

## **Press Release**

Luxembourg, 2 February 2021

## Auditors scrutinise EU action to tackle the innovation divide

The capacity of private and public actors to take up and develop state-of-the-art technology varies considerably among EU Member States. To tackle this innovation divide, the EU has focused increasingly on ensuring wider participation in its research and innovation (R&I) funding programmes, introducing specific measures to unlock the potential of low-innovation countries and promoting synergies with the European Structural and Investment Funds (ESIFs). The European Court of Auditors (ECA) is conducting an audit to assess the action taken by the European Commission to achieve this Horizon 2020 'widening' objective.

R&I is a key part of productivity and economic competitiveness. About two thirds of Europe's economic growth in recent decades has been driven by technological innovation, and one third of all European jobs are now in knowledge-based industries. One of the EU's political aims is for R&I activities to be spread evenly across its Member States.

Horizon 2020 is the EU's eighth framework programme for R&I. It works by co-financing cutting-edge R&I collaborative projects in Member States and partner countries, and is the main funding instrument for the Europe 2020 Strategy and the objectives of the European Research Area (ERA), an initiative launched in 2000 which aims to create a single, borderless market for research, innovation and technology across the EU. Starting in 2013, Horizon 2020 focused increasingly on spreading excellence and 'widening' the participation of low-innovation countries by providing them with additional support for policy design, building capacity and creating links between leading research institutions and low-performing regions. To finance these measures, the ESIFs, whose purpose is to strengthen economic and social cohesion in the EU, were used in addition to Horizon 2020 funding.

"There is a persistent divide among private and public actors in different Member States in terms of their research performance and capacity to innovate. This divide between innovation leaders and underperforming countries prevents the EU from fully exploiting its potential and threatens its

The purpose of this press release is to convey the main messages of the European Court of Auditors' audit preview. The full preview is available at <a href="mailto:eca.europa.eu">eca.europa.eu</a> in English.

## **ECA Press**

economic growth, prosperity and social stability," said Ivana Maletić, the ECA member responsible for the audit. "This audit aims to assess whether the Commission's actions – for instance under Horizon 2020 and through promoting synergies with the ESIFs – have helped to reduce the R&I divide in the EU."

The Horizon 2020 budget for 2014-2020 was €76.4 billion, including around €1 billion for 'widening' measures. The share of R&I in the ESIFs budget for 2014-2020 was €43 billion. The auditors will be looking at the results of the measures in place since 2014 – including the focus on synergies with the ESIFs – as well as at the changes proposed for the new multiannual financial framework (2021-2027).

## **Background information**

An interim evaluation of Horizon 2020 concluded that there was slow and uneven progress on the 'widening' objective, with little noticeable change in some more recent Member States and some programme sectors. This raised concern at the European Parliament and the Council. The proposal for the new R&I 2021-2027 framework programme, 'Horizon Europe', therefore places even greater emphasis on both 'widening' measures and synergies. The latest 'common provisions regulation' (CPR) establishing rules for the ESIFs and other funds also underlines the need for Member States and the Commission to improve coordination and develop synergies with the R&I framework.

This audit on the EU's action against the innovation divide is scheduled for completion by the end of 2021. Audit previews are based on preparatory work undertaken before the start of an audit and should not be regarded as audit observations, conclusions or recommendations. The full audit preview is available in English on the ECA's website (eca.europa.eu).

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