Tech it Further

KEY MESSAGES

Securing Europe's Technological Leadership: The Competitiveness Fund and Horizon Europe's Next Chapter

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Tech It Further - Sweden's united voice in Brussels on EU Research, Innovation and Industrial Policy

It is a platform for dialogue and collaboration between industry, research and policymakers. The Forum is backed by key actors including Technology Industries of Sweden (Teknikföretagen), RISE (Research Institutes of Sweden), University Alliance Stockholm Trio (Karolinska Institutet, KTH Royal Institute of Technology, Stockholm University), FAM AB, and the Stockholm Region EU Office.

We are Sweden's leading knowledge actors – uniting the research excellence of the Stockholm Trio universities, the applied expertise of the Research Institutes of Sweden, the industrial strength of Teknikföretagen, the innovation power of FAM companies, and the policy reach of the Stockholm Region EU Office, which represents the Region of Stockholm, the City of Stockholm, and the surrounding community. Together, we form Europe's most innovative region, spanning the entire innovation chain – from cutting-edge science and testbeds to global technology companies and regional ecosystems, where new solutions reach citizens.

[1] These Key Messages are input from different perspectives from the Members of the Tech it Further- platform, on how we all contribute to the industrial competitiveness in different ways and perspectives. It is therefore not a formal joint position.

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Securing Europe's Competitiveness: The Competitiveness Fund and Horizon Europe's Next Chapter

Europe stands at a critical juncture to secure its technological leadership – and thus the European Union's competitiveness, transition and security. Finding ways to faster get research to reach the market in form of new solutions and products – closing the innovation gap - must be solved urgently.

Two key proposals to solve this is the 10th framework programme (Horizon Europe) and the European Competitiveness Fund (ECF), presented by the European Commission on the 16th of July 2025.

The framework programme needs to be designed to help Europe create excellent science, promote collaborative research between different actors and provide the right support for research and technology infrastructures to enable European public and private sector to test and validate new solutions. The European competitiveness fund must effectively help the knowledge created reach the market through effective risk-sharing models and sufficient funds and tools to boost EU´s technological capacity.

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Horizon Europe

- **Europe needs to ramp up spending on research and innovation – and involve industry more strategically in the selection and governance of research, innovation and industrial projects to attract more private investments to Europe.** Thus, the proposed reduction of the co-financing rate for profit organisations from 100% to 70% in the FP is rather contradictory and is also opposite Commissions argument in Horizon 2020 and Horizon Europe to simplify. Active participation by companies in the framework programme actions is essential to maximise the value of collaborative projects, ensuring that research and innovation activities remain closely linked to market needs and deliver tangible impact.

- **Basic research, supported by the European Research Council (ERC),** fuels and underpins long-term industrial competitiveness by generating the knowledge that form the foundation of future breakthrough, drives disruptive innovation and opens new market opportunities and must continue to receive sufficient funding. In this respect it is crucial to ensure the independence of the ERC.

- **Collaborative, pre-competitive projects, such as those in Pillar 2,** between academia, institutes, industry, and other stakeholders, are a cornerstone and unique strategic advantage of the EU's innovation ecosystem. Pillar 2 has proven successful in supporting cross-sector collaboration and funding the development of the key technologies and industrial capabilities needed for Europe's future competitiveness, while also addressing major societal challenges such as climate change, health, and digital transformation. To ensure that FP10 and the ECF deliver tangible impact, applied research must be a clear priority and should be given a proportional increase in relation to pillar 1 and 3 of the funding dedicated to FP, to help bring a variety of actors across the innovation ecosystem together to create added value and share risks.

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Sweden has a very high share of private R&D investments, and industry-led collaborative research —where all actors in the research and innovation ecosystem work together to solve challenges — is a key success factor in this equation. Pillar 2 is the main part of the framework programme where industry is participating, making it a crucial tool for creating a more attractive European system for industry to place their research and innovation investments. It is also central for scaling and commercializing research through the ECF.

- **Innovation, supported in pillar 3 of Horizon Europe**, is an important step in the journey from basic research to commercialization of new products. Pillar 3 needs to have a broader scope with new tools to support collaboration between existing industry and start-up/scale-ups. The ecosystem approach is key.

  Public actors - regions and cities - are key players in scaling up innovation and should be included as equal partners, as they are responsible for many areas where innovation is introduced and plays an important role in procurement. They can act as anchor costumers and help mature the market for new solutions faster.

- **The proposed pillar 4**, focusing on finding a European approach to technology and research infrastructures is welcomed. Research and Technology Organizations play a pivotal role in this process – co-developing innovation with diverse partners and providing access to advanced technology infrastructures that empower both public and private actors to test, develop and innovate in Europe. However, follow-up of Technology Infrastructure pilots from the current framework programme will require that TIs are included in the ECF policy windows to ensure direct links to technology development, testing, demonstration, and piloting. It is important to enable research on system change; how new technologies are integrated into public activities, not just on the technology itself. As many infrastructures involve collaboration across sectors and borders, it is essential that excellence remains the guiding principle for research infrastructures and industrial needs for technology infrastructures, to ensure the highest quality, optimal resource use, and sustained global competitiveness of Europe's research and innovation ecosystem.

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European Competitiveness Fund (ECF)

- Horizon Europe – especially Pillar 2 - and the European Competitiveness fund must be closely connected and aligned to the Horizon Europe logic of excellence and breakthrough research that leads to new technologies and solutions addressing the industrial and societal needs of tomorrow.

- It must also be clear how the governance of the fund will function, and how it connects to the framework programme. To successfully commercialize research and linking research and innovation policy with industrial policy, the ECF must involve industry in a more strategic, transparent, and efficient way going forward — helping with identifying projects with clear market potential that can benefit from effective risk-sharing models combining public and private funding. The current industrial dialogues are not sufficient to contribute to the effective operationalization of projects and investments within the policy windows of the framework programme and the ECF.

- The proposed stakeholder board for the ECF should include academia, research institutes, Member States, and other actors (to function as an advisory council). However, to address the challenge identified by Draghi — the need for more private investments and faster commercialization of research — the board should have a strong industrial engagement. If the stakeholder board is to advise on the strategic direction of the entire ECF, it is essential that it has access to broadly anchored, strategic industry input through research and innovation roadmaps.In this context, the further development of existing technology platforms, and other platforms, can play an important role in providing this. In this context it is important to take into account the broader perspective of pillar 2 tackling global and societal challenges.

  In addition, the implementation of the ECF part of the next Horizon Europe is unclear. It is essential to keep structure of Programme Committees with the involvement of Member States and Associated Countries.

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- The main purpose of the ECF should be to finance projects where the risk is too high for private actors to carry new solutions to market on their own. ECF financing should therefore be directed to bridge the innovation gap by attracting industry to scale their solutions here in Europe, mainly through risk sharing rather than production support or other initiatives where there is not a clear market failure.

- The focus of the ECF on boosting the EU's investment capacity in strategic technologies is welcomed and needs to be linked to RTI investments (pillar 4, HE). The ECF should target further investments in needed technology infrastructures in strategic technologies, allowing creation, maturation and scaling up activities for European industry. It is also important with a continued support for research environments with the ability to translate knowledge into growth and societal benefits and long-term impact.

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