

An Ambitious FP9 Strengthening Europe's Industrial Leadership – Joint Declaration by Industry and RTOs

7 June 2017

We, the undersigned associations representing European key industrial research and innovation stakeholders, call on the European Commission, the European Parliament and the Council of the European Union to develop an ambitious next EU Research & Innovation Framework Programme (FP9) as a strong support for EU industrial leadership.

European industry in many sectors and of all sizes is at the forefront of technological innovations required to address societal challenges. Industry has a strong and enabling position in multiple value chains and holds a pivotal position in research, development and the deployment of innovative solutions to create visible impact on society. All the links of the innovation chain must be strong and interconnected to support first class, impactful technological development in Europe. Excellent research is necessary for knowledge generation; excellent innovation enabling transformation of knowledge into new products, services and processes as well as new business models is essential for the emergence of solutions applied on a wide scale and societal benefits.

For decades, European Research and Innovation Framework Programmes have been successful in propelling funding, increasing collaboration across stakeholders in different Member States, supporting risk reduction, accelerating time to market and demonstrating mutual commitment to the launch and acceptance of 'future defining' innovations, partly by encouraging a diversity of actors in its consortia. These programmes have been contributing, together with national programmes, to scale up European funds in support of R&I, with the objective of allocating 3% of the EU's GDP to R&D by 2020. As identified by European Commission President Jean-Claude Juncker in his scenarios for the future of the Union, Research and Innovation (R&I) is a key geo-political factor for Europe. Massive European R&I investment, both private and public, notably in applied research is one of the key answers to keep up with global competition. Despite many efforts, the EU (2.0%) is still lagging behind countries like Japan (3.6%) or the US (2.7%) in terms of R&D expenditures as a percentage of GDP, and China is catching up rapidly. With the highest share of R&D spending coming from the business sector, which accounts for 65% of all R&D spending in the EU, it is extremely important to significantly increase public spending both at EU and national levels and support the global competitiveness of European industries. In this context, European R&I Framework Programmes play a crucial role.

We support the overall objective and architecture of Horizon 2020. When compared with its predecessor, Horizon 2020 achieved major progress in better balancing EU funding over the whole ecosystem of research and innovation. The three-pillar structure reflects quite well the whole innovation chain from basic, blue sky research, over applied research to close-to-market actions (pilots, prototypes). It has managed to better support impact-based research and innovation programmes. Horizon 2020 is helping both big and small R&I stakeholders to dilute the risk of failure for otherwise risky projects thereby decreasing the cost of innovation. It also contributes to not only speeding up market uptake of innovations, but also harnessing benefits for the European society. Cross-border industrial collaborative R&I must be continued under FP9 aiming at increasing the competitiveness of European industry and European cohesion. Collaborative R&I at European level is needed more than ever before in order to make the ongoing technological transitions a success for both European industry and society.

The participation of both Industry and Research and Technology Organisations (RTOs) in EU R&I Framework Programmes is essential to turn ideas into impact-driven and value-creating technologies, applications, and solutions. Among others, the engagement of the whole innovation ecosystem is supported by the contractual Public Private Partnerships (cPPPs) and Joint Technology Initiatives (JTIs). These instruments are one way to address private sector participation bringing leverage from industry. Industry and RTOs are highly committed to the Societal Challenges and the Industrial Leadership pillars. Both should be strengthened to speed up efforts in overcoming the valley of death as well as the gap between the demonstration and commercialization phases. Contractual PPPs and the JTIs are unique platforms, which foster cooperation between public and private actors by pooling their diverse capabilities and creating the critical mass for innovative breakthrough. They also leverage the necessary funds for large-scale European projects. Understanding the channels to market as well as the challenges to upscaling, industry bridge gaps and accelerate the generation of impact and results from R&I programmes.

The next EU R&I Framework Programme should be an ambitious framework programme built on Horizon 2020's achievements. We strongly believe that this means:

- **Increasing significantly the overall EU budget for research and innovation in FP9 within the current discussion on the Multiannual Financial Framework,**
- **Focusing on a well-balanced three-pillar structure, while allocating an equivalent share of the budget to each pillar,**
- **Strengthening the EU industrial leadership to guarantee sustainable application and implementation of European research,**
- **Continuing financial incentives in form of grants for all actors of the value chain, including small & large companies.**

We, the 23 signatories of this Joint Declaration, are ready to strengthen our cooperation with the European Commission, the European Parliament, and the Council of the European Union to define and implement an ambitious FP9 with a strong focus on EU industrial leadership. This will be paramount to position Europe as a global industrial leader and safeguard our growth and jobs.

