COMPROMISE AMENDMENT (CA1)

Covering all text of the Draft Report and tabled by EPP, S&D, ECR, Renew Europe, and the Greens/EFA

Where text is not amended, the compromise maintains the text of the Draft Report.

If adopted, all AMs (1-359) fall.

New text is highlighted in ***bold italics***

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 ***179 to 188*** 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 Union[1],

– 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 1291/2013[2],

– 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/EU[3],

– 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 Technology[4],

– 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

[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.

Capacity of Europe and repealing Decision No 1312/2013/EU[5],

– 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 642/2014[6],

– 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) 2018/1092[7],

– having regard to the Commission communication of 30 September 2020 entitled 'A new ERA for Research and Innovation' (COM(2020)0628),

– ***having regard to the Commission communication of 22 October 2024 on the Implementation of the European Research Area (ERA) (COM(2024)490 final)***

– 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 world[8],

– having regard to its resolution of 22 November 2022 on the implementation of the European Innovation Council[9],

– 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 researchers[10],

– having regard to its resolution of 17 January 2024 with recommendations to the Commission on promotion of the freedom of scientific research in the EU[11],

– 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 Partnership Evaluation Reports published in 2024 on eight of the nine Knowledge and Innovation Communities, namely EIT Urban Mobility, EIT***

[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.
[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.

Climate-KIC, EIT Food, EIT InnoEnergy, EIT Health, EIT KIC Manufacturing, EIT KIC Raw materials, and EIT KIC Digital ,

– ***having regard to the Report of the CERIS Expert Group of November 2024 entitled 'Building resilience in the civil security domain based on research and technology,'***

– ***having regard to the Special report of the European Court of Auditors of September 2022 entitled "Climate spending in the 2014-2020 EU budget: Not as high as reported,"***

– 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) programme in the world; ***whereas the European Parliament initially proposed a budget of EUR 120 billion rather than the EUR 93.4 billion left after the MFF revision***;

B. whereas investments in R&D are essential for EU competitiveness, ***societal progress and innovation***; 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;

C. ***whereas the FP must be founded on European values, scientific independence, freedom and excellence, as well as on high European ethical standards and a drive to improve European competitiveness as well as to address societal challenges;***

D. ***whereas the Draghi report showed that Europe is a world leader in science and innovation with the second highest share of high quality scientific publications and the third highest share of patent applications globally; whereas the Draghi report also concludes that the value chain that goes from research to innovative products that improve citizens lives in the EU is less effective compared to the US and China in***

translating good research into successful businesses providing quality jobs, new products and services to European citizens as illustrated by persistent gap between the US and EU in innovation performance, and this closing gap between the EU and China; whereas the Draghi report highlights that Europe lags particularly when it comes to scaling up of start-ups ;

E. ***whereas Commissioner Zaharieva in her hearing with the European Parliament has committed to fight for an independent and simplified Framework Programme with support for increased budget and a more expert-driven governance;***

F. ***whereas the Heitor report outlines that in the first three years of Horizon Europe 7,474 SMEs (34% of all participants) were participating in the programme and that more than half of Horizon Europe SMEs are new to EU RD&I programmes; whereas the success rates of SME applications have strongly improved (up to 19.9% from 12% in Horizon 2020);***

G. ***whereas the Letta report proposes the establishment of a "Fifth Freedom" to encompass research, innovation and education as a new dimension of the Single Market as the four original freedoms are fundamentally based on 20th-century theoretical principals;***

H. ***Whereas the Letta report's 'freedom to stay' reiterates the importance to avoid internal brain drain and the Heitor report initiative "Choose Europe" mentions to foster research careers and turn the current "European Brain drain" into a "brain gain" by 2035;***

General observations on Horizon Europe and Research and Innovation (R&I)

1 ***Recalls that we are at a crucial moment for R&I, and President Ursula Von der Leyen stated that Europe needs to put "research and innovation at the heart of our economy" during the presentation of her program in the European Parliament in July 2024 for her second term as president of the European Commission.***

2. ***Notes that the Draghi, Letta and Heitor reports put R&I in a central place to achieve European competitiveness and stress the urgency to act not to fall behind. Thus, a strong commitment is needed to achieve a future Framework Programme that constitutes a crucial contribution to the competitiveness of Europe and its overall welfare;***

3. 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 ***not only*** the lack of additional funding ***but also the continuous funding cuts***, which compromises original priorities;

4. 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; ***especially***

from researchers of research institutions with smaller budgets and SMEs ; considers that Strategic Planning should lead to more substantial benefits for the quality of the programming and a strengthened commitment of all R&I stakeholders which so far do not seem to have materialised sufficiently; believes that the next FP10 should be built on instruments under Horizon Europe that have proven to be effective and efficient;

5. 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 ***a radical reform in engaging practitioners in the*** governance of the ***programme, notably*** through the ***proposed two new 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; ***notes that innovative ideas cannot always be predicted and programmed and underlines the need for sufficient funding that is not pre-programmed in order to tap the full potential of developing innovation;***

6. ***Highlights the importance of having a Framework Programme based on excellence in order to ensure participation of the best researchers in Europe through the whole programme; Argues that one of the critical weakness of the EU R&I policy landscape is also linked to the lack of meaningful integrated and complementary approach between place-based and excellence-driven R&I activities, in particular between the Framework Programme and the R&I window of the Cohesion policy which are of the same order of magnitude in terms of EU budget; notes that the scale-up and commercialisation of research results remains a big challenge in Europe;***

7. ***Recalls the recommendation by the Heitor report to foster an attractive and inclusive European RD&I ecosystem; recalls the recommendation by the Letta report to foster the development of a Fifth Freedom in the Single Market; recalls observation of the Draghi report that the fragmentation of the EU innovation ecosystem is one of the root causes of Europe's weak innovation performance; recalls that the Treaties situate the Framework Programme in the development of the European Research Area; is convinced that to maximise the impact of the Framework Programme, it needs to be embedded in a broader European research policy that ensures that Europe is an attractive location for research activities which attracts global talent, which effectively translates science into economic growth and societal progress, and which effectively addresses the innovation gap within the Union; considers that the upcoming ERA Act should aim at achieving this Europe; recognizes that there are still significant obstacles to 'brain circulation' among Member States, including the recognition of qualifications;***

8. ***Insists on the absolute necessity that Member States adopt concrete commitments to reach a target of 3% of GDP spending by 2030; Notes that the Union is investing significantly less than other global powers, failing to reach the 3% of GDP target for R&D spending for more than two decades, investing 2.24% of its GDP on R&D in 2022, while for instance the United States spent 3.5% of its own GDP; Underlines that each year the Union under invests in R&D worsens the situation and deepens the gap with third countries; Specifies that major discrepancies exist between the R&D intensity of***

the 27 EU Member States, five of them reaching the 3% R&D's spending target, while some others are below 1%; Recalls that, with less than 7%[12], the EU contribution to R&D spending is a very minor share of the overall public spending on R&D in the Union; notes that national spending for research should not be cut with reference to the availability of EU research funding as alternative funding; highlights that a joint effort of European and national funding for research and innovation is needed; underlines as well the important role of private investments in research and innovation in order to complement the public funding; Regrets that European private investment into research, development and innovation is lagging behind China and the US , reaching 1.3% of GDP in the Union when it reaches 2.4% in the United States and 1.9% in China; Insists in consequence on the imperative catalytic role the EU intervention should play on R&D spending, and on the necessity of further coordinating and aligning national and Union R&D spending;

9. ***Insists on the vital role of long-term public funding to support excellent basic research, driven by scientific curiosity with the only aim of advancing scientific knowledge and without an obvious nor immediate benefit, sometimes characterised by serendipity;***

10. ***Highlights recital 72 of the Horizon Europe Regulation, which states that in order to guarantee scientific excellence, and in line with Article 13 of the Charter, the Programme should promote the respect of academic freedom in all countries benefiting from its funds; underlines that while several incidents regarding academic freedom took place in several countries benefiting from Horizon Europe funds, the European Commission has not used this recital effectively to address specific problems; Welcomes that the Commissioner responsible for Start-ups, Research and Innovation committed in the hearing with European Parliament to propose a legislative proposal on the Freedom of Scientific Research; calls on the Commission to table such Union legislation in line with the Parliament's resolution;***

11. ***Supports the high levels of climate spending in the first years of Horizon Europe; urges the Commission to stay on course to achieve the overall climate spending target of 35% over the full life time of the Programme;***

12. ***Highlights that Horizon Europe is on track to meet its climate spending targets without, according to the Horizon Europe Programme Guide, considering the Do No Significant Harm Principle in the evaluation of proposals, unless it was relevant for the content of the call; underlines that there is no legal obligation nor legal base for the horizontal application of either the Do No Significant Harm principle or the Do No Harm principle; welcomes that Commissioner responsible for Start-ups, Research and Innovation committed in the hearing with European Parliament committed to assess the current approach and the new approach to the application of the Do No Significant Harm Principle, including the legal base for that application, and to share the assessment with the European Parliament; urges the Commission to report to the Parliament before the start of the implementation of FP10 what the impact of the use of the Do No (Significant) Harm under Horizon Europe has been, including an estimate of the associated costs for the Commission and beneficiaries of its***

[12] ***Draghi report - The future of European competitiveness, p. 236.***

implementation and its impact on the simplification of the project applications;

13. ***Considers that during the implementation of Horizon Europe several major global events put thousands of researchers at risk, including in the Union's neighbourhood, leading to significant spikes in applications by researchers at risk for an emergency placement in Europe; concludes however that under the current Programme, the Union does not have sufficient funding available to support researchers at risk and that efforts by some Member States and NGOs are fragmented.***

14. ***Affirms the importance of international cooperation for the advancement of science; is concerned in this regard that international cooperation has declined in Horizon Europe compared to Horizon 2020;encourages the Commission to seek and conclude other association agreements with third countries, restates[13]and emphasises that the Parliament's ability to give meaningful consent to international agreements specifically concerning the participation of countries referred to in Article 16(1)d of the Horizon Europe Regulation in Union programmes is impeded where such agreements do not provide for a structure that guarantees parliamentary scrutiny under a consent procedure for association to a specific Union programme;***

15. ***Welcomes in particular the association of the UK and Switzerland to Horizon Europe as it recognises the fact that UK and Swiss science and innovation are an integral part of the European science and innovation ecosystem; restates its concern about the amended Protocol in 2023 and its provisions regarding the automatic rebate for the UK; emphasises that any international agreement on the association of Switzerland to Union Programmes should fully respect the prerogative of the Parliament to provide meaningful consent in line with the European Parliament resolution on association agreements for the participation of third countries in Union programmes (2023/3018(RSP));***

16. ***Takes note of the Commission White Paper On options for enhancing support for research and development involving technologies with dual-use potential; considers that nearly all respondents to the public consultation on the White Paper rejected option 3; emphasised that many respondents considered that the implications of options 1 and 2 were not clear enough in order to determine which option would be preferable; highlights that it is widely recognised that the current constellation requires improvement to ensure the efficient use of public means and to boost Europe's technological sovereignty ; Notes that Commissioner Zaharieva in her hearing with the European Parliament committed to continue this evaluation, potentially through a new study to ensure the views expressed are representative of all stakeholders.***

17. ***Notes that significant advances have been made in the framework of Horizon Europe with Gender Equality Plans (GEPs) as an eligibility criterion and the gender dimension in the content of R&I as an award criterion by default across the programme; recognises that recent analyses confirm that the GEP eligibility criterion has had a catalytic effect.***

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[13] ***European Parliament resolution of 8 February 2024 on association agreements for the participation of third countries in Union programmes (2023/3018(RSP))***

Observations on competitiveness

18. Is deeply convinced EU spending on science, research and innovation is the best investment in our common European future and for increasing competitiveness***, societal progress and successfully closing the innovation gap*** ; agrees with Mr Draghi that all public R&D spending in the EU should be better coordinated at EU level, ***meaning properly aligning investments with the EU strategic priorities, focusing on funding initiatives that achieve relevant impact and create added value;*** and that a reformed and strengthened FP is crucial in achieving this***; underlines that, in order to ensure a real added value, R&D spending should also be better coordinated at national level between member states; reiterates that the reformed fiscal rules exclude national co-funding of programmes funded by the Union and to fully use this possibility in order to boost EU research funding***;

19. ***Underlines the importance of standardisation activities to ensure that European companies can effectively capitalise on the competitive advantage from research and innovation;***

20. ***Underlines the significant role of research and innovation across different industrial sectors that contributes to creating jobs and increasing the European competitiveness compared to third countries;***

21. ***Emphasises the importance of the European Innovation Council for Europe's competitiveness; highlights in this regard that investments under the EIC are bridging the Valley of Death and lead to innovations with potential breakthroughs and disruptive nature that have scale-up potential[12] as well as the unique proposition of the EIC Accelerator to provide tailor-made support for high-potential, non-bankable start-ups;***

22. ***Welcomes the fact that 44% of the Horizon Europe budget to date has contributed to the digital and industrial transitions, most notably by stimulating cooperation for technology development, which are fundamental for European competitiveness ;***

23. ***Strongly believes that, beyond its key role for long-term and sustainable competitiveness, applied research, development and innovation policies is instrumental to avoid, anticipate and cope with the main global and societal challenges;***

Observations on technical implementation

24. Considers that ***the*** administrative simplification stagnated under ***Horizon Europe given that 32% of participants considers applying to Horizon Europe as more burdensome compared to Horizon 2020 while nearly half of the participants reports no difference,[14] is concerned about the "exploded cumulative transaction and administrative costs"[15]; notes that on average beneficiaries reported spending 6-10% of their project budget on administrative costs, with 48% reporting to spend more than 10% of the budget, including a 10% share of beneficiaries reporting spending more than 20% of the budget***

[14] ***European Commission: Directorate-General for Research and Innovation, Evaluation study on excellent science in the European framework programmes for research and innovation – Final report phase 2 – Supporting the interim evaluation of Horizon Europe, Publications Office of the European Union, 2024, https://data.europa.eu/doi/10.2777/2295765, pages 47-48***

[15] ***Heitor Report, pages 90***

on administrative costs; deplores that the Time-to-Grant under Horizon Europe is longer than it was under Horizon 2020, and that it exceeds the target of 8 months set by the Commission[16]; insists on further administrative simplification, streamlining of the relevant procedures, cutting costs and focusing on applicants, and underlines that simplification must be for the benefit of the applicants, while ensuring that applications contain all needed information for the evaluation of their excellence;

25. ***Reminds that the first full version of the Annotated Model Grant Agreement for Horizon Europe was published only in May 2024, more than three years after the start of the Programme; notes that without a full version of this document, beneficiaries are not fully informed of the legal and financial conditions associated with signing a Grant Agreement; recalls that the first version of the Annotated Model Grant Agreement for Horizon 2020 was published already before the official start of the Programme; notes that the apparent cause of the delayed publication is the corporate approach to Model Grant Agreements which the Commission took for the Union Programmes under the current MFF;***

26. Notes that ***there are various opinions and experiences among different beneficiaries regarding the functionality of lump sums, recognizes that some*** beneficiaries do not consider the introduction of lump-sum funding to be a simplification ***for them, underlines that the 2024 assessment of lump sum funding presents unclear data, which leaves important worries and unanswered questions, like the uncertainty of the impact of an ex-post audit, unanswered while confirming other objections, like the artificial increase of the number of work packages;[17] considers that this assessment confirms that lump sum funding can be a simplification for some beneficiaries, but not for all[18];***

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[16] ***European Commission: Directorate-General for Research and Innovation, Evaluation study on excellent science in the European framework programmes for research and innovation – Final report phase 2 – Supporting the interim evaluation of Horizon Europe, Publications Office of the European Union, 2024, https://data.europa.eu/doi/10.2777/2295765, page 49***

[17] ***European Commission, "Assessment of Lump Sum Funding in Horizon 2020 and Horizon Europe Analysis of implementation data and feedback from surveys"***
A key point of contention has been that the full impact of lump sum funding on projects is unknown considering that there was no substantial data on fully closed projects. Furthermore, it has been recognised early on that lump sums would probably work for smaller projects (and single beneficiary projects), the main point of doubt is the impact on larger more complex project. See the 2021 joint statement from EARTO, EUA and CESAER (https://www.eua.eu/downloads/content/cesaer-earto-eua%20joint%20statement%20-%20caution%20needed%20on%20interim%20analysis%20of%20lump-sum%20-%2022%20nov%202021.pdf) as example. The opposition against widespread use of lumpsums comes from the fact that without substantial data on the experiences with lump sums and the results of projects from large, multi-beneficiary projects, it is unknown what the effect of lump sums is on those projects. Therefore, this is the issue that the 2024 assessment should have addressed. A large part of the pilot under H2020 involved ERC Proof of Concept projects, which are small, single beneficiary grants. Due to their specific nature, the PoC projects are left out of the lump sum funding most analyses (see page 8), but not from all. For example, they seem to be included in the number of project closed (PoCs represent 44% of the projects – see page 8 – so they must be included in the 96% of closed H2020 projects – see figure 6). This selective and untransparent use of data makes the assessment unconvincing.

[18] ***Slide 2 of European Commission presentation for webinar "Lump Sum Funding in Horizon Europe: How does it work? How to write a proposal?" 2024***
https://ec.europa.eu/research/participants/docs/h2020-funding-guide/other/event240516.htm
Promotional video on lump sums (2023): https://www.youtube.com/watch?v=VsSO_s1Ec84

27. ***considers that the simplification offered by lump sum funding consists of removing all obligation on actual cost reporting for the beneficiaries to the European Commission and removing financial ex-post audits for the project; welcomes that this results in a lower error rate; underlines however that the error rate is a tool to ensure proper spending of public funds and not a goal in itself; in that context warns against putting at risk the quality of the spending of a highly successful programme by ramping up the use of lump sums too quickly;***

28. ***Observes that the average size of consortia in Horizon Europe is significantly higher than in Horizon 2020[19]; considers that consortia foster collaboration and that bigger consortia contribute to broader, and potentially more diverse, collaboration; underlines, however, that bigger consortia also require more time and effort to manage both in the proposal preparation phase and in the project implementation phase, which takes away resources from performing research; considers furthermore that more complex consortia are less attractive to join for newcomers, given the complexity and the resources as well as experience needed to manage it;***

29. ***Underlines the importance of an open and accessible programme with low-thresholds for applying in order to ensure participation of newcomers as well as SMEs; underlines that more than half of SME participants in Horizon Europe is a newcomer;[20] considers that administrative burdens, needed time investments as well as the complexity of applications risks discouraging SMEs from participating in the Programme[21]; notes that the simple, small and fast grants of the SME Instrument under H2020 were a magnet for newcomer SMEs;[22]***

30. Considers that the Commission has not succeeded in creating agile but strong management of HEU, which has led to complex implementation; ***expects that the interim evaluation report should address shortages and possible solutions;***

Observations on Pillar 1

31. ***Recognises the importance of Pillar 1 in promoting scientific excellence and attracting highly-skilled research, through European Research Council (ERC), and programs such as the Marie Skłodowska Curie Actions (MSCA);***

Minute 3.05 of European Commission webinar "Lump Sum funding in Horizon Europe: How does it work and what are the next steps?" (2022), Director Will refers to error rate reduction as reason for use of lumpsums + first slide of first presentation (minute 10.35) lists error rate reduction as first objective of use of lumpsums: https://www.youtube.com/watch?v=gUFYkhxE70I

[19] *The average number of participants in a grant went up from 5.0 under H2020 to 7.1 under Horizon Europe (see: Horizon Europe Strategic Plan 2025–2027 Analysis). At the same time, the share of collaborative grants went down from 78% under H2020 to 56% under Horizon Europe (see Heitor report box 9.1)*

[20] *European Commission: Directorate-General for Research and Innovation, SME participation in Horizon Europe – Key figures (and key issues) in the first three years, Publications Office of the European Union, 2024, https://data.europa.eu/doi/10.2777/576670, page 11*

[21] *European Parliament, Panel for the Future of Science and Technology, "The Horizon Europe Programme: A strategic assessment of selected items", 2024, page 48*

[22] *90% of the participants in the SME Instrument phase 1 were newcomers, while only 70% of the EIC Accelerator participants were newcomers so far.*
European Commission: Directorate-General for Research and Innovation, SME participation in Horizon Europe – Key figures (and key issues) in the first three years, Publications Office of the European Union, 2024, https://data.europa.eu/doi/10.2777/576670, page 11

32. ***Welcomes the continued success of the European Research Council; underlines that its success is dependent on the independence of the Scientific Council; stresses that the last few years have shown that the presence of a capable and committed President of the Scientific Council with respected scientific credentials is essential for the functioning and independence of the ERC; Notes that its bottom-up calls and independent governance (ERC Scientific Council) have proven highly effective;***

33. ***Highlights the ability of both the ERC and the MSCAs to attract scientific talent to Europe; Notes the valuable contribution of the Marie Skłodowska Curie Action to European scientific leadership; notes with worry the low success rates in the MSCA;***

34. ***Underlines that research projects funded under Pillar 1 should adhere to the principle of 'high risk/high gain'; suggests clarifying evaluation criteria to strictly ensure the realization of 'high risk/high gain' when evaluating research proposals; observes that 'high risk' also means employing new research methods;***

35. ***Emphasizes that research infrastructures, in particular digital research infrastructures, provide a vital platform for researchers and innovators across disciplines and sectors to share data, methods, and expertise, fostering the development and application of new technologies to strengthen Europe's technological sovereignty; welcomes, particularly in this regard, the progress made on the European Open Science Cloud and the European Museums Cloud;***

Observations on Pillar 2

36. ***Emphasises that collaborative research is at the heart of the European Framework Programmes; recognises the importance of Pillar 2, which serves as a vital strategic tool, fostering pan-European collaboration by pooling resources and knowledge, and aligning public and private R&I agendas; notes that collaboration would not occur without EU funding at a similar rate, highlighting the unique added value of EU collaboration programmes, in particular for enabling Europe to address complex societal challenges and integrate businesses into critical, continent-wide value chains; considers that Pillar 2 has fostered research collaboration and has in particular been able to support joint research and innovation agendas for technology maturation through the Joint Undertakings which contributes to the competitiveness of the Union .***

37. ***Considers*** Pillar 2 ***a strategic tool for enabling pan-European collaboration and pooling of knowledge and resources, attracting private investments and for bringing together public and private stakeholders across Europe to tackle complex societal challenges; believes it is important to continue support for these collaborations; Acknowledges, however, the complexity of Pillar 2*** ; believes that the implementation of this pillar ***remains too complex and*** should be improved, simplified and streamlined ***in light of addressing targeted results rather than solely on the expenditure***; notes that the number of instruments involved ***such as a multitude of Partnerships ,the complex, top-down, administrative*** implementation of missions, and the many budgetary shifts have resulted in unnecessary complexity which discourages applicants, and especially newcomers, from participating; ***emphasises the importance of the accessibility of these instruments, particularly for SMEs from across all European regions, in order to enable participation for all excellent researchers and innovators as well as foster the***

absorption capacities for companies; welcomes the announced rebalancing in Pillar 2 towards a better equilibrium between the different types of R&I activities, from fundamental research to market-oriented innovation, as announced in the 2nd Strategic Plan for Horizon Europe; notes in that context the conclusion in the ERAC Opinion on FP10 that the Cluster structure of Horizon Europe creates an unnecessary obstacle for participants looking for funding, in particular newcomers, as well as the conclusion of the Draghi report that "[t]he programme should consolidate the overall fragmented and heterogenous activities".

Observations on Pillar 3

38. ***Notes that scaling up and commercialising research outcomes remains Europe's greatest challenge; Recalls the decisive role of entrepreneurship, for instance in the commercial and economic exploitation of excellent applied research into breakthrough innovation;***

39. ***Highlights that the European Innovation Council is filling a widely recognised investment gap for scale-up finance for break-through innovations;[23] takes note of the very low success rate under the EIC and considers this a confirmation of the relevance of EIC funding as well as a worrying signal of underfunding of the programme; welcomes that the EIC was completed as instrument by the introduction of Transition activities because these complete the innovator journey from early idea to scale-up by facilitating technology maturation and validation; underlines the quality and relevance of the advice provided by the EIC Board and reminds in this regard of the importance of expert advice to guide the implementation of the Framework Programme;***

40. ***Considers that the EIC is a needed and excellent instrument in principle; Agrees that streamlining and boosting the EIC, attracting private investments, and supporting the commercialization of research is the centre of the Pillar 3, as confirmed by the Heitor Report; regrets however that the Commission made some implementation decisions that led the EIC away from its intended purpose to help companies scale up; recognizes EIC should have the flexibility to strategically maximise its potential to support breakthrough technology; firmly believes that the EIC can achieve its full potential if the legal and institutional setting of the programme is clarified and strengthened;***

41. ***Regrets that not all the Parliament's recommendations set out in its Implementation Own Initiative Report on the EIC from 2022 have been implemented, most notably the recommendation that a thorough assessment be made of ways to improve the EIC's implementation, considering as an option the establishment of an independent Union body under Article 187 TFEU as the main entity responsible for implementing the EIC; regrets moreover that its recommendation to ensure that the implementation of both the equity and grant components with direct coordination between the two components has been ignored;***

42. ***Draws attention to the work of the Programme Managers in the EIC; strongly believes***

[23] ***European Commission: Directorate-General for Research and Innovation, Naujokaitytė, R., Cakić, M., Didžiulytė, M., Zharkalliu-Roussou, K. et al., Evaluation study of the European framework programmes for research and innovation for an innovative Europe – Report phase 2 (support study for the interim evaluation of Horizon Europe), Publications Office of the European Union, 2024, https://data.europa.eu/doi/10.2777/499132, page 98***

in the approach of strategic intelligence developed by experts with widely recognized expertise in the field to effective programming of strategic Challenge-based calls; appreciates, in particular, the work done by Programme Managers to help projects find and realise added value by bringing together projects with a common interest;

43. ***Notes the generally positive assessments (in particular in terms of EU added value) made by independent experts of the Knowledge and Innovation Communities; notes that EIT KICs contribute to strengthening links between Higher Education and Business as well as to closing the 'skills gap' and that synergies should be explored with the academies introduced in recent EU legislation (e.g. Net Zero Industry Act, Critical Raw Materials Act, Cybersecurity Package); moreover, highlights that the EIT Regional Innovation Scheme (RIS) activities contribute to reducing the European innovation capacity divide; recalls that more synergies to bridge the innovation divide should be created between the EIT and other actions such as the EU Preparatory Action 'Innovation for place-based transformation' and believes that the EIT KICs could improve synergies within the Framework Programme (in pillar 3 activities and between pillars), and establishing concrete synergies between excellence-driven and place-based innovation, for instance via the implementation of successors of R&I activities led by the Directorate General for Regional and Urban Policy, such as the Interregional Innovation Investments (I3) Instrument;***

44. ***Regrets to conclude, however, that the relevance of the European Institute for Innovation and Technology as a programme is questioned by several stakeholders, including some of its biggest beneficiaries; underlines that in principle the concept of 'Knowledge and Innovation Communities' is appreciated by stakeholders as a useful instrument for effective innovation ecosystem development and integration; considers that the two main concerns raised are the financial self-sustainability requirement for KICs[24] and the central management by the EIT organisation which is too bureaucratic, burdensome and creates governance difficulties for the KICs;[25] concludes that for many stakeholders the financial and other costs, including the high burden of participating in a KIC, outweigh the benefits of the relatively little funding support relevant for them;***

45. ***Although some efforts have already been made, regrets that synergies between the European Innovation Council (EIC), the European Institute of Innovation & Technology (EIT) and the European Research Council are not enough developed;***

Observations on Part 4

46. Welcomes ***that participation*** of ***entities*** from widening countries ***has increased*** in HEU***; acknowledges that the innovation divide persists despite a slight decrease in the disparities in innovation performance across Europe despite two decades of widening efforts; underlines however that the existence of this innovation gap in Europe has negative consequences for the Union as a whole given that it means available talent is***

[24] ***See for example the EUA's vision for FP10, page 14: https://www.eua.eu/publications/positions/paving-the-way-for-impactful-european-r-i.html***

[25] ***See for example the position of the Fraunhofer Gesellschaft: https://www.fraunhofer.de/content/dam/zv/en/institutes/international/brussels/finalpapers/Fraunhofer_PositionPaper_EIT.pdf***

left unused and economic disparities within the Union can be expected to grow; notes that part of this low participation can be explained by structural factors, including national public investments in R&D, which undermine the effectiveness of the national R&I systems, as reflected by low scores on the European Innovation Scoreboard; furthermore notes that there is a link between high levels of FP participation and a high level of national public investments in Research and Development (R&D); is strongly convinced that without national reforms the innovation gap cannot be closed regardless of the efforts made at European level and refers to the 2022 Special Report of the European Court of Auditors on this matter; Recognises that new and more effective mechanisms to increase widening are needed, but that financing these actions should primarily come from national level and be complemented by cohesion policy funds; calls on the Commission to ensure that the upcoming ERA Act lays down strong obligations for Member States to improve the functioning of their R&I system in order to eliminate subpar performance due to structural challenges;

47. ***Underlines the importance of the Seal of Excellence under Horizon Europe; considers that the Seal in part mitigates the persistent issue of underfunding in Horizon Europe, which significantly hampers the ability to adequately support all high-quality proposals; acknowledges furthermore that the Seal can contribute to improving the relative participation of researchers from Widening countries; emphasises however that the Seal cannot be considered as a substitute for direct financial support, particularly because the Seal is not a guarantee for funding;***

48. ***Notes that a thriving European innovation ecosystem requires strong and well-connected place-based innovation ecosystems and that a better connected European innovation ecosystem will be essential for enhancing the competitiveness of Europe, its resilience and strategic autonomy; recognises that collaboration among territorial ecosystems enables European regions to leverage their combined strengths to develop innovative solutions more efficiently; underlines that this collaboration also accelerates the commercialisation and scaling of technologies, bolstering the EU's competitiveness also globally; Recognises the vital role of public research organisations, including universities, as drivers of place-based innovation;***

Observations on Missions and Partnerships

49. ***Highlights the science communication role of the missions and the need to strengthen this even further because this will bring research results closer to society and help address the challenge of mistrust in R&I, while simultaneously helping gain societal approval for public investments in R&I***; recalls that the Commission communication entitled 'EU Missions two years on: assessment of progress and way forward' did not ***constitute a positive assessment of the*** missions and concluded that missions had failed on core objectives such as crowding in external funding;

50. ***Recalls the fundamental role of partnerships in regard of bringing together the European Commission and private and/or public partners that must receive a continuous support with a defined target and scope; emphasizes that PPP governance structures should be streamlined and simplified to avoid unnecessary burdens and enhance focus on key priorities considers the Joint Undertakings as very useful***

instruments to foster better coordination and alignment of research agendas across the Union, as well as to foster co-investment in R&D between the public and private sectors; notes with regret that the Joint Undertakings have not yet resulted in increased R&D spending by European industry overall;

Recommendations for the remaining part of Horizon Europe

51. Notes that no significant changes in the implementation of the ***Missions took place*** since the publication of the ***Communication***; concludes ***that the current approach to Missions is not sufficiently oriented towards fostering creative novel and R&I ideas to address challenges; believes mission-oriented programming should have objectives that can be reached through R&I, should be implemented through open calls for bottom-up ideas to achieve the mission, and should be managed through a portfolio approach building on the experience of the EIC Programme Managers; considers that mission-oriented programming should first and foremost be a novel approach to research programming which puts more emphasis on bottom-up research ideas, which fosters interdisciplinarity and in particular creates space for synergies between SSHA-driven and technology-driven activities, to address problems; therefore calls on the Commission to pilot this approach in the remaining years of Horizon Europe by spending the majority of the funds allocated to the Missions through openly formulated calls that invite proposals for R&I activities that can contribute to achieving a specific objective***; encourages the Commission to ***consider whether it is appropriate to continue funding each Mission under Horizon Europe and to*** find ***additional*** funding ***and support*** for the continuation of ***the Missions*** in other parts of the ***Union*** budget and at national ***as well as regional*** level ***where appropriate;***

52. ***Supports the proposal by the Heitor report to set up an experimental unit under Horizon Europe in order to experiment with new implementation modalities and instruments in order to foster real simplification for participants and to develop a more agile implementation of the Programme; Urges the Commission to launch from 2025 a task force to guarantee a better efficacy of the European Semester, in line with the Union's share towards the 3% target, as clearly described in the Draghi and Heitor reports and reiterated by the European leaders in the Budapest Declaration on the New European Competitiveness Deal;***

53. Insists that the Commission should ***continue*** the use of lump-sum funding under HEU, ***and apply it to beneficiaries for which the assessments show it to be clearly experienced as a simplification, such as SMEs and projects for which there is solid evidence that it is a genuine simplification; underlines in that regard that the foreseen ramp up of the use of lump sum for the 2026/2027 Work Programme remains questionable given the existing worries and unknowns regarding the impact of lump sums with regards to the simplification they offer to some beneficiaries and their impact on the quality of the projects funded; calls on the Commission to take all necessary steps to ensure sound and efficient use of EU funds before increasing the share of the Horizon Europe budget spend through lump sums in the last years of Horizon Europe and to explore further improvement of the system to ensure lump sum funding leads to genuine simplification for beneficiaries (Green, AM 180); supports the recommendation of the European Court of Auditor to define the scope of ex post controls for lump-sum grants;***

54. 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 ***in the current uncertain geopolitical context,*** in particular following the recent US election, and should therefore be implemented urgently from 2025;

55. ***Calls on the Commission to restore without delay EIC autonomy and agility in order to get rid of existing complex processes leading to lower implementation; believes the EIC Transition activities should be open to proposals based on results from any FP project, regardless of which programme part funded that project;***

56. ***Urges the Commission, as guardian of the Treaties, to rely on recital 72 of the Horizon Europe Regulation to enforce more respect for academic freedom in the Union as well as in associated countries, in particular to use it as a basis to openly and directly address blatant violations of academic freedom by national governments;***

57. ***Recommends that the use of the Do No (Significant) Harm principle should be accompanied by detailed guidance from the Commission on how compliance with the principle will be evaluated in the context of the specific call in which the principle is used;***

Recommendations for the 10th Research Framework Programme (FP10)

58. Calls for FP10 to be a stand-alone ***Union Programme, in the context of the foreseen discussion of the highly anticipated Competitiveness Fund as announced by President of the European Commission Ursula von der Leyen in her speech on July 17, 2024, in Strasbourg*** dedicated to EU research ***and innovation*** excellence ***and strategic technology development***, with a substantially higher budget ***appropriate*** for achieving the 3% GDP spending target and ***sufficient to fund*** at least 75% of the excellent[26] proposals submitted; recommends FP10 ***to*** focus on three core objectives:

(i) creating a European competition of ideas, and ***a funnel to accelerate the development from fundamental science to innovation scale-up, providing support for blue-sky and basic research as well as strengthening the deployment and exploitation of innovative solutions***

(ii) supporting strategic research initiatives ***which require large-scale and European collaboration; believes that the Programmes ability to prioritise these initiatives will*** be ***of utmost importance for Europe's ability to address the societal challenges it faces as well as for European industry and SMEs, including for technology maturation and fostering of European ecosystems, to address the competitiveness gap with our global competitors , focussing on the development of priority innovative advanced technologies and their translation into concrete applications of innovative products, processes and services , and***

(iii) advancing the European Research Area (ERA), ***including by addressing the*** **innovation gap in Europe,**

59. Recommends that the Commission ensure user-oriented, science-led, effective and

[26] ***Underlines that changing the threshold for 'excellent' in order to achieve the 75% target without raising the budget would not be an acceptable approach.***

efficient implementation of the programme, including by:

(a) implementing ***an improved*** governance, ***inspired by*** 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**,** ***technology development*** and innovation;

ii. contribute to EU priorities on the terms of science and innovation;

iii. be based on the principle of self-governance, through which ***recognized, independent specialists*** from the relevant field ***that act in the public interest*** can ***advise on*** how research and innovation can best contribute to the achievement of the policy priorities set by policymakers; ***recommends, as part of implementing this principle, to set up new Councils in line with the Heitor Report to deliver expert advice on the strategic priorities of the Programme as well as on the formulation of call texts to ensure their quality***;

(b) ***include*** positions for Programme Managers ***for the EIC, comparable to Programme Managers at the American ARPA-style agencies which are*** experts ***appointed from outside the Commission*** with a proven track record in the relevant field ***which*** are appointed ***for a predefined period,*** as special advisers to the Commissioner responsible for research and innovation to ensure their seniority in the Commission, to manage ***strategic visionary*** portfolios of projects, ***fostering collaboration between projects where relevant*** across the whole programme ***for their mutual benefit and*** set out challenges based on strategic intelligence ***and*** with a view to ***foster*** global leadership for Europe in specific areas of their field;

(c) ***implement a radical simplification in the administrative work related to the application for and management of FP10 projects, following the proposal of the Heitor report to trust first and check later for the application system as well as minimising the information requested in applications to an absolute minimum – no information which is not absolutely necessary for a good qualitative evaluation of the scientific or innovative quality of a proposal should be included in the proposal stage;***

(d) ***promoting synergies and coordinated programming and implementation with other programmes and sectoral policies in particular with the future new Industrial Policy and the next Important Projects of Common European Interest (IPCEIs) dealing with research, development and innovation at national and EU level;***

60. Recommends that the ***Gender Equality Plans as eligibility criteria for funding should be maintained in FP10 in its current form as a permanent and integral element of EU research funding requirements;***

61. Recommends that the ***general*** objective on advancing the ERA ***should lead to the development of*** an excellent, unified ***and well-functioning European Research Area***

that attracts talent, ***integrates*** newcomers ***in existing networks, provides*** access to ***world*** leading research and technology infrastructures ***whilst remaining open for excellent research proposals irrespective of the*** supporting ***research institution and supports*** joint early research programmes with national funders; ***underlines that the forthcoming ERA Act needs to ensure increased national investments, national reforms and the elimination of barriers to the free movement of knowledge, technology and researchers, which creates the conditions for FP10 to support the achievement of a well-functioning*** ERA***;***

62. ***Considers that the Research Infrastructures, COST and Teaming programmes should contribute to the achievement of this general objective; is convinced that FP10 should provide for an instrument for strategic investments in Technology Infrastructures; believes that the MSCA is a crucial instrument for achieving this objective as it facilitates the mobility across the Union and between sectors of the best and the brightest who are selected based on the excellence of their proposal; to further the integration of the ERA, participation of entities from areas with low research performance should be encouraged in the Programme;***

63. Firmly believes that ***FP10*** should include a newly established European ***Fellowship Programme*** for ***Researchers At Risk***, incorporating the lessons learnt from the ongoing ***Preparatory Action***;***„ to achieve this general objective***;

64. ***Continues to support*** the ***knowledge triangle approach of the EIT to foster innovation in Europe; believes that a reformed and refocussed EIT should contribute to the achievement of this general objective, given its particular role of integrating the European innovation ecosystem;***

65. Believes that ***in FP10*** an expanded ***and interlinked*** European Research Council (ERC) and European Innovation Council (EIC) should be ***the engine for*** a European competition of ideas and that ***an increase of their budgets*** should ***be prioritised in*** 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;

66. Considers that the EIC can only succeed if it can ***1)*** offer blended finance as a single project and ***2)*** act with the same ***predictability*** and agility as private actors on the ***VentureCapital*** market through a tailor-made legal entity for ***the*** implementation; underlines that the strengthened autonomy and self-governance of both the ERC and the EIC are crucial to achieving this; ***considers in this regard that new options must be investigated to ensure their independence and long-term stability, such as creating dedicated legal entities;***

67. ***Considers that the expansion of the EIC and ERC should include increased funding for blue-sky, collaborative and early research projects; recommends this expansion to fund smaller projects and consortia in order to lower the barrier to participation, to increase the success rate and to encourage experimentation with new ideas and collaborations; considers that both the EIC Pathfinder and the ERC Synergy Grants have a role to play in this expanded space for bottom-up collaborative research; underlines that the EIC Pathfinder should continue to fund Challenges, but they***

should be reformed from Challenge-based calls to ARPA-style Challenges which leave space for bottom-up proposals while securing strategic technology development;

68. Urges the Commission to design FP10 ***such that it can effectively support*** strategic ***research, technology development and*** deployment ***initiatives, focussing*** on a limited number of ***priorities to support research-based competitiveness and resilience of key sectors in the European economy as well as to address societal challenge***s; with 2040 as time horizon which require cross-border collaboration due to the scale and complexity of the issue ***at hand***; believes that these initiatives could take the form of ***(1)*** societal ***mission-oriented programmes*** which address socio-economic and/or ecological challenges, ***(2)*** technology ***mission-oriented programmes*** to accelerate the development of strategic technologies in Europe, ***and (3) Joint Undertakings*** to secure joint investments by ***the private sector***, Member States and***Union***.

69. ***Is furthermore convinced that a share of the budget of FP10 should remain available for higher TRL collaborative calls to support strategic collaboration not covered in the strategic initiatives, in particular this budget could be used for strategic calls developed by the Programme Managers to further develop an emerging ecosystem;***

70. ***Emphasises that mission-oriented programmes under FP10 should be fundamentally differently organised than the current Missions in Horizon Europe; calls on the Commission to implement mission-oriented programmes under FP10 that set objectives that can be reached through R&I, implemented through open calls for bottom-up ideas, fostering interdisciplinarity including between SSHA-driven and technology-driven activities, to achieve the mission, and managed through a portfolio approach building on the experience of the pilot under Horizon Europe; underlines that the management of these mission-oriented programmes successfully requires outstanding expertise on the topic of the missions rather than generic expertise;***

71. ***Underlines that procedures for attaining support under FP10 must align with companies' realities; to this end, an industry-oriented application procedure, building on the experience of the Fast Track to Innovation from Horizon 2020, should be re-introduced under FP10, in particular where the Programme aims to support strategic initiatives.***

72. ***Convinced that a strategic approach to international cooperation is more important than ever; believes that global collaboration in science is essential for the knowledge development of humanity, but cannot be pursued in a naive manner; recommends that the Commission develops a clear strategic policy framework for its decisions on international collaboration which includes (1) a clear policy on association of third countries which recognises that association is a tool for political partnerships, (2) a structured process for determining how open or closed FP10 projects need to be to foster the best possible research while also considering the strategic interests of the Union, and (3) a plan to boost global collaboration through the Programme;***

73. ***Underlines the importance of FP10's compliance with the Council Recommendation on research security; calls on the Commission to include in the strategic approach whether the right balance between security and openness can be best achieved at the level of programmes, calls or selected projects; believes as well that, beyond the agility***

of the Framework Programme itself, delivering resilience must be mainstreamed to become an integral part of all the applied research, development and innovation activities of the next Framework Programme, in a differentiated manner depending on the topic and the type of activity; estimates in particular that innovation activities close to the market must take into account the risk of increased dependency on third countries stemming from them, and the necessary enhanced strategic autonomy of the Union;

74. ***Recommends to in principle maintain the civil nature of the next Framework Programme and to leave calls for specific defence application to the successor of the European Defence Fund; urges the Commission further develop options to strengthen the synergies between civil and defence R&D spending; in particular calls on the Commission to explore how the exploitation of dual-use potential can be maximised, especially through interventions after project selection rather than in call or programme definition; underlines that academic freedom includes the right of researchers to decide to what research and development contributes;***

75. ***Recommends that the programme should recognise the role of interdisciplinary research in addressing societal challenges, also including a better integration of Social Sciences, Humanities and the Arts (SSHA); reiterates the need for sufficient funding for research projects that address societal challenges and that fall within the area of SSHA;***

76. ***Recommends the introduction of Research Actions in order to foster and encourage more lower TRL and basic research;***

77. ***Notes that the allocation of at least 35% of the programme Horizon Europe expenditures to climate objectives served the general EU objective of mainstreaming climate actions into its sectoral policies and funds; considers an ambitious target to ensure that FP10 funds adequately science research and innovation that support the EU climate objectives;***

78. ***Underlines that any potential application of the Do No (Significant) Harm principle under FP10 should, in line with Article 33(2)d of the Financial Regulation be set out in the FP10 legislation.***

79. ***Recommends that the central role of standardisation in driving innovation, enhancing competitiveness, and ensuring impactful, market-ready solutions is recognised in FP10 by ensuring that costs associated with standardisation activities, where relevant in projects, are clearly recognised as eligible for reimbursement under the Programme as well as by offering support to researchers in their standardisation activities;***

80. ***Insists that rules regarding the association of third countries to FP10 should require that these associations can only be concluded through international agreements which requires the consent of the Parliament for each specific association to a specific Union Programme, including for the scope of that association;***

81. ***Notes that FP10 should take into account the use of Artificial Intelligence (AI) as a way to foster European research development while identifying specific risks of an abusive use of AI in the scientific environment and the corresponding mitigation***

measures;

82. 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.

ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT

Entity
Helmholtz-Gemeinschaft
Robert Bosch GmbH
All European Academies e.V.
COST Association
Clean Aviation Joint Undertaking
EARTO
Aerospace, Security and Defence Industries Association of Europe
League of European Research Universities (LERU)
European Consortium of Innovative Universities
The Guild of European Research-Intensive Universities
EU-LIFE
Max Planck Society
European Association of Innovation Consultants
Scholars at Risk Europe
People for the Ethical Treatment of Animals (PETA) Foundation
German U15
European Association for Social Sciences and Humanities
Wirtschaftskammer Österreich
BusinessEurope
Fraunhofer Gesellschaft
German Research Foundation
German Rectors Conference
Leibniz Association
Orgalim
Communia Association
DIGITAL EUROPE
UAS4EUROPE
Neth-ER
UK Government
European University Association
Young European Research Universities Network
European Roundtable for Industry
Norwegian Government
Science Europe
APRE
Austrian Council for Sciences, Technology, and Innovation
EARMA
INSERM
Alternative Energies and Atomic Energy Commission (CEA)
Austrian Research Promotion Agency
Centre National de la Recherche Scientifique
Swiss National Science Foundation
ETP Manufuture
Photonics21
International Association of Scientific, Technical & Medical Publishers

Una Europa
Quantum Community Network
Informal Group of R&I Liaison Offices
The Federation of German Industries
Friedrich-Alexander-Universität Erlangen-Nürnberg
Hydrogen Europe
Coimbra Group
AENEAS, EPoSS and INSIDE
Deutsche Stiftung Weltbevölkerung (DSW)
European Welding Association
The University Alliance Stockholm Trio
ERRIN
Conference of European Schools for Advanced Engineering Education and Research
European Semiconductor Industry Association
Österreichs E-Wirtschaft
Association of Finnish Cities and Municipalities
EU-LIFE
Aalborg University

The list above is drawn up under the exclusive responsibility of the rapporteur.