

FP10 Must Rely on Excellence and Expected Impact

European industries play a key role in the implementation of the EU's climate goals, digital compass goals, security of supply and global technology leadership goals that build European success story. The EU has fallen behind its own 2030 target for RDI intensity (3% of GDP) and China has already overtaken the EU. At the same time, changes in the global operating environment further emphasize the importance of RDI investments. At turbulent times, the EU funding must face a renewal. The greatest share of the budget (agricultural and cohesive funds) needs to weigh down for the EU to function fully.

EU is stepping in for a new era of industrial policy. It needs new direction; EU should build on its strong research tradition, close the gap between research and commercial product and keep its eye on technologies of tomorrow. **EU needs to reinforce the industrial competence within the Framework Programme 10.**

For the EU to succeed in this task, we need the concrete actions of competitiveness, which are:

1. European business environment needs predictability that levers growth and enables the development of excellence. Regulation must include competitiveness checkups and innovation funding intensity must grow exponentially.
2. EU regulation must support new innovations by fostering **applied exploratory research**, creating **new testbeds, regulative sandboxes** and focus on **expected impact for industrial renewal assessment studies**.
3. **Technology neutrality** should balance and enable the swift development of both emerging and existing technologies to their full potential. To impact effective competitiveness, we need disruptive innovations for the former and incremental innovations for the latter.
4. EU's RDI policymaking must be in line with the challenges of **global value chains**. EU as a global player is not an island. We should strive to ensure that the handprints of our solutions combine business opportunities with global sustainable development.

The next Commission's work programme and FP10 should maintain climate change and digitalization as one of the priority areas of actions. Twin transition needs a consistent and persistent approach to be successful. This involves a diverse range of RDI-themes that are intertwined with industrial renewal, resilience, critical materials, artificial intelligence, and the wider aspects of security.

The much-needed EU-enlargement must not harm EU funding on RDI-funding and security. The same criteria must be followed: **excellence** and **expected impact**. Also, twin transition plays a key role in security.

Throughout the business environment, the message is to make EU funding more attractive to apply especially for enterprises. To succeed in cross border partnerships and innovation policy goals, we must:

1. add more pilot phase funding (higher TRL levels) to have more SMEs benefiting from the EU budget. We should increase business-driven projects in FP10. This would encourage businesses to invest in RDI in Europe.
2. search for a focus and make the Digital Europe Programme (DEP) more strategic. It has been the most important development programme, but we are far from being digital leaders.
3. have ambitious targets and risk-taking capabilities in programmes, but also braveness to deprioritize, when targets are not achieved. The Commission should analyze their performance and introduce adjustments.

The EU also needs public-private partnerships (PPP). Best practices from the best performing partnerships should be shared more effectively. For the success of the PPP, the deep commitment of all members from the beginning is crucial. PPP must offer real added value, especially to business partners. The Commission has proposed a portfolio of additional partnerships for Horizon Europe. This must be a flexible process.

As we are entering into the new period of European competitiveness, increasing funding for RDI activities must be ensured. Moreover, the innovation funding intensity growth for industrial renewal and digitalization must be evidenced. Excellence and expected impact to the long-term competitiveness are the key criteria, when making decisions on related programmes. To increase the impact of the public funding the commission should create attractive incentives for companies to intensify their RDI investments.

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Technology Industries of Finland (TIF) represents Finnish technology industries and counts over 1,800 member companies, ranging from SMEs and start-ups to world leading MNEs. The technology industry is comprised of five subsectors: electronics and the electrotechnical industry, mechanical engineering, the metals industry, consulting engineering, and information technology. Technology industry is the most important export industry of Finland, with operations constituting over 50 % of all Finnish exports and accounting for 70 % of all private investments.