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DRAFT REPORT

on the assessment of the implementation of Horizon Europe in view of its interim evaluation and recommendations for the 10th Research Framework Programme
(2024/2109(INI))

Committee on Industry, Research and Energy

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CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3
EXPLANATORY STATEMENT	9

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the assessment of the implementation of Horizon Europe in view of its interim evaluation and recommendations for the 10th Research Framework Programme (2024/2109(INI))

The European Parliament,

- having regard to Articles 101 to 109 and Article 173 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union¹,
- having regard to Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013²,
- having regard to Council Decision (EU) 2021/764 of 10 May 2021 establishing the Specific Programme implementing Horizon Europe – the Framework Programme for Research and Innovation, and repealing Decision 2013/743/EU³,
- having regard to Regulation (EU) 2021/819 of the European Parliament and of the Council of 20 May 2021 on the European Institute of Innovation and Technology⁴,
- having regard to Decision (EU) 2021/820 of the European Parliament and of the Council of 20 May 2021 on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT) 2021-2027: Boosting the Innovation Talent and Capacity of Europe and repealing Decision No 1312/2013/EU⁵,
- having regard to Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014⁶,
- having regard to Regulation (EU) 2021/697 of the European Parliament and of the Council of 29 April 2021 establishing the European Defence Fund and repealing Regulation (EU) 2018/1092⁷,
- having regard to the Commission communication of 30 September 2020 entitled ‘A new

¹ OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>.

² OJ L 170, 12.5.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/695/oj>.

³ OJ L 167I, 12.05.2021, p. 1, ELI: <http://data.europa.eu/eli/dec/2021/764/oj>.

⁴ OJ L 189, 28.5.2021, p. 61, ELI: <http://data.europa.eu/eli/reg/2021/819/oj>.

⁵ OJ L 189, 28.5.2021, p. 91, ELI: <http://data.europa.eu/eli/dec/2021/820/oj>.

⁶ OJ L 427, 30.11.2021, p. 17, ELI: <http://data.europa.eu/eli/reg/2021/2085/oj>.

⁷ OJ L 170, 12.5.2021, p. 149, ELI: <http://data.europa.eu/eli/reg/2021/697/oj>.

- ERA for Research and Innovation’ (COM(2020)0628),
- having regard to the Commission communication of 18 May 2021 on the Global Approach to Research and Innovation Europe’s strategy for international cooperation in a changing world (COM(2021)0252),
 - having regard to its resolution of 6 April 2022 on a global approach to research and innovation: Europe’s strategy for international cooperation in a changing world⁸,
 - having regard to its resolution of 22 November 2022 on the implementation of the European Innovation Council⁹,
 - having regard to the Commission communication of 19 July 2023 entitled ‘EU Missions two years on: assessment of progress and way forward’ (COM(2023)0457),
 - having regard to its resolution of 14 December 2023 on young researchers¹⁰,
 - having regard to its resolution of 17 January 2024 with recommendations to the Commission on promotion of the freedom of scientific research in the EU¹¹,
 - having regard to the European Research and Innovation Area Committee Opinion of 26 June 2024 on Guidance for the next Framework Programme for Research & Innovation,
 - having regard to the Commission communication of 19 January 2016 entitled ‘On the Response to the Report of the High Level Expert Group on the Ex Post Evaluation of the Seventh Framework Programme’(COM(2016)0005),
 - having regard to Enrico Letta’s report of 17 April 2024 entitled ‘Much more than a market’,
 - having regard to Mario Draghi’s report of 9 September 2024 entitled ‘The future of European competitiveness’,
 - having regard to the report by the Commission Expert Group on the Interim Evaluation of Horizon Europe of 16 October 2024 entitled ‘Align, Act, Accelerate: Research, Technology and Innovation to boost European Competitiveness,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Industry, Research and Energy (A10-0000/2024),
- A. whereas Horizon Europe (HEU) is the EU’s largest centrally managed funding programme and the largest publicly funded research and development (R&D)

⁸ OJ C 434, 15.11.2022, p. 23.

⁹ OJ C 167, 11.5.2023, p. 8.

¹⁰ OJ C, C/2024/4183, 2.8.2024, ELI: <http://data.europa.eu/eli/C/2024/4183/oj>.

¹¹ OJ C, C/2024/5713, 17.10.2024, ELI: <http://data.europa.eu/eli/C/2024/5713/oj>.

programme in the world;

- B. whereas investments in R&D are essential for EU competitiveness; whereas the report on the Future of European Competitiveness (the Draghi report) and the report by the Commission Expert Group on the Interim Evaluation of Horizon Europe (the Heitor report) recommended a budget for the 10th framework programme for research and innovation (FP10) of EUR 200 billion and EUR 220 billion respectively;

General observations on Horizon Europe

1. Recalls that the Draghi and the Heitor reports are a wake-up call for Europe to face global competition and the significant rise of Chinese science in recent years; welcomes the higher success rate of HEU compared to Horizon 2020 (H2020); appreciates HEU's responsiveness in crises, such as COVID-19 and geopolitical challenges, but regrets the lack of additional funding, which compromises original priorities;
2. Regrets that there have been negative experiences with the implementation of HEU because the shift from H2020 to HEU has mostly been experienced as an increase in complexity and bureaucracy; underlines that the success rates in some parts of the programme are still so low as to discourage potentially excellent applications; considers that the high cost of strategic planning (due to increased complexity, time and resources invested, as well as slowed-down implementation of the framework programme (FP)) is not compensated by any substantial benefits;
3. Highlights the importance of an agile FP; notes that the Heitor report outlines the importance of responding to the fast-changing field of science and innovation and recommends more self-governance in the FP through the establishment of councils as well as less prescriptive calls; recalls that the Draghi report notes that the current governance of the FP is slow and bureaucratic, that its organisation should be redesigned to be more outcome-based and evaluated by top experts and that the future FP should be governed by people with a proven track record at the frontier of research or innovation;

Observations on competitiveness

4. Is deeply convinced that EU spending on science, research and innovation is the best investment in our common European future and for increasing competitiveness; agrees with Mr Draghi that all public R&D spending in the EU should be better coordinated at EU level and that a reformed and strengthened FP is crucial in achieving this;

Observations on technical implementation

5. Considers that administrative simplification stagnated under HEU and might even have reversed, given that transaction costs rose significantly;
6. Notes that a large number of beneficiaries do not consider the introduction of lump-sum funding to be a simplification;
7. Considers that the Commission has not succeeded in creating agile but strong management of HEU, which has led to complex implementation;

Observations on Pillar 1

Observations on Pillar 2

8. Concludes that Pillar 2 remains too complex; believes that the implementation of this pillar should be improved, simplified and streamlined; notes that the number of instruments involved, the unsuccessful implementation of missions, and the many budgetary shifts have resulted in unnecessary complexity which discourages applicants, and especially newcomers, from participating;

Observations on Pillar 3

Observations on Part 4

9. Welcomes the fact that there has been an increase in the number of participants, from widening countries, in HEU;

Observations on Missions and Partnerships

10. Recalls that the Commission communication entitled ‘EU Missions two years on: assessment of progress and way forward’ did not positively evaluate missions and concluded that missions had failed on core objectives such as crowding in external funding;

Recommendations for the remaining part of Horizon Europe

11. Notes that no significant changes have taken place in the implementation of the missions since the publication of the communication; concludes, therefore, that further funding of missions under the 2025, 2026 and 2027 work programmes would not be an effective use of the limited resources available to HEU and should therefore be stopped; encourages the Commission to find funding for the continuation of missions in other parts of the EU budget and at national level;
12. Insists that the Commission should reduce the use of lump-sum funding under HEU until there is substantial evidence that lump-sum funding provides a simplification for the beneficiaries over the full life cycle of the project, including the audit, as well as for the programme as a whole, reflected by lower administrative and transaction costs for beneficiaries with lump-sum projects;
13. Supports the Heitor report’s urgent call to introduce a ‘Choose Europe’ co-funding line and to turn the current ‘European brain drain’ into a ‘brain gain’ by 2035, noting that this should be considered a major and unique opportunity for Europe following the recent US election and should therefore be implemented urgently from 2025;

Recommendations for the 10th Research Framework Programme (FP10)

14. Calls for FP10 to be a stand-alone EU programme dedicated to EU research excellence, with a substantially higher budget that is sufficient for achieving the 3 % GDP spending target and for funding at least 75 % of the excellent proposals submitted; recommends

that FP10 focus on three core objectives: (i) advancing the European Research Area (ERA) with specific measures that address regional disparities and support under-represented Member States in their innovation capacities, (ii) creating a European competition of ideas, and (iii) supporting strategic, large-scale collaborative research initiatives; recommends that FP10 be structured in three parts, each addressing one of the three core objectives;

15. Recommends that the Commission ensure user-oriented, science-led, effective and efficient implementation of the programme, including by:
 - (a) implementing a redesigned governance, in line with the findings of the Heitor expert group and the Draghi report, addressing the need to improve the programme's agility, which should:
 - i. be oriented towards facilitating the best science and innovation;
 - ii. be less dominated by policy objectives;
 - iii. contribute to EU priorities, but on the terms of science and innovation rather than on the terms of policymakers;
 - iv. be based on the principle of self-governance, through which top experts from the relevant field can determine how research and innovation can best contribute to the achievement of the policy priorities set by policymakers;
 - (b) setting up the four councils proposed by the Heitor expert group, composed of eminent experts from the field, to decide on the strategic direction of the different parts of FP10, and in particular a European technology and industrial competitiveness council and a European societal challenges council;
 - (c) including positions for programme managers and external experts with a proven track record in the relevant field, who are appointed as special advisers to the Commissioner responsible for research and innovation to ensure their seniority in the Commission, to manage portfolios of projects across the whole programme and to set out challenges based on strategic intelligence with a view to fostering global leadership for Europe in specific areas of their field;
16. Recommends that the objective of the part of FP10 on advancing the ERA be to build an excellent, unified ERA; underlines that this requires attracting talent, integrating newcomers, providing access to leading research and technology infrastructures, supporting joint early research programmes with national funders, and developing European universities alliances into European scientific institutes;
17. Firmly believes that this part should include a newly established European fellowship programme for researchers at risk, incorporating the lessons learnt from the ongoing preparatory action;
18. Believes that an expanded European Research Council (ERC) and European Innovation Council (EIC) should be at the heart of the part of FP10 dealing with a European competition of ideas and that this part should receive half of the FP10 budget;

recommends that these programmes be designed so that they create a European, bottom-up funnel for innovation to develop quickly from fundamental science to innovation scale-up; considers that the EIC can only succeed if it can both offer blended finance as a single project and act with the same speed and agility as private actors on the venture capitalist market through a tailor-made legal entity for implementation; underlines that the strengthened autonomy and self-governance of both the ERC and the EIC are crucial to achieving this;

19. Urges the Commission to design the part of FP10 on strategic deployment such that it focuses on a limited number of pan-European research initiatives with 2040 set as the time horizon and which require cross-border collaboration due to the scale and complexity of the issue in question; believes that this part should consider that these initiatives could take the form of societal missions which address socio-economic and/or ecological challenges, technology missions to accelerate the development of strategic technologies in Europe, or joint undertakings to secure joint investments by industry, Member States and the EU to support research-based competitiveness and the resilience of key sectors in the European economy; believes that all of these initiatives should receive a budget of between EUR 2.5 and 5 billion;

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20. Instructs its President to forward this resolution to the Council, the Commission and the governments of the Member States.

EXPLANATORY STATEMENT

The implementation of Horizon Europe shaped by overlapping crises, from the climate emergency to the COVID-19 pandemic, and from inflation to the energy insecurity triggered by Russia's war of aggression against Ukraine. While Horizon Europe admirably adapted to these crises, its emphasis on short-term fixes has come at the cost of deeper, more visionary research and by extension at the expense of Europe's sustainable competitiveness.

If Europe intends to achieve sustainable competitiveness through innovation, it needs to put R&I at the heart of its economy and society, and it needs to do so on the terms of R&I. R&I is the foundation for Europe's sustainable competitiveness because we cannot outcompete our global competitors on prices. We can only maintain our competitiveness and sovereignty by leading the world in scientific knowledge and technology development.

This must begin with a European Framework Programme that fosters the best science, research and innovation in the world. Based on the results of the Programme and the feedback from stakeholders, we need to conclude that Horizon Europe is not fit for this purpose.

Horizon Europe is an excellent programme which supports some of the best science in the world through the ERC, accelerates the large scale development of strategic technologies – e.g. through the Quantum Flagship –, successfully leverages private R&D investment in sectoral technology development – e.g. the JU CleanAviation –, and has created the largest VC investment effort in DeepTech startups in Europe through the EIC. Horizon is an indispensable part of the European R&D system.

Yet, it has to play its part better. Some parts of Horizon are not attractive enough for the best and the brightest. It is too complex, and calls are not relevant enough. Horizon is too much an instrument for policy makers and not enough a support structure for science, research and innovation in Europe.

This conclusion means that FP10 has to be a game changer. It needs to be freed from the hubris of technology development and science planned by policy makers. It needs to rid itself of too many secondary and tertiary objectives, which go beyond the primary objective: excellent science, research and innovation. It needs to focus on funding science, research and innovation projects at the frontiers of knowledge and technology. It needs to fund science and innovation that goes beyond the wildest imaginations of policy makers, and that creates solutions we never thought of for problems we have not yet identified. Achieving this requires putting Europe's scientists, researchers and innovators in the driving seat, shaping the programming and selecting the best projects. Centralising the programming in a Competitiveness Fund would achieve the opposite. While FP10 can and will play a crucial role for EU competitiveness, it should not be driven by it, it should be driven by science, research and deep-tech entrepreneurs.

The European Framework Programme is a central feature of our European Research Area. It is the Union's contribution to achieving the target of 3% of GDP being spend on R&D. It helps to attract and retain talent for Europe. Unfortunately, high oversubscription makes its

contribution suboptimal. Therefore, it is vital for European competitiveness that FP10 receives a budget of at least EUR 220 billion, in line with the Union's share towards the 3% target and to ensure oversubscription reaches acceptable levels.

Without this reform agenda for FP10, any agenda on long-term, sustainable competitiveness lacks any foundation. Only if we put R&I in the lead can we expect it to contribute to our competitiveness – R&I is a long-term precondition for competitiveness, not a short-term fix. Given the strict character limit on Draft Reports, this Draft Report only reflects key points of this reform agenda. The Rapporteur will further enrich the report through targeted amendments.