

EARTO Press Release: Call for a Swift MFF Agreement Ensuring Ambitious EU RD&I Investments

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The European Commission (EC) has now disclosed [its proposal](#) for a European Recovery Plan, “Next Generation EU”, and a revised Multiannual Financial Framework (MFF). As stated in the [EARTO Paper on the EU Economic Recovery Package](#), the [EARTO policy recommendations](#) and [Joint Statement with 90+ key European industrial associations](#), **EARTO has repeatedly called for a timely agreement on a future-oriented MFF at the level of EU’s ambitions. At the edge of a deep economic recession, Europe requires now more than ever a future oriented MFF with clear and ambitious commitments to prioritise Research, Development and Innovation (RD&I) investments.**

Europe’s technological excellence will be the decisive strategic factor to tackle the crisis and ensure Europe’s economic recovery, rebuilding its industrial competitiveness, and safeguarding its long-term prosperity. The focus on green and digital transitions is essential to strengthen Europe’s strategic value chains and ecosystems, and to boost the resilience of our societies in the long run. With EU private RD&I investments reducing, strong commitments of public RD&I investments at EU, national and regional levels are key: as stated in the [EC SRIP report](#), it is high time to make the EU 3% target of GDP investment in R&D a reality.

In this context, EARTO can only welcome the EC proposal to add €13.5bn funding to the Horizon Europe programme compared to the European Council President proposal from February. Even if channelled through the temporary recovery scheme Next Generation EU and not in the MFF directly, it is a step in the right direction. However, the total figure of €94.4bn remains far below the European Parliament €120bn proposal, which was already much needed before the crisis. Accordingly, EARTO puts forward the following recommendations:

- **The total Horizon Europe funding should be ring-fenced** to preserve it from any spending cuts for the whole duration of the MFF.
- **Grants should be the main form of funding in Horizon Europe:** this is essential for the programme to deliver the intended impact, boosting high-risk pre-competitive RD&I and stimulating private sector’s access to technology.
- **The Next Generation EU funding earmarked for Horizon Europe should be deployed to fund medium-term strategic collaborative RD&I projects under Horizon Europe pillar 2. This pillar 2 should receive a share of at least 60% of the total Horizon Europe budget,** as it is essential to turn promising basic research results into technologies with industrial maturity, reducing the risk and uncertainty of private RD&I investments. As the RD&I arm of the EU Green Deal and key enabler of the digital transition, this pillar will also be crucial for Europe’s recovery.

EARTO would also like to stress again the importance of other EU funded programmes complementing Horizon Europe and essential to ensure that technologies and innovations reach market maturity in areas of key public interest. The funding for those programmes should be strengthened in the Post-2020 EU budget. EARTO also welcomes the creation of new programmes under Next Generation EU. In particular:

- The €8.2bn budget for the **Digital Europe programme** is not fitting the EC ambitions to achieve the digital transition needed in many ecosystems, which is also key to reach the Green Deal targets.
- EARTO regrets the proposed cuts for the **European Space programme** and the **European Defence programme.**
- The **Interreg Component 5 for Interregional Innovation Investments** should be adequately funded to reach its expected impact.
- The new grant-based standalone **Health programme** should focus on creating a comprehensive framework for Europe to be better prepared to tackle future health crises.
- The new **Recovery & Resilience Facility** supporting Member States’ investments to improve their social and economic resilience should include earmarked RD&I investments to achieve the targets set by the EU Green Deal and the digital transition.

In addition, the complementarity and coherence between these EU RD&I programmes and related policies should also be fostered so that they can create leverage effects, boosting their impact. Creating synergies of funds will also be essential: for instance, the possibility for Member States to transfer up to 5% of their Cohesion Funds to other EU programmes should become reality.

EARTO Members are fully convinced that Europe has the potential to rapidly and smartly recover from the crisis while remaining a model of economic and social prosperity. An ambitious and swift agreement on the next MFF is crucial to launch the key EU RD&I programmes on time and ensure the funds can have the greatest impact in supporting the recovery. Europe and its citizens need a future oriented MFF at the level of EU’s ambitions, and we need it soon.

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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.*