

## Business Finland's views on the main priorities in EU RDI programmes MFF 2028-2034

### Main messages:

Safeguarding the Union's global competitiveness can only be reached by investing in RDI on par with our references, meaning an **ambitious and stable budget** allocated to RDI relevant programmes and investments. Europe is lagging behind the competition in commercializing deep tech innovations, and thus the next Framework Programme (FP10) should have a clear emphasis on funding later TRL stages.

Support for RDI as well as take-up and use of new technologies should form a **clear and coherent set of programmes** with common instruments, mechanisms and practices.

Producing the impact on new knowledge, technologies and solutions, FP10 must be solely driven by the principles and criteria of **Excellence and Quality**.

New and more effective mechanisms to increase participation from all Member States and regions are needed, but all such actions must be financed from a **separate budget** outside the excellence driven programmes.

EIC Accelerator should distribute most of its funding via the Open call, instead of EIC Challenges, because true innovation happens bottom-up, not top-down. Focusing more on the **Open calls** will also produce more open competition by providing a more level playing field.

While the core of FP10 should be in supporting RDI, **take-up and exploitation of results** should be strengthened. We advocate both curiosity- and need-driven approaches. However, we are not fully convinced that the mission concept, as it is currently managed within the R&I framework programme, has provided added value, and the decision on the continuation of missions within FP10 should be based on thorough analysis of their impact and efficacy.

Private equity is crucial in commercializing innovations and Europe is lagging behind its main competitors in this respect. It is evident that the EU needs to continue to support the development of **deep tech focused private equity** markets in order to prevent European innovation drifting to foreign ownership and control.

To avoid overlaps and to increase efficiency, development of **dual use technologies should be integrated into the programmes** in which the related civilian applications are developed.

Instrumentation and implementation should build on the decades-long experience and thus provide **continuation** and easier and **simplified participation**.

Co-funded **partnerships'** planning phase and road to implementation is too long and implementation too heavy at all levels, and thus focus should be on alleviating the administrative burdens much as possible. In addition, many institutional partnerships are still seen as closed clubs to the wider European industries and thus problematic in terms of open access.

Business Finland advocates five key perspectives for successful EU level research and innovation:

### **1. Coherent programme portfolio for EU RDI and investments to increase system level impact and efficiency**

The development towards a more coherent portfolio of programmes supporting activities from research to exploitation including investments has been very positive in this MFF. Further strengthening these links and synergies should be continued, to improve impact and efficacy of increasingly tight budgets.

If co-fund mechanisms are to be widely used in different actions (currently in Digital Europe, European Defence Fund, some Horizon Europe partnerships and Innovation Ecosystems etc.), creating a comprehensive overview as early as possible would help Member State level budget planning and allocation and thus ease implementation.

### **2. Increase societal relevance of EU RDI**

FP10 and other EU RDI programmes must continue to produce solutions to European societies' most urgent needs. EU-level actions must reflect the recent geopolitical challenges, resulting in the need to strengthen competitiveness, economic security, and strategic autonomy. At the same time, climate change and biodiversity loss are the most serious long-term threats to humanity and therefore the work towards green transition must not slow down or stop, even while new priorities arise. On the same note, development and use of digital technologies should be a priority. Clear roles, links and complementarity between FP10 and Digital Europe should be ensured, if a separate programme supporting digitalization is to be established.

Given the present and emerging global security threats, the approach to security and defence should be reconsidered. To maximize efficiency, development of dual use technologies should be supported in FP10 when the technology in question is in its scope for civil applications.

For defence, the EU should not develop new structures and arrangements for research and development projects. Instead, it should seek to increase the benefits that can be obtained from further developing and strengthening existing structures, such as the European Defence Fund. Specific attention should be given to how to continuously improve the integration of startups and SMEs, which often represent emerging disruptive technologies, into defence related research and development activities of the EU. Given that the potential customer base of defence products and solutions is very limited, all measures for post-development industrialization and commercialization are of utmost importance. Finally, developing EU and NATO cooperation on defence industry issues further, in order to ensure maximal synergies of activities, is strongly advocated.

### **3. Key objectives and principles for FP10**

The level of ambition must remain high for scientific, technological and industrial output and competitiveness of Europe in the global context. Europe is far from reaching the 3% R&D investment target, and FP10 can yield a significant support to multilateral R&I collaborations within Europe and with strategic international partners.

To achieve the ambitious objectives, a balanced approach covering the entire chain from basic research to commercialization should be ensured, while recognizing that the renewal of industry is usually not driven by basic research. For the renewal and strengthening of the competitiveness of our industry, Europe still needs to improve and speed up the valorization of the continent's R&I investments, and the FP is the best tool to achieve this.

The real value of the FP that cannot be created by national or private efforts is European collaboration. This should remain at the core of the future FP, while recognizing the need for continuous support to the most excellent researchers and companies through ERC and EIC.

### **4. More strategic and structured support to innovation**

While the instruments providing support to basic, applied and collaborative research are tried and established, the same does not apply for innovation. Given the ongoing race for technology development and ownership, Europe should take a more strategic approach to this and reorganize the innovation pillar accordingly.

EIC (Accelerator) addresses a real market gap and has earned its place in the future FP. It should build on proven mechanisms with simple and solid functions (vs. frequent changes and complex set of resubmission rules, overly descriptive Challenge calls, fast tracks and plug-ins etc. seen in early years of Horizon Europe). Instead of incorporating basic research and scale-up services in one package, Accelerator should focus on the commercialization and scale-up of the most potential research results stemming from all sources.

The true relevance and efficacy of EIE and EIT in supporting European innovation is not as clear and calls for a major reform or replacement with more impact-driven instruments.

### **5. Effective implementation and further simplification to ease participation**

All measures that decrease unnecessary bureaucracy for the applicants and thus ease participation of new participants should be considered, for example through wider acceptance of participants' own accounting practices.

Implementation of partnerships should be revisited and efforts continued to harmonize the practices to improve clarity and efficiency (re. high administrative burden as well as

different rules and interpretation of rules in different partnerships of the same type under Horizon Europe).

A strong National Contact Point (NCP) system closely linked to the Commission and its agencies is needed to secure the services for applicants.

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