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PUBLIC

NOTE

From:	General Secretariat of the Council
To:	Delegations
No. prev. doc.:	12007/25
No. Cion doc.:	11765/1/25 REV 1
Subject:	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 - Revised Presidency compromise text

Delegations will find attached a revised consolidated Presidency compromise text on the above-mentioned proposal.

Changes in comparison to 12007/25 (bracketed text of the Commission proposal) are indicated in ~~strikethrough~~ for deletions and in **bold** for addition. Text in ***bold italics*** corresponds to topics which require further discussion.

PUBLIC

ANNEX

2025/0543 (COD)

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 Committee[1],

Having regard to the opinion of the Committee of the Regions[2],

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

Acting in accordance with the ordinary legislative procedure,

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[1] OJ C […], […], p. […].
[2] OJ C […], […], p. […].

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 **scientific and technological leadership and excellence,** competitiveness, resilience **and technological sovereignty**, sustainability~~, technological leadership,~~ and social cohesion.

(2a) The Programme should support the creation, better diffusion and transfer of excellent knowledge and technologies in the Union, foster research careers, attract and retain talent at all levels and contribute to full engagement of the Union's talent pool, facilitate collaborative links and strengthen the impact of R&I in developing, supporting and implementing Union policies, support and strengthen the uptake and deployment of innovative and sustainable solutions in the Union and address European and global challenges.

(3) **[**The Programme should be tightly connected with Regulation (EU) [XXX]* of the European Parliament and of the Council [European Competitiveness Fund][3] by placing research and innovation at the heart of the Union's economy and investment strategy.**]**

[3] OJ C […], […], p. […]

(4) The Union should furthermore aim to eliminate inequalities, and to promote **gender** equality~~, between men and women~~, as well as to combat discrimination in accordance with 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.

(4a) The Programme should 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 should 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 should 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.

(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**, including the evaluation processes,** are designed to further simplify access, enhance openness, and maximize the impact of Union funding.

PUBLIC

(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 **and contributing to close the innovation gap within the Union and with global competitors**. 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~~**private and/or** public ~~and private entities~~**partners**, 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 **and other partners** 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 **and complementary** portfolio of a limited number of European Partnerships should be established **in close cooperation with Member States**.

(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 2025-2027[4], 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.~~

~~4 Commission Decision C(2024)1741 of 20.03.2024.~~

(12a) **EU Missions set up in Regulation 2021/695 have been established in the areas of climate change, cancer, ocean restoration, soil health, and the development of climate-neutral and smart cities, with the ambition to address these challenges with clear, time-bound goals. The EU Missions should accelerate the development, scaling, and deployment of innovative solutions and help create lead markets for new products and services. After several years of investments in research and innovation to develop breakthrough technologies, services, products, and social innovations needed, it is timely to ensure deployment and uptake of the best solutions. The ECF policy windows represent a unique possibility to ensure the coverage of the full value chain and the achievement of the Missions' objectives. While outstanding research and innovation needs should still be integrated in the future work programmes on collaborative research and innovation to be supported by this Programme, active deployment at higher TRL levels should be sought through ECF instruments and other Union programmes. Likewise, the New European Bauhaus (NEB) Facility anchored in the Horizon Europe Strategic Plan 2025-2027, should benefit from the deployment possibilities of the ECF and other Union programmes to valorise past research and innovation investments to support its roll-out component, while only future research and innovation needs may be covered by the work programmes on collaborative research and innovation.**

(13) The European Research Council (ERC) should provide attractive and flexible funding, thereby enabling talented and creative individual ~~researchers—with a deliberate emphasis on~~**researchers—including** nurturing ~~early-stage~~**early-career** researchers—to pursue the most promising avenues at the frontier of science **across all fields**. This commitment to **bottom-up,** 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~~**strengthening** Europe as a world-leading centre for research and innovation **and further attracting and retaining the world's brightest minds**.

(14) In a knowledge-based global economy, the Union's long-term competitiveness, **scientific and** technological leadership and capacity to address global challenges should depend notably on its ability to develop, attract and retain a highly skilled and**, subject to security considerations,** internationally connected research workforce **throughout the Union**. Strategic investment in excellent researchers, in their training, mobility and career prospects, within and outside academia, is essential to ~~sustain~~**foster scientific breakthroughs, which lead to** innovation, economic **and environmental** 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 **research performing organisations,** universities**,** and innovation ecosystems, including the private sector. It should **contribute to** enable the completion of the European Research Area, **and the development of synergies with the European Education Area, in its higher education dimension,** including ~~via~~**through the European Universities Alliances and Erasmus+. This should support the** 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~~.

PUBLIC

(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 **of the world**. The EIC should support high risk, high-potential innovations and companies presenting such technological, scientific, financial, management or market risks that they are not yet considered to be ~~fully~~ bankable and therefore cannot raise the necessary level of investments to be globally competitive from the market. This should incorporate both an 'open' (bottom-up) and a 'challenge' driven approach, in ~~close~~ coordination ~~and synergy~~ with the European Competitiveness Fund and its policy windows. ***It should include ARPA-like elements, where high-risk projects are supported in stages, or discontinued, and allow for innovative procurement. 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 synergy with the European Competitiveness Fund.***

(15a) The design of the EIC-Plug-in and the certification of regional, national and EU funding bodies and programmes for the EIC Plug-in should be implemented with a minimum amount of administrative burden for the applying programmes and include clear added value for potential applicants.

(15b) ***Complementarities and synergies should be ensured between the EIC Fund and the ECF at all stages of implementation. The ECF InvestEU Instrument should be implemented in particular through risk-sharing budgetary guarantees and financial instruments by implementing partners responsible directly or via financial intermediaries for the selection of investments. The ECF InvestEU Instrument can support any economically viable final recipient and investment, at any stage of their development, from start-up (seed financing and early growth) to scale-up, and all technologies including breakthrough. Union support transferred to final recipients can take a wide range of forms of e.g. loans, guarantees, quasi equity and equity investments. The EIC Fund should provide direct equity investment support to companies. Investment decisions by the EIC Fund should contain an assessment to ensure that the EIC Fund will invest in final recipients (typically deep-tech startups) that cannot meet all their financing needs from market sources or from the ECF, due to the risk level involved in novel technologies and/or new markets. The EIC Business Acceleration Services may provide non-financial support to EIC beneficiaries and final recipients, and target their specific needs of deep tech and disruptive innovation, while the ECF Project Advisory may provide broader advisory services in support of a broader range of beneficiaries. Synergies should be created so that final recipients of the EIC Accelerator and the EIC Fund may be financed in their scale-up phase by the ECF InvestEU Instrument provided they fulfill the conditions. These complementarities will be ensured for example by the cooperation of the Advisory Board on the ECF InvestEU Instrument and of the EIC Board.***

(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.

PUBLIC

(16a) **Under Horizon Europe two types of Seals can be awarded to leverage additional funding. The applicable Seal will be defined in the work programme. To be able to receive a Seal a proposal should successfully have passed the evaluation of the call for which the Seal has been announced. The first seal is the Seal of Excellence targeting mainly the ERC and MSCA applicants and aims at supporting excellent mono-beneficiary proposals, which could not be funded due to lack of budget available, to find alternative funding. The second seal is the Competitiveness Seal. This seal aims at leveraging additional funding for a project or supporting an unfunded proposal above threshold. This seal would in particular be aimed at EIC projects or multi-beneficiary collaborative research and innovation projects from calls with strong valorisation and demonstration objectives.**

(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 **Member States and other** users of the JRC and ensuring the protection of the Union's financial interests **and strategic autonomy. [**–The JRC should continue to generate additional resources, which it may use to support its scientific and technical activities.**]**

PUBLIC

(18) The Programme should ensure the effective promotion and protection of **all** values and principles of the European Research Area and the Pact for Research and Innovation[5]~~,~~ ~~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 **and technology** infrastructures**, contributing to the strategic needs of the Union and providing European added value through coherent long-term planning and coordinated investments with Member States. The work of the European Strategic Forum for Research Infrastructures (ESFRI)** ***and any further strategic forum for technology infrastructures*** **shall be duly taken into account. The objective of contributing up to 20% of the construction or major upgrade costs is to support a coherent portfolio of both research** and technology infrastructures ~~in driving~~**at Union level, complementary to Member States infrastructures to drive** scientific and technological excellence and ~~industrial~~ competitiveness, by supporting the continuum of research and innovation from basic **and curiosity driven** to applied research towards societal and market deployment.

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5 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.

(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.**]**

(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 **be based on shared values and principles and** 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 **and research** 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 **in accordance with its Article 50** 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.~~

PUBLIC

(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 Strategy[6]. 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 **based on excellent research and innovation,** and protect the interests and strategic autonomy of the Union, including measures aimed at **safeguarding research security,** 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 measures[7]. 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 **climate change,** 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 ~~heathy~~**healthy** ecosystems.

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6 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.

7 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~~**challenges** and climate action as a driver for industrial competitiveness **and societal resilience**. Activities should reflect the importance of tackling climate change **to achieve transition towards climate neutrality** in line with the Union's **policies and** 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~~**make use of** lump sums ~~as the default form of Union funding~~**where relevant**. 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~~**proposing the option of** personnel unit costs, ~~which reduces~~**when it helps to reduce the** complexity for participants and facilitates reporting. **Efforts should be made to reduce the reporting requirements for beneficiaries.**

(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~~**Union strategic interests such as** economic security**, technological sovereignty and resilience**, 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.

PUBLIC

(29) Support measures are needed to strengthen and better connect innovation ecosystems. Such **coherent and streamlined** measures should support ~~organisations and innovators~~**activities** to create **and strengthen** 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~~**, foster the valorisation and uptake of research and innovation results and help overcome** 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) 2024/2509[8] 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. **Grants should be the main form of support in the Programme.**

[8] 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).

(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.**]**

PUBLIC

(35) In accordance with Regulation (EU, Euratom) 2024/2509, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council[9], Council Regulation (Euratom, EC) No 2988/95[10],(Euratom, EC) No 2185/96[11] and (EU) 2017/1939[12], 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 Council[13]. 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.

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9 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.

10 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).

11 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).

12 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).

13 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) 2021/1764[14], 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.

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

HAVE ADOPTED THIS REGULATION:

Title I
The Framework Programme for Research and Innovation

Chapter I
General Provisions

Article 1

Subject matter

1. This Regulation establishes Horizon Europe - the Framework Programme for Research and Innovation (the 'Programme') **[**for the period of the Multiannual Financial Framework (the 'MFF') 2028-2034**]** and sets out the rules for participation and dissemination concerning indirect actions under the Programme and determines the framework governing the Union support for Research and Innovation activities for the same duration. It also lays down the objectives of the Programme and its budget for that period, the forms of Union funding and the rules for providing such funding.

2. **[**The Programme shall be implemented through:

   (a) the Specific Programme established by Council Decision XX including the collaborative research activities of the policy windows as set out in the European Competitive Fund Regulation.

   (b) the Specific Programme on defence research established by 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.**]**

PUBLIC

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.

PUBLIC

Article 2

Definitions

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

(1) 'research infrastructures' ~~are~~ **means** facilities that provide resources and services **for the research communities** to conduct research and foster innovation in their fields**, including the associated human resources, major equipment or sets of instruments**; **knowledge-related facilities such as collections, archives or scientific data infrastructures; computing systems, communication networks and any other infrastructure of a unique nature and open to external users, essential to achieve excellence in R&I; they may, where relevant, be used beyond research, for example for education or public services and they may be 'single sited', 'virtual' or 'distributed';**

(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**, enabling and accelerating technological innovations towards societal/market adoption, fostering competitiveness**;

(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 **in equity or other repayable form of support**;

(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 **and Member Sates** 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~~**of charge**;

(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 **and identified in written agreement as needed for implementing the action or for the valorisation of the results**;

(11a) ‘dissemination’ means the public disclosure of the results, other than resulting from the protection or valorisation of the results, including by scientific publications in any medium;

(12) ‘valorisation’ means the use of results in further activities other than those covered by the action concerned, including commercial deployment **as well as the transformation of results into products, services, policies, or societal solutions that benefit a wider range of stakeholders and society at large**;

PUBLIC

(12a) 'fair and reasonable conditions' means appropriate conditions, including possible financial terms or royalty-free conditions, taking into account the specific circumstances of the request for access;

(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/EC[15];

(16) ‘small mid-cap’ means a small mid-cap enterprise as defined in point 2 of the Annex to Commission Recommendation (EU) 2025/1099[16];

(16a) [Placeholder for definitions on startups and scaleups, pending the Innovation Act]

(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 **and obligations** attached to it, including intellectual property rights;

(17a) ***'Seal of Excellence' means a quality label awarded to a proposal submitted to a call for proposals that exceeded all of the evaluation thresholds set out in the work programme, but could not be funded due to lack of budget available for that call for proposals in the work programme and might receive support from other Union or national sources of funding;***

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15 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).

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

(17b) ***'Competitiveness Seal' means a quality label awarded to a proposal submitted to a call for proposals that meets all the quality requirements set out in the award procedure but might receive support from other Union or national funding sources;***

(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);

(18a) 'Research and innovation activity' means an action aiming to establish new knowledge or to explore the feasibility of a new or improved technology, product, process, service or solution. This may include basic and applied research, technology development and integration;

(19) '~~research and training action~~**Marie Skłodowska-Curie Actions**' 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;

PUBLIC

(23) ‘innovation ecosystem’ means an ecosystem which brings together ~~at Union level~~ organisations whose functional goal is to enable **research and** technology development and 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~~**support research and** innovation ecosystems that cater for the ~~creation~~**development** 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. **The Programme shall strengthen the EU’s scientific and technological bases, through excellent research and innovation based on open competition, thereby supporting prosperity, competitiveness, sovereignty and resilience of the Union and its Member States, and addressing European and global challenges,** 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:

   - **Develop, promote and advance scientific and technological excellence to support the creation and diffusion of high-quality knowledge, skills, technologies and solutions.**

- **Support the realisation of the European Research Area (ERA) and the ERA Pact for research and innovation, and contribute to aligning EU, national and regional priorities and investments to create a pan-European research and innovation ecosystem.**

- ~~Create high-quality knowledge, skills and attractive careers for researchers and support the realisation of the European Research Area (ERA).~~

- **Support training and mobility of researchers, to attract and retain talent at all levels and foster attractive research careers and encourage brain circulation and counter brain drain.**

- Increase EU-wide and international collaborative research **and innovation**, 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~~,~~ **and** skills~~, and talent to strengthen~~ **by strengthening research and** innovation ecosystems.

- Improve the Union's position in **research and** 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~~**European and global** 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~~**Enhance** 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.

PUBLIC

Article 4

Programme structure

1. **[**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~~**Pillar** 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~~**Pillar** II 'Competitiveness and Society', with the following components~~, in particular~~:

      i) 'Competitiveness', including research and innovation activities in support of ~~policies~~**the objectives and specific activities of the policy windows** under the European Competitiveness Fund~~, such as~~ **under the European Competitiveness Fund**:

         (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;

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(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 **targeted at guiding societal transformation and supporting evidence-based policy making for future-ready, resilient societies.**~~, such as:~~

(1) ~~global societal challenges;~~

(2) ~~EU Missions;~~

(3) ~~the New European Bauhaus Facility;~~

(c) ~~Part~~**Pillar** 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~~**Pillar** IV 'European Research Area', with the following components~~, in particular~~:

(i) ~~reforming and enhancing the~~ European ~~R&amp~~**Research Area**~~;amp;I system;~~

(ii) research and technology infrastructures;

(iii) widening participation and spreading excellence.

PUBLIC

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~~ **shall include** specific calls for proposals ~~on~~**addressing** 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.~~

(ba) cover the research and innovation value chain and enable a strong interface with the European Competitiveness Fund to foster the uptake and deployment of research and innovation results.

(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**, in line with the FAIR principles,** and other results following the principle ‘as open as possible, as closed as necessary’.

(ca) uphold research security by anticipating and managing risks such as undesirable transfer of critical technology and knowledge, malign influence on research, and ethical or integrity violations;

PUBLIC

(cb) ensure administrative simplification and the reduction of the burden for the benefit of applicants and beneficiaries;

(cc) support the effective promotion of equal opportunities for all research and innovation stakeholders in the Union;

(cd) ensure the implementation of gender equality, including the integration of the gender dimension in R&I content;

(ce) develop strategic synergies between the Pillars and their components;

(cf) be implemented in synergy with other Union Programmes, and where relevant national programmes, ensuring administrative simplification.

[Article 6

Budget

1. 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.

2. The indicative distribution of the amount referred to in paragraph 1 of this Article for the Specific Programme referred to in Article 1(2)(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).

PUBLIC

(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.

3. The amount referred to in paragraph 1 of this Article and the amounts of additional resources referred to in Article 7 may also be used for technical and administrative assistance for the implementation of the Programme, such as preparatory, monitoring, control, audit and evaluation activities, information technology systems and platforms, information and communication activities, including corporate communication on the political priorities of the Union, and all other technical and administrative assistance or staff-related expenses incurred by the Commission for the management of the Programme.

PUBLIC

4. If necessary to enable the management of actions not completed by 31 December 2034, appropriations may be entered in the Union budget beyond 2034 to cover the expenses necessary and to enable the management of actions not completed by the end of the Programme.

5. Budgetary commitments for actions extending over more than one financial year may be broken down into annual instalments over several years.**]**

Article 7

Additional resources

1. Member States, Union institutions, bodies and agencies, third countries, international organisations, international financial institutions, or other third parties, may make additional financial or non-financial contributions to the Programme. Additional financial contributions shall constitute external assigned revenue within the meaning of Article 21(2), points (a), (d), or (e) or Article 21(5) of Regulation (EU, Euratom) 2024/2509.

2. Resources allocated to Member States under shared management may, at their request, be made available to the Programme. The Commission shall implement those resources directly or indirectly in accordance with Article 62(1), point (a) or (c) of Regulation (EU, Euratom) 2024/2509. They shall be additional to the amount referred to in Article 6(1) of this Regulation. Those resources shall be used for the benefit of the Member State concerned. Where the Commission has not entered into a legal commitment under direct or indirect management for additional amounts thus made available to the Programme, the corresponding uncommitted amounts may, at the request of the Member State concerned, be transferred back to one or more respective source programmes ~~or their successors~~.

PUBLIC

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~~ **two seals can** be awarded ~~only to high-quality actions that have not been financed under the Programme due to budgetary constraints.~~**:**

   (a) The Seal of Excellence may be awarded for proposals resulting from calls specified in the work programme, and which shall comply with the following conditions:

(i) they have been evaluated in a call for proposals under the Programme; and

(ii) they comply with the minimum quality requirements of that call for proposals; and

(iii) they have not been financed under that call for proposals only due to budgetary constraints.

(b) The Competitiveness Seal referred to in Article 8 of Regulation XXX/XXX [ECF Regulation] may be awarded for proposals resulting from calls for proposals specified in the work programme

4. ~~The~~**Actions for which a seal has been awarded may be financed by other Union funding or by** 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~~**Andorra, Monaco, Vatican City State and San Marino**;

(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~~**between** 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.

PUBLIC

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 **research and** 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.

7a. The Commission shall, on an annual basis, provide the Programme Committee with information on the financial contributions from associated countries and their allocations to the different components 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.

PUBLIC

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. **Grants shall be the main form of support in the Programme.**

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~~ **may** be provided as financing not linked to cost, **in the form of actual eligible cost reimbursement** 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~~**shall** be composed **fully, or, in duly justified cases,** partially ~~or fully~~**,** of independent external experts. **In the case of coordination and support actions, the evaluation committee may, in duly justified cases, be fully composed of representatives of Union institutions or bodies as referred to in Article 153 of the Financial Regulation.**

PUBLIC

Article 11

European Partnerships

1. Where necessary to achieve the objectives set out in Article 3 **and Article 15**, activities under this Regulation may be implemented through European Partnerships~~, by default through the work programmes~~**. Such partnerships shall be established only in cases where Union action alone cannot achieve the desired objectives and enhanced collaboration between the EU, national and, where relevant, private actors are needed**. **A strategic and coherent portfolio of a limited number of European Partnerships shall be identified and agreed in close cooperation with Member States.**

1a. European Partnerships shall be based on a Memorandum of Understanding agreed and signed between the partners and implemented through actions in the relevant work programmes of Horizon Europe or the European Competitiveness Fund.

Where appropriate for achieving their objectives, European Partnerships shall be implemented by entrusting budget implementation tasks from one or 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. Joint Undertakings shall be established through a Single Establishing Act ensuring harmonised rules.

2. ~~European Partnerships shall be based on a~~**The** Memorandum of Understanding~~, agreed and signed between the partners, stipulating~~ **or the Establishing Act shall stipulate**:

(-a) the objectives to be achieved;

(a) the results to be delivered, which shall be clear, measurable, time-bound;

(b) **a single set of** reporting requirements;

(c) the related **financial and/or in-kind** commitments from all partners;

(d) governance arrangements with a **standard** mechanism for **all** partners to discuss and agree on the partnerships' programming and activities.

European Partnerships shall be based on a Strategic Research and Innovation Agenda (SRIA) agreed between the partners, detailing the thematic priorities and desired scientific and socio-economic results, as well as a roadmap of planned activities during the duration of the partnership.

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.~~

3a. For European Partnerships based on a Memorandum of Understanding, Union support shall take the form of contributions to actions implemented under the Horizon Europe work programmes. These contributions shall be designed to leverage the maximum contribution from other partners.

For European Partnerships established pursuant to Articles 185 and 187, the Union shall provide a financial contribution from the Programme, which must be matched by contributions from the other partners at least equivalent in value.

Voting rights of partners and the Union in the governing body shall be proportional to their financial contribution.

3b. Contributions from Partners other than the Union shall take the following forms:

(a) financial contributions to the operational budget of the initiative;

(b) in-kind contributions through co-financing by the Partners of their own participation, or that of their members, in projects funded through the initiative.

~~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.~~

PUBLIC

5. European Partnerships shall:

(-a) be identified and agreed in close cooperation with Member States.

~~(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.

(ba) be established only in cases where Union action alone or other forms of support under the Programme cannot achieve the desired objectives.

(c) align with **Union strategic priorities** and assist in the implementation of major Union policies and policy initiatives.

(d) be selected in a **transparent, open and** competitive ~~manner~~ **process** based on a set of quantifiable lifecycle criteria and a strong portfolio approach, resulting in a coherent **and complementary** set of initiatives.

(e) be based on ex ante, long-term and formal commitments from all partners to contribute financially **or where appropriate in-kind** 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.

(fa) be aligned with other Union funding instruments, in order to avoid overlaps and duplications and instead ensure added value and maximise impact.

PUBLIC

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~~**make public** 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.

PUBLIC

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~~**including early-career** 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 **thus contribute to** establish the Union as a world-leading centre for research and innovation.

Article 13

Marie Sklodowska-Curie Actions

1. The Marie Skłodowska-Curie Actions shall support the **research** career at all stages**, with particular emphasis on early-career researchers**, skills development, and mobility of researchers from all over the world**, also offering exchange possibilities to research staff** ~~subject to security considerations~~. MSCA shall foster **bottom-up** research excellence, attract and retain excellent research talents, and support sustainable **and attractive** research careers in the Union with the aim to increase the Union's **scientific excellence, thus contributing to** 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~~**early-career** researchers. It shall ~~support~~**contribute** to establish the Union as a leading destination for **European and foreign** researchers.

Article 14

Joint Research Centre

1. The Joint Research Centre shall provide independent, evidence-based knowledge and science, supporting EU policies **and, where relevant, Member States** 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.**]**

PUBLIC

Chapter III

Competitiveness and Society

Article 15

Collaborative research and innovation

1. Collaborative research **and innovation** shall support the creation of **excellent** transnational research and innovation ~~cooperation networks~~**activities**, ~~-~~bringing together entities ~~of~~**across** different **sectors and** disciplines, **including SSH,** to support **the discovery,** 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~~**strategic priorities and values**.

2. **Collaborative research and innovation** activities shall be carried out in a balanced manner between lower and higher Technology Readiness Levels, thereby covering the ~~whole~~**research and innovation** value chain **complementary to activities under the ECF**.

3. **Under the 'competitiveness' component of pillar II,** this Programme ~~shall include the~~**supports** collaborative research and innovation activities ~~in a specific dedicated part~~ of the ~~work programmes adopted under~~ **ECF policy windows aiming at strengthening the Union's competitiveness (**Chapters IV to VII of the Regulation (EU) XXX European Competitiveness Fund~~. Those~~**) and set out in a dedicated part of the** work programmes ~~shall be~~ adopted in accordance with Article 15 of the Regulation (EU) XXX [European Competitiveness Fund Regulation].

PUBLIC

4. **Under the 'society' component, this**~~The~~ Programme shall support **collaborative research and innovation** activities ~~to tackle global societal challenges in the areas of~~**aiming at delivering innovative solutions and** strengthening ~~democratic~~**the evidence base to enable society to transform in line with the Union's aims and** values~~ and tackling disinformation~~, including **the** 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~~.

4a. The two components shall be developed in a coherent manner to ensure mutual reinforcement and seamless coverage of the research and innovation landscape for a strong and resilient Union.

~~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~~**research and innovation part of the EU Missions established under Article 8 of Regulation (EU) 2021/695 and** of the New European Bauhaus Facility **in synergy with other Union programmes**.

PUBLIC

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~~**. Support shall be provided when deep tech, high risk startups and scaleups are not mature enough to receive market-based support**. 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. **The EIC shall operate in mutual complementarity to the ECF instruments.**

2. The EIC ~~may in particular~~**shall** provide the following types of support **for high risk actions**:

   (a) Pathfinder grants for high-risk research, ~~including~~**particularly early-stage research,** 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;

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(e) Business ~~Accelerator~~**Acceleration** 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, **use of Research and Technology Infrastructures,** coaching and mentoring, **networking and** 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**. This shall take place** under the supervision of EIC Programme ~~Manager~~**Managers with the advice of independent external experts, to provide for an agile approach that is responsive to rapid developments in technology and policy, with a mandate to re-orient or terminate underperforming projects, including staged funding, ensure rapid transitions between instruments and facilitate connections to end users and customers**.

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 deep-tech with focus on defence applications in close coordination with the ECF policy window 'Resilience and Security, Defence Industry and Space'. In those cases, Articles 50 and 51 of the Regulation (EU) XXX [European Competitiveness Fund] shall apply. Such support shall be subject to specific calls for proposals.***

PUBLIC

Article 17

Innovation Ecosystems

1. The Programme shall support ~~organisations~~**activities around strategic priorities** to create **and strengthen** competitive, robust ~~and~~**,** connected**, and transnational** innovation ecosystems and **enabling** framework conditions. **Such activities shall be open to all stakeholders to benefit from strong collaborations across sectors, disciplines and borders.** Synergies with **other parts of this Programme, other** Union, national and regional programmes shall be pursued to this end **with a view to promoting knowledge transfer and market uptake in the Union**.

2. ***The Programme shall support activities to foster the integration of the knowledge triangle – higher education, research and innovation, and business – across the Union.***

PUBLIC

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. **The Programme shall ensure the effective promotion and protection of the complete set of values and principles of the ERA and the Pact for Research and Innovation in Europe. It shall foster further alignment between Union, national and regional research and innovation policies.**

1a. 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.

~~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.~~

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~~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 18a

Research and technology infrastructures

The funding of the research and technology infrastructures shall contribute to equip the Union with a strong, coherent and connected ecosystem of world-class sustainable facilities and services, building on prioritised pan-European infrastructures and complementary state-of-the-art national capacities. Union funding instruments available under this Programme shall be used, where relevant, in synergy with other Union programmes, in particular the European Competitiveness Fund. The Programme may contribute up to 20% of the construction or major upgrade costs of important world-class capacities of European research and technology infrastructures in cases where investment beyond the capacity of individual private or public actors is needed. Such infrastructures shall be jointly identified and agreed by the Union and Member States in an open, transparent and competitive process, based on clear criteria, thereby contributing to a coherent portfolio of Union level infrastructures.

[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.**]**

PUBLIC

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 **in this Regulation**.

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.

1a. Any legal entity, including legal entities from non-associated third countries or international organisations, may participate in actions under the Programme, provided that the conditions laid down in this Regulation have been met together with any conditions laid down in the work 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 **third** 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 **in duly justified cases** when the work programme otherwise provides, to be eligible for participation in grant actions legal entities shall form a consortium that includes as beneficiaries **at least** 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 **third** country.

4. ERC frontier research actions, EIC actions, ~~research and training~~**MSCA** 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 **third** country.

5. Coordination and support actions may be implemented by one or more legal entities, which may be established in a Member State, associated **third** country or, in ~~exceptional~~**duly justified** cases, in ~~another~~**a non-associated** third country.

6. In accordance with Article 136 of the ~~Financial~~ Regulation **(EU, Euratom) 2024/2509**, 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)~~**. No funding shall be provided in a Member State for a research, technological or demonstration activity which is forbidden in that Member State**;

(aa) 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;

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~~(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.~~

10a. Research on human stem cells, both adult and embryonic, may be financed depending both on the contents of the scientific proposal and the legal framework of the Member States involved.

11. In addition to the grounds set out in Article 132 of Regulation (EU, Euratom) 2024/2509, award procedures and resulting legal commitments shall allow for termination where the objectives of the action are unlikely to be achieved at all or within the set timelines~~, or~~**. The Commission shall undergo a procedure with** the action ~~has lost its policy relevance~~**coordinator and, if appropriate, with independent external experts, before deciding to terminate an action**.

~~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.~~

12a. Where appropriate and duly justified in the light of the objectives laid down in Article 3 of this Regulation, the work programme may provide for more detailed eligibility criteria.

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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~~**Additional** 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.

PUBLIC

Chapter II

Grants

Article 23

Calls for proposals

-1. The content of the calls for proposals for all actions shall be included in the work programme.

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 **Seals of Excellence or** Competitiveness Seals may be awarded. Information concerning the application and the evaluation may be shared with interested financing authorities, subject to the conclusion of confidentiality agreements unless explicitly objected by the applicant.

Article 24

Financial capacity of applicants

1. In addition to the exceptions mentioned in Article 201(5) of Regulation (EU, Euratom) 2024/2509, the financial capacity **of the coordinator** shall be verified only if the requested funding from the Union for the action is equal to or greater than EUR ~~1.000.000~~**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~~**actions receiving support from several components of this Programme or from other Union programmes,** 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~~**Horizon Europe** beneficiaries under direct **and indirect** 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 **of 5% of the Union funding for the action. On the basis of periodic transparent evaluations, the Commission may increase that contribution up to 8 % or reduce it to under 5 %. The contribution shall**~~to~~ be offset against the initial pre-financing and paid back to the beneficiaries at the payment of the balance. **That contribution shall not exceed the amount of the initial pre-financing.**

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~~**Mechanism**. 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. **In duly justified cases,** 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 and Valorisation

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 **or are security relevant**;

   (b) grant access to their results and background if needed for implementing action tasks or for ~~valorising~~**the valorisation of** 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~~**results**, 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 **applicable legislation and** 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;

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(g) grant **royalty** 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~~**accelerated** and may include the purchase of first-of-a-kind solutions to simplify and ~~accelerate~~**facilitate** 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 **royalty** free access to the results for their own use as well as **royalty** 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 **third** countries.

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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], **and as specified in the work programme,** EIC Transition grants may be awarded without calls for proposals **upon recommendation of the programme manager and the advice of the independent external experts** 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 **in particular** startups, and **in exceptional cases** 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 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 **funding bodies or** 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~~**Plug-in and EIC Fast Track**).

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.

By way of derogation from the first, second and fourth subparagraphs of Article 212(3) of Regulation (EU, Euratom) 2024/2509, revenue, repayments and recoveries from or of EIC Fund equity actions funded from this Regulation and its predecessors shall be used to provide Union support for EIC Fund equity actions. By way of derogation from point (f) of Article 21(3) and in accordance with Article 21(5) of Regulation (EU, Euratom) 2024/2509, these resources shall constitute external assigned revenue to this programme.

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:~~***The EIC Fund may exceptionally award follow-on investments only in one of the two following cases:***

    (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**, notably regarding the size of that support**.

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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	*For the Council*
The President	*The President*

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