

# Guidance on Closure

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*EEA and Norway Grants 2014 – 2021*

March 2024

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## **Purpose and scope**

The Regulation on the implementation of the European Economic Area (EEA) Financial Mechanism 2014-2021 and the Regulation on the implementation of the Norwegian Financial Mechanism 2014-2021 ('Regulations') contain provisions on obligations that

- the Programme Operators,
- the National Focal Points,
- the Irregularities Authorities,
- the Certifying Authorities, and
- the Audit Authorities

must undertake during programme development, implementation and closure.

The purpose of this Guidance is to give the relevant national entities an overview of the main tasks that need to be completed in the closure phase of the programme, and by which time, **before** and **after** the Final Programme Report is submitted to the Donors and a programme is closed.

This Guidance highlights the most important **deadlines** and explains the relevant **rules and concepts** needed for a successful completion of projects and closure of the programmes. It is intended to serve as an easy reference document for the involved entities.

The Guidance contains, besides references and explanations of the applicable rules, also practical examples and instructions on the procedures to be followed for a successful closure of programmes.

This document also covers the basic elements of:

- the submission of the final Strategic Report by the National Focal Point and closure of the Bilateral Fund,
- the closure of the Technical Assistance Fund.

This document does **not** address the closure of programmes directly contracted by the Financial Mechanism Office (FMO).

This is a non-legally binding Guidance document. However, it does contain references to binding rules stipulated in the applicable legal framework, including in guidelines and instructions provided by the Donors. In the event of any discrepancies between this document and the Regulations, the Regulations prevail.

### The most important dates for Programme Operators

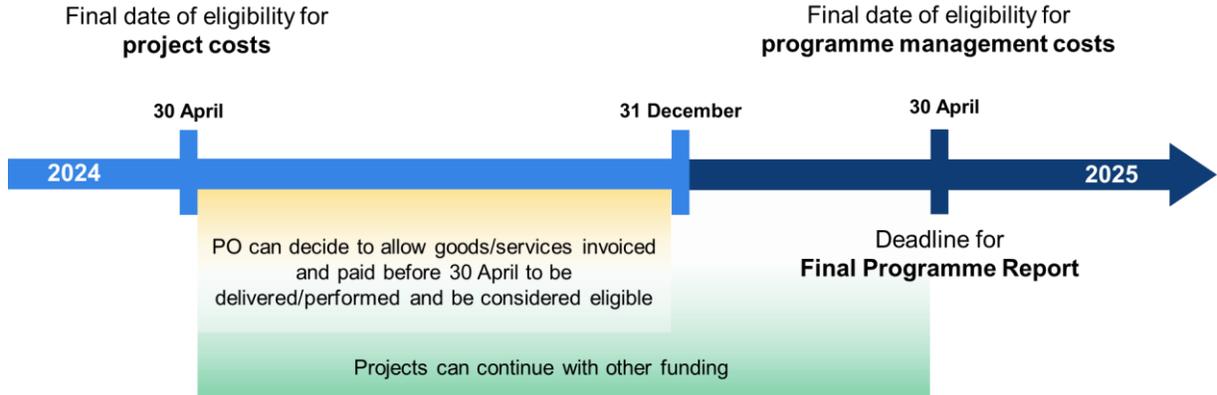


Figure 1: Dates relevant to Closure processes for Programme Operators

### The most important dates for the Bilateral Fund, Technical Assistance and Strategic Reports

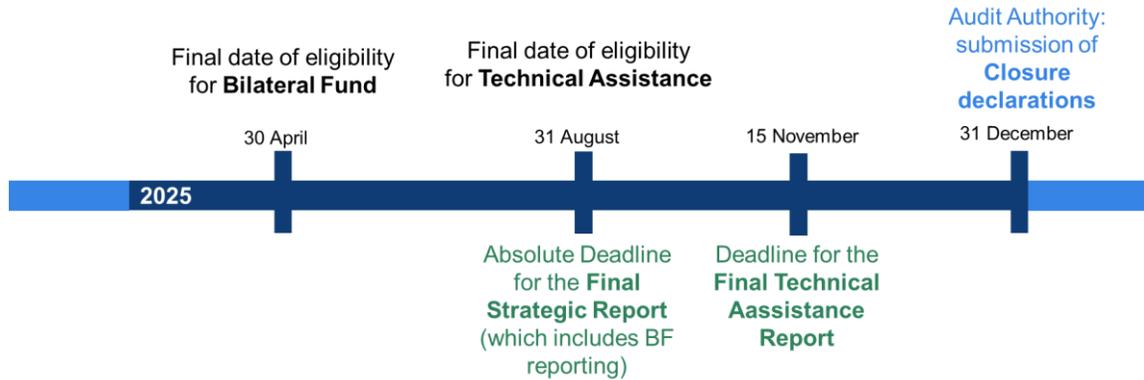


Figure 2: Dates relevant to Closure processes for National Focal Points

## 1. Project completion

**A project is considered completed when all the activities planned in the project contract have been completed.**

This is the only condition for registering projects as completed in Project Level Information (PLI) in GrACE. This status does not have to match that of the Programme Operator at the time of submission of the Final Programme Report.

The existence of budget savings at the end of a project and/or not meeting the outcome and/or output targets does not preclude the project from being considered completed.

The Programme Operators are strongly encouraged to ensure that the final project reports are approved and all the outstanding financial obligations regarding the projects are settled before the submission of the Final Programme Report. However, these activities do not affect the final status of the project to be reported to the Donors.

Any potential pending recoveries from projects (e.g., due to irregularities) also do not affect reporting the project as completed if the condition listed above is fulfilled.

When the Final Programme Report is submitted, the projects can be registered in GrACE as: 'completed', 'partially completed', 'terminated' or 'cancelled'.

**A project is considered cancelled when the project has been awarded but the project contract has never been signed.**

Statuses 'partially completed' and 'terminated' are clarified in the following sections of the document.

### 1.1.1. Eligibility of expenditures in projects

The **final date of eligibility** of project expenditures is stated in each individual project contract. This date can be **no later than 30 April 2024** in accordance with Article 8.13.3 of the Regulations.

After the final date of eligibility of expenditures in projects, no costs are eligible. Only project costs incurred by this date may be claimed from the EEA and Norway Financial Mechanisms. 'Incurred' means that the invoices need to have been issued to the project promoter/partner, paid by the project promoter/partner, and the subject matter delivered or services/works performed by the supplier.

The Regulations, in Article 8.2.3, allow for two mutually exclusive exceptions, i.e., Project Promoters and/or partners can use either the first or the second exception per service or work paid for from the project budget.

**Exception no. 1:** Costs for which an **invoice has been issued in the final month of eligibility** are also deemed to be incurred within the dates of eligibility if the corresponding costs are paid within 30

calendar days of the final date of eligibility – meaning at latest **until 30 May 2024** (or earlier for projects that end before 30 April 2024). In relation to this exception, salaries of the Project Promoter and Partners' staff should be considered eligible if paid until 31 May 2024 even if the salary slips/or timesheets were done in May by the relevant HR/admin services. For salaries, there is no proper 'invoice'. The fact that the staff was hired by the promoter and partner has the value of an existing invoice. However, it is important for the Programme Operator to be able, from the salary slip or timesheet, to conclude that the salary is paid for work done by the staff during the month of April 2024.

**Exception no. 2:** Programme Operators may also allow for project expenditure to be considered incurred within the dates of eligibility if the **cost has been invoiced and paid by 30 April 2024**, and the subject matter has been delivered (in case of goods) or performed (in case of services and works) by a later date, but no later than **31 December 2024**. The Programme Operators should be aware that granting this exception to projects might shorten the period for preparing and finalising their Final Programme Report.

The use of an escrow account can serve as an eligible form of payment for services by a contractor provided that payment into an escrow account is considered payment under the terms of the contract between the Project Promoter and the contractor. Additionally, the payment into the escrow account should occur by the specified date in Article 8.2.3 of the Regulation, 30 April 2024.

However, any costs related to the opening and operation of an escrow account cannot be considered as eligible expenses as they are excluded costs according to Article 8.7.2 (b), unless these costs are imposed by the project contract.

The use of the second exception remains at the discretion of the Programme Operator taking into account any possible national constraints in this regard.

For example (for the project that ends on 30 April 2024):

- If the Project Promoter presents an invoice for services dated on 20 April 2024, for which the payment was made by the Project Promoter on 15 May 2024 (based on the transaction date on the bank statement as the date of the transfer of funds), and where the services were delivered on 7 September 2024, the cost **cannot be considered eligible** as the payment was not made before 30 April 2024.
- If the invoice is dated on 20 April 2024, its payment is made on 30 April 2024, and the services are delivered on 7 September 2024, the costs could be considered eligible by the Programme Operator if this was allowed by the Programme Operator.
- If a report by an auditor is needed as proof of expenditure for costs incurred by a partner, if costs for that report are invoiced by the auditor and paid by the partner after 30 April 2024, they will **not be considered eligible**. If they were invoiced and the report delivered before 30 April 2024, and paid after that date (but by 30 May 2024), they **can be considered eligible**.
- Similarly, any costs (including the costs for managing the project related, for example, to project reporting to the Programme Operator) paid by the Project Promoter after 30 April 2024 for goods/services delivered after 30 April 2024, which are necessary for finalising the project, will **not be considered eligible**.

**Overheads** and **depreciation of equipment** are considered to have been incurred when they are recorded on the accounts of the Project Promoter and/or project partner.

Detailed provisions on eligibility of expenditures in projects are laid down in Articles 8.2 to 8.7 and 8.9, and Article 8.13 of the Regulations.

### **1.1.2. Completion of projects with additional funds**

If a project cannot be completed before the final date of eligibility, Article 8.13.4 of the Regulations states that the Programme Operator must ensure that **funds are made available** to complete the project in a **timely manner** or otherwise reimburse to the Donors their financial contribution to the project.

This means that **projects finalized with other funds must be reported as completed in the Final Programme Report**, which must be submitted to the FMO by 30 April 2025. This allows projects additional time to finalise activities with other funds, beyond 30 April 2024. Sufficient time should also be allowed in this period (between 30 April 2024 and 30 April 2025) for all administrative procedures to be completed before the submission of the Final Programme Report, including the tasks of the Certifying Authority. Therefore, such projects will in practice have to be finalised with other funds in due time before the submission of the Final Programme Report.

Any funds incurred by projects beyond 30 April 2024 are not to be considered part of the project eligible expenditure and thus not to be taken into account for the calculation of the final eligible expenditure of the project or the project grant rate.

**There are no restrictions or conditions on what funding sources can be used after 30 April 2024<sup>1</sup>.**

The **amount** of the additional funding used for project completion **must be indicated in the final registration of the Project Level Information (PLI)** in GrACE.

Results achieved through funding from other sources between 1 May 2024 and the submission of the Final Programme Report in April 2025 will be viewed as part of the projects'/programmes' results.

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<sup>1</sup> For example, national funding or additional project promoter's own funds could be used, among other sources.

## 1.2. Partially completed projects

Annex 5 of the Final Programme Report requires to specify the status of all projects contracted under a given programme: completed, partially completed, terminated or cancelled. The Annex is automatically populated with links to each Project Level Information (PLI) stored in GrACE – that is why each PLI within the programme must be up-to-date.

FPR Annex 5  
“Contracted  
projects”

**A project qualifies as ‘partially completed’ when some but not all the activities planned in the project contract have been completed by its contracted end date.**

The partially completed projects need to be signalled by the Programme Operator via GrACE in their PLI as soon as the information is known. It is important that information on these partially completed projects, including details about the project budget and components/activities, is noted in GrACE under the project’s PLI with as much level of detail as possible, so that it constitutes the basis for further reporting. The status ‘Partially completed’ is available in GrACE under each PLI as well as a text field ‘Reason for partial completion’ which can be used for the submission of additional details.

If a project cannot be completed before the final date of eligibility and the Programme Operator cannot ensure that funds are made available to complete the project in a timely manner, the Programme Operator must reimburse to the Donors their financial contribution to the project.

The Certifying Authority is responsible for ensuring that amounts recovered or subject to a future recovery from the project are **reimbursed to the FMO**. Those amounts need to be included and accounted for by the Programme Operator either in the Interim financial reports or in the Financial report for the last reporting period (Annex 1 to the Final Programme Report). Consequently, they will be automatically included in the calculation of the final balance in the Final Programme Report. In case an amount is not recovered from a project before the end of the project eligibility period and Final Programme Report submission, it will need to be included in the Certifying Authority for certification.

FPR Annex 1  
“Financial  
report for the  
last reporting  
period”

For partially completed projects that qualify for partial or full reimbursement of their EEA and/or Norway grant amount back to the FMO, the relevant project grant amounts that were reported to the FMO as incurred must be recorded as a negative adjustment (‘Recovery due to (partial) non-completion of a project’) in the financial report for the last reporting period of the programme, if such adjustment was not registered in any of previous Interim Financial Reports.

Where projects are reported as partially completed in the Final Programme Report, only costs associated with **completed viable and identifiable components** of the project may be considered eligible and included in the final balance.

**The Donors communicated to the National Focal Points on 28 October 2022 that the assessment and decision regarding which components of a project can be counted as completed, viable and identifiable are delegated to the Beneficiary States, with the exception of:**

- **all pre-defined projects**
- projects receiving<sup>2</sup> a grant from the programme equal to or greater than **EUR 2,000,000** (including national co-financing at programme level but excluding project co-financing).

### 1.2.1. Assessment of viable and identifiable components by the Beneficiary States

In exercising their discretion, Beneficiary States should apply the following when determining which components can be counted as completed, viable and identifiable:

- Components are ‘**viable**’ when it can be shown that they are in a condition to be able to fulfil their objectives without further work.
- Components are ‘**identifiable**’ when their monetary value can be established.

For the components to be viable and identifiable they also need to:

- be included in the project contract and contribute to the results of the project, and
- the associated costs have been incurred in compliance with the eligibility rules.

The table below communicated to National Focal Points on 28 October 2022 provides guidance and examples on which project deliverables and related activities can or cannot be counted as completed, viable and identifiable components:

Type of deliverable / activity	Examples of what <b>CAN</b> be counted as completed, viable and identifiable	Examples of what <b>CANNOT</b> be counted as completed, viable and identifiable
<b>Infrastructure</b> (e.g., buildings, energy generation facilities, green/blue infrastructure)	<ul style="list-style-type: none"> <li>• Fully completed components of infrastructure deliverables (e.g., a floor (storey) or a wing of a building, energy generation units, heat exchangers, green/ blue infrastructure elements) that are ready to be put to intended use without further works</li> <li>• Equipment delivered</li> <li>• Construction/renovation-related studies completed</li> <li>• Completed connections to the electric grid, sewage, water, gas, heating or other utilities, even if not yet in operation</li> </ul>	<ul style="list-style-type: none"> <li>• Partially completed components of infrastructure deliverables, i.e., components that cannot be put to intended use without further works. For example, missing roof or missing windows, or only some of the floors completed.</li> </ul>

<sup>2</sup> This means the contracted value of the grant (as per project contract).

Type of deliverable / activity	Examples of what <b>CAN</b> be counted as completed, viable and identifiable	Examples of what <b>CANNOT</b> be counted as completed, viable and identifiable
<b>Services</b>	<ul style="list-style-type: none"> <li>• Goods, equipment and services delivered even if the project output targets were not fully met</li> </ul>	<ul style="list-style-type: none"> <li>• The portion of goods and services paid for by the project promoter but not delivered by the contractor</li> </ul>
<b>Capacity building</b>	<ul style="list-style-type: none"> <li>• Capacity building (training, technical assistance, conferences, etc.) and equipment delivered even if the project output targets were not fully met</li> </ul>	<ul style="list-style-type: none"> <li>• The portion of goods and services paid for by the project promoter but not delivered by the contractor</li> </ul>
<b>Research and innovation</b>	<ul style="list-style-type: none"> <li>• Activities carried out, equipment and services delivered, even if the final deliverables are not completed</li> </ul>	<ul style="list-style-type: none"> <li>• The portion of goods and services paid for by the project promoter but not delivered by the contractor</li> </ul>
<b>Awareness raising / advocacy / lobbying</b>	<ul style="list-style-type: none"> <li>• Activities and campaigns carried out, services delivered, even if the project output targets were not fully met</li> </ul>	<ul style="list-style-type: none"> <li>• The portion of goods and services paid for by the project promoter but not delivered by the contractor</li> </ul>
<b>Written deliverables</b> (such as studies, strategies, mapping, curricula, etc.)	<ul style="list-style-type: none"> <li>• Activities carried out towards producing written deliverables such as studies, strategies, mapping or curricula, even if the deliverables themselves are only partially completed</li> </ul>	<ul style="list-style-type: none"> <li>• The portion of goods and services paid for by the project promoter but not delivered by the contractor</li> </ul>

For example, where a project should have delivered three trainings, but only two trainings were delivered, the costs for the two trainings delivered should be considered eligible even if not all the expected deliverables were met.

As another example, for a building under construction, where the walls are standing but the roof and the windows have not been installed, the overall construction costs of the building concerned should not be considered eligible.

Beneficiary States are expected to follow these examples as closely as possible in making their decisions. Beneficiary States are expected to establish procedures and to provide guidance to project promoters and partners, in advance of the final date of eligibility.

Beneficiary States **are required to report on all decisions taken in the case of partially completed projects in the Final Programme Report:**

FPR Annex 6  
"Partially completed projects"

- for partially completed projects which are **pre-defined** or with a grant amount equal to or greater than **EUR 2,000,000** (including national co-financing at programme level but excluding project co-financing), a detailed form must be uploaded in Annex 6 of the Final Programme Report. Annex 1 to this Guidance document provides a template for this form. The information included in the form and any additional uploaded documents will inform the **Donor's assessment** (see next section);
- for partially completed projects **under EUR 2,000,000** (including national co-financing at programme level but excluding project co-financing), the Programme Operators need to

provide a summary of their decision taken and its justification, with a focus on their assessment of the viable and identifiable components. The form in which this needs to be done and uploaded to Annex 6 of the Final Programme Report is included as Annex 2 to this Guidance.

If, based on information presented in the Final Programme Report, the Donors estimate that decisions have been taken without the respect of the above instructions, the Donors may decide to ask for **additional information** supporting those decisions and after taking into account all the evidence and views of the Beneficiary States, the **Donors may decide to proceed with financial corrections** and with a correction of the final balance of the Final Programme Report, in line with Article 13.3 of the Regulation.

### 1.2.2. Assessment of viable and identifiable components by the Donors

For partially completed **pre-defined projects** and other projects receiving a grant from the programme equal to or greater than **EUR 2,000,000** (including national co-financing at programme level but excluding project co-financing), the final assessment of viable and identifiable components and the associated costs that are considered eligible will be made by the Donors. The Donors will make this assessment, **based on the information submitted with the Final Programme Report**. For each of the projects, the assessment will start at earliest after the submission of the Final Programme Report.

Annex 1 to this guidance provides a template for the form to be submitted in Annex 6 (Partially completed projects) of the Final Programme Report.

If the conclusions of the assessment of viable and identifiable components by the Donors **contradict the final balance submitted in the Final Programme Report**, and should the Donors decide to request any (partial) reimbursement of funds, the Donors will communicate this to the Beneficiary State. They will allow for observations by the Beneficiary State, who should endeavour to submit their observations within the deadline requested by the Donors. The Donors will take a final decision after taking into account the views of the Beneficiary State. Based on that decision, the FMO may request the national authorities to resubmit the Final Programme Report or can directly correct the final balance and, if necessary, send a debit note to recover the funds.

### 1.3. Terminated projects

**Projects are considered 'terminated' when the project contract has been terminated before the project reached its contracted end date.**

Terminated projects are projects that are not completed, but unlike the partially completed projects referred to above, these projects **can no longer be completed once the project contract has been terminated**. Therefore, it is not expected that these projects may still be completed using any other funding sources after the date of 30 April 2024.

Terminated projects should have no financial implications as they **should be terminated with zero eligible costs/with no incurred costs**.

In situations where some activities/components of the project have been undertaken and the Programme Operator may consider that some costs are eligible, the projects will be treated as partially completed projects, thus requiring an assessment of viable and identifiable components of the project. The Programme Operators are required to register these projects as 'terminated' in GrACE but when registering eligible costs for them, this will trigger the need to fill out Annex 6 of the Final Programme Report.

Projects may be terminated due to the presence of **irregularities**, in which case generally the project contract is terminated based on a decision by the Programme Operator. Projects under which an irregularity triggers the termination are to be considered and assessed as to the applicable financial corrections and remaining, if any, eligible costs, in the context of the treatment of the irregularity file.

Some other projects are terminated without any irregularity but based on the **agreement of the parties** and mainly due to external factors that make the implementation of the project impossible in the view of the parties. For example, under the 2014-2021 Financial Mechanisms some projects may have needed to be terminated due to Covid-19 implications.

A terminated project will be treated as a partially completed project regarding the decision to accept eligible costs:

- for **pre-defined projects** and other projects receiving a grant from the programme **equal to or greater than EUR 2,000,000** (including national co-financing at programme level but excluding project co-financing), the assessment of the final eligibility of costs under those projects is to be done by the Donors based on the justification provided by the Programme Operator. The costs used for the components of the projects should be, as much as possible, for viable components and should be identifiable. The necessary and proportionate character of such costs will need to be justified. All the information on such projects shall also be reported in the Annex 6 of the Final Programme Report at the time when the Final Programme Report is submitted.
- for projects of a value of **less than EUR 2,000,000** (including national co-financing at programme level but excluding project co-financing), the assessment is to be done by the Programme Operator and the decisions are to be reported in the Final Programme Report, Annex 6.

## **1.4. Tasks in project completion**

### **1.4.1. Tasks of Project Promoters in project completion**

The project promoters need to ensure that all project activities were **carried out** and **reported on** according to the requirements of their respective project contracts.

Ahead of submitting their final project report, project promoters need to make sure that all of their required **project results** are accounted for and transmitted in the correct format to the Programme Operator.

Before completing a project, project promoters also need to take steps to ensure any possible **post-completion obligations** (if relevant) will be followed up and eventually met. This is especially relevant if equipment or real-estate were purchased from the project budget (ref. Articles 8.3.2, 8.6.1(d), and

8.14 of the Regulations).

Finally, project promoters need to remember that even after their project has been completed, they can be subject to **audits**, and must provide on-demand access to all information, documents, persons, locations and facilities, public or private, relevant to the audit or the verification.

#### **1.4.2. Tasks of Programme Operators in project completion**

The Programme Operators need to ensure that project promoters finalise all project activities on time, and that they submit the **final project reports** as per project contracts. The Programme Operators need to make sure that any **obligations** relating to projects, as stipulated in the respective Programme Agreements, are fulfilled. The same obligations are applicable in respect of bilateral initiatives.

The Programme Operators also need to ensure timely **final verification of reported expenditure**, and **approval of final project reports**. They should make **final payments to projects and bilateral initiatives**, keeping in mind the provisions on eligibility of projects' costs as explained in the previous section of this Guidance. Approval of final project reports and final payments to projects can take place after their project contracts have finished (also after 30 April 2024), but before expiration of the programme management budget. Any reimbursement of funds from project promoters to the Programme Operators, and payments of funds by the Programme Operators to project promoters should be settled and reported at latest in the Financial report for the last reporting period (Annex 1 in the Final Programme Report). Modifications of reported expenditure for previous reporting periods or addition of non-reported expenditure must be recorded as 'adjustments' of an appropriate type (for more details see GrACE User Manual for Interim Financial Reports, section 2.1.1).

In case of **irregularities** at project level, the Programme Operators need to collect and transmit in irregularities reports and follow-up reports, through the Irregularities Authorities, to the FMO all necessary information so that irregularities can be closed.

If any project-level **audits or monitorings** are planned or are being carried out, these need to be finalised.

In case any **conditions** relating to projects are included in the programme agreement, these need to be fulfilled and the measures taken described in Annex 7 to the Final Programme Report ('Conditions and special concerns').

The Programme Operators also need to make sure that project promoters fulfilled their **information and publicity obligations**, including that the required number of information activities on progress, achievement and results of the project is held; that information is made available on the website, including about the projects, its achievements and results, cooperation with Donor State entities, as well as pictures; and that a billboard is put up for projects where that is required, and later was replaced by a permanent commemorative plaque.

Finally, Programme Operators must make sure that correct information regarding the **Final project registration** is filled in in the **Project Level Information** (PLI) for each project in GrACE. This needs to be done before the Final Programme Report is submitted. Correctly filling in the final registration PLIs is of crucial importance, as the data will be used to pre-populate Annex 5 of the Final Programme Report ('Contracted projects').

The detailed manual on how to fill in the final project registration data is available at: <https://eeagrants.org/resources/grace-user-manual-project-level-information>



FPR Annex 5  
"Contracted  
projects"

## 2. Programme Closure

**A programme is closed when:**

- 1. the Donors have approved the Final Programme Report (Article 6.12.3)**
- 2. all the outstanding financial obligations have been settled.**

According to Article 6.12.1 of the Regulations, the Final Programme Report must provide an overall assessment of the implementation of the programme and a calculation of the final balance. This means that all activities at programme level, including for example the programme's closing event, must have been carried out prior to the submission of the Final Programme Report in order to be captured in it.

**The Final Programme Report is submitted to the FMO via GrACE.** The figure below shows the document workflow between the involved entities. The workflows will be initiated automatically by GrACE on 1 November 2024, if all previous Annual Programme Reports have been approved, any Interim Financial Reports paid, and other payments by the FMO executed. The last Annual Programme Report to be submitted to the FMO should be for the year 2023, with the submission deadline of 15 February 2024. The last year of programme implementation (i.e., 2024) must be covered in the Final Programme Report. The last Interim Financial Report is for the reporting period from January to June 2024, with the submission deadline of 15 September 2024. All eligible expenditure incurred as of July 2024 should be included in the financial report for the last reporting period (i.e., in Annex 1 to the Final Programme Report).

Further details on the entities' tasks are included in section 2.2. of this Guidance.

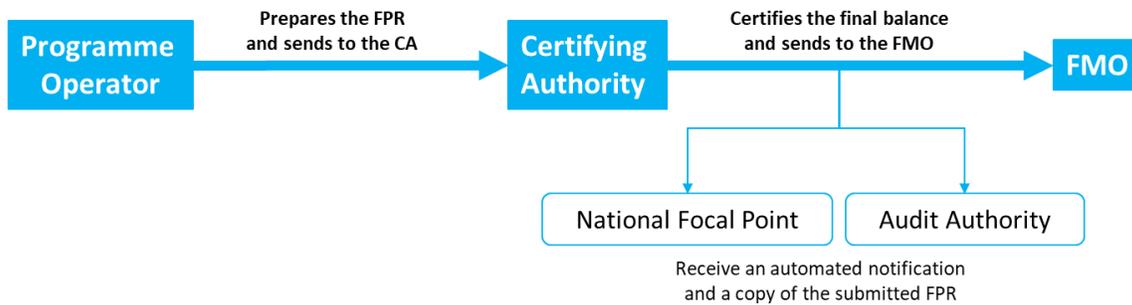


Figure 3: Workflow of Programme Closure

If the FMO deems that the Final Programme Report needs to be revised and resubmitted, the report is sent back to the Programme Operator via GrACE. Depending on the nature of the revisions needed – the Programme Operator resubmits the revised report via the Certifying Authority (in case of financial revisions, in which case the Certifying Authority needs to re-certify the Final Programme Report) or directly to the FMO (if the revisions concern the narrative parts of the report only<sup>3</sup>).

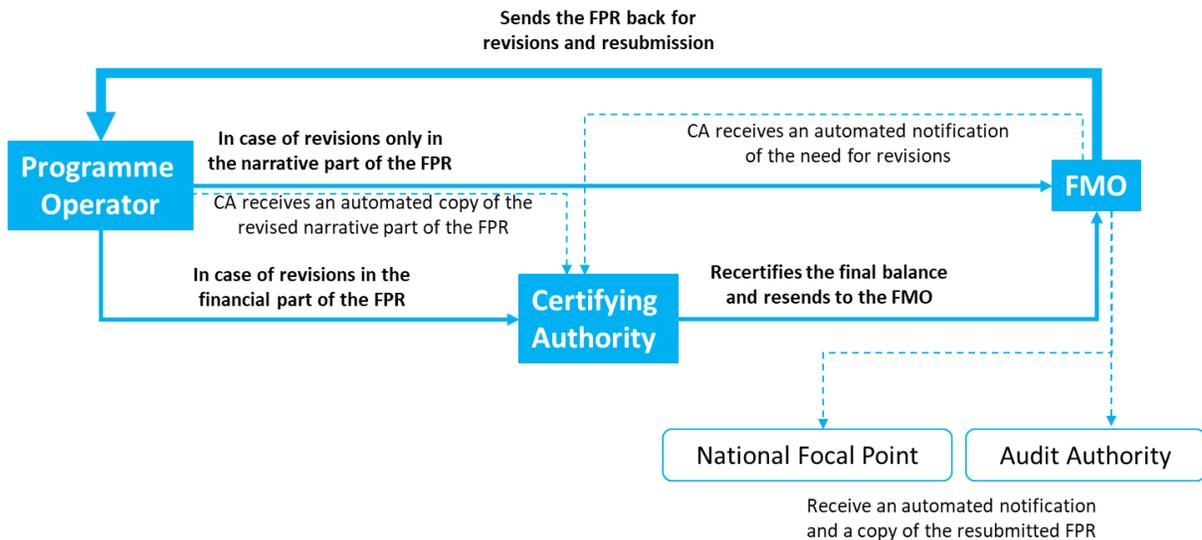


Figure 4: Workflow of Programme Closure (with resubmission)

### 2.1.1. Eligibility of expenditures in programmes

The relevant rules concerning the eligibility of projects related costs have been explained in the first part of this Guidance. Besides project related costs, a programme includes costs related to the management of the programme by the Programme Operator. The final date of eligibility of programme management costs is 30 April 2025.

The definition of incurred expenditure from Article 8.2.3 of the Regulation is applicable also to programme management costs, meaning in practice that any cost which does not meet the three criteria (invoiced, paid and delivered) before the Final Programme Report is submitted will not be considered eligible. For example, if a project audit or monitoring is being carried out by a contractor on behalf of the Programme Operator towards the end of programme management eligibility

<sup>3</sup> In this case, the resubmission process is different than for the Interim Financial Reports, where only the Certifying Authority can (re)submit the Interim Financial Report to the FMO.

period, the cost of the audit/monitoring assignment will not be eligible if the assignment has not been invoiced by the contractor, the final audit/monitoring report delivered, and the invoice paid by the Programme Operator before the Final Programme Report is submitted. However, de facto the exceptions stipulated in Article 8.2.3. cannot be used.

For example, although Article 8.2.3 of the Regulations allows that costs in respect of which an invoice has been issued in the final month of eligibility are also deemed to be incurred within the dates of eligibility if the costs are paid within 30 days of the final date for eligibility, the Programme Operators cannot report those management costs in the Final Programme Report as they have not been paid by latest possible date for the submission of the Final Programme Report. Therefore, the general principle on the eligibility of expenditures can only be applied insofar that it does not lead to breaches of obligations set in the Regulations, such as the final date of submission of the Final Programme Report. This should be kept in mind during the organisation of the tasks of Programme Operators in 2025.

The incurred expenditures for the last reporting period (from the end of the reporting period of the last Interim Financial Report until the date of submission of the Final Programme Report) and for all previous reporting periods will feed into the automatic calculation the final programme balance, payable either to the Donors or to the Programme Operator.

**FPR Annex 1**  
**“Financial report**  
**for the last**  
**reporting period”**

The final balance shall take into account the total eligible expenditure, any payment to the programme from the Donors, any co-financing from sources other than the EEA/Norwegian Financial Mechanism, total interest earned until the Final Programme Report but not reimbursed to the Donors, funds reimbursed from the project promoters to the Programme Operator, and unduly paid amounts to projects still to be recovered after the submission of the Final Programme Report.

## 2.2. Tasks in programme closure

### 2.2.1. Tasks of Programme Operators in programme closure

#### 2.2.1.1. Before submission of the Final Programme Report

There are many tasks that a Programme Operator must undertake before closing a programme, beyond overseeing that the project promoters are taking the right steps in finalising their projects.

In the Final Programme Report the Programme Operator must provide a **calculation of the final balance**, which implies that all its project- and programme-level tasks must have been completed previously.

Annex 1 of the Final Programme Report ('Financial report for the last reporting period') requests the Programme Operators to indicate whether budget flexibility measures have been applied in their programme. If this was indeed the case, the Programme Operators will be required to manually enter the values of the programme eligible expenditure after the flexibility measures have been applied, per outcome. This information is then used in the rest of the financial annex of the Final Programme Report to calculate the columns 'Total budget' and 'Available balance'.

For countries that operate in currencies other than Euro, the expenditures will be provided in national currencies and be converted into Euros by the GrACE system in a manner consistent with reporting in the Interim Financial Reports.

All the tasks related to the management costs (including for the management of bilateral activities at programme level) must be completed and reported at latest in the financial report for the last reporting period (Annex 1 to the Final Programme Report).

All pending **irregularities** must be remedied ahead of submission of the Final Programme Report. However, in cases where there are some irregularities that cannot be closed due to parallel judiciary or ongoing administrative procedures at national level, their situation should be clarified as much as possible by the Programme Operator and Irregularities Authority in the follow up reports of the irregularity case in GrACE. This situation should not prevent the Programme Operator from submitting the Final Programme Report and providing information about the expected decision and timeline in the Final Programme Report section dedicated to reporting on irregularities. The Programme Operator should take, based on the information available, a decision on the eligible costs (to be) recovered from the project promoter and/or partner concerning such irregularity. In case an amount is not recovered from a project before the end of the project eligibility period and the Final Programme Report submission, it will need to be included in the Financial report for the last reporting period (Annex 1 to the Final Programme Report) as a negative adjustment independently of its pending recovery.

In line with Article 5.6.1 (p) of the Regulations, the Programme Operator is responsible for ensuring that the Certifying Authority receives all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification.

The Donors may accept under conditions a Final Programme Report which includes financial data still subject to the outcome of national procedures on irregularities. If the Final Programme Report as accepted needs to be corrected to take into account a final decision at national level, the Donors should be informed about it and may proceed to a correction of the final balance and, if necessary, request reimbursement through a debit note.

The Donors may refrain from approving the Final Programme Report until all of the irregularity cases have been closed. The Financial Mechanism under a Beneficiary State must stay open until all

irregularities reported under that Financial Mechanism in a Beneficiary State have been closed. The term '**closed irregularity**' refers to irregularities that have been closed by the FMO and have received the status 'closed' in GrACE.

The Programme Operator must make sure that the **monitoring of the projects** as provided for in the monitoring plan annexed to the last Annual Programme Report, is finalised before the Final Programme Report is submitted to the Certifying Authority.

FPR Annex 3  
"Evaluation  
report"

Finally, the Programme Operator must ensure that all planned **evaluations of their programme**, as foreseen in the evaluation plan annexed to the last Strategic Report have been completed and the evaluation report(s) have been finalised. If the evaluation report(s) language is other than English, the Programme Operators need to ensure that there is an English language version of the **Executive Summary/ies**, as those – together with the evaluation report(s) – need to be annexed to the Final Programme Report.

The Programme Operator **must consult** the draft Final Programme Report with the **Donor Programme Partner(s)** or/and the **International Partner Organisation(s)**, where available, requesting a review of the narrative of the report, Annex 5 (Results Framework achievements) and Annex 6 (Partially completed projects). Other elements of the Final Programme Report can be consulted at the discretion of the Programme Operator. As this consultation needs to happen before the Final Programme Report is submitted to the Certifying Authority, it is paramount that enough time is allocated for this consultation to take place.

#### **2.2.1.2. When submitting the Final Programme Report**

The Programme Operator must use the Final Programme Report template available in Annex.

Please also take note of the two templates for forms on partially completed projects, annexed to this Guidance.

The Programme Operator has to forward the Final Programme Report to the Certifying Authority (CA) via GrACE sufficiently in advance of the Final Programme Report submission deadline to the FMO of 30 April 2025, in order to allow sufficient time to the Certifying Authority for certification.

The deadlines for submission of the Final Programme Reports to the Certifying Authority are set individually in each case by the relevant Certifying Authority.

After the Final Programme Report is submitted, the national authorities should remain available to provide clarifications and/or additional information (e.g., in relation to open irregularities) or make adjustments in the report upon FMO's request.

#### **2.2.1.3. After closure of programmes**

The **final balance** payable to the Programme Operator or to the Donors will be paid to the Programme Operator or reimbursed to the Donors no later than one month after Donors' approval of the Final Programme Report. In accordance with Article 9.4.5. of the Regulations, any interest earned on the bank account of the Programme Operator between the date of the submission of the Final Programme Report and the final payment/reimbursement date must be included in the final payment/reimbursement.

The amount of the interest earned on funds from the submission of the Final Programme Report

until the final payment/reimbursement date is unknown at submission. Before making the final payment or submitting any debit note to the Programme Operator, the FMO will ask the Certifying Authority about any additional interest earned. Thus, the amount of interest earned, as communicated by the Certifying Authority, will be added to the amount in the debit note issued by the FMO following the calculation of the final balance. If the FMO owes funds to the Programme Operator, then the interest earned will be offset against the amount due. Negative interest (interest paid by the Programme Operator to the bank) is not taken into account after the submission of the Final Programme Report.

Finally, in accordance with Article 9.8.3 of the Regulations, the Programme Operator needs to ensure that **documents will be kept available** for the Donors and the EFTA Board of Auditors for a period of at **least three years** following the Donors' approval of the Final Programme Report.

### **2.2.2. Tasks of National Focal Points in programme closure**

The National Focal Point has the overall responsibility for the implementation of the Financial Mechanisms in the Beneficiary State.

This implies that the National Focal Point must ensure that Programme Operators comply with all their obligations, including those described in previous paragraphs.

#### **2.2.2.1. Before submission of the Final Programme Report**

The National Focal Point, when it has also a capacity of Irregularities Authority, must follow up on **irregularity cases** and make sure that they have been addressed before the Programme Operator submits the Final Programme Report (Article 12.1.1 of the Regulations). The National Focal Point may verify the situation of irregularities with the Irregularity Authority and the Programme Operator before the Final Programme Report is submitted to the Certifying Authority.

In cases where it is not possible to close an irregularity case before submission of the Final Programme Report, the report must still be submitted to the Donors by the due date, but the Donors may decide not to approve the report until the irregularity case has been closed. See chapter 2.2.1.1. above.

The National Focal Point must also ensure that **communication** of the EEA and Norway Grants is carried out in line with the requirements set out in Annex 3 of the Regulations, until the closure of the Financial Mechanisms in the Beneficiary State. Among other requirements, the National Focal Point has the obligation to organise a **closing event** for the EEA and Norwegian Financial Mechanisms 2014-2021.

#### **2.2.2.2. After closure of programmes**

In Annex I of the Programme Agreements various **post-completion obligations** have been set, which the National Focal Point, as signatory to the Programme Agreement, is responsible for ensuring ongoing compliance with, as appropriate.

Additionally, all **supporting documents regarding expenditure and audits** on programmes must be kept available for the Donors and the EFTA Board of Auditors for a period of at least three years following the Donors' approval of the Final Programme Reports. The Beneficiary State must ensure that the supporting documents are kept either as originals or in versions certified to be in conformity with the originals on commonly accepted data carriers.

The National Focal Point must also ensure an **audit trail** for the Technical Assistance and the Fund for Bilateral Relations (Article 3.4 of the Technical Assistance Agreement and the Bilateral Fund Agreement).

The National Focal Point must **publish the approved Final Programme Reports** on their website within a month of the reports being approved by the Donors, including a summary for the general public and excluding its Annexes.

The National Focal Point should ensure that the **communication of the results** of the EEA and Norwegian Financial Mechanisms 2014-2021 (via the website/webpage) is maintained as much as possible after the closure of programmes.

### **2.2.1. Tasks of Irregularities Authorities in programme closure**

The Irregularities Authorities should ensure rapid, accurate and complete reporting to the Donors, including:

- ensuring timely contribution from the Programme Operators;
- providing timely follow-up reports on the progress made in the investigation and remedy of previously reported irregularities; and
- responding timely to any questions necessary in view of the closure of those irregularities.

### **2.2.2. Tasks of Certifying Authorities in programme closure**

According to Article 6.12.2 of the Regulations, the final programme report must be forwarded to the Donors by the Certifying Authority. It is therefore important that the Programme Operators clarify at national level with the Certifying Authority the deadline and procedure to be followed by the Programme Operators so that the Certifying Authority receives the final programme report in due time to allow for the work of the certification before the submission of the report to the FMO.

It is the Certifying Authority who is responsible for **certifying the final balance** and for **submitting the Final Programme Report** to the Donors. If an **irregularity** case is still pending when the deadline for the submission of the Final Programme Report is approaching, the Certifying Authority must certify the final balance based on the elements known at that time and submit the Final Programme Report to the Donors.

If financial corrections will be necessary as a consequence of irregularities after the Final Programme Report has been submitted, a corrected final balance may be requested from the Programme Operator and will need to be re-certified by the Certifying Authority. After all necessary financial corrections have been accounted for in the final balance, the related irregularity cases will be closed. The process for returning the Final Programme Reports to the Programme Operators and Certifying Authorities is outlined in section 2 above.

The Certifying Authority must declare in the Final Programme Report and include in the calculation of the final balance payment any **interest** earned on the Programme Operator accounts referred to in Article 9.7 of the Regulations.

The Certifying Authority must ensure that amounts recovered and amounts withdrawn following the cancellation of all or part of the financial contribution for a programme or project are **reimbursed** to the Donors (point g of Article 5.4.1 of the Regulations) prior to the submission of the Final Programme Report or included in the Financial report for the last reporting period (Annex 1 to the Final Programme Report).

### **2.2.3. Tasks of Audit Authorities in programme closure**

The Audit Authority must submit to the Donors a **final audit report** containing information on the audits carried out after 1 January 2025. The final audit report should follow the same structure as the annual audit reports as described in section 4.9 of the Financial guidance.

The report should also provide a list of open findings stemming from the audits carried out before 1 January 2025 and an indication of the steps and timing regarding their closure.

The Audit Authority must submit a **closure declaration** assessing the validity of the application for payment of the final balance claimed in the final programme report **at the latest by 31 December 2025**. This should be done via GrACE.

The closure declaration should include an overview table listing all programmes and providing the following information:

- Name of the programme;
- Total contribution of the EEA/Norway Grants as per the programme agreement;
- Total co-financing;
- Total eligible expenditure as per the programme agreement;
- Amount claimed in the final balance;
- Any irregularities or corrections identified during the final audit which might affect the final balance claimed in the final programme report;
- If applicable, the proposed corrected final balance.

The Audit Authorities are encouraged to submit the required documents **as soon as possible** after the submission of the Final Programme Report to the FMO by the Certifying Authority. The Audit Authorities will receive an automated notification with a copy of the Final Programme Report when it is submitted.

Should the closure declaration and/or the final audit report propose any corrections of the final balance, the Donors shall take this into consideration and decide on claiming the corrected amounts through an additional debit note. If considered necessary, the Donors might also decide to reopen the Final Programme Report (if already approved) and send it back to the Programme Operator and Certifying Authority for adjustments. In this case, a resubmission of the closure declaration and/or the final audit report by the Audit Authority is not required.

A template of the closure declaration will be provided to the Audit Authorities in 2024.

#### **2.2.4. Tasks of Donors in programme closure**

The Donors, through the FMO acting as a secretariat for the Grants, review the Final Programme Report and, if it meets all of the requirements, **approve it** within **two months** of reception of the report and all the relevant documents and necessary information (Regulations Article 6.12.3).

### **3. Closure of the Bilateral Fund**

The National Focal Point must submit their final Strategic Report within six months of the submission of the last Final Programme Report in their country but not later than **31 August 2025** (Article 2.6.4 of the Regulations).

The final narrative reporting on the **Bilateral Fund** is done in the relevant section of the final Strategic Report. The final financial reporting on the Bilateral Fund is done via an Annex to the final Strategic Report. Please refer to the annotated template for the Final Strategic Report (a separate document) for further details on the report's structure.

Please remember that costs incurred for managing the Bilateral Fund at national level are reimbursed to the National Focal Point (as it carries the overall responsibility for managing the Bilateral Fund) from the Technical Assistance and at programme level from the programme management budgets. Therefore, the management costs incurred by the National Focal Point must be reported and described in the Final Report for Technical Assistance and costs related to managing programme level Bilateral Fund by the respective Programme Operators in the Final Programme Reports.

As with other Strategic Reports, the final Strategic Report needs to be published on the National Focal Point's website within one month of its approval by the FMO.

Provisions relating to irregularities in the Bilateral Fund are identical to the provisions regarding irregularities in other programmes, as described earlier in this document.

### **4. Closure of the Technical Assistance Fund**

The final date of eligibility for Technical Assistance is **31 August 2025** (Art.8.11.9 of the Regulations).

The National Focal Point must submit the Final Report for Technical Assistance via the Certifying Authority no later than **15 November 2025** (Art. 8.11.10 of the Regulations and Article 2.5 of the Technical Assistance Agreement).

The last Interim Financial Report will be for the reporting period from July to December 2024, with the submission deadline of 15 March 2025. All eligible expenditure incurred as of January 2025 until the end of August 2025 should be included in the Final Report for Technical Assistance.

The final Technical Assistance report is to be submitted via GrACE and will contain a narrative text and the financial data, including the final balance. Please refer to the annotated template for the Final Report for Technical Assistance (a separate document) for further details on the report's structure.

Ahead of submission, the final balance needs to be certified by the Certifying Authority, therefore it is important to allow for enough time for the certification before the deadline for the submission of the report.

Provisions relating to irregularities in the Technical Assistance are identical to the provisions regarding irregularities in other programmes, as described earlier in this document.

**ANNEX 1: Template for the form on partially completed pre-defined projects and partially completed projects with a grant equal or above 2 million EUR**

The table template below should be filled for partially completed projects receiving a **grant from the programme equal to or greater than EUR 2,000,000** (including national co-financing at programme level but excluding project co-financing) and for partially completed **pre-defined projects**.

An individual document should be created for each project of these types.

Based on the information submitted via this form, the Donors will make the final decision on which components are considered completed, viable and identifiable and the associated costs that are considered eligible.

This form must not be used for projects which did not manage to be completed by 30 April 2024, but which **were completed before the submission of the Final Programme Report**. Such projects are considered completed.

Please note that additional information may be requested by the FMO if the Donors do not consider the information provided in this form to be sufficient to make the final decision on which components are considered completed, viable and identifiable and the associated costs that are considered eligible.

Project name:	
Project number (as per GrACE PLI):	

<p><b>1. Planned activities/components and their completion status:</b></p> <p><i>Generally, the list should be based on the headings as described in a project budget/project description. Some projects use the word 'sub-project' or 'work package' to describe its components/activities.</i></p> <p><i>For example:</i></p> <p><i>Activity A – training provided to X – completed</i></p> <p><i>Activity B – training provided to Y – not carried out</i></p> <p><i>Activity C – buying products Z – completed</i></p> <p><i>Activity D – buying products Q – partially completed</i></p>
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<p><b>2. Planned budget and incurred amounts per activity/component (both including project co-financing):</b></p> <p><i>For example:</i></p> <p><i>Activity A: planned budget XXX,XXX.XX – incurred amount: YYY,YYY.YY</i></p> <p><i>Activity B: ....</i></p>
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<p><b>3. Planned targets and actual results</b></p> <p><i>Please list the planned targets and actual results achieved in each activity / component.</i></p>
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**4. Reasons for not non-achievement**

*Provide a short! explanation for the difference(s) between the planned targets and actual results for each activity/component, which did not meet its targets.*

**5. Assessment of the viable and identifiable components in the project**

*Please provide your assessment of the components, keeping in mind that:*

- *to be considered viable, the components must be in a condition to be able to fulfil their objective without further work.*
- *to be considered identifiable, it must be possible to establish the monetary value of the component.*

**6. Any other relevant information or document necessary to support the assessment**

*Please type here or upload additional documents (reports, photos, etc.) in Annex 6 of the Final Programme Report.*

## ANNEX 2: Template for the form on partially completed projects with a grant below 2 million EUR

The table template below should be filled for **partially completed** projects receiving a grant from the programme **lower than EUR 2,000,000** (including national co-financing at programme level but excluding project co-financing).

An individual document should be created for each project of this type.

Project name: \_\_\_\_\_

Project number (as per GrACE PLI): \_\_\_\_\_

<b>1. Summary of the decision taken and its justification</b>
<i>300 words maximum</i>

<b>2. Assessment of the viable and identifiable components in the project</b>
<i>500 words maximum.</i> <i>Please provide your assessment of the project's components, keeping in mind that:</i> <ul style="list-style-type: none"><li><i>to be considered viable, the components must be in a condition to be able to fulfil their objective without further work.</i></li><li><i>to be considered identifiable, it must be possible to establish the monetary value of the component.</i></li></ul>

- *to be considered viable, the components must be in a condition to be able to fulfil their objective without further work.*
- *to be considered identifiable, it must be possible to establish the monetary value of the component.*