

Dear ITRE member,

Your Committee is working on the Assessment of the implementation of Horizon Europe in view of its interim evaluation and recommendations for the 10th Research Framework Programme (2024/2109(INI)). This report is an important initiative to shape a future-proofed EU's research and innovation policy.

We understand that the compromise reached for paragraph 18 states that *"...in FP10 an expanded and interlinked European Research Council (ERC) and European Innovation Council (EIC) should be the engine for a European competition of ideas and that an increase of their budgets should be prioritised in the FP10 budget"*.

EU businesses and RTOs are concerned about the detrimental impact of this "prioritization" of budget to Pillar I (ERC) and Pillar III (EIC). Although strong ERC and EIC are important for strengthening the whole research and innovation ecosystem in Europe, it is equally important to reinforce the support of pan-European collaborative applied research around key industrial sectors within the current Pillar II of Horizon Europe.

Pan-European public-private partnerships under Pillar II (e.g. clean aviation, health, hydrogen, chips, etc.) are an essential cornerstone for strengthening the competitiveness and resilience of the EU. They are notably decisive in bringing research to market in the form of globally competitive products and value creation in Europe. All-sized companies and RTOs have an essential role to play and are critical to collaborate in the European innovation ecosystem. They provide essential market insights and access, along with the technology expertise, infrastructures and financial resources needed to test and commercialize innovations. The significant co-investment by industry as well as EU cross-border collaborations between a variety of public and private actors would be both largely reduced should Pillar II be de-prioritized (i.e. today Pillar II is about 60% of the current FP budget). Such pan-EU collaboration cannot be found in any other existing EU instruments and needs to be prioritized as much as the other Pillars of the FP.

Furthermore, without more clarity on the next Multiannual Financial Framework, the budgetary envelope and architecture of the next EU research and innovation framework, **we believe it is premature to already prescribe the budget allocation among Pillars.**

Therefore, in view of the vote on 19 February on the report, we call on ITRE members to:

- Reject Compromise Amendment 1, paragraph 65.
- Support Amendments 294, 297, 298, 300.

We hope that you share these views and remain at your disposal should you wish to discuss this further.

Best regards,



Markus J. Beyrer

Director General, BusinessEurope



Muriel Attané

Secretary General, EARTO