

EARTO Calls on the European Institutions to Secure an Increased RD&I Budget at the Level of Europe's Ambitions

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We are at a decisive moment for the future of Europe. With the ongoing discussions on the next European Multiannual Financial Framework (MFF), European Leaders and Policy Makers have now the chance to define Europe's Future, a Europe delivering on our key challenges of today and anticipating those of tomorrow. Our global context has changed and turned technological capabilities into THE decisive strategic factor and strength of our economies. As stated by the OECD and in the EC Report on the Science, Research and Innovation Performance of the EU 2018, investing in Research, Development & Innovation (RD&I) makes the difference: enhancing productivity, boosting industrial competitiveness, solving societal challenges, maximising impact on citizens' everyday lives. However, RD&I intensity is much lower in Europe than in other countries like the US, China, Japan or South Korea. Reaching the EU's objective of raising RD&I investments to 3% of GDP will require strong commitment to prioritise RD&I investments.

European Leaders and Policy Makers so far:

- pledged to work towards "a prosperous and sustainable Europe which creates growth and jobs, embracing technological transformation, and [...] opening avenues for growth, competitiveness, innovation" (Rome Declaration of 25 March 2017),
- restated the objective to "strengthen Europe's scientific and technological base" noting that the next EU R&I Framework Programme will be key to achieve such objectives, stimulate growth and create jobs (EU Competitiveness Council conclusions of 1 December 2017),
- underlined that R&I "is the only way to simultaneously and sustainably tackle low economic growth, limited job creation, and global challenges" (<u>European Commission Communication for a New Modern MFF</u> of 14 February 2018),
- recognised the crucial role of R&I to support and boost Industrial Competitiveness (<u>renewed European Industrial Strategy</u> of 13 September 2017),
- stated that "Europe should offer prospects to the future-oriented undertakings that make the EU more successful in the global arena [...] by scaling-up the Research Framework Programme" (European Parliament draft report on the Next MFF of 22 February 2018),
- stressed that "maintaining or even lowering current investment levels would have knock-on effects on national and private investment, and undermine efforts to reach the target of 3% GDP spending on R&I. The Union would fall further behind compared to the world leaders." (European Commission Communication for a New Modern MFF 14 February 2018),
- were called by Pascal Lamy to place R&I as a key geopolitical factor for the future of Europe, calling
 to "prioritise research and innovation in EU and national budgets" to reach the target of 3% GDP
 spending on R&I in Europe (Report of the HLG on Maximising EU R&I Impact of 3 July 2017).

As European Commission President Juncker underlined during his <u>State of the Union Speech 2017</u>, "the EU needs a budget that matches its ambitions and meets future challenges". European Leaders and Policy Makers have now to take key decisions related to the future of EU budget. After so many statements, it is now time for action!

EARTO strongly calls on European Leaders and Policy Makers to:

- Bring back the target of raising RD&I investment to 3% of GDP as one of the new Ten Commandments of the post-Brexit EU, and strongly commit to prioritise RD&I spending in the next MFF post-2020, seizing this opportunity to significantly scale up the overall EU budget for the next EU Framework Programme to overcome the RD&I Investments deficit in Europe.
- Secure and ring-fence the European RD&I budget to preserve it from any spending cuts for the whole duration of the MFF. On 10 January 2018, the EU Commissioners have unanimously agreed to spare R&I from spending cuts in the next MFF, which is now the official Commission position. EARTO calls on the other EU Institutions to take similar engagements.

Only then, will we be able to design a strong EU cross-border collaborative RD&I Framework Programme post 2020 and promote a competitive RD&I ecosystem strengthening European Industries' capacities to further absorb and scale up the technologies matured into new solutions, maximising impact for society. Such priorities will need to be reflected in the future EU RD&I Framework Programme's total budget, structure, and internal budget allocation.

EARTO and its members are ready to further support Members States and the European Commission in the elaboration of what will be the key EU policy of the future, the EU RD&I policy and FP9.

RTOs - Research and Technology Organisations

From the lab to your everyday life. RTOs innovate to improve your health and well-being, your safety and security, your mobility and connectivity. RTOs' technologies cover all scientific fields. Their work ranges from basic research to new products and services' development. RTOs are non-profit organisations with public missions to support society. To do so, they closely cooperate with industries, large and small, as well as a wide array of public actors.

EARTO - European Association of Research and Technology Organisations

Founded in 1999, EARTO promotes RTOs and represents their interest in Europe. EARTO network counts over 350 RTOs in more than 20 countries. EARTO members represent 150.000 highly-skilled researchers and engineers managing a wide range of innovation infrastructures.

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