Ursula von der Leyen President of the European Commission Rue de la Loi 200 - Brussels, Belgium

Dear Ms. Ursula von der Leyen

Dear members of cabinet and staff in the European Commission,

Brussels, 30 June 2025

The undersigned organisations, representing clean technology innovators and renewable energy sectors from across Europe, support the European Commission's vision for a 'prosperous and competitive Europe'. Developing and upscaling clean technologies is a no-regret strategy to strengthen the EU's resilience, boost inclusive growth and help to meet its climate commitments. Instruments for funding EU-level research, technological development and demonstration are key to this mission.

We welcome the commitment in your speech in <u>la Sorbonne</u> last month to "put forward ambitious proposals on research and innovation funding in the next long-term budget." The best way to support science and competitiveness in Europe is via a strong successor of Horizon Europe (called 'FP10' in the text below) that is: (1) 'self-standing' with a ring-fenced budget; (2) sufficiently funded for the challenges the EU faces, with stable priorities and a major collaborative research component; (3) standalone yet closely linked to scaleup instruments such as the Competitiveness Fund, a streamlined Innovation Fund and others. The messages in this letter build on a <u>previous joint letter of May 21</u> to the EU institutions.

1. "Self-standing" should mean "with a ring-fenced budget"

In your <u>speech to Annual EU Budget Conference 2025</u>, you referenced Horizon Europe's "outstanding brand" and stated your clear wish for FP10 to continue and remain a "self-standing programme". We welcome this and ask that the European Commission **demonstrates FP10's "self-standing" quality by maintaining a defined ring-fenced budget** - complementary to, but separate from, the Competitiveness Fund's.

There are significant advantages from ring-fencing. The EU will demonstrate considerably more commitment to R&D, and its own determination to meet the 3%-of-GDP R&I spending target than if the new programme's budget envelope is understood to be porous. Ring-fencing would be a demonstration of leadership, that inspires the private sector and governments to follow suit.

2. A well-funded FP10 with stable priorities and a focus on collaborative research

FP10 should build on the success of past Framework Programmes. Calls in Horizon Europe are often oversubscribed, with many high-quality proposals not being funded. This is a missed opportunity that is holding back Europe's innovation potential. To address it, we recommend creating a well-funded FP10 programme with a **ring-fenced budget of at least €200 billion for 2028-2034**, in line with the Draghi, Letta and Heitor reports.

EU Framework Programmes have carefully adjusted over decades their research priorities to tackle many of humanity's pressing challenges. We recommend maintaining this approach, with **FP10 being the research and innovation component that provides answers to the EU's most pressing concerns**. While flexibility between Work Programmes is important to reflect a changing world, it is essential that

this does not lead to the redirection of crucial research and innovation funding toward areas only loosely connected to innovation.

Collaborative research and innovation in Pillar II is the core 'European component' to Horizon Europe, and Horizon Europe is far better at supporting such research cross-border than sub-EU-level initiatives between European countries. In today's Pillar II, it brings together transnational and cross-sector consortia to test innovative approaches in diverse contexts, while also giving a wider platform to share results. We recommend dedicating at least 50% of FP10's ring-fenced budget to Pillar II 'Clusters' and the 'Partnerships' under them, also maintaining or increasing the climate mainstreaming target.

3. FP10 should be closely linked to scaleup instruments

The EU can get the most from its leadership in many strategic technologies by better connecting FP10 research with existing and new scaleup instruments. The new MFF budget discussion (and the proposals related to it) is a unique opportunity to develop a seamless project pipeline where technologies advance through technological readiness levels (TRLs) up to market deployment. From early on, projects should aim to produce exploitable results, products or services in key sectors.

We recommend better synchronising both priorities and timelines of calls between FP10 and other instruments that can support deployment, such as ETS and EU Cohesion funds. This would create tight links and close coordination between them, while remaining separate instruments. "As-a-service" offerings from the European Commission to Member States¹ are also a powerful way to align efforts efficiently. The European Competitiveness Fund and IPCEIs have significant potential to create new manufacturing capacity for innovative technologies in Europe.

Signatories:



¹ Example: Innovation Fund's auctions-as-a-service or grants-as-a-service models