

Position Paper

Statement on the design of the Recovery and Resilience Plans

Great start from the European Commission – it is time for cooperation between Member States to enable Europe-wide industry participation.

22 February 2021

The European Association of Innovation Consultants (EAIC) welcomes the recovery and resilience facility which will allow faster recovery from the pandemic and renew Europe for better competitiveness. However, we suggest acting in a more coordinated way between Member States to ensure the funds allocated will be properly and efficiently spent. As experts around Europe on innovation funding, EAIC offers its support in advising how to improve national innovation policies to maximise industrial investments, find best partners and balance competence gaps between Member States and Regions.

The EU's long-term budget, coupled with Next Generation EU (NGEU), the temporary instrument designed to boost the recovery, will be the largest stimulus package ever financed through the EU budget (€1.8 trillion). The European Association of Innovation Consultants (EAIC) applauds the initiative of the European Commission and considers the NGEU (€750 billion) absolutely necessary at this time.

As a reminder, The Recovery and Resilience Facility is the centrepiece of Next Generation EU with €672.5 billion in loans and grants available to support reforms and investments undertaken by EU countries. **The aim is to mitigate the economic and social impact of the coronavirus pandemic and make European economies and societies more sustainable, resilient, and better prepared for the challenges and opportunities of the green and digital transitions.**

On Wednesday, the 10th of February 2021, the European Parliament approved the political agreement reached on the Recovery and Resilience Facility (RRF) Regulation in December 2020. The National Recovery and Resilience Plans should dedicate at least 37% of total expenditure to ecological transition and at least 20% of expenditure to digital transition. This is necessary to build Europe for our next generations, rather than maintaining the structures of the past.

These objectives are ambitious for some countries, while for many others, it is far from enough. In fact, **there are countries which have already set higher percentages and the European Commission could consider aligning this ambition to the capabilities of each country.**

Industrial competences to boost green and digital transition are also not balanced between Member States. Some have globally leading industrial players capable of solving global challenges, while some have more burning needs for improvement. Cooperation is needed.

Furthermore, **many of the challenges, particularly digital ones, cannot be solved only at national or regional level**, but we should aim for Europe-wide solutions and standards that are competitive in global level. This is exactly what was done for mobile communication and GSM-standards.

Right now, Member States are working on their recovery and resilience plans to access the funds under the Recovery and Resilience Facility. All of them are in an intense dialogue with the European Commission through the Recovery and Resilience Task Force (RECOVER). RECOVER was established on 16 August 2020 within the European Commission's Secretariat-General and is responsible for steering the implementation of the Recovery and Resilience Facility and for coordinating the European Semester.

The RRF is structured around six pillars: green transition; digital transformation; economic cohesion, productivity and competitiveness; social and territorial cohesion; health, economic, social and institutional resilience; policies for the next generation. **Research and Innovation are key tools for achieving the objectives addressed by the RRF.** It is important considering in its design, through this dialogue, **the most innovative entities around Europe.** These are going to allow us to get out of this situation stronger and faster.

The success of the Recovery and Resilience plans will depend on a careful design of the reforms and the investments to align the objectives of the European Commission, the future programmes and the needs of the industry. Only in this way, will the Member States execute all the funds and achieve the objectives which should allow us to leave behind the economic crisis caused by the pandemic. **Effective and efficient collaboration between the countries is needed** in order to achieve this and build the best RRF, taking into account the best practices of each of them.

At this stage, EAIC's industrial customers are approaching us for advice on planning their investments. Some countries have already announced plans and even opened calls for funding. Other countries have created new instruments, while some have indicated they will channel funds through existing instruments. In most countries, the plans are still very open. Very few have indicated any plans for attracting foreign direct investments from other Member States and making their package compatible with international co-operation. **Generally, industry is in a state of confusion.**

At this moment, we need to be united and aligned. We must identify the best practices for the definition of Recovery and Resilience Plans of the Member States, taking into

account industry's needs. The members of the European Association of Innovation Consultants (EAIC) have operations in all Member States and their clients cover all industries EU-wide. We can assist the EC and Member States in this task.

We can indicate key projects that address structural weaknesses of Member State economies, and that strengthen the resilience, increase productivity, leading to higher competitiveness of Member States and reduce inequalities and divergences in the Union. Furthermore, we can manage these projects professionally with our industrial clients, if the programmes are compatible.

Contact:

Pekka Koponen, EAIC President - pekka.koponen@spinverse.com

Alex Alvarez, EAIC Board Member - alex.alvarez@fi-group.com