

Annual Report on the STRATEGIC TECHNOLOGIES FOR EUROPE PLATFORM (STEP) **2024**

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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

2024 Annual Report on the Strategic Technologies for Europe Platform (STEP)

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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

The Strategic Technologies for Europe Platform (STEP) has delivered **concrete results in less than a year** since 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's objectives are fully aligned with the priorities of the new Commission mandate. It aims to ensure Union sovereignty and security, reduce strategic dependencies, and strengthen competitiveness by supporting the **development and manufacturing of critical technologies** — notably in digital and deep technologies, clean and resource-efficient technologies, and biotechnologies — strengthening their **respective value chains**, and investing in the **skills needed for quality jobs** for the green and digital transitions.

STEP is no standalone Fund. STEP works by **integrating and coordinating existing EU funds** – combining funds directly managed by the Commission and funds managed by Member States – ensuring that public investment is more effectively directed toward critical industrial and technological priorities.

This EU initiative exemplified how **EU funding can respond to political priorities and contribute to the competitiveness and resilience of the EU**. The transformative potential of STEP was demonstrated by its unique approach, user-centric actions, and coordination across 11 existing EU funding programmes – in the absence of dedicated budget beyond a EUR 1.5 billion top-up to the European Defence Fund under STEP.

Key milestones in this first year of operations¹ include:

- Aligning over **EUR 10 billion in funding across the 11 EU programmes** contributing to STEP by the **end of 2024**.
- The **first EU STEP calls** closed in **March 2024**, rapidly followed by **national STEP calls under cohesion policy** launching from **April onwards**.
- The **STEP Portal** went live in **April 2024**, providing a one-stop-shop for applicants, and was updated with new tools including a **project dashboard** and **funding map**.
- Publishing the **STEP Guidance Note** as a Commission Communication² in **May 2024**, as mandated by the STEP Regulation, providing practical direction to Member States and project promoters to ensure consistent and effective implementation across funding programmes.
- A **Commission survey on access to EU funding** was launched in **September 2024** to gather stakeholder input on improving funding accessibility.
- STEP took its first steps on the ground with **technical missions to Member States** starting in **October 2024**.
- The first **STEP Seal projects** were awarded in the Autumn of 2024, and promoted publicly via the STEP Portal in **December 2024**, boosting visibility and matchmaking potential.

¹ <https://ec.europa.eu/newsroom/budget/items/872570/>

² 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>

In 2024, **over EUR 10 billion of EU funds were aligned with STEP**, combining **EUR 4.6 billion** steered by the EU Commission under five direct management programmes and **EUR 5.9 billion** reprogrammed by Member States and regions under Cohesion Policy Funds.

Breakdown of direct management funding in all Member States (EUR 4.6 billion) – *see section 2.2.*

- **Clean and resource-efficient technologies: EUR 4 billion** earmarked³ for decarbonisation, industrial electrification, and clean manufacturing.
- **Digital & deep technologies: EUR 461 million** earmarked for AI, quantum computing, microelectronics, and cybersecurity.
- **Biotechnologies: EUR 154 million** earmarked for medical innovation, vaccine development, and pharmaceutical manufacturing.

Breakdown of cohesion policy funding (EUR 5.9 billion) – *see section 2.3.*

- **EUR 5.9 billion** in approved cohesion policy funds programme amendments by end-2024 to align regional development funds with STEP objectives.
- **STEP calls have been launched** in Germany and Denmark already in 2024.
- **Initial project selections highlight STEP's reach** – from green hydrogen and quantum systems to SME financing and clean battery production.

The Commission awarded STEP (Sovereignty) Seals⁴ to quality projects – *see section 3*

- **162 high-potential projects** across **23 EU Member States**, with a view to develop their visibility and attract new funding.
- **STEP Seals are promoted via the STEP Portal**, connecting projects with investors and Member State funding opportunities.
- Awarded under EU programmes like Horizon Europe and the Innovation Fund, **STEP Seal projects span across STEP sectors** in clean, digital, and biotech technologies.

Strengthening Access to Funding Through the STEP (Sovereignty) Portal⁵ – *see section 4*

- The Commission launched the new STEP Portal to **integrate information on EU funding opportunities across all STEP programmes**.
- Launched in **April 2024**.
- Features [STEP Seal projects](#), [national funding maps](#), and an **interactive “Get Funding” section** for easier navigation of available funding opportunities under STEP.

³ Earmarked is understood as the planned budgetary allocation for a given programme, call, or topic.

⁴ The STEP Seals are referred to as the Sovereignty Seals in the STEP Regulation

⁵ The STEP Portal is referred to as the Sovereignty Portal in the STEP Regulation

Introduction

This **first Annual Report on the Strategic Technologies for Europe Platform (STEP)** provides a **consolidated overview of its implementation in 2024⁶**, in line with Article 7 of STEP Regulation (EU) 2024/795. It presents qualitative and quantitative information on progress made towards STEP's objectives under each of the programmes listed in Article 3, including, where available, support provided per Member State and on cross-border projects, thus offering a consolidated picture of STEP's early results and contribution to European competitiveness.

The 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 Union's strategic objectives in ensuring long-term competitiveness.

The Commission will publish a separate interim evaluation report on STEP pursuant to Article 8 of the STEP Regulation in the second half of 2025.

1.1. STEP: Strengthening Europe's technological leadership

STEP was launched to strengthen the EU's industrial competitiveness, reduce strategic dependencies, and support the development and manufacturing of critical technologies. Rather than creating a standalone fund, **STEP operates in a novel approach by coordinating 11 existing EU programmes**, enabling faster and more targeted deployment of financial resources across digital and deep technologies, clean and resource-efficient technologies, biotechnologies, and the skills needed for the green and digital transitions.

STEP introduces a more **integrated and flexible investment framework** by combining stronger coordination with Member States, enhanced incentives for Member States to redirect EU funding, and simplified and user-centric access to funding opportunities via the STEP Portal and the STEP Seal — a quality label to boost visibility and funding potential for high-potential projects.

1.2. A coordinated approach: 4 Key tools driving STEP's implementation

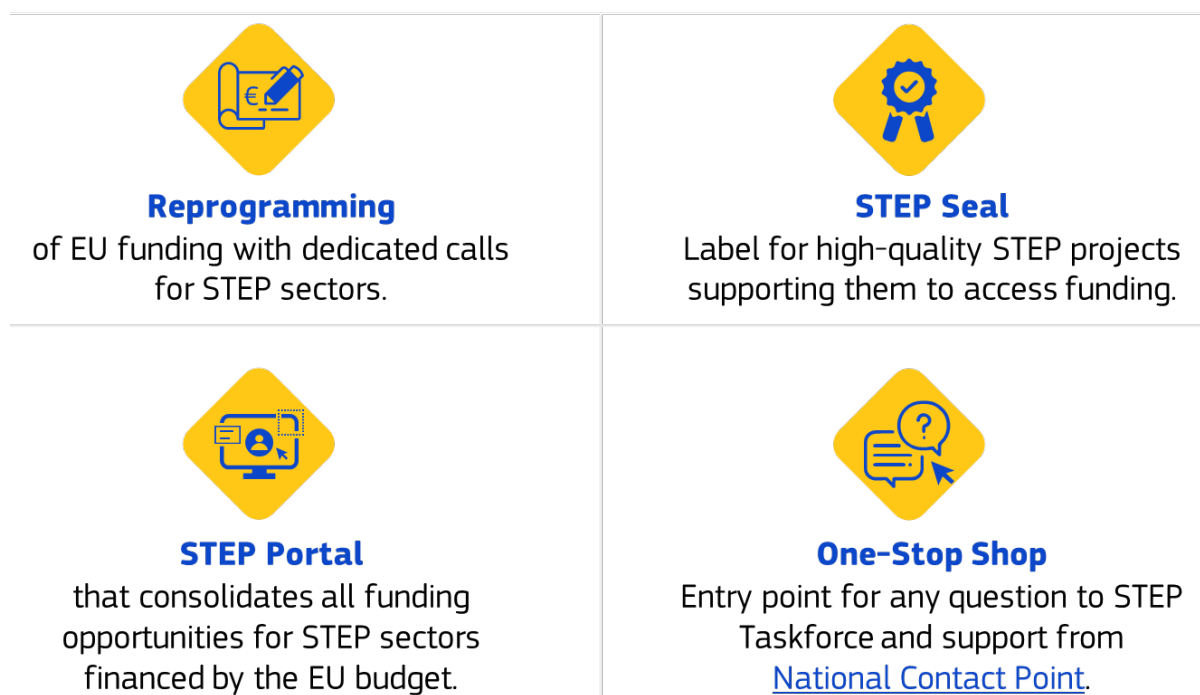
The implementation of the STEP Regulation builds on 4 operational tools, around which the Annual Report is structured:

1. [A new organisation](#): a **network of national contact points (NCPs)** and a **dedicated team within the Commission** to facilitate the implementation of STEP across 11 EU programmes in a consistent manner, in support to Member States.

⁶ The cut-off date for the data presented is understood to apply up until the 31 December 2024. Calls launched in 2024 that closed in 2025 are therefore not considered in the total amounts in this Annual Report.

2. [Steering EU funding](#): directing **existing EU funds** towards STEP sectors and objectives.
3. [STEP Seal](#): a new quality label awarded by the Commission to **quality projects** above evaluation thresholds, increasing their chances of securing funding from STEP programmes.
4. [STEP Portal](#): an online platform launched by the Commission and providing a **clearer, more accessible entry point** for project promoters, investors, and public authorities.

FIGURE 1: Overview of the 4 operational tools



Source: European Commission.

1.3. Funding scale and strategic focus

STEP's innovative approach **steers EU funding across 11 existing EU programmes** (see Figure 2 below):

- 5 funding programmes managed by the Commission for the internal market (Horizon Europe, the Innovation Fund, the European Defence Fund, Digital Europe, and EU4Health);
- 5 funds supported through national envelopes funded by the EU (e.g., the European Regional Development Fund (ERDF), the Cohesion Fund, the Just Transition Fund (JTF), the European Social Fund Plus (ESF+), and the Recovery and Resilience Facility (RRF));
- 1 instrument (InvestEU) implemented with the Commission's partners (e.g., the European Investment Bank (EIB)).

FIGURE 2: Overview of the 11 STEP programmes



(1) Performance based programme managed by the European Commission and implemented by the Member States

(2) Implemented through the EIB group & other implementing partners – not awarding the Seal

Source: European Commission.

TOOL 1: A new organisation to implement STEP

1.4. The STEP Taskforce

Following the Commission proposal from June 2023⁷ to establish STEP, a dedicated STEP Taskforce was created and staffed with resources re-allocated from the Commission services involved in the programmes under STEP's remit.

The STEP Task Force's main objectives are:

- Facilitating and coordinating the implementation of STEP; and
- Contributing to the preparation of the future Multi-Annual Financial Framework (MFF) as regards competitiveness.

The implementation of STEP across programmes operating under different rules, timelines and legal basis, and across Member States, was a particular operational challenge **requiring large coordination and clarification efforts**.

1.5. STEP networks

1.5.1. The STEP network in the European Commission

In line with the cross-cutting nature of STEP, the STEP Task Force established an **internal network of European Commission's Directorates-General (DGs)**, comprising of 14 services⁸ that are involved in or responsible for the implementation of the EU funding programmes under STEP. This network met 7 times in 2024 and had regular interactions throughout the year.

⁷ COM(2023) 335 final: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52023PC0335>

⁸ The members of this network are DG BUDG, DG CLIMA, DG CNECT, DG COMP, DG DEFIS, DG ECFIN, DG EMPL, DG GROW, HERA, DG REGIO, DG RTD, DG SANTE, SG RECOVER, and SG.

1.5.2. The network of STEP National Contact Points

Pursuant to Article 6 of the STEP Regulation, **all Member States** except for Czechia⁹ and Ireland **appointed their respective STEP National Contact Point (NCP) in 2024**. This group of nationally-appointed public institutions form the [network of STEP NCPs](#) is chaired by DG BUDG Director for Revenue and Multiannual Financial Framework. Over the course of 2024, the NCP network met 4 times online and in-person. Members shared their experience, while the Commission provided clarity on the STEP objectives and regularly shared the STEP Seals awarded to projects to Member States representatives.

The Commission developed reference documents to facilitate the implementation of STEP in Member States, such as:

- [Guidance Note on the implementation of STEP Regulation;](#)
- [Brochure for STEP National Contact Points and Managing Authorities;](#)
- [Notice on the modification of Recovery and Resilience Plans to allocate resources to STEP objectives;](#)
- [Guidelines on regional state aid;](#)
- [Regional Aid maps;](#)
- [Overview of Cohesion Policy programmes amendments adopted by the Commission.](#)

Moreover, in 2024, the **STEP Task Force conducted missions in Estonia, Latvia, Lithuania, and Romania**, where it met with public authorities, industry associations, SMEs and startups, and financial intermediaries to raise awareness about STEP and promote STEP incentives and benefits to managing authorities and other potential stakeholders in those countries.

The STEP Regulation establishes the **network of STEP NCPs among EU Member States**. The STEP Taskforce also engaged with third countries associated to programmes underpinning STEP (such as Horizon Europe), including countries of the European Free Trade Area (EFTA).

1.6. Raising awareness about STEP: a direct line with research and industry stakeholders

With the aim of identifying the needs from potential beneficiaries of EU funding, the **STEP Task Force held extensive consultations** with research and industry stakeholders throughout 2024.

Relying on existing networks and channels managed in particular by DG GROW¹⁰ (e.g., the Industrial Forum, Enterprise Europe Network, the European Cluster Collaboration Platform) and sectorial representative organisations listed in the EU Transparency Register, the STEP Task Force met mostly with industry stakeholders but also with public institutions such as EU Regional offices, the Knowledge and Innovation Communities of the European Institute of Innovation and Technologies, network of Regions, investors and other actors. Roughly half of the stakeholders met by the Task Force in 2024 are active in more than one STEP sector but with a strong representation from the clean tech sector.

⁹ On 6th February 2025, Czechia appointed a STEP National Contact Point .

¹⁰ Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs

The STEP Task Force engaged with **EU-wide entities or events** (e.g., EuroChambres, representing all EU Chambers of Commerce, the Hannover Messe¹¹, meeting with SME envoys from Member States and the SME Assembly organised by the Hungarian Presidency of the Council of the European Union) as well as specific Member States. These are the key elements of feedback received on access to EU funding:

- **Regulatory** and structural issues (high energy and labour costs, state aid level playing field, articulation between EU and national funding /investment support);
- Challenges in **navigating and accessing** EU funding;
- Gaps in funding across the **innovation cycle** (lack of support for higher TRLs, no focus on marketability of supported research);
- Need for a **longer-term approach** (MFF time-horizon too short for industry long-term stability);
- **EU vs international** attractiveness for industry.

2. TOOL 2: Aligning EU funding for strategic technologies

2.1. Clarifying the scope and objectives of STEP

Pursuant to Article 2(7) of the STEP Regulation, the co-legislators mandated the Commission to issue guidance on certain provisions of STEP. In response, the Commission adopted on 13 May a Communication in the form of a **Guidance Note**¹², providing practical direction to ensure consistent and effective implementation across funding programmes.

The Guidance Note serves three purposes:

- **Clarifying the STEP objectives:** It outlines the objectives underpinning the STEP Regulation (Article 2), clarifying key concepts such as value chains and associated services.
- **Illustrating the supported sectors:** It expands on the three sectors prioritised by STEP – digital/deep technologies, clean and resource-efficient technologies, biotechnologies, and relevant skills; accompanied by an indicative and non-exhaustive list of technologies that could be supported.
- **Expanding on the conditions for considering critical technologies:** It explains the conditions technologies must meet to be considered critical, focusing on Union and internal market dimensions.

The Guidance Note addresses the **first STEP condition on innovativeness**. It explains that STEP support should focus on breakthrough innovation, and that critical technologies should demonstrate at least two of the three innovative, emerging, and/or cutting-edge elements. In addition, a critical technology should demonstrate significant economic potential, carrying the highest spillover effects in other Member States,

¹¹ 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.

¹² 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>

which can increase the economic potential in the internal market. Fundamental research and deployment are also not targeted by STEP, whose focus is on development and manufacturing.

It also addresses the **second STEP condition** on **reducing or preventing the Union's strategic dependencies**. It explains that such dependencies may be recognised in EU strategic documents or identified when reliance on third-country suppliers is significant. It further outlines five assessment factors to guide funding authorities in determining a technology's contribution to reducing or preventing strategic dependencies.

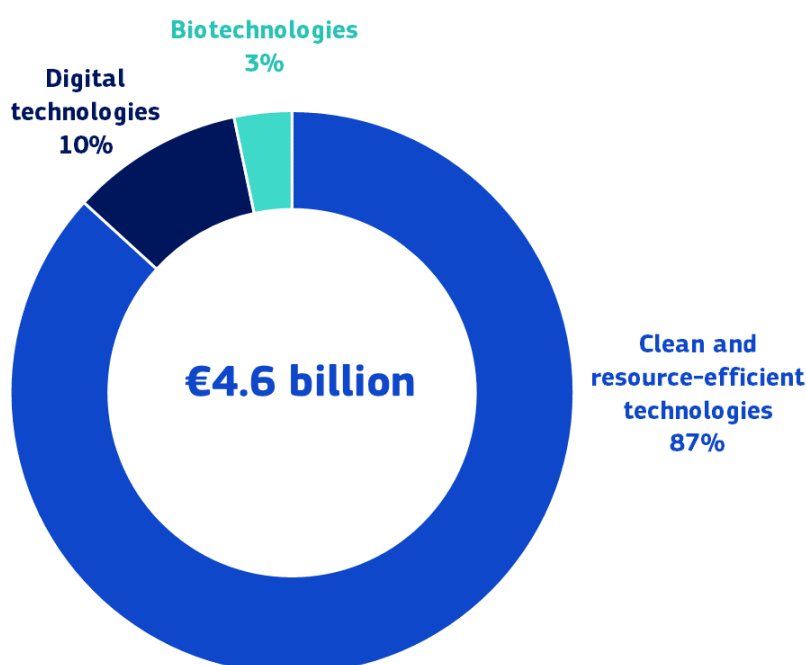
The Guidance Note has played an important role in supporting **Commission services, STEP NCPs, and managing authorities** in ensuring a **consistent implementation** of across the 11 STEP programmes – some directly managed by the Commission, others in shared management between the Commission and the Member States. This consistency guaranteed that quality projects were prioritised and that critical technologies received the necessary support.

STEP is embedded within existing EU programmes, each implemented under its own legal basis and broader objectives. Among these, only the European Defence Fund received a dedicated budgetary reinforcement under STEP.

2.2. Programmes under direct management

The Commission allocates EU funds through the STEP programmes it directly manages to **support STEP objectives across the Union and internal market** – despite STEP being adopted half-way through the MFF period and each programme pursuing a number of policy objectives beyond those of STEP.

FIGURE 3: Sectoral breakdown of the resources earmarked for STEP in 2024 (in %)



Source: European Commission services reporting.

In 2024, calls for proposal were closed¹³ under all the five STEP-relevant programmes in direct management across the three STEP sectors: the Innovation Fund¹⁴, Horizon Europe, the Digital Europe Programme (DEP), EU4Health, and the European Defence Fund (EDF) – with a EUR 1.5bn budgetary reinforcement for STEP actions for the EDF specifically.

In total, the **initial budget earmarked** amounted to **EUR 4.6 billion** in support of STEP-relevant technologies in 2024¹⁵, the large majority of which was provided to clean and resource-efficient technologies under the Innovation Fund. As of 2024, one call for proposals specifically targeted the development of skills and competencies in the STEP-relevant sectors: the “*Specialised Education Programmes in Key Capacity Areas*” under DEP. Additionally, two EDF topics aimed to develop defence products that help address the shortage of labour and skills critical to the targeted technologies.

Furthermore, under Horizon Europe, the European Innovation Council (EIC) launched in November 2024 a first-ever, dedicated STEP Scale-Up call with a budget of EUR 300 million in 2025 (supporting with up to EUR 30 million per project) with the a projected growth to EUR 900 million over the period 2025-2027 (including the 2025 budget); as well as five calls addressing STEP-relevant challenges with a total budget of EUR 250 million. STEP Seals will be awarded under both the STEP Scale-Up call, and the calls addressing STEP-relevant challenges to projects passing evaluation thresholds. However, this is not considered for the total funding amounts for 2024 accounted for in this annual report, since the calls for proposals did not close in that year.

¹³ The scope of the 2024 annual report of STEP covers exclusively the STEP-relevant calls for proposals whose deadline for submissions was before 31/12/2024.

¹⁴ The Innovation Fund is funded by the revenues of the Emissions Trading System (ETS)

¹⁵ Calls launched in 2024 with closings in 2025 are therefore not considered in this Annual Report

TABLE 1: Summary of the 2024 STEP-relevant calls for proposal in the three STEP sectors across the STEP-relevant programmes in direct management (in EUR million)

Sector	Programme	Topic of the call for proposal	Budget (in EUR m)	Open	Close
Clean and resource-efficient technologies	Innovation Fund	General decarbonisation - Large-Scale Projects	€1 700	Nov '23	Apr '24
		General decarbonisation - Medium-Scale Projects	€500	Nov '23	Apr '24
		General decarbonisation - Small-Scale Projects	€200	Nov '23	Apr '24
		Clean-tech manufacturing	€1 400	Nov '23	Apr '24
		Pilot projects	€200	Nov '23	Apr '24
	European Defence Fund	Energy-independent and energy-efficient systems for military camps	€40	Jun '24	Nov '24
Total Cleantech	€4 040				
Digital technologies	Horizon Europe	Quantum Space Gravimetry Phase-B study & Technology Maturation	€14	Nov '23	Apr '24
		Space technologies for European non-dependence and competitiveness	€20	Nov '23	Apr '24
	Digital Europe Programme	Making available a high performing open-source European foundation model for fine-tuning	€25	Feb '24	May '24
		Reference deployments of European cloud-edge services (industrial IoT Edge and Telco Edge developments)	€30	Feb '24	May '24
		Specialised Education Programmes in Key Capacity Areas	€55	Jul '24	Nov '24
	European Defence Fund	Unmanned collaborative combat aircraft (U-CCA) systems	€15	Jun '24	Nov '24
		Secured and adaptive underwater communications for UUSs	€24	Jun '24	Nov '24
		Methods for bridging reality gaps	€15	Jun '24	Nov '24
		Electronic components	€25	Jun '24	Nov '24
		Quantum technologies	€24	Jun '24	Nov '24
		AI-based multifunctional aperture and transceiver	€45	Jun '24	Nov '24

		Defence multi-dimensional communication standard	€25	Jun '24	Nov '24
		Small enhanced European UAS	€11	Jun '24	Nov '24
		Next-Generation Cooperative Cyber Range	€48	Jun '24	Nov '24
		Secure waveform for satellite communications	€25	Jun '24	Nov '24
		Multipurpose unmanned ground systems	€50	Jun '24	Nov '24
		Simulation and training for medical emergencies	€10	Jun '24	Nov '24
Total digital tech	461				
Biotechnologies	EU4Health	The European Vaccines Development Hub (EVH)	€102	May '24	Sep '24
		Call for proposals to support the development of novel antivirals	€10	May '24	Sep '24
		Call for proposals to support innovative manufacturing technologies and processes in the Union for medicines production	€17	May '24	Sep '24
	European Defence Fund	Defence medical countermeasures Alliance – Research actions	€15		
		Defence medical countermeasures Alliance – Development actions	€10		
Total biotech	€154				
General total			€4 655		

Source: European Commission services reporting.

By the end of 2024¹⁶, applications to the topics of the European Defence Fund and of Digital Europe¹⁷ had not yet been evaluated. All other topics have been evaluated, resulting in **EUR 4.9 billion¹⁸ of awarded funding**.

¹⁶ The 2024 Annual Report covers the calls for proposals closed by 31-12-2024, regardless of whether the results were announced by year-end.

¹⁷ By March 2025, the evaluation was concluded under the three topics of the Digital Europe Programme and 17 STEP Seals were awarded. They will be reported in the Annual Report 2025.

¹⁸ This amount corresponds to the total amount awarded to the projects selected for funding under the Innovation Fund, Horizon Europe and EU4Health. It may be adjusted upon the signing of the Grant Agreements, which could modify individual contributions and can't be reconciled with the EUR 4.6bn of the introductory paragraph which refers to budget allocated (vs. funding awarded) under the STEP-calls closed in 2024 under all five directly managed programmes in the STEP remit.

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

2.2.1. Driving clean innovation

The transition to **clean and resource-efficient technologies** is at the heart of Europe's industrial and climate strategy, underpinning the EU's efforts to achieve climate neutrality by 2050 under the European Green Deal. It was more recently reflected in the EU Clean Industrial Deal¹⁹.

The STEP Regulation recognised this sector as a strategic priority, aligning with the Net-Zero Industry Act (NZIA)²⁰, which aims to scale up the manufacturing of key clean technologies within Europe to ensure technological sovereignty and reduce reliance on external suppliers. In other words, investments in these technologies are critical not only for reducing emissions but also for strengthening industrial competitiveness and securing the EU's energy independence.

Clean and resource efficient technologies include a broad spectrum of innovations, from **renewable technologies to sustainable fuels, carbon capture, and decarbonisation technologies**²¹.

The Innovation Fund, funded by the EU Emissions Trading System (EU ETS), has been by far the largest contributor to STEP objectives among the programmes directly managed by the Commission. The first STEP-aligned call under the Innovation Fund closed in April 2024. It earmarked a significant EUR 4 billion budget to support clean technology advancements.

Structured into five topics based on capital expenditure (CAPEX) requirements and technological focus, the calls covered areas such as general decarbonisation, cleantech manufacturing, and pilots. As with all Innovation Fund calls, projects were evaluated based on greenhouse gas reduction potential, innovation level, maturity, replicability, and cost efficiency — ensuring a rigorous selection process.

Substantial financial support was allocated to projects selected for funding under these calls. In total, **85 projects were pre-selected for an overall awarded financial support of EUR 4.8 billion**²², with grants covering up to 60% of both capital and operating expenditures included in the funding gap of the projects, thus leaving sufficient room for other financial resources to cover the non-funded portion of the eligible costs. Among these projects we can find the development of a first-of-a-kind technology to produce chemicals and building block materials from biomass waste (L1X) in Slovakia, the first large-scale underground tank thermal energy storage of 20 megawatts (ScaleUp) in Austria and a permanent underground storage of carbon dioxide (Greensand Future) in Denmark²³.

¹⁹ 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>

²⁰ Regulation (EU) 2024/1735 of the European Parliament and of the Council of 13 June 2024 on establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724, available at: <https://eur-lex.europa.eu/eli/reg/2024/1735/oj>

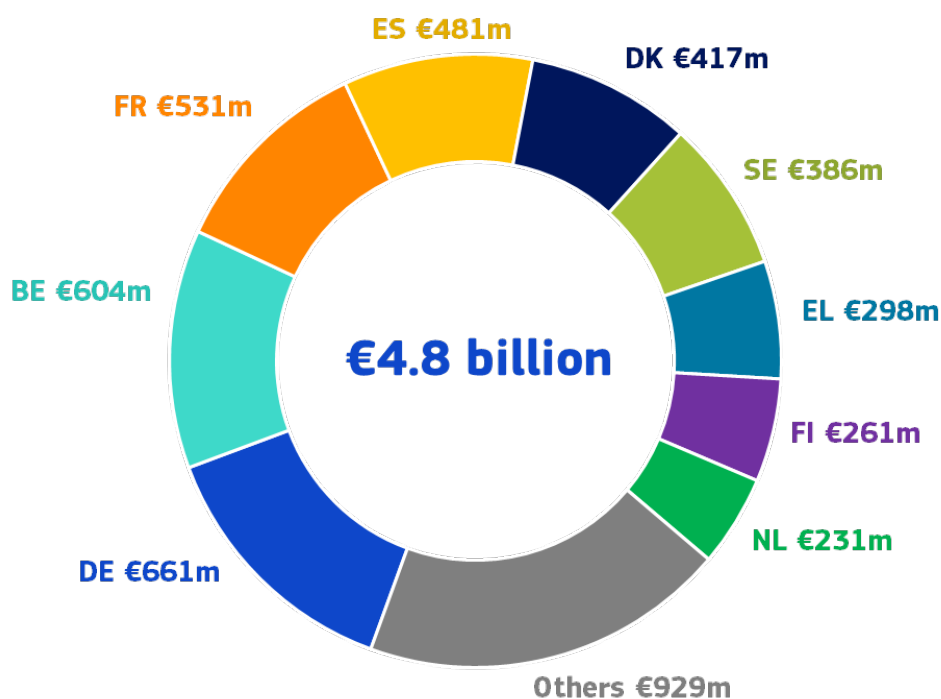
²¹ A detailed but non-exhaustive list of technologies covered by the STEP Regulation is available in the Commission Communication C/2024/3248, Guidance Note concerning certain provisions of Regulation (EU) 2024/795 establishing the Strategic Technologies for Europe Platform (STEP), 2024, available at: <https://eur-lex.europa.eu/eli/C/2024/3209/oj>

²² These figures capture a snapshot of the results of the relevant call(s) for proposal. The subsequent signature of the grant agreements between the project promoters and the Commission may result in adjustments to both the number of projects that are awarded a grant and to the individual contributions.

²³ More details on a selected number of awarded projects are available at: https://strategic-technologies.europa.eu/step-documents_en

Three cross-border, multi-beneficiary initiatives were also awarded funding for a total of EUR 150.6 million. One such example is Energy Observer 2, a project taking place between France and the Netherlands envisaging the development, construction, and operation of the world's first liquid hydrogen cargo ship.

FIGURE 4: Geographical split of the grants awarded in the clean-tech sector in 2024 by STEP relevant EU funding programmes



Source: European Commission services reporting.

Entities established in Germany and Belgium were by far the largest recipients of STEP-related grants in this sector, receiving EUR 661 million and EUR 604 million, respectively. They were followed by France (EUR 530 million), Spain (EUR 480 million), and Denmark (EUR 417 million).²⁴

2.2.2. Accelerating digital and deep-tech innovations

Digital and deep technologies play a crucial role in advancing Europe's technological sovereignty and digital resilience. This sector encompasses a broad spectrum of cutting-edge innovations, including **advanced computing, artificial intelligence (AI), cybersecurity, microelectronics, and quantum technologies**²⁵ — all of which are fundamental to the EU's Digital Decade Policy Programme 2030²⁶, which aims to enhance Europe's digital infrastructure, skills, and technological leadership.

²⁴ Under the Innovation Fund STEP Seals, for multi-beneficiary projects located in more than one region, the amount of financial contribution awarded to the specific region/Member State is calculated by splitting the total contribution to the project equally among its locations.

²⁵ A detailed but non-exhaustive list of technologies covered by the STEP Regulation is available in the 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>

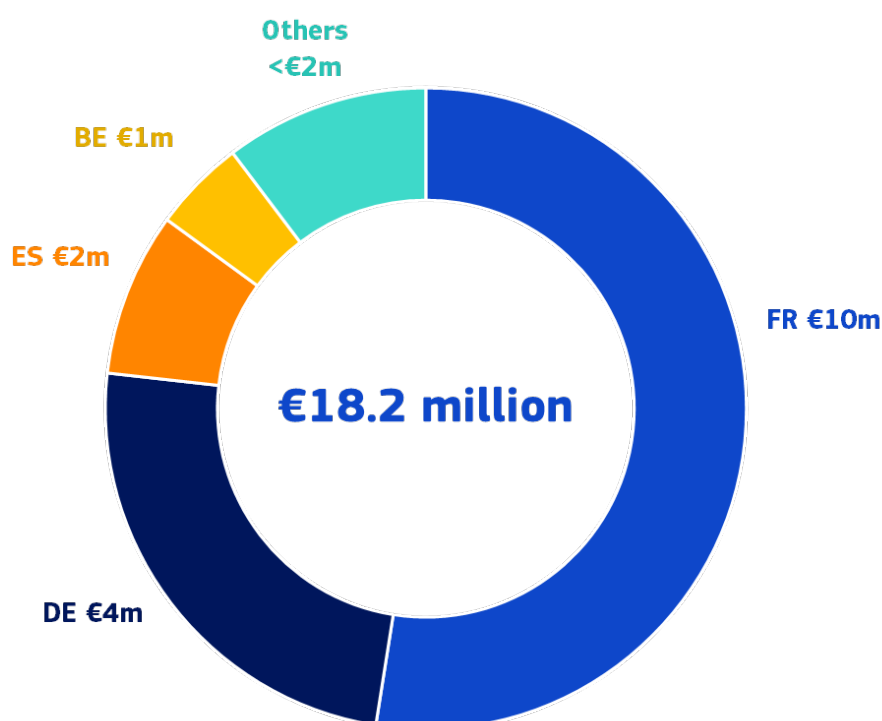
²⁶ [DECISION \(EU\) 2022/2481 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 December 2022 establishing the Digital Decade Policy Programme 2030](#)

Recognising the strategic importance of these technologies, STEP's support in 2024 was channelled through two topics under Horizon Europe, three topics under the Digital Europe programme, and twelve topics under the European Defence Fund. In total, a budget of **EUR 461 million was earmarked** for STEP-relevant actions in the digital technologies sector in 2024.

By the end of 2024, six projects were selected for funding under the above-mentioned calls of Horizon Europe²⁷, being awarded a grant covering 100% of their eligible costs. The evaluation of the submissions to the Digital Europe programme and the European Defence Fund is still in progress.

In total, EUR 18.2 million was allocated to these projects under the STEP-labelled topics within Horizon Europe Pillar II, Cluster 4 ("Digital, Industry, and Space"). All these projects were promoted by cross-country consortia established across EU Member States – with Norway and Iceland also eligible.

FIGURE 5: Geographical split of the grants awarded in the digital tech sector in 2024 by STEP relevant EU funding programmes



Source: European Commission services reporting.

At the national level, entities from France and Germany emerged as the top recipients of STEP-related grants in this area, receiving EUR 9.6 million and EUR 4.4 million, respectively. They were followed by Spain (EUR 1.5 million) and Belgium (EUR 0.8 million)²⁸.

Examples of projects include PUMA, a collaboration between French, German and Italian promoters which addresses EU strategic dependencies in the field of micro-electronics for space applications and

²⁷ By the end of 2024, the 6 projects were selected for funding under the topic "Space technologies for European non-dependence and competitiveness". The award of a grant for the project selected under the second topic was postponed due to withdrawal of one major partner in the consortium. Grant signature for the project selected under this second topic/call is expected in Q2 2025.

²⁸ 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.

SPACELINK, where entities from Greece, Germany, France and Belgium will collaboratively develop components for space-grade optical communications²⁹.

2.2.3. Empowering biotechnologies

Biotechnologies play a crucial role in advancing medical innovation, strengthening health resilience, and fostering Europe's strategic autonomy in critical medical supplies. This sector spans a broad spectrum of cutting-edge fields, including **genomics and pharmacogenomics, DNA synthesis, cell and tissue engineering, bioinformatics, and nano-biotechnologies**. STEP's focus on biotechnologies aims to accelerate innovation, ensure supply security, and reinforce Europe's competitiveness in life sciences.

STEP's support for biotechnologies materialised in 2024 through three dedicated STEP-relevant topics under the **EU4Health programme** and two under the **European Defence Fund**. These topics earmarked a budget of more than **EUR 150 million** to support projects focused on antiviral development, vaccine production, the manufacturing of essential medicines as well as to defence medical countermeasures. These investments aim to enhance Europe's preparedness for future health crises, reduce dependence on external suppliers, and drive the next generation of biomedical breakthroughs.

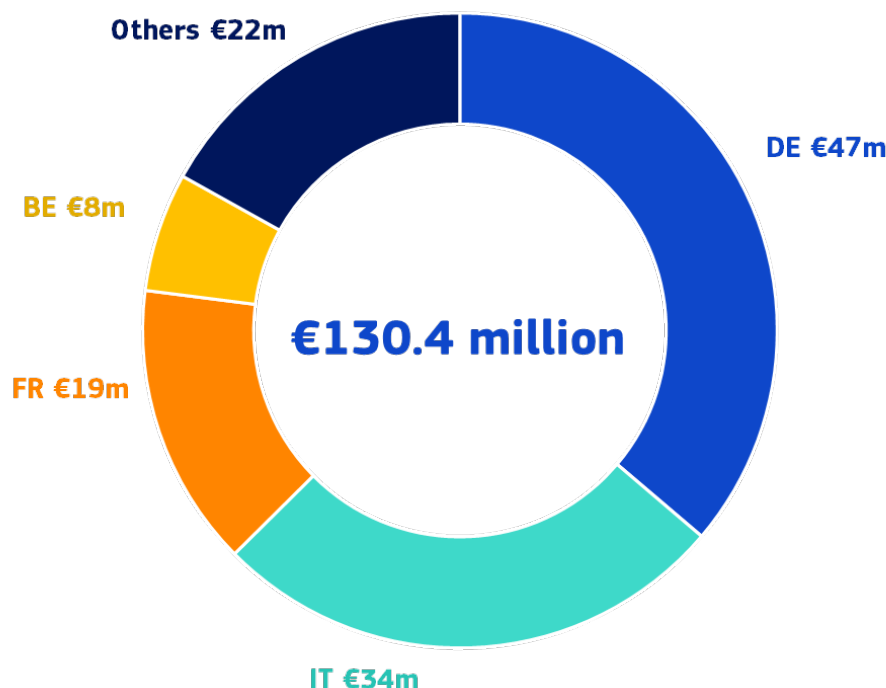
By the end of 2024, only the submissions to the EU4Health topics were evaluated and the results communicated with a total of around **EUR 130 million** awarded under the STEP-relevant calls. Seven projects were awarded a grant, covering between 60% and 80% of their eligible costs. Four of the supported projects are multi-beneficiary initiatives with three carried out by cross-country consortia – entities from associated third countries³⁰ are also eligible. These include the development, in Portugal, of a continuous pharmaceutical spray-drying process that will enhance efficiency, scalability and flexibility of pharmaceutical manufacturing in the EU (PharmSD 3.0) and a platform for AI and robotic driven pharmaceutical manufacturing in collaboration between entities established in Finland, Sweden, France, Estonia and Germany (RoboPharma)³¹.

²⁹ More details on a selected number of awarded projects are available at: https://strategic-technologies.europa.eu/step-documents_en

³⁰ See [List of Participating countries in EU4Health Programme](#)

³¹ More details on a selected number of awarded projects are available at: https://strategic-technologies.europa.eu/step-documents_en

FIGURE 6: Geographical split of the grants awarded in the biotechnologies sector in 2024 by STEP relevant EU funding programmes



Source: European Commission services reporting.

Entities from Germany and Italy emerged as the top beneficiaries, receiving EUR 47 million and EUR 34 million, respectively. France followed, securing EUR 19 million in grants³².

2.3. Cohesion policy funds

Cohesion policy proved to be one of the main contributors to achieving STEP objectives and strengthening the competitiveness and resilience of the European economy. 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 European Regional Development Fund's STEP dedicated priorities, **higher co-financing rates of up to 100% at the level of the STEP-dedicated priority** and **30% of the allocation to STEP priorities paid by the EU budget as a one-off 30% pre-financing**.

To cater to strong interest by Member States, in April 2024, shortly after the entry into force of the STEP Regulation, the European Commission organised a technical seminar³³, mainly intended for managing authorities of cohesion policy funds, to clarify how STEP should be implemented under the cohesion policy programmes and to provide guidance on the scope of STEP.

The Commission received the **first wave of submissions of programme amendment requests by 31 August 2024**, allocating funds to STEP investments ahead of the mid-term review of the cohesion

³² 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.

³³ Inforegio - 2021-2027 Technical seminars, available at: https://ec.europa.eu/regional_policy/2021-2027/technical-seminars/step_en

policy funds. Since then, additional informal consultations are taking place with a number of Member States, several resulting in formal requests for programme amendments.

As of the end of December 2024, **41 STEP amendments were submitted by 6 Member States** for Commission approval, amounting to **EUR 6.4 billion of cohesion policy funds**. Additional amendments are expected throughout 2025.

The split is as follows:

- EUR 4.8 billion under the European Regional Development Fund (ERDF)
- EUR 838 million under the European Social Fund + (ESF+)
- EUR 764 million Just Transition Fund (JTF)

2.3.1. Analysis of the use of STEP in cohesion policy

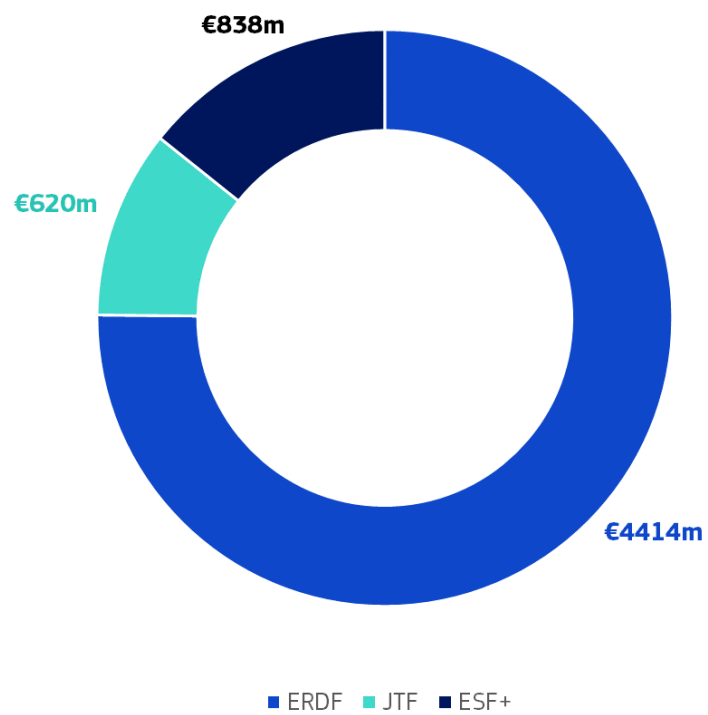
As of 31 December 2024, 29 STEP amendments totalling almost EUR 5.9 billion were approved by the European Commission in six Member States (see table 2 and figure 7 below).

TABLE 2: Overview of funding allocations in 2024 (in EUR million)

MS	Title	ERDF (m EUR)	JTF (m EUR)	ESF+ (m EUR)	Total (m EUR)
DE	Multi Funds Programme ERDF/JTF North Rhine-Westphalia 2021-2027	200.20	301.60		501.8
DE	Programme ERDF 2021-2027 Baden-Württemberg	62.22			62.2
DK	Green Technologies and Skills for a Just Transition		52.30		52.3
ES	Programme Catalonia ERDF 2021-2027	113.51			113.5
DE	Programme ERDF 2021-2027 Bavaria	104.54			104.5
DE	Programme ERDF 2021-2027 Schleswig-Holstein	47.00			47.0
IT	RP Lazio ERDF 2021-2027	109.04			109.0
IT	Sicilia ERDF 2021-2027	615.20			615.2
IT	RP Sardegna ERDF 2021-2027	166.01			166.0
ES	Programme Cantabria ERDF 2021-2027	15.53			15.5
IT	RP Lombardia ERDF 2021-2027	120.00			120.0
FR	Programme Hauts de France ERDF-ESF+-JTF 2021-2027			34.87	34.9
IT	RP Campania ERDF 2021-2027	581.14			581.1
DE	Programme ERDF 2021-2027 Mecklenburg-Vorpommern	138.69			138.7
ES	Programme Community of Madrid ERDF 2021-2027	72.67			72.7
IT	RP Calabria ERDF ESF+ 2021-2027	264.45			264.5
IT	RP Puglia ERDF ESF+ 2021-2027	471.53			471.5
ES	Programme Aragon ERDF 2021-2027	23.44			23.4
RO	Health	351.77		114.44	466.2
IT	RP Emilia-Romagna ERDF 2021-2027	61.46			61.5
IT	NP Research, innovation and competitiveness for green and digital transition 2021-2027	558.46			558.5
IT	RP Umbria ERDF 2021-2027	31.42			31.4
RO	Smart growth, digitalization and financial instruments	271.01			271.0
RO	Just Transition		266.33		266.3
FR	Programme régional Île-de-France et bassin de la Seine ERDF-ESF+ 2021-2027	35.19		12.48	47.7
DE	Bayern - ESF+			36.92	36.9
ES	Cantabria - ESF+			3.17	3.2
ES	Madrid - ESF+			63.82	63.8
RO	Education and Employment – RO – ESF+			572.63	572.6
Total	29	4 414.5	620.2	838.3	5 873.0

Source: Member States' reporting.

FIGURE 7: Total STEP allocations in adopted programmes in 2024 (in EUR million)

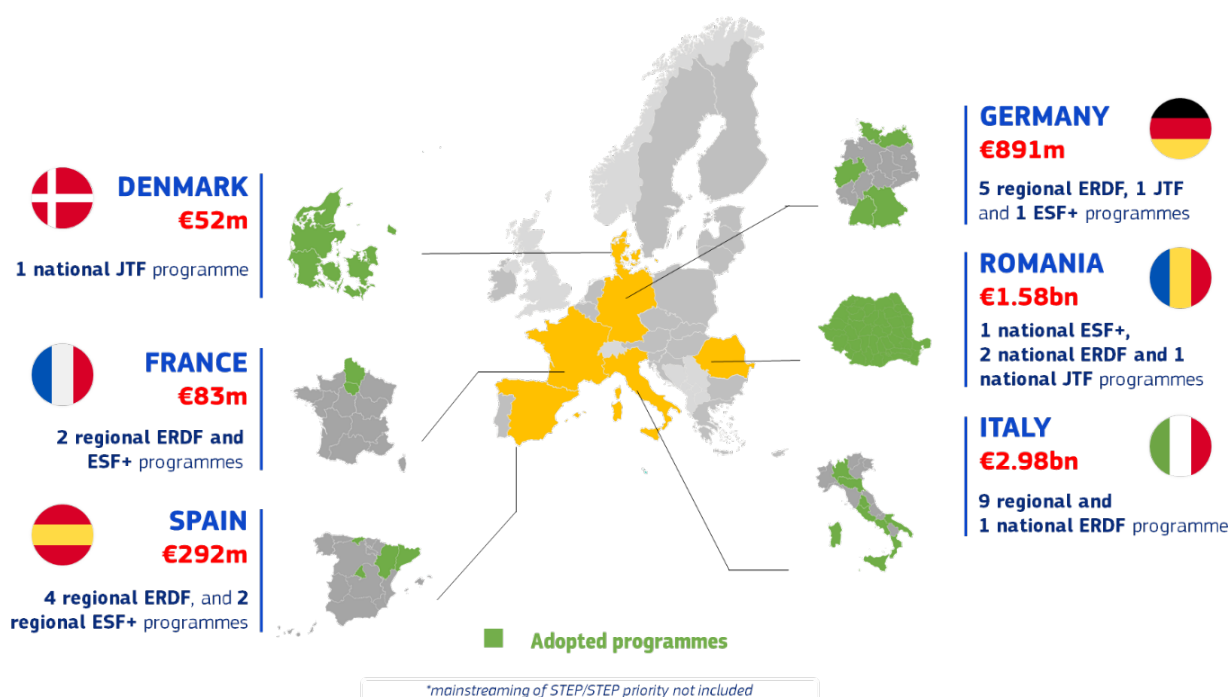


Source: Member States' reporting.

Geographical distribution of the STEP investments

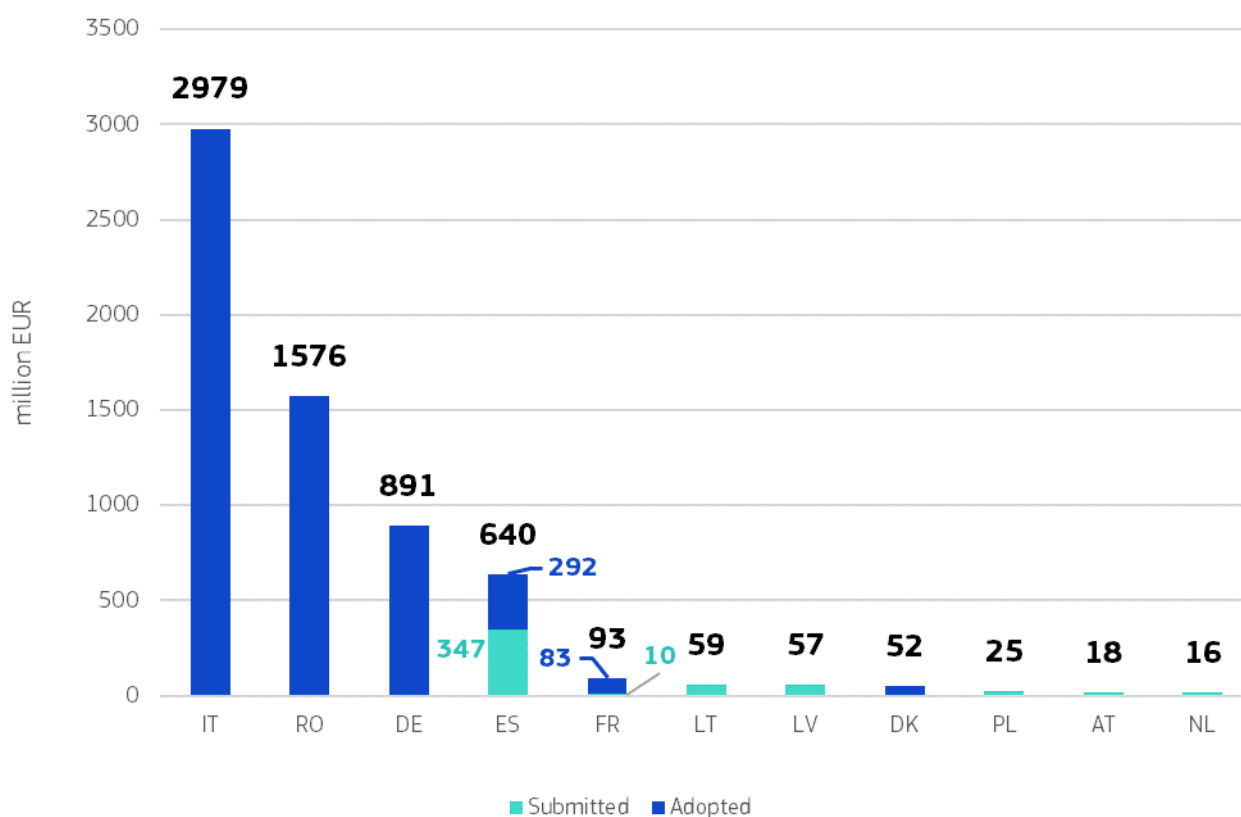
The majority of STEP-relevant investments were proposed by the regional programmes in France, Germany, Italy and Spain (see figure below) - representing 23 out of the 29 adopted programmes, with STEP allocations worth EUR 3.7 billion (EUR 3.23 billion ERDF, EUR 151 million ESF+ and EUR 302 million JTF). The remaining six national programmes featured amendments worth EUR 2.2 billion (EUR 1.18 billion ERDF, EUR 687 million ESF+ and EUR 319 million JTF).

FIGURE 8: Geographical location of adopted programme in 2024



Source: Member States' reporting.

FIGURE 9: Financial volume of STEP amendments per Member State in 2024 (submitted vs. adopted, descending by amount)³⁴ (in EUR million)



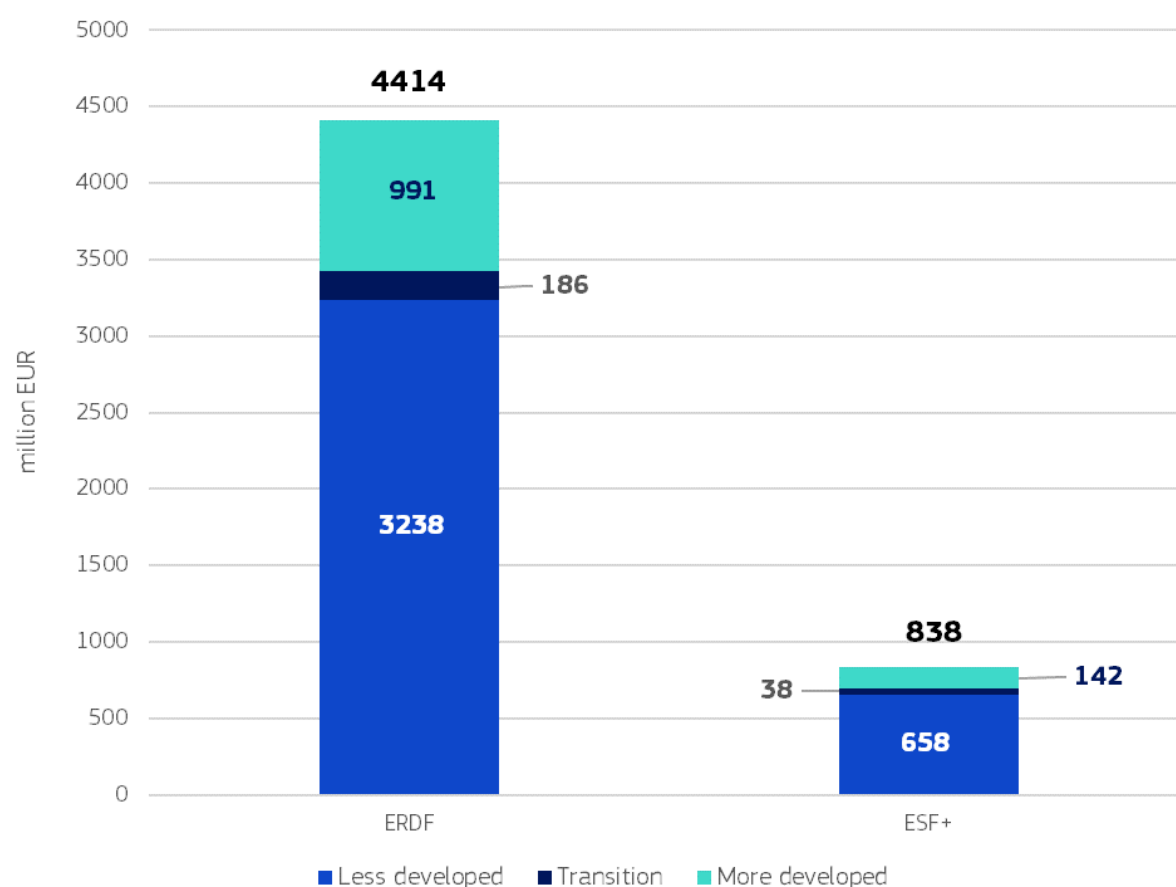
Source: Member States' reporting.

Concerning the ERDF and ESF+, more than two thirds of the STEP allocations were re-programmed under the less developed regions³⁵.

³⁴ Only for programmes with dedicated priorities or known amounts dedicated to STEP based on intervention fields allocations.

³⁵ "Less developed regions", according to 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 of the 27 EU Member States.

FIGURE 10: Financial volumes of STEP allocations under ERDF and ESF+ per category of region in 2024 (in EUR million)



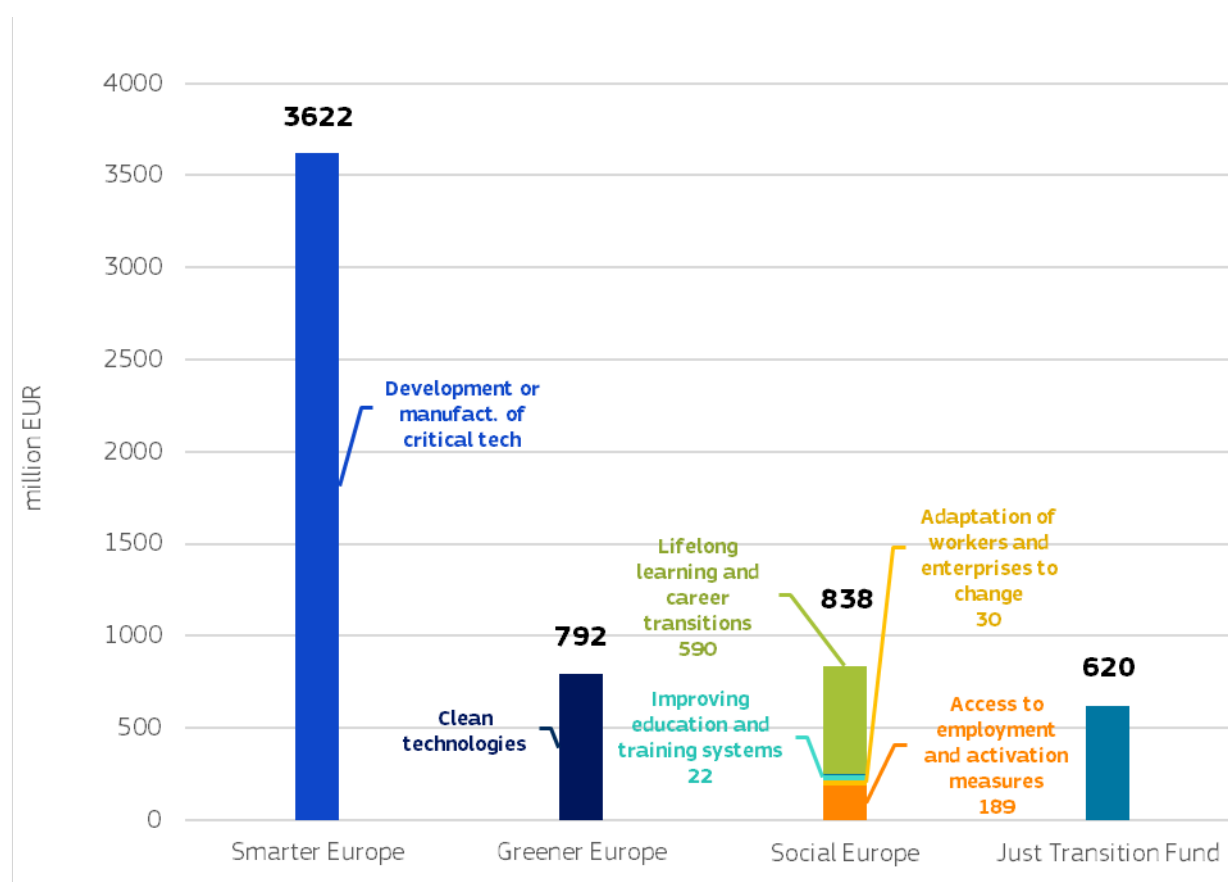
Source: Member States' reporting.

Sectoral distribution of STEP investments

Cohesion policy, under the 2021-2027 programming period, aims to support a smarter, greener, more connected, more social and inclusive Europe closer to citizens. Under these main *policy objectives*, there are more detailed *specific objectives* (see [Open Data Portal for the European Structural Investment Funds - European Commission | Cohesion Open Data](#)). The **STEP Regulation introduced two new specific objectives under the ERDF and the Cohesion Fund (CF)**, to support investments aiming at strengthening industrial development and reinforcement of value chains in strategic sectors.

More than **60%** of the STEP investments under Cohesion Policy Funds will be implemented under the **new specific objective under the 'Smarter Europe' policy objective**, followed by around **15% for clean technologies in policy objective 'Greener Europe'**. ESF+ will support skills via lifelong learning and employment measures with 14% of STEP investments under policy objective 'Social Europe'. Finally, 10% of the STEP investments will be made in the just transition regions under the JTF specific objective (see figure 11).

FIGURE 11: Financial volume of STEP amendments by policy objective and specific objective in 2024* (in EUR million)

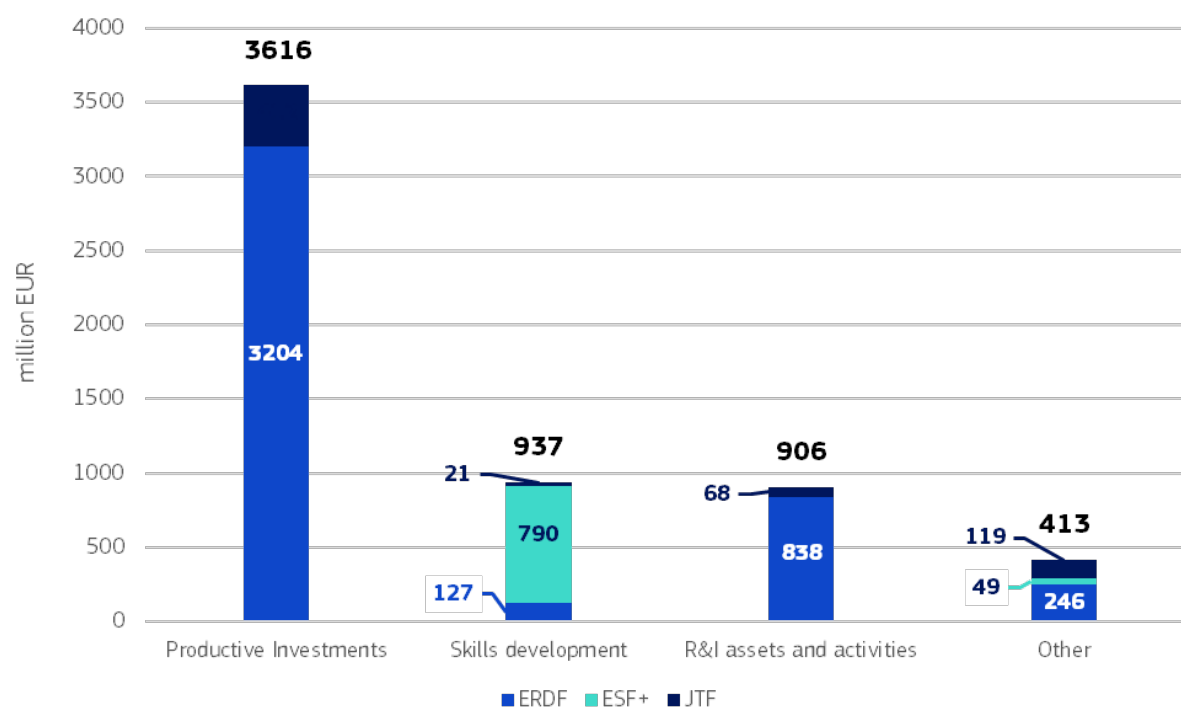


Source: Member States' reporting.

*only for programmes with dedicated priorities

Productive investments represent around 60% of the planned amounts under STEP. Investments in skills development and in research and innovation account for 15% 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 12).

FIGURE 12: Financial volume of STEP amendments by sector in 2024* (in EUR million)

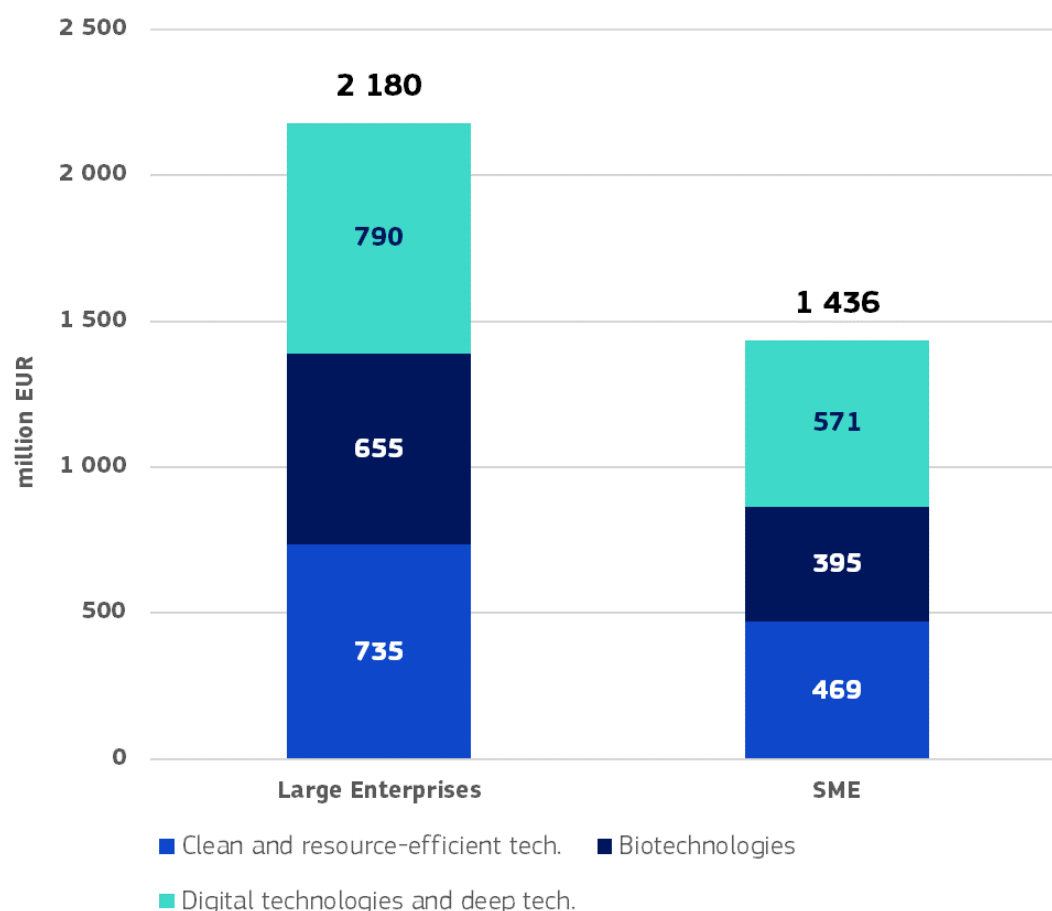


Source: Member States' reporting.

*(only for programmes with dedicated priorities or known amounts dedicated to STEP)

Zooming into the split of the productive investments per STEP sector, the investments are rather equally split (see figure 13). Most of the allocation was attributed to productive investments in enterprises other than SMEs, using the possibility to finance such enterprises under the ERDF for STEP-related projects.

FIGURE 13: Productive investments by type of enterprise and STEP-sector in 2024* priorities (in EUR million)



Source: Member States' reporting.

*(only for programmes with dedicated priorities or known amounts dedicated to STEP)

Main expected achievements of the STEP investments

Based on the main output and result indicators that the Member States have selected in the amended programmes, and in line with the STEP objectives, it can be inferred that the cohesion policy resources will co-finance STEP-relevant strategic technologies in many enterprises. Investments in approximately 7,200 enterprises in total are expected across 23 of the adopted programmes, 2,900 out of them in the digital technologies sector, 3,000 in the clean sector and almost 570 in the biotech sector. The planned investments are expected to create 9,800 jobs in the supported entities.

2.3.2. Calls for proposals under cohesion policy programmes

Following the approval of the first STEP programme amendments, Denmark and Germany reported four STEP calls³⁶ by the end of 2024 amounting to EUR 244 million³⁷.

Table 3: Overview of cohesion policy programmes in 2024

MS	Programme Title	Total amount in million EUR	Status on 31/12/2024
DK	Green Technologies and Skills for a Just Transition	45.5	Completed
DE	Programme ERDF 2021-2027 Bavaria	47.0	Ongoing (deadline 31/01/2025)
	Programme ERDF 2021-2027 Schleswig-Holstein	11.4	Ongoing (deadline 31/08/2025)
	Multi Funds Programme ERDF/JTF North Rhine-Westphalia 2021-2027	140.0	Ongoing (deadline 03/02/2025)
Total		243.9	

Source: Member States' reporting.

2.3.3. Selected projects

Four Member States (Denmark, France, Germany, and Italy) have already selected projects under STEP, including:

In **Denmark**, following the Danish call 'Development of value chains within Power-to-X', aiming to reduce CO2 emissions in hard-to-transition sectors, establishing a competitive Danish market for green hydrogen and PtX solutions (budget of EUR 13 million), four projects were selected. These include HYFLEX (Flexible Hydrogen Storage for Power-to-X and Grid Optimization), aiming to establish a hydrogen storage and associated hydrogen compressors with a storage capacity of 10 tons (500 MWh) and optimize the operation of the PtX plant by demonstrating a higher degree of utilization of the power production from Solar Park Kassø, as well as ensuring an optimal balancing of the plant in relation to the public electricity grid. See the list of selected operations [here](#).

In **Île-de-France (France)**, a financial instrument was established by the managing authority to support industrial start-ups and innovative SMEs with high economic potential, in the clean tech sector, in their pre-industrialization and expansion phase. See the list of selected operations [here](#).

Regarding **Baden-Württemberg (Germany)**, four projects were selected by the managing authority, including one on the establishment of a micro-production and verification infrastructure for the development of "compact quantum systems" (total cost EUR 5 million, EUR 3 million from ERDF). A technology cluster for the production and verification of quantum systems is being established at the Institute of Quantum Technologies of the German Aerospace Center. The project will develop compact quantum systems for space applications. The goal is to transfer quantum systems from research and laboratory operation to application, for example, as sensors on satellites. See the list of selected operations [here](#).

³⁶ Germany launched further five calls, not entirely STEP dedicated, which might result in STEP projects.

³⁷ Germany, Italy and Latvia reported further calls at the beginning of 2025.

The **Umbria region (Italy)** established a financial instrument aiming to support SMEs in investing in the development and manufacturing of technologies in the fields of digital, deep and biotech technologies, and clean and efficient technologies through a mixed form of support (loan and subsequent grant in the form of debt remission). The aim is to support SMEs that find it more difficult to access credit to invest in technology innovations in the sectors described above. See the list of selected operations [here](#).

2.4. The Recovery and Resilience Facility & InvestEU

As of 31 December 2024, **implementation of STEP under the Recovery and Resilience Facility (RRF) has been limited**. No Member State has amended their Recovery and Resilience Plans (RRPs) to add a STEP priority or support a project awarded the STEP Seal. No Member State made use of the increased flexibility, introduced by Article 19 of the STEP Regulation³⁸, to allocate RRF resources to the InvestEU Member State compartment for STEP-relevant investments, allowing to mobilise funding beyond the RRF deadline of August 2026.

As expected, the requirement for **Member States to prioritise projects awarded the STEP Seal when revising their RRFs was not yet implemented in 2024 as the first** STEP Seals were awarded at the very end of the year 2024.

To facilitate the uptake of STEP, the Commission provided further guidance and support to Member States. In July 2024, the Commission **amended the RRF Guidance**³⁹ to clarify the process for amending RRFs to allocate RRF resources toward STEP objectives. The **Commission has engaged regularly with STEP NCPs and national authorities** responsible for RRFs, to disseminate information including regarding the list of STEP Seals awarded in their respective countries.

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

Among the tools introduced by the STEP Regulation to support the development and manufacturing of critical technologies, the STEP (Sovereignty) Seal is a quality label introduced under Article 4 of the STEP Regulation. It is **awarded by the European Commission to recognise quality projects** across the internal market. It is awarded at the end of the selection process under the five programmes directly managed by the Commission and contributing to STEP: the European Defence Fund, Horizon Europe, the Digital Europe Programme, the Innovation Fund, and EU4Health.

3.1. Eligibility criteria

Pursuant to Article 4(1) of the STEP Regulation, the Commission awards a STEP Seal to any project that complies with two conditions:

³⁸ 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—on top of the pre-existing 4% transfer possibility, bringing the total potential transfer to 10%.

³⁹ [Commission Notice C/2024/4618, Guidance on recovery and resilience plans](#)

- **Strategic alignment:** directly contributes to STEP objectives, as defined in Article 2 of the STEP Regulation and further elaborated in the STEP Guidance Note⁴⁰.
- **Excellence:** complies with minimum quality requirements, in particular eligibility, exclusion and award criteria, provided for in the specific call for proposals under which it is being assessed.

In practice, the **Commission services design dedicated calls for proposal (i.e., “calls”) to implement STEP objectives**. Proposals submitted to the dedicated calls, which comply with the quality requirements after assessment from the Commission services, will receive a STEP Seal. A project may receive the STEP Seal even if it does not receive direct funding due to the limited budget of a given call for proposal.

Projects approved under the **Important Projects of Common European Interest (IPCEI)** framework undergo thorough Commission assessment. While the STEP Seal could help these projects access funding, such as cohesion funds, the STEP Regulation does not foresee the award of STEP Seals to IPCEI projects.

The STEP Seal is similar to the **Seal of Excellence**, currently awarded to projects assessed under programmes, among others, like Horizon Europe and Digital Europe, which did not receive funding due to the lack of budget available in a given call. The STEP Regulation grants the STEP Seal the same status as to the Seal of Excellence, in facilitating access to cohesion policy funds (*see below*).

However, differently from the Seal of Excellence, the **STEP Seal is also awarded to (partially or fully) funded projects, opening the way to possible combinations of funding**. The Seal of Excellence concerns a specific range of EU funding actions under Horizon Europe.⁴¹

3.2. The award of the STEP Seal

The STEP Seal awarding process is designed to be simple and user-friendly. **Project promoters do not need a separate application**; projects applying to STEP-labelled calls under the five eligible programmes are automatically assessed for a STEP Seal. The STEP Seal is awarded alongside the call results, with recipients receiving an online certificate and an explanatory brochure prepared by the European Commission.

Awarded projects are published on the STEP Portal in a dedicated dashboard⁴², in compliance with the Financial Regulation⁴³. For calls where the Commission decided to trigger security restrictions under Article 136 of the Financial Regulation or related Articles in the respective programme acts, concerning strategic assets and interests of the EU, additional conditions may apply. In such cases, an ownership control assessment (OCA) may be required, but is performed only if the project is selected for funding. For STEP Seal projects under security-restricted calls, which did not receive funding, the linked incentives may be unavailable until an OCA is conducted.

⁴⁰ 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>

⁴¹ The Seal of Excellence benefits from GBER exemptions, while the STEP Seal does not.

⁴² See https://strategic-technologies.europa.eu/investors_en

⁴³ Article 125 of Regulation 2024/2509 (EU) on the financial rules applicable to the general budget of the Union (i.e., the Financial Regulation) requires the Commission to publish information on recipients of funds financed by the EU budget. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202402509

3.3. Benefits of receiving a STEP Seal

The STEP Seal was introduced in the STEP Regulation to **facilitate access to alternative or complementary funding from EU programmes and private investors**, including cohesion policy funds, the Recovery and Resilience Facility, the Modernisation Fund, and InvestEU⁴⁴.

The final decision on additional financial support remains with the authorities responsible for managing EU budget resources in the Member States, such as those overseeing cohesion policy funds and the Recovery and Resilience Facility.

In 2024, The Commission STEP Taskforce ensured that labelled projects were published on the STEP Portal⁴⁵, with the list regularly updated and actively shared with STEP National Contact Points (NCPs). The STEP Taskforce also disseminated this information to relevant Commission services supporting Member States in the implementation of EU funding, including DG REGIO, DG ECFIN, and SG-REFORM.

In the first year of STEP's implementation, initial challenges have emerged regarding the effectiveness of the STEP Seal as a funding facilitation tool.

For example, **combining different funding sources can be complex due to different methodologies used by granting authorities**. For instance, when reimbursing project costs, the Commission frequently employs "simplified cost options"⁴⁶. These methods reimburse a project's costs based on cost estimations or on the achievement of predefined project milestones. Aligning these approaches with reimbursement systems based on actual incurred costs presents challenges, particularly in ensuring compliance with the prohibition against double funding⁴⁷, which prevents any cost item from receiving more than 100% of its funding from the EU budget.

These will be further explored in the STEP interim evaluation report due in the second half of 2025.

3.4. State of Play

The first STEP Seals were awarded in October 2024 – only when the evaluation process for the very first STEP-aligned calls was completed. **In 2024, a total of 162 STEP Seals were awarded** under the five call topics of the Innovation Fund 2023 call, the two topics of Horizon Europe – Pillar II Space call for proposal and the three topics of EU4Health. The STEP Seals awarded under the Innovation Fund were awarded to projects in the area of clean and resource efficient technologies, while the Seals awarded under Horizon Europe and EU4Health are respectively relevant for the digital- and bio-technologies sectors.

⁴⁴ Among the facilitations introduced by the STEP Regulation, managing authorities of the European Regional Development Fund (ERDF) and European Social Fund+ (ESF+) can directly fund STEP Seal projects without launching a new call for proposals, provided the projects meet programme conditions. Similarly, the STEP Regulation requires Member States to prioritize Seal-awarded projects when revising their Recovery and Resilience Plans or allocating investments from their Modernisation Fund share and to consider them 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.

⁴⁵ See https://strategic-technologies.europa.eu/investors_en

⁴⁶ Article 125 of the Financial Regulation provides that Union contributions under direct, shared or indirect management may take the form of financing not linked to the costs of the relevant operations based on (i) the fulfilment of conditions set out in sector-specific rules or Commission decisions or (ii) the achievement of results measured by reference to previously set milestones or through performance indicators.

⁴⁷ Article 194 of the Financial Regulation, although allowing for joint financing from separate budget lines, lays down that "in no circumstances shall the same costs be financed twice by the budget".

TABLE 4: Summary of the STEP Seals awarded under the STEP-relevant calls for proposal in 2024

Call Name	Call Topic Name	Seals
InnovFund-2023-NZT	Large Scale	80
	Medium Scale	16
	Small Scale	8
	Pilots	20
	Cleantech Manufacturing	25
	Total	149

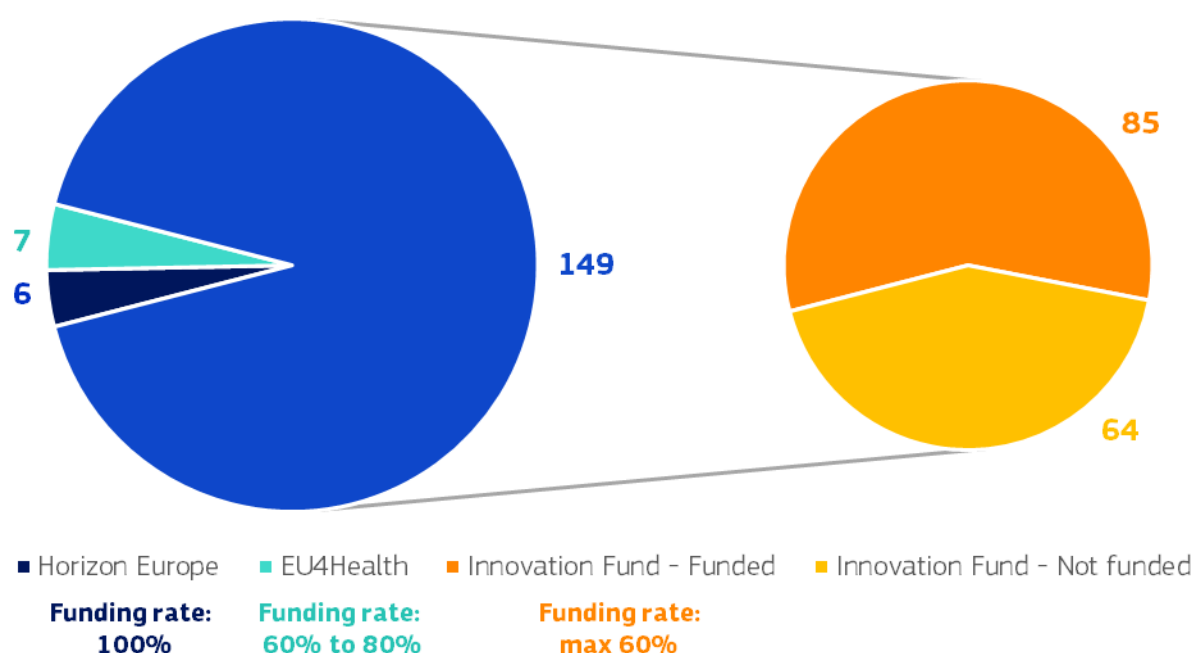
Call Name	Call Topic Name	Seals
HORIZON-CL4-2024-SPACE-01	Quantum Space Gravimetry Phase-B study & Technology Maturation	0
	Space technologies for European non-dependence and competitiveness	6
	Total	6

Call name	Call topic Name	Seals
EU4H-2024-PJ-01	The European Vaccines Development Hub (EVH)	1
	Call for proposals to support the development of novel antivirals	1
	Call for proposals to support innovative manufacturing technologies and processes in the Union for medicines production	5
	Total	7

Source: European Commission services reporting.

Out of a total of 162 projects awarded the STEP Seal, 98 projects were pre-selected for a grant by the call for proposals under which they were assessed. All projects awarded a STEP Seal under Horizon Europe and EU4Health and 85 projects awarded the Seal under the Innovation Fund were also invited for grant agreement preparation. In most cases, the awarded grants will cover 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 64 projects positively evaluated under the Innovation Fund did not receive grants due to budgetary constraints but were still awarded the STEP Seal for their strong potential and technical merit.

FIGURE 14: Breakdown of the number of projects awarded a STEP Seal per funding status and per awarding programme.



Source: European Commission services reporting.

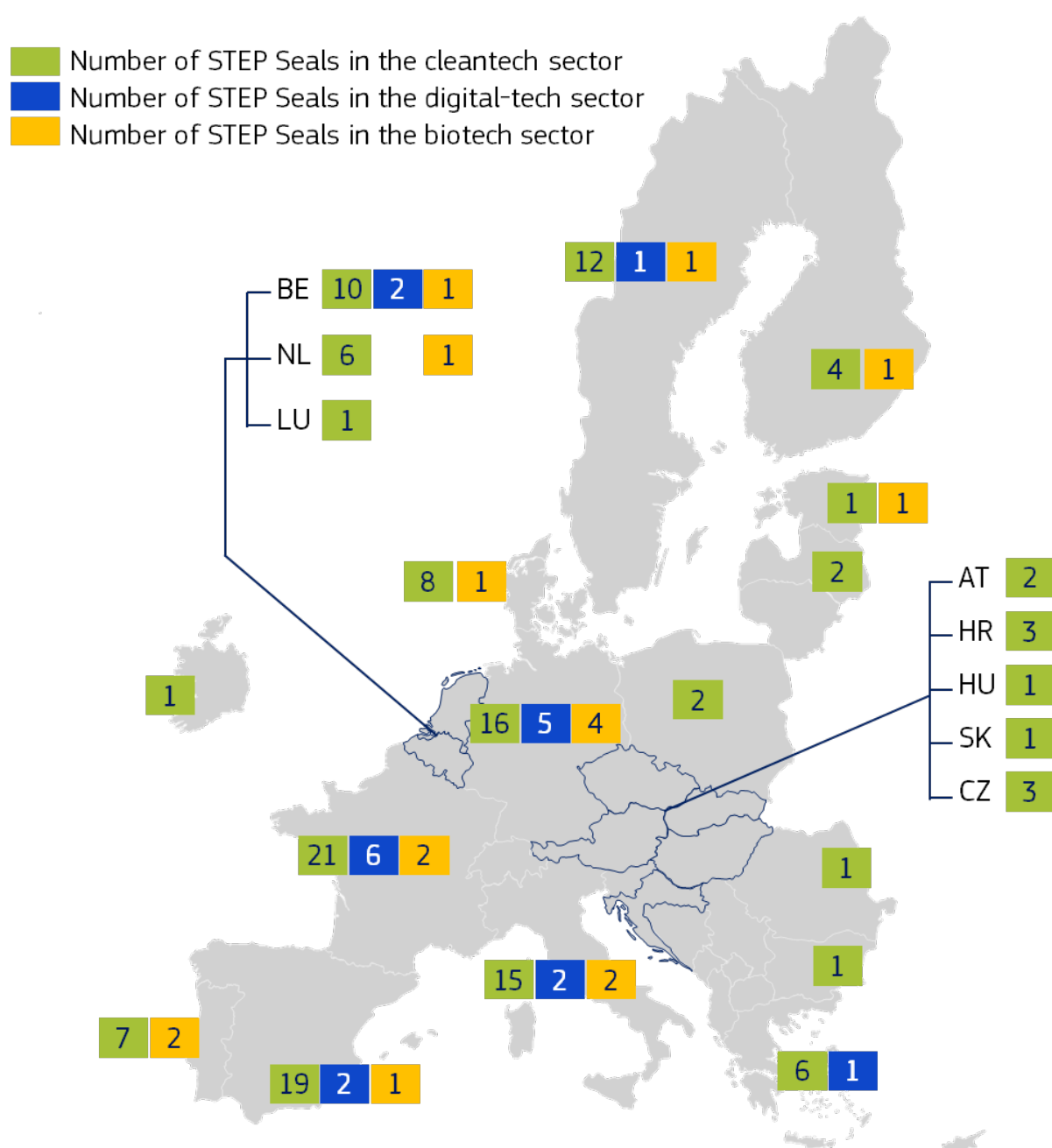
Based on the topic under which they were assessed, most of the awarded projects aligned with STEP objective of supporting the development and/or the manufacturing of critical technologies throughout the Union, or safeguarding and strengthening their respective value chains.

In 2024, no STEP Seal projects specifically addressed labour and skills shortages in the STEP sectors.

In terms of geographical distribution, most of the projects awarded the STEP Seals were located⁴⁸ in France (29 Seals), Germany (25 Seals), Spain (22 Seals), Italy (19 Seals) and Sweden (14 Seals).

⁴⁸ A country is considered to have received a STEP Seal if at least one project with an awarded Seal is partially or fully located within its borders, even in the case of multi-location projects.

FIGURE 15: Geographical distribution of STEP Seals awarded in 2024⁴⁹



Source: European Commission services reporting.

In **regional** terms, the EU regions that received the highest number of STEP Seals were Cataluña (Spain) and Lombardy (Italy) with five STEP Seals each in the clean-tech sector, Île-de-France (France) with four for digital technologies and two for biotechnologies, and Oberbayern (Germany) with two for digital technologies and two for biotechnologies.

⁴⁹ STEP Seals awarded to multi-beneficiary consortia are counted under each Member State where a participating entity is established.

4. TOOL 4: Facilitating access to funding with the STEP Portal

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

Pursuant to Article 6 of the STEP Regulation, a first version of the STEP portal (Sovereignty Portal) was **publicly released on 29 April 2024, less than two months after the entry into force of the Regulation**. It focused on the 5 EU programmes under the scope of STEP which are directly managed by the Commission, and displayed information about:

- ongoing and upcoming calls for proposals contributing to STEP objectives;
- a list of technologies in the scope of STEP;
- compact information on STEP and the underpinning programmes;
- the possibility to send feedback and questions, and subscribe to a STEP Newsletter;
- links to existing resources (e.g., advisory services, key Commission initiatives supporting STEP objectives, etc.).

In response to user feedback, a **revamped version of the STEP portal was released in September 2024**. This updated version introduced:

- a **user-centric structure** tailoring content to meet the specific needs of key audiences targeted: project promoters, Managing Authorities of EU budget in the Member States, and private investors. Dedicated sections were created for each group, ensuring easier access to relevant information;
- enhanced visuals and infographics, improving the Portal design and strengthening its **visual identity**;
- a **"Get Funding" dashboard**, which lists all STEP-related calls for proposals using the data from the EU Funding & Tenders portal as backbone, and redirecting project promoters to the latter for the actual application to specific calls;
- an interactive **[map of STEP NCPs](#)**;
- the **[dashboard of the STEP Seals](#)**, providing detailed insights into projects awarded the STEP Seal across the EU;
- a map highlighting the Member States/Regions which have unlocked funding opportunities for **STEP under their Cohesion Policy programmes**.

After being online for 8 months, the [STEP portal](#) now serves as an engaging and accessible platform for all stakeholders. The STEP Portal was established as a **comprehensive one-stop-shop** designed to present all funding opportunities available through EU funding for strategic sectors earmarked under STEP, without duplicating existing systems as it relies partly on the Funding & Tenders Portal.

4.2. STEP as a pilot single entry point to EU funding

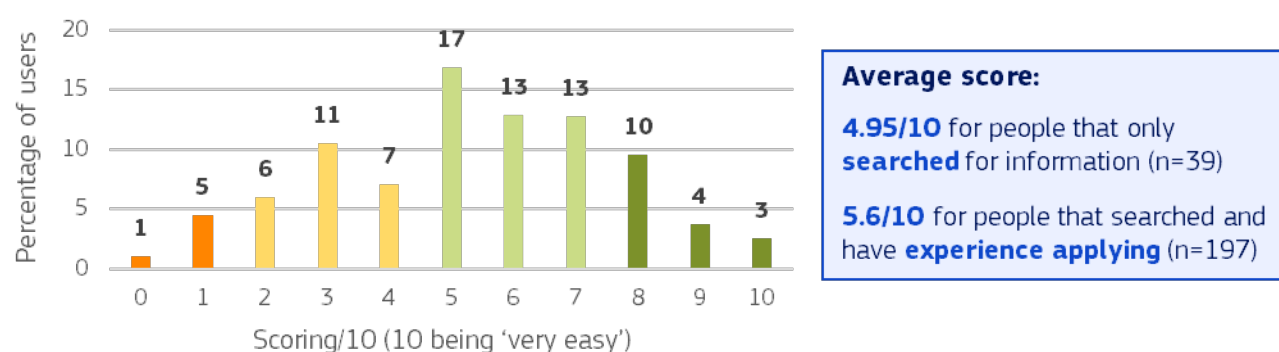
One of the objectives of the STEP Portal as set in the STEP Regulation was to assess the feasibility of providing information on Union programmes in a single Union portal, to bring all Union funding opportunities closer to potential beneficiaries and enhance their transparency towards Union citizens.

Guided by a user-centric approach, the STEP Task Force carried out an **EU-wide survey on access to EU funding** from mid-September to end of October 2024 which gathered almost 500 replies from all 27 Member States. In parallel **30 bilateral interviews** with a sample of potential beneficiaries, industry associations, national contact points (of STEP and other EU programmes like Horizon Europe), and consulting companies took place.

The key takeaways were:

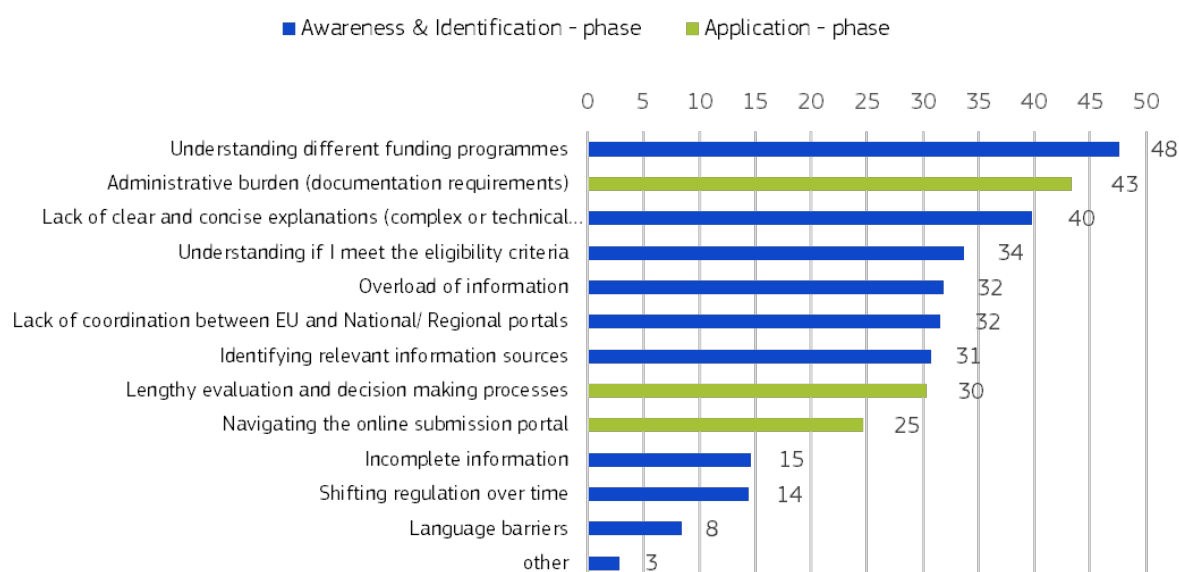
- Applicants face challenges in finding information on EU funding

FIGURE 16: Is information on EU funding easy to find?



Source: EU-wide survey on access to EU funding conducted from mid-September to end of October 2024.

FIGURE 17: Challenges when looking for funding information (% of users)



Source: EU-wide survey on access to EU funding conducted from mid-September to end of October 2024.

- Both new and experienced users score the *easiness to find info on EU funding* only 5/10, indicating the **overall experience to be challenging** regardless of the level of experience the user has.
- Most indicated that the struggles are related to the awareness and identification phases, confirming that the current landscape of EU funding opportunities is **too difficult to read and navigate through** (“I need to scan very often for new information [no useful reminders]”, “I get confused on the overall timelines [opening, closing, due date]”, “it’s hard to understand eligible funding amounts [what are the eligible costs]”)
- Therefore, **users must rely heavily on external support**: they look in particular for free resources like events & webinars but 33% of users need to rely on paid professional experts or consultants for guidance. Identifying EU funding opportunities has thus a cost for stakeholders even before they start the application process.
- Stakeholders seek a clear and easy **EU funding portal**.
- **Official channels** remain the main source of info. Expectations are thus high among the stakeholders for a clear, easy to navigate and understand portal gathering all funding opportunities stemming from the EU budget.
- **Unofficial sources** such as events and professional networks are heavily leveraged for additional information and updates.

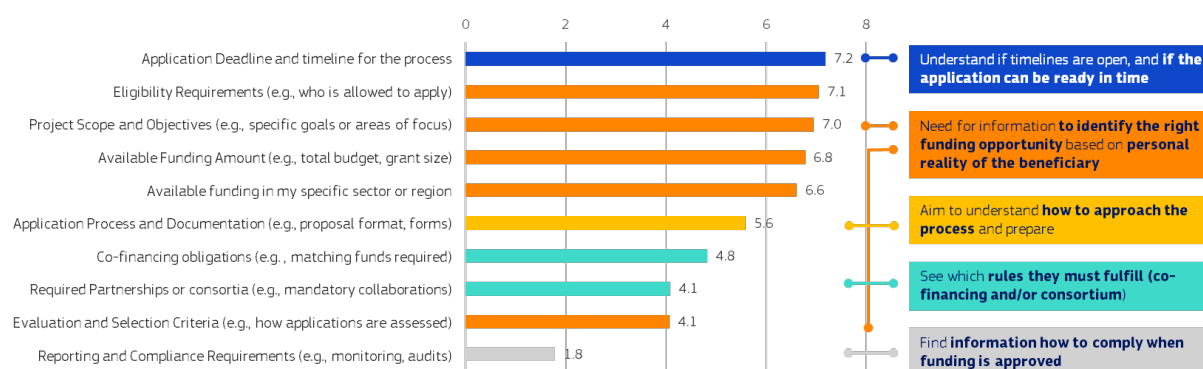
One-stop-shop: Forward-looking users’ expectations

In 2024, the STEP Task Force strived to provide a STEP Portal which would make the life of project applicants easier and thus allow more researchers/companies to access EU funding – fulfilling the objective set in Article 6 of the STEP Regulation as regards simplification and transparency. The positive experience on the STEP Portal was confirmed: 1/3 of respondents was already aware of STEP (showing good outreach impact given the short timeframe it has been available), and almost 90% could find the information they needed.

3 in 4 respondents saw value in a **one-stop-shop combining EU and national funding opportunities**.

Users highlighted **what kind of information is essential**: deadline and timeline of a call, eligibility requirements and scope, type of funding and amount are the top 3.

FIGURE 18: What is the most important information to identify?



Source: EU-wide survey on access to EU funding conducted from mid-September to end of October 2024.

Setting-up a simulator to provide SMEs with guidance on Union funding opportunities

To comply with the requirement set out in article 8 of the STEP Regulation regarding the feasibility of setting up a simulator, the STEP Task Force initiated work already in 2024 on a **possible STEP chatbot project using artificial intelligence (AI)**. Such a tool should help project applicants to better identify funding opportunities they are eligible to on a demand basis (i.e., considering the user input or project idea). Such a new approach would revolutionise the existing system of EU funding, currently **offer-based**, which requires applicants to look through a broad range of programmes to identify relevant funding opportunities.

Relying on user needs expressed in the survey, the STEP Task Force got a clearer picture of how artificial intelligence could help with regard the identification of EU funding opportunities:

- Users expect AI to provide **clear information & onboarding support** to identify EU funding opportunities;
- A majority of users **value AI as assistance** with identifying the fit with most relevant funding opportunities;
- Users have **not raised interest in using AI for matchmakings** (finding partners for multi-beneficiary projects);
- **Trustworthiness** and **correctness of info** are the most valued characteristics users expect from AI assistance;
- **Multi-lingual support** is seen as ‘nice to have’ by users from Eastern European Member States, but not a must compared to the above.

5. Contribution to long-term objectives on competitiveness

By steering investments into digital and deep-tech innovation, clean and resource-efficient technologies, and biotechnologies, **STEP strengthens Europe’s competitiveness by enhancing industrial resilience and innovation capacity**. Unlike a standalone fund, STEP works by integrating and coordinating existing EU financial instruments – combining funds directly managed by the Commission and funds managed by Member States – ensuring that public investment is more effectively directed toward critical industrial and technological priorities.

STEP aligns closely with the **Competitiveness Compass**⁵⁰, the EU’s long-term framework for economic resilience and industrial strength. A key priority of the **2025 Annual Single Market and Competitiveness Report**⁵¹ is to scale up strategic investment in research and innovation (R&I) and improve access to finance for high-growth companies — objectives directly supported by STEP through the STEP Seal, the STEP Portal, and the alignment of over EUR 10 billion in funding in 2024.

⁵⁰ Commission Communication COM(2025) 30, A Competitiveness Compass for the EU, available at: https://commission.europa.eu/topics/eu-competitiveness_en

⁵¹ 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

By integrating direct and shared management funding, **STEP bridges funding silos**, ensuring a more strategic and impact-driven approach to EU investments in high-impact sectors. STEP ensures that EU funding mechanisms better support technology scale-up and long-term industrial competitiveness.

In its first year, STEP **facilitated better access to finance, supported frontier technologies, and enabled a more strategic allocation of EU resources**. Moving forward, continued coordination and targeted investments will be crucial in scaling European innovation, securing supply chains, and maintaining global competitiveness.

6. Conclusion

In its first year of operation in 2024, **STEP has demonstrated its value as a catalyst for strategic investment**, steering over EUR 10 billion towards critical technologies. By aligning 11 EU programmes and Member States towards the same objectives, STEP has enhanced synergies between funding sources, improved access to finance for quality projects, and reinforced Europe's long-term competitiveness and technological sovereignty.

The implementation of STEP required **extensive coordination efforts** considering the degree of heterogeneity across the underpinning programmes and the challenges to **create synergies** among them – this is further explored in the interim evaluation report of STEP.

Looking ahead to 2025, STEP's focus will be on deepening its impact through:

- **Expanding the scope of STEP to defence technologies** as a fourth technological sector, as part of the defence mini omnibus package proposed by the Commission in April 2025⁵².
- **Scaling up funding opportunities** by expanding STEP-aligned calls under Horizon Europe, the Innovation Fund, and the European Defence Fund, ensuring a steady pipeline of investment in strategic sectors.
- **Encouraging greater Member State participation** in Cohesion Policy and the Recovery and Resilience Facility (RRF) to mobilise additional resources for STEP projects.
- **Enhancing the STEP Seal's role in unlocking alternative and complementary funding sources**, ensuring that both funded and non-funded projects can attract investment.
- **Strengthening the STEP Portal by integrating AI-powered tools** to make EU funding more accessible for businesses, researchers, and project promoters.

Beyond this, **STEP will continue to evolve as an instrument of EU industrial policy**. By maintaining strong coordination between EU programmes, Member States, and private investors, STEP will continue as one of the long-term drivers of Europe's competitiveness.

⁵² Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) 2021/694, (EU) 2021/695, (EU) 2021/697, (EU) 2021/1153, (EU) 2023/1525 and 2024/795, as regards incentivising defence-related investments in the EU budget to implement the ReArm Europe Plan (22 April 2025), available at: <https://eur-lex.europa.eu/legal-content/FR/TXT/?uri=CELEX%3A52025PC0188&qid=1745326390551>

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