



European
Commission

THE ROLE OF RESEARCH AND INNOVATION IN EUROPE'S RECOVERY

28 May 2020



"Our renewed commitment to modernize our economies, making them greener, more digital and more resilient, will ensure that we come out stronger from this crisis. Research and innovation are vital to ensure a sustainable recovery for all."

Mariya Gabriel, Commissioner for Innovation, Research, Culture, Education and Youth

INVESTMENTS IN RESEARCH AND INNOVATION ARE KEY FOR A SUSTAINABLE AND INCLUSIVE RECOVERY

R&I are critical levers to ensure a sustainable and inclusive recovery, while boosting the resilience of our production sectors, the competitiveness of our economies and the transformation of our socio-economic systems. There are a number of key strategic areas where R&I initiatives can assist the recovery, and assist in the short term.



€13.5 billion proposed increase of Horizon Europe budget through Next Generation EU, a €750 billion recovery plan

The budget increase will be used to provide European support for health and climate-related research and innovation activities. The additional budget will go to:

- Horizon Europe's **Health cluster** to tackle challenges such as the coronavirus pandemic, the extension of clinical trials, innovative protective measures, virology, vaccines, treatments and diagnostics, and the translation of research findings into public health policy measures.
- Horizon Europe's **Climate Energy and Mobility cluster** and the **Digital Industry and Space cluster** to scale up R&I resources in climate-related domains and to ensure that European enterprises have access to the technologies and data they need. This will strengthen support for the competitiveness of EU industry in related economic sectors and promote a recovery consistent with the **European Green Deal's** goals.
- The **European Innovation Council** (EIC) to provide additional means for emerging and breakthrough innovations by small and medium-sized enterprises, start-ups, and midcaps. The EIC has a huge potential to support the recovery and the EU's ambitions on digitalisation and climate.





R&I boosts the EU's productivity, jobs and global competitiveness

- Research and innovation investment is a critical driver of productivity, economic growth, and for maintaining the EU's global competitiveness. **Public investments** in R&I should be prioritised.
- Investments in high growth, research and innovation driven SMEs (including startups) and midcaps are critical for the recovery. **EU financial instruments** enhance solidarity across Member States, strengthen value chains, protect technological sovereignty and support social innovation.



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of **EU productivity growth** over the last decades has been **driven by R&I investments**



€11

Estimated leverage effect of each euro invested in R&I at EU level



€400-600 billion by 2030 is the estimated **GDP gain** from Horizon 2020



R&I accelerates the digital and ecological transformation of our societies

- Horizon 2020 is already testing solutions to decarbonise critical sectors, including maritime, aviation and construction. **Horizon Europe's** powerful instruments and innovative governance will even stronger support the necessary systemic changes to ensure a truly transformative societal and economic recovery and a strengthened resilience of production sectors.
- Horizon Europe's **missions** are an effective instrument for COVID-19 recovery as they deliver a public good through a systemic approach. They bring together all relevant policies and instruments, and include investment strategies that crowd-in Member State and private investments. All mission areas have direct links to the sectors most hit by the crisis (e.g. healthcare, agriculture, tourism, mobility) and need EU action to mitigate social and economic impacts.
- Horizon Europe's new wave of **European Partnerships** ensure long term strategic cooperation between public and private actors along agreed agendas and cover critical areas such as energy, transport, biodiversity, health, food and circularity.

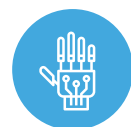


Horizon 2020 European Green Deal call to trigger green recovery



35%

Horizon Europe spending target on tackling **climate change**



€1.5 billion mobilised under Horizon 2020 (2018-2020 period) for **Artificial Intelligence** research



R&I is key to battle the coronavirus outbreak

- The Commission mobilised over €1 billion from Horizon 2020 for the **Coronavirus Global Response event** to ensure collaborative development and universal deployment of diagnostics, treatments and vaccines.
- **Adjusted EU State Aid rules** facilitate COVID-19 relevant research, development and innovation.
- R&I contributes to creating **common standards**, e.g. for diagnostics tests, health data, product approvals, joint public procurement of innovation, and development of clinical guidelines.
- Horizon Europe's health research and innovation activities will be fully complementary to the new EU Health programme **EU4Health**, which will focus on testing, approval, uptake and deployment of new health technologies and sharing of best practices.
- The **ESIR high-level group** of independent experts provided forward-looking advice on a powerful transformative European R&I policy in support of the COVID-19 crisis recovery.

The €1 billion from Horizon 2020 for the Coronavirus Global Response event can be broken down in:



€475.5 million
for developing scientific solutions for testing, treating and preventing against COVID-19, and developing health systems



€400 million
EC guarantee of the EIB lending to finance precommercial stage investments in COVID-19 R&D (including scale up of production facilities)



€150 million
for disruptive innovations on COVID-19 under the EIC's Accelerator

