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►B REGULATION (EU) No 514/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 16 April 2014

laying down general provisions on the Asylum, Migration and Integration Fund and on the instrument for financial support for police cooperation, preventing and combating crime, and crisis management

(OJ L 150, 20.5.2014, p. 112)

Amended by:

		Official Journal		
		No	page	date
►M1	Regulation (EU) 2020/1543 of the European Parliament and of the Council of 21 October 2020	L 356	3	26.10.2020

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CHAPTER I

GENERAL PROVISIONS

Article 1

Purpose and scope

This Regulation lays down general rules for the implementation of the Specific Regulations with regard to:

(a) the financing of expenditure;

(b) partnership, programming, reporting, monitoring and evaluation;

(c) the management and control systems to be put in place by the Member States; and

(d) the clearance of accounts.

Article 2

Definitions

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

(a) ‘Specific Regulations’ means

— Regulation (EU) No 516/2014 of the European Parliament and of the Council ([1]);

— Regulation (EU) No 513/2014 of the European Parliament and of the Council ([2]); and

— any other regulation which provides for the application of this Regulation;

(b) ‘programming’ means the process of organisation, decision-making and financing in several stages intended to implement, on a multi-annual basis, the joint action by the Union and the Member States to achieve the objectives of the Specific Regulations;

([1]) Regulation (EU) No 516/2014 of the European Parliament and of the Council of 16 April 2014 establishing the Asylum, Migration and Integration Fund, amending Council Decision 2008/381/EC and repealing Decisions No 573/2007/EC and No 575/2007/EC of the European Parliament and of the Council and Council Decision 2007/435/EC (see page 168 of this Official Journal).

([2]) Regulation (EU) No 513/2014 of the European Parliament and of the Council of 16 April 2014 establishing, as part of the Internal Security Fund, the instrument for financial support for police cooperation, preventing and combating crime, and crisis management and repealing Council Decision 2007/125/JHA (see page 93 of this Official Journal).

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(c) ‘action’ means a project or group of projects selected by the Responsible Authority of the national programme concerned, or under its responsibility, contributing to the general and specific objectives pursued by the Specific Regulations;

(d) ‘Union action’ means a transnational action or action of particular interest to the Union as defined in the Specific Regulations;

(e) ‘project’ means the specific practical means deployed to implement all or a part of an action by a beneficiary of a Union contribution;

(f) ‘emergency assistance’ means a project or group of projects addressing an emergency situation as defined in the Specific Regulations;

(g) ‘beneficiary’ means the recipient of a Union contribution under a project, whether a public or private body, international organisation or the International Committee of the Red Cross (‘ICRC’), or the International Federation of National Red Cross and Red Crescent Societies.

CHAPTER II

PRINCIPLES OF ASSISTANCE

Article 3

General principles

1. The Specific Regulations shall provide support, through national programmes, Union actions and emergency assistance, which complements national, regional and local intervention, pursuing the objectives of the Union and resulting in added value for the Union.

2. The Commission and the Member States shall ensure that the support provided under the Specific Regulations and by the Member States is consistent with the relevant activities, policies and priorities of the Union and is complementary to other Union instruments, while taking into account the specific context of each Member State.

3. The support provided under the Specific Regulations shall be implemented in close cooperation between the Commission and the Member States.

4. In accordance with their respective responsibilities, the Commission and the Member States, together with the European External Action Service (‘EEAS’) as regards actions in and in relation to third countries, shall ensure coordination between this Regulation and the Specific Regulations, and with other relevant Union policies, strategies and instruments, including those in the framework of the Union’s external action.

5. The Commission and the Member States, together with the EEAS where appropriate, shall ensure that actions in and in relation to third countries are carried out in synergy and in coherence with other actions outside the Union supported through Union instruments. They shall, in particular, ensure that those actions:

(a) are coherent with the Union’s external policy, respect the principle of policy coherence for development and are consistent with the strategic programming documents for the region or country in question;

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(b) focus on non-development-oriented measures;

(c) serve the interests of the Union's internal policies and are consistent with activities undertaken inside the Union.

6. The Commission and the Member States shall apply the principle of sound financial management in accordance with Regulation (EU, Euratom) No 966/2012, in particular in accordance with the principles of economy, efficiency and effectiveness as provided for in Article 30 of that Regulation.

7. The Commission and the Member States shall ensure the effectiveness of the support provided under the Specific Regulations, including through monitoring, reporting and evaluation.

8. The Commission and the Member States shall carry out their respective roles in relation to this Regulation and the Specific Regulations with the aim of reducing the administrative burden for beneficiaries, the Member States and the Commission, taking into account the principle of proportionality.

Article 4

Compliance with Union and national law

Actions financed by the Specific Regulations shall comply with applicable Union and national law.

Article 5

Protection of the financial interests of the Union

1. The Commission shall take appropriate measures ensuring that, when actions financed under this Regulation and the Specific Regulations are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks, by the recovery of the amounts wrongly paid if irregularities are detected, and, where appropriate, by effective, proportionate and dissuasive administrative and financial penalties.

2. Member States shall prevent, detect and correct irregularities and shall recover amounts unduly paid together with any interest on late payments. They shall notify those to the Commission and shall keep it informed of any significant progress in the related administrative and legal proceedings.

3. When amounts unduly paid to a beneficiary, as a result of fault or negligence on the part of a Member State cannot be recovered, that Member State shall be responsible for reimbursing the relevant amounts to the Union budget.

4. Member States shall offer effective prevention against fraud, especially as regards areas with a higher level of risk. Such prevention shall act as a deterrent, having regard to the benefits as well as the proportionality of the measures.

5. The Commission shall be empowered to adopt delegated acts in accordance with Article 58 concerning the obligations of Member States specified in paragraphs 2 and 3 of this Article.

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6. The Commission shall set out, by way of implementing acts, the frequency of the reporting of irregularities and the reporting format to be used. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 59(2).

7. The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of documents and on the spot, over all grant beneficiaries, contractors and subcontractors who have received Union funds in accordance with this Regulation and the Specific Regulations.

8. OLAF may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council [1] and Council Regulation (Euratom, EC) No 2185/96 [2], with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with a grant agreement, grant decision or a contract funded in accordance with this Regulation and the Specific Regulations.

9. Without prejudice to paragraphs 1, 7 and 8, cooperation agreements with third countries and international organisations, contracts, grant agreements and grant decisions resulting from the implementation of this Regulation and the Specific Regulations shall contain provisions expressly empowering the Commission, the Court of Auditors and OLAF to conduct such audits and investigations, in accordance with their respective competences.

CHAPTER III

FINANCIAL FRAMEWORK FOR UNION ACTIONS, EMERGENCY AND TECHNICAL ASSISTANCE

Article 6

Implementation framework

1. The Commission shall establish the overall amount made available for Union actions, emergency assistance and technical assistance at the initiative of the Commission under the annual appropriations of the Union budget.

2. The Commission shall adopt, by way of implementing acts, the work programme for Union actions and emergency assistance. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 59(3).

3. To ensure a timely availability of resources, the Commission may separately adopt a work programme for emergency assistance.

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[1] 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).

[2] 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).

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4. Union actions, emergency assistance and technical assistance at the initiative of the Commission may be implemented either directly, by the Commission or through executive agencies, or indirectly, by entities and persons other than Member States in accordance with Article 60 of Regulation (EU, Euratom) No 966/2012.

Article 7

Emergency assistance

1. In response to an emergency situation as defined in the Specific Regulations, the Commission may decide to provide emergency assistance. In such cases, it shall inform the European Parliament and the Council in a timely manner.

2. Within the limits of the available resources, the emergency assistance may amount to 100 % of the eligible expenditure.

3. Emergency assistance may consist of assistance in Member States and in third countries in accordance with the objectives and actions defined in the Specific Regulations.

4. Emergency assistance may support expenditure which was incurred prior to the date of submission of the grant application or the request for assistance, but not prior to 1 January 2014, when necessary for the implementation of the action.

5. Emergency assistance may take the form of grants awarded directly to Union agencies.

Article 8

Union actions and emergency assistance in or in relation to third countries

1. The Commission may decide to finance Union actions and emergency assistance in or in relation to third countries in accordance with the objectives and actions defined in the Specific Regulations.

2. Where such actions are implemented directly, the following entities shall be allowed to submit grant applications:

(a) Member States;

(b) third countries, in duly justified cases where a grant is necessary to achieve the objectives of this Regulation and the Specific Regulations;

(c) joint bodies set up by third countries and the Union or by Member States;

(d) international organisations, including regional organisations, UN bodies, departments and missions, international financial institutions and development banks and institutions of international jurisdiction in so far as they contribute to the objectives of the Specific Regulation(s) concerned;

(e) the ICRC and International Federation of National Red Cross and Red Crescent Societies;

(f) non-governmental organisations established and registered in the Union and in the countries associated with the implementation, application and development of the Schengen *acquis*;

(g) Union agencies for emergency assistance.

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Article 9

Technical assistance at the initiative of the Commission

1. At the initiative of or on behalf of the Commission, the Specific Regulations may support the preparatory, monitoring, administrative and technical assistance, evaluation, audit and control measures and activities necessary for the implementation of this Regulation and the Specific Regulations.

2. The measures and activities referred to in paragraph 1 may include:

(a) assistance for project preparation and appraisal;

(b) support for institutional strengthening and administrative capacity building for the effective management of this Regulation and the Specific Regulations;

(c) measures related to the analysis, management, monitoring, information exchange and implementation of this Regulation and the Specific Regulations, as well as measures relating to the implementation of control systems and technical and administrative assistance;

(d) evaluations, expert reports, statistics and studies, including those of a general nature concerning the operation of the Specific Regulations;

(e) actions to disseminate information, support networking, carry out communication activities, raise awareness and promote cooperation and exchanges of experience, including with third countries. To bring about greater efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources allocated to communication actions under this Regulation shall also contribute to covering the corporate communication of the political priorities of the Union, provided that those are related to the general objectives of this Regulation and the Specific Regulations;

(f) the installation, updating, operation and interconnection of computerised systems for management, monitoring, audit, control and evaluation;

(g) the design of a common framework for evaluation and monitoring, as well as a system of indicators, taking into account, where appropriate, national indicators;

(h) actions to improve evaluation methods and the exchange of information on evaluation practices;

(i) conferences, seminars, workshops and other common information and training measures on the implementation of this Regulation and the Specific Regulations for competent authorities and beneficiaries;

(j) actions related to fraud detection and prevention;

(k) actions related to audit.

3. The measures and activities referred to in paragraph 1 may also concern the preceding and subsequent financial frameworks.

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CHAPTER IV

NATIONAL PROGRAMMES

SECTION 1

Programming and Implementation framework

Article 10

Programming

The objectives of the Specific Regulations shall be pursued within the framework of the multiannual programming for the period 2014-20, subject to a mid-term review in accordance with Article 15.

Article 11

Subsidiary and proportionate intervention

1. Member States and their competent authorities as specified in Article 25 shall be responsible for implementing programmes and carrying out their tasks under this Regulation and the Specific Regulations at the appropriate level, in accordance with the institutional, legal and financial framework of the Member State concerned and subject to compliance with this Regulation and the Specific Regulations.

2. Arrangements for the implementation and use of the support provided under the Specific Regulations, and in particular the financial and administrative resources required in relation to reporting, evaluation, management and control, shall take into account the principle of proportionality having regard to the level of support allocated, thereby reducing the administrative burden and facilitating efficient implementation.

Article 12

Partnership

1. Each Member State shall, in accordance with its national rules and practices and subject to any applicable security requirements, organise a partnership with relevant authorities and bodies to perform the role set out in paragraph 3. The partnership shall be drawn from relevant public authorities at national, regional and local level, where applicable. It shall also, where deemed appropriate, include relevant international organisations, non-governmental organisations and social partners.

2. The partnership shall be conducted in full compliance with the respective institutional, legal and financial jurisdiction of each partner category.

3. The Member State shall involve the partnership in the preparation, implementation, monitoring and evaluation of national programmes. The composition of the partnership may vary at different stages of the programme.

4. Each Member State shall set up a monitoring committee to support the implementation of national programmes.

5. The Commission may provide guidance on the monitoring of national programmes and, where necessary and in agreement with the Member State concerned, may participate in the work of the monitoring committee in an advisory capacity.

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Article 13

Policy dialogue

1. In order to facilitate the preparation of the national programmes, each Member State and the Commission shall hold a dialogue at the level of senior officials, taking into account the relevant indicative time-frames laid down in Article 14. The dialogue shall focus on the overall results to be achieved by means of the national programmes in order to address the needs and priorities of the Member States in the areas of intervention covered by the Specific Regulations, taking account of the baseline situation in the Member State concerned and the objectives of the Specific Regulations. The dialogue shall also serve as an opportunity for an exchange of views on Union actions. The outcome of the dialogue shall serve as a guide for the preparation and approval of the national programmes and shall include an indication of the expected date of submission of the Member State's national programmes to the Commission, which shall allow the timely adoption of the programme. That outcome shall be recorded in agreed minutes.

2. In the case of actions to be implemented in and in relation to third countries, such actions shall not be directly development-oriented and the policy dialogue shall seek full coherence with the principles and general objectives of the Union's external action and foreign policy as regards the country or region concerned.

3. After the conclusion of the policy dialogues, the Commission shall inform the European Parliament of the overall outcome.

4. If deemed appropriate by a Member State and by the Commission, the policy dialogue may be repeated after the mid-term review referred to in Article 15, in order to reassess the needs of that Member State and the priorities of the Union.

Article 14

Preparation and approval of national programmes

1. Each Member State shall propose, on the basis of the outcome of the policy dialogue referred to in Article 13(1), a multiannual national programme in accordance with the Specific Regulations.

2. Each proposed national programme shall cover the financial years of the period from 1 January 2014 to 31 December 2020, and shall consist of the following elements:

(a) a description of the baseline situation in the Member State, completed with the necessary factual information to assess the requirements correctly;

(b) an analysis of requirements in the Member State and the national objectives designed to meet those requirements during the period covered by the programme;

(c) an appropriate strategy identifying the objectives to be pursued with the support of the Union budget, with targets for their achievement, an indicative time-table and examples of actions envisaged to meet those objectives;

(d) a description of how the objectives of the Specific Regulations are covered;

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(e) the mechanisms that ensure coordination between the instruments established by the Specific Regulations and other Union and national instruments;

(f) information on the monitoring and evaluation framework to be put in place and the indicators to be used to measure progress in the implementation of the objectives pursued in relation to the baseline situation in the Member State;

(g) implementing provisions for the national programme containing the identification of the competent authorities, and a summary description of the envisaged management and control system;

(h) a summary description of the approach chosen for the implementation of the partnership principle laid down in Article 12;

(i) a draft financing plan indicatively broken down by each financial year of the period, including an indication of technical assistance expenditure;

(j) the mechanisms and methods to be used to publicise the national programme.

3. Member States shall submit the proposed national programmes to the Commission not later than three months after the conclusion of the policy dialogue referred to in Article 13.

4. The Commission shall adopt, by way of implementing acts, the model according to which the national programmes shall be drawn up. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 59(3).

5. Before approving a proposed national programme, the Commission shall examine:

(a) its consistency with the objectives of the Specific Regulations and the outcome of the policy dialogue referred to in Article 13(1);

(b) the distribution of Union funding between objectives in the light of the requirements of the Specific Regulations and, where relevant, the justification for any deviation from the minimum shares set in the Specific Regulations;

(c) the relevance of the objectives, targets, indicators, the time-table and examples of actions envisaged in the proposed national programme in the light of the strategy proposed by Member States;

(d) the relevance of the implementing provisions referred to in point (g) of paragraph 2 in the light of the actions envisaged;

(e) the compliance of the proposed programme with Union law;

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(f) the complementarity with support provided by other Union funds, including the European Social Fund;

(g) where applicable under a Specific Regulation, for objectives and examples of actions in or in relation to third countries, coherence with the principles and general objectives of the Union's external action and foreign policy related to the country or region concerned.

6. The Commission shall make observations within three months of the date of submission of the proposed national programme. Where the Commission considers that a proposed national programme is inconsistent with the objectives of the Specific Regulation, in the light of the national strategy, or that the Union funding to be allocated to those objectives is insufficient or that the programme does not comply with Union law, it shall invite the Member State concerned to provide all necessary additional information and, where appropriate, to modify the proposed national programme.

7. The Commission shall approve each national programme not later than six months following the formal submission by the Member State, provided that any observations made by the Commission have been adequately taken into account.

8. Without prejudice to paragraph 7, the Commission shall inform the European Parliament of the overall outcome of the application of paragraphs 5 and 6, including compliance with or derogation from the minimum percentages set per objective in the relevant Specific Regulations.

9. In the light of new or unforeseen circumstances, at the initiative of the Commission or the Member State concerned, an approved national programme may be re-examined and, if necessary, revised for the rest of the programming period.

Article 15

Mid-term review

1. In 2018 the Commission and each Member State shall review the situation, in the light of the interim evaluation reports submitted by the Member States in accordance with point (a) of Article 57(1), and in the light of developments in Union policies and in the Member State concerned.

2. Following the review- referred to in paragraph 1, and in the light of its outcome, national programmes may be revised.

3. The rules laid down in Article 14 on the preparation and approval of national programmes shall apply mutatis mutandis to the preparation and approval of the revised national programmes.

4. After the completion of the mid-term review, and as part of the interim evaluation referred to in point (a) of Article 57(2), the Commission shall report on the mid-term review to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

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Article 16

Financing structure

1. Financial contributions provided under the national programmes shall take the form of grants.

2. Actions supported under the national programmes shall be co-financed by public or private sources, shall be of a non-profit nature and shall not be subject to funding from other sources covered by the Union budget.

3. The contribution from the Union budget shall not exceed 75 % of the total eligible expenditure of a project.

4. The contribution from the Union budget may be increased to 90 % under specific actions or strategic priorities as defined in the Specific Regulations.

5. The contribution from the Union budget may be increased to 90 % in exceptional duly justified circumstances, for example when, due to economic pressure on the national budget, projects would otherwise not be implemented and the objectives of the national programme would not be achieved.

6. The contribution from the Union budget to the technical assistance at the initiative of Member States may amount to 100 % of the total eligible expenditure.

Article 17

General principles of eligibility

1. The eligibility of expenditure shall be determined on the basis of national rules, except where specific rules are laid down in this Regulation or in the Specific Regulations.

2. In accordance with the Specific Regulations, for expenditure to be eligible, it must be:

(a) within the scope of the Specific Regulations and their objectives;

(b) needed to carry out the activities covered by the project concerned;

(c) reasonable and comply with the principles of sound financial management, in particular value for money and cost-effectiveness.

3. Expenditure shall be eligible for support under the Specific Regulations if:

(a) it has been incurred by a beneficiary between 1 January 2014 and 31 December 2022; and

(b) it has been disbursed by the designated Responsible Authority between 1 January 2014 and 30 June 2023.

4. By way of derogation from paragraph 3, expenditure paid in 2014 shall also be eligible where it has been paid by the Responsible Authority before its formal designation in accordance with Article 26, provided that the management and controls systems applied before the formal designation are essentially the same as the ones in force after the formal designation of the Responsible Authority.

5. Expenditure included in payment requests from the beneficiary to the Responsible Authority shall be supported by invoices or accounting documents of equivalent probative value, except for forms of support

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under points (b), (c) and (d) of Article 18(1). For such forms of support, by way of derogation from paragraph 3 of this Article, the amounts included in the payment request shall be the cost reimbursed to the beneficiary by the Responsible Authority.

6. Net revenue directly generated by a project during its implementation which has not been taken into account at the time of approval of the project shall be deducted from the eligible expenditure of the project at the latest in the final payment request submitted by the beneficiary.

Article 18

Eligible expenditure

1. Eligible expenditure may be reimbursed in the following ways:

(a) reimbursement of eligible costs actually incurred and paid, together with, where applicable, depreciation;

(b) standard scales of unit costs;

(c) lump sums;

(d) flat-rate financing determined by the application of a percentage to one or more defined categories of costs.

2. The options referred to in paragraph 1 may be combined where each option covers different categories of costs, or where they are used for different projects forming a part of an action or for successive phases of an action.

3. Where a project is implemented exclusively through the public procurement of works, goods or services, only point (a) of paragraph 1 shall apply. Where the public procurement within a project is limited to certain categories of costs, all the options referred to in paragraph 1 may apply.

4. The amounts referred to in points (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 or other objective information;

  (ii) the verified historical data of individual beneficiaries; or

  (iii) the application of the usual cost accounting practices of individual beneficiaries;

(b) in accordance with the rules for application of corresponding scale of unit costs, lump sums and flat rates applicable in Union policies for a similar type of project and beneficiary;

(c) in accordance with the rules for application of corresponding scale of unit costs, lump sums and flat rates applied under schemes for grants funded entirely by the Member State concerned for a similar type of project and beneficiary.

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5. The document setting out the conditions for support for each project shall set out the method to be applied for determining the costs of the project and the conditions for the payment of the grant.

6. Where the implementation of a project gives rise to indirect costs, they may be calculated as a flat rate in one of the following ways:

(a) a flat rate of up to 25 % of eligible direct costs, provided that the rate is calculated on the basis of a fair, equitable and verifiable calculation method or a method applied under schemes for grants funded entirely by the Member State concerned for a similar type of project and beneficiary;

(b) a flat rate of up to 15 % of eligible direct staff costs without there being a requirement for the Member State concerned to perform a calculation to determine the applicable rate;

(c) a flat rate applied to eligible direct costs based on existing methods and corresponding rates, applicable in Union policies for a similar type of project and beneficiary.

7. For the purposes of determining staff costs relating to the implementation of a project, the hourly rate applicable may be calculated by dividing the latest documented annual gross employment costs by 1 720 hours.

8. In addition to the methods laid down in paragraph 4, where the contribution from the Union budget does not exceed 100 000 EUR, the amounts referred to in points (b), (c) and (d) of paragraph 1 may be established on a case-by-case basis by reference to a draft budget agreed *ex ante* by the Responsible Authority.

9. Depreciation costs may be considered as eligible where the following conditions are met:

(a) the eligibility rules of the national 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 reimbursed in the form referred to in point (a) of paragraph 1;

(c) the costs relate exclusively to the period of support for the project;

(d) support from the Union budget has not contributed towards the acquisition of the depreciated assets.

10. Without prejudice to Article 43, for the purpose of paragraph 8 of this Article the Member States whose currency is not the euro may use the euro conversion rate fixed on the date of project approval or project agreement signature based on the monthly accounting exchange rate published electronically by the Commission. The euro conversion rate shall not be subject to modification in course of the project.

Article 19

Ineligible expenditure

The following costs shall not be eligible for a contribution from the Union budget under the Specific Regulations:

(a) interest on debt;

(b) the purchase of land not built upon;

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(c) the purchase of land built upon, where the land is necessary for the implementation of the project, in an amount exceeding 10 % of the total eligible expenditure for the project concerned;

(d) value added tax (VAT), except where it is non-recoverable under national VAT law.

Article 20

Technical assistance at the initiative of the Member States

1. At the initiative of a Member State for each national programme, the Specific Regulations may support actions for preparation, management, monitoring, evaluation, information and communication, networking, control and audit, as well as measures for the reinforcement of the administrative capacity for the implementation of this Regulation and the Specific Regulations.

2. The measures referred to in paragraph 1 may include:

(a) expenditure relating to the preparation, selection, appraisal, management and monitoring of the programme, actions or projects;

(b) expenditure relating to audits and on-the-spot controls of actions or projects;

(c) expenditure relating to evaluations of the programme, actions or projects;

(d) expenditure relating to information, dissemination and transparency in relation to the programme, actions or projects, including expenditure resulting from the application of Article 53 and expenditure on campaigns to inform and raise awareness about the programme's purpose, organised, inter alia, at a local level;

(e) expenditure on the acquisition, installation and maintenance of computerised systems for the management, monitoring and evaluation of this Regulation and the Specific Regulations;

(f) expenditure on meetings of monitoring committees and sub-committees relating to the implementation of actions; including the costs of experts and other participants in those committees and including third-country participants, where their presence is essential to the effective implementation of programmes, actions or projects;

(g) expenditure for the reinforcement of the administrative capacity for the implementation of this Regulation and the Specific Regulations.

3. The appropriations may be used by the Member States to support actions for the reduction of administrative burden for the beneficiaries and competent authorities referred to in Article 25, including electronic data exchange systems, and actions to reinforce the capacity of Member State authorities and beneficiaries to administer and to use the support provided for under the Specific Regulations.

4. The actions may also concern the preceding and subsequent financial frameworks.

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5. When one or more competent authorities are common to more than one national programme, the appropriations for the technical assistance expenditure on each of the programmes concerned may be merged, either partly or entirely.

SECTION 2

Management and Control

Article 21

General principles of management and control systems

For the implementation of its national programme, each Member State shall set up management and control systems, which shall provide for:

(a) a description of the functions of each authority involved in management and control, and the allocation of functions within each authority;

(b) compliance with the principle of separation of functions between and within such authorities;

(c) procedures for ensuring the correctness and regularity of expenditure declared;

(d) computerised systems for accounting, for the storage and transmission of financial data and data on indicators, for monitoring and for reporting;

(e) systems for reporting and monitoring where the Responsible Authority entrusts the execution of tasks to another body;

(f) arrangements for auditing the functioning of the management and control systems;

(g) systems and procedures to ensure an adequate audit trail;

(h) the prevention, detection and correction of irregularities, including fraud, and the recovery of amounts unduly paid, together with any interest on late payments.

Article 22

Responsibilities under shared management

In accordance with the principle of shared management, Member States and the Commission shall be responsible for the management and control of national programmes in accordance with their respective responsibilities laid down in this Regulation and the Specific Regulations.

Article 23

Responsibilities of beneficiaries

Beneficiaries shall fully cooperate with the Commission and competent authorities when they carry out their functions and tasks in relation to this Regulation and the Specific Regulations.

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Article 24

Responsibilities of Member States

1. Member States shall fulfil the management, control and audit obligations and assume the resulting responsibilities, which are laid down in the rules on shared management set out in Regulation (EU, Euratom) No 966/2012 and this Regulation.

2. Member States shall ensure that their management and control systems for national programmes are set up in accordance with this Regulation and that those systems function effectively.

3. Member States shall allocate adequate resources for each competent authority to carry out their functions throughout the programming period.

4. Member States shall set up transparent rules and procedures for the selection and implementation of projects in accordance with this Regulation and the Specific Regulations.

5. All official exchanges of information between the Member State and the Commission shall be carried out using an electronic data exchange system. The Commission shall establish, by way of implementing acts, the terms and conditions with which that electronic data exchange system is to comply. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 59(3).

Article 25

Competent authorities

1. For the purposes of this Regulation and the Specific Regulations, the competent authorities are:

(a) a Responsible Authority: a public sector body of the Member State concerned, which is the designated body within the meaning of Article 59(3) of Regulation (EU, Euratom) No 966/2012 and which shall be solely responsible for the proper management and control of the national programme and shall handle all communication with the Commission;

(b) an Audit Authority: a national public authority or body, which is functionally independent of the Responsible Authority and which shall be responsible for issuing annually the opinion referred to in the second subparagraph of Article 59(5) of Regulation (EU, Euratom) No 966/2012;

(c) where appropriate, one or more Delegated Authorities: any public or private body which carries out certain tasks of the responsible authority under the responsibility of the Responsible Authority.

2. Each Member State shall lay down rules governing the relations between the authorities referred to in paragraph 1 and their relations with the Commission.

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Article 26

Designation of Responsible Authorities

1. Member States shall notify the Commission of the formal designation, in accordance with Article 59(3) of Regulation (EU, Euratom) No 966/2012, at ministerial level of the Responsible Authorities in Member States responsible for the management and control of expenditure under this Regulation, as soon as possible after the approval of the national programme.

2. The designation referred to in paragraph 1 shall be made subject to the body complying with the designation criteria on internal environment, control activities, information and communication, and monitoring laid down in or on the basis of this Regulation.

3. The designation of a Responsible Authority shall be based on an opinion of an audit body, which may be the Audit Authority, that assesses the Responsible Authority's compliance with the designation criteria. That body may be the autonomous public institution responsible for monitoring, evaluating and auditing the administration. The audit body shall function independently of the Responsible Authority and shall carry out its work in accordance with internationally accepted audit standards. In accordance with Article 59(3) of Regulation (EU, Euratom) No 966/2012, Member States may base their decision on designation on whether the management and control systems are essentially the same as those in place for the previous period and whether they have functioned effectively. If the existing audit and control results show that the designated bodies no longer comply with the designation criteria, Member States shall take the necessary measures to ensure that deficiencies in the implementation of the tasks of those bodies are remedied, including by ending the designation.

4. To ensure the sound operation of this system, the Commission shall be empowered to adopt delegated acts in accordance with Article 58 concerning:

(a) minimum conditions for the designation of the Responsible Authorities with regard to the internal environment, control activities, information and communication, and monitoring, as well as rules on the procedure for making and ending the designation;

(b) rules relating to supervision and the procedure for reviewing the designation of Responsible Authorities;

(c) the obligations of the Responsible Authorities as regards public intervention, as well as on the content of their management and control responsibilities.

Article 27

General principles on controls by Responsible Authorities

1. Responsible Authorities shall carry out a systematic administrative control and shall supplement such a control by on-the-spot controls, including, where appropriate, unannounced on-the-spot controls of the expenditure related to the final payment requests from the beneficiaries that are declared in the annual accounts with a view to obtaining a sufficient level of assurance.

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2. As regards on-the-spot controls, the Responsible Authority shall draw its control sample from the entire population of beneficiaries comprising, where appropriate, a random part and a risk-based part, in order to obtain a representative error rate and a minimum confidence level, while targeting also the highest errors.

3. The Responsible Authority shall draw up a control report on each on-the-spot control.

4. Where problems detected appear to be systemic in nature and may therefore entail a risk to other projects, the Responsible Authority shall ensure that a further examination is carried out, including additional controls where necessary, to establish the scale of such problems and whether the error rate is above the acceptable level. The necessary preventive and corrective measures shall be taken by the Responsible Authority and shall be communicated to the Commission in the summary referred to in point (b) of the first subparagraph of Article 59(5) of Regulation (EU, Euratom) No 966/2012.

5. The Commission shall adopt, by way of implementing acts, the necessary rules aiming at achieving a uniform application of this Article. Those rules may in particular relate to the following:

(a) the rules concerning administrative and on-the-spot controls including unannounced on-the-spot controls, to be conducted by the Responsible Authority with regard to compliance with obligations, commitments and eligibility rules resulting from the application of this Regulation and the Specific Regulations, including the rules relating to the period of time for which supporting documents should be kept;

(b) the rules on the minimum level of on-the-spot controls necessary for an effective management of the risks, as well as the conditions under which Member States have to increase such controls, or may reduce them where the management and control systems function properly and the error rates are at an acceptable level;

(c) the rules and methods on the reporting of the controls and verification carried out and their results.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 59(3).

Article 28

Payment to beneficiaries

Responsible Authorities shall ensure that the beneficiaries receive the total amount of the public support as quickly as possible and in full. No amount shall be deducted or withheld and no specific charge or other charge with equivalent effect shall be levied that would reduce those amounts for the beneficiaries.

Article 29

Functions of the audit authority

1. To support the opinion given in accordance with Article 59 of Regulation (EU, Euratom) No 966/2012, the audit authority shall ensure that audits are carried out on the management and control systems, and on an appropriate sample of the expenditure included in the annual

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accounts. The Commission shall be empowered to adopt delegated acts in accordance with Article 58 of this Regulation on the status of the Audit Authorities and the conditions which their audits shall fulfil.

2. Where audits are carried out by a body other than the Audit Authority, the Audit Authority shall ensure that any such body has the necessary specialist expertise and functional independence.

3. The Audit Authority shall ensure that audit work meets internationally accepted auditing standards.

Article 30

Cooperation with audit authorities

1. The Commission shall cooperate with audit authorities to coordinate their respective audit plans and methods and shall as soon as possible exchange the results of audits carried out on management and control systems in order to make the best possible and proportionate use of control resources, and to avoid unjustified duplication of work.

2. The Commission and the audit authorities shall meet on a regular basis to exchange views on issues relating to the improvement of the management and control systems.

Article 31

Controls and audits by the Commission

1. The Commission shall rely on available information, including the designation procedure, the request for payment of the annual balance as referred to in Article 44, annual implementation reports and audits carried out by national and Union bodies, to assess whether the Member States have set up management and control systems that comply with this Regulation, and whether those systems function effectively during the implementation of national programmes.

2. Without prejudice to audits carried out by Member States, Commission officials or authorised Commission representatives may carry out on-the-spot audits or controls subject to giving at least 12 working days notice to the competent national authority, except in urgent cases. The Commission shall respect the principle of proportionality by taking into account the need to avoid unjustified duplication of audits or controls carried out by Member States, the level of risk to the Union budget and the need to minimise the administrative burden on beneficiaries. Officials or authorised representatives of the Member State may take part in such audits or controls.

3. The scope of the audits or controls may include, in particular:

(a) the verification of the effective functioning of management and control systems in a national programme or a part thereof;

(b) the compliance of administrative practices with Union rules;

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(c) the existence of the required supporting documents and their correlation with the actions supported under the national programmes;

(d) the terms on which the actions have been undertaken and controlled;

(e) an assessment of the sound financial management of actions and/or the national programme.

4. Commission officials or authorised Commission representatives, duly empowered to carry out on-the-spot audits or controls, shall have access to all necessary records, documents and metadata, irrespective of the medium in which they are stored, relating to projects and technical assistance or to management and control systems. Member States shall provide copies of such records, documents and metadata to the Commission upon request. The powers set out in this paragraph shall not affect the application of national provisions which reserve certain acts for agents specifically designated by national legislation. Commission officials and authorised representatives shall not take part, inter alia, in home visits or the formal questioning of persons within the framework of national legislation. However, they shall have access to the information thus obtained without prejudice to the competences of national courts and in full respect for the fundamental rights of the legal subjects concerned.

5. At the request of the Commission and with the agreement of the Member State concerned, additional controls or inquiries into the actions covered by this Regulation shall be undertaken by the competent bodies of that Member State. Commission agents or persons delegated by the Commission may take part in such controls. In order to improve controls, the Commission may, with the agreement of the Member States concerned, request the assistance of the authorities of those Member States for certain controls or inquiries.

6. The Commission may require a Member State to take the actions necessary to ensure the effective functioning of its management and control systems or the correctness of expenditure in accordance with the applicable rules.

SECTION 3

Financial Management

Article 32

Budget commitments

1. The budget commitments of the Union in respect of each national programme shall be made in annual instalments during the period from 1 January 2014 to 31 December 2020.

2. The decision of the Commission approving a national programme shall constitute a financing decision within the meaning of Article 84 of Regulation (EU, Euratom) No 966/2012 and, once notified to the Member State concerned, a legal commitment within the meaning of that Regulation.

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3. For each national programme, the budget commitment for the first instalment shall follow the approval of the national programme by the Commission.

4. The budget commitments for subsequent instalments shall be made by the Commission before 1 May of each year, on the basis of the decision referred to in paragraph 2 of this Article, except where Article 16 of Regulation (EU, Euratom) No 966/2012 applies.

Article 33

Common rules for payments

1. Payments by the Commission of the contribution from the Union budget to the national programme shall be made in accordance with budget appropriations and shall be subject to available funding. Each payment shall be posted to the earliest open budget commitment concerned.

2. Payments shall take the form of initial pre-financing, annual pre-financing, payments of the annual balance and the payment of the final balance.

3. Article 90 of Regulation (EU, Euratom) No 966/2012 shall apply.

Article 34

Accumulation of initial pre-financing and annual balances

1. The total of the initial pre-financing payment and the payments of the annual balance shall not exceed 95 % of the contribution from the Union budget to the national programme concerned.

2. When the ceiling of 95 % is reached, the Member States may continue transmitting requests for payment to the Commission.

Article 35

Pre-financing arrangements

1. Following the Commission decision approving the national programme, an initial pre-financing amount for the whole programming period shall be paid within four months by the Commission to the designated Responsible Authority. That initial pre-financing amount shall represent 4 % of the total contribution from the Union budget to the national programme concerned. It may be split into two instalments, depending on budget availability.

2. An annual pre-financing amount of 3 % of the total contribution from the Union budget to the national programme concerned shall be paid before 1 February 2015. For the years in the period 2016-22, it shall be 5 % of the total contribution from the Union budget to the national programme concerned.

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3. If a national programme is approved in 2015 or later, the initial pre-financing and annual pre-financing shall be paid not later than 60 days after the approval of the national programme, depending on budget availability.

4. In the case of amendments to the total contribution from the Union budget to a national programme, the initial as well as the annual pre-financing amounts shall be revised accordingly and reflected in the financing decision.

5. Pre-financing shall be used for making payments to beneficiaries implementing the national programme as well as for competent authorities for expenditure relating to technical assistance. It shall be made available without delay to the Responsible Authority for those purposes.

Article 36

Clearance of pre-financing

1. The amount paid as initial pre-financing shall be totally cleared from the Commission accounts in accordance with Article 40, at the latest when the national programme is closed.

2. The amount paid as annual pre-financing shall be cleared from the Commission accounts in accordance with Article 39.

3. The total amount paid as pre-financing shall be reimbursed to the Commission if no payment request in accordance with Article 44 is sent within 36 months of the date on which the Commission pays the first instalment of the initial pre-financing amount.

4. Interest generated on the initial pre-financing shall be posted to the national programme concerned and shall be deducted from the amount of public expenditure indicated on the final payment request.

Article 37

Internal assignment of revenue

1. The following shall be regarded as internal assigned revenue within the meaning of Article 21 of Regulation (EU, Euratom) No 966/2012:

(i) sums which, under Articles 45 and 47 of this Regulation, are paid to the Union budget, including interest;

(ii) sums which, following the closure of programmes under the preceding multiannual financial framework, are paid to the Union budget, including interest.

2. The sums referred to in paragraph 1 shall be paid to the Union budget and, in the event of reuse, shall be used in the first instance to finance expenditure under the Specific Regulations.

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Article 38

Definition of the financial year

For the purpose of this Regulation, the financial year, as referred to in Article 59 of Regulation (EU, Euratom) No 966/2012, shall cover expenditure paid and revenue received and entered into the accounts of the Responsible Authority in the period commencing on 16 October of year ‘N-1’ and ending on 15 October of year ‘N’.

Article 39

Payment of the annual balance

1. The Commission shall pay the annual balance, on the basis of the financial plan in force, the annual accounts for the corresponding financial year of the national programme and the corresponding clearance decision.

2. The annual accounts shall cover the payments made by the Responsible Authority, including the payments relating to technical assistance, during the financial year for which the control requirements referred to in Article 27 have been met.

3. Depending on budget availability, the annual balance shall be paid not later than six months after the information and documents referred to in Article 44(1) and Article 54 are considered admissible by the Commission and the latest annual accounts have been cleared.

Article 40

Closure of the programme

1. Member States shall submit the following documents by 31 December 2023:

(a) the information required for the last annual accounts, in accordance with Article 44(1);

(b) a request for payment of the final balance; and

(c) the final implementation report for the national programme as referred to in Article 54(1).

2. The payments made by the Responsible Authority from 16 October 2022 to 30 June 2023 shall be included in the last annual accounts.

3. After receiving the documents listed in paragraph 1, the Commission shall pay the final balance, on the basis of the financial plan in force, the last annual accounts and the corresponding clearance decision.

4. Depending on budget availability, the final balance shall be paid not later than three months after the date of clearance of accounts of the final financial year, or one month after the date of acceptance of the final implementation report, whichever date is later. The amounts still committed after the balance is paid shall, without prejudice to Article 52, be decommitted by the Commission within a period of six months.

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Article 41

Interruption of the payment deadline

1. The payment deadline following a request for payment may be interrupted by the authorising officer by delegation within the meaning of Regulation (EU, Euratom) No 966/2012 for a maximum period of six months, when at least one of the following conditions is met:

(a) further to information provided by a national or Union audit body, there is clear evidence to suggest a significant deficiency in the functioning of the management and control system;

(b) the authorising officer by delegation has to carry out additional verifications following information brought to his attention alerting him that expenditure in a payment request is linked to an irregularity having serious financial consequences;

(c) one or more documents required under Article 44(1) were not submitted.

The Member State concerned may agree to an extension of the interruption period for an additional three months.

2. The authorising officer by delegation shall limit the interruption to the part of the expenditure covered by the payment request affected by the elements referred to in the first subparagraph of paragraph 1, unless it is not possible to identify the part of expenditure affected. The authorising officer by delegation shall inform the Member State and the Responsible Authority immediately in writing of the reason for the interruption and shall ask them to remedy the situation. The interruption shall be ended by the authorising officer by delegation as soon as the necessary measures have been taken.

Article 42

Suspension of payments

1. All or part of the annual balance may be suspended by the Commission where:

(a) there is a serious deficiency in the effective functioning of the management and control system of the national programme which has put at risk the Union contribution to the national programme, and for which corrective measures have not been taken;

(b) expenditure in the annual accounts is linked to an irregularity having serious financial consequences which has not been corrected; or

(c) the Member State has failed to take the necessary action to remedy the situation giving rise to an interruption under Article 41.

2. The Commission may decide to suspend all or part of an annual balance after having given the Member State concerned the opportunity to present its observations.

3. The Commission shall end the suspension of all or part of an annual balance where the Member State concerned has taken the necessary measures to enable the suspension to be lifted.

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Article 43

Use of the euro

1. Amounts set out in national programmes submitted by Member States, forecasts of expenditure, statements of expenditure, requests for payments, annual accounts and expenditure mentioned in the annual and final implementation reports shall be denominated in euro.

2. Member States whose currency is not the euro on the date of a payment request shall convert the amounts of expenditure incurred in national currency into euro. Those amounts shall be converted into euro using the monthly accounting exchange rate of the Commission in the month during which the expenditure was registered in the accounts of the Responsible Authority of the national programme concerned. The exchange rate shall be published electronically by the Commission each month.

3. In cases where the euro becomes the currency of a Member State, the conversion procedure set out in paragraph 2 shall continue to apply to all expenditure recorded in the accounts by the Responsible Authority before the date of entry into force of the fixed conversion rate between the national currency and the euro.

SECTION 4

Clearance of accounts and financial corrections

Article 44

Request for payment of the annual balance

1. By 15 February of the year following the financial year, each Member State shall submit to the Commission the documents and information required under Article 59(5) of Regulation (EU, Euratom) No 966/2012. The documents submitted shall serve as the request for payment of the annual balance. The deadline of 15 February may be exceptionally extended by the Commission to 1 March at the latest upon communication from the Member State concerned. Member States may, at the appropriate level, publish that information.

2. The Commission may ask a Member State to provide further information for the purpose of the annual clearance of the accounts. If a Member State does not provide the requested information by the deadline for its submission set by the Commission, the Commission may take its decision on the clearance of the accounts on the basis of the information in its possession.

3. The Commission shall adopt, by way of implementing acts, the models according to which the documents referred to in paragraph 1 shall be drawn up. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 59(2).

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Article 45

Annual clearance of accounts

1. By 31 May of the year following the financial year, the Commission shall decide on the clearance of the annual accounts for each national programme. The clearance decision shall cover the completeness, accuracy and veracity of the annual accounts submitted and shall be without prejudice to any subsequent financial corrections.

2. The Commission shall, by way of implementing acts, lay down the arrangements for the implementation of the annual clearance of accounts procedure, as regards the measures to be taken in connection with the adoption of the decision and its implementation, including on the exchange of information between the Commission and the Member States and the deadlines to be respected. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 59(3).

Article 46

Financial corrections by Member States

Member States shall make the financial corrections required in connection with individual or systemic irregularities detected under the national programmes. Financial corrections shall consist of cancelling all or part of the contribution from the Union budget concerned. The Member States shall take into account the nature and gravity of the irregularities and the financial loss to the Union budget and shall apply a proportionate correction. Amounts cancelled and amounts recovered, as well as the interest thereon, shall be reallocated to the national programme concerned, excluding the amounts resulting from irregularities identified by the Court of Auditors and the Commission services, including OLAF. After the closure of the national programme, the Member State concerned shall refund the sums recovered to the Union budget.

Article 47

Conformity clearance and financial corrections by the Commission

1. The Commission shall make financial corrections by cancelling all or part of the Union contribution to a national programme and effecting recovery from the Member State concerned in order to exclude from Union financing any expenditure which is in breach of applicable law, including in relation to deficiencies in the management and control systems of Member States which have been detected by the Commission or the Court of Auditors.

2. A breach of applicable law shall lead to a financial correction only in relation to expenditure which has been declared to the Commission and where one of the following conditions is met:

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(a) the breach has affected the selection of a project under the national programme, or, in cases where, due to the nature of the breach, it is not possible to establish that impact, there is a substantiated risk that the breach has had such an effect;

(b) the breach has affected the amount of expenditure declared for reimbursement by the Union budget, or in cases where, due to the nature of the breach, it is not possible to quantify its financial impact, but there is a substantiated risk that the breach has had such an effect.

3. When deciding on a financial correction under paragraph 1, the Commission shall respect the principle of proportionality by taking account of the nature and gravity of the breach of applicable law and its financial implications for the Union budget.

4. Before the adoption of any decision to refuse financing, the findings from the Commission and the Member State's replies shall be notified in writing, following which the two parties shall attempt to reach agreement on the action to be taken.

5. Financing may not be refused for:

(a) expenditure which is incurred by the Responsible Authority more than 36 months before the Commission notifies the Member State in writing of its findings;

(b) expenditure on multiannual actions within the scope of the national programmes, where the final obligation on the beneficiary occurs more than 36 months before the Commission notifies the Member State in writing of its findings;

(c) expenditure on actions in national programmes, other than those referred to in point (b), for which the payment or, as the case may be, the final payment, by the Responsible Authority, is made more than 36 months before the Commission notifies the Member State in writing of its findings.

6. The Commission shall, by way of implementing acts, lay down the arrangements for the implementation of the conformity clearance as regards the measures to be taken in connection with the adoption of the decision and its implementation, including the information exchange between the Commission and the Member States and the deadlines to be respected. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 59(3).

Article 48

Obligations of Member States

A financial correction by the Commission shall not prejudice the Member State's obligation to pursue recoveries under point (h) of Article 21 of this Regulation and to recover State aid within the meaning of Article 107(1) TFEU and under Article 14 of Council Regulation (EC) No 659/1999 ([1]).

([1]) Council Regulation (EC) No 659/1999 of 22 March 1999 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union (OJ L 83, 27.3.1999, p. 1).

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Article 49

Repayment

1. Any repayment due to be made to the Union budget shall be made before the due date indicated in the order for recovery drawn up in accordance with Article 80 of Regulation (EU, Euratom) No 966/2012. That due date shall be the last day of the second month following the issuing of the order.

2. Any delay in making 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 5

Decommitment

Article 50

Principles

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1. National programmes shall be submitted to a decommitment procedure established on the basis that where, by 15 February or, in the event that the Commission exceptionally extends the deadline for the submission of the request for payment in accordance with Article 44(1), 1 March of the year following the second year following that of the budget commitment, amounts linked to a commitment are not covered by the initial and annual pre-financing referred to in Article 35 and by a request for payment submitted in accordance with Article 44(1), those amounts shall be decommitted. For the purpose of the decommitment, the Commission shall calculate the amount by adding one sixth of the annual budget commitment related to the 2014 total amount contribution to each of the 2015-2020 budget commitments.

In respect of amounts corresponding to the additional allocations assigned to the national programmes in 2018, the budget commitment shall be effected in 2019. In respect of amounts corresponding to the additional allocations assigned to the national programmes in 2019, the budget commitment shall be effected in 2020.

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2. By way of derogation from paragraph 1, the deadlines for decommitment shall not apply to the annual budget commitment related to the 2014 total annual contribution.

3. If the first annual budget commitment is related to the 2015 total annual contribution, by way of derogation from paragraph 1 the deadlines for decommitment shall not apply to the annual budget commitment related to the total annual contribution of 2015. In such cases, the Commission shall calculate the amount under paragraph 1 by adding one fifth of the annual budget commitment related to the 2015 total amount contribution to each of the 2016-20 budget commitments.

4. The commitment related to the last year of the period shall be decommitted in accordance with the rules followed for the closure of the programmes.

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5. Any commitment still open on the latest date for expenditure to be eligible, as referred to in Article 17(3), and for which a payment request has not been made by the Responsible Authority within six months after that date shall be automatically decommitted.

Article 51

Exceptions to decommitment

1. The amount concerned by decommitment shall be reduced by the amounts that the Responsible Authority has not been able to declare to the Commission because of:

(a) actions suspended by legal proceedings or by an administrative appeal having suspensive effect; or

(b) reasons of force majeure seriously affecting the implementation of all or part of the national programme. Responsible Authorities claiming force majeure shall demonstrate the direct consequences of the force majeure on the implementation of all or part of the national programme.

The reduction may be requested once if the suspension or force majeure lasted up to one year. If the suspension or force majeure lasted more than one year, the reduction may be requested several times, corresponding to the duration of the force majeure or the number of years between the date of the legal or administrative decision suspending the implementation of the action and the date of the final legal or administrative decision.

2. The Member State shall send to the Commission information on the exceptions referred to in paragraph 1 by 31 January, in order for the amount to be declared by the end of the preceding year.

3. The part of the budget commitments for which a payment request has been made, but payment of which has been reduced or suspended by the Commission on 31 December of year N + 2, shall be disregarded in calculating the automatic decommitment.

Article 52

Procedure

1. Whenever there is a risk of application of decommitment under Article 50, the Commission shall inform the Member States as soon as possible.

2. On the basis of the information in its possession on 31 January, the Commission shall inform the Responsible Authority of the amount of the decommitment resulting from the information in its possession.

3. The Member State concerned shall have two months to agree to the amount to be decommitted or to submit its observations.

4. The Commission shall carry out the automatic decommitment no later than nine months after the last time-limit resulting from the application of paragraphs 1 to 3.

5. In the event of automatic decommitment, the contribution from the Union budget to the national programme concerned shall be reduced, for the year in question, by the amount automatically decommitted. The Union contribution in the financing plan will be reduced pro rata, unless the Member State produces a revised financing plan.

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CHAPTER V

INFORMATION, COMMUNICATION, MONITORING, EVALUATION AND REPORTING

Article 53

Information and publicity

1. Member States and Responsible Authorities shall be responsible for:

(a) a website or a website portal providing information on and access to the national programmes in that Member State;

(b) informing potential beneficiaries about funding opportunities under the national programmes;

(c) publicising to Union citizens the role and achievements of the Specific Regulations, through information and communication actions on the results and impact of the national programmes.

2. Member States shall ensure transparency of the implementation of the national programmes and shall maintain a list of actions supported by each national programme which shall be accessible through the website or the website portal. The list of actions shall include updated information on the final beneficiaries, the names of the projects and the amount of Union funding allocated to them.

3. As a rule, information shall be made public, except where it is restricted due to its confidential nature, particularly concerning security, public order, criminal investigations and the protection of personal data.

4. The Commission shall be empowered to adopt by delegated acts in accordance with Article 58 to lay down rules concerning the information and publicity measures for the public and information measures for beneficiaries.

5. The Commission shall, by way of implementing acts, define the technical characteristics of information and publicity measures. Those implementing acts shall be adopted by the Commission in accordance with the examination procedure referred to in Article 59(3).

Article 54

Implementation reports

1. By 31 March 2016 and by 31 March of each subsequent year until and including 2022, the Responsible Authority shall submit to the Commission an annual report on the implementation of each national programme in the previous financial year and may, at the appropriate level, publish that information. The report submitted in 2016 shall cover the financial years 2014 and 2015. The Member State shall submit a final report on the implementation of the national programmes by 31 December 2023.

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2. Annual implementation reports shall set out information on:

(a) the implementation of the national programme by reference to the financial data and the indicators;

(b) any significant issues which affect the performance of the national programme.

3. In the light of the mid-term review as referred to in Article 15, the annual implementation report submitted in 2017 shall set out and assess:

(a) the information referred to in paragraph 2;

(b) the progress towards achieving the objectives in the national programmes pursued with the contribution from the Union budget;

(c) the involvement of relevant partners as referred to in Article 12.

4. The annual implementation report submitted in 2020 and the final implementation report shall, in addition to the information and assessment set out in paragraph 2, include information on and assess the progress towards achieving the objectives of the national programme, bearing in mind the outcome of the policy dialogue referred to in Article 13(1).

5. The annual implementation reports referred to in paragraphs 1 to 4 shall be admissible if they contain all the information required by those paragraphs. The Commission shall inform the Member State concerned within 15 working days from the date of receipt of the annual implementation report if it is not admissible, failing which it shall be deemed admissible.

6. The Commission shall inform the Member State concerned of its observations on the annual implementation report within two months from the date of receipt of the annual implementation report. If the Commission does not provide observations within this deadline, the reports shall be deemed to be accepted.

7. The Commission may make observations on issues in the Responsible Authority's annual implementation report which affect the implementation of the national programme. Where such observations are made, the Responsible Authority shall provide necessary information with regard to those observations and, where appropriate, inform the Commission of the measures taken. The Commission shall be informed not later than three months after it has made such observations.

8. The Commission shall adopt, by way of implementing acts, the models according to which the annual and final implementation reports shall be drawn up. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 59(2).

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Article 55

The common monitoring and evaluation framework

1. The Commission shall carry out regular monitoring of this Regulation and the Specific Regulations, where appropriate, in cooperation with the Member States.

2. The implementation of the Specific Regulations shall be evaluated by the Commission in partnership with the Member States in accordance with Article 57.

3. A common monitoring and evaluation framework shall be established with a view to measuring the relevance, effectiveness, efficiency, added value and sustainability of the actions and the simplification and the reduction of administrative burden, in the light of the objectives of this Regulation and the Specific Regulations and the performance of this Regulation and the Specific Regulations as instruments contributing to the development of the area of freedom, security and justice.

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 58 to develop further the common monitoring and evaluation framework.

5. Member States shall provide the Commission with the necessary information to permit the monitoring and evaluation of this Regulation and the Specific Regulations.

6. The Commission shall also consider the complementarity between the actions implemented under the Specific Regulations and those pursued under other relevant Union policies, instruments and initiatives.

7. The Commission shall pay particular attention to the monitoring and evaluation of actions and programmes related to third countries, in accordance with Article 8.

Article 56

Evaluation of national programmes by Member States

1. Member States shall carry out the evaluations referred to in Article 57(1). The evaluation to be carried out in 2017 shall contribute to improving the quality of the design and the implementation of national programmes, in accordance with the common monitoring and evaluation framework.

2. Member States shall ensure that procedures are in place to produce and collect the data necessary for the evaluations referred to in paragraph 1, including data related to indicators in the common monitoring and evaluation framework.

3. The evaluations referred to in Article 57(1) shall be carried out by experts who are functionally independent of the Responsible Authorities, the Audit Authorities and the Delegated Authorities. Those experts may be affiliated to an autonomous public institution responsible for the monitoring, evaluation and audit of the administration. The Commission shall provide guidance on how to carry out evaluations.

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4. The evaluations referred to in Article 57(1) shall be made public in their entirety, except where information is restricted due to its confidential nature, particularly concerning security, public order, criminal investigations and the protection of personal data.

Article 57

Evaluation reports by the Member States and the Commission

1. In accordance with the common monitoring and evaluation framework, the Member States shall submit to the Commission:

(a) an interim evaluation report on the implementation of actions and progress towards achieving the objectives of their national programmes by 31 December 2017;

(b) an *ex-post* evaluation report on the effects of actions under their national programmes by 31 December 2023.

2. On the basis of the reports referred to in paragraph 1, the Commission shall submit to the European Parliament, to the Council, to the European Economic and Social Committee and to the Committee of the Regions:

(a) an interim evaluation report on the implementation of this Regulation and the Specific Regulations at the level of the Union by 30 June 2018. That interim evaluation report shall include an assessment of the mid-term review carried out in accordance with this Regulation and the Specific Regulations;

(b) an *ex-post* evaluation report on the effects of this Regulation and the Specific Regulations, following the closure of the national programmes, by 30 June 2024.

3. The *ex-post* evaluation of the Commission shall also examine the impact of the Specific Regulations on the development of the area of freedom, security and justice in terms of their contribution to the following objectives:

(a) the development of a common culture of border security, law enforcement cooperation and crisis management;

(b) the effective management of migration flows into the Union;

(c) the development of the Common European Asylum System;

(d) the fair and equal treatment of third-country nationals;

(e) solidarity and cooperation between Member States in addressing migration and internal security issues;

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(f) a common approach by the Union on migration and security towards third countries.

4. All evaluation reports pursuant to this Article shall be published in their entirety, except where information is restricted due to its confidential nature, particularly concerning security, public order, criminal investigations and protection of personal data.

CHAPTER VI

FINAL PROVISIONS

Article 58

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 Articles 5(5), 26(4), 29(1), 53(4) and 55(4) shall be conferred on the Commission for a period of seven years from 21 May 2014. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the seven-year period. The delegation of powers shall be tacitly extended for a period of three years, unless the European Parliament or the Council opposes such extension not later than three months before the end of the seven-year period.

3. The delegation of powers referred to in Articles 5(5), 26(4), 29(1), 53(4) and 55(4) 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. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Articles 5(5), 26(4), 29(1), 53(4) and 55(4) 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 the Council.

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Article 59

Committee Procedure

1. The Commission shall be assisted by the Asylum, Migration and Integration and Internal Security Funds 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.

3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Where the committee delivers no opinion, the Commission shall not adopt the draft implementing act, except for Articles 14(4), 24(5), 45(2), 47(6) and 53(5) of this Regulation.

Article 60

Review

The European Parliament and the Council shall, on the basis of a proposal from the Commission, review this Regulation by 30 June 2020.

Article 61

Entry into force and application

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

It shall apply from 1 January 2014.

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