

## ANRT 's preliminary position paper regarding the framework programme HORIZON EUROPE

Governments all around the world seek economic growth. In Europe, since 2000,<sup>1</sup> the engine for growth has been innovations fuelled by knowledge. In 2013, the European Union also defined the ideal qualities for its growth, i.e. "smart, sustainable and inclusive"<sup>2</sup>. In terms of smart development, the core engine for growth in Europe is its research and innovation policy.

The key role played by research and innovation policy in the desired future of Europe was also highlighted in the Tallinn Call for Action 2017<sup>3</sup>. This statement stresses the importance of ensuring investments in research and innovation, increasing the impact of research and innovation investments and building trust between research and society, and within the R&I system.

Horizon Europe aims at fuelling all the Union policies, as the intention for synergies with other funds, shows it. The ERA members are keen to see that the research and innovation policy is now considered as a cornerstone policy. The members of the ERA group welcome the proposition of the Commission establishing Horizon Europe- the Framework Programme for Research and Innovation and laying down its rules for participation and dissemination published on June the 7<sup>th</sup>.

In this preliminary position paper, the members of the ERA group present their first point of view and analysis regarding the eleven following issues:

- Structure of the programme
- Budget of the programme
- Pillar 1: open science
- Pillar 2: global challenges and industrial competitiveness
- Missions
- European partnership
- Strategic programming planning and process
- Pillar 3: open innovation
- International cooperation
- Strengthening of the European Research Area
- Synergies
- Participation rules

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<sup>1</sup>European Council 28 March 2000

<sup>2</sup>As Europe 2020 aims to be

<sup>3</sup> Seize the opportunity now: research and innovation matter for the future of Europe:  
[https://www.hm.ee/sites/default/files/tallinn\\_call\\_for\\_action\\_2017.pdf](https://www.hm.ee/sites/default/files/tallinn_call_for_action_2017.pdf)

## Structure of the programme

The 3 pillar structures with an additional cross pillar, are a good starting point to facilitate the global comprehension of the framework programme, even by newcomers. As promised the structure is an evolution and not a revolution. The titles of each pillar are clearly linked with the political vision developed by the Commissioner Carlos Moedas since 2015. The global architecture of the programme appears as compliant with the ambitions of openness, excellence, competitiveness as well as cohesion of the research and innovation policy.

The members welcome the principle underlined in recital 8 to maintain a balanced approach between bottom-up (investigator or innovator driven) and top-down (determined by strategically defined priorities) funding. The collaboration is the cornerstone of the European added value of the programme. 60% only are dedicated to collaboration mainly supported within the 2<sup>nd</sup> pillar. The members warn about the decrease of the collaborative part of the programme, and in particular the impact on the collaborative fundamental research.

## Budget of the programme

The members of the ERA group acknowledge the increase of the budget. Nevertheless, the budget level is considered too low to face all the ambitions supported by Horizon Europe: excellence in science, global competitiveness and cohesion. They continue to advocate for a € 160 bn<sup>4</sup> for the next programme to get a fully result-oriented research and innovation research programme;

In order to increase the support for excellent science, the budget dedicated to pillar 1 (open science), mostly based on mono-beneficiaries instruments, has been increased compared to Horizon 2020. Nevertheless, excellence science is also lead within collaborative project. Those collaborative projects will be mainly funded through the second pillar (Global challenges and industrial competitiveness). The main objective of this pillar is to address systemic changes for our society and economy along a sustainability vector. The members agree with the rationale of the second pillar and underline the necessity to be able to address also collaborative fundamental research project on the cluster thematic. Consequently, they ask to increase the total budget at least to € 120 bn.

Compared to Horizon 2020, considering that near the same perimeter is addressed (FET open, SME instrument) the budget of the third pillar (Open innovation) has been multiplied by 3. The members welcome the ambition to better support the market creating breakthrough innovation, and SMEs scale-up. They warn that, as experience has shown it, the success rate would be low in the proposed conditions.

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<sup>4</sup>ANRT calls for a €160 bn framework programme.

## Open science

In Horizon Europe, Open science is both a pillar and a principle for action.

- **Pillar 1:**

Except the exit of the programme dedicated to the Future Emerging Technologies, the proposition of the Commission for the pillar “open science” is the same as the pillar “Excellent Science” in Horizon 2020: similar structure, objectives and funding conditions. The members of the Era group welcome the continuity with Horizon 2020 in supporting excellent science.

A specific programme committee will cover both ERC and MSCA programme. recital 9 states that the research agenda should be set in close liaison with the scientific community. One of the ambition of the strategic programming process and planning in a transparent manner, the members of the ERA group would appreciate clarification concerning the involvement of stakeholders.

- **Toward open science transition**

The regulation proposal aims to foster open science and ensure visibility to the public and open access to result in the framework programme. The principle of open science will become the modus operandi of the new programme, beyond the open access policy of Horizon 2020. In Horizon Europe, the principle of open access is “the practice of providing online access to research outputs resulting from actions funded under the programme, in particular scientific publications and research data, free of charge to the end-user”.

The members of the ERA group recognize that Open science has the potential to accelerate the advancement of knowledge. They are keen to see that the principle 'as open as possible, as closed as necessary' is maintained (art.10). But they worried about the fact that all the questions will be definitely solved during the grant agreement negotiation phase. The strengthening of open access requirements has to be examined from the point of view of global competitiveness. The enlargement of the principle of open access through general principle could seriously hampered the medium and long-term European competitiveness. Europe is not a data producer centre. Reciprocity conditions have to be in place before enlarging open access requirements.

In term of the related infrastructure, the ERA members welcome the perspective of the European Open Science Cloud.

## Global challenges and industrial competitiveness (Pillar 2)

The members of the ERA group welcome the evolution of the name of the pillar. This points out more clearly that industrial competitiveness shall meet global challenges.

The inclusion of the JRC’s activities, in the second pillar is perceived as a strong message. It will reinforce the scientific evidence for better policy making toward a more innovation friendly ecosystem. By identifying as early as possible the need for international standardisation or evolutions of the regulation, it will be able to tackle the regulation barrier for a faster deployment

of innovations and also serve a Europe's ambition to act as a global actor. Furthermore, this will certainly be a crucial point to better protect the interest of the Union.

The 2<sup>nd</sup> pillar will be organised into 5 clusters linked to the Sustainable Development Goals (SDGs). It is the one allowing effective, and even large, collaborative research and innovation project. The goal shall be to incentivise cross-disciplinary, cross-sectoral, cross-policy and international collaboration, towards a greater impact and innovation potential. The members of the ERA group emphasize, the crucial need for European competitiveness, to support the collaborative fundamental research. For example, in the societal challenge "Health, demographic change and wellbeing" of Horizon 2020, the number of calls for collaborative fundamental research (TRL <3) has been reduced significantly since the beginning of the programme. This jeopardizes the capacity to prepare the future. The collaborative part of the programme shall be reinforced in order to really maximise the impact of the programme with a cross discipline and cross sectorial approach.

## Missions

The need to confirm the desired direction for growth while maximizing its impacts, and reignite a sense of European citizenship, has led Commissioner Carlos Moedas to rethink the role of the EU's public policy in the economy<sup>5</sup>. Therefore, he proposed building the future research and innovation Framework Programme (FP9)<sup>6</sup> on a missions-oriented approach. Those missions will be part of the second pillar (art. 7.1).

The members of ERA group welcome the alignment principle to build future missions in line with Agenda 2030, in coherence with the action of EU as a Party of the United Nations. This reinforces the coherence between values and actions.

A mission is a systemic approach of a target. That is why, for the members of the ERA group, missions should not be limited to the second pillar of the programme Horizon Europe. This principle would increase synergies within the pillar of Horizon Europe, as well as other European funds, as proposed by the sixth recommendation of the Lamy Report<sup>7</sup>, or the Erasmus, and contribute to "educate for the future and invest in people who will make the change" (recommendation 3)<sup>8</sup>. A systemic approach of this kind would be consistent with the ambition of "being big on issues that matter", as J.C. Juncker said, and thus "maximizing the impacts". A mission-oriented approach should act as a driver to build future European policies. That is why financing missions is not limited to the fund dedicated to the cluster of the second pillar only.

Considering that missions address global challenges, defining a mission is mainly a top-down process (i.e. where to go). Nevertheless, in order to maximize pulling power for citizens and business firms, the missions proposed should involve all stakeholders. The members of the ERA group support the ideas to set up a specific European partnership to define the roadmap for a considered mission.

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<sup>5</sup> "And to go beyond fixing the market failures" (M. Mazzucato, mission oriented innovation policy: challenges and opportunities,- UCL, institute for innovation and Public Purpose working paper ( 2017-1)

<sup>6</sup> „LAB – FAB – APP Investing in the European future we want“:

[https://ec.europa.eu/research/evaluations/pdf/archive/other\\_reports\\_studies\\_and\\_documents/hlg\\_2017\\_report.pdf#view=fit&pagemode=none](https://ec.europa.eu/research/evaluations/pdf/archive/other_reports_studies_and_documents/hlg_2017_report.pdf#view=fit&pagemode=none)

<sup>7</sup> ibid.

<sup>8</sup> ibid.

This could, if duly managed, engage more all the stakeholders, including citizens. For the members of the ERA group, the missions should be co-designed in the context of a strategic programming planning process, involving, during the preparation phase, a dedicated European partnership for each selected mission.

## European partnership

European partnerships have demonstrated their capacity to federate both private and public interest. Recital 16 of the regulation invites to enlarge the European partnership to local authorities, international organization and civil society ones. The members of the ERA group welcome the idea to enlarge the type of stakeholders involve in European partnerships. It will an opportunity to improve the specific programmes. Nevertheless, this perspective has to supported by clear rules, as strategic lines. These rules haves to be understood and respect by all involved stakeholders.

Some European partnership, as the JU ECSEL, have proven their efficiency in reaching agreements to fund large innovation project close to market more easily than research projects. The European partnerships could be a structuring tool to accelerate the market uptake through collaborative projects.

Until today a lot of stakeholders are involved in defining or implementing the framework programme, through their membership in a specific "European partnership" (ETP, JTI, cPPP,...).

Their involvement is both in-kind and in-cash:

- In-kind by mobilizing their experts to contribute to the deliverables of the concerned European partnership and;
- In cash by the payment of the fees and by financing a part of collaborative projects.

The members of the ERA group warn about any increase of the Financial contribution of members to participate in European partnerships could reduce the number of participants. It would strengthen the perception of " closed club ", and therefore be counterproductive regarding the ambition to get an inclusive approach supported in the Programme.

The criteria, conditions of these European partnerships to apply and implement these partnerships are not yet clearly defined. As a preliminary approach, for the members of the ERA group, European partnership should be the backbone of the strategic programming process.

## Strategic programming planning and process

The members of the ERA group welcome the ambition supporting the "strategic programming planning and process". The strategic programme will be a crucial element of the global efficiency of Horizon Europe. It will "seek synergies, avoid overlaps and duplication, with other Union and national programmes (recital 11), and allow the flexibility needed when crisis appear."

For the members of the ERA group, the future European partnerships should be the starting place to elaborate the strategic programme. They will share their detailed vision in few weeks.

### Pillar 3: open innovation

As mentioned previously, the members welcome the ambition to better support the market creating breakthrough innovation, and SMEs scale-up.

The pillar has a sound architecture. Regarding the budget, compared to the previous programme, the members acknowledge the effort. Nevertheless, the members of the ERA Group warn about the discrepancy between the ambitions and the dedicated budget. They would support a unique budget for the EIC as a whole. They ask to rapidly clarify the budgetary allocation and the selection process for the Pathfinder and Accelerator instruments.

The members of the ERA group worry about a possible issue regarding the equal chance of access to the Accelerator for mainly two reasons:

- A continuous support from the research to the market for each project supported by the EIC raises the question of equal chance to access to the Accelerator for projects previously funded through other public (ERC, EIT, pillar 2, or national ones) or private mechanisms. The members of the ERA group ask for rapid clarification about this issue.
- A continuous open call to access to EIC support, let's understand that a "first in- first out" process. With a limited budget, the chance to succeed will decrease all over the year. As reactivity and flexibility are concerned, the ERA members propose to adopt the same process as the one tested for the Fast Track to Innovation instrument.

The EIC calls will be open calls, in a mainly bottom-up spirit. Programme managers will be in charge of creating portfolio joining projects that could work together. The members of the ERA group support the perspective of joining or combining different projects in a portfolio in order to increase the impact of the programme. They ask for clarification on how being compliant, within an open call process, with the need to demonstrate that the project contributes to the constitution of a consistent portfolio (art 26.2), without knowing the content of the other projects.

### International cooperation and third parties

Horizon Europe is "open to the world", as any legal entity may participate in action under the Programme (art 18.1). Their participation could be reduced if Union strategic assets, interest, autonomy or security issues are concerned (art 18.5) or if specified in the work programme or calls (art. 18.6).

As previously in Horizon 2020, the European Free Trade Agreement members (EFTA), which are members of the European Economic Area (EEA) may participate. Participants from acceding countries, candidate countries and potential candidates, as well as the participants from countries covered by the European Neighbourhood Policy may participate following the conditions laid down in agreement between Union and those countries (art 12.1.b, art. 12.1.c).

Other countries with good capacities in sciences, technologies and innovation may participate provided they are in particular committed to a rule-based open market economy, have fair conditions regarding intellectual property rights (art. 12.1.d). For those countries it is also expected to have an active promotion of policies that improve the economic and social well-being of citizens. The members of the ERA group consider this criterion as far too vague/ blurry.

For the members of the ERA group, the full reciprocity has to be the basis principle in the perspective to associate non-members states to the Programme. For low to medium incomes countries, they would understand a limited application of this principle.

Regarding the financial participation of third countries under the art 12.1.d, the members of the ERA group ask to further clarify the correction mechanism (art 12.4). For the members of the ERA group, the proposed formulation is not aligned with the protection of the Union's interest. They propose to limit the "return" to the maximum of the contribution only. The benefit for the third parties have to be limited to the intangible results of a project. In addition, ensuring "a fair balance as regards the contributions and benefits of a third country" have to be clarified urgently.

As far as association agreement is concerned, the members of the ERA understand that all association agreement will be (re)negotiated again.

## Strengthening of the European Research Area

As a preliminary approach, the members of the ERA group welcome the opportunity given to strengthen the European Research Area. The proposition seems to be balanced. The members would propose to get sufficient budget regarding any issues dedicated to the Training and mobility issue.

## Synergies

The examination of the proposals of the Commission as whole underlines the structuring place of the research and the innovation for the future European policies. The targeted synergies, between the European funds themselves, and between them and the national ones. Nineteen out of forty-one European funds could find intelligent articulations. (appendix IV).

The members of the ERA group welcome the principle to increase synergies between different European funds. They are keen to see that the Framework programme is considered as the backbone of the economic growth.

From a budgetary point of view, synergies will increase the impact of the programme. The next framework programme proposes three types of synergies:

- a) Horizon Europe will finance the research and innovation phase while other European, national or regional funds will support the deployment phase. This scenario, for collaborative project, needs a coordination between regions in order to align their rules and criteria for submission.
- b) With a view to avoiding overlaps and duplication and increasing the leverage of Union funding, transfers from other Union programmes to Horizon Europe activities can take place. In such cases they will follow Horizon Europe rules. The members of the ERA group welcome this principle. As mentioned in article 9.8, they strongly support that those funds are directed to the participant of the concerned member states and ask for a clearest formulation in that sense. The members of the ERA group support the extension of the seal of excellence, for all types of proposals that exceed all of the thresholds set out in the work programme but could not be funded due to lack of budget available (art 11). They do not support the need for resubmission under the rules of the targeted fund, as mentioned

in article 11. As far as selection criteria are fund based, a project takes the risk not to fulfil the conditions to be funded even if the project receives a seal of excellence. In addition, it will generate an unnecessary administrative burden. The members of the ERA group advocate for simplification. They propose the recognition as such at national or regional level of the full proposal awarded. The principle of synergies yet developed between Connecting Europe Facilities and the European Regional Development Fund should be an inspirational source.

## Participation rules

The members of the ERA group acknowledge the effort to maintain most of the administrative rules laid down for Horizon 2020 rules. In this preliminary position paper, they point out some items:

- First exploitation in Europe: The members of the ERA group welcome the introduction of the concept of a first exploitation in Europe (art. 35). Nevertheless, it appears more as a principle than a mandatory requirement. An in-depth analysis regarding the transfer and licensing process (art. 36) will be done in the coming weeks.
- The lumps sums financing: The lumps sums financing could be a real simplification. The members of the ERA group thank for its extension. For the members of the ERA group, the lumps sums financing seems to be adapted to small projects with a reduced number of partners. They remind their recommendation to extend first the pilot to different types of calls as large consortiums for example. In such case, the members urge the Commission, to clarify the financial liability of the coordinator. In practice, it is sometimes difficult for the coordinator, or even impossible (with partners from emerging countries) to get the undue funding back.

In July 2018, the lumps sums pilot in Horizon 2020 is about to be launched. Without any feedback about the applicant for the moment, the members of the ERA group will pay attention during the elaboration of the specific programmes in order to adopt the lumps sums financing only where it is adapted.

- The project-based remuneration: for the ERA group, this could be a real simplification.
- Evaluation of Impacts of the programme: The members welcome the objective to measure the short, medium and long terms impacts. The members warn about the need for clarification regarding the 27 impacts listed in the annexe IV of the regulation. It is not yet precise who is going to do the measurement and when.
- Implementation of the grant: A project could be terminated if beneficiaries fails to comply their obligation, or when results have lost their relevance. The members of the ERA group ask for transparent criteria and process regarding the possibility to terminate a project.

The members of the ERA group will conduct an in-depth analysis regarding in particular eligible costs and audit, after the publication of the proposition of the Financial regulation. They will share the complement of this preliminary position paper in early October.