



# Strategic Technologies for Europe Platform in cohesion policy

Regulation (EU) 2024/795

*Directorate-General for Budget  
Directorate-General for Regional and Urban Policy  
Directorate-General for Employment, Social Affairs and Inclusion  
Directorate-General for Maritime Affairs and Fisheries  
Joint Audit Directorate for Cohesion*

Webex, 25 April 2024



## Strategic Technologies for Europe Platform in cohesion policy

# 1. Introduction

- *Kadri Uustal*

*Head of Coordination of Programmes Unit, DG REGIO.02*





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## Default settings (unless speaking)

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- Presentations and recording will be available on [Inforegio - 2021-2027 Technical seminars \(europa.eu\)](#) after the webinar

## 1. Introduction

## 2. STEP amendments to the 2021-2027 cohesion policy legislation

- Scope of STEP
- Programming of STEP
- Publication of calls on the STEP platform

**Q&A**

## 3. STEP amendments to the 2014-2020 legislation

**Q&A**

## 4. Closing

**Strategic Technologies for Europe Platform in cohesion policy**

## **2. STEP amendments to the 2021-2027 cohesion policy legislation**





# Content

- STEP regulation: Regulation (EU) 2024/795
- Scope of STEP
- Programming of STEP
- State aid aspects
- Publication of calls on the Sovereignty portal

# STEP regulation

Regulation (EU) 2024/795



- *Caroline VANDIERENDONCK*  
*Head of STEP Task Force, DG BUDG.02*

# STEP - The pitch



## The needs and challenges

- **Competitiveness** and **resilience** of EU industry at risk
- **Global race** for critical technologies
- **Investment needs** for transition
- Outward forces in the **Single Market**
- **Private capital** not at scale
- Constraints on **EU budget**
- Fragmented/complex **offer of EU funding**
- Need for a **European response**



## An innovation in EU funding (under current MFF)

- **Not a new fund**
- **A collective journey** – STEP across 11 EU programmes (14 DGs involved, 27 MS + implementing partners)
- **Efficient:** use of existing networks/ processes
- **Articulation** direct/indirect/shared managed funds
- **Taskforce**
- **User-centric**



## A testing ground for the future MFF

- **New Commission in 2024**
- **New MFF proposals by mid-2025**
- **Success & experience of STEP to feed into ambition**
- **EU value-added in the investment journey**

***STEP Regulation***  
***adopted on 1 March***



# STEP The tools



1



## Reprogramming EU funding towards STEP

- Dedicated calls under directly managed funds
- Revision of RRP and cohesion policy funds' programmes to include STEP (uptake by cohesion policy funds/RRF)
- STEP embedded in existing funds, follows existing processes and governance (e.g., for project selection)

## Top-up of the European Defence Fund of 1.5bn€ for STEP

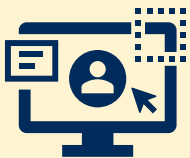
2



## Sovereignty Seal

- Awarded under directly managed funds
- Valid unless the project has not started within 5 years of award; or project relocated outside EU.
- Easier access to (cumulative/combined) funding under other EU funds
- Visibility for other public investors, and for private investors
- First Seals expected end-2024

3



## STEP Portal

- Consolidating all EU funding opportunities for STEP sectors
- Giving visibility to projects awarded a Sovereignty Seal
- User-centric
- Gradual development, v1 in Q2
- Link to existing online resources (assistance, other portal etc.)

4



## One-Stop-Shop

- Hub managing a COM internal network, a MS/Partners network
- Entry point on STEP for the industry
- Support to identify funding opportunity matching need
- Working closely with all DGs, including DG REGIO/DG EMPL to provide adequate support

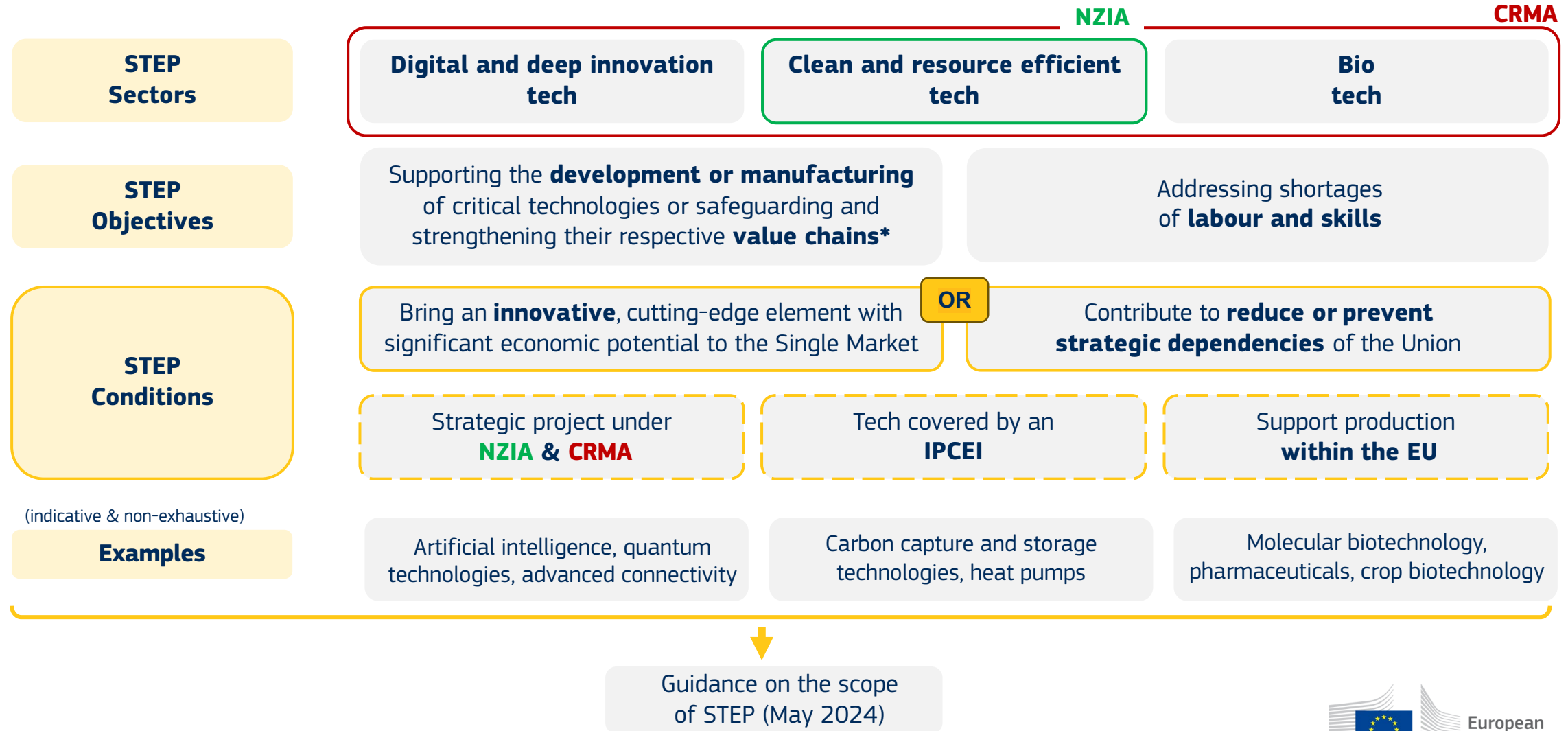
# Scope of STEP



- *James GALAND-JONES*

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# STEP - The scope



\*Including **associated services** critical for and specific to the development or manufacturing of those final products



# STEP The scope – Examples (1)

- Objective 1: A) Supporting the development or manufacturing of critical technologies
- Objective 1: B) Safeguarding and strengthening value chains
- Note: Fund specific eligibility rules should be complied with
- Examples:
  - ✓ Clean and resource efficient technologies, including wind and electric propulsion technologies, if they meet the STEP conditions.
  - ✓ Research and development infrastructure if critical for and specific to the development of a STEP technology.
  - ✓ Port infrastructure if critical for and specific to the development and manufacturing of a STEP technology.
  - ✓ Storage of CO2 emissions, if it meets the STEP conditions.



## STEP The scope – Examples (2)

- The type of technology is considered provided it falls within the STEP sectors, regardless of its specific application.
- No restrictions based on TRL levels for STEP. However, fund-specific rules apply.
- Guidance on scope does not differentiate between sizes of enterprises: enterprises eligible according to Fund-specific rules.
- Actors involved in the production of critical technologies can be considered eligible based on fund-specific rules; projects could be collaborative but not a necessity.
- There are no differences in scope between categories of regions as regards the STEP technologies. Fund-specific rules apply.
- The significance of the economic potential of a technology shall be assessed in terms of its capacity to have substantial impact on a variety of Union markets rather than a geographically limited area.
- A strategic dependency may be deemed to exist where the European Union relies significantly on third-countries sources of supply for a technology in the three STEP sectors – STEP guidance note factors.



# STEP The Scope – Net-Zero Industrial Act (NZIA)

- Clean and resource efficient technologies, NZIA
  - The list of technologies listed in the NZIA Regulation focuses on the supply chains underpinning the production of net-zero technologies (i.e., clean and resource efficient technologies under STEP).
  - A Delegated act will provide a list of components that will be in the scope of the NZIA. NZIA provides also criteria to assess whether projects fall under the scope of the Act.
  - When used to produce net-zero technologies, the components used to perform pyrolysis fall under the scope of the NZIA (fund specific rules apply).
  - Projects recognised as strategic under the NZIA, are automatically deemed to contribute to STEP objectives.



# STEP The Scope – Critical Raw Materials Act (CRMA)

- CRMA explicitly includes projects related to increasing the recycling capacity for Strategic Raw Materials.
- CRMA defines that “recycling operations for strategic raw materials after re-processing, including the sorting and pre-treatment of waste, and its processing into secondary raw materials” are included.
- Projects for materials that are “able to substitute strategic raw material in one or more strategic technologies” can also be designated as Strategic Projects under the CRMA. For this, they need to increase the production of the substitute raw material “while taking measures to achieve an equal or lower environmental footprint compared to the strategic raw material that is substituted.” (Annex III 1(c) CRMA).
- CRMA was signed by co-legislators on 11 April 2024 and by mid-May it will enter into force.



## STEP The scope – Examples (3)

- Objective 2: Addressing shortages of labour and skills
  - Examples: for clean and resource efficient technologies, skills projects in advanced battery technology and renewable energy system maintenance; for digital tech, developing cybersecurity and data analytics skills, etc.
  - European Centres of Vocational Excellence and the Pact for Skills developing skills intelligence and new learning programmes in STEP industry ecosystems.
  - Net Zero Skills' Academies: setting up dedicated training programmes for skills; facilitating qualifications' portability in regulated professions etc.
  - High quality jobs and apprenticeships: CR on a European Framework on Quality and Effective Apprenticeships, CR on a Reinforced Youth Guarantee, ILO 'decent' work, Eurofound 7 working conditions.
  - Skills critical for and specific to the development and manufacturing of clean and resource efficient technologies could be supported under STEP, provided they meet the STEP conditions. STEP can also support projects which combine STEP specific skills with the development of transferable skills, if the transferable skills are a critical enabler to the development of the STEP skills.



# Scope of STEP and scope of cohesion policy



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# Scope of STEP and scope of the funds – main messages

- **Relation between Article 2 STEP (scope) and the CPR and fund specific regulations**
  - Investment compatible with Article 2 of the STEP regulation need to be eligible and within the scope of the funds
  - In particular, investments need to comply with Article 7 ERDF/CF and Article 9 JTF (exclusions from the scope), i.e., STEP investment cannot be financed if they are excluded from the scope of the funds
    - No new exceptions under Article 7 ERDF/CF and Article 9 JTF
  - With regard to the ESF+, STEP operations should contribute to the specific objectives of the ESF+ (Article 4 ESF+) and comply with eligibility rules, in particular those set out in Article 16 ESF+
  - Recital 19 STEP: *‘the scope of support from the ERDF should be extended by providing for new specific objectives under the ERDF, without prejudice to the rules on eligibility of expenditure and climate spending’*
  - Investments need to comply with Article 2 STEP Regulation to be considered as STEP relevant

# Scope of STEP and scope of the funds – main messages



- **Relation between Article 2 STEP (scope) and the CPR and fund specific regulations**
  - JTF specific objective has been modified to clarify that it may also support investments contributing to the STEP objectives.
  - In line with Article 8(1) JTF, the JTF should only support activities that are directly linked to its specific objective and which contribute to the implementation of the territorial just transition plans (TJTP).
  - Consequently, in the framework of STEP, activities listed in Article 8(2) JTF Regulation need to demonstrate contribution to STEP objectives and need to address the social, employment, economic and environmental impacts of the transition that the JTF region is undergoing and implement the TJTP.
  - Individual operations needs to be assessed against this framework.



# Scope – examples based on received questions

- **Storage of CO2 emissions**
  - Storage of CO2 emission, being the result of combustion of fossil fuels is excluded from support by the ERDF on the basis of Article 7(1)(h) ERDF/CF Regulation and Article 9d JTF Regulation
- **Development or strengthening of value chains comprising nuclear-generated electricity**
  - The decommissioning or construction of nuclear power stations is excluded on the basis of Article 7(1)(a) ERDF/CF Regulation and Article 9a JTF Regulation
- **Investment into activities listed in Annex I to Directive 2003/87/EC on a scheme for greenhouse gas emission allowance trading**
  - Excluded on the basis of Article 7(1)(b) ERDF/CF Regulation
- **Pyrolysis of plastic** excluded under Article 7(1)(h) ERDF/CF Regulation and Article 9d JTF regulation ([QA00263](#))
  - Pyrolysis of biomass is eligible under the ERDF and the JTF



# Scope – examples based on received questions

- **Training, life-long learning, reskilling and education activities are eligible**
  - There is no specific limit of resources that can be devoted for such activities / no obligation to be focused only on training
- **‘Installation’ / deployment of renewable energy sources / biotechnologies / digital technologies**
  - A simple installation of a technology developed and manufactured elsewhere having as a main goal for example bringing savings to the given enterprise but not developing or manufacturing further / other critical technologies would not fall under the scope of STEP
- **ERDF invests in applied research (Article 5(1)(b) ERDF/CF)**
- **Categories of region**
  - Limitations for productive investment of enterprises other than SMEs under ERDF/CF regulation
  - Geographical limitations for regional aid (RAG, regional aid section under GBER)

# Scope of STEP: changes to cohesion policy



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# ERDF and Cohesion Fund 2021-2027 (Article 10 of STEP)

## Scope of support

- Two **new specific objectives** for STEP under PO1 (Smarter Europe) and PO2 (Greener Europe)
- In order to contribute to the new SO, ERDF can support also training, life-long learning, reskilling and education activities
- Support to **enterprises other than SMEs** is possible in:
  - less developed and transition regions
  - more developed regions for MS whose average GDP per capita is below the EU average of the EU-27 (BG, CZ, EE, EL, ES, HR, IT, CY, LV, LT, HU, MT, PL, PT, RO, SI, SK)
- MAs are encouraged to promote the collaboration between large enterprises and local SMEs, supply chains, innovation and technology ecosystems
- Preserve focus on SMEs - supporting SMEs is the rule while support for enterprises other than SMEs is the exception and the STEP Regulation has not modified that premise



## JTF 2021-2027 (Article 11 of STEP)

### Scope of support

- **Modified JTF specific objective** clarifies that JTF may support investments contributing to the STEP objectives
- Support to productive investments contributing to the STEP objectives in **enterprises other than SMEs** is facilitated (no job gap analysis), but requirements regarding the indicative list remain in place
- Preserving focus on SMEs - supporting SMEs is the rule while support for enterprises other than SMEs is the exception and the STEP Regulation has not modified that premise
- Apprenticeships and jobs, education or training for new skills have to be considered in the selection process





## ESF+ 2021-2027 (Article 12 of STEP)

### Scope of support

- The **ESF+** may contribute to STEP objective set out in Article 2(1)(b) STEP:

**Addressing shortages of labour and skills** critical to all kinds of quality jobs for the development or manufacturing of critical technologies in the following sectors:

- (i) digital technologies,
  - (ii) clean and resource efficient technologies, including net-zero technologies
  - (iii) biotechnologies, including medicinal products on the Union list of critical medicines and their components;
- MS may use ESF+ to support development of skills in net-zero technologies, including those based on learning programmes created by Skills academies, the training of young people and the skilling, upskilling and reskilling of workers in net-zero technologies

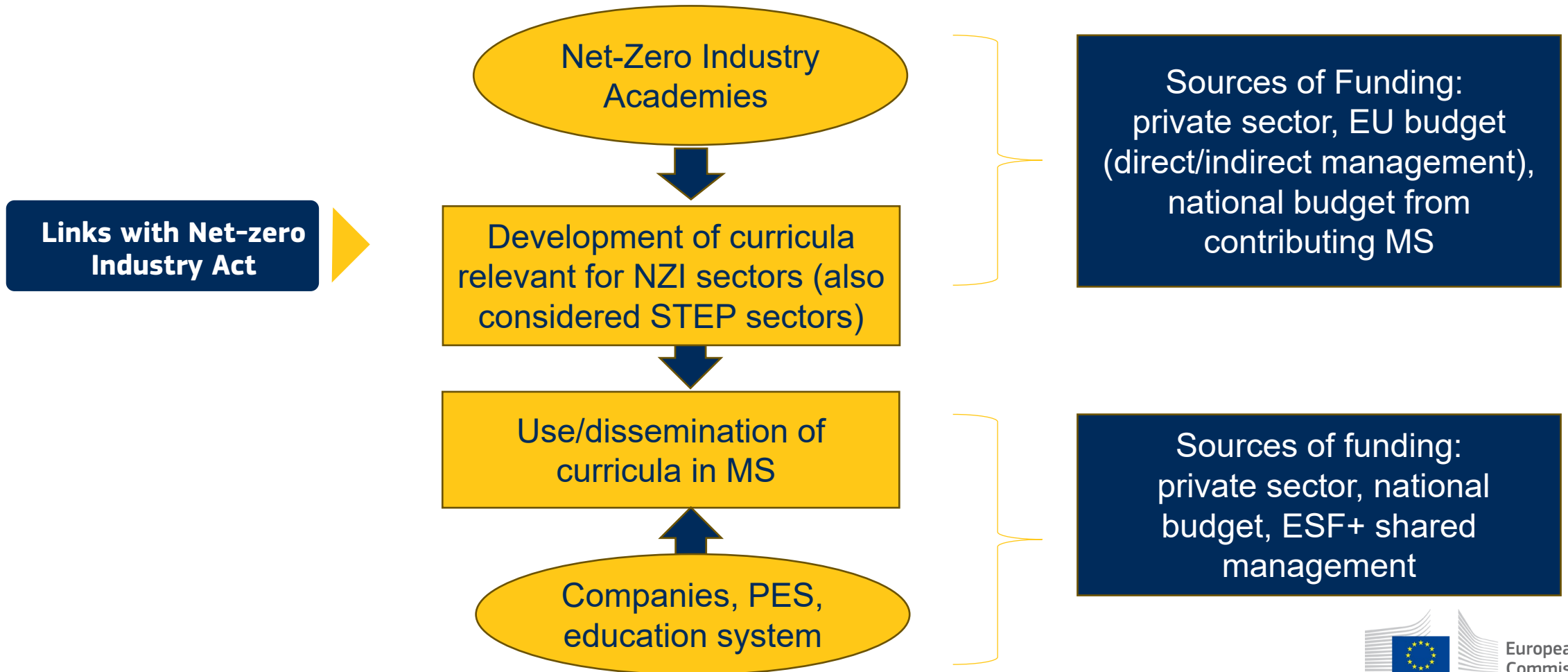


## Scope – ESF+ - examples based on received questions

- ESF+ contributes to STEP objective set out in Article 2(1)(b). It supports investments addressing shortages of labour and skills critical to all kinds of quality jobs in the STEP sectors under its relevant specific objectives set out in Art. 4 of the ESF + Regulation.
- ESF+ support to skills development is not limited to the development of skills for workers in companies, including SMEs, nor to supporting training tailored for companies; it may also cover inter alia, the development of skills through training developed/implemented through public employment services or even learning programmes in education, for instance vocational education programmes or higher education.
- STEP targets the skill sets critical to and specific for the development and manufacturing of critical technologies across the STEP sectors, while creating quality jobs and apprenticeships. STEP can also support projects which combine STEP-specific skills with the development of transferable skills, provided that transferable skills are a critical enabler to the development of these STEP skills. Transferable skills on their own do not qualify as a STEP project.
- Skills development beyond the scope of STEP within these sectors is still eligible under ESF+ as the support by the ESF+ to skills development is not limited to specific sectors, however, in such a case such support is not considered as contributing to STEP.
- Support to the development or manufacturing of critical technologies themselves, as detailed in Article 2(1)(a), cannot be provided under the ESF +.



# ESF+ 2021-2027 (Article 12 of STEP)



# Programming of STEP



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# ERDF and Cohesion Fund 2021-2027 (Article 10 of STEP)

## Programming

- New SOs have to be programmed under a **dedicated priority**
- **Dedicated priorities are only those including exclusively the new SOs** (1.6 under PO1 ERDF and 2.9 under PO2 ERDF and/or CF), no other SOs can be added
- As dedicated priorities can include only the new SOs, a **multi-Fund dedicated ERDF/CF priority** can be created **only under SO2.9**
- Two dedicated priorities are needed if support to both SO 1.6 and SO 2.9 is envisaged
- It is possible to implement operations under the ERDF or the Cohesion Fund that fall within the scope of the STEP under the relevant existing specific objectives
- ERDF resources and indicators under dedicated STEP priorities need to be divided by category of region



# ERDF and Cohesion Fund 2021-2027 (Article 10 of STEP)

## Programming

- **Capping of 20%** of the initial allocation of the ERDF
  - 'initial national allocation' as in the Commission implementing decision (EU) 2021/1131 of 5 July 2021 (including TA and flexibility amount)
- A need to comply with thematic concentration requirements, urban earmarking, climate targets
- Flexibility with achieving **climate targets** between the ERDF and the Cohesion Fund (amendment to Article 6(1) CPR):
  - where as a result of STEP reprogramming in one or more programmes the climate contribution under either ERDF or CF at national level drops below the threshold (e.g., due to selecting intervention fields of Annex I CPR with lower climate contribution);
  - i.e., CF contribution to climate target above 37% may compensate a drop (resulting from STEP reprogramming) in the ERDF contribution below the 30% target (and vice versa)



# ERDF and Cohesion Fund 2021-2027 (Article 10 of STEP)

## Financial incentives

- 30% of the dedicated priority's allocation to be paid as one-off pre-financing, provided the request for amendment is submitted by 31 March 2025 (i.e., it would be paid in 2024 or 2025, depending on when adopted)
- The amount to be de-committed (from 2025 onwards) will be reduced by the pre-financing paid
- Pre-financing to be cleared in the final accounting year
- Co-financing rate may be increased up to 100% - up to the MS
- The co-financing rate for the priority is approved in the financing plan of a programme through a COM decision approving the programme amendment and will be applied to the priority for payment applications submitted under that programme
- If 100% co-financing is chosen, no national contribution is required to the dedicated priority
- Priorities other than dedicated ones cannot receive the financial incentives mentioned above

## New common indicators



## ERDF/CF - eligibility

- ERDF/CF: the eligibility rule newly introduced in Article 5(2)(e) ERDF/CF Regulation on the ERDF scope of support relates to **productive investments in enterprises other than SMEs implemented under the STEP specific objectives**, i.e., expenditure related to such investments can only be eligible from the date of submission of a request for a programme amendment including in the programme one or more dedicated STEP priorities.

**New types of interventions  
and a new secondary theme  
(Annex I CPR)**

- 145 a and b on support for the development of skills or access to employment in digital technologies and deep tech innovation, biotechnologies / in clean and resource-efficient technologies
- 188-193 on productive investments
- Highly recommended to be used for better STEP monitoring, not obligatory
- Programme amendment needed to introduce them
- May be introduced into existing priorities





# Interreg 2021-2027 and STEP

- On the scope: see changes under ERDF - **productive investments in enterprises other than SMEs** may be supported by an Interreg programme as long as the **geographical coverage** of the programme within the Union consists exclusively of less developed and transition regions (in all Member States), as well as more developed regions in the 17 Member States listed above, and these regions are within the Union
- STEP does not impose an obligation to prioritise cross-border projects; MS may decide to prioritise them



## JTF 2021-2027 (Article 11 of STEP)

### Programming

- **Under JTF priorities** corresponding to the **single JTF specific objective**;
- No **dedicated priority** required (but necessary to benefit from increased co-financing and exemption from the mid-term review under certain conditions, programme amendment is required)
- **STEP investments can be implemented without amendment under existing priority** provided that it includes the types of activities and related types of intervention that fall into the scope of investments contributing to the STEP objectives
- If the existing priority contains **only** STEP-related investments, it can be marked as STEP-dedicated (programme amendment is required to increase co-financing, add STEP-related intervention fields etc.)
- If investments contributing to the STEP objectives are not yet allowed under the TJTP/programme, the amendment of the programme(s) and TJTP will be necessary.



# JTF 2021-2027 (Article 11 of STEP)

## Financial incentives

- One-off pre-financing of 30% of the JTF allocation paid to all programmes at the beginning of March 2024, which significantly reduces the N+3 decommitment risk for 2025
- There is no additional pre-financing for STEP dedicated priorities
- Co-financing rate may be increased up to 100% in case there is a dedicated priority to STEP (without deadline for programme amendment).

No new common indicators included in the JTF regulation but MA can use programme specific ones mirroring the ones for ERDF/CF (same code with 'a' at the end)

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Table 2: Output indicators ⓘ  
Reference: point (d)(ii) of Article 22(3) CPR and Article 8 ERDF and CF Regulation

**INDICATOR**

Common output indicator  Programme specific reserved output indicator  Programme specific output indicator \*

Please select a value from the list

Please select a value from the list \*

- RCO125a. Firms: Enterprises supported linked primarily to digital technologies and deep tech innovation productive investments
- RCO126a. Firms: Enterprises supported linked primarily to clean and resource-efficient technologies productive investments
- RCO127a. Firms: Enterprises supported linked primarily to biotechnologies productive investments

Milestone (2024) \*

Target (2029) \*

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# JTF programming - support to productive investments in enterprises other than SMEs



- If a programme or its TJTP contains provisions that would not allow investment in enterprises other than SMEs, it needs to be amended
- To support productive investments that contribute to STEP objectives in enterprises other than SMEs under JTF, the jobs **gap analysis is no longer required**, however, STEP regulation has not amended the rules regarding the **indicative list of productive investments** in enterprises other than SMEs, i.e.:
  - The list must be included in a territorial just transition plan (TJTP), in accordance with Article 11(2)(h) JTF, wherever support to productive investments in large enterprises is envisaged in the programme
  - The list loses de facto its “indicative” character if the support is to be granted under Regional State Aid Guidelines (the RAG) to large enterprises for initial investments located in ‘c’ areas that do not create new economic activities (see derogation under paragraph 14 of the RAG); for these investments, both the investment and the beneficiary should be identified in the TJTP approved by the COM before the aid can be notified to the COM
  - The investments from the list in the TJTP approved by the COM and those productive investments in large enterprises that may be identified in the future (after the approval of the TJTP) are still subject to selection procedures in accordance with Article 73 CPR

# JTF programming - support to productive investments in enterprises other than SMEs



- The need to amend the TJTP and the obligation concerning the indicative list varies:
  - **If the TJTP already envisages productive investments in large enterprises, and new productive investments in large enterprises are identified** -> the modification of the list is encouraged, but not compulsory when amending the JTF programme (the TJTP) unless the list loses its indicative character as the MS decides to make use of the derogation under paragraph 14 of RAG; Further amendments to the programme may be needed in some cases, e.g., if a dedicated STEP priority is introduced, the amount of current support and consequently the values of indicators are changed etc.
  - **The TJTP does not envisage any support to productive investments in large enterprises** -> **the modification of the TJTP is necessary** and must be done through a programme amendment; the TJTP should explain the expected contribution of such investments to alleviating the impact of the transition. The indicative list must be established and included in the TJTP, and other relevant changes have to be reflected in the programme.
- If the Member State envisages to select productive investments in large enterprises through open calls for projects, the list can be established through a prior call for interest that will allow to identify potentially eligible operations and enterprises.



## JTF - eligibility

- The JTF can only support activities that are **directly linked to its specific objective** and which **contribute to the implementation of the territorial just transition plans** in the designated JTF territories
- **Exclusions from funding remain unchanged**
- For productive **investments contributing to the STEP** objectives in enterprises other than SMEs, STEP **removed geographical restrictions for (a) and (c) areas under the State aid rules** as designated in a regional aid map in accordance with Article 107(3) TFEU)
- Expenditure related to the removed geographical restrictions for productive investments pursuing STEP objectives can be eligible only from the date of submission of the programme amendment
- However, state aid rules apply. As under regional aid support is possible only in assisted areas, de facto support for productive investment in large enterprises under STEP outside assisted areas will only be possible on the basis of temporary crisis and transition framework



## ESF+ 2021-2027 (Article 12 of STEP)

### Programming

- MS may create a **STEP dedicated priority** (necessary for using the STEP incentives such as increased co-financing and additional pre-financing, otherwise not obligatory)
- As no new ESF+ SO were introduced, the support is already possible without a programme amendment provided it falls under the scope of the programme
- Only ESF+ mono-Fund dedicated priorities under PO4 SOs can be created
- Allocation to the priority is not subject to any capping
- Support may be programmed under **any of relevant PO4 specific objectives**
- No new common indicators introduced, i.e., programmes to use existing common output and result indicators, as set out in Annex I; or programme-specific indicators.

### Financial incentives, for a dedicated priority (new Article 12a)

- 30% of the dedicated priority's allocation to be paid as one-off pre-financing, provided the Member States submits request for programme amendment by 31 March 2025
- Pre-financing to be cleared in the final accounting year
- Co-financing rate may be increased up to 100%



# ESF+ - new intervention fields & eligibility

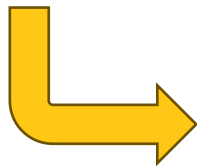
The STEP regulation introduced two **new intervention fields dedicated to STEP**:

- Support for the development of skills or access to employment in digital technologies and deep tech innovation, biotechnologies (145a)
- Support for the development of skills or access to employment in clean and resource-efficient technologies (145b)

Member States are **strongly encouraged** to use them to **track support contributing to STEP objectives**.

To do so, a **programme amendment** will be needed in order to introduce them in **table 4 of the programme**.

For the ESF +, **the introduction of a new intervention field does not have an impact on eligibility of expenditure** (Art. 63(7), CPR).



**New Intervention Fields** can be introduced in the forthcoming programme amendment (i.e.: a programme amendment to introduce the STEP intervention fields is not needed to implement STEP operations).





# Eligibility general – applicable to all CP Funds

- General rules:
  - Expenditure related to the operation falling within the scope of STEP that was not eligible under the programme or under the CPR and the Fund-specific Regulations before the entry into force of the STEP Regulation, will become **eligible from the date of submission of a request for a programme amendment** to COM, Art. 63(7) (assuming the amendment is adopted)
  - Operations cannot be selected for support by the Funds where they have been **physically completed or fully implemented** (Art. 63(6)) before the application for funding under the programme is submitted, irrespective of whether all related payments have been made
  - **Operations in progress** (financed either from national resources, and/or by the cohesion policy Funds) can be eligible if they fall within the scope of support under STEP



## Eligibility general – applicable to all CP Funds

- **In case where it is clear that existing types of actions covered STEP activities**, the introduction of the new types of intervention (introduced by STEP regulation) in practice does not lead to new eligibility of expenditure:
  - In line with Article 63(7) CPR the amendment related **to the introduction of the new intervention codes**, in particular those of 188 to 193, does not result in new eligibility, as ***de facto* the amendment will not have an impact on eligibility** as these activities were already eligible under programme based on the previous types of intervention and the eligibility of the expenditure will continue under the new codes
- For purely monitoring purposes, it is recommended to use the new intervention codes for STEP-related investments in the priority, i.e., 145a, 145b and 188 to 193 from annex I of the CPR, and the corresponding allocations under this priority should be moved to them
- For the ESF+, the introduction of a new type of intervention has no impact on eligibility provided that the **operation fits into the related types of actions which are already included in the programme**



## Programming – general (applicable to all CP Funds)

- The uptake of STEP investments, including creating dedicated priorities, is **voluntary** (e.g., if support to STEP objectives, e.g., via large enterprises, does not fit your programme, no COM expectations)
- MA are encouraged to **discuss and pre-agree the scope of a programme amendment with the COM before the official submission** of their amendment request
- **No regulatory deadline for MS to submit a STEP-related programme amendment**, including for the purpose of introducing a dedicated priority to investments contributing to STEP;
  - the deadlines of 31/8/2024 and 31/3/2025 are important for the use of the respective incentives – MTR flexibility and shorter adoption deadline until 31/8/2024 and additional pre-financing for the dedicated priorities (except for JTF, which has already been paid) until 31/3/2025
- Any **re-allocations need to comply with the regulatory requirements** e.g., on thematic concentration or minimum requirements
- The re-allocation might result in changes to the **form of support** in the new dedicated priority (e.g., funds ‘assigned’ to grants in the giving priority might be used to finance financial instruments)

# Programming – general/various (applicable to all CP Funds)



- If eventually the resources programmed for investments related to STEP are **not fully used**, after all possible measures taken by the MA, it can consider, as a standard programme management practice, a programme amendment to re-allocate the funds to other priorities/programmes as needed (also via a non-substantial transfer from dedicated STEP priorities without the need for a formal programme amendment in accordance with Article 24(5) CPR)
- European Semester 2024 exercise: **Country reports will include MS-specific orientations** in the form of thematic areas which could benefit from the STEP initiative; MS are invited to give due consideration to these orientations when preparing STEP amendments.
- STEP support under PO1, new SO 1.6: Consistency with the corresponding **smart specialisation strategies** is encouraged, there is no such requirement for projects contributing to the STEP objectives
- **SFC2021** is ready to receive STEP-related amendments



## CPR 2021-2027 (Article 13 of STEP) – mid-term review links

- Objective: reducing administrative burden for MS and avoid “amending/reviewing” a programme twice in a short time period
- MS may submit a **STEP amendment request by 31 March 2025 (=DDL for the MTR)** and still receive 30% pre-financing
- **STEP dedicated priorities are excluded from MTR if** request for amendment of programme is **submitted by 31 August 2024**
- Possibility for MS to allocate the existing flexibility amounts in full to these priorities. In such a case the whole programme is **exempted from the MTR** (if the full flexibility amount is allocated to the STEP priority(ies) of that programme, the whole programme is excluded; if not, only the corresponding STEP priority(ies) are excluded from the MTR)
- Only programmes with at least one dedicated STEP priority can be excluded from the mid-term review assessment



## CPR 2021-2027 (Article 13 of STEP) – mid-term review links

- Timeline: **2 months for Commission adoption IF** the programme amendment concerns exclusively the introduction of dedicated priorities to investments contributing to the STEP objectives (e.g., the new priorities and the respective changes to other parts of the programme stemming from these; includes possible transfers between funds)
  - In case of re-allocations from other programmes, the Commission will aim for adoption within the 2 months deadline assuming commitments from the giving programme are available (e.g., that the giving programme's amendment is adopted sufficiently in advance before the 2 months deadline for the receiving one)
- I.e., it is possible to merge STEP-related amendments with non-STEP related ones, however, the deadline of 2 months for adoption by COM will not apply



## CPR 2021-2027 (Article 13 of STEP) – mid-term review links

- **Flexibility amounts** can be allocated to dedicated STEP priorities in programme amendments submitted after 31 August 2024, however this needs to be based on the outcome of the mid-term review and submitted as an amendment linked to the MTR under Article 18 CPR
- No obligation to allocate flexibility amounts to STEP priorities before or after 31 August 2024 – possible to re-allocate only amounts excluding the flexibility amounts to these priorities too
- If flexibility amounts from other priorities/programmes are allocated to a STEP priority, keep them in the column “Flexibility amount”, i.e., do not move them to the column related to “Union contribution less the flexibility amount”
- No re-allocations of flexibility amounts between programmes before MTR (i.e., in the STEP one, FA can be re-allocated only between priorities)
- A **webinar** on the mid-term review is planned for the end of September

# CPR 2021-2027 (Article 13 of STEP) – mid-term review links



PRG-IJG list 2021AT16FFPR001 - 3.0

3.0 EC 08/04/2024, 11:09 DECISION OK

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3. FINANCING PLAN

3.6. Table 11: Total financial appropriations by fund and national co-financing <sup>i</sup>

Reference: point (g)(ii) of Article 22(3), Article 22(6) and Article 36 CPR

Policy objective or TA	Priority	Fund	Category of region	Union contribution				
				Total(a)=(b)+(c)+(i)+(j)	Less flexibility amount		Flexibility amount	
					Without TA(b)	For TA (c)	Without TA(b)	For TA(c)
1	1	ERDF	More developed	289,827,172.00	232,406,213.00	13,944,372.00	41,015,648.00	
1	1	ERDF	Transition	19,452,980.00	15,598,929.00	935,936.00	2,752,939.00	
2	2	ERDF	More developed	148,189,070.00	118,829,647.00	7,129,778.00	20,971,363.00	
2	2	ERDF	Transition	8,437,397.00	6,765,768.00	405,946.00	1,194,041.00	
5	3	ERDF	More developed	55,489,149.00	44,495,562.00	2,669,734.00	7,852,692.00	
8	4	JTF Article 3 JTF resources		33,291,881.00	27,209,802.00	1,088,391.00	4,801,623.00	
8	4	JTF Article 4 JTF resources		42,738,909.00	41,095,105.00	1,643,804.00		
8	4	<b>JTF total</b>		<b>76,030,790.00</b>	<b>68,304,907.00</b>	<b>2,732,195.00</b>	<b>4,801,623.00</b>	

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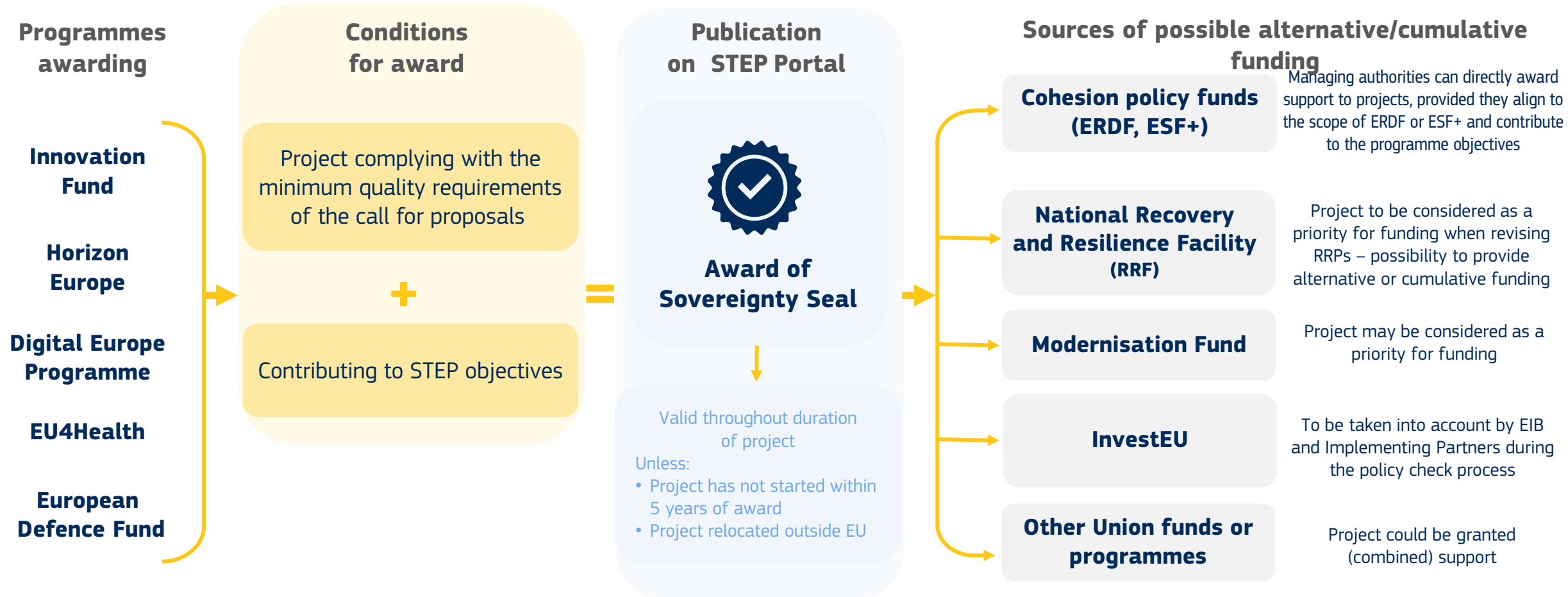
## CPR 2021-2027 (Article 13 of STEP)

### **Possibility for Member States to amend the Partnership Agreement**

- To take into account the introduction in the programmes of priorities contributing to the STEP objectives
- No obligation to amend the PA
- No prejudice to the possibility to amend the PA by 31 March 2025 to take into account the outcome of the mid-term review
- No deadline for submission (but preferably once all programmes are adopted or at least pre-agreed with COM to ensure full coherence)



# The Sovereignty Seal in a nutshell





## CPR 2021-2027 (Article 13 of STEP) - Sovereignty Seal

- Definition of Seal of Excellence is amended to include the Sovereignty Seal
- Can only be awarded by COM under 5 directly managed Union instruments identified in the STEP Regulation: Horizon Europe, the European Defence Fund, the Innovation Fund, the EU4Health Programme or the Digital Europe Programme
- General provisions on the selection of operations under cohesion policy with Seal of Excellence apply (Article 73(4) CPR):
  - Possibility for the managing authority to **select operation** which has received the Sovereignty Seal under a direct/indirect management programme **directly** (MAs do not have to follow the entire selection procedure) provided this operation meets certain conditions: i.e., the operations must **comply with the programme** and **contribute to the specific objectives**; must be **consistent with corresponding strategies for applicable enabling conditions**; and must **fall within the scope of the Fund and a type of intervention**



## CPR 2021-2027 (Article 13 of STEP) - Sovereignty Seal

- In case MA decides to grant support from the ERDF or the ESF+ to projects with Sovereignty Seal in accordance with Article 73(4) CPR, they can do this without amending the programme, i.e., within an existing priority, if the project falls under its scope and complies with the relevant legislative requirements.
- The Sovereignty Seal is **not a prerequisite for funding** under the newly introduced STEP priorities in cohesion policy programmes
- Article 73(4) CPR does not apply to the JTF and CF; **JTF/CF may be used to support operations which have received a Seal provided they fall under the scope of the JTF (and TJTP)/CF and the programme, but they cannot benefit from the simplified selection procedure set out in that provision.**
- MA are free to organise themselves in terms of **selection** of these projects: e.g. through additional points in a general call (not only for Sovereignty Seal projects) or through launching a specific call for Sovereignty Seal projects
- In order to apply for financing from the ERDF or the ESF+, a project with a Sovereignty Seal **must retain its initial scope** because otherwise the assessment under the directly managed Union instrument on the basis of which the quality label is awarded is no longer valid.

# CPR 2021-2027 (Article 13 of STEP) – Sovereignty Seal – demarcation/difference with Seal of Excellence



- The instruments under which the two seals can be awarded are not the same:
  - The **Seal of Excellence** can be awarded under the following 6 directly managed instruments: Horizon Europe, Digital Europe Programme, LiFE, Erasmus+, the Act in Support of Ammunition Production (ASAP) and Connecting Europe Facility - Digital.
  - The **Sovereignty Seal** can only be awarded under 5 directly managed Union instruments identified in the STEP Regulation: Horizon Europe, the European Defence Fund, the Innovation Fund, the EU4Health Programme or the Digital Europe Programme
- Under the **directly managed instruments** a Sovereignty Seal can be awarded to projects contributing to STEP objectives within the scope of the relevant instrument (e.g., the Innovation Fund will only fund and award Seals to cleantech projects) and complying with the specific rules of the instrument.
- These instruments will publish dedicated **STEP-relevant calls**, defining the minimum quality requirements (in particular eligibility, exclusion and award criteria) to obtain the Sovereignty Seal.
- **Cohesion policy** programmes will only support projects that fall within the scope of its Funds and that contribute to the achievement of the objectives of the ERDF/ESF+ programmes.

# CPR 2021-2027 (Article 13 of STEP) - Sovereignty Seal - demarcation/difference with Seal of Excellence



- The Sovereignty Seal allows for **cumulative funding** (Articles 4(3)(b) and 4(7) STEP Regulation).
- The Seal of Excellence does not allow for cumulative funding - it can only be awarded to projects that did not receive funding under the respective programmes.
- Based on Art. 63(9) CPR,
  - cohesion policy programmes may support projects that also receive funding from a directly managed Union instrument provided that the **same expenditure is not declared for both instruments**;
  - the amount of expenditure to be entered into a payment application of a Fund may be calculated for each Fund and for the programme or programmes concerned on a **pro rata basis**, in accordance with the document setting out the conditions for support.
- The [Notice on synergies between ERDF programmes and Horizon Europe](#) describes in detail the modalities of implementation of cumulative funding, including respecting the prohibition of double declaration and reporting obligations (**no specific guidance** on the application of the Seal envisaged)
- As cohesion policy programmes support falls under the state aid rules, the GBER provision on cumulation (Art. 8(2) GBER) is applicable.

# CPR 2021-2027 (Article 13 of STEP) - Sovereignty Seal - IPCEI



- Pursuant to Article 2(6) of the STEP Regulation, where an important project of common European interest (IPCEI) approved by the Commission relates to STEP technologies, the relevant technology shall be deemed critical, and consequently the given project can be considered as within the scope of STEP.
- This does not mean that the project would be granted the **Sovereignty Seal** - as Article 4(1) of STEP states, Sovereignty Seals are to be awarded by COM **only to projects that have been assessed and comply with minimum quality requirements (in particular eligibility, exclusion and award criteria) provided for in a call for proposals by the European Defence Fund, Horizon Europe, Digital Europe Programme, EU4Health, or the Innovation Fund.**



## Selection of operations - general

- Managing authority may start selecting STEP related operations within the **existing** priorities provided that their content covers investments in line with STEP objectives (see slides on eligibility).
- Resources of the dedicated STEP priority could cover **ongoing calls** of proposals (launched before the programme amendment at risk of the managing authority) if investments under the calls are in line with the objectives of this priority, as agreed with the COM in the programme amendment, and comply with all the requirements set out in Article 73(2) CPR, applicable law and eligibility rules introduced by STEP regulation.
- MA to secure that any changes in the selection procedure ensure the transparency, non-discrimination and equal treatment of beneficiaries.



# State aid aspects



- *Błażej GORGOL*

*Coordination of Programmes Unit, DG REGIO.02*



## State aid – general

- Support to STEP project may constitute State aid - the principles laid down in the Treaty apply to STEP in the same way as to other policy areas
- In accordance with the TFEU, State aid should remain exceptional, and be limited to the minimum necessary for projects that contribute to certain objectives to be undertaken
- Incentive effect is an essential condition to grant State aid and cannot be derogated from
- It is important that public funding does not crowd out private investment
- State aid should be notified (or be covered by a notified scheme) unless it is exempted from notification under an existing exemption Regulation

# State aid – support for initial investments for enterprises other than SMEs



- Support for **initial investments** for large enterprises – possibilities under the state aid rules
  - RAG: in ‘a’ areas without conditions, in ‘c’ areas provided that the initial investment creates new economic activities
    - Derogation for the JTF under recital 14 RAG for ‘c’ areas: additionally, also for diversification of the output or a fundamental change in the production process
  - GBER: regional aid section in assisted areas (so ‘a’ and ‘c’ areas)
  - Temporary Crisis and Transition Framework (TCTF, section 2.8): support beyond assisted areas for strategic sectors for the transition towards a net-zero economy as defined in the TCTF (provide all conditions thereunder are fulfilled)

# Support to enterprises other than SMEs – certain state aid aspects (questions from MSs)



- **ERDF:** Do initial investment for enterprises other than SMEs need to occur on regional aid map?
  - **Reminder:** STEP productive investments in large enterprises may be supported only in less developed and transition regions, as well as certain more developed regions
  - **State aid aspect:** for **regional aid** under RAG or GBER it needs to be checked whether the less developed / transition region (or the more developed region) where the investment would occur figures on the Member State's approved regional aid map
  - No need in relation to state aid under TCTF, section 2.8
- **JTF:** What does removing restrictions to areas 'a' and 'c' mean?
  - Removing restrictions related to 'a' and 'c' in the derogation for enterprises other than SMEs allows for taking advantage of TCTF, section 2.8, which is not restricted to assisted areas
  - for **regional aid** under RAG or GBER it needs to be checked whether JTF territory covered by the plan figures on the Member State's approved regional aid map

# State aid – questions on GBER cumulation rules and own contribution



- **Questions related to cumulation rules (Article 8 GBER)**
  - Article 8 GBER sets cumulation rules for Union and national funding to ensure that there is an incentive effect of public funding, which is a key requirement to approve aid under the Treaty.
  - Article 8 GBER allows for a high coverage of eligible costs in the case of co-funding with centrally-managed funds.
- **Questions related to minimum own contribution (Article 14 GBER / regional investment aid)**
  - The requirement of a minimum of 25% own contribution by the beneficiary must be complied with and taken into account in the calculation of maximum aid intensity
  - This still applies in case of cumulation with public funding from a centrally managed source possible on a project, the beneficiary must provide a 25% contribution to the project that is free of public support



# State aid – questions on seal of sovereignty

- **Question on lack of specific provisions in GBER related to the seal of sovereignty**
  - While the GBER does not provide for specific conditions to exempt Seals of Sovereignty granted under the STEP Regulation from notification to the Commission, Member States are entitled to apply any GBER article to a project, as long as it fulfils the conditions in that article. The absence of a specific provision should not impede the application of the GBER to projects granted a STEP Seal of Sovereignty
- **Question on seal of sovereignty - multi-beneficiary projects and certain state aid aspects**
  - Synergy guidelines focus on mono-beneficiary projects
  - Complexity of multi-beneficiary projects: the project with the Sovereignty Seal cannot be modified otherwise the assessment under directly managed instrument is not valid
  - In general state aid assessment is done per project and per beneficiary by body granting aid
    - **Q on regional aid:** In case of State aid support to manufacturing projects located in the territory of the Union, there is a territorial limit linked to the RAG and the regional aid section of the GBER, where aid to initial investments can be granted only to an establishment in assisted areas 'a' and 'c'.

# Publication of calls on the Sovereignty Portal



- *Monika TCHAVDAROVA*

*Coordination of Programmes Unit, DG REGIO.02*

# CPR 2021-2027 (Article 13 of STEP) – Publicizing funding opportunities for investors – Sovereignty portal



- For programmes supporting STEP objectives: MA required to submit to the Commission a timetable of **planned calls for proposals** (based on the general rules set out in Article 49(2) CPR, i.e., no additional burden envisaged) **that is updated at least three times a year, as well as the link to the calls for proposals on the day of their publication**
- Purpose of the transmission: This information will be published by the Commission on the **Sovereignty Portal** to disseminate funding opportunities to beneficiaries and facilitate access to funding



# CPR 2021-2027 (Article 13 of STEP) – Publicizing funding opportunities for investors



- Requested fields to be sent via SFC2021 (Article 49(2) + some optional):
  - Programme CCI
  - Priority code
  - Dedicated priority Y/N
  - Specific objective code
  - Unique identifier of the call
  - STEP sector
  - Short description of the call
  - Geographical area covered by the call (NUTS 1-3)
  - Type of eligible applicants
  - Currency of the call
  - Total amount of support for the call (in the currency applicable to the call)
  - Start date (expected or actual)
  - End date (expected or actual)
  - Link to the call for proposal
  - Other information
- The Commission will share with MA the mode for transmission of the data in due time

# CPR 2021-2027 (Article 13 of STEP) – Publicizing funding opportunities for investors



- The **Sovereignty Portal** will also provide information about funding opportunities for projects linked to the STEP objectives and enhancing the visibility of those projects, e.g.:
  - details of **projects that have been awarded a Sovereignty Seal**, including the directly managed instrument under which the Seal was awarded, as well as the specific STEP sector addressed and a short project description (first ones expected toward the end of 2024)
  - details of **projects that have been recognised as strategic projects** under the Net-Zero Industry Act and the Critical Raw Materials Act
  - details of **projects** supporting the STEP objectives that have been **selected for support under the ERDF, the Cohesion Fund, the ESF+ or the JTF**

Thank you



# Q&A session



**BREAK**



**Strategic Technologies for Europe Platform in cohesion policy**

### **3. STEP amendments to the 2014-2020 legislation**





# Content

- **Changes to the 2014-2020 CPR**
  - 100% co-financing rate for the final accounting year - ERDF, ESF, CF
  - Deadline for the submission of the final interim payment application, 1% ceiling on 2025 interim payments - ERDF, ESF, CF, EMFF
  - Deadline for the submission of closure documents - ERDF, ESF, CF, EMFF
  - '15% flexibility' across the allocation for the outermost regions and 'classic' ERDF - ERDF
  - Impact on Article 112 CPR data transmission - ERDF, ESF, CF
  - Key audit aspects - ERDF, ESF, CF, EMFF
  - EMFF relevant aspects - EMFF
- **Changes to the FEAD Regulation - FEAD**

# Changes to the 2014-2020 CPR





# 100% co-financing rate for the final accounting year



Article 25a(1b) CPR (*Article 14(1) STEP*) - ERDF, ESF, CF

- *Attila SZAKÁTS*

*Coordination of Programmes Unit, DG REGIO.02*

# Art. 25a(1b) 100% co-financing rate – *rules*

## ERDF, ESF, CF



- **100% co-financing rate** for expenditure in the final accounting year – similar to CRII/CARE
  - Not ‘up to’ 100% – no modulation, only 100% can be requested
  - One or more priorities – both non-TA and TA, regardless of categories of regions
  - Applies to all expenditure in the entire accounting year – no differentiation per time period/payment application
  - Can be applied independently from extended STEP deadlines
  - For ERDF, ESF, CF programmes: but also REACT-EU (incl. TA) and YEI
  - Applies to ETC (*not to IPA CBC (Art. 28 IPA IR) nor ENI CBC (Art. 12 ENI CBC IR)*)
- **Notification of revised financial table:** ‘tick’ in new column (IGJ: Table 18a, ETC: Table 16)
  - No other change required for notifying the 100% co-financing rate
  - Transmit before final interim payment application: latest by 31/07/2025
  - No Commission decision, only prior MC approval – unless grouped with amendment needing such decision
- CIR 288/2014 amended and in force as of 25/04, **tick boxes available in SFC2014**
  - Calculation sheets ready by 01/06 – payment applications from then count with 100% rate (if notified)
  - But will be applied to all expenditure in the accounting year – even if no new expenditure is declared in the final interim payment application

# Art. 25a(1b) 100% co-financing rate – SFC2014 (IGJ) ERDF, ESF, CF



## SECTION 3. FINANCING PLAN

### 3.2 Total financial appropriation by fund and national co-financing (€)

Table 18a: Financing Plan

Update  Cancel

PRIORITY AXIS	FUND	CATEGORY OF REGION	BASIS FOR CALCULATION OF UNION SUPPORT	UNION SUPPORT (A)	NATIONAL COUNTERPART (B) = (C) + (D)	NATIONAL PUBLIC FUNDING (C)	NATIONAL PRIVATE FUNDING (D)	TOTAL FUNDING (E) = (A) + (B) OR (A) + (C)	CO-FINANCING RATE (F) = (A) / (E)	100% CO-FINANCING RATE FOR ACCOUNTING YEAR 2020-2021*	100% CO-FINANCING RATE FOR ACCOUNTING YEAR 2021-2022**	100% CO-FINANCING RATE FOR ACCOUNTING YEAR 2023-2024***
I	ERDF	Less developed	Total	1,522,442,664.00	797,608,835.00	107,981,403.00	689,627,432.00	2,320,051,499.00	65.6210719743%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
II	ERDF	Less developed	Total	1,748,264,517.00	991,392,030.00	38,091,176.00	953,300,854.00	2,739,656,547.00	63.8132731971%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
III	ESF	Less developed	Total	207,822,776.00	47,360,106.00	9,206,241.00	38,153,865.00	255,182,882.00	81.4407198364%	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
IV	ERDF	Less developed	Total	50,000,000.00	8,823,530.00	8,382,354.00	441,176.00	58,823,530.00	84.9999991500%	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
IV	CF		Total	478,308,060.00	102,054,364.00	96,951,646.00	5,102,718.00	580,362,424.00	82.4154080658%	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
IX	ERDF	More developed	Total	659,000,000.00	190,800,000.00	25,000,000.00	165,800,000.00	849,800,000.00	77.5476582725%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
V	ESF	Less developed	Total	161,900,452.00	28,570,668.00	28,570,668.00	0.00	190,471,120.00	85.0000000000%	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
VII	ERDF REACT-EU		Total	1,548,892,793.00	50,000,000.00	50,000,000.00	0.00	1,598,892,793.00	96.8728359888%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VIII	ESF REACT-EU		Total	376,000,000.00	0.00	0.00	0.00	376,000,000.00	100.0000000000%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
X	ESF	Transition	Total	50,000,000.00	14,110,000.00	12,550,000.00	1,560,000.00	64,110,000.00	77.9909530494%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VI	ERDF	Less developed	Total	114,500,000.00	20,205,883.00	20,205,883.00	0.00	134,705,883.00	84.9999995917%	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

\* By ticking the box the Member State requests to apply, pursuant to Article 25a(1) of Regulation (EU) No 1303/2013, a co-financing rate of 100% to expenditure declared in payment applications during the accounting year starting on 1 July 2020 and ending on 30 June 2021 for all /some of the priority axes of the operational programme.

\*\* By ticking the box the Member State requests to apply, pursuant to Article 25a(1a) of Regulation (EU) No 1303/2013, a co-financing rate of 100% to expenditure declared in payment applications during the accounting year starting on 1 July 2021 and ending on 30 June 2022 for all /some of the priority axes of the operational programme.

NOTE The sum of total ESF support in less developed, transition and more developed regions and the resources allocated to the YEI in Table 18a equals the sum of total ESF support in such regions and the specific allocation to the YEI in Table 17.

\*\*\* By ticking the box the Member State requests to apply, pursuant to Article 25a(1b) of Regulation (EU) No 1303/2013, a co-financing rate of 100% to expenditure declared in payment applications during the accounting year starting on 1 July 2023 and ending on 30 June 2024 for all / some of the priority axes of the operational programme.

# Art. 25a(1b) 100% co-financing rate – SFC2014 (ETC) ERDF, ESF, CF



## SECTION 3. FINANCING PLAN

### 3.2.A Total financial appropriation from the ERDF and national co-financing (in €)

Table 16: Financing plan

Update  Cancel

PRIORITY AXIS	FUND	BASIS FOR CALCULATION OF UNION SUPPORT	UNION SUPPORT (A)	NATIONAL COUNTERPART (B) = (C) + (D)	NATIONAL PUBLIC FUNDING (C)	NATIONAL PRIVATE FUNDING (D)	TOTAL FUNDING (E) = (A) + (B) OR (A) + (C)	CO-FINANCING RATE (F) = (A) / (E)	100% CO-FINANCING RATE FOR ACCOUNTING YEAR 2020-2021*	100% CO-FINANCING RATE FOR ACCOUNTING YEAR 2021-2022**	100% CO-FINANCING RATE FOR ACCOUNTING YEAR 2023-2024***	CONTRIBUTIONS FROM THIRD COUNTRIES
1	ERDF	Total	47,117,240.00	15,705,748.00	12,564,598.00	3,141,150.00	62,822,988.00	74.9999984082%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0.00
2	ERDF	Total	29,744,404.00	9,914,802.00	7,931,842.00	1,982,960.00	39,659,206.00	74.9999987393%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0.00
3	ERDF	Total	15,267,039.00	5,089,014.00	4,071,211.00	1,017,803.00	20,356,053.00	74.9999963156%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0.00
4	ERDF	Total	39,483,720.00	13,161,241.00	10,528,993.00	2,632,248.00	52,644,961.00	74.9999985754%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0.00
5	ERDF	Public	8,400,791.00	1,482,493.00	1,482,493.00		9,883,284.00	84.9999959528%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0.00

\* By ticking the box the Member State requests to apply, pursuant to Article 25a(1) of Regulation (EU) No 1303/2013, a co-financing rate of 100% to expenditure declared in payment applications during the accounting year starting on 1 July 2020 and ending on 30 June 2021 for all /some of the priority axes of the operational programme.

\*\* By ticking the box the Member State requests to apply, pursuant to Article 25a(1a) of Regulation (EU) No 1303/2013, a co-financing rate of 100% to expenditure declared in payment applications during the accounting year starting on 1 July 2021 and ending on 30 June 2022 for all /some of the priority axes of the operational programme.

\*\*\* By ticking the box the Member State requests to apply, pursuant to Article 25a(1b) of Regulation (EU) No 1303/2013, a co-financing rate of 100% to expenditure declared in payment applications during the accounting year starting on 1 July 2023 and ending on 30 June 2024 for all / some of the priority axes of the operational programme.

# Art. 25a(1b) 100% co-financing rate – *impact*

## ERDF, ESF, CF



- **Purpose:** help Member States deal with budget pressure after crisis (recital 27), **in practice**
  - Accelerates use of EU support - total Fund contribution reached sooner than without it
  - Lower national co-financing (no need to increase national contribution)
  - But will not increase Fund allocation to the programme
  - → Lower volume of total (EU+national) financing than initially planned in the programme
- For payment applications submitted/paid before notification: reimbursements of **what used to be national co-financing** will be **at the MS's disposal** (e.g. for other programme expenditure)
- **Performance framework:** if targets not modified and 100% co-financing rate results in serious failure, explain as **mitigating factor** in FIR – *prove causal link with indicators affected, quantify*
- **Operation-level:** for **MS to decide** co-financing rate in line with applicable rules (State aid, transparency, equal treatment, national rules...)
- **Consider Art. 129 CPR and potential payment caps due to Art. 130(3) CPR**

# Deadline for the submission of the final interim payment application for the final accounting year

## 1% ceiling on 2025 interim payments

Article 135(6) CPR (*Article 14(3) STEP*) - ERDF, ESF, CF, EMFF



- *Attila SZAKÁTS*

*Coordination of Programmes Unit, DG REGIO.02*

# Art. 135(6) Final interim payment application deadline

## ERDF, ESF, CF, EMFF



- **Deadline** for final interim payment application for the final accounting year: **31/07/2025**
  - Final accounting year unchanged (1/07/2023-30/06/2024), no need to submit final interim payment applications both by 31/07/2024 and 2025
  - One submission, anytime until 31/07/2025 in line with existing practice for final interim payment applications
  - Multi-fund programmes – closure presupposes submission for all Funds covered
  - Applies to ETC (also to IPA CBC (Art. 46(2) IPA IR), not to ENI CBC (different legal basis))
- **Non-final interim payment applications possible** in the extended period – **final interim payment application to be marked accordingly** in SFC (no further expenditure after that)
- Non-final/final interim payment applications **may include amounts entered in the accounting system of the certifying authority after 30/06/2024**
- **Eligibility deadline unchanged, 31/12/2023** (*different rules for FEAD*)

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

## **ERDF, ESF, CF, EMFF**



- **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)
- **Linked to extended submission** of interim payment applications, incentive for 2024 payments
  - Ceiling applies to interim payments in 2025
  - Interim payment applications submitted early enough (31/10/2024) to be paid in 2024 are not concerned...
  - ...even if suspended/interrupted and become due to be paid in 2025 (or later)
  - 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**



# Deadline for the submission of closure documents



Article 138 CPR (*Article 14(4) STEP*) – ERDF, ESF, CF, EMFF

- *Jorge GARCÍA CORTÉS*

*Better Implementation and Closure Unit, DG REGIO.F1*

# Art. 138 Closure document deadline – *rules*

## **ERDF, ESF, CF, EMFF**



- **Deadline** to submit documents under (a)-(c) Art. 138 CPR: **15/02/2026**
  - Applies also to final implementation report (Art. 141 CPR: FIR submitted ‘in addition to’ Art. 138 documents)
  - Final accounting year unchanged (1/07/2023-30/06/2024), no new/extended accounting year
  - One set of documents, submission anytime until 15/02/2026 (no need to submit both by 15/02/2025 and 2026)
  - Last AIR remains the one submitted until 31/05/2023 (*different rules for EMFF*)
  - Applies to ETC (*also to IPA CBC* (Art. 46(5) IPA IR), and ENI CBC via different legal basis (ENI CBC Closure Guidelines))
- **Accounts acceptance:** Commission informs by 31/05/2025 if Member State submits accounts by 15/02/2025; by 31/05/2026 if Member State submits accounts during the extended period ending with 15/02/2026
- **FIR acceptance** unchanged: observations in 5 months (EMFF AIR: 2 months), or tacitly accepted
- **Payment of the final balance** unchanged: 3 months after acceptance of accounts or 1 month after acceptance of FIR/EMFF last AIR – whichever is later

# Art. 138 Closure document deadline – *other aspects*

## **ERDF, ESF, CF, EMFF**



- **Overbooking:** final accounting year unchanged – overbooked amounts for the final accounting year to replace irregular amounts / benefit from ‘15% flexibility’ (incl. those entered into the accounting systems of the CA after 30/06/2024 until the submission of the final interim payment application for the final accounting year by 31/07/2025)
- **Non-functioning operations:** additional time due to STEP to submit Annex II CGL together with the FIR / update of last EMFF AIR by 15/02/2026 – but **completion date remains** 15/02/2027
- **Indicator reporting, Commission ex-post evaluation** (*different reporting practice for EMFF*)
  - Performance framework: values should relate to achievements by 31/12/2023
  - Programme indicators: result and output indicators may report values achieved by FIR submission
  - Ex-post evaluation synthesis report deadline unchanged (31/12/2025) – past trends/modelling will be used
- **Monitoring committees** to remain in place to approve FIR / update of last EMFF AIR – possible in written procedure if allowed by MC rules of procedure

# 15% flexibility between outermost / classic ERDF Article 112 data transmission

Article 130(3) CPR (*Article 14(2) STEP*) - ERDF

Article 112 CPR (*not changed but impacted*) - ERDF, ESF, CF

- *Attila SZAKÁTS*

*Coordination of Programmes Unit, DG REGIO.02*

# Art. 130(3) amendment, Article 112 data transmission



- **Art. 130(3)** enables ‘15% flexibility’ across the additional outermost and ‘classic’ ERDF allocation
  - Earlier not possible due to special purpose and particular treatment of outermost allocation
  - No other changes to the rule, no changes needed by MS in financial table, programme template also unchanged
  - By analogy, the allocation for the northern sparsely populated regions will benefit from the same flexibility
  - Only relevant for ERDF IGJ programmes, not for ETC as no additional outermost allocation in ETC programmes
- **Impact on Art. 112 CPR data transmission** in the STEP context (ERDF, ESF, CF)
  - No final date in CPR, data to be transmitted in line with CPR frequency as long as there are changes:
  - **Table 1 and Table 2 data** to be transmitted until and including **January** following the submission of the final interim payment application, provided that there are changes to report (for any Funds in multi-fund programmes)
  - When no more changes after the submission of the final interim payment application (for all Funds if multi-fund programme), SFC will allow to create/send next January data anytime as final version
  - Those Table 1/2 data need to feed into FIR - MS to create and send them before submitting FIR (draft FIR updates)
  - **Table 3 data** to be transmitted in line with CPR frequency until and including last due date before submission of the final interim payment application (to be understood per Fund for multi-fund programmes)

# Key audit aspects

*ERDF, ESF, CF, EMFF*



- *Ioana MANTOG*

*Coordination, Relations with the ECA and OLAF, DAC7*

# Key audit aspects in the STEP context

## *ERDF, ESF, CF, EMFF*



- **As explained on slide No 82**
  - One set of closure documents by 15/02/2026 – no need to submit assurance packages both in 2025 and 2026
  - Submission at any point in time by the deadline (...after the end of the accounting year once the final interim payment application was sent)
- **One TER** (total error rate) **and RTER** (residual total error rate) will be provided for all expenditure declared for the final accounting year 2023-2024 (as from 07/2023 until 07/2025)
- Audit Authorities can use **multi-period sampling** to spread over the time the audit work and avoid having heavy audit burden just after the final payment application

# EMFF relevant aspects

EMFF



- *Dobrinka DIMOVA*

*Structural Support Mediterranean, Black Sea and Landlocked MS Unit, DG MARE*





# Key EMFF aspects in the STEP context

- Interruptions due to CFP non-compliances are treated in the same way as all other interruptions/suspensions (as per slide No 80)
- **2023 AIR due by 31/05/2024** with implementation **data by 31/12/2023** and **covering parts A, B and C** of the report template
- If 2023 AIR and 2023 Infosys report do not reflect final implementation state of play, **MS to submit together with closure package update of 2023 AIR and 2023 Infosys report** showing final implementation data for all indicators within and outside the performance framework
- EMFF MC to **approve update of last AIR for closure** – possible by written procedure

# Changes to the FEAD regulation



Articles 13(5), 22(2a), 45(6), 48 FEAD (*Article 15 STEP*) – FEAD

- *Francisco MACEDO*

*European Globalisation Adjustment Fund, Shared Management Unit, DG EMPL*



# STEP changes to the FEAD Regulation

- Amendments aligned with the **closure related changes** introduced to the 14-20 CPR
  - Extension of deadline for submission of the final payment application for the final accounting year (31/07/2025)
  - Ceiling for 1% for reimbursement of interim payments in 2025
  - Extension of deadline for submission of closure documents, incl. the FIR (15/02/2026)
- For FEAD there is **no possibility for 100% co-financing** rate in the final accounting year
- **Extension of eligibility of expenditure** for costs related to the distribution of food/basic material assistance (points (b) to (e) of Article 26(2))
  - The **corresponding actions** (notably, distribution of food/basic material assistance and accompanying measures) may be carried out by submission of the final payment application (i.e. the latest by 31/07/2025)

Thank you



# Q&A session

