

EARTO Response to the EC Consultation on ERA Act

10 September 2025

EARTO, representing over 350 Research and Technology Organisations (RTOs) across Europe and beyond, welcomes the European Commission's initiative to establish a European Research Area (ERA) Act. To respond to the European Commission's <u>call for evidence</u>, EARTO would like to welcome the recognition of the three key objectives and policy options of this initiative, as well as raise some key issues and offer recommendations for the further development of the proposed ERA Act. Accordingly, this paper aims to complement the three main blocks of policy measures suggested by the European Commission (EC) for an ERA Act.

Policy Measures Block 1 - The 3% R&D Investments' Target

EARTO strongly supports the EC's renewed ambition to render the target of 3% of GDP investments in R&D a reality. The next Multiannual Financial Framework (MFF) for 2028-2034 must be designed to reach such a target: The proposed budget of €175 billion for FP10/Horizon Europe 2.0 recently put forward by the EC (See proposed regulation) is a step in the right direction following the Draghi and Heitor reports' recommendations. Strong EU RD&I investments will provide the scale and ambition needed to secure Europe's technological sovereignty and long-term competitiveness, as well as send a strong signal to industry, aiming to further attract private RD&I funding in Europe. Ensuring that RD&I efforts directly contribute to the EU's competitiveness and resilience by smartly mobilising all EU funds available under the next MFF will be crucial. To do so, ensuring that a significant share of EU investments target applied industry-driven RD&I will be key to leveraging private investments, an indispensable complement to public spending to achieve the 3% target.

Accordingly, the upcoming ERA Act should introduce a roadmap with concrete national commitments from Member States and EEA EFTA countries regarding their R&D investments to reach this 3% target. Building on existing best practices, these commitments should be anchored in national and regional reform plans proposed to the EC under the new MFF. They should be monitored under a new EU RD&I Semester as put forward in the Draghi report.

In this regard, **Finland** provides a best practice with its robust framework for long-term RD&I investments and may serve as a model for other Member States: The Finnish Act on R&D funding, effective since January 2023, legally mandates that the central Finnish government's R&D expenditures are increased each year through 2030 to meet an RD&I target of 4% GDP. In addition to a more ambitious target, it includes a very important conditionality of private investments to its public investments: public RD&I investments should raise private RD&I investments, so for every public euro invested in RD&I, it should bring €2 of private investment in RD&I¹.

Furthermore, to support the promotion of a renewed ambition in terms of RD&I investments, continuously proving the case of such RD&I investments is key. Accordingly, EARTO hereby suggests that the ERA Act defines further work aiming at developing a broadly recognised EU-level method to measure the economic impact of RD&I. A key objective of public support for R&D, including through the EU Framework Programmes, is to stimulate economic growth. However, quantifying the long-term effects of research on, for example, GDP is complex. This is due in part to limitations in available data and the methodological challenges that come with it. One possible solution is to focus on the role and relevance of Research Performing Organisations (RPOs). RPOs, including RTOs, play a key role in innovation processes: 1) they contribute to the development of knowledge, which forms an essential foundation for business-oriented R&D, and 2) they provide specialised research and technology facilities for companies that lack their own R&D infrastructure or only engage in innovation sporadically. In this context, RPOs systematically monitor the input, activities, and output of collaborative RD&I, many having a large reporting duty to their national ministries. These data collected by RPOs can serve as a basis for new methods to better map the economic impact of publicly funded research. This could, for example, be achieved through econometric models that estimate the returns on R&D investments and integrate these into broader macroeconomic analyses. Such analysis also provides valuable insights into the role and effectiveness of RPOs themselves. This, in turn, enables public

¹ See the full <u>Finnish plan to raise R&D funding</u>, State Treasury Republic of Finland, 2022.

policies to be refined and optimised to maximise the impact of publicly funded research. We therefore encourage the EC to include within the ERA Act the development of a methodological framework that contributes to a better understanding of the economic effects of RD&I in the EU. EARTO WG Impact Experts are at the disposal of the EC to further elaborate such a framework.

Policy Measure Block 2 - Enhancing the Alignment of Investments and Research Policies to Strengthen EU and National Strategic Priorities

EARTO members welcome the focus on enhancing coordination between EU strategic priorities and national funding agendas, as EARTO underscored the need for strong alignment of public and private investments as well as of RD&I policies at both EU and national levels in its <u>recommendations to Draghi's report</u>. Such alignment is essential to avoid fragmentation, leverage synergies, and maximise the societal and economic impact of RD&I across Europe.

To ensure that policies work better together, supporting Europe's capacity to develop and scale critical technologies, EARTO recommended that the EU places a stronger emphasis on planning and coordinating investments in Technology Infrastructures (TIs) across Europe. Technology Infrastructures are essential to bridge the gap between research and market uptake: they support both the scaling-up and commercialisation of innovations. Looking ahead, **EARTO emphasises its support for the establishment of the forthcoming pan-EU strategy on Technology Infrastructures (TIs)**, which are indispensable in bridging research and industrial deployment (See <u>EARTO papers</u>).

In addition, EARTO calls for the creation of a **dedicated instrument in the next Multiannual Financial Framework** (2028-2034) with a budget of €13-16 billion as proposed in the forthcoming European Investment Bank (EIB) study on the funding needs of Technology Infrastructures, to finance TIs' development, helping Europe close capability gaps with global competitors and reinforce its technological leadership (See <u>JRC-EARTO report</u>).

Policy Measure Block 3 - Improved Framework Conditions for Researchers and Research Organisations

While EARTO appreciates the EC's attention to enhancing framework conditions for researchers across Europe. In an earlier response to the EC Consultations on ERA, EARTO stressed the following:

- **Knowledge Valorisation:** The efforts up to now have been soft measures and guidance to RD&I actors with less capabilities and knowledge on valorisation. As such, these measures have not had a great impact on supporting the efforts of the RTO sector in scaling up technologies. EARTO recommends active reinforcement of RTOs in transferring technology and valorising knowledge: there is an underexploited potential that should be mobilised/ leveraged. Networks like the TTO Circle, coordinated by the JRC, offer valuable capabilities that should be further utilised to discuss what further efforts could be developed at EU level to effectively support RTOs.
- Intersectoral Mobility of Researchers, facilitated through cooperation between academia with RPOs (including RTOs) and industry: Discussions so far tended to mainly focus on academia-industry, missing the reality that many of the academic PhDs are hosted by RPOs, and especially RTOs on key technology developments². This means that a more comprehensive framework is required to support research careers beyond academia and across industries and RPOs.
- International Mobility of Researchers: Current EU initiatives, by being largely centred on academic pathways again, fail to address the practical challenges faced by RTOs regarding their researchers' international mobility. Despite our past efforts to identify and address these issues³, appropriate measures to adequately target those issues are still missing. Some of the administrative hurdles of international researcher mobility including recognition of residence permits have been addressed in the Council Recommendation on a European Research Framework (C/2023/1640) with a reviewed European Charter for Researchers. However, researchers are not recognised as a specific group with mobility taking place in EU or national publicly funded or industrial RD&I projects. Thus, in some EU countries, a Posted Worker Notification is required even for short mobility/business trips, even though the RD&I activities performed are not the equivalent of a service provision requiring such notification. As researcher mobility takes mainly place within EU or national publicly funded or industrial RD&I projects, this leads to further administrative burden and costs for researchers' international mobility, hindering Pan-EU collaboration between European RPOs, academia and industry.

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² See for istance EARTO Member Eurecat <u>Industrial PhD Programme</u>.

 $^{^3}$ See EARTO Position Papers from $\underline{2019}$ and $\underline{2023}.$

- International Collaboration between RTOs and International Mobility of Researchers between RTOs: Since 2019, EARTO, with its international members, has been managing the RTOs International Network RIN. In our international network, there is a willingness to exchange researchers between RTOs, but there is no EU programme supporting such international activities: current programmes are again focused on academia. EARTO itself has helped its members to develop a standard contract to support international exchanges of researchers to remove some of the barriers. It would be a great asset, especially in current geopolitics, to have some supporting actions from the EU to support exchange between RTOs at global level on critical technologies. In addition, the EC could develop further support actions to promote further research collaboration between RTOs using current association agreements. EARTO/RIN members located in one of the countries associated with Horizon Europe, such as Canada, South Korea, and Japan, are just at the early stage of learning/understanding what an FP programme represents and what opportunities it offers. As we very well know, our FP is a complex instrument; there could be some specific support action to target the most capable organisations in those countries, some of which are our international members, to effectively leverage this opportunity. The time to build and render effective NCPs to support those will take the remaining time left of the programme; some specific support could be offered in the meantime by the EC by using networks like RIN.
- Third Countries and Research Security: EARTO calls for the ERA Act to include clear safeguards against foreign interference, IP leakage, and security risks—while preserving openness. Prior EARTO recommendations highlighted the need for harmonised protocols, stronger due diligence, and closer coordination with national authorities to protect Europe's research integrity and competitiveness. EARTO is happy to contribute to further discussions and is glad to support the organisation of the upcoming EU conference on this topic this autumn.

EARTO fully supports the EC's ambition to reinforce the ERA through a dedicated legislative framework. We stand ready to continue collaborating with European institutions and Member States to shape an ERA Act that delivers excellence, impact, and resilience.

Latest EARTO papers on ERA:

- <u>EARTO Position Paper on the Next EU Multiannual Financial Framework: How to Focus EU RD&I Investments to Boost our Technology Leadership, Productivity & Industrial Competitiveness?</u>
- EARTO Response to EC Consultation on ERA
- EARTO Policy Recommendations 2024-2029: No EU Tech, No EU Competitiveness
- EARTO Inputs to the New ERA Policy Agenda
- <u>EARTO Inputs for a European Framework for Research Careers (Comments to Technical Document)</u>
- EARTO Paper Position Paper on Current Hurdles to Mobility of Researchers
- EARTO Position Paper on Research Security Inputs to the EC Call for Evidence for EC proposal for a Council Recommendation

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 228,000 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.

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