

# MedTech Europe's Position on the Multiannual Financial Framework (MFF) 2028-2034

## EU Funding for Competitiveness

### Introduction

Health is the foundation of a thriving society, and it is essential for ensuring well-being, productivity, and social cohesion. With an aging population and the rising prevalence of chronic diseases, health is increasingly challenged. Strategic investments in healthcare and medical innovation are vital to meeting these demands while also safeguarding our future healthcare systems in Europe. Investing in healthcare and expanding access to medical technologies delivers high returns not only by enhancing patient outcomes and reducing long-term treatment costs, but also by stimulating overall economic growth.

More specifically, MedTech Europe, the European Trade Association representing the medical technology sector, emphasizes the need for strategic investments that bolster research and development and the overall healthcare transformation – elements which support the Commission's Political Agenda on Competitiveness and Sustainable Prosperity.

Firstly, we propose that the framework allocate enhanced funding streams to support breakthrough medical technologies that empower patients and meet their evolving needs. For example, investments should foster public-private partnerships to bridge early-stage research and market implementation, ensuring that promising innovations rapidly translate into available solutions in cooperation with the public and private stakeholders in healthcare. Strengthening our innovation ecosystem in this manner will secure Europe's leadership in medical technology on the global stage.

Secondly, investments in digital healthcare infrastructures are needed to enhance real-time data sharing and decision-making, streamline care delivery, and ultimately improve patient outcomes while reducing overall system costs.

A robust, forward-looking multiannual financial framework that integrates these elements will not only accelerate innovation but also ensure that the benefits of medical technology advancements reach patients efficiently and equitably.

### Our vision

MedTech Europe welcomes the proposal for a European Competitiveness Fund (ECF) as an important step toward a more coherent and strategic use of EU funding. The ECF has the potential to strengthen Europe's industrial competitiveness, technological sovereignty, and health system resilience. For the medical technology and digital health sectors, the ECF represents a critical opportunity to bridge the gap between research and large-scale deployment, maintain Europe's leadership in health innovation, and support sustainable and resilient healthcare systems.

However, to realise this potential, the ECF must include clear, predictable, and operational mechanisms that:

- Safeguard long-term health R&D&I investment, including continuation of public-private partnerships such as the Innovative Health Initiative (IHI);
- Ensure effective deployment of health innovations at scale through tailored instruments for digital and medical technologies;
- Reinforce health data, cybersecurity, and sustainability infrastructures; and
- Embed health resilience objectives in national and regional investment planning.

Without such mechanisms, consolidation under the ECF risks reducing visibility and continuity for the health sector, undermining the competitiveness of Europe's medical technology ecosystem.

## **MedTech Europe's recommendations to the draft MFF – EU funding for competitiveness**

### **1. Secure a dedicated sub-envelope for health R&D&I**

The ECF merges several existing instruments, including Horizon Europe, EU4Health, and the Digital Europe Programme. This consolidation can simplify access, but it must not dilute investment in health research and innovation.

MedTech Europe calls for:

- A dedicated and ring-fenced budget line for health R&D&I within the ECF, ensuring predictable funding continuity for collaborative health research and innovation.
- Explicit continuation of the Innovative Health Initiative (IHI) or an equivalent public-private partnership model under the ECF framework.
- Recognition of the role that healthcare and in particular medical technology plays in Europe's defence preparedness. In order to improve the defence preparedness of Europe structured partnerships and investment with European industry to ensure access to medical equipment and technology as part of a comprehensive European defence. This should include both innovation and procurement activities, leveraging dual-use synergies between civilian and defence health needs.

Such partnerships will strengthen Europe's health and strategic resilience, promote industrial capacity, and ensure that European medical technologies contribute to both civilian and defence readiness objectives. This continuity and expansion of scope are essential to maintain the commitment of large and small companies that co-invest with the EU, de-risk innovation, and enable faster translation of scientific and technological progress into patient and societal benefit.

### **2. Establish a 'Health Deployment and Scale-up Window'**

The main bottleneck in European health innovation lies not in research, but in scaling proven technologies and services. MedTech Europe recommends that the ECF create a dedicated deployment window under the health chapter, to finance:

- Cross-border clinical trial and real-world evidence networks to accelerate HTA readiness.
- Regulatory sandboxes and joint guidance mechanisms for medical technology and digital health to facilitate implementation of evolving EU legislation (e.g., AI Act, MDR, IVDR).
- Small-grant, fast-track schemes for start-ups and SMEs, reducing administrative burden and time-to-grant.
- Pilot funding for AI and digital health deployment in hospitals, aligned with the implementation of the Artificial Intelligence Act.

These measures will ensure that Europe's medical technology and digital health companies can scale innovation and compete globally while complying with EU regulatory frameworks.

### **3. Invest in digital and data infrastructure for the European Health Data Space (EHDS)**

The ECF should fund the infrastructure and interoperability backbone of the EHDS.

MedTech Europe proposes:

- Dedicated funding for federated data infrastructures and a network of health data centres of excellence, building on the model of the European Reference Networks.
- Support for the collection and use of Real-World Data to enable evidence generation for HTA, clinical evaluation, and innovation assessment.
- Inclusion of funding for data gap identification and harmonised data quality frameworks.

Such investments will not only accelerate research but also enable AI-based solutions and value-based care models across Europe.

#### **4. Strengthen cybersecurity and digital resilience of health systems**

Cybersecurity is a foundational element of resilient and trusted digital health systems.

MedTech Europe calls for a targeted hospital cybersecurity facility under the ECF to:

- Replace obsolete IT hardware and software in hospitals.
- Provide training and capacity-building for healthcare staff.
- Offer upgrade grants to help hospitals comply with NIS2 and the Cyber Resilience Act without diverting resources from patient care or R&D.

This targeted investment will protect critical health infrastructure and strengthen Europe's digital sovereignty in healthcare.

#### **5. Support the sustainability transition in the medical technology sector**

The ECF's focus on decarbonisation must include tailored support for medical technology companies, particularly SMEs, which face unique regulatory and investment challenges when transitioning to sustainable operations.

MedTech Europe recommends:

- Dedicated funding for life cycle assessment methodologies, sustainable equipment, and waste management infrastructure in hospitals.
- A "MedTech Green Transition" facility to help SMEs invest in sustainable manufacturing and logistics.
- Support for digital solutions that help reduce the carbon footprint of health systems.

Such measures will strengthen Europe's competitiveness while supporting the EU Green Deal objectives.

#### **6. Embed health resilience objectives in Cohesion and Regional Development funding**

MedTech Europe supports the ECF's ambition to align EU and national investments.

Future Cohesion and Regional Development Funds should:

- Include dedicated objectives and ring-fenced funding for healthcare resilience;
- Be aligned with European Semester milestones;
- Include mechanisms for mutual learning between Member States and incentives for outcomes-based care.

Embedding resilience and innovation criteria in regional planning will help ensure a more balanced and sustainable healthcare investment landscape across the EU.

#### **7. Ensure EU funding programmes are aligned with regulatory priorities.**

Funding which is disbursed in areas subject to regulatory requirements should be aligned with those requirements at the moment of approval and funding. This may avoid costly redesigns of projects due to evolution of EU legislation, but also create opportunities to fund projects that will make the regulatory system more agile and the overall European medical technology industry more competitive.

Work programmes should include:

- Sector-specific guidance co-developed with regulators and industry;
- Funding for regulatory sandboxes and joint guidance mechanisms for medical technologies and digital health.

This will make the ECF a true implementation vehicle for the EU's digital and health regulatory agenda.

## 8. Ensure the new 'Own Resources' safeguard Europe's competitiveness and investment attractiveness

MedTech Europe supports the objective of establishing a sustainable and predictable EU financing system. However, the proposed new own resources raise serious concerns for the competitiveness and investment climate of the European medical technology sector, running counter to the goal of the EU Competitiveness Compass and the ECF itself.

MedTech Europe recommends that:

- Any new corporate-based own resource should avoid creating an extra tax burden on research-intensive, export-oriented sectors such as medical technology.
- The design of the 'Corporate Resource for Europe (CORE)' instrument should include clear safeguards and deductions for R&D expenditure, capital investment, and manufacturing activities undertaken in the EU.
- The Commission should carry out a comprehensive competitiveness and impact assessment, in consultation with industry, before finalising the legislative proposal.
- Revenues raised through new own resources should be re-invested in innovation and industrial resilience programmes, ensuring that the system contributes rather than undermines Europe's technological sovereignty.

A financing mechanism that penalises investment would undermine the very goals the ECF seeks to achieve. Europe's fiscal architecture must reinforce, not contradict, its ambition to remain a global hub for health innovation and advanced manufacturing.

## Conclusion

The European Competitiveness Fund can be a cornerstone for Europe's health and industrial competitiveness if it secures visible, dedicated, and fit-for-purpose funding streams for the health and medical technology sectors. MedTech Europe stands ready to work with the European Commission, Parliament, and Member States to ensure that the final ECF reflects these priorities and delivers tangible benefits for patients, healthcare systems, and the European economy.

## About MedTech Europe

MedTech Europe is the European trade association for the medical technology industry including diagnostics, medical devices and digital health. Our members are national, European and multinational companies as well as a network of national medical technology associations that research, develop, manufacture, distribute and supply health-related technologies, services and solutions.

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