

Non-paper by Austria, Denmark, Finland, France, Germany, Ireland, Luxembourg, The Netherlands, Spain and Sweden on the proposal for a European Competitiveness Fund

To stay competitive and secure at a time of increased uncertainty and geo-economic complexity, the EU must step up and strengthen its global competitiveness. The EU must build on its strengths and seize new economic opportunities.

Given the challenges the EU currently faces, we welcome the Commission proposal for a European Competitiveness Fund (ECF) as part of the MFF 2028-2034. The ECF has the potential to be an important instrument for our future success and strategic relevance. We believe that for the ECF to be a serious response to the Draghi report, several key elements are required.

We need clear and strong award criteria in the ECF Regulation. We need to sharpen the ECF's general objectives. The ECF needs to deliver European added value and address market failures, while emphasizing the promotion of innovation and productivity growth. ECF projects should be selected through open and competitive procedures and awarded based on criteria that ensure that only the best projects are funded in terms of their quality and impact. These criteria need to ensure that projects are assessed based on their innovative potential, as well as their additionality of financing. If we truly want to keep up with other leading economic blocs and strengthen the EU's competitiveness, competitive selection should determine where our limited resources can be spent most efficiently to achieve our common goals and reduce harmful dependencies in key sectors. The ECF is there to ensure that the EU can be a global player. Separately, cohesion policy will support resilient regional economies to strengthen the Union's overall competitiveness.

Furthermore, it is of paramount importance that we increase the leverage of the EU budget. The ECF can only be successful if sufficient private investments are mobilised. This requires a strong role for financial instruments. Therefore, the ECF InvestEU instrument should be a favoured means of implementation and make up a significant part of the ECF. We should also enhance the risk-capacity for high-potential projects under the ECF InvestEU, to ensure that support is structured to leverage private investment, thereby maximising the overall impact and ensuring the efficient use of public funds. InvestEU has proven effective in mobilising private capital, and we should build on these results.

We call for a coherent implementation and governance of the ECF in synergy with Horizon Europe. This includes a strategic steering role for the Member States in the programming of the ECF. We need an ECF that provides clear strategic focus and long-term investment certainty, not least to enable commercialisation and scaling up of research and innovation in an efficient way. We need an ECF that avoids duplications and reduces the administrative burden for our companies. We support the principles of simplification and easy access to Union funding opportunities. This will support the central role of innovative startups, scaleups and SMEs across the EU in increasing EU competitiveness.

Going forward, we fully support the goal of the Presidency to achieve a partial General Approach before the summer and stand ready to intensify our efforts. The ECF, if designed in line with the above elements, could offer the EU a unique opportunity to invest in our future competitiveness, security, defence and resilience. The ECF's success will be judged by what it achieves for Europe's competitiveness.