



TIF's position on the Strategic Technologies for Europe Platform (STEP) proposed by the European Commission

The European Union has since 2020 experienced a series of crises and challenges. Decisive actions are needed to boost investments in Europe. The implications of the changes in the global business environment need to be thoroughly assessed and considered when deciding on the foci, amount, and use of EU funding for the years ahead.

A critical review of the effectiveness of the existing EU instruments and their contribution to achieving the key EU goals and objectives is essential. Reliable analyses of the benefits achieved by retargeting or increasing MFF 2021-2027 funds and of the need to redesign or even close some existing funding instrument(s) would be a good starting point for a launch of any new EU instrument. An increasing number of EU instruments makes it more challenging for businesses, especially SMEs, to take advantage of them.

STEP's purpose to create synergies is well-appreciated.

We endorse the Commission's proposal to pursue better synergies between the different EU funding instruments as well as the funding instruments and actions of the Member States and regions. A major part of the desired investments needs to originate from the private sector. It is therefore important that companies and industry will be engaged at an early stage in the prioritization and design of European investments in strategic technologies.

We support the idea of a digital portal as a platform bringing together all funding opportunities under the EU existing instruments. The platform could also provide information of major national investments including the ones benefitting from the temporarily relaxed EU state aid rules. A digital portal would make it easier for companies across Europe to get involved in European, cross-regional, and national initiatives and tap appropriate funding opportunities. The platform would also improve the transparency of the use of EU funding.

Similarly, we support the proposal to set up one-stop-shop within the Commission. Before bringing into use a new Sovereignty Seal to qualified STEP-projects it would be useful to assess how effective the existing EU Seals used already in some EU funding instruments have been in attracting private or public funding.

Focus on research and innovation and Europe's long-term competitiveness.

In view of the changes in the global business environment strengthening the functioning of Single Market is the most important priority. STEP-instrument needs to be designed in the way that it supports European and cross-border investments and sharing and scaling best solutions across regions and Europe.

Deep and digital technologies, clean technologies and biotechnologies are areas of great potential for Europe. To remain competitive and chase global leadership in these areas the focus of STEP should be in reinforcing investments in research and innovation including demonstrations and piloting. In well-justified cases public support could be extended, for a set period only, up to the first industrial deployment phase of strategic new technologies where Europe has a competitive edge. STEP-instrument should not be linked to a further extension of the temporarily relaxed EU state aid rules. Most importantly, there should be no room in STEP to further increase cohesion funding or include a cohesion element in European programs such as Horizon Europe or Innovation Fund.



With respect to the objectives to reduce strategic dependencies we find that a more systemic approach is needed taken into account technology integration. Labelling of specific single technologies as strategic on this basis is therefore demanding endorsing the use of excellence as the main criteria for the selection.

Our key messages regarding the funding of STEP are:

- Focus on investments in research and innovation and target possible additional funding to boost private investments in RDI.
- Use the criteria of the existing programs such as Horizon Europe, Innovation Fund etc. to evaluate STEP initiatives. Excellence and expected impact should be the key criteria used in the evaluation of STEP initiatives. Use the involvement and investment of companies as a main indicator for assessment of the expected impact.
- Budgetary reinforcement of the European Innovation Council (EIC) should not happen at the expense of Pillar II within Horizon Europe. Extend the proposed increase of the Horizon Europe financial envelope also to Pillar II.
- Keep Innovation Fund as an instrument funded solely through the ETS, having open European level calls and a clear focus and purpose.
- STEP should not become a new cohesion policy instrument. Possible additional funds for STEP should not be earmarked based on GDP/capita. Instead, consider together with Member States pooling part of the cohesion funds for STEP initiatives to be selected through open competitive calls at a European or European macro-region level. In a longer run renew the governance of the European cohesion funds based on a thorough evaluation and preparation with the aim to improve the outcome, effectiveness, and transparency of the funds.
- Provide flexibility to retarget existing RFF and cohesion funds to support RDI, capabilities and skills development in deep and digital technologies, clean technologies, and biotechnologies.
- In addition to SMEs open up the ERDF for mid-cap companies (instead of large ones).
- A financial contribution from the private sector should be a precondition for all STEP-initiative. Therefore, we support the proposal to increase EU co-financing to 100 % only if the STEP-initiative has also attracted private funding.



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