

EARTO Press Release: Call for the European Parliament to Become the Champion of EU RD&I Investments

22 July 2020

The European Council set its [common position on the future Multiannual Financial Framework \(MFF\)](#) and the European Recovery Plan, "Next Generation EU". This "deal" has been presented by the Council and Member States as a success. While a compromise found by Member States on an economic recovery plan is very much welcome, this "deal" came at a very high price for the future long-term EU investments, especially in RD&I. The Council's agreement simply butchered EU RD&I investments bringing Horizon Europe budget to a lowest figure of €75.9Bn, with a reduced top-off with Next Generation EU of €5Bn while the European Parliament called for a €120Bn budget.

Some realities are not reflected in the Council's deal:

- **Coming out of the economic crisis due to the health pandemic cannot be done without RD&I investments:** Two-thirds of the EU economic growth derives from RD&I, accounting for 15% of all productivity gain in Europe. RD&I investments are the key drivers of productivity and hence of prosperity and growth.
- **Cutting RD&I budget today is equivalent to cutting Europe's capacity to answer next pandemics:** finding new ways to produce ventilators, to test masks, to quickly develop tracking systems, and now to develop a new vaccine, is possible thanks to past RD&I investments showing their effects on our current capabilities.
- **Financial instruments and loans will not finance future RD&I:** RD&I actors like RTOs leverage private RD&I investments using the grants they receive.
- **Without increased EU RD&I investments, Europe's position in the global innovation race is doomed:** please note the wording "increased", Europe is already behind on this race, not managing the EU target of 3% of GDP spending on R&D while our global competitors keep ahead.
- **European technology sovereignty as well as the Digital and Green transitions cannot be achieved without increased investments in research & technology targeting key strategic industrial sectors and value chains.**
- **Lowering EU RD&I investments simply means that less knowledge is shared at EU level:** EU RD&I Programmes enable to pool resources, expertise, skills and RD&I infrastructures and equipment from different countries, sectors and organisations, building critical mass of scientific, research and development capacities. This in turn enables complex and often very expensive RD&I activities to be carried out, which would not have been feasible at national level. Lowering Pan-European RD&I collaboration also risks increasing today's innovation divide across European regions.
- **There will be no deepening of the ERA if joint efforts are not planned at EU level with proper EU RD&I investments** despite Ministers of Research discussion on the future of the European Research Area yesterday.

The European Commission itself came up recently with the [EC SRIP report](#) clearly showing all the above (See annex).

RD&I stakeholders (RTOs, Industries, Universities) worked hard in showing the impact their joint research and technology developments have on society and arguing for increased RD&I investments. Unfortunately, the Council's budgetary discussions were led by debates on grants vs loans, national rebates, which used the long-term EU RD&I investments as bargaining chips.

European RD&I investments need a strong champion and need it now!

Members of the European Parliament, we call on you today to be our Champions in the next negotiations. We need you for the future of Europe, our resilience, the sustainability of our European economic and social model!

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.

Annex 1- Extract from the [EC SRIP report](#)

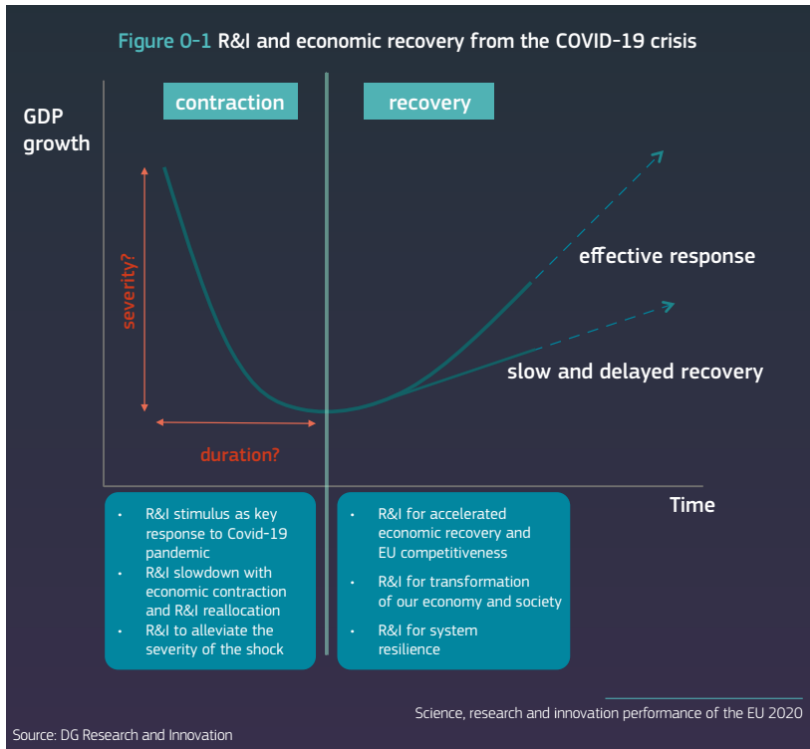
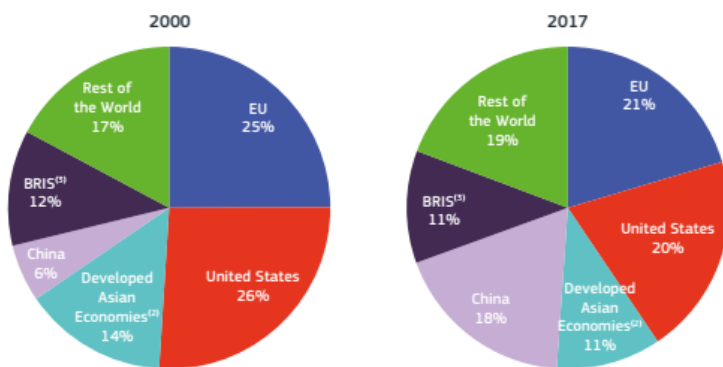
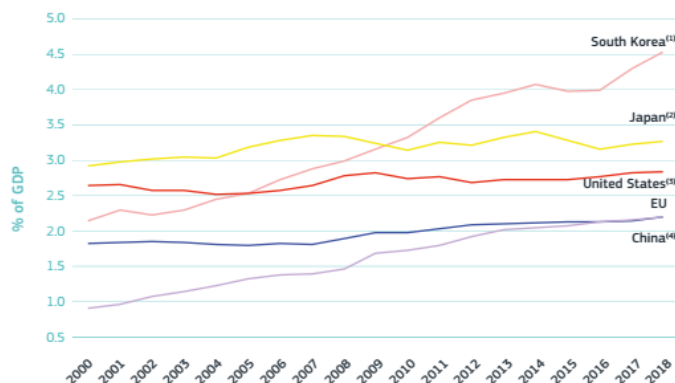


Figure 5.1-8 World public expenditure on R&D -% distribution⁽¹⁾, 2000 and 2017



Source: DG Research and Innovation, Chief Economist - R&I Strategy & Foresight Unit based on Eurostat, OECD, UNESCO

Figure 5.1-2 Evolution of R&D intensity, 2000-2018



Source: Eurostat (online data code: rd_e_gerdtot), OECD (Research and Development Statistics)