Council of the European Union

Brussels, 2 June 2026
(OR. en)

9677/26

Interinstitutional File: 2025/0543 (COD)

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NOTE

From:	General Secretariat of the Council
To:	Delegations
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 - Presidency compromise text

Delegations will find attached a Presidency compromise text

Changes in comparison to 12007/1/25 REV 1 (revised bracketed text of the Commission proposal) are indicated in ~~strikethrough~~ for deletions and in **bold** for additions.

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. **In this context, the further development of the ERA should contribute to the effective implementation of the free circulation of knowledge, research and innovation as a "fifth freedom" of the Union.**

(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 sovereignty**, sustainability~~, technological leadership,~~ and social cohesion.

(2a) The Programme should support the creation, better diffusion and transfer of excellent knowledge, innovation 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, in synergy with the European Competitiveness Fund. Attention should be paid to the specific needs emerging from geopolitical challenges.

PUBLIC

(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.**]**

(4) The Union should furthermore aim to eliminate inequalities, and to promote **diversity, inclusion and 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, to promote evidence-informed public policies. Special emphasis should be placed on ensuring that scientific insights are accessible and relevant to decision makers and citizens.

(4b) The Programme should foster the integration of social sciences and humanities (SSH) by considering SSH aspects across all components and at all programming stages and through timely monitoring and reporting of SSH in funded research and innovation activities.

(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.

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[3] OJ C […], […], p. […]

(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. **National Contact Points (NCPs) should play a pivotal role in simplifying access and enhancing openness through targeted communication and dissemination of Horizon Europe to potential applicants, including newcomers and new target groups, thereby contributing to inclusive participation and improved proposal quality. The Commission should support and cooperate with the NCPs network to enhance the consistency and effectiveness of services across the Union.**

(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 **and a key driver of long-term economic growth, productivity and global competitiveness**. 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**, where relevant,** in the classification of **research and innovation activities according to their level of** technological ~~research~~**maturity**, 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 are a key instrument for implementing Union research and innovation priorities. In order to address fragmentation and overlaps,** European Partnerships ~~together with other public and private entities, where this is the most effective~~**should follow a strategic, portfolio-based approach to enhance coherence, ensure complementarity and optimise the use of Union resources. Member States should play an important role in the identification, selection and development of the European Partnership portfolio and in its** implementation ~~form to achieve the policy objectives~~**. The identification of the portfolio should be concluded early enough at the start of the programming period to allow for national and regional investment decisions**. European Partnerships should be ~~established~~**based on Strategic Research and Innovation Agendas reflecting Union priorities and translating them into concrete actions across the full value chain, notably market deployment activities and pathways that should be funded by the ECF,** where **applicable. The establishing documents should provide a clear and legally sound framework for cooperation between partners, including their respective roles, rights and obligations, with more detailed legal and financial arrangements, in particular regarding contributions from partners other than** ~~a close involvement of~~ the Union ~~is required and should ensure~~**, set out, where** appropriate ~~voting rights for the Union as well as sufficient co-investment by other partners to leverage Union funding. In view of fostering synergies and efficiencies, it is necessary to ensure harmonised rules. Therefore, a strategic and coherent portfolio of a limited number of European Partnerships should be established.~~**, in complementary agreements.**

PUBLIC

(9a) **To ensure the effective, efficient, and transparent implementation, monitoring and evaluation of the Programme, actions in the context of European Partnerships should rely on standardised implementation arrangements and a greater degree of harmonisation of rules, procedures and reporting requirements. Member States and, where appropriate, other contributing entities should be able to provide financial contributions to the Programme, including in the form of external assigned revenue, in accordance with the Financial Regulation, while ensuring, to the extent possible and in line with the applicable rules, a balanced return of benefits. Building on the experience gained under previous Framework Programmes, efforts should be made to reduce administrative burden and implementation fragmentation for beneficiaries, facilitate comprehensive monitoring and data collection, contribute to reducing reliance on complex, fragmented and costly decentralised funding schemes, including arrangements involving financial support to third parties, and enable a harmonised set of rules for calls, evaluation, and grant management, facilitating comprehensive monitoring, strengthening accountability, and enhancing transparency.**

(9b) **Partners other than the Union may include the public and/or private sector; in cases where such partnerships are concluded with representative organisations (e.g. industry associations), the members of those organisations should also be considered as partners for the purposes of the European Partnership.**

(9c) **In order to ensure a coherent lifecycle approach to European Partnerships, each partnership should include an ex-ante exit strategy and measures for the phasing-out of Framework Programme funding. Such strategies should provide a forward-looking reflection on how the objectives, activities, and results of the partnership may be sustained, transformed or discontinued beyond Union support, ensuring an orderly transition and the preservation of key outcomes, while allowing for the possible continuation of activities through other Union programmes, national funding or private investment.**

PUBLIC

(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' areas on climate change, cancer, ocean restoration, soil health, and the development of climate-neutral and smart cities, were established in Regulation 2021/695, 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 up to 2030, active deployment at higher TRL levels should be sought through ECF instruments and other Union programmes. Support to R&I activities on the New European Bauhaus (NEB) Facility under Horizon Europe should be accompanied by actions aimed at deployment under other Union programmes.**

(13) The European Research Council (ERC) should provide attractive and flexible funding, thereby enabling talented and creative individual ~~researchers with a deliberate~~**researchers — with an** emphasis on ~~nurturing early-stage researchers to~~**early stage careers — 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**. **The ERC should continue to develop and strengthen outreach and cooperation activities to increase the visibility of the ERC for the best researchers within the Union and from the rest of the world.**

(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**, societal 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 other higher education and training institutions,** 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 **and retaining** 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~~.

(14a) MSCA should contribute to the attractiveness of all the EU Member States as leading global destinations for excellence-based research and innovation while at the same time ensuring equal treatment and comparable purchasing power parity for the MSCA researchers irrespective of the country where they are conducting their research. Therefore simplified cost options for the implementation of MSCA should be established accordingly. Country correction coefficients and living allowance levels should be biennially updated on the basis of the latest available data from Eurostat in order to account for differences in the cost and standards of living. A minimum threshold may be applied to country correction coefficients for EU Member States and Associated Third Countries.

(14b) **Collaborative research and innovation activities should ensure a balanced approach between bottom-up actions and predefined topics. Bottom-up actions may also be supported through large-scale and researcher-driven collaborative initiatives. In order to counterbalance science fragmentation, they should take duly into account the necessity to gather excellence across the EU and foster new collaboration patterns by bringing together both well established and emerging excellence centres.**

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. Particular attention should be paid to supporting women-led and youth-led disruptive and deep-tech startups and facilitating their access to finance and mentoring**. 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~~**The EIC approach** should include **elements for the pro-active management of challenges, such as high-risk projects being supported in stages or discontinued in a portfolio**~~a 'DARPA' like~~ approach ~~dedicated~~**overseen by programme managers, and allow for innovative procurement. It should extend this EIC approach** to supporting defence and dual use startups and their scaling up operating in full complementarity with the ECF InvestEU Instrument**, the ECF policy window 'Resilience and Security, Defence Industry and Space'** and the EU Defence Innovation Scheme (EUDIS) and CASSINI (Space entrepreneurship initiative) activities. -The implementation should be done in ~~close~~ synergy ~~and coordination~~ with the European Competitiveness Fund. **For EIC defence related activities, this should include regular information sharing with the Programme Committee configuration responsible for 'Resilience and Security, Defence Industry and Space', to ensure the reinforcement of the competitiveness of the European Defence Technological and Industrial Base. This should also include a full alignment with the ECF's provisions related to the establishment and control of eligible entities, to ensure the security and defence interests of the Union and its Member States.**

(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.

(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.**]**

(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 **by default** 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.

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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.

(19) The Programme should support European research **and technology** infrastructures **ecosystem, contributing to the strategic priorities and policies of the Union and providing European added value through coherent long-term planning and coordinated investments with Member States. The work of European Strategic Forum for Research Infrastructures (ESFRI) (and any further strategic forum for technology infrastructures) should 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~~**of Union interest, complementary to Member States infrastructures to drive** scientific and technological excellence and ~~industrial~~ competitiveness, by supporting the continuum of ~~the~~ research and innovation ~~cycle~~ from basic **and curiosity driven** to applied research towards societal and market deployment.

(20) The Programme should implement concrete measures in support of capacity building **[**in widening countries**]** and strengthening collaborative links **and knowledge valorisation** across the Union enhancing the research and innovation ~~capacity~~ **potential [**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. **These actions would also aim at boosting the growth of Research and Innovation capacity of private actors, in order to lead the transition towards higher RDI intensity across widening and transition countries. Support under these measures should promote sustained upward convergence in research and innovation capacity and build on the progress achieved by countries for their continued advancement. [**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 ~~aim to strengthen~~**be based on shared values and principles and contribute to strengthening** the Union's competitiveness**, sovereignty,** and excellence in R&I, including **its role in global science diplomacy and** 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**, thereby actively and more strategically deepen collaboration with trusted like-minded countries to the benefit of both parties**. **Full or partial** association to ~~all or parts of~~ the Programme should remain the most comprehensive form of cooperation**. The third countries should also include the category of European micro-states (the Principality of Andorra, the Principality of Monaco, the Republic of San Marino and the Vatican City State) where relevant international agreements are in force with that state and in accordance with the conditions laid down therein**. For EIC defence related activities, only entities established in third countries ~~associated with~~**participating in** the European Competitiveness Fund for defence activities **in accordance with its Article 50** should be eligible for funding. **When deciding on the participation of third countries, the respective prerogatives of the European Parliament, the Council and the Commission under Article 218 TFEU are to be observed**~~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**, technologies** 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 **research security** measures aimed at **safeguarding research activities, staff and institutions,** 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. **Any restriction of participation of partners from non-EU Member States or from EU-entities partly or wholly controlled by non EU-entities, should be specified in the relevant parts of the work programmes. The Commission should provide the adequate framework, procedures, guidance and support to ensure consistent, effective and proportionate application of research security requirements across all stages of the Programme implementation, including, where appropriate, a security self-assessment and an initial security management plan identifying any security issues by the applicant.**

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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.

(22a) **Openness, collaboration, and academic freedom are at the core of world-class research and innovation. Yet with growing international tensions and the increasing geopolitical relevance of research and innovation, European research security is becoming increasingly vulnerable. The undesirable transfer of critical knowledge and technology, malign influences from third countries on research, as well as ethical and integrity violations may have an adverse impact on the interests of the Union or of one or more Member States. This might affect the Union's and its Member States' security or infringe upon Union values and fundamental rights as defined in the Treaty on the Functioning of the European Union ('TFEU') and in the Charter of Fundamental Rights of the European Union ('Charter'). In order to sustain and promote open and safe collaboration, it is vital that the Union's research and innovation sector is supported and empowered to identify, mitigate and address risks that may compromise European research security and technology resilience or pose risks to strategic research and technology infrastructures. This requires the proportional and targeted application of tools within the Framework Programme provided by Article 10(2) and 10(3) of Regulation [ECF]. These safeguards are necessary to collaborate safely, and as open as possible.**

(23) In light of increasing risks linked to **climate change,** natural hazards, health emergencies **and global health threats**, 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**, taking into account the One Health approach**.

(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 and environmental 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**, including reporting requirements,** 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~~**where relevant. Where the specific characteristics or objectives of an action justify it,** funding **based on the reimbursement of actual eligible costs should remain possible**. Advancing efforts over the previous Framework Programmes to streamline funding rules and **provide clear information to participants to** 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. **The attractiveness of the option of personnel unit costs should be increased by securing a fair cost coverage.**

(26a) Proposals should continue to be selected based on the evaluation made by independent external experts. The evaluation process should be designed to avoid conflicts of interest and bias, including gender bias. Aiming to simplify the application process for beneficiaries, a two-stage submission procedure should be considered, including where a large number of proposals is expected, based on available data. Where appropriate and justified by robust data, anonymised proposals should be evaluated during the first stage of evaluation. The Commission should continue to involve independent observers in the evaluation process, where applicable.

(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.

(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. **Those measures should also support the Knowledge and Innovation Communities (KICs) of the European Institute of Innovation and Technology (EIT).** 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.

PUBLIC

(29a) **Given the transformative potential and fast-evolving nature of artificial intelligence (AI), the Programme should ensure a flexible and forward-looking approach that promotes its responsible, ethical, and human-centric use in line with the Commission Communication "The European Strategy for AI in Science" and applicable legal frameworks. To safeguard the integrity of the research ecosystem and maximise the societal and economic benefits for the Union, the Commission should prioritise the rigorous monitoring of the use and impacts of AI technologies, following the ERA Living Guidelines on the Responsible Use of Generative AI in Research. This includes continuing to monitor the quality of submitted proposals and exploring ways to improve the evaluation process, in light of the opportunities and challenges posed by emerging technologies, such as AI.**

(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, awarded following open and competitive calls for proposals, should be the main form of support in the Programme.**

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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.**]**

(36a) The Programme should be implemented through the Specific Programme established by Council Decision XX including the collaborative research activities of the policy windows as set out in the European Competitiveness Fund Regulation and the Specific Programme on defence research established by Regulation (EU)[XXX] [European Competitiveness Fund].

(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**, prepared with the early involvement of Member States**, where the Union together with private and/or public partners commit to jointly supporting the development, implementation and evaluation of a programme of activities, and where the costs are shared between all partners;

(6a) ‘Research security’ refers to anticipating and managing risks related to: (a) the undesirable transfer of critical knowledge and technology that may affect the security of the Union and its Member States, for instance if channelled to military or intelligence purposes in third countries; (b) malign influence on research where research can be instrumentalised by or from third countries in order to inter alia create disinformation or incite self-censorship among students and researchers infringing academic freedom and research integrity in the Union; (c) ethical or integrity violations, where knowledge and technologies are used to suppress, infringe on or undermine Union values and fundamental rights, as defined in the Treaties.

(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**;

(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 **third countries** associated ~~countries~~**to the Programme**, 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~~**within the meaning** 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];

(16b) 'work programme' means a document adopted by the Commission for the implementation of the specific programme in accordance with Article 18 of Decision XXX or a document equivalent in content and structure adopted by a funding body;

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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)

(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;

(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~~’~~**'** means an action geared towards the improvement of the skills, knowledge and career prospects of researchers, promoting mobility between countries, sectors or disciplines **such as under the ‘Marie Skłodowska-Curie Actions’ component**;

(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 **third countries** associated ~~countries~~**to the Programme** 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;

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(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, delivering scientific, technological, economic and societal impact, and addressing European and global challenges, in synergy** ~~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 innovative 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 policies, 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**, taking due account of research security related risks**.

- **Promote open and secure international research and innovation cooperation.**

- ~~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.

2a. The specific objectives of the Specific Programme referred to in point (b) of Article 1(2) of this Regulation are to strengthen the competitiveness, efficiency and resilience of the European defence technological and industrial base by supporting collaborative research and development actions, fostering innovation and technological leadership.

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~~**contributing to the objectives and specific activities of the policy windows** under the European Competitiveness Fund~~, such as~~:

(1) collaborative research and innovation activities under Chapter IV 'Clean Transition and Industrial Decarbonisation' of the European Competitiveness Fund;

(2) collaborative research and innovation activities under Chapter V 'Health, Biotech, Agriculture and Bioeconomy' of the European Competitiveness Fund;

(3) collaborative research and innovation activities under Chapter VI 'Digital Leadership' of the European Competitiveness Fund;

(4) collaborative research and innovation activities under Chapter VII 'Resilience and Security, Defence Industry and Space' of the European Competitiveness Fund.

ii) 'Society', including **collaborative** research and innovation activities~~, such as:~~ **targeted at guiding societal and cultural challenges and transformation, as well as supporting evidence-based policy making for future-oriented, resilient societies.**

~~(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) **European** 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&~~**Research Area**~~l 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.** 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 and other results following the principle 'as open as possible, as closed as necessary' **and in line with the FAIR principles, as well as by expanding and consolidating the European Open Science Cloud as the common European data space for research**.

PUBLIC

(ca) **promote the scale of cross-border collaboration, including between European researchers, innovators and businesses, to contribute to stronger interconnection and collaborative ties between the national research and innovation ecosystems building on the pan-European pool of talent and capacities, stimulating brain circulation and bringing together well-established and emerging excellence.**

(caa) **follow a dual-use by design approach through dedicated calls that are exclusively aimed at dual-use technologies, while in open calls, dual-use activities may also be supported.**

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

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

(cca) **ensure that proposals are evaluated based on professionally competent, transparent and neutral reviewing, safeguarding the high standards and quality of the evaluation system, and ensuring efficiency and practicability;**

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

(ce) **ensure the implementation of gender equality by default, including the integration of the gender dimension in R&I content throughout all the stages of the research cycle;**

(cf) **ensure strategic synergies between the Pillars and their components;**

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

(ch) **facilitate the participation of all types of stakeholders, especially newcomers and new target groups in the Programme, in particular through the NCPs, which may interact with relevant support structures under other Union programmes.**

PUBLIC

[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).

   (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.

PUBLIC

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

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

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

Article 7

Additional resources

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

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

Article 8

Alternative, combined and cumulative funding

1. The Programme shall be implemented in synergy with other Union programmes. An action that has received a Union contribution from another programme may also receive a contribution under this Programme. The rules of the relevant Union programme shall apply to the corresponding contribution or a single set of rules may be applied to all contributions and a single legal commitment may be concluded. If the Union contribution is based on eligible costs, the cumulative support from the Union budget shall not exceed the total eligible costs of the action and may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.

2. Award procedures under the Programme may be jointly conducted under direct or indirect management with Member States, Union institutions, bodies and agencies, third countries, international organisations, international financial institutions, or other third parties, provided the protection of the financial interests of the Union is ensured. Such procedures shall be subject to a single set of rules and lead to the conclusion of single legal commitments. For that purpose, the partners to the joint award procedure may make resources available to the Programme in accordance with Article 7 of this Regulation, or the partners may be entrusted with the implementation of the award procedure, where applicable in accordance with Article 62(1), point (c), of Regulation (EU, Euratom) 2024/2509. 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~~**A Seal of Excellence may be awarded for proposals resulting from calls specified in the work** programme, ~~in addition to the~~**and which shall comply with the following** conditions~~ set out in Article 8(1) and (2) of Regulation (EU) XXX [European Competitiveness Fund], a Competitiveness Seal shall be awarded only to high-quality actions that have not been financed under the Programme due to budgetary constraints.~~**:**

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

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

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

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 **to the Programme**, 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, **in accordance with the conditions laid down in the Agreement on the European Economic Area,** as well as European micro-states **(Andorra, Monaco, San Marino and the Vatican City), in accordance with the conditions laid down in the relevant agreements**;

(b) acceding countries, candidate countries and potential candidates**, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements, protocols and Association Council decisions or in similar agreements and in accordance with the specific conditions laid down in agreements between the Union and those countries**;

(c) European Neighbourhood Policy countries**, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements, protocols and Association Council decisions or in similar agreements and in accordance with the specific conditions laid down in agreements between the Union and those countries**;

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(d) other third countries**, in accordance with the conditions laid down in a specific international agreement covering the participation of the third country to any Union programme**.

2. The ~~association~~ agreements for participation in the Programme **referred to in paragraph 1** 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 **persons other than States in the meaning**~~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;

PUBLIC

(c) active promotion of policies to improve the economic and social well-being of citizens.

5. The scope of association of each third country to the Programme shall take into account ~~an analysis of~~**the respect of human rights and compliance with relevant Union and international law, and analyse** 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 **third countries** associated ~~countries~~**to the Programme** 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~~**third countries** associated ~~countries~~**to the Programme** in each part of the Programme.

7a. The Commission shall, in line with the information provided through the annual budget procedure, provide the Programme Committee with information on the financial contributions from third countries associated to the Programme and their allocations to the different components of the Programme.

PUBLIC

Article 10

Implementation and forms of Union funding

1. The Programme shall be implemented in accordance with Regulation (EU, Euratom) 2024/2509, under direct management or under indirect management with bodies referred to in Article 62(1), point (c) of that Regulation.

2. Union funding may be provided in any form **through award procedures** 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**, where relevant,** as financing not linked to cost, or as simplified cost options in particular through lump sums as well as unit costs for personnel, in accordance with Regulation (EU, Euratom) 2024/2509. Funding may be provided in the form of actual eligible cost reimbursement ~~only where the~~**due to specific characteristics or** 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.

PUBLIC

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.**

Article 11

European Partnerships

1. Where necessary to achieve the objectives set out in Article 3, activities under this Regulation may be implemented through European Partnerships~~, by default through the work~~ **in a transparent manner. Such partnerships shall be established only in cases where Union action alone cannot achieve the desired objectives and where enhanced collaboration between the EU and other partners, including national, regional and/or private actors, is needed. The areas for European partnerships will be defined on the basis of guidance provided by the Council or, where appropriate, its advisory and preparatory bodies. Coherence shall be ensured and, where appropriate, synergies shall be sought with other Union** programmes**, particularly the European Competitiveness Fund**.

1a. European Partnerships shall:

(a) be based on a Memorandum of Understanding and complemented, in case of financial contributions from partners other than the Union, with a contractual arrangement between the Union and the partners. These Partnerships will be implemented through actions in the relevant work programmes of Horizon Europe and/or the European Competitiveness Fund; or

(b) in duly justified cases, entrust budget implementation tasks from one or various Union funding programmes to bodies established pursuant to Articles 185 or 187 TFEU, in accordance with Article 62(1), point (c), of Regulation (EU, Euratom) 2024/2509. Bodies under Article 187 TFEU shall be established through a Single Establishing Act ensuring harmonised rules. Partnerships under Article 185 TFEU shall be established through dedicated Acts.

PUBLIC

2. ~~European Partnerships shall be based on a~~**For each partnership, the** Memorandum of Understanding~~, agreed and signed between the~~ **complemented with a contractual arrangement in case of financial contributions from** partners **other than the Union, or the Establishing Act shall stipulate**~~, stipulating~~:

(-a) the objectives and milestones to be achieved;

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

(b) **a single set of** reporting **and monitoring** requirements**, including key performance and impact indicators**;

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

(d) governance arrangements with a mechanism for **all** partners to discuss and agree on the partnerships' programming and activities~~.~~**, including provisions ensuring their voting rights and their adequate representation;**

(da) a Strategic Research and Innovation Agenda (SRIA) agreed between the partners, detailing the thematic priorities and expected scientific and socio-economic impacts, as well as a roadmap of planned activities and milestones throughout the duration of the partnership. When the partnerships develop market deployment activities and pathways, the SRIA shall include a deployment agenda agreed between the partners.

~~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 established under paragraph 1a(a), Union support shall take the form of contributions to actions implemented under Horizon Europe for R&I activities and/or other Union programmes, such as the European Competitiveness Fund for deployment activities. These contributions shall aim to leverage the contribution from other partners.

PUBLIC

3aa. For European Partnerships established under paragraph 1a(b), the Union shall provide a financial contribution from Horizon Europe for R&I activities and/or other Union programmes, such as the European Competitiveness Fund for deployment activities, which shall be matched by contributions from the other partners at least equivalent in value.

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 the costs of their own participation or of their members' in projects supported under 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.~~

5. European Partnerships shall:

(-a) be identified and agreed in close cooperation with Member States and, where appropriate, in consultation with the private sector.

~~(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 **that are complementary to those of the Member States**.

(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 ~~set of initiatives~~**and complementary portfolio of a limited number of European Partnerships**.

(e) be based on **indicative** ex ante~~, long-term and~~ **and long-term commitments, and subsequently on** 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~~ **in a way that fosters harmonisation and standardisation of implementation**.

(ea) ensure their continuous openness for all types of partners of all sizes across the entire value chain and disciplines.

(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) seek synergies with other Union funding instruments, in particular with the ECF, in order to avoid overlaps and duplications and instead ensure added value and maximise impact.

5a. Maximum [X%] of the budget in Pillar II shall be allocated to European Partnerships.

~~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.~~

PUBLIC

7. All Partners other than the Union shall ~~provide~~**make publicly available** 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~~**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 **promote and** 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.**]**

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**.

2a. Collaborative research and innovation activities shall ensure a balanced approach between bottom-up actions and predefined topics from strategic areas to at the same time foster creativity and steer research and innovation. Topic descriptions shall be simple and clearly articulate expected outcomes and impacts while avoiding excessive detail on specific methodologies, thereby promoting an open and competitive process and providing applicants with more freedom to define their different pathways to reach the relevant R&I objectives

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

3a. The Commission shall implement the collaborative research and innovation activities under the competitiveness component of pillar II in a specific dedicated part of the work programmes adopted under Article 15(1a) [ECF].

4. **Under the 'society' component of Pillar II, this**~~The~~ Programme shall support **collaborative research and innovation** activities ~~to tackle global societal challenges in the areas of~~**, not covered by the 'competitiveness component', 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 Commission shall implement the collaborative research and innovation activities under the society component of pillar II in the work programmes adopted under Article 4(2) [SP10].**

4b. **The competitiveness and society 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~~**Under Pillar II of this** Programme ~~shall~~**,** support **shall be provided to the research and innovation part of the EU Missions established under Article 8 of Regulation (EU) 2021/695 up to 2030. Support to**~~the~~ R&I ~~component of~~**activities on** the New European Bauhaus **(NEB)** Facility **under Horizon Europe shall be accompanied by actions aimed at deployment under other Union programmes**.

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, **ensuring mutual complementarity and avoid overlaps,** in particular with the ECF InvestEU Instrument.

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;

(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, where appropriate, to provide for an agile approach that is responsive to rapid developments in technology and policy, with a mandate to re-orient or discontinue underperforming projects, including staged funding, ensure rapid transitions between instruments and facilitate connections to end users and customers**. **The Programme Committee shall be duly and timely informed in such cases.**

PUBLIC

4. All EIC investment support shall be implemented by one or more dedicated investment vehicles set up in line with the law of a Member State (the EIC Fund). The EIC Fund shall be structured in a way that it can attract other public or private investors in order to increase the leverage effect of the Union contribution.

5. The EIC may support innovation in critical ~~technologies with~~**deep-tech with a** focus on defence applications in close coordination with the ECF policy window 'Resilience and Security, Defence Industry and Space'. In those cases, Articles ~~51 and 52~~**50 and 51** of the Regulation (EU) XXX [European Competitiveness Fund] shall apply. **Such support shall be subject to specific calls for proposals and shall not exceed [X%] of the total budget of Pillar III. In addition to the provisions of paragraph 3, EIC Challenges that focus on defence applications shall follow the priorities established under the ECF policy window ['Resilience and Security, Defence Industry and Space'] and take into account such priorities in the portfolio considerations. The Programme Committee configuration responsible for ['Resilience and Security, Defence Industry and Space'] shall be kept informed of implementation of EIC support to defence applications.**

Article 17

European Innovation Ecosystems

1. The Programme shall support ~~organisations~~**activities around strategic priorities** to create **and strengthen** competitive, robust ~~and~~**,** connected**, and transnational** innovation ecosystems**, enable and improve** ~~and~~ framework conditions**, and support reaching European scale, in collaboration and coordination with national and regional authorities. Such activities shall be open to all relevant stakeholders to benefit from the strong collaborations across sectors, disciplines and borders**. Synergies with **other parts of this Programme including strong collaborations with other actions, and other** Union, national and regional programmes shall be pursued to ~~this end~~**foster innovation by promoting knowledge, mutual learning, and technology transfer and market uptake, and helping to create a more dynamic entrepreneurial and business environment stemming from science in the Union**.

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

Chapter V
European Research Area

Article 18

European Research Area ~~and infrastructures~~

1. The objective of the European Research Area ('ERA') is to create a single, borderless market for research, innovation and technology across the Union, in which researchers, scientific knowledge and technology circulate freely. **The Programme shall ensure the effective promotion and protection of all 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.**

~~2. The Programme shall ensure the effective promotion and protection of values and principles of the ERA and the Pact for research and innovation, notably ethics and integrity in research and innovation, freedom of scientific research and gender equality and equal opportunities, and the promotion of attractive research careers and mobility. The funding of the Research and Technology Infrastructures shall contribute to equip the Union with a strong and coherent ecosystem of world-class sustainable facilities and services, building on prioritised pan-European infrastructures and complementary state-of-the-art national capacities and using funding instruments, including European partnerships. The Programme shall contribute up to 20% of the building costs of critical new world-class capacities of European research and technology infrastructures.~~

~~3. The Policy Support Facility shall provide Member States and Associated Countries with practical expert support to design, implement and evaluate reforms that enhance the quality of their research and innovation investments, policies and systems. It shall contribute to building stronger and more effective national research and innovation systems and a more robust European Research Area.~~

PUBLIC

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 and regional capacities. Union funding instruments available under this Programme shall be used, where relevant, in synergy with other Union programmes, in particular with the European Competitiveness Fund, and other sources of funding. The Programme may contribute up to 20% of the construction or major upgrade costs of important world-class capacities of research and technology infrastructures of Union interest in cases where investment beyond the capacity of individual private or public actors is needed. Not more than [X%] of the total budget of Pillar IV shall be used as contribution to the construction or major upgrade costs for research and technology infrastructures. Each such contribution shall not be more than [X%] of the total budget of Pillar IV. The areas for supporting the construction or major upgrade costs of research and technology infrastructures will be defined on the basis of guidance provided by the Council or, where appropriate its advisory and preparatory bodies, and based on the work of the European Strategic Forum for Research Infrastructures (ESFRI) and of any further Strategic Forum for technology infrastructures.

Article 19

Widening participation and spreading excellence

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).**]**

PUBLIC

3. **With the exception of COST actions,** 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. **Legal entities operating on a permanent basis in outermost regions as defined in Article 349 TFEU shall also be eligible as coordinators under this component for support of research and innovation activities in outermost regions and shall be subject to the same rules applying to widening countries under this Article, with the exception of paragraph 7.**

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 **participation and spreading excellence**' includes the following:

   (a) capacity building measures;

   (b) measures supporting**: - ERA integration and leadership;** ~~- networking,~~ knowledge valorisation~~,~~**; -** countering brain drain ~~and~~**; -** dedicated National Contact Points (NCP) ~~support~~**activities; - COST; - the progression of widening and transition countries towards a smooth phasing out**.

5a. Measures that have demonstrated their value in pursuing widening objectives, such as Teaming, ERA Chairs and the EIC pre-accelerator, shall be continued and further developed, as well as new measures shall be established, for example measures facilitating the dissemination of best practices towards future ERC participation. Existing and new measures should ensure the design of a coherent portfolio of measures able to support the progression and evolving nature of R&I ecosystems of widening and transition countries.

6. **The Widening participation and spreading excellence component of** the Programme shall assist widening and transition countries ~~to increase~~**in further developing their R&I systems, in increasing** their participation **in all parts of the Programme and in promoting**~~and to promote~~ a broad geographical coverage in excellent collaborative projects. **The measures under this component shall promote sustained upward convergence in research and innovation, building on the progress achieved by widening and transition countries for their continued advancement.** Those efforts shall be ~~mirrored~~**accompanied** by proportional measures by Member States. **This component shall also facilitate mutual learning among coordinators of actions funded across the Programme and assist legal entities from transition countries in sharing their experience to the benefit of coordinators from widening countries.**

7. **[**From 2030 onwards access to capacity building measures is restricted to those widening countries that have increased their real expenditure of public investment in research and development in the latest known year compared to the year prior to it.**]**

Title II
Rules for participation and dissemination

Chapter I
General provisions

Article 20

ECF rules

1. **[**Article 10(2), 10(3) on EU Preference**]**, Article 13 on Application of the rules on classified information and sensitive information **[**and Article 20 on Accelerated and Targeted Action for Competitiveness of Regulation (EU) XXX [European Competitiveness Fund]**]** shall apply for the purpose of this Regulation, unless otherwise specified **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, regardless of its place of establishment and 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 **associated to the Programme**;

   (c) ~~other~~ entities established in low to middle income ~~non-associated~~ third countries **not associated to the Programme** or, exceptionally, in other ~~non-associated~~ third countries **not associated to the Programme** if the third country is identified in the work programme adopted by the Commission;

   (d) ~~other~~ entities established in ~~non-associated~~**third** countries **not associated to the Programme** 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~~**a third country** associated ~~country~~**to the Programme**.

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 **a third country** associated ~~country~~**to the Programme**.

5. Coordination and support actions may be implemented by one or more legal entities, which may be established in a Member State, **a third country** associated ~~country~~**to the Programme** or, in exceptional cases **that have been duly justified, in a**~~, in another~~ third country **not associated to the Programme**.

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. **For ERC frontier research actions, research and training actions and when provided for in the work programme or the call for proposals, international organisations with headquarters in a Member State or a third country associated to the Programme shall be deemed to be established in that Member State or a third country associated to the Programme. For other parts of the Programme,** international organisations other than international European research organisations shall be deemed to be established in a ~~non-associated~~ third country **not associated to the Programme**, 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 **associate to the Programme that are** 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 **that are associated to the Programme** and international organisations.

PUBLIC

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 EU, national and regional public funds or private sources, except contributions from the Union in the context of actions referred to in Article 8(1);

(b) activities aiming at human cloning for reproductive purposes;

(c) activities intended to modify the genetic heritage of human beings which could make such modifications heritable, except research relating to cancer treatment of the gonads;

(d) activities intended to create human embryos solely for the purpose of research, technological development and demonstration activities or for the purpose of stem cell procurement, including by means of somatic cell nuclear transfer;

~~(e) research on human stem cells, both adult and embryonic, may be financed depending both on the contents of the scientific proposal and the legal framework of the Member States involved;~~

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

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.

PUBLIC

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 follow a contradictory procedure with** the action ~~has lost its policy relevance~~**coordinator and, if appropriate, with the involvement of independent external experts, before deciding to terminate an action. The Programme Committee shall be informed of these cases.**

~~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.

Article 21a

Research security

1. Actions carried out under this Programme shall comply with relevant Union law, including provisions on security, export control, and measures against unauthorised knowledge and technology transfer in order to guarantee the protection of strategic interests, security and public order of the Union and its Member States.

PUBLIC

1a. **In order to ensure research security and in line with Article 10(3) ECF, where appropriate and duly justified, the work programme may establish eligibility restrictions in accordance with Article 136 of the [Financial Regulation] to take into account specific policy requirements or the nature and objectives of the action. For exceptional reasons, the programme may set restrictions on the participating entities, executive management structures restrictions and ownership and control restrictions limiting participation of all or certain entities to those entities with executive management structure, as well as ownership and control by natural or legal persons, established in the Member States, and where appropriate other eligible countries. Any limitation of the participation of legal entities established in associated countries which are EEA members shall be in accordance with the terms and conditions of the Agreement on the European Economic Area.**

1b. **The Commission shall provide the adequate framework, procedures, guidance and support to ensure consistent, proportionate and effective application of research security requirements across all stages of the Programme implementation, including, where appropriate, a security self-assessment and an initial security management plan identifying any security issues by the applicant.**

3. **Where appropriate, the Commission or the relevant funding body shall carry out research security reviews and scrutiny procedures, as well as checks for proposals and actions raising security issues.**

4. **Legal entities participating in an action shall adopt, wherever relevant, proportionate research security measures throughout the entire project lifecycle. Actions which do not comply with the security rules under this Article may be rejected or terminated at any time.**

PUBLIC

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.

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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 ~~Competitiveness Seals~~**the Seal of Excellence** 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.

2a. **The Commission and other funding bodies shall apply a two-stage submission and evaluation procedure where relevant to simplify the application process for beneficiaries, in particular in Pillar II. Where appropriate, anonymised proposals may be evaluated during the first stage of evaluation.**

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**.

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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.**]**

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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. **Without undermining the quality of the evaluation and award procedure,** 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.**]**

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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**, except for unit costs for internally invoiced goods and services, which shall be calculated on the basis of actual costs, in accordance with the beneficiaries' usual cost accounting practice**.

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.

2a. The Union contribution for MSCA actions shall take due account of any additional costs of the beneficiary related to maternity leave, parental leave, sick leave, special leave or to a change of recruiting host organisation or a change in the family status of researcher during the duration of the grant agreement.

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Article 30

Mutual Insurance Mechanism

1. A Mutual Insurance Mechanism (the 'MIM') is hereby established which shall replace and succeed the ~~Mechanism~~**MIM** 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.**

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~~**MIM**. 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~~;

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(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;

(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.

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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 specifics~~**safeguarding the Union's strategic autonomy and the Union's** regulatory requirements **for specific sectors**;

   (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 specifics~~**safeguarding the Union's strategic autonomy and the Union's** regulatory requirements **for specific sectors;**

   (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.

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(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**, in line with the procurement contract**.

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 **third countries** associated ~~countries~~**to the Programme**.

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, following clear and objective criteria** 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 scaleups, and in duly justified cases**~~, and~~ small mid-caps.

3. Proposals for EIC Accelerator actions may be submitted by one or more legal entities intending to establish or support a potential recipient, with the prior agreement of that recipient. If ~~the~~ selected for funding, the grant and investment agreement shall be signed only with that recipient.

4. In the case of blended finance actions, the beneficiary and the investee may differ in the sense that the investee may be the holding or the parent company of the beneficiary.

5. Funding bodies implementing Union Programmes, or national or regional f**unding 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~~**funding bodies and programmes** 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, **or where companies do not find private co-investors within the Union or are only bankable outside of the EU,** support to ~~bankable investees or without participation of other investors, may~~**those investments may in exceptional and duly justified cases** 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 **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**. **The Programme Committee shall be duly and timely informed on such follow-on support.**

Article 35

Repeal

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

Article 36

Transitional provisions

1. This Regulation shall not affect the continuation or modification of the actions concerned, until their closure, under Regulation (EU) 695/2021, which shall continue to apply to the actions concerned until their closure.

2. The financial envelope for the Programme may also cover technical and administrative assistance expenses necessary to ensure the transition between the Programme and the measures adopted under its predecessor, Regulation (EU) 695/2021.

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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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