Recommendations for closely connecting the European Competitiveness Fund to an ambitious and self-standing FP10

The European Commission's proposal for the post-2027 multiannual financial framework (MFF) will be a defining moment for the EU's future research and innovation (R&I) policy. We, the undersigned organisations, stress again that Europe needs an ambitious framework programme for R&I, driven by research excellence and aimed at strengthening scientific leadership and research collaboration, to boost its industrial competitiveness and societal progress.

To effectively contribute to the renewed EU industrial policy, R&I must be at the heart of Europe's economy, as Commission President Ursula von der Leyen has now pointed out on several occasions. However, R&I policy and investments should not be regarded as mere instruments to achieve industrial policy objectives. They contribute to far more than industrial competitiveness, generating knowledge that is also crucial to address societal challenges. In addition, the framework conditions and investment for knowledge generation are fundamentally different from what is required to accelerate (the diffusion of) innovation, support innovative companies to scale up, and strengthen their competitiveness. In sum, R&I policy can best contribute to industrial policy if its unique nature is safeguarded and if it is complemented by instruments focused on further market deployment and industrial scaleup.

For this reason, we warmly welcome President von der Leyen's statement at the Annual EU Budget conference in May 2025 that the next framework programme for R&I (FP10) will be "a self-standing programme [...] tightly connected to [the European] Competitiveness Fund" (ECF). She confirmed this vision a couple of weeks later at the European Parliament, specifying that a European Competitiveness Fund (ECF) will complement FP10 to support the "entire innovation cycle".

FP10 and ECF, distinct programmes within the next MFF

FP10 must remain the EU's core instrument to finance R&I activities – single beneficiary as well as collaborative projects – in the next MFF. More specifically, FP10 should aim to achieve the following objectives:

- support knowledge generation and contribute to maintaining Europe as a global science powerhouse;
- support R&I collaboration across borders, disciplines and sectors and develop new technologies to boost Europe's economic competitiveness as well as innovative solutions to address present and future societal challenges;
- contribute to making Europe an attractive workplace for (early-career) researchers;
- make Europe's R&I ecosystems more conducive to high-quality and impactful science and to utilise the outcomes of that research;
- support proof-of-concept, maturation and validation of novel technologies.

We urge the European Commission to follow the OECD and Eurostat and define innovation as consisting of all activities from knowledge generation to the transformation of new knowledge into new or

significant products or services ready for being put into use.¹ The current EU Missions serve as a warning that R&I funding has been used to fund non-R&I activities, weakening Europe's capacity in world-leading research and innovation. It is therefore critical that FP10 finances exclusively R&I activities.

When EU instruments fund more than R&I activities, they will need to be co-financed by other parts of the MFF. For instance, the non-R&I actions of EU Missions, of the European Partnerships and of the European Institute of Innovation and Technology (EIT), as well as the European Innovation Council (EIC) Accelerator, must be financed by instruments other than FP10. Only their R&I components should be financed by FP10.

Similarly, we recognise that boosting Europe's competitiveness requires accelerating the further diffusion of innovations and supporting innovative companies to scale up. These activities, regardless of their relevance, should not be considered as innovation and funded through the framework programme. Instead, the ECF should finance them and thereby complement the framework programme, as suggested by the Commission President. The connection between the two programmes will flourish precisely because FP10 and the ECF will be complementary in their functional logics: FP10 will focus on generating new ideas and innovation, while the ECF will concentrate its support on deploying and scaling up the technologies with the greatest potential to boost Europe's global competitiveness.

While complementary, FP10 and the ECF will need to mobilise different instruments. On the one hand, FP10 must include both curiosity-driven and challenge-oriented instruments. It needs to finance R&I projects selected first and foremost on the basis of their scientific excellence, mainly through grants. On the other hand, the ECF may need different instruments to spur co-investment in specific technologies and accelerate the deployment and scaling up of strategic technologies. Because of these fundamental differences, we urge the European Commission to give FP10 an ambitious and ringfenced budget. We also reassert our call – supported by the European Parliament – for a budget of at least 200 billion euro.

The building blocks for an excellence-driven and impactful FP10

FP10 will need to finance the R&I activities necessary for the development of strategic technologies and innovative solutions to societal challenges. We acknowledge the need to focus funding on fewer priorities but reiterate that FP10 must include collaborative and challenge-oriented calls, which must be open, competitive and non-prescriptive to maximise the generation of innovative approaches and results. These calls must continue to fund interdisciplinary, intersectoral and multi-country collaboration and different stages of the R&I process, with a focus on precompetitive R&I.

The challenge-oriented R&I calls must also be open to international collaboration, especially for close partners with which the European Union already has a long history of excellent scientific collaboration, such as Switzerland and the United Kingdom. We also fully support the recommendation from the expert group led by Manuel Heitor for "a nuanced, granular and purpose-driven approach to international cooperation", allowing for different degrees of collaboration with specific partners

¹ OECD & Eurostat (2018), Oslo Manual 2018: Guidelines for Collecting, Reporting and Using Data on Innovation (fourth edition), OECD Publishing. DOI: <u>10.1787/9789264304604-en</u>.

depending on the sensitivity of the topics jointly explored.² While we recognise that the changing geopolitical context calls for responsible internationalisation, we stress that cross-border collaboration, including with countries in the Global South, must remain one of the core added-values of the framework programme.

We recognise the relevance of the European Partnerships to accelerate co-investments from industry and national authorities and coordinate them towards strategic policy priorities. However, we recommend further efforts to assess the current partnerships, strengthening those that deliver (such as the Innovative Health Initiative and the European and Developing Countries Clinical Trials Partnership) and merging or terminating those that are overlapping or not delivering. We also recommend ensuring that the partnerships are open to all relevant R&I actors, including universities, and do not generate burdens to participants. The EU contribution from FP10 to each partnership needs to be transparent and carefully evaluated to ensure it funds R&I activities only. Furthermore, we would urge that the total EU contribution be kept below the threshold of 50% of the EU budget for challenge-oriented calls in the framework programme.

Increasing the directionality in one part of FP10 (cf. supra) must go hand in hand with strengthening bottom-up programmes like the European Research Council (ERC), Marie Skłodowska-Curie Actions (MSCA) and EIC Pathfinder and Transition, and protecting their bottom-up character and their curiosity-and excellence-driven nature. Investment in these programmes is a crucial part of boosting Europe's competitiveness and resilience. It is impossible to predict what R&I will be needed to help overcome future crises or which technologies will drive Europe's competitiveness in the medium or long run. Therefore, Europe must fund researchers' best ideas, stimulate their creativity and urge for discovery to ensure the development of technologies that are yet unknown but possibly key for Europe's future competitiveness and societal resilience. With regard to these programmes, we reiterate the following demands:

- The ERC requires an increased budget to finance a higher share of excellent proposals (with more and bigger grants) and further contribute to Europe's scientific leadership. It is also imperative to maintain the ERC as a purely curiosity-driven and excellence-based research funding instrument, and to safeguard the autonomy of its Scientific Council.
- The MSCA need a similar expansion of their budget to benefit especially the doctoral networks and postdoctoral fellowships; we also support the European Parliament's recommendation for a European fellowship programme for researchers at risk³ and argue that the MSCA already have experience to build on; however, the introduction of such a scheme will need to come with extra funding in order not to deplete the budget for the other Actions; like the ERC, the MSCA must remain curiosity-driven and excellence-driven, as this has already proven to be successful in attracting and retaining research talents to Europe; we warn again that any directionality in MSCA, e.g. towards artificial intelligence or space technologies, would be deeply misguided as this would detract from the success of MSCA, including in developing technologies and talents in all strategic fields, and from its enabling factors.

² European Commission (2024), *Align, Act, Accelerate – Research, Technology and Innovation to boost European Competitiveness*, Report by the Commission Expert Group on the Interim Evaluation of Horizon Europe, Publications Office of the European Union. DOI: <u>10.2777/9106236</u>.

³ European Parliament resolution of 11 March 2025 on the assessment of the implementation of Horizon Europe in view of its interim evaluation and recommendations for the 10th Research Framework Programme (2024/2109(INI))

 FP10 must also include the EIC Pathfinder and Transition schemes, with both open and challenge calls, and a continued focus on breakthrough innovations; we also support the further move towards a European Advanced Research Projects Agency (ARPA) model based on programme managers with the required expertise to manage portfolios of projects and therefore able to accelerate the development and maturation of technologies in strategic fields.

Finally, we highlight the relevance of maintaining instruments primarily aimed at making Europe's ecosystems more conducive to high-quality and impactful research and the uptake of research results in FP10. These include financial support to establish and maintain research and technology infrastructures, as well as to build capacities in R&I actors to reinforce the European Research Area and make Enrico Letta's vision for a fifth freedom for knowledge and researchers⁴ a reality. We also call for the maintaining of the Widening instruments with proven success in improving the performance and capacities in the Widening countries to participate in FP10 and become R&I leaders.

As part of these actions aimed at improving R&I ecosystems, FP10 should include dedicated calls to finance activities aimed at training, attracting and retaining talents in the strategic industrial and technologies areas, for researchers but also for specialised staff that support R&I activities, like infrastructure facilitators and technicians. This funding will require co-investment, including from the ERASMUS+ programmes, the ECF and regional and private funding. More specifically, these calls will finance new initiatives aimed at addressing the skills shortage, such as ensuring attractive working conditions for early-career researchers, providing training, and encouraging cross-sector mobility.

Besides the programmes listed above, a core building-block of FP10 must be its expert-driven governance. In line with the Heitor report's recommendations,⁵ we urge for a further involvement of experts, of which the majority should be researchers from different disciplines, in identifying the most relevant research priorities and topics in the work programmes to achieve the EU policy priorities, to ensure that the European Commission invests in the most promising research areas for Europe's scientific leadership, economic competitiveness, and societal resilience.

We reassert the need to safeguard the civilian nature of the framework programme, excluding military research from its scope. In line with the Heitor report, we nevertheless recognise that many R&I activities lead to outcomes with dual use potential. We urge the European Commission to engage in a dialogue with university representatives on how FP10 could be open to R&I projects with such a dual use potential without undermining its primarily civilian nature and openness. Specific safeguards will have to be considered.

FP10 and ECF, connected programmes in the next MFF

⁶ Ibid.

FP10 and the ECF will need to work synergistically to contribute together to Europe's competitiveness. In addition to complementary scopes and instruments, they will need to be connected to each other.

⁴ Letta E. (2024), Much more than a Market: Speed, Security, Solidarity – Empowering the Single Market to deliver a sustainable future and prosperity for all EU Citizens.

⁵ European Commission (2024), *Align, Act, Accelerate – Research, Technology and Innovation to boost European Competitiveness*, Report by the Commission Expert Group on the Interim Evaluation of Horizon Europe, Publications Office of the European Union. DOI: 10.2777/9106236.

In this respect, we recommend that the thematic priorities in the ECF – corresponding to the technologies deemed strategic for Europe's industrial competitiveness – mirror the orientation of challenge-oriented calls in FP10. In line with the recommendations in Mario Draghi's report on the EU's future competitiveness, we support the idea of reducing the number of priorities to focus investment on what is the most strategic for Europe. We warn nevertheless against a narrow and exclusive focus on industrial priorities and call upon the European Commission to also include funding for purely societal challenges in FP10.

A better connection between the FP10 challenge-oriented part and the ECF can be facilitated by an alignment on some aspects like the timelines for calls. However, the rules and funding logic of the two programmes must remain distinct because of the differences between the types of beneficiaries and activities.

Additionally, the connection between the challenge-oriented part of FP10 and ECF can be guaranteed through a joint governance. We recommend that Challenges Managers with recognised expertise, including in research, make links between FP10 and the ECF for each of the mirrored thematic priorities. They would need to ensure that strategic technologies move along the entire innovation journey and scale up to contribute to Europe's competitiveness. These Challenge Managers would identify emerging technological trends that could contribute to Europe's competitiveness, based on independent technological foresight and a careful scanning of the outcomes of all EU-funded R&I projects, including from the ERC and MSCA. When further R&I is needed to accelerate these emerging trends, the Challenge Managers could ensure that the work programmes of the FP10 challenge-oriented instruments include relevant competitive calls. They would similarly influence the orientation of funding support in the ECF towards the relevant technologies. Moreover, the Challenge Managers could support the coordination of already selected projects to maximise their synergies (e.g. by supporting data and information sharing) and their joint contribution to the development of strategic technologies.

The Challenge Managers would need to build upon the experience of the EIC Programme Managers, who have a similar role and who should be, for this reason, maintained and even strengthened in FP10. We also regard the EIC as another possible bridge between FP10 and the ECF. We recommend financing distinctly its schemes – the Pathfinder and Transition under FP10, and the Accelerator under the ECF – but to ensure its strategic coherence through a unique and autonomous Board and Programme Managers.

⁷ Draghi M. (2024), *The future of European competitiveness*.









