European Commission
Directorate-General for Budget (DG BUDG)
BUDG B – Revenue and Multiannual financial framework

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Confederation of Norwegian Enterprise's (NHO) response to the public consultation on the next long-term budget (MFF) – EU funding for competitiveness

On 12 February 2025 the European Commission launched a public consultation on the European Union's (EU) next long-term budget (MFF) and EU funding for competitiveness. The consultation is open until 6 May 2025.

The Confederation of Norwegian Enterprise (NHO) is the main employer and business/industrial federation in Norway, and is a full member of BusinessEurope. NHO's membership includes more than 34 000 member companies ranging from small family-owned businesses to multinational companies within all main sectors. NHO manages both employer interests as well as political interests improving the competitiveness of its members and to provide the best possible framework conditions for Norwegian enterprises – nationally and globally.

NHO welcomes the opportunity to comment on the next MFF.

The comments below may be published and do not contain confidential information.

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Summary:

- *NHO welcomes the European Commission's efforts to boost European competitiveness and resilience in the next multi-annual financial framework and the ambition to make the framework programmes more focused and less fragmented, in order to improve the strategic impact of European funding, as well as an increased focus on strengthening its competitiveness and technological sovereignty*
- *A higher budget for research and innovation, as compared to the current MFF, must be achieved to unlock Europe's innovation potential, and in order to succeed with Europe's broader goals of strengthened competitiveness and technological sovereignty*
- *The next MFF and the new framework programmes (FP), need to be increasingly based on companies' needs, with a focus on how EU policy and funding may boost European competitiveness and most efficiently provide the desired impact*
- *The next MFF and new framework programmes' funding and administrative procedures need to be simplified, as well as increasingly based on excellence, knowledge transfer and in thematic areas where Europe can gain a competitive advantage*
- *When designing the next MFF and the new framework programmes, there is a need to ensure the continuation of the mutually beneficial cooperation between the EU and EEA EFTA States[1], and that the EEA EFTA States collaborate on an equal footing, with the same terms and conditions as EU Member States*

NHO welcomes the European Commission's efforts to boost European competitiveness and resilience in the next multi-annual financial framework (MFF). A key aspect to achieving this involves addressing Europe's innovation gap, as highlighted by Mario Draghi in his report '*The future of European competitiveness*'. It is also outlined as a key challenge in the EU's Competitiveness Compass. This growing gap has shifted from a challenge to a crisis with long-term consequences for Europe, and the current geopolitical landscape has only made it more pressing. Europe has no other choice than to become more attractive as a place to invest in research and innovation (R&I). With no change in its course of action, the long-term competitiveness of Europe is under serious threat.

However, European budgets are not limitless, and Europe is currently faced with a multifaceted and complex predicament, needing to boost funding across an ever-growing range of policy fields, spanning from defence to the digital transition. **NHO welcomes the Commission's ambition to make the framework programmes more focused and less fragmented**, in order **to improve the strategic impact of European funding**, **and to** overcome weaknesses along Europe's innovation cycle with an increased **focus on strengthening its competitiveness and technological sovereignty**.

As R&I largely lays the foundation for productivity, growth, long-term competitiveness and the green and digital transition, **NHO believes that a higher budget for research and innovation, as compared to the current MFF, must be achieved**. In addition to improving competitiveness, this will enable the EU to meet its broader economic, environmental, and social goals. A stronger industrial R&I ecosystem

[1] EEA EFTA States referring to Norway, Iceland and Liechtenstein

will bolster Europe's resilience, reducing its reliance on external technologies and reinforcing its strategic autonomy in an increasingly unstable international environment.

When **designing** the **MFF and the new framework programmes**, it is key that these are **based on companies' needs,** with an increased focus on how EU policy and funding may **boost European competitiveness and most efficiently provide the desired impact.** To ensure this, **funding and administrative procedures need to be simplified**. Funding also needs to be **increasingly based on excellence, knowledge transfer and in thematic areas where Europe can gain a competitive advantage**. This will ensure that public money is spent efficiently, investing in the most promising and impactful ideas, and should lead to better returns on investment, as successful research and innovation projects bring tangible benefits to the economy.

For more than three decades, EEA EFTA companies, citizens and institutions have worked together towards the full realisation of the four freedoms and beyond, which includes the strengthening of European competitiveness and economic resilience. Norway contributes financially to the budget, and Norwegian actors currently play a key role in numerous European projects, and our companies and research institutions both lead and facilitate projects for and together with all parts of society, with positive ripple effects across Europe.

It follows from article 78 of the EEA Agreement that the EU and EEA EFTA States "*shall take the necessary steps to develop, strengthen or broaden cooperation on matters falling outside of the four freedoms, where such cooperation is considered likely to contribute to the attainment of the objectives of [the] Agreement, or is otherwise deemed by the Contracting Parties to be of mutual interest*". This mutual obligation is fulfilled by the EEA EFTA States participation and financial contribution to the EU programmes, where they enjoy the same rights and obligations as stakeholders from the EU Member States. The participation in EU programmes is formalised by the inclusion of each respective programme regulation, in which the EEA EFTA States agree to participate in, into Protocol 31 of the EEA Agreement. Consequently, **the EEA Agreement strengthens and broadens cooperation in policy fields beyond the four freedoms, such as education, research and innovation.** EU programmes are key instruments in enhancing European competitiveness and economic resilience.

In light of today's geopolitical circumstances, the EU is reassessing its strategic economic and security interests, which may affect third-country associations and access to EU programmes**. To ensure the continuation of the mutually beneficial cooperation between the EU and EEA EFTA states**, it is therefore essential that when designing a new budgetary structure and a new programming period aimed at boosting European competitiveness, **the EEA EFTA States must collaborate on an equal footing, with the same terms and conditions as EU Member States**, as is the case with current programmes, including Horizon Europe and the preceding FPs. This includes full access to programmes and funding on an equal footing, regardless of the new programme structure and an increased flexibility between the programmes. Putting these countries at an unequal footing with their EU counterparts will leave EEA EFTA stakeholders at a disadvantage, and thus counteract the competitiveness and resilience agenda, have a negative impact on the functioning of the single market and undermine the mutual obligation set out in Article 78 of the EEA Agreement.

A **predictable business environment is a key driver for competitiveness. Uncertain programme structures and flexibility between programmes** that risk limiting EEA EFTA participation may be counterproductive to its purpose. This is because it reduces the ability to plan for the longer-term and might ultimately hamper the competitiveness agenda. The establishment of new national plans with a more target-based financing and the competitiveness coordination tool proposed in the *'Road to the next multiannual financial framework'* communication **must not lead to an uneven playing field between the EU and EEA EFTA states**, operating within the same single market. For instance, if the current pillar 2 in Horizon Europe and collaborative R&I is scaled down in FP10 and moved to the competitiveness fund or other funding tools or programmes, it should not be at the expense of the EEA EFTA states right to equal participation.

Sincerely,

Confederation of Norwegian Enterprise

Anniken Hauglie
Deputy Director General

NHO's registration number in the EU Transparency Register is 07442991338-05.