

## **Strategic technologies for Europe platform (STEP)**

In the ever-intensifying global race for technological dominance, where artificial intelligence, 5G, and green technologies are key to technological advancement, the EU recognizes the need for a robust response. In this frame, the EU Commission initiated a strategy in 2020. The objective? To make the EU industry greener, more digital, and globally competitive, fortifying Europe's industrial and strategic autonomy.

Yet, the reality is that the EU has lagged behind other global players, such as China, in critical technologies. There's been a gap in innovation, production, and adoption. This led to the Commission's proposal for STEP, or the Strategic Technologies for Europe Platform. STEP is a response tailored to address the substantial investment needs of European industries, ensuring they not only catch up but also secure a leading position in the international arena.

You are listening to 'Raising the Game - Better Legislation'. In this episode, we're delving into STEP—the Strategic Technologies for Europe Platform. We will explore how STEP aims to strengthen EU sovereignty, reduce dependencies, and pave the way for a more competitive and resilient Europe in the ever-evolving landscape of technology.

Countries around the world are taking specific actions to support industries that focus on achieving net-zero emissions and advancing digital technologies. For instance, Canada introduced in 2023 the 'Made in Canada' plan, which includes a toolkit to invest in the clean economy. China is also determined to lead globally in both economic and technological aspects. They have the 'Made in China' 2025 industrial plan, aiming to enhance competitiveness by improving their position in global manufacturing, developing new technologies, and reducing reliance on foreign suppliers. The Strategic Technologies for Europe Platform follows up on this and directs funding to projects supporting the development and manufacturing of deep and digital technologies such as artificial intelligence and machine learning, clean technologies that encompass renewable energy sources such as solar and wind power, and biotechnologies such as biopharmaceuticals. Within the context of the green and digital transitions, STEP is also designed to assist the EU in reducing strategic dependencies, contributing to a more self-reliant and resilient technological landscape.

But how will the EU fund this investment initiative? STEP aims to leverage existing EU instruments by reprogramming funds and introducing an additional budget of €10 billion. The overall investment potential is reaching up to €160 billion. Mainly relying on existing EU funds, as emphasized by the Commission, brings three key advantages. It ensures quicker disbursement of funding, opens up enhanced possibilities for blending funding, and, ultimately, results in a more efficient use of EU funds. This financial injection is directed toward strategic projects that foster the development of digital, clean, and biotechnologies to address the challenges of green and digital transitions.

A unique feature of STEP is the 'Sovereignty Seal.' It's a quality label that the Commission will award to actions contributing to STEP objectives. Think of it as a stamp of excellence, certifying a project's meaningful contribution. It's not just a label, it's a tool to attract public and private investments. Another key component of STEP is the creation of a "Sovereignty Portal". This portal is a public website that serves as a bridge between potential investors and projects contributing to the green and digital transitions within the EU by showcasing projects that align with the strategic objectives of STEP and disseminating information about funding opportunities.

The Commission's proposal introducing STEP was assigned to the Committees on Budgets and Industry, Research, and Energy in the Parliament. These committees presented a report that was adopted by the Parliament during its second plenary session of October 2023. Parliament regretted that the Commission did not respect its commitment under the 2023 work programme to 'push to create a new European Sovereignty Fund'. However, Parliament acknowledged that even though the suggested STEP has a limited scope, it could show results faster by using existing programs and creating connections between them.

According to Parliament, STEP could serve as a trial for a comprehensive sovereignty fund in the next budget period.

In conclusion, STEP is more than just a funding mechanism. It's a structural response to the massive investment needs of EU industries. In the Commission's view, a common European industrial policy requires common European funding. STEP is a stride towards a more innovative, sustainable, and self-sufficient Europe. Looking ahead, STEP is a precursor to a broader initiative – the European Sovereignty Fund. This fund, proposed by the European Commission, aims to further strengthen Europe's industrial capabilities and attract private investment.

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