

Explanatory Note on the eligibility of cost and final reporting deadlines

for the attention of the Project Beneficiaries, National Control Bodies and Independent Auditors within the HUSKROUA ENI CBC Programme

Approaching the end of the implementation of the Programme period the MA/JTS finds very important to provide with the relevant clarification and practical implications beyond the regulatory changes that might be of relevance for the HUSKROUA ENI CBC Programme in particular questions on exact deadlines for the costs being incurred and paid and time schedule on final report submission and approval.

i. Eligibility of costs

The issue of the eligibility of costs are regulated by the main Programme documents:

Article 48 of the Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes defined the main criteria and conditions for the costs eligibility.

However Article 48 is amended by the Commission Implementing Regulation (EU) 2020/879 of 23 June 2020 setting specific measures in response to the COVID-19 pandemic by the following modifications:

‘(ii) costs incurred should be paid before the submission of the final project reports. They may be paid afterwards, provided they are listed in the final report together with the estimated date of payment;

(iii) an exception is made for costs relating to final project reports, including expenditure verification, audit and final evaluation of the project, which may be incurred after the implementation period of the project;’

(b) the following paragraph 2a is inserted: “2a. Notwithstanding Article 19(1), expenditure shall not be eligible for the Union contribution, where it is paid after 31 December 2023.”

Reading the Implementing Regulations and other relevant Program documents such as Project Implementation Manual Project Beneficiaries, National Controllers and External Auditors should be aware of the following strict conditions on eligibility and its correct interpretation:

- In case of projects with the end of the implementation period 31 December, 2023, **all costs** (besides audit costs for Ukrainian Beneficiaries) including salaries have to be **incurred and also paid** before the end of 2023.
- Only costs for Ukrainian auditors may still take place after the implementation period of the project, after 31 December 2023. These costs are eligible even if incurred and paid in the year

2024, but these costs have to be listed in the final report together with the estimated date of payment and the payment has to be made until 25.05.2024.

Programme rules on eligibility prevails above the internal national instructions for the National Control Bodies in the Participating Countries and no other interpretation than Programme one is possible under the verification process.

With regard to the **proof of payment of costs of Ukrainian auditors and other related supporting documents**, in case of all Final Project Reports that are not yet approved by the Managing Authority, the following procedure is applicable:

The Lead Beneficiary is requested to upload all supporting documents proving the payment of audit costs to section Invoices within the Final Project Report. It is the obligation of the concerned Ukrainian Beneficiary to provide the supporting documents to the Lead Beneficiary. In case the Final Project Report is already under check by the Joint Technical Secretariat, the JTS colleagues are going to ask for the upload of the supporting documents in round of completion. The Final Project Report will be accepted by the Joint Technical Secretariat only, if the above-mentioned documents are uploaded in the relevant part of the Interreg+ system.

ii. HUSKROUA ENI Closure timeline

The Programme bodies set up a clear process for the structures involved in the closure of the Programme, their responsibilities and the estimated timeframe necessary for a smooth closure of the Programme, according to the regulations.

In order to meet the deadlines, the following timetable shall be respected:

31.12.2023 – final date of eligibility (except the cost of final audit in case of Ukrainian beneficiaries), final date of the implementation period

15.02.2024 – Beneficiaries shall submit their reports to the National Control Bodies and Independent Auditors

15.05.2024 – National Control Bodies and Independent Auditors shall issue Expenditure Verification Reports

31.05.2024 – Lead Beneficiaries shall submit Project Final Reports to JTS