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Innovate in Europe, scale in Europe:
A joint industry call for an ambitious European Competitiveness Fund

The power of innovation lies in its adoption. Without the necessary framework conditions, there will continue to be no business case for our companies to develop, deploy and scale innovative technologies in Europe. This is why we welcome the European Commission's ambition to strengthen the EU's long-term competitiveness through the European Competitiveness Fund (ECF). The ECF would help tackle part of the issue by providing the financial tools to support European companies from research to commercial deployment.

We call on Member States and the European Parliament to support the creation of an ambitious funding mechanism that delivers tangible economic impact, de-risks private investment, mobilises resources towards innovative projects, accelerates commercialisation, supports the deployment of innovative technologies and helps companies scale in Europe. To accomplish all of this, the design and governance of the ECF and its interactions with Horizon Europe need to reflect the realities of industrial innovation and commercialisation. The ECF should improve the predictability, speed and accessibility of funding procedures, while being accessible to companies of all sizes, including SMEs, start-ups and scale-ups.

1. Strengthen industry engagement on ECF priorities

Gathering insights from industry is key to ensuring available financing reflects technological, industrial and market realities and addresses the specific challenges that businesses face in Europe. The ECF governance needs to be strengthened to ensure meaningful engagement with industry, technology users and other key stakeholders across industrial ecosystems.

A strong governance framework should enable continuous dialogue with industry to:

- identify strategic investment priorities;
- respond to technological and market developments;
- tailor support instruments to the specific needs of industry.

We strongly support the establishment of a Strategic Stakeholders Board, as proposed by the European Commission. However, the Board must ensure effective industry participation in identifying strategic funding priorities and investment directions.

On this basis, we acknowledge the Council's partial general approach of 16 June, which explicitly includes industry in the Board's composition, although we believe that the relevance originally guaranteed to the Stakeholder Board in the Commission's proposal should be maintained throughout the negotiation. We support amendments submitted to the draft ITRE report that emphasise industry's involvement in the governance, such as amendments 1937 (group of S&D MEPs), 1941 (group of EPP MEPs) and 1945 (group of ECR MEPs). We encourage all MEPs to back genuine industry participation. The Board must ensure that the whole industrial value chain is captured and that the decision-making is based on cross-sectoral input.

2. Closely link funding for research and industrial policy

EU competitiveness depends not only on excellence in research but also on our ability to scale, manufacture, deploy and commercialise technologies in Europe. The ECF, therefore, needs to be closely aligned with Horizon Europe, facilitating a seamless transition between research funding and support for commercialisation and industrial deployment.

We call upon policymakers to:

- fully align governance of the ECF and Horizon Europe to ensure that financing supports a smooth innovation journey from basic research to industrial deployment;
- create an integrated work programme with shared priorities across the ECF and Horizon Europe;
- better incentivise scaling and industry uptake of successful Horizon-funded research by ensuring project results are visible, relevant, and accessible to companies during and beyond the project lifetime;
- support the full innovation pathway, including accelerated access to financing for the next stage of technological development, demonstration activities, validation in operational environments, first industrial deployment and scale-up;
- facilitate collaboration between research organisations, industry, investors and end-users to accelerate the adoption of novel technological solutions through integrated innovation ecosystems, demonstration projects, matchmaking initiatives, co-investment and joint venture mechanisms;
- make private investment mobilisation a core success criterion of the ECF, using EU funding to crowd in rather than replace private capital.

3. Move at the speed of technology

The EU budget must become faster and simpler. The high cost of application and long wait times mean we fund yesterday's technology.

The ECF and Horizon need simple funding rules for less bureaucracy and quick decisions. This includes:

- one single rulebook across major funding programmes and a one-stop-shop for applicants;
- accelerated decision timelines to deliver funding to applicants;
- more flexibility for recipients to reprioritise funding in response to technological and market developments, while preserving the objectives of the funding awarded;
- simplified reporting obligations for funding recipients.

Speed is competitiveness. To live up to its name, the ECF must deliver support quickly. We welcome Article 26 in the next Horizon Europe Programme that would limit time to grant to at most 7 months and call for further acceleration of funding timelines, including in the ECF.

A coherent and industry-oriented ECF and Horizon Europe together can be a key instrument to strengthen Europe's innovation ecosystem, industrial capacity and global competitiveness. The ECF must be designed to leverage private investment to ensure that innovations developed in Europe are deployed, scaled and commercialised in Europe.

While we welcome the progress made by the Cypriot Presidency, it is important that the ECF and Horizon Europe are not reduced in the final MFF agreement. The proposed cuts to these programmes would weaken the EU's ability to deliver on its competitiveness and innovation priorities. A timely agreement should provide certainty well before the start of the new programming period, without compromising the ambition, budget or effectiveness of the ECF and Horizon Europe.