

EARTO Inputs towards the Establishment of the European Economic Security Strategy and its Strategic Technologies for Europe Platform (STEP)

28 September 2023

EARTO [welcomed](#) the EC proposal for a Green Deal Industrial Plan for the Net-Zero Age. The ability for the EU to develop an industrial base on the technologies that will be needed for the climate and energy transition is at stake. RTOs are at the heart of the creation and scale up of green technologies for industry. As such, EARTO members contribute to defining an ambitious Green Deal Industrial Plan in utilising EU Programmes such as Horizon Europe, Digital Europe, European Defense Fund to develop the technologies allowing industry to implement it.

As a continuation of the Green Deal Industrial Plan for the Net-Zero Age, EARTO Members very much welcome the European Commission and the High Representative [Joint Communication on a European Economic Security Strategy](#) which lays the basis for a discussion with EU Member States and the European Parliament to develop a comprehensive approach to protect the Union's economic security.

Regarding the European Economic Security Strategy, EARTO members as key European technology providers are looking forward to:

- Contribute with their Member States to the establishment of a framework for assessing risks affecting the EU's economic security; this includes **participating in establishing a list of technologies which are critical to economic security and assess their risks** with a view to devising appropriate mitigating measures.
- **Engage in the announced structured dialogue with the European Institutions to develop a collective understanding of economic security.** Indeed, EARTO Members as technology providers are key actors in key European industrial value-chains and innovation ecosystems at risk today.
- **Participate in the enhancement of Europe's technological sovereignty and resilience of EU value chains, by developing critical technologies through Strategic Technologies for Europe Platform (STEP).**
- **Provide inputs to the development of measures to improve research security** ensuring a systematic and rigorous enforcement of the existing tools and identifying and addressing any remaining gaps. EARTO hereby would like to offer the expertise of its [Working Group Security & Defense Research](#) to do so.

On the developments regarding the new Strategic Technologies for Europe Platform (STEP), EARTO would like to mention its support to the following key elements of the STEP:

- Supports the establishment of a **Sovereignty Portal** to facilitate investment in critical and emerging technologies in strategic sectors of the European economy, such as to the technologies Europe needs for the twin green and digital transition.
- Supports the establishment of a **Sovereignty Seal** for high-quality projects under EU programmes such as Horizon Europe, Digital Europe, the European Defense Fund, and others, to improve access to finance.
- Supports any efforts aiming at reducing current labour and skills shortages in strategic sectors: see [EARTO Recommendations for Developing EU Innovation Skills](#).
- Highlights [again](#) the urgent need for a stable RD&I budget, under Horizon Europe and in the future. To this end, EARTO supports the proposed **increase of the Horizon Europe financial envelope**.

However, EARTO members are greatly concerned by the proposed **budgetary reinforcement of the European Innovation Council (EIC) at the expense of Pillar II within Horizon Europe which is unacceptable**. Pillar II is the blueprint for excellent European collaborative research with substantial market uptake significance. It provides optimal conditions for partners across Europe and within national communities, to come together and bring forward excellent applied research. Pillar II has a well-established track record of significant RD&I contributions to the policy objectives STEP aims to support. Accordingly, such budget adaptation is viewed as contra-productive to STEP's objectives. In addition, the EIC is plagued by various issues hindering its implementation (See [EARTO & SHOs' latest paper](#)). Therefore, a budget cut

across the board in Pillar II would send the **wrong signal** and effectively slow down and potentially prevent the development and market uptake of key technologies. **No positive compounding effect** can be expected through a budget cut of Pillar II.

Against this backdrop for the STEP, EARTO urges the Commission, the Council, and the European Parliament to **reject any proposed redeployments from Pillar II to the EIC**. Further, EARTO urges the co-legislators to **extend the proposed increase of the Horizon Europe financial envelope to Pillar II**.

EARTO remains ready to provide additional input on each topic mentioned above: our experts are available for further discussion with the EU institutions to ensure the successful establishment of the European Economic Security Strategy and its Strategic Technologies for Europe Platform (STEP).

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 31 countries. EARTO members represent 150,000 highly-skilled researchers and engineers managing a wide range of innovation infrastructures.

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 whose core mission is to produce, combine and bridge various types of knowledge, skills and infrastructures to deliver a range of research and development activities in collaboration with public and industrial partners of all sizes. These activities aim to result in technological and social innovations and system solutions that contribute to and mutually reinforce their economic, societal and policy impacts.

EARTO Contact: www.earto.eu