

Strategic R&I Priorities for Portugal and the New AI^2 Agency

Building a forward-looking research and innovation system

INESC Brussels HUB Summer Meeting 2026, 27th May

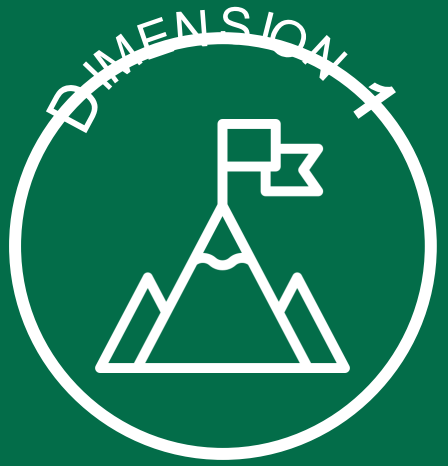
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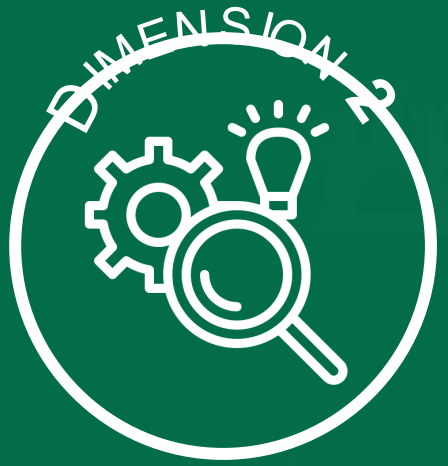
Portugal 2050: The Vision

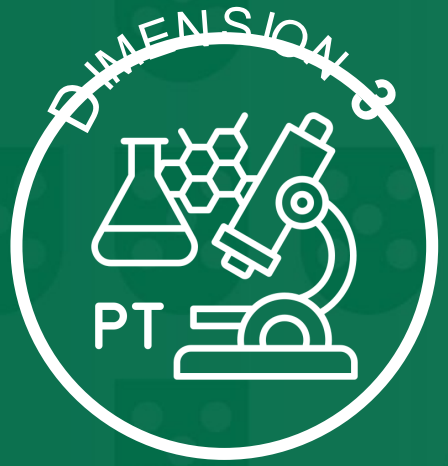
Portugal asserts itself as a country that ***creates talent and knowledge and transforms them into economic, social, cultural, and environmental value****, with a dynamic research and innovation system, interconnected through national and international networks, competitive and oriented towards excellence.*

A country where high-quality research, technological development, and science-based entrepreneurship combine to ***drive a more value-added and sustainable economy****, improving people's well-being and strengthening Portugal's position in Europe and the world.*

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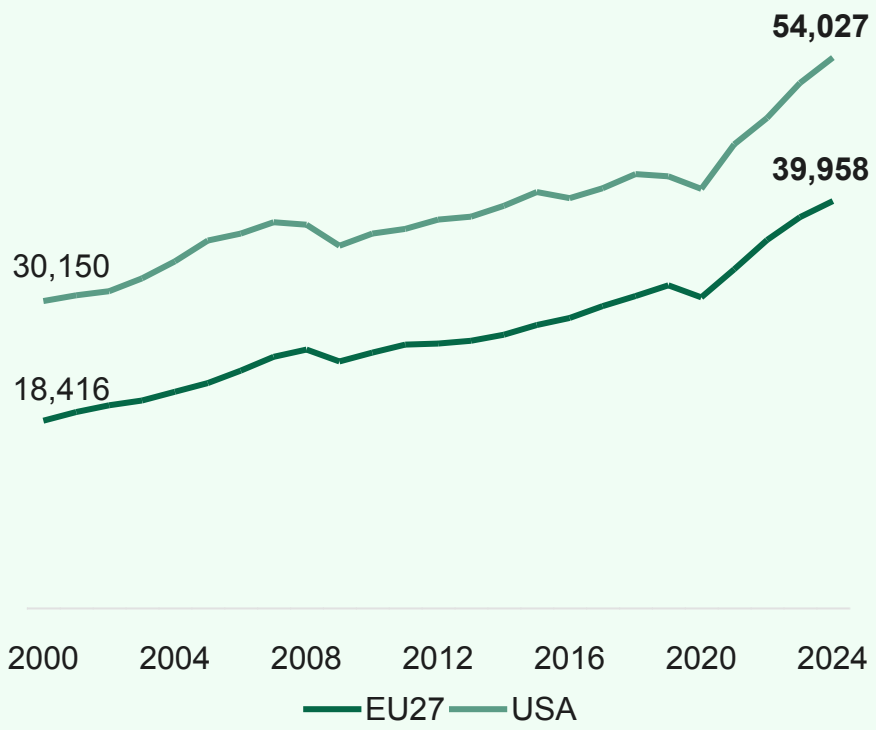


EU challenges	ECF + HE: EU's response	The Challenges of the Portuguese Economy	Portugal & EU Alignment

The challenges of the EU

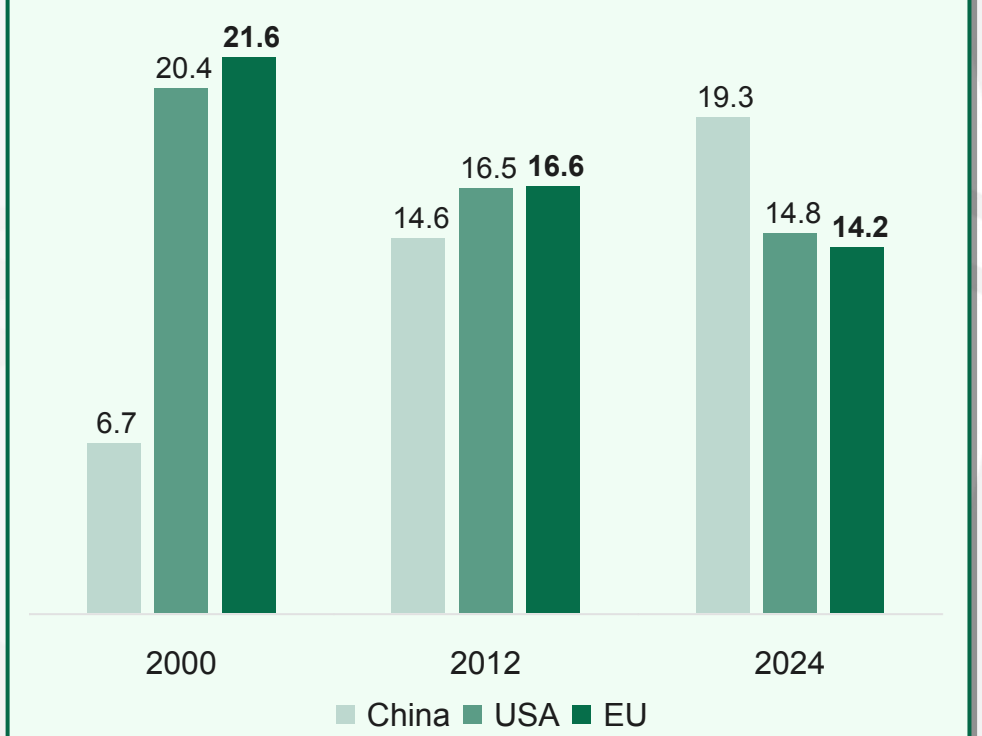
Despite rising income per capita, Europe is **losing** global economic weight, driven by a structural **productivity gap**

GDP at current prices per head of population



PPS = Purchasing Power Standard | source: AMECO, 2026

GDP based on PPP, % share of world



PPP = Purchasing Power Parity | source: IMF, 2026

The challenges of the EU

Innovation & Technology Gap

- EU **R&D intensity** 2.24% of GDP (2024) vs South Korea 4.96%, US 3.45%, China 2.58%
- EU **productivity gap ~70%** explained by tech sector
- Only **4 of top 50** tech companies are European; EU share of global tech revenues fell from 22% to 18% (2013-2023)
- **No EU company >€100bn** created from scratch in 50 years
- ~70% of **foundational AI models** developed in US; 3 hyperscalers hold 65%+ of European cloud market
- Zero **EU innovation clusters** in global top 10 (US has 4, China has 3)

Financing for Innovation and Growth

- EU raises just 5% of **global venture capital** (US: 52%, China: 40%)
- Later-stage **financing gap** between EU and US is ~82%
- EU relies excessively on bank financing, poorly suited to fund innovation
- More than half of SMEs cite **regulatory burden** as their greatest challenge
- Single Market **fragmentation** leaves ~10% of potential EU GDP unrealised

Energy and Decarbonisation

- EU companies pay **electricity prices** 2-3x higher than in the US; natural gas 4-5x higher
- **Wind farm permitting** can take up to 9 years in some Member States vs under 3 in the most efficient
- **Energy-intensive industries** saw production fall 10-15% since 2021
- Average **time to agree new EU laws**: 19 months — undermining the coordinated industrial policy needed for the green transition

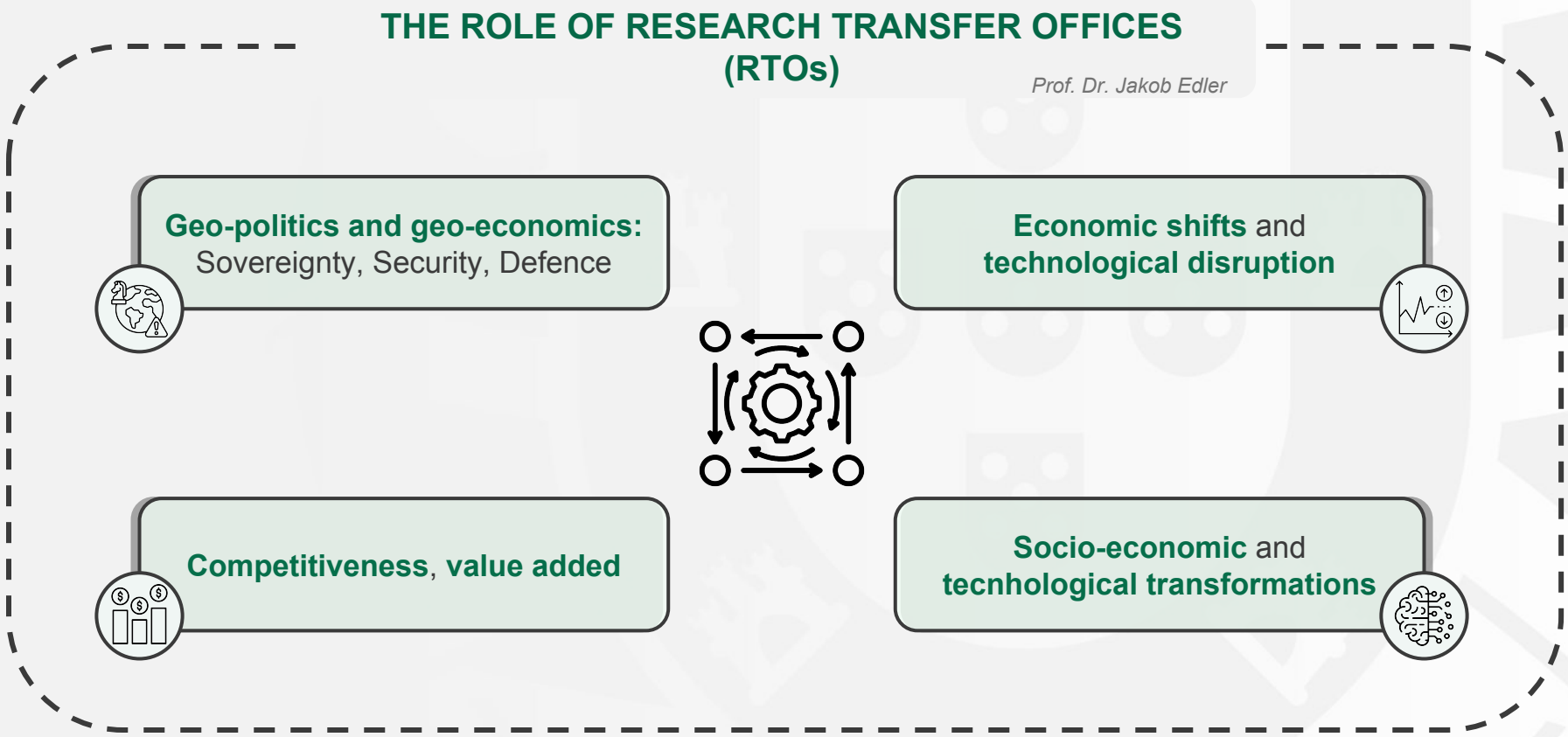
Strategic Dependencies & Security

- 75-90% of **global wafer fabrication** capacity is in Asia
- EU **relies on foreign countries** for over 80% of digital products, services and infrastructure
- Between mid-2022 and mid-2023, 78% of **defence procurement** went to non-EU suppliers, 63% to the US
- **Defence collaborative procurement**: only 18% of equipment spending in 2022 vs a 35% agreed benchmark
- 34 **mobile network operator groups** in EU vs a handful in the US or China

Sources: Draghi Report (2024); Letta Report (2024); Align, Act, Accelerate — Heitor et al. (2024)

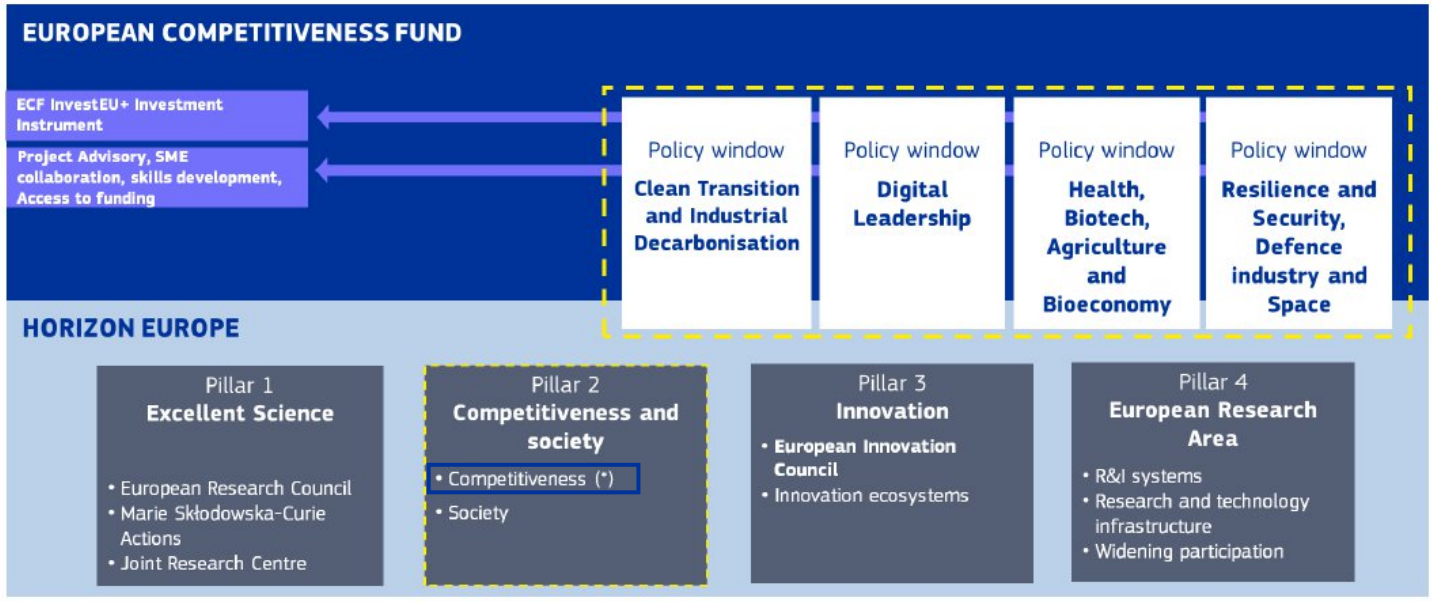
The challenges of the EU

"**Unprecedented demands** on the state – and national economies in Europe" (Professor Dr. Jacob Edler)



ECF + HE: EU's response

Horizon Europe "Pillar 2/Competitiveness collaborative R&I activities" will be implemented within the four ECF Policy windows:



INTERCONNECTED PROPOSALS
SEAMLESS INVESTMENT JOURNEY FROM RESEARCH TO MANUFACTURING AND DEPLOYMENT FOR COMP. ACTIVITIES

ECF PROGRAM GOALS
- MORE IMPACT
- SIMPLER RULES
- SCALE TO MOBILISE AND DE-RISK INVESTMENT

COMMON SCOPE
ECF POLICY WINDOWS ARE MIRRORED IN HE

SINGLE RULEBOOK
- ALTERNATIVE, COMBINED AND CUMULATIVE FUNDING
- EU PREFERENCE
- CLASSIFIED INFORMATION
- ACCELERATED AND TARGETED ACTIONS FOR COMPETITIVENESS

ECF + HE: EU's response

Full Investment Journey

From fundamental research all the way to innovation and market uptake. This is aligned with the ongoing MECI reform, especially by merging FCT and ANI into AI2

Bottom-Up Excellence

Importance of prioritising bottom-up, excellent research through HE Pillar I instruments, namely ERC and MSCA.

Shared Governance

Need to establish a clear priority setting mechanism that fully engages Member States in a common governance of HE and ECF, especially in the interplay of HE Pillar II/collaborative activities within ECF

Widening & Convergence

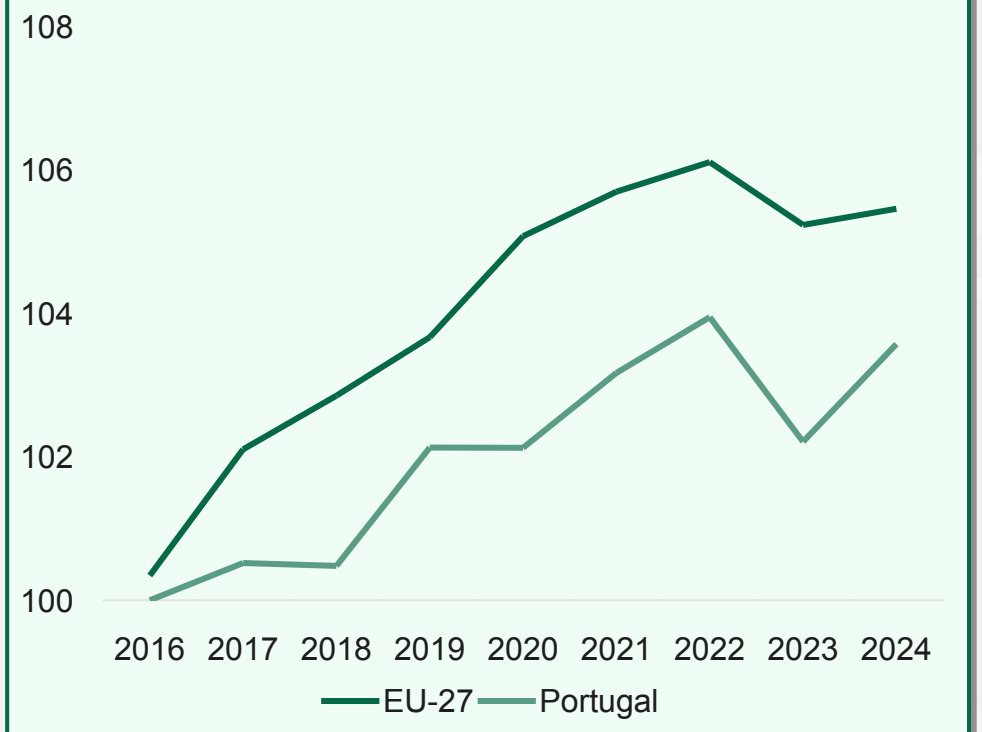
Portugal backs a common position of 12 Member States, where it has highlighted that *"the future framework should incentivise progress and convergence by recognising and encouraging sustained national commitment to strengthening R&I systems"*

Portugal's position: an inclusive, excellence-driven framework, with AI^2 as the national interface to HE and the ECF

The Challenges of the Portuguese Economy

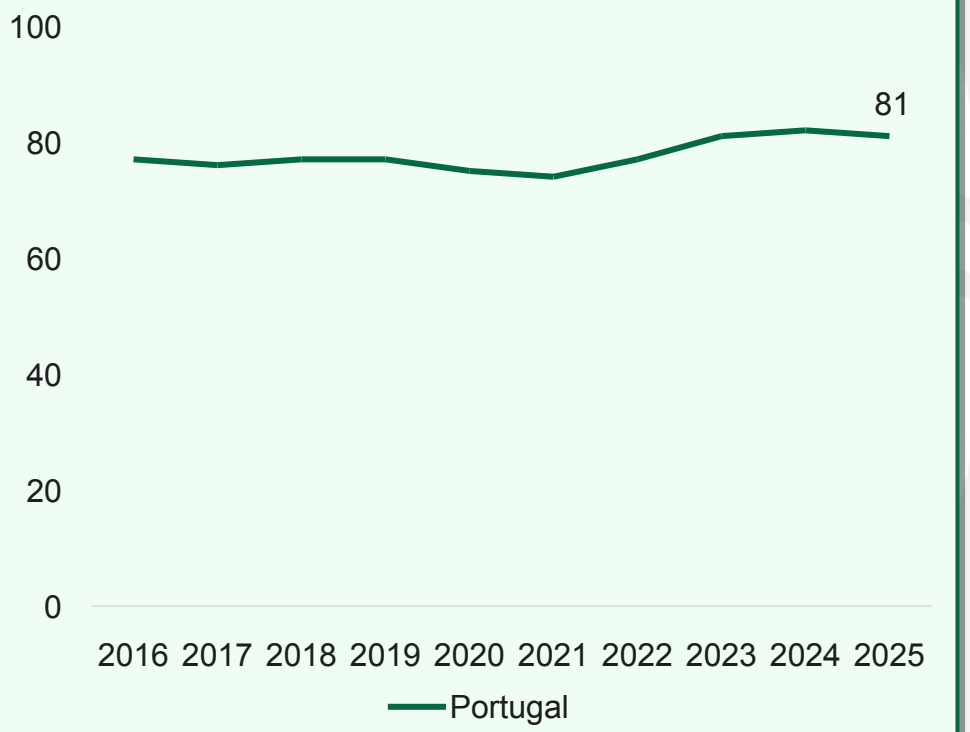
18th in the EU for labour productivity and the gap with the EU average has been widening, not closing

Real labour productivity per hour worked



Unit of measure Index, 2015=100

GDP per capita in PPS



Purchasing power parities indicator Volume indices of real expenditure per capita (in PPS_EU27_2020=100)

Portugal: From Science to Innovation

RESEARCH

12th

within the EU in terms of publications per million inhabitants (2023)

Scientific Publications

139.5% of the EU average in **international scientific co-publications**

8.1% of publications in the **most cited journals** (below the EU average: 9.6%)

INNOVATION

16th

within the EU according to the European Innovation Scoreboard (2025)

Moderate Innovator

Horizonte Europa	
Application success rate	**16,2%** (vs. 15,3% EU average)
Participation *Ranking*	**10th** in EU
Total budget *Ranking*	**12th** in EU

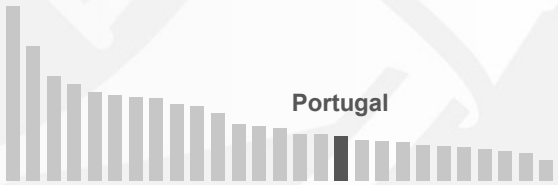
Source: CNCTI / EUROSTAT / DGEEC / HORIZON EU / EIS

PRODUCTIVITY

18th

within the EU in terms of **work productivity** in (2022)

Work productivity in the EU, 2022



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Science and Innovation Portuguese Reform

Revision of the Science Law

- **Consolidation and clarification** of the roles of the different entities within the National Science, Technology and Innovation System (SNCTI) – **Functional organisation**
- **Incentives** to **strengthen the link** between Research and Innovation

Establishment of AI², through merger of FCT and ANI

- **Stability and predictability** in Research funding: multiannual contracts and medium- and long-term planning
- Integration of the **entire value chain** between Research and Innovation
- **Methodology** for defining strategic domains and allocating funding

FCT, I. P.
Foundation for Science and Technology

ANI, S. A.
National Innovation Agency

→ **AI², E. P. E.**
Agency for **Research and Innovation**

More and Better Science with Greater Impact:

A New Paradigm

- **MULTIANNUAL BUDGET**
- **MEDIUM- AND LONG-TERM PLANNING**
- **SETTING STRATEGIC PRIORITIES FOR RESEARCH AND INNOVATION**

Agência para a Investigação e Inovação

Aligning Portugal’s Strategy with the ECF and HE



Six pillars where **Portugal's national priorities** meet the proposed EU Multiannual Financial Framework 2028–2034

1

Talent, Skills & Scientific Excellence

Reform higher education, AI and digital curriculum reform, and attract and retain scientific talent

Horizon Europe – Excellent Science

2

Research to Innovation

Connect research to economic impact through **AI²**, technology transfer and the growth of innovative firms

Horizon Europe + ECF

3

Territorial Cohesion & Widening

Strengthen **regional innovation ecosystems** by connecting universities and polytechnics to European excellence networks

Widening + Regional Partnership Plans

4

Digitalisation, AI & Simplification

Develop **digital competencies**, modernise **information systems** and reduce **administrative barriers** to innovation and investment

ECF — Digital Leadership

5

Energy Autonomy & Climate Resilience

Use renewables and resilient infrastructure to **strengthen energy autonomy**, connectivity and competitiveness

Clean Transition & Connectivity

6

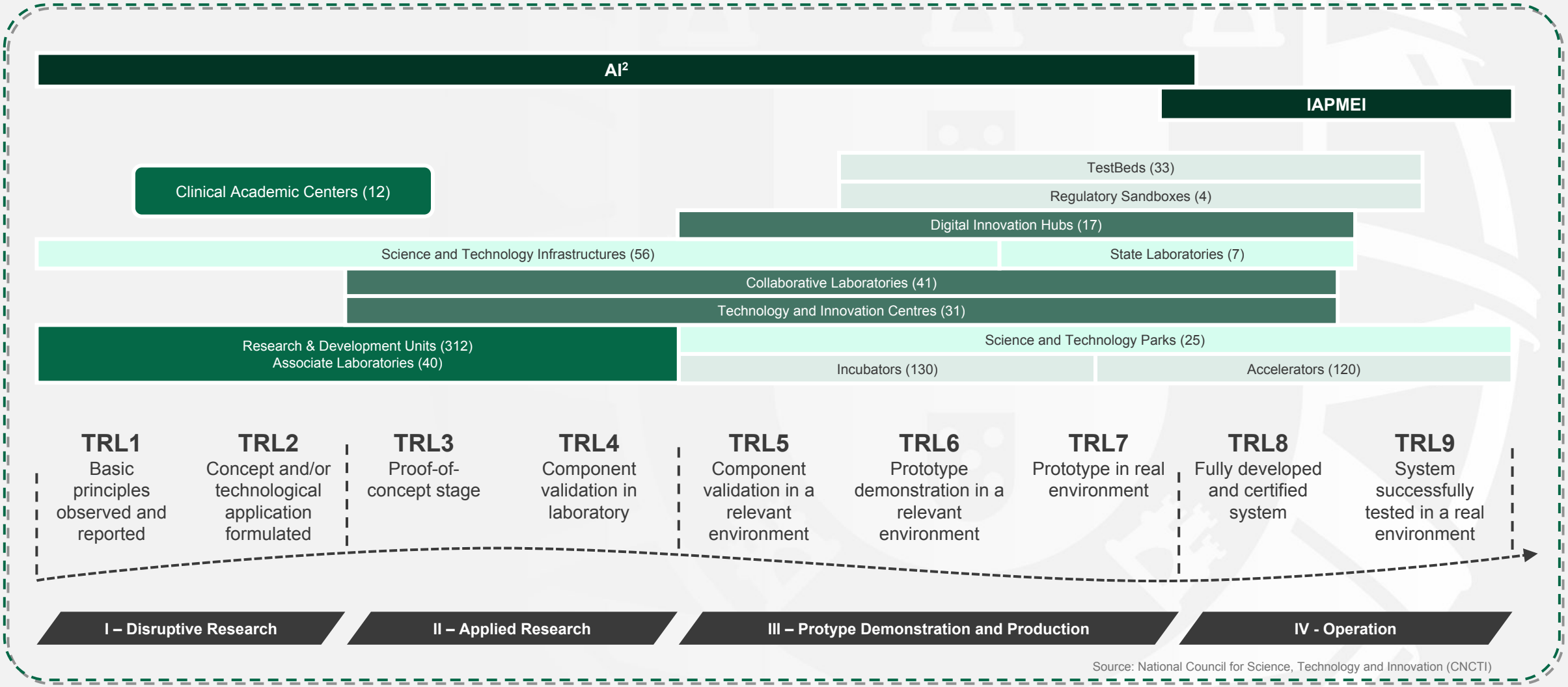
Active European & Atlantic Player

Leverage **Portugal’s Atlantic position**, islands, ports and science base in European ocean, space and resilience networks

Connectivity, Space & Resilience

Turning Portugal's reforms into **competitiveness** gains, **aligned** with the EU, to close the**productivity gap**

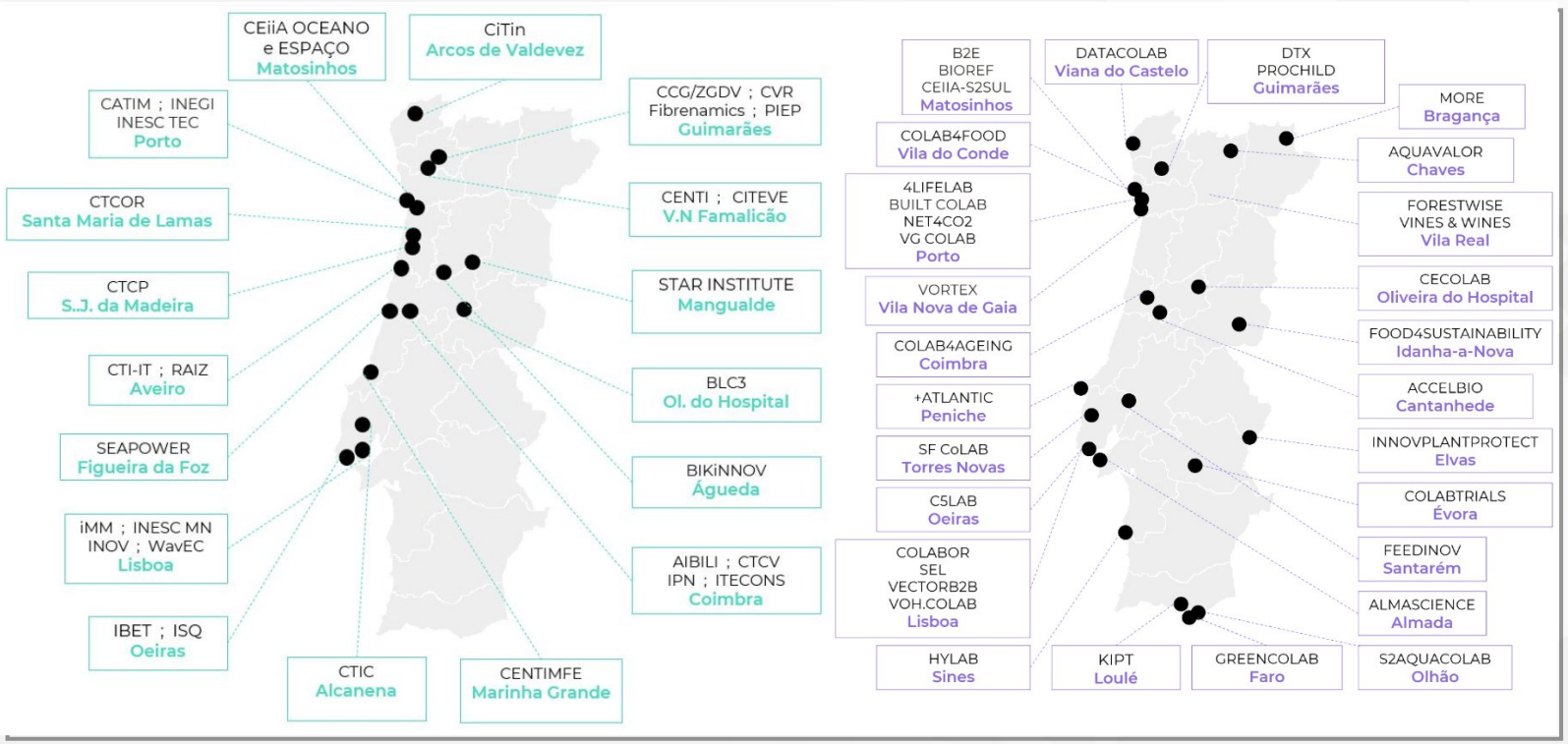
Structure of the Portuguese STI system



Source: National Council for Science, Technology and Innovation (CNCTI)

STI System: Connection to Regional Development

The 31 CTIs and 35 CoLabs act as **catalysts** for the modernization of regional economies, promoting sustainable wealth creation and **increasing the competitiveness** of local businesses through digital and green transitions



Network of the 31 CTIs *Network of the 35 CoLABs*

- Attract and retain **highly qualified professionals**
- Strengthen **regional innovation ecosystems** to improve access to research and funding
- Support the **local economy**, particularly through the CTIs, which provide technical support and technology transfer at a sectoral or regional level
- Specific **regional strengths**: Porto and the North excel in ICT, Digitalization and Materials; Alentejo and the Center in Bioeconomy

Source: ANI, S.A.



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