CONCLUSIONS FOR THE NEXT EU FRAMEWORK PROGRAMME FP10

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EXECUTIVE SUMMARY – KEY CONCLUSIONS FOR FP10

In view of the development of FP10 the Austrian Research Promotion Agency, hosting the National Contact Points for Austria, reflected on the experiences of Horizon Europe implementation and its potentials and room for improvement towards the new European R&I Framework Programme.

Horizon Europe was overall able to maintain and enhance the European research and innovation (R&I) ecosystem, offering different entry points for academia, research organisations and business. In particular the ERC and the MSCA are internationally highly acknowledged programmes that can build upon proven procedures and structures. The ERA policy agenda has developed into a forum for policy alignment. The concept and ambition of European partnerships as a strategic, long-term approach for alignment between European Commission, Member States and/or industry have proven as important strategic mechanisms. Missions have been introduced as a new approach for addressing key challenges and initiating transformational change, resulting in a European-wide dynamic towards cross-sectoral, transdisciplinary and transformative actions, taken up also in some European countries.

At the same time a need for further improvements, adaptations and more substantial revisions has been identified. Particular emphasis has been given to aspects of implementation of the framework programme as well as to new instruments, such as missions, European partnerships and the European Innovation Council. As it is expected that the exploitation of synergies across different programmes will become even more important in FP10, a set of synergy programmes has been considered in addition. Some of the challenges and critical issues have already been identified in previous framework programmes but are still unsolved or not sufficiently addressed in Horizon Europe. Accordingly a set of conclusions has been drawn as input to the development process of FP10.

Ensure budget allocation to meet the ambitions of FP10 and budget flexibility appropriate to accommodate for upcoming challenges and priorities

- A new approach of budget planning is needed to accommodate upcoming priorities without jeopardizing the primary ambition of FP10 and its work programmes.
- Call topic number and ambition should correspond better to available budgets to manage expectations and general oversubscriptions.

Reduce complexity of requirements for projects and continue simplification of legal and financial requirements

- Ambition of FP10 should not lead to unrealistic expectations for individual projects.
- Demands for projects to address various policy ambitions beyond the work programme, consider multiple cross-cutting issues and cover portfolio management is overwhelming applicants and should be reduced.
- Administrative efforts should be reduced for consortia, simplification exploited for agencies, applicants and consortia likewise and administrative requirements adapted according to the specific instrument and its target group.
- Improve consistent interpretation of rules by project officers in and across executive agencies to allow equal treatment of projects throughout the work programmes.

- Particular emphasis towards simplification and reduction of administrative efforts should be given to allow an easier and higher engagement of societal and other non-R&I actors.

Increase transparency of processes and improve availability of data
- Improve equal access to work programme information as early as possible by e.g. pre-publications of work programmes by the EC.
- Enhance inclusivity and transparency of processes for work programme development to allow for meaningful input from addressed target groups and stakeholders and improve understanding of applicants of the work programme intentions and requirements.
- Exploit the potentials of AI for research and innovation as well as for the proposal and evaluation process by defining and making available clear rules for the use of artificial intelligence (AI) across all parts of FP10.
- Assess the use, various forms, their benefits, limitations and overall experiences of cascade funding models (Financial Support to Third Parties FSTP) in Horizon Europe in order to allow an evidence-based specification of the role and contribution of FSTP for FP10.
- Allow comprehensive monitoring of budget allocations and funded projects by making data available for sub-projects funded under cascade funding (FSTP), EIT KICs, synergy programmes such as LIFE, Digital Europe etc.

Provide fit for purpose instruments as well as related guidelines and rules well ahead of the programme start
- Avoid risks and uncertainties for applicants and consortia by preparing and providing all necessary information, guidelines and rules for all funding instruments well in advance and avoid significant changes in the interpretation of rules during implementation.
- Define new or adapted instruments in all strategic, financial and legal detail to allow applicants and project officers likewise to fully understand the modus operandi.
- Make instruments fit for purpose without overloading them for the respective target group as mission projects, Framework Partnership Agreements, European partnerships, projects with Financial Support to Third Parties with or without national co-funding and co-financing or small R&I projects have quite diverging requirements.
- Consider societal impact orientation in addition to Technology Readiness Levels more broadly in order to better exploit transformational potential and widen impact creation.

Strengthen portfolio management and improve synergies across pillars and with other programmes
- Intensify strategic portfolio management on programme level by assessing current portfolio management approaches across programmes, enhancing support to cross-project cooperation and utilising synergies across programmes right from the start.
- Improving co-funding mechanisms (also in synergy programmes) to better use national co-funding and strategic alignment with national or regional programmes.
- Improve permeability between FP10 pillars and its programmes towards an efficient and effective research & innovation ecosystem.
- Exploit interfaces with synergy programmes strategically, consider simple routes towards combined funding to strengthen impact creation and deployment of research results through Digital Europe, LIFE etc.

Reform the mechanisms of European Partnerships

- Design an appropriate implementation scheme for co-funded partnerships that avoids unnecessary administrative burdens and taps on the full strategic potential of these partnerships for achieving EU strategies.
- Develop the portfolio of partnerships towards higher complementarity, in particular for co-programmed partnerships.
- Improve the rules of implementation and participation of institutionalised partnerships to enhance competitiveness and openness also for new or smaller partners and allow for cross-partnership activities.

Develop the European Innovation Council into a compelling innovation support structure

- Include stakeholders better in EIC governance to ensure an inclusive and transparent ecosystem and benefit from alignment with needs of the scientific community and industrial sectors.
- Connect the EIC instruments strategically across the FP10 pillars and programmes to support efficient transition from research to market.
- Expand fast-track and plug-in schemes to exploit promising cases from other EU and national programmes.
- Ensure operational stability, low-administrative efforts and effective interfaces for follow-up investments to meet the needs of the start-up community.

1   PREAMBLE

The Austrian Research Promotion Agency is commissioned to support the Austrian research and innovation community to strengthen their engagement and participation in Horizon Europe and some synergy programmes. By hosting the Horizon Europe National Contact Points, the FFG engagement in the European R&I policy processes as well as the interactions with a broad spectrum of stakeholders, applicants and other European actors allows insights into the programming and implementation of the European framework programmes. Based on these experiences, we have reflected the current state of Horizon Europe and identified potentials for FP10. In order to complement FFG-internal perspectives, focus groups have been organised with key target groups. Thus, the offered conclusions for the development of the next framework programme FP10 are considering views and inputs of NCPs, FFG experts, applicants and intermediaries.

2   INTRODUCTION

Horizon Europe was designed as an evolution from its predecessor Horizon 2020. This allowed to build upon well-functioning instruments and mechanisms while introducing new or advancing others where needed. Therefore Horizon Europe was overall able to maintain and enhance the European research and innovation (R&I) ecosystem, offering different entry points for academia, research and business. In particular the ERC and the MSCA are internationally highly acknowledged programmes that can build upon proven procedures and structures. The ERA policy agenda has developed into a forum for policy alignment. The joint ERA actions offer important spaces for advancing national systems towards common goals and represent important measures to strengthen the European R&I ecosystem, which is also financially supported by the WIDERA part of Horizon Europe. The concept and ambition of European partnerships as a strategic, long-term approach for alignment between European Commission, Member States and/or industry allowed to position partnerships as strategic mechanisms and streamline the diversity of partnerships of previous framework programmes. Missions have been introduced as a new approach for addressing key challenges and initiating transformational change. The mission approach has initiated a European-wide dynamic towards cross-sectoral, transdisciplinary and transformative actions, taken up also in some Member States/Associated Countries.

At the same time a need for further improvements, adaptations and more substantial revisions has been identified. Particular emphasis has been given to aspects of implementation of the framework programme as well as to new instruments, such as missions, European partnerships and the European Innovation Council. As it is expected that the exploitation of synergies across different programmes will become even more important in FP10, a set of synergy programmes has been considered in addition. Some of the challenges and critical issues have already been identified in previous framework programmes but are still unsolved or not sufficiently addressed in Horizon Europe.

3 GOVERNANCE

Flexibility for taking up new challenges without Work Programme budget cuts

Experiences over the last framework programmes show that while high ambitions and respective budgets are defined at the start of each Framework Programme, substantial budget shifts occur during implementation to accommodate short term policy and R&I needs and address new challenges. This results in severe budget shifts and increasing oversubscriptions and strongly undermines the ability to achieve the set ambitions. As a particular example the European Innovation Council can be given with its budgetary dependence on NextGenEU in the years 2021-2023, its budgetary cut of 45% in 2023 and further restrictions imposed by the introduction of STEP in 2025. To avoid jeopardizing existing programmes, FP10 needs a minimum viable budget per budget line to ensure delivery on the ambitions and a mechanism to secure part of the budget for new challenges and urgent political priorities identified during implementation.

Structure of FP10

The three pillar structure of Horizon Europe has proven to provide clear guidance for applicants and works well overall. A continuation of this model appears to be indicated with a balanced budget for both bottom-up and top-down calls, including substantial funding to support early career researchers and in the field of pioneering research.

However, the permeability between the pillars is not yet sufficient. It is crucial to have specific instruments that facilitate transitions and improve permeability between these pillars. In order to support cutting-edge approaches throughout all parts of the framework programme, more room could be offered for basic research, also in the challenge-driven top-down programmes (e.g. Clusters). A possible notion that basic research "is covered by the ERC alone" should be avoided.

Finally, the WIDERA part of Horizon Europe has not resulted into a strong common approach for its Widening (Widening participation and spreading excellence) and ERA (Reforming and enhancing the European Research and Innovation system) dimensions, due to an overly complex structure and a lack of clarity and focus in communication, which is hampering the programme's own ambitions and its visibility and relevance for applicants. This is in particular true for the ERA-related part and compared to what has been achieved in Science with and for Society (Swafs) in Horizon 2020, which had a clear commitment also to fund original excellent research and innovation in fields of actions relevant to the objectives of the programme. Therefore, a critical revision of the scope, objectives and structure of WIDERA for FP10 is needed, to ensure the further development and deepening of the European Research Area (ERA). Also, the ERA programme part would require more visibility and a higher budget, for example in the form of a distinct pillar, to tap the full potential of implementing the ERA Actions.

Transparency and availability of data

The availability of data is still unsatisfactory, especially regarding the synergy programs, such as the LIFE programme, cascading funds, and the EIT KIC calls. In particular, as the number of projects implementing FSTP is steadily increasing, the availability of data for FSTP is expected to become even more important to allow proper analysis of participations, distribution of budgets and project results.

EC Support for NCP cross-border cooperation

Due to the complexity of Horizon Europe, its different pillars and instruments, a structured support to applicants is crucial for a successful implementation. The role of National Contact Points is well established and a close interaction and cooperation between EC, executive agencies and NCPs is important. The EC support to national NCPs to cooperate across countries, exchange on national practices and improve services allows quality assurance and is mandatory to guarantee a level playing field between countries. Despite intentions to reduce the complexity for FP10, well-informed NCPs will still be needed to help applicants to successfully navigate the landscape of funding opportunities, instruments and synergy programmes. Thus, continuation of the good practice of European NCP networks (e.g. the Horizon Academy including connecting and training facilities for all NCPs) in FP10 requires further support from the EC for cross-border cooperation and for the NCP portal. Regular and meaningful communication and exchanges between EC and NCPs should be intensified to ensure effective support to applicants and national stakeholders. This also relates to the EC support for connecting topics from different funding programmes to take better advantage of intended or possible synergies. For example, the collaboration between the NCP networks of Horizon Europe (Ideal-Ist, HNN3.0 etc.) and DIGITAL Europe (DEP4ALL) is beneficial for effectively engaging with applicants and for supporting the implementation of European R&I policies.

4   IMPLEMENTATION

4.1   Project level

Reduce complexity of requirements for projects

Over the last framework programmes the complexity of call topics and project requirements have continuously increased. Expectations for single projects to tackle different EU policies, consider multiple cross-cutting issues and act as mediator or platform for various other initiatives and projects becomes easily overwhelming for applicants and the proposal preparation process. While a contribution to political objectives is strongly supported, the role of a single project in meeting all possible policy ambitions and related expected impacts need to be revisited for FP10. In order to allow newcomers to take leading roles and submit competitive and promising proposals, the policy context should be better framed and explained. Similarly, the expectations and requirements for project proposals to anticipate and respond to various cross-cutting issues, e.g. ethics, research security, gender dimension, diversity, open science, interdisciplinary approach, SSH integration, data management, technological sovereignty etc. results in the attempt to 'tick all the boxes' which in consequence makes proposal development even more complex and costly. Applicants clearly call for reducing the amount of requirements and following a more target oriented approach. Proposal templates may need to be adapted to offer more flexibility to ask for covering such aspects whenever thematically relevant and needed but dismiss requirements for other call topics.

Simplify rules for better engagement of societal actors

As inter- and transdisciplinary consortia are more and more demanded, the conditions for societal actors to participate in EU projects should be reflected on towards FP10. The participation of civil

society (organisations) and other actors of co-creation in FP actions is currently impeded by the complexity and rigidity of the funding instruments and the (financial) reporting requirements**.** More flexible (e.g. lump-sum) rules should be foreseen for such actors whose "return-on-investment" from participating in EU-funded projects is mainly not monetary.

Continue simplification of legal and financial requirements

The administrative effort is generally still very high when it comes to the project implementation and the requirements are not always fit for purpose. The intention to attract newcomers to European R&I calls for much simpler processes and rules and dedicated measures to reduce the entry barriers. Different reporting requirements could be implemented depending on the kind of project, e.g. for small or large projects (depending on project budget and/or number of partners).

In addition, much more consideration should be given to the usual expenses, the accounting, and implementation practices of the participating organisations. Currently, especially the personnel cost accounting is too complicated and most organisations have to introduce a new calculation method only for the research framework programme. In particular for smaller organisations, newcomers or unusual actors such efforts are not manageable, limiting their ability to participate in FP projects.

In order to allow proper preparation and management of participation in funded projects requires the availability of clear guidelines and rules, provided in a timely, coherent and understandable manner. This was not always the case in Horizon Europe. The annotated Grant Agreement has only been made available more than three years into programme implementation, rules for the application of Art. 22.5 have been under negotiation between EC and Member States while respective topics have already been open for submission of proposals etc. There is also a tendency to include references to further sources, instead of describing the rule straightforward in a way that this can be understood by applicants. The continuously changing conditions and rules for European partnerships are not acceptable and are increasing risks for the participating organisations. Also in view of the ongoing discussion on Dual Use the appropriate regulations and guidelines need to be available before the adoption of the FP10 Research Programme.

Audits

In order to respond to new control needs, new audit mechanisms, e.g. the Ownership & Control Assessments have been introduced. The implementation of such mechanisms has been outsourced to Member States, in many cases to national funding agencies which requires the establishment of new routines, procedures, access to information, etc. This is not only challenging for each of the implementing bodies and multiplies the efforts across Europe, but results also in very different procedures and perhaps outcomes across the countries. We suggested to centralize these audits within the European Commission, to ensure a consolidated and uniform approach for all applicants.

Consistent interpretation of rules through project officers

During project implementation coordinators face several challenges and questions which require fast and proper answers from the corresponding project officers. Experiences of project participants show that rules are applied and interpreted differently by project officers. Although there are supporting mechanisms in place such as the AGA, the Research Inquiry Service, FAQs Sections or documentations at project level which allow some harmonisation of answers, exchange opportunities between project

officers should be improved, to share use cases and experiences in project implementation and most importantly agree on common approaches.

4.2   Programme level

Complementing the call for reducing complexity of requirements for project proposals, requirements on programme level arise.

Call topics allocation corresponding to available budgets

High oversubscriptions and lack of budget to fund excellent proposals across all pillars of Horizon Europe do not only result in high frustration of the applicants but also in a substantial waste of resources and loss of potential innovations and solutions. Correspondingly, there is a need to allocate sufficient budgets to address the topics and challenges defined in the work programme (see chapter 3) and to specify an appropriate number of topics for the available budget of a call. In addition, the possibility of using a two-stage calls with higher rates of success in the second stage could be an option for calls where a high oversubscription is expected and the implementation timeframe is not as urgent.

Portfolio management on programme level

The impact of projects is very much in the focus in Horizon Europe but so far impact creation is mainly left to the single projects. While projects usually cannot deliver on all aspects of the expected impact and the various European policies, a portfolio of projects should fulfil such needs. Thus, to take full potential of the projects and their results, to put them in the corresponding policy context and consolidate different results against technological roadmaps, policies and strategies, an appropriate portfolio management is needed. (Re-)introducing portfolio management on programme level (EC), backed by appropriate resources, would thus allow to reduce demands on single projects. It may also help to diversify the scope of funded proposals in a portfolio in terms such as various technological solutions, social and economic aspects, including e.g. artistic research or community based approaches. In Horizon Europe, in some cases a portfolio management has been outsourced to specific projects, e.g. for the missions so called mission platforms have been implemented. For FP10 preparations, it may be informative to assess the effectiveness of this approach.

Also the STEP funding model launched in 2024 is a suitable approach for accelerating strategic technology transfer and up-scaling. Thus, the introduction (or extension to) of a new, disruptive portfolio management method based on the STEP experience gained between 2024 and 2027 would be helpful for FP10.

Maximise project impact by providing "Impact grants"

Although several supporting structures such as the Horizon Results Platform are in place, projects often suffer from lack of budget, after its end, in order to further disseminate their project results to potential users and drive forward exploitation. The introduction of subsequent grants would help projects to continue communication of their findings to potential users e.g. companies or policy makers after project termination, increasing the chances for take-up.

Strengthen societal impact orientation

Research and innovation often fails to meet societal needs, address concerns, or assess impacts on different groups. This misalignment creates development bottlenecks, erodes trust in research

institutions, and leads to negative social, economic, and environmental effects. Technology Readiness Levels (TRL) measure progress in technology development for commercial markets from a micro-economic perspective. However, TRL does not consider the real-world experiences of using technology, its broader societal effects, or non-technological factors such as political, institutional, legal, historical, and cultural contexts. Therefore, the TRL approach would greatly benefit from incorporating a societal perspective. In Cluster 5 of Horizon Europe, a Societal Readiness Assessment (SRA) Pilot is currently carried out. Outcomes of this pilot should be assessed and conclusions taken up in FP10 to ensure that societal impact orientation is integrated in the next framework programme wherever appropriate and necessary.

Pre publish Draft Work Programmes for more transparency and equal access to information

Early information on call topics and call requirements is essential for the R&I communities to prepare for participation. So far there are different procedures across countries how to provide access to these documents which results in an unfair advantage of parts of the community over others. Furthermore the evolvement of Work-Programmes as such is often considered as a "black box" by users of European Funding Programmes. To ensure transparent and equal participation of all stakeholders draft work programmes could be pre-published well in advance. Early communication of calls might also encourage a broader participation of a variety of actors, including smaller organisations and unusual actors like regions who need a longer time to prepare a submission. In addition, a mechanism should be established to allow the interested European R&I community to understand and follow the development process of work programmes and intervention opportunities.

4.3 General aspects of implementation

Cascading funds/FSTP need more transparency

During Horizon Europe the use of cascading funds and the Financial Support to Third Parties (FSTP) approach increased strongly. Besides FSTP through European Partnerships a wide spectrum of FSTP projects (eg. both in Cluster as well as Mission projects) was initiated. This puts high requirements and risks on applicants who – by their nature – do not have procedures and systems in place to implement such grants and need to heavily invest in such structures and tools. So far there is only limited information available why FSTP is needed, what exactly is funded via FSTP and who the recipients are. For FP10 clearly more transparency is necessary in order to be able to steer and monitor FSTP well. An analysis of Horizon Europe experiences with FSTP might be helpful to decide how and to what extent to take this approach further. It is suggested to ensure that all FSTP calls are put into the funding and tenders portal to allow proper analysis corresponding to Work Programme call topics.

Lump sum implementation

The Lump Sum approach has been widely tested and evaluated under Horizon Europe and is currently rolled out broadly. Experiences show that while reporting efforts towards the EC could be strongly reduced, the consortia internal efforts could not, with even higher risks for the coordinating organisation. Thus simplification is only partially achieved. Therefore, there is the need to further improve this mechanism, including adaptations in the EC systems to accommodate for the specific

conditions of Lump Sum projects (no reporting periods, pre-payment and payment modalities, especially for mono-beneficiary projects, etc.)

Enhance the funding and tender portal and establish clear rules for the use of Artificial Intelligence (AI)

Enhance the funding and tender portal by improving the system stability to avoid technical problems in the submission phase of project proposals. In addition, AI functions should be integrated in the funding and tender portal, e.g. to improve the search and analysis of call topics and project results.

The increasing availability of AI tools has manifold impacts on research – from the proposal preparation and evaluation process to the project implementation. To ensure a responsible and transparent use of AI in FP10, it is important to provide and update clear guidelines and regulations (including ethical issues) on how AI can be used in project proposals and how its use should be made visible. Anticipating a wide use of AI to write proposals by 2028, a new proposal evaluation strategy including new evaluation criteria will be needed. Setting up these criteria early enough will ensure the necessary transparency for the participants.

5   EUROPEAN MISSIONS

European missions have been introduced as a new instrument to address societal challenges with a comprehensive and transformational approach. High political attention was gained through the introduction of missions which offered opportunities to tackle these across governance levels (EC, national, regional, local). This resulted in the take-up of the mission approach in some countries, through introducing new or adapted governance and instruments for mission implementation. The potentials of new cooperation and alignment across sectoral policy areas as well as the mobilisation of new actors and stakeholders to engage in research and innovation is in principle promising.

Strengthen cross-sectoral cooperation and financing in mission implementation

While the concept offers high potentials to advance the R&I framework towards transformational developments, the implementation did not follow these conceptual needs to the full extent. The ambition of anchoring the missions not only in research and innovation policy but joining forces with sectoral policies and exploiting the entire portfolio of possible implementation measures is seen as necessary and important but has not been achieved sufficiently yet. To do this, however, it may be necessary to place them at a much higher political level and possibly remove them from their exclusive framework programme context. In particular, as Missions go far beyond R&I activities a good coordination and streamlining with other funding and financing programmes supporting implementation on EU and national level need to be strengthened (e.g. assure a smooth co-funding or follow up funding). This may also allow companies to engage more strongly in mission projects.

Reduce complexity of mission governance

The overall governance of the missions is seen as highly complex and the interplay between the established bodies is far from optimal. While the alignment of European and national implementation measures is not used to the full capacity yet, European level governance with its manifold bodies requires high efforts for coordination. To strengthen alignment with national activities, a clear and concrete anchoring of national implementations in the European-level calls may strengthen follow-up

activities and embed the projects more strongly in the local context for roll-out and wider implementation.

Go beyond standard instruments to become transformative

Regarding the implementation of missions, the use of the standard Horizon Europe instruments, such as RIA and IA, may not always be appropriate to correspond to the mission characteristics and for achieving the set goals. At the same time mission projects are confronted with an overload of requirements to meet the expectations. The size and complexity of projects envisaged in the mission work programmes hinder innovation that should be achieved through citizen's engagement, co-creation of knowledge and testing of solutions in real-life conditions. Universities and business likewise are currently struggling with engaging in the missions. Thus, experimentation with new elements or adapted conditions could be useful to establish projects with strong transformational character.

6 EUROPEAN PARTNERSHIPS

European Partnerships are recognized as an important instrument for aligning strategies and joining forces to achieve strategic priorities of the EU. But there is also considerable push towards reforming their mechanisms to exploit this potential well. Overall, the EC capacities to develop the needed guidelines and processes as well as to support the implementation of partnerships under Horizon Europe is highly limited. In particular for co-funded partnerships, this results in strongly delayed availability of documentations, intransparent knowledge flows towards the single partnerships and continuously changing requirements and conditions from the managing agencies. The successful and efficient realisation of the partnerships is therefore significantly hampered. For FP10 sufficient resources to design and roll-out improved partnership schemes is thus strongly called for. Due to the different characteristics of co-programmed, co-funded and institutionalised partnerships, recommendations are treated separately.

6.1 Co-programmed partnerships

Co-programmed partnerships have increased in number, and they are continuing to attract interest across industry, research and public bodies. Improvements are seen necessary to maintain attractiveness for SMEs and regarding the management of the growing portfolio of co-programmed partnerships.

Revisit funding rates for SME

A drop in SME participation has been noticed in calls for proposals that have reduced funding rates for SMEs. This counteracts the objective to strengthen the European landscape of SMEs.

Manage the number and complementarity of partnerships

In general, the current co-programmed partnerships are assessed as successful. However the total number of co-programmed partnerships could be reconsidered and thematic overlaps avoided as much as possible to simplify the landscape for interested stakeholders.

6.2 Co-funded Partnerships

Co-funded partnerships offer entry points for aligning strategies between EC, Member States and Associated Countries. The majority of co-funded partnerships has had considerable success in progressing well towards establishing additional activities, going well beyond transnational call implementation, such as strong involvement of stakeholders and significant international outreach. Such approaches strengthen the European Research Area and offer thematically oriented European-wide innovation ecosystems.

Avoid micromanagement of co-funded partnerships

In order to maintain sufficient engagement in the consortia of co-funded European partnerships and to achieve the long-term impacts, significant improvements in the administrative framework conditions are needed. Implementing co-funded partnerships as regular Horizon Europe projects has clearly not worked out and reduces the role of partnerships to recipients of EC funding. The overall issue of administrative burden has been recognized by the European Commission, and currently efforts are taken to improve the situation. Still, more substantial improvements and simplifications are needed for FP10 to allow to tap the full potential of EC and MS/AC partnership. A lump-sum approach should be considered to avoid micromanagement of EC agencies and provide partnerships more flexibility in implementing their multi-year programme.

Take better use of the strategic role of co-funded partnerships

Alignment of European and national/regional strategies and programmes is often called for. The co-funded partnerships offer a strategic and long-term framework for aligning priorities and implementation measures. In particular in the context of missions or other high-level policy aims the mechanism could support and strengthen such synergies. Countries are also using the partnerships' priorities and agendas as a reference for advancing national strategies. The co-design of strategic agendas by MS/AC and EC and the stronger consideration of partnerships' activities in the EC portfolio could therefore improve overall efficiency, complementarity and ensure aligned efforts towards common goals.

Smaller tools for programme level coordination such as former ERA-NETs

Beside the Co-funded European Partnerships fitting the selection criteria and being designed as broad strategic tools, there is a need to fund smaller and more flexible networks. In the past, such networks were supported as ERA-NET Cofunds (H2020) or within the WIDERA programme (Horizon Europe) and were able to leverage significant amounts of funding for transnational projects. It is advisable to keep these opportunities in FP10 and fund at least the coordination/management cost of such networks as it is proven to be relevant for their existence.

6.3 Institutionalised Partnerships

The objectives and administrative setup of institutionalized partnerships is considerably heterogeneous, and so are the challenges and needs that members of the R&I community have. However, general aspects to be taken into consideration are an improved interaction with Member States which is still not perceived as fully satisfactory. In preparation for FP10, a systematic survey among Member States may

help to identify the national needs and improve mechanisms accordingly. In addition, the percentage of in-kind contributions by industry partners should be streamlined between the partnerships.

Improve competitiveness and openness of institutionalised partnerships

The rules of participation need to ensure that competitiveness and openness to new or smaller players is guaranteed. Lowering the required percentage of in-kind contributions from industrial partners and permitting multiple projects with different approaches for a single topic, each with a smaller funding budget, would facilitate a more competitive process. Transparent development processes and co-design of work programmes with all stakeholders and advisory bodies as well as clear communication between European and national industry associations would contribute to a fair process and openness to interested organisations.

7 THE EUROPEAN INNOVATION COUNCIL (EIC)

Enhancing the effectiveness and impact of the European Innovation Council (EIC) should be a key consideration in FP10, ensuring it plays a pivotal role in driving Europe's innovation capacity and technological sovereignty.

Restructure EIC Governance

Current governance involves mainly administrative and high-level strategic policy makers. A restructuring of the EIC's governance to include involvement from the research community and the industry should enable researchers, market leaders and key industrial organisations to have a voice in decision-making bodies and program levels, enhancing the alignment of the EIC's activities with the needs of the scientific community and industrial sectors, while respecting the key industrial policy priorities. Fostering an inclusive environment that engages diverse stakeholders would also ensure greater transparency in the EIC's operations and funding.

Establish EIC as Final Phase in the Framework Program

The EIC has clearly demonstrated the potential to position as the final phase in a comprehensive and permeable framework program. This phase should build on strong project results from collaborative pre-competitive research and innovation projects, ensuring that innovations are effectively transitioned from research to market. Schemes like "fast-track" from other European initiatives or "plug-in" from national programmes should be further exploited and streamlined, in order to enhance the pipeline to the EIC Accelerator by efficient means and to reduce oversubscription.

Enhance Resource Allocation

In order to strengthen the EIC, resources should be allocated in a coherent manner that promotes innovation and market transfer – from the EIC Pathfinder, through EIC Transition to the EIC Accelerator and enhance transfer activities from Pillar I & Pillar II. Rather than merging or adapting previous program lines with low success rates (e.g. FET), a portfolio approach is needed to fund initiatives that have a clear path to commercialization and societal impact. This also means allocating resources for further commercialization through the EIC Fund and the STEP instruments, securing and supporting the investment through its whole lifecycle.

Ensure operational stability, simplification and resource allocation

In order to provide stable conditions and allow proper planning for applicants further experimentation practices should be avoided. Funding mechanisms should be improved to reduce the administrative and financial burdens on participants. This can involve streamlined processes for funding applications and less complex reporting requirements, taking into consideration the specific needs of the start-up community. In that sense, securing budget for follow-on investments and simplifying the process of receiving a further equity-based investment for previously selected and funded EIC Projects is critical and should remain a priority.

Focus on high TRLs & encourage industry collaboration

The EIC should focus on the development and maturation of technologies within TRLs 4-7, to bridge the gap between research and market-ready innovations. At the same time, stronger collaborations with industry should be fostered by aligning the EIC's programs with industrial needs and societal demands, ensuring a higher likelihood of successful commercialization and societal impact.

Simplify and unify the EU innovation ecosystem initiatives

A strong and effective European innovation ecosystem is essential. However, the current landscape of different short or long-term initiatives still results in considerable fragmentation. Thus a more synergistic perspective for the EIE to improve the interconnection between different ecosystem players in Europe, together with reaching the targets of the new Innovation Agenda is required. A single point of contact for these initiatives would streamline processes and enhance accessibility, ensuring all R&I actors can fully benefit from these and build new synergies.

Adapt to Emerging Needs

A good balance between top-down defined challenges and bottom-up initiatives should be established and regularly revisited to stay flexible and responsive to emerging needs. The EIC should continuously evolve its strategic agenda to address new challenges and opportunities, maintaining its relevance and impact in the rapidly changing innovation landscape and its alignment with long-term industrial policies to enhance resilience, competitiveness, and technological sovereignty. At the same time, opportunities for open and bottom-up initiatives (especially in the lower TRL levels) should be strengthened.

Strengthen strategic alignment and expand synergies with other financial instruments

To leverage strengths and resources from existing networks and within the European innovation ecosystem strategic alignment between the EIC and other EU initiatives (like Eureka or the Enterprise Europe Network) should be enhanced.

Synergies with other financial instruments should be further explored, creating new equity-based opportunities, strengthening platforms for cross-border investments, extending EU funding support services, fostering commercial investment culture, and connecting these instruments with successful EIC projects to ensure seamless support and higher investments during the scaling-up phase. This should create an automatic passing-on-mechanism towards relevant growth-financing schemes outside FP10.

8 SYNERGIES

Besides Horizon Europe a growing portfolio of complementary programmes has been established that widen the opportunities to validate and apply research and innovation results. However, so far these potentials have not always been exploited strategically.

8.1 European Defence Fund

At this stage, no significant details have been defined for the successor programme to the European Defence Fund (EDF). It can be assumed that the core elements will be retained in a similar form, given the interdependence of the projects launched and the fact that the EDF's indicative multi-annual programming already extends beyond the current MFF.

The EDF has launched important research and development projects for the European defence industry. The ultimate goal of these projects is always the marketability of a system and subsequent procurement (not covered by the EDF) by individual Member States. The ongoing continuation of these follow-on projects, as well as the initiation of new R&D activities, will remain to be a key component of the EDF.

The objectives of the EDF R&D activities are mainly focused on systems with specific applications. Open research activities are hardly an objective of the EDF. A spin-in of results from civil to military research is therefore a logical consequence. The first calls for proposals already included a number of calls specifically aimed at this transfer. These should be continued and intensified/simplified for the forthcoming Defence Research Programme. This also includes the increased use of synergies with thematically related Pillars/Clusters (e.g. Cluster 3 & 4 of Pillar 2).

The same is true of the reverse, i.e. the use of military research results in a civilian context (spin-out). This is reflected in the current dual-use debate. Increasing the efficiency of R&D activities for dual-use technologies is a key component of the European Commission's Economic Security Strategy. In order to foster this issue, the EC has initiated a discussion on the use of dual-use technologies in research and development, which has resulted in a relatively uniform range of opinions. In principle, a programme for the defence industry (covered by the European Defence Fund) is seen as the most appropriate solution, while a separate dual-use programme is not considered preferable at this stage, as it would create additional structures without clear benefits. The status quo of exclusively civil research in Horizon Europe is currently discussed and an opening would be highly dependent on the associated regulatory framework, which has a strong impact on the acceptance in the research and development ecosystem. Decisions on R&D for dual-use technologies require careful consideration to avoid loss of efficiency and further disruption of the R&D ecosystem.

8.2 DIGITAL Europe Programme

With its aim to bridge the gap between digital technology research and market deployment, the DIGITAL Europe programme offers essential opportunities to maximize the impact of R&I investments in key areas for digitalisation. Using the synergies between DIGITAL Europe and Horizon Europe is therefore

crucial for fostering a holistic approach to innovation and digital transformation in Europe. Experiences show that in order to exploit this potential a set of improvements is necessary.

Continuation of initiatives launched under Horizon Europe in DIGITAL Europe

Initiatives launched under Horizon Europe should seamlessly be able to continue in the DIGITAL Europe Programme. Projects with focus on advanced artificial intelligence, cybersecurity and high-performance computing can greatly benefit from further support and expansion under DIGITAL Europe. Thus, it can ensure that cutting-edge research transitions as smoothly as possible into widespread practical applications.

Utilization of data spaces created under DIGITAL Europe for research in Horizon Europe

Data spaces implemented under the DIGITAL Europe Programme are designed to facilitate the secure and efficient sharing of data across various sectors. So far these data spaces are only accessible for partner organisations and approved stakeholders. By opening the use of the data spaces for research initiatives of FP10, data-driven innovation and research could be enhanced. Consortia could leverage these European data spaces to further their collaborative efforts. Researchers would have access to high-quality, interoperable datasets for their studies, ensuring that Horizon Europe projects benefit from robust data infrastructures. This seamless integration would foster collaboration across the European research community, driving advancements and innovation.

Standardized MGA and AGA to simplify accounting, reporting and legal matter for applicants

A standardized Model Grant Agreement (MGA) and Annotated Grant Agreement (AGA) for both Horizon Europe and the DIGITAL Europe Programme has been crucial for ensuring applicants' compliance with financial and legal obligations. It is imperative that FP10 not only continues but also further harmonizes the MGA and AGA across programmes. This will significantly streamline processes, making it easier for applicants to meet requirements, manage financial reporting, and address legal obligations, thereby greatly enhancing the efficiency and transparency of project implementation.

Clear and consistent rules for national co-funding in Horizon and DIGITAL Europe Programme

It is important to have clear and consistent rules over both Horizon Europe and DIGITAL Europe to ensure effective collaboration and maximizing the impact of EU-funded projects. This is not only necessary to ensure transparency and predictability for applicants, but also for the expected co-funding of Member States. Currently only Horizon Europe benefits from GBER-exemption in Article 25c and the conditions for national co-funding are not always specified explicitly or vary widely which causes legal uncertainty and counteracts the intentions of national co-funding, especially for SMEs, where complex and overlapping funding rules can hinder their participation. Overall, the approval process for state aid should be simplified and rules for applying state-aid shall be clearly outlined.

8.3   ERDF

The potentials for synergies between Horizon Europe and Structural Funds are manifold. Improvements have been made over the last framework programmes, especially with regard to cost accounting. The opportunity to make Structural Funds accountable for national and regional co-funding of European partnerships proved successful and strengthened in particular the participation of regions. Unfortunately, barriers still remain. The different programming timelines of the Framework

Programmes and ERDF are still hindering the creation of programmatic synergies. The lack of guidelines and rules at the start of Horizon Europe resulted in high uncertainties among national and regional authorities and stakeholders and thus a reluctance of actors to take use of Structural Funds.

8.4 LIFE

LIFE and Horizon Europe share many common themes and goals, such as climate protection, sustainability, biodiversity, and resource efficiency. Despite the potential of tackling these challenges jointly with a comprehensive and holistic approach, synergies have not been exploited well so far. The role of LIFE to utilize innovations and research results and translate them into concrete, practical projects that promote environmental protection, climate change adaptation, and sustainable development should be strengthened in the next phase.

Combined funding to close the gap between research and implementation of results

The opportunity and conditions to combine funding from Horizon Europe and LIFE should be considered in the programme setup to allow projects to benefit more easily from both Horizon Europe and LIFE. While FP10 funds the research and development of new technologies, LIFE supports the implementation and practical application of these technologies. A simplified submission process (fast lane) of LIFE projects that have emerged from Horizon Europe or FP10 projects could be considered in order to significantly shorten the time from the initial results of a research project to implementation. In this regard also a plug-in mechanism should be considered that offers nationally funded projects a fast lane into LIFE and thus towards European level deployment and application.

Foster knowledge and technology transfer

LIFE promotes the transfer of knowledge and technology into real-world applications and solutions that directly contribute to improving the environment. FP10 research projects, in particular the EU Mission projects, should be encouraged to consider LIFE as an instrument in their exploitation strategies.

8.5 COST

COST is a longstanding programme and key networking tool in the European Research Area. It offers a unique opportunity, particularly for young researchers to get access to European Networks, which are often incubators for subsequent projects, also in the Framework Programme. Based on a large amount of applications the need for this kind of programme is evident and should thus be adequately addressed in the next Framework Programme. The link between National Contact Points for the Framework Programme and COST National Coordinators should remain strong for best use of synergies between COST and other parts of the Framework Programme.

8.6 European Space Agency (ESA) and EU Space Programme

In the thematic area of "Space" there are clear synergies between the Framework Programme and the European Space Agency (ESA) activities as well as the EU Space Programme. The interdependencies were constantly growing over the last decade.

European Space Agency (ESA)

The European Space Agency is an inter-governmental organisation for the coordination and operation of joint space activities in Europe. ESA operates and supports a wide range of programmes and activities. These are carried out mainly under its own budget (several billion EUR per year) and partly in cooperation with other budget owners. The most important partner in this context is the EU, which is delegating the coordination and implementation of core activities of the EU Space Programme (e.g. the build-up of European space infrastructure) to ESA. Furthermore, ESA was coordinating distinct activities for the EU in Horizon Europe and its predecessors. All these activities are implemented by ESA via Contribution Agreements between the Commission and ESA.

For the next Framework Programme the cooperation with ESA should be continued and extended where needed and meaningful. Concurrently, proposed activities in the Framework Programme should be complementary and synergistic to activities funded by the European Space Agency, and jointly planned and coordinated from the outset.

EU Space Programme

The EU Space Programme is the first integrated space programme created by the European Union to support its space policy, address societal challenges such as climate change, foster technological innovation and support the EU internal market. The programme consists of several flagship components. Copernicus is the European Earth Observation Programme, it looks at our planet and its environment and provides data and information that benefits all European citizens. Galileo, the EU´s Global Navigation Satellite System (GNSS), provides improved navigation, positioning and timing information. Galileo is supported by the European Geostationary Navigation Overlay Service (EGNOS), which is augmenting the GNSSsignals in a way that they can be used with higher reliability and accuracy. Secure satellite communications (GOVSATCOM, IRIS[2]) are essential for the resilience and strategic autonomy of the EU and its Member States ensuring the daily functioning of the EU digital economy and critical governmental services. And finally, Space Situational Awareness (SSA) and EU Space Surveillance and Tracking are providing comprehensive knowledge and understanding about space hazards and play a key role in ensuring the safety and security of the European space infrastructure.

The Framework Programme supports the further development of the Space Programme components with research and development activities and target-oriented innovation actions. To manage this successfully, the interfaces between the Framework Programme and the individual components have to be revisited continuously and organised in an efficient and transparent way.