

Common joint statement from the HRK –CPU- Universities UK on the Juncker Plan

Europe needs long-term, reliable and adequate funding of excellent research by the EU to deliver sustainable growth and jobs and improve our living conditions. In response to the European Commission's proposal for an European Fund for Strategic Investment (EFSI), we are urging MEPs and governments to swiftly and assertively take steps to protect investment in Horizon 2020. Horizon 2020 is an established and well-functioning growth program for Europe and should not be degraded.

According to Ernst and Young's latest European attractiveness survey of 808 CEOs, R&D will drive Europe's FDI activities in the coming years. It is therefore self-defeating to cut € 2.7 billion from Horizon 2020 to finance EFSI and attract investment. These cuts equal a 3.5% overall reduction to an EU programme that has a vital part to play in keeping Europe competitive. We are convinced that the essential innovation pipeline for our 21st century economies cannot be sustained, if the resources for the creation of new knowledge were raided for short-term projects.

EFSI is supposed to fund also research and innovation projects. However, the focus of EFSI projects financing R&D would necessarily be much closer to market – neglecting vital excellent basic research that generates new knowledge as the basis for future growth. Consequently, existing EIB guarantee funds and instruments for risk financing innovation projects should be integrated into EFSI. Unfortunately, the proposed regulation lacks mechanisms to recognize the innovation potential of projects and no obligation is in place to ensure money is channelled back into research and innovation. There is a real danger of funding agreed to be for research being diverted to other purposes.

Research is a prerequisite for innovation, without research the pipeline to innovation – and so to any new ideas that could be invested in by EFSI eventually – is cut off. Research must be funded in an appropriate way and any cuts to Horizon 2020 will result not only in a performance loss for the European research and innovation system but also for Europe's long-term competitiveness.

We therefore urge MEPs

- to reverse the cuts to Horizon 2020.
- to ring-fence "Excellent Science" and "Societal Challenges" within Horizon 2020 and to shift Horizon 2020 Risk Finance Facility guarantees, if cuts cannot be avoided.
- to avoid any mechanisms in EFSI for further Horizon 2020 cuts in the future.
- to ensure that unused EFSI funds flow back to Horizon 2020 and not into the general EU budget.
- to guarantee that 30% of EFSI funding is channelled into projects with a obvious research and innovation reference.
- to provide for clear research criteria, a selection process based on and access for universities – either leading or participating – for EFSI R&D projects
- to involve R&I experts in the evaluation and decision-making processes on EFSI R&D projects.