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2025 Annual Report on the Strategic Technologies for Europe Platform (STEP)

European Commission

Annual Report on the STRATEGIC TECHNOLOGIES FOR EUROPE PLATFORM (STEP)

2025



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List of Abbreviations

Abbreviation	Definition
AI	Artificial Intelligence
CAPEX	Capital Expenditure
EDF	European Defence Fund
EFTA	European Free Trade Area
ERDF	European Regional Development Fund
ESF+	European Social Fund Plus
EU4Health	European Union Health Programme
EIB	European Investment Bank
JTF	Just Transition Fund
MFF	Multiannual Financial Framework
NCP	National Contact Point
NUTS	Nomenclature of Territorial Units for Statistics
OCA	Ownership Control Assessment
OPEX	Operating Expenditure
R&D	Research and Development
R&I	Research and Innovation
RRF	Recovery and Resilience Facility
RRP	Recover and Resilience Plan
SME	Small and Medium-sized Enterprise
STEP	Strategic Technologies for Europe Platform
TRL	Technology Readiness Level

Executive summary

Two and a half years after the entry into force of the STEP Regulation, in March 2024, as part of the medium-term revision of the 2021-2027 Multiannual Financial Framework (MFF), **STEP continues to deliver on its ambition to reinforce EU competitiveness**.

STEP has proved its pioneering nature. Instead of further fragmenting the landscape of EU funds by creating a new instrument, STEP has steered financial resources across eight existing EU funding programmes[1]. It has thereby further aligned these resources with the EU's key priorities: innovation, security, the reduction o,f strategic dependencies and simplification. In doing so, it supports the development of critical digital, clean and biotechnologies, as well as defence technologies[2] and the skills needed to realise investments in these sectors.

STEP contributed to inspire the European Commission proposal, published in July 2025, for a **European Competitiveness Fund**, aiming to establish, within the framework of the **next EU long-term budget**[3], a new investment capacity to support EU competitiveness in critical technologies, while providing for a seamless investment journey for innovation in Europe thanks to the link with Horizon Europe (see Section 5).

Other key results of STEP's second year of operations[4] include the following:

- **Re-direction to STEP objectives of a cumulated amount of EUR 23.9 billion in EU funding** across 8 of the 11 EU funding programmes legally identified for STEP, more than doubling the result as at the end 2024.

- Extension of STEP to a **new sector, i.e. defence technologies**, via the cohesion policy mid-term review[5] adopted in September 2025 and the 'mini-omnibus' on defence adopted in December 2025[6] and adoption of a second STEP Guidance Note to provide clarity about the scope and the implications of the new STEP 'defence' sector.

- Adoption by the Commission in July 2025, of the **interim evaluation of STEP** assessing the status, achievements and drawbacks of STEP halfway through its implementation, as required by the STEP Regulation[7].

- Launch of the **first survey for project promoters awarded the STEP Seal**, to obtain their feedback on the implementation of STEP in their respective industries and Member States.

[1] The Innovation Fund, Horizon Europe, Digital Europe, EU4Health, the European Defence Fund, the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+), the Just Transition Fund (JTF).
[2] 'Defence technologies' were added as a fourth sector of STEP by the defence 'mini-omnibus' adopted in December 2025 (see Section 2.1.1).
[3] See EU budget 2028-2034
[4] STEP turns 2: €29 billion mobilised in Europe's strategic technologies
[5] Regulation (EU) 2025/1914 of the European Parliament and of the Council of 18 September 2025 amending Regulations (EU) 2021/1058 and (EU) 2021/1056 as regards specific measures to address strategic challenges in the context of the mid-term review, available at Regulation - EU - 2025/1914 - EN - EUR-Lex
[6] Regulation (EU) 2025/2653 of the European Parliament and of the Council of 19 December 2025 amending Regulations (EU) 2021/694, (EU) 2021/695, (EU) 2021/697, (EU) 2021/1153 and (EU) 2024/795, as regards incentivising defence-related investment in the EU budget to implement the ReArm Europe Plan, available at EUR-Lex
[7] Regulation (EU) 2024/795 of the European Parliament and of the Council of 29 February 2024 establishing the Strategic Technologies for Europe Platform (STEP), available at EUR-Lex.

- Deployment of the **first 'Dealroom' dashboard promoting the start-ups and scale-ups** behind some of the high-quality projects awarded the STEP Seal.

The cumulative amount of **EUR 23.9 billion aligned with STEP by the end of 2025** results from combining **EUR 13.9 billion reprogrammed by EU Member States and regions** under cohesion policy funds[8] and **EUR 10 billion steered by the Commission** under five EU programmes under direct management[9].

Breakdown of direct management funding contributing to STEP across all Member States, cumulative as at end-2025 (EUR 10.0 billion) (see section 2.3):

- **Clean and resource-efficient technologies: EUR 7.6 billion** earmarked for decarbonisation, industrial electrification, energy storage, hydrogen technologies, clean manufacturing and more.
- **Digital and deep technologies: EUR 1.2 billion** earmarked for AI, quantum computing, virtual and augmented reality, semiconductors, cybersecurity, space sovereignty and more.
- **Biotechnologies: EUR 663 million** earmarked for medical innovation, vaccine development, pharmaceutical manufacturing and more.
- **Multi-sector: EUR 553 million** earmarked under calls for proposals targeting multiple STEP sectors and technologies (e.g. European Innovation Council).

Highlights of cohesion policy funding (EUR 13.9 billion) contributing to STEP across Member States and regions (see section 2.4):

- **EUR 13.9 billion in cohesion policy funds** redirected to STEP priorities by end-2025, across 96 programme amendments in 19 Member States to align national, regional and local development funds with STEP objectives.
- **54 STEP calls launched in 11 Member States** by end-2025.
- **11 Member States have so far selected projects under STEP:** Belgium, Bulgaria, Denmark, Germany, Spain, France, Italy, Latvia, the Netherlands, Poland and Romania. Selected projects concern areas ranging from semiconductors to gene therapy and energy storage, covering the full spectrum of STEP sectors.

[8] The cohesion policy funds are the European Union's investment tool for reducing economic, social, and territorial disparities between regions. These funds are jointly implemented by the European Commission and Member States ('shared management'). As regards STEP, these funds include the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+), the Cohesion Fund (CF) and the Just Transition Fund (JTF).

[9] The funding programmes under 'direct management' are those programmes where the European Commission assumes full responsibility for implementing EU funding programmes, including budget execution, project selection, and financial control. As regards STEP, these programmes include the Innovation Fund, Horizon Europe, the European Defence Fund, EU4Health and the Digital Europe programme.

The Commission has awarded the STEP (Sovereignty) Seal[10] to high-quality projects (see section 3):

- **614 high-potential projects awarded to date** under EU programmes like Horizon Europe and the Innovation Fund, encompassing the STEP sectors of clean-, digital-, and biotechnologies **in all 27 EU Member States**
- **STEP Seals promoted via the STEP Portal[11],** showcasing projects to private and public investors in order to increase funding opportunities.

Simplifying access to funding through the STEP (Sovereignty) Portal[12] (see section 4):

- The STEP Portal[13] continues to be not only an **essential one-stop shop for all STEP stakeholders**, but also a testing ground for the future Single Gateway (as proposed in the draft Performance Regulation under the Commission package for the next multiannual financial framework)[14].
- **Revamped in September 2025,** it now features two new sections: STEP in figures and STEP stories;

[10] The STEP Seals are referred to as the Sovereignty Seals in the STEP Regulation.
[11] See STEP Seal Dashboard | European Union
[12] The STEP Portal is referred to as the Sovereignty Portal in the STEP Regulation.
[13] See Strategic Technologies for Europe Platform (STEP) | European Union
[14] Proposal for a regulation of the European Parliament and of the Council establishing a budget expenditure tracking and performance framework and other horizontal rules for the Union programmes and activities, available at EUR-Lex - 52025PC0545 - EN - EUR-Lex

Introduction

This **second Annual Report on the Strategic Technologies for Europe Platform (STEP)** provides a **consolidated overview of STEP's implementation in 2025**[15], in line with Article 7 of Regulation (EU) 2024/795 (STEP Regulation). It presents qualitative and quantitative information on progress made towards STEP's objectives under each of the programmes listed in Article 3 of the Regulation, including, where available, support provided per Member State and on cross-border projects, thus offering a consolidated picture of STEP's results and contribution to European competitiveness.

This report also includes:

- a breakdown of overall expenditure by programme;
- an overview of performance based on relevant programme indicators;
- an analysis of the geographical and technological distribution of projects awarded the STEP (Sovereignty) Seal; and
- an overview of STEP's contribution to the EU's strategic objectives associated with ensuring long-term competitiveness.

The Commission published in July 2025 a separate **interim evaluation report**[16] on STEP pursuant to Article 8 of the STEP Regulation.

The chapters of the report focus on the four operational tools that were made available to STEP:

1. **Chapter 1** provides an **update on the work of the coordination structures** operating at EU and national levels to implement STEP (Tool 1).
2. **Chapter 2** focuses on the **qualitative and quantitative results achieved by STEP in 2025 in terms of mobilising financial resources** (Tool 2). This chapter also describes the regulatory developments that have impacted the implementation of STEP.
3. **Chapter 3** provides an overview of the **key developments concerning the STEP Seal** (Tool 3), including the results of a survey launched in November 2025 to collect feedback from holders of the STEP Seal.
4. **Chapter 4** presents updates on the progress made through the **STEP Portal** (Tool 4) to simplify access to EU funding, including by putting in place an AI-powered chatbot.
5. **Chapter 5** examines STEP's continued relevance across the most recent **EU initiatives on competitiveness**.

[15] The cut-off date for the data presented is understood to apply until 31 December 2025. Calls launched in 2025 that closed in 2026 are therefore not considered in the total amounts in this Annual Report.
[16] See STEP documents - European Union

TOOL 1: An agile organisation to implement STEP

The Strategic Technologies for Europe Platform (STEP) is implemented thanks to close coordination between different institutional levels and the active involvement of multiple public and private stakeholders.

Those primarily responsible for implementing STEP are:

- the **network of nationally appointed** STEP national contact points, overseeing the rollout of STEP within nationally and regionally managed EU funding programmes.
- the **network of 14 European Commission Directorates-General (DGs)**[17], which are primarily responsible for implementing the 11 EU funding programmes contributing to STEP.

Throughout 2025, effective coordination facilitated harmonised implementation of STEP across Member States and programmes, the exchange of best practices and, where possible, the resolution of operational challenges.

1.1 The network of STEP national contact points

Pursuant to Article 6 of the STEP Regulation[18], all Member States appointed their respective STEP national contact point by the end of 2025. This group of public institutions forms the network of STEP NCPs. The Commission prepares and chairs regular meetings of the network.

The **NCP network met on four occasions online and in-person in 2025**. The network held its last meeting of the year, a two-day meeting, in Brussels in November 2025.

These meetings enable national contact points to discuss the implementation of STEP in their respective Member States, and to share best practices with their peers and Commission services.

These meetings are also an opportunity for the Commission to discuss operational points with national authorities, provide guidance, and share relevant policy updates.

1.2 The STEP network in the European Commission

The network of 14 Commission DG implementing STEP **met on three occasions in 2025.** This was in addition to their regular bilateral interactions.

These meetings served to take stock of progress made in implementing STEP and align on operational aspects across programmes under direct management as well as across cohesion policy funds. The network also worked on the interim evaluation of STEP[19], which was published in July 2025.

[17] The members of this network are DG Budget; the Secretariat-General; DG Climate Action; DG Communications Networks, Content and Technology; DG Competition; DG Defence Industry and Space; DG Economic and Financial Affairs; DG Employment, Social Affairs and Inclusion; DG Internal Market, Industry, Entrepreneurship and SMEs; the Health Emergency Preparedness and Response Authority; DG Regional and Urban Policy; DG Research and Innovation; DG Health and Food Safety; and the Reform and Investment Task Force.

[18] Regulation (EU) 2024/795 of the European Parliament and of the Council of 29 February 2024 establishing the Strategic Technologies for Europe Platform (STEP), available at Regulation - EU - 2024/795 - EN - EUR-Lex

[19] See STEP documents - European Union

1.3 A direct line with research and industry stakeholders

Progressing along the successful and effective path established since the inception of STEP in 2024, the **Commission continued engaging on STEP with research and industry stakeholders throughout 2025**, at a total of more than 100 meetings and events.

Two formal opportunities were provided in 2025 to gather stakeholders' feedback on STEP:

- the **call for evidence** launched in preparation for the STEP interim evaluation[20];
- the **STEP Seal survey**, launched in November 2025 to collect feedback from project promoters awarded the STEP Seals (*see Section 3.1*).

Furthermore, in 2025, and thanks to the availability of the first batches of STEP Seals, **the Commission launched its first bilateral proactive outreach to project promoters on STEP**. These interactions allowed the Commission to learn more about the projects, notably about the technologies involved, project maturity, and financing prospects. Other relevant counterparts included regional authorities managing EU funds, sectoral representative organisations (listed in the EU Transparency Register), and the knowledge and innovation communities of the European Institute of Innovation and Technology (EIT).

The Commission took part in several **EU-wide events over the year**, to represent STEP in Brussels and in the Member States. These events included the Hannover Messe[21] (April), Tech BBQ in Copenhagen (August), France Digitale Day in Paris (September), the Barcelona Deep Tech Summit (November), Nature Days Lower Saxony (November) and the Horizon Deep Tech Summit in Madrid (November). Moreover, the Commission conducted **technical missions to Greece** (January)**, Portugal** (January)**, Slovenia** (January), and **Poland** (May and June) at the invitation of national authorities, meeting with EU funding beneficiaries, public and private investors, including national promotional banks. These visits were an opportunity to consolidate stakeholders' knowledge of STEP, share the status of implementation, address potential local bottlenecks, and learn about national and regional specificities of the funding landscape.

Key points drawn from feedback gathered during these interactions include:

- **STEP is perceived positively**, with its targeted sectors, including defence, being fully aligned with areas of interest of private and public investors and strategic EU priorities.
- Stakeholders requested that **the clarity and accessibility of the EU funding landscape be improved**, including by simplifying the information provided, to enable potential beneficiaries to effectively assess the relevance of different EU funds for their projects.
- Some business and industry stakeholders raised concerns about the risk of limited **coordination when implementing STEP at national and regional level**, particularly as regards the launch of STEP-relevant calls for proposals. They indicated that this limited coordination could result in inconsistent national and regional eligibility criteria or inconsistent financial conditions in dedicated national and regional calls.

[20] Find the feedback received on the Have your Say portal and summarised in Annex V to the staff working document on the STEP interim evaluation, available at STEP documents - European Union

[21] The Hannover Messe is one of the world's largest industrial trade fairs, held annually in Germany, showcasing innovations in automation, energy, digitalisation, and advanced manufacturing technologies.

- **Regulatory and administrative obstacles** (both at EU and national levels), combined with the lack of relevant incentives, limit the financing of STEP Seals by Member States and regions.
- The **heterogeneous nature of the project promoters behind the STEP Seals**, ranging from research institutions to public bodies - with start-ups and scale-ups accounting for about one third of all entities - as well as their different stages of development, require authorities to tailor their forms of support to a variety of promoters' specific needs and would warrant **capacity building efforts** in certain Member States.

TOOL 2: Aligning EU funding for strategic technologies

2.1 Regulatory developments: the defence 'mini-omnibus' and the cohesion mid-term review

2.1.1 The defence 'mini-omnibus'

Following the publication of the Commission proposal in April, the European Parliament and the Council adopted **Regulation (EU) 2025/2653** in December 2025. This is commonly referred to as the d*efence 'mini-omnibus'*[22] and seeks to incentivise defence-related investment through the EU budget in the context of the **ReArm Europe Plan**[23].

The adoption of this Regulation reflects the rapidly evolving geopolitical environment and the need to strengthen Europe's defence readiness, including in response to Russia's war of aggression against Ukraine and the increased deterioration of the EU's security context. The Regulation seeks to mobilise EU funding instruments more effectively in support of the **European Defence Technological and Industrial Base (EDTIB)** and to enhance the EU's technological sovereignty and resilience.

A key factor is the extension of STEP's scope to include **defence technologies as a fourth strategic sector**, alongside digital and deep technologies, clean and resource-efficient technologies, and biotechnologies.

The expansion of STEP's scope is intended to support the development and manufacturing of innovative defence technologies and strengthen the value chains underpinning the EU's defence industrial capabilities. One key outcome of adding this sector is that – **in combination with the developments introduced by the cohesion policy mid-term review** (see Section 2.1.2) – defence and dual-use technologies are now also eligible for support under the STEP-relevant priorities within cohesion policy funds.

[22] Regulation (EU) 2025/2653 of the European Parliament and of the Council of 19 December 2025 amending Regulations (EU) 2021/694, (EU) 2021/695, (EU) 2021/697, (EU) 2021/1153 and (EU) 2024/795, as regards incentivising defence-related investment in the EU budget to implement the ReArm Europe Plan, available at Regulation - EU - 2025/2653 - EN - EUR-Lex

[23] See Future of European defence - European Commission

The Regulation also makes targeted adjustments to the rules of selected funding programmes directly managed by the Commission to facilitate defence-related investments and strengthen synergies between civilian and defence innovation. These adjustments include the following:

- Opening to and strengthening support for **dual-use innovation** across civilian programmes, notably:
    - under **Horizon Europe**, allowing support for innovation activities with dual-use applications (including through the European Innovation Council (EIC)), while maintaining the programme's civilian focus
    - under the **Digital Europe Programme**, extending support to projects, services and infrastructures with dual-use potential (e.g. AI, cloud, cybersecurity), including the development of strategic digital capacities relevant to defence.
- Strengthening support for **defence-specific** activities and the defence industrial base, in particular under the **European Defence Fund**, facilitating faster and more flexible support to defence research and development actions and enabling greater synergies and complementarities with other EU programmes.
- Improving **access to finance** for defence and dual-use companies, including SMEs, start-ups and small mid-caps, by enabling new forms of support (e.g. **equity-type support** under the EIC), particularly for high-risk and non-bankable innovations and facilitating the **mobilisation and blending** of public and private financing across programmes.
- Clarifying and adapting **eligibility and participation rules** for actions with security or defence implications, including by making it possible not only to **restrict participation** in sensitive technologies to entities established in the EU or in associated countries but also to add **ownership and control** safeguards to protect the EU's security and strategic interests.

These changes aim to improve the capacity of EU programmes to support research, development and industrial activities relevant to defence, including projects with **dual-use potential**. They reinforce the role of STEP as a coordination framework for directing EU funding towards critical technologies.

Given the adoption of the defence 'mini-omnibus' in late December 2025, it is expected that expanding STEP to include defence technologies will produce outputs and results as of 2026.

2.1.2 The cohesion policy 'mid-term review'

The mid-term review of cohesion policy (MTR)[24] (hereafter: 'mid-term review regulations') was adopted on 18 September 2025. It was based on the proposalS drawn up by the Commission in partnership with national, regional and local authorities and presented less than six months previously, in April 2025.

[24] Carried out halfway through the 2021-2027 programming period, the mid-term review is a mandatory performance assessment for each programme supported by the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+), the Cohesion Fund (CF) and the Just Transition Fund (JTF). It allows the Member States to review the implementation of programmes and, if necessary, propose adjustments to improve their performance, ensure relevance in the light of emerging needs, and maintain consistency with other EU policies.

Amending the regulatory framework of the cohesion policy funds, these[25] Regulations used the opportunity of the mid-term review of cohesion policy programmes to (i) align investment priorities with the emerging political priorities, strengthening impact on economic, social and territorial cohesion, and (ii) introduce greater flexibility and incentives to facilitate the rapid deployment of resources and accelerate implementation of the programmes.

The strategic investment priorities include:

1. **Competitiveness** (including STEP) and decarbonisation;
2. **Defence capabilities** and infrastructures as well as civil preparedness, with priority being given to those with a dual-use nature;
3. Affordable and sustainable **housing;**
4. Secure **access to water**, sustainable water management and water resilience, and
5. **Energy** infrastructure.

The amendment also places significant emphasis on (i) the **development of skills** in civil preparedness, in the defence industry and cybersecurity and (ii) helping employers and workers to adapt to changes associated with the decarbonisation of production capacities.

The MTR Regulations **broaden the incentives available to support STEP under cohesion policy**. These incentives aim to encourage more Member States and EU regions to amend their cohesion policy programmes and include dedicated priorities supporting STEP investments. They also seek to mobilise additional resources for STEP from the Member States and regions that already support STEP in their cohesion policy programmes. The main changes include the following:

- **Lifting the previous 20% maximum allocation cap for STEP priorities** under the European Regional Development Fund (ERDF), opening the door to higher investment levels.
- **Additional pre-financing**: the STEP Regulation adopted in 2024 had provided for an additional 30% pre-financing for STEP dedicated priorities included in programme amendments submitted before the end of March 2025. The MTR regulations extended this incentive, allowing programmes that incorporated STEP priorities in amendments submitted after 31 March 2025 and by 31 December 2025 to benefit from an exceptional one-off pre-financing of 20% at the level of those priorities, extending in time the incentive to reprogramme funding and allocate it to STEP.
- Programmes that have reallocated at least 10% of their total allocation to the strategic priorities of the mid-term review including STEP (or 7% in the case of Member States with a single programme covering their entire territory and all cohesion policy funds) through an amendment submitted by 31 December 2025 unlocked additional benefits for 2026. This includes a **further one-off pre-financing of 1.5% of the financial resources of the programme** (including ERDF/CF/JTF)[26], or 9.5% for programmes supporting NUTS2 regions bordering Russia, Belarus and Ukraine.

[25] Regulation (EU) 2025/1913 of the European Parliament and of the Council of 18 September 2025 amending Regulation (EU) 2021/1057 establishing the European Social Fund Plus (ESF+) as regards specific measures to address strategic challenges, available at EUR-Lex and Regulation (EU) 2025/1914 of the European Parliament and of the Council of 18 September 2025 amending Regulations (EU) 2021/1058 and (EU) 2021/1056 as regards specific measures to address strategic challenges in the context of the mid-term review, available at EUR-Lex.
[26] European Regional Development Fund, Cohesion Fund, Just Transition Fund.

- Programmes reallocating resources to strategic priorities including STEP, in line with the previous points, were also allowed to extend the **eligibility period for expenditure to 2030** instead of 2029, with earlier pre-MTR reallocations towards STEP priorities already adopted also counting towards the required threshold.
- The **higher co-financing rate up to 100%** under STEP strategic priorities is maintained until the end of the programming period (end of 2027).

Beyond the financial incentives, the MTR regulations introduce structural flexibilities that further embed STEP within the cohesion policy architecture and facilitate and speed up its implementation. While the policy focus remains on SMEs, the possibility to finance **productive investments in enterprises 'other than SMEs' under STEP** is preserved and extended to Important Projects of Common European Interest (IPCEIs) in all categories of regions. The possibility for managing authorities to **award financing directly**[27] to projects awarded a STEP Seal and complying with programme-specific objectives and requirements is also confirmed and extended to the JTF.

In addition, following the adoption of the defence mini-omnibus, Member States can now also invest in defence and dual use technologies under the STEP-relevant specific objectives of cohesion policy.

2.2 Commission's second Guidance Note on defence technologies

Following the adoption of the medium-term review of cohesion policy and of the defence mini-omnibus Regulation, the Commission issued a **second Guidance Note on the implementation of the Strategic Technologies for Europe Platform (STEP)** in December 2025.

This non-binding communication **complements the first STEP Guidance Note adopted in May 2024**, which remains fully valid. The second Guidance Note:

- responds to the legislative amendments introduced in 2025 and to requests for clarification that emerged during the first year of STEP implementation;
- aims to facilitate the consistent application of the STEP Regulation across funding programmes managed by the Commission and Member States;
- clarifies how STEP objectives apply to the newly introduced **fourth sector on defence technologies** and highlights STEP-relevant defence technology areas (e.g., drones and counter-drones, cyber, AI and electronic warfare, military mobility, maritime and air, medical countermeasures). It also reiterates that STEP operates through existing EU programmes and that eligibility for funding continues to be determined by the rules of the respective programme and calls;
- provides additional **clarifications relevant to STEP implementation across all sectors**, including the eligibility of certain recycling technologies, the treatment of technology-transfer activities, and the role of projects addressing skills shortages critical to the development and manufacturing of STEP technologies.

[27] Among the facilitations introduced by the STEP Regulation, managing authorities of the European Regional Development Fund (ERDF) and European Social Fund Plus (ESF+), and now also of the Just Transition Fund (JTF) can directly fund STEP Seal projects without launching a new call for proposals.

By clarifying these aspects, the second Guidance Note supports **managing authorities, managers of funding programmes, and project promoters** in applying STEP consistently across the diverse range of EU funding programmes.

The **new Guidance Note** was **published on the STEP Portal**[28] right after the adoption of the 'mini-omnibus' on defence (December 2025) and was **presented to STEP National Contact Points** via a dedicated session (February 2026). It was also **presented to the managing authorities of cohesion policy programmes** in the Member States at the Expert Group on the Common Provisions Regulation Funds (March 2026).

2.3 Programmes under direct management

The Commission allocates EU funds through the STEP programmes it directly manages to **support STEP objectives across the European Union**.

Before the adoption of the 'mini-omnibus' on defence, STEP was already supporting the development and manufacturing of defence-related technologies through targeted calls under the **European Defence Fund (EDF)**. The EDF was also the only EU funding programme to receive a budgetary reinforcement under the STEP Regulation, amounting to EUR 1.5 billion.

Now defence technologies are established as a **distinct priority** within STEP – meaning they no longer need to align with the platform's three original sectors (digital, clean, and biotech), as long as the other STEP objectives and conditions are complied with. This will result in, among other things, a larger number of EDF calls being STEP-relevant.

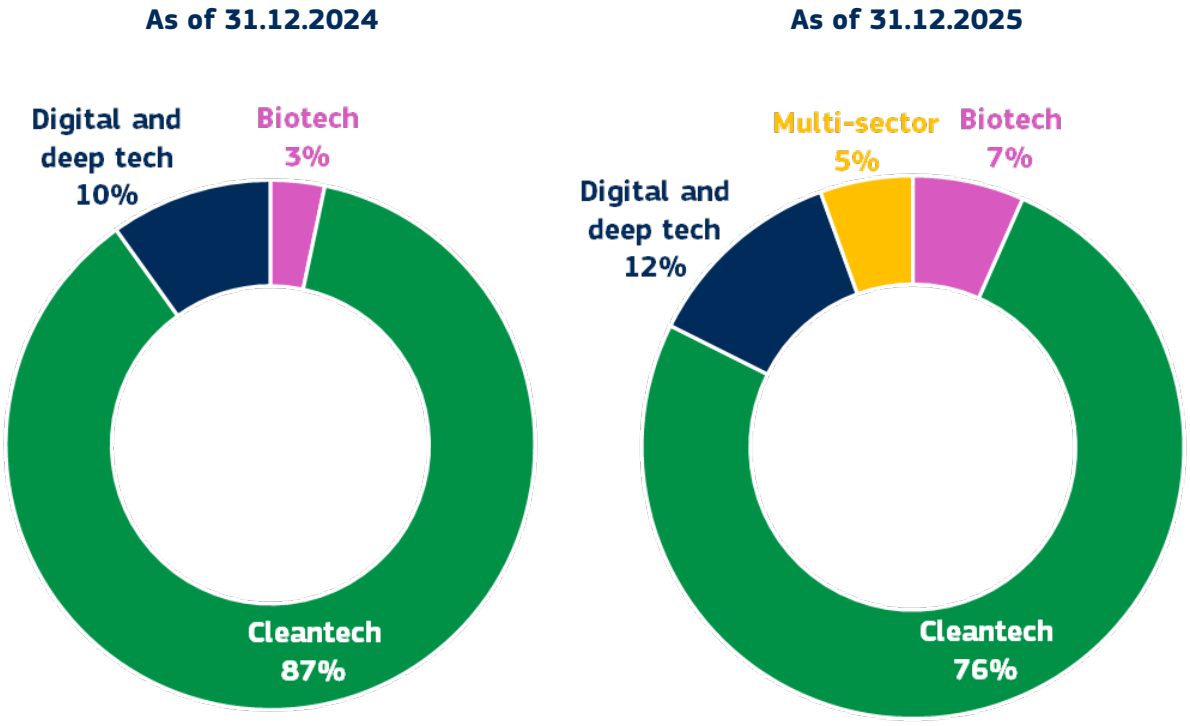
In addition, the scope of other EU funding programmes relevant to STEP, such as **Digital Europe** and **Horizon Europe**, has also been extended to explicitly include **defence and/or dual-use technologies** (see Section 2.1.1).

In 2025, the Commission closed calls for proposals[29] **across the three STEP sectors under all the five STEP-relevant programmes under direct management**: the **Innovation Fund**[30], **Horizon Europe**, the **Digital Europe Programme**, **EU4Health**, and the **European Defence Fund**.

In total, the **initial budget earmarked** by programmes under direct management in support of STEP-relevant technologies amounted to **EUR 5.3 billion** in 2025[31], representing a 14.6% year-on-year increase from the amount of EUR 4.6 billion reported for 2024. Cumulatively, this represents a **total budget of EUR 10 billion** allocated to STEP-relevant calls for proposals across the five funding programmes since the inception of STEP in March 2024.

[28] See STEP documents - European Union
[29] The scope of the 2024 Annual Report of STEP exclusively covers the STEP-relevant calls for proposals whose deadline for submissions was before 31 December 2024.
[30] The Innovation Fund is funded by the revenues of the Emissions Trading System (ETS).
[31] Calls launched in 2025 with closings in 2026 are therefore not considered in this Annual Report.

FIGURE 2a: Comparison between the sectoral share of resources earmarked for STEP by end-2024 and end-2025 (as a percentage, cumulative) in directly managed funds

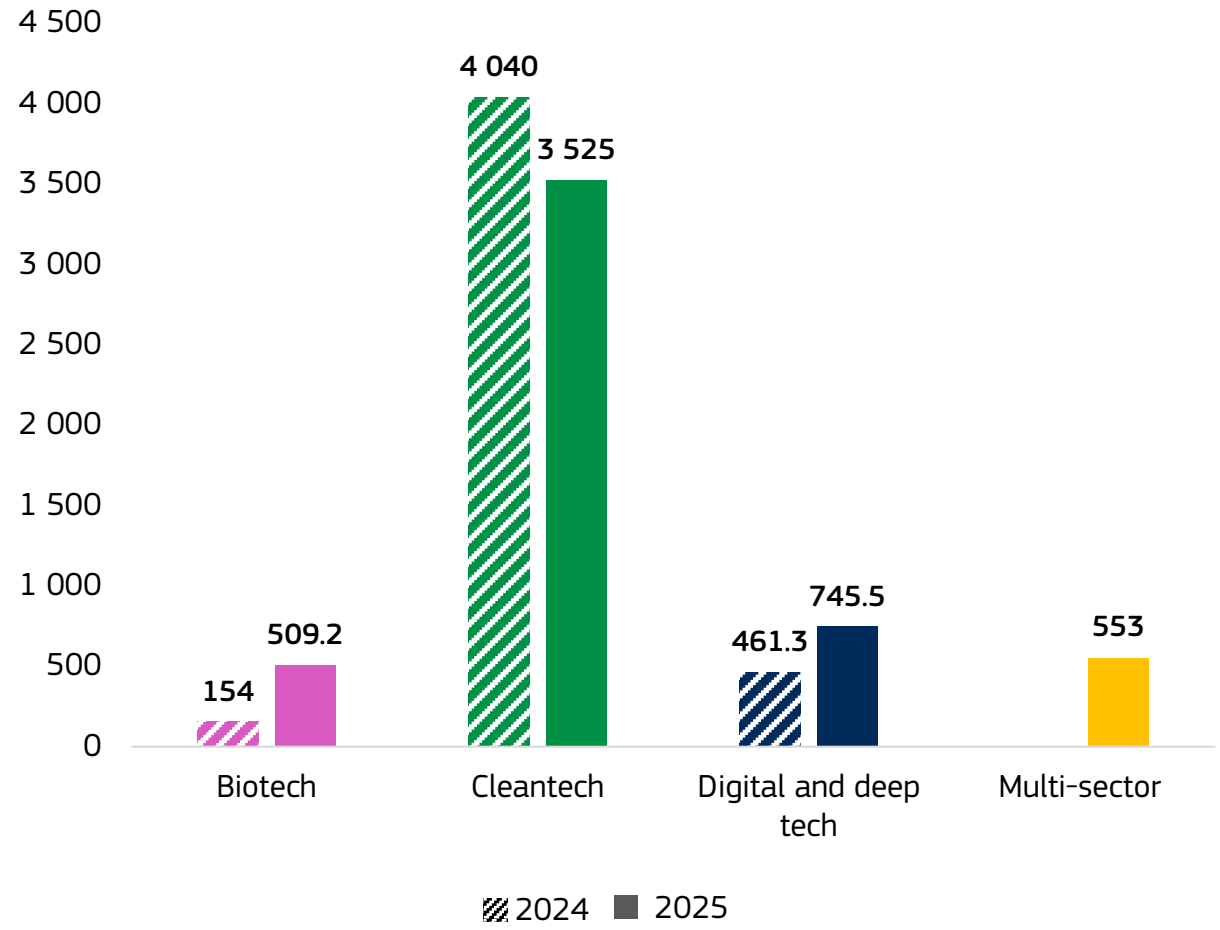


Source: European Commission

In 2025, and in line with the results from 2024, actions in the field of **clean and resource-efficient technologies** contributed the most to this figure, with a total allocated budget of EUR 3.5 billion, mostly driven by the Innovation Fund. This was closely followed by actions in the fields of **digital and deep technologies** and **biotechnologies** followed closely, accounting for EUR 746 million and EUR 509 million respectively.

2025 also saw the expiration of the deadlines for submissions of the first **STEP-relevant calls for proposals launched by the European Innovation Council (EIC) under Horizon Europe**, namely the five 'Challenges' of the **EIC Accelerator** and the first-ever dedicated **EIC STEP Scale Up call**. These calls were open for submissions as of late 2024, and were already mentioned in the 2024 STEP Annual Report. Project proposals submitted to these calls can target any of the three STEP sectors. For this reason, for reporting purposes and to avoid double counting, their 2025 allocated budget of EUR 553 million was included in a specific '**multi-sector'** category.

FIGURE 2b: Breakdown of resources earmarked for STEP in 2024 and 2025 in directly managed funds, by sector (in EUR million)



Source: European Commission

It is worth noting that the Digital Europe Programme, among other STEP-relevant measures, dedicated a budget of EUR 27 million to the **development of skills** in the fields of generative AI, virtual worlds and quantum technologies. This budget reinforced the EUR 55 million already allocated to digital skills in 2024.

TABLE I: Summary of the budget allocated in 2025 to STEP-relevant calls for proposals by STEP sectors and by directly managed EU funding programmes (in EUR million)

Sector	Programme	**Budget** (in EUR m)
Clean and resource-efficient technologies	**Innovation Fund**	3400
	Horizon Europe (Clean Hydrogen Joint Undertaking)	105
	European Defence Fund	20
Total cleantech	**Year 2025**	**3525**
	vs Year 2024	4040
Digital technologies	**European Defence Fund**	335
	Digital Europe Programme	208
	Horizon Europe	203
Total digital tech	**Year 2025**	**746**
	vs Year 2024	461
Biotechnologies	**EU4Health**	254
	Horizon Europe (incl. Circular Bio-based Europe Joint Undertaking)	230
	European Defence Fund	25
Total biotech	**Year 2025**	**509**
	vs Year 2024	154
Multi-sector	**Horizon Europe (European Innovation Council)**	**553**
Total multi-sector	**Year 2025**	553
General total	**Year 2025**	**5333**
	vs Year 2024	4655

Source: European Commission

As reported for 2024, the time lag between the deadline of a call for proposals and the publication of its outcome means that many calls reported for year 2025 in this Annual Report will only publish results in year 2026, as evaluations were still ongoing at the time of drafting of this report.

By the end of 2025[32], evaluations had not yet been concluded for the 2025 STEP-relevant calls for proposals launched by the **Chips Joint Undertaking**[33] and the **Circular Bio-based Europe Joint Undertaking**[34], for all STEP-relevant calls under **EU4Health** and the **European Defence Fund** and for selected topics under **Digital Europe** and **Horizon Europe**.

Evaluations concluded by the end of 2025 – and since the inception of STEP – resulted in around EUR 9.8 billion of funding being awarded in the form of grants or equity investments. This figure includes EUR 4.9 billion reported in the 2024 Annual Report on STEP and corresponds to the total amount awarded to projects selected for funding under the relevant funding programmes. As such, it represents an indicative figure, subject to adjustments upon the signing of the financing agreements, which could modify individual contributions. This EUR 9.8 billion figure differs from the EUR 5.3 billion mentioned above, as the latter refers to the budget allocated under the STEP calls that closed in 2025, under all five directly managed programmes in the STEP remit.

The following sections provide a detailed breakdown of STEP's impact across the original three STEP technology sectors, including in EU Member States and regions. The regional analysis follows the **NUTS2 statistical classification** (NUTS 2024, Eurostat).

2.3.1 Driving clean innovation

The STEP Regulation recognises 'clean and resource efficient' technologies as a strategic priority. In the STEP definition, these include a broad range of innovations, such as **renewable energy technologies, hydrogen technologies and sustainable fuels, carbon capture, storage and use (CCSU) technologies, batteries and decarbonisation technologies**[35]. In this way, STEP reinforces the EU's commitment to climate neutrality by 2050 and aligns with the objectives of the EU's Clean Industrial Deal[36].

The total budget earmarked in 2025 for calls for proposals in the 'clean and resource efficient' technologies' sector under STEP amounted to **EUR 3.5 billion**, slightly declining from the EUR 4 billion budget of 2024.

Among the programmes directly managed by the Commission, the **Innovation Fund** was by far the main contributor to STEP objectives in the cleantech sector in 2024, thanks to its large budget compared with other funding programmes. In 2025, the situation changed slightly. The **Innovation Fund** remained the key contributor to the sector in terms of allocated budget, supporting STEP with EUR 2.4 billion from the regular call concerning net-zero technologies and an additional EUR 1 billion from one call targeting batteries for electric vehicles. In addition, a number of STEP-relevant calls for proposals closed in 2025 under the **Clean Hydrogen Joint Undertaking (Horizon Europe)**. These calls, with a cumulative budget of EUR 105 million, target technologies for the production, storage, distribution and use of renewable hydrogen as well as the 'hydrogen valleys', i.e. geographically concentrated ecosystems based on

[32] The 2025 Annual Report covers the calls for proposals closed by 31 December 2025, regardless of whether the results were announced by year-end.
[33] See Home · Chips Ju
[34] See Home | Circular Bio-based Europe Joint Undertaking (CBE JU)
[35] A detailed but non-exhaustive list of technologies covered by the STEP Regulation is available in Commission Communication C/2024/3248, Guidance Note concerning certain provisions of Regulation (EU) 2024/795 establishing the Strategic Technologies for Europe Platform (STEP), 2024, available at: https://eur-lex.europa.eu/eli/C/2024/3209/oj
[36] Commission Communication COM/2025/85, The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation, 2025, available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52025DC0085

hydrogen. Finally, one call for proposals on "Naval hybrid propulsion and power systems" accounted for a contribution of EUR 20 million to the sector provided by the **European Defence Fund**.

The **European Innovation Council (EIC)** under **Horizon Europe** also contributed to the 'clean and resource-efficient' sector. This was achieved, however, by open calls with no budget specifically pre-allocated to this sector.

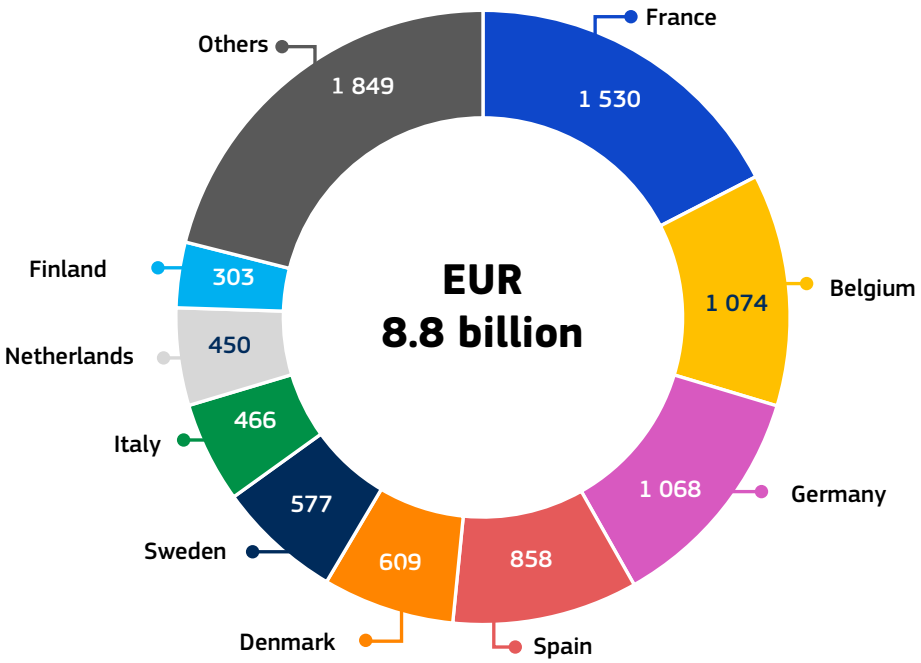
From the beginning of STEP's implementation and by the end of 2025, 173 project proposals were pre-selected for funding under the STEP-relevant calls for proposals in the cleantech sector. This resulted in an overall awarded financial support of cumulatively EUR 8.8 billion[37], up from the EUR 4.8 billion awarded to 85 proposals in 2024[38].

Most of this financial support was awarded in the form of grants, although equity support is possible for proposals awarded under the calls for the EIC Accelerator and is the rule for proposals awarded under the EIC STEP Scale Up call.

Examples of supported projects include the building of a production line for cylindrical batteries designed for electric vehicles (46inEU)[39] and HiWhyV, a 'hydrogen valley' that will power Sweden's industry-intensive west coast[40].

FIGURE 2c: Geographical split of the grants awarded in the cleantech sector under STEP-relevant calls for proposals under directly managed funding programmes, as of end-2025 (in EUR million)[41]

[37] These figures provide a snapshot of the results of the relevant calls for proposals. The subsequent signing of the financing agreements between the project promoters and the Commission may result in adjustments to both the number of projects that are awarded financing and the individual contributions.
[38] The increase in the amount of funding amount is mainly a natural consequence of the increasing number of calls for proposals that award financing to proposals in the form of grants/equity. However, the withdrawal from the grant preparation of some project proposals selected under the 2023 call of the Innovation Fund and the consequent selection of proposals from the reserve list also has an impact, although limited.
[39] See 46inEU - European Union
[40] See HiWhyV - A Hydrogen Valley from the High Coast to West Coast - Strategic Technologies for Europe Platform
[41] For the breakdown of financing awarded in the Cleantech sector, Member States hosting projects cumulatively awarded more than EUR 300 million are singled out in the chart, while the others are grouped in the 'Others' category.



Source: European Commission.

Entities established in France and Belgium received by far the most of STEP-related financing in this sector, i.e. EUR 1.5 billion and EUR 1.1 billion, respectively. They were followed by Germany (almost EUR 1.1 billion), Spain (EUR 858 million), and Denmark (EUR 609 million).[42]

2.3.2 Accelerating digital and deep-tech innovations

Digital and deep technologies represent a sector which, under STEP, covers a broad spectrum of cutting-edge innovations such as **advanced computing, artificial intelligence (AI), cybersecurity, microelectronics, and quantum technologies**[43] – all of which are fundamental to the EU's Digital Decade Policy Programme 2030[44], which aims to enhance Europe's digital infrastructure, skills, and technological leadership.

STEP support to digital technologies in 2025 was channelled through the **European Defence Fund**, the **Digital Europe Programme** and **Horizon Europe**. These three funding programmes earmarked a total budget of **EUR 745.5 million** for STEP-relevant actions in the field over the course of the year, up from EUR 461 million in 2024. The main contributor to this result was the **European Defence Fund**[45], which launched several calls for proposals focusing on a selection of digital technologies for defence such as

[42] Under the Innovation Fund STEP Seals, for multi-beneficiary projects located in more than one region, the amount of the financial contribution awarded to the specific region/Member State is calculated by splitting the total contribution to the project equally among its locations.

[43] A detailed but non-exhaustive list of technologies covered by the STEP Regulation is available in Commission Communication C/2024/3209, Guidance Note concerning certain provisions of Regulation (EU) 2024/795 establishing the Strategic Technologies for Europe Platform (STEP), 2024, available at https://eur-lex.europa.eu/eli/C/2024/3209/oj

[44] Decision (EU) 2022/2481 of the European Parliament and of the Council of 14 December 2022 establishing the Digital Decade Policy Programme 2030

[45] Given that the defence 'mini-omnibus' Regulation entered into force in December 2025 the European Defence Fund is still considered to the extent to which it contributes to the three STEP sectors existing prior to the introduction of the fourth STEP sector on defence. As such, for the purpose of this report, EDF mainly contributes to the development and manufacturing of digital technologies.

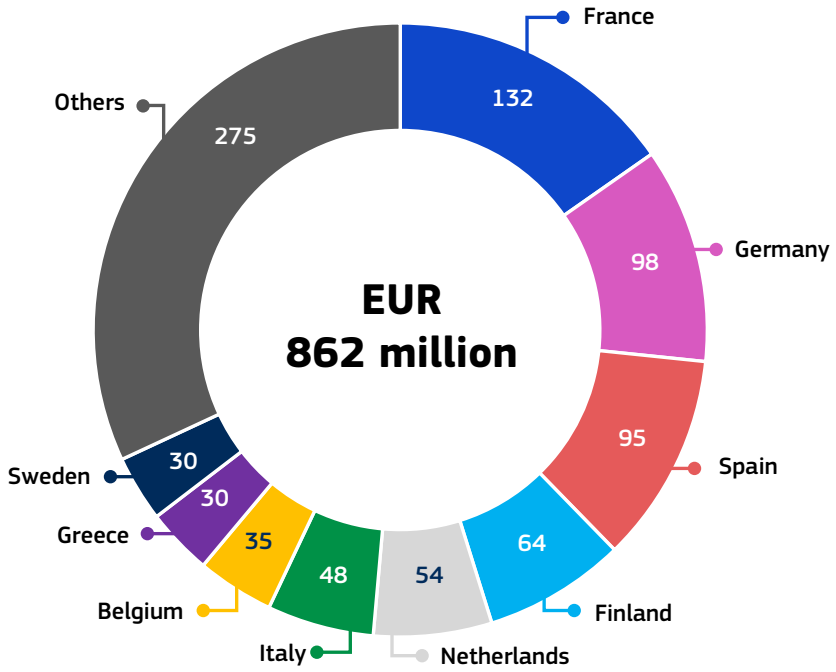
autonomous vehicles, AI, radars or optronic detectors. Under the **Digital Europe Programme**, STEP-relevant actions included calls granting STEP Seals for the first time to European Digital Innovation Hubs[46], hence supporting the digital transitions of SMEs and public administrations across the EU. Finally, **Horizon Europe** contributed with calls targeting solutions for space technologies.

As mentioned previously with respect to the cleantech sector, the 2025 'Challenges' of the **EIC Accelerator** and the 2025 **EIC STEP Scale Up call** have contributed to STEP in the digital technologies sector. This contribution, however, cannot be quantified on the basis of the budget for the calls, because such calls were open for submissions from a broader range of technological sectors.

A total of 137 project proposals were selected for funding under STEP-relevant calls for proposals in the field of digital technologies. This includes all projects selected since the beginning of STEP implementation and all calls for proposals whose evaluations were concluded before the end of 2025[47]. In total, **EUR 862 million** was allocated to these projects in the form of grants and, to a lesser extent, equity.

Examples of projects include **OpenEuroLLM**[48], a pan-European initiative that unites leading AI startups and research organisations to create an open, multilingual large language model and **Axelera-FAST**[49], developing next-generation AI chips.

FIGURE 2d: Geographical split of grants awarded in the digital-tech sector under STEP-relevant calls for proposals under directly managed funding programmes, as of end-2025 (in EUR million)[50]



[46] See European Digital Innovation Hubs
[47] Calls for proposals with a deadline in 2025 which had not concluded their evaluations by the end of the year, are considered in this report within the figures on earmarked budgets but not within the figures on funding awarded to projects.
[48] See OpenEuroLLM – A European Family of Large Language Models - Strategic Technologies for Europe Platform
[49] See Axelera-FAST: Fast Fuelling EU AI Transformation - Strategic Technologies for Europe Platform
[50] For the breakdown of financing awarded in the digital-tech sector, Member States hosting projects cumulatively awarded more than EUR 30 million are singled out in the chart, while the others are grouped in the 'Others' category.

Source: European Commission.

At national level, entities from France and Germany emerged as the top recipients of STEP-related grants in this area, receiving EUR 132 million and EUR 98 million, respectively. They were followed by Spain (EUR 95 million) and Finland (EUR 64 million)[51].

2.3.3 Empowering biotechnologies

The biotechnological sector within STEP encompasses a broad spectrum of breakthrough technologies, including **genomics and pharmacogenomics, DNA/RNA synthesis, cell and tissue engineering, bioinformatics and nano-biotechnologies**. STEP's support aims to accelerate innovation, ensure supply security, and reinforce Europe's competitiveness in life sciences.

The total budget earmarked for calls for proposals in the STEP sector of biotechnologies amounted to **EUR 509 million** in 2025. STEP's support for biotechnologies concretised through both grants and procurement actions aimed at ensuring the development and market access of innovative medical countermeasures (e.g. vaccines, therapeutics or diagnostics) and other medical devices in the EU. These actions, for a total budget of **EUR 204 million**, were undertaken under the **EU4Health** programme which also contributed a **EUR 20 million top-up** to be implemented by the EIB via InvestEU, under the HERA Invest mechanism. Horizon Europe, including the **Circular Bio-based Europe Joint Undertaking**, and the **European Defence Fund** also supported STEP-relevant biotechnologies in 2025.

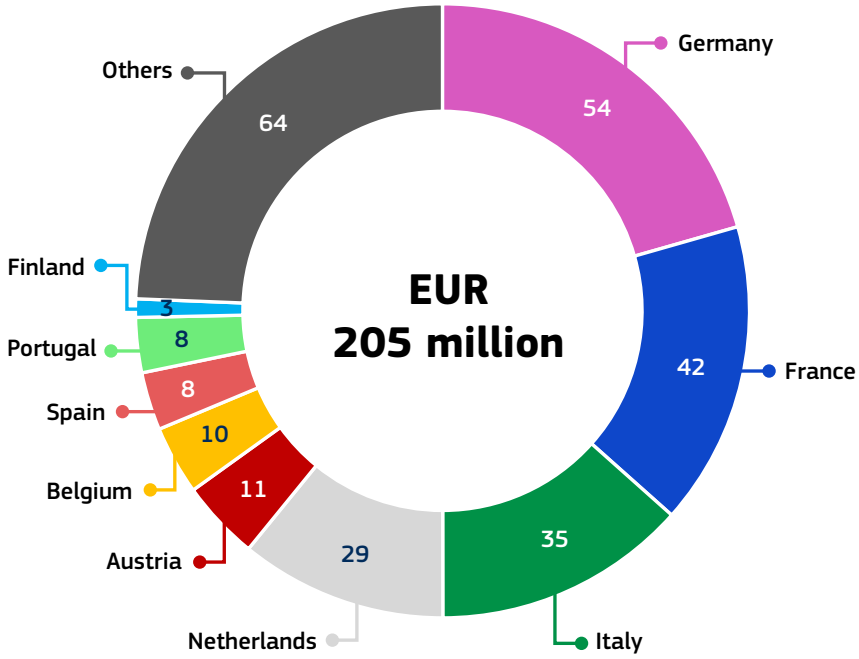
By the end of 2025, a total of 12 project proposals had been selected for funding under STEP-relevant calls for proposals in the field of biotechnologies. This includes all projects selected since the beginning of STEP implementation and all calls for proposals whose evaluations concluded before the end of 2025[52]. In total, **EUR 205 million** was allocated to these projects in the form of grants and, to a lesser extent, of equity.

This does not represent a significant increase on 2024, which results from the combination of two factors. First, and as explained above, a large part of the STEP-relevant allocation to biotechnologies in 2025 came from **EU4Health** in the form of procurement contracts, which do not result in the award of grants or equity to specific projects. Second, by the end of 2025, a number of calls for proposals in the biotech sector (e.g. **Circular Bio-based Europe**) had not completed their evaluations. The results of such calls, in terms of project proposals with awarded funding, will be accounted for in the 2026 Annual Report, available in 2027.

Projects supported so-far include **PANFLU-STEP**, that develops a nasal spray to counter viral threats by using neutralising anti-influenza antibodies and **SPEEDCELL**[53], which seeks to transform the landscape for the cells-based manufacturing of vaccines and therapeutics by developing a faster and more reliable production process. These projects will enhance Europe's health crisis preparedness.

[51] For projects located in more than one location, the amount of the financial contribution awarded to the specific region/Member State is calculated on the basis of the financial contribution awarded to the entity or entities established there.
[52] Calls for proposals with a deadline in 2025 which had not concluded their evaluations by the end of the year are considered in this report within the figures on earmarked budgets but not within the figures on funding awarded to projects.
[53] See SPEEDCELL – Accelerating Vaccine and Therapeutic Manufacturing - Strategic Technologies for Europe Platform

FIGURE 2e: Geographical split of grants awarded in the biotech sector under STEP-relevant calls for proposals under directly managed funding programmes, as of end-2025 (in EUR million)[54]



Source: European Commission

Entities from Germany and France emerge as the top beneficiaries, having received EUR 54 million and EUR 42 million, respectively. Italy and the Netherlands follow, with EUR 35 million and EUR 29 million in funding awarded[55].

2.4 Cohesion policy funds

Since the start of STEP's implementation, **Member States have made a substantial contribution to advancing STEP's objective** of strengthening the competitiveness and resilience of the EU's economy, notably by directing significant amounts of cohesion policy funding in support of STEP-relevant technologies.

The main flexibilities and incentives introduced by STEP for cohesion policy included the possibility to finance productive investments in enterprises *other than SMEs* under the ERDF's STEP dedicated priorities, **with higher co-financing rates of up to 100% at the level of the STEP-dedicated priority** and **20[56] to 30% of their allocation paid by the EU budget as one-off pre-financing**.

While the **'mid-term review' of cohesion policy** (see Section 2.1.2) expanded the scope of cohesion policy funds to include **defence and dual-use technologies**, the **defence 'mini-omnibus'**, which established a fourth 'defence' sector for STEP, was not adopted until December 2025. This timing

[54] Regarding the breakdown of financing awarded in the biotech sector, Member States hosting projects cumulatively awarded more than EUR 2 million are singled out in the chart, while the others are grouped in the 'Others' category.
[55] For projects located in more than one location, the amount of financial contribution awarded to the specific region/Member State is calculated on the basis of the financial contribution awarded to the entity or entities established there.
[56] The level of pre-financing was reduced by the legislative amendments associated with the mid-term review of cohesion policy.

meant that in practice no defence and/or dual use investments were incorporated into the STEP priorities of cohesion policy programmes in 2025.

By the end of December 2025, **96 STEP amendments to cohesion policy programmes had been adopted in 19 Member States**[57], with STEP support under dedicated priorities amounting to **EUR 13.9 billion**[58]. These amendments concern both national and regional cohesion policy programmes, reflecting the governance arrangements for cohesion policy funds in each Member State (see Section 2.4.1.1).

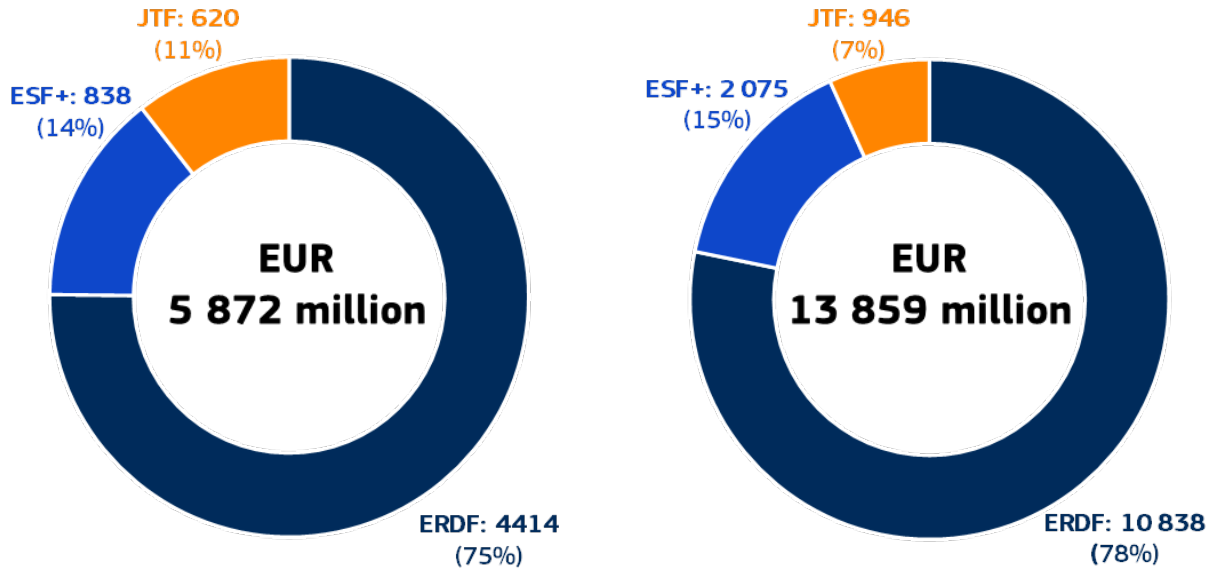
This amount represents more than twice the amount reported for 2024 (By way of comparison, as at the end of December 2024, 41 adopted programme amendments mobilised a total of EUR 6.4 billion). Additional amendments are expected throughout 2026.

The split as of end-2025 is as follows:

- ca. EUR 10.8 billion under the European Regional Development Fund (ERDF).
- ca. EUR 2.1 billion under the European Social Fund Plus (ESF+).
- ca. EUR 945 million under the Just Transition Fund (JTF).

[57] A few further programmes included STEP in their existing priorities, rather than in dedicated ones.
[58] Including the STEP amendments submitted by end of December 2025 in the context of the mid-term review, the total volume of STEP support under cohesion policy amounts to EUR 15.1 billion.

FIGURE 2f: STEP allocations in adopted cohesion policy programmes by end-2024 (left) and end-2025 (right) (cumulative, in EUR million)



Source: Member States

2.4.1 Analysis of the use of STEP in cohesion policy programmes

TABLE II: Overview of funding allocations in cohesion policy programmes as of end-2025 (in EUR million)

MS	Title	ERDF (m EUR)	JTF (m EUR)	ESF+ (m EUR)	Total support (m EUR)
BE	ERDF 2021-2027 of the Brussels Capital Region	18.3			
	ERDF 2021-2027 Flanders	51.8			
BG	Competitiveness and Innovation in Enterprises	80			
	Research, Innovation and Digitalisation for Smart Transformation	81			
DK	Green Technologies and Skills for a Just Transition		65		
DE	Lower Saxony 2021-2027 ERDF-ESF+	147			
	Programme ERDF 2021-2027 Baden-Württemberg	71			
	Programme ERDF 2021-2027 Hamburg	7			
	Programme ERDF 2021-2027 Mecklenburg-Vorpommern	139			
	Programme ERDF 2021-2027 Schleswig-Holstein	43			
	Programme ERDF 2021-2027 Thuringia	21			
	Programme ERDF 2021-2027 Bavaria	158			
	Programme ERDF 2021-2027 Berlin	10			
	Programme ERDF/JTF 2021-2027 Brandenburg	128			

MS	Title	ERDF (m EUR)	JTF (m EUR)	ESF+ (m EUR)	Total support (m EUR)
	Programme ERDF/JTF 2021-2027 North Rhine-Westphalia	334	415		749
	Programme ERDF/JTF 2021-2027 Saxony	128	12		140
	Programme ERDF/JTF 2021-2027 Saxony-Anhalt	88			
	Programme ESF Plus 2021 - 2027 Bavaria			37	
IE	Northern and Western Regional Programme 2021-2027	2			
EL	Competitiveness	150			
	Digital Transformation			57	
	Dytiki Ellada	9			
	Human Resources and Social Cohesion			50	
	Just Development Transition		69		
ES	ESF+ Canarias			2	
	ESF+ Cantabria			3	
	ESF+ Cataluna			19	
	ESF+ Galicia			23	
	ESF+ Madrid			64	
	ESF+ Valencia			19	
	Just Transition Programme Spain 2021-2027		95		
	Pluri-regional programme Spain ERDF 2021-2027	975			
	Programme Andalusia ERDF 2021-2027	244			
	Programme Aragon ERDF 2021-2027	23			
	Programme Asturias ERDF 2021-2027	15			
	Programme Basque Country ERDF 2021-2027	33			
	Programme Canarias ERDF 2021-2027	21			
	Programme Cantabria ERDF 2021-2027	16			
	Programme Castilla y Leon ERDF 2021-2027	45			
	Programme Castilla-La Mancha ERDF 2021-2027	62			
	Programme Catalonia ERDF 2021-2027	114			
	Programme Community of Madrid ERDF 2021-2027	73			
	Programme Galicia ERDF 2021-2027	27			
	Programme Region of Valencia ERDF 2021-2027	144			
FR	Programme Centre-Val de Loire and interregional Loire ERDF-ESF+ 2021-2027	12			
	Programme Hauts de France ERDF-ESF+-JTF 2021-2027			35	
	Programme Île-de-France et bassin de la Seine ERDF-ESF+ 2021-2027	35		12	47
	Programme Normandie ERDF-ESF+-JTF 2021-2027	2	24		26
	Programme Pays de la Loire ERDF-ESF+-JTF 2021-2027	3			
HR	Integrated Territorial Programme 2021 - 2027	150			

MS	Title	ERDF (m EUR)	JTF (m EUR)	ESF+ (m EUR)	Total support (m EUR)
	Programme Competitiveness and Cohesion 2021 - 2027	48			
IT	NP Research, innovation and competitiveness for green and digital transition 2021-2027	602			
	NP School and skills 2021-2027			645	
	NP Youth, women and jobs 2021-2027			200	
	RP Abruzzo ERDF 2021-2027	35			
	RP Abruzzo ESF+ 2021-2027			25	
	RP Calabria ERDF ESF+ 2021-2027	264			
	RP Campania ERDF 2021-2027	581			
	RP Emilia-Romagna ERDF 2021-2027	61			
	RP Lazio ERDF 2021-2027	109			
	RP Lombardia ERDF 2021-2027	120			
	RP Molise ERDF ESF+ 2021-2027	45			
	RP Piemonte ERDF 2021-2027	100			
	RP Puglia ERDF ESF+ 2021-2027	472			
	RP Sardegna ERDF 2021-2027	166			
	RP Sicilia ERDF 2021-2027	615			
	RP Sicilia ESF+ 2021-2027			60	
	RP Toscana ERDF 2021-2027	98			
	RP Umbria ERDF 2021-2027	31			
LV	European Union Cohesion Policy programme 2021-2027	56			
LT	Programme for the European Union funds' investments in 2021–2027	58			
HU	Digital Renewal Operational Programme Plus	164		135	299
	Economic Development and Innovation Operational Programme Plus	245			
NL	Programme ERDF 2021-2027 East Netherlands	16			
PL	EU Funds for Smart Economy 2021–2027	901			
	European Funds for Dolny Śląsk 2021-2027	20			
	European Funds for Mazowsze 2021-2027	35			
PT	Algarve Regional Programme 2021-2027	18			
	Centro Regional Programme 2021-2027	30			
	Innovation and Digital Transition Thematic Programme	1115			
	Lisbon Regional Programme 2021-2027	38			
	Norte Regional Programme 2021-2027	25			
RO	Bucharest-Ilfov	54			
	Central Region	11			
	Education and Employment			573	
	Health	352		114	466

MS	Title	ERDF (m EUR)	JTF (m EUR)	ESF+ (m EUR)	Total support (m EUR)
	Sustainable Development		266		
	North East	6			
	North-West	10			
	Smart growth, digitalization and financial instruments	271			
	South East	10			
	South Muntenia	10			
	South-West Oltenia	27			
	West	19			
SI	Slovenia's EU Cohesion Policy Programme 2021-2027	103			
SK	Programme Slovakia - SK - ERDF/CF/JTF/ESF+	232			
Total	**96**	**10 838**	**945.9**	**2 075**	**13 859**

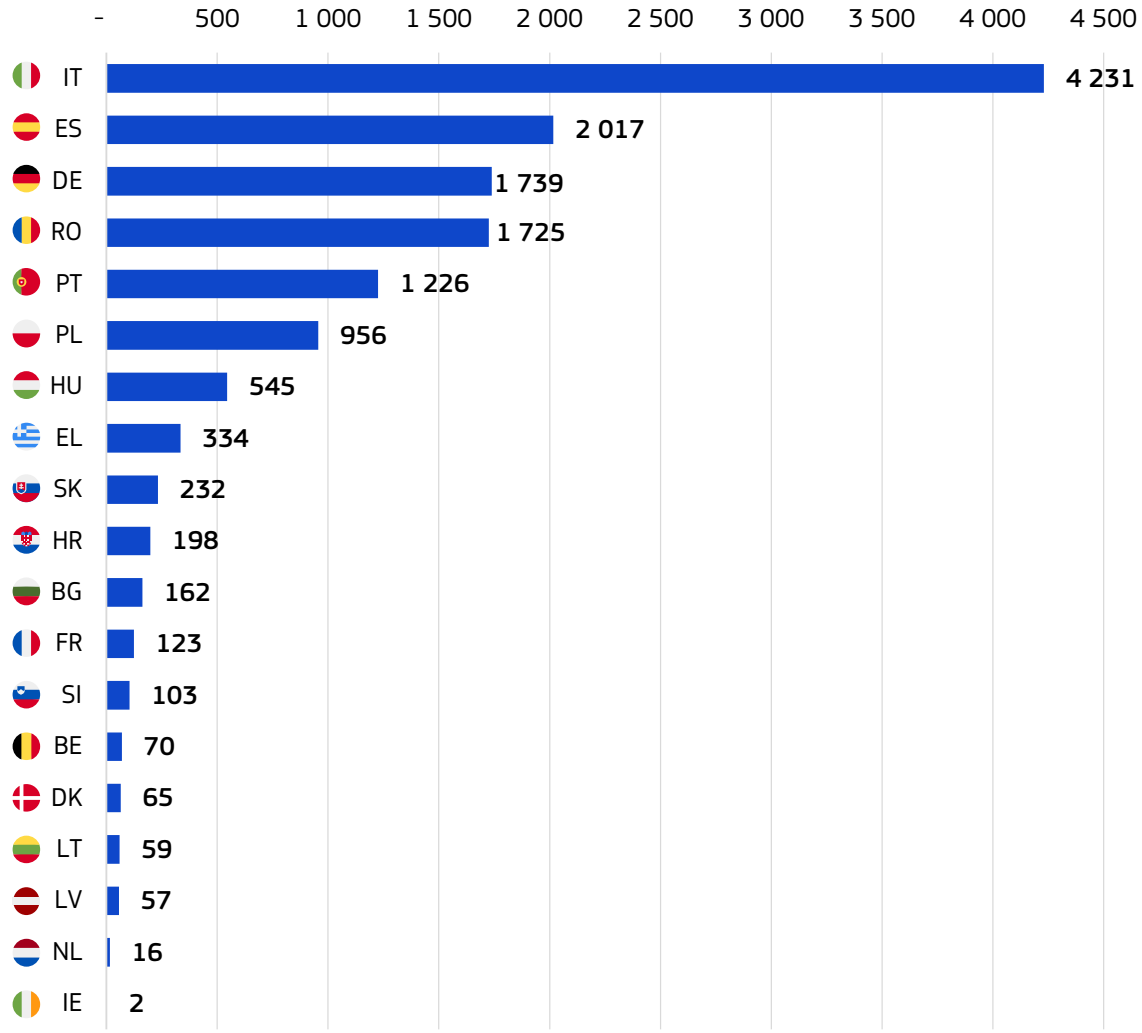
Source: Member States

2.4.1.1 Geographical distribution of STEP investments

Most of STEP investments were proposed by programmes in **Germany, Italy, Romania and Spain** (see Figure 2g below), representing 63 out of the 96 adopted programmes and about 70% of total STEP support, i.e. EUR 9.7 billion. The remaining 33 programmes featured amendments worth EUR 4.2 billion.

Overall, STEP investments mobilised through cohesion policy programmes are implemented at both regional and national level. Approximately 43% of STEP support, i.e. around EUR 6 billion has been mobilised under 70 regional programmes, while the remaining 57%, i.e. EUR 7.9 billion has been programmed through 26 national programmes.

FIGURE 2g: Volume of adopted STEP-relevant amendments in cohesion policy programmes per Member State as of end-2025 (cumulative since inception of STEP, (in EUR million)[59]

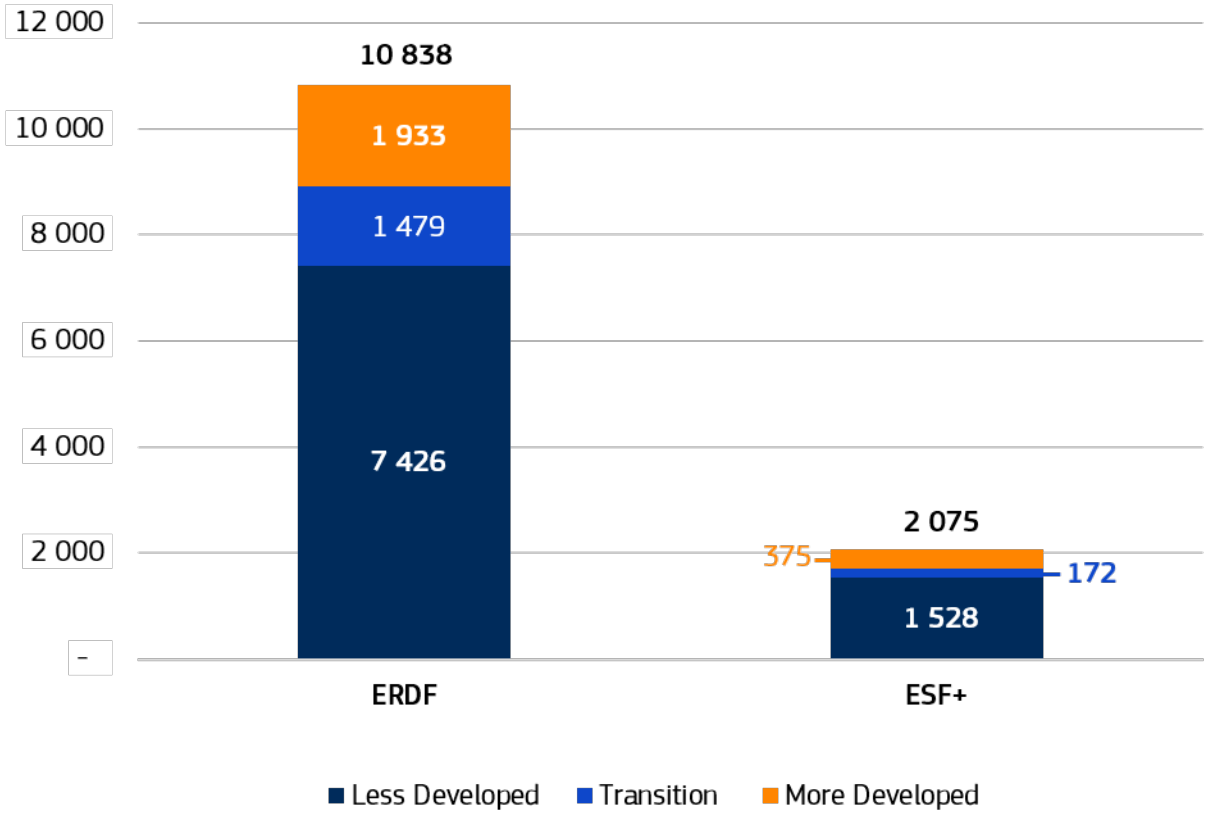


Source: Member States

Concerning the ERDF and ESF+, more than two thirds of STEP allocations were re-programmed in the less developed EU regions[60].

[59] Only for programmes with dedicated priorities or known amounts dedicated to STEP based on intervention fields allocations.
[60] 'Less developed regions', under Regulation (EU) 2021/1060 are the regions of EU Member States whose gross domestic product (GDP) per capita is less than 75% of the average GDP per capita of the 27 EU Member States.

FIGURE 2j: Volumes of STEP allocations under the ERDF and ESF+ per category of region as of end-2025 (cumulative since inception of STEP, in EUR million)



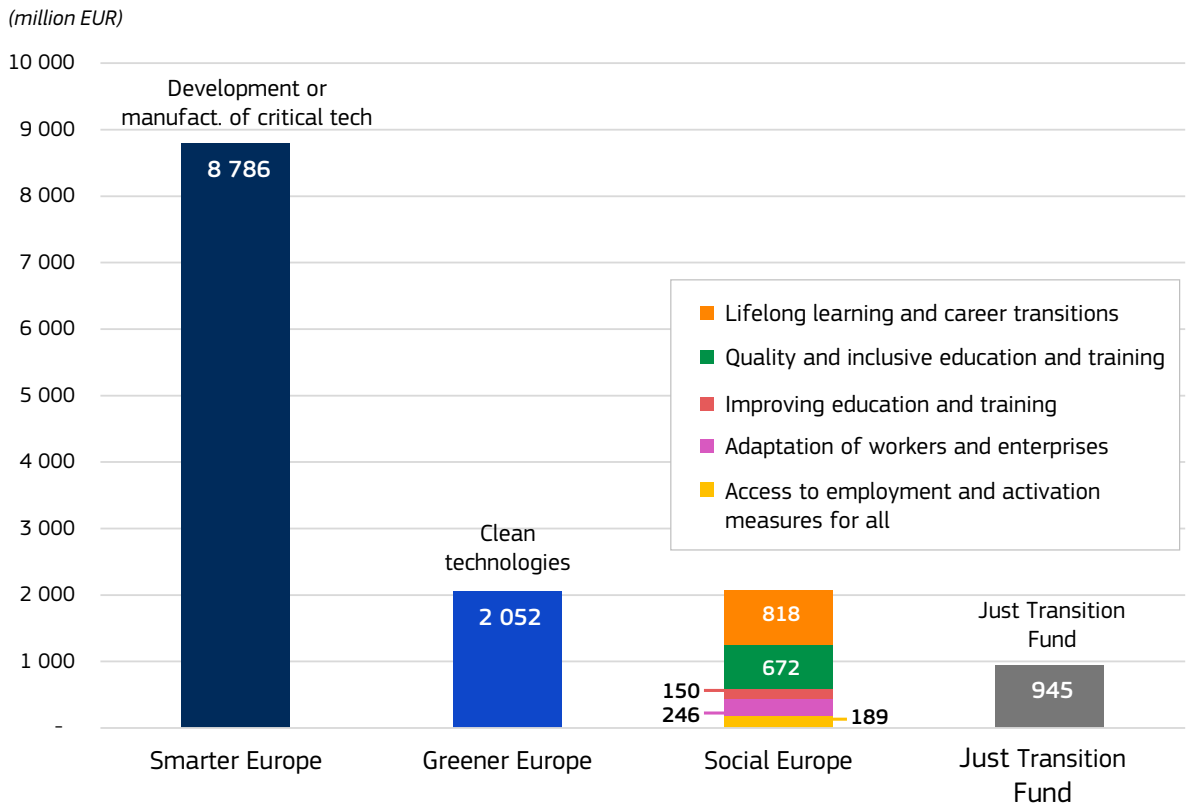
Source: Member States

2.4.1.2 Sectoral distribution of STEP investments

The **STEP Regulation introduced two new specific objectives under ERDF and CF,** to support investments aiming at strengthening industrial development and reinforcement of value chains in strategic sectors.

More than **60%** of STEP investments under cohesion policy funds will be implemented under the **specific objective 1.6** (Development or manufacturing of critical technologies) **of the 'Smarter Europe' policy objective**, followed by around **15% for specific objective 2.9 (clean technologies) in 'Greener Europe' policy objective** and **for skills and employment measures** through the **ESF+ under 'Social Europe' policy objective**. Finally, 10% of STEP investments will be made in the 'just transition' regions under the JTF specific objective (see figure 2k).

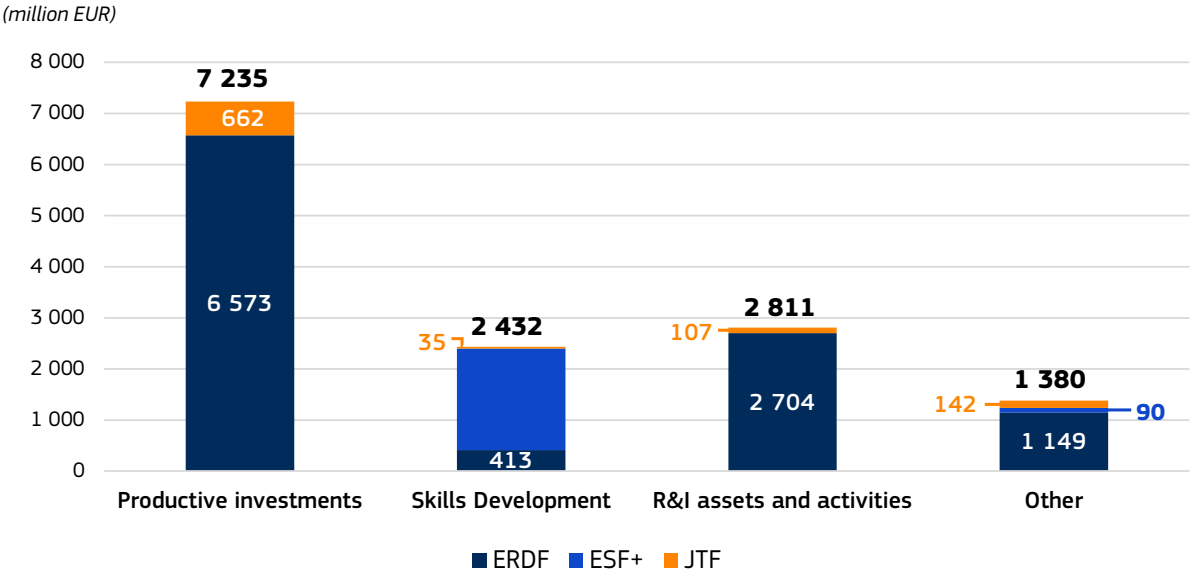
FIGURE 2k: Volume of STEP amendments in cohesion policy programmes by policy objective and specific objective as of end-2025 (only for programmes with dedicated priorities, cumulative since inception of STEP, in EUR million)



Source: Member States

Productive investments represent around 52% of the planned amounts under STEP. Investments in research and innovation account for 20% of the allocation, while investments in skills development account for 17% of the allocation. Around 10% will support other activities, such as technology transfer, support to business incubation, spin-offs and start-ups, as well as services linked to low-carbon economy and resilience to climate change (see Figure 2l).

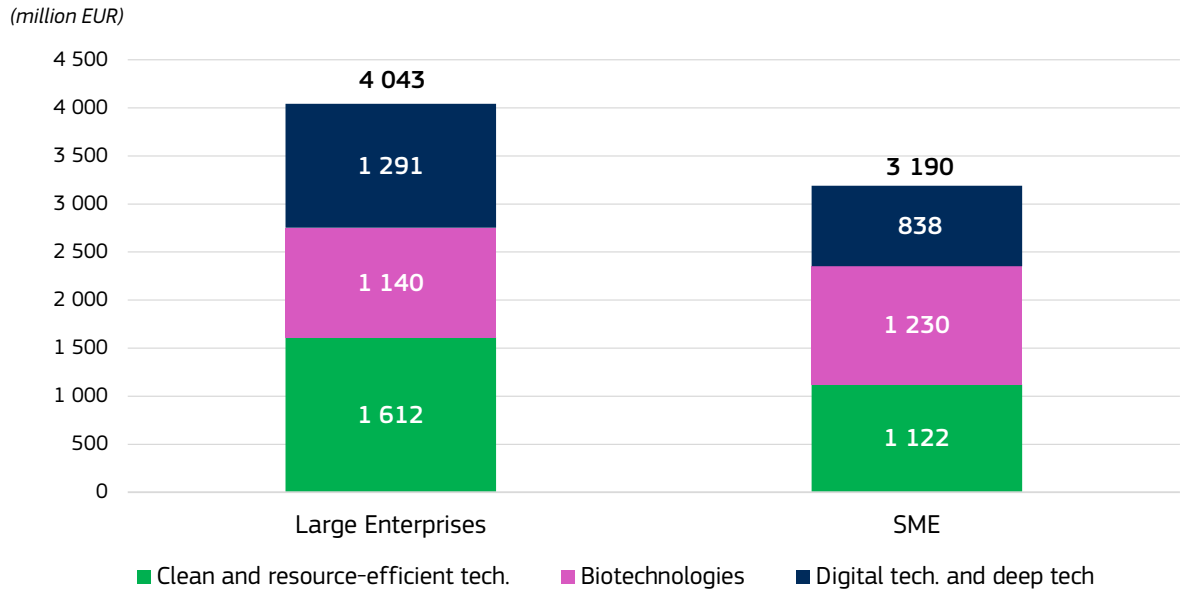
FIGURE 2l: Volume of STEP amendments in cohesion policy programmes by sector as of end-2025 (only for programmes with dedicated priorities or known amounts dedicated to STEP, cumulative since inception of STEP, in EUR million)



Source: Member States

Productive investments per STEP sector are split as follows: 38% for clean technologies, 35% for digital technologies and deep technologies and 27% for biotechnologies. Most of the allocation was attributed to productive investments in enterprises other than SMEs, using the possibility to finance them under the ERDF for STEP-related projects.

FIGURE 2m: Productive investments from cohesion policy programmes by type of enterprise and STEP-sector as of end-2025 (only for programmes with dedicated priorities or known amounts dedicated to STEP, in EUR million)



Source: Member States

2.4.1.3 Main expected achievements of the STEP investments in cohesion policy

Investments in approximately 11 900 enterprises in total are expected across 74 adopted programmes, out of them 4 287 in the clean sector, 3 795 in the digital sector and almost 1 397 in the biotech sector. The planned investments are expected to create 21 644 jobs in the supported entities.

2.4.2 Calls for proposals under cohesion policy programmes

As at 31 December 2025, a total of 54 STEP calls were reported by 11 Member States (Denmark, Germany, Spain, Italy, Latvia, Lithuania, the Netherlands, Poland, Romania, Slovenia and Slovakia), for corresponding to EUR 3.1 billion[61]. This represents a considerable increase on 2024, when STEP was only starting. These calls are funding opportunities open to applicants.

Table III: Overview of cohesion policy programmes calls for proposals

MS	Programme Title	Total amount in million EUR	Status on 31/12/2025
DK	Green Technologies and Skills for a Just Transition	45.5	Completed
DE	Programme ERDF 2021-2027 Bavaria	47.0	Completed
	Programme ERDF 2021-2027 Schleswig-Holstein	30.4	Completed
	Multi Funds Programme ERDF/JTF North Rhine-Westphalia 2021-2027	140.0	Completed
	ESF Plus 2021 - 2027 Bavaria	37	Completed
	Programme ERDF 2021-2027 Baden-Württemberg	65	Completed
	Programme ERDF/JTF 2021-2027 Saxony-Anhalt	75	Completed
ES	Pluri-regional programme Spain ERDF 2021-2027	90	Completed
	Just Transition Programme Spain 2021-2027	18	Completed
IT	RP Lazio ERDF 2021-2027	70	Completed
	RP Puglia ERDF ESF+ 2021-2027	471	Ongoing (rolling call)
	NP Research, innovation and competitiveness for green and digital transition 2021-2027	443	Ongoing (deadline 31.12.2027)
	RP Lombardia ERDF 2021-2027	120	Completed
	RP Emilia-Romagna ERDF 2021-2027	30	Completed
	RP Campania ERDF 2021-2027	60	Completed
	RP Calabria ERDF ESF+ 2021-2027	180	Ongoing (deadline 31.12.2026)
	RP Sicilia ERDF 2021-2027	315	Completed
LV	European Union Cohesion Policy programme 2021-2027	64	Completed

[61] A further EUR 892 million has been reported by Germany (North Rhine-Westphalia) and Italy (NP Research, Innovation and Competitiveness) in mixed calls.

LT	Programme for the European Union funds' investments in 2021–2027	46	Completed
NL	Programme ERDF 2021-2027 East Netherlands	36	Completed
PL	European Funds for Smart Economy 2021–2027	432	Completed
RO	Health	218	Completed
SI	Slovenia's EU Cohesion Policy Programme 2021-2027	60	Completed
SK	Programme Slovakia - SK - ERDF/CF/JTF/ESF+	40	Completed
Total		**3132.9**	

Source: Member States reporting.

2.4.3 Selected projects

Eleven Member States (Belgium, Bulgaria, Denmark, Germany, Spain, France, Italy, Latvia, the Netherlands, Poland and Romania) have already selected projects under STEP, including:

- In **Spain**, the Andalusia regional programme, together with the Spanish pluri-regional programme, will support the construction of a pioneering semiconductor facility in Málaga, in collaboration with the Microelectronics Inter-Universities Centre. The facility will develop new processes for prototyping next-generation 300 mm semiconductor chips.
- In the **Mazowieckie region in Poland**, a project implemented by the 'Mazowiecki Szpital Bródnowski' hospital focuses on the development of gene therapy for Parkinson's disease. The project aims to advance innovative treatment approaches for this neurodegenerative disorder and strengthen the EU's biotechnology sector. It presents a pioneering approach to address this debilitating neurodegenerative disorder that affects millions of people globally. This innovative technology is expected to revolutionise neurological treatments for Parkinson's disease and further bolster the EU's biotech industry.
- In **Slovenia,** the cohesion policy programme will support the development of the Chip.si semiconductor project, aimed at building expertise in niche electronic chips such as photonic and quantum chips, as well as related components. The project will also participate in a European network of competence centres, contributing to the EU initiative establishing 27 chip competence centres across Europe and strengthening Europe's capabilities in advanced digital technologies.
- In **Auvergne-Rhône-Alpes (France)**, Cohesion Policy is supporting the AccelBAT project to scale up innovative battery technologies. Under this project, the company Injectpower is developing an all-solid, ultra-miniaturised, rechargeable microbattery with high energy density and industrial scale-up capability. The technology can power very small pressure sensors with potential applications in ophthalmology (e.g. glaucoma monitoring) and neurology, such as intracranial pressure measurement.
- In **Flanders (Belgium),** the Deep Tech Co-Innovation Center in artificial intelligence (AI) and semiconductor photonics is being developed as a large-scale public-private partnership between Ghent University, ParticipatieMaatschappij Vlaanderen (PMV), and Alides REIM. The initiative aims to accelerate sustainable deep-tech digital innovation in areas such as AI and semiconductor photonics.
- In **Romania**, the Smart Growth Programme will support 7 European Digital Innovation Hubs (EDIHs) that were awarded the STEP Seal under two recent Digital Europe Calls for Proposals (DIGITAL-2025-EDIH-EU-EEA-08 and DIGITAL-2026-EDIH-EU-EEA-09). While the Digital

Europe funding programme supports six EDIHs up to 50%, with cohesion policy financing the remaining costs, cohesion policy earmarked full funding to support the seventh EDIH. This complementarity mechanism between Digital Europe and cohesion policy mechanism ensures full regional coverage of the EDIH network in Romania, supports continuity of operations, and enables the hubs to enter the consolidation phase as AI Experience Centres. EDIHs will provide their technology expertise and services, including in critical technologies such as AI, to SMEs and local public authorities for their digital transformation, thereby contributing more broadly to the achievement of the Digital Decade targets.

- In **Bavaria (Germany)**, the AI innovation Lab Bavaria targets companies with little experience of AI that want to exploit its potential. Experts from the business world and academia provide advice to participants. In addition to this theoretical knowledge, businesses are also given practical help to incorporate AI solutions into existing processes. The programme includes workshops, training and accompanying mentoring by AI specialists tailored to companies' individual needs.

2.4.4 Implementation review: the Bavarian case

Starting in 2025, the Commission launched a **pilot project sought to assess the level of awareness, among STEP stakeholders** (e.g. potential applicants including SMEs, research organisations, etc.), **of the STEP-relevant calls for proposals** launched in their respective Member States.

This pilot, focused on **Bavaria (Germany)**, primarily aimed to assess the success, in terms of the use of Member States' allocations of financial resources to STEP. This work strand will be continued in 2026, involving more regions and cohesion policy programmes.

As outlined in Sections 2.4.2 and 2.4.3 above, **Bavaria launched STEP calls in 2025** under the two ERDF and ESF+ cohesion programmes:

- The **grant-based ESF+ measures** covered training for future-oriented STEP skills, knowledge transfer from universities to SMEs, and skills acquisition for students in STEP technologies.
- The **ERDF** supported technology transfers through cooperation of universities and university hospitals with SMEs in a **single equity-based measure.** Beyond this, it also supports SMEs in the seed and start-up phase by means of an equity financial instrument as well while also expanding non-university research infrastructure in the STEP fields.

Both programmes made **outreach efforts and targeted specific audiences** through existing channels, which resulted in high proposal success rates. Following the very successful introduction of the STEP priority with more than expected demand for funding from project promoters (the first ESF+ call for knowledge transfer from universities to SMEs in the STEP sectors was oversubscribed by more than double) the Bavarian authorities have submitted further amendments to the ERDF and ESF+ programmes to top up the STEP measures. The demand for funding for the early introduction of young adults/students to STEP-related apprenticeships in school projects from secondary school onwards has also surpassed authorities' expectations.

The regional authorities reported that **target groups of applicants (e.g. companies) struggle to understand the two critical conditions of STEP technologies** which must be met to be selected:

the degree of 'innovativeness' of a given technology or the technology's contribution to reducing EU strategic dependencies.

This feedback is also reflected in the **consistently high demand for technical assistance to implement STEP under cohesion policy**, particularly regarding the interpretation of STEP's technological scope. To address this need, the Commission has regularly organised training sessions for national contact points, managing authorities and project promoters, providing an opportunity to answer questions, clarify doubts, and promote a common understanding of the eligibility criteria.

2.5 The Recovery and Resilience Facility & InvestEU

As at 31 December 2025, the situation as regards **implementing STEP under the Recovery and Resilience Facility (RRF) had not changed compared to the previous year.** No Member State had made use of the increased flexibility, introduced by Article 19 of the STEP Regulation[62], to allocate RRF resources to the InvestEU Member State compartment for STEP-relevant investments. The transfer of funds from the RRF to the Member State compartment of InvestEU would have, among other things, allowed Member States to support investments beyond the RRF deadline of August 2026, while still within the InvestEU deadlines of 2027 and 2028.

No Member State had used RRF resources to fund STEP Seals nor had included them in their revised Recovery and Resilience Plans (RRPs). Member States are required by Regulation to give priority consideration to projects with a STEP Seal when revising their plans, even if there is no specific financial incentive to allocate RRF resources to such projects.

Several Member States explained that they had not included STEP Seal projects in their revised RRPs on the grounds that these projects **already had alternative EU funding, exceeded the RRF timeframe, or otherwise exceed the scale of the available financial envelopes.** Some Member States took the view that the projects with a STEP Seal do not align with the main areas of focus of their respective RRPs or that resources available within the plan would be better used to scale up existing high-demand investments[63].

To facilitate the uptake of STEP, the Commission has provided further guidance and support to Member States. In July 2024, the Commission had already **amended the RRF guidance**[64] to clarify the process for amending RRPs to allocate RRF resources toward STEP objectives. Throughout 2025, the **Commission continued to engage regularly with STEP NCPs and national authorities** responsible for RRPs in particular for disseminating information on the list of STEP Seals in their respective countries. This information is regularly updated as new awards occur.

[62] Article 19 of the STEP Regulation amends the Regulations governing the Recovery and Resilience Facility (RRF), allowing Member States to direct up to 6% of their RRF funds toward the InvestEU Member State compartment in support of financial investments in STEP-related technologies. This is on top of the pre-existing 4% transfer possibility, and brings the total potential transfer to 10%.

[63] These are a selection of the reasons provided by Member States, in the relevant Council Implementing Decisions, for not including STEP Seal projects within their revised Recovery and Resilience Plans.

[64] Commission Notice C/2024/4618, Guidance on recovery and resilience plans

TOOL 3: Enhancing visibility for excellent projects: the STEP Seal

The STEP (Sovereignty) Seal is a quality label introduced under Article 4 of the STEP Regulation. It is **awarded by the Commission in recognition of high-quality projects** from across the internal market. It is awarded at the end of the selection process of STEP-related calls for proposals under the five programmes directly managed by the Commission and contributing to STEP: the Digital Europe Programme, the European Defence Fund, EU4Health, Horizon Europe, and the Innovation Fund[65].

The STEP Seal aims to boost the projects' visibility and **facilitate access to alternative or complementary funding from EU funding programmes and private investors**.

The EU funding programmes under direct management that can award STEP Seals receive submissions from across all 27 Member States as well as from associated countries and are heavily oversubscribed. The Commission therefore awards a STEP Seal to project proposals that are considered to **outperform every eligibility, exclusion and award criterion** established in the relevant calls, even if they may not actually be selected for a grant or equity investment due to the call budget being exhausted.

The STEP Regulation foresees specific benefits for projects that receive the Seal. It does so by creating incentives for national and regional public authorities managing Cohesion policy funds, the Recovery and Resilience Facility and the Modernisation Fund, as well as other entities implementing InvestEU, for them to provide financial support either in addition or in alternative (as the case may be) to the support provided directly by the European Commission.

For example, managing authorities of the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+) and the Just Transition Fund (JTF) can directly fund STEP Seal projects without launching a new call for proposals, provided the projects meet the conditions of the respective programmes. Similarly, the STEP Regulation requires Member States to prioritise projects that have received the STEP Seal when revising their Recovery and Resilience Plans or when allocating investments from their share of the Modernisation Fund and to consider these projects in the procedures related to the selection of investments by the EIB and in the 'policy checks' laid down in Regulation (EU) 2021/523, i.e. the InvestEU Regulation.

Over the course of 2025, the STEP (Sovereignty) Seal has progressed along the successful path embarked on at the end of 2024 in establishing itself as a recognised mark of excellence at European level for all awarded project proposals. By end-2025, 614 projects had been awarded a STEP Seal (see Section 3.2 on the state of play).

The **Commission continues to promote these excellent project proposals** to national stakeholders and remains in regular contact with the relevant national authorities, notably STEP National Contact Points, in order to support ongoing efforts to secure funding for proposals awarded a STEP Seal.

However, the interim evaluation of STEP, published by the Commission in July 2025[66], found that **no projects awarded a STEP Seal had received complementary funding** from either EU cohesion

[65] For more information about criteria, procedures and benefits of the STEP Seal see the STEP Annual Report 2024 and the STEP Portal.
[66] See STEP documents - European Union

policy resources, the Recovery and Resilience Facility, or national budgets as of early 2025. This remained the case, to the Commission's knowledge, at the end of 2025.

At the same time, however, some of these projects might have secured funding from private sources that may not have been reported to the Commission.

Moreover, some **encouraging developments are taking shape across Member States**. Romania, for example, has committed cohesion policy funding, via the Smart Growth programme, to a selected group of European Digital Innovation Hubs (EDIHs) awarded a STEP Seal (see Section 2.4.3). Once the selection formalities are completed, these projects will become the **first cases of cumulative or alternative funding enabled by the STEP Seal**. Several other Member States have launched calls for proposals or expressions of interest specifically targeting STEP Seal projects, which should also lead to complementary/alternative EU funding for STEP Seal holders.

A key tool supporting the promotion of STEP Seals continues to be the STEP Portal (see Section 4) and the **dashboard of the STEP Seals**[67], which makes accessible regularly updated information concerning over 600 projects awarded the STEP Seal across the EU. The dashboard gives users, such as public and private investors, the opportunity to contact the project promoters directly. Following the Portal's revamp in September 2025, which introduced a dedicated section for the STEP Seal and its dashboard, this feature has consolidated the Portal's position as a cornerstone of user engagement. To date, the new section alone accounted for around 20% of the Portal's total traffic, a sign of its growing influence as a go-to hub for stakeholders seeking innovative, STEP Seal-certified projects. An additional tool to promote the STEP Seal is Dealroom's[68] dedicated page, which provides an overview of the start-ups and scale-ups behind these high-quality projects[69].

3.1 STEP Seal survey

In November 2025, the Commission launched a survey targeting all projects that had hitherto been awarded a STEP Seal until that moment, to gather practical insights on the status of implementation of the STEP Seal. 169 replied on a sample of 403 STEP Seal holders.[70]

Most contributions were submitted by coordinators of a project proposal awarded a STEP Seal under **Digital Europe** and the **Innovation Fund**. The geographical distribution of respondents largely mirrors the concentration of STEP Seals awarded across the EU[71].

120 respondents replied on behalf of a project consortium and most respondents (107) were coordinators of project proposals that had been awarded funding (e.g. a grant or equity) by the Commission.

[67] See STEP Seal Dashboard | European Union
[68] Dealroom is a market intelligence platform providing data on start-ups, scale-ups, venture capital and innovation ecosystems globally.
[69] See STEP Seal | Dealroom.co.
[70] While the feedback gathered, including feedback in the form of extensive commentary, offers valuable insights into the drivers and obstacles associated with the implementation of the STEP Seal, it cannot be considered statistically representative of the opinion of project promoters from the various STEP-relevant EU funding programmes.
[71] For the purpose of the survey, the country of establishment of the project was defined as the Member State where the physical installation is supposed to be, if the project consists of a physical installation or, alternatively, the Member State of establishment of the coordinator.

Figure 3a: respondents by EU funding programme

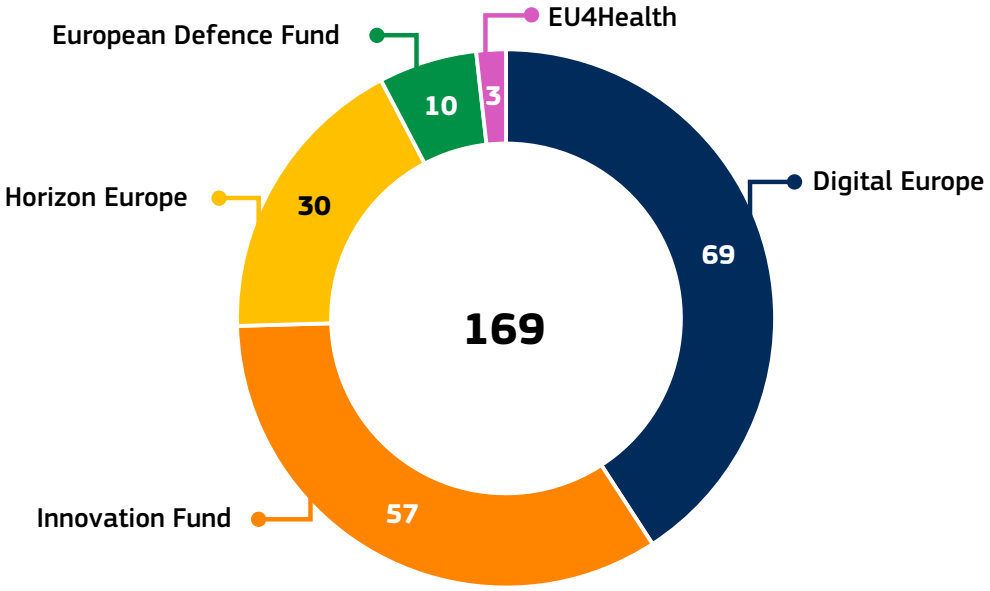
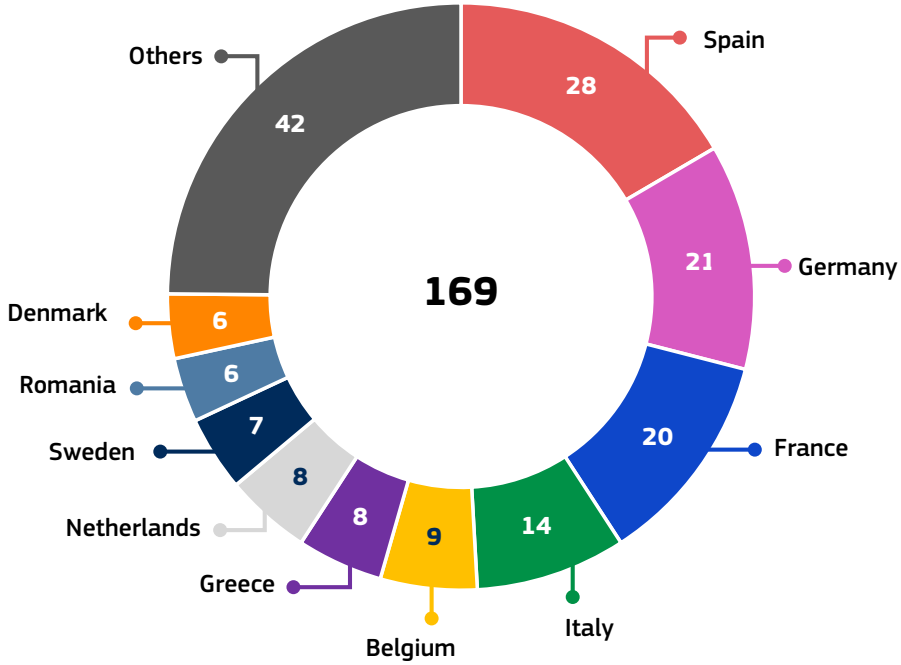
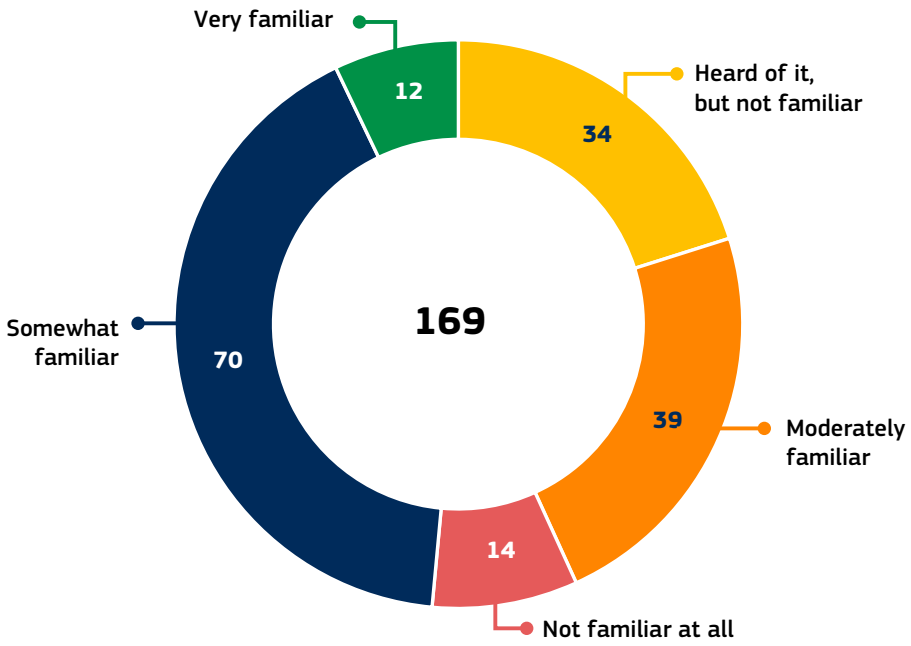


Figure 3b: respondents by Member State of establishment



Most promoters said they were knowledgeable about the theoretical aspects of the STEP Seal but uncertain about the practical benefits it could bring to their project.

FIGURE 3c: Respondents answers to *'How familiar are you with the STEP Seal and its potential benefits for your project?'*

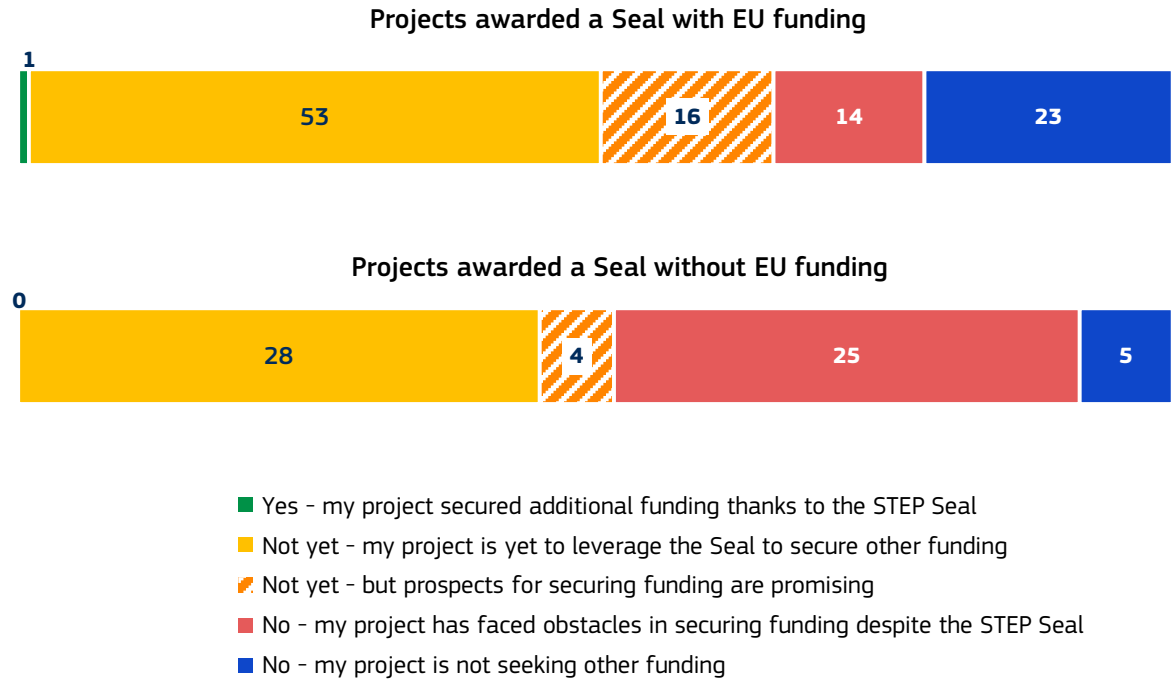


One respondent from Finland, for example, stated that it is '*still **unclear how to proceed in practice** for example, when seeking additional funding for the current project, a developing theme, or the existing consortium – and how the STEP Seal could be concretely used'.* This was a concern shared by other promoters as well. For some, the key uncertainty concerned to whom their requests should be addressed at national level.

Among the 169 respondents, **all except one indicated that the STEP Seal was yet to support their projects** in achieving additional or alternative funding from public or private investors. This confirmed the situation already highlighted in the interim evaluation of STEP[72] published in early 2025.

[72] See STEP documents - European Union

FIGURE 3d: Respondents answers to *'Has the STEP Seal helped your project secure funding from other sources beyond/in the absence of funding awarded by the European Commission?'*[73]



Availability of national and/or regional funding and attached conditions, practical aspects of **funding combination**, as well as complexity in the application of different funding rules, including **State aid rules,** were indicated by respondents as the main hurdles to overcome in order to get alternative or additional funding.

[73] The chart summarises the results of a split question which was posed differently depending on whether the respondent had been awarded a grant/equity in the European Commission call for proposal they applied to (i.e. 'funded project') or not (i.e. 'unfunded project')

FIGURE 3e: Respondents answers to *'What are the main obstacles that your project encounters in seeking funding, both public and/or private?'*[74]



Regarding their preferred form of additional or alternative funding, most respondents expressed a preference **for a grant contribution** to come **from EU funds managed at national or regional level** (e.g. cohesion policy or RRF). One respondent stressed that their **preferred source of funding was the one minimised the administrative burden and avoided the risk of double funding** in the combination with the grant awarded by the Commission.

Most of the promoters surveyed (111) had no contact whatsoever with any EU/national/regional authority about the STEP Seal. Those who were in contact with their respective NCP, said that the **national authorities were mainly helpful when it came to clarifying the concept of the STEP Seal and facilitating contact with the other national and regional authorities managing EU funds** (e.g. managing authorities for cohesion funds). However, many respondents lamented a lack of concrete support, which they attributed to a number of causes including the absence of an allocated budget, the lack of operational readiness to support the STEP Seals in the Member States and regions and a generally difficult context in terms of private funding, over which the respective NCP has no control. Some project promoters were nevertheless in contact with other public and/or funding authorities and bodies in the respective Member States including ministries, competent authorities for EU funding programmes and the European Investment Bank.

The Commission will consider launching a **new survey** in late 2026 or early 2027, to assess how this year's outcome will evolve as a function of a greater and more diverse pool of STEP Seal holders.

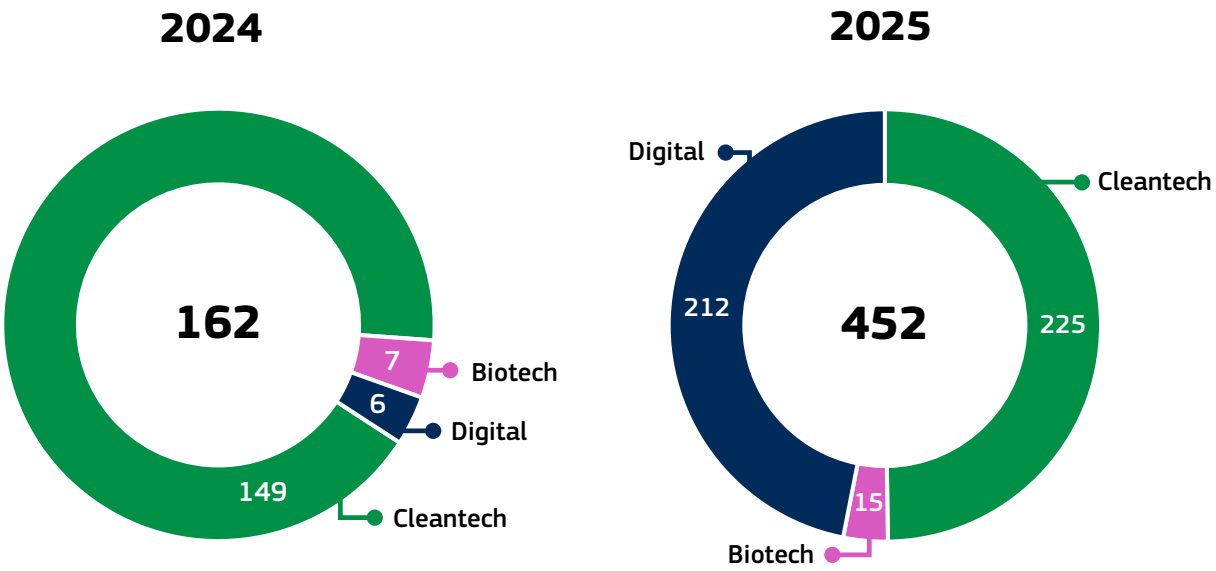
[74] The total number of responses to this particular question (109) does not match the total number of respondents to the survey (169) because the question was asked only to promoters who, in previous answers, had highlighted the existence of obstacles. Additionally, it was possible to give multiple answers to this question.

3.2 State of play

At the end of 2024, and as reported in the 2024 Annual Report of STEP[75], the Commission had awarded a limited number of STEP Seals (162), across three funding programmes only: the **Innovation Fund**, **Horizon Europe** and **EU4Health**. This was mainly due to the time lag between the launch of the very first STEP-relevant calls for proposals and the publication of their outcomes, which meant that the first STEP Seals were not awarded until October 2024.

By the end of 2025, the Commission had awarded 614 STEP Seals under all five STEP-relevant EU funding programmes that it manages directly: the Innovation Fund, Horizon Europe, Digital Europe, the European Defence Fund and EU4Health. 452 of these STEP Seals were awarded in 2025 only, covering all three technology sectors of relevance for STEP prior to the adoption of the defence mini-omnibus Regulation[76]: digital and deep technologies, clean technologies and biotechnologies.

FIGURE 3f: Comparison between the number of STEP Seals awarded in 2024 (left) and 2025 (right), by sector



Relevant highlights among the STEP Seals awarded in 2025 include the following:

- The very **first 40 STEP Seals awarded under the EIC STEP Scale Up call for proposals**, the first equity-only STEP-relevant call for proposals.
- The **first 16 STEP Seals addressing skills shortages** in the digital sector, awarded under the Digital Europe Programme to support the development of key digital skills in selected digital areas such as virtual worlds, edge computing, quantum computing, photonics, and robotics and automatisation;

[75] See STEP documents - European Union

[76] The defence 'mini-Omnibus' Regulation, which entered into force in December 2025, introduced a fourth 'defence' sector for STEP. See STEP boosting investments for EU defence - Strategic Technologies for Europe Platform

- The first 46 **STEP Seals awarded by a Joint Undertaking** (JU)[77], specifically under the 2025 call of the Clean Hydrogen JU[78] established under Horizon Europe.

TABLE V: Summary of the STEP Seals awarded under the STEP-relevant calls for proposal in 2025

Programme	Call ID	Seals
Innovation Fund	Batteries – Manufacturing of electric vehicles battery cells	6
	Net-Zero Technologies	161
	STEP Seals awarded by the Innovation Fund in 2024	149
	Total	**316**

Programme	Call ID	Seals
Horizon Europe	EIC STEP Scale Up- 2025	40
	EIC Accelerator – 2025	43
	Clean Hydrogen Joint Undertaking -2025	46
	STEP Seals awarded by Horizon Europe in 2024	7
	Total	**136**

Programme	Call ID	Seals
EU4Health	*STEP Seals awarded by Eu4Health in 2024*	7
	Total	**7**

Programme	Call ID	Seals
Digital Europe	Consolidation of the network of European Digital Innovation Hubs	102
	Specialised Education Programmes in Key Capacity Areas	16
	High performing open-source European foundation model for fine-tuning	1
	STEP Seals awarded by Digital Europe in 2024	0
	Total	**119**

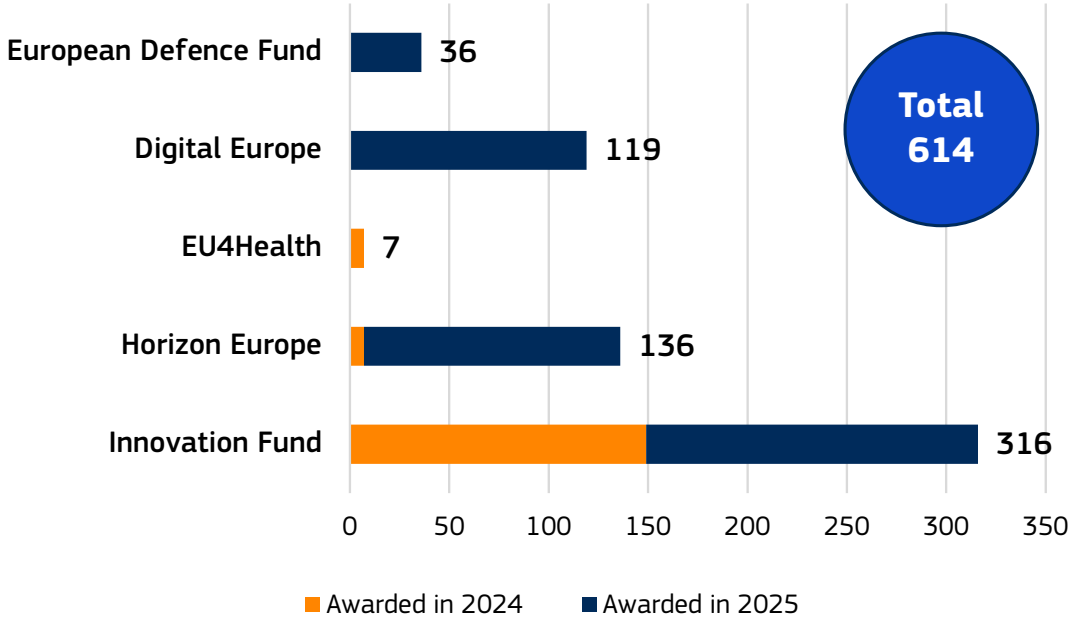
Programme	Call ID	Seals
European Defence Fund	EDF 2024[79] calls for proposals	36
	STEP Seals awarded by the European Defence Fund in 2024	0
	Total	**36**

[77] See Joint undertakings - EUR-Lex
[78] See Call for proposals 2025 – CLOSED - Clean Hydrogen Partnership
[79] Call of 2024 whose results (including award of STEP Seals) were made public in 2025.

Source: European Commission

Out of a total of 614 proposals awarded the STEP Seal since early 2024, 324 were preliminarily selected for funding by the Commission and invited for the preparation of the relevant funding agreement. Of the 451 proposals awarded a STEP Seal in 2025 only, 226 proposals were pre-selected for funding. In most cases, the grants or equity contributions awarded will cover only part of the eligible projects cost (e.g. max 60% of the funding gap for the Innovation Fund), thus leaving room for potential additional funding. The remaining projects that were evaluated positively did not receive funding due to budgetary constraints but were still awarded the STEP Seal for their strong potential and technical merit.

FIGURE 3g: Number of projects awarded a STEP Seal per awarding programme



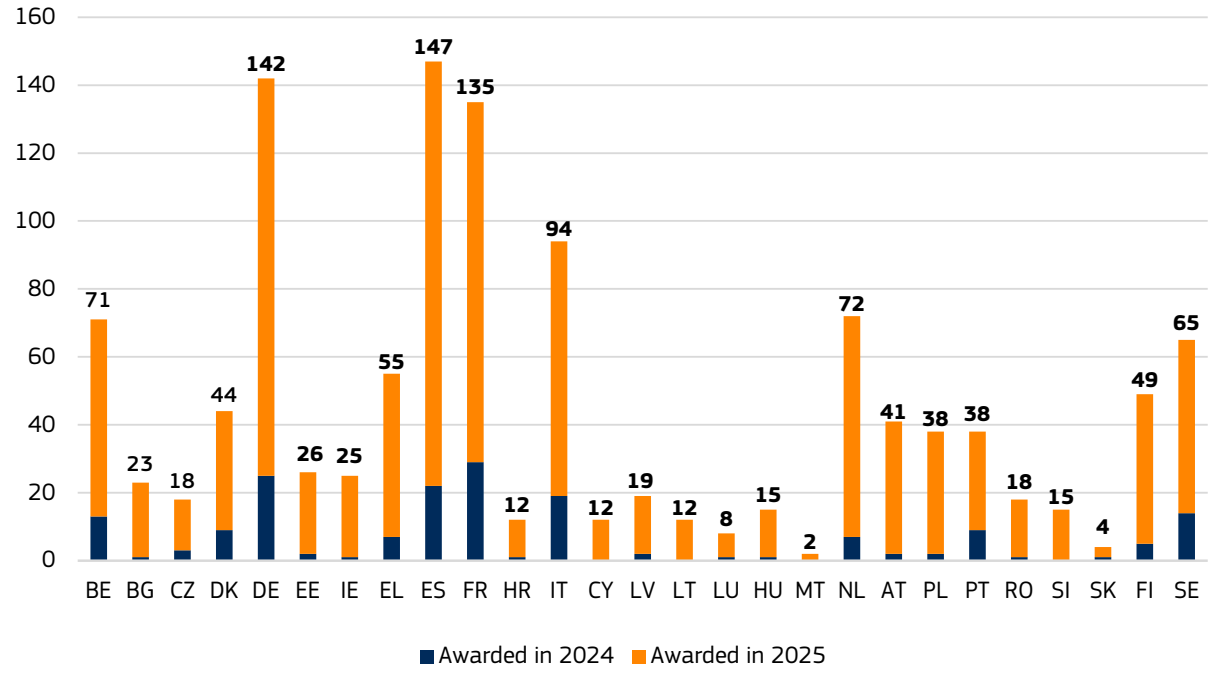
Source: European Commission

In terms of geographical distribution, most of the projects awarded the STEP Seal so far are located[80] in Spain (147), Germany (142), France (135), Italy (94) and the Netherlands (72). In **regional** terms, the EU regions that received the highest number of STEP Seals were Île-de-France (France) with 58 STEP Seals, Oberbayern (Germany) and Comunidad de Madrid (Spain) both with 43 STEP Seals and Cataluña (Spain), with 36 projects.

Since STEP started being implemented, Spain, Germany and France have been the Member States with the highest concentration of STEP Seal recipients.

[80] A country or region is considered to have received a STEP Seal when one project with an awarded STEP Seal is partially or fully located within its borders, even in the case of multi-location projects.

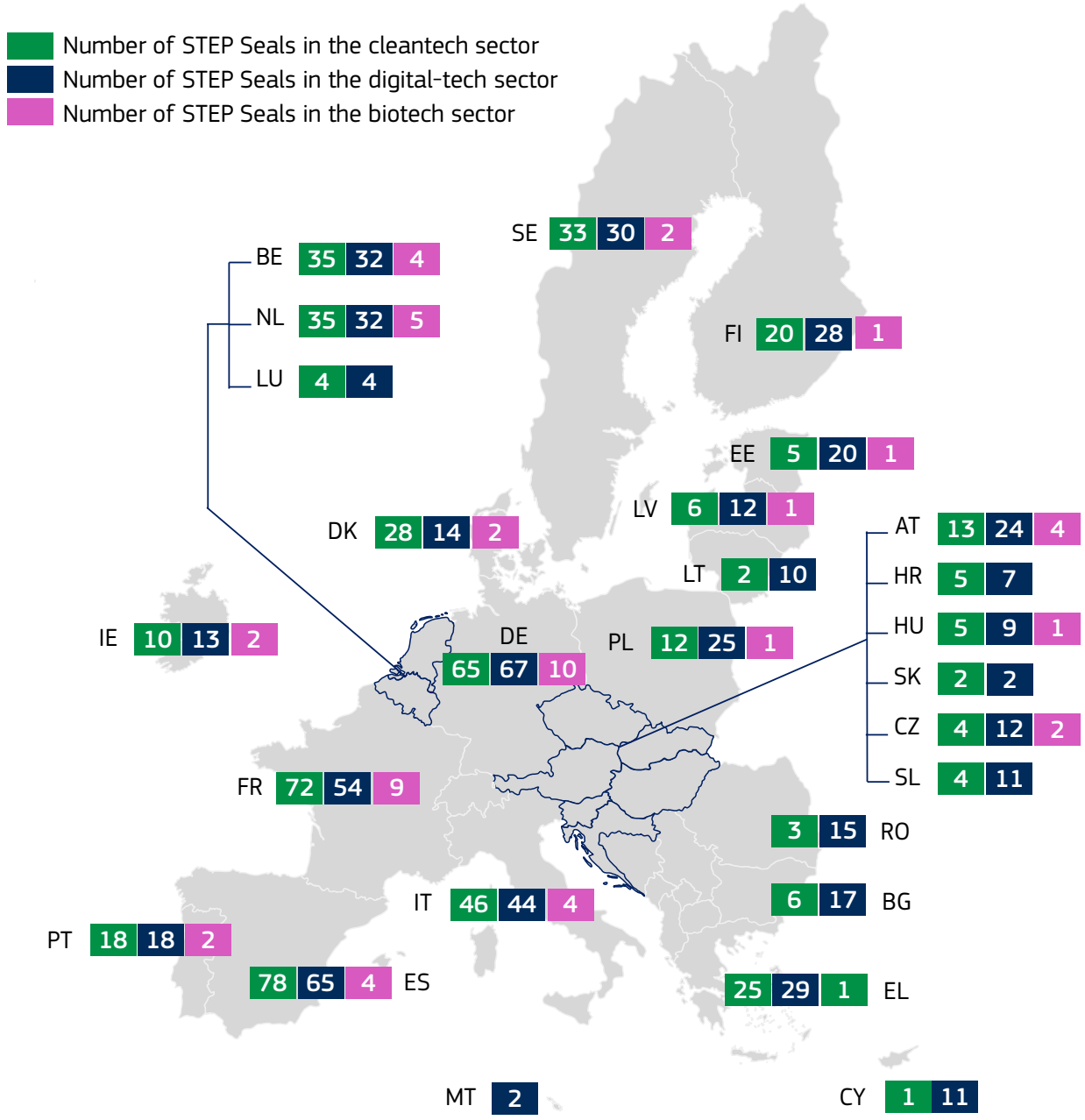
FIGURE 3h: Geographical distribution of STEP Seals awarded in 2024 and 2025[81]



Source: European Commission

[81] STEP Seals awarded to multi-beneficiary consortia are counted under each Member State where a participating entity is established.

FIGURE 3i: Geographical distribution of STEP Seals awarded in 2025 broken down by sector



Source: European Commission

TOOL 4: Facilitating access to funding: the STEP Portal

4.1. STEP Portal: a one-stop-shop for project promoters, public authorities, and investors

After 20 months of online operations, the STEP Portal has emerged as a highly engaging and accessible resource for all stakeholders. Originally conceived as a **comprehensive one-stop-shop for all STEP-relevant funding opportunities managed directly by the Commission or in cooperation with the Member States**, it underwent significant enhancements in September 2025 to better address the needs of its primary users, including project promoters, managing authorities of EU funds in the Member States and investors, facilitating quicker access to pertinent information. It now features two additional sections providing up-to-date information about STEP results: a snapshot on STEP in figures and inspiring STEP stories.

The web analytics regularly collected and analysed by the Commission show that the site is attracting a solid volume of traffic, with around 124 000 visits in 2025. There is strong engagement, particularly in the form of downloads and other 'tracked actions', e.g. page views, clicks on elements, 'scrolling' etc.

The STEP Portal continues to serve as a **testing ground for the design of the future Single Gateway**, proposed for the next multiannual financial framework (MFF).

4.2 Setting up a simulator to provide SMEs with guidance on EU funding opportunities

Article 8 of the STEP Regulation requires the establishment, within the STEP Portal, of a 'simulator' to provide guidance on the EU funding opportunities". To fulfil this requirement, a **survey on access to EU funding was launched at the end of 2024**[82] and gathered feedback from stakeholders representing industry (SMEs, associations, chambers of commerce, etc.). Building on these insights, the Commission has made significant strides in developing a **STEP chatbot** or 'funding simulator' powered by AI to help users identify EU funding opportunities.

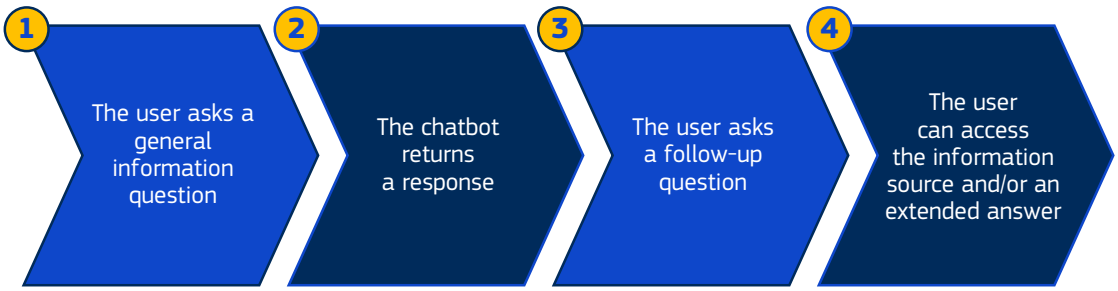
Over the course of 2025, the development of the STEP funding simulator advanced from an initial concept to a fully functional prototype, specifically engineered to assist potential beneficiaries in precisely identifying the most appropriate funding opportunities available across the EU under STEP.

[82] See Section 4.2 of the 2024 Annual Report of STEP

This prototype seamlessly integrates three core components:

I. A **topic management application (TMA)** that harmonises and simplifies the often-complex information on open calls for proposals into structured, standardised and user-friendly 'topic sheets', allowing for comparison and sorting.

II. A **chatbot** capable of providing accurate replies to general enquiries concerning the EU funding landscape in general as well as STEP and its related calls for proposals, e.g. on scope, specific eligibility and implementation rules, registration and application processes, as well as pertinent EU regulatory frameworks.



III. A **simulator** that employs algorithms to align user-submitted project descriptions with available STEP funding opportunities.

The prototype will advance to the **testing phase in 2026**, with the involvement of a number of external stakeholders, including public authorities, chambers of commerce, business associations, industry organisations etc.

The **next steps** will focus on enhancing the user interface and integration of the chatbot on the STEP Portal. This will involve (i) ensuring that the chatbot complies with the Commission's IT security standards, (II) reducing to a minimum the number of AI replies containing possible hallucinations (outputs that sound plausible but are false, made up, or not supported by real evidence), (iii) ensuring that the chatbot fully complies with the General Data Protection Regulation[83] and (iv) optimising the cost management of the chatbot before making it publicly available.

These improvements will aim to address the risks of reputational challenges for the Commission and keep under control the overall expenses associated with making this AI-based simulator and chatbot publicly available.

Contribution to long-term objectives on competitiveness

In 2025, STEP role was confirmed as one of the key initiatives **enhancing Europe's industrial resilience and innovation capacity and building EU strategic autonomy**. This contribution should be seen in light of STEP's interim character: as a **time-bound platform running until 2027**, it is

[83] Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, available at Regulation (EU) - 2016/679 - EN - GDPR - EUR-Lex

designed to deliver within the current MFF while anticipating some of the priorities and actions of the next one. Its relevance for long-term competitiveness therefore lies not only in the resources it mobilises today, but also in the lessons it offers for future EU support to strategic technologies.

The continued relevance of STEP within the EU's competitiveness agenda is reflected in the **Commission's proposal for the next MFF**, the EU's long-term budget for 2028-2034, and in particular in the proposed **European Competitiveness Fund (ECF)**. Drawing on the experience gained through STEP implementation, the proposal carries forward several core features of the STEP approach.

While strengthening the EU budget's focus on competitiveness, research and strategic technologies, the thematic priorities of the proposal for the ECF broadly **reflect the strategic sectors covered by STEP.** Additionally, the proposal includes a '**Competitiveness Seal**' among its tools, thereby building on the experience of the STEP Seal as a common EU quality label for high-quality projects contributing to strategic EU priorities. Finally, the next MFF envisages a **Single Gateway as an integrated user-centric entry point on all funding and other support opportunities funded by the EU budget** – which carries through the objectives of the STEP Portal, extended to the entire EU budget.

Additionally, STEP is consistent with other competitiveness-relevant EU initiatives of 2025. As already communicated in the 2024 Annual Report, STEP closely aligns with the **Competitiveness Compass**[84], the EU's long-term framework for economic resilience and industrial strength and with the priorities of the **2025 Annual Single Market and Competitiveness Report**[85]. The communication on the **Clean Industrial Deal**[86], published in February 2025, places considerable emphasis on the STEP Seal as a vehicle for scaling up support for cleantech projects selected under the Innovation Fund. The associated State aid

framework (i.e. the Clean Industrial State aid Framework or CISAF)[87] creates the conditions to facilitate Member States' provision of alternative or cumulative funding to these projects.

A key objective of STEP is to address shortages of labour and skills critical to the sectors that are of relevance to STEP. Key actions in this field are performed across the STEP-relevant EU funding programmes, notably Digital Europe and the European Social Fund Plus (see above). As such, STEP aligns with the objectives of the **Union of Skills**[88] of improving skills in science, technology, engineering, and maths (STEM) as well as attracting, developing, and keeping the best talents crucial for innovation, growth, and competitiveness.

As a platform supporting the financing of strategic projects, STEP's toolbox, including financial instruments (e.g. equity), aims to complement and derisk private investments in order to finance fast-growing companies, hence being complementary to the aims of the **Savings and Investments Union**[89] as well as of the **Startups and Scaleups strategy**[90], respectively launched by the Commission in March and May 2025.

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[84] Commission Communication COM(2025) 30, A Competitiveness Compass for the EU, available at: https://commission.europa.eu/topics/eu-competitiveness_en

[85] Commission Communication COM(2025) 26, The 2025 Annual Single Market and Competitiveness Report, available at: https://single-market-economy.ec.europa.eu/publications/2025-annual-single-market-and-competitiveness-report_en

[86] See Clean Industrial Deal - European Commission

[87] See Clean Industrial Deal State Aid Framework (CISAF) - Competition Policy

[88] See Union of skills - European Commission

[89] See Savings and investments union - Finance - European Commission

[90] See EU Startup and Scaleup Strategy - Research and innovation

Other sectorial initiatives of 2025 have also confirmed the EU commitment to supporting technologies already covered by STEP. Examples include:

- The **Critical Medicines Act (CMA)**[91], proposed by the Commission in March 2025, seeks to address supply chain vulnerabilities affecting critical medicines in the EU and to facilitate investments in manufacturing capacity. This objective is closely aligned with STEP's aim of strengthening the EU's strategic capacity in critical sectors. Accordingly, the CMA proposal recognises that strategic projects identified under the CMA contribute to the objectives of STEP and may be supported through STEP-relevant funding programmes.
- The **AI Continent Action Plan**[92], supporting the development of computing infrastructure across the EU to train and finetune made-in-EU AI models, a prominent digital technology area within the scope of STEP.
- The **Apply AI Strategy**[93], boosting the adoption of AI across the EU and, for that, relying largely on European Digital Innovation Hubs, STEP-relevant flagship projects from the Digital Europe programme.
- The **Medicine Countermeasures Strategy**[94], strengthening the innovation, research, development, manufacturing capacity, procurement and deployment of medical countermeasures, strategic STEP-relevant assets for the EU's preparedness and competitiveness.

Conclusion

As at the end of 2025, **STEP confirmed its contribution to the EU priorities on competitiveness.** steering EUR 24 billion of EU funding cumulatively towards strategic technologies in the EU. This is without accounting for the crowding in of private investments. By coordinating support from 11 EU programmes and across several Member States around shared priorities, it simplified access to EU funding for high-quality projects.

STEP's implementation also illustrates the challenges of deploying a strategic initiative through a set of pre-existing EU funding instruments, each governed by its own legal framework, intervention logic, procedures and timelines. The **interim evaluation of STEP**[95]**,** published by the Commission in July 2025, highlighted a number of factors that continue to limit the full deployment of STEP's potential:

- **Limited mobilisation under certain instruments**. No specific financial resources have been mobilised for STEP under the Recovery and Resilience Facility or InvestEU. This is mainly due to the limited incentives introduced by the STEP Regulation in relation to these instruments, as well as the regulatory timeline of the Recovery and Resilience Facility
- **Persistent challenges in combining EU funding instruments**. The combination of funding sources to support STEP Seal projects remains complex. This reflects, among other factors, the structural characteristics of certain projects, including cross-country consortia, complexity in the application of different funding rules, including **State aid rules,** differences in cost-reimbursement methodologies across EU programmes, and the exclusion of certain technologies from cohesion policy support.

[91] Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL laying a framework for strengthening the availability and security of supply of critical medicinal products as well as the availability of, and accessibility of, medicinal products of common interest, available at EUR-Lex - 2025_102 - EN - EUR-Lex
[92] See The AI Continent Action Plan | Shaping Europe's digital future
[93] See Apply AI Strategy | Shaping Europe's digital future
[94] See Medical Countermeasures Strategy
[95] See STEP documents - European Union

- **High coordination costs across a fragmented funding landscape**. The cross-programme nature of STEP requires substantial coordination among services, implementing bodies, Member States and regional authorities. While this coordination is central to STEP's added value, it also entails administrative costs and operational barriers that may limit the full realisation of its implementation potential.

STEP's focus in 2026 will be on:

- **Continue developing a strong pipeline of calls and STEP Seals in the five programmes under direct management, notably in defence technologies**, included since the adoption of the defence 'mini-omnibus' package in December 2025[96].
- **Expand Member States reprogramming of cohesion policy funds,** notably in the context of the cohesion policy mid-term review, including by strengthening the role of the STEP network of national contact points.
- **Operationalise alternative and complementary funding for projects awarded the STEP Seal**, thereby developing the best practices for the implementation of EU funding combination in the future.
- **Create alternative sources of value for STEP Seal holders** by providing them with enhanced visibility and, where relevant, with business/project support services.
- **Strengthen the STEP Portal, as a precursor to the Single Gateway,** by deploying the AI-powered chatbot and funding simulator to simplify access to EU funding for businesses, researchers, and project promoters.

Looking ahead, **STEP is set to further consolidate its role within EU research and industrial policy in this MFF**.

[96] Regulation (EU) 2025/2653 of the European Parliament and of the Council of 19 December 2025 amending Regulations (EU) 2021/694, (EU) 2021/695, (EU) 2021/697, (EU) 2021/1153 and (EU) 2024/795, as regards incentivising defence-related investment in the EU budget to implement the ReArm Europe Plan, available at: Regulation - EU - 2025/2653 - EN - EUR-Lex

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