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BOOSTING INNOVATION AS THE BACKBONE OF COMPETITIVENESS

Innovation, a core pillar of competitiveness, has lagged in the EU due to insufficient investment compared to global counterparts. To address the administrative and financial barriers that European businesses have to overcome, the EU institutions need to focus on creating a stable environment and a reliable framework for increased public and private spending on research and innovation through the use of different tools. In particular, we encourage the following:

A REGULATORY FRAMEWORK TO FOSTER INNOVATION

- Supporting investment in research and development, **without creating stifling limitations** on innovation. Businesses should be actively engaged in discussions before any measure is taken to mitigate or reduce risks related to research safety.
- Stimulating innovation through **legislation that promotes technological neutrality and pragmatism** aimed at efficient and effective implementation, ensuring the application of the innovation principle when drafting new legislation, and introducing a European Innovation Stress Test.
- Establishing a regulatory framework encouraging innovation in value chains derived from natural raw materials, to increase the security of their use and their availability in order to unlock the potential of the **bioeconomy** in the European framework.

ENSURE A FRAMEWORK FOR INVESTMENT IN R&D&i

- Under the green transition perspective, **introduce additional incentives for investments** in innovative business models that foster **sustainable growth**.
- Expand application-oriented **industrial research** to accelerate value creation, making it a **robust funding pillar for research and innovation**.
- **Enhancing consistency and synergies between EU programs and national initiatives**, paying special attention to the impact and tangible results of funded projects.
- Establishing **efficient communication channels** with the European Commission to **facilitate business participation**, especially SMEs, in **European R&D programs**.
- **Design European innovation support programs**, notably Horizon Europe, **with enhanced flexibility and simplify and streamline the procedures for participation** in order to strengthen European development plans.
- Promote and facilitate the use of **sandboxes and pilot projects**, particularly involving SMEs, to not only drive business growth but also enhance **scalability**.