



Revision of the Closure Guidelines after STEP amendment

“Programme Closure –the eleventh hour”

European Commission - DG REGIO

STEP Regulation

REGULATION (EU) 2024/795 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 29 February 2024

establishing the Strategic Technologies for Europe Platform (STEP), and amending Directive 2003/87/EC and Regulations (EU) 2021/1058, (EU) 2021/1056, (EU) 2021/1057, (EU) No 1303/2013, (EU) No 223/2014, (EU) 2021/1060, (EU) 2021/523, (EU) 2021/695, (EU) 2021/697 and (EU) 2021/241

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 164 and 173, Article 175, third paragraph, Articles 176, 177 and 178, Article 182(1) and Article 192(1) thereof,

Having regard to the proposal from the European Commission,

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

Having regard to the opinion of the European Economic and Social Committee ⁽¹⁾,

Having regard to the opinion of the Committee of the Regions ⁽²⁾,

Acting in accordance with the ordinary legislative procedure ⁽³⁾,

Whereas:

- (1) Strengthening the competitiveness and resilience of the European economy through the green and digital transformations has been the Union's compass over recent years. The green and digital transitions, anchored in the European Green Deal, set out in the Commission communication of 11 December 2019 entitled 'The European Green Deal', and the Digital Decade Policy Programme 2030 established by Decision (EU) 2022/2481 of the European Parliament and of the Council ⁽⁴⁾, spur growth and the modernisation of the Union's economy, opening up new business opportunities and helping the Union to gain a competitive advantage on the global markets. The European Green Deal sets out the roadmap for making the Union's economy climate-neutral and sustainable in a fair and inclusive manner, tackling climate- and environmental-related challenges. The Digital Decade Policy Programme 2030 sets out a clear direction for the digital transformation of the Union and for the delivery of digital targets at Union level by 2030, in particular concerning digital skills, digital infrastructures, and the digital

- (26) The regulatory framework for the implementation of the 2014-2020 programmes has been adapted over the past years to provide Member States and regions with additional flexibility in terms of implementation and more liquidity to tackle the effects of the COVID-19 pandemic and Russia's war of aggression against Ukraine. Those measures, introduced at the end of the programming period, require sufficient time and administrative resources to be fully exploited and implemented, in particular at a time where Member States focus resources on revising the 2021-2027 operational programmes linked to the STEP objectives. With a view to alleviating the administrative burden on programme authorities and to prevent possible loss of funds at the time of closure for purely administrative reasons, the deadlines for the administrative closure of the programmes under the 2014-2020 period in Regulations (EU) No 1303/2013 ⁽⁵⁾ and (EU) No 223/2014 ⁽⁶⁾ of the European Parliament and of the Council should be extended. More specifically, the deadline for the submission of the final payment application should be extended by 12 months. Furthermore, the deadline for the submission of the closure documents should also be extended by 12 months. In the context of those amendments, it is appropriate to clarify that distribution of food and material bought until the end of the eligibility period (end of 2023) should be allowed to continue after that date.

In order to ensure a sound implementation of the Union budget and respect for the payment ceilings, payments to be made in 2025 should be capped per programme at 1 % of the financial appropriations from resources under the multiannual financial framework for the years 2021 to 2027, laid down in Council Regulation (EU, Euratom) 2020/2093 ⁽⁷⁾. Amounts due that exceed the ceiling of 1 % of programme appropriations per fund for 2025 should not be paid in 2025 nor in subsequent years but only used for the clearance of pre-financing. Unused amounts should be decommitted in accordance with Regulation (EU) No 1303/2013 at the time of closure. In order to ensure that the outermost regions can make full use of support from the funds covered by this Regulation, it should be clarified that, for the purposes of the flexibility provided in Regulation (EU) No 1303/2013, the additional special allocations for the outermost regions should be considered to be part of the ERDF allocation to the same category of region as the outermost region concerned. Despite different eligibility rules applicable to the additional special allocation, it should be possible also to apply that flexibility between the additional special allocation and other ERDF allocations to the same category of regions within a programme.

⁽¹⁾ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320).

⁽⁴⁾ Regulation (EU) No 223/2014 of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid to the Most Deprived (OJ L 72, 12.3.2014, p. 1).

⁽⁶⁾ Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433 I, 22.12.2020, p. 11).

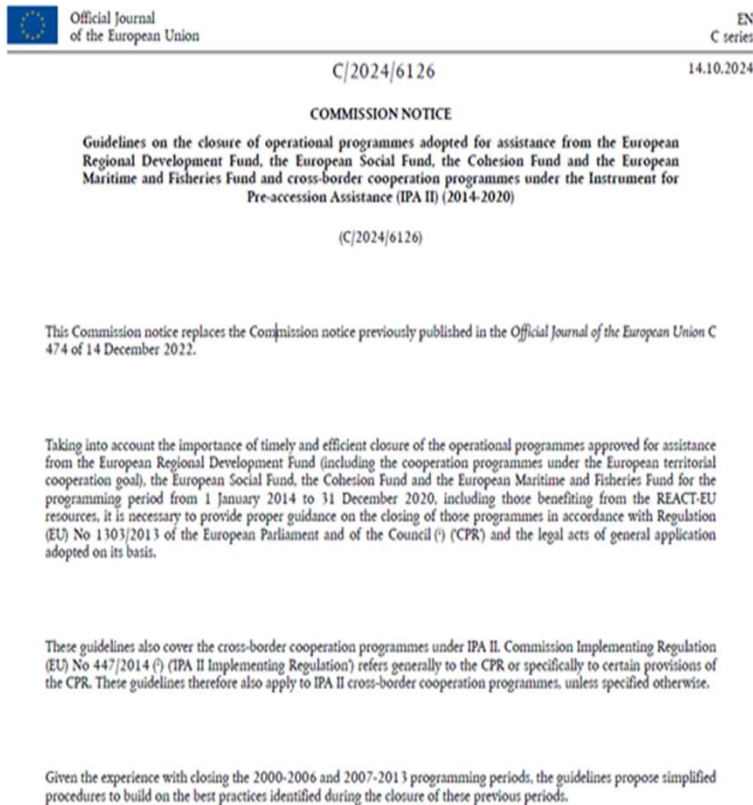
STEP Regulation: context



FLEXIBILITIES

- Additional time: 12 more months
- Option for an increased co-financing rate: 100%
- **Warning: 1% ceiling in 2025 payments**

Revised CGL (C/2024/6126)



What did really change?

Section 3. Preparation for closure

Section 4. Financial management

Section 5. Indicators and Performance Framework

Section 11. Closure documents

Section 3: Preparation for closure

Amendment of programmes (Section 3.1 CGLs): **Deadlines**

- **Request for amendment (Commission decision required):**
 - If financial tables are affected: **3 months before 31/07/2025**
 - If financial tables are not affected: **3 months before Closure**
- **Notification to the Commission:**
 - Non-substantial transfers / STEP 100% co-financing rate: **31/07/2025**
 - If financial tables are not affected: **Closure**

Section 3: Preparation for closure

Art. 25a(1b) CPR - 100% co-financing rate for expenditure in the final accounting year (similar to CRII/CARE)

- Not 'up to' 100% – no modulation
- One or more priorities, non-TA and TA, regardless of CoR
- Applies to all expenditure in the entire accounting year
- Monitoring Committee approval
- Notification of revised financial table by **31/07/2025**

Section 3: Preparation for closure

Table 16 CIR 288/2014

Important

Table 16
Financing plan

Priority axis	Fund	Basis for calculation of Union support (Total eligible cost as public eligible cost)	Union support (a)	National counterpart (b) = (c) - (d)	Indicative breakdown of the national counterpart		Total funding (e) = (a) + (b)	Co-financing rate (1) (f) = (b)/(e)	100 % co-financing rate for accounting year 2020-2023 (1*)	100 % co-financing rate for accounting year 2021-2024 (1**)	100 % co-financing rate for accounting year 2022-2024 (1***)	For information	
					National Public funding (c)	National private funding (d) (3)						Contributions from third countries	EIB contribution
< 3.2.A.1 type='S' input='G'>	< 3.2.A.2 type='S' input='G'>	< 3.2.A.3 type='S' input='G'>	< 3.2.A.4 type='N' input='M'>	< 3.2.A.5 type='N' input='G'>	< 3.2.A.6 type='N' input='M'>	< 3.2.A.7 type='N' input='M'>	< 3.2.A.8 type='N' input='G'>	< 3.2.A.9 type='P' input='G'>	See footnote (*) for details (examples below)	See footnote (**) for details (examples below)	See footnote (***) for details (examples below)	< 3.2.A.10 type='N' input='M'>	< 3.2.A.11 type='N' input='M'>
Priority axis 1	ERDF (possibly and amounts transferred from IPA and ENI) (*)								□	□	□		
	IPA												
	ENI												

- Impact of the reduced declared public expenditure and Art. 129 CPR and second paragraph of Article 130(3) CPR
- Irregularities after closure: financial correction rate will be 100%

Section 4: Financial management: new deadline

Art. 135(6) - Deadline for submission of the final application

Deadline for final interim payment application: **31/07/2025**

- Final accounting year unchanged (1/07/2023-30/06/2024)
- Eligibility deadline unchanged (31/12/2023)
- Submission anytime until **31/07/2025**
- Non-final interim applications possible in the extended period
- Final interim payment application to be marked accordingly in SFC (no further expenditure after that)
- **Applications may include amounts entered in the accounting system of the certifying authority after 30/06/2024**

Section 4: Financial management: 1% ceiling

Art. 135(6) - 1% ceiling on 2025 interim payments

- **2025 interim payments cannot exceed 1%** of programme financial appropriations by Fund (excl. REACT-EU) – amounts in interim payments due in 2025 above 1% not paid, used to clear pre-financing at closure (incl. CRII annual pre-financing)
- Of this excess, amounts above what is needed to clear pre-financing **will be decommitted** at closure, i.e., lost to the programme (see also recital 26 STEP)
- Incentive for 2024 payments: Ceiling applies to interim payments due in 2025
- Payment of the final balance is not an interim payment hence not concerned even if paid in 2025
- '15% flexibility' not concerned, applies through payment of the final balance (not through interim payments)
- **Strongly encouraged to submit non-final/final interim payment applications early enough (by 31/10/2024) so that they can be paid in 2024 – even if suspended / interrupted**

Section 5.2: Implications of the performance framework for closure

- **Performance framework:** if serious failure (coefficient below 65% threshold) due to the 100% co-fin rate, explain as **mitigating factor** in FIR – *prove causal link with indicators affected, quantify.*

Section 11: Submission of Closure documents

Art. 138 – Option to submit documents under (a)-(c) by **15/02/2026**

- Applies to the Assurance Package **and** the FIR
- Final accounting year unchanged
- One set of documents, submission anytime until **15/02/2026** (no need to submit both in 2025 and 2026)
- Last AIR remains the one submitted until 31/05/2023

Accounts acceptance:

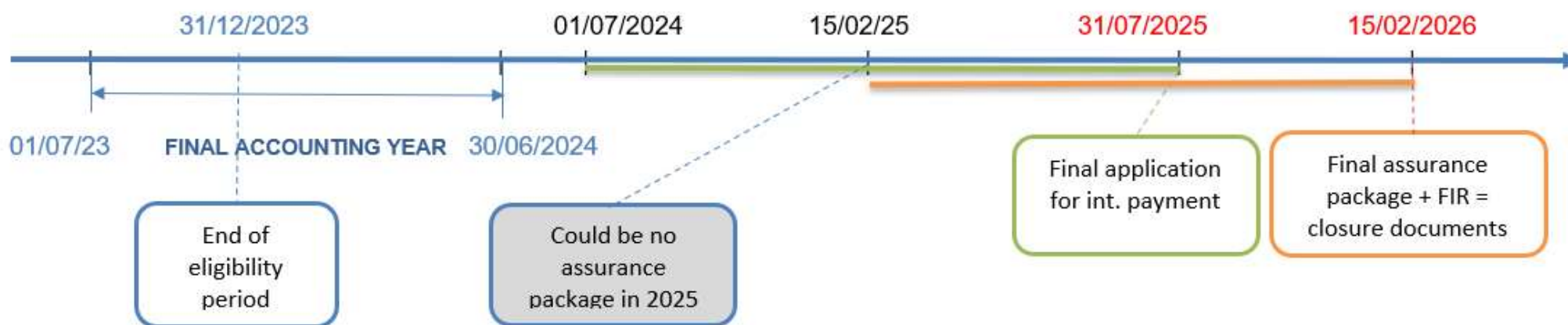
If MS submits by 15/02/2025 (or 01/03/2025) => Commission decision by 31/05/2025

If MS submits by **15/02/2026** => Commission decision by 31/05/2026

Non-functioning operations: additional time due to STEP to submit Annex II to the FIR but **completion date remains 15/02/2027**

Timeline before submission of final payment application/closure documents

STEP amendment: extension by 12 months of the deadlines for final payment application and for closure documents



Timeline after submission of closure documents



Useful resources

Q&As sets:

- EGESIF_21-0012-05
- CPRE_23-0018-01

Webinar on STEP amendments to the 2014-2020 legislation (held on 25 April 2024)

- PPT presentation and recording of the are available:
https://ec.europa.eu/regional_policy/2021-2027/technical-seminars/step_en