



FAQs on FLAG assets in the context of durability of operations

Q: At the end of the EFF Programme period, many FLAGs will formally cease to exist. Do Managing Authorities have to apply the rules concerning durability of operations to the activities of FLAGs?

A: Article 56 of the EFF Regulation (1198/2006) refers to the durability of “operations”, therefore it applies to projects selected by FLAGs and implemented by beneficiaries. It does not apply to FLAG running cost, which are only eligible for the duration of the period of activity of the FLAGs.

Q: What are the rules concerning the eligibility of expenditure for fixed assets purchased by FLAGs under “running costs”?

A: Where the FLAGs have purchased assets under “running costs” which have to be depreciated over a number of years according to national legislation, only the part of depreciation until the end of the eligibility period (i.e. 31 December 2015) can be considered as eligible running costs.

In cases where the assets will still have a residual value at the end of the programme the (remaining) value should therefore be deducted from the final declarations of expenditure made by the concerned FLAGs.

For the sake of administrative simplification, FLAGs are encouraged to use lease contracts for the fixed assets they wish to finance as running costs, especially for those assets whose depreciation would extend beyond the eligibility period.