Udice French Research Universities

For a Research and Competitiveness Fund

or how the integration of FP10 into the competitiveness fund could strengthen the impact of European research.

The members of UDICE, in their recent statement, expressed concerns about the potential integration of FP10 into a competitiveness fund (CF). This integration should aim to combat technological and industrial lag, following the recommendations of the latest reports[1]. Geopolitical tensions and their strategic implications for Europe necessitate enhanced autonomy in sectors involving sensitive technologies or value chains.

Aware of the importance of these issues for Europe in terms of economic and strategic competitiveness, UDICE members understand the European Union's desire to refocus its efforts on key sectors. However, these efforts should not lead to underfunding research or abolishing programs that, while still improvable, advance projects from the lowest TRLs (SRLs)[2] to the market, or until society adopts them. On the contrary, this sector-based approach presents an opportunity to converge funding from other sources and align the modalities and objectives. Europe must establish an ambitious FP10[3], both in its budget and in its ability to propose ways to accelerate its transfer capacities and nourish innovation to tackle industrial and societal challenges across all EU territories.

1. Collaborative Research as a Driver of Innovation and Strategic Autonomy for the EU

UDICE members believe that in order to continue supporting European scientific research at a particularly critical time, the independence of FP10, fully based on excellence, is an essential condition for European competitiveness.. However, as the European Commission has chosen a different path, UDICE members believe that the successful integration of FP10 into the CF must respect the non-fungibility of the research budget with that of other instruments of the CF[4] and follow a logic of convergence of various funds along these sectors. The CF must incorporate collaborative research and refocus research on strategic sectors by supporting projects throughout their development:

- The CF must group and organize a comprehensive set of project support tools, ensuring their progression through TRLs (SRLs).
- The CF must provide the means for enhanced and agile project management, depending on their evolving needs, by facilitating access to funds and, where applicable, their fungibility within the PCRI.
- The CF's sectors must be regularly redefined based on technological developments, societal needs, and new societal challenges (ecological transition, climate change adaptation, energy transition).

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[1] Links to the reports, Draghi report, https://commission.europa.eu/topics/eu-competitiveness/draghi-report_en, Letta https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf Heitor https://www.eera-set.eu/news-resources/5904-the-heitor-report-rethinking-eu-r-i-funding-to-boost-competitiveness.html, or EU Innovation Policy.

[2] SRL : Societal Readiness Level

[3] The next framework programme for research and innovation in 2028

[4] We note initiatives that converge on this point with our concern, whether it is the Warsaw Declaration signed by a number of universities, notably among the members of UDICE and the Ehler report and the vote that followed in parliament.
https://multimedia.europarl.europa.eu/fr/webstreaming/press-conference-by-christian-ehler-epp-de-rapporteur-on-implementation-of-horizon-europe-programme_20250311-1630-SPECIAL-PRESSER

- The CF should mobilize territories and their ecosystems to contribute to the reindustrialization of the EU, from the regional to the pan-European level. This territorial anchoring and its economic network strengthen strategic sectors across their entire value chain. This ecosystem could lead a massive investment effort for market deployment and skills development. The Erasmus+ program, and more specifically European university alliances, can play a major role in supporting innovation projects at the territorial level (intervention from cohesion policy), while already providing a transposition at the European scale.

2. Ensuring a European Ecosystem for Sustainable Innovation

Existing mechanisms already support fundamental collaborative research, which is essential for the emergence of disruptive innovations. These could be enhanced to ensure that Europe generates a flow of upcoming innovations. An ambitious budget dedicated to this goal will help Europe maintain continuity across the entire value chains covered by future sectors to build and sustain European competitiveness. Projects stemming from fundamental research (of any ERC category), collaborative research, or EIC projects must contribute to creating these value chains and fostering sustainable innovation.

3. Acting Across the Entire Value Chain and Establishing Mechanisms to Ensure Disruptive Innovation

While the EIC has achieved successes, its performance is still improvable:

- EIC funds remain insufficient. The EU must make an additional financial effort[5]. There is a need to encourage private funding to compensate for insufficient public funds. These incentivizing mechanisms should allow for risk reduction of projects for industry and its financial partners.
- The EIC's mission does not explicitly focus on strategic sectors where disruptive innovation development is essential. Therefore, it is necessary for Europe to establish an ARPA (Advanced Research Projects Agency, which has existed in the United States since 1958). This type of agency would complement the European research funding system effectively. A European ARPA can draw from existing models but should avoid blind imitation. It would focus exclusively on projects with a disruptive character, contributing to Europe's strategic autonomy.

To fulfill its mission, this ARPA would intervene at various levels:

- With excellence programs (ERC, possibly MSCA) to identify among selected projects those containing the seeds of solutions in sectors contributing to Europe's strategic autonomy and technological and industrial sovereignty;
- With collaborative research (fundamental or applied) linked to sectors, following the same criteria;
- With the EIC to fund and support start-ups developing strategic technologies for Europe or carrying disruptive innovations.

This European ARPA would act to secure the industrial development of certain technologies within European territory, secure value chains, and "de-risk" projects to encourage private investors to join these efforts in supporting these projects massively.

Finally, beyond its own funding and leverage effect on private investments, for it to operate effectively, this European ARPA must act well upstream of innovation: its support in detection is crucial. It is during the detection and support phases that Europe's greatest potential for improvement lies. These tasks require skills driven by people rather than institutions. It is probably the generalization of high-level project managers that should be considered. Several models

[5] The areas of the Bocconi report can be considered here.

should be considered, and a systematic study of the organization and results obtained by different ARPA models or EU innovation funding mechanisms should be conducted to pinpoint exactly what is still missing for the EU and put an end to the "European paradox."

4. A Model for the Competitiveness and Cohesion Fund

The CF model risks favoring research centers and the most advanced ecosystems in each EU member country, as it would be based on research excellence and competitiveness. Therefore, mechanisms for compensation should be considered to counterbalance these concentration effects. For instance, infrastructure programs could be developed to promote both research and the provision of high-quality scientific and technological education, which would maintain an industrial and technological cohesion dynamic and progressively increase skills.

5. An Opportunity for Research to Have a Global Impact at the European Level

UDICE members believe that this competitiveness fund represents an opportunity to converge different funding streams around priority sectors and disruptive innovations. Cohesion funds would contribute to industrial deployment across territories, higher education policies to the transfer of knowledge and skills, Life program funds to accelerate the green transition, and Digital Europe to drive the digital transition. This holistic approach will have an impact, not forgetting defense, which is nourished by R&I and acts as an accelerator of it.

The impact of this FP10 integrated into the CF would result from better coordination of innovation policies with industrial policies (national) aimed at strengthening the impact of European and national efforts. However, this unified governance should not undermine the autonomy of research, which is the sole vector of innovation in the long term. If policy coordination and alignment must occur, it should be in the implementation phases to strengthen our transfer capabilities.

Moreover, this increased coordination between member states around strategic sectors should contribute to deepening the single market, notably by limiting competition between member states in these priority sectors.

Finally, these political objectives require a budget commensurate with these ambitions, notably through a substantial increase in the EU's own resources.

UDICE members