

SEMI Europe Advocacy

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EU Council and Parliament agreed on Strategic Technologies for Europe Platform

On February 7, the representatives from EU Council and Parliament reached an agreement on Strategic Technologies for Europe Platform (STEP) during the trialogue negotiations. The platform, considered to be a step forward in creating the European sovereignty fund, should channel finance under existing funds such as InvestEU, Horizon Europe, the European Defence Fund, the Innovation Fund and the Recovery and Resilience Facility into the critical technologies.

The EU Parliament and Council negotiators agreed on ensuring support to the whole value chain of critical technologies together with its associated services. Co-legislators asked Commission to issue guidance on the methodology of assessing the technologies as a critical for the STEP purposes. The projects eligible for EU funding under this initiative will be awarded so called “Sovereignty Seal”, which should be quality label helping them not only access EU funding, but also attract other investments. Co-legislators clarified the role of the Commission in implementing the STEP, promoting Sovereignty Seal and enhancing the visibility of the projects obtained this label.

The agreement stemming from the trialogue negotiations needs to be formally endorsed by the Council and the Parliament before entering into force. The STEP platform was proposed on 20 June 2023 as a proposal related to the mid-term revision of the multiannual financial framework 2021-2027. It was preceded by Commission President Ursula von der Layen call for a

Sovereignty Fund in her 2022 State of the Union address. The platform is expected to boost the EU' long-term industrial competitiveness.¹

EU Council and Parliament agreed on Net-Zero Industry Act

The agreement between the EU Council and Parliament was also reached on the Net-Zero Industry Act (NZIA) during the trilogue negotiations concluded on February 6. The intention of a new legislation is to bolster Europe's net-zero technology deployment and so achieve the climate goals set in Green Deal.

The co-legislators agreed on the single list of net-zero technologies and criteria for selecting the projects labelled as "strategic", which should contribute to decarbonisation. This kind of projects will have simplified conditions especially when it comes to permit-granting procedures. The Net-Zero Act also proposes launching the net-zero industry academies to enhance the skills and creating the favourable legislative framework for developing, testing and validating innovative technologies. Furthermore, the Council and Parliament agreed on developing of net-zero industrial valleys where the clusters of clean industries will be created.

The NZIA now needs to be formally endorsed by the EU Council and Parliament before entering the force.² The Regulation was proposed by Commission on 16 March 2023 in order to fulfil its climate objectives against the backdrop of growing competition from the US and China.

EU Commission explains the application process for obtaining integrated production facility (IPF) and open EU foundry (OEF) status

On January 30, the EU Commission published the guidance on the application process for the "first-of-a-kind" facilities to obtain the status of integrated production facility (IPF) and open EU foundry (OEF).³

By the term "first of its kind", the EU Commission understands semiconductor facilities with an innovative dimension that are not yet present on the EU market. The facilities with obtained status IPF or OEF with benefit with less bureaucracy in form of streamlined administrative applications and a priority access to the pilot lines. These pilot lines will serve as a platform for European R&D with perspective from lab to fab.⁴

The guidance describes the application process to gain the status IPF and OED with explanation of eligibility criteria and documents needed to apply.⁵ This is part of Pillar II of the

¹ <https://www.consilium.europa.eu/en/press/press-releases/2024/02/07/strategic-technologies-for-europe-platform-provisional-agreement-to-boost-investments-in-critical-technologies/>

² <https://www.consilium.europa.eu/en/press/press-releases/2024/02/06/net-zero-industry-act-council-and-parliament-strike-a-deal-to-boost-eu-s-green-industry/>

³ <https://digital-strategy.ec.europa.eu/en/news/european-chips-act-commission-publishes-guidance-application-process-status-integrated-production>

⁴ <https://digital-strategy.ec.europa.eu/en/factpages/european-chips-act-chips-europe-initiative>

⁵ <https://digital-strategy.ec.europa.eu/en/news/european-chips-act-commission-publishes-guidance-application-process-status-integrated-production>

EU Chips Act, which aims to attract investments and enhance production capacities in semiconductor manufacturing advanced packaging, test, and assembly.⁶

Three new calls were announced by Chips Joint Undertaking

Three new calls for proposals were released by the newly established Chips Joint Undertaking (CJU) on 6th February 2024. These calls, with a total budget of €216 million, will be funded with resources from the Horizon Europe programme and are not directly affiliated with the Chips for Europe initiative.

The first call for Innovation Actions and the second call for Research and Innovation Actions will be run in two phases. The deadline for project outlines is set on 14 May, while full project proposals must be submitted by 17 September. The third call for Research and Innovation will be implemented as a one-phase without national contribution but in cooperation with South Korea. The full project proposal must be ready by 14 May. The project with South Korea should set framework for strengthening the cooperation in area of research and innovation.

The free calls present a second set of calls after the CJU announced the four pilot line calls on December 1 last year. The Chips Joint Undertaking was created last year by renaming the Key Digital Technologies Joint (KDTJ) Undertaking. The CJU focuses on semiconductor sector by implementing objectives of Chips for Europe Initiative under the EU Chips Act.⁷

EU Commission proposed to reduce the greenhouse gas emissions by 90% by 2040

The EU proposed to reduce the greenhouse gas emissions by 90% by 2040. This information is derived from a recommendation published by the European Commission on February 6.⁸ The EU Climate Commissioner Wopke Hoekstra described it as a “another step in the EU’s journey towards climate neutrality”.⁹ However, it is not yet a legislative proposal. That should be prepared after the EU elections in June this year.

To reach the 90% target, it will be necessary to reduce greenhouse gas emissions practically everywhere, including the semiconductor industry. The Commission decision is based on the European Scientific Advisory Council on Climate Change, which claimed that reducing emissions by 90-95% would be “fear and feasible”.¹⁰

The climate target should serve as a steppingstone between the EU's 2050 climate neutrality goal and 2030 aim to reduce the emission by 55%. As the Commissioner Hoekstra stressed, the EU is launching a dialogue with the stakeholders before the concrete proposal will be prepared.

⁶ <https://digital-strategy.ec.europa.eu/en/factpages/european-chips-act-security-supply-and-resilience>

⁷ <https://www.chips-ju.europa.eu/News-detail/?id=40e1c102-0ac5-ee11-9079-0022489e2eca>

⁸ https://ec.europa.eu/commission/presscorner/detail/en/IP_24_585

⁹ <https://www.politico.eu/article/eu-90-percent-emission-cut-2040/>

¹⁰ <https://climate-advisory-board.europa.eu/news/eu-climate-advisory-board-recommends-ambitious-2040-climate-target-and-urgent-transitions-for-the-european-union>

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