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**SENSITIVE\***  
*UNTIL ADOPTION*

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**establishing Horizon Europe, the Framework Programme for Research and Innovation,  
for the period 2028-2034 laying down its rules for participation and dissemination, and  
repealing Regulation (EU) 2021/695**

(Text with EEA relevance)

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## **EXPLANATORY MEMORANDUM**

### **1. CONTEXT OF THE PROPOSAL**

#### **• Reasons and objectives**

The proposal establishes the tenth Framework Programme for Research and Innovation, Horizon Europe, a key instrument for delivering the policy ambitions outlined in the Commission's proposal for the next long-term EU budget (2028–2034) and the political priorities for 2024–2029, as set out in President von der Leyen's guidelines - *Europe's Choice*.

Building on one of Europe's strongest brands and biggest R&I programme worldwide, — Horizon Europe, this proposal places research and innovation at the heart of the Union's economy and investment strategy. It promotes simplicity and flexibility, enabling faster and more strategic EU spending through clearer rules and more transparent procedures for applicants and stakeholders.

The EU stands at a critical crossroad. Climate change, technological disruption, shifting geopolitics, and demographic trends are profoundly reshaping our society and economy. To remain competitive, resilient, and united, Europe must prioritise research and innovation. Only by investing in science, empowering our people and entrepreneurs, and working together, we can build a more sustainable, secure, and competitive Europe for all.

This imperative is underlined in the Draghi report on the future of EU competitiveness that placed innovation at the core of Europe's capacity to regain productivity growth. The Letta report on the future of the Single Market, and the Heitor report on the future of EU R&I policy also highlighted the need for the EU to increase efforts to innovate for its competitiveness, sustainability, and security.

Europe needs to increase its investments in innovation and address its weaknesses that begin with obstacles in the pipeline from innovation to commercialisation. Public sector support for R&I also needs to address the shortcomings of Europe's R&I ecosystem and innovation performance both at national and EU levels.

In response, this proposal presents a simplified and refocused Horizon Europe aiming to strengthen the EU's scientific and technological bases, to boost the circulation and uptake of knowledge, technology and innovation, and to leverage the EU funding instruments for maximum added value, for a catalytic effect on further public and private investments in the Member States.

More specifically, Horizon Europe aims to:

- Promote the core values of scientific freedom and openness.
- Increase Europe's excellent knowledge base by focusing on EU added value.
- Improve research careers and attract the best researchers in Europe and beyond, in line with the 'Choose Europe' approach.
- Mobilise public and private investments across the full R&I chain - from fundamental research to market commercialisation.
- Contribute to increase its investments in innovation notably by supporting innovation throughout Europe and increasing coherence between EU funding schemes and Member States investments.

- Harness the EU budget's potential to reduce risk and unlock greater investment opportunities. Focus investment on EU strategic priorities, including decarbonisation, digitisation, security, resilience and social cohesion.
- Improve access to EU funding through faster, user-centric, simplified, and harmonised procedures to broaden participation and accelerate results.

Following the recommendations of the Draghi report, Horizon Europe will aim to:

- Focus resources on strategic priorities while preserving the bottom-up nature of research,
- Increase the potential of public-private partnerships thanks to a simplified landscape,
- Increase support for breakthrough innovation,
- Simplify access to the programme for beneficiaries.

The Horizon Europe programme consists of proposals for:

1. a regulation establishing the Framework Programme for Research and Innovation entitled 'Horizon Europe' (as per the Treaty on the Functioning of the European Union – 'TFEU'),
2. a specific programme to implement 'Horizon Europe' ('TFEU'),
3. an associated impact assessment (for the European Competitiveness Fund) and legal financial statements.

Horizon Europe will be complemented by the regulation establishing 'the European Competitiveness Fund' comprising the single rulebook that also applies to Horizon Europe.

A specific programme on defence research is proposed to be established by the regulation establishing the European Competitiveness Fund for the period 2028-2034.

A single act establishing Joint Undertakings will complement the above proposals, ensuring harmonised rules and centralised administrative functions.

This proposal provides for a date of application as of 1 January 2028.

#### • **Consistency with existing policy provisions**

'Horizon Europe' is consistent with European Union's existing policy provisions and in line with a **simpler, more focused and more impactful budget**.

The Framework Programme for Research and Innovation is consistent with the **European Competitiveness Compass**, adopted by the Commission in January 2025, which provides a roadmap for boosting competitiveness through flagship measures under three transformational imperatives: increase its investments in innovation; a joint roadmap for decarbonisation and competitiveness; and reducing excessive dependencies and increasing security.

Together with the Competitiveness Fund, 'Horizon Europe' works for strengthening competitiveness, resilience, sustainability, technological leadership, and social cohesion. They bring a **major simplification** both in terms of number of programmes with overlapping objectives as well as in terms of simplifying implementation: less red tape and reporting, more trust, better enforcement and faster permitting. At the same time, the proposed architecture of the programme will ensure predictability and continuity in funding priorities with the necessary **agility** and **flexibility** to allow the Union to respond to emerging or unforeseen priorities.

The key role of research and innovation in enhancing competitiveness makes public support for R&I more essential than ever, in particular at Union level where its added value is undisputed. EU-wide collaboration is crucial for addressing global challenges, especially

societal and environmental ones. The proposal is fully in line with the Commission's agenda for R&I, and provides incentives to Member States, non-profit sector and the private sector to increase investments and join **efforts to reach the target of investing 3% of the Union's GDP** on research and development.

The programme will support the implementation of the Union's policy objectives on the Clean Industrial Deal, the AI Continent Action Plan, the Industrial Action Plan for the European automotive sector, the EU Startup and Scaleup Strategy as well as other 'Choose Europe' relevant initiatives.

- **Consistency with other Union policies**

The proposal is fully consistent with the Union policies. In line with the Commission's priorities, it puts **research and innovation at the centre of the economy**. It **establishes an investment capacity** to boost new ideas and nurture them to new innovations at the service of the European people and beyond.

R&I is critical to the successful delivery on Union priorities: in areas like health, digital technologies, clean industrial transformation, inclusive and democratic societies, natural resources, energy, mobility, environment, food, decarbonisation, space and security. R&I is at the core of enhancing productivity and the competitiveness of the Union's economy.

R&I investment will be complementary and tightly connected **with the European Competitiveness Fund**, and in synergy with other programmes and instruments of the Multiannual Financial Framework (MFF). Complementarity and synergy of R&I support and exploitation across the Union's long-term budget and with Member States will be maximised through the **Competitiveness Coordination Tool (CCT)** that will align industrial and research policies and investments at EU and national level around projects of common European interest or EU added value.

The Horizon Europe programme could finance research and innovation related aspects of "moonshots" projects with a strong scientific component, boosting EU-wide value creation and strategic autonomy (see examples below). and for which a coherent sequence between research, demonstration, development and deployment would be established, focusing efforts and funding, from the EU and national, public and private sector.

Possible "moonshots":

- Investing in CERN's Future Circular Collider, alongside other CERN's participating countries. The objective is to maintain Europe's leadership in particle physics research. The funding (up to 20% of the overall cost) could come from Horizon Europe.
- Developing Clean Aviation and European leadership in the next generation CO<sub>2</sub>-free aircraft: It would require a partnership with industry, together with a strong scientific and engineering capacity, supported by Horizon Europe, but also a robust industrial deployment component from the Competitiveness Fund.
- Building the quantum computer for the future: make Europe the first continent with quantum computing fully integrated into daily life, with applications from personalised medicine to climate modelling, and solving previously impossible problems for 450 million citizens.
- Developing and applying the world's next generation AI: this new AI will be modelled on the laws of nature, and be grounded in physics, biology, etc. It will be developed by, with, and for European scientists and industry, drawing to (and keeping in) Europe the world's best minds. This will be a major shift compared to the current AI, based on human language (like AlphaFold). The next generation AI

would open scientific and economic opportunities well beyond the current AI wave, positioning Europe at the forefront.

- Achieving critical and research data sovereignty in Europe: make Europe the world's most trusted home for critical data for research, giving European researchers, universities, and companies unparalleled competitive advantage in tackling pressing global challenges, from climate change to pandemics.
- Developing automated mobility in Europe: which will improve mobility safety, traffic flow, reduce emissions, and allow for more inclusive transportation.
- Investing in innovative therapies for human regeneration for healthier lives and a stronger economy: capitalise on Europe's research excellence and expertise in regenerative therapies and substantially strengthen Europe's health industry, putting it in prime position to deliver innovative therapies. These therapies have the potential to address diseases that have currently no cure.
- Powering the green transition with fusion energy: the first commercial nuclear fusion power plant, able of generating safe, consistent, and reliable electricity to power homes, businesses, and hard-to-abate energy intensive industries. Overcome the scientific, engineering and technological challenges necessary for "Europe to be the first to put Fusion on the grid by 2034".
- To achieve leadership in the space economy, Europe needs to develop the next generation launch vehicles: rockets that are reusable and that are able to deploy massive cargo payloads, by 2040.

In coordination with the European Competitiveness Fund, the Programme's actions will be used to address market failures or sub-optimal investment situations, in a proportionate manner, without duplicating or crowding out private financing and have a clear European added value. This will ensure consistency between the actions of the programme and EU State aid rules, avoiding undue distortions of competition in the internal market.

The proposal is also fully consistent with the approach taken under the European Semester process of economic policy coordination in support of structural reforms to improve the quality and efficiency of national research and innovation systems at three levels: firstly, through substantial investment in scientific and technological research and innovation; secondly, by making the business environment more innovation-friendly and less risk-averse; and thirdly, by ensuring that European citizens get supported through what will be a fast and, for some, turbulent transition driven by innovation, digitisation and global megatrends such as artificial intelligence and the circular economy.

## **2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

### **• Legal basis**

‘Horizon Europe’ is based on the TFEU Titles ‘Industry’ and ‘Research and technological development and space’ (Articles 173 182, 183 and 188).

### **• Subsidiarity (for non-exclusive competence)**

The Union has a shared (parallel) competence in this area based on Article 4(3) TFEU. First, by enhancing collaboration and integration across stakeholders and borders, EU funding breaks down national barriers and creates a critical mass to address shared challenges. Second, by addressing market failures and suboptimal investment conditions, and generating

economic impact, the EU enhances economic resilience, leverages private funds, attracts capital, boosts productivity across the EU, and supports economically beneficial projects that might not succeed otherwise. It supports EU-wide competition, allowing to select the best scientific and innovative ideas from across the EU. Third, by strengthening investment directionality and pooling of resources, the EU can better address EU-wide challenges and promote shared priorities such as the digital and green transitions.

This EU-level approach supports breakthrough innovations and strategic goals, overcoming coordination limitations among Member States. For example, ex-post simulations estimate that, without EU funding for research and infrastructures over decades, essential innovations, like mRNA-based COVID-19 treatments, would have been delayed by months, hindering critical rapid market release and subsequently societal benefits.

- **Proportionality**

Actions at Union level will enable transnational collaboration and world-wide competition to ensure the best proposals are selected. This raises levels of excellence and provides visibility for leading R&I, but also supports trans-national mobility and attracts the best talents globally. A Union-level programme is best placed to take on high-risk and long-term R&I, thereby sharing the risk and generating a breadth of scope and economies of scale that could not otherwise be achieved. Interlinkages with national initiatives will be sought, in particular in the area of innovation.

It can leverage additional public and private investments in R&I; contribute to further strengthening the European R&I landscape; and accelerate the commercialisation and diffusion of innovation. Union-level programmes can also support policy making and policy objectives.

The proposed actions do not go beyond what is required for Union objectives.

- **Choice of the instrument**

Research and innovation, due to its long-term and bottom-up nature, requires an independent, integrated and predictable self-standing programme, that ensures the right conditions for spurring new ideas and bringing them to the market. To enable disruptive solutions, it is imperative that research and innovation is kept independent and that there is continuity in funding. Therefore, while tightly connected to the Competitiveness Fund, ‘Horizon Europe’ has maintained its independent legal base required under TFEU article 182 and its brand and positive international reputation, building on its long-term proven success as a trusted framework for excellence, collaboration and impact.

The legal act creates rights for and obligations on beneficiaries, binding in their entirety and directly applicable in all Union Member States and countries associated to the Framework Programme for Research and Innovation.

### **3. RESULTS OF RETROSPECTIVE EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS**

- **Retrospective evaluations/fitness checks of existing legislation**

Retrospective evaluations and fitness checks of existing legislation are essential to ensure that the next R&I framework programme builds on what works and improves what does not. By assessing the effectiveness, efficiency, and coherence of past measures, these reviews provide critical evidence to shape better policy design, reduce unnecessary regulatory burdens, and align funding instruments with evolving scientific, technological, and societal needs. This

contributes to a more responsive, impactful, and future-ready research and innovation ecosystem.

- **Stakeholder consultations**

In the framework of preparing for the next MFF starting in 2028, the European Commission conducted a public consultation to gather views on EU funding for competitiveness.

The public consultation, held from 12 February to 7 May 2025, gathered 2,034 survey responses and 462 position papers, with strong participation from EU citizens (26%), academia (22%), and public authorities (13%), alongside businesses, NGOs, and other stakeholder networks.

Most of respondents which had experience of Horizon Europe expressed positive views on the funding process, from identifying funding opportunities, to the relevance and clarity of the calls. However, they highlighted the application procedure and overall timeline as key weak points, underscoring the need for simplification, clarity, and better coherence to enhance accessibility, especially for SMEs and newcomers. Respondents recognised fragmentation in support across the investment journey as a barrier to competitiveness, particularly in relation to underinvestment in research and innovation.

The public consultation was complemented by targeted outreach to key stakeholder groups in both industry, research and innovation. Research and innovation stakeholders have been actively engaged in shaping the debate on the future role of R&I in EU competitiveness, particularly following the launch of the Commission's political guidelines in July 2024 and the Competitiveness Compass in February 2025.

- **External expertise**

This initiative builds on three key external reports: Mario Draghi on EU competitiveness, Enrico Letta on the future of the Single Market, and Manuel Heitor on EU R&I policy.

All three reports converge in their core message: **Europe must innovate, adapt, and lead** to safeguard its competitiveness, prosperity, sustainability, and security. Their combined analysis provides a strong analytical and political foundation for the proposed R&I Framework Programme and the wider strategic orientation of the European Competitiveness Fund.

- **Impact assessment**

This proposal is supported by a comprehensive impact assessment for the European Competitiveness Fund, which included 14 programmes contributing to EU Competitiveness.

Under the Commission's Political Guidelines, the next MFF sets out to be more focused, simpler and more impactful. The architecture of the new MFF will therefore be significantly different from the current structure. Given this special case of preparing a new MFF, the impact assessment lacked several key elements. Therefore, the Regulatory Scrutiny Board decided, exceptionally, to issue an Opinion without qualification.

The Regulatory Scrutiny Board noted that the report contained significant shortcomings such as on scope, governance, coherence with other part of the MFF, among others. These shortcomings have been addressed in both the European Competitiveness Fund and the Horizon Europe legislative proposals.

In line with the need for 'simplicity and flexibility, speed and strategic focus' set out in the Political Guidelines, the impact assessment assessed three options affecting the architecture of EU funding ranging from the continuation of the 14 programmes related to competitiveness, to their consolidation into a Competitiveness Fund:

- A. Business-as-usual-plus: light coordination.
- B. Enhanced coordination between existing programmes (single rulebook).
- C. Consolidation of programmes in a new European Competitiveness Fund in one or two single acts.

The consolidation of programmes in two single acts, as foreseen in Option C, was considered as the best policy option that would keep the brand ‘Horizon Europe’ while fully contributing to the objectives of the Competitiveness Fund thanks to the integration in terms of objectives, structure, governance and rules of the two acts. At the same time, it caters for a standalone R&I framework programme to safeguard the integrity of research and innovation and the requirements of Article 182 TFEU. This position has been echoed by the European Parliament, the Member States and third countries today associated to Horizon Europe.

- **Simplification**

Simplification is an **overarching priority** of the Commission with the aim to reduce burden and over complexity and favour speed and flexibility.

Being the largest Union programme implemented under direct management, the Framework Programme for research and innovation is an obvious target for simplification. Simplification for beneficiaries will be achieved, *inter alia*, through:

- **Reduced length of the work programme with less prescriptive programming:** reducing the overall number of topics, shortening topic descriptions and minimising single-project topics.
- **Open topics by default:** less prescriptive with more freedom to applicants for different pathways towards expected outcomes.
- **Continuity and further simplification of the funding landscape:** There will be no distinction between Research and Innovation Actions (RIA) and Innovation Actions (IA) but one single funding rate of up to 100%, except for for-profit entities other than SMEs, with a funding rate of up to 70%. The funding rates will be the maximum that can be reduced when justified for implementing specific actions.
- **Increased use of simplified cost options:** Building on the experience gained with lump sum pilots under Horizon 2020 and their broader application in Horizon Europe, lump sum funding will become the default form of Union contribution, unless otherwise provided. Other simplified forms of cost, including personnel unit costs, will be used. These simplification measures aim to foster broader participation, particularly from newcomers and smaller entities, while preserving sound financial management and control.

Going together with the unprecedented simplification effort, **a faster implementation** of Horizon Europe will be achieved with a reduced time to grant.

The commitment of both the European Parliament and Council to uphold the simplification principle in ordinary legislative procedure will be key.

- **Fundamental rights**

This Regulation respects fundamental rights and observes the principles recognised in the Charter of Fundamental Rights of the European Union.



#### 4. BUDGETARY IMPLICATIONS

The budget of all proposals is presented in current prices. The Commission may continue, on the basis of a cost-benefit analysis, to use executive agencies to implement of Horizon Europe.

#### 5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

This initiative will be monitored through the performance framework for the post-2027 budget, which is covered in a separate proposal. The performance framework provides for an implementation report during the implementation phase of the programme, as well as a retrospective evaluation to be carried out in accordance with Article 34(3) of Regulation (EU, Euratom) 2024/2509. The evaluation shall be conducted in accordance with the Commission's Better Regulation Guidelines and will be based on indicators relevant to the objectives of the programme.

- **Other horizontal issues applying to the proposal**

**Programme principles:** the Programme will ensure the effective promotion of values and principles of the European Research Area and the Pact for Research and Innovation, notably ethics and integrity in research and innovation, freedom of scientific research, gender equality and equal opportunities, open science and the promotion of attractive research careers and mobility.

**International cooperation** will be further reinforced with the objective of contributing towards the Union's competitiveness and excellence in R&I and will balance the risk and benefit in cooperating with third countries and third country entities.

**Valorisation and dissemination:** In view of enhancing the Union's competitiveness and line with the Commission's valorisation strategy, dedicated support instruments and tools will be put in place to facilitate and accelerate the valorisation process and ensure that research results translate into real-world applications. This transforms public investment in R&I into new market opportunities, and tangible value for society and industry.

**Alignment of strategic steer** with the Competitiveness Fund and the Competitiveness Coordination Tool.

- **Detailed explanation of the specific provisions of the proposal**

Horizon Europe builds on the legacy of 40 years EU investments in research and innovation. It is designed to promote science, protect core values of independence and openness and improve Europe's excellent knowledge base and boost EU competitiveness. Its architecture is designed for enhanced coherence and performance.

It is proposed to use a four-pillar structure.

- **Pillar 1, 'Excellent Science'**, aims to strengthen the EU's scientific base, attract top talent, and promote excellent research in Europe. Research excellence and mobility is at the core of Europe's ambition to be the best place in the world to do research: "Choose Europe". Against this background, this pillar includes:

- The European Research Council (ERC): The ERC will be expanded to increase its to support frontier research, with a focus on funding excellent researchers and their teams.

- Marie Skłodowska-Curie Actions (MSCA): The MSCA will continue to support research training and career development.
- **Pillar 2, ‘Competitiveness and Society’**, aims to support collaborative research and innovation in areas of high societal impact, with a focus on tackling global societal challenges and boosting EU competitiveness. This pillar will be similar to the structure of the interventions areas in the European Competitiveness Fund and its four policy windows. This will ensure coherent support throughout the investment journey. In addition, a policy window specific to the new Horizon Europe will address bottom-up research, in particular in the areas of global societal challenges such as migration, democracy and disinformation. Strategic programming for collaborative research will be guided by an internal assessment capacity, the “Observatory of emerging technologies”. Partnerships will remain a key instrument of the programme and will work synergistically with the European Competitiveness Fund under the relevant steering processes. They are proposed to be radically simplified and streamlined in their operations and organisation.
- **Pillar 3, ‘Innovation’**, aims to support innovation in Europe, with a focus on promoting the development of new products, services, and business models. This pillar includes:
  - The European Innovation Council (EIC): The EIC will support innovative start-ups SMEs, with a focus on promoting disruptive innovation and entrepreneurship. It will be expanded with:
    - more “ARPA” elements into its operations, where high risk projects are supported in stages, or discontinued, based on their potential to deliver on disruptive solutions as assessed by expert Programme Managers. It will further develop pathways from ERC or collaborative research projects into the EIC to commercialise faster and scale up breakthrough technologies.
    - a “DARPA” approach dedicated to supporting defence and dual use startups and their scaling up. It will provide an unprecedented opportunity to support high tech dual use and defence startups and scaleups.
    - [A continued and strengthened Scaleup Europe Fund to scale companies in research intensive sectors with high risk, such as quantum, cleantech or biotech and clean tech.]
  - Innovation Ecosystems, including Activities to foster the integration of the knowledge triangle – higher education, research and innovation – across the Union.

Close cooperation between collaborative research under Pillar 2 and the startup and scaleup support under Pillar 3 will be foreseen in order to strengthen the demand side for startups and scaleups by linking up them to the large corporates in Europe and by facilitating innovative public procurement measures on EU and national level.

- **Pillar 4, ‘European Research Area’**, aims to support the development of a unified European Research Area (ERA), with a focus on promoting excellence, inclusiveness, and impact. This pillar includes:
  - ERA Policy: This component will support the development of ERA policy, with a focus on promoting excellence, inclusiveness, and impact.
  - Research and Innovation Infrastructures: This component will support the development and operation of research and innovation infrastructures, including for the first time facilities, resources, and services.
  - Widening Participation and Spreading Excellence: This component will support the development of research and innovation capacities in all regions of Europe.

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**establishing Horizon Europe, the Framework Programme for Research and Innovation, for the period 2028-2034 laying down its rules for participation and dissemination, and repealing Regulation (EU) 2021/695**

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 173(3), 182(1), 183, 188, second subparagraph, thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee<sup>1</sup>,

Having regard to the opinion of the Committee of the Regions<sup>2</sup>,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) It is an objective of the Union to strengthen its scientific and technological bases by strengthening the European research area (ERA) in which researchers, scientific knowledge and technology circulate freely and encouraging it to become more competitive, including in its industry, while promoting all research and innovation (R&I) activities to deliver on the Union's strategic priorities and commitments, which ultimately aim to promote peace, the Union's values and the well-being of its peoples.
- (2) To deliver scientific, technological, economic, environmental and societal impact and to maximise the added value of the Union's R&I investments, the Union should invest in research and innovation through Horizon Europe - the Framework Programme for Research and Innovation for the period 2028-2034 (the 'Programme'), which should strengthen competitiveness, resilience, sustainability, technological leadership, and social cohesion.
- (3) The Programme should be tightly connected with the European Competitiveness Fund by placing research and innovation at the heart of the Union's economy and investment strategy.
- (4) In a fast changing economic, social and geopolitical environment, the recent experience has shown the need for a more flexible multiannual financial framework and its programmes. To that effect, and in line with the objectives of the Programme, the funding will take due account, in the budgetary procedure, of the evolving policy

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<sup>1</sup> OJ C [...], [...], p. [...]. *[Please ensure to use the correct reference format]*

<sup>2</sup> OJ C [...], [...], p. [...].

needs and Union's priorities as identified in relevant documents published by the Commission [while ensuring sufficient predictability for the implementation].

- (5) As in the predecessor Horizon Europe programme, the OECD definitions regarding technological readiness levels (TRLs) should continue to be taken into account in the classification of technological research, product development and demonstration activities, and in the definition of types of action available in calls for proposals.
- (6) The rules for participation and dissemination of the Programme are designed to further simplify access, enhance openness, and maximize the impact of Union funding.
- (7) The Programme should contribute to increasing public and private investment in R&I in Member States, thereby helping to reach an overall investment target of at least 3% of the Union's gross domestic product (GDP) in research and development. Member States' investment in R&I will be assessed through the European Semester process. Achieving that target would require Member States and the private sector to complement the Programme with their own reinforced investment actions in research, development and innovation. The EU has made steady progress in increasing research and development investments but remains behind other global leaders. The 3% target, set over two decades ago acknowledged the importance of research and development as a foundation for a knowledge-based society. While the target encouraged various Member States to set their own research and development intensity goals, significant disparities remain as only a few Member States have reached or exceeded their investment ambition.
- (8) It should be possible to implement parts of the budget through European Partnerships together with other public and private entities, where this is the most effective implementation form to achieve the policy objectives. European Partnerships should be established where a close involvement of the Union is required and should ensure appropriate voting rights for the Union as well as sufficient co-investment by other partners to leverage Union funding. In view of fostering synergies and efficiencies, it is necessary, to ensure a centralised establishment and administrative functions. Therefore, a strategic and coherent portfolio of a limited number of European Partnerships should be established. The European Competitiveness Fund should contribute to the European Partnerships, when necessary, in order to complete the objectives of the ECF.
- (9) EU Missions enable a transformative and systemic impact for society, by fostering cross-disciplinary, cross-sectoral, cross-policy and cross-border collaboration. They rely on research and innovation to develop the breakthrough technologies, services, products, and social innovations needed to achieve their ambitious objectives. In turn, EU Missions accelerate the development, scaling, and deployment of innovative solutions and help create lead markets for new products and services.
- (10) The European Research Council (ERC) should provide attractive and flexible funding, thereby enabling talented and creative individual researchers—with a deliberate emphasis on nurturing early-stage researchers—to pursue the most promising avenues at the frontier of science. This commitment to investigator-driven research, selected through Union-wide competition based solely on the criterion of excellence and open to talent regardless of nationality or origin, is fundamental to attracting the world's brightest minds and further establishing Europe as a world-leading centre for research and innovation.

- (11) In a knowledge-based global economy, the Union's long-term competitiveness, technological leadership and capacity to address global challenges should depend notably on its ability to develop, attract and retain a highly skilled and internationally connected research workforce. Strategic investment in excellent researchers, in their training, mobility and career prospects, within and outside academia, is essential to sustain innovation, economic resilience and societal well-being. In line with the principles of the European Charter for researchers, the Marie Skłodowska-Curie Actions (MSCA) are instrumental in advancing this objective.
- (12) The European Innovation Council (EIC) should stimulate deep tech market-creating innovation. It should identify, develop and deploy these deep tech innovations through its instruments. Through coherent and streamlined support, the EIC should fill the vacuum in public support and private investment for breakthrough technologies and deep tech innovation. The EIC should aim to bridge, integrate and accelerate through its instruments the innovator's journey from research to market and enable the Union to have leading companies in emerging areas of technology to meet its social and economic objectives and avoid dependencies on other regions. The EIC should support high risk, high-potential innovations and companies presenting such technological, scientific, financial, management or market risks that they are not yet considered to be fully bankable and therefore cannot raise the necessary level of investments to be globally competitive from the market. This should incorporate both an 'open' (bottom-up) and 'challenge' driven approach, including a 'DARPA'-like approach dedicated to supporting defence and dual use startups and their scaling up. [In this context, the EIC should incorporate a Scaleup Europe Fund to mobilise investors to support deep tech companies. EIC implementation should be done in close synergy with the European Competitiveness Fund.]
- (13) The Joint Research Centre ('JRC') should continue to provide independent scientific evidence and technical support for Union policies throughout the whole policy cycle. The direct actions of the JRC should be implemented in a flexible, efficient, and transparent manner, taking into account the needs of Union policies and the relevant needs of the users of the JRC and ensuring the protection of the Union's financial interests. The JRC should continue to generate additional resources, which it may use to support its scientific and technical activities.
- (14) The Programme should ensure the effective promotion of values and principles of the European Research Area and the Pact for Research and Innovation, notably ethics and integrity in research and innovation, freedom of scientific research, gender equality and equal opportunities, open science and the promotion of attractive research careers and mobility. In particular, the Programme should ensure the effective promotion of equal opportunities for all and the implementation of gender mainstreaming, including the integration of the gender dimension in R&I content. It should aim to address the causes of gender imbalance. Particular attention should be paid to ensuring, to the extent possible, gender balance in evaluation panels and in other relevant advisory bodies such as boards and expert groups.
- (15) The Programme should support European research infrastructures and technology infrastructures in driving scientific and technological excellence and industrial competitiveness, by supporting the continuum of the research and innovation cycle from basic to applied research towards societal/market deployment.
- (16) The Programme should implement concrete measures in support of capacity building in widening countries and strengthening collaborative links across Europe enhancing

the research and innovation capacity in widening and transition countries, leading to a more cohesive and integrated European R&I system and contributing to the target to invest at least 3% of GDP in research and development. The eligible Member States from the 2021-2027 period are divided into two groups for the whole duration of the Framework Programme 2028-2034, on the basis of the Innovation Scoreboard Index and the relative financial return per GNI, based on the following criteria: i) ‘Transition countries’, with both an Innovation Scoreboard Index [2023-2025] above 75% of the EU average and positive relative financial return per GNI [2021-2025] under Horizon Europe; ‘ii) ‘Widening countries’, all other Member States eligible under the 2021-2027 period.

- (17) Acknowledging the benefit derived from international cooperation towards addressing, among others, shared technological, economic, environmental and societal concerns, the Programme, should, as its predecessor, promote cooperation with third countries. International cooperation should aim to strengthen the Union’s competitiveness and excellence in R&I, including its capacity to attract and retain the best talents worldwide. Geo-political considerations including economic security should be at the centre of the approach and varying degrees of cooperation should be considered based on an overall assessment of the benefit that would be derived by the Union towards addressing its priorities and global challenges while safeguarding the Union’s values and interests. Association to all or parts of the Programme should remain the deepest form of cooperation.
- (18) To reinforce the Union's strategic autonomy and ensure long-term sustainable economic growth, it is essential to bolster its global competitiveness while safeguarding its strategic assets and interests as outlined in the European Economic Security Strategy<sup>3</sup>. Article 136 of Regulation (EU, Euratom) 2024/2509 as complemented by Article [XX] of Regulation (EU) [... insert reference to the Regulation establishing the European Competitiveness Fund] promote the competitiveness of the Union and protect its economic security. The application of these provisions for the purpose of the Programme should provide an appropriate legal framework to allow, where necessary, for the establishment of specific conditions regarding award procedures that promote research-driven competitiveness and protect the interests and autonomy of the Union, including measures aimed at restricting participation or protecting results. Where necessary, a risk-based approach should be possible to ensure that risks related to research and innovation are identified, assessed, and addressed through proportionate and effective measures<sup>4</sup>.
- (19) Simplification in the implementation of the Programme is essential to ensure its accessibility and efficiency, particularly by reducing the administrative burden on beneficiaries and minimising the risk of errors. To this end, the Programme should primarily rely on lump sums as the default form of Union funding. Advancing efforts over the previous Framework Programmes to streamline funding rules and minimise errors, the reimbursement of personnel costs should also be further simplified by using personnel unit costs, which reduces complexity for participants and facilitates reporting.

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<sup>3</sup> Joint Communication to the European Parliament, the European Council and the Council on “European Economic Security Strategy, JOIN(2023) 20 final, Brussels, 20.06.2023.

<sup>4</sup> Council Recommendation of 23 May 2024 on enhancing research security, C/2024/3510.

- (20) In view of strengthening the Union's competitiveness and maximising the uptake and deployment of the results in general, beneficiaries owning results should manage their results in accordance with their obligations established under this Regulation regarding valorisation and dissemination. Those obligations may be adjusted in the work programme, call conditions or grant agreement where appropriate based on policy considerations, including related to economic security, but should encompass requirements to protect, give access, valorise results and make them public as appropriate and justified, including through open science practices. To facilitate and accelerate the valorisation process, support instruments and tools should be put in place in line with the Commission's valorisation strategy as developed under the European Competitiveness Fund.
- (21) Support measures are needed to strengthen and better connect innovation ecosystems. Such measures should support organisations and innovators to create competitive, robust and connected innovation ecosystems and improve framework conditions through cooperation and knowledge exchange. They should help connect national, regional, and local ecosystems by addressing barriers such as market fragmentation, limited capital access, slow innovation uptake and the underutilisation of innovation procurement.
- (22) This Regulation lays down an indicative financial envelope for Horizon Europe, the Framework Programme for Research and Innovation.
- (23) Regulation (EU, Euratom) 2024/2509<sup>5</sup> applies to the Programme. It lays down the rules on the establishment and the implementation of the general budget of the Union, including the rules on grants, prizes, non-financial donations, procurement, indirect management, financial assistance, financial instruments and budgetary guarantees.
- (24) In accordance with Regulation (EU, Euratom) 2024/2509, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council<sup>6</sup>, Council Regulation (Euratom, EC) No 2988/95<sup>7</sup>, (Euratom, EC) No 2185/96<sup>8</sup> and (EU) 2017/1939<sup>9</sup>, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities and fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulation (EU, Euratom) No 883/2013 and (Euratom, EC) No 2185/96 the European Anti-Fraud Office (OLAF) may carry out investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In

<sup>5</sup> 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 (OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>).

<sup>6</sup> Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999, (OJ L248, 18.9.2013, p. 1).

<sup>7</sup> Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.95, p.1).

<sup>8</sup> Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L292, 15.11.96, p.2).

<sup>9</sup> Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L283, 31.10.2017, p.1).



accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) may investigate and prosecute fraud and other illegal activities affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council<sup>10</sup>. In accordance with Regulation (EU, Euratom) 2024/2509, any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests, to grant the necessary rights and access to the Commission, OLAF, EPPO and the European Court of Auditors and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

- (25) The Programme is to be implemented in accordance with Regulation (EU, Euratom) 202X/XXXX which establishes the rules for the expenditure tracking and the performance framework for the budget, including rules for ensuring a uniform application of the principles of 'do no significant harm' and gender equality referred to in Article 33(2), points (d) and (f), of Regulation (EU, Euratom) 2024/2509 respectively, rules for monitoring and reporting on the performance of Union programmes and activities, rules for establishing a Union funding portal, rules for the evaluation of the programmes, as well as other horizontal provisions applicable to all Union programmes such as those on information, communication and visibility.
- (26) Pursuant to Article 85 (1) of Council Decision (EU) 2021/1764 of 5 October 2021<sup>11</sup>, persons and entities established in overseas countries and territories (OCTs) are eligible for funding subject to the rules and objectives of the Programme and possible arrangements applicable to the Member State to which the relevant overseas country or territory is linked.
- (27) The Programme replaces the programme Horizon Europe established by Regulation (EU) 2021/695. Regulation (EU) 2021/695 should therefore be repealed.

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<sup>10</sup> Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

<sup>11</sup> Council Decision (EU) 2021/1764 of 5 October 2021 on the association of the Overseas Countries and Territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other (Decision on the Overseas Association, including Greenland) (OJ L 355, 7.10.2021, p. 6–134).

HAVE ADOPTED THIS REGULATION:

## **Title I – The Framework Programme for Research and Innovation**

### **Chapter I**

#### **General Provisions**

##### *Article 1*

##### ***Subject matter***

1. This Regulation establishes Horizon Europe - the Framework Programme for Research and Innovation (the ‘Programme’) for the period of the Multiannual Financial Framework (the ‘MFF’) 2028-2034 and sets out the rules for participation and dissemination concerning indirect actions under the Programme and determines the framework governing the Union support for Research and Innovation activities for the same duration. It also lays down the objectives of the Programme and its budget for that period, the forms of Union funding and the rules for providing such funding.
2. The Programme shall be implemented through:
  - (a) the specific programme established by Council Decision XX including the collaborative research activities of the policy windows as set out in the European Competitive Fund Regulation.
  - (b) the specific programme on defence research established by the European Competitiveness Fund Regulation.
3. This Regulation does not apply to the specific programme on defence research referred to in paragraph 2, point (b). Activities to be carried out under this specific programme and which are laid down in the European Competitiveness Fund Regulation shall aim to foster the competitiveness, efficiency and innovation capacity of the European defence technological and industrial base.
4. The terms Horizon Europe, ‘the Programme’ and ‘specific programme’ used in this Regulation refer to matters relevant only to the specific programme referred to in paragraph 2, point (a), unless otherwise specified.

##### *Article 2*

##### ***Definitions***

For the purposes of this Regulation, the following definitions apply:

- (1) ‘research infrastructures’ are facilities that provide resources and services to conduct research and foster innovation in their fields;
- (2) ‘technology infrastructures’ are facilities, equipment, capabilities and resources required to develop, test, upscale and validate technology - from pre-competitive applied research services up to small-scale production;

- (3) 'non-bankable' means that the legal entity is not yet able to attract sufficient investment to fully implement its business plan and compete internationally;
- (4) 'blended finance' means financial support provided under the European Innovation Council ('EIC') consisting of a combination of a grant and an investment;
- (5) 'deep tech' means an innovation that is based on cutting-edge advances in science, technology and engineering;
- (6) 'European Partnership' means an initiative, where the Union together with private and public partners commit to jointly supporting the development, implementation and evaluation of a programme of activities, and where the costs are shared between all partners;
- (7) 'open access' means online access to results, provided free to the end user;
- (8) 'open science' means an approach to the scientific process that includes early and open sharing of research, open access to and responsible management of results, reproducibility measures, and involving citizens and end users in research and innovation;
- (9) 'public procurement': the purchasing of goods, services or works by public procurers that are contracting authorities or contracting entities as defined in Directives 2014/24/EU<sup>12</sup>, 2014/25/EU<sup>13</sup> and 2009/81/EC<sup>14</sup> of the European Parliament and of the Council.
- (10) 'private procurement': the purchasing of goods, services or works by private procurers that are not contracting authorities or contracting entities as defined in Directives 2014/24/EU, 2014/25/EU and 2009/81/EC of the European Parliament and of the Council.
- (11) 'pre-commercial procurement' means the public or private procurement of research and development services involving risk-benefit sharing under market conditions, and competitive development in phases, where there is a clear separation of the research and development services procured from the deployment of commercial volumes of end-products;
- (12) 'procurement of innovative solutions' means public or private procurement where procurers act as a launch customer for innovative goods or services which are not yet available on a large-scale commercial basis, and may include conformity testing;
- (13) 'background' means any data, knowledge or know how whatever its form or nature, tangible or intangible, including any rights such as intellectual property rights, that is held prior to the accession to a given action;
- (14) 'valorisation' means the use of results in further activities other than those covered by the action concerned, including commercial deployment;

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<sup>12</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

<sup>13</sup> Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).

<sup>14</sup> Directive 2009/81/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security, and amending Directives 2004/17/EC and 2004/18/EC (OJ L 216, 20.8.2009, p. 76).

- (15) ‘international European research organisation’ means an international organisation, the majority of whose members are Member States or associated countries, whose principal objective is to promote scientific and technological cooperation in Europe;
- (16) ‘legal entity’ means a natural person, or a legal person created and recognised as such under Union, national or international law, which has legal personality and the capacity to act in its own name, exercise rights and be subject to obligations, or an entity which does not have legal personality as referred to in Article 200(2), point (c), of Regulation (EU, Euratom) 2024/2509;
- (17) ‘for profit legal entities’ means a legal entity which by its legal form is for profit making or which has a legal or statutory purpose to distribute profits to its shareholders or individual members;
- (18) ‘small or medium-sized enterprise’ or ‘SME’ means a micro, small or medium-sized enterprise as defined in Article 2 of the Annex to Commission Recommendation 2003/361/EC<sup>15</sup>;
- (19) ‘small mid-cap’ means a small mid-cap enterprise as defined in point 2 of the Annex to Commission Recommendation (EU) 2025/1099<sup>16</sup>;
- (20) ‘results’ means any tangible or intangible outcome of a given action, such as data, knowledge or know-how, whatever its form or nature and whether or not it can be protected, as well as any rights attached to it, including intellectual property rights;
- (21) ‘ERC frontier research action’ means a principal investigator-led research action, including ERC Proof of Concept, hosted by single or multiple beneficiaries receiving funding from the European Research Council (ERC);
- (22) ‘training and mobility action’ means an action geared towards the improvement of the skills, knowledge and career prospects of researchers, based on mobility between countries and, if relevant, between sectors or disciplines;
- (23) ‘coordination and support action’ means an action contributing to the objectives of the Programme, excluding research and innovation (R&I) activities, except when undertaken under the component ‘widening participation and spreading excellence’ of the part IV ‘European Research Area’; and bottom-up coordination without co-funding of research activities from the Union that allows for cooperation between legal entities from Member States and associated countries in order to strengthen the ERA;
- (24) ‘indirect actions’ means R&I related activities to which the Union provides financial support and which are undertaken by participants;
- (25) ‘direct actions’ means R&I related activities undertaken by the Commission through its JRC;
- (26) ‘innovation ecosystem’ means an ecosystem which brings together at Union level organisations whose functional goal is to enable technology development and innovation and which encompasses relations between material resources (such as funds, equipment, and facilities, including research and technology infrastructures),

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<sup>15</sup> Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36).

<sup>16</sup> Commission Recommendation (EU) 2025/1099 of 21 May 2025 on the definition of small mid-cap enterprises (OJ L, 28.5.2025, p. 1)

institutional entities (such as higher education institutions and support services, research and technology organisations, companies, investors - including venture capitalists - and financial intermediaries) and national, regional and local policy-making and funding entities;

- (27) ‘work programme’ means a document adopted by the Commission for the implementation of the specific programme in accordance with Article X of Decision [to be completed] or a document equivalent in content and structure adopted by a funding body.

### *Article 3*

#### ***Programme objectives***

1. In line with the general and specific objectives of the European Competitiveness Fund, the Programme shall strengthen the EU’s competitiveness, scientific technological base, and address global challenges based on excellent research and innovation.
2. The specific objectives of the Programme are:
  - Create high-quality knowledge, skills and attractive careers for researchers and support the realisation of the European Research Area (ERA).
  - Increase EU-wide and international collaborative research, knowledge sharing and valorisation.
  - Align priorities for a pan-European research and innovation ecosystem.
  - Reduce national and regional disparities in research and innovation capacity, skills, and talent to strengthen innovation ecosystems.
  - Improve the Union’s position in innovation, with a specific focus on deep-tech and disruptive innovation, facilitate technological development, demonstration and knowledge and technology transfer, strengthen deployment and exploitation of innovative solutions.
  - De-risk and mobilise more private research and innovation financing, particularly for supporting the scaling up of innovative startups and SMEs to address EU strategic priorities.
  - Increase market deployment, uptake and societal acceptance of innovative solutions to foster competitiveness and address key societal challenges.
  - Contribute to increasing public and private investment in research and innovation in Member States, thereby contributing to reach an overall expenditure of at least 3 % of Union Gross Domestic Product (‘GDP’) in research and development.

### *Article 4*

#### ***Programme structure***

1. For the specific programme referred to in Article 1, the Programme shall be structured in parts as follows, which contribute to the general and specific objectives set out in Article 3 and the policy windows of the ECF:

- (a) Part I ‘Excellent Science’, with the following components, in particular:
  - (i) the European Research Council (ERC);
  - (ii) Marie Skłodowska-Curie Actions (MSCA).
  - (iii) Science for EU policies: non-nuclear direct actions of the Joint Research Centre (JRC).
- (b) Part II ‘Competitiveness and Society’, with the following components, in particular:
  - i) ‘Competitiveness’, including research and innovation activities in support of policies under the European Competitiveness Fund, such as:
    - (1) collaborative research and innovation activities under Chapter III ‘Support for Clean Transition and Industrial Decarbonisation’ of the European Competitiveness Fund Regulation;
    - (2) collaborative research and innovation activities under Chapter IV ‘Support for Health and bioeconomy, and biotechnology policy’ of the European Competitiveness Fund Regulation;
    - (3) collaborative research and innovation activities under Chapter V ‘Support for digital leadership policy’ of the European Competitiveness Fund Regulation;
    - (4) collaborative research and innovation activities under Chapter VI ‘Support for Resilience, Defence Industry and Space policy’ of the European Competitiveness Fund Regulation.
  - ii) ‘Society’, including research and innovation activities, such as:
    - (1) global societal challenges;
    - (2) the New European Bauhaus Facility;
    - (3) EU Missions;
- (c) Part III ‘Innovation’, with the following components, in particular:
  - (i) the European Innovation Council (EIC);
  - (ii) Innovation ecosystems including activities to foster the integration of the knowledge triangle – higher education, research and innovation, and business – across the Union.
- (d) Part IV ‘European Research Area’, with the following components, in particular:
  - (i) reforming and enhancing the European R&I system;
  - (ii) research and technology infrastructures;
  - (iii) widening participation and spreading excellence.

## *Article 5*

### ***Horizontal principles***

The Programme shall:

- (a) ensure a multidisciplinary approach, where appropriate, and provide for the integration of social sciences and humanities (SSH) across all components under the Programme, including specific calls for proposals on SSH related topics.
- (b) advance scientific knowledge and contribute to the creation of informed, effective, and responsive policies across the Union and beyond. The Programme shall actively promote the integration of the results of publicly funded research and of scientific evidence into policy-making processes at all levels, fostering stronger links between research, innovation, and the development of evidence-based public policies. This shall include encouraging collaborative mechanisms, R&I initiatives and science-policy interfaces connecting policy makers with the scientific community, as well as facilitating the use of research outcomes in shaping future legislative and regulatory frameworks at all levels. Special emphasis shall be placed on ensuring that scientific insights are accessible and relevant to decision makers, with mechanisms for the effective take-up or research results, policy briefs, and recommendations.
- (c) encourage open science practices including by ensuring open access to peer-reviewed scientific publications regarding results, as well as open access to research data and other results following the principle 'as open as possible, as closed as necessary'.

## *Article 6*

### ***Budget***

1. The indicative financial envelope of the Programme for the period [1 January 2028 to 31 December 2034] shall be EUR XX... in [current] prices.
2. The indicative distribution of the amount referred to in paragraph 1 of this Article for the specific programme referred to in Article 1(2), point (a), shall be:
  - (a) EUR XX XXX 000 000 for Part I 'Excellent Science', of which EUR XXXXX for non-nuclear direct actions of Joint Research Centre (JRC).
  - (b) EUR XX XXX 000 000 for Part II 'Competitiveness and Society', of which:
    - i. EUR XX XXX 000 000 for 'Competitiveness' of which:
 

EUR XX XXX 000 000 for collaborative research and innovation activities under Chapter III 'Support for Clean Transition and Industrial Decarbonisation' of the European Competitiveness Fund Regulation;

EUR XX XXX 000 000 for collaborative research and innovation activities under Chapter IV 'Support for Health and bioeconomy, and biotechnology policy' of the European Competitiveness Fund Regulation;

EUR XX XXX 000 000 for collaborative research and innovation activities under Chapter V 'Support for digital leadership policy' of the European Competitiveness Fund Regulation;

EUR XX XXX 000 000 for collaborative research and innovation activities under Chapter VI 'Support for Resilience, Defence Industry and Space policy' of the European Competitiveness Fund Regulation.
    - ii. EUR XX XXX 000 000 for 'Society'.

- (c) EUR XX XXX 000 000 for Part III ‘Innovation’.
  - (d) EUR XX XXX 000 000 for Part IV ‘European Research Area’, of which EUR XX XXX 000 000 for widening participation and spreading excellence.
- 3. The amount referred to in paragraph 1 of this Article and the amounts of additional resources referred to in Article 7 may also be used for technical and administrative assistance for the implementation of the Programme, such as preparatory, monitoring, control, audit and evaluation activities, information technology systems and platforms, information and communication activities, including corporate communication on the political priorities of the Union, and all other technical and administrative assistance or staff-related expenses incurred by the Commission for the management of the Programme.
- 4. If necessary to enable the management of actions not completed by 31 December 2034, appropriations may be entered in the Union budget beyond 2034 to cover the expenses necessary and to enable the management of actions not completed by the end of the Programme.
- 5. Budgetary commitments for actions extending over more than one financial year may be broken down into annual instalments over several years.

#### *Article 7*

##### ***Additional resources***

- 1. Member States, Union institutions, bodies and agencies, third countries, international organisations, international financial institutions, or other third parties, may make additional financial or non-financial contributions to the Programme. Additional financial contributions shall constitute external assigned revenue within the meaning of Article 21(2), points (a), (d), or (e) or Article 21(5) of Regulation (EU, Euratom) 2024/2509.
- 2. Resources allocated to Member States under shared management may, at their request, be made available to the Programme. The Commission shall implement those resources directly or indirectly in accordance with Article 62(1), point (a) or (c) of Regulation (EU, Euratom) 2024/2509. They shall be additional to the amount referred to in Article 6(1) of this Regulation. Those resources shall be used for the benefit of the Member State concerned. Where the Commission has not entered into a legal commitment under direct or indirect management for additional amounts thus made available to the Programme, the corresponding uncommitted amounts may, at the request of the Member State concerned, be transferred back to one or more respective source programmes or their successors.

#### *Article 8*

##### ***Alternative, combined and cumulative funding***

- 1. The Programme shall be implemented in synergy with other Union programmes. An action that has received a Union contribution from another programme may also receive a contribution under this Programme. The rules of the relevant Union programme shall apply to the corresponding contribution or a single set of rules may be applied to all contributions and a single legal commitment may be concluded. If



the Union contribution is based on eligible costs, the cumulative support from the Union budget shall not exceed the total eligible costs of the action and may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.

2. Award procedures under the Programme may be jointly conducted under direct or indirect management with Member States, Union institutions, bodies and agencies, third countries, international organisations, international financial institutions, or other third parties, provided the protection of the financial interests of the Union is ensured. Such procedures shall be subject to a single set of rules and lead to the conclusion of single legal commitments. For that purpose, the partners to the joint award procedure may make resources available to the Programme in accordance with Article 7 of this Regulation, or the partners may be entrusted with the implementation of the award procedure, where applicable in accordance with Article 62(1), point (c), of Regulation (EU, Euratom) 2024/2509. For the purposes of Article 153(3) of Regulation (EU, Euratom) 2024/2509, in joint award procedures the evaluation committee may be partially composed by members that are representatives of the partners in that procedure.
3. A Seal of Excellence may be awarded to high-quality actions which shall comply at least with the following conditions:
  - (a) they have been assessed in an award procedure under the Programme;
  - (b) they comply with the minimum quality requirements of that award procedure;
  - (c) they have not been financed under the Programme due to budgetary constraints.
4. The Member States may finance actions to which a Seal was awarded.

#### *Article 9*

##### ***Third countries associated to the Programme***

1. The Programme may be opened to the participation of the following third countries through full or partial association, in accordance with the objectives laid down in Article 3 and in accordance with the relevant international agreements or any decisions adopted under the framework of those agreements and applicable to:
  - (a) members of the European Free Trade Association which are members of the European Economic Area, as well as European micro-states;
  - (b) acceding countries, candidate countries and potential candidates;
  - (c) European Neighbourhood Policy countries;
  - (d) other third countries.
2. The association agreements for participation in the Programme shall:
  - (a) ensure a fair balance as regards the contributions and benefits of the third country participating in the Programme;
  - (b) lay down the conditions of participation in Programme, including the calculation of financial contributions, consisting of an operational contribution and a participation fee, to the Programme and its general administrative costs;
  - (c) not confer on the third country any decision-making power in the Programme;

- (d) guarantee the rights of the Union to ensure sound financial management and to protect its financial interests.
  - (e) where relevant, ensure the protection of security and public order interests of the Union.
  - (f) For the purposes of paragraph 2, point (d), the third country shall grant the necessary rights and access required under Regulations (EU, Euratom) 2024/2509 and (EU, Euratom) No 883/2013, and guarantee that enforcement decisions imposing a pecuniary obligation on the basis of Article 299 TFEU, as well as judgments and orders of the Court of Justice of the European Union, are enforceable.
3. For the purpose of paragraph 1, point (d), association or partial association with other third countries shall only be possible if they fulfil all the following criteria:
    - (a) a good capacity in science, technology and innovation;
    - (b) commitment to a rules-based open market economy, including fair and equitable dealing with intellectual property rights, respect of human rights, backed by democratic institutions;
    - (c) active promotion of policies to improve the economic and social well-being of citizens.
  4. The scope of association of each third country to the Programme shall take into account an analysis of the risks and benefits for the Union and the objective of driving economic growth and competitiveness of the Union through innovation. Accordingly, with the exception of EEA members, acceding countries, candidate countries and potential candidates, third countries may be excluded from parts of the Programme in accordance with this Regulation or the agreement itself.
  5. The agreement setting out the conditions for participation in the Programme, shall, as far as possible, provide for the reciprocal participation of legal entities established in the Union in equivalent programmes of associated countries in accordance with the conditions laid down in those programmes.
  6. The conditions determining the level of the financial contributions referred to in paragraph 2, point (b) shall ensure a regular automatic correction of any significant imbalance compared to the amount that entities established in the associated country receive through participation in the Programme, taking into account the costs in the management, execution and operation of the Programme. The allocation of the financial contributions shall take into account the level of participation of the legal entities of the associated countries in each part of the Programme.

## *Article 10*

### ***Implementation and forms of Union funding***

1. The Programme shall be implemented in accordance with Regulation (EU, Euratom) 2024/2509, under direct management or under indirect management with bodies referred to in Article 62(1), point (c) of that Regulation.
2. Union funding may be provided in any form in accordance with Regulation (EU, Euratom) 2024/2509, in particular through grants, prizes, procurement, non-financial donations, and financial instruments.

3. With the exception of financial instruments under the EIC (Fund) where Union support is provided in the form of a budgetary guarantee or a financial instrument, including where combined with non-repayable support in a blending operation, it shall be exclusively provided through the European Competitiveness Fund Investment Instrument and implemented in accordance with the applicable rules of the European Competitiveness Fund Investment Instrument through the contribution or guarantee agreements concluded for that purpose.

Where Union funding is provided in the form of a grant, funding shall be provided as financing not linked to cost, or as simplified cost options in particular through lump sums as well as unit costs for personnel, in accordance with Regulation (EU, Euratom) 2024/2509. Funding may be provided in the form of actual eligible cost reimbursement only where the objectives of an action cannot be achieved otherwise.

4. For the purposes of Article 153(3) of Regulation (EU, Euratom) 2024/2509, the evaluation committee may be composed partially or fully of independent external experts.

An applicant may request an evaluation review of procedural aspects of an evaluation of its proposal or prize application within 30 days after the communication of evaluation results. The evaluation of the merits of a proposal shall not be the subject of an evaluation review. An evaluation review committee shall provide an opinion on the review request within 2 months and may recommend one of the following:

- (a) A full or partial re-evaluation of the proposal to be carried out without involvement of evaluators who were linked to the procedural error identified; or
- (b) confirmation of the initial evaluation.

The evaluation review referred to in the first subparagraph shall not delay the grant signature for proposals or prize awards that are not the subject of that review.

## *Article 11*

### ***European Partnerships***

1. Where necessary to achieve the objectives set out in Article 3, activities under this Regulation may be implemented through European Partnerships, by default through the work programmes, as well as in exceptional and duly justified cases by entrusting budget implementation tasks, in accordance with Article 62(1), point (c), of Regulation (EU, Euratom) 2024/2509, to bodies established pursuant to 187 TFEU.
2. European Partnerships shall by default be based on a Memorandum of Understanding, agreed and signed between the partners, stipulating:
  - (a) the results to be delivered, which must be clear, measurable, time-bound;
  - (b) monitoring and reporting requirements;
  - (c) the related commitments from all partners;
  - (d) governance arrangements with a mechanism for partners to discuss and agree on the partnerships' programming and activities.
3. In exceptional and duly justified cases European Partnerships will be implemented by entrusting budget implementation tasks to bodies established pursuant to 187

TFEU, in accordance with Article 62(1), point (c), of Regulation (EU, Euratom) 2024/2509.

4. For European Partnerships established pursuant to paragraphs 2 and 3, support from the Programme shall be conditional upon efficient use of Union financing, a proportionate financial contribution from other partners at least matching the Union contribution and voting rights for the Union in the governing bodies ensuring protection of the interests of the Union in the partnership. For that purpose, Joint Undertakings shall be established through a single establishing act ensuring harmonised rules and centralised administrative functions.
5. European Partnerships shall:
  - (a) be established only in cases where Union action alone or other forms of support under the Programme cannot achieve the desired objectives.
  - (b) be established for the purpose of addressing challenges that require a critical mass of resources and a unified and coordinated approach, both in terms of programming and implementation, across actors.
  - (c) align with and assist in the implementation of major Union policies and policy initiatives.
  - (d) be selected in a competitive manner based on a set of quantifiable lifecycle criteria and a strong portfolio approach, resulting in a coherent set of initiatives.
  - (e) be based on ex ante, long-term and formal commitments from all partners to contribute financially to the resources of the European Partnership, which shall be centrally managed, except in duly justified cases.
  - (f) require a clear lifecycle approach, including an upfront plan for the implementation of the initiative with a strategy for gradually or fully phasing out from Union funding.
6. Contributions from Partners other than the Union shall take the following forms:
  - (a) financial contributions to the operational budget of the initiative;
  - (b) co-financing by the Partners of their own participation, or that of their members, in projects funded through the initiative.
7. All Partners other than the Union shall provide information on the structure, membership and activities developed within the partnership. In cases where partnerships are concluded with representative organisations and associations, this shall include regular information on their membership.

## Chapter II

### Excellent Science

#### *Article 12*

##### ***European Research Council***

1. The European Research Council shall provide attractive and flexible funding to enable talented and creative individual researchers, with an emphasis on early-stage researchers, and their teams to pursue the most promising avenues at the frontier of science, regardless of their nationality and country of origin and on the basis of competition based solely on the criterion of excellence.
2. The ERC shall attract the most talented researchers from all over the world and establish the Union as a world-leading centre for research and innovation.

#### *Article 13*

##### ***Marie Skłodowska-Curie Actions***

1. The Marie Skłodowska-Curie Actions shall support the career at all stages, skills development, and mobility of researchers from all over the world. MSCA shall foster research excellence, attract and retain excellent research talents, and support sustainable research careers in the Union with the aim to increase the Union's competitiveness in research and innovation.
2. The MSCA shall fund excellent doctoral networks, post-doctoral fellowships, R&I staff exchanges, as well as support mechanisms to foster sustainable careers in view of attracting and retaining the most promising talents. A strong focus shall be put on international, inter-sectoral and inter-disciplinary cooperation as well as science outreach. The funding shall support cutting edge research and focus on developing research talent, with targeted support for early career researchers. It shall support to establish the Union as a leading destination for researchers.

#### *Article 14*

##### ***Joint Research Centre***

1. The JRC shall provide independent, evidence-based knowledge and science, supporting EU policies to positively impact society. This shall be undertaken through JRC direct actions and through participation of the JRC in indirect actions. Chapter II and Chapter IV of Title II do not apply to direct actions. By way of derogation from Article [212(3)] of Regulation (EU, Euratom) 2024/2509], the revenues or amounts resulting from the JRC's research activities (e.g. patents, licenses etc) shall be reusable by the JRC.

## **Chapter III**

### **Competitiveness and Society**

#### *Article 15*

##### ***Collaborative research***

1. Collaborative research shall support the creation of transnational research and innovation cooperation networks, bringing together entities of different disciplines, to support the development and swift diffusion of high-quality results in favour of the Union's industrial competitiveness, security and resilience and addressing societal challenges and to strengthen the impact of research in developing and supporting Union policies.
2. Activities shall be carried out in a balanced manner between lower and higher Technology Readiness Levels, thereby covering the whole value chain.
3. This Programme shall include the collaborative research and innovation activities in a specific dedicated part of the work programmes adopted under Chapters III to VI of the European Competitiveness Fund Regulation. These activities shall be developed under the steering mechanism and the Competitiveness Coordination Tool as referred to in Article 14 of the European Competitiveness Fund Regulation.
4. The Programme shall support global societal challenges in the areas of strengthening democratic values and tackling disinformation, including rule of law and fundamental rights; promoting socio-economic transformations that contribute to inclusion and growth, addressing demographic challenges; including migration management and integration of migrants.
5. The Programme shall support the R&I component of the New European Bauhaus Facility.
6. The Programme shall contribute to EU Missions notably through the identification of priority actions for R&I funding for the development of new knowledge, technologies, services, and products in view of their goals. Funding for the EU Missions established under Article 8 of the Regulation (EU) 2021/695 shall be awarded on the basis of work programmes covering up to the budgetary year 2030.

## **Chapter IV**

### **Innovation**

#### *Article 16*

##### ***The European Innovation Council (EIC)***

1. The EIC shall identify, develop and scale up deep tech and disruptive innovation from research to scale-up. It shall be implemented mainly through open bottom-up calls for proposals while ensuring a balanced portfolio of actions across thematic areas. This shall be complemented by targeted thematic and 'Challenge' calls in

areas of potential strategic interest in close coordination with the ECF policy windows, in particular with the ECF InvestEU Instrument.

2. The EIC may in particular provide the following types of support:
  - (a) Pathfinder grants for high-risk research, including proof of concept and prototyping;
  - (b) Transition grants to develop pathways to commercial development for research results, including the creation of spin-offs and start-ups;
  - (c) Accelerator blended finance and investment-only support for single companies to develop, and bring to market their innovations;
  - (d) [Scale up finance as investment-only support for single companies to finance their growth phase in areas of high strategic interest;]
  - (e) Incentives to procurers to test and provide first customers for deep tech and disruptive innovations;
  - (f) Business Accelerator Services to complement EIC funding by providing access, in complementarity with the Competitiveness Hub referred to in Chapter II of the European Competitiveness Fund Regulation, to deep-tech expertise, coaching and mentoring, match making with investors, procurers, corporates and other innovation partners.
3. The types of support referred to in paragraph 2 shall be combined flexibly in EIC Challenges developed and overseen by EIC Programme Managers. EIC Challenges shall be implemented using a portfolio approach where actions are selected based on their complementarities to achieve defined objectives and interact with each other under the supervision of EIC Programme Managers.
4. A private law body, [the EIC Fund], with public service mission, shall be entrusted with budget implementation tasks for the purpose of implementing EIC investment support. For the purpose of the financial guarantee required by Article 62 (1)(c) (vi) of the Regulation 2024/2509, it shall suffice that [the EIC Fund] is considered solvent and financially viable in line with Member State rules applicable to that body. The [EIC Fund] shall be structured in a way that it can attract other public or private investors in order to increase the leverage effect of the Union contribution.
5. The EIC may support innovation in critical technologies with focus on defence applications.

## *Article 17*

### ***Innovation Ecosystems***

1. The Programme shall support organisations to create competitive, robust and connected innovation ecosystems and framework conditions. Synergies with Union, national and regional programmes shall be pursued to this end.
2. The Programme shall support activities to foster the integration of the knowledge triangle – higher education, research and innovation – across the Union.

## Chapter V

### European Research Area

#### *Article 18*

##### ***European Research Area and infrastructures***

1. The objective of the European Research Area ('ERA') is to create a single, borderless market for research, innovation and technology across the Union, in which researchers, scientific knowledge and technology circulate freely.
2. The Programme shall ensure the effective promotion of values and principles of the ERA and the Pact for research and innovation, notably ethics and integrity in research and innovation, freedom of scientific research and gender equality and equal opportunities, and the promotion of attractive research careers and mobility. The funding of the Research and Technology Infrastructures shall contribute to equip the Union with a strong and coherent ecosystem of world-class sustainable facilities and services, building on prioritised pan-European infrastructures and complementary state-of-the-art national capacities and using funding instruments, including European partnerships. The Programme shall contribute up to 20% of the building costs of critical new world-class capacities of European research infrastructures.
3. The Policy Support Facility shall provide Member States and Associated Countries with practical expert support to design, implement and evaluate reforms that enhance the quality of their research and innovation investments, policies and systems. It shall contribute to building stronger and more effective national research and innovation systems and a more robust European Research Area.

#### *Article 19*

##### ***Widening***

1. 'Widening countries' are Bulgaria, Croatia, Czechia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia for the purposes of funding the actions under paragraph 5, points a) and b).
2. 'Transition countries' are Cyprus, Estonia, Greece, Malta, Portugal and Slovenia, for the purposes of funding the actions under paragraph 5, point b).
3. Only legal entities established in widening countries or transition countries shall be eligible as coordinators under the 'widening participation and spreading excellence' component of the 'Strengthening the ERA' part of the Programme.
4. For associated countries, legal entities from the list of eligible countries as defined based on an indicator and published in the work programme shall be fully eligible as coordinators under this component. Legal entities from outermost regions as defined in Article 349 TFEU shall be also eligible as coordinators under this component.
5. 'Widening' includes the following:
  - (a) capacity building measures;
  - (b) measures supporting networking, knowledge valorisation, countering brain drain and dedicated National Contact Points (NCP) support.



6. The Programme shall assist widening and transition countries to increase their participation and to promote a broad geographical coverage in excellent collaborative projects. Those efforts shall be mirrored by proportional measures by Member States.
7. From 2030 onwards access to capacity building measures is restricted to those widening countries that have increased their real expenditure of public investment in research and development in the latest known year compared to the year prior to it.

## **Title II - Rules for participation and dissemination**

### **Chapter 1**

#### **General provisions**

##### *Article 20*

##### ***ECF rules***

Articles x-y (e.g. Art. [10(4): competitiveness of the Union], [10(5): security & public order]; [Article 12: Toolbox for Critical competitiveness Interventions]; [13: classified information]; Article 15 to 18, and relevant complementary rules in the chapters of the European Competitive Fund Regulation shall apply for the purpose of this Regulation, unless otherwise specified.

##### *Article 21*

##### ***Eligibility***

1. Eligibility criteria shall be set to support achievement of the general and specific objectives laid down in Article 3, in accordance with Regulation (EU, Euratom) 2024/2509 and apply to all award procedures under the Programme.
2. In award procedures under direct and indirect management the following legal entities may be eligible to receive Union funding:
  - (a) entities established in a Member State or an associated third country;
  - (b) international organisations;
  - (c) other entities established in low to middle income non-associated third countries or, exceptionally, in other non-associated third countries if the third country is identified in the work programme adopted by the Commission
  - (d) Other entities established in non-associated countries where the funding of such entities is essential for implementing the action and contributes to the objectives laid down in Article 3.
3. Except when the work programme otherwise provides, to be eligible for participation in grant actions legal entities shall form a consortium that includes as beneficiaries three legal entities independent of each other and each established in different countries as follows:
  - (a) at least two legal entities established in different Member States; and

- (b) at least one other legal entity established in another Member State or an associated country.
- 4. ERC frontier research actions, EIC actions, training and mobility actions and actions that involve or have as their primary aim the implementation of pre-commercial procurement or procurement of innovative solutions, may be implemented by one or more legal entities, provided that one of those legal entities shall be established in a Member State or associated country.
- 5. Coordination and support actions may be implemented by one or more legal entities, which may be established in a Member State, associated country or, in exceptional cases, in another third country.
- 6. Where indicated in the work programme, the JRC may participate in actions.
- 7. International European research organisations and legal entities created under Union law shall be deemed to be established in a Member State other than the ones in which other legal entities participating in the action are established.
- 8. International organisations other than international European research organisations shall be deemed to be established in a non-associated third country, unless otherwise provided for in the work programme [or the call for proposals].
- 9. In addition to Article 168(2) and (3) of Regulation (EU, Euratom) 2024/2509, associated third countries referred to in Article 9(1) and international organisations may, where relevant, participate in and benefit from any procurement mechanisms set out in Article 168(2) and (3) of Regulation (EU, Euratom) 2024/2509. Rules applicable to Member States shall be applied, *mutatis mutandis*, to participating associated third countries and international organisations.
- 10. In award procedures, the following activities shall not be eligible for funding:
  - (a) activities that are prohibited by Union law, applicable international law, or by national law in all Member States; No funding shall be provided in a Member State for a research, technological or demonstration activity which is forbidden in that Member State.
  - (b) activities that are already fully financed from other public or private sources, except contributions from the Union in the context of synergy actions referred to in Article 6;
  - (c) activities aiming at human cloning for reproductive purposes;
  - (d) activities intended to modify the genetic heritage of human beings which could make such modifications heritable, except research relating to cancer treatment of the gonads;
  - (e) activities intended to create human embryos solely for the purpose of research, technological development and demonstration activities or for the purpose of stem cell procurement, including by means of somatic cell nuclear transfer;
  - (f) research on human stem cells, both adult and embryonic, may be financed depending both on the contents of the scientific proposal and the legal framework of the Member States involved.
- 11. In addition to the grounds set out in Article 132 of Regulation (EU, Euratom) 2024/2509, award procedures and resulting legal commitments shall allow for

termination where the objectives of the action are unlikely to be achieved at all or within the set timelines, or the action has lost its policy relevance.

12. The work programme or the documents related to the award procedure may specify the eligibility criteria set out in this Regulation or set additional eligibility criteria for specific actions including to take into account specific policy requirements.

## *Article 22*

### ***Ethics and research integrity***

1. Actions carried out shall comply with:
  - (a) relevant Union, national and international law, including the Charter of Fundamental Rights of the European Union and the European Convention for the Protection of Human Rights and Fundamental Freedoms and its Supplementary Protocols;
  - (b) ethical principles, including the highest standards of research integrity.
2. Legal entities participating in an action shall fulfil all the following requirements:
  - (a) provide an ethics self-assessment relating to the objective, implementation and likely impact of the activities, including a confirmation and description of compliance with paragraph 1;
  - (b) provide a confirmation that the activities will comply with (i) the European Code of Conduct for Research Integrity, (ii) the Global Code of Conduct for Equitable Research Partnerships and that no activities excluded from funding will be conducted;
  - (c) provide for activities carried out outside the Union, a confirmation that the same activities would have been allowed in a Member State;
  - (d) provide for activities making use of human embryonic stem cells, as appropriate, details of licensing and control measures that shall be taken by the competent authorities of the Member States concerned as well as details of the ethics approvals that shall be obtained before the start of the relevant activities;
  - (e) obtain all approvals or other mandatory documents from the relevant national, local ethics committees or other bodies, such as data protection authorities, before the start of the relevant activities and keep those documents on file to be provided to the Commission or the relevant implementation body upon request.
3. Proposals shall be systematically screened to identify actions which raise complex or serious issues with regard to ethical principles in view of submitting them to an ethics assessment. All actions involving the use of human embryonic stem cells or human embryos shall be subject to an ethics assessment. Ethics screenings, assessments and, if appropriate during implementation of the activities, reviews shall be carried out by the Commission unless delegated and with the support of independent external ethics experts. The transparency of the ethics procedures shall be ensured without prejudice to the confidentiality of the content of those procedures.

## Chapter 2

### Grants

#### *Article 23*

##### ***Calls for proposals***

1. If necessary to achieve their objectives, calls for proposals may, in exceptional cases, be restricted to develop additional activities and where relevant add additional partners to existing actions. In addition, the work programme may provide for the possibility for legal entities from [to adapt terminology to the new Widening provision low R&I performing countries] to join already selected collaborative R&I actions, subject to the agreement of the respective consortium and provided that legal entities from such countries are not yet participating in it.
2. A call for proposals is not required for coordination and support actions which:
  - (a) are to be carried out by legal entities identified in the work programme; and
  - (b) do not fall within the scope of a call for proposals, in accordance with Article 198, point (e), of Regulation (EU, Euratom) 2024/2509.
3. The work programme shall specify calls for proposals for which Seals of Excellence and/or Competitiveness Seals may be awarded. Information concerning the application and the evaluation may be shared with interested financing authorities, subject to the conclusion of confidentiality agreements unless explicitly objected by the applicant.

#### *Article 24*

##### ***Financial capacity of applicants***

1. In addition to the exceptions mentioned in Article 201(5) of Regulation (EU, Euratom) 2024/2509, the financial capacity shall be verified only if the requested funding from the Union for the action is equal to or greater than EUR 1.000 000.
2. Notwithstanding paragraph 1, if there are grounds to doubt the financial capacity of an applicant, or if there is a higher risk due to the participation in several ongoing actions funded by Union R&I programmes, the financial capacity of other applicants, or of coordinators even where the requested funding is below the threshold referred to in paragraph 1 shall also be verified.
3. If the financial capacity is structurally guaranteed by another legal entity, the financial capacity of that other legal entity shall be verified.
4. In the case where the financial capacity of an applicant is weak, the participation of the applicant may be made conditional on provision of a declaration on joint and several liability by an affiliated entity.
5. The contribution to the Mechanism set out in Article 29 shall be considered to be a sufficient guarantee under Article 155 of Regulation (EU, Euratom) 2024/2509. No additional guarantee or security shall be accepted from beneficiaries or imposed upon them.

## *Article 25*

### ***Award criteria and selection***

1. A proposal shall be evaluated on the basis of the following award criteria:
  - (c) excellence;
  - (d) impact;
  - (e) quality and efficiency of the implementation.
  - (f) The work programme shall lay down details concerning their application.
2. By derogation from paragraph 1, only the excellence criterion referred to in point (a) of paragraph 1 shall apply for evaluations under ERC frontier research actions.

## *Article 26*

### ***Time-to-grant***

1. By way of derogation from the first subparagraph of Article 197(2) of Regulation (EU, Euratom) 2024/2509, the following periods shall apply:
  - (a) for informing all applicants of the outcome of the evaluation of their application, a maximum period of five months from the final date for submission of complete proposals;
  - (b) for signing grant agreements with applicants, a maximum period of seven months from the final date for submission of complete proposals.
2. The work programme may establish shorter periods than those provided for in paragraph 1.
3. In addition to the exceptions laid down in Article 197(2), second subparagraph, of Regulation (EU, Euratom) 2024/2509, the periods referred to in paragraph 1 of this Article may be exceeded for ERC actions, missions-oriented approach and when actions are submitted to an ethics assessment, security scrutiny or assessments to protect the competitiveness of the Union including its strategic assets and interests.

## *Article 27*

### ***Funding rates***

1. A single funding rate per action shall apply for all activities it funds. The maximum rate per action shall be fixed in the work programme.
2. Up to 100 % of total eligible costs of an action under the Programme may be reimbursed, except for for-profit legal entities where up to 70% of the total eligible costs may be reimbursed. By way of exception, SMEs shall be eligible for a funding rate of up to 100% of the total eligible costs.

## *Article 28*

### ***Indirect costs***

1. Indirect eligible costs shall be 25% of the total direct eligible costs, excluding direct eligible costs for subcontracting, financial support to third parties and any unit costs

or lump sums which include indirect costs. Where appropriate, indirect costs included in unit costs or lump sums shall be calculated using the flat rate referred to in the previous sentence.

2. Notwithstanding paragraph 1, if provided for in the work programme, indirect costs may be declared in the form of a lump sum or unit costs.

#### *Article 29*

##### ***Eligible costs***

1. By way of derogation from Article 193(2) of Regulation (EU, Euratom) 2024/2509, costs of resources made available by third parties by means of in-kind contributions shall be eligible up to the direct eligible costs of the third party.
2. By way of derogation from Article 195(2) of Regulation (EU, Euratom) 2024/2509, income generated by the valorisation of the results shall not be considered to be revenues of the action.

#### *Article 30*

##### ***Mutual Insurance Mechanism***

1. A Mutual Insurance Mechanism (the ‘MIM’) is hereby established which shall replace and succeed the Mechanism set up in accordance with Article 37 of Regulation (EU) 2021/695. The MIM shall cover the risk associated with non-recovery of sums due by certain ECF beneficiaries under direct management, as well as any preexisting risks covered in accordance with Article 37 of Regulation (EU) 2021/695.
2. The MIM shall be managed by the Union, represented by the Commission acting as executive agent. Specific rules for the operation of the MIM shall be set out by the Commission by means of an implementing act.
3. Beneficiaries shall make a contribution to be offset against the initial pre-financing and paid back to the beneficiaries at the payment of the balance.
4. Any financial return generated by the MIM and any recovered amounts shall constitute external assigned revenue within the meaning of Article 21(5) of Regulation (EU, Euratom) 2024/2509 for the Programme, or its successor. If the return is insufficient, the MIM shall not intervene, and the granting authority shall recover any amount directly.
5. Once all grants for which the risk is covered by the MIM are completed, any amounts held by the MIM may be recovered by the Commission and shall constitute external assigned revenue within the meaning of Article 21(5) of Regulation (EU, Euratom) 2024/2509 for the Programme, or its successor.

#### *Article 31*

##### ***Ownership of results***

1. Beneficiaries shall own the results they generate.

2. Two or more beneficiaries shall own results jointly if they have jointly generated them and it is not possible to:
  - (a) establish the respective contribution of each beneficiary; or
  - (b) separate the results when applying for their protection.

They shall agree in writing on the allocation and terms of exercise of their joint ownership. Unless otherwise agreed, each joint owner may grant non-exclusive licences to third parties to valorise the jointly owned results (without any right to sub-license), if the other joint owners are given advance notice and fair and reasonable compensation. The joint owners may agree in writing to apply another regime than joint ownership.
3. If third parties involved in the action (including personnel) have rights to the results, the beneficiaries shall ensure that those rights can be exercised in a manner compatible with their obligations regarding those results.
4. Transfer of ownership may be subject to conditions, including a requirement to pass on any obligations regarding the results.

## *Article 32*

### ***Valorisation and dissemination***

1. Beneficiaries shall manage their results in accordance with the obligations set out in the work programme, call conditions or grant agreement. As part thereof, beneficiaries shall:
  - (a) protect their results if justified, in particular if the results have commercial potential;
  - (b) grant access to their results and background if needed for implementing action tasks or for valorising results, including for commercial deployment;
  - (c) undertake best efforts to valorise their results, either directly or indirectly, including through transfer or licensing; if results are not valorised within a given period, the Commission may identify instruments and tools, such as those serving the valorisation strategy set out in Chapter II of the European Competitiveness Fund Regulation, that the beneficiaries concerned shall use to facilitate the valorisation of those results.
  - (d) make the results public in an appropriate manner as soon as feasible, while keeping results confidential if needed due to the protection of intellectual assets, security concerns or legitimate interests;
  - (e) adhere to open science practices, including by:
    - (i) ensuring open access to all peer-reviewed scientific publications regarding the results;
    - (ii) managing responsibly the research data in the action and other results in line with the principles 'findability' 'accessibility', 'interoperability' and 'reusability' (the FAIR principles) as well as ensuring open access thereto unless doing so would be against legitimate interests, including commercial interests, or other constraints.

- (f) unless otherwise provided for in the work programme or call conditions, develop and regularly update a plan to manage their results, including data;
- (g) grant free access to their results for developing, implementing and monitoring their policies or programmes to the following entities:
  - (i) to Union institutions, bodies, offices or agencies;
  - (ii) to Member States' national authorities, where provided in the work programme, call conditions or grant agreement.

## **Chapter 3**

### **European Innovation Council**

#### *Article 33*

##### ***European Innovation Council specific rules***

1. EIC Transition grants may be awarded without calls for proposals for the purpose of follow up funding for results generated by actions funded by the Programme and Horizon Europe Regulation No 695/2021. [EIC Scaleup finance may be awarded by the EIC Fund without a call for proposals.]
2. The EIC Accelerator [and Scaleup finance] shall support only single beneficiaries and single investees who are SMEs, including startups, and small mid-caps.
3. Proposals for EIC Accelerator actions may be submitted by one or more legal entities intending to establish or support a potential recipient, with the prior agreement of that recipient. If the selected for funding, the grant and investment agreement shall be signed only with that recipient.
4. In the case of blended finance actions, the beneficiary and the investee may differ in the sense that the investee may be the holding or the parent company of the beneficiary.
5. Funding bodies implementing Union Programmes, or national or regional programmes certified by the Commission, may directly submit a proposal for a EIC Transition or EIC Accelerator call, where such proposals stem from a project review of an action funded by the certified programme and subject to conditions set out in the EIC work programme (EIC Plug in).
6. For the EIC Accelerator, the third evaluation criteria set out in Article 30(1) shall be replaced by the level of risk of the action, the quality and efficiency of the implementation, and the need for Union support.
7. Investments shall be made in non-bankable investees and jointly with co-investments by other investors. However, where such support is not provided fully under the European Competitiveness Fund, support to bankable investees or without participation of other investors, may be provided in order to protect the Union's strategic interests.



8. By way of derogation from Article 212(2)(a) of Regulation (EU, Euratom) 2024/2509, the conditions concerning economic viability, shall not apply to EIC Accelerator [and Scaleup finance] investment actions.
9. Blended finance actions shall be suspended, amended or, if duly justified, terminated if measurable milestones are not reached or if the beneficiary refuses the investment support without a duly justified reason.
10. The EIC Fund may award follow-on investments:
  - (a) if needed to protect the Union's strategic assets, interests, autonomy or security; or
  - (b) if subsequent funding rounds would not proceed or would proceed at significantly less favourable terms without EIC follow-on investment.
11. The EIC work programme may set out additional limitations regarding the award of follow-on support.

## **Chapter 4**

### **Procurement including and public procurement of innovative solutions**

#### *Article 34*

##### ***Procurement including pre-commercial and public procurement of innovative solutions***

1. Procurement actions carried out by the Commission or implementation bodies may take the form of pre-commercial procurement or public procurement of innovative solutions. These procurements shall be carried out by the Commission or the relevant implementation body on its own behalf or jointly with contracting authorities from Member States and associated countries.
2. Grant actions may involve or have as their primary aim the pre-commercial procurement or procurement of innovative solutions. These procurements are to be carried out by beneficiaries which are public procurers or private procurers.
3. The procurement procedures:
  - (a) when carried out by public procurers: shall comply with competition rules and with the principles of transparency, non-discrimination, equal treatment, sound financial management, proportionality, applicable EU rules for strengthening resilience in supply chains and sector specific regulatory requirements;
  - (b) when carried out by private procurers: shall comply with the TFEU principles, competition rules and applicable contract law, EU rules for strengthening resilience in supply chains and sector specific regulatory requirements
  - (c) may authorise the award of multiple contracts within the same procedure (multiple sourcing);
  - (d) shall provide for the award of the contracts to the tenders offering best value for money while ensuring absence of conflicts of interest.

4. In the case of pre-commercial procurement, the procurement procedure may be conducted with two instead of three phases and may include the purchase of first-of-a-kind solutions to simplify and accelerate implementation.
5. Specific conditions may apply including regarding the place of performance of the procured services, goods or works and the ownership of the results and access thereto. As part thereof, for pre-commercial procurement:
  - (a) the contractors shall own at least the intellectual property rights to the results they generated, while the procurers shall obtain at least free access to the results for their own use as well as free access to the results for their current and future contractors to use the results for the procurers.
  - (b) in case of supply chain overdependencies or security of supply issues with the contractors, or in emergency situations where the contractors cannot supply sufficient solutions to satisfy wider demand on the EU market, the procurers shall have the right to give, or require the contractors to give the right to third parties to commercially use the results for the procurer and for wider markets on a non-exclusive basis and under fair and reasonable conditions;
  - (c) if contractors fail to commercially use their results within a given period or abuse their results against the public interest, they may be required to transfer their ownership of results to the procurers.

#### *Article 35*

#### ***Repeal***

Regulation (EU) 695/2021 is repealed with effect from [1 January 2028].

#### *Article 36*

#### ***Transitional provisions***

1. This Regulation shall not affect the continuation or modification of the actions concerned, until their closure, under Regulation (EU) 695/2021, which shall continue to apply to the actions concerned until their closure.
2. The financial envelope for the Programme may also cover technical and administrative assistance expenses necessary to ensure the transition between the Programme and the measures adopted under its predecessor, Regulation (EU) 695/2021.

#### *Article 37*

#### ***Entry into force and application***

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

It shall apply from [1 January 2028].

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

