EU Funding for Critical Technologies: Special Session on the STEP Initiative

Summary

EU Clusters Talks
3 July 2024, 8:30 – 9:45 CET

An initiative of the European Union

EU Funding for Critical Technologies: Special Session on the STEP Initiative

The European Cluster Collaboration Platform, on behalf of the European Commission, organised the EU Clusters Talk "EU Funding for Critical Technologies: Special Session on the STEP Initiative" on 3 July, 8:30 – 9:45 CET, to present the Strategic Technologies for Europe Platform, discuss challenges in accessing EU funding, and hear about interesting advancements in digital and deep innovation tech, clean and resource efficient tech, and bio tech.

Agenda of the meeting

Moderation: Zivile Kropaite

1. News from the European Cluster Collaboration Platform
2. Introduction to STEP: policy background, funding opportunities, and demo of the platform
   Benoit Esmanne, Task Force Member STEP, DG BUDG, European Commission
3. Panel debate
   Kädi Ristkok, CEO, Cleantech Estonia and Cleantech for Baltics
   Margot Jehle, Project Lead, BioRegio STERN Management
   Anton Bauer, Senior Business Developer, Austrian Centre of Industrial Biotechnology
4. Funding opportunities

Key messages

- The STEP initiative aims to optimize existing EU funds by supporting critical sectors and improving access by simplifying the application process.
- Biotech, clean teach and deep tech are well supported by STEP and increased funding is needed for emerging areas like adaptation technologies, circular economy and bio-manufacturing.
- Private investment is essential alongside public funding to bridge the investment gap for the green and digital transitions.
- The STEP seal aims to streamline funding by allowing projects to transition between sources without restarting the process. The creation of National Contact Points across Member States will support this effort.
- Ongoing dialogue and improvement are necessary as STEP evolves, with a focus on creating user-friendly tools and addressing the complexity of current funding processes to encourage broader participation

1. News from the European Cluster Collaboration Platform

After the introduction by moderator Zivile Kropaite, the following news items were presented:

1. Invitation to join the Info Session on 11 July of the C2Lab in Strasbourg, on 25-26 September 2024.
2. Invitation to register for the next Cluster Booster Academy
3. Save the date for further Clusters meet Regions events taking place in 2024.
4. Apply for EU-Singapore Matchmaking, on 22-24 October 2024.
5. Apply for EU-India Matchmaking, on 19-21 November 2024 in the context of the Bengaluru Tech summit 2024

2. Introduction to STEP

Benoit Esmanne, Task Force Member STEP, DG BUDG, European Commission

Benoit Esmanne presented the new portal **Strategic Technologies for Europe Platform** (**STEP**), which is an initiative that has been recently launched by the European Commission and designed to improve access to EU funding in response to recent crises like COVID-19, the energy crisis, and the Russia-Ukraine war, highlighting the need to reduce external dependencies, strengthen EU industry competitiveness and boost investment in development and manufacturing of **critical technologies** in the EU.

STEP is not a new fund but aims to use existing funds more efficiently to support three critical sectors: **digital technologies and deep-tech** innovation, **clean tech**, and **biotech**. The initiative seeks to raise and steer funding from 11 existing EU programmes and encourage better coordination between different funding levels, including those managed by Member States and regions.

One of the key features of STEP is its focus on supporting manufacturing and industrial capacities, particularly in these critical technologies, to strengthen value chains. The STEP portal has been developed to provide users with a demand-driven approach to finding relevant funding opportunities, allowing companies to receive tailored funding options based on their specific needs. The portal aims also to simplify the process and prevent good projects from being wasted due to misalignment with available funds through the **STEP Seal** tool. The seal will be given to exceptional projects that could not be funded due to budget limits under a certain programme in order to give them a competitive advantage in another funding programme. Additionally, the Commission will have a service-oriented team to support the STEP sectors.

During the presentation and demonstration of how the portal operates, it was emphasized that the STEP regulation provides financial incentives for Member States to reallocate funds to STEP sectors, with Denmark being the first country to do so. The portal is still in its early stages, with plans to include more functionalities by the end of the year. Benoit Esmanne encouraged cluster managers to engage with the portal, provide feedback, and help their members access the funding opportunities available through STEP. He highlighted that the goal is to create a tailored, user-friendly platform,

with plans to integrate more funding opportunities and improve the portal by early 2025. This future version would include AI support to help users to easily identify relevant funding opportunities and allow companies to find the best-suited funding options for their projects, rather than forcing projects to fit existing funding.

3. Panel debate

The panellists discussed their visions and approaches in relation to EU funding for critical technologies today, their needs and what challenges they are facing. They also provided feedback to the STEP portal and the STEP Seal.

Kädi Ristkok discussed the significance of the STEP initiative for clean tech companies in Estonia and the Baltic region, highlighting that it addresses key challenges such as access to **knowledge about available funds** and the complexities of the application process. While acknowledging that STEP is a positive step towards equitable funding access, the panelists noted that more awareness and marketing are needed to inform companies and other stakeholders about this opportunity, as many are still unaware of the initiative.

She also discussed the collaborative efforts of Cleantech Estonia and Cleantech for Baltics in promoting clean technologies at both national and EU levels. She stressed that while the focus of STEP on decarbonization and energy technologies is crucial, there is also a **need to support adaptation technologies and circular economy initiatives**, which are currently underfunded.

Finally, it was pointed out by this panellist, the broader need for a European clean tech investment plan, as the current investments fall short of what is required, particularly for smaller Member States. She expressed concern that without a more coherent plan, the clean technology development may become concentrated in larger Member States, posing risks to security and a **balanced clean transition** across Europe.

As a cluster organization, BioRegio STERN aims to support companies by minimizing their involvement in the application process, allowing them to benefit from EU funding without the burdensome time investment. Therefore, Margot Jehle appreciated that **STEP simplifies access to funding**, making it easier for cluster organizations to assist SMEs.

She highlighted the critical need for **investment in biotechnology**, particularly in bio-manufacturing, where companies are striving to establish independent value chains within Europe. She also emphasized the importance of supporting new approach methodologies, such as in vitro and in silico methods, which could eventually replace animal testing.

Anton Bauer put emphasis on the importance of the STEP initiative, highlighting its potential to streamline funding processes and support the growth of biotech and clean tech companies. He shared his experience with EU funding as a co-founder of biotech startups, noting past frustrations with the Seal of Excellence, which was not recognized by national funding agencies, resulting in lost time and resources. The speaker appreciated **STEP Seal** efforts to address these issues by ensuring that recognized projects do not have to start the application process from scratch, thereby speeding up access to funding. For it to be successful, the seal needs to be recognised on all levels and by all entities providing funding.

Anton Bauer also stressed the need for greater **mobilization of private capital** in the EU, to support startups and scale-ups. He argued that while public money is essential, private investment is crucial for the biotech and clean tech sectors to compete globally. Additionally, he pointed out the difficulty in securing funding for market-oriented academic projects that have not yet reached the company formation stage. He suggested that STEP could be instrumental in providing quick access to pre-seed funding for these projects, helping them transition into viable startups.

Benoit Esmanne agreed with this point and emphasized the importance of private investment alongside public funds to close the investment gap necessary for the green and digital transition within the EU. He mentioned ongoing efforts to involve a **network** of private investors, viewing the STEP seal as a pipeline of projects for potential funding.

He also highlighted the establishment of a **network of National Contact Points** in almost every EU Member State to streamline this process and minimize obstacles. Additionally, Benoit Esmanne discussed the need to better connect industry stakeholders with public authorities to align support with emerging technologies, particularly in biotech, deep tech, and clean tech.

He reiterated that STEP is still in its pilot phase and encouraged ongoing **dialogue** between the industry and the European Commission to improve future funding mechanisms.

4. Funding opportunities

Closing the EU Clusters Talk, Nina Hoppmann shared the following examples of funding opportunities:

1. [Call for proposal to support innovative manufacturing technologies & processes in the Union for medicines production](#); deadline 5 September 2024
2. [Experimentation and exchange of good practices for value creation](#); deadline 25 December 2024
3. [Bringing available and actionable solutions for climate adaptation to the knowledge of the regions and local authorities](#); deadline 18 September 2024
4. [Design for adaptability, re-use and deconstruction of buildings, in line with the principles of circular economy (Built4People Partnership);](#) deadline 19 September 2024
5. Opportunities for SMEs: Calls from Euroclusters; published on [European Cluster Collaboration Platform](#)

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