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THE EUROPEAN PARLIAMENT

THE COUNCIL

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Subject: REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the Strategic Technologies for Europe Platform (STEP), and amending Directive 2003/87/EC and Regulations (EU) 2021/1058, (EU) 2021/1056, (EU) 2021/1057, (EU) No 1303/2013, (EU) No 223/2014, (EU) 2021/1060, (EU) 2021/523, (EU) 2021/695, (EU) 2021/697 and (EU) 2021/241

REGULATION (EU) 2024/...
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of ...

**establishing the Strategic Technologies for Europe Platform (STEP),
and amending Directive 2003/87/EC and Regulations (EU) 2021/1058, (EU) 2021/1056,
(EU) 2021/1057, (EU) No 1303/2013, (EU) No 223/2014, (EU) 2021/1060, (EU) 2021/523,
(EU) 2021/695, (EU) 2021/697 and (EU) 2021/241**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 164 and 173, Article 175, third paragraph, Articles 176, 177 and 178, Article 182(1) and Article 192(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure³,

¹ OJ C, C/2023/866, 08.12.2023, ELI: <http://data.europa.eu/eli/C/2023/866/oj>.

² OJ C, C/2023/1331, 22.12.2023, ELI: <http://data.europa.eu/eli/C/2023/1331/oj>.

³ Position of the European Parliament of 27 February 2024 (not yet published in the Official Journal) and decision of the Council of

Whereas:

- (1) Strengthening the competitiveness and resilience of the European economy through the green and digital transformations has been the Union's compass over recent years. The green and digital transitions, anchored in the European Green Deal, set out in the Commission communication of 11 December 2019 entitled 'The European Green Deal', and the Digital Decade Policy Programme 2030 established by Decision (EU) 2022/2481 of the European Parliament and of the Council⁴, spur growth and the modernisation of the Union's economy, opening up new business opportunities and helping the Union to gain a competitive advantage on the global markets. The European Green Deal sets out the roadmap for making the Union's economy climate-neutral and sustainable in a fair and inclusive manner, tackling climate- and environmental-related challenges. The Digital Decade Policy Programme 2030 sets out a clear direction for the digital transformation of the Union and for the delivery of digital targets at Union level by 2030, in particular concerning digital skills, digital infrastructures, and the digital transformation of businesses and public services.

⁴ Decision (EU) 2022/2481 of the European Parliament and of the Council of 14 December 2022 establishing the Digital Decade Policy Programme 2030 (OJ L 323, 19.12.2022, p. 4).

(2) The Union's industry has proven its inbuilt resilience but its competitiveness must also be ensured in the future. High inflation, labour shortages, post-COVID supply chain disruptions, Russia's war of aggression against Ukraine, rising interest rates, and increases in energy costs and input prices are weighing on the competitiveness of the Union's industry and have highlighted the importance for the Union to secure its open strategic autonomy and reduce its strategic dependence on third countries in various sectors. Those pressures on the Union's industry are paired with strong, but not always fair, competition on the fragmented global market. The Union has already launched several initiatives to support its industry, such as the Green Deal Industrial Plan, set out in the Commission communication of 1 February 2023 entitled 'A Green Deal Industrial Plan for the Net-Zero Age', a Regulation of the European Parliament and of the Council establishing a framework for ensuring a secure and sustainable supply of critical raw materials (the 'Critical Raw Materials Act'), a Regulation of the European Parliament and of the Council establishing a framework of measures for strengthening Europe's net-zero technology products manufacturing ecosystem (the 'Net-Zero Industry Act'), the new Temporary Crisis and Transition Framework for State aid, set out in the Commission communication of 17 March 2023 entitled 'Temporary Crisis and Transition Framework for State aid measures to support the economy following the aggression against Ukraine by Russia', the European Union Recovery Instrument established by Council Regulation (EU) 2020/2094⁵ and Regulation (EU) 2023/435 of the European Parliament and of the Council⁶. While those solutions provide fast, targeted and, in some cases, temporary support, the Union needs a more structural answer to the investment needs of its industries, safeguarding cohesion, creating quality jobs, and preserving the level playing field in the internal market, while facilitating access to funding. The Union should work to prevent relocation, to transfer production facilities of critical technologies back from third countries, and to attract new facilities to prevent strategic dependencies.

⁵ Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis (OJ L 433 I, 22.12.2020, p. 23).

⁶ Regulation (EU) 2023/435 of the European Parliament and of the Council of 27 February 2023 amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulations (EU) No 1303/2013, (EU) 2021/1060 and (EU) 2021/1755, and Directive 2003/87/EC (OJ L 63, 28.2.2023, p. 1).

- (3) The internal market has brought significant economic, social and political advantages to the entire Union, including its citizens and businesses. While those benefits are widely recognised, it is imperative to continue finding solutions to further harness its untapped societal potential. The internal market must remain adaptable in the face of evolving geopolitical dynamics, technological advancements, and the green and digital transitions, while fostering the resilience of health systems in the face of an ageing population and contributing to enhancing the Union's long-term competitiveness and productivity.
- (4) The deployment and scaling up in the Union of digital technologies and deep tech innovation, clean and resource-efficient technologies, and biotechnologies will be essential for the purpose of reducing the Union's strategic dependencies, and seizing the opportunities and meeting the objectives of the green and digital transitions, thus ensuring the sovereignty and strategic autonomy of the Union and promoting the competitiveness and sustainability of the Union's industry. Therefore, immediate action is required to support the development and manufacturing in the Union of critical technologies, which constitute the Union's primary strategic deficiencies. Developing and manufacturing critical technologies, builds upon the value chains of interlinked economic actors, operating across firms of different sizes, including small and medium-sized enterprises (SMEs), sectors and borders. Therefore, the Union should also safeguard and strengthen the value chains of those critical technologies and their associated services that are critical for and specific to the activities of developing or manufacturing those critical technologies, thereby reducing the Union's strategic dependencies and preserving the integrity of the internal market, and should address existing labour and skills shortages in those sectors through life-long learning, education, training projects and apprenticeships and the creation of attractive quality jobs accessible to all.

- (5) To qualify as critical, technologies should be required either to bring an innovative element with a significant potential to the internal market, or to contribute to reducing or preventing the strategic dependencies of the Union. When assessing the economic potential of critical technologies to the internal market, account should be taken of the fact that measures carried out in a single Member State can have spillover effects in other Member States. When assessing whether a technology contributes to reducing or preventing the strategic dependencies of the Union, account should be taken of the analysis carried out at Union level to identify the risks which have potential effects on the entire Union. The Commission should issue guidance on how the technologies in the three sectors within the scope of this Regulation could be considered to be critical, as well as the conditions on the basis of which those technologies can qualify as critical, in order to promote a common interpretation of the projects, companies and sectors to be supported under the relevant programmes in light of the common strategic objectives of the relevant programmes and this Regulation. In that guidance the Commission should also clarify the notion of value chain and associated services that are critical for and specific to the development or manufacturing of the final products. That guidance should be without prejudice to other guidance on specific programmes.

- (6) There is a need to support critical technologies in the following sectors: digital technologies and deep tech innovation, clean and resource-efficient technologies, and biotechnologies. Deep tech innovation should be understood to be those that have the potential to deliver transformative solutions, rooted in cutting-edge science, technology and engineering, including innovation that combines advances in the physical, biological and digital spheres. Digital technologies should include, in particular, those that contribute to the targets and objectives of the Digital Decade Policy Programme 2030, as well as multi-country projects as defined in Decision (EU) 2022/2481. Clean and resource-efficient technologies should include, in particular, net-zero technologies as defined in the Net-Zero Industry Act. Biotechnologies should be understood to be the application of science and technology to living organisms, as well as parts, products and models thereof, to alter living or non-living materials for the production of knowledge, goods and services, including the technologies referred to in the statistical definition of biotechnology of the Organisation for Economic Cooperation and Development, as well as the Union List of Critical Medicines as referred to in the Commission communication of 24 October 2023 entitled ‘Addressing medicine shortages in the EU’ and their components. Projects recognised as strategic under the Net-Zero Industry Act, where those projects comply with the criteria of resilience and competitiveness defined in the Net-Zero Industry Act, and under the Critical Raw Materials Act should be automatically deemed to contribute to the objectives of this Regulation. Digital technologies and deep tech innovation, clean and resource-efficient technologies and biotechnologies which are the subject of an important project of common European interest (IPCEI) approved by the Commission pursuant to Article 107(3), point (b), of the Treaty of the Functioning of the European Union (TFEU) should be deemed critical, and individual projects within the scope of such an IPCEI should be eligible for funding, in accordance with the rules of the relevant programme, to the extent that the identified funding gap and the eligible costs have not yet been completely covered.

- (7) Strengthening the development and manufacturing capacity of technologies in the Union will not be possible without a sizeable skilled workforce. However, labour and skills shortages, which have increased in all sectors including those considered key for the green and digital transitions, are expected to increase further in light of demographic change and endanger the rise of technologies in the relevant sectors identified in this Regulation. It is therefore necessary to boost the participation of more people in the labour market of the relevant sectors, in particular through investments in learning and life-long learning, the enhancement of relevant skills and the creation of quality jobs and apprenticeships for young and disadvantaged persons who are not in employment, education or training. Such support will complement a number of other actions that have the aim of meeting the skills needs stemming from the green and digital transitions outlined in the EU Skills Agenda set out in the Commission communication of 1 July 2020 entitled ‘European Skills Agenda for sustainable competitiveness, social fairness and resilience’. Those actions have an important role to play in promoting a mindset of reskilling and upskilling, boosting the competitiveness of Union undertakings, in particular SMEs, and contributing to the creation of quality jobs with a view to realising the full potential of the green and digital transitions in a socially fair, inclusive and just manner.

- (8) The scale of investment needed for the green and digital transition requires a full mobilisation of funding available under existing Union programmes, including those granting a budgetary guarantee for financing and investment operations and implementation of financial instruments and blending operations. Such funding should be deployed in a more flexible manner, to provide timely and targeted support for critical technologies in strategic sectors. Therefore, a Strategic Technologies for Europe Platform (STEP) should be set up in order to contribute to providing an answer to Union investment needs by helping to better channel the existing Union funds towards critical investment, including in Union-wide and cross-border projects, that have the aim of supporting the development or manufacturing of critical technologies in strategic sectors, while preserving a level playing field in the internal market, preserving cohesion and that have the aim of achieving a geographically balanced distribution of projects financed under the STEP in accordance with the respective programme mandates.
- (9) When implementing programmes and activities under this Regulation, the Commission and Member States are encouraged to promote and prioritise projects in Net-Zero Acceleration Valleys as defined in the Net-Zero Industry Act, projects in territories included in the territorial Just Transition Plan referred to in Regulation (EU) 2021/1056 of the European Parliament and of the Council⁷, and in less-developed and transition regions, as well as in more developed regions in Member States whose average GDP per capita is below the EU-27 average measured in purchasing power standards and calculated on the basis of Union figures for the period 2015 to 2017.

⁷ Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1).

- (10) The STEP should mobilise resources within the existing Union programmes, including InvestEU established by Regulation (EU) 2021/523 of the European Parliament and of the Council⁸, Horizon Europe established by Regulation (EU) 2021/695 of the European Parliament and of the Council⁹, the European Defence Fund established by Regulation (EU) 2021/697 of the European Parliament¹⁰ and the Innovation Fund established by Directive 2003/87/EC of the European Parliament and of the Council¹¹, the European Regional Development Fund (ERDF) and the Cohesion Fund established by Regulation (EU) 2021/1058 of the European Parliament and of the Council¹², the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057 of the European Parliament and of the Council¹³,

⁸ Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30).

⁹ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1).

¹⁰ Regulation (EU) 2021/697 of the European Parliament and of the Council of 29 April 2021 establishing the European Defence Fund and repealing Regulation (EU) 2018/1092 (OJ L 170, 12.5.2021, p. 149).

¹¹ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

¹² 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 (OJ L 231, 30.6.2021, p. 60).

¹³ Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (OJ L 231, 30.6.2021, p. 21).

the Just Transition Fund (JTF) established by Regulation (EU) 2021/1056 of the European Parliament and of the Council¹⁴, the Recovery and Resilience Facility established by Regulation (EU) 2021/241 of the European Parliament and of the Council¹⁵, the EU4Health Programme established by Regulation (EU) 2021/522 of the European Parliament and of the Council¹⁶, and the Digital Europe Programme established by Regulation (EU) 2021/694 of the European Parliament and of the Council¹⁷. Resources mobilised with those Union programmes should be accompanied by additional funding of EUR 1,5 billion to the European Defence Fund for projects that contribute to the STEP objectives.

¹⁴ Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1).

¹⁵ Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17).

¹⁶ Regulation (EU) 2021/522 of the European Parliament and of the Council of 24 March 2021 establishing a Programme for the Union's action in the field of health ('EU4Health Programme') for the period 2021-2027, and repealing Regulation (EU) No 282/2014 (OJ L 107, 26.3.2021, p. 1).

¹⁷ Regulation (EU) 2021/694 of the European Parliament and of the Council of 29 April 2021 establishing the Digital Europe Programme and repealing Decision (EU) 2015/2240 (OJ L 166, 11.5.2021, p. 1).

- (11) A Sovereignty Seal should be awarded to projects contributing to the STEP objectives, provided that the project has been assessed and complies with the minimum quality requirements, in particular eligibility, exclusion and award criteria, provided in calls for proposals under Horizon Europe, the European Defence Fund, the Innovation Fund, the EU4Health Programme or the Digital Europe Programme, regardless of whether the project has received funding under one of those instruments. Those minimum quality requirements are established with a view to identifying high-quality projects. The Sovereignty Seal should be awarded in line with the specific eligibility conditions defined in the calls for proposals under the programmes concerned, which may include geographical limitations, if appropriate and foreseen in the respective legislative acts governing those programmes. When preparing the scope of the calls for proposals that could be awarded a Sovereignty Seal, the Commission should include, where appropriate, the requirement for project proposals to indicate how they are expected to contribute to the strengthening and structuring of local networks of industrial actors and to job creation. Those calls should, where possible and appropriate, be continuously open. The Sovereignty Seal should be used as a quality label, to help projects attract public and private investments by certifying its contribution to the objectives of STEP. Moreover, the Sovereignty Seal should promote better access to Union funding, in particular by facilitating cumulative or combined funding from several Union instruments. Member States should also be encouraged to take into account the Sovereignty Seal when granting financial support through their own programmes.

- (12) To that end, it should be possible to rely on assessments made for the purposes of other Union programmes in accordance with Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council¹⁸, in order to reduce the administrative burden for beneficiaries of Union funds and encourage investment in priority technologies. Provided that they comply with the provisions of Regulation (EU) 2021/241, Member States should consider including projects that have been awarded the Sovereignty Seal when revising their recovery and resilience plans and should be able to consider including projects when deciding on investment projects to be financed from their share of the Modernisation Fund established pursuant to Directive 2003/87/EC. The Sovereignty Seal should also be taken into account by the Commission in the context of the procedure provided for in Article 19 of Protocol No 5 on the Statute of the European Investment Bank annexed to the Treaty on European Union (TEU) and the TFEU (the ‘EIB Statute’) and of the policy check laid down in Regulation (EU) 2021/523. In addition, the implementing partners should be required to examine projects that have been awarded the Sovereignty Seal where they fall within their geographic and activity scope in accordance with that Regulation. Authorities in charge of the programmes that fall within the scope of this Regulation should consider supporting strategic projects recognised in accordance with the Net-Zero Industry Act and the Critical Raw Materials Act that fall within the scope of this Regulation and for which rules on cumulative funding could apply.

¹⁸ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

- (13) The STEP should be implemented in an effective, efficient, fair and transparent manner. To that end, the Commission should be charged with the awarding and promotion of the Sovereignty Seal, with the management of a new publicly available website (the ‘Sovereignty Portal’) and with liaising with national competent authorities and stakeholders that are relevant to achieve the STEP objectives. The Commission should also promote consistency, coherence, synergy and complementarity among Union programmes to support projects contributing to the STEP objectives.
- (14) The Sovereignty Portal should be set up by the Commission to provide information on available support for projects contributing to the STEP objectives. To address the needs of companies and project promoters seeking funds for STEP projects under Union funding programmes, the Sovereignty Portal should display in an accessible and user-friendly manner the funding opportunities for STEP investments available under the Union budget. That should include information about directly managed Union programmes, such as Horizon Europe, the European Defence Fund, the Innovation Fund, the EU4Health Programme, the Digital Europe Programme and other Union funding sources, such as InvestEU, the Recovery and Resilience Facility, the ERDF, the Cohesion Fund, the ESF+ and the JTF. Moreover, the Sovereignty Portal should help increase the visibility for STEP investments towards investors, by listing the projects that have been awarded a Sovereignty Seal. The Sovereignty Portal should also list the national competent authorities responsible for acting as contact points for the implementation of the STEP at national level. The Commission should ensure the complementarity of the Sovereignty Portal with similar platforms and avoid overregulation and administrative burden.

- (15) The Commission should monitor the implementation of the STEP objectives to track progress towards the Union's policy objectives. That monitoring should be conducted in a manner that is targeted and proportionate to the activities carried out under the STEP to avoid overregulation and administrative burden, in particular for the beneficiaries of funding. In order to ensure accountability to Union citizens, the Commission should report annually to the European Parliament and to the Council on the progress of the implementation of the STEP objectives under the respective programmes, on the overall expenditure of the STEP broken down by programme, and on the performance of the STEP based on the performance indicators provided for by those programmes. Where available, information should be provided on the STEP's qualitative and quantitative contribution to cross-border projects and to projects per Member State.
- (16) While the STEP relies on the reprogramming and reinforcement of existing programmes for supporting strategic investments, and reducing the Union's strategic dependencies, it is also an important element for testing the feasibility and preparation of possible new interventions to support sovereignty and competitiveness in strategic sectors and to strengthen the Union's industrial policy. The STEP should in particular serve as a basis for considering possible similar actions, such as a European Sovereignty Fund.

- (17) The Commission should carry out an interim evaluation of this Regulation, in which it should assess the relevance of the actions undertaken under this Regulation in reducing the Union’s strategic dependencies and in strengthening its autonomy. It should also assess the feasibility of expanding the Sovereignty Portal to combine all existing publicly available websites and provide information on Union programmes under direct, shared and indirect management in a single portal as well as the feasibility of setting up a simulator to provide guidance to project promoters on the Union programmes or funds for which their particular project could be eligible.
- (18) The Innovation Fund supports investments in innovative low-carbon technologies, which fall within the scope of this Regulation. The Innovation Fund will therefore be instrumental in supporting the development or manufacturing in the Union of critical clean and resource-efficient technologies. When designing and implementing calls for proposals or competitive bidding under the Innovation Fund, the Commission should consider projects recognised as strategic under the Net-Zero Industry Act, which are deemed to contribute to the STEP objectives.

- (19) In order to extend possibilities for supporting investments that have the aim of strengthening industrial development and reinforcement of value chains in strategic sectors, the scope of support from the ERDF should be extended by providing for new specific objectives under the ERDF, without prejudice to the rules on eligibility of expenditure and climate spending laid down in Regulation (EU) 2021/1058 and Regulation (EU) 2021/1060 of the European Parliament and of the Council¹⁹. In strategic sectors, it should also be possible to support productive investments in enterprises other than SMEs, while preserving a focus on SMEs, that could make a significant contribution to the development of less developed and transition regions, as well as in more developed regions of Member States with a GDP per capita below the EU-27 average. Managing authorities are encouraged to promote the collaboration between large enterprises and local SMEs, supply chains, innovation and technology ecosystems. That would allow for the reinforcement of the Union's overall capacity to strengthen its position in those sectors by providing access to all Member States for such investments, thus counteracting the risk of increasing disparities. The resources programmed for those new specific objectives should be limited to a maximum of 20 % of the initial national allocation of the ERDF in accordance with Regulation (EU) 2021/1060.

¹⁹ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159)

- (20) In order to keep a high level of ambition in meeting climate objectives in cohesion policy, while at the same time allowing for flexibility between the Cohesion Fund and the ERDF, the amount of the climate contribution of the Cohesion Fund that exceeds 37 % of its total allocation should be allowed to be taken into account when calculating the climate contribution of the ERDF on the one hand and the amount of the climate contribution of the ERDF that exceeds 30 % of its total allocation should be allowed to be taken into account when calculating the climate contribution of the Cohesion Fund on the other.
- (21) The scope of support of the JTF should also be extended to cover investments in technologies covered by this Regulation and to address shortages of labour and skills that are necessary to realise those investments, contributing to the STEP objectives by large enterprises while preserving a focus on SMEs, provided that such investments are compatible with the expected contribution to the transition to climate neutrality as set out in the territorial just transition plans in accordance with Regulation (EU) 2021/1056. The support provided to those investments should not require a revision of the territorial just transition plan where that revision would be exclusively linked to the gap analysis justifying the investment from the perspective of job creation. In the context of support for enterprises other than SMEs, consideration should also be given to investments contributing to the creation of apprenticeships and jobs or providing education or training for new skills.
- (22) The ESF+, which is the main Union Fund for investment in people, provides a key contribution to promote the development of skills. In order to facilitate the use of the ESF+ for the STEP objectives, it should be possible to use the ESF+ to cover investments that have the aim of achieving a skilled and resilient workforce ready for the future world of work.

(23) In order to help accelerate investments and provide immediate liquidity for investments supporting the STEP objectives under the ERDF, the ESF+ and the JTF, an additional amount of exceptional pre-financing should be provided in the form of a one-off payment with respect to the priorities dedicated to investments supporting the STEP objectives. The additional pre-financing should apply to the whole of the JTF allocation given the need to accelerate its implementation and the strong links of the JTF to support Member States towards the STEP objectives. The rules applicable to those amounts of exceptional pre-financing should be consistent with the rules applicable to pre-financing provided for in Regulation (EU) 2021/1060. Moreover, to further incentivise the uptake of those investments and ensure their faster implementation, the possibility for an increased maximum Union co-financing rate of 100% should be available for the STEP priorities. When implementing the STEP objectives, managing authorities should be encouraged to apply certain social criteria and promote social positive outcomes, such as creating apprenticeships and quality jobs for young disadvantaged persons, in particular young persons not in employment, education or training, applying the social award criteria set out in the Directives 2014/23/EU²⁰, 2014/24/EU²¹ and 2014/25/EU²² of the European Parliament and of the Council, where a project is implemented by a body subject to those Directives, and paying the applicable wages as agreed through collective bargaining.

²⁰ Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts (OJ L 94, 28.3.2014, p. 1).

²¹ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

²² Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).

- (24) Regulation (EU) 2021/1060 should be amended in order for projects that have been awarded a Sovereignty Seal to be able to benefit from better access to Union funding, in particular by facilitating cumulative or combined funding from several Union instruments. To that end, it should be possible for managing authorities to grant support from the ERDF or the ESF+ directly, for operations that have been awarded a Sovereignty Seal.
- (25) In order to reduce the administrative burden and to ensure a timely deployment of the STEP, it should be possible, by way of derogation from the applicable rules, to exclude from the mid-term review of the ERDF, the ESF+, the Cohesion Fund and the JTF provided for in Regulation (EU) 2021/1060 priorities that have been included to address investments contributing to the STEP objectives. It should be possible for such programme amendments to definitively allocate the totality or part of the flexibility amount for the years 2026 and 2027. The Commission should approve programme amendments that are exclusively related to the introduction of priorities contributing to the STEP objectives and submitted by 31 August 2024, within two months of their submission by a Member State. Moreover, it should also be possible to introduce any corresponding amendments to the Partnership Agreements referred to in Regulation (EU) 2021/1060 and have them approved in an expedited way by the Commission.

- (26) The regulatory framework for the implementation of the 2014-2020 programmes has been adapted over the past years to provide Member States and regions with additional flexibility in terms of implementation and more liquidity to tackle the effects of the COVID-19 pandemic and Russia's war of aggression against Ukraine. Those measures, introduced at the end of the programming period, require sufficient time and administrative resources to be fully exploited and implemented, in particular at a time where Member States focus resources on revising the 2021-2027 operational programmes linked to the STEP objectives. With a view to alleviating the administrative burden on programme authorities and to prevent possible loss of funds at the time of closure for purely administrative reasons, the deadlines for the administrative closure of the programmes under the 2014 - 2020 period in Regulations (EU) No 1303/2013²³ and (EU) No 223/2014²⁴ of the European Parliament and of the Council should be extended. More specifically, the deadline for the submission of the final payment application should be extended by 12 months. Furthermore, the deadline for the submission of the closure documents should also be extended by 12 months. In the context of those amendments, it is appropriate to clarify that distribution of food and material bought until the end of the eligibility period (end of 2023) should be allowed to continue after that date.

²³ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320).

²⁴ Regulation (EU) No 223/2014 of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid to the Most Deprived (OJ L 72, 12.3.2014, p. 1).

In order to ensure a sound implementation of the Union budget and respect for the payment ceilings, payments to be made in 2025 should be capped per programme at 1 % of the financial appropriations from resources under the multiannual financial framework for the years 2021 to 2027, laid down in Council Regulation (EU, Euratom) 2020/2093²⁵.

Amounts due that exceed the ceiling of 1 % of programme appropriations per fund for 2025 should not be paid in 2025 nor in subsequent years but only used for the clearance of pre-financing. Unused amounts should be decommitted in accordance with Regulation (EU) No 1303/2013 at the time of closure. In order to ensure that the outermost regions can make full use of support from the funds covered by this Regulation, it should be clarified that, for the purposes of the flexibility provided in Regulation (EU) No 1303/2013, the additional special allocations for the outermost regions should be considered to be part of the ERDF allocation to the same category of region as the outermost region concerned. Despite different eligibility rules applicable to the additional special allocation, it should be possible also to apply that flexibility between the additional special allocation and other ERDF allocations to the same category of regions within a programme.

²⁵ Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433 I, 22.12.2020, p. 1).

- (27) The flexibilities provided for the 2014 - 2020 programming period have helped Member States in their crisis response and recovery efforts, and have helped them face the additional strain on public budgets caused by Russia's war of aggression against Ukraine. In order to allow Member States to deal with continued budget pressure, in line with the possibility provided for in Regulation (EU) No 1303/2013, the extension of the possibility to apply a Union co-financing rate of 100 % to cohesion programmes should be retroactively provided for the final accounting year from 1 July 2023 to 30 June 2024, where a Member State notifies the Commission before the submission of the final application for an interim payment for the final accounting year, in accordance with budget appropriations and subject to available funding.

(28) InvestEU is the Union's flagship programme to boost investment, especially the green and digital transition, by providing demand-driven financing, including through blending mechanisms, and technical assistance. That approach contributes to the crowding in of additional public and private capital under the current policy windows. To ensure a full absorption of available funds and provided that implementing partners do not have sufficient capacity to absorb the 25 % of the EU guarantee established by Regulation (EU) 2021/523 that is earmarked for them, the Commission should be able to grant more than 75 % of the EU guarantee to the EIB Group. In that context, the Commission should encourage and assist the implementing partners other than the EIB Group to absorb the funding that is available to them in full. Member States are encouraged to contribute to the Member State compartment of InvestEU to support financial products in line with the STEP objectives under the current policy windows, without prejudice to applicable State aid rules. It should be possible for Member States to include as a measure in their recovery and resilience plans a cash contribution for the purpose of the Member State compartment of InvestEU to support STEP objectives under the current policy windows. That additional contribution to support STEP objectives should be allowed to reach up to 6 % of their recovery and resilience plan's total financial allocation to the Member State compartment of InvestEU. Additional flexibility and clarifications should also be introduced to better pursue the STEP objectives. For projects contributing to the STEP objectives, best efforts should be made to ensure that, at the end of the investment period, a wide range of sectors and regions are covered and excessive sectoral or geographical concentration is avoided.

(29) Horizon Europe is the Union’s key funding programme for research and innovation, and the European Innovation Council (EIC) provides for support, in particular for innovations with breakthrough potential and of a disruptive nature with scale-up potential that may be too risky for private investors. Additional flexibility should be provided for under Horizon Europe, so that the EIC Accelerator can provide equity-only support to non-bankable SMEs, including start-ups, and non-bankable small mid-caps, carrying out innovation, in particular to those working on the technologies supported by the STEP, regardless of whether they previously received other types of support from the EIC Accelerator. The implementation of the financial instrument which is the part of the EIC Accelerator that provides investment through equity or other repayable form (the ‘EIC Fund’) is currently limited to a maximum investment amount of EUR 15 million except in exceptional cases and cannot accommodate follow-up financing rounds or larger investment amounts. Allowing for equity-only support for non-bankable SMEs and small mid-caps would address the existing market gap, in particular for investment needs in the range of EUR 15 to 50 million. Moreover, experience has shown that the amounts committed for the EIC Pilot under Horizon 2020 established by Regulation (EU) No 1291/2013 of the European Parliament and of the Council²⁶ are not fully used. Regulation (EU) 2021/695 should also be amended to reflect the increased envelope for the European Defence Fund.

²⁶ Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006 (OJ L 347, 20.12.2013, p. 104).

- (30) The EIC plays a pivotal role in offering initial funding to fast-growing start-ups and small mid-caps. With its specialised knowledge, the EIC is ideally positioned to enhance funding opportunities for companies seeking capital for scaling up beyond the initial innovation stage. Considering the central role of the EIC Fund for the success of the STEP, the legislative provisions on the functioning of the EIC should be clarified.
- (31) The European Defence Fund is the leading programme for enhancing the competitiveness, innovation, efficiency and technological autonomy of the Union's defence industry, thereby contributing to the Union's open strategic autonomy. The development of defence capabilities is crucial, as it underpins the capacity and the autonomy of the Union's industry to develop defence products and the independence of Member States as the end users of such products. An additional envelope should therefore be made available to support projects contributing to the development of defence applications within the scope of this Regulation.

- (32) Since the objectives of this Regulation, namely to strengthen the Union's sovereignty and security, accelerate its green and digital transitions, enhance its competitiveness and reduce its strategic dependencies cannot be sufficiently achieved by the Member States, but can rather be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary to achieve those objectives,

HAVE ADOPTED THIS REGULATION:

Chapter 1

STEP

Article 1

Subject matter

1. This Regulation establishes a Strategic Technologies for Europe Platform (STEP) to support critical and emerging strategic technologies and their respective value chains in relevant sectors.
2. This Regulation lays down the objectives of the STEP, the amount of financial support available under the STEP, and rules for the implementation of the Sovereignty Seal and Sovereignty Portal as well as for reporting on the STEP objectives.

Article 2
STEP objectives

1. In order to ensure Union sovereignty and security, reduce the Union's strategic dependencies in strategic sectors, strengthen the Union's competitiveness by strengthening its resilience and productivity and by mobilising financing, favour a level playing field for investments in the internal market, foster cross-border participation, including of SMEs, strengthen economic, social and territorial cohesion and solidarity among Member States and regions and promote inclusive access to attractive quality jobs by investing in the skills of the future and making its economic, industrial and technological base fit for the green and digital transitions, the STEP shall pursue the following objectives:
 - (a) supporting the development or manufacturing of critical technologies throughout the Union, or safeguarding and strengthening their respective value chains as referred to in paragraph 3, in the following sectors:
 - (i) digital technologies, including those contributing to the targets and objectives of the Digital Decade Policy Programme 2030, multi-country projects as defined in Article 2, point (2), of Decision (EU) 2022/2481, and deep tech innovation;
 - (ii) clean and resource efficient technologies, including net-zero technologies as defined in the Net-Zero Industry Act;

- (iii) biotechnologies, including medicinal products on the Union list of critical medicines and their components;
 - (b) addressing shortages of labour and skills critical to all kinds of quality jobs in support of the objective set out in point (a), in particular through life-long learning, education and training projects, including the European Net-Zero Industry Academies established pursuant to the relevant provision of the Net-Zero Industry Act, and in close cooperation with social partners and education and training initiatives already in place.
2. The technologies referred to in paragraph 1, point (a), shall be deemed critical where they meet either of the following conditions:
- (a) they bring to the internal market an innovative, emerging and cutting-edge element with significant economic potential;
 - (b) they contribute to reducing or preventing strategic dependencies of the Union.
3. The value chain for the development or manufacturing of critical technologies referred to in paragraph 1, point (a), of this Article relates to final products, as well as to specific components and specific machinery primarily used for the production of the final products and critical raw materials set out in an annex to the Critical Raw Materials Act, and to associated services critical for and specific to the development or manufacturing of those final products.

By way of derogation from the first subparagraph of this paragraph, the value chain for the development or manufacturing of technologies that fall within the scope of the Net-Zero Industry Act and that are technologies referred to in paragraph 1, point (a)(ii) of this Article, relates to final products, as well as to specific components and specific machinery primarily used for the production of the final products, as defined in the Net-Zero Industry Act and to associated services critical for and specific to the development or manufacturing of those final products.

4. Strategic projects recognised in accordance with the relevant provision of the Net-Zero Industry Act that comply with the criteria on resilience or the criteria on competitiveness of the Net-Zero Industry Act shall be deemed to contribute to the STEP objective referred to in paragraph 1, point (a)(ii).
5. Strategic projects recognised in accordance with the relevant provision of the Critical Raw Materials Act shall be deemed to contribute to the STEP objective referred to in paragraph 1, point (a).
6. Where an important project of common European interest (IPCEI) approved by the Commission pursuant to Article 107(3), point (b), TFEU relates to any of the technology referred to in paragraph 1, point (a), of this Article, the relevant technologies shall be deemed critical.

7. By ... [two months from the date of entry into force of this Regulation], the Commission shall issue guidance on how the technologies in the sectors referred to in paragraph 1, point (a), of this Article can be considered critical as well as on how to meet the conditions set out in paragraph 2 of this Article. In that guidance the Commission shall clarify the notion of value chain and associated services critical for and specific to the development or manufacturing of the final products referred to in paragraph 3 of this Article. That guidance shall be reviewed, where appropriate, in light of the interim evaluation report referred to in Article 8.

Article 3

Financial Support

1. Financial support for the implementation of the STEP shall be provided from existing Union programmes.
2. To reinforce the ability to achieve the STEP objectives, an amount of EUR 1 500 000 000 in current prices of the financial envelope referred to in Article 4(1) of Regulation (EU) 2021/697 shall support the implementation of the STEP. That amount shall be implemented in accordance with that Regulation and shall be used with the aim of achieving the STEP objectives.

Article 4

Sovereignty Seal, combined and cumulative funding

1. The Commission shall award a Sovereignty Seal to any project contributing to any of the STEP objectives, provided that the project has been assessed and complies with minimum quality requirements, in particular eligibility, exclusion and award criteria, provided for in a call for proposals under Regulation (EU) 2021/522, (EU) 2021/694, (EU) 2021/695, or (EU) 2021/697, or under Commission Delegated Regulation (EU) 2019/856²⁷.
2. A call for proposals as referred to in paragraph 1 may include geographical limitations and shall, where appropriate, in accordance with the relevant sector-specific Union legislation, include obligations to respect working and employment conditions under applicable Union and national law, International Labour Organization conventions and collective agreements.
3. The Sovereignty Seal shall be used as a quality label, in particular for the purposes of:
 - (a) receiving support for the project under another Union programme in accordance with the rules applicable to that programme; or
 - (b) financing the project through cumulative or combined funding with another Union instrument in accordance with the rules applicable to those instruments.

²⁷ Commission Delegated Regulation (EU) 2019/856 of 26 February 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council with regard to the operation of the Innovation Fund (OJ L 140, 28.5.2019, p. 6).

4. When revising their recovery and resilience plans in accordance with Regulation (EU) 2021/241, Member States shall, without prejudice to the provisions of that Regulation, consider as priority projects those projects that have been awarded a Sovereignty Seal pursuant to paragraph 1 of this Article.
5. When deciding on investment projects to finance from their respective shares of the Modernisation Fund in accordance with Article 10d of Directive 2003/87/EC, Member States may consider as priority projects for critical clean and resource-efficient technologies those projects that have been awarded a Sovereignty Seal in accordance with paragraph 1 of this Article. In addition, Member States may decide to grant national support to projects that have been awarded a Sovereignty Seal and contribute to the STEP objective referred to in Article 2(1), point (a)(ii), of this Regulation.
6. In accordance with Regulation (EU) 2021/523, the Sovereignty Seal shall be taken into account in the context of the procedure provided for in Article 19 of the EIB Statute and of the policy check laid down in Article 23(3) of that Regulation. In addition, the implementing partners shall examine in a timely manner projects that have been awarded the Sovereignty Seal where they fall within their geographic and activity scope as laid down in Article 26(5) of Regulation (EU) 2021/523.

7. Strategic projects recognised in accordance with the relevant provisions of the Net-Zero Industry Act and the Critical Raw Materials Act that fall within the scope of Article 2 of this Regulation and that receive a contribution under the programmes referred to in Article 3 of this Regulation may also receive a contribution from any other Union programme, including funds under shared management, provided that those contributions do not cover the same costs. The rules of the relevant Union programme shall apply to the corresponding contribution to the strategic project. The cumulative funding shall not exceed the total eligible costs of the strategic project. The support from the different Union programmes may be calculated on a pro rata basis in accordance with the documents setting out the conditions for support.
8. The award of a Sovereignty Seal and the provision of cumulative funding shall be without prejudice to applicable State aid rules and to the Union's international obligations.
9. The Sovereignty Seal shall be valid for the period of implementation of the project to which it was awarded and shall cease to be valid if that project has not started within five years of the award, or the project has been relocated outside the Union.

Article 5
Implementation of the STEP

In order to implement the STEP, the Commission shall, in particular:

- (a) promote the Sovereignty Seal referred to in Article 4(1), in particular to enhance the visibility of projects that have been awarded the Sovereignty Seal and of projects that have received funding under the ERDF, the Cohesion Fund, the ESF+ or the JTF;
- (b) set up and manage the Sovereignty Portal referred to in Article 6, in particular to bring all Union funding opportunities closer to potential beneficiaries and enhance transparency towards Union citizens;
- (c) liaise with national competent authorities designated in accordance with Article 6(4), and other relevant stakeholders, with a view to coordinating and exchanging information about the financial needs, existing bottlenecks and best practices in access to funding within the scope of this Regulation;
- (d) foster contacts across the sectors of the technologies referred to in Article 2, making particular use of existing industrial alliances, networks and structures, including the Net-Zero Europe Platform established by the Net-Zero Industry Act and the European Critical Raw Materials Board established by the Critical Raw Materials Act;
- (e) promote consistency, coherence, synergy and complementarity among Union programmes to support projects contributing to the STEP objectives.

Article 6
Sovereignty Portal

1. The Commission shall set up a dedicated publicly available website (the ‘Sovereignty Portal’), providing information about funding opportunities for projects linked to the STEP objectives and enhancing the visibility of those projects, in particular by displaying the following information:
 - (a) information about Union programmes within the scope of this Regulation and ongoing and upcoming calls for proposals and calls for tenders linked to the STEP objectives under those respective programmes;
 - (b) details of projects that have been awarded a Sovereignty Seal in accordance with Article 4;
 - (c) details of projects that have been recognised as strategic projects under the Net-Zero Industry Act and the Critical Raw Materials Act, to the extent that they fall within the scope of Article 2 of this Regulation;
 - (d) details of projects supporting the STEP objectives that have been selected for support under the ERDF, the Cohesion Fund, the ESF+ or the JTF, to the extent that they have been communicated to the Commission in accordance with paragraph 5 of this Article;
 - (e) contacts of the national competent authorities designated in accordance with paragraph 4;

2. The Sovereignty Portal shall also display information about the implementation of the STEP and information in relation to Union budget expenditure as referred to in Article 7, as well as information about the performance indicators defined under the respective programmes.
3. The Sovereignty Portal shall be launched on ... [the date of the entry into force of this Regulation] and shall be updated by the Commission on a regular basis.
4. By ... [three months from the date of entry into force of this Regulation], each Member State shall designate a single national competent authority to act as its main point of contact for the implementation of the STEP at national level.
5. Where available, the national competent authorities referred to in paragraph 4 of this Article shall communicate details of projects supporting the STEP objectives that have been selected for support under the ERDF, the Cohesion Fund, the ESF+ or the JTF to the Commission for display on the Sovereignty Portal.

Article 7

Monitoring and annual reporting

1. The Commission shall monitor the implementation of the STEP and measure the achievement of the STEP objectives, on the basis of the monitoring frameworks of the Union programmes referred to in Article 3. The monitoring of the implementation shall be targeted and proportionate to the activities carried out under the STEP.

2. The Commission shall ensure that data for monitoring the implementation of the activities carried out under the STEP are collected efficiently, effectively and in a timely manner. To that end, recipients of Union funding shall contribute with data for monitoring based on existing reporting requirements, where necessary and in a proportionate manner.
3. The Commission shall submit an annual report to the European Parliament and to the Council on the implementation of the STEP and shall make that report publicly available.
4. The annual report shall include consolidated information on the progress made in the implementation of the STEP objectives under each of the programmes referred to in Article 3, including, where available, qualitative and quantitative information on the STEP's support per Member State and on cross-border projects.
5. The annual report shall also include the following information:
 - (a) overall expenditure of the STEP broken down by programme;
 - (b) the performance of the STEP based on the performance indicators defined in the respective programmes;
 - (c) an overview of the contribution of the STEP to the Union's strategic objectives in ensuring long-term competitiveness;
 - (d) an analysis of the geographical and technological distribution of the projects that have been awarded the Sovereignty Seal.

Article 8
Evaluation of the STEP

1. By 31 December 2025, the Commission shall provide the European Parliament and the Council with an interim evaluation report on the implementation of the STEP, for the purpose of informing future decision-making.
2. The interim evaluation report shall, in particular, assess to which extent the objectives of the STEP have been achieved, the efficiency of the use of the resources and its European added value.

The interim evaluation report shall also:

- (a) provide an overview of the Union regions for which the cohesion programmes have been amended in compliance with the partnership principle;
- (b) consider the relevance of the STEP objectives and actions, including the critical technologies supported by the STEP;
- (c) 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; and

- (d) assess the feasibility of setting up a simulator to provide project promoters, especially SMEs, with guidance on the Union funding opportunities for which their particular project might be eligible.
3. Where appropriate, the interim evaluation report shall be accompanied by a legislative proposal for an amendment of this Regulation with the aim of reducing the Union's strategic dependencies and strengthening Union industrial policy, while ensuring the proper functioning of the internal market, avoiding market distortions and creating a level playing field in the Union, or by legislative proposals for other initiatives that pursue similar objectives.
 4. At the end of the implementation of the Union programmes by which the STEP is financially supported, but no later than 31 December 2031, the Commission shall provide the European Parliament and the Council with a final evaluation report on the implementation of the STEP, building on all elements included in the interim evaluation report and summarising the elements provided in the annual reports referred to in Article 7.

Chapter 2

Amendments

Article 9

Amendment to Directive 2003/87/EC

In Article 10a(8) of Directive 2003/87/EC, the following subparagraph is inserted after the fifth subparagraph:

‘When designing and implementing calls for proposals or competitive bidding under the Innovation Fund, the Commission shall consider strategic projects recognised in accordance with a regulation of the European Parliament and of the Council establishing a framework of measures for strengthening Europe’s net-zero technology products manufacturing ecosystem, which are deemed to contribute to the objectives of the Strategic Technologies for Europe Platform (STEP) in accordance with Article 2(4) of Regulation (EU) 2024/... of the European Parliament and of the Council⁺. Member States shall consider providing support from the European Regional Development Fund and the Cohesion Fund established by Regulation (EU) 2021/1058 of the European Parliament and of the Council^{**} and the Just Transition Fund established by Regulation (EU) 2021/1056 to projects in their territory in the context of financial mechanisms developed under the Innovation Fund, such as the ‘auction-as-a-service’ scheme.

* Regulation (EU) 2024/... of the European Parliament and of the Council of ... on ... (OJ L ..., ELI: ...).

** Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development and on the Cohesion Fund (OJ L 231, 30.6.2021, p. 60).’.

+ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)) and insert the number, date, title and OJ reference of that Regulation in the footnote.

Article 10
Amendments to Regulation (EU) 2021/1058

Regulation (EU) 2021/1058 is amended as follows:

(1) Article 3 is amended as follows:

(a) in paragraph 1, point (a), the following point is added:

‘(vi) supporting investments contributing to the objectives of the Strategic Technologies for Europe Platform (STEP) referred to in Article 2 of Regulation (EU) 2024/... of the European Parliament and of the Council^{**}.

* Regulation (EU) 2024/... of the European Parliament and of the Council of ... on ... (OJ L ..., ELI: ...).’;

(b) in paragraph 1, point (b), the following point is added:

‘(ix) supporting investments contributing to the STEP objective referred to in Article 2(1), point (a)(ii), of Regulation (EU) 2024/...⁺⁺.

⁺ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)) and insert the number, date, title and OJ reference of that Regulation in the footnote.

⁺⁺ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)).

(c) the following paragraph is inserted:

‘1a The resources under the specific objective referred to in paragraph 1, points (a)(vi) and (b)(ix), shall be programmed under dedicated priorities corresponding to the respective policy objective and shall be limited to a maximum of 20 % of the initial national allocation of the ERDF.

The Commission shall pay 30 % of the allocation to the priorities referred to in the first subparagraph of this paragraph as set out in the decision approving the programme amendment as exceptional one-off pre-financing in addition to the yearly pre-financing for the programme provided for in Article 90(1) and (2) of Regulation (EU) 2021/1060 or in Article 51(2), (3) and (4) of Regulation (EU) 2021/1059 of the European Parliament and of the Council*. That exceptional pre-financing shall be paid within 60 days of the adoption of the Commission decision approving the programme amendment, provided that the programme amendment is submitted to the Commission by 31 March 2025.

In accordance with Article 90 (5) of Regulation (EU) 2021/1060 and Article 51(5) of Regulation (EU) 2021/1059, the amount paid as exceptional pre-financing shall be cleared from the Commission accounts no later than with the final accounting year.

In accordance with Article 90(6) of Regulation (EU) 2021/1060, any interest generated by the exceptional pre-financing shall be used for the programme concerned in the same way as the ERDF and shall be included in the accounts for the final accounting year.

In accordance with Article 97(1) of Regulation (EU) 2021/1060, the exceptional pre-financing shall not be suspended.

In accordance with Article 105(1) of Regulation (EU) 2021/1060, the pre-financing to be taken into account for the purposes of calculating amounts to be de-committed shall include the exceptional pre-financing paid.

By way of derogation from Article 112 of Regulation (EU) 2021/1060, the maximum co-financing rates for dedicated priorities established to support the STEP objectives shall be 100 %.

* Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments (OJ L 231, 30.6.2021, p. 94).’;

(2) Article 5 is amended as follows:

(a) in paragraph 2, the following point is added:

‘(e) when they contribute to the specific objective under PO 1 set out in Article 3(1), point (a)(vi), or to the specific objective under PO 2 set out in Article 3(1), point (b)(ix), in less developed and transition regions, as well as more developed regions in Member States whose average GDP per capita is below the EU-27 average measured in purchasing power standards and calculated on the basis of Union figures for the period 2015-2017, while preserving a focus on SMEs.’;

(b) in paragraph 2, the following subparagraph is added:

‘Point (e) shall apply to Interreg programmes where the geographical coverage of the programme within the Union consists exclusively of categories of regions set out in that point.’;

(c) the following paragraph is inserted:

‘3a. In order to contribute to the specific objectives under PO 1 set out in Article 3(1), point (a)(vi), and under PO 2 set out in point (b)(ix) of that subparagraph, the ERDF shall also support training, life-long learning, reskilling and education activities.’;

(3) in Annex I, Table I is amended as follows:

(a) under policy objective 1, the following row is added:

	(vi) supporting investments contributing to the STEP objectives referred to in Article 2 of Regulation (EU) 2024/... ⁺	Any RCO listed for specific objectives (i), (iii) and (iv) RCO125 Firms: Enterprises supported linked primarily to digital technologies and deep tech innovation productive investments RCO126 Firms: Enterprises supported linked primarily to clean and resource-efficient technologies productive investments RCO127 Firms: Enterprises supported linked primarily to biotechnologies productive investments [These indicators are to be reported as subsets of RC001-RCO04]	Any RCR listed for specific objectives (i), (iii) and (iv)
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⁺ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)).

(b) under policy objective 2, the following row is added:

	(ix) supporting investments contributing to the STEP objectives referred to in Article 2(1), point (a)(ii) of Regulation (EU) 2024/... ⁺	Any RCO listed for specific objectives (i), (iii), (iv) and (vi) under policy objective 1 RCO125 Firms: Enterprises supported linked primarily to digital technologies and deep tech innovation productive investments RCO126 Firms: Enterprises supported linked primarily to clean and resource efficient technologies productive investments RCO127 Firms: Enterprises supported linked primarily to biotechnologies productive investments [These indicators are to be reported as subsets of RC001-RCO04]	Any RCR listed for specific objectives (i), (iii) and (iv) under policy objective 1
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⁺ Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)).

(4) in Annex II, the table is amended as follows:

(a) under policy objective 1, the following row is added:

‘

	(vi) supporting investments contributing to the STEP objectives referred to Article 2 of Regulation (EU) 2024/... ⁺	Any CCO listed for specific objectives (i), (iii) and (iv) under policy objective 1	Any CCR listed for specific objectives (i), (iii) and (iv) under policy objective 1
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’;

(b) under policy objective 2, the following row is added:

‘

	(ix) supporting investments contributing to the STEP objectives referred to Article 2(1), point (a)(ii) of Regulation (EU) 2024/... ⁺	Any CCO listed for specific objectives (i), (iii) and (iv) under policy objective 1	Any CCR listed for specific objectives (i), (iii) and (iv) under policy objective 1
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⁺ Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)).

Article 11
Amendments to Regulation (EU) 2021/1056

Regulation (EU) 2021/1056 is amended as follows:

- (1) Article 2 is replaced by the following:

‘Article 2

Specific objective

In accordance with the second subparagraph of Article 5(1) of Regulation (EU) 2021/1060, the JTF shall contribute to the specific objective of enabling regions and people to address the social, employment, economic and environmental impacts of the transition towards the Union’s 2030 targets for energy and climate and a climate-neutral economy of the Union by 2050, based on the Paris Agreement. The JTF may also support investments contributing to the objectives of the Strategic Technologies for Europe Platform (STEP) referred to in Article 2 of Regulation (EU) 2024/... of the European Parliament and of the Council*+.

* Regulation (EU) 2024/... of the European Parliament and of the Council of ... on ... (OJ L..., ELI: ...).’;

+ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)) and insert the number, date, title and OJ reference of that Regulation in the footnote.

(2) in Article 8(2), the following subparagraph is added:

‘The JTF may also support productive investments in enterprises other than SMEs, while preserving a focus on SMEs, contributing to the STEP objectives referred to in Article 2 of Regulation (EU) 2024/...⁺. That support may be provided irrespective of whether the gap analysis was carried out in accordance with point (h) of Article 11(2) of this Regulation and irrespective of its outcome. Such investments shall only be eligible where they do not lead to relocation as defined in point (27) of Article 2 of Regulation (EU) 2021/1060. The provision of such support shall not require a revision of the territorial just transition plan where that revision would be exclusively linked to the gap analysis. Apprenticeships and jobs, education or training for new skills shall be considered in the selection process.’;

(3) in Article 10, the following paragraph is added:

‘4. The Commission shall pay 30 % of the JTF allocation, including amounts transferred in line with Article 27 of Regulation (EU) 2021/1060, to a programme as set out in the decision approving the programme as exceptional one-off pre-financing in addition to the yearly pre-financing for the programme provided for in Article 90(1) and (2) of that Regulation. That exceptional pre-financing shall be paid as from ... [date of entry into force of this amending Regulation].

⁺ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)).

In accordance with Article 90(5) of Regulation (EU) 2021/1060, the amount paid as exceptional pre-financing shall be cleared from the Commission accounts no later than with the final accounting year.

In accordance with Article 90(6) of Regulation (EU) 2021/1060, any interest generated by the exceptional pre-financing shall be used for the programme concerned in the same way as the JTF and shall be included in the accounts for the final accounting year.

In accordance with Article 97(1) of Regulation (EU) 2021/1060, the exceptional pre-financing shall not be suspended.

In accordance with Article 105(1) of Regulation (EU) 2021/1060, the pre-financing to be taken into account for the purposes of calculating amounts to be de-committed shall include the exceptional pre-financing paid.

By way of derogation from Article 112 of Regulation (EU) 2021/1060, the maximum co-financing rates for dedicated priorities established to support the STEP objectives shall be 100 %.’

Article 12
Amendment to Regulation (EU) 2021/1057

The following article is inserted in Regulation (EU) 2021/1057

‘Article 12a

Support for the STEP objectives

1. Member States may use the ESF+ to provide support to the objectives of the Strategic Technologies for Europe Platform (STEP) referred to in Article 2(1), point (b) of Regulation .../...⁺, under the relevant specific objectives set out in Article 4(1) of this Regulation, including by supporting the development of skills in net-zero technologies, inter alia those based on learning programmes created by European Skills Academies, as well as the training of young people and the skilling, upskilling and reskilling of workers in net-zero technologies.

⁺ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)) and insert the number, date, title and OJ reference of that Regulation in the footnote.

2. In addition to the pre-financing for the programme provided for in Article 90(1) and (2) of Regulation (EU) 2021/1060, where the Commission approves an amendment of a programme including one or more priorities dedicated to operations supported by the ESF+ contributing to the STEP objectives referred to in Article 2 of Regulation (EU) 2024/...⁺, it shall make an exceptional pre-financing of 30 % on the basis of the allocation to those priorities. That exceptional pre-financing shall be paid within 60 days of the adoption of the Commission decision approving the programme amendment, provided that the programme amendment is submitted to the Commission by 31 March 2025.

In accordance with Article 90(5) of Regulation (EU) 2021/1060, the amount paid as exceptional pre-financing shall be cleared from the Commission accounts no later than with the final accounting year.

In accordance with Article 90(6) of Regulation (EU) 2021/1060, any interest generated by the exceptional pre-financing shall be used for the programme concerned in the same way as the ESF+ and shall be included in the accounts for the final accounting year.

In accordance with Article 97(1) of Regulation (EU) 2021/1060, the exceptional pre-financing shall not be suspended.

In accordance with Article 105(1) of Regulation (EU) 2021/1060, the pre-financing to be taken into account for the purposes of calculating amounts to be de-committed shall include the exceptional pre-financing paid.

⁺ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)).

By way of derogation from Article 112 of Regulation (EU) 2021/1060, the maximum co-financing rate for dedicated priorities established to support the STEP objectives shall be 100 %.

* Regulation (EU) 2024/... of the European Parliament and of the Council of ... on ... (OJ L..., ELI: ...).’.

Article 13

Amendments to Regulation (EU) 2021/1060

Regulation (EU) 2021/1060 is amended as follows:

(1) in Article 2, point (45) is replaced by the following:

‘(45) “Seal of Excellence” means the quality label attributed by the Commission in respect of a proposal, which shows that the proposal which has been assessed in a call for proposals under a Union instrument is deemed to comply with the minimum quality requirements of that Union instrument, but could not be funded due to lack of budget available for that call for proposals, and might receive support from other Union or national sources of funding; or the “Sovereignty Seal” referred to in Article 4 of Regulation (EU) 2024/... of the European Parliament and of the Council*+.

* Regulation (EU) 2024/... of the European Parliament and of the Council of ... on ... (OJ L ..., ELI: ...).’;

+ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)) and insert the number, date, title and OJ reference of that Regulation in the footnote.

(2) in Article 6(1), the following subparagraph is added:

‘Where, as a result of a programme amendment for the Strategic Technologies for Europe Platform (STEP) established by Regulation (EU) 2024/...⁺, the climate contribution of the Cohesion Fund would exceed the target of 37 % of its total allocation, the amount exceeding that target may be taken into account when calculating the climate contribution of the ERDF for the purpose of reaching the target of 30 % of its total allocation. The amounts exceeding the ERDF climate contribution target of 30 % of its total allocation may be taken into account when calculating the climate contribution of the Cohesion Fund.’;

(3) in Article 13, the following paragraphs are added:

‘5. Without prejudice to the possibility to amend the Partnership Agreement by 31 March 2025 as referred to in paragraph 1 of this Article, a Member State may submit to the Commission an amended Partnership Agreement to take into account the introduction in the programmes of priorities contributing to the STEP objectives referred to in Article 2 of Regulation (EU) 2024/...⁺.

6. By way of derogation from paragraphs 2 and 4 of this Article, the Commission shall approve the amended Partnership Agreement referred to in paragraph 5 no later than three months after its first submission by the Member State.’;

⁺ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)).

(4) in Article 14(5), the first subparagraph is replaced by the following:

‘In accordance with the second subparagraph of Article 10(4) of Regulation (EU) 2021/523, where a guarantee agreement has not been concluded within 12 months of the conclusion of the contribution agreement, the contribution agreement shall be terminated or prolonged by mutual agreement.’;

(5) in Article 24, the following paragraphs are added:

‘9. By way of derogation from Article 18 of this Regulation, where priorities dedicated to investments contributing to the STEP objectives referred to in Article 2 of Regulation (EU) 2024/...⁺ have been included in a programme as a result of the approval of a programme amendment submitted by the Member State by 31 August 2024, those priorities shall not be taken into account for the purposes of the mid-term review. The decision approving such programme amendments may include a definitive allocation of the totality or part of the flexibility amount for the years 2026 and 2027 to address priorities dedicated to investments contributing to the STEP objectives. Where the totality of the flexibility amount of a programme is definitively allocated to such priorities, the mid-term review shall not be carried out for that programme.

⁺ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)).

10. By way of derogation from paragraph 4 of this Article, the Commission shall adopt the decision approving a programme amendment that has been submitted by 31 August 2024 within two months of its submission by a Member State provided that it concerns exclusively the introduction of dedicated priorities to investments contributing to the STEP objectives referred to in Article 2 of Regulation (EU) 2024/...⁺’;

(6) in Article 49, the following paragraph is added:

‘7. Where support is programmed for the STEP objectives referred to in Article 2 of Regulation (EU) 2024/...⁺, the managing authority shall ensure that all the information to be published in accordance with paragraph 2 of this Article is also submitted to the Commission in the format set out in paragraph 4 of this Article for publication on the Sovereignty Portal established pursuant to Article 6 of Regulation (EU) 2024/...⁺, including a timetable of the planned calls for proposals that is updated at least three times a year, as well as the link to the calls for proposals on the day of their publication.’;

⁺ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)).

(7) Annex I is amended as follows:

(a) in Table 1, the following rows are added:

INTERVENTION FIELD		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
145a	Support for the development of skills or access to employment in digital technologies and deep tech innovation, biotechnologies.	0 %	0 %
145b	Support for the development of skills or access to employment in clean and resource-efficient technologies.	100 %	40 %
188	Productive investments in large enterprises linked primarily to clean and resource-efficient technologies.	100 %	40 %
189	Productive investments in SMEs linked primarily to clean and resource-efficient technologies.	100 %	40 %

INTERVENTION FIELD		Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
190	Productive investments in large enterprises linked primarily to biotechnologies.	0 %	0 %
191	Productive investments in SMEs linked primarily to biotechnologies.	0 %	0 %
192	Productive investments in large enterprises linked primarily to digital technologies and deep tech innovation.	0 %	0 %
193	Productive investments in SMEs linked primarily to digital technologies and deep tech innovation.	0 %	0 %

;

(b) in Table 6, the following row is added:

11	Contributing to skills and jobs in digital technologies and deep tech innovation, clean and resource-efficient technologies, and biotechnologies	0 %	0 %
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Article 14

Amendments to Regulation (EU) No 1303/2013

Regulation (EU) No 1303/2013 is amended as follows:

(1) in Article 25a, the following paragraph is inserted:

‘1b. By way of derogation from Article 60(1) and the first and fourth subparagraphs of Article 120(3), a co-financing rate of 100 % may be applied to expenditure declared in payment applications for the entire accounting year starting on 1 July 2023 and ending on 30 June 2024 for one or more priority axes in a programme supported by the ERDF, the ESF or the Cohesion Fund.

By way of derogation from Article 30(1) and (2) and Article 96(10), the application of the co-financing rate of 100 % shall not require a Commission decision approving a programme amendment. The Member State shall notify the revised financial tables to the Commission following approval by the monitoring committee. The co-financing rate of 100 % shall apply only if the financial tables are notified to the Commission before the submission of the final application for an interim payment for the last accounting year starting on 1 July 2023 and ending on 30 June 2024 in accordance with Article 135(2).’;

(2) In Article 130, paragraph 3 the first subparagraph is replaced by the following:

‘3. By way of derogation from paragraph 2, the contribution from the Funds or the EMFF through payments of the final balance for each priority per Fund and per category of regions in the final accounting year shall not exceed, by more than 15 %, the contribution from the Funds or the EMFF for each priority per Fund and per category of regions as laid down in the decision of the Commission approving the operational programme. For the purposes of this paragraph, the additional special allocation for the outermost regions set out in Article 92(1), point (e), shall be considered part of the ERDF allocation to the category of regions of the outermost region concerned.’;

(3) in Article 135, the following paragraph is added:

‘6. By way of derogation from paragraph 2, the deadline for the submission of the final application for an interim payment for the final accounting year shall be 31 July 2025. The last application for interim payment submitted by 31 July 2025 shall be deemed to be the final application for an interim payment for the final accounting year.

Amounts from resources other than REACT-EU reimbursed by the Commission as interim payments in 2025 shall not exceed 1 % of the total financial appropriations to the programme concerned by Fund, REACT-EU resources excluded. Amounts that would be due to be paid by the Commission in 2025 exceeding this percentage shall not be paid and shall be used exclusively for the clearing of pre-financing at closure.’;

(4) in Article 138, the following subparagraph is added:

‘By way of derogation from the deadline set out in the first subparagraph, Member States may submit the documents referred to under points (a), (b) and (c) for the final accounting year by 15 February 2026.’;

Article 15
Amendments to Regulation (EU) No 223/2014

Regulation (EU) No 223/2014 is amended as follows:

(1) in Article 13, paragraph 5 is replaced by the following:

‘5. The Member State shall submit a final report on implementation of the operational programme together with the closure documents as set out in Article 52 by 15 February 2026 at the latest.’;

(2) in Article 22, the following paragraph is inserted:

‘2a. In the case of costs reimbursed pursuant to points (b) to (e) of Article 26(2), the corresponding actions being reimbursed shall be carried out by the submission of the final application for an interim payment for the final accounting year in accordance with Article 45(6).’;

(3) in Article 45, the following paragraph is added:

‘6. By way of derogation from paragraph 2, the deadline for the submission of the final application for an interim payment for the final accounting year shall be 31 July 2025. The last application for interim payment submitted by 31 July 2025 shall be deemed to be the final application for an interim payment for the final accounting year.’

Amounts reimbursed by the Commission as interim payments in 2025 shall not exceed 1 % of the total financial appropriations to the programme concerned. Amounts that would be due to be paid by the Commission in 2025 exceeding this percentage shall not be paid and shall be used exclusively for the clearing of pre-financing at closure.’;

(4) in Article 48, the following paragraph is added:

‘By way of derogation from the deadline set out in the first paragraph, Member States may submit the documents referred to under points (a), (b) and (c) for the final accounting year by 15 February 2026.’.

Article 16

Amendments to Regulation (EU) 2021/523

Regulation (EU) 2021/523 is amended as follows:

(1) Article 3 is amended as follows:

(a) in paragraph 1, the following point is added:

‘(h) supporting investments contributing to the objectives of the Strategic Technologies for Europe Platform (STEP) referred to in Article 2 of Regulation (EU) 2024/... of the European Parliament and of the Council⁺.’.

* Regulation (EU) 2024/... of the European Parliament and of the Council of... on ... (OJ L ..., ELI: ...).’;

⁺ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)) and insert the number, date, title and OJ reference of that Regulation in the footnote.

(2) in Article 7(3), the following subparagraph is added:

‘By way of derogation from the first subparagraph, when support from the financial instruments is combined in a financial product in a subordinated position to the EU guarantee under this Regulation and/or EU guarantee established by Regulation (EU) 2015/1017, the losses, revenues and repayments from financial products as referred to in paragraph 1, as well as potential recoveries, may also be attributed on a non pro rata basis between the financial instruments and the EU guarantee under this Regulation and/or EU guarantee established by Regulation (EU) 2015/1017.’;

(3) in Article 10(4), the second subparagraph is replaced by the following:

‘Where no guarantee agreement has been concluded within 12 months from the conclusion of the contribution agreement, the contribution agreement shall be terminated or prolonged by mutual agreement. Where the amount of a contribution agreement has not been fully committed under one or more guarantee agreements within 12 months from the conclusion of the contribution agreement, that amount shall be amended accordingly. The unused amount of provisioning attributable to amounts allocated by Member States pursuant to the provisions on the use of the ERDF, the ESF+, the Cohesion Fund and the EMFAF delivered through the InvestEU Programme laid down in Regulation (EU) 2021/1060 of the European Parliament and of the Council* or to the provisions on the use of the EAFRD delivered through the InvestEU Programme laid down in the CAP Strategic Plans Regulation shall be re-used in accordance with those respective Regulations. The unused amount of provisioning attributable to amounts allocated by a Member State under Article 4(1), third subparagraph, of this Regulation shall be paid back to the Member State.

* Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).’;

(4) Article 13 is amended as follows:

(a) paragraph 5 is replaced by the following:

‘5. The remaining 25 % of the EU guarantee under the EU compartment shall be granted to other implementing partners, which shall also provide a financial contribution to be determined in the guarantee agreements. Where the Commission determines that such other implementing partners do not make full use of the remaining 25 % of the EU guarantee under the EU compartment, the unused amounts may be granted to the EIB Group. In that case the EIB Group shall provide an additional corresponding financial contribution in accordance with the requirements laid down in the third sentence of paragraph 4.’;

(b) in paragraph 7, the second subparagraph is replaced by the following:

‘Contracts between the implementing partner and the final recipient or the financial intermediary or other entity referred to in Article 16(1), point (a), under the EU guarantee referred to in the first subparagraph of Article 4(2) shall be signed at the latest by 31 August 2026. In other cases, contracts between the implementing partner and the final recipient or the financial intermediary or other entity referred to Article 16(1), point (a), shall be signed by 31 December 2028.’;

(5) in Article 23, the following paragraph is added:

‘3. In the context of the procedures referred to in paragraphs 1 and 2 of this Article, the Commission shall take into account any Sovereignty Seal awarded in accordance with Article 4 of Regulation (EU) 2024/...⁺ to a project.’;

(6) in Article 26, the following paragraph is added:

‘5. In addition to paragraph 4, implementing partners shall also examine projects that have been awarded the Sovereignty Seal in accordance with Article 4 of Regulation (EU) 2024/...⁺ where those projects fall within their geographic and activity scope.’.

⁺ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)).

Article 17
Amendments to Regulation (EU) 2021/695

Regulation (EU) 2021/695 is amended as follows:

- (1) in Article 12, paragraph 1 is replaced by the following:
 - ‘1. The financial envelope for the implementation of the Programme for the period from 1 January 2021 to 31 December 2027 shall be EUR 86 123 000 000 in current prices for the specific programme referred to in point (a) of Article 1(2) and for the EIT and EUR 9 453 000 000 in current prices for the specific programme referred to in point (c) of Article 1(2).’;
- (2) in Article 48, paragraph 1 is amended as follows:
 - (a) in the second subparagraph, point (c) is replaced by the following:
 - ‘(c) equity-only support to non-bankable SMEs, including start-ups, carrying out breakthrough and disruptive non-bankable innovation may also be provided;

- (d) equity-only support required for scale-up to non-bankable SMEs, including start-ups, and non-bankable small mid-caps, including entities which have already received support in line with points (a) to (c), carrying out breakthrough and disruptive non-bankable innovation in the critical technologies referred to in Article 2(1)(a) of Regulation (EU) 2024/... of the European Parliament and of the Council*+.

* Regulation (EU) 2024/... of the European Parliament and of the Council of... on ... (OJ L ..., ELI: ...).’;

- (b) the following subparagraph is added:

‘When providing equity support, the EIC shall strive to crowd-in other investors. However, in order to effectively support non-bankable innovation, equity support can be provided without crowding-in other investors, particularly for but not limited to breakthrough and disruptive non-bankable innovation in the technologies referred to in Article 2(1), point (a), of Regulation (EU) 2024/...++.’.

+ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)) and insert the number, date, title and OJ reference of that Regulation in the footnote.

++ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)).

Article 18
Amendment to Regulation (EU) 2021/697

Article 4 of Regulation (EU) 2021/697 is amended as follows:

- (1) paragraph 1 is replaced by the following:
- ‘1. In accordance with Article 12(1) of Regulation (EU) 2021/695, the financial envelope for the implementation of the Fund for the period from 1 January 2021 to 31 December 2027 shall be EUR 9 453 000 000 in current prices.’;
- (2) in paragraph 2, points (a) and (b) are replaced by the following:
- ‘(a) EUR 3 151 000 000 for research actions;
- (b) EUR 6 302 000 000 for development actions.’;
- (3) the following paragraph is added:
- ‘5. An amount of EUR 1 500 000 000 in current prices of the amount referred to in paragraph 2 shall be allocated to calls for proposals or awards of funding supporting investments contributing to the objectives of the Strategic Technologies for Europe Platform (STEP) referred to in Article 2(1), point (a), of Regulation (EU) 2024/...’⁺.

* Regulation (EU) 2024/... of the European Parliament and of the Council of ... on ... (OJ L ..., ELI: ...).’

⁺ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)) and insert the number, date, title and OJ reference of that Regulation in the footnote.

Article 19
Amendments to Regulation (EU) 2021/241

Regulation (EU) 2021/241 is amended as follows:

(1) in Article 7, the following paragraph is added:

- ‘3. Without prejudice to paragraph 2 of this Article, Member States may also propose to include in their recovery and resilience plan, as estimated costs, the amount of the cash contribution for the purpose of the Member State compartment pursuant to the relevant provisions of Regulation (EU) 2021/523 of the European Parliament and of the Council* exclusively for measures supporting investment operations contributing to the objectives of the Strategic Technologies for Europe Platform (STEP) referred to in Article 2 of Regulation (EU) 2024/... of the European Parliament and of the Council**+. Those costs shall not exceed 6 % of the recovery and resilience plan’s total financial allocation, and the relevant measures, as set out in the recovery and resilience plan, shall respect the requirements of this Regulation.

* Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30).

** Regulation (EU) 2024/... of the European Parliament and of the Council ... of... (OJ L ..., ELI: ...).’;

+ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD)) and insert the number, date, title and OJ reference of that Regulation in the footnote.

(2) in Article 21, the following paragraph is inserted:

‘1a. For the sole purpose of taking advantage of the possibility provided for in Article 7(3) of this Regulation and in Article 4(4) of Regulation (EU) 2024/...⁺, Member States may make a reasoned request to the Commission to make a proposal to amend the Council implementing decision referred to in Article 20(1) and (3) of this Regulation to include measures which support the objectives of Regulation (EU) 2024/...⁺ without prejudice to the provisions of this Regulation.’;

(3) in Article 29 the following paragraph is added:

‘6. Prior to launching any calls for proposals or tendering procedures related to the STEP objectives set out in Article 2 of Regulation (EU) 2024/...⁺, Member States shall make available the following information on the Sovereignty Portal referred to in Article 6 of that Regulation:

- (a) geographical area covered by the call for proposal;
- (b) investment concerned;
- (c) type of eligible applicants;
- (d) total amount of support for the call;
- (e) start and end date of the call;
- (f) link to the website where the call will be published.’.

⁺ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 11/24 (2023/0199(COD))

Chapter 3

Final provisions

Article 20

Entry into force and application

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at ...,

For the European Parliament
The President

For the Council
The President
