

Brussels, 16.7.2025
COM(2025) 543 final/2

2025/0543 (COD)

Corrigendum

This document corrects COM(2025) 543 final of 16.7.2025

Concerns the EN version only

It clarifies provisions on high risk suppliers

The text shall read as follows:

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)

{SEC(2025) 555} - {SWD(2025) 555 556}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons and objectives

This 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 crossroads. 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 report of the Commission Expert Group on the interim evaluation of Horizon Europe 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 single market,

clean transition, decarbonisation, circularity, 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:

- a regulation establishing the Framework Programme for Research and Innovation entitled ‘Horizon Europe’ for the period 2028-2034 (as per Article 182(1) of the Treaty on the Functioning of the European Union – ‘TFEU’);
- a Specific Programme to implement ‘Horizon Europe’ (as per Article 182(3) TFEU);
- an associated impact assessment (for the European Competitiveness Fund) and legal financial statements.

Horizon Europe will be tightly connected with the regulation establishing the European Competitiveness Fund (ECF), to guarantee a seamless flow from fundamental research to applied research to start-ups to scale-ups, comprising the single rulebook that also applies to Horizon Europe. The programme may support dual-use actions.

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.

This proposal mentions 1 January 2028 as the starting date of application of the legislative acts.

- **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 European 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, such as the Clean Industrial Deal, the AI Continent Action Plan, the Affordable Energy Action Plan, the Industrial Action Plan for the European automotive sector, the EU Startup and Scaleup Strategy, the Life Science 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, circular economy, inclusive and democratic societies, biodiversity and natural resources, energy, mobility, environment, food, decarbonisation, preparedness, 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.

Based on orientation of the steering mechanism for the next MFF including the Competitiveness Coordination Tool, the Horizon Europe programme and the European Competitiveness Fund could finance a coherent sequence between research and innovation, demonstration, development and deployment, focusing efforts and funding, from the EU and national, public and private sector of 'moonshots' projects with a strong scientific component, boosting EU-wide value creation and strategic autonomy (see examples below) .

Possible 'moonshots':

- Investing in the European Organization for Nuclear Research's (CERN) 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 Smart and Clean Aviation and European leadership in the next generation CO₂-free aircraft and automated air traffic management: 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. It will be developed by, with, and for European scientists and industry, drawing to (and keeping in) Europe the world's best minds. The next generation AI would open scientific and economic opportunities well beyond the current AI wave, positioning Europe at the forefront.
- Achieving critical 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 transport and mobility in Europe: which will improve transport safety, efficiency of 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".
- Making the Moon accessible to Europeans: to achieve leadership in the space economy, Europe needs to develop the next generation of space transportation and logistics able to deploy and return massive cargo payloads as well as advanced space robotics to enable exploration and utilisation of space resources by 2040.
- Towards zero pollution of water in the EU: water resilience calls for building a true water-smart economy which secures sufficient, clean and affordable water and sanitation to all at all times, including in crises and extreme climate conditions. This requires stimulating breakthrough innovation, market uptake and large-scale end-users adoption of e.g. advanced water treatment technologies for removing harmful pollutants, water efficiency, technologies which enable sustainable water reuse or substitution, as well as nature-based solutions and desalination technologies, to ensure sufficient and clean water for industrial and domestic use, to protect and restore good water quality and availability to ecosystems, and enhance the competitiveness of EU industries.
- Building a new chapter in the discovery and exploration of our planet's inner space through developing, connecting, governing and securing the next generation of European ocean observing technologies and capacities: from space and airborne, to floats, vessels and underwater drones and vehicles. Europe needs strategic autonomy in all ocean observation infrastructure, data and information services to strengthen its leadership in Ocean policies: from protecting and restoring ocean health and boosting the competitiveness and sustainability of its blue economy to enhancing maritime security and defence and strengthening EU ocean diplomacy.

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 shall aim at ensuring 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(3) 182(1), 183 and 188, second subparagraph) as well as Article 322(1), point (a).

• 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 vaccines, 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 European Competitiveness Fund, ‘Horizon Europe’ has maintained its independent legal base required under Article 182 TFEU 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 the Commission Expert Group on the interim evaluation of Horizon Europe.

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 reduction of the maximum time to grant to 7 months, which is one of the fastest time-to grant of the EU programmes and two months faster than the maximum time to grant set out in the Financial Regulation.

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 and other international human rights conventions to which Member States and the Union are party to.

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 over 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 I, 'Excellent Science'**, aims to strengthen the EU's scientific base, attract top talent, promote excellent research in Europe and provide best science for EU policies. 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 ability 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.
 - Science for EU policies: non-nuclear direct actions of the Joint Research Centre (JRC).
- **Pillar II, '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, disinformation, and the safeguarding, strengthening and promotion of democracy, as well as social and economic transformations, inclusive societies and social cohesion. Strategic programming for collaborative research will be informed by an internal assessment capacity, the 'Observatory of emerging technologies', referred to in the Regulation (EU) [XXX]* of the European

Parliament and of the Council [European Competitiveness Fund]¹. 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. Partnerships can take various forms: public-public-private to public-public or public-private.

- **Pillar III, ‘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 startups, 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 operating in full complementarity with the ECF InvestEU Instrument and the EU Defence Innovation Scheme (EUDIS) and CASSINI (Space entrepreneurship initiative) activities.
 - It will provide an unprecedented opportunity to support high tech dual use and defence start-ups and scale-ups, including those deemed strategic and critical to the interests of the Union and its Member States, which require targeted direct support and are not able to access sufficient capital from the market.
 - Close coordination and synergy with the European Competitiveness Fund policy windows regarding the definition of ‘Challenges’.
 - Existing deeptech scale up financing under the Scaleup Europe Fund announced in the Startup Scaleup Strategy will be carried out under the terms agreed in the current MFF. All future scaleup financing will take place under the ECF.
 - Innovation Ecosystems, including Activities to foster the integration of the knowledge triangle – higher education, research and innovation, and business – across the Union.

Close cooperation between collaborative research under Pillar II and the start-up and scale-up support under Pillar III will be foreseen in order to strengthen the demand side for start-ups and scale-ups by linking up them to the large corporates in Europe and by facilitating innovative public procurement measures on EU and national level.

- **Pillar IV, ‘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:

¹ OJ C [...], [...], p. [...]

- ERA Policy: This component will support the development of ERA policy, with a focus on promoting excellence, inclusiveness, and impact.
- Research and Technology Infrastructures: This component will support the development and operation of research and technology infrastructures, including for the first time support to capital expenditure.
- Widening Participation and Spreading Excellence: This component will support the development of research and innovation capacities in all regions of Europe.

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)

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 and Article 322(1), point (a), 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 Committee²,

Having regard to the opinion of the Committee of the Regions³,

Having regard to the opinion of the Court of Auditors (1),

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 Regulation (EU) [XXX]* of the European Parliament and of the Council [European Competitiveness Fund]⁴ by placing research and innovation at the heart of the Union's economy and investment strategy.
- (4) The Union should furthermore aim to eliminate inequalities, and to promote equality, between men and women, as well as to combat discrimination in accordance with

² OJ C [...], [...], p. [...].

³ OJ C [...], [...], p. [...].

⁴ OJ C [...], [...], p. [...].

Article 8 and Article 10 of the Treaty on the Functioning of the European Union (TFEU) and the Charter of Fundamental Rights of the European Union.

- (5) In a rapidly changing economic, social and geopolitical environment, recent experience has shown the need for a more flexible multiannual financial framework and its Union spending programmes. To that effect, and in line with the objectives of the Programme, the funding should duly consider the evolving policy needs and Union's priorities as identified in relevant documents published by the Commission, European Parliament resolutions and in Council conclusions, while ensuring sufficient predictability for the budget implementation.
- (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 should be assessed with the help of the framework for the coordination of economic, budgetary, employment and social policies within the Union – 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 Union has made steady progress in increasing research and development investments but is lagging behind other global leaders. The 3% target mentioned above, 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) As in Horizon Europe, 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. Grants should not be awarded for actions where activities go above TRL 8. It should be possible for the work programme to allow grants for large-scale product validation and market replication for a given call under the part 'Competitiveness and Society'.
- (9) 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 harmonised rules. Therefore, a strategic and coherent portfolio of a limited number of European Partnerships should be established.
- (10) The European Partnerships, including in the form of Joint Undertakings, as an essential tool to deliver on industrial involvement and investment in collaborative research and innovation, should contribute to the specific policy objectives of the policy windows of the European Competitiveness Fund, and be supported through it, where necessary, to complete these objectives.
- (11) EU Missions as set up in the Regulation 2021/695 should enable a transformative and systemic impact for society, by fostering cross-disciplinary, cross-sectoral, cross-

policy and cross-border collaboration. They should 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 should accelerate the development, scaling, and deployment of innovative solutions and help create lead markets for new products and services. The Framework Programme should finance the research and innovation activities of the Missions, while the deployment and scaling up should be delivered through other EU programmes and national funding.

- (12) Anchored in the Horizon Europe Strategic Plan 2025-2027⁵, the New European Bauhaus (NEB) Facility is a multi-annual funding tool designed to accelerate the transformation of neighbourhoods through sustainable and inclusive design. Its R&I component should be funded by Horizon Europe while its roll-out component should be delivered through other EU programmes and national funding.
- (13) 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.
- (14) 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. The Programme should reinforce links between universities and innovation ecosystems, including the private sector. It should enable the completion of the European Research Area, including via development of European higher education sector capacity to compete with global counterparts through collaboration, nurturing and attracting talent and leveraging more private investments, including through higher education initiatives like European Universities Alliances, in synergy with Erasmus+, and in line with the objectives and activities of this Regulation.
- (15) 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-

⁵ Commission Decision C(2024)1741 of 20.03.2024.

up) and a ‘challenge’ driven approach, in close coordination and synergy with the European Competitiveness Fund and its policy windows. It should include a ‘DARPA’-like approach dedicated to supporting defence and dual use startups and their scaling up operating in full complementarity with the ECF InvestEU Instrument and the EU Defence Innovation Scheme (EUDIS) and CASSINI (Space entrepreneurship initiative) activities. The implementation should be done in close synergy and coordination with the European Competitiveness Fund.

- (16) Deep-tech scale-up financing under the Scaleup Europe Fund announced in the Startup Scaleup Strategy, existing at the time of the entry into force of the present Regulation, should be carried out under the terms agreed in the MFF 2021-2027. All scaleup financing under the MFF 2028-2034 should take place under the ECF.
- (17) 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.
- (18) The Programme should ensure the effective promotion and protection of values and principles of the European Research Area and the Pact for Research and Innovation⁶, notably ethics and integrity in research and innovation, freedom of scientific research, science for policy, gender equality and equal opportunities, non-discrimination, 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.
- (19) 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 and market deployment.
- (20) The Programme should implement concrete measures in support of capacity building in widening countries and strengthening collaborative links across the Union 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 should be divided into two groups for the whole duration of the Programme , on the basis of the Innovation Scoreboard Index and the relative financial return per Gross National Income (GNI), based on the following criteria: i) ‘Transition countries’, with both an Innovation Scoreboard Index (2023-2025) above 75% of the Union 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.

⁶ Council Recommendation (EU) 2021/2122 of 26 November 2021 on a Pact for Research and Innovation in Europe, OJ L 431, 2.12.2021, p. 1, ELI: <http://data.europa.eu/eli/reco/2021/2122/oj>.

- (21) Acknowledging the benefit derived from international cooperation towards addressing, among others, shared technological, economic, environmental and societal concerns, the Programme, should 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 could 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 most comprehensive form of cooperation. For EIC defence related activities, only entities established in third countries associated with the European Competitiveness Fund for defence activities should be eligible for funding. The Programme may support activities financed by the Global Europe programme provided they comply with the rules and objectives of this Regulation in line with the provisions on synergies.
- (22) 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 Strategy⁷. Article 136 of Regulation (EU, Euratom) 2024/2509 as complemented by Article 10 of Regulation (EU) XXX [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 strategic autonomy of the Union, including measures aimed at restricting participation or protecting results and ensuring coherence and consistency with specific rules under the European Competitiveness Fund windows. Where necessary, a risk-based approach should be applied to ensure that risks related to research and innovation are identified, assessed, and addressed through proportionate and effective measures⁸. In accordance with Article 136 of the Financial Regulation, eligibility restrictions should apply to high-risk suppliers, for security reasons.
- (23) In light of increasing risks linked to natural hazards, health emergencies, technological accidents, evolving security threats, and other disruptions, it is essential to enhance the Union's and Member States' capability to anticipate, prepare for, and respond to crises and disasters. The Programme should support research that strengthen disaster risk and crisis management, invest in climate resilience, and enhance the resilience of vital societal functions, and build a more resilient, secure, and prepared Union, in line with the objectives of the EU Preparedness Union Strategy.
- (24) Activities should reflect the importance of tackling the dramatic loss of biodiversity and contribute to the preservation and restoration of nature, ecosystems and their services. The integration of environmental science in activities is necessary to avoid damage to the environment, to maintain clean environment and to restore healthy ecosystems.

⁷ 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.

⁸ Council Recommendation of 23 May 2024 on enhancing research security, C/2024/3510.

- (25) The Programme acknowledges climate change as one of the biggest global and societal challenge and climate action as a driver for industrial competitiveness. Activities should reflect the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement.
- (26) Simplification in the Programme's implementation 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.
- (27) To accommodate specific organisational set-up, especially encountered in the Research and Innovation activities, it should be possible to declare as eligible costs in-kind contributions from third parties. To incentivise valorisation of results, it should be clarified that this should not be counted as revenues of the action.
- (28) 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 and any such support and services provided for in its Chapter III.
- (29) 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 removing barriers in the single market such as market fragmentation, limited capital access and segmented national capital markets, slow innovation uptake and the underutilisation of innovation procurement.
- (30) The actions supported under this Regulation should accelerate or boost investments by addressing market failures or sub-optimal investment situations, in a proportionate manner, avoiding duplication or crowding out, and by incentivising private funding, and have Union added-value. Without prejudice to the application of Articles 107 and 108 TFEU to national resources, this should also ensure consistency between the actions under the Programme and the State aid rules, thereby avoiding undue distortions of competition in the internal market.
- (31) This Regulation lays down an indicative financial envelope for Horizon Europe, the Framework Programme for Research and Innovation for the period 2028-2034.

- (32) Regulation (EU, Euratom) 2024/2509⁹ 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.
- (33) In view of ensuring consistency, a budgetary guarantee and financial instruments, including when combined with non-repayable support in blending operations, under this Programme should be implemented in accordance with Title X of the Financial Regulation and with technical arrangements, terms and conditions established by the Commission for the purposes of its application.
- (34) Where Union support under the Programme is to be provided in the form of a budgetary guarantee or a financial instrument, including where combined with non-repayable support in a blending operation, with the exception of financial instruments under the EIC, such support should be provided exclusively through the ECF InvestEU Instrument in accordance with the applicable rules of the ECF InvestEU Instrument.
- (35) In accordance with Regulation (EU, Euratom) 2024/2509, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council¹⁰, Council Regulation (Euratom, EC) No 2988/95¹¹, (Euratom, EC) No 2185/96¹² and (EU) 2017/1939¹³, 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 accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) is competent to investigate and prosecute fraud and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council¹⁴. 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, the European Court of Auditors and, as appropriate, to the EPPO, and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

⁹ 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>).

¹⁰ 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).

¹¹ 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).

¹² 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).

¹³ 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).

¹⁴ 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).

- (36) The Programme is to be implemented in accordance with Regulation (EU) XXX of the European Parliament and of the Council [Performance Regulation] 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), as well as the provisions on accessibility for persons with disabilities reflected in Articles 17.3, 20.4 and 21.1 of Annex I, of Regulation (EU, Euratom) 2024/2509 respectively and in line with the accessibility requirements of Annex I and III of directive 2019/882, 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.
- (37) Pursuant to Article 85(1) of Council Decision (EU) 2021/1764¹⁵, persons and entities established in overseas countries and territories 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.
- (38) The Programme replaces the programme Horizon Europe established by Regulation (EU) 2021/695. Regulation (EU) 2021/695 should therefore be repealed.

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:

¹⁵ 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).

- (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 Regulation (EU)[XXX] [European Competitiveness Fund].
3. This Regulation shall 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 Regulation (EU)[XXX][European Competitiveness Fund] 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 demonstration and validation;*
- (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 with the potential to deliver transformative solutions and 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/or 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) *‘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;*

- (10) *'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;*
- (11) *'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;*
- (12) *'valorisation' means the use of results in further activities other than those covered by the action concerned, including commercial deployment;*
- (13) *'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;*
- (14) *'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;*
- (15) *'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/EC¹⁶;*
- (16) *'small mid-cap' means a small mid-cap enterprise as defined in point 2 of the Annex to Commission Recommendation (EU) 2025/1099¹⁷;*
- (17) *'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;*
- (18) *'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);*
- (19) *'research and training action' means an action geared towards the improvement of the skills, knowledge and career prospects of researchers, promoting mobility between countries, sectors or disciplines;*
- (20) *'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;*
- (21) *'indirect actions' means R&I related activities to which the Union provides financial support and which are undertaken by participants;*
- (22) *'direct actions' means R&I related activities undertaken by the Commission through its JRC;*
- (23) *'innovation ecosystem' means an ecosystem which brings together at Union level organisations whose functional goal is to enable technology development and*

¹⁶ 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).

¹⁷ Commission Recommendation (EU) 2025/1099 of 21 May 2025 on the definition of small mid-cap enterprises (OJ L, 28.5.2025, p. 1)

innovation and which encompasses relations between material resources (such as funds, equipment, and facilities, including research and technology infrastructures), 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.

- (24) *'knowledge triangle' means the creation of networks between education institutions, research organisations and business with the aim to create innovation ecosystems that cater for the creation of an innovation pipeline from the inception of innovation through entrepreneurial education to the creation of startups and the growth of scale-ups.*

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 EU, national and regional priorities to create 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 strategic technologies and disruptive innovation, facilitate the diffusion of innovative solutions through standardisation activities to foster competitiveness and address key societal challenges.
 - De-risk and mobilise more private research and innovation financing, particularly for supporting deep tech and the scaling up of innovative startups and SMEs.
 - 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

3. For the purposes of the Specific Programme referred to in Article 1(2), 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 Regulation (EU) XXX [European Competitiveness Fund]:

- (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 Union 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 IV ‘Clean Transition and Industrial Decarbonisation’ of the European Competitiveness Fund;
 - (2) collaborative research and innovation activities under Chapter V ‘Health, Biotech, Agriculture and Bioeconomy’ of the European Competitiveness Fund;
 - (3) collaborative research and innovation activities under Chapter VI ‘Digital Leadership’ of the European Competitiveness Fund;
 - (4) collaborative research and innovation activities under Chapter VII ‘Resilience and Security, Defence Industry and Space’ of the European Competitiveness Fund.
 - ii) ‘Society’, including research and innovation activities, such as:
 - (1) global societal challenges;
 - (2) EU Missions;
 - (3) the New European Bauhaus Facility;
- (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 public policies across the Union and beyond. The Programme shall actively promote the use of the results of publicly funded research and of scientific evidence in policy-making processes at all levels, fostering stronger links between research, innovation, and the development of evidence-informed public policies. This shall include encouraging collaborative mechanisms, R&I initiatives and science-for-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 and citizens, with instruments for the effective use of 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

- 4. The indicative financial envelope of the Programme for the period 1 January 2028 to 31 December 2034 shall be EUR 175 002 000 000 in current prices.
- 5. The indicative distribution of the amount referred to in paragraph 1 of this Article for the Specific Programme referred to in Article 1(2)(a), shall be:
 - (a) EUR 44 079 000 000 for Part I ‘Excellent Science’, of which EUR 2 600 000 000 for non-nuclear direct actions of Joint Research Centre (JRC).
 - (b) EUR 75 876 000 000 for Part II ‘Competitiveness and Society’, of which:
 - i. EUR 68 270 000 000 for ‘Competitiveness’ of which:
 - EUR 25 331 000 000 for collaborative research and innovation activities under Chapter IV ‘Clean Transition and Industrial Decarbonisation’ of the European Competitiveness Fund;
 - EUR 19 650 000 000 for collaborative research and innovation activities under Chapter V ‘Health, Biotech, Agriculture and Bioeconomy’ of the European Competitiveness Fund;
 - EUR 16 854 000 000 for collaborative research and innovation activities under Chapter VI ‘Digital Leadership’ of the European Competitiveness Fund;
 - EUR 6 435 000 000 for collaborative research and innovation activities under Chapter VII ‘Resilience and Security, Defence Industry and Space’ of the European Competitiveness Fund.
 - ii. EUR 7 606 000 000 for ‘Society’.
 - (c) EUR 38 785 000 000 for Part III ‘Innovation’.

(d) EUR 16 262 000 000 for Part IV ‘European Research Area’, of which EUR 5 387 000 000 for widening participation and spreading excellence.

1. 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.
2. 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.
3. 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. In joint award procedures, representatives of the partners to the joint award procedure may also be members of the evaluation committee referred to in Article 153(3) of Regulation (EU, Euratom) 2024/2509,
3. Under this programme, in addition to the conditions set out in Article 8(1) and (2) of Regulation (EU) XXX [European Competitiveness Fund], a Competitiveness Seal shall be awarded only to high-quality actions that have not been financed under the Programme due to budgetary constraints.
4. The Member States may finance actions to which a Competitiveness 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.
- 3. 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.
- 4. 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.
- 5. The scope of association of each third country to the Programme shall take into account an analysis of the risks, notably those likely to affect the Union's public order and security in relevant policy areas, including economic and research security, as well as benefits and the broader 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 candidate countries, third countries may be excluded from parts of the Programme in accordance with this Regulation or the association agreement itself.
- 6. The association 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.
- 7. 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 InvestEU Instrument and implemented in accordance with the applicable rules of the European Competitiveness Fund InvestEU Instrument through the contribution or guarantee agreements concluded for that purpose. Where the Programme makes use of the ECF InvestEU Instrument, it shall provide the provisioning for the budgetary guarantee and the financing to financial instruments, including when combined with non-repayable support in the form of a blending operation.
4. 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. Where it is necessary to enable other sources of funding including co-investments with national resources subject to State aid rules, funding shall be provided in the form of actual eligible cost reimbursement or simplified cost options.
5. 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.

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.
2. European Partnerships shall be based on a Memorandum of Understanding, agreed and signed between the partners, stipulating:
 - (a) the results to be delivered, which shall be clear, measurable, time-bound;
 - (b) 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 duly justified cases European Partnerships will be implemented by entrusting budget implementation tasks from various Union funding programmes to bodies established pursuant to Articles 185 and 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 of this Article, 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.

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 subject to security considerations. 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 Joint Research Centre 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 of Title II shall not apply to direct actions. By way of derogation from Article 21(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, space, security, clean transition, preparedness and resilience, and addressing societal challenges, including culture and creativity, 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 IV to VII

of the Regulation (EU) XXX European Competitiveness Fund. Those work programmes shall be adopted in accordance with Article 15 of the Regulation (EU) XXX [European Competitiveness Fund Regulation].

4. The Programme shall support activities to tackle 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 and intergenerational challenges, including from a youth perspective and including migration management and integration of migrants.
5. 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.
6. The Programme shall support the R&I component of the New European Bauhaus Facility.

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 and synergy 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) Incentives to procurers to test and provide first customers for deep tech and disruptive innovations;
 - (e) Business Accelerator Services to complement EIC funding by providing access, in complementarity and coordination with the Project Advisory referred to in Chapter III of the of the Regulation (EU) XXX [European Competitiveness Fund], 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 Manager.
4. All EIC investment support shall be implemented by one or more dedicated investment vehicles set up in line with the law of a Member State (the EIC Fund). 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 in close coordination with the ECF policy window ‘Resilience and Security, Defence Industry and Space’. In those cases, Articles 51 and 52 of the Regulation (EU) XXX [European Competitiveness Fund] shall apply.

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, and business – 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 and protection 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 and technology 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 and shall be subject to the same rules applying to widening countries under this Article, with the exception of paragraph 7.
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 I

General provisions

Article 20

ECF rules

1. Article 10(2), 10(3) on EU Preference, Article 13 on Application of the rules on classified information and sensitive information and Article 20 on Accelerated and Targeted Action for Competitiveness of Regulation (EU) XXX [European Competitiveness Fund] 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 one or more of the following categories of legal entities may be eligible to receive Union support:
 - (a) entities established in a Member State;
 - (b) entities established in an associated third country;
 - (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, research and training 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. In accordance with Article 136 of the Financial Regulation, eligibility restrictions shall apply to high-risk suppliers in line with EU law, for security reasons.
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; activities that are already fully financed from other public or private sources, except contributions from the Union in the context of actions referred to in Article 8(1);
 - (b) activities aiming at human cloning for reproductive purposes;
 - (c) 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;
 - (d) 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;
 - (e) 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;

For the purposes of the first subparagraph, point (a), no funding shall be provided in a Member State for a research, technological or demonstration activity which is forbidden in that Member State.
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. For award procedures identified in the work programme, 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.

Chapter II

Grants

Article 23

Calls for proposals

1. 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.
2. The work programme shall specify calls for proposals for which 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 Mutual Insurance Mechanism set out in Article 30 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:
 - (a) excellence;
 - (b) impact;
 - (c) quality and efficiency of the implementation.

The work programme shall lay down details concerning the application of the award criteria referred to in paragraph 1.
2. By derogation from paragraph 1, only the excellence criterion referred to in point (a) of that paragraph shall apply for evaluations under ERC frontier research actions and research and training 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-licence), 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 as set out in the work programme, call conditions or grant agreement, 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 III of Regulation (EU) XXX [European Competitiveness Fund], 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.

Article 33

Pre-commercial procurement and public procurement of innovative solutions

1. 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.
2. 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.
- 3. 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.
- 4. 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.
- 5. 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.

Chapter III

European Innovation Council

Article 34

European Innovation Council specific rules

1. In accordance with Article 20(2)(a)(i) of Regulation (EU) XXX [European Competitiveness Fund], 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.
2. The EIC Accelerator 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 25(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 private 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 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.

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

LEGISLATIVE FINANCIAL AND DIGITAL STATEMENT

1.	FRAMEWORK OF THE PROPOSAL/INITIATIVE	3
1.1.	Title of the proposal/initiative	3
1.2.	Policy area(s) concerned	3
1.3.	Objective(s)	3
1.3.1.	General objective(s)	3
1.3.2.	Specific objective(s)	3
1.3.3.	Expected result(s) and impact	3
1.3.4.	Indicators of performance	3
1.4.	The proposal/initiative relates to:	4
1.5.	Grounds for the proposal/initiative	4
1.5.1.	Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative	4
1.5.2.	Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone.	4
1.5.3.	Lessons learned from similar experiences in the past	4
1.5.4.	Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments	5
1.5.5.	Assessment of the different available financing options, including scope for redeployment	5
1.6.	Duration of the proposal/initiative and of its financial impact	6
1.7.	Method(s) of budget implementation planned	6
2.	MANAGEMENT MEASURES	8
2.1.	Monitoring and reporting rules	8
2.2.	Management and control system(s)	8
2.2.1.	Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed	8
2.2.2.	Information concerning the risks identified and the internal control system(s) set up to mitigate them	8
2.2.3.	Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)	8
2.3.	Measures to prevent fraud and irregularities	9
3.	ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE	10
3.1.	Heading(s) of the multiannual financial framework and expenditure budget line(s) affected	10

3.2.	Estimated financial impact of the proposal on appropriations.....	12
3.2.1.	Summary of estimated impact on operational appropriations.....	12
3.2.1.1.	Appropriations from voted budget	12
3.2.1.2.	Appropriations from external assigned revenues	17
3.2.2.	Estimated output funded from operational appropriations.....	22
3.2.3.	Summary of estimated impact on administrative appropriations.....	24
3.2.3.1.	Appropriations from voted budget	24
3.2.3.2.	Appropriations from external assigned revenues	24
3.2.3.3.	Total appropriations	24
3.2.4.	Estimated requirements of human resources.....	25
3.2.4.1.	Financed from voted budget.....	25
3.2.4.2.	Financed from external assigned revenues	26
3.2.4.3.	Total requirements of human resources	26
3.2.5.	Overview of estimated impact on digital technology-related investments	28
3.2.6.	Compatibility with the current multiannual financial framework.....	28
3.2.7.	Third-party contributions	28
3.3.	Estimated impact on revenue	29
4.	DIGITAL DIMENSIONS	29
4.1.	Requirements of digital relevance.....	30
4.2.	Data	30
4.3.	Digital solutions	31
4.4.	Interoperability assessment	31
4.5.	Measures to support digital implementation	32

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Framework programme for research and innovation (Horizon Europe)

1.2. Policy area(s) concerned

Research and Innovation

1.3. Objective(s)

1.3.1. General objective(s)

In line with the general and specific objectives of the European Competitiveness Fund, Horizon Europe shall strengthen the EU's competitiveness, scientific technological base, and address global challenges based on excellent research and innovation.

1.3.2. Specific objective(s)

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 EU, national and regional priorities to create 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 strategic technologies and disruptive innovation, strengthen deployment and valorisation of innovative solutions to foster competitiveness and address key societal challenges.
- De-risk and mobilise more private research and innovation financing, particularly for supporting deep tech and the scaling up of innovative startups and SMEs.
- 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.

1.3.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

- Promote the core values of scientific freedom and openness.
- Increase Europe's excellent knowledge base by focusing on EU added value.
- Attract the best researchers in Europe and beyond through a 'Choose Europe' approach.

- Mobilise public and private investments across the full R&I chain - from fundamental research to market deployment.
- Contribute to closing the innovation gap notably by supporting innovation throughout Europe and increasing coherence between EU funding schemes and Member States investments.
- Unlock the de-risking potential of the EU budget.
- 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.

1.3.4. Indicators of performance

Specify the indicators for monitoring progress and achievements.

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. The latter shall comprise SMART (specific, measurable, achievable, relevant, and time-bound) output, outcome and impact indicators to capture the progress towards achieving the Fund's specific and general objectives along impact pathways in the short-, medium- and long-term respectively.

Impact indicators shall be monitored on the long-term, indicatively starting from year 5 after the start of the programme. They shall comprise, but not be limited to: 1) Share of publications among the top cited at global level; 2) Causal effect on improvement of working conditions of researchers, including salaries, 3) Causal effect of participation on turnover growth in funded private companies; 4) Causal effect of participation on employment growth in funded private companies; 5) Estimated net effect of EU funding on GDP growth in the EU; 6) Estimated net effect of EU (R&I) funding on total employment in the EU; 7) Estimated contribution to 3% target of EU R&D expenditures

1.4. The proposal/initiative relates to:

- ☒ a new action
- ☐ a new action following a pilot project / preparatory action¹⁸
- ☐ the extension of an existing action
- ☐ a merger or redirection of one or more actions towards another/a new action

¹⁸ As referred to in Article 58(2), point (a) or (b) of the Financial Regulation.

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

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, secure 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 close its innovation gap 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 Framework Programme for Research and Innovation - Horizon Europe aiming to strengthen the EU's scientific and technological bases, boost the circulation and uptake of knowledge, technology and innovation, leverage EU funding instruments for maximum added value, hence having a catalytic effect on further public and private investments in the Member States.

- Following the recommendations of the Draghi report, Horizon Europe will aim to:
- Focus resources on strategic priorities,
- Seize the potential of public-private partnerships thanks to a simplified landscape,
- Increase support for breakthrough innovation,
- Simplify access to the programme for beneficiaries.

1.5.2. Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone.

The specific benefits of EU investments in the area of R&I are:

- boosting the EU's economy growth and competitiveness (e.g. every euro EU-funding - through the Framework Programme Horizon Europe - is estimated to generate up to €11 in GDP gains by 2045¹⁹);
- creation of trans-national and cross-sectoral networks and new markets, with positive knowledge spillovers, dissemination and technology transfers across

¹⁹ COM(2025) 189 final, 2025, Interim evaluation of Horizon Europe

the Union to speed-up and enhance the deployment of new products and services (e.g. European Partnerships create and foster networks in essential domains across EU, national and regional institutions and between industry and academia, exemplified in the hydrogen sector²⁰);

- pooling public and private resources, including capital, talent, infrastructures, to achieve the critical mass (scale and complexity) to fund more ambitious and innovative projects – also by risk-sharing - essential for taking leadership in emerging markets and tackling global challenges (e.g. only EU-level action can overcome the thin distribution of patients affected by rare disease and the lack of standardisation and data²¹);
- strengthening scientific excellence through EU-wide competition and cooperation, achieving impacts that extend far beyond what could have been achieved at national or regional level, increasing efficiency and minimising the risk of duplication of research efforts within the EU (e.g. EU-funded peer-reviewed publications are cited more than twice the world average²²);
- strengthening support and leveraging private investments for the emergence and scale-up of breakthrough market creating innovations (e.g. the EIC Fund has crowded in over EUR 2.6 billion of additional investment into EIC-supported companies, with a leverage effect of over EUR 3 for every euro of equity invested by the EU²³; and drive the economic progress and competitiveness of European business (e.g. firms receiving EU-grants grow faster than comparable non-EU funded: evidence showing an increase of 20% in employment and about 30% in total assets and revenues²⁴);
- providing a sound knowledge base for policy-making (e.g. the work of the UN's IPCC on climate change relied extensively on EU-funded research²⁵).
- increasing the EU's attractiveness as a place for education, research, innovation and business (e.g. EU-funding facilitates researchers mobility and help creating a more attractive perspective for top researchers from other parts of the world who want to move to the EU²⁶);
- having a positive structuring effect on national R&I ecosystems and the implementation of national R&I reforms; (e.g. the European Research Council has become a global beacon of excellence, inducing national and institutional changes to support and attract its grantees), and facilitating the setting of unified standards and regulations across Member States crucial for fields like healthcare, environmental protection, and digital technologies, helping to spread the benefits of R&I more widely (e.g. exemplified by several European Partnerships²⁷).

²⁰ Idem.

²¹ Idem.

²² COM(2024) 49 final, 2024, Ex-post evaluation of Horizon 2020

²³ COM(2025) 189 final, 2025, Interim evaluation of Horizon Europe

²⁴ COM(2024) 49 final, 2024, Ex post evaluation of Horizon 2020

²⁵ Idem.

²⁶ COM(2025) 189 final, 2025, Interim evaluation of Horizon Europe

²⁷ Idem.

1.5.3. *Lessons learned from similar experiences in the past*

EU Framework Programmes have generated significant and long-lasting impacts, as shown by successive evaluations since the EU started investing in R&I in 1984. While European research and innovation programmes have been successful, there are important lessons to be learned from the past, from stakeholder feedback, and from analytical studies. Research, innovation and education should be addressed in a more coordinated manner and coherent with other policies and research results better disseminated and valorised into new products, processes and services. Monitoring and evaluation need to be further strengthened, including for the integration of all programme parts into the central monitoring system. For final evaluation, strengthen focus on medium- and long-term indicators of results and impacts, as well as long-term impacts of previous FPs.

The Communication on the interim evaluation of Horizon Europe identified several areas for improvement. Findings of the interim evaluation of Horizon Europe were based on extensive stakeholder feedback and the strategic recommendations of the Commission expert group on the interim evaluation.

They could be summarised as follows:

- a. Support breakthrough innovation
- b. Continue simplification, piloting any new changes through policy experiments.
- c. Continue international cooperation, targeting efforts at specific countries (world leaders).
- d. Increase the partnerships' leverage effect.
- e. Increase synergies with other EU funding programmes and EU policies for deployment and dissemination of innovation.
- f. Simplify complex governance arrangements and increase flexibility to respond to emergencies.
- g. Continue to support women in research and innovation.

h. *Rationalise the funding landscape, avoiding overlap between programme parts.* *Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments*

Through its interaction in the Competitiveness Fund, 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.

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. 1.5.5. *Assessment of the different available financing options, including scope for redeployment*

[TBD]

[...]

1.6. Duration of the proposal/initiative and of its financial impact

☒ limited duration

- ☒ in effect from 01/01/2028 to 01/01/2034
- ☒ financial impact from 2028 to 2034 for commitment appropriations and from 2028 to 2040 for payment appropriations.

☐ unlimited duration

- Implementation with a start-up period from YYYY to YYYY,
- followed by full-scale operation.

1.7. Method(s) of budget implementation planned²⁸

☐ Direct management by the Commission

- ☐ by its departments, including by its staff in the Union delegations;
- ☐ by the executive agencies

☐ Shared management with the Member States

☐ Indirect management by entrusting budget implementation tasks to:

- ☐ third countries or the bodies they have designated
- ☐ international organisations and their agencies (to be specified)
- ☐ the European Investment Bank and the European Investment Fund
- ☐ bodies referred to in Articles 70 and 71 of the Financial Regulation
- ☐ public law bodies
- ☐ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees
- ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees
- ☐ bodies or persons entrusted with the implementation of specific actions in the common foreign and security policy pursuant to Title V of the Treaty on European Union, and identified in the relevant basic act
- ☐ bodies established in a Member State, governed by the private law of a Member State or Union law and eligible to be entrusted, in accordance with sector-specific rules, with the implementation of Union funds or budgetary guarantees, to the extent that such bodies are controlled by public law bodies or by bodies governed by private law with a public service mission, and are provided with adequate financial guarantees in the form of joint and several liability by the controlling bodies or equivalent financial guarantees and which may be, for each action, limited to the maximum amount of the Union support.

Comments

²⁸ Details of budget implementation methods and references to the Financial Regulation may be found on the BUDGpedia site: <https://myintracomm.ec.europa.eu/corp/budget/financial-rules/budget-implementation/Pages/implementation-methods.aspx>.

[...]

[...]

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

The monitoring and reporting rules for this programme will follow the requirements laid down in Regulation xxx [Performance Regulation].

The progress of the programme towards its objectives will be measured in the short-, medium- and longer-term along a number of impact pathways. Common indicators from the Regulation on Performance monitoring of the MFF will be used where relevant, particularly those indicators that were measured also in previous Framework Programmes. Reporting rules for participants have been designed with these indicators in mind, but also with a conscious intention to limit the administrative burden for participants. Wherever possible data will be collected from open sources. All data on the management processes (applications, success rates, time to grant, type of beneficiaries, etc.) will be collected and stored, and made available in real time via a dedicated data storage. Today, the reference system (CORDA) works well, and is available for Member States and other interested bodies. Report will be produced giving information on management processes (from year one) and, progressively, information on outputs and results. Programme evaluations and implementation reports are planned and will be published according to common provisions. Programme impacts - following the longer-term indicators – will be assessed only in evaluations. In addition, the JRC's direct actions are assessed internally by means of an annual internal evaluation and externally through peer review by a number of top-level experts selected in consultation with the JRC's Board of Governors.

2.2. Management and control system(s)

2.2.1. *Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed*

The Framework Programme for Research & Innovation will be implemented through direct and indirect Management. In terms of broad lines of implementation, there are no fundamental changes from the Horizon Europe. Simplification measures introduced under Horizon Europe will be further extended. Lump sum project funding will become the standard model. For the remaining exceptional cases of funding based on actual costs, the personnel costs will be defined by a unit cost system. These two measures will contribute to minimising the vulnerability to financial errors.

The general maximum time to grant will be reduced from 8 months to 7 months.. The Common Implementation Centre continues providing cost effective services to all Commission services responsible for the implementation of the Framework Programmes. Validation of Legal Entities and management of evaluation experts will stay centralised in the Research Executive Agency, giving economies of scale, and ensuring efficient organisation of evaluations. The control strategy is based on:

- procedures for selecting the best projects and translating them into legal instruments;
- project and contract management throughout the lifetime of every project; -ex-ante checks on 100 % of claims,

- certificates on the financial statements above a certain threshold, and certification on methodologies to calculate unit costs or ex-ante assessment on Large Research Infrastructure on a voluntary basis;
- ex post audits (representative and risk-based) on a sample of paid claims for grants under actual costs;
- regular project reviews on the technical implementation and results for all grants
- ex-post technical reviews on a sample of grants .

In indirect management, the Commission will make use of the following bodies to implement the budget where this is appropriate and cost-effective and provides strong leverage effect: - Institutionalised European Partnerships (Article 185 or Article 187 TFEU). These bodies are subject to regular evaluations to ensure that they remain pertinent to achieving the objectives of the Programme. Control strategies for the supervision of bodies operating under indirect management have been, or will be, developed. In direct management, the Commission will continue to rely to a large extent on Executive Agencies, established in accordance with the Council Regulation 58/2003. The delegation of activities to the Executive Agencies is subject to a mandatory independent ex-ante Cost-Benefit Analysis and the Executive Agencies undergo regular evaluations performed by external experts. The above mentioned CostBenefit Analysis will also consider the costs of control and supervision. Interim evaluations conducted in 2012 and in 2015 confirm the high efficiency and added value of the Executive Agencies in programme implementation.

2.2.2. *Information concerning the risks identified and the internal control system(s) set up to mitigate them*

The basic funding model in Horizon Europe of reimbursement of actual eligible costs was gradually replaced by an increased use of lump sum project funding, with a target of 50% of the budget for the last year of Horizon Europe. This follows the European Court of Auditors statements, e.g. in its 2016 Annual Report, that 'the principal risk to the regularity of transactions is that beneficiaries declare ineligible costs which are neither detected nor corrected before [reimbursement], recommending the wider use of Simplified Cost Options (SCOs). For grants, the estimated representative rate of error for H2020 is -3.86 %, with a 'residual' error rate of -1.92 %, after taking account of all recoveries and corrections that have been or will be implemented. However, the error rates were lower in those parts of the programme where it was possible to use Simplified Cost Options (SCOs) more widely and/or where a small and stable group of beneficiaries were involved. This included the European Research Council grants and Marie Curie Actions.

2.2.3. *Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)*

The narrower estimate of the costs of the control system (evaluation, selection, project management, ex-ante and ex-post control) are in the range of 2-4 % across the Commission services responsible for the implementation of the previous Framework Programmes for 2024 (including costs for the management of Horizon 2020 and Horizon Europe). This is considered to be a reasonable cost in the light of the efforts needed to ensure that objectives are achieved and the number of transactions involved. The expected risk of error at payment for grants with a

funding model based on the reimbursement of ineligible costs is 2.5-3.5 %. The risk of error at closure (after the effect of controls and corrections) is around (but not necessarily below) 2 % for Horizon 2020, and below 2% for Horizon Europe. The expected risk of error for grants with a funding model based on lump sum funding is close to 0 % (at payment and at closure). The overall expectation for error rates will depend on the balance between the two methods of funding (reimbursement of eligible costs and lump sums). The Commission aims to apply the lump sum funding model where appropriate, planning to reach 50% of the call budget by 2027. However, the main driver to adopt lump sum funding will not be reduction of the error rate, but the achievement of all the objectives of the programme.

This scenario assumes that the measures of simplification are not subject to substantial modifications in the decision making process. Note: this section only concerns the process of grant management (in the different management modes), for administrative and operational expenditure implemented through public procurement processes the risk of error at payment and closure should be below 2 %

2.3. Measures to prevent fraud and irregularities

The services charged with the implementation of the research and innovation budget are determined to fight against fraud at all stages of the grant management process. They have developed, and are implementing, common and sectorial anti-fraud strategies, including an enhanced use of intelligence, especially using advanced IT tools, training and information for staff, and awareness-raising presentations towards grant beneficiaries and National Contact Points. These efforts will continue and anti-fraud and risk assessment activities will be further enhanced thanks to the current development by central services of the corporate ARACHNE risk-scoring tool. Overall the measures proposed should continue to have a positive impact on the fight against fraud, especially the greater emphasis on risk based controls since Horizon Europe, that will continue under the new Programme, and reinforced scientific evaluation and control. The research and innovation common Anti-Fraud Strategy of the Commission services, Executive Agencies and Joint Undertakings responsible for the implementation of the R&I Framework Programmes, covering grants, has been updated to cover risks related to simplified cost options and will be further updated based on lessons learnt and closed OLAF cases. It should be underlined that detected fraud has continuously been very low in proportion to the total research and innovation expenditure, nevertheless the services charged with the implementation of the research and innovation budget remain fully committed to combat it. The legislation will ensure that audits, reviews, and investigations can be carried out by the Commission services, including the European Anti-Fraud office (OLAF), as well as the European Public Prosecutor Office (EPPO), using the standard provisions already in use under Horizon Europe.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.	from EFTA countries	from candidate countries and potential candidates	from other third countries	other assigned revenue
2	[04 01 02] - Support expenditure for Horizon Europe	Non-diff.	YES	YES	YES	NO
2	[04 03 01] - Excellent Science	Diff	YES	YES	YES	NO
2	[04 03 02] - Competitiveness and Society	Diff.	YES	YES	YES	NO
2	[04 03 03] - Innovation	Diff.	YES	YES	YES	NO
2	[04 03 04] - European Research Area	Diff.	YES	YES	YES	NO

3.2. Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

- ☐ The proposal/initiative does not require the use of operational appropriations
- ☒ The proposal/initiative requires the use of operational appropriations, as explained below

3.2.1.1. Appropriations from voted budget

EUR million (to three decimal places)

Heading of multiannual financial framework	Number	2
---	---------------	----------

			Year	Year	Year	Year	Year	Year	Year	TOTAL MFF 2028- 2034
			2028	2029	2030	2031	2032	2033	2034	
			Operational appropriations							
[04 03 01] - Excellent Science	Commitments	(1a)	4,093	6,343	6,616	6,773	6,701	6,812	6,741	44,079
	Payments	(2a)	pm	pm	pm	pm	pm	pm	pm	pm
[04 03 02] - Competitiveness and Society	Commitments	(1b)	7,042	10,918	11,387	11,659	11,537	11,729	11,604	75,876
	Payments	(2b)	pm	pm	pm	pm	pm	pm	pm	pm
[04 03 03] - Innovation	Commitments	(1a)	3,600	5,581	5,821	5,960	5,897	5,994	5,932	38,785
	Payments	(2a)	pm	pm	pm	pm	pm	pm	pm	pm
[04 03 04] - European Research Area	Commitments	(1b)	1,508	2,341	2,441	2,499	2,472	2,513	2,488	16,262
	Payments	(2b)	pm	pm	pm	pm	pm	pm	pm	pm
			Appropriations of an administrative nature financed from the envelope of Specific Programmes ²⁹							
[04 01 02] - Support expenditure for Horizon Europe		(3)	pm	pm	pm	pm	pm	pm	pm	pm
TOTAL appropriations	Commitments	=1a+1b+3	16,243	25,183	26,265	26,891	26,607	27,048	26,765	175,002
	Payments	=2a+2b+3	pm	pm	pm	pm	pm	pm	pm	pm

			Year	Year	Year	Year	Year	Year	Year	TOTAL MFF 2028- 2034
			2028	2029	2030	2031	2032	2033	2034	
TOTAL	operational	Commitments	(4)	0.000	0.000	0.000			0.000	0.000

²⁹ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

appropriations	Payments	(5)	0.000	0.000	0.000				0.000	0.000
TOTAL appropriations of an administrative nature financed from the envelope for Specific Programmes		(6)	0.000	0.000	0.000				0.000	0.000
TOTAL appropriations under Heading 2 of the multiannual financial framework	Commitments	=4+6	0.000	0.000	0.000				0.000	0.000
	Payments	=5+6	0.000	0.000	0.000				0.000	0.000

			Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028-2034
• TOTAL operational appropriations (all operational headings)	Commitments	(4)	0.000	0.000	0.000				0.000	0.000
	Payments	(5)	0.000	0.000	0.000				0.000	0.000
• TOTAL appropriations of an administrative nature financed from the envelope for Specific Programmes (all operational headings)		(6)	0.000	0.000	0.000				0.000	0.000
TOTAL appropriations Under Heading 1 to 3 of the multiannual financial framework (Reference amount)	Commitments	=4+6	0.000	0.000	0.000				0.000	0.000
	Payments	=5+6	0.000	0.000	0.000				0.000	0.000

Heading of multiannual financial framework	7	‘Administrative expenditure’ [The necessary appropriations should be determined using the annual average cost figures available on the appropriate BUDGpedia webpage.]
--	---	--

DG: <.....>			Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028- 2034
• Human resources			0	0	0	0	0	0	0	0
• Other administrative expenditure			0	0	0	0	0	0	0	0
TOTAL DG <.....>	Appropriations		0	0	0	0	0	0	0	0
DG: <.....>			Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028- 2034
• Human resources			0	0	0	0	0	0	0	0
• Other administrative expenditure			0	0	0	0	0	0	0	0
TOTAL DG <.....>	Appropriations		0	0	0	0	0	0	0	0
TOTAL appropriations under HEADING 4 of the multiannual financial framework		(Total commitments = Total payments)	0	0	0	0	0	0	0	0

EUR million (to three decimal places)

		Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028- 2034
TOTAL appropriations under HEADINGS 1 to 4	Commitments	0	0	0	0	0	0	0	0
of the multiannual	Payments	0	0	0	0	0	0	0	0

financial framework									
---------------------	--	--	--	--	--	--	--	--	--

=====

EUR million (to three decimal places)

			Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028- 2034
TOTAL appropriations under HEADINGS 1 to 4			Commitments							
of the multiannual financial framework			Payments							
			Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028- 2034
TOTAL appropriations	operational	Commitments	(4)							
		Payments	(5)							
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes			(6)							
TOTAL appropriations under HEADING <....> of the multiannual financial framework	Commitments	=4+6								
	Payments	=5+6								
			Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028- 2034

TOTAL operational appropriations	Commitments	(4)									
	Payments	(5)									
TOTAL appropriations of an administrative nature financed from the envelope for Specific Programmes		(6)									
TOTAL appropriations under HEADING <....> of the multiannual financial framework	Commitments	=4+6									
	Payments	=5+6									
			Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028-2034	
• TOTAL operational appropriations (all operational headings)	Commitments	(4)									
	Payments	(5)									
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes (all operational headings)		(6)									
TOTAL appropriations under Headings 1 to 6 of the multiannual financial framework (Reference amount)	Commitments	=4+6									
	Payments	=5+6									

Heading of multiannual financial framework	7	‘Administrative expenditure’ ³⁰
--	---	--

EUR million (to three decimal places)

DG: <.....>	Year	Year	Year	Year	Year	Year	Year	TOTAL
-------------	------	------	------	------	------	------	------	-------

³⁰ The necessary appropriations should be determined using the annual average cost figures available on the appropriate BUDGpedia webpage.

	2028	2029	2030	2031	2032	2033	2034	MFF 2028-2034
• Human resources								
• Other administrative expenditure								
TOTAL DG <.....>	Appropriations							

DG: <.....>	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028-2034
• Human resources								
• Other administrative expenditure								
TOTAL DG <.....>	Appropriations							

TOTAL appropriations under HEADING 7 of the multiannual financial framework	(Total commitments = Total payments)							
--	--------------------------------------	--	--	--	--	--	--	--

EUR million (to three decimal places)

	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028-2034
TOTAL appropriations under HEADINGS 1 to 7	Commitments							
of the multiannual financial framework	Payments							

3.2.2. Estimated output funded from operational appropriations (not to be completed for decentralised agencies)

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs			Year 2028	Year 2029	Year 2030	Year 2031	Enter as many years as necessary to show the duration of the impact (see Section1.6)	TOTAL
	OUTPUTS							

↓	Type ³¹	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1 ³² ...																		
- Output																		
- Output																		
- Output																		
Subtotal for specific objective No 1																		
SPECIFIC OBJECTIVE No 2 ...																		
- Output																		
Subtotal for specific objective No 2																		
TOTALS																		

The output and result indicators for the purpose of monitoring progress and achievements of this programme will correspond to the common indicators provided under Regulation xxx [Performance Regulation].

³¹ Outputs are products and services to be supplied (e.g. number of student exchanges financed, number of km of roads built, etc.).

³² As described in Section 1.3.2. 'Specific objective(s)'

3.2.3. Summary of estimated impact on administrative appropriations

- ☐ The proposal/initiative does not require the use of appropriations of an administrative nature
- ☒ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below

3.2.3.1. Appropriations from voted budget

VOTED APPROPRIATIONS			Year	Year	Year	Year	Year	Year	TOTAL 2028 - 2034
			2028	2029	2030	2031	2032	2033	
			HEADING 7						
Human resources			0.000	0.000	0.000			0.000	0.000
Other administrative expenditure			0.000	0.000	0.000			0.000	0.000
Subtotal HEADING			0.000	0.000	0.000			0.000	0.000
			Outside HEADING 7						
Human resources			625.906	653.293	682.926	714.991	749.687	787.229	5041.883
Other expenditure of an administrative nature			421.944	506.573	602.561	711.464	835.052	975.331	5187.508
Subtotal outside HEADING 7			1047.851	1159.866	1285.487	1426.455	1584.738	1762.560	10229.391
TOTAL			1047.851	1159.866	1285.487	1426.455	1584.738	1762.560	10229.391

3.2.4. Estimated requirements of human resources

- ☐ The proposal/initiative does not require the use of human resources
- ☒ The proposal/initiative requires the use of human resources, as explained below

3.2.4.1. Financed from voted budget

Estimate to be expressed in full-time equivalent units (FTEs)³³

VOTED APPROPRIATIONS			Year	Year	Year	Year	Year	Year
			2028	2029	2030	2031	2032	2033
			• Establishment plan posts (officials and temporary staff) ³⁴					
20 01 02 01 (Headquarters and Commission's Representation Offices)			0	0	0			0
20 01 02 03 (EU Delegations)			0	0	0			0
35 01 01 01 01 (Indirect research)			1439	1557	1684	1823	1972	2134
36 01 01 01 11 (Direct research)			1261	1261	1261	1261	1261	1261

³³ Please specify below the table how many FTEs within the number indicated are already assigned to the management of the action and/or can be redeployed within your DG and what are your net needs.

³⁴ These figures include only the necessary staff in Directorates-General and not the one that will be needed for executive agencies, Joint Undertakings, and other decentralised bodies, as well as the additional staff paid from the contributions of the future associated countries.

³⁵ The baseline is the number of FTEs in 2027 increased each year proportionally to the level of the budget for Horizon Europe 2028-2034 for the given year, capped to 75% of the increase to take into account expected efficiency gains.

³⁶ The baseline is the number of FTEs in 2027, stable over the period.

Other budget lines (specify)	0	0	0				0
• External staff (inFTEs)							
20 02 01 (AC, END from the 'global envelope')	0	0	0				0
20 02 03 (AC, AL, END and JPD in the EU Delegations)	0	0	0				0
Admin. Support line [XX.01.YY.YY]	- at Headquarters	0	0	0			0
	- in EU Delegations	0	0	0			0
01 01 01 02 (AC, END - Indirect research) ³⁷		627	679	734	794	860	930
01 01 01 12 (AC, END - Direct research) ³⁸		545	545	545	545	545	545
Other budget lines (specify) - Heading 7		0	0	0			0
Other budget lines (specify) - Outside Heading 7		0	0	0			0
TOTAL		0	0	0			0

The human resources required will be met by staff who are already assigned to the management of the action, together if necessary with any additional allocation which may be granted to the managing DGs, considering the increased envelope of the programme, under the annual allocation procedure and in the light of budgetary constraints. This level of staff does not include nor prejudice the level of staff needed for executive agencies or implementing bodies.

3.2.4.3. Total requirements of human resources

TOTAL VOTED APPROPRIATIONS + EXTERNAL ASSIGNED REVENUES			Year	Year	Year	Year	Year	Year
2028	2029	2030	2031	2032	2033	2034		
• Establishment plan posts (officials and temporary staff)								
20 01 02 01 (Headquarters and Commission's Representation Offices)	0	0	0	0	0	0	0	0
20 01 02 03 (EU Delegations)	0	0	0	0	0	0	0	0
01 01 01 01 (Indirect research)	0	0	0	0	0	0	0	0
01 01 01 11 (Direct research)	0	0	0	0	0	0	0	0
Other budget lines (specify)	0	0	0	0	0	0	0	0
• External staff (in full time equivalent units)								
20 02 01 (AC, END from the 'global envelope')	0	0	0	0	0	0	0	0
20 02 03 (AC, AL, END and JPD in the EU Delegations)	0	0	0	0	0	0	0	0
Admin. Support line [XX.01.YY.YY]	- at Headquarters	0	0	0	0	0	0	0
	- in EU Delegations	0	0	0	0	0	0	0

³⁷ The baseline is the number of FTEs in 2027 increased each year proportionally to the level of the budget for Horizon Europe 2028-2034 for the given year, capped to 75% of the increase to take into account expected efficiency gains.

³⁸ The baseline is the number of FTEs in 2027, stable over the period.

01 01 01 02 (AC, END - Indirect research)	0	0	0	0	0	0	0
01 01 01 12 (AC, END - Direct research)	0	0	0	0	0	0	0
Other budget lines (specify) - Heading 7	0	0	0	0	0	0	0
Other budget lines (specify) - Outside Heading 7	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0

3.2.5. Overview of estimated impact on digital technology-related investments

Compulsory: the best estimate of the digital technology-related investments entailed by the proposal/initiative should be included in the table below.

Exceptionally, when required for the implementation of the proposal/initiative, the appropriations under Heading 7 should be presented in the designated line.

The appropriations under Headings 1-6 should be reflected as “Policy IT expenditure on operational programmes”. This expenditure refers to the operational budget to be used to re-use/ buy/ develop IT platforms/ tools directly linked to the implementation of the initiative and their associated investments (e.g. licences, studies, data storage etc). The information provided in this table should be consistent with details presented under Section 4 “Digital dimensions”.

TOTAL Digital and IT appropriations	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028 - 2034
HEADING 7								
IT expenditure (corporate)	0	0	0	0	0	0	0	0
Subtotal HEADING 7	0	0	0	0	0	0	0	0
Outside HEADING 7								
Policy IT expenditure on operational programmes	83.688	94.699	107.160	121.261	137.217	155.272	175.703	875.000
Subtotal outside HEADING 7	83.688	94.699	107.160	121.261	137.217	155.272	175.703	875.000
TOTAL	83.688	94.699	107.160	121.261	137.217	155.272	175.703	875.000

Policy IT expenditure should represent 0,5% of the total expenditure of the programme.

TOTAL Digital and IT appropriations	Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021 - 2027
HEADING 7					
IT expenditure (corporate)	0.000	0.000	0.000	0.000	0.000
Subtotal HEADING 7	0.000	0.000	0.000	0.000	0.000
Outside HEADING 7					
Policy IT expenditure on operational	0.000	0.000	0.000	0.000	0.000

programmes					
Subtotal outside HEADING 7	0.000	0.000	0.000	0.000	0.000
TOTAL	0.000	0.000	0.000	0.000	0.000

3.2.6. Compatibility with the current multiannual financial framework

The proposal/initiative:

- ☐ can be fully financed through redeployment within the relevant heading of the multiannual financial framework (MFF)
- ☐ requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation
- ☐ requires a revision of the MFF

3.2.7. Third-party contributions

The proposal/initiative:

- ☐ does not provide for co-financing by third parties
- ☒ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	Total
Specify the co-financing body								
TOTAL appropriations co-financed ³⁹	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.

3.3. Estimated impact on revenue

- ☐ The proposal/initiative has no financial impact on revenue.
- ☒ The proposal/initiative has the following financial impact:
 - ☐ on own resources
 - ☒ on other revenue
 - ☐ please indicate, if the revenue is assigned to expenditure lines

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative ⁴⁰			
		Year 2028	Year 2029	Year 2030	Year 2034
Article					

³⁹ Bilateral Association Agreements are not fixed yet. Contributions from associated countries will come on top of the amounts presented in this Legislative Financial Statement.

⁴⁰ As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20% for collection costs.

Budget revenue line:	Impact of the proposal/initiative						
	2028	2029	2030	2031	2032	2033	2034
Item	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.

For assigned revenue, specify the budget expenditure line(s) affected.

01.02XX Appropriations accruing from contributions from third parties

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

Third countries may contribute to the Programme through association agreements. The conditions determining the level of financial contribution will be laid down in association agreements with each country and shall ensure an 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 managing the programme.

4. DIGITAL DIMENSIONS

Horizon Europe uses the corporate tools described in the Legal, Financial and Digital Statement of the European Competitiveness Fund, which is cross-referenced for all the digital dimensions.