EARTO Presse Release:
Horizon Europe's Budget Allocation - Time to Invest in RD&I
Targeting Key EU Strategic Industrial Ecosystems to Ensure EU
Technology Sovereignty

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Thanks to the great support of the European Parliament in the last negotiations, Horizon Europe's budget will be reinforced of €4bn which raises the Programme budget to €84,9bn (in 2018 prices, including the €75,9bn from the MFF and the €5bn from NGEU). EARTO very much welcomes this additional budget for Horizon Europe and thanks again the European Parliament for its supportive actions during the MFF negotiations. Now come the time for the EU Institutions to decide where to allocate this €4bn top-off.

EARTO longstanding position, largely supported by our industrial partners in our Joint Statement for an Ambitious Horizon Europe Programme, is that **EU Institutions should allocate a budget share of at least 60% of Horizon Europe's total budget to its Pillar II "Global Challenges and European Industrial Competitiveness"**. The reinforcement of the Horizon Europe Pillar II's budget with the extra €4bn budget is now a must.

Indeed, the EU Institutions should recognise Europe's need to strongly invest in excellent pan-European collaborative RD&I which can be found mainly under Horizon Europe Pillar II. This Pillar II will be key to support several major EU interlinked policy targets:

- **European technology sovereignty as well as the Digital and Green transitions cannot be achieved without increased investments in RD&I targeting key strategic EU industrial sectors and value chains**. To achieve the objectives of the Green Deal and the digitalisation, overarching RD&I investments are needed to bring coherence, give extra directionality, and complement the investments being defined by Member States within their national recovery and resilience plans.
- **The new EU Industrial Strategy, announced to be reinforced again in coming months, will focus on key EU industrial ecosystems based on key enabling technologies (KETs). Within Horizon Europe, the future development of KETs is planned solely under Pillar II.** To meet the goals set for the key EU industrial ecosystems, boosting EU capacities on key technologies will be crucial: for this a stronger budget for Pillar II is definitively needed.
- **The new EU industrial alliances being created will be mainly supported by Horizon Europe Pillar II with its EU RD&I Partnerships and by the up-coming EU Strategy on Technology Infrastructure** (announced in the EC ERA Communication). Higher investments are needed in Pillar II to avoid that the programme's regulation (which caps the partnerships budget at 40% of the Pillar's budget) compromises the support given by Horizon Europe to the new EU industrial alliances. In addition, the Pillar II requires extra funding also to ensure that the programme ensure a proper coverage of the lower and intermediate TRLs levels of cross-border collaborative RD&I.

It is now time to ensure that EU RD&I policy will effectively support to EU twin transition and EU industrial policy. The reinforcement of the Horizon Europe Pillar II's budget with the extra €4bn budget hard won by the European Parliament is now a must for Europe's future resilience and sustainability.

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