

Establishing the Strategic Technologies for Europe Platform ('STEP')

2023/0199(COD) - 29/02/2024 - Final act

PURPOSE: to strengthen the Union's sovereignty and security, accelerate its green and digital transitions, enhance its competitiveness and reduce its strategic dependencies.

LEGISLATIVE ACT: Regulation (EU) 2024/795 of the European Parliament and of the Council 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.

CONTENT: this Regulation establishes a **Strategic Technologies for Europe Platform (STEP)** to support critical and emerging strategic technologies and their respective value chains in relevant sectors.

The STEP will pursue the following objectives:

(a) **supporting the development or manufacturing of critical technologies throughout the Union**, or safeguarding and strengthening their respective value chains, in the following sectors: (i) digital technologies; (ii) clean and resource efficient technologies, including net-zero technologies as defined in the Net-Zero Industry Act; (iii) biotechnologies, including medicinal products on the Union list of critical medicines and their components;

(b) **addressing shortages of labour and skills critical** to all kinds of quality jobs in support of the objective set out in point (a), in particular through life-long learning, education and training projects, including the European Net-Zero Industry Academies established pursuant to the relevant provision of the Net-Zero Industry Act, and in close cooperation with social partners and education and training initiatives already in place.

Financial Support

Through a mix of financial incentives and measures to facilitate the financing of projects, it will leverage funding in support of critical technologies **under existing EU programmes and funds**, including cohesion policy funds, InvestEU, Horizon Europe, the European Defence Fund, the Innovation Fund and the Recovery and Resilience Facility.

In order to boost defence investment capacity, an additional **EUR 1.5 billion** will be allocated to the European Defence Fund.

Sovereignty Seal

The Commission will award a Sovereignty Seal to any project contributing to any of the STEP objectives, provided that the project has been assessed and complies with minimum quality requirements, in particular eligibility, exclusion and award criteria, provided for in a call for proposals.

A call for proposals may include geographical limitations and should, where appropriate, in accordance with the relevant sector-specific Union legislation, include obligations to respect working and employment conditions under applicable Union and national law, International Labour Organization conventions and collective agreements.

Implementation of the STEP

The Commission will, in particular:

- promote the **Sovereignty Seal** in particular to enhance the visibility of projects that have been awarded the Sovereignty Seal and of projects that have received funding under the ERDF, the Cohesion Fund, the ESF+ or the JTF;
- set up and manage the **Sovereignty Portal** (publicly accessible website) as a one-stop-shop on funding opportunities for STEP-related projects.

Use of cohesion policy funds

An important element of STEP are financial incentives for channelling cohesion policy funds towards investments in critical technologies. This will help all Member States to develop their capacities and contribute to a level playing field for investments in critical technologies in the single market. For this purpose, a **100%** co-financing rate and a **30%** pre-financing rate will apply for STEP priorities under the 2021–2027 programming period.

In order to keep a high level of ambition in meeting climate objectives in cohesion policy, while at the same time allowing for flexibility between the Cohesion Fund and the ERDF, the amount of the climate contribution of the Cohesion Fund that exceeds **37%** of its total allocation will be allowed to be taken into account when calculating the climate contribution of the ERDF on the one hand and the amount of the climate contribution of the ERDF that exceeds **30%** of its total allocation should be allowed to be taken into account when calculating the climate contribution of the Cohesion Fund on the other.

At the same time, a **20% cap** will apply to STEP investments from the European Regional Development Fund, to ensure the continued focus of this fund on its original objectives.

Member states will have the possibility to amend programmes – and consequently Partnership Agreements – in 2024 through an expedited procedure, with a view to receiving pre-financing for STEP-related projects as early as this year, in addition to further amendments in 2025 within the timeline of the mid-term review.

Evaluation of the STEP

By 31 December 2025, the Commission should provide the European Parliament and the Council with an interim evaluation report on the implementation of the STEP, for the purpose of informing future decision-making.

ENTRY INTO FORCE: 1.3.2024.