

29 June 2018

Horizon Europe – The Commission’s proposals Recommendations to the European Parliament and to the Council

APRE, the Italian Agency for the Promotion of European Research¹, **welcomes the Commission's proposals for Horizon Europe**, namely the proposal for a regulation on *establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination* and the proposal for a decision on *establishing the specific programme implementing Horizon Europe – the Framework Programme for Research and Innovation*, **particularly emphasizing the following positive aspects:**

- i) the alignment of the programme structure and objectives with global policy priorities (i.e. United Nations Agenda 2030 and the Sustainable Development Goals);
- ii) the organisation of pillar 2 "Global Challenges and Industrial Competitiveness" into cross-disciplinary, cross-sectoral, cross policy clusters;
- iii) the systemic approach to synergies and complementarity with the other EU funding programmes;
- iv) the strong continuity with Horizon 2020 in terms of participation and dissemination rules (selection and award criteria, co-funding rates, time-to-grant, type of actions, etc.) and further efforts in terms of simplification;

¹ APRE is a non-profit membership organisation, which brings together the vast majority of public and private players of the Italian Research and Innovation landscape (universities, RTO's, industry, etc.). Through the Rome headquarters, the EU Liaison Office in Brussels, the regional help-desks and the network of National Contact Points for the EU Framework Programme, APRE provides information, training and assistance to Italian researchers and innovators, to help them take full advantage of the collaboration and funding opportunities of European R&I programmes. APRE's ultimate goal is the growth, modernisation and internationalisation of the Italian Research and Innovation system.

- v) the commitment to strengthening international cooperation, e.g. explicitly outlining the possibility of association to the programmes for the acceding countries, candidate countries and potential candidates and for the countries covered by the European Neighbourhood Policy.

Horizon Europe – Framework Programme + Specific Programme		
Topic	Commission proposals' articles and texts	APRE's comments and recommendations
Budget	<p><u>Proposal for a Regulation</u></p> <p>Article 9.1 - <i>The financial envelope for the implementation of the Framework Programme for the period 2021 – 2027 shall be EUR 94 100 000 000 in current prices for the specific programme referred to in Article 1(3)(a) and, in addition, the amount for the specific EN 32 EN programme referred to in Article 1(3)(b), as laid down in Regulation.... establishing the European Defence Fund.</i></p> <p><u>Proposal for a Decision</u></p> <p>Article 4 - <i>In accordance with Article 9(1) of Regulation ... FP/RfP Regulation, the financial envelope for the implementation of the Specific Programme for the period 2021 to 2027 shall be EUR 94 100 000 000 in current prices [...]</i></p>	<ol style="list-style-type: none"> 1. APRE recognizes that the budget increase proposed by the Commission (+22% in current prices compared to Horizon 2020) represents a signal in the right direction. Nevertheless, the overall financial allocation of Horizon Europe (94.1 billion) remains not fully in line with the EU Research and Innovation ambitions. 2. APRE recalls the position of the European Parliament expressed in the resolution of 13 June 2017 (i.e. Cabezon-Ruiz Report), which called for an overall budget for the Framework Programme 2021-2027 of at least EUR 120 billion. 3. <u>APRE calls on the European Parliament and the Council to promote the request of scaling-up the Horizon Europe overall budget to at least EUR 120 billion – as the minimum needed to achieve Europe's research and innovation ambitions –, and to ensure in any case that the 94.1 billion proposed by the Commission will not be further reduced.</u>

<p>Structure and Budget breakdown</p>	<p><u>Proposal for a Regulation</u></p> <p>Article 4 - <i>The Programme is structured in the following parts contributing to the general and specific objectives set out in Article 3 [...]</i></p> <p>Article 9.2 - <i>The indicative distribution of the amount referred to in paragraph 1, first half sentence, shall be:</i></p> <p>(a) <i>EUR 25 800 000 000 for Pillar I 'Open Science' for the period 2021-2027, of which [...]</i></p> <p>(b) <i>EUR 52 700 000 000 for Pillar II 'Global Challenges and Industrial Competitiveness' for the period 2021-2027, of which [...]</i></p> <p>(c) <i>EUR 13 500 000 000 for Pillar III 'Open Innovation' for the period 2021-2027, of which [...]</i></p> <p>(d) <i>EUR 2 100 000 000 for Part 'Strengthening the European Research Area' for the period 2021-2027, of which [...]</i></p> <p>ANNEX I – Broad lines of activities - <i>The general and specific objectives set out in Article 3 will be pursued across the Programme, through the areas of intervention and the broad lines of activity described in this Annex [...]</i></p> <p><u>Proposal for a Decision</u></p> <p>Article 3 - <i>In accordance with Article 4(1) of Regulation ... FP/RfP Regulation, the Specific Programme shall consist of the following parts [...]</i></p>	<ol style="list-style-type: none"> 1. The internal division of Horizon Europe budget is worthy of a specific analysis that takes into account the comparison with Horizon 2020, as well as the priorities of the European R&I system. 2. In this regards, APRE considers unsatisfactory the overall budget allocated to the first "Open Science" pillar, and in particular to the Marie Skłodowska-Curie actions and Research Infrastructures. 3. APRE expresses its concerns on the suppression of a funding programme dedicated to Future Emerging Technologies under the first pillar. Indeed, the FET Programme is a clear expression of the importance of collaborative frontier research, playing a pivotal role in ensuring that the most promising ideas and technologies move outside the lab. 4. With reference to the second pillar, APRE considers undersized the financial allocation for the clusters 2 "Inclusive and Resilient Societies" and 4 "Climate, Energy and Mobility", the only ones suffering from a budget reduction compared to Horizon 2020 (in the context of an increase in the overall budget). 5. Therefore, APRE calls on the European Parliament and the Council to ensure that the following thematic areas will benefit from an increase of the overall budget: <u>Marie Skłodowska-Curie actions, Research Infrastructures, Mobility (Transport), Energy, Humanities and Social Sciences.</u> 6. <u>APRE calls on the European Parliament and the Council to</u>
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<p>Governance and Strategic Planning</p>	<p><u>Proposal for a Regulation</u></p> <p>Article 6.6 - <i>The implementation of the specific programme shall be based on a transparent and strategic multiannual planning of research and innovation activities, in particular for the pillar 'Global Challenges and Industrial Competitiveness', following consultations with stakeholders about priorities and the suitable types of action and forms of implementation to use. This shall ensure alignment with other relevant Union programmes.</i></p> <p><u>Proposal for a Decision</u></p> <p>ANNEX I (Strategic Planning) - <i>The implementation of Horizon Europe's programme-level objectives in an integrated manner will be ensured by multiannual Strategic Planning. [...] It will include extensive consultations and exchanges with Member States, the European Parliament as appropriate, and with various stakeholders about priorities, including missions, under the 'Global Challenges and Industrial Competitiveness' pillar, and the suitable types of action to use, in particular European partnerships.</i></p>	<ol style="list-style-type: none"> 1. The Commission proposal shows a minimum level of definition in the legal texts and assigns a significant role to the programme implementation - which will be steered and managed, as the Commission proposes - by the strategic planning process. 2. APRE reminds the European Parliament that the decision establishing the specific programme implementing Horizon Europe will be adopted by ordinary legislative procedure, with the Parliament as co-legislator. 3. APRE invites the European Parliament and the Council to pay great attention to the strategic planning process, which will directly involve the European Parliament, Member States and stakeholders, including civil society organisations – and <u>calls for the co-legislators to define in the legal texts how the various stakeholders will be effectively engaged and consulted.</u> 4. <u>APRE requests the European Parliament and the Council to ensure that the strategic planning process guarantees an adequate representation of all types of players in the R&I system (universities, research centres, industries, civil society organizations, etc.).</u> 5. APRE asks the European Parliament and the Council to strongly

		<p><u>promote a greater definition of the legal texts, for instance by integrating in the regulation and in the decision the first conclusions that will result from the strategic planning process.</u></p>
<p>Missions and Partnerships</p>	<p><u>Proposal for a Regulation</u></p> <p>Article 6.7 - <i>Horizon Europe activities shall be primarily delivered through calls for proposals, some of which organised as parts of missions and European Partnerships.</i></p> <p>Article 7.2 - <i>The missions shall be implemented in accordance with Article 5 of the Specific Programme. Evaluation shall be carried out in accordance with Article 26.</i></p> <p>Article 8.1 - <i>Parts of Horizon Europe may be implemented through European Partnerships. The involvement of the Union in European Partnerships may take any of the following forms [...]</i></p> <p>Article 8.2 - <i>European Partnerships shall [...] Provisions and criteria for their selection, implementation, monitoring, evaluation and phasing-out are set out in Annex III.</i></p> <p>ANNEX III - <i>European Partnerships will be selected, implemented, monitored, evaluated and phased-out on the basis of the following criteria [...]</i></p> <p><u>Proposal for a Decision</u></p>	<p>1. The strategic planning process will define, inter alia, two of the most significant novelties proposed by the Commission for Horizon Europe: R&I missions (i.e. identification and definition of missions) and the new approach to European Partnerships (i.e. identification of thematic areas for partnerships). Particularly for missions, the criteria given are extremely vague, leaving the Commission to implement a new instrument without appropriate discussions on how those missions should be effectively implemented.</p> <p>2. <u>APRE invites the European Parliament and the Council to pay due attention to the process of rationalization of partnerships (including the possible continuation of existing ones), particularly of public-private partnerships, as efficient instruments for excellent industry-led collaborative research in Europe.</u></p> <p>3. <u>APRE calls on the European Parliament and the Council to promote in the legal texts a further consolidation of the criteria for selecting the missions and invites the co-legislators to ensure that the identification and definition of R&I missions takes place through an inclusive and transparent process.</u></p> <p>4. <u>In this sense, APRE particularly appreciates the Commission's intention to establish the mission boards and asks the European Parliament and the Council to maintain this provision in the legal</u></p>

	<p>Article 5 - <i>For each mission, a mission board may be established. It shall be composed of around 15 high level individuals including relevant end-users' representatives. The mission board shall advise upon the following [...]</i></p>	<p><u>text, while further defining the criteria for selecting mission board members (e.g. procedure for appointing, etc.).</u></p>
<p>Small and Medium sized Enterprises</p>	<p><u>Proposal for a Decision</u></p> <p>ANNEX I (Open Innovation – European Innovation Council) - <i>These two complementary types of actions will share common characteristics. They will: – Focus on breakthrough and disruptive innovations, including social, that have the potential to create new markets, as opposed to those which make incremental improvements in existing products, services or business models [...]</i></p> <p><i>The Pathfinder's [...] will build on the experience from [...], as well as the Horizon 2020 SME Instrument Phase 1.</i></p> <p><i>the Accelerator will [...] For that purpose it will build on the experience from the Phases 2 and 3 of Horizon 2020 SME Instrument and from Horizon 2020 InnovFin, in particular through the addition of non-grant components and the ability to support larger and longer investments.</i></p>	<ol style="list-style-type: none"> 1. APRE expresses its concerns on the new proposals for supporting innovative Small and Medium-Sized Enterprises, i.e. the changes to the Horizon 2020 SME instrument under the new European Innovation Council and the absence of the target of dedicating to SMEs an adequate share of budget (in Horizon 2020, 20% of the pillars 2 "Industrial Leadership" and 3 "Societal Challenges"). 2. The emphasis on supporting breakthrough innovation to the detriment of innovation of different types (i.e. incremental innovation), which characterizes the EIC, risks penalizing small and medium-sized European companies in accessing Horizon Europe funding. 3. APRE welcomes the objective highlighted by the Commission to support breakthrough innovation and create new markets, in particular through the new European Innovation Council. Nevertheless, APRE considers that an adequate support must be guaranteed for all types of innovation and all types of innovative enterprises. 4. <u>In this regard, APRE calls on the European Parliament and the Council to reintroduce a funding scheme dedicated to innovative SMEs, built on the model of the Horizon 2020's SME Instrument</u>

		<p><u>(i.e. by maintaining the mono-beneficiary nature and the current structure in different phases), as a complementary measure to the establishment of the European Innovation Council.</u></p> <p><u>5. APRE calls on the European Parliament and the Council to consider carefully the introduction of a quantitative target by dedicating an appropriate share of the Global Challenges and Industrial Competitiveness pillars budget to support innovative SMEs.</u></p>
<p>Sharing Excellence</p>	<p><u>Proposal for a Decision</u></p> <p>ANNEX I (Part Strengthening the European Research Area) - <i>A criterion based on research and innovation excellence will be used to define those Member States and Associated Countries where legal entities need to be established in order to be eligible to submit proposals as coordinators under 'sharing excellence'. This criterion will address the dimensions of the overall economic performance (GDP), research performance and innovation performance in a combined manner normalised to the size of the related countries. The countries identified with this criterion are called 'eligible countries' in the context of 'sharing excellence'. On the basis of Article 349 TFEU, legal entities from Outermost Regions will be also fully eligible as coordinators under 'sharing excellence'</i></p>	<p>1. APRE welcomes the budget increase for the measures dedicated to strengthening the European Research Area (pillar / part 4 "Strengthening the European Research Area") - with particular reference to the "Sharing Excellence" area of intervention, built on "Spreading Excellence and Widening Participation" programme of Horizon 2020.</p> <p>2. At the same time, APRE believes that those measures cannot be circumscribed to a limited number of member states, but should <u>take into consideration the R&I regional divide within the individual member states.</u></p> <p>3. <u>APRE calls on the European Parliament and the Council to promote a revision of the criteria for selecting potential beneficiaries of the Sharing Excellence programme. The criteria for selecting the regions that benefit from the European Structural and Investment Funds (ESIF) could be a good starting basis.</u></p>