibility to extend the eligibility period to the start of a natural disaster in case there is urgent need to mobilise resources to respond to such disaster.

⁸ OJ L 123, 12.5.2016, p. 13.

⁹ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) OJ L 119, 4.5.2016, p. 1.

- (38) To ensure the effectiveness, fairness and sustainable impact of the Funds, there should be provisions guaranteeing that investments in infrastructure or productive investment are long-lasting and prevent the Funds from being used to undue advantage. Managing authorities should pay particular attention not to support relocation when selecting operations and to treat sums unduly paid to operations not complying with the requirement of durability as irregularities.
- (39) With a view to improving complementarities and simplifying implementation, it should be possible to combine support from the Cohesion Fund and the ERDF with support from the ESF+ in joint programmes under the Investment for jobs and growth goal.
- (40) In order to optimise the added value from investments funded wholly or in part through the budget of the Union, synergies should be sought in particular between the Funds and directly managed instruments, including the Reform Delivery Tool. Those synergies should be achieved through key mechanisms, namely the recognition of flat rates for eligible costs from Horizon Europe for a similar operation and the possibility of combining funding from different Union instruments in the same operation as long as double financing is avoided. This Regulation should therefore set out rules for complementary financing from the Funds.
- (41) Financial instruments should not be used to support refinancing activities, such as replacing existing loan agreements or other forms of financing for investments which have already been physically completed or fully implemented at the date of the investment decision, but rather to support any type of new investments in line with the underlying policy objectives.
- (42) The decision to finance support measures through financial instruments should be determined on the basis of an ex ante assessment. This Regulation should lay down the minimum mandatory elements of ex ante assessments and should allow Member States to make use of the ex ante assessment carried out for the 2014-2020 period, updated where necessary, in order to avoid administrative burden and delays in setting up financial instruments.
- (43) In order to facilitate the implementation of certain types of financial instruments where ancillary grant support is envisaged, it is possible to apply the rules on financial instruments on such combination in one financial instrument operation. Specific conditions preventing double financing in such cases should be set out.
- (44) In full respect of the applicable State aid and public procurement rules already clarified during the 2014-2020 programming period, the managing authorities should have the possibility to decide on the most appropriate implementation options for financial instruments in order to address the specific needs of target regions.
- (45) In accordance with the principle and rules of shared management, Member States and the Commission should be responsible for the management and control of programmes and give assurance on the legal and regular use of the Funds. Since Member States should have the primary responsibility for such management and control and should ensure that operations supported by the Funds comply with applicable law, their obligations in that regard should be specified. The powers and responsibilities of the Commission in that context should also be laid down.
- (46) In order to hasten the start of programme implementation, the roll-over of implementation arrangements from the previous programming period should be facilitated. The use of the computerised system already established for the previous programming period, adapted as required, should be maintained, unless a new technology is necessary.
- (47) To streamline programme management functions, the integration of accounting functions with those of the managing authority should be maintained for the programmes supported by the AMIF, the ISF and the BMVI, and should be an option for the other Funds.

- (48) Since the managing authority bears the main responsibility for the effective and efficient implementation of the Funds and therefore fulfils a substantial number of functions, its functions in relation to the selection of projects, programme management and support for the monitoring committee should be set out in detail. Operations selected should be in line with the horizontal principles.
- (49) In order to optimise synergies between the Funds and directly managed instruments, the provision of support for operations that have already received a Seal of Excellence certification should be facilitated.
- (50) To ensure an appropriate balance between the effective and efficient implementation of the Funds and the related administrative costs and burdens, the frequency, scope and coverage of management verifications should be based on a risk assessment that takes account of factors such as the type of operations implemented, the beneficiaries as well as the level of risk identified by previous management verifications and audits.
- (51) The audit authority should carry out audits and ensure that the audit opinion provided to the Commission is reliable. That audit opinion should provide assurance to the Commission on three points, namely the legality and regularity of the declared expenditure, the effective functioning of the management and control systems and the completeness, accuracy and veracity of the accounts.
- (52) A reduction of verifications and audit requirements should be possible where there is assurance that the programme has functioned effectively for the latest two consecutive years since this demonstrates that the Funds are being implemented effectively and efficiently over a prolonged period of time.
- (53) To reduce administrative burden on beneficiaries and administrative costs, the concrete application of the single audit principle should be specified for the Funds.
- (54) In order to improve financial management, a simplified pre-financing scheme should be provided for. The pre-financing scheme should ensure that a Member State has the means to provide support to beneficiaries from the start of the implementation of the programme.
- (55) To reduce the administrative burden for Member States as well as for the Commission, a compulsory schedule of quarterly payment applications should be established. Commission payments should continue to be subject to a 10 % retention until the payment of the annual balance of accounts when the Commission is able to conclude that the accounts are complete, accurate and true.
- (56) In order to reduce the administrative burden, the procedure for the annual acceptance of accounts should be simplified by providing simpler modalities for payments and recoveries where there is no disagreement between the Commission and the Member State.
- (57) In order to safeguard the financial interests and the budget of the Union proportionate measures should be established and implemented at the level of Member States and of the Commission. The Commission should be able to interrupt payments deadlines, suspend interim payments and apply financial corrections where the respective conditions are fulfilled. The Commission should respect the principle of proportionality by taking into account the nature, gravity and frequency of irregularities and their financial implications for the budget of the Union.
- (58) Member States should also prevent, detect and deal effectively with any irregularities including fraud committed by beneficiaries. Moreover, in accordance with Regulation (EU, Euratom) No

883/2013¹⁰, and Regulations (Euratom, EC) No 2988/95¹¹ and No 2185/96¹² the European Anti-Fraud Office (OLAF) may carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU) 2017/1939¹³, the European Public Prosecutor's Office may investigate and prosecute fraud and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371¹⁴ on the fight against fraud to the Union's financial interests by means of criminal law. Member States should take the necessary measures so that any person or entity receiving Union funds fully cooperates in the protection of the Union's financial interests, grants the necessary rights and access to the Commission, the European Anti-Fraud Office (OLAF), the European Public Prosecutor's Office (EPPO) and the European Court of Auditors (ECA) and ensures that any third parties involved in the implementation of Union funds grant equivalent rights. Member States should report to the Commission on detected irregularities including fraud, and on their follow-up as well as on the follow-up of OLAF investigations.

- (59) In order to encourage financial discipline, it is appropriate to define the arrangements for decommitment of budgetary commitments at programme level.
- (60) In order to promote the objectives of the TFEU related to economic, social and territorial cohesion, the Investment for jobs and growth goal should support all regions. To provide balanced and gradual support and reflect the level of economic and social development, resources under that goal should be allocated from the ERDF and the ESF+ on the basis of an allocation key which is predominantly based on GDP *per capita*. Member States whose *per capita* gross national income ('GNI') is less than 90 % of that of the Union average should benefit under the Investment for jobs and growth goal from the Cohesion Fund.
- (61) Objective criteria should be established for designating eligible regions and areas for support from the Funds. To this end, the identification of the regions and areas at Union level should be based on the common system of classification of the regions established by Regulation (EC) No 1059/2003 of the European Parliament and the Council¹⁵, as amended by Commission Regulation (EU) No 868/2014¹⁶.
- (62) In order to set out an appropriate financial framework for the ERDF, the ESF+ and the Cohesion Fund, the Commission should set out the annual breakdown of available allocations per Member State under the Investment for jobs and growth goal together with the list of

¹⁰ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

¹¹ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

¹² Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

¹³ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1).

¹⁴ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

¹⁵ Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p. 1).

¹⁶ Commission Regulation (EU) No 868/2014 of 8 August 2014 amending the annexes to Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 241, 13.8.2014, p. 1).

eligible regions, as well as the allocations for the European territorial cooperation goal (Interreg). Taking into account that the national allocations of Member States should be established on the basis of the statistical data and forecasts available in 2018 and given the forecasting uncertainties, the Commission should review the total allocations of all Member States in 2024 on the basis of the most recent statistics available at the time and, where there is a cumulative divergence of more than +/- 5 %, it should adjust those allocations for the years 2025 to 2027 in order for the outcomes of the mid-term review and the technical adjustment exercise to be reflected in programme amendments at the same time.

- (63) Trans-European transport networks projects in accordance with Regulation (EU) No [new CEF Regulation]¹⁷ will continue to be financed from the Cohesion Fund via both shared management and the direct implementation mode under the Connecting Europe Facility ('CEF'). Building on the successful approach of the 2014-2020 programming period, EUR 10 000 000 000 of the Cohesion Fund should be transferred to the CEF for this purpose.
- (64) A certain amount of the resources from ERDF, the ESF+ and the Cohesion Fund should be allocated to the European Urban Initiative which should be implemented through direct or indirect management by the Commission.
- (65) With a view to ensuring an appropriate allocation to categories of regions, as a principle, the total allocations to Member States in respect of less developed, transitional and more developed regions should not be transferable between the categories. Nevertheless, to accommodate Member State's needs to tackle specific challenges, Member States should be able to request a transfer from their allocations for more developed regions or for transition regions to less developed regions and should justify that choice. In order to ensure sufficient financial resources for less developed regions, a ceiling should be established for transfers to more developed regions or to transition regions. Transferability of resources between goals should not be possible.
- (66) Within the context of the unique and specific circumstances on the island of Ireland, and with a view to supporting North-South cooperation under the Good Friday Agreement, a new 'PEACE PLUS' cross-border programme should continue and build on the work of previous programmes, Peace and INTERREG, between the border counties of Ireland and Northern Ireland. Taking into account its practical importance, this programme should be supported with a specific allocation to continue support for peace and reconciliation actions, and that an appropriate share of the Irish allocation under the European Territorial Cooperation goal (Interreg) should also be allocated to the programme.
- (67) It is necessary to establish the maximum rates of co-financing in the area of cohesion policy by category of region in order to ensure that the principle of co-financing is respected through an appropriate level of public or private national support. Those rates should reflect the level of economic development of regions in terms of GDP *per capita* in relation to the EU-27 average.
- (68) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 of the TFEU should be delegated to the Commission in respect of the amendment of the elements contained in certain Annexes to this Regulation, i.e. **for the dimensions and codes for the types of intervention**, the templates for partnership agreements and programmes, the templates for the transmission of data, the use of the emblem of the Union, the elements for funding agreements and strategy documents, , the audit trail, electronic data exchange systems, the templates for the description of the management and control system, for the management declaration, for the audit opinion, for the

¹⁷ Regulation (EU) [...] of the European Parliament and of the Council of [...] on [CEF] (OJ L [...], [...], p. [...])

annual control report, for the audit strategy, for the payment applications, for the accounts as well as for the determination of the level of financial corrections.

- (69) In addition the power to adopt acts in accordance with Article 290 of the TFEU should be delegated to the Commission in respect of the establishment of the criteria for determining the cases of irregularities to be reported, the definition of unit costs, lump sums, flat rates and financing not linked to costs applicable to all Member States as well as the establishment of standardised off-the-shelf sampling methodologies.
- (70) It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
- (71) In order to ensure uniform conditions for the adoption of Partnership Agreements, the adoption or amendment of programmes as well as the application of financial corrections, implementing powers should be conferred on the Commission. The implementing powers relating to the format to be used for reporting on irregularities, the electronic data to be recorded and stored and for the template for the final performance report should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹⁸. Although these acts are of a general nature, the advisory procedure should be used given that they only set out technical aspects, forms and templates. The implementing powers in relation to the establishment of the breakdown of financial allocations for the ERDF, ESF+ and the Cohesion Fund. should be adopted without comitology procedures given that they merely reflect the application of a pre-defined calculation methodology.
- (72) Since Regulation (EU) No 1303/2013 of the European Parliament and of the Council¹⁹ or any act applicable to the 2014–2020 programming period should continue to apply to programmes and operations supported by the Funds covered under the 2014–2020 programming period. Since the implementation period of Regulation (EU) No 1303/2013 is expected to extend over to the programming period covered by this Regulation and in order to ensure continuity of implementation of certain operations approved by that Regulation, phasing provisions should be established. Each individual phase of the phased operation, which serves the same overall objective, should be implemented in accordance with the rules of the programming period under which it receives funding.
- (73) The objectives of this Regulation, namely to strengthen economic, social and territorial cohesion and to lay down common financial rules for part of the budget of the Union implemented under shared management, cannot be sufficiently achieved by the Member States by reason on the one hand due to the extent of the disparities between the levels of development of the various regions and the backwardness of the least favoured regions, as well

¹⁸ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

¹⁹ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 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).

as the limit on the financial resources of the Member States and regions and on the other hand due to the need for a coherent implementation framework covering several Union funds under shared management. Since those objectives can therefore rather be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the TEU. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

- (74) This Regulation respects the fundamental rights and observes the principles recognised in particular by the Charter of Fundamental Rights of the European Union,

HAVE ADOPTED THIS REGULATION:

TITLE I OBJECTIVES AND GENERAL RULES ON SUPPORT

CHAPTER I Subject-matter and definitions

Article 1 **Subject-matter and scope**

1. This Regulation lays down:
 - (a) financial rules for the European Regional Development Fund ('ERDF'), the European Social Fund Plus ('ESF+'), the Cohesion Fund,, the European Maritime and Fisheries Fund ('EMFF'), the Asylum and Migration Fund ('AMIF'), the Internal Security Fund ('ISF') and the Border Management and Visa Instrument ('BMVI') ('the Funds');
 - (b) common provisions applicable to the ERDF, the ESF+, the Cohesion Fund and the EMFF.
2. This Regulation shall not apply to the Employment and Social Innovation and the Health strands of the ESF+ and to the direct or indirect management components of the EMFF, the AMIF, the ISF and the BMVI, except for technical assistance at the initiative of the Commission.
3. Articles 4 and 10, Chapter III of Title II, Chapter II of Title III, and Title VIII shall not apply to the AMIF, the ISF and the BMVI.
4. Title VIII shall not apply to the EMFF.
5. Article 11 of Chapter II and Article 15 of Chapter III of Title II, Chapter I of Title III, Articles 33 to 36 and Article 38(1) to (4) of Chapter I, Article 39 of Chapter II, Article 45 of Chapter III of Title IV, Articles 67, 71, 73 and 74 of Chapter II and Chapter III of Title VI shall not apply to Interreg programmes.
6. The Fund-specific Regulations listed below may establish complementary rules to this Regulation which shall not be in contradiction with this Regulation. In case of doubt about the application between this Regulation and Fund-specific Regulations, this Regulation shall prevail:
 - (a) Regulation (EU) [...] (the 'ERDF and CF Regulation')²⁰;

²⁰ OJ L , , p. .

- (b) Regulation (EU) [...] (the 'ESF+ Regulation')²¹;
- (c) Regulation (EU) [...] (the 'ETC Regulation')²²;
- (d) Regulation (EU) [...] (the 'EMFF Regulation')²³;
- (e) Regulation (EU) [...] (the 'AMIF Regulation')²⁴;
- (f) Regulation (EU) [...] (the 'ISF Regulation')²⁵;
- (g) Regulation (EU) [...] (the 'BMVI Regulation')²⁶.

Article 2 Definitions

For the purpose of this Regulation, the following definitions apply:

- (1) 'relevant country specific recommendations' mean Council recommendations adopted in accordance with Article 121(2) and Article 148(4) of the TFEU relating to structural challenges which it is appropriate to address through multiannual investments that fall within the scope of the Funds as set out in Fund-specific Regulations, and relevant recommendations adopted in accordance with Article [XX] of Regulation (EU) [*number of the new Energy Union Governance Regulation*] of the European Parliament and of the Council;
- (2) 'applicable law' means Union law and the national law relating to its application;
- (3) 'operation' means:
 - (a) a project, contract, action or group of projects selected under the programmes concerned;
 - (b) in the context of financial instruments, a programme contribution to a financial instrument and the subsequent financial support provided to final recipients by that financial instrument;
- (4) 'operation of strategic importance' means an operation which provides a key contribution to the achievement of the objectives of a programme and which are subject to particular monitoring and communication measures;
- (5) 'priority' in the context of the AMIF, the ISF and the BMVI, means a specific objective; in the context of the EMFF it means a 'type of areas of support' as referred to in the nomenclature laid down in Annex III of the EMFF Regulation;
- (6) 'specific objective' in the context of the EMFF, shall be understood as 'areas of support' as referred to in Annex III of the EMFF Regulation;
- (7) 'intermediate body' means any public or private law body which acts under the responsibility of a managing authority, or which carries out functions or tasks on behalf of such an authority;
- (8) 'beneficiary' means:

²¹ OJ L , , p. .
²² OJ L , , p. .
²³ OJ L , , p. .
²⁴ OJ L , , p. .
²⁵ OJ L , , p. .
²⁶ OJ L , , p. .

- (a) a public or private law body, an entity with or without legal personality or a natural person, responsible for initiating or both initiating and implementing operations;
 - (b) in the context of public-private partnerships ('PPP'), the public law body initiating a PPP operation or the private partner selected for its implementation;
 - (c) in the context of State aid schemes, the undertaking which receives the aid;
 - (d) in the context of financial instruments, the body that implements the holding fund or, where there is no holding fund structure, the body that implements the specific fund or, where the managing authority manages the financial instrument, the managing authority;
- (9) 'small project fund' means an operation in an Interreg programme aimed at the selection and implementation of projects of limited financial volume;
- (10) 'target' means a pre-agreed value to be achieved at the end of the programming period in relation to an indicator included under a specific objective;
- (11) 'milestone' means an intermediate value to be achieved at a given point in time during the programming period in relation to an indicator included under a specific objective;
- (12) 'output indicator' means an indicator to measure the specific deliverables of the intervention;
- (13) 'result indicator' means an indicator to measure the short term effects of the interventions supported, with particular reference to the direct addressees, population targeted or users of infrastructure;
- (14) 'PPP operation' means an operation which is implemented under a partnership between public bodies and the private sector in line with a PPP agreement, and which aims to provide public services through risk sharing, pooling of private sector expertise or additional sources of capital;
- (15) 'financial instrument' means a structure through which financial products are provided;
- (16) 'financial product' means equity or quasi equity investments, loans and guarantees as defined in Article 2 of Regulation (EU, Euratom) [...] ('the Financial Regulation');
- (17) 'final recipient' means a legal or natural person receiving support from the Funds through a beneficiary of a small project fund or from a financial instrument;
- (18) 'programme contribution' means the support from the Funds and the national public and private, if any, co-financing, to a financial instrument;
- (19) 'body implementing a financial instrument' means a body, governed by public or private law, carrying out tasks of a holding fund or of a specific fund;
- (20) 'holding fund' means a fund set up by a managing authority under one or more programmes, to implement financial instruments through one or more specific funds;
- (21) 'specific fund' means a fund, set-up by a managing authority or a holding fund, to provide financial products to final recipients;
- (22) 'leverage effect' means the amount of reimbursable financing provided to final recipients divided by the amount of the contribution from the Funds;
- (23) 'multiplier ratio' in the context of guarantee instruments, means a ratio between the value of the underlying disbursed new loans, equity or quasi-equity investments, and the amount of the programme contribution set aside as agreed in guarantee contracts to cover expected and unexpected losses from those new loans, equity or quasi-equity investments;

- (24) 'management costs' means direct or indirect costs reimbursed against evidence of expenditure incurred in the implementation of financial instruments;
- (25) 'management fees' means a price for services rendered, as determined in the funding agreement between the managing authority and the body implementing a holding fund or a specific fund; and, where applicable, between the body implementing a holding fund and the body implementing a specific fund;
- (26) 'relocation' means a transfer of the same or similar activity or part thereof within the meaning of Article 2(61a) of Commission Regulation (EU) No 651/2014²⁷ declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the TFEU;
- (27) 'public contribution' means any contribution to the financing of operations the source of which is the budget of national, regional or local public authorities or of any European grouping of territorial cooperation (EGTC) established in accordance with Regulation (EC) No 1082/2006 of the European Parliament and of the Council²⁸, the budget of the Union made available to the Funds, the budget of public law bodies or the budget of associations of public authorities or of public law bodies and, for the purpose of determining the co-financing rate for ESF+ programmes or priorities, may include any financial resources collectively contributed by employers and workers;
- (28) 'accounting year' means the period from 1 July to 30 June of the following year, except for the first accounting year of the programming period, in respect of which it means the period from the start date for eligibility of expenditure until 30 June 2022; for the final accounting year, it means the period from 1 July 2029 to 30 June 2030;
- (29) 'irregularity' means any breach of applicable law, resulting from an act or omission by an economic operator involved in the implementation of the Funds, which has, or would have, the effect of prejudicing the budget of the Union by charging unjustified expenditure to that budget;
- (30) 'serious deficiency' means a deficiency in the effective functioning of the management and control system of a programme for which significant improvements in the management and control systems are required and where any of the key requirements 2, 4, 5, 9, 12, 13 and 15 referred to in Annex X, or two or more of the other key requirements are assessed into categories 3 and 4 of that Annex;
- (31) 'total error rate' means the sum of the projected random errors and, if applicable, systemic errors and uncorrected anomalous errors, divided by the population;
- (32) 'residual error rate' means the total error rate less the financial corrections applied by the Member State which intend to reduce the risks identified by the audit authority in its audits of operations;
- (33) 'completed operation' means an operation that has been physically completed or fully implemented and in respect of which all related payments have been made by beneficiaries and the corresponding public contribution has been paid to the beneficiaries;

²⁷ Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

²⁸ Regulation (EC) No 1082/2006 of the European Parliament and of the Council of 5 July 2006 on a European grouping of territorial cooperation (EGTC) (OJ L 210, 31.7.2006, p. 19).

- (34) 'sampling unit' means one of the units, which may be an operation, a project within an operation or a payment claim by a beneficiary, into which a population is divided for the purpose of sampling;
- (35) 'escrow account' means, in the case of a PPP operation a bank account covered by a written agreement between a public body beneficiary and the private partner approved by the managing authority or an intermediate body used for payments during and/or after the eligibility period;
- (36) 'participant' means a natural person benefiting from an operation but not receiving financial support from the Funds;
- (37) 'climate proofing' means a process to ensure that infrastructure is resilient to the adverse impacts of the climate in accordance with national rules and guidance, where available, or internationally recognised standards.

Article 3

Calculation of time limits for Commission actions

Where a time limit is set for an action by the Commission, that time limit shall start when all information in accordance with the requirements laid down in this Regulation or in Fund-specific Regulations have been submitted by the Member State.

That time limit shall be suspended from the day following the date on which the Commission sends its observations or a request for revised documents to the Member State and until the Member State responds to the Commission.

CHAPTER II

Policy objectives and principles for the support of the Funds

Article 4

Policy objectives

1. The ERDF, the ESF+, the Cohesion Fund and the EMFF shall support the following policy objectives:
 - (a) a smarter Europe by promoting innovative and smart economic transformation;
 - (b) a greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management;
 - (c) a more connected Europe by enhancing mobility and regional ICT connectivity;
 - (d) a more social Europe implementing the European Pillar of Social Rights;
 - (e) a Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives.
2. The ERDF, the ESF+ and the Cohesion Fund shall contribute to the actions of the Union leading to strengthening of its economic, social and territorial cohesion in accordance with Article 174 of the TFEU by pursuing the following goals:
 - (a) Investment for jobs and growth in Member States and regions, to be supported by the ERDF, the ESF+ and the Cohesion Fund; and
 - (b) European territorial cooperation (Interreg), to be supported by the ERDF.

3. Member States shall provide information on the support for environment and climate objectives using a methodology based on types of intervention for each of the Funds. That methodology shall consist of assigning a specific weighting to the support provided at a level which reflects the extent to which such support makes a contribution to environmental objectives and to climate objectives. In the case of the ERDF, the ESF+ and the Cohesion Fund weightings shall be attached to dimensions and codes for the types of intervention established in Annex I.
4. Member States and the Commission shall ensure the coordination, complementarity and coherence between the Funds and other Union instruments such as the Reform Support Programme, including the Reform Delivery Tool and the Technical Support Instrument. They shall optimise mechanisms for coordination between those responsible to avoid duplication during planning and implementation.

Article 5 **Shared management**

1. The Member States and the Commission shall implement the budget of the Union allocated to the Funds under shared management in accordance with Article [63] of Regulation (EU, Euratom) [number of the new financial regulation] (the 'Financial Regulation').
2. However, the Commission shall implement the amount of support from the Cohesion Fund transferred to the Connecting Europe Facility ('CEF'), the European Urban Initiative, Interregional Innovative Investments, the amount of support transferred from the ESF+ to transnational cooperation, the amounts contributed to InvestEU²⁹ and technical assistance at the initiative of the Commission under direct or indirect management in accordance with [points (a) and (c) of Article 62(1)] of the Financial Regulation.
3. The Commission may implement outermost regions' cooperation under the European territorial cooperation goal (Interreg) under indirect management.

Article 6 **Partnership and multi-level governance**

1. Each Member State shall organise a partnership with the competent regional and local authorities. That partnership shall include at least the following partners:
 - (a) urban and other public authorities;
 - (b) economic and social partners;
 - (c) relevant bodies representing civil society, environmental partners, and bodies responsible for promoting social inclusion, fundamental rights, rights of persons with disabilities, gender equality and non-discrimination.
2. In accordance with the multi-level governance principle, the Member State shall involve those partners in the preparation of Partnership Agreements and throughout the preparation and implementation of programmes including through participation in monitoring committees in accordance with Article 34.

²⁹ [Regulation (EU) No [...] on [...] (OJ L [...], [...], p. [...])].

3. The organisation and implementation of partnership shall be carried out in accordance with Commission Delegated Regulation (EU) No 240/2014³⁰.
4. At least once a year, the Commission shall consult the organisations which represent the partners at Union level on the implementation of programmes.

TITLE II STRATEGIC APPROACH

CHAPTER I Partnership Agreement

Article 7

Preparation and submission of the Partnership Agreement

1. Each Member State shall prepare a Partnership Agreement which sets out arrangements for using the Funds in an effective and efficient way for the period from 1 January 2021 to 31 December 2027.
2. The Member State shall submit the Partnership Agreement to the Commission before or at the same time as the submission of the first programme.
3. The Partnership Agreement may be submitted together with the relevant annual National Reform Programme.
4. The Member State shall draw up the Partnership Agreement in accordance with the template set out in Annex II. It may include the Partnership Agreement in one of its programmes.
5. **Interreg programmes may be submitted to the Commission before the submission of the Partnership Agreement.**

Article 8

Content of the Partnership Agreement

The Partnership Agreement shall contain the following elements:

- (a) the selected policy objectives indicating by which of the Funds and programmes they will be pursued and a justification thereto, and where relevant, a justification for using the delivery mode of the InvestEU, taking into account relevant country-specific recommendations;
- (b) for each of the selected policy objectives referred to in point (a):
 - (i) a summary of the policy choices and the main results expected for each of the Funds, including where relevant, through the use of InvestEU;
 - (ii) coordination, demarcation and complementarities between the Funds and, where appropriate, coordination between national and regional programmes;
 - (iii) complementarities between the Funds and other Union instruments, including LIFE strategic integrated projects and strategic nature projects;

³⁰ Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds (OJ L 74, 14.3.2014, p. 1).

- (c) the preliminary financial allocation from each of the Funds by policy objective at national level, respecting Fund-specific rules on thematic concentration;
- (d) where relevant, the breakdown of financial resources by category of regions drawn up in accordance with Article 102(2) and the amounts of allocations proposed to be transferred between categories of regions pursuant to Article 105;
- (e) the amounts to be contributed to InvestEU by Fund and by category of regions;
- (f) the list of planned programmes under the Funds with the respective preliminary financial allocations by fund and the corresponding national contribution by category of regions;
- (g) a summary of the actions which the Member State concerned shall take to reinforce its administrative capacity of the implementation of the Funds.

With regard to the European territorial cooperation goal (Interreg), the Partnership Agreement shall only contain the list of planned programmes.

Article 9

Approval of the Partnership Agreement

1. The Commission shall assess the Partnership Agreement and its compliance with this Regulation and with the Fund-specific rules. In its assessment, the Commission shall, in particular, take into account relevant country-specific recommendations.
2. The Commission may make observations within three months of the date of submission by the Member State of the Partnership Agreement.
3. The Member State shall review the Partnership Agreement taking into account the observations made by the Commission.
4. The Commission shall adopt a decision by means of an implementing act approving the Partnership Agreement no later than four months after the date of submission of that Partnership Agreement by the Member State concerned. The Partnership Agreement shall not be amended.
5. If, pursuant to Article 7(4), the Partnership Agreement is included in a programme, the Commission shall adopt a decision by means of an implementing act approving that programme no later than six months after the date of submission of that programme by the Member State concerned.

Article 10

Use of the ERDF, the ESF+, the Cohesion Fund and the EMFF delivered through InvestEU

1. Member States may allocate, in the Partnership Agreement or in the request for an amendment of a programme, the amount of ERDF, the ESF+, the Cohesion Fund and the EMFF to be contributed to InvestEU and delivered through budgetary guarantees. The amount to be contributed to InvestEU shall not exceed 5 % of the total allocation of each Fund, except in duly justified cases. Such contributions shall not constitute transfers of resources under Article 21.
2. For the Partnership Agreement, resources of the current and future calendar years may be allocated. For the request for an amendment of a programme, only resources of future calendar years may be allocated.

3. The amount referred to in paragraph 1 shall be used for the provisioning of the part of the EU guarantee under the Member State compartment.
4. Where a contribution agreement, as set out in Article [9] of the [InvestEU Regulation], has not been concluded by 31 December 2021 for an amount referred to in paragraph 1 allocated in the Partnership Agreement, the Member State shall submit a request for amendment of a programme or programmes to use the corresponding amount.

The contribution agreement for an amount referred to in paragraph 1 allocated in the request of the amendment of a programme shall be concluded simultaneously with the adoption of the decision amending the programme.
5. Where a guarantee agreement, as set out in Article [9] of the [InvestEU Regulation], has not been concluded within nine months from the approval of the contribution agreement, the respective amounts paid into the common provisioning fund as a provisioning shall be transferred back to a programme or programmes and the Member State shall submit a corresponding request for a programme amendment.
6. Where a guarantee agreement, as set out in Article [9] of the [InvestEU Regulation], has not been fully implemented within four years from the signature of the guarantee agreement, the Member State may request that amounts committed in the guarantee agreement but not covering underlying loans or other risk bearing instruments shall be treated in accordance with paragraph 5.
7. Resources generated by or attributable to the amounts contributed to InvestEU and delivered through budgetary guarantees shall be made available to the Member State and shall be used for support under the same objective or objectives in the form of financial instruments.
8. The Commission shall re-budget contributed amounts which have not been used for InvestEU for the year in which the corresponding programme amendment is approved. Such re-budgetisation may not go beyond the year 2027.

The decommitment time limit for the re-budgeted amount in accordance with Article 99 shall start from the year in which the contribution has been re-budgeted.

CHAPTER II

Enabling conditions and performance framework

Article 11 **Enabling conditions**

1. For each specific objective, prerequisite conditions for its effective and efficient implementation ('enabling conditions') are laid down in this Regulation.

Annex III lays down horizontal enabling conditions applicable to all specific objectives and the criteria necessary for the assessment of their fulfilment.

Annex IV lays down thematic enabling conditions for the ERDF, the Cohesion Fund and the ESF+ and the criteria necessary for the assessment of their fulfilment.
2. When preparing a programme or introducing a new specific objective as part of a programme amendment, the Member State shall assess whether the enabling conditions linked to the selected specific objective are fulfilled. An enabling condition is fulfilled where all the related criteria are met. The Member State shall identify in each programme or in the programme amendment the fulfilled and non-fulfilled enabling conditions and where it considers that an enabling condition is fulfilled, it shall provide justification.

3. Where an enabling condition is not fulfilled at the time of approval of the programme or the programme amendment, the Member State shall report to the Commission as soon as it considers the enabling condition fulfilled with justification.
4. The Commission shall, within three months of receipt of the information referred to in paragraph 3, perform an assessment and inform the Member State where it agrees with the fulfilment.
Where the Commission disagrees with the assessment of the Member State, it shall inform the Member State accordingly and give it the opportunity to present its observations within one month.
5. Expenditure related to operations linked to the specific objective cannot be included in payment applications until the Commission has informed the Member State of the fulfilment of the enabling condition pursuant to paragraph 4.
The first sub-paragraph shall not apply to operations that contribute to the fulfilment of the corresponding enabling condition.
6. The Member State shall ensure that enabling conditions are fulfilled and applied throughout the programming period. It shall inform the Commission of any modification impacting the fulfilment of enabling conditions.
Where the Commission considers that an enabling condition is no longer fulfilled, it shall inform the Member State and give it the opportunity to present its observations within one month. Where the Commission concludes that the non-fulfilment of the enabling condition persists, expenditure related to the specific objective concerned cannot be included in payment applications as from the date the Commission informs the Member State accordingly.
7. **Annex IV shall not apply to programmes supported by the EMFF.**

Article 12

Performance framework

1. The Member State shall establish a performance framework which shall allow monitoring, reporting on and evaluating programme performance during its implementation, and contribute to measuring the overall performance of the Funds.
The performance framework shall consist of:
 - (a) the output and result indicators linked to specific objectives set in the Fund-specific Regulations;
 - (b) milestones to be achieved by the end of the year 2024 for output indicators; and
 - (c) targets to be achieved by the end of the year 2029 for output and result indicators.
2. Milestones and targets shall be established in relation to each specific objective within a programme, with the exception of technical assistance **and of the specific objective addressing material deprivation set out in Article [4(c)(vii)] of the ESF+ Regulation.**
3. Milestones and targets shall allow the Commission and the Member State to measure progress towards the achievement of the specific objectives. They shall meet the requirements set out in Article [33(3)] of the Financial Regulation.

Article 13

Methodologies for the establishment of the performance framework

1. The methodologies to establish the performance framework shall include:
 - (a) the criteria applied by the Member State to select indicators;
 - (b) data or evidence used, data quality assurance and the calculation method;
 - (c) factors that may influence the achievement of the milestones and targets and how they were taken into account.
2. The Member State shall make those methodologies available upon request by the Commission.

Article 14

Mid-term review

1. For programmes supported by the ERDF, the ESF+ and the Cohesion Fund, the Member State shall review each programme, taking into account the following elements:
 - (a) the challenges identified in relevant country-specific recommendations adopted in 2024;
 - (b) the socio-economic situation of the Member State or region concerned;
 - (c) the progress in achieving the milestones;
 - (d) the outcome of the technical adjustment as set out in Article 104(2), where applicable.
2. The Member State shall submit to the Commission by 31 March 2025 a request for the amendment of each programme in accordance with Article 19(1). The Member State shall justify the amendment on the basis of the elements set out in paragraph 1.

The revised programme shall include:

 - (a) the allocations of the financial resources by priority including the amounts for the years 2026 and 2027;
 - (b) revised or new targets;
 - (c) the revised allocations of the financial resources resulting from the technical adjustment set out in Article 104(2) including the amounts for the years 2025, 2026 and 2027, where applicable.
3. Where as a result of the review a new programme is submitted, the financing plan under point (ii) of Article 17(3)(f) shall cover the total financial appropriation for each of the Funds as of the year of the programme approval.

CHAPTER III

Measures linked to sound economic governance

Article 15

Measures linking effectiveness of Funds to sound economic governance

1. The Commission may request a Member State to review and propose amendments to relevant programmes, where this is necessary to support the implementation of relevant Council Recommendations.

Such a request may be made for the following purposes:

- (a) to support the implementation of a relevant country-specific recommendation adopted in accordance with Article 121(2) TFEU and of a relevant Council recommendation adopted in accordance with Article 148(4) TFEU, addressed to the Member State concerned;
 - (b) to support the implementation of relevant Council Recommendations addressed to the Member State concerned and adopted in accordance with Articles 7(2) or 8(2) of Regulation (EU) No 1176/2011³¹ of the European Parliament and of the Council provided that these amendments are deemed necessary to help correct the macro-economic imbalances.
- 2. A request by the Commission to a Member State in accordance with paragraph 1 shall be justified, with reference to the need to support the implementation of the relevant recommendations and shall indicate the programmes or priorities which it considers are concerned and the nature of the amendments expected.
 - 3. The Member State shall submit its response to the request referred to in paragraph 1 within two months of its receipt, setting out the amendments it considers necessary in the relevant programmes, the reasons for such amendments, identifying the programmes concerned and outlining the nature of the amendments proposed and their expected effects on the implementation of recommendations and on the implementation of the Funds. If necessary, the Commission shall make observations within one month of the receipt of that response.
 - 4. The Member State shall submit a proposal to amend the relevant programmes within two months of the date of submission of the response referred to in paragraph 3.
 - 5. Where the Commission has not submitted observations or where it is satisfied that any observations submitted have been duly taken into account, it shall adopt a decision approving the amendments to the relevant programmes in accordance with the time limit set out in Article [19(4)].
 - 6. Where the Member State fails to take effective action in response to a request made in accordance with paragraph 1, within the deadlines set out in paragraphs 3 and 4, the Commission may suspend all or part of the payments for the programmes or priorities concerned in accordance with Article 91.
 - 7. The Commission shall make a proposal to the Council to suspend all or part of the commitments or payments for one or more of the programmes of a Member State in the following cases:
 - (a) where the Council decides in accordance with Article 126(8) or Article 126(11) TFEU that a Member State has not taken effective action to correct its excessive deficit;
 - (b) where the Council adopts two successive recommendations in the same imbalance procedure, in accordance with Article 8(3) of Regulation (EU) No 1176/2011 of the European Parliament and of the Council³² on the grounds that a Member State has submitted an insufficient corrective action plan;
 - (c) where the Council adopts two successive decisions in the same imbalance procedure in accordance with Article 10(4) of Regulation (EU) No 1176/2011 establishing non-

³¹ Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances (OJ L 306, 23.11.2011, p. 25).

³² Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances (OJ L 306, 23.11.2011, p. 25).

compliance by a Member State on the grounds that it has not taken the recommended corrective action;

- (d) where the Commission concludes that a Member State has not taken measures as referred to in Council Regulation (EC) No 332/2002³³ and as a consequence decides not to authorise the disbursement of the financial assistance granted to that Member State;
- (e) where the Council decides that a Member State does not comply with the macro-economic adjustment programme referred to in Article 7 of Regulation (EU) No 472/2013 of the European Parliament and of the Council³⁴, or with the measures requested by a Council decision adopted in accordance with Article 136(1) TFEU.

Priority shall be given to the suspension of commitments; payments shall be suspended only when immediate action is sought and in the case of significant non-compliance. The suspension of payments shall apply to payment applications submitted for the programmes concerned after the date of the decision to suspend.

The Commission may, on grounds of exceptional economic circumstances or following a reasoned request by the Member State concerned addressed to the Commission within 10 days of adoption of the decision or recommendation referred to in the previous sub-paragraph, recommend that the Council cancel the suspension referred to in the same sub-paragraph.

- 8. A proposal by the Commission for the suspension of commitments shall be deemed adopted by the Council unless the Council decides, by means of an implementing act, to reject such a proposal by qualified majority within one month of the submission of the Commission proposal.

The suspension of commitments shall apply to the commitments from the Funds for the Member State concerned from 1 January of the year following the decision to suspend.

The Council shall adopt a decision, by means of an implementing act, on a proposal by the Commission referred to in paragraph 7 in relation to the suspension of payments.

- 9. The scope and level of the suspension of commitments or payments to be imposed shall be proportionate, shall respect the equality of treatment between Member States and shall take into account the economic and social circumstances of the Member State concerned, in particular the level of unemployment, the level of poverty or social exclusion of the Member State concerned in relation to the Union average and the impact of the suspension on the economy of the Member State concerned. The impact of suspensions on programmes of critical importance to address adverse economic or social conditions shall be a specific factor to be taken into account.
- 10. The suspension of commitments shall be subject to a maximum of 25 % of the commitments relating to the next calendar year for the Funds or 0,25 % of nominal GDP whichever is lower, in any of the following cases:
 - (a) in the first case of non-compliance with an excessive deficit procedure as referred to under point (a) of paragraph 7;
 - (b) in the first case of non-compliance relating to a corrective action plan under an excessive imbalance procedure as referred to under point b of paragraph 7;

³³ Council Regulation (EC) No 332/2002 of 18 February 2002 establishing a facility providing medium-term financial assistance for Member States' balances of payments (OJ L 53, 23.2.2002).

³⁴ Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability (OJ L 140, 27.5.2013, p. 1).

- (c) in case of non-compliance with the recommended corrective action pursuant to an excessive imbalance procedure as referred to under point (c) of paragraph 7;
- (d) in the first case of non-compliance as referred to under points (d) and (e) of paragraph 7.

In case of persistent non-compliance, the suspension of commitments may exceed the maximum percentages set out in the first sub-paragraph.

11. The Council shall lift the suspension of commitments on a proposal from the Commission, in accordance with the procedure set out in paragraph 8, in the following cases:

- (a) where the excessive deficit procedure is held in abeyance in accordance with Article 9 of Council Regulation (EC) No 1467/97³⁵ or the Council has decided in accordance with Article 126(12) TFEU to abrogate the decision on the existence of an excessive deficit;
- (b) where the Council has endorsed the corrective action plan submitted by the Member State concerned in accordance with Article 8(2) of Regulation (EU) No 1176/2011 or the excessive imbalance procedure is placed in a position of abeyance in accordance with Article 10(5) of that Regulation or the Council has closed the excessive imbalance procedure in accordance with Article 11 of that Regulation;
- (c) where the Commission has concluded that a Member State has taken appropriate measures as referred to in Regulation (EC) No 332/2002;
- (d) where the Commission has concluded that the Member State concerned has taken appropriate measures to implement the adjustment programme referred to in Article 7 of Regulation (EU) No 472/2013 or the measures requested by a decision of the Council in accordance with Article 136(1) TFEU.

After the Council has lifted the suspension of commitments, the Commission shall re-budget the suspended commitments in accordance with Article [8] of Council Regulation (EU, Euratom) [[...] (*MFF regulation*)].

Suspended commitments may not be re-budgeted beyond the year 2027.

The decommitment time limit for the re-budgeted amount in accordance with Article 99 shall start from the year in which the suspended commitment has been re-budgeted.

A decision concerning the lifting of the suspension of payments shall be taken by the Council on a proposal by the Commission where the applicable conditions set out in the first sub-paragraph are fulfilled.

12. The Commission shall keep the European Parliament informed of the implementation of this Article. In particular, the Commission shall, when one of the conditions set out in paragraph 7 is fulfilled for a Member State, immediately inform the European Parliament and provide details of the Funds and programmes which could be subject to a suspension of commitments.

The European Parliament may invite the Commission for a structured dialogue on the application of this Article, having regard to the transmission of the information referred to in the first sub-paragraph.

The Commission shall transmit the proposal for suspension of commitments or the proposal to lift such a suspension, to the European Parliament and to the Council.

³⁵ Council Regulation (EC) No 1467/97 of 7 July 1997 on speeding up and clarifying the implementation of the excessive deficit procedure (OJ L 209, 2.8.1997, p. 6).

13. Paragraphs 1 to 12 shall not apply to priorities or programmes under Article [4(c)(v)(ii)] of ESF+ Regulation.

TITLE III PROGRAMMING

CHAPTER I General provisions on the Funds

Article 16 Preparation and submission of programmes

1. Member States shall prepare programmes to implement the Funds for the period from 1 January 2021 to 31 December 2027.
2. Member States shall submit programmes to the Commission no later than 3 months after the submission of the Partnership Agreement.
3. Member States shall prepare programmes in accordance with the programme template set out in Annex V.

For the AMIF, the ISF and the BMVI, the Member State shall prepare programmes in accordance with the programme template set out in Annex VI.

Article 17 Content of programmes

1. Each programme shall set out a strategy for the programme's contribution to the policy objectives and the communication of its results.
2. A programme shall consist of priorities. Each priority shall correspond to a single policy objective or to technical assistance. A priority corresponding to a policy objective shall consist of one or more specific objectives. More than one priority may correspond to the same policy objective.

For programmes supported by the EMFF, each priority may correspond to one or more policy objectives. Specific objectives correspond to areas of support as defined in Annex [III] to the EMFF Regulation.

For programmes supported by the AMIF, the ISF and the BMVI, a programme shall consist of specific objectives.

3. Each programme shall set out:
 - (a) a summary of the main challenges, taking into account:
 - (i) economic, social and territorial disparities, except for programmes supported by the EMFF;
 - (ii) market failures, investment needs and complementarity with other forms of support;
 - (iii) challenges identified in relevant country-specific recommendations and other relevant Union recommendations addressed to the Member State;
 - (iv) challenges in administrative capacity and governance;

- (v) lessons learnt from past experience;
- (vi) macro-regional strategies and sea-basin strategies where Member States and regions participate in such strategies;
- (vii) for programmes supported by the AMIF, the ISF and the BMVI, progress in implementing the relevant Union *acquis* and action plans;
- (b) a justification for the selected policy objectives, corresponding priorities, specific objectives and the forms of support;
- (c) for each priority, except for technical assistance, specific objectives;
- (d) for each specific objective:
 - (i) the related types of actions, including a list of planned operations of strategic importance, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate;
 - (ii) output indicators and result indicators with the corresponding milestones and targets;
 - (iii) the main target groups;
 - (iv) specific territories targeted, including the planned use of integrated territorial investment, community-led local development or other territorial tools;
 - (v) the interregional and transnational actions with beneficiaries located in at least one other Member State;
 - (vi) the planned use of financial instruments;
 - (vii) the types of intervention and an indicative breakdown of the programmed resources by type of intervention or area of support;
- (e) the planned use of technical assistance in accordance with Articles 30 to 32 and relevant types of intervention;
- (f) a financing plan containing:
 - (i) a table specifying the total financial allocations for each of the Funds and for each category of region for the whole programming period and by year, including any amounts transferred pursuant to Article 21;
 - (ii) a table specifying the total financial allocations for each priority by Fund and by category of region and the national contribution and whether it is made up of public and private contribution;
 - (iii) for programmes supported by the EMFF, a table specifying for each type of area of support, the amount of the total financial allocations of the support from the Fund and the national contribution;
 - (iv) for programmes supported by the AMIF, the ISF and the BMVI, a table specifying, by specific objective, the total financial allocations by type of action, the national contribution and whether it is made up of public and private contribution;
- (g) the actions taken to involve the relevant partners referred to in Article 6 in the preparation of the programme, and the role of those partners in the implementation, monitoring and evaluation of the programme;

- (h) for each enabling condition, established in accordance with Article 11, Annex III and Annex IV, an assessment of whether the enabling condition is fulfilled at the date of submission of the programme;
- (i) the envisaged approach to communication and visibility for the programme through defining its objectives, target audiences, communication channels, social media outreach, planned budget and relevant indicators for monitoring and evaluation;
- (j) the managing authority, the audit authority and the body which receives payments from the Commission.

Points (c) and (d) of this paragraph shall not apply to the specific objective set out in Article [4(c)(vii)] of the ESF+ Regulation.

4. By way of derogation from point (d) of paragraph 3, for each specific objective of programmes supported by the AMIF, the ISF and the BMVI the following shall be provided:
 - (a) a description of the initial situation, challenges and responses supported by the Fund;
 - (b) indication of the operational objectives;
 - (c) an indicative list of actions and their expected contribution to the specific and operational objectives;
 - (d) where applicable, a justification for the operating support, specific actions, emergency assistance, and actions as referred to in Articles [16 and 17] of the AMIF regulation;
 - (e) output and result indicators with the corresponding milestones and targets;
 - (f) an indicative breakdown of the programmed resources by type of intervention.
5. Types of intervention shall be based on a nomenclature set out in Annex I. For programmes supported by the AMIF, the ISF and the BMVI, types of intervention shall be based on a nomenclature set out in the Fund-specific Regulations.
6. For ERDF, ESF+ and Cohesion Fund programmes submitted in accordance with Article 16, the table referred to in paragraph (3)(f)(ii) shall include the amounts for the years 2021 to 2025 only.
7. The Member State shall communicate to the Commission any changes in the information referred to in paragraph (3)(j) without requiring a programme amendment.

Article 18

Approval of programmes

1. The Commission shall assess the programme and its compliance with this Regulation and with the Fund-specific Regulations, as well as its consistency with the Partnership Agreement. In its assessment, the Commission shall, in particular, take into account relevant country-specific recommendations.
2. The Commission may make observations within three months of the date of submission of the programme by the Member State.
3. The Member State shall review the programme taking into account the observations made by the Commission.
4. The Commission shall adopt a decision by means of an implementing act approving the programme no later than six months after the date of submission of the programme by the Member State.

Article 19
Amendment of programmes

1. The Member State may submit a motivated request for an amendment of a programme together with the amended programme setting out the expected impact of that amendment on the achievement of the objectives.
2. The Commission shall assess the amendment and its compliance with this Regulation and with the Fund-specific Regulations, including requirements at national level, and may make observations within three months of the submission of the amended programme.
3. The Member State shall review the amended programme and take into account the observations made by the Commission.
4. The Commission shall approve the amendment of a programme no later than six months after its submission by the Member State.
5. The Member State may transfer during the programming period an amount of up to 5 % of the initial allocation of a priority and no more than 3 % of the programme budget to another priority of the same Fund of the same programme. **For the programmes supported by the ERDF and ESF+, the transfer shall only concern allocations for the same category of region.**

Such transfers shall not affect previous years. They shall be considered to be not substantial and shall not require a decision of the Commission amending the programme. They shall however, comply with all regulatory requirements. The Member State shall submit to the Commission the revised table referred to under points (f)(ii), (f)(iii) or (f)(iv) of Article 17(3) as applicable.
6. The approval of the Commission shall not be required for corrections of a purely clerical or editorial nature that do not affect the implementation of the programme. Member States shall inform the Commission of such corrections.
7. **For programmes supported by the EMFF, amendments to the programmes relating to the introduction of indicators shall not require the approval of the Commission.**

Article 20
Joint support from the ERDF, the ESF+ and the Cohesion Fund

1. **The ERDF, the ESF+ and the Cohesion Fund may jointly provide support for programmes under the Investment for jobs and growth goal.**
2. **The ERDF and the ESF+ may finance, in a complementary manner and subject to a limit of 10 % of support from those Funds for each priority of a programme, all or part of an operation for which the costs are eligible for support from the other Fund on the basis of eligibility rules applied to that Fund, provided that such costs are necessary for the implementation.**

Article 21
Transfer of resources

1. Member States may request the transfer of up to 5 % of programme financial allocations from any of the Funds to any other Fund under shared management or to any instrument under direct or indirect management.
2. Transferred resources shall be implemented in accordance with the rules of the Fund or the instrument to which the resources are transferred and, in the case of transfers to instruments under direct or indirect management, for the benefit of the Member State concerned.

3. Requests under paragraph 1 shall set out the total amount transferred for each year by Fund and by category of region, where relevant, shall be duly justified and shall be accompanied by the revised programme or programmes, from which the resources are to be transferred in accordance with Article 19 indicating to which other Fund or instrument the amounts are transferred.
4. The Commission may object to a request for transfer in the related programme amendment where this would undermine the achievement of the objectives of the programme from which the resources are to be transferred.
5. Only resources of future calendar years may be transferred.

CHAPTER II

Territorial development

Article 22

Integrated territorial development

The Member State shall support integrated territorial development through territorial and local development strategies in any of the following forms:

- (a) integrated territorial investments;
- (b) community-led local development;
- (c) another territorial tool supporting initiatives designed by the Member State for investments programmed for the ERDF under the policy objective referred in Article 4(1)(e).

Article 23

Territorial strategies

1. Territorial strategies implemented pursuant to points (a) or (c) of Article 22 shall contain the following elements:
 - (a) the geographical area covered by the strategy;
 - (b) an analysis of the development needs and the potential of the area;
 - (c) a description of an integrated approach to address the identified development needs and the potential;
 - (d) a description of the involvement of partners in accordance with Article 6 in the preparation and in the implementation of the strategy.

They may also contain a list of operations to be supported.
2. Territorial strategies shall be drawn up under the responsibility of the relevant urban, local or other territorial authorities or bodies.
3. Where the list of operations to be supported has not been included in the territorial strategy, the relevant urban, local or other territorial authorities or bodies shall select or shall be involved in the selection of operations.

Selected operations shall comply with the territorial strategy.

4. Where an urban, local or other territorial authority or body carries out tasks falling under the responsibility of the managing authority other than the selection of operations, the authority shall be identified by the managing authority as an intermediate body.
5. Support may be provided for the preparation and design of territorial strategies.

Article 24

Integrated territorial investment

1. Where a strategy implemented in accordance with Article 23 involves investments that receive support from one or more Funds, from more than one programme or from more than one priority of the same programme, actions may be carried out as an integrated territorial investment ('ITI').
2. The managing authority shall ensure that the electronic system for the programme or programmes provides for the identification of operations and outputs and results contributing to an ITI.

Article 25

Community-led local development

1. The ERDF, the ESF+ and the EMFF may support community-led local development.
2. The Member State shall ensure that community-led local development is:
 - (a) focused on subregional areas;
 - (b) led by local action groups composed of representatives of public and private local socio-economic interests, in which no single interest group controls the decision-making;
 - (c) carried out through integrated strategies in accordance with Article 26;
 - (d) supportive of networking, innovative features in the local context and, where appropriate, cooperation with other territorial actors.
3. Where support to strategies referred to in paragraph 2(c) is available from more than one Fund, the relevant managing authorities shall organise a joint call for selection of those strategies and establish a joint committee for all the Funds concerned to monitor the implementation of those strategies. The relevant managing authorities may choose one of the Funds concerned to support all preparatory, management and animation costs referred to in points (a) and (c) of Article 28(1) related to those strategies.
4. Where the implementation of such a strategy involves support from more than one Fund, the relevant managing authorities may choose one of the Funds concerned as the Lead Fund.
5. The rules of the Lead Fund shall apply to that strategy. The authorities of other funds shall rely on decisions and management verifications made by the competent Lead Fund authority.
6. The authorities of the Lead Fund shall provide the authorities of other Funds with information necessary to monitor and make payments in accordance with the rules set out in the Fund-specific Regulation.

Article 26

Community-led local development strategies

1. The relevant managing authorities shall ensure that each strategy referred to in Article 25(2)(c) sets out the following elements:

- (a) the geographical area and population covered by that strategy;
 - (b) the community involvement process in the development of that strategy;
 - (c) an analysis of the development needs and potential of the area;
 - (d) the objectives of that strategy, including measurable targets for results, and related planned actions;
 - (e) the management, monitoring and evaluation arrangements, demonstrating the capacity of the local action group to implement that strategy;
 - (f) a financial plan, including the planned allocation from each Fund and programme concerned.
2. The relevant managing authorities shall define criteria for the selection of those strategies, set up a committee to carry out this selection and approve the strategies selected by that committee.
3. The relevant managing authorities shall complete the first round of selection of strategies and ensure the local action groups selected can fulfil their tasks set out in Article 27(3) within 12 months of the date of the approval of the relevant programme or, in the case of strategies supported by more than one Fund, within 12 months of the date of the approval of the last programme concerned.
4. The decision approving a strategy shall set out the allocation of each Fund and programme concerned and set out the responsibilities for the management and control tasks under the programme or programmes.

Article 27 **Local action groups**

1. Local action groups shall design and implement the strategies referred to in Article 25(2)(c).
2. The managing authorities shall ensure that the local action groups either select one partner within the group as a lead partner in administrative and financial matters, or come together in a legally constituted common structure.
3. The local action groups, exclusively, shall carry out all of the following tasks:
 - (a) building the capacity of local actors to develop and implement operations;
 - (b) drawing up a non-discriminatory and transparent selection procedure and criteria, which avoids conflicts of interest and ensures that no single interest group controls selection decisions;
 - (c) preparing and publishing calls for proposals;
 - (d) selecting operations and fixing the amount of support and presenting the proposals to the body responsible for final verification of eligibility before approval;
 - (e) monitoring progress towards the achievement of objectives of the strategy;
 - (f) evaluating the implementation of the strategy.
4. Where local action groups carry out tasks not covered by paragraph 3 that fall under the responsibility of the managing authority or of the paying agency, those local action groups shall be identified by the managing authority as intermediate bodies in accordance with the Fund-specific rules.

5. The local action group may be a beneficiary and may implement operations in accordance with the strategy.

Article 28

Support from Funds for community-led local development

1. The Member State shall ensure that support from the Funds for community-led local development covers:
 - (a) capacity building and preparatory actions supporting the design and future implementation of the strategies;
 - (b) the implementation of operations, including cooperation activities and their preparation, selected under the local development strategy;
 - (c) the management, monitoring and evaluation of the strategy and its animation.
2. The support referred to under point (a) of paragraph 1 shall be eligible regardless of whether the strategy is subsequently selected for funding.

The support referred to under point (c) of paragraph 1 shall not exceed 25 % of the total public contribution to the strategy.

CHAPTER III

Technical assistance

Article 29

Technical assistance at the initiative of the Commission

1. At the initiative of the Commission, the Funds may support preparatory, monitoring, control, audit, evaluation, communication including corporate communication on the political priorities of the Union, visibility and all administrative and technical assistance actions necessary for the implementation of this Regulation and, where appropriate with third countries.
2. Such actions may cover future and previous programming periods.
3. The Commission shall set out its plans when a contribution from the Funds is envisaged in accordance with Article [110] of the Financial Regulation.
4. Depending on the purpose, the actions referred to in this Article can be financed either as operational or administrative expenditure.

Article 30

Technical assistance of Member States

1. At the initiative of a Member State, the Funds may support actions, which may concern previous and subsequent programming periods, necessary for the effective administration and use of those Funds.
2. Each Fund may support technical assistance actions eligible under any of the other Funds.
3. Within each programme, technical assistance shall take the form of a priority relating to one single Fund.

Article 31

Flat-rate financing for technical assistance of Member States

1. Technical assistance to each programme shall be reimbursed as a flat-rate by applying the percentages set out in paragraph 2 to the eligible expenditure included in each payment application pursuant to Article 85(3)(a) or (c) as appropriate.
2. The percentage of the Funds reimbursed for technical assistance shall be the following:
 - (a) for the ERDF support under the Investment for jobs and growth goal, and for the Cohesion Fund support: 2,5 %;
 - (b) for the ESF+ support: 4% and for programmes under Article 4(1)(c)(vii) of the ESF+ Regulation: 5 %;
 - (c) for the EMFF support: 6 %;
 - (d) for the AMIF, the ISF and the BMVI support: 6 %.
3. Specific rules for technical assistance for Interreg programmes shall be set out in the ETC Regulation.

Article 32

Financing not linked to costs for technical assistance of Member States

In addition to Article 31, the Member State may propose to undertake additional technical assistance actions to reinforce the capacity of Member State authorities, beneficiaries and relevant partners necessary for the effective administration and use of the Funds.

Support for such actions shall be implemented by financing not linked to costs in accordance with Article 89.

TITLE IV

MONITORING, EVALUATION, COMMUNICATION AND VISIBILITY

CHAPTER I

Monitoring

Article 33

Monitoring committee

1. The Member State shall set up a committee to monitor the implementation of the programme ('monitoring committee') within three months of the date of notification to the Member State concerned of the decision approving the programme.

The Member State may set up a single monitoring committee to cover more than one programme.
2. Each monitoring committee shall adopt its rules of procedure.
3. The monitoring committee shall meet at least once a year and shall review all issues that affect the programme's progress towards achieving its objectives.
4. The Member State shall publish the rules of procedures of the monitoring committee and all the data and information shared with the monitoring committee on the website referred to in Article 44(1).

5. Paragraphs 1 to 4 shall not apply to programmes under Article [4(c)(vi)] of the ESF+ Regulation and related technical assistance.

Article 34

Composition of the monitoring committee

1. The Member State shall determine the composition of the monitoring committee and shall ensure a balanced representation of the relevant Member State authorities and intermediate bodies and of representatives of the partners referred to in Article 6.
Each member of the monitoring committee shall have a vote.
The Member State shall publish the list of the members of the monitoring committee on the website referred to in Article 44(1).
2. Representatives of the Commission shall participate in the work of the monitoring committee in an advisory capacity.

Article 35

Functions of the monitoring committee

1. The monitoring committee shall examine:
 - (a) the progress in programme implementation and in achieving the milestones and targets;
 - (b) any issues that affect the performance of the programme and the measures taken to address those issues;
 - (c) the contribution of the programme to tackling the challenges identified in the relevant country-specific recommendations;
 - (d) the elements of the ex ante assessment listed in Article 52(3) and the strategy document referred to in Article 53(2);
 - (e) the progress made in carrying out evaluations, syntheses of evaluations and any follow-up given to findings;
 - (f) the implementation of communication and visibility actions;
 - (g) the progress in implementing operations of strategic importance, where relevant;
 - (h) the fulfilment of enabling conditions and their application throughout the programming period;
 - (i) the progress in administrative capacity building for public institutions and beneficiaries, where relevant.
2. The monitoring committee shall approve:
 - (a) the methodology and criteria used for the selection of operations, including any changes thereto, after consultation with the Commission pursuant to Article 67(2), without prejudice to points (b), (c) and (d) of Article 27(3);
 - (b) the annual performance reports for programmes supported by the EMFF, the AMF, the ISF and the BMVI, and the final performance report for programmes supported by the ERDF, the ESF+ and the Cohesion Fund;
 - (c) the evaluation plan and any amendment thereto;
 - (d) any proposal by the managing authority for the amendment of a programme including for transfers in accordance with Article 19(5) and Article 21.

Article 36
Annual performance review

1. An annual review meeting shall be organised between the Commission and each Member State to examine the performance of each programme.
The annual review meeting shall be chaired by the Commission or, if the Member State so requests, co-chaired by the Member State and the Commission.
2. For programmes supported by the AMIF, the ISF and the BMVI, the review meeting shall be organised at least twice during the programming period.
3. For programmes supported by the ERDF, the ESF+ and the Cohesion Fund, the Member State shall no later than one month before the annual review meeting provide the Commission with the information on the elements listed in Article 35(1).
For programmes under Article [4(1)(c)(vii)] of the ESF+ Regulation, the information to be provided shall be limited to points (a), (b), (e), (f) and (h) of Article 35(1).
4. The outcome of the annual review meeting shall be recorded in agreed minutes.
5. The Member State shall follow up issues raised by the Commission and inform the Commission within three months of the measures taken.
6. For programmes supported by the EMFF, the AMF, the ISF and the BMVI, the Member State shall submit an annual performance report in accordance with the Fund-specific Regulations.

Article 37
Transmission of data

1. The managing authority shall electronically transmit to the Commission cumulative data for each programme by 31 January, 31 March, 31 May, 31 July, 30 September and 30 November of each year in accordance with the template set out in Annex VII.
The first transmission shall be due by 31 January 2022 and the last one by 31 January 2030.
For programmes under Article 4(1)(c)(vii) of the ESF+ Regulation, data shall be transmitted annually by 30 November.
2. The data shall be broken down for each priority by specific objective and by category of regions, and shall refer to:
 - (a) the number of selected operations, their total eligible cost, the contribution from the Funds and the total eligible expenditure declared by the beneficiaries to the managing authority, all broken down by types of intervention;
 - (b) the values of output and result indicators for selected operations and values achieved by operations.
3. For financial instruments data shall also be provided on the following:
 - (a) eligible expenditure by type of financial product;
 - (b) amount of management costs and fees declared as eligible expenditure;
 - (c) the amount, by type of financial product, of private and public resources mobilised in addition to the Funds;
 - (d) interest and other gains generated by support from the Funds to financial instruments referred to in Article 54 and resources returned attributable to support from the Funds as referred to in Article 56.

4. The data submitted in accordance with this Article shall be reliable and up-to-date as of the end of the month preceding the month of submission.
5. The managing authority shall publish all the data transmitted to the Commission on the website referred to in Article 44(1).
6. For programmes supported by the EMFF, the Commission shall adopt an implementing act in accordance with the advisory procedure referred to in Article 109(2) in order to establish the template to be used for the implementation of this Article.

Article 38
Final performance report

1. For programmes supported by the ERDF, the ESF+ and the Cohesion Fund, each managing authority shall submit to the Commission a final performance report of the programme by 15 February 2031.
2. The final performance report shall assess the achievement of programme objectives based on the elements listed in Article 35(1) with the exception of the information provided under Article 35(1)(d).
3. The Commission shall examine the final performance report and inform the managing authority of any observations within five months of the date of receipt of the final performance report. Where such observations are made, the managing authority shall provide all necessary information with regard to those observations and, where appropriate, inform the Commission, within three months, of measures taken. The Commission shall inform the Member State of the acceptance of the report.
4. The managing authority shall publish final performance reports on the website referred to in Article 44(1).
5. The Commission shall, in order to ensure uniform conditions for the implementation of this Article, adopt an implementing act establishing the template for the final performance report. That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 108.

CHAPTER II
Evaluation

Article 39
Evaluations by the Member State

1. The managing authority shall carry out evaluations of the programme. Each evaluation shall assess the programme's effectiveness, efficiency, relevance, coherence and EU added value with the aim to improve the quality of the design and implementation of programmes.
2. In addition, the managing authority shall carry out an evaluation for each programme to assess its impact by 30 June 2029.
3. The managing authority shall entrust evaluations to functionally independent experts.
4. The managing authority or the Member State shall ensure the necessary procedures to produce and collect the data necessary for evaluations.

5. The managing authority or the Member State shall draw up an evaluation plan. That evaluation plan may cover more than one programme. For the AMIF, the ISF and the BMVI, that plan shall include a mid-term evaluation to be completed by 31 March 2024.
6. The managing authority shall submit the evaluation plan to the monitoring committee no later than one year after the approval of the programme.
7. The managing authority shall publish all evaluations on the website referred to in Article 44(1).

Article 40
Evaluation by the Commission

1. The Commission shall carry out a mid-term evaluation to examine the effectiveness, efficiency, relevance, coherence and EU added value of each Fund by the end of 2024. The Commission may make use of all relevant information already available in accordance with Article [128] of the Financial Regulation.
2. The Commission shall carry out a retrospective evaluation to examine the effectiveness, efficiency, relevance, coherence and EU added value of each Fund by 31 December 2031.

CHAPTER III
Visibility, transparency and communication

SECTION I
VISIBILITY OF SUPPORT FROM THE FUNDS

Article 41
Visibility

Each Member State shall ensure:

- (a) the visibility of support in all activities relating to operations supported by the Funds with particular attention to operations of strategic importance;
- (b) communication to Union citizens of the role and achievements of the Funds through a single website portal providing access to all programmes involving that Member State.

Article 42
Emblem of the Union

Member States, managing authorities and beneficiaries shall use the emblem of the European Union in accordance with Annex VIII when carrying out visibility, transparency and communication activities.

Article 43
Communication officers and networks

1. Each Member State shall identify a communication coordinator for visibility, transparency and communication activities in relation to the support from the Funds, **including programmes under the European territorial cooperation goal (Interreg) where that Member State hosts the managing authority**. The communication coordinator shall coordinate communication and visibility measures across programmes.

The communication coordinator shall involve in the visibility, transparency and communication activities the following bodies:

- (a) European Commission Representations and European Parliament Liaison Offices in the Member States; as well as Europe Direct Information Centres and other networks; educational and research institutions;
 - (b) other relevant partners and bodies.
2. Each managing authority shall identify a communication officer for each programme ('programme communication officer').
 3. The Commission shall run a network comprising communication coordinators, programme communication officers and Commission representatives to exchange information on visibility, transparency and communication activities.

SECTION II

TRANSPARENCY OF IMPLEMENTATION OF THE FUNDS AND COMMUNICATION ON PROGRAMMES

Article 44

Responsibilities of the managing authority

1. The managing authority shall ensure that, within six months of the programme's approval, there is a website where information on programmes under its responsibility is available, covering the programme's objectives, activities, available funding opportunities and achievements.
2. The managing authority shall publish on the website referred to in paragraph 1, at the latest one month before the opening of a call for proposal, a short summary of planned and published calls for proposals with the following data:
 - (a) geographical area covered by the call for proposal;
 - (b) policy objective or specific objective concerned;
 - (c) type of eligible applicants;
 - (d) total amount of support for the call;
 - (e) start and end date of the call.
3. The managing authority shall make the list of operations selected for support by the Funds publicly available on the website in at least one of the official languages of the Union and shall update that list at least every three months. Each operation shall have a unique code. The list shall contain the following data:
 - (a) in the case of legal entities, the beneficiary's name;
 - (b) where the beneficiary is a natural person the first name and the surname;
 - (c) for EMFF operations linked to a fishing vessel, the Union fishing fleet register identification number as referred to in Commission Implementing Regulation (EU) 2017/218³⁶;

³⁶ Commission Implementing Regulation (EU) 2017/218 of 6 February 2017 on the Union fishing fleet register (OJ L 34, 9.2.2017, p. 9).

- (d) name of the operation;
- (e) the purpose of the operation and its achievements;
- (f) start date of the operation;
- (g) expected or actual date of completion of the operation;
- (h) total cost of the operation;
- (i) Fund concerned;
- (j) specific objective concerned;
- (k) Union co-financing rate;
- (l) location indicator or geolocation for the operation and country concerned;
- (m) for mobile operations or operations covering several locations the location of the beneficiary where the beneficiary is a legal entity; or the region on NUTS 2 level where the beneficiary is a natural person;
- (n) type of intervention for the operation in accordance with Article 67(3)(g);

For data referred to in points (b), (c) and (k) of the first sub-paragraph, the data shall be removed after two years from the date of the initial publication on the website.

For programmes supported by the EMFF, the data referred to in points (b) and (c) of the first sub-paragraph shall only be published if such publication is in line with national law on the protection of personal data.

4. The data referred to in paragraphs 2 and 3 shall be published on the website in open, machine-readable formats, as set out in Article 5(1) of the Directive 2003/98/EC³⁷ of the European Parliament and of the Council, which allows data to be sorted, searched, extracted, compared and reused.
5. The managing authority shall inform the beneficiaries that the data will be made public before the publication takes place in accordance with this Article.
6. The managing authority shall ensure that all communication and visibility material including at the level of beneficiaries is made available upon request to Union Institutions, bodies or agencies and that a royalty-free, non-exclusive and irrevocable licence to use such material and any pre-existing rights attached to it is granted to the Union in accordance with Annex VIII.

Article 45

Responsibilities of beneficiaries

1. Beneficiaries and bodies implementing financial instruments shall acknowledge support from the Funds, including resources reused in accordance with Article 56, to the operation by:
 - (a) providing on the beneficiary's professional website or social media sites, where such sites exist, a short description of the operation, proportionate to the level of support, including its aims and results, and highlighting the financial support from the Union;

³⁷ Directive 2003/98/EC of the European Parliament and of the Council of 17 November 2003 on the re-use of public sector information (OJ L 345, 31.12.2003, p. 90).

- (b) providing a statement highlighting the support from the Funds in a visible manner on documents and communication material relating to the implementation of the operation, used for the public or for participants;
- (c) publicly displaying plaques or billboards as soon as the physical implementation of operations involving physical investment or the purchase of equipment starts, with regard to the following:
 - (i) operations supported by the ERDF and the Cohesion Fund the total cost of which exceeds EUR 500 000;
 - (ii) operations supported by the ESF+, the EMFF, the ISF, the AMIF and the BMVI the total cost of which exceeds EUR 100 000.
- (d) for operations not falling under point (c), publicly displaying at least one printed or electronic display of a minimum size A3 with information about the operation highlighting the support from the Funds;
- (e) for operations of strategic importance and operations whose total cost exceed EUR 10 000 000 organising a communication event and involving the Commission and the responsible managing authority in a timely manner.

For operations supported under the specific objective set out in Article 4(1)(c)(vii) of the ESF+ Regulation, this requirement shall not apply.

2. For small project funds, the beneficiary shall ensure that final recipients comply with the requirements set out in paragraph 1.

For financial instruments, the beneficiary shall ensure that final recipients comply with the requirements set out in point (c) of paragraph 1.

3. Where the beneficiary does not comply with its obligations under Article 42 or paragraphs 1 and 2 of this Article, the Member State shall apply a financial correction by cancelling up to 5 % of the support from the Funds to the operation concerned.

TITLE V

FINANCIAL SUPPORT FROM THE FUNDS

CHAPTER I

Forms of Union contribution

Article 46

Forms of Union contribution to programmes

The Union contribution may take any of the following forms:

- (a) financing not linked to costs of the relevant operations in accordance with Article 89 and based on either of the following:
 - (i) the fulfilment of conditions;
 - (ii) the achievement of results;
- (b) reimbursement of eligible costs actually incurred by beneficiaries or the private partner of PPP operations and paid in implementing operations ;

- (c) unit costs in accordance with Article 88, which cover all or certain specific categories of eligible costs, clearly identified in advance by reference to an amount per unit;
- (d) lump sums in accordance with Article 88, which cover in global terms all or certain specific categories of eligible costs, clearly identified in advance;
- (e) flat-rate financing in accordance with Article 88, which covers specific categories of eligible costs, clearly identified in advance, by applying a percentage;
- (f) a combination of the forms referred to in points (a) to (e).

CHAPTER II

Forms of support by Member States

Article 47 **Forms of support**

Member States shall use the contribution from the Funds to provide support to beneficiaries in the form of grants, financial instruments or prizes or a combination thereof.

SECTION I FORMS OF GRANTS

Article 48 **Forms of grants**

1. Grants provided by Member States to beneficiaries may take any of the following forms:
 - (a) reimbursement of eligible costs actually incurred by a beneficiary [or the private partner of PPP operations](#) and paid in implementing operations, including contributions in kind and depreciation;
 - (b) unit costs;
 - (c) lump sums;
 - (d) flat-rate financing;
 - (e) a combination of the forms referred to in points (a) to (d), provided that each form covers different categories of costs or where they are used for different projects forming a part of an operation or for successive phases of an operation.

Where the total cost of an operation does not exceed EUR 200 000, the contribution provided to the beneficiary from the ERDF, the ESF+, the AMIF, the ISF and the BMVI shall take the form of unit costs, lump sums or flat rates, except for operations for which the support constitutes State aid. Where flat-rate financing is used, only the categories of costs to which the flat-rate applies may be reimbursed in accordance with point (a) of the first sub-paragraph.

In addition, allowances and salaries paid to participants may be reimbursed in accordance with point (a) of the first sub-paragraph.

2. The amounts for the forms of grants referred to under point (b), (c) and (d) of paragraph 1, shall be established in one of the following ways:
 - (a) a fair, equitable and verifiable calculation method based on:
 - (i) statistical data, other objective information or an expert judgement;

- (ii) the verified historical data of individual beneficiaries;
- (iii) the application of the usual cost accounting practices of individual beneficiaries;
- (b) draft budget established on a case-by-case basis and agreed *ex ante* by the body selecting the operation, where the total cost of the operation does not exceed EUR 200 000;
- (c) in accordance with the rules for application of corresponding unit costs, lump sums and flat rates applicable in Union policies for a similar type of operation;
- (d) in accordance with the rules for application of corresponding unit costs, lump sums and flat rates applied under schemes for grants funded entirely by the Member State for a similar type of operation;
- (e) flat rates and specific methods established by this Regulation or the Fund-specific Regulations.

Article 49

Flat-rate financing for indirect costs concerning grants

Where a flat rate is used to cover indirect costs of an operation, it shall be based on one of the following:

- (a) a flat rate of up to 7 % of eligible direct costs, in which case the Member State shall not be required to perform a calculation to determine the applicable rate;
- (b) a flat rate of up to 15 % of eligible direct staff costs in which case the Member State shall not be required to perform a calculation to determine the applicable rate;
- (c) a flat rate of up to 25 % of eligible direct costs, provided that the rate is calculated in accordance with Article 48(2)(a).

In addition, where a Member State has calculated a flat rate in accordance with Article 67(5)(a) of Regulation (EU) No 1303/2013, that flat rate may be used for a similar operation for the purposes of point (c).

Article 50

Direct staff costs concerning grants

1. Direct staff costs of an operation may be calculated at a flat rate of up to 20 % of the direct costs other than the direct staff costs of that operation, without there being a requirement for the Member State to perform a calculation to determine the applicable rate, provided that the direct costs of the operation do not include public works contracts or supply or service contracts which exceed in value the thresholds set out in Article 4 of Directive 2014/24/EU of the European Parliament and of the Council³⁸ or in Article 15 of Directive 2014/25/EU of the European Parliament and of the Council³⁹.

For the AMIF, the ISF and the BMVI, any costs subject to public procurement and the direct staff costs of that operation shall be excluded from the basis for calculation of the flat rate.

³⁸ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

³⁹ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).

2. For the purposes of determining direct staff costs, an hourly rate may be calculated in one of the following ways:
 - (a) by dividing the latest documented annual gross employment costs by 1720 hours for persons working full time, or by a corresponding pro-rata of 1720 hours, for persons working part-time;
 - (b) by dividing the latest documented monthly gross employment costs by the monthly working time of the person concerned in accordance with applicable national legislation referred to in the contract for employment.
3. When applying the hourly rate calculated in accordance with paragraph 2, the total number of hours declared per person for a given year or month shall not exceed the number of hours used for the calculation of that hourly rate.
4. Where annual gross employment costs are not available, they may be derived from the available documented gross employment costs or from the contract for employment, duly adjusted for a 12 month period.
5. Staff costs related to individuals who work on part-time assignment on the operation may be calculated as a fixed percentage of the gross employment costs, in line with a fixed percentage of time worked on the operation per month, with no obligation to establish a separate working time registration system. The employer shall issue a document for employees setting out that fixed percentage.

Article 51

Flat rate financing for eligible costs other than direct staff costs concerning grants

1. A flat rate of up to 40 % of eligible direct staff costs may be used in order to cover the remaining eligible costs of an operation. The Member State shall not be required to perform a calculation to determine the applicable rate.
2. For operations supported by the AMIF, the ISF, the BMVI, the ESF+ and the ERDF, salaries and allowances paid to participants shall be considered additional eligible costs not included in the flat rate.
3. The flat rate referred to in paragraph 1 of this Article shall not be applied to staff costs calculated on the basis of a flat rate as referred to in Article 50(1).

SECTION II

FINANCIAL INSTRUMENTS

Article 52

Financial instruments

1. Managing authorities may provide a programme contribution, under one or more programmes, to financial instruments set up at national, regional, transnational or cross border level and managed by, or under the responsibility of, the managing authority which contribute to achieving specific objectives.
2. Financial instruments shall provide support to final recipients only for new investments expected to be financially viable, such as generating revenues or savings, and which do not find sufficient funding from market sources.
3. Support from the Funds through financial instruments shall be based on an *ex ante* assessment drawn up under the responsibility of the managing authority. The *ex ante* assessment shall be

completed before managing authorities decide to make programme contributions to financial instruments.

The *ex ante* assessment shall include at least the following elements:

- (a) the proposed amount of programme contribution to a financial instrument and the expected leverage effect;
- (b) the proposed financial products to be offered, including the possible need for differentiated treatment of investors;
- (c) the proposed target group of final recipients;
- (d) the expected contribution of the financial instrument to the achievement of specific objectives.

The *ex ante* assessment may be reviewed or updated and may cover part or the entire territory of the Member State and may be based on existing or updated *ex ante* assessments.

- 4. Support to final recipients may be combined with any form of Union contribution, including from the same Fund and may cover the same expenditure item. In that case, the Funds' financial instrument support, which is part of a financial instrument operation, shall not be declared to the Commission for support under another form, another Fund or another Union instrument.
- 5. Financial instruments may be combined with ancillary programme support in the form of grants as a single financial instrument operation, within a single funding agreement, where both distinct forms of support shall be provided by the body implementing the financial instrument. In such case the rules applicable to financial instruments shall apply to that single financial instrument operation.
- 6. In the case of combined support under paragraphs 4 and 5, separate records shall be kept for each source of support.
- 7. The sum of all forms of combined support shall not exceed the total amount of the expenditure item concerned. Grants shall not be used to reimburse support received from financial instruments. Financial instruments shall not be used to pre-finance grants.

Article 53

Implementation of financial instruments

- 1. Financial instruments managed by the managing authority may only provide loans or guarantees. The managing authority shall set out the terms and conditions of the programme contribution to the financial instrument in a strategy document including all the elements set out in Annex IX.
- 2. Financial instruments managed under the responsibility of the managing authority may be set up as either of the following:
 - (a) an investment of programme resources into the capital of a legal entity;
 - (b) separate blocks of finance or fiduciary accounts within an institution.

The managing authority shall select the body implementing a financial instrument.

When the body selected by the managing authority implements a holding fund, that body may further select other bodies to implement a specific fund.

- 3. The terms and conditions of programme contributions to financial instruments implemented in accordance with paragraph 2, shall be set out in funding agreements between:

- (a) the duly mandated representatives of the managing authority and the body implementing a holding fund, where applicable;
- (b) the duly mandated representatives of the managing authority, or, where applicable, the body implementing a holding fund and the body implementing a specific fund.

Those funding agreements shall include all the elements set out in Annex IX.

- 4. The financial liability of the managing authority shall not exceed the amount committed by the managing authority to the financial instrument under the relevant funding agreements.
- 5. The bodies implementing the financial instruments concerned, or in the context of guarantees, the body providing the underlying loans, shall select final recipients, taking due account of the programme objectives and the potential for the financial viability of the investment as justified in the business plan or an equivalent document. The selection process of final recipients shall be transparent, justified by the nature of the action and shall not give rise to a conflict of interest.
- 6. National co-financing of a programme may be provided either by the managing authority or at the level of holding funds, or at the level of specific funds, or at the level of investments in final recipients, in accordance with the Fund-specific rules. When the national co-financing is provided at the level of investments in final recipients, the body implementing financial instruments shall keep documentary evidence demonstrating the eligibility of the underlying expenditure.
- 7. The managing authority, in managing the financial instrument pursuant to paragraph 2, or the body implementing the financial instrument, in managing the financial instrument pursuant to paragraph 3, shall keep separate accounts or maintain an accounting code per priority and per each category of region for each programme contribution and separately for resources referred to in Articles 54 and 56 respectively.

Article 54

Interest and other gains generated by support from the Funds to financial instruments

- 1. Support from the Funds paid to financial instruments shall be placed in interest-bearing accounts in financial institutions domiciled within Member States and shall be managed in line with active treasury management and sound financial management.
- 2. Interest and other gains attributable to support from the Funds paid to financial instruments shall be used under the same objective or objectives as the initial support from the Funds, either within the same financial instrument; or, following the winding up of the financial instrument, in other financial instruments or other forms of support, until the end of the eligibility period.
- 3. Interest and other gains referred to in paragraph 2 not used in accordance with that provision shall be deducted from the eligible expenditure.

Article 55

Differentiated treatment of investors

- 1. Support from the Funds to financial instruments invested in final recipients as well as any type of income generated by those investments, which are attributable to the support from the Funds, may be used for differentiated treatment of investors operating under the market economy principle through an appropriate sharing of risks and profits.

2. The level of such differentiated treatment shall not exceed what is necessary to create incentives for attracting private resources, established by either a competitive process or an independent assessment.

Article 56

Re-use of resources attributable to the support from the Funds

1. Resources paid back, before the end of the eligibility period, to financial instruments from investments in final recipients or from the release of resources set aside as agreed in guarantee contracts, including capital repayments and any type of generated income that is attributable to the support from the Funds, shall be re-used in the same or other financial instruments for further investments in final recipients, under the same specific objective or objectives and for any management costs and fees associated to such further investments.
2. Member States shall adopt the necessary measures to ensure that the resources referred to in paragraph 1 and paid back to financial instruments during a period of at least eight years after the end of the eligibility period, are re-used in accordance with the policy objectives of the programme or programmes under which they were set up, either within the same financial instrument or, following the exit of those resources from the financial instrument, in other financial instruments or in other forms of support.

CHAPTER III

Eligibility rules

Article 57

Eligibility

1. The eligibility of expenditure shall be determined on the basis of national rules, except where specific rules are laid down in, or on the basis of, this Regulation or the Fund-specific Regulations.
2. Expenditure shall be eligible for a contribution from the Funds if it has been incurred by a beneficiary **or the private partner of a PPP operation** and paid in implementing operations, between the date of submission of the programme to the Commission or from 1 January 2021, whichever date is earlier, and 31 December 2029.

For costs reimbursed pursuant to points (b) and (c) of Article 48(1), the actions constituting the basis for reimbursement shall be carried out between the date of submission of the programme to the Commission or from 1 January 2021, whichever is earlier, and 31 December 2029.

3. **For the ERDF, expenditure related to operations covering more than one category of region as set out in Article 102(2) within a Member State shall be allocated to the categories of regions concerned on a *pro rata* basis, based on objective criteria.**

For the ESF+, expenditure related to operations shall contribute to the achievement of the specific objectives of the programme.

4. All or part of an operation may be implemented outside of a Member State, including outside the Union, provided that the operation contributes to the objectives of the programme.
5. For grants taking the forms of points (b), (c) and (d) of Article 48(1), the expenditure which shall be eligible for a contribution from the Funds shall equal the amounts calculated in accordance with Article 48(2).

6. Operations shall not be selected for support by the Funds where they have been physically completed or fully implemented before the application for funding under the programme is submitted to the managing authority, irrespective of whether all related payments have been made.
7. Expenditure which becomes eligible as a result of a programme amendment shall be eligible from the date of the submission of the corresponding request to the Commission.

For the ERDF, the Cohesion Fund, that shall be the case where a new type of intervention referred to in Table 1 of Annex I or, for the AMIF, the ISF and the BMVI, in the Fund-specific Regulations is added in the programme.

Where a programme is amended in order to provide a response to natural disasters, the programme may provide that the eligibility of expenditure relating to such amendment starts from the date when the natural disaster occurred.

8. Where a new programme is approved in the context of the mid-term review in accordance with Article 14, expenditure shall be eligible from the date of submission of the corresponding request to the Commission.
9. An operation may receive support from one or more Funds or from one or more programmes and from other Union instruments. In such cases expenditure declared in a payment application for one of the Funds shall not be declared for either of the following:
 - (a) support from another Fund or Union instrument;
 - (b) support from the same Fund under another programme.

The amount of expenditure to be entered into a payment application of a Fund may be calculated for each Fund and for the programme or programmes concerned on a *pro rata* basis, in accordance with the document setting out the conditions for support.

Article 58 **Non eligible costs**

1. The following costs shall not be eligible for a contribution from the Funds:
 - (a) interest on debt, except in relation to grants given in the form of an interest rate subsidy or guarantee fee subsidy;
 - (b) the purchase of land for an amount exceeding 10 % of the total eligible expenditure for the operation concerned; for derelict sites and for those formerly in industrial use which comprise buildings, that limit shall be increased to 15 %; for guarantees those percentages shall apply to the amount of the underlying loan;
 - (c) value added tax ('VAT'), except for operations the total cost of which is below EUR 5 000 000.

For point (b), the limits shall not apply to operations concerning environmental conservation.

2. The Fund-specific Regulations may identify additional costs that are not eligible for a contribution from each Fund.

Article 59 **Durability of operations**

1. The Member State shall repay the contribution from the Funds to an operation comprising investment in infrastructure or productive investment, if within five years of the final payment

to the beneficiary or within the period of time set out in State aid rules, where applicable, that operation is subject to any of the following:

- (a) a cessation or transfer of a productive activity;
- (b) a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;
- (c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

The Member State may reduce the time limit set out in the first subparagraph to three years in cases concerning the maintenance of investments or jobs created by SMEs.

- 2. Operations supported by the ESF+ shall repay the support from the ESF+ only when they are subject to an obligation for maintenance of investment under State aid rules.
- 3. Paragraphs 1 and 2 shall not apply to any operation which undergoes cessation of a productive activity due to a non-fraudulent bankruptcy.

Article 60 **Relocation**

- 1. Expenditure supporting relocation as defined in Article 2(26) shall not be eligible for a contribution from the Funds.
- 2. Where a contribution from the Funds constitutes State aid, the managing authority shall satisfy itself that the contribution does not support relocation in accordance with Article 14(16) of Commission Regulation (EU) No 651/2014.

Article 61 **Specific eligibility rules for grants**

- 1. Contributions in kind in the form of provision of works, goods, services, land and real estate for which no payment supported by invoices, or documents of equivalent probative value, has been made, may be eligible where the following conditions are fulfilled:
 - (a) the public support paid to the operation which includes contributions in kind does not exceed the total eligible expenditure, excluding contributions in kind, at the end of the operation;
 - (b) the value attributed to contributions in kind does not exceed the costs generally accepted on the market in question;
 - (c) the value and the delivery of the contribution in kind can be independently assessed and verified;
 - (d) in the case of provision of land or real estate, a payment, for the purposes of a lease agreement of a nominal amount per annum not exceeding a single unit of the currency of the Member State, may be made;
 - (e) in the case of contributions in kind in the form of unpaid work, the value of that work is determined by taking into account the verified time spent and the rate of remuneration for equivalent work.

The value of the land or real estate referred to in point (d) of the first subparagraph of this Article shall be certified by an independent qualified expert or duly authorised official body and shall not exceed the limit laid down in Article 58(1)(b).

2. Depreciation costs for which no payment supported by invoices has been made, may be considered as eligible where the following conditions are fulfilled:
 - (a) the eligibility rules of the programme allow for it;
 - (b) the amount of the expenditure is duly justified by supporting documents having equivalent probative value to invoices for eligible costs where those costs were reimbursed in the form referred to in Article 48(1)(a);
 - (c) the costs relate exclusively to the period of support for the operation;
 - (d) public grants have not contributed towards the acquisition of the depreciated assets.

Article 62

Specific eligibility rules for financial instruments

1. Eligible expenditure of a financial instrument shall be the total amount of programme contribution paid to, or, in the case of guarantees, set aside as agreed in guarantee contracts, by, the financial instrument within the eligibility period, where that amount corresponds to:
 - (a) payments to final recipients, in the case of loans, equity and quasi-equity investments;
 - (b) resources set aside as agreed in guarantee contracts, whether outstanding or having already come to maturity, in order to honour possible guarantee calls for losses, calculated based on a multiplier ratio covering a multiple amount of underlying disbursed new loans, equity or quasi-equity investments in final recipients;
 - (c) payments to, or for the benefit of, final recipients where financial instruments are combined with other Union contribution in a single financial instrument operation in accordance with Article 52(5);
 - (d) payments of management fees and reimbursements of management costs incurred by the bodies implementing the financial instrument.
2. For point (b) of paragraph 1, the multiplier ratio shall be established in a prudent *ex ante* risk assessment and agreed in the relevant funding agreement. The multiplier ratio may be reviewed, where justified by subsequent changes in market conditions. Such a review shall not have retroactive effect.
3. For point (d) of paragraph 1, management fees shall be performance based. Where bodies implementing a holding fund and/or specific funds, pursuant to Article 53(3), are selected through a direct award of contract, the amount of management cost and fees paid to those bodies that can be declared as eligible expenditure shall be subject to a threshold of up to 5 % of the total amount of programme contributions disbursed to final recipients in loans, equity or quasi-equity investments or set aside as agreed in guarantee contracts.

That threshold is not applicable where the selection of bodies implementing financial instruments is made through a competitive tender in accordance with the applicable law and the competitive tender establishes the need for a higher level of management costs and fees.
4. Where arrangement fees, or any part thereof, are charged to final recipients, they shall not be declared as eligible expenditure.
5. The eligible expenditure declared in accordance with paragraph 1 shall not exceed the sum of the total amount of support from the Funds paid for the purposes of that paragraph and the corresponding national co-financing.

TITLE VI
MANAGEMENT AND CONTROL

CHAPTER I
General rules on management and control

Article 63
Responsibilities of Member States

1. Member States shall have management and control systems for their programmes in accordance with this Title and ensure their functioning in accordance with sound financial management and the key requirements listed in Annex X.
2. Member States shall ensure the legality and regularity of expenditure included in the accounts submitted to the Commission and shall take all required actions to prevent, detect and correct and report on irregularities including fraud.
3. Member States shall, upon request of the Commission, take the actions necessary to ensure the effective functioning of their management and control systems and the legality and regularity of expenditure submitted to the Commission. Where that action is an audit, the Commission officials or their authorised representatives may take part.
4. Member States shall ensure the quality and reliability of the monitoring system and of data on indicators.
5. Member States shall have systems and procedures to ensure that all documents required for the audit trail set out in Annex XI are kept in accordance with the requirements set out in Article 76.
6. Member States shall make arrangements for ensuring the effective examination of complaints concerning the Funds. They shall, upon request by the Commission, examine complaints submitted to the Commission falling within the scope of their programmes and shall inform the Commission of the results of those examinations.

For the purposes of this Article, complaints cover any dispute between potential and selected beneficiaries with regard to the proposed or selected operation and any disputes with third parties on the implementation of the programme or operations thereunder, irrespective of the qualification of means of legal redress established under national law.

7. Member States shall ensure that all exchanges of information between beneficiaries and the programme authorities are carried out by means of electronic data exchange systems in accordance with Annex XII.

For programmes supported by the EMFF, the AMIF, the ISF and the BMVI, the first sub-paragraph shall apply as from 1 January 2023.

The first sub-paragraph shall not apply to programmes under Article [4(1)(c)(vii)] of the ESF+ Regulation.

8. Member States shall ensure that all official exchanges of information with the Commission are carried out by means of an electronic data exchange system in accordance with Annex XIII.
9. Each Member State shall draw up, after the approval of the programme and at the latest by the time of submission of the final payment application for the first accounting year and no later than 30 June 2023, a description of the management and control system in accordance with

the template set out in Annex XIV. It shall keep that description updated to reflect any subsequent modifications.

10. The Commission is empowered to adopt delegated acts in accordance with Article 107 to supplement paragraph 2 of this Article by setting out the criteria for determining the cases of irregularity to be reported and the data to be provided.
11. The Commission shall adopt an implementing act setting out the format to be used for reporting of irregularities in accordance with the advisory procedure referred to in Article 109(2) in order to ensure uniform conditions for the implementation of this Article.

Article 64

Commission powers and responsibilities

1. The Commission shall satisfy itself that Member States have management and control systems that comply with this Regulation and that those systems function effectively during the implementation of the programmes. The Commission shall draw up an audit strategy and an audit plan which shall be based on a risk-assessment.

The Commission and the audit authorities shall coordinate their audit plans.

2. Commission audits shall be carried out up to three calendar years following the acceptance of the accounts in which the expenditure concerned was included. This period shall not apply to operations where there is a suspicion of fraud.
3. For the purpose of their audits, Commission officials or their authorised representatives shall have access to all necessary records, documents and metadata, irrespective of the medium in which they are stored, relating to operations supported by the Funds or to management and control systems and shall receive copies in the specific format requested.
4. For on-the-spot audits, the following shall also apply:
 - (a) the Commission shall give at least 12 working days' notice for the audit to the competent programme authority, except in urgent cases. Officials or authorised representatives of the Member State may take part in such audits.
 - (b) where the application of national provisions reserves certain acts for agents specifically designated by national legislation, Commission officials and authorised representatives shall have access to the information thus obtained without prejudice to the competences of national courts and in full respect of the fundamental rights of the legal subjects concerned.
 - (c) the Commission shall transmit the preliminary audit findings, in at least one of the official languages of the Union, no later than 3 months after the last day of the audit, to the competent Member State authority.
 - (d) the Commission shall transmit the audit report, in at least one of the official languages of the Union, no later than 3 months from the date of receiving a complete reply from the competent Member State authority to the preliminary audit findings.

The Commission may extend the time limits referred in points (c) and (d) by an additional three months.

Article 65
Programme authorities

1. For the purposes of Article [63(3)] of the Financial Regulation, the Member State shall identify for each programme a managing authority and an audit authority. *Where a Member State makes use of the option referred to in Article 66(2), the body concerned shall be identified as a programme authority.* Those same authorities may be responsible for more than one programme.
2. The audit authority shall be a public authority, functionally independent from the auditees.
3. The managing authority may identify one or more intermediate bodies to carry out certain tasks under its responsibility. Arrangements between the managing authority and intermediate bodies shall be recorded in writing.
4. Member States shall ensure that the principle of separation of functions between and within the programme authorities is respected.
5. *The body implementing the programme co-fund as referred to in Article [11] of Regulation EU (...) [Horizon Europe Rules for Participation] shall be identified as an intermediate body by the managing authority of the relevant programme, in line with paragraph 3.*

CHAPTER II
Standard management and control systems

Article 66
Functions of the managing authority

1. The managing authority shall be responsible for managing the programme with a view to delivering the objectives of the programme. In particular, it shall have the following functions:
 - (a) select operations in accordance with Article 67;
 - (b) carry out programme management tasks in accordance with Article 68;
 - (c) support the work of the monitoring committee in accordance with Article 69;
 - (d) supervise intermediate bodies;
 - (e) record and store in an electronic system the data on each operation necessary for monitoring, evaluation, financial management, verifications and audits, and shall ensure the security, integrity and confidentiality of data and the authentication of the users.
2. *The Member State may entrust the accounting function referred to in Article 70 to the managing authority or to another body.*
3. For programmes supported by the AMIF, the ISF and the BMVI, the accounting function shall be carried out by the managing authority or under its responsibility.
4. The Commission shall adopt an implementing act in accordance with the advisory procedure referred to in Article 109(2) in order to ensure uniform conditions for the electronic data to be recorded and stored referred to in point (e) of paragraph 1. That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 109(2).

Selection of operations by the managing authority

1. For the selection of operations, the managing authority shall establish and apply criteria and procedures which are non-discriminatory, transparent, ensure gender equality and take account of the Charter of Fundamental Rights of the European Union and the principle of sustainable development and of the Union policy on the environment in accordance with Articles 11 and 191(1) of the TFEU.

The criteria and procedures shall ensure the prioritisation of operations to be selected with a view to maximise the contribution of Union funding to the achievement of the objectives of the programme.

2. Upon request of the Commission, the managing authority shall consult the Commission and take its comments into account prior to the initial submission of the selection criteria to the monitoring committee and before any subsequent changes to those criteria.
3. In selecting operations, the managing authority shall:
 - (a) ensure that selected operations comply with the programme and provide an effective contribution to the achievement of its specific objectives;
 - (b) ensure that selected operations are consistent with the corresponding strategies and planning documents established for the fulfilment of enabling conditions;
 - (c) ensure that selected operations present the best relationship between the amount of support, the activities undertaken and the achievement of objectives;
 - (d) verify that the beneficiary has the necessary financial resources and mechanisms to cover operation and maintenance costs;
 - (e) ensure that selected operations which fall under the scope of Directive 2011/92/EU of the European Parliament and of the Council ⁴⁰ are subject to an environmental impact assessment or a screening procedure, on the basis of the requirements of that Directive as amended by Directive 2014/52/EU of the European Parliament and of the Council ⁴¹;
 - (f) verify that where the operations have started before the submission of an application for funding to the managing authority, applicable law has been complied with;
 - (g) ensure that selected operations fall within the scope of the Fund concerned and are attributed to a type of intervention or area of support for the EMFF;
 - (h) ensure that operations do not include activities which were part of an operation subject to relocation in accordance with Article 60 or which would constitute a transfer of a productive activity in accordance with Article 59(1)(a);
 - (i) ensure that selected operations are not affected by a reasoned opinion by the Commission in respect of an infringement under Article 258 of the TFEU that puts at risk the legality and regularity of expenditure or the performance of operations;
 - (j) ensure the climate proofing of investments in infrastructure with an expected lifespan of at least five years.

⁴⁰ Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26, 28.1.2012, p. 1).

⁴¹ Directive 2014/52/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment (OJ L 124, 25.4.2014, p. 1).

4. The managing authority shall ensure that the beneficiary is provided with a document setting out all the conditions for support for each operation including the specific requirements concerning the products or services to be delivered, the financing plan, the time-limit for its execution and where applicable, the method to be applied for determining the costs of the operation and the conditions for payment of the grant.
5. For operations awarded a Seal of Excellence certification, or selected under the programme co-fund under Horizon Europe, the managing authority may decide to grant support from the ERDF or the ESF+ directly, provided that such operations are consistent with the objectives of the programme.
The co-financing rate of the instrument providing the Seal of Excellence certification or the programme co-fund shall apply and shall be set out in the document referred in paragraph 4.
6. When the managing authority selects an operation of strategic importance, it shall inform the Commission immediately and shall provide all relevant information to the Commission about that operation.

Article 68

Programme management by the managing authority

1. The managing authority shall:
 - (a) carry out management verifications to verify that the co-financed products and services have been delivered, that the operation complies with applicable law, the programme and the conditions for support of the operation, and:
 - (i) where costs are to be reimbursed pursuant to Article 48(1)(a), that the amount of expenditure claimed by the beneficiaries in relation to those costs has been paid and that beneficiaries maintain separate accounting records for all transactions relating to the operation;
 - (ii) where costs are to be reimbursed pursuant to points (b), (c) and (d) of Article 48(1), that the conditions for reimbursement of expenditure to the beneficiary have been met;
 - (b) ensure, subject to the availability of funding, that a beneficiary receives the amount due in full and no later than 90 days from the date of submission of the payment claim by the beneficiary;
 - (c) have effective and proportionate anti-fraud measures and procedures in place, taking into account the risks identified;
 - (d) prevent, detect and correct irregularities;
 - (e) confirm that the expenditure entered into the accounts is legal and regular;
 - (f) draw up the management declaration in accordance with the template set out in Annex XV;
 - (g) provide forecasts of the amount for payment applications to be submitted for the current and subsequent calendar years by 31 January and 31 July, in accordance with Annex VII.

For point (b) of the first sub-paragraph, no amount shall be deducted or withheld and no specific charge or other charge with equivalent effect shall be levied that would reduce amounts due to beneficiaries.

For PPP operations, the managing authority shall carry out payments to an escrow account set up for that purpose in the name of the beneficiary for use in accordance with the PPP agreement.

2. Management verifications referred to in point (a) of paragraph 1 shall be risk-based and proportionate to the risks identified as defined in a risk management strategy.
Management verifications shall include administrative verifications in respect of payment claims by beneficiaries and on-the-spot verifications of operations. They shall be carried out at the latest before preparation of the accounts in accordance with Article 92.
3. Where the managing authority is also a beneficiary under the programme, arrangements for the management verifications shall ensure separation of functions.
4. By way of derogation from paragraph 2, the ETC Regulation may establish specific rules on management verifications applicable to Interreg programmes.

Article 69

Support of the work of the monitoring committee by the managing authority

The managing authority shall:

- (a) provide the monitoring committee in a timely manner with all information necessary to carry out its tasks;
- (b) ensure the follow-up of the decisions and recommendations of the monitoring committee.

Article 70

The accounting function

1. The accounting function shall consist of the following tasks:
 - (a) drawing up and submitting payment applications to the Commission in accordance with Articles 85 and 86;
 - (b) drawing up the accounts in accordance with Article 92 and keeping records of all the elements of the accounts in an electronic system;
 - (c) converting the amounts of expenditure incurred in another currency into euro by using the monthly accounting exchange rate of the Commission in the month during which the expenditure is registered in the accounting systems of the body responsible for carrying out the tasks set out in this Article.
2. The accounting function shall not comprise verifications at the level of beneficiaries.
3. By way of derogation from point (c) of paragraph 1, the ETC Regulation may establish a different method to convert the amounts of expenditure incurred in another currency into euro.

Article 71

Functions of the audit authority

1. The audit authority shall be responsible for carrying out system audits, audits on operations and audits of accounts in order to provide independent assurance to the Commission regarding the effective functioning of the management and control systems and the legality and regularity of the expenditure included in the accounts submitted to the Commission.
2. Audit work shall be carried out in accordance with internationally accepted audit standards.

3. The audit authority shall draw up and submit to the Commission:
 - (a) an annual audit opinion in accordance with Article [63(7)] of the Financial Regulation and with the template set out in Annex XVI and based on all audit work carried out, covering the following distinct components:
 - (i) the completeness, veracity and accuracy of the accounts;
 - (ii) the legality and regularity of the expenditure included in the accounts submitted to the Commission;
 - (iii) the effective functioning of the management and control system.
 - (b) an annual control report fulfilling the requirements of Article [63(5)(b)] of the Financial Regulation, in accordance with the template set out in Annex XVII and, supporting the audit opinion referred to in point (a) and setting out a summary of the findings, including an analysis of the nature and extent of errors and deficiencies in the systems as well as the proposed and implemented corrective actions and the resulting total error rate and residual error rate for the expenditure entered in the accounts submitted to the Commission.
4. Where programmes are grouped for the purpose of audits of operations pursuant to Article 73(2), the information required under paragraph (3)(b) may be grouped in a single report.

Where the audit authority makes use of this option for programmes supported by the AMIF, the ISF and the BMVI, the information required under paragraph (3)(b) shall be reported by Fund.
5. The audit authority shall transmit to the Commission system audit reports as soon as the contradictory procedure with the relevant auditees is concluded.
6. The Commission and the audit authorities shall meet on a regular basis and at least once a year, unless otherwise agreed, to examine the audit strategy, the annual control report, the audit opinion, to coordinate their audit plans and methods and to exchange views on issues relating to the improvement of management and control systems.

Article 72 **Audit strategy**

1. The audit authority shall prepare an audit strategy based on a risk assessment, taking account of the management and control system description provided for in Article 63(9), covering system audits and audits of operations. The audit strategy shall include system audits of newly identified managing authorities and authorities in charge of the accounting function within nine months following their first year of functioning. The audit strategy shall be prepared in accordance with the template set out in Annex XVIII and shall be updated annually following the first annual control report and audit opinion provided to the Commission. It may cover one or more programmes.
2. The audit strategy shall be submitted to the Commission upon request.

Article 73 **Audits of operations**

1. Audits of operations shall cover expenditure declared to the Commission in the accounting year on the basis of a sample. That sample shall be representative and based on statistical sampling methods.

2. Where the population consists of less than 300 sampling units, a non-statistical sampling method may be used on the professional judgement of the audit authority. In such cases, the size of the sample shall be sufficient to enable the audit authority to draw up a valid audit opinion. The non-statistical sampling method shall cover a minimum of 10 % of the sampling units in the population of the accounting year, selected randomly.

The statistical sample may cover one or more programmes receiving support from the ERDF, the Cohesion Fund and the ESF+ and, subject to stratification where appropriate, one or more programming periods according to the professional judgement of the audit authority.

The sample of operations supported by the AMIF, the ISF and the BMVI and by the EMFF shall cover operations supported by each Fund separately.

3. Audits of operations shall include on-the-spot verification of the physical implementation of the operation only where it is required by the type of operation concerned.

The ESF+ Regulation may set out specific provisions for programmes under Article [4(1)(c)(vii)] of the ESF+ Regulation.

4. The Commission is empowered to adopt a delegated act in accordance with Article 107 to supplement this Article by setting out standardised off-the-shelf sampling methodologies and modalities to cover one or more programming periods.

Article 74

Single audit arrangements

1. When carrying out audits, the Commission and the audit authorities shall take due account of the principles of single audit and proportionality in relation to the level of risk to the budget of the Union. They shall avoid duplication of audits of the same expenditure declared to the Commission with the objective of minimising the cost of management verifications and audits and the administrative burden on beneficiaries.

The Commission and audit authorities shall first use all information and records available in the electronic system referred to in Article 66(1)(e), including results of management verifications and only request and obtain additional documents and audit evidence from the beneficiaries concerned where, based on their professional judgement, this is required to support robust audit conclusions.

2. For programmes for which the Commission concludes that the opinion of the audit authority is reliable and the Member State concerned participates in the enhanced cooperation on the European Public Prosecutor's Office, the Commission's own audits shall be limited to auditing the work of the audit authority.
3. Operations for which the total eligible expenditure does not exceed EUR 400 000 for the ERDF and the Cohesion Fund, EUR 300 000 for the ESF+, EUR 200 000 for the EMFF, the AMIF, the ISF and the BMVI shall not be subject to more than one audit by either the audit authority or the Commission prior to the submission of the accounts for the accounting year in which the operation is completed.

Other operations shall not be subject to more than one audit per accounting year by either the audit authority or the Commission prior to the submission of the accounts for the accounting year in which the operation is completed. Operations shall not be subject to an audit by the Commission or the audit authority in any year where there has already been an audit in that year by the Court of Auditors, provided that the results of that Court of Auditors' audit for such operations can be used by the audit authority or the Commission for the purpose of fulfilling their respective tasks.

4. Notwithstanding the provisions of paragraph 3, any operation may be subject to more than one audit, if the audit authority concludes based on its professional judgment, that it is not possible to draw up a valid audit opinion.
5. Paragraphs 2 and 3 shall not apply where:
 - (a) there is a specific risk of irregularity or an indication of fraud;
 - (b) there is a need to re-perform the work of the audit authority for obtaining assurance as to its effective functioning;
 - (c) there is evidence of a serious deficiency in the work of the audit authority.

Article 75

Management verifications and audits of financial instruments

1. The managing authority shall carry out on-the-spot management verifications in accordance with Article 68(1) only at the level of bodies implementing the financial instrument and, in the context of guarantee funds, at the level of bodies delivering the underlying new loans.
2. The managing authority shall not carry out on-the-spot verifications at the level of the European Investment Bank ('EIB') or other international financial institutions in which a Member State is a shareholder.

However, the EIB or other internationally financial institutions in which a Member State is a shareholder shall provide control reports supporting the payment applications to the managing authority.
3. The audit authority shall carry out system audits and audits of operations in accordance with Articles 71, 73 or 77 at the level of bodies implementing the financial instrument and, in the context of guarantee funds, at the level of bodies delivering the underlying new loans.
4. The audit authority shall not carry out audits at the level of the EIB or other international financial institutions in which a Member State is a shareholder, for financial instruments implemented by them.

However, the EIB or other international financial institutions in which a Member State is a shareholder shall provide to the Commission and to the audit authority an annual audit report drawn up by their external auditors by the end of each calendar year. This report shall cover the elements included in Annex XVII.
5. The EIB or other international financial institutions shall provide to the programme authorities all the necessary documents to enable them to fulfil their obligations.

Article 76

Availability of documents

1. Without prejudice to the rules governing State aid, the managing authority shall ensure that all supporting documents related to an operation supported by the Funds are kept at the appropriate level for a five-year period from 31 December of the year in which the last payment by the managing authority to the beneficiary is made.
2. This time period shall be interrupted either in the case of legal proceedings or by a request of the Commission.

CHAPTER III

Reliance on national management systems

Article 77

Enhanced proportionate arrangements

The Member State may apply the following enhanced proportionate arrangements for the management and control system of a programme when the conditions set out in Article 78 are fulfilled:

- (a) by way of derogation from Article 68(1)(a) and 68(2), the managing authority may apply only national procedures to carry out management verifications;
- (b) by way of derogation from Article 73(1) and (3), the audit authority may limit its audit activity to a statistical sample of 30 sampling units for the programme or group of programmes concerned;
- (c) the Commission, shall limit its own audits to a review of the work of the audit authority through re-performance at its level only, unless available information suggests a serious deficiency in the work of the audit authority.

For point (b), where the population consists of less than 300 sampling units, the audit authority may apply a non-statistical sampling method in accordance with Article 73(2).

Article 78

Conditions for application of enhanced proportionate arrangements

1. The Member State may apply the enhanced proportionate arrangements set out in Article 77 at any time during the programming period, where the Commission has confirmed in its published annual activity reports for the last two years preceding the Member State's decision to apply the provisions of this Article, that the programme's management and control system is functioning effectively and that the total error rate for each year is below 2 %. When assessing the effective functioning of the programme's management and control system, the Commission shall take into account the participation of the Member State concerned in the enhanced cooperation on the European Public Prosecutor's Office.

Where a Member State decides to use this option, it shall notify the Commission on the application of the proportionate arrangements set out in Article 77 which shall apply from the start of the subsequent accounting year.

2. At the start of the programming period, the Member State may apply the arrangements referred to in Article 77, provided that the conditions set out in paragraph 1 of this Article are met with respect to a similar programme implemented in 2014-2020 and where the management and control arrangements established for the 2021-2027 programme build largely on those for the previous programme. In such cases, the enhanced proportionate arrangements will apply from the start of the programme.
3. The Member State shall establish or update accordingly the description of the management and control system and the audit strategy described in Articles 63(9) and 72.

Article 79

Adjustment during the programming period

1. Where the Commission or the audit authority conclude, based on the audits carried out and the annual control report, that the conditions set out in Article 78 are no longer fulfilled, the

Commission shall request the audit authority to carry out additional audit work in accordance with Article 63(3) and take remedial actions.

2. Where the subsequent annual control report confirms that the conditions continue not to be fulfilled, thus limiting the assurance provided to the Commission on the effective functioning of the management and control systems and of the legality and regularity of expenditure, the Commission shall request the audit authority to carry out system audits.
3. The Commission may, after having given to the Member State the opportunity to present its observations, inform the Member State that the enhanced proportionate arrangements set out in Article 77 shall no longer be applied.

TITLE VII

FINANCIAL MANAGEMENT, SUBMISSION AND EXAMINATION OF ACCOUNTS AND FINANCIAL CORRECTIONS

CHAPTER I Financial management

SECTION I GENERAL ACCOUNTING RULES

Article 80

Budgetary commitments

1. The decision approving the programme in accordance with Article 18 shall constitute a financing decision within the meaning of [Article 110(3)] of the Financial Regulation and its notification to the Member State concerned shall constitute a legal commitment.
That decision shall specify the Union contribution per Fund and per year.
2. The budgetary commitments of the Union in respect of each programme shall be made by the Commission in annual instalments for each Fund during the period between 1 January 2021 and 31 December 2027.
3. By way of derogation from Article 111(2) of the Financial Regulation, the budgetary commitments for the first instalment shall follow the adoption of the programme by the Commission.

Article 81

Use of the euro

Any amounts set out in programmes, reported or declared to the Commission by Member States shall be denominated in euro.

Article 82

Repayment

1. Any repayment due to be made to the budget of the Union shall be effected before the due date indicated in the order for recovery drawn up in accordance with [Article 98 of the Financial Regulation]. The due date shall be the last day of the second month following the issuing of the order.

2. Any delay in effecting repayment shall give rise to interest on account of late payment, starting on the due date and ending on the date of actual payment. The rate of such interest shall be one-and-a-half percentage points above the rate applied by the European Central Bank in its main refinancing operations on the first working day of the month in which the due date falls.

SECTION II

RULES FOR PAYMENTS TO MEMBER STATES

Article 83

Types of payments

Payments shall take the form of pre-financing, interim payments and payments of the balance of the accounts for the accounting year.

Article 84

Pre-financing

1. The Commission shall pay pre-financing based on the total support from the Funds set out in the decision approving the programme pursuant to Article 17(3)(f)(i).
2. The pre-financing for each Fund shall be paid in yearly instalments before 1 July of each year, subject to availability of funds, as follows:
 - (a) 2021: 0.5 %;
 - (b) 2022: 0.5 %;
 - (c) 2023: 0.5 %;
 - (d) 2024: 0.5 %;
 - (e) 2025: 0.5 %;
 - (f) 2026: 0.5 %

Where a programme is adopted after 1 July 2021, the earlier instalments shall be paid in the year of adoption.

3. **By way of derogation from paragraph 2, for Interreg programmes, specific rules on pre-financing shall be set out in the ETC Regulation.**
4. The amount paid as pre-financing shall be cleared from the Commission accounts no later than with the final accounting year.
5. Any interest generated by the pre-financing shall be used for the programme concerned in the same way as the Funds and shall be included in the accounts for the final accounting year.

Article 85

Payment applications

1. The Member State shall submit a maximum of four payment applications per programme, per Fund and per accounting year. Every year the time limit for each payment application shall be 30 April, 31 July, 31 October and 26 December.

The last payment application submitted by 31 July shall be deemed to be the final payment application for the accounting year that has ended 30 June.

2. Payment applications shall not be admissible unless the latest assurance package due has been submitted.
3. Payment applications shall be submitted to the Commission in accordance with the template set out in Annex XIX and include, for each priority **and by category of region:**
 - (a) the total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations, as entered in the system of the body carrying out the accounting function;
 - (b) the amount for technical assistance calculated in accordance with Article 31(2);
 - (c) the total amount of public contribution paid or to be paid, as entered in the accounting systems of the body carrying out the accounting function;
4. By way of derogation from point (a) of paragraph 3, the following shall apply:
 - (a) where the Union contribution is made pursuant to point (a) of Article 46, the amounts included in a payment application shall be the amounts justified by the progress in the fulfilment of conditions, or achievement of results, in accordance with the decision referred to in Article 89(2);
 - (b) where the Union contribution is made pursuant to points (c), (d) and (e) of Article 46, the amounts included in an payment application shall be the amounts determined in accordance with the decision referred to in Article 88(3);
 - (c) for the forms of grants listed in points (b), (c) and (d) of Article 48(1), the amounts included in a payment application shall be the costs calculated on the applicable basis.
5. By way of derogation from point (c) of paragraph 3, in the case of aid schemes under Article 107 of the TFEU, the public contribution corresponding to the expenditure included in a payment application shall have been paid to the beneficiaries by the body granting the aid.

Article 86

Specific elements for financial instruments in payment applications

1. Where financial instruments are implemented in accordance with Article 53(2), payment applications submitted in accordance with Annex XIX shall include the total amounts disbursed or, in the case of guarantees, the amounts set aside as agreed in guarantee contracts, by the managing authority to final recipients as referred to in points (a), (b) and (c) of Article 62(1).
2. Where financial instruments are implemented in accordance with Article 53(3), payment applications that include expenditure for financial instruments shall be submitted in accordance with the following conditions:
 - (a) the amount included in the first payment application shall have been paid to the financial instruments and may be up to 25 % of the total amount of programme contributions committed to the financial instruments under the relevant funding agreement, in accordance with the relevant priority and category of region, if applicable;
 - (b) the amount included in subsequent payment applications submitted during the eligibility period shall include the eligible expenditure as referred to in Article 62(1).
3. The amount included in the first payment application, referred to in point (a) of paragraph 2, shall be cleared from Commission accounts no later than the final accounting year.

It shall be disclosed separately in payment applications.

Article 87
Common rules for payments

1. Subject to available funding, the Commission shall make interim payments no later than 60 days after the date on which a payment application is received by the Commission.
2. Each payment shall be attributed to the earliest open budget commitment of the Fund **and category of region concerned**. The Commission shall reimburse as interim payments 90 % of the amounts included in the payment application, which results from applying the co-financing rate for each priority to the total eligible expenditure or to the public contribution as appropriate. The Commission shall determine the remaining amounts to be reimbursed or to be recovered when calculating the balance of the accounts in accordance with Article 94.
3. The support from the Funds to a priority in interim payments shall not be higher than the amount of the support from the Funds for the priority laid down in the decision of the Commission approving the programme.
4. Where the Union contribution takes the form of point (a) of Article 46 or where the grants take the form listed in points (b), (c) and (d) of Article 48(1) the Commission shall not pay more than the amount requested by the Member State.
5. In addition, the support from the Funds to a priority in the payment of the balance of the final accounting year shall not exceed any of the following amounts:
 - (a) the public contribution declared in payment applications;
 - (b) support from the Funds paid to beneficiaries;
 - (c) the amount requested by the Member State.
6. On the request of a Member State, interim payments may be increased by 10 % above the co-financing rate applicable to each priority for the Funds, if a Member State meets one of the following conditions after [date of adoption of this Regulation]:
 - (a) the Member State receives a loan from the Union under Council Regulation (EU) No 407/2010;
 - (b) the Member State receives medium-term financial assistance under the ESM as established by the Treaty establishing the ESM of 2 February 2012 or as referred to in Council Regulation (EC) No 332/2002⁴² conditional on the implementation of a macroeconomic adjustment programme;
 - (c) financial assistance is made available to the Member State conditional on the implementation of a macroeconomic adjustment programme as specified in Regulation (EU) No 472/2013⁴³ of the European Parliament and of the Council.

The increased rate, which may not exceed 100 %, shall apply to requests for payments until the end of the calendar year in which the related financial assistance comes to an end.
7. **Paragraph 6 shall not apply to Interreg programmes.**

⁴² Council Regulation (EC) No 332/2002 of 18 February 2002 establishing a facility providing medium-term financial assistance for Member States' balances of payments (OJ L 53, 23.2.2002, p. 1).

⁴³ Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability (OJ L 140, 27.5.2013, p. 1).

Article 88

Reimbursement of eligible expenditure based on unit costs, lump sums and flat rates

1. The Commission may reimburse the Union contribution to a programme on the basis of unit costs, lump sums and flat rates for reimbursement of the Union contribution to a programme.
2. In order to make use of a Union contribution to the programme based on unit costs, lump sums and flat rates as referred to in Article 46, Member States shall submit a proposal to the Commission in accordance with the templates set out in **Annexes V** and VI, as part of the programme or of a request for its amendment.

The amounts and rates proposed by the Member State shall be established on the basis of the delegated act referred to in paragraph 4 or on the basis of the following:

- (a) a fair, equitable and verifiable calculation method based on any of the following:
 - (i) statistical data, other objective information or an expert judgement;
 - (ii) verified historical data;
 - (iii) the application of usual cost accounting practices;
 - (b) draft budgets;
 - (c) the rules on corresponding unit costs and lump sums applicable in Union policies for a similar type of operation;
 - (d) the rules on corresponding unit costs and lump sums applied under schemes for grants funded entirely by the Member State for a similar type of operation.
3. The Commission decision approving the programme or its amendment shall set out the types of operations covered by the reimbursement based on unit costs, lump sums and flat rates, the definition and the amounts covered by unit costs, lump sums and flat rates and the methods for adjustment of the amounts.

Member States shall use one of the forms of grants as referred to in Article 48(1) to support operations for which expenditure is reimbursed by the Commission on the basis of this Article.

Commission or Member States audits shall exclusively aim at verifying that the conditions for reimbursement by the Commission have been fulfilled.

4. The Commission is empowered to adopt a delegated act in accordance with Article 107 to supplement this Article by defining unit costs, lump sums, flat rates, their amounts and adjustment methods in the ways referred to in the second sub-paragraph of paragraph 2.

Article 89

Financing not linked to costs

1. In order to make use of a Union contribution to all or parts of a priority of programmes based on financing not linked to costs, the Member State shall submit a proposal to the Commission in accordance with the templates set out in **Annexes V** and VI, as part of the programme or of a request for its amendment. The proposal shall contain the following information:
 - (a) identification of the priority concerned and the overall amount covered by the financing not linked to costs; a description of the part of the programme and the type of operations covered by the financing not linked to costs;
 - (b) a description of the conditions to be fulfilled or of the results to be achieved and a timeline;

- (c) intermediate deliverables triggering reimbursement by the Commission;
 - (d) measurement units;
 - (e) the schedule for reimbursement by the Commission and related amounts linked to the progress in the fulfilment of conditions or achievement of results;
 - (f) the arrangements for verification of the intermediate deliverables and of the fulfilment of conditions or achievement of results;
 - (g) the methods for adjustment of the amounts, where applicable;
 - (h) the arrangements to ensure the audit trail in accordance with Annex XI demonstrating the fulfilment of conditions or achievement of results.
2. The Commission decision approving the programme or the request for its amendment shall set out all the elements listed in paragraph 1.
 3. Member States shall use one of the forms of grants as referred to in Article 48(1) to support operations for which expenditure is reimbursed by the Commission on the basis of this Article.
Commission or Member States audits shall exclusively aim at verifying that the conditions for reimbursement by the Commission have been fulfilled or the results have been achieved.
 4. The Commission is empowered to adopt a delegated act in accordance with Article 107 to supplement this Article by establishing amounts for financing not linked to costs by type of operation, the methods for adjustment of the amounts and the conditions to be fulfilled or the results to be achieved.

SECTION III

INTERRUPTIONS AND SUSPENSIONS

Article 90

Interruption of the payment deadline

1. The Commission may interrupt the payment deadline for payments, except for pre-financing, for a maximum period of six months where any of the following conditions is met:
 - (a) there is evidence to suggest a serious deficiency and for which corrective measures have not been taken;
 - (b) the Commission has to carry out additional verifications following receipt of information that expenditure in a payment application may be linked to an irregularity.
2. The Member State may agree to extend the interruption period by three months.
3. The Commission shall limit the interruption to the part of the expenditure affected by the elements referred to in paragraph 1, unless it is not possible to identify the part of the expenditure affected. The Commission shall inform the Member State in writing of the reason for interruption and shall ask them to remedy the situation. The Commission shall end the interruption as soon as the measures remedying the elements referred to in paragraph 1 have been taken.
4. The Fund-specific rules for the EMFF may lay down specific bases for interruption of payments linked to non-compliance with rules applicable under the Common Fisheries Policy.

Article 91
Suspension of payments

1. The Commission may suspend all or part of payments after having given the Member State the opportunity to present its observations, if any of the following conditions is met:
 - (a) the Member State has failed to take the necessary action to remedy the situation giving rise to an interruption under Article 90;
 - (b) there is a serious deficiency;
 - (c) the expenditure in payment applications is linked to an irregularity that has not been corrected;
 - (d) there is a reasoned opinion by the Commission in respect of an infringement under Article 258 of the TFEU that puts at risk the legality and regularity of expenditure
 - (e) the Member State has failed to take the necessary action in accordance with Article 15(6).
2. The Commission shall end the suspension of all or part of payments when the Member State has taken the measures remedying the elements referred to in paragraph 1.
3. The Fund-specific rules for the EMFF may lay down specific bases for suspension of payments linked to non-compliance with rules applicable under the Common Fisheries Policy.

CHAPTER II
Submission and examination of accounts

Article 92
Content and submission of accounts

1. For each accounting year for which payment applications have been submitted, the Member State shall submit to the Commission by 15 February, the following documents ('the assurance package') which shall cover the preceding accounting year as defined in Article 2(28):
 - (a) the accounts in accordance with the template set out in Annex XX;
 - (b) the management declaration referred to in Article 68(1)(f) in accordance with the template set out in Annex XV;
 - (c) the audit opinion referred to in Article 71(3)(a) in accordance with the template set out in Annex XVI;
 - (d) the annual control report referred to in Article 71(3)(b) in accordance with the template set out in Annex XVII.
2. The deadline referred to in paragraph 1 may exceptionally be extended by the Commission to 1 March, upon communication by the Member State concerned.
3. The accounts shall include at the level of each priority and, where applicable, fund and category of region:
 - (a) the total amount of eligible expenditure entered into the accounting systems of the body carrying out the accounting function which has been included in the final payment application for the accounting year and the total amount of the corresponding public contribution paid or to be paid;

- (b) the amounts withdrawn during the accounting year;
 - (c) the amounts of public contribution paid to each financial instrument;
 - (d) for each priority, an explanation on any differences between the amounts declared pursuant to point (a) and the amounts declared in payment applications for the same accounting year.
4. The accounts shall not be admissible if Member States have not undertaken the necessary corrections to reduce the residual risk on the legality and regularity of the expenditure included in the accounts to less than 2 %.
 5. Member States shall in particular deduct from the accounts:
 - (a) the irregular expenditure which has been subject to financial corrections in accordance with Article 97;
 - (b) the expenditure which is subject to an ongoing assessment of its legality and regularity;
 - (c) other amounts as necessary to reduce to 2 % the residual error rate of the expenditure declared in the accounts.

The Member State may include expenditure under point (b) of the first sub-paragraph in a payment application in subsequent accounting years once its legality and regularity is confirmed.
 6. The Member State may replace irregular amounts which it has detected after the submission of the accounts by making the corresponding adjustments in the accounts for the accounting year in which the irregularity is detected, without prejudice to Article 98.
 7. As part of the assurance package, the Member State shall submit for the last accounting year the final performance report referred to in Article 38 or the last annual implementation report for the EMFF, the AMIF, the ISF and the BMVI.

Article 93

Examination of accounts

The Commission shall satisfy itself that the accounts are complete, accurate and true by 31 May of the year following the end of the accounting year unless Article 96 applies.

Article 94

Calculation of the balance

1. When determining the amount chargeable to the Funds for the accounting year and the consequent adjustments in relation to the payments to the Member State, the Commission shall take into account:
 - (a) the amounts in the accounts referred to in point (a) of Article 95(2) and to which the co-financing rate for each priority is to be applied;
 - (b) the total amount of interim payments made by the Commission during that accounting year.
2. Where there is an amount recoverable from the Member State, it shall be subject to a recovery order issued by the Commission which shall be executed, where possible, by offsetting against amounts due to the Member State in subsequent payments to the same programme. Such a recovery shall not constitute a financial correction and shall not reduce support from the Funds to the programme. The amount recovered shall constitute assigned revenue in accordance with Article [177(3)] of the Financial Regulation.

Article 95

Procedure for the examination of accounts

1. The procedure set out in Article 96 shall apply in either of the following cases:
 - (a) the audit authority has provided a qualified or adverse audit opinion due to reasons linked to the completeness, accuracy and veracity of the accounts;
 - (b) the Commission has evidence putting into question the reliability of an unqualified audit opinion.
2. In all other cases, the Commission shall calculate the amounts chargeable to the Funds in accordance with Article 94 and make the respective payments or recoveries before 1 July. That payment or recovery shall constitute the acceptance of accounts.

Article 96

Contradictory procedure for the examination of accounts

1. If the audit authority provides an audit opinion which is qualified due to reasons linked to the completeness, accuracy and veracity of the accounts, the Commission shall ask the Member State to revise the accounts and to resubmit the documents referred to in Article 92(1) within one month.

Where by the time limit set out in the first sub-paragraph:

 - (a) the audit opinion is unqualified, Article 94 shall apply and the Commission shall pay any additional amount due or proceed to a recovery within two months;
 - (b) the audit opinion is still qualified or documents have not been re-submitted by the Member State, paragraphs 2, 3 and 4 shall apply.
2. If the audit opinion remains qualified due to reasons linked to the completeness, accuracy and veracity of the accounts or if the audit opinion remains unreliable, the Commission shall inform the Member State on the amount chargeable to the Funds for the accounting year.
3. Where the Member State agrees with this amount within one month, the Commission shall pay any additional amount due or proceed to a recovery in accordance with Article 94 within two months.
4. Where the Member State does not agree with the amount referred to in paragraph 2, the Commission shall establish the amount chargeable to the Funds for the accounting year. Such an act shall not constitute a financial correction and shall not reduce support from the Funds to the programme. The Commission shall pay any additional amount due or proceed to a recovery in accordance with Article 94 within two months.
5. With regard to the final accounting year, the Commission shall pay or recover the annual balance of the accounts for programmes supported by the ERDF, the ESF+ and the Cohesion Fund no later than two months after the date of acceptance of the final performance report as referred to in Article 38.

CHAPTER III

Financial corrections

Article 97

Financial corrections by Member States

1. Member States shall protect the Union budget and apply financial corrections by cancelling all or part of the support from the Funds to an operation or programme when expenditure declared to the Commission is found to be irregular.
2. Financial corrections shall be recorded in the accounts for the accounting year in which the cancellation is decided.
3. The support from the Funds cancelled may be reused by the Member State within the programme concerned except for an operation that was subject of that correction or, where a financial correction is made for a systemic irregularity, for any operation affected by the systemic irregularity.
4. The Fund-specific rules for the EMFF may lay down specific bases for financial corrections by the Member States linked to non-compliance with rules applicable under the Common Fisheries Policy.
5. By way of derogation from paragraphs 1 to 3, in operations comprising financial instruments, a contribution cancelled in accordance with this Article, as a result of an individual irregularity, may be re-used within the same operation under the following conditions:
 - (a) where the irregularity that gives rise to the cancellation of the contribution is detected at the level of the final recipient: only for other final recipients within the same financial instrument;
 - (b) where the irregularity that gives rise to the cancellation of the contribution is detected at the level of the body implementing the specific fund, where a financial instrument is implemented through a structure with a holding fund, only for other bodies implementing specific funds.

Where that irregularity that gives rise to the cancellation of the contribution is detected at the level of the body implementing the holding fund, or at the level of the body implementing the specific fund where a financial instrument is implemented through a structure without a holding fund, the contribution cancelled shall not be reused within the same operation.

Where a financial correction is made for a systemic irregularity, the contribution cancelled shall not be reused for any operation affected by the systemic irregularity.

6. The bodies implementing financial instrument shall reimburse to Member States programme contributions affected by irregularities, together with interest and any other gains generated by those contributions.

The bodies implementing financial instruments shall not reimburse to Member States the amounts referred to in the first subparagraph provided that those bodies demonstrate for a given irregularity that the following cumulative conditions are fulfilled:

- (a) the irregularity occurred at the level of final recipients or, in the case of a holding fund, at the level of bodies implementing specific funds or final recipients;
- (b) the bodies implementing financial instruments performed their obligations, in relation to the programme contributions affected by the irregularity, in accordance with applicable

law and acted with the degree of professional care, transparency and diligence expected from a professional body experienced in implementing financial instruments;

- (c) the amounts affected by the irregularity could not be recovered notwithstanding that the bodies implementing financial instruments pursued all applicable contractual and legal measures with due diligence.

Article 98

Financial corrections by the Commission

1. The Commission shall make financial corrections by reducing support from the Funds to a programme where it concludes that:
 - (a) there is a serious deficiency which has put at risk the support from the Funds already paid to the programme;
 - (b) expenditure contained in accepted accounts is irregular and was not detected and reported by the Member State;
 - (c) the Member State has not complied with its obligations under Article 91 prior to the opening of the financial correction procedure by the Commission.

Where the Commission applies flat-rate or extrapolated financial corrections, this shall be carried out in accordance with Annex XXI.

2. Before taking a decision on a financial correction, the Commission shall inform the Member State of its conclusions and give the Member State the opportunity to present its observations within two months.
3. Where the Member State does not accept the conclusions of the Commission, the Member State shall be invited to a hearing by the Commission, in order to ensure that all relevant information and observations are available to form the basis for Commission conclusions on the application of the financial correction.
4. The Commission shall decide on a financial correction by means of an implementing act within 12 months of the hearing or from submission of additional information as required by the Commission.

When deciding on a financial correction, the Commission shall take account of all information and observations submitted.

Where a Member State agrees to the financial correction for cases referred to in points (a) and (c) of paragraph 1 before the adoption of the decision referred to in paragraph 1, the Member State may reuse the amounts concerned. This possibility shall not apply to financial correction for cases referred to in (b) of paragraph 1.

5. The Fund-specific rules for the EMFF may lay down specific bases for financial corrections by the Commission linked to non-compliance with rules applicable under the Common Fisheries Policy.

CHAPTER IV

Decommitment

Article 99

Decommitment principles and rules

1. The Commission shall decommit any amount in a programme which has not been used for pre-financing in accordance with Article 84 or for which a payment application has not been submitted in accordance with Articles 85 and 86 by 26 December of the second calendar year following the year of the budget commitments for the years 2021 to 2026.
2. The amount to be covered by pre-financing or payment applications by the time limit established in paragraph 1 concerning the budget commitment of 2021 shall be 60 % of that commitment. 10 % of the budget commitment of 2021 shall be added to each budget commitment for the years 2022 to 2025 for the purposes of calculating the amounts to be covered.
3. The part of commitments still open on 31 December 2029 shall be decommitted if the assurance package **and the final performance report for programmes supported by the ESF+, the ERDF and the Cohesion Fund** have not been submitted to the Commission by the time limit set out in Article 38(1).

Article 100

Exceptions to the decommitment rules

1. The amount concerned by decommitment shall be reduced by the amounts equivalent to that part of the budget commitment for which:
 - (a) the operations are suspended by a legal proceeding or by an administrative appeal having suspensory effect; or
 - (b) it has not been possible to make a payment application for reasons of *force majeure* seriously affecting implementation of all or part of the programme.The national authorities claiming *force majeure* shall demonstrate the direct consequences of the *force majeure* on the implementation of all or part of the programme.
2. By 31 January, the Member State shall send to the Commission information on the exceptions referred to in points (a) and (b) of paragraph 1 for the amount to be declared by 26 December.

Article 101

Procedure for decommitment

1. On the basis of the information it has received as of 31 January, the Commission shall inform the Member State of the amount of the decommitment resulting from that information.
2. The Member State shall have one month to agree to the amount to be decommitted or to submit its observations.
3. By 30 June, the Member State shall submit to the Commission a revised financing plan reflecting, for the calendar year concerned, the reduced amount of support over one or more priorities of the programme. **For programmes supported by more than one Fund, the amount of support shall be reduced by Fund proportionately to the amounts concerned by the decommitment that had not been used in the calendar year concerned.**

In the absence of such submission, the Commission shall revise the financing plan by reducing the contribution from the Funds for the calendar year concerned. That reduction shall be allocated to each priority proportionately to the amounts concerned by the decommitment that had not been used in the calendar year concerned.

4. The Commission shall amend the decision approving the programme no later than 31 October.

TITLE VIII

FINANCIAL FRAMEWORK

Article 102

Geographical coverage of support for the Investment for jobs and growth goal

1. The ERDF, the ESF+ and the Cohesion Fund shall support the Investment for jobs and growth goal in all regions corresponding to level 2 of the common classification of territorial units for statistics ('NUTS level 2 regions') established by Regulation (EC) No 1059/2003 as amended by Commission Regulation (EC) No 868/2014.
2. Resources from the ERDF and ESF+ for the Investment for jobs and growth goal shall be allocated among the following three categories of NUTS level 2 regions:
 - (a) less developed regions, whose GDP *per capita* is less than 75 % of the average GDP of the EU-27 ('less developed regions');
 - (b) transition regions, whose GDP *per capita* is between 75 % and 100% of the average GDP of the EU-27 ('transition regions');
 - (c) more developed regions, whose GDP *per capita* is above 100 % of the average GDP of the EU-27 ('more developed regions').

The classification of regions under one of the three categories of regions shall be determined on the basis of how the GDP *per capita* of each region, measured in purchasing power standards ('PPS') and calculated on the basis of Union figures for the period 2014-2016, relates to the average GDP of the EU-27 for the same reference period.

3. The Cohesion Fund shall support those Member States whose GNI *per capita*, measured in PPS and calculated on the basis of Union figures for the period 2014-2016, is less than 90 % of the average GNI *per capita* of the EU-27 for the same reference period.
4. The Commission shall adopt a decision by means of implementing act setting out the list of regions fulfilling the criteria of one of the three categories of regions and of Member States fulfilling the criteria of paragraph 3. That list shall be valid from 1 January 2021 to 31 December 2027.

Article 103

Resources for economic, social and territorial cohesion

1. The resources for economic, social and territorial cohesion available for budgetary commitment for the period 2021-2027 shall be EUR 330 624 388 630 in 2018 prices.

For the purposes of programming and subsequent inclusion in the budget of the Union, that amount shall be indexed at 2 % per year.
2. The Commission shall adopt a decision, by means of implementing act, setting out the annual breakdown of the global resources per Member State under the Investment for jobs and

growth goal, per category of regions, together with the list of eligible regions in accordance with the methodology set out in Annex XXII.

That decision shall also set out the annual breakdown of the global resources per Member State under the European territorial cooperation goal (Interreg).

3. 0,35 % of the global resources after the deduction of the support to the CEF referred to in Article 104(4), shall be allocated to technical assistance at the initiative of the Commission.

Article 104

Resources for the Investment for jobs and growth goal and for the European territorial cooperation goal (Interreg)

1. Resources for the Investment for jobs and growth goal shall amount to 97.5 % of the global resources (i.e., a total of EUR 322 194 388 630) and shall be allocated as follows:
 - (a) 61.6 % (i.e a total of EUR 198 621 593 157) for less developed regions;
 - (b) 14.3 % (i.e a total of EUR 45 934 516 595) for transition regions;
 - (c) 10.8 % (i.e., a total of EUR 34 842 689 000) for more developed regions;
 - (d) 12.8 % (i.e., a total of EUR 41 348 556 877) for Member States supported by the Cohesion Fund;
 - (e) 0.4 % (i.e., a total of EUR 1 447 034 001) as additional funding for the outermost regions identified in Article 349 of the TFEU and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 to the 1994 Act of Accession.

2. In 2024, the Commission shall, in its technical adjustment for the year 2025 in accordance with Article [6] of Regulation (EU, Euratom) [...] (*MFF Regulation*), review the total allocations under the Investment for jobs and growth goal of each Member State for 2025 to 2027.

The Commission shall in its review apply the allocation method set out in Annex XXII on the basis of the then available most recent statistics.

Following the technical adjustment, the Commission shall amend the implementing act setting out a revised annual breakdown referred to in Article 103(2).

3. The amount of resources available for the ESF+ under the Investment for jobs and growth goal shall be EUR 88 646 194 590.

The amount of additional funding for the outermost regions referred to in point (e) in paragraph 1 allocated to the ESF+ shall be EUR 376 928 934.

4. The amount of support from the Cohesion Fund to be transferred to the CEF shall be EUR 10 000 000 000. It shall be spent for transport infrastructure projects by launching specific calls in accordance with Regulation (EU) [*number of new CEF Regulation*] exclusively in Member States eligible for funding from the Cohesion Fund.

The Commission shall adopt an implementing act, setting out the amount to be transferred from each Member State's Cohesion Fund allocation to the CEF, which amount shall be determined on a *pro rata* basis for the whole period.

The Cohesion Fund allocation of each Member State shall be reduced accordingly.

The annual appropriations corresponding to the support from the Cohesion Fund referred to in the first subparagraph shall be entered in the relevant budget lines of the CEF as of the 2021 budgetary exercise.

30% of the resources transferred to the CEF shall be available immediately after the transfer to all Member States eligible for funding from the Cohesion Fund to finance transport infrastructure projects in accordance with Regulation (EU) [*the new CEF Regulation*].

Rules applicable for the transport sector under Regulation (EU) [*new CEF Regulation*] shall apply to the specific calls referred to in the first subparagraph. Until 31 December 2023, the selection of projects eligible for financing shall respect the national allocations under the Cohesion Fund with regard to 70% of the resources transferred to the CEF.

As of 1 January 2024, resources transferred to the CEF which have not been committed to a transport infrastructure project shall be made available to all Member States eligible for funding from the Cohesion Fund to finance transport infrastructure projects in accordance with Regulation (EU) [*the new CEF Regulation*].

5. EUR 500 000 000 of the resources for the Investment for jobs and growth goal shall be allocated to the European Urban Initiative under direct or indirect management by the Commission.
6. EUR 175 000 000 of the ESF+ resources for the Investment for jobs and growth goal shall be allocated for transnational cooperation supporting innovative solutions under direct or indirect management.
7. Resources for the European territorial cooperation goal (Interreg) shall amount to 2.5 % of the global resources available for budgetary commitment from the Funds for the period 2021-2027 (i.e. a total of EUR 8 430 000 000).

Article 105

Transferability of resources

1. The Commission may accept a proposal by a Member State in its submission of the Partnership Agreement or in the context of the mid-term review, for a transfer:
 - (a) of not more than 15 % of the total allocations for less developed regions to transition regions or more developed regions and from transition regions to more developed regions;
 - (b) from the allocations for more developed regions or transition regions to less developed regions.
2. The total allocations to each Member State in respect of the Investment for jobs and growth goal and the European territorial cooperation goal (Interreg) shall not be transferable between those goals.

Article 106

Determination of co-financing rates

1. The Commission decision approving a programme shall fix the co-financing rate and the maximum amount of support from the Funds for each priority.
2. For each priority, the Commission decision shall set out whether the co-financing rate for the priority is to be applied to either of the following:
 - (a) total contribution, including public and private contribution;
 - (b) public contribution.
3. The co-financing rate for the Investment for jobs and growth goal at the level of each priority shall not be higher than:

- (a) 70 % for the less developed regions ;
- (b) 55 % for the transition regions;
- (c) 40 % for the more developed regions.

The co-financing rates set out under point (a), shall also apply to outermost regions.

The co-financing rate for the Cohesion Fund at the level of each priority shall not be higher than 70 %.

The ESF+ Regulation may establish higher co-financing rates for priorities supporting innovative actions in accordance with Article [14] of that Regulation.

- 4. The co-financing rate for Interreg programmes shall be no higher than 70 %.

The ETC Regulation may establish higher co-financing rates for external cross-border cooperation programmes under the European territorial cooperation goal (Interreg).

- 5. Technical assistance measures implemented at the initiative of, or on behalf of, the Commission may be financed at the rate of 100 %.

TITLE IX

DELEGATION OF POWER, IMPLEMENTING, TRANSITIONAL AND FINAL PROVISIONS

CHAPTER I

Delegation of power and implementing provisions

Article 107

Delegation of powers

The Commission is empowered to adopt delegated acts in accordance with Article 108 to amend the Annexes to this Regulation in order adapt to changes occurring during the programming period for non-essential elements of this Regulation, except for Annexes III, IV, X and XXII.

Article 108

Exercise of the delegation

- 1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
- 2. The power to adopt delegated acts referred to in Article 63(10), Article 73(4), Article 88(4), Article 89(4) and Article 107 shall be conferred on the Commission for an indeterminate period of time from date of entry into force of this Regulation.
- 3. The delegation of power referred to in Article 63(10), Article 73(4), Article 88(4) and and Article 89(1) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
- 4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
6. A delegated act adopted pursuant to Article 63(10), Article 73(4), Article 88(4), Article 89(4) and 107 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 109

Committee Procedure

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

CHAPTER II

Transitional and final provisions

Article 110

Transitional provisions

Regulation (EC) No 1303/2013 or any other act applicable to the 2014–2020 programming period shall continue to apply to programmes and operations supported by the ERDF, the ESF+, the Cohesion Fund and the EMFF under that period.

Article 111

Conditions for operations subject to phased implementation

1. The managing authority may proceed with the selection of an operation consisting of the second phase of an operation selected for support and started under Regulation (EC) No 1303/2013, provided that the following cumulative conditions are met:
 - (a) the operation, as selected for support under Regulation (EC) No 1303/2013, has two phases identifiable from a financial point of view with separate audit trails;
 - (b) the total cost of the operation exceeds EUR 10 million;
 - (c) expenditure included in a payment application in relation to the first phase is not included under any payment applications in relation to the second phase;
 - (d) the second phase of the operation complies with applicable law and is eligible for support from the ERDF, the ESF+ and the Cohesion Fund under the provisions of this Regulation or the Fund-specific Regulations;
 - (e) the Member State commits to complete during the programming period and render operational the second and final phase in the final implementation report submitted in accordance with Article 141 of Regulation (EC) No 1303/2013.
2. The provisions of this Regulation shall apply to the second phase of the operation.

Article 112
Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.

Done at Strasbourg,

For the European Parliament
The President

For the Council
The President



EUROPEAN
COMMISSION

Brussels, 29.5.2018
COM(2018) 375 final

ANNEXES 1 to 22

ANNEXES

to the

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument

PARTS IN ORANGE INDICATE PROVISIONS NOT APPLICABLE TO THE SHARED MANAGEMENT COMPONENTS OF AMF, ISF OR BMVI

PARTS IN BLUE INDICATE PROVISIONS THAT ARE APPLICABLE TO THE SHARED MANAGEMENT COMPONENTS OF AMF, ISF OR BMVI BUT MAY NOT BE RELEVANT FOR THESE FUNDS/INSTRUMENT

ANNEX I

**Dimensions and codes for the types of intervention for the ERDF, the ESF+ and the Cohesion Fund -
Article 17(5)**

Working document

PUBLIC

ANNEX II

Template for Partnership Agreement - Article 7(4)

CCI	[15 characters]
Title	[255]
Version	
First year	[4]
Last year	[4]
Commission decision number	
Commission decision date	

1. Selection of policy objectives

Reference: Article 8(a), CPR, Article 3 of the AMIF, the ISF, the BMVI Regulations

Table 1: Selection of policy objective with justification

Selected policy objective	Programme	Fund	Justification for selection of a policy objective
			[3 500 per PO]

2. Policy choices, coordination and complementarity

Reference: Article 8(b)(i)-(iii), CPR

Text field [60 000]

3. Contribution to the budgetary guarantee under InvestEU with justification

Reference: Article 8(e) CPR; Article 10(a) CPR;

Table 2: Transfer to InvestEU

	Category of regions*	Window 1	Window 2	Window 3	Window 4	Window 5	Amount
		(a)	(b)	(c)	(d)	(e)	(f)=(a)+(b)+(c)+(d)+(e))
ERDF	More developed						
	Less developed						
	Transition						
	Outermost and northern sparsely populated						
ESF+	More developed						

	Less developed						
	Transition						
	Outermost						
CF							
EMFF							
AMIF							
ISF							
BMVI							
Total							

Text field [3500] (justification)

4. Transfer between categories of region with justification

Reference: Article 8(d), Article 105 CPR;

Table 3. Transfer between categories of region

Category of region	Allocation by category of region*	Transfer to:	Transfer amount	Share of the initial allocation transferred	Allocation by category of region after the transfer
(a)	(b)	(c)	(d)	(g)=(d)/(b)	(h)=(b)-(d)
Less developed		More developed			
		Transition			
More developed		Less developed			
Transition		Less developed			

* Initial allocation by category of region as communicated by the Commission after transfers referred to in tables 2-4, applicable to ERDF and ESF+ only.

Text field [3500] (justification)

5. Preliminary financial allocation by policy objective

Reference: Article 8(c) CPR

Table 4: Preliminary financial allocation from ERDF, CF, ESF+, EMFF by policy objective*

Policy objectives	ERDF	Cohesion Fund	ESF+	EMFF	Total
Policy objective 1					
Policy objective 2					
Policy objective 3					
Policy objective 4					
Policy objective 5					
Technical assistance					
Allocation for 2026-2027					
Total					

*Policy objectives according to Article 4(1), CPR. For ERDF, CF and ESF+ years 2021-2025; for EMFF for 2021-2027.

Text field [3500] (justification)

Table 5: Preliminary financial allocation from AMIF, ISF and BMVI by policy objective*

Policy objective	Allocation
Policy objective as referred to in Article 3 of the [AMIF Regulation]	
Policy objective as referred to in Article 3 of the [ISF Regulation]	
Policy objective as referred to in Article 3 of the [BMVI Regulation]	
Technical assistance	
Total	

* Policy objectives according to fund-specific regulations for EMFF, AMIF, ISF and BMVI; allocation for years 2021-2027

6. List of programmes

Reference: Article 8(f), CPR; Article 104

Table 6. List of programmes with preliminary financial allocations*

Title [255]	Fund	Category of regions	EU contrubution	National contribution**	Total
Programme 1	ERDF	More developed			
		Transition			
		Less developed			
		Outermost and northern sparsely populated			
Programme 1	CF				
Programme 1	ESF+	More developed			

		Transition			
		Less developed			
		Outermost			
Total	ERDF, CF, ESF+				
Programme 2	EMFF				
Programme 3	AMIF				
Programme 4	ISF				
Programme 5	BMVI				
Total	All funds				

*Policy objectives according to Article 4(1), CPR. For ERDF, CF and ESF+ years 2021-2025; for EMFF for 2021-2027.

**In line with Article 106(2) on determination of co-financing rates.

Reference: Article 8 CPR

Table 7: List of Interreg programmes

Programme 1	Title 1 [255]
Programme 2	Title 1 [255]

7. A summary of actions to be taken to reinforce administrative capacity

Reference: Article 8(g), CPR

Text field [4 500]

ANNEX III
Horizontal enabling conditions – Article 11(1)

Applicable to all specific objectives	
Name of enabling conditions	Fulfilment criteria
Effective monitoring mechanisms of the public procurement market	Monitoring mechanisms are in place that cover all procedures under national procurement legislation which includes: 1. Arrangements to ensure compilation of effective, reliable and exhaustive data and indicators within a single IT system or a network of interoperable systems, with a view to implementing the "once-only principle" and facilitating reporting obligations under Article 83(3) of Directive 2014/24/EU, in accordance with the e-procurement requirements, as well as under Article 84 of Directive 2014/24/EU. The data and indicators cover at least the following elements: a. Quality and intensity of competition: names of winning as well as initial bidders, number of initial bidders, number of selected bidders, contractual price – against initial budgetary allocation and, whenever possible through contract registers, final price after completion; b. Participation of SMEs as direct bidders; c. Appeals launched against the decisions of the contracting authorities, including at least their number, the time needed to render a decision in the first instance, and number of decisions referred to the second instance; d. A list of all contracts awarded pursuant to rules on exclusions from the public procurement rules, with an indication of the specific provision used. 2. Arrangements to ensure sufficient capacity for monitoring and analysis of the data by the dedicated competent national authorities. 3. Arrangements to make the data and indicators as well as the result of the analysis available to the public through user friendly open data. 4. Arrangements to ensure that all information pointing to suspected bid-rigging situations is systematically communicated to the competent national competition bodies.
Tools and capacity for effective application of State aid rules	Managing authorities have the tools and capacity to verify compliance with State aid rules through: 1. Easy and comprehensive access to permanently updated information on undertakings in difficulty and under a recovery requirement. 2. Access to expert advice and guidance on State aid matters, provided by local or national expert centre, under the coordination of national State aid authorities, with working arrangements to ensure that the expertise is effectively consulted with stakeholders.

Effective application and implementation of the EU Charter of Fundamental Rights	Effective mechanisms are in place to ensure compliance with the EU Charter of Fundamental Rights which include: 1. Arrangements to ensure verification of compliance of operations supported by the Funds with the Charter of Fundamental Rights. 2. Reporting arrangements to the monitoring committee on the compliance with the Charter of the operations supported by the Funds
Implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in accordance with Council Decision 2010/48/EC	A national framework for implementing the UNCRPD is in place that includes: 1. Objectives with measurable goals, data collection and monitoring mechanism. 2. Arrangements to ensure that the accessibility policy, legislation and standards are properly reflected in the preparation and implementation of the programmes.

ANNEX IV

Thematic enabling conditions applicable to ERDF, ESF+ and the Cohesion Fund – Article 11(1)

Working document

ANNEX V

Template for programmes supported from the ERDF (Investment for Jobs and growth goal), ESF+, the Cohesion Fund and the EMFF – Article 16(3)

ANNEX VI

Template of a programme for the AMIF, the ISF and the BMVI – Article 16(3)

CCI number	
Title in English	[255 characters ¹]
Title in the national language	[255]
Version	
First Year	[4]
Last Year	[4]
Eligible from	
Eligible until	
Commission Decision Number	
Commission Decision Date	
Member State amending decision number	
Member State amending decision entry into force date	

1. Programme strategy: main challenges and policy responses

Reference: Article 17(3)(a)(i)-(v) and (vii) and 17(3)(b)

This section explains how the programme will address the main challenges identified in the Partnership Agreement, provides a summary of challenges identified at the national level based on local, regional and national needs assessments and/or strategies. It provides an overview of the state of implementation of relevant EU acquis and the progress achieved on EU action plans, and describes how the Fund will support their development through the programming period.

Text field [15 000]

2. Specific objectives (repeated for each specific objective other than technical assistance)

Reference: Article 17(2) and 17(4)

¹ Number in square brackets refer to number of characters

2.1. Title of the specific objective [300]

2.1.1. Description of a specific objective

This section describes, for each specific objective, the initial situation, main challenges and proposes responses supported by the Fund. It describes which operational objectives are addressed with the support of the Fund; it provides an indicative list of actions within the scope of Articles 3 and 4 of the AMIF, ISF or BMVI Regulations.

In particular: For operating support, it provides a justification in line with Article 17 of the ISF Regulation, Articles 17 and 18 of the BMVI Regulation or Article 20 of the AMIF Regulation. It includes an indicative list of beneficiaries with their statutory responsibilities, main tasks to be supported and indicative number of staff to be supported for each beneficiary and task. For the ISF, operating support is to be described in point 4 of the template.

For specific actions, it describes how the action will be carried out and provides justification for the allocated amount. In addition, for joint specific actions, the lead Member State lists the participating Member States, including their role and, if applicable, their financial contribution.

For emergency assistance, it describes how the action will be carried out and provides justification for the allocated amount.

Planned use of financial instruments, if applicable.

AMIF only: resettlement and solidarity shall be presented separately.

Text field (16 000 characters)

2.1.2 Indicators

Table 1: Output indicators					
Specific objective	ID [5]	Indicator [255]	Measurement unit	Milestone (2024)	Target (2029)

Table 2: Result indicators								
Specific objective	ID [5]	Indicator [255]	Measurement unit	Baseline or reference value	Reference year	Target (2029)	Source of data [200]	Comments [200]

2.1.3 Indicative breakdown of the programme resources (EU) by type of intervention

Reference: Article 17(5) and Article 10(16) of the BMVI Regulation or Article 10(9) of the ISF Regulation or Article 10(8) of the AMIF Regulation

Table 3

Specific objective	Type of intervention	Code	Indicative amount (Euro)

1.1. Operating support (ISF only)

This section is applicable only to programmes receiving support from the ISF and provides a justification for the use of it in line with Article 17 of the ISF Regulation. It includes an indicative list of beneficiaries with their statutory responsibilities, main tasks to be supported and indicative number of staff to be supported for each beneficiary and task. See also point 2.1.1 above

Text field [5 000]

Table 4		
Type of intervention	Code	Indicative amount (Euro)

1.2. Technical assistance

Reference: Article 17(3)(e); Article 30 CPR; Article 31 CPR; Article 89 CPR;

Text field [5 000] (Technical assistance under flat rate payments)

Text field [3000] (Technical assistance under payments not linked to costs)

Table 5		
Type of intervention	Code	Indicative amount (Euro)

3. Financial plan

Reference: Article 17(3)(f)

3.1. Financial appropriations by year

Table 6

Fund	2021	2022	2023	2024	2025	2026	2027	Total

3.2 Total financial appropriations from the Fund and national co-financing

Reference: Article 17(3)(f) (iv)

Table 7								
Specific objective	Type of action	Basis for calculation EU support (total or public)	EU contribution (a)	National contribution (b)=(c)+(d)	Indicative breakdown of national contribution		Total e=(a)+(b)	Co-financing rate (f)=(a)/(e)
					public (c)	private (d)		
Specific objective 1	Type of action no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]							
	Type of action no 2 [Reference to Article 8(2) of AMIF/ISF/BMVI Regulation]							
	Type of action no 3 [Reference to Article 8(3) and 8(4) of AMIF/ISF/BMVI Regulation]							
	Type of action no 4 [Reference to Article 14 and 15 of AMIF Regulation]							
Total for SO 1								
SO 2	Type of action no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]							
	Type of action no 2 [Reference to Article 8(2) of AMIF/ISF/BMVI Regulation]							
	Type of action no 3 [Reference to Article 8(3) and 8(4) of AMIF/ISF/BMVI Regulation]							

Total for SO 2								
SO 3	Type of action no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]							
	Type of action no 2 [Reference to Article 8(2) of AMIF/ISF/BMVI Regulation]							
	Type of action no 3 [Reference to Article 8(3) and 8(4) of AMIF/ISF/BMVI Regulation]							
Total for SO 3								
TA (Art 30 CPR)								
TA (Art 31 CPR)								
Grand total								

Table 8 [AMIF only]	Number of persons per year						
	2021	2022	2023	2024	2025	2026	2027
Resettlement							
Humanitarian admission							
[other categories]							

4. Enabling conditions

Reference: Article 17(3)(h)

Table 9					
Enabling condition	Fulfilment of enabling condition	Criteria	Fulfilment of criteria	Reference to relevant documents	Justification
		Criterion 1	Y/N	[500]	[1000]

		Criterion 2			
--	--	-------------	--	--	--

5. Programme authorities

Reference: Article 17(3)(j); Article 65 and 78 CPR

Table 10	Name of the institution [500]	Contact name and position [200]	e-mail [200]
Managing authority			
Audit authority			
Body which receives payments from the Commission			

6. Partnership

Reference: Article 17(3)(g);

<i>text field [10 000]</i>

7. Communication and visibility

Reference: Article 17(3)(i) CPR, Article 42(2)

<i>Text field [4 500]</i>

8. Use of unit costs, lump sums, flat rates and financing not linked to costs

Reference: Articles 88 and 89 CPR

Indication of use of Article 88 and 89*:	Specific objective
Use of reimbursement of eligible expenditure based on unit costs, lump sums and flat rates under priority according to Article 88 CPR	
Use of financing not linked to costs according to Article 89 CPR	

* Full information will be provided according to the models in appendices.

APPENDICES

- Reimbursement of eligible expenditure based on unit costs, lump sums and flat rates (Article 88 CPR)
- Financing not linked to costs (Article 89 CPR)

Appendix 1: Reimbursement of eligible expenditure from the Commission to the Member State based on unit costs, lump sums and flat rates

Template for submitting data for the consideration of the Commission

(Article 88)

Date of submitting the proposal	
Current version	

A. Summary of the main elements

Priority	Fund	Estimated proportion of the total financial allocation within the priority to which the SCO will be applied in % (estimate)	Type(s) of operation		Corresponding indicator name(s)		Unit of measurement for the indicator	Type of SCO (standard scale of unit costs, lump sums or flat rates)	Corresponding standard scales of unit costs, lump sums or flat rates
			Code	Description	Code	Description			

B. Details by type of operation (to be completed for every type of operation)

Did the managing authority receive support from an external company to set out the simplified costs below?

If so, please specify which external company:

Yes/No -- Name of external company

Types of operation:

1.1. Description of the operation type	
1.2 Priority /specific objective(s) (Jobs and growth goal) or area of support (EMFF) concerned	
1.3 Indicator name ¹	
1.4 Unit of measurement for indicator	
1.5 Standard scale of unit cost, lump sum or flat rate	
1.6 Amount	
1.7 Categories of costs covered by unit cost, lump sum or flat rate	
1.8 Do these categories of costs cover all eligible expenditure for the operation? (Y/N)	
1.9 Adjustment(s) method	
11.10 Verification of the achievement of the unit of measurement - describe what document(s) will be used to verify the achievement of the unit of measurement - describe what will be checked during management verifications (including on-the-spot), and by whom - describe what arrangements there are to collect and store the data/documents described	
1.11 Possible perverse incentives or problems caused by this indicator, how they could be mitigated, and the estimated level of risk	
1.12 Total amount (national and EU)	

¹ Several complementary indicators (for instance one output indicator and one result indicator) are possible for one type of operation. In these cases, fields 1.3 to 1.11 should be filled in for each indicator.

expected to be reimbursed	
---------------------------	--

C: Calculation of the standard scale of unit costs, lump sums or flat rates

1. Source of data used to calculate the standard scale of unit costs, lump sums or flat rates (who produced, collected and recorded the data; where the data are stored; cut-off dates; validation, etc.).

--

2. Please specify why the proposed method and calculation is relevant to the type of operation:

--

3. Please specify how the calculations were made, in particular including any assumptions made in terms of quality or quantities. Where relevant, statistical evidence and benchmarks should be used and attached to this annex in a format that is usable by the Commission.

--

4. Please explain how you have ensured that only eligible expenditure was included in the calculation of the standard scale of unit cost, lump sum or flat rate.

--

5. Assessment of the audit authority(ies) of the calculation methodology and amounts and the arrangements to ensure the verification, quality, collection and storage of data.

--

Appendix 2: Financing not linked to costs

Template for submitting data for the consideration of the Commission

(Article 89)

Date of submitting the proposal	
Current version	

A. Summary of the main elements

Priority	Fund	<i>The amount covered by the financing not linked to costs</i>	Type(s) of operation	Conditions to be fulfilled/results to be achieved	Corresponding indicator name(s)		Unit of measurement for the indicator
					Code	Description	
The overall amount covered							

B. Details by type of operation (to be completed for every type of operation)

Types of operation:

1.1. Description of the operation type			
1.2 Priority /specific objective(s) concerned			
1.3 Conditions to be fulfilled or results to be achieved			
1.4 Deadline for fulfilment of conditions or results to be achieved			
1.5 Indicator definition for deliverables			
1.6 Unit of measurement for indicator for deliverables			
1.7 Intermediate deliverables (if applicable) triggering reimbursement by the Commission with schedule for reimbursements	Intermediate deliverables	Date	Amounts
1.8 Total amount (including EU and national funding)			
1.9 Adjustment(s) method			
1.10 Verification of the achievement of the result or condition (and where relevant, the intermediate deliverables) - what document(s) will be used to verify the achievement of the result or condition? - describe what will be checked during management verifications (including on-the-spot), and by whom. - what arrangements to collect and store the data/documents described?			
1.11 Arrangements to ensure the audit trail Please list the body(ies) responsible for these arrangements.			

ANNEX VII

Template for the transmission of data – Article 37 and 68(1)(g)¹

TABLE 1: Financial information at priority and programme level (Article 37(2)(a))

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
The financial appropriation of the priority based on the programme							Cumulative data on the financial progress of the programme					
Priority	Specific objective	Fund	Category of region	Basis for the calculation of Union contribution * (Total contribution or public contribution)	Total financial appropriation (EUR)	Co-financing rate (%)	Total eligible cost of operations selected for support (EUR)	Contribution from the funds to operations selected for support (EUR)	Proportion of the total allocation covered with selected operations (%) [column 7/ column 5x100]	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Proportion of the total allocation covered by eligible expenditure incurred by beneficiaries and paid in implementing operations (%) [column 10/ column 5x100]	Number of operations selected
									Calculation		Calculation	

¹ Legend for the characteristics of fields:
type: N=Number, D=Date, S=String, C=Checkbox, P=Percentage, B=Boolean, Cu=Currency
input: M=Manual, S=Selection, G=Generated by system

<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='N' input='G'>	<type='P' input='G'>	<type='Cu' input='M'>		<type='P' input='G'>	<type='Cu' input='M'>	<type='P' input='G'>	<type='N' input='M'>
Priority 1	SO 1	ERDF										
Priority 2	SO 2	ESF+										
Priority 3	SO 3	Cohesion Fund	NA									
Total		ERDF	Less developed		<type='N' input='G'>		<type='Cu' input='G'>		<type='P' input='G'>	<type='Cu' input='G'>	<type='P' input='G'>	<type='N' input='G'>
Total		ERDF	Transition		<type='N' input='G'>		<type='Cu' input='G'>		<type='P' input='G'>	<type='Cu' input='G'>	<type='P' input='G'>	<type='N' input='G'>
Total		ERDF	More developed		<type='N' input='G'>		<type='Cu' input='G'>		<type='P' input='G'>	<type='Cu' input='G'>	<type='P' input='G'>	<type='N' input='G'>
Total		ERDF	Special allocation to outermost regions or northern sparsely populated regions		<type='N' input='G'>		<type='Cu' input='G'>		<type='P' input='G'>	<type='Cu' input='G'>	<type='P' input='G'>	<type='N' input='G'>

Total		ESF	Less developed		<type='N' input=' G '>		<type='Cu' input=' G '>		<type='P' input=' G '>	<type='Cu' input=' G '>	<type='P' input='G'>	<type='N' input=' G '>
Total		ESF	Transition		<type='N' input=' G '>		<type='Cu' input=' G '>		<type='P' input=' G '>	<type='Cu' input=' G '>	<type='P' input='G'>	<type='N' input=' G '>
Total		ESF	More developed		<type='N' input=' G '>		<type='Cu' input=' G '>		<type='P' input=' G '>	<type='Cu' input=' G '>	<type='P' input='G'>	<type='N' input=' G '>
Total		ESF	Special allocation to outermost regions		<type='N' input=' G '>		<type='Cu' input=' G '>		<type='P' input=' G '>	<type='Cu' input=' G '>	<type='P' input='G'>	<type='N' input=' G '>
Total		Cohesion Fund	NA		<type='N' input=' G '>		<type='Cu' input=' G '>		<type='P' input=' G '>	<type='Cu' input=' G '>	<type='P' input='G'>	<type='N' input=' G '>
Grand Total		All Funds			<type='N' input=' G '>		<type='N' input=' G '>		<type='P' input=' G '>	<type='N' input=' G '>	<type='P' input='G'>	<type='N' input=' G '>

TABLE 2: Breakdown of the cumulative financial data by type of intervention (Article 37(2)(a))

Priority	Specific objective	Characteristics of expenditure		Categorisation dimension							Financial data		
		Fund	Category of region	1 Intervention field	2 Form of finance	3 Territorial delivery dimension	4 Economic activity dimension	5 Location dimension	6 ESF+ secondary theme	7 Macro-regional and sea-basin dimension	Total eligible cost of operations selected for support (EUR)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Number of operations selected
<type='S' input='S'>	<type='S' input='S'>	<type='S' input='S'>	<type='S' input='S'>	<type='S' input='S'>	<type='S' input='S'>	<type='S' input='S'>	<type='S' input='S'>	<type='S' input='S'>	<type='S' input='S'>	<type='S' input='S'>	<type='Cu' input='M'>	<type='Cu' input='M'>	<type='N' input='M'>

TABLE 3: Common and programme specific output indicators for ERDF and Cohesion Fund (Article 37(2)(b))

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
Data on output indicators from the operational programme [extracted from Table 2 of the operational programme]										Progress in output indicators to date			
Priority	Specific objective	Fund	Category of region	ID	Indicator name	Indicator breakdown ¹ (of which:)	Measurement unit	Milestone (2024)	Target 2029	Forecast to date [dd/mm/yy]	Achieved to date [dd/mm/yy]	Based on Commission guidelines (Yes/ No)	Comments
<type='S' input='G'> ²	<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='N' input='G'>	<type='N' input='M'>	<type='N' input='M'>	<type='C' input='S'>	<type='S' input='M'>
...													

¹ It applies only to some indicators. See Commission guidelines for details.

² Legend for the characteristics of fields:
type: N=Number, S=String, C=Checkbox
input: M=Manual, S=Selection, G=Generated by system

TABLE 4: Staff salaries financed by ERDF and Cohesion Fund at programme level (Article 37(2)(b))

Fund	ID	Indicator name	Measurement unit	Annual value achieved to date [dd/mm/yy]			Based on Commission guidelines (Yes/ No)	Comments
				2021	...	2029		
<type='S' input='M'>	<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='N' input='M'>	<type='N' input='M'>	<type='N' input='M'>	<type='C' input='S'>	<type='S' input='M'>
	RCO xx	Staff financed by the Fund	FTE					

TABLE 5: Multiple support to enterprises for ERDF and Cohesion Fund at programme level (Article 37(2)(b))

ID	Indicator name	Indicator breakdown (of which:)	Number enterprises net of multiple support by [dd/mm/yy]	Based on Commission guidelines (Yes/ No)	Comments
<type='S' input='G'>	<type='S' input='G'>	<type='S' input='G'>	<type='N' input='M'>	<type='C' input='S'>	<type='S' input='M'>
RCO 01	Enterprises supported	Micro			
RCO 01	Enterprises supported	Small			
RCO 01	Enterprises supported	Medium			
RCO 01	Enterprises supported	Large			
RCO 01	Enterprises supported	Total	<type='N' input='G'>		

TABLE 6: Common and programme specific result indicators for ERDF and Cohesion Fund (Article 37(2)(b))

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
Data on result indicators from the operational programme [extracted from Table 3 of the operational programme]										Progress in result indicators to date					
Priority	Specific objective	Fund	Category of region	ID	Indicator name	Indicator breakdown ³ (of which:)	Measurement unit	Baseline in the programme	Target 2029	Baseline updated [dd/mm/yy]		Value to date [dd/mm/yy]		Based on Commission guidelines (Yes/ No)	Comments
										Forecast	Completed	Forecast	Achieved		
<type='S', input='G'> ⁴	<type='S', input='G'>	<type='S', input='G'>	<type='S', input='G'>	<type='S', input='G'>	<type='S', input='G'>	<type='S', input='G'>	<type='S', input='G'>	<type='N', input='G'>	<type='N', input='G'>	<type='N', input='M'>	<type='N', input='M'>	<type='N', input='M'>	<type='N', input='M'>	<type='C', input='S'>	<type='S', input='M'>
...															

³ It applies only to some indicators. See Commission guidelines for details.

⁴ Legend for the characteristics of fields:

type: N=Number, S=String, C=Checkbox

input: M=Manual, S=Selection, G=Generated by system

TABLE 7: A forecast of the amount for which the Member State expects to submit payment applications for the current and the subsequent calendar year (Article 68(1)(g))

For each programme, to be filled in by Fund and category of region, where appropriate

Fund	Category of region	Union contribution		
		[current calendar year]		[subsequent calendar year]
		January - October	November - December	January- December
ERDF	Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
	Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
	More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
	Outermost regions and Northern sparsely populated regions ⁵	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
ETC		<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
ESF	Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
	Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
	More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
	Outermost regions ⁶	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Cohesion Fund		<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
EMFF				
AMF				
ISF				
BMVI				

⁵ This should only show the specific allocation for outermost regions / Northern sparsely populated regions.

⁶ This should only show the specific allocation for outermost.

TABLE 8: Financial instruments data (Article 37(3))

Priority	Characteristics of expenditure			Eligible expenditure by product				Amount of private and public resources mobilised in addition to the Funds				Amount of management costs and fees declared as eligible expenditure	Interest and other gains generated by support from the Funds to financial instruments referred to in Article 54	Resources returned attributable to support from the Funds as referred to in Article 56
	Fund	Specific objective	Category of region	Loans (form of finance code for FI)	Guarantee (form of finance code for FI)	Equity or quasi-equity (form of finance code for FI)	Ancillary support combined within FI (form of finance code for FI)	Loans (form of finance code for FI)	Guarantee (form of finance code for FI)	Equity or quasi-equity (form of finance code for FI)	Ancillary support combined within FI (form of finance code for FI)			
Input = selection	Input = selection	Input = selection	Input = selection	Input = manual	Input = manual	Input = manual	Input = manual	Input = manual	Input = manual	Input = manual	Input = manual	Input = manual	Input = manual	Input = manual

ANNEX VIII

Communication and visibility – Articles 42 and 44

1. The use and technical characteristics of the Union emblem

- 1.1. The emblem of the European Union shall be prominently featured on all communication materials such as printed or digital products, websites and their mobile views relating to the implementation of an operation, used for the public or for participants.
- 1.2. The statement "Funded by the EUROPEAN UNION" or "Co-funded by the EUROPEAN UNION" shall always be spelled out in full and placed next to the emblem.
- 1.3. The typeface to be used in conjunction with the Union emblem may be any of the following fonts: Arial, Auto, Calibri, Garamond, Trebuchet, Tahoma, Verdana, Ubuntu. Italic, underlined variations or font effects shall not be used.
- 1.4. The positioning of the text in relation to the Union emblem shall not interfere with the Union emblem in any way.
- 1.5. The font size used shall be proportionate to the size of the emblem.
- 1.6. The colour of the font shall be reflex blue, black or white depending on the background.
- 1.7. The European Union emblem shall not be modified or merged with any other graphic elements or texts. If other logos are displayed in addition to the Union emblem, the Union emblem shall have at least the same size as the biggest of the other logos. Apart from the Union emblem, no other visual identity or logo must be used to highlight the support from the Union.
- 1.8. Where several operations are taking place at the same location, supported by the same or different funding instruments, or where further funding is provided for the same operation at a later date, only one plaque or billboard shall be displayed.
- 1.9. Graphic standards for the Union emblem and the definition of standard colours:

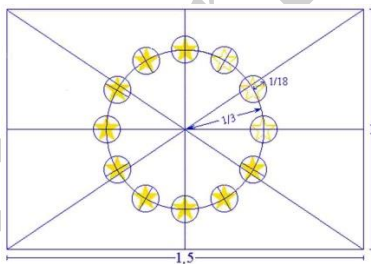
A) SYMBOLIC DESCRIPTION

Against a background of blue sky, twelve golden stars form a circle representing the union of the peoples of Europe. The number of stars is fixed, twelve being the symbol of perfection and unity.

B) HERALDIC DESCRIPTION

On an azure field a circle of twelve golden mullets, their points not touching.

C) GEOMETRIC DESCRIPTION



The emblem has the form of a blue rectangular flag of which the fly is one and a half times the length of the hoist. Twelve gold stars situated at equal intervals form an invisible circle whose centre is the point of intersection of the diagonals of the rectangle. The radius of the circle is equal to one third of the height of the hoist. Each of the stars has five points which are situated on the circumference of an invisible circle whose radius is equal to one eighteenth of the height of the hoist. All the stars are upright, i.e. with one point vertical and two points in a straight line at right angles to the mast. The circle is arranged so that the stars appear in the position of the hours on the face of a clock. Their number is invariable.

D) REGULATION COLOURS

The emblem is in the following colours: PANTONE REFLEX BLUE for the surface of the rectangle; PANTONE YELLOW for the stars

E) FOUR-COLOUR PROCESS

If the four-colour process is used, recreate the two standard colours by using the four colours of the four-colour process.

PANTONE YELLOW is obtained by using 100 % 'Process Yellow'.

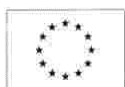
PANTONE REFLEX BLUE is obtained by mixing 100 % 'Process Cyan' and 80 % 'Process Magenta'.

INTERNET

PANTONE REFLEX BLUE corresponds in the web-palette colour RGB:0/51/153 (hexadecimal: 003399) and PANTONE YELLOW corresponds in the web-palette colour RGB: 255/204/0 (hexadecimal: FFCC00).

MONOCHROME REPRODUCTION PROCESS

Using black, outline the rectangle in black and print the stars in black on white.



Using blue (Reflex Blue), use 100 % with the stars reproduced in negative white.



REPRODUCTION ON A COLOURED BACKGROUND

If there is no alternative to a coloured background, put a white border around the rectangle, the width of the border being 1/25th of the height of the rectangle.



The principles of the use of the Union emblem by third parties are set out in an administrative agreement with the Council of Europe¹.

2. The licence on intellectual property rights referred to in Article 44(6) grant to the EU the following rights:

- 2.1. internal use i.e. right to reproduce, copy and make available the communication and visibility materials to EU and EU Member States' institutions and agencies and their employees;
- 2.2. reproduction of the communication and visibility materials by any means and in any form, in whole or in part;
- 2.3. communication to the public of the communication and visibility materials by using any and all means of communication;
- 2.4. distribution to the public of the communication and visibility materials (or copies thereof) in any and all forms;
- 2.5. storage and archiving of the communication and visibility materials
- 2.6. sub-licensing of the rights on the communication and visibility materials to third parties
- 2.7. Additional rights maybe granted to the EU.

¹ OJ 2012/C 271/04 of 8/9/2012

ANNEX IX

Elements for funding agreements and strategy documents – Article 53

1. Elements of the funding agreement for financial instruments implemented under Article 53(3)

(a) the investment strategy or policy including implementation arrangements, financial products to be offered, final recipients targeted, and envisaged combination with grant support (as appropriate);
(b) a business plan or equivalent documents for the financial instrument to be implemented, including the expected leverage effect referred to in point (a) of Article 52(3);
(c) the target results that the financial instrument concerned is expected to achieve to contribute to the specific objectives and results of the relevant priority;
(d) provisions for monitoring of the implementation of investments and of deal flows including reporting by the financial instrument to the holding fund and to the managing authority to ensure compliance with Article 37;
(e) audit requirements, such as minimum requirements for documentation to be kept at the level of the financial instrument (and at the level of the holding fund where appropriate), and requirements in relation to the maintenance of separate records for the different forms of support in compliance with Article 52 (where applicable), including provisions and requirements regarding access to documents by audit authorities of Member States, Commission auditors and the Court of Auditors in order to ensure a clear audit trail, in accordance with Article 76;
(f) requirements and procedures for managing the contribution provided by the programme in accordance with Article 86 and for the forecast of deal flows, including requirements for fiduciary/separate accounting as set out in Article 53;
(g) requirements and procedures for managing interest and other gains generated as referred to in Article 54, including acceptable treasury operations/investments, and the responsibilities and liabilities of the parties concerned;
(h) provisions regarding the calculation and payment of management costs incurred or of the management fees of the financial instrument in compliance with Article 62;
(i) provisions regarding the re-use of resources attributable to the support from the Funds in compliance with Article 56 and an exit policy for the contribution from the Funds out of the financial instrument;
(j) conditions for a possible total or partial withdrawal of programme contributions from programmes to financial instruments, including the fund of funds where applicable;
(k) provisions to ensure that bodies implementing financial instruments manage financial instruments with independence and in accordance with the relevant professional standards, and act in the exclusive interest of the parties providing contributions to the financial instrument;
(l) provisions for the winding-up of the financial instrument.
(m) other terms and conditions for making contributions from the programme to the financial instrument

(n) appraisal and selection of bodies implementing the financial instruments, including calls for expression of interest or public procurement procedures (only where financial instruments are organised through a holding fund)

2. Elements of the strategy document(s) referred to in Article 53 (1)

(a) the investment strategy or policy of the financial instrument, general terms and conditions of envisaged debt products, target recipients and actions to be supported;
--

(b) a business plan or equivalent documents for the financial instrument to be implemented, including the expected leverage effect referred to in Article 52;

(c) the use and re-use of resources attributable to the support of the Funds in accordance with Articles 54 and 56
--

(d) monitoring and reporting of the implementation of the financial instrument to ensure compliance with Article 37.
--

ANNEX X

Key requirements of management and control systems and their classification - Article 63(1)

Table 1 - Key requirements of management and control system		Bodies/authorities concerned
1	Appropriate separation of functions and written arrangements for reporting, supervising and monitoring delegated tasks to an intermediate body	Managing authority
2	Appropriate criteria and procedures for the selection of operations	Managing authority
3	Appropriate information to beneficiaries on applicable conditions for support for the selected operations	Managing authority
4	Appropriate management verifications, including appropriate procedures for checking fulfilment of conditions for financing not linked to costs and for simplified cost options	Managing authority
5	Effective system to ensure that all documents necessary for the audit trail are held	Managing authority
6	Reliable electronic system (including links with electronic data exchange systems with beneficiaries) for recording and storing data for monitoring, evaluation, financial management, verifications and audits, including appropriate processes to ensure the security, integrity and confidentiality of the data and the authentication of users	Managing authority
7	Effective implementation of proportionate anti-fraud measures	Managing authority
8	Appropriate procedures for drawing up the management declaration	Managing authority
9	Appropriate procedures for confirming that the expenditure entered into the accounts is legal and regular	Managing authority
10	Appropriate procedures for drawing up and submission of interim payment applications and of accounts	Managing authority/ Body carrying out the accounting function
11	Appropriate separation of functions and functional independence between the audit authority (and other audit or control bodies on which the audit authority relies and supervises, if applicable) and the other programme authorities and audit work carried out in accordance with internationally accepted audit standards	Audit authority
12	Appropriate system audits	Audit authority
13	Appropriate audits of operations	Audit authority

14	Appropriate audits of accounts	Audit authority
15	Appropriate procedures for providing a reliable audit opinion and for preparing the annual control report	Audit authority

Table 2 - Classification of management and control systems with regard to their effective functioning

Category 1	Works well. No or only minor improvement needed.
Category 2	Works. Some improvement needed.
Category 3	Works partially. Substantial improvement needed.
Category 4	Essentially does not work.

ANNEX XI

Elements for the audit trail – Article 63(5)

I. Obligatory elements of audit trail for grants:

1. documentation that allows verification of the application of the selection criteria by the managing authority, as well as documentation relating to the overall selection procedure and the approval of operations;
2. document (grant agreement or equivalent) setting out the conditions for support signed between the beneficiary and the managing authority/intermediate body;
3. accounting records of payment claims submitted by the beneficiary, as recorded in the managing authority/intermediate body's electronic system;
4. documentation on verifications addressing the non-relocation and durability requirements as set out in Articles 59, 60(2) and 67(3)(h) ;
5. proof of payment of the public contribution to the beneficiary and of the date the payment was made;
6. documentation evidencing the administrative and, where applicable, on-the-spot checks carried out by the managing authority/intermediate body;
7. information on audits carried out;
8. documentation relating to the follow-up by the managing authority/intermediate body for purposes of management verifications and audit findings;
9. documentation that allows verification of compliance with applicable law;
11. data in relation to output and result indicators enabling reconciliation with corresponding targets and reported milestones;
12. documentation related to financial corrections and deductions pursuant to Article 92(5)) made by the managing authority/intermediate body to the expenditure declared to the Commission;
13. for grants taking the form set out in Article 48(1)(a), the invoices (or documents of equivalent probative value) and proof of their payment by the beneficiary, as well as accounting records of the beneficiary relating to the expenditure declared to the Commission;
14. for grants taking the forms set out in Article 48(1)(b), (c) and (d) and as applicable, documents justifying the method of establishing unit costs, lump sums and flat rates; the categories of costs forming the basis for the calculation; documents evidencing costs declared under other categories of costs to which a flat rate applies; the explicit agreement by the managing authority on the draft budget on the document setting out the conditions for support; documentation on the gross employment costs and on calculation of the hourly rate; where simplified cost options are used based on existing methods, documentation confirming compliance with similar type of operations and

with documentation required by the existing method, if any.

II Obligatory elements for audit trail for financial instruments:

1. documents on the establishment of the financial instrument, such as funding agreements, etc;
2. documents identifying the amounts contributed by each programme and under each priority to the financial instrument, the expenditure that is eligible under each programme and the interest and other gains generated by support from the Funds and re-use of resources attributable to the Funds in accordance with Articles 54 and 56;
3. documents on the functioning of the financial instrument, including those related to monitoring, reporting and verifications;
4. documents concerning exits of programme contributions and the winding-up of the financial instrument;
5. documents on the management costs and fees;
6. application forms, or equivalent, submitted by final recipients with supporting documents, including business plans and, when relevant, previous annual accounts;
7. checklists and reports from the bodies implementing the financial instrument;
8. declarations made in connection with de minimis aid;
9. agreements signed in connection with the support provided by the financial instrument, including for equity, loans, guarantees or other forms of investment provided to final recipients;
10. evidence that the support provided through the financial instrument is to be/was used for its intended purpose;
11. records of the financial flows between the managing authority and the financial instrument, and within the financial instrument at all levels, down to the final recipients, and, for guarantees, proof that underlying loans were disbursed;
12. separate records or accounting codes for a programme contribution paid or a guarantee committed by the financial instrument for the benefit of the final recipient.

Provisions for audit trail for reimbursement of the support from the Funds by the Commission to the programme on the basis of simplified cost options or of financing not linked to costs

III. Obligatory elements of audit trail for simplified cost options to be kept at the level of the managing authority/ intermediate body:

1. documents evidencing costs declared under other categories of costs to which a flat rate applies;
2. the categories of costs and the costs forming the basis for the calculation;
3. documents evidencing the adjustment of the amounts, where relevant;
4. documents evidencing the calculation method if Article 48(2)(a) is applied.

IV. Obligatory elements of audit trail for financing not linked to costs to be kept at the level of the managing authority/ intermediate body:

1. document setting out the conditions of support signed by the beneficiary and the managing authority/intermediate body stating the form of grant provided to beneficiaries;
2. documents evidencing the ex-ante agreement of the Commission on the conditions to be fulfilled or the results to be achieved and corresponding amounts (programme approval or amendment);
3. documents evidencing the fulfilment of conditions or the achievement of results at each stage if done in steps, as well as before final expenditure is declared to the Commission;
4. documentation relating to the selection and approval of operations covered by the financing not linked to costs.

ANNEX XII

E-Cohesion: electronic data exchange systems between programme authorities and beneficiaries - Article 63(7)

1. Responsibilities of programme authorities regarding the functioning of electronic data exchange systems

1.1 Ensuring the data security, data integrity, data confidentiality, authentication of the sender in accordance with Articles 63(5), 63(7), 66(4) and 76 of this Regulation.

1.2 Ensuring availability and functioning during and outside standard office hours (except during technical maintenance)

1.3 Use of functionalities in the system providing for:

(a) interactive forms and/or forms prefilled by the system on the basis of the data which are stored at consecutive steps of the procedures;

(b) automatic calculations, where applicable;

(c) automatic embedded controls which reduce repeated exchanges of documents or information;

(d) system-generated alerts to inform the beneficiary that certain actions can be performed;

(e) online status tracking allowing the beneficiary to monitor the current status of the project;

(f) all previously available data and documents processed by the electronic data exchange system.

1.4 Ensuring record-keeping and data storage in the system enabling both administrative verifications of payment claims submitted by beneficiaries in accordance with Article 68(2) and audits

2. Responsibilities of programme authorities regarding the modalities for transmission of documents and data for all exchanges

2.1 Ensuring the use of electronic signature compatible with one of the three types of electronic signature defined by Directive 1999/93/EC of the European Parliament and of the Council¹

2.2 Providing for storing the date of transmission of documents and data by the beneficiary to the programme authorities and vice versa

2.3 Ensuring accessibility directly through an interactive user interface (a web application) or via a technical interface that allows for automatic synchronisation and transmission of data between beneficiaries' and Member States' systems.

2.4 Ensuring the protection of privacy of personal data for individuals and commercial confidentiality for legal entities according to Directive 2002/58/EC of the European Parliament and of the Council², Directive 2009/136/EC of the European Parliament and of the Council³ and Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural

¹ Directive 1999/93/EC of the European Parliament and of the Council of 13 December 1999 on a Community framework for electronic signatures (OJ L 13, 19.1.2000, p. 12).

² Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (OJ L 201, 31.7.2002, p. 37).

³ Directive 2009/136/EC of the European Parliament and of the Council of 25 November 2009 amending Directive 2002/22/EC on universal service and users' rights relating to electronic communications networks and services, Directive 2002/58/EC concerning the processing of personal data and the protection of privacy in the electronic communications sector and Regulation (EC) No 2006/2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws (OJ L 337, 18.12.2009, p. 11).

persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (Text with EEA relevance) of the European Parliament and of the Council⁴

⁴ Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (OJ L 281, 23.11.1995, p. 31).

ANNEX XIII

SFC2021: electronic data exchange system between the Member States and the Commission – Article 63(8)

1. Responsibilities of the Commission

1.1 Ensuring the operation of an electronic data exchange system ('SFC2021') for all official exchanges of information between the Member State and the Commission. SFC2021 shall contain at least the information specified in the templates established in accordance with this Regulation.

1.2 Ensuring the following characteristics of SFC2021 :

- (a) interactive forms or forms pre-filled by the system on the basis of the data already recorded in the system previously;
- (b) automatic calculations, where they reduce the encoding effort of users;
- (c) automatic embedded controls to verify internal consistency of transmitted data and consistency of this data with applicable rules;
- (d) system generated alerts warning SFC2021 users that certain actions can or cannot be performed;
- (e) online status tracking of the treatment of information entered into the system;
- (f) availability of historical data in respect of all information entered for an operational programme.
- (g) availability of a compulsory electronic signature within the meaning of Directive 1999/93/EC of the European Parliament and of the Council which will be recognised as evidence in legal proceedings.

1.3 Ensuring an information technology security policy for SFC2021 applicable to the personnel using the system in accordance with relevant Union rules, in particular Commission Decision C(2006) 3602¹ and its implementing rules.

1.4 Designating a person or persons responsible for defining, maintaining and ensuring the correct application of the security policy to SFC2021.

2. Responsibilities of Member States

2.1 Ensuring that the programme authorities of the Member State identified in accordance with Article 65(1) as well as the bodies identified to carry out certain tasks under the responsibility of the managing authority in accordance with Article 65(3) of this Regulation enter into SFC2021 the information for the transmission of which they are responsible and any updates thereto

2.2 Ensuring the verification of information submitted by a person other than the person who entered the data for that transmission.

2.3 Providing arrangements for the above separation of tasks through the Member State's management and control information systems connected automatically with SFC2021.

2.4 Appointing a person or persons responsible for managing access rights to fulfil the following tasks:

- (a) identifying users requesting access, making sure those users are employed by the organisation;
- (b) informing users about their obligations to preserve the security of the system;

¹ Commission Decision C(2006) 3602 of 16 August 2006 concerning the security of information systems used by the European Commission.

- (c) verifying the entitlement of users to the required privilege level in relation to their tasks and their hierarchical position;
- (d) requesting the termination of access rights when those access rights are no longer needed or justified;
- (e) promptly reporting suspicious events that may bring prejudice to the security of the system;
- (f) ensuring the continued accuracy of user identification data by reporting any changes;
- (g) taking the necessary data protection and commercial confidentiality precautions in accordance with Union and national rules;
- (h) informing the Commission of any changes affecting the capacity of the Member State authorities or users of SFC2021 to carry out the responsibilities referred to in paragraph 1 or their personal capacity to carry out responsibilities referred to in points (a)-(g).

2.5 Providing arrangements for the respect of the protection of privacy and of personal data for individuals and of commercial confidentiality for legal entities in accordance with Directive 2002/58/EC of the European Parliament and of the Council², Directive 2009/136/EC of the European Parliament and of the Council³, Regulation (EU) 2016/679 of the European Parliament and of the Council Directive 1995/46/EC of the European Parliament and of the Council⁴ and Regulation (EC) No 45/2001.

2.6 Adopting national, regional or local information security policies on access to SFC2021 based on a risk assessment applicable to all authorities using SFC2021 and addressing the following aspects:

- (a) the IT security aspects of the work performed by the person or persons responsible for managing the access rights referred to point 3 of section II in case of application of direct use;
- (b) for national, regional or local computer systems connected to SFC2021, through a technical interface referred to in point 1 the security measures for those systems allowing to be aligned with SFC2021 security requirements and covering:
 - (i) physical security;
 - (ii) data media and access control;
 - (iii) storage control;
 - (iv) access and password control;
 - (v) monitoring;
 - (vi) interconnection with SFC2021;
 - (vii) communication infrastructure;
 - (viii) human resources management prior to employment, during employment and after employment;

² Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications) (OJ L 201, 31.7.2002, p. 37).

³ Directive 2009/136/EC of the European Parliament and of the Council of 25 November 2009 amending Directive 2002/22/EC on universal service and users' rights relating to electronic communications networks and services, Directive 2002/58/EC concerning the processing of personal data and the protection of privacy in the electronic communications sector and Regulation (EC) No 2006/2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws (OJ L 337, 18.12.2009, p. 11).

⁴ Directive 1995/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (OJ L 281, 23.11.1995, p. 31).

(ix) incident management.

2.7 Making the document referred to in point 2.6 available to the Commission upon request

2.8 Appointing a person or persons responsible for maintaining and ensuring the application of the national, regional or local IT security policies and acting as a contact point with the person or persons designated by the Commission and referred to in point 1.4

3. Joint responsibilities of the Commission and the Member States

3.1 Ensuring accessibility either directly through an interactive user-interface (i.e. a web-application) or via a technical interface using pre-defined protocols (i.e. web-services) that allows for automatic synchronisation and transmission of data between Member States information systems and SFC2021

3.2 Providing for the date of electronic transmission of the information by the Member State to the Commission and vice versa in electronic data exchange which constitutes the date of submission of the document concerned

3.3 Ensuring that official data is exchanged exclusively through SFC2021 (with the exception where force majeure occurs) and that information provided in the electronic forms embedded in SFC2021 (hereinafter referred to as 'structured data') is not replaced by non-structured data and that structured data prevails over non structured data in case of inconsistencies.

In the event of *force majeure*, a malfunctioning of SFC2021 or a lack of a connection with SFC2021 exceeding one working day in the last week before a regulatory deadline for the submission of information or in the period from 18 to 26 December, or five working days at other times, the information exchange between the Member State and the Commission may take place in paper form using the templates set out in this Regulation in which case the date of submission is the date of submission of the document concerned. When the cause of the force majeure ceases the party concerned enters in SFC2021 without delay the information already provided in paper form.

3.4 Ensuring compliance with the IT security terms and conditions published in the SFC2021 portal and the measures that are implemented in SFC2021 by the Commission to secure the transmission of data, in particular in relation to the use of the technical interface referred to in point 1.

3.5 Implementing and ensuring the effectiveness of the security measures adopted to protect the data stored and transmitted through SFC2021.

3.6 Updating and reviewing annually the SFC IT security policy and the relevant national, regional and local IT security policies in the event of technological changes, the identification of new threats or other relevant developments.

ANNEX XIV

Template for the description of the management and control system – Article 63(9)

1. GENERAL

1.1. Information submitted by:

- Member State:
- Title of the programme(s) and CCI number(s): (all programmes covered by the managing authority where there is a common management and control system):
- Name and e-mail of main contact point: (body responsible for the description):

1.2. The information provided describes the situation on: (dd/mm/yy)

1.3. System structure (general information and flowchart showing the organisational relationship between the authorities/bodies involved in the management and control system)

1.3.1. Managing authority (Name, address and contact point in the managing authority):

1.3.2. Intermediate bodies (Name, address and contact points in the intermediate bodies).

1.3.3. The body carrying out the accounting function (Name, address and contact points in the managing authority or the programme authority carrying out the accounting function)

1.3.4. Indicate how the principle of separation of functions between and within the programme authorities is respected.

2. MANAGING AUTHORITY

2.1. Managing authority and its main functions

2.1.1. The status of the managing authority (national, regional or local public body or private body) and the body of which it is part.

2.1.2. Specification of the functions and tasks carried out directly by the managing authority.

2.1.3. Where applicable, specification per intermediate body of each of the functions¹ and tasks delegated by the managing authority, identification of the intermediate bodies and the form of the delegation. Reference should be made to relevant documents (written agreements).

2.1.4 Procedures for the supervision of the functions and tasks delegated by the managing authority.

¹ Including the accounting function for the AMIF, ISF and IMBF funds as it falls under the responsibility of the managing authority according to Article 66(3)

2.1.5. Framework to ensure that an appropriate risk management exercise is conducted when necessary, and in particular in the event of major modifications to the management and control system.

2.2. Description of the organisation and the procedures related to the functions and tasks of the managing authority²

2.2.1 Description of the functions, including the accounting function, and tasks carried out by the managing authority:

2.2.2 Description of how the work under the different functions, including the accounting function, is organised, what procedures apply, what functions if any are delegated, how these are supervised, etc.

2.2.3 Organisation chart of the managing authority and information on its relationship with any other bodies or divisions (internal or external) that carry out functions and tasks as provided for in Articles 66 to 69.

2.2.4 Indication of planned resources to be allocated in relation to the different functions of the managing authority (including information on any planned outsourcing and its scope, where appropriate).

3. BODY CARRYING OUT THE ACCOUNTING FUNCTION

3.1 Status and description of the organisation and the procedures related to the functions of the body carrying out the accounting function

3.1.1 The status of the body carrying out the accounting function (national, regional or local public or private body) and the body of which it is part, where relevant.

3.1.2 Description of the functions and tasks carried out by the body carrying out the accounting function as set out in Article 70.

3.1.2 Description of how the work is organised (workflows, processes, internal divisions), what procedures apply and when, how these are supervised, etc.

3.1.3 Indication of planned resources to be allocated in relation to the different accounting tasks.

² Including the accounting function for the AMIF, ISF and IMBF funds as it falls under the responsibility of the Managing Authority according to Article 66(3)

4. ELECTRONIC SYSTEM

4.1. Description of the electronic system or systems including a flowchart (central or common network system or decentralised system with links between the systems) for:

4.1.1. Recording and storing, in a computerised form data on each operation, including where appropriate data on individual participants and a breakdown of data on indicators when provided for in the Regulation.

4.1.2. Ensuring that accounting records for each operation are recorded and stored, and that those records support the data required for drawing up payment applications and of the accounts;

4.1.3. Maintaining accounting records of expenditure declared to the Commission and the corresponding public contribution paid to beneficiaries;

4.1.4. Recording all amounts deducted from payment applications and from the accounts as set out in Article 92(5) and the reasons for these deductions;

4.1.5. Indicating whether the systems are functioning effectively and can reliably record the data mentioned on the date where this description is compiled as set out in Point 1.2 above;

4.1.6. Describing the procedures to ensure the electronic systems' security, integrity and confidentiality.

ANNEX XV

Template for the management declaration – Article 68(1)(f)

I/We, the undersigned (*name(s), first name(s), title(s) or function(s)*), Head of the managing authority for the programme (*name of the operational programme, CCI*)

based on the implementation of the (*name of programme*) during the accounting year ended 30 June (*year*), based on my/our own judgment and on all information available to me/us at the date of the accounts submitted to the Commission, including the results from management verifications carried out in accordance with Article 68 of Regulation (EU) No xx/xx and from audits in relation to the expenditure included in the payment applications submitted to the Commission in respect of the accounting year ended 30 June ... (*year*),

and taking into account my/our obligations under Regulation (EU) xx/xx

hereby declare that:

(a) the information in the accounts is properly presented, complete and accurate in accordance with Article 92 of Regulation (EU) No XX,

(b) the expenditure entered in the accounts complies with applicable law and was used for its intended purpose,

I/We confirm that irregularities identified in the final audit and control reports in relation to the accounting year have been appropriately treated in the accounts, in particular to comply with Article 92 for submitting accounts providing assurance that irregularities are below the 2% materiality level.

I/We also confirm that expenditure which is subject to an ongoing assessment of its legality and regularity has been excluded from the accounts pending conclusion of the assessment, for possible inclusion in an interim payment application in a subsequent accounting year.

Furthermore, I/we confirm the reliability of data relating to indicators, milestones and the progress of the programme.

I/we also confirm that effective and proportionate anti-fraud measures are in place and that these take account of the risks identified in that respect.

Finally, I/we confirm that I/we am/are not aware of any undisclosed matter related to the implementation of the operational programme which could be damaging to the reputation of the cohesion policy.

ANNEX XVI

Template for the audit opinion – Article 71(3)(a)

To the European Commission, Directorate-General

1. INTRODUCTION

I, the undersigned, representing the [name of the audit authority], independent in the sense of Article 65(2) of Regulation (EU) No [...] ., have audited

- i) the accounts for the accounting year started on 1 July ... [year] and ended 30 June ... [year] ⁽¹⁾ and dated ... [date of the accounts submitted to the Commission] (hereafter ‘the accounts’),
- ii) the legality and regularity of the expenditure for which reimbursement has been requested from the Commission in reference to the accounting year (and included in the accounts), and
- iii) the functioning of the management and control system, and verified the management declaration in relation to the programme [name of programme, CCI number] (hereafter ‘the programme’),

in order to issue an audit opinion in accordance with Article 71(3).

2. RESPONSIBILITIES OF THE MANAGING AUTHORITY

[name of the managing authority], identified as the managing authority of the programme, is responsible to ensure proper functioning of the management and control system in regard to the functions and tasks provided for in Articles 66 to 70.

In addition, the [name of the managing authority or of the body carrying out the accounting function where relevant], is responsible to ensure and declare the completeness, accuracy and veracity of the accounts, as required in Article 70 of Regulation (EU) No [...] .

Moreover, in accordance with Article 68 of Regulation (EU) No [...] it is the responsibility of the managing authority to confirm that the expenditure entered in the accounts is legal and regular and complies with applicable law.

3. RESPONSIBILITIES OF THE AUDIT AUTHORITY

As established by Article 71 of Regulation (EU) No [...], my responsibility is to independently express an opinion on the completeness, veracity and accuracy of the accounts, whether expenditure for which reimbursement has been requested from the Commission and which are declared in the accounts is legal and regular, and whether the management and control system put in place functions properly.

My responsibility is also to include in the opinion a statement as to whether the audit work puts in doubt the assertions made in the management declaration.

The audits in respect of the programme were carried out in accordance with the audit strategy and complied with internationally accepted audit standards. These standards require that the audit authority complies with ethical requirements, plans and performs the audit work in order to obtain reasonable assurance for the purpose of the audit opinion.

An audit involves performing procedures to obtain sufficient and appropriate evidence to support the opinion set out below. The procedures performed depend on the auditor's professional judgement, including assessing the risk of material non-compliance, whether due

to fraud or error. The audit procedures performed are those I believe are appropriate in the circumstances and are compliant with the requirements of Regulation (EU) No [...].

I believe that the audit evidence gathered is sufficient and appropriate to provide the basis for my opinion, [*in case there is any scope limitation:*] except those which are mentioned in the paragraph 'Scope limitation'.

The summary of the findings drawn from the audits in respect of the programme are reported in the attached annual control report in accordance with point (b) of Article 71(3) of Regulation (EU) No [...].

4. SCOPE LIMITATION

Either

There were no limitations on the audit scope.

Or

The audit scope was limited by the following factors:

- (a) ...
- (b) ...
- (c)

[Indicate any limitation on the audit scope¹, for example any lack of supporting documentation, cases under legal proceedings, and estimate under 'Qualified opinion' below, the amounts of expenditure and contribution the support from the Funds affected and the impact of the scope limitation on the audit opinion. Further explanations in this regard shall be provided in the annual control report, as appropriate.]

5. OPINION

Either

(Unqualified opinion)

In my opinion, and based on the audit work performed:

- (i) the accounts give a true and fair view;
- (ii) expenditure included in the accounts is legal and regular²,
- (iii) the management and control system functions properly.

¹ Including for purposes of the Interreg programmes that do not fall under the annual sample for audits of operations to be drawn by the Commission as set out in Article 48 of the ETC Regulation.

² Except for the Interreg programmes that do not fall under the annual sample for audits of operation to be drawn by the Commission as envisaged in Article 48 of the ETC Regulation where the expenditure in the accounts for which reimbursement has been requested could not be checked in the accounting year in question.

The audit work carried out does not put in doubt the assertions made in the management declaration.

Or

(Qualified opinion)

In my opinion, and based on the audit work performed,

1) Accounts

— the accounts give a true and fair view [where the qualification applies to the accounts, the following text is added:] except in the following material aspects:.....

2) Legality and regularity of the expenditure certified in the accounts

— the expenditure certified in the accounts is legal and regular [where the qualification applies to the accounts, the following text is added:] except for the following aspects:....

The impact of the qualification is limited [or significant] and corresponds to (amount in EUR of the total amount of expenditure certified)

3) The management and control system in place as at the date of this audit opinion

—the management and control system put in place functions properly [where the qualification applies to the management and control system, the following text is added:] except for the following aspects:....

The impact of the qualification is limited [or significant] and corresponds to (amount in EUR of the total amount of expenditure certified)

The audit work carried out *does not put/puts* [delete as appropriate] in doubt the assertions made in the management declaration.

[Where the audit work carried out puts in doubt the assertions made in the management declaration, the audit authority shall disclose in this paragraph the aspects leading to this conclusion.]

Or

(Adverse opinion)

In my opinion, and based on the audit work performed:

- (i) the accounts *give/do not give* [delete as appropriate] a true and fair view; and/or
- (ii) the expenditure in the accounts for which reimbursement has been requested from the Commission *is/is not* [delete as appropriate] legal and regular; and/or
- (iii) the management and control system put in place *functions/does not function* [delete as appropriate] properly.

This adverse opinion is based on the following aspects:

— in relation to material matters related to the accounts:

and/or [delete as appropriate]

—in relation to material matters related to the legality and regularity of the expenditure in the accounts for which reimbursement has been requested from the Commission:

and/or [delete as appropriate]

—in relation to material matters related to the functioning of the management and control system: ⁽⁶⁾

The audit work carried out puts in doubt the assertions made in the management declaration for the following aspects:

[The audit authority may also include emphasis of matter, not affecting its opinion, as established by internationally accepted auditing standards. A disclaimer of opinion can be foreseen in exceptional cases ⁽⁷⁾.]

Date:

Signature:

⁽²⁾ To be included in case of Interreg programmes.

⁽⁵⁾ In case the management and control system is affected, the body or bodies and the aspect(s) of their systems that did not comply with requirements and/or did not function properly shall be identified in the opinion, except where this information is already clearly disclosed in the annual control report and the opinion paragraph refers to the specific section(s) of this report where such information is disclosed.

⁽⁶⁾ Same remark as in previous footnote.

⁽⁷⁾ These exceptional cases should be related to unforeseeable, external factors outside the remit of the audit authority.

ANNEX XVII

Template for the annual control report – Article 71(3)(b)

1. Introduction

1.1 Identification of the audit authority and other bodies that have been involved in the preparation of the report.

1.2 Reference period (i.e. the accounting year)

1.3 Audit period (during which the audit work took place).

1.4 Identification of the programme(s) covered by the report and of its/their managing authority/ies. Where the report covers more than one programme or Fund, the information shall be broken down by programme and by Fund, identifying in each Section the information that is specific for the programme and/or the Fund.

1.5 A description of the steps taken to prepare the report and to draw up the corresponding audit opinion. This Section should also cover information on the consistency checks by the audit authority on the management declaration.

Section 1.5 is to be adapted for Interreg programmes in order to describe the steps taken to prepare the report based on the specific rules on audits on operations applicable to Interreg programmes as set out in Article 48 of Regulation EU No [ETC Regulation].

2. Significant changes in management and control system(s)

2.1 Details of any major changes in the management and control systems related with the managing authority's responsibilities, in particular with respect to the delegation of functions to intermediate bodies, and confirmation of their compliance with Articles 66 to 70 and 75 based on the audit work carried out by the audit authority.

2.2 Information on the application of enhanced proportionate arrangements pursuant to Articles 77 to 79.

3. Changes to the audit strategy

3.1 Details of any changes made to the audit strategy and related explanations. In particular, indicate any change to the sampling method used for the audit of operations (see Section 5 below) and whether the strategy was subject to changes due to the application of enhanced proportionate arrangements pursuant to Articles 77 to 79 of the Regulation.

3.2 Section 1 above is to be adapted for Interreg programmes in order to describe changes to the audit strategy based on the specific rules on audits of operations applicable to Interreg programmes as set out in Article 48 of Regulation EU No [ETC Regulation].

4. System audits (where applicable)

This Section applies for audit authorities that do not apply the enhanced proportionate arrangements for the accounting year in question:

4.1 Details of the bodies (including the audit authority) that have carried out audits on the proper functioning of the management and control system of the programme - hereafter 'system audits'.

4.2 A description of the basis for the audits carried out, including a reference to the audit strategy applicable and more particularly, to the risk assessment methodology and the results that led to establishing the audit plan for system audits. If the risk assessment has been updated, this should be described in Section 3 above covering the changes in the audit strategy.

4.3 In relation to the table in Section 9.1 below, a description of the main findings and conclusions drawn from system audits, including the audits targeted at specific thematic areas.

4.4 Indications as to whether any irregularities identified were considered to be of a systemic character, details of the measures taken, including a quantification of the irregular expenditure and any related financial corrections made, in accordance with Article 71(3)(b) and 97 of the Regulation.

4.5 Information on the follow up of audit recommendations from system audits from previous accounting years.

4.6 A description of irregularities or deficiencies specific to financial instruments or other types of expenditure or costs covered by particular rules (e.g. State aid, public procurement, simplified cost options, financing not linked to costs), detected during system audits and of the follow up given by the managing authority to remedy these irregularities or deficiencies.

4.7 Level of assurance obtained following the system audits (low/average/high) and a justification.

5. Audits of operations

Sections 5.1 to 5.10 below are to be adapted for Interreg programmes in order to describe the steps taken to prepare the report based on the specific rules on audits on operations applicable to Interreg programmes as set out in Article 48 of Regulation EU No [ETC Regulation].

5.1 Identification of the bodies (including the audit authority) that carried out the audits of operations (as envisaged in Article 73).

5.2 A description of the sampling methodology applied and information whether the methodology is in accordance with the audit strategy.

5.3 An indication of the parameters used for statistical sampling and an explanation of the underlying calculations and professional judgement applied. The sampling parameters include: materiality level, confidence level, sampling unit, expected error rate, sampling interval, standard deviation, population value, population size, sample size, information on stratification. The underlying calculations for sample selection, total error rate and residual error rate in Section 9.3 below, in a format permitting an understanding of the basic steps taken, in accordance with the specific sampling method used.

5.4 A reconciliation between the amounts included in the accounts, as well as the amounts declared in interim payment applications during the accounting year and the population from which the random sample was drawn (column 'A' of table in Section 9.2 below). Reconciling items include negative sampling units where financial corrections have been made.

5.5 Where there are negative items, confirmation that they have been treated as a separate population. Analysis of the principal results of the audits of these units, namely focusing on verifying whether the decisions to apply financial corrections (taken by the Member State or by the Commission) have been registered in the accounts as withdrawals.

5.6 Where a non-statistical sampling method is used, specify the reasons for using the method, the percentage of sampling units covered by audits, the steps taken to ensure randomness of the sample bearing in mind that the sample has to be representative.

In addition, define the steps taken to ensure a sufficient size of the sample, enabling the audit authority to draw up a valid audit opinion. A total (projected) error rate should also be calculated where non-statistical sampling method has been used.

5.7 Analysis of the main findings of the audits of operations, describing:

- (1) the number of sample items audited, the respective amount;
- (2) the type of error by sampling unit¹,
- (3) the nature of errors found²
- (4) the stratum³ error rate and corresponding serious deficiencies or irregularities the upper limit of the error rate, root causes, corrective measures proposed (including those intending to improve the management and control systems) and the impact on the audit opinion.

Further explanations on the data presented in Sections 9.2 and 9.3 below shall be provided, in particular concerning the total error rate.

5.8 Details of any financial corrections relating to the accounting year and implemented by the managing authority before submitting the accounts to the Commission, and as a consequence of the audits of operations, including flat rate or extrapolated corrections leading to a reduction to 2% of the residual error rate of the expenditure included in the accounts pursuant to Article 92.

5.9 Comparison of the total error rate and the residual error rate (as shown in Section 9.2 below) with the materiality level of 2%, in order to ascertain if the population is materially misstated and the impact on the audit opinion.

5.10 Details of whether any irregularities identified were considered to be systemic in nature, and the measures taken, including a quantification of the irregular expenditure and any related financial corrections.

5.11 Information on the follow-up of audits of operations carried out in respect of the common sample for Interreg programmes based on the specific rules on audits on

¹ Random, systemic, anomalous

² For instance: eligibility, public procurement, State aid

³ The stratum error rate is to be disclosed where stratification was applied, covering sub-populations with similar characteristics such as operations consisting of financial contributions from a programme to financial instruments, high-value items, Funds (in case of multi-Fund programmes).

operations applicable to Interreg programmes as set out in Article 48 of Regulation EU No [ETC Regulation].

5.12 Information on the follow-up of audits of operations carried out for previous accounting years, in particular on serious deficiencies of systemic nature.

5.13 A table following the typology of errors that may have been agreed with the Commissions.

5.14 Conclusions drawn from the main findings of the audits of operations with regard to the proper functioning of the management and control system.

Section 5.14 is to be adapted for Interreg programmes in order to describe the steps taken to draw the conclusions based on the specific rules on audits on operations applicable to Interreg programmes as set out in Article 48 of Regulation EU No [ETC Regulation].

6. Audits of accounts

6.1 Identification of the authorities/bodies that have carried out audits of accounts.

6.2 Description of audit approach used to verify that the accounts are complete, accurate and true. This shall include a reference to the audit work carried out in the context of system audits, audits of operations with relevance for the assurance on the accounts and additional verifications to be carried over the draft accounts before these are sent to the Commission.

6.3 Conclusions drawn from the audits in relation to the completeness, accuracy and veracity of the accounts, including an indication on the corresponding financial corrections made and reflected in the accounts as a follow-up to such conclusions.

6.4 Indication of whether any irregularities identified were considered to be systemic in nature, and of the measures taken.

7. Other information

7.1 Audit authority's assessment of the cases of suspicions of fraud detected in the context of their audits (including the cases reported by other national or EU bodies and related to operations audited by the audit authority), together with the measures taken. Information on number of cases, gravity, and the amounts affected, if known.

7.2 Subsequent events occurred after the end of the accounting year and before the transmission of the annual control report to the Commission and considered when establishing the level of assurance and opinion by the audit authority.

8. Overall level of assurance

8.1 Indication of the overall level of assurance on the proper functioning of the management and control system, and an explanation of how the level was obtained from the combination of the results of the system audits and audits of operations. Where relevant, the audit authority shall take also account of the results of other national or Union audit work carried out.

8.2 Assessment of any mitigating actions not linked to financial corrections that were implemented, financial corrections implemented and an assessment of the need for any

additional corrective measures, both from the perspective of improvements of the management and control systems and of the impact on the EU budget.

9. ANNEXES TO THE ANNUAL CONTROL REPORT

9.1 Results of system audits.

Audited Entity	Fund (Multi-funds programme)	Title of the audit	Date of the final audit report	Programme: [CCI and Name of Programme]										Overall assessment (category 1, 2, 3, 4) [as defined in Table 2 - Annex X to the Regulation]	Comments
				Key requirements (as applicable) [as defined in Table 1- Annex X to the Regulation]											
				KR 1	KR 2	KR 3	KR 4	KR 5	KR 6	KR 7	KR 8	KR 9	KR 10		
MA															
IB(s)															
Accounting Function (if not performed by the MA)															

Note: The blank parts in the table above refer to key requirements that are not applicable to the audited entity.

9.2 Results of audits of operations

Fund	Programme CCI number	Programme title	A	B		C	D	E	F	G	H
			Amount in Euros corresponding to the population from which the sample was drawn ⁽⁷⁾	Expenditure in reference to the accounting year audited for the random sample		Amount of irregular expenditure in random sample	Total error rate ⁽⁸⁾	Corrections implemented as a result of the total error rate	Residual total error rate (F = (D * A) – E)	Other expenditure audited ⁽⁹⁾	Amount of irregular expenditure in other expenditure audited
				Amount ⁽¹⁰⁾	% ⁽¹¹⁾						

⁽¹⁾ As defined in Article 2 (29) of the Regulation

⁽²⁾ Random, systemic, anomalous.

⁽³⁾ For instance: eligibility, public procurement, State aid.

⁽⁴⁾ The stratum error rate is to be disclosed where stratification was applied, covering sub-populations with similar characteristics such as operations consisting of financial contributions from a programme to financial instruments, high-value items, Funds (in case of multi-Fund programmes).

⁽⁵⁾ Total errors minus corrections referred to in point 5.8 above, divided by the total population.

⁽⁶⁾ The overall level of assurance shall correspond to one of the four categories defined in Table 2 of Annex X to the Regulation

⁽⁷⁾ Column 'A' shall refer to the population from which the random sample was drawn, i.e. total amount of eligible expenditure entered into the accounting system of the managing authority/accounting function which has been included in payment applications submitted to the Commission less negative sampling units if any. Where applicable, explanations shall be provided in section 5.4 above.

⁽⁸⁾ The total error rate is calculated before any financial corrections are applied in relation to the audited sample or the population from which the random sample was drawn. Where the random sample covers more than one Fund or programme, the total error rate (calculated) presented in column 'D' concerns the whole population. Where stratification is used, further information by stratum shall be provided in section 5.7 above.

⁽⁹⁾ Column 'G' shall refer to expenditure audited in the context of a complementary sample.

⁽¹⁰⁾ Amount of expenditure audited (in case sub-sampling is applied) only the amount of the expenditure items effectively audited, shall be included in this column).

⁽¹¹⁾ Percentage of expenditure audited in relation to the population.

9.3 Calculations underlying the random sample selection, total error rate and total residual error rate

ANNEX XVIII

Template for the audit strategy – Article 72

1. INTRODUCTION

- (a) Identification of the programme(s) (title(s) and CCI(s) numbers⁽¹⁾), Funds and period covered by the audit strategy.
- (b) Identification of the audit authority responsible for drawing up, monitoring and updating the audit strategy and of any other bodies that have contributed to this document.
- (c) Reference to the status of the audit authority (national, regional or local public body) and the body in which it is located.
- (d) Reference to the mission statement, audit charter or national legislation (where applicable) setting out the functions and responsibilities of the audit authority and other bodies carrying out audits under its responsibility.
- (e) Confirmation by the audit authority that the bodies carrying out audits have the requisite functional and organisational independence.

2. RISK ASSESSMENT

- (a) explanation of the risk assessment method followed; and
- (b) internal procedures for updating the risk assessment.

3. METHODOLOGY

3.1. Overview

- (a) Reference to the internationally accepted audit standards that the audit authority will apply for its audit work.
- (b) Information on how the audit authority will obtain its assurance with regard to programmes in the standard management and control system and for programmes with enhanced proportionated arrangements (description of main building blocks - types of audits and their scope).
- (c) Reference to the procedures in place for drawing up the annual control report and audit opinion to be submitted to the Commission in accordance with Articles 71(3) of the Regulation with the necessary exceptions for Interreg programmes based on the specific rules on audits on operations applicable to Interreg programmes as set out in Article 48 of Regulation EU No [ETC Regulation].
- (d) Reference to audit manuals or procedures containing the description of the main steps of the audit work, including the classification treatment of the errors detected in the preparation of the annual control report to be submitted to the Commission in accordance with Article 71(3) of the Regulation.
- (e) For Interreg programmes, reference to specific audit arrangements and explanation on how the audit authority intends to ensure cooperation with the Commission regarding the audits of

operations under the common Interreg sample to be drawn by the Commission set out in Article 48 of Regulation EU No [ETC Regulation].

(f) For Interreg programmes, when additional audit work may be required as set out in Article 48 of Regulation EU No [ETC Regulation] (reference to specific audit arrangements in that respect and to the follow up of that additional audit work).

3.2. Audits on the proper functioning of management and control systems (system audits)

Identification of the bodies/structures to be audited, as well as the relevant key requirements in the context of system audits. The list should include any bodies that have been appointed in the last twelve months.

Where applicable, reference to the audit body on which the audit authority relies to perform these audits.

Indication of any system audits targeted at specific thematic areas or bodies, such as:

- (a) quality and quantity of the administrative and on-the-spot management verifications in respect of public procurement rules, State aid rules, environmental requirements and other applicable law;
- (b) quality of project selection and of management verifications at the level of the managing authority or intermediate body;
- (c) set-up and implementation of financial instruments at the level of the bodies implementing financial instruments;
- (d) functioning and security of electronic systems, and their interoperability with the electronic data exchange system of the Commission.
- (e) reliability of data related to targets and milestones and on the progress of the programme in achieving its objectives provided by the managing authority.
- (f) financial corrections (deductions from the accounts);
- g) implementation of effective and proportionate anti-fraud measures underpinned by a fraud risk assessment.

3.3. Audits of operations other than for Interreg programmes

(a) Description of (or reference to internal document specifying) the sampling methodology to be used in line with Article 73 of the Regulation (and other specific procedures in place for audits of operations, namely related to the classification and treatment of the errors detected, including suspected fraud).

(b) A separate description should be proposed for years when the Member States chooses to apply the enhanced proportionate system for one or more programmes as set out in Article 77 of the Regulation.

3.4. Audits of operations for Interreg programmes

(a) Description of (or reference to internal document specifying) the treatment of findings and errors to be used in line with Article 48 of Regulation EU No [ETC Regulation] and other

specific procedures in place for audits of operations, namely related to the common Interreg sample to be drawn up by the Commission each year.

(b) A separate description should be proposed for years when the common sample for audits of operations for Interreg programmes does not include operations or sampling units from of the programme in question.

In this case, there should be a description of the sampling methodology to be used by the audit authority and other specific procedures in place for audits of operations, namely related to the classification and treatment of the errors detected, etc.

3.5. Audits of the accounts

Description of the audit approach for audits of accounts.

3.6. Verification of the management declaration

Reference to the internal procedures setting out the work involved in the verification of the management declaration as drawn up by the managing authority, for purposes of the audit opinion.

4. AUDIT WORK PLANNED

- (a) Description and justification of the audit priorities and objectives in relation to the current accounting year and the two subsequent accounting years, together with an explanation of the linkage of the risk assessment results to the audit work planned.
- (b) An indicative schedule of audit assignments in relation to the current accounting year and the two subsequent accounting years for system audits (including audits targeted to specific thematic areas), as follows:

Authorities/Bodies or specific thematic areas to be audited	CCI	Programme Title	Body responsible for auditing	Result of risk assessment	20xx Audit objective and scope	20xx Audit objective and scope	20xx Audit objective and scope

5. RESOURCES

- (a) Organisation chart of the audit authority.
- (b) Indication of planned resources to be allocated in relation to the current accounting year and the two subsequent accounting years (including information on any foreseen outsourcing and its scope, where appropriate).

(1) Indicate the programmes covered by a common management and control system, in case a single audit strategy is prepared for several programmes

ANNEX XIX

Template for payment applications – Article 85(3)

PAYMENT APPLICATION

EUROPEAN COMMISSION

Fund concerned¹:

<type="S" input="S" >²

Commission reference (CCI):

<type="S" input="S">

Name of programme:

<type="S" input="G">

Commission Decision:

<type="S" input="G">

Date Commission Decision:

<type="D" input="G">

Payment application number:

<type="N" input="G">

Date of submission of the payment application:

<type="D" input="G">

National reference (optional):

<type="S" maxlength="250"
input="M">

According to Article 85 of Regulation (EU) No 2018/yyyy [CPR], this payment application refers to the accounting year:

From³

<type="D" input="G">

until:

<type="D" input="G">

¹ If a programme concerns more than one fund, a payment application should be sent separately for each fund.

² Legends:
type: N=Number, D=Date, S=String, C=Checkbox, P=Percentage, B=Boolean, Cu=Currency
input: M=Manual, S=Selection, G=Generated by system

³ First day of the accounting year, automatically encoded by the electronic system.

Expenditure broken down by priority and category of regions as entered into the accounts of the body carrying out the accounting function

(Including programme contributions paid to financial instruments (Article 86 of the Regulation))

Priority	Calculation basis (public or total) ¹	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 85(3)(a) and 85(4)	Amount for technical assistance in the meaning of Article 85(3)(b)	Total amount of public contribution paid or to be paid in the meaning of Article 85(3)(c)
	(A)	(B)	(C)	(D)
Priority 1				
Less developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Northern sparsely populated regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

¹ For the EMFF the co-financing applies only on "Total eligible public expenditure". Therefore, in case of EMFF, the calculation base in this template will automatically be adjusted to "Public".

Priority 2				
Less developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Northern sparsely populated regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 3				
Less developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Northern sparsely	<type="S"	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

populated regions	input="G">			
Grand Total		<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

Working document

OR

Expenditure broken down by specific objective as entered into the accounts of the managing authority

Applicable for AMIF/ISF and BMVI Funds only

Specific Objective	Calculation basis (public or total)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Total amount of public expenditure incurred in implementing operations
	(A)	(B)	(C)
<u>Specific objective 1</u>			
Type of actions no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">
Type of actions no 2 [Reference to Article 8(2) of AMIF/ISF/BMVI Regulation]	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">
Type of actions no 3 [Reference to Article 8(3) and 8(4) of AMIF/ISF/BMVI Regulation]	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">
Type of actions no 4 [Reference to Article 14 and 15 of AMIF Regulation]	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">
<u>Specific objective 2</u>			

Type of actions no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">
Type of actions no 2 [Reference to Article 8(2) of AMIF/ISF/BMVI Regulation]	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">
Type of actions no 3 [Reference to Article 8(3) and 8(4) of AMIF/ISF/BMVI Regulation]	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 3			
Type of actions no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">
Type of actions no 2 [Reference to Article 8(2) of AMIF/ISF/BMVI Regulation]	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">
Type of actions no 3 [Reference to Article 8(3) and 8(4) of AMIF/ISF/BMVI Regulation]	<type="S" input="G">	<type="Cu" input="M">	<type="Cu" input="M">
Grand Total		<type="Cu" input="G">	<type="Cu" input="G">

The template is automatically adjusted on the basis of the CCI No. As an example, in case of programmes not including categories of regions (the Cohesion Fund, ETC, EMFF if applicable) or in case of programmes not modulating co-financing rates within a priority (specific objective), the table shall look as follows:

Priority	Calculation basis (public or total) (') (A)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in the meaning of Article 85(3)(a) and 85(4) (B)	Amount for technical assistance in the meaning of Article 85(3)(b) (C)	Total amount of public contribution paid or to be paid in the meaning of Article 85(3)(c) (D°(C)
<u>Priority 1</u>	<type='S' input='C'>	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
<u>Priority 2</u>	<type='S' input='C'>	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
<u>Priority 3</u>	<type='S' input='C'>	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Grand Total		<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

DECLARATION

By validating this payment application the accounting function/managing authority requests the payment of the amounts as mentioned below.

Representing the body responsible for the accounting function:

Or

Representing the managing authority responsible for the accounting function:

<type="S" input="G">

Working document

PAYMENT APPLICATION

FUND				
	Less developed regions	Transition regions	More developed regions	Outermost regions and Northern sparsely populated regions
	(A)	(B)	(C)	(D)
<type="S" input="G">	<type="Cu" input="G">		<type="Cu" input="G">	<type="Cu" input="G">

The template is automatically adjusted on the basis of the CCI No. As an example, in case of programmes not including categories of regions (Cohesion Fund, ETC, EMFF if applicable) or in case of programmes not modulating co-financing rates within a priority (specific objective), the table shall look as follows:

Or

Applicable for AMIF/ISF and BMVI Funds only

Fund		Amounts
<type="S" input="G">	Type of actions no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="G">
	Type of actions no 2 [Reference to Article 8(2) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="G">

	Type of actions no 3 [Reference to Article 8(3) and 8(4) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="G">
	Type of actions no 4 [Reference to Article 14 and 15 of AMIF Regulation]	<type="Cu" input="G">

FUND	AMOUNT
<type="S" input="G">	<type="Cu" input="G">

The payment will be made on the following bank account:

Designated body	<type="S" maxlength="150" input="G">
Bank	<type="S" maxlength="150" input="G">
BIC	<type="S" maxlength="11" input="G">
Bank account IBAN	<type="S" maxlength="34" input="G">
Holder of account (where not the same as the designated body)	<type="S" maxlength="150" input="G">

Appendix: Information on programme contributions paid to financial instruments as referred to in Article 86 of the Regulation and included in the payment applications (cumulative from the start of the programme)

	Amount included in the first payment application and paid to the financial instrument in accordance with Article 86 (max [25%] of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)		Corresponding cleared amount as referred to in Article 86(3) ¹	
	(A)	(B)	(C)	(D)
Priority	Total amount of programme contributions paid to financial instruments	Amount of corresponding public contribution	Total amount of programme contributions effectively paid, or, in the case of guarantees, committed, as eligible expenditure in the meaning of Article 86	Amount of corresponding public contribution
<u>Priority 1</u>				
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
<u>Priority 2</u>	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

¹ This amount shall not be included in the payment application.

Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 3	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Grand Total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

The template is automatically adjusted on the basis of the CCI No. As an example, in case of programmes not including categories of regions (Cohesion Fund, ETC, EMFF if applicable) or in case of programmes not modulating co-financing rates within a priority (specific objective), the table shall look as follows

	Amount included in the first payment application and paid to the financial instrument in accordance with Article 86 (max [25%] of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)		Corresponding cleared amount as referred to in Article 86(3) ²	
	(A)	(B)	(C)	(D)
Priority	Total amount of programme contributions paid to financial instruments	Amount of corresponding public contribution	Total amount of programme contributions effectively paid, or, in the case of guarantees, committed, as eligible expenditure in the meaning of Article 86	Amount of corresponding public contribution
Priority 1				
Priority 2	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Priority 3	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Grand Total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

Or

Applicable for AMIF/ISF and BMVI Funds only

	Amount included in the first payment application and paid to the financial instrument in accordance with Article 86 (max	Corresponding cleared amount as referred to in Article 86(3) ³
--	--	---

² This amount shall not be included in the payment application.

³ This amount shall not be included in the payment application.

	[25%] of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)			
	(A)	(B)	(C)	(D)
	Total amount of programme contributions paid to financial instruments	Amount of corresponding public contribution	Total amount of programme contributions effectively paid, or, in the case of guarantees, committed, as eligible expenditure in the meaning of Article 86	Amount of corresponding public contribution
Specific objective 1				
Type of actions no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 2				
Type of actions no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Specific objective 3				
Type of actions no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Grand Total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

ANNEX XX

Template for the accounts - Article 92(1)(a)

ACCOUNTS FOR ACCOUNTING YEAR

<type="D" – type="D" input="S">

EUROPEAN COMMISSION

Fund concerned¹:

<type="S" input="S" >²

Commission reference (CCI):

<type="S" input="S">

Name of programme:

<type="S" input="G">

Commission Decision:

<type="S" input="G">

Date of Commission Decision:

<type="D" input="G">

Version of the accounts:

<type="S" input="G">

Date of submission of the accounts:

<type="D" input="G">

National reference (optional):

<type="S" maxlength="250"
input="M">

¹ If a programme concerns more than one fund, accounts should be sent separately for each fund.

² Legends:

type: N=Number, D=Date, S=String, C=Checkbox, P=Percentage, B=Boolean, Cu=Currency
input: M=Manual, S=Selection, G=Generated by system

DECLARATION

The managing authority responsible for the programme hereby confirms that:

- 1) the accounts are complete accurate and true and that the expenditure entered into the accounts complies with applicable law and is legal and regular;
- 2) the provisions in the Fund-specific Regulations, Article 63(5) of Regulation (EU, Euratom) No [Financial Regulation] and in points, (a) to (e) of Article 68 of the Regulation are respected;
- 3) the provisions in Article 76 with regard to the availability of documents are respected.

Representing the managing
authority:

<type="S" input="G">

Appendix 1: Amounts entered into the accounting systems of the accounting function/managing authority

Priority	Total amount of eligible expenditure entered into the accounting systems of the body carrying out the accounting function which has been included in payment applications for the accounting year in the meaning of Article 92(3)(a) (A)	The amount for technical assistance in the meaning of Article 85 (3)(b) (B)	Total amount of the corresponding public contribution paid or to be paid in the meaning of Article 92(3)(a) (C)
<u>Priority 1</u>			
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
<u>Priority 2</u>			
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
<u>Priority 3</u>			
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

Priority	Total amount of eligible expenditure entered into the accounting systems of the body carrying out the accounting function which has been included in payment applications for the accounting year in the meaning of Article 92(3)(a) (A)	The amount for technical assistance in the meaning of Article 85 (3)(b) (B)	Total amount of the corresponding public contribution paid or to be paid in the meaning of Article 92(3)(a) (C)
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
<u>Priority 4</u>			
<u>Totals</u>			
Less developed regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Outermost regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Northern sparsely populated regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Grand Total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

Or

Applicable for AMIF/ISF and BMVI Funds only

Specific objective	Total amount of eligible expenditure entered into the accounting systems of the managing authority and which has been included in the payment applications submitted to the Commission (A)	Total amount of the corresponding public expenditure incurred in implementing operations (B)
<u>Specific objective 1</u>		
Type of actions no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">
Type of actions no 2 [Reference to Article 8(2) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">
Type of actions no 3 [Reference to Article 8(3) and 8(4) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">
Type of actions no 4 [Reference to Article 14 and 15 of AMIF Regulation]	<type="Cu" input="M">	<type="Cu" input="M">

<u>Specific objective 2</u>		
Type of actions no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">
Type of actions no 2 [Reference to Article 8(2) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">
Type of actions no 3 [Reference to Article 8(3) and 8(4) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">

The template is automatically adjusted on the basis of the CCI No. As an example, in case of programmes not including categories of regions (Cohesion Fund, ETC, EMFF, if applicable) or in case of programmes not modulating co-financing rates within a priority (specific objective), the table shall look as follows:

Priority	Total amount of eligible expenditure entered into the accounting systems of the body carrying out the accounting function which has been included in payment applications for the accounting year in the meaning of Article 92(3)(a) (A)	The amount for technical assistance in the meaning of Article 85 (3)(b) (B)	Total amount of the corresponding public contribution paid or to be paid in the meaning of Article 92(3)(a) (C)
<u>Priority 1</u>	<type="Cu" input="M">		<type="Cu" input="M">
<u>Priority 2</u>	<type="Cu" input="M">		<type="Cu" input="M">
<u>Priority 3</u>	<type="Cu" input="M">		<type="Cu" input="M">
Grand Total	<type="Cu" input="G">		<type="Cu" input="G">

Appendix 2: Amounts withdrawn during the accounting year

Priority	WITHDRAWALS	
	Total eligible amount of expenditure included in interim payment applications	Corresponding public contribution
	(A)	(B)
<u>Priority 1</u>		
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions	<type="Cu" input="M">	<type="Cu" input="M">
Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">
<u>Priority 2</u>		
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions	<type="Cu" input="M">	<type="Cu" input="M">
Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">
<u>Priority 3</u>		
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions		
Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">
<u>Priority 4</u>		
<u>Totals</u>		
Less developed regions	<type="Cu" input="G">	<type="Cu" input="G">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="G">	<type="Cu" input="G">
Outermost regions	<type="Cu" input="M">	<type="Cu" input="M">
Northern sparsely populated regions	<type="Cu" input="G">	<type="Cu" input="G">
GRAND TOTAL	<type="Cu" input="G">	<type="Cu" input="G">
Split of amounts withdrawn during the accounting year by accounting year of		

declaration of the corresponding expenditure		
In relation to accounting year ending 30 June XX ... (total)	<type="Cu" input="M">	<type="Cu" input="M">
In particular, out of which amounts corrected as a result of audits of operations	<type="Cu" input="M">	<type="Cu" input="M">
In relation to accounting year ending 30 June ... (total)	<type="Cu" input="M">	<type="Cu" input="M">
In particular, out of which amounts corrected as a result of audits of operations	<type="Cu" input="M">	<type="Cu" input="M">

The template is automatically adjusted on the basis of the CCI No. As an example, in case of programmes not including categories of regions (Cohesion Fund, ETC, EMFF, if applicable) or in case of programmes not modulating co-financing rates within a priority (specific objective), the table shall look as follows:

Priority	WITHDRAWALS	
	Total eligible amount of expenditure included in payment applications	Corresponding public contribution
	(A)	(B)
<u>Priority 1</u>	<type="Cu" input="M">	<type="Cu" input="M">
<u>Priority 2</u>	<type="Cu" input="M">	<type="Cu" input="M">
<u>Priority 3</u>	<type="Cu" input="M">	<type="Cu" input="M">
GRAND TOTAL	<type="Cu" input="G">	<type="Cu" input="G">
Split of amounts withdrawn during the accounting year by accounting year of declaration of the corresponding expenditure		
In relation to accounting year ending 30 June XX ... (total)	<type="Cu" input="M">	<type="Cu" input="M">
In particular, out of which amounts corrected as a result of audits of operations	<type="Cu" input="M">	<type="Cu" input="M">
In relation to accounting year ending 30 June ... (total)	<type="Cu" input="M">	<type="Cu" input="M">
In particular, out of which amounts corrected as a result of audits of operations	<type="Cu" input="M">	<type="Cu" input="M">

Or

Applicable for AMIF/ISF and BMVI Funds only

Specific objective	WITHDRAWALS	
	Total eligible amount of expenditure included in payment applications	Corresponding public expenditure
	(A)	(B)
<u>Specific objective 1</u>		
Type of actions no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">
Type of actions no 2 [Reference to Article 8(2) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">
Type of actions no 3 [Reference to Article 8(3) and 8(4) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">
Type of actions no 4 [Reference to Article 14 and 15 of AMIF Regulation]	<type="Cu" input="M">	<type="Cu" input="M">
<u>Specific objective 2</u>		
Type of actions no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">
Type of actions no 2 [Reference to Article 8(2) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">
Type of actions no 3 [Reference to Article 8(3) and 8(4) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">
<u>Specific objective 3</u>		
Type of actions no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">
Type of actions no 2 [Reference to Article 8(2) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">
Type of actions no 3 [Reference to Article 8(3) and 8(4) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">
<u>Totals</u>		
Type of actions no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="G">	<type="Cu" input="G">
Type of actions no 2 [Reference to Article 8(2) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="G">	<type="Cu" input="G">
Type of actions no 3 [Reference to Article 8(3) and 8(4) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="G">	<type="Cu" input="G">
Type of actions no 4 [Reference to Article 14 and 15 of AMIF Regulation]	<type="Cu" input="G">	<type="Cu" input="G">
GRAND TOTAL	<type="Cu" input="G">	<type="Cu" input="G">
Split of amounts withdrawn during the accounting year by accounting year of declaration of the corresponding expenditure		

In relation to accounting year ending 30 June ... (total)	<type="Cu" input="M">	<type="Cu" input="M">
In particular, out of which amounts corrected as a result of audits of operations	<type="Cu" input="M">	<type="Cu" input="M">
In relation to accounting year ending 30 June ... (total)	<type="Cu" input="M">	<type="Cu" input="M">
In particular, out of which amounts corrected as a result of audits of operations	<type="Cu" input="M">	<type="Cu" input="M">

Appendix 3: Amounts of programme contributions paid to financial instruments (cumulative from the start of the programme) - Article 86

	Amount included in the first payment application and paid to the financial instrument in accordance with Article 86 (max [25%] of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)		Corresponding cleared amount as referred to in Article 86(3) ¹	
	(A)	(B)	(C)	(D)
Priority	Total amount of programme contributions paid to financial instruments	Amount of corresponding public contribution	Total amount of programme contributions effectively paid, or, in the case of guarantees, committed, as eligible expenditure in the meaning of Article 86	Amount of corresponding public contribution
<u>Priority 1</u>				
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
<u>Priority 2</u>	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

¹ This amount shall not be included in payment applications

Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
<u>Priority 3</u>	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Less developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Outermost regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Northern sparsely populated regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
<u>Priority 4</u>				

<u>Totals</u>				
Less developed regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Transition regions	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
More developed regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Outermost regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Northern sparsely populated regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">
Grand Total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

The template is automatically adjusted on the basis of the CCI No. As an example, in case of programmes not including categories of regions (Cohesion Fund, ETC, EMFF, if applicable) or in case of programmes not modulating co-financing rates within a priority (specific objective), the table shall look as follows:

	Amount included in the first payment application and paid to the financial instrument in accordance with Article 86 (max [25%] of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)		Corresponding cleared amount as referred to in Article 86(3) ²	
	(A)	(B)	(C)	(D)
Priority	Total amount of programme contributions paid to financial instruments	Amount of corresponding public contribution	Total amount of programme contributions effectively paid, or, in the case of guarantees, committed, as eligible expenditure in the meaning of Article 86	Amount of corresponding public contribution
<u>Priority 1</u>	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
<u>Priority 2</u>	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
<u>Priority 3</u>	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
<i>Grand Total</i>	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">

²

This amount shall not be included in payment applications

Or

Applicable for AMIF/ISF and BMVI Funds only

	Amount included in the first payment application and paid to the financial instrument in accordance with Article 86 (max [25%] of the total amount of programme contributions committed to [the] financial instrument[s] under the relevant funding agreement)		Corresponding cleared amount as referred to in Article 86(3) ³	
	(A)	(B)	(C)	(D)
	Total amount of programme contributions paid to financial instruments	Amount of corresponding public contribution	Total amount of programme contributions effectively paid, or, in the case of guarantees, committed, as eligible expenditure in the meaning of Article 86	Amount of corresponding public contribution
Specific objective 1				
Type of actions no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 2				
Type of actions no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">
Specific objective 3				
Type of actions no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">	<type="Cu" input="M">

3

This amount shall not be included in the payment application.

Grand Total	<code><type="Cu" input="G"></code>	<code><type="Cu" input="G"></code>	<code><type="Cu" input="G"></code>	<code><type="Cu" input="G"></code>
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Appendix 4: Reconciliation of expenditure - Article 92

Priority	Total eligible expenditure included in payment applications submitted to the Commission		Expenditure declared in accordance with Article 92 of the Regulation		Difference		Comments (obligatory in case of difference)
	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Total amount of public contribution paid or to be paid in implementing operations	Total amount of eligible expenditure entered into the accounting systems of the accounting function and which has been included in payment applications submitted to the Commission	Total amount of the corresponding contribution made or to be made in implementing operations	(E=A-C)	(F=B-D)	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
<u>Priority 1</u>							
Less developed regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="S" maxlength="500" input="M">
Transition regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="S" maxlength="500" input="M">
More developed regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="S" maxlength="500" input="M">
Outermost	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="S" maxlength="500" input="M">

Priority	Total eligible expenditure included in payment applications submitted to the Commission		Expenditure declared in accordance with Article 92 of the Regulation		Difference		Comments (obligatory in case of difference)
	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Total amount of public contribution paid or to be paid in implementing operations	Total amount of eligible expenditure entered into the accounting systems of the accounting function and which has been included in payment applications submitted to the Commission	Total amount of the corresponding contribution made or to be made in implementing operations	(E=A-C)	(F=B-D)	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
regions	u" input="G">	u" input="G">	input="G">	input="G">	"Cu" input="G">	"Cu" input="G">	input="M">
Northern sparsely populated regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="S" maxlength="500" input="M">
<u>Priority 2</u>							
Less developed regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="S" maxlength="500" input="M">
Transition regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="S" maxlength="500" input="M">
More developed	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="S" maxlength="500" input="M">

Priority	Total eligible expenditure included in payment applications submitted to the Commission		Expenditure declared in accordance with Article 92 of the Regulation		Difference		Comments (obligatory in case of difference)
	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Total amount of public contribution paid or to be paid in implementing operations	Total amount of eligible expenditure entered into the accounting systems of the accounting function and which has been included in payment applications submitted to the Commission	Total amount of the corresponding contribution made or to be made in implementing operations	(E=A-C)	(F=B-D)	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
regions	input="G">	input="G">			input="G">	input="G">	
Outermost regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="S" maxlength="500" input="M">
Northern sparsely populated regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="S" maxlength="500" input="M">
<u>Priority 3</u>							
<u>Totals</u>							
Less developed regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	
Transition	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	

Priority	Total eligible expenditure included in payment applications submitted to the Commission		Expenditure declared in accordance with Article 92 of the Regulation		Difference		Comments (obligatory in case of difference)
	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Total amount of public contribution paid or to be paid in implementing operations	Total amount of eligible expenditure entered into the accounting systems of the accounting function and which has been included in payment applications submitted to the Commission	Total amount of the corresponding contribution made or to be made in implementing operations	(E=A-C)	(F=B-D)	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
regions	u" input="G">	u" input="G">	input="G">	input="G">	"Cu" input="G">	"Cu" input="G">	
More developed regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	
Outermost regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	
Northern sparsely populated regions	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	
Grand Total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	

Priority	Total eligible expenditure included in payment applications submitted to the Commission		Expenditure declared in accordance with Article 92 of the Regulation		Difference		Comments (obligatory in case of difference)
	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Total amount of public contribution paid or to be paid in implementing operations	Total amount of eligible expenditure entered into the accounting systems of the accounting function and which has been included in payment applications submitted to the Commission	Total amount of the corresponding contribution made or to be made in implementing operations	(E=A-C)	(F=B-D)	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	input="G">	input="G">			input="G">	input="G">	
Out of which amounts corrected in the current accounts as a result of audits according					<type="Cu" input="M">	<type="Cu" input="M">	

Or
Applicable for AMIF/ISF and BMVI Funds only

Specific Objective	Total eligible expenditure included in payment applications submitted to the Commission		Expenditure declared in accordance with Article 92 of the Regulation		Difference		Comments (obligatory in case of difference)
	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Total amount of public contribution paid or to be paid in implementing operations	Total amount of eligible expenditure entered into the accounting systems of the accounting function and which has been included in payment applications submitted to the Commission	Total amount of the corresponding contribution made or to be made in implementing operations	(E=A-C)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Total amount of public contribution paid or to be paid in implementing operations
	(A)	(B)	(C)	(D)	(E)	(A)	(B)
<u>Specific objective 1</u>							
Type of actions no 1 [Reference to Article 8(1) of AMIF/ISF/BMVI Regulation]	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="S" maxlength="500" input="M">
Type of	<type="C	<type="C	<type="Cu	<type="C	<type	<type="C	<type="S" maxlength="500"

Specific Objective	Total eligible expenditure included in payment applications submitted to the Commission		Expenditure declared in accordance with Article 92 of the Regulation		Difference		Comments (obligatory in case of difference)
	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Total amount of public contribution paid or to be paid in implementing operations	Total amount of eligible expenditure entered into the accounting systems of the accounting function and which has been included in payment applications submitted to the Commission	Total amount of the corresponding contribution made or to be made in implementing operations	(E=A-C)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Total amount of public contribution paid or to be paid in implementing operations
	(A)	(B)	(C)	(D)	(E)	(A)	(B)
actions no 2 [Reference to Article 8(2) of AMIF/ISF/B MVI Regulation]	<code><type="Cu" input="G"></code>	<code><type="Cu" input="G"></code>	<code><type="Cu" input="G"></code>	<code><type="Cu" input="G"></code>	<code><type="Cu" input="G"></code>	<code><type="Cu" input="G"></code>	<code><type="S" input="M"></code>
Type of actions no 3 [Reference to Article 8(3) and 8(4) of AMIF/ISF/B MVI Regulation]	<code><type="Cu" input="G"></code>	<code><type="Cu" input="G"></code>	<code><type="Cu" input="G"></code>	<code><type="Cu" input="G"></code>	<code><type="Cu" input="G"></code>	<code><type="Cu" input="G"></code>	<code><type="S" input="M" maxlength="500"></code>

Specific Objective	Total eligible expenditure included in payment applications submitted to the Commission		Expenditure declared in accordance with Article 92 of the Regulation		Difference		Comments (obligatory in case of difference)
	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Total amount of public contribution paid or to be paid in implementing operations	Total amount of eligible expenditure entered into the accounting systems of the accounting function and which has been included in payment applications submitted to the Commission	Total amount of the corresponding contribution made or to be made in implementing operations	(E=A-C)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Total amount of public contribution paid or to be paid in implementing operations
	(A)	(B)	(C)	(D)	(E)	(A)	(B)
Type of actions no 4 [Reference to Article 14 and 15 of AMIF Regulation]	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="S" maxlength="500" input="M">
<u>Specific objective 2</u>							
Type of actions no 1 [Reference to Article 8(1) of AMIF/ISF/B MVI]	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="S" maxlength="500" input="M">

Specific Objective	Total eligible expenditure included in payment applications submitted to the Commission		Expenditure declared in accordance with Article 92 of the Regulation		Difference		Comments (obligatory in case of difference)
	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Total amount of public contribution paid or to be paid in implementing operations	Total amount of eligible expenditure entered into the accounting systems of the accounting function and which has been included in payment applications submitted to the Commission	Total amount of the corresponding contribution made or to be made in implementing operations	(E=A-C)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Total amount of public contribution paid or to be paid in implementing operations
	(A)	(B)	(C)	(D)	(E)	(A)	(B)
Regulation]							
Type of actions no 2 [Reference to Article 8(2) of AMIF/ISF/B MVI Regulation]	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="S" maxlength="500" input="M">
Type of actions no 3 [Reference to Article 8(3) and 8(4) of AMIF/ISF/B	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="S" maxlength="500" input="M">

Specific Objective	Total eligible expenditure included in payment applications submitted to the Commission		Expenditure declared in accordance with Article 92 of the Regulation		Difference		Comments (obligatory in case of difference)
	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Total amount of public contribution paid or to be paid in implementing operations	Total amount of eligible expenditure entered into the accounting systems of the accounting function and which has been included in payment applications submitted to the Commission	Total amount of the corresponding contribution made or to be made in implementing operations	(E=A-C)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Total amount of public contribution paid or to be paid in implementing operations
	(A)	(B)	(C)	(D)	(E)	(A)	(B)
MVI Regulation]							
ect							
Grand Total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	
Out of which amounts corrected in the current accounts as a result of audits according					<type="Cu" input="M">	<type="Cu" input="M">	

The template is automatically adjusted on the basis of the CCI No. As an example, in case of programmes not including categories of regions (Cohesion Fund, ETC, EMFF, if applicable) or in case of programmes not modulating co-financing rates within a priority (specific objective), the table shall look as follows:

Priority	Total eligible expenditure included in payment applications submitted to the Commission		Expenditure declared in accordance with Article XX of the Regulation		Difference		Comments (obligatory in case of difference)
	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Total amount of public contribution paid or to be paid in implementing operations	Total amount of eligible expenditure entered into the accounting systems of the accounting function and which has been included in interim payment applications submitted to the Commission	Total amount of the corresponding contribution made or to be made in implementing operations	(E=A-C)	(F=B-D)	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
<u>Priority 1</u>	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="S" maxlength="500" input="M">
<u>Priority 2</u>	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="S" maxlength="500" input="M">

Priority	Total eligible expenditure included in payment applications submitted to the Commission		Expenditure declared in accordance with Article XX of the Regulation		Difference		Comments (obligatory in case of difference)
	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations	Total amount of public contribution paid or to be paid in implementing operations	Total amount of eligible expenditure entered into the accounting systems of the accounting function and which has been included in interim payment applications submitted to the Commission	Total amount of the corresponding contribution made or to be made in implementing operations	(E=A-C)	(F=B-D)	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Grand Total	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	<type="Cu" input="G">	
Out of which amounts corrected in the current accounts as a result of audits					<type="Cu" input="M">	<type="Cu" input="M">	

ANNEX XXI

Determination of the level of financial corrections: flat-rate and extrapolated financial corrections – Article 98(1)

Elements for applying an extrapolated correction

Where extrapolated financial corrections are to be applied, the results of the examination of the representative sample are extrapolated to the rest of the population from which the sample was drawn for purposes of determining the financial correction.

Elements for consideration when applying a flat rate correction

- (a) gravity of the serious deficiency(-ies) in the context of the management and control system as a whole;
- (b) the frequency and extent of the serious deficiency(-ies);
- (c) the degree of financial prejudice to the Union budget.

The level of flat rate financial correction is determined as follows:

- (a) where the serious deficiency(-ies) is so fundamental, frequent or widespread that it represents a complete failure of the system that puts at risk the legality and regularity of all expenditure concerned, a flat rate of 100 % is applied;
- (b) where the serious deficiency(-ies) is so frequent and widespread that it represents an extremely serious failure of the system that puts at risk the legality and regularity of a very high proportion of the expenditure concerned, a flat rate of 25 % is applied;
- (c) where the serious deficiency(-ies) is due to the system not fully functioning or functioning so poorly or so infrequently that it puts at risk the legality and regularity of a high proportion of the expenditure concerned, a flat rate of 10 % is applied;
- (d) where the serious deficiency(-ies) is due to the system not functioning consistently so that it puts at risk the legality and regularity of a significant proportion of the expenditure concerned, a flat rate of 5 % is applied.

Where, due to a failure of the responsible authorities to take corrective measures following the application of a financial correction in an accounting year, the same serious deficiency (-ies) is identified in a subsequent accounting year, the rate of correction may, due to the persistence of the serious deficiency(-ies) be increased to a level not exceeding that of the next higher category.

ANNEX XXII

Methodology on the allocation of global resources per Member State – Article 103(2)

Working document