

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

2023/0199(COD) - 20/06/2023 - Legislative proposal

PURPOSE: to establish the Strategic Technologies for Europe Platform (STEP) to support European leadership on critical technologies.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: strengthening the competitiveness of the European economy through the green and digital transformations has been the EU's strategic goal over the last years. Despite its inbuilt resilience, EU industry is being challenged by high inflation, labour shortages, supply chain disruptions, rising interest rates, and spikes in energy costs and input prices. This is paired with strong, and not always fair competition on the fragmented global market. The EU has already put forward several initiatives to support its industry. The EU now needs a more structural answer to the investment needs of its industries. This will support the uptake and scaling up of development and manufacturing of strategic technologies in the EU, in the fields of digital and deep tech, clean tech and biotech. It will help companies seize the opportunities, build resilience and meet the objectives of the green and digital transitions, thereby strengthening European sovereignty.

CONTENT: therefore, the Commission is proposing the Strategic Technologies for Europe Platform ('STEP') to support critical and emerging strategic technologies. It lays down the objectives of the Platform, the amount of financial support available under the Platform, and rules for the implementation of the Sovereignty Seal and Sovereignty portal and for reporting on the Platform objectives.

STEP seeks to **reinforce, leverage and steer EU funds** - existing and new - to investments in deep and digital, clean and bio technologies in the EU, and in people who can implement those technologies into the economy.

STEP's aims

The aim of this instrument is to support the uptake and scaling up of the development and manufacturing of critical emerging technologies relevant to the green and digital transitions in the EU and to the strategic sovereignty of the Union. Those are:

- **deep and digital technologies,**
- **clean technologies** and,
- **biotechnologies.**

The technologies will be deemed to be critical where they meet at least one of the following conditions: (a) bring an innovative, cutting-edge element with significant economic potential to the Single Market; (b) contribute to reduce or prevent strategic dependencies of the Union.

STEP will also support investments aimed at reinforcing their value chains, thereby reducing the EU's strategic dependencies, strengthening European sovereignty and economic security, and addressing labour and skills shortages in those strategic sectors. This will allow to enhance the long-term competitiveness of the EU and strengthen its resilience.

This proposal does not create a new instrument but is implemented through existing tools under the EU budget, such as InvestEU, Innovation Fund, Horizon Europe, EU4Health, Digital Europe Programme, European Defence Fund, Recovery and Resilience Facility, and cohesion policy funds, which are amended to be able to better mobilise investment resources into critical technologies.

Financial support

To boost the investment capacity dedicated specifically to promoting STEP objectives, the Commission further proposes to allocate additional **EUR 10 billion** to targeted programmes:

- EUR 3 billion for InvestEU, resulting in EUR 75 billion of investments;
- EUR 0.5 billion to Horizon Europe, complemented with EUR 2.13 billion of redeployment and use of decommitted amounts, resulting in EUR 13 billion of investments;
- EUR 5 billion to the Innovation Fund, resulting in EUR 20 billion of investments given the experience to date under the Innovation Fund;
- EUR 1.5 billion to the European Defence Fund, which could result in up to EUR 2 billion of investments.

Altogether, the total estimated amount of new investments through STEP could reach up to **EUR 160 billion**.

Sovereignty Seal

The proposal creates a 'Sovereignty Seal', which is a new label intended to help project promoters attract public and private investments by certifying its contribution to the STEP objectives. The Sovereignty Seal would be awarded under directly managed programmes, namely Horizon Europe, the Innovation Fund, the Digital Europe programme, the EU4Health programme, and the European Defence Fund. The Seal builds on the existing 'Seal of Excellence', which is a quality label for eligible projects that could not be funded due to lack of budget available.

Sovereignty portal

The Commission will establish a dedicated publicly available website (Sovereignty portal), providing investors with information about funding opportunities for projects linked to the Platform objectives and grant visibility to those projects.