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

**Investing in the competitiveness and technological leadership of the EU**

{SWD(2025) 194 final}

# INTERIM EVALUATION OF THE STRATEGIC TECHNOLOGIES FOR EUROPE PLATFORM (STEP)

**Investing in the competitiveness and  
technological leadership of the EU**

Report from the Commission  
to the European Parliament and the Council

**This report provides an interim evaluation of the implementation of the Strategic Technologies for Europe Platform (STEP)<sup>1</sup> until March 2025.** Set up in March 2024 as part of the mid-term review of the current multiannual financial framework (MFF), **STEP is a key component of the EU's response to the growing challenges to its technological leadership and industrial resilience.** STEP is not a new funding programme adding to the already complex funding landscape<sup>2</sup>. **It is an innovative coordination platform,** steering EU investments **across 11 existing EU funding programmes<sup>3</sup>** to support critical strategic technologies in three sectors - digital and deep technologies, clean and resource-efficient technologies, and biotechnologies - targeting also shortages of skilled labour. The implementation of STEP relies on pooling investments under existing funds, awarding a **STEP (Sovereignty) Seal<sup>4</sup>** to high-quality projects and offering a **STEP (Sovereignty) Portal<sup>5</sup> to facilitate access to funding for project promoters.** STEP supports a wide range of beneficiaries, including small to medium-sized enterprises (SMEs), start-ups, research institutions and industrial players, to help them develop and scale up strategic technologies with **high innovation potential** or with the ability to **reduce the strategic dependencies of the EU.**

**The European Commission is adopting this interim evaluation on the implementation of STEP as required under Article 8 of the STEP Regulation<sup>6</sup>.** Although published at an early stage of STEP implementation - too early for a fully-fledged impact evaluation - this report serves to extract valuable initial lessons. These insights are intended to inform discussions on future spending programmes under the next MFF, as envisaged by the Regulation. In line with the requirements of the Better Regulation framework, the interim evaluation assesses how STEP is delivering against its objectives, based on the available evidence. It does so by considering the five evaluation criteria of effectiveness, efficiency, relevance, coherence and European added value. The staff working document that accompanies this report provides further evidence and background, building on a broad set of evidence sources, including a dedicated call for evidence, targeted outreach missions to Member States, and exchanges with national authorities, industry representatives, and research institutions.

**The evaluation found that significant strides have been made in steering EU funding resources to advance the EU's strategic objectives.** Member States have taken action to integrate STEP priorities into their cohesion policy programmes, with **approximately EUR 6.3 billion already mobilised** for STEP objectives<sup>7</sup>. In parallel, under EU funding programmes managed by the Commission, around **EUR 9.5 billion has been mobilised through targeted calls**, with over EUR 5.1 billion already awarded to selected projects. Furthermore, **190 STEP**

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<sup>1</sup> See [Strategic Technologies for Europe Platform - European Union \(STEP\)](#).

<sup>2</sup> The STEP Regulation does not provide for any additional financial allocation for STEP, except for a targeted reinforcement of EUR 1.5 billion to the European Defence Fund for STEP-related actions.

<sup>3</sup> The Innovation Fund, the Digital Europe Programme, the European Defence Fund, Horizon Europe (HE), EU4Health, the European Regional Development Fund, the European Social Fund Plus, the Just Transition Fund, the Cohesion Fund, the Recovery and Resilience Facility and InvestEU.

<sup>4</sup> See [STEP \(Sovereignty\) Seal](#).

<sup>5</sup> See [STEP \(Sovereignty\) Portal](#).

<sup>6</sup> The STEP Regulation (Article 8) requires that an interim evaluation be concluded by December 2025.

<sup>7</sup> As of 31 March 2025, the Commission had approved a total of 38 STEP-related cohesion policy programme amendments across 11 Member States.

**Seals** have been awarded to high-quality projects of strategic value for the EU<sup>8</sup>. Although it is **too early for a full assessment** and some **complexities have arisen in its implementation**, early indications suggest that **STEP is effectively steering existing EU funding resources towards critical sectors** essential for Europe's technological sovereignty.

**This report is structured as follows.** Section 1 assesses the progress made so far in implementing STEP, focusing on concrete results achieved on the ground. Section 2 looks at what has worked well and what could be improved, and identifies the key lessons learned so far. Section 3 summarises and concludes, outlining the way ahead.

## **1. The successful implementation of STEP is well under way**

**STEP has been integrated into the implementation of five EU programmes directly managed by the Commission: Horizon Europe, the Innovation Fund<sup>9</sup>, the European Defence Fund (EDF), the Digital Europe Programme (DEP), and EU4Health.** By March 2025, a total of 60 STEP-relevant calls for proposals and two calls for tenders had been launched across these programmes, aligning with STEP's objectives – totalling EUR 9.5 billion in funding. The calls under the Innovation Fund, supporting clean and resource-efficient technologies, accounted for the largest share. Other notable contributions included the European Innovation Council's dedicated STEP "Scaleup" call, providing equity-only investments to successful applicants. By the end of March 2025, about EUR 5.2 billion had already been allocated to selected projects across the three strategic sectors identified under STEP, with the majority of resources having been mobilised towards clean technologies. Support for the development of skills amounted to EUR 53 million, awarded under DEP to support advanced digital skills in critical technologies.

**Implementation of STEP through EU cohesion policy is progressing well at national and regional level in the Member States.** By the end of March 2025, Member States had demonstrated substantial interest in using cohesion policy resources to support STEP priorities. A total of 38 amendments to cohesion policy programmes had been submitted and approved by the Commission for the reallocation of EUR 6.3 billion to STEP-dedicated priorities. These amendments concerned programmes from 11 Member States<sup>10</sup>, in particular under the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+), and the Just Transition Fund (JTF). Investments in skills development – an essential part of the STEP objectives – accounted for about 15% of the allocation<sup>11</sup>. In addition, selected Member States<sup>12</sup> launched EUR 2 billion worth of calls for proposals targeting STEP-relevant investments, with EUR 148 million already allocated to actual projects and more allocations to take place gradually in the next months and years.

The figures reported as of end-March 2025 regarding allocations and funding awarded to STEP investments – including resources allocated or awarded to investments in skills development contributing to the achievement of the STEP objectives – should be understood as a snapshot in an ongoing process. More skills-focused initiatives can be expected to follow as STEP

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<sup>8</sup> This includes 11 STEP Seals awarded under the European Innovation Council on 3 April 2025.

<sup>9</sup> The fund is financed through revenues generated by the EU Emissions Trading System (ETS).

<sup>10</sup> France, Germany, Latvia, Lithuania, Romania, Italy, Spain, Denmark, the Netherlands, Austria and Poland.

<sup>11</sup> Data point accounting only for programmes with dedicated STEP priority axes or known amounts dedicated to STEP.

<sup>12</sup> Germany, Denmark, Italy, Latvia and Romania.



implementation continues. Building on these results, the identified financial resources allocated to STEP objectives are yet to materialise into the financing of actual projects in the targeted technology sectors. Where the projects were already selected for funding under STEP-relevant calls for proposals, their **implementation is expected to take place over the course of the next years. This limits the current possibility to assess STEP's success in supporting strategic technologies.**

**As of March 2025, no Member State had submitted amendments to its recovery and resilience plans (RRP) to add specific STEP priorities,** and no Member State had opted to transfer Recovery and Resilience Facility (RRF) resources to its InvestEU Member State compartment specifically for STEP-related investments<sup>1314</sup>. This can be explained by **timing constraints**, with STEP introduced more than halfway through the RRF's implementation schedule.

**To increase visibility and facilitate alternative and cumulative financing for projects, the Commission has awarded 190 STEP (Sovereignty) Seals to date.** The STEP Seal is meant to recognise projects of high quality and aligned with STEP objectives, whether they received funding or not (often because of insufficient overall funding available). The Seal does not in itself involve any guarantee that alternative or cumulative funding will be made available: **as of end-March 2025, STEP Seal projects had yet to receive funding** from EU cohesion policy resources or under the RRF. However, the first Seals were only awarded in October 2024, meaning that uptake of these could still happen in the months to come.

**The [STEP \(Sovereignty\) Portal](#), launched in April 2024, has acted as a single online hub for information on STEP-related funding and investment opportunities.** As of end of March 2025, the portal listed over [70 calls for proposals](#), across multiple sources of funding (cohesion policy, EU programmes managed by the Commission etc.). The STEP Portal features a [map with an overview of cohesion policy programme amendments adopted](#) and a [public database of projects awarded the STEP Seal](#), increasing transparency and providing a resource for public and private investors, including managing authorities of EU funds in the Member States. Technical preparations are ongoing to integrate an AI-powered simulator and a chatbot to help project promoters identify suitable EU funding opportunities.

Facing the challenge of implementing STEP in a consistent manner across 11 different EU programmes, a range of **coordination mechanisms have been created**. First, **a network of STEP national contact points (NCPs) was set up, with representatives appointed by all Member States**<sup>15</sup>. The network met five times between 2024 and early 2025, providing a forum for exchanging experiences, sharing good practices, and clarifying regulatory and operational aspects of STEP implementation. Second, an **interservice Commission network** involving 14

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<sup>13</sup> However, eight Member States (Bulgaria, Czechia, Finland, Greece, Malta, Romania, Spain and Portugal) have contributed to their InvestEU Member State compartments, five of them using RRF resources, for non-STEP specific objectives.

<sup>14</sup> Member States are allowed to allocate 6% of their RRF resources to the InvestEU Member State compartment for investments in STEP-relevant technologies. This is in addition to the existing option of transferring up to 4% of RRF funds to InvestEU for broader purposes, enabling a combined transfer of up to 10%. Member States are also required to consider as a priority STEP Seal-awarded projects when revising their RRFs. Furthermore, the STEP Seal must be considered by both the Commission and Member States in consultations on investments by the European Investment Bank (the main InvestEU partner) and during policy checks on investments by other InvestEU implementing partners.

<sup>15</sup> As of 31 March 2025, only Ireland had yet to appoint an NCP.

Directorates-General<sup>16</sup> meets regularly to align on funding priorities, share operational guidance and best practices, and oversee progress.

**In addition, the Commission issued several guidance documents**, including a formal Guidance Note on the scope of STEP<sup>17</sup>, a dedicated brochure for NCPs and managing authorities, and an updated notice on the amendment of RRP to incorporate STEP priorities. So far, the Commission has conducted technical missions to nine Member States (Germany, France, Estonia, Latvia, Lithuania, Romania, Slovenia, Portugal and Greece) to further support national implementation efforts.

## **2. STEP is well positioned to support strategic technologies in the EU, though implementation hurdles remain**

**STEP plays a tangible role in directing EU funding programmes towards strategic technologies – however, systemic challenges limit the full exploitation of its potential.** STEP has acted as a catalyst to **coordinate** existing instruments and steer them towards critical technologies in the digital and deep, clean, and biotech spheres, reorienting substantial financial resources within a short timeframe. Nevertheless, the multiplicity and diversity of EU funding programmes under STEP and designed prior to the establishment of STEP — each with distinct eligibility criteria, application procedures, timelines, and co-financing rates — constrain both the speed and the quality of STEP’s implementation, ultimately limiting its overall impact.

**While the STEP Seal has improved projects’ visibility, its impact on funding uptake is yet to be established.** This is driven by **timing issues**<sup>18</sup> and **practical obstacles**. The current regional distribution of the awarded STEP Seals across Member States shows a relative concentration in the more developed regions of the EU. The projects awarded a STEP Seal located in ‘less developed’ and ‘transition’ regions could, in principle, benefit from a comparatively larger share of cohesion policy resources. It has proven difficult to combine financial resources from different EU instruments in practice as they operate under different rules, including divergent assessment methods for eligible costs. Moreover, the State aid treatment of STEP projects varies depending on the type of project — projects covered by the STEP Regulation benefit only from a limited preferential regime<sup>19</sup>, — a factor which some national authorities have noted may limit their willingness to provide funding. Finally, the very nature of certain STEP Seal projects, involving large transnational consortia, complicates their potential uptake as it would require simultaneous support from multiple managing authorities.

**The STEP Portal has successfully offered simplified access to information on funding opportunities as a single-entry point.** However, its operations depend on separate application

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<sup>16</sup> Representatives of DG Budget; 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; the Legal Service; DG Regional and Urban Policy; DG Research and Innovation; DG Health and Food Safety; the Secretariat-General; and the Reform and Investment Task Force.

<sup>17</sup> 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>.

<sup>18</sup> The first STEP Seals were awarded only towards the end of the evaluation period.

<sup>19</sup> In June 2024, the Commission amended the Guidelines on regional State aid to raise the maximum aid intensities in assisted areas for projects falling within the scope of STEP – see [EUR-Lex - 52024XC03516 - EN - EUR-Lex](#).

systems. Planned improvements, such as the development of an AI-powered simulator, are expected to further improve its effectiveness. Information on grants and procurement actions under programmes managed directly by the Commission is available on the Funding & Tenders Portal. However, to date, there is no single entry point that displays the funding opportunities financed by the EU budget and managed by implementing partners, the Member States and regional authorities.

**STEP improved EU spending on critical technologies compared to the initial MFF set-up, but structural differences between programmes still prevent a fully integrated approach to the benefit of project promoters.** For instance, several Member States presented examples of projects that had been awarded the STEP Seal under the Innovation Fund but are potentially ineligible for support from the ERDF and the JTF because of regulatory provisions<sup>20</sup> – in the legal bases of funds – ruling out their use to finance installations covered by the Emissions Trading System (ETS)<sup>21</sup>. Such discrepancies reduce the capacity of STEP to act as a seamless bridge across management modes and underline the complexity of aligning different funding instruments post hoc.

**Strategically, STEP delivers European added value by concentrating resources and policy attention on sectors and projects of paramount importance for the EU's future competitiveness and economic security.** STEP provides an EU-wide framework to promote investments in critical technologies, although the regional concentration of STEP Seal projects in more developed areas reflects a potential challenge for inclusive impact.

**The relevance of STEP is confirmed by the evolving political agenda.** Commission initiatives under the Clean Industrial Deal<sup>22</sup> and the Competitiveness Compass<sup>23</sup> reflect a broad consensus on the need to support strategic technologies through focused, coordinated investments and actions. The proposed extension of STEP's scope to cover the defence sector<sup>24</sup> confirms its potential under the current MFF.

### **3. STEP will continue to deliver and inform future decision-making on EU funding**

**While still phasing in, STEP is on track to deliver on its objectives.** The platform has demonstrated the benefits of increased coordination of funding programmes around a targeted set of policy objectives. The STEP Portal is successfully positioned as a pilot initiative bringing STEP-relevant funding and investment opportunities into a single entry point for relevant stakeholders.

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<sup>20</sup> Article 7 of [Regulation \(EU\) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund](#) and Article 9 and Article 11(2), point (h), of [Regulation \(EU\) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund](#).

<sup>21</sup> On 1 April 2025, the Commission published a legislative proposal with targeted amendments to the regulatory framework for the cohesion policy funds, including allowing investments related to production, processing, transport, distribution, storage or combustion of fossil fuels, in operations that received a STEP Seal under the Innovation Fund and more support from the ERDF for decarbonisation projects awarded a STEP Seal (e.g. under the Innovation Fund) – available at [Info regio - A modernised Cohesion policy: The mid-term review](#).

<sup>22</sup> See [COM\(2025\) 85 final](#).

<sup>23</sup> See [COM\(2025\) 30 final](#).

<sup>24</sup> Proposal for a regulation incentivising defence-related investments in the EU budget to implement the ReArm Europe Plan, COM(2025) 188 final.



Despite these achievements, the evaluation underscores that STEP operates within the limits of a complex and rigid funding landscape, highlighting the need for continued coordination to facilitate the increasingly necessary strategic prioritisation in the future.

**Looking ahead, STEP's implementation activities continue to advance at full speed.** By March 2025, more cohesion policy programme amendments related to STEP had been submitted from across the EU. Their adoption and implementation will be a key focus in this new phase. Member States and the Commission will continue to launch calls for proposals and award funding to STEP-relevant projects. The increasing number of STEP Seals awarded by the Commission, combined with increased financial resources earmarked for STEP purposes at national level, provide a pipeline of high-quality projects for investors. Achieving STEP's ambitions by the end of the current MFF in 2027 will require **sustained efforts and continuous commitment from both Member States and the Commission**. To this end, the Commission will continue exploring ways to assist Member States in implementing STEP and to enhance complementarities among EU funding instruments.

**In this second phase of implementation, STEP could benefit from a larger scope and increased incentives.** In April 2025, the Commission proposed to introduce a fourth sector under STEP - defence - and to expand the financial incentives available under STEP for cohesion policy. These novelties were introduced in the proposal for a regulation incentivising defence-related investments in the EU budget<sup>25</sup> and in the proposal for a regulation in the context of cohesion mid-term review<sup>26</sup>. The texts are now currently being negotiated between EU institutions.

At this stage, further **amendments to the functioning of STEP are not envisaged** – also considering the implementation time that would be needed to see possible benefits under a temporary instrument expiring at the end of the current MFF (end-2027). **Still, many of the lessons learned from STEP and its limitations in addressing existing challenges may inform the design of the future MFF, as was envisaged in the STEP Regulation, in particular regarding the design of the future EU funding for competitiveness and economic convergence.** Some of the key objectives of STEP - such as strengthened coordination and integration across EU funding instruments and simplified access to funding for beneficiaries with simpler rules and a single entry point - could inspire the design of the next MFF instruments.

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<sup>25</sup> See [EUR-Lex - 52025PC0188 - EN - EUR-Lex](#).

<sup>26</sup> See [Inforegio - A modernised Cohesion policy: The mid-term review](#).