

Fraunhofer-Gesellschaft zur Förderung der angewandten Forschung e. V.

## Position paper on the future of the next European research framework program FP10

### Key Takeaways

Now is the critical moment to champion Europe as a leading hub for research and innovation (R&I), as failure to do so will result in irreversible losses. R&I are the cornerstones of Europe's industrial competitiveness. It is crucial to shift our attention towards providing substantial support for and seminal prioritization of cutting-edge technologies and impactful breakthroughs for the green and digital transformation. This necessitates, above all, the establishment of a well-protected, ring-fenced budget dedicated to R&I. Fraunhofer strongly supports the call for a **ringfenced R&I budget of 200 billion euros** for FP10.

These five key messages summarize Fraunhofer's position on the future of FP10:

#### **1 Form Follows Function: A New Coordinating Governance Structure**

The next FP needs a new coordinating governance structure to strengthen an efficient and effective European innovation ecosystem. The focus must be on a limited number of clear political objectives. The objective to develop innovations to solve the most pressing societal challenges and safeguard European industrial competitiveness provides sufficient directionality for research. Streamlining funding activities and incorporating project results into policymaking must be improved through increased political and administrative coordination horizontally and vertically.

#### **2 Increase the Attractiveness of the FP for all R&I Actors**

Collaborative pre-competitive applied research must be at the core of FP10. The participation of industry must be increased through more attractive framework in areas of strategic interest to the EU. The attractiveness of the program grows through simplifying the framework conditions and promoting transfer in collaborative projects.

#### **3 A Permeable Research Framework Program Enabling Transfer**

An open and innovative funding program will enable permeability for research projects, from the start of a research idea to the market maturity of a product or service through the different stages of R&I development. A permeable FP offers tailor-made funding opportunities for research fields at different stages of development, allows the simple and smooth transition between pillars and incentivizes technology maturity in a structured process with defined interfaces.

#### **4 Embrace European Partnerships and EIC, Bid Farewell to Missions and EIT**

The administrative burdens within partnerships must be simplified, the transparency increased, and the processes streamlined. Fraunhofer supports the expiration of the current EU Missions in FP10 and welcomes the discontinuation of the concept of separated missions as developed under Horizon Europe. The same applies to the EIT, which has become overly complex and costly and fails to provide added value to Europe's innovation ecosystems, in contrast to the European Partnerships and the EIC.

#### **5 Get Simplification Done for Beneficiaries**

Administration of an R&I framework program must always focus on the researcher's perspective. Participation needs to be as simple as possible. Lump sums have not achieved the desired simplification. Coordination activities require full cost coverage. Proposal evaluation must be kept to the highest standards.

»We need to unlock the power of tomorrow by working today on solutions for the day after tomorrow.«

## **FP10: A Research Framework Program Fit for the Future**

The ongoing polycrisis must not stop or delay research and innovation efforts to bring about the necessary transition to a sustainable and digital economy that will secure long-term value creation and industrial competitiveness in Europe. Europe's ambition to solve the most pressing societal challenges such as the climate crisis can only be fulfilled by increased political and monetary support for research and innovation. Collaboration among European countries and all societal stakeholders are essential in tackling these challenges and build up on Europe's strengths making them fit for the future in a globally competitive landscape. Facilitating a budget that empowers research and innovation must be a priority for the European Union. This secures Europe's capabilities to research, develop, and bring innovation to the market for the benefit of European citizens. Therefore, the Fraunhofer-Gesellschaft welcomes and strongly supports the call for a ring-fenced R&I budget of 200 billion euros for FP10.

### **1 Form Follows Function: A New Coordinating Governance Structure**

To support a vivid European R&I ecosystem, that generates innovation to solve societal challenges, an FP needs to be created, where form follows function. Instead of shifting responsibility to solve simultaneously everything to the researchers, which is reflected in overloaded and overly broad calls, political prioritization is needed. Prioritizing the green and digital transformation will establish sufficient directionality. The FP needs a clearer mission-orientation, meaning the alignment of the FP with overarching societal goals such as the Green Deal or Digital Europe, where research, industry, society, and politics jointly contribute to. To be precise, the missions as instrument developed in Horizon Europe are not the same as the concept of mission-oriented research.

Exploiting the full potential of research and innovation must not be guided by silos in the political institutions. We need the effective incorporation of the research community and industry in the development of FP10. This includes transparent and simple as possible, vertically and horizontally integrated cooperation formats with and between executive agencies and DGs (e.g., more personal exchange and cluster events). Unnecessary duplication in funding activities must be avoided, as has recently occurred by various instruments within the FP (e.g., missions, clusters, partnerships, EIT) and of further DGs. Additionally, successful project results and valuable experience from research must be integrated in the policy development in a structured way.

### **2 Increase the Attractiveness of the FP for all R&I Actors**

Fraunhofer is convinced that research for and with industry must remain a central and dedicated part of the framework program. Continuity and coherence across thematic priorities in accordance with regulatory initiatives create long-term reliability for research-performing organizations and industry. The framework program must focus on revitalizing the European R&I ecosystem and serve as a concerted toolbox to enhance industrial competitiveness in strategic important technology fields along the entire value chains. This toolbox must include a balanced mix of instruments for lower TRL and higher TRL. The funding formats must refrain from being overly prescriptive and expecting unrealistic impacts. They need to be open to all kinds of technological innovation that create societal impact and competitive advantages and include a coherent instrument to bridge the gap between research and market application. To improve industry participation and accelerate research and development cycles, the program can benefit from learning from successful examples where project cycles were shortened by reducing the time from proposal to grant.

### **3 A Permeable Research Framework Program Enabling Transfer**

Collaborative, pre-competitive research projects have proven to be an effective format in contributing to Europe's research and innovation ambition. To maximize the impact of FP10, the permeability of research projects from basic research to pre-competitive research collaborations to the transfer into innovative products and services in Europe

must be increased. Other innovation systems are more efficient in building, growing, and scaling up highly innovative spin-offs and start-ups than Europe. In Horizon Europe the fragmentation of transfer instruments evokes additional complexity, lacks transparency and clarity, and creates a bureaucratic overhead (see below EIT/EIC). Barriers must be reduced by consolidating transfer initiatives and establishing a systematic, reliable, and reproducible innovation pathway for start-ups and spinoffs. Additionally, transfer in FP10 must get targeted funding for collaborative projects. First initiatives such as the plug-in programs for RTOs tech transfer programs to the EIC Accelerator are a positive development which must now be built upon.

#### **4 Embrace Partnerships and EIC, Bid Farewell to Missions and EIT**

The toolbox of existing R&I instruments needs a critical assessment about their functioning. European Partnerships effectively integrate research and innovation with the potential for industrial scale-up. It is essential to increase transparency, simplify administrative burdens and guarantee feasible financing mechanisms (e.g., in-kind additional activities, cash contributions). Both need to be developed and approved upon in close consultation with industry and the research community. To streamline and simplify processes, it is crucial for all partnerships, including co-funded ones, to incorporate their entire implementation into the F&T Portal. Synergies cannot be an end in itself but need to be feasible for the partnerships and impactful to their SRIAs. The complex governance structures and separate work programs of EU Missions lead to more fragmentation. EU Missions have not been beneficial for a mission-oriented research approach that is integral to framework programs. For FP10, Fraunhofer supports the expiration of the current EU Missions and welcomes the discontinuation of the concept of separated missions.

The EIT and its KICs have become overly complex and costly, making it difficult for KIC members to participate due to unrealistic expectations. The EIT fails to provide added value to Europe's innovation ecosystems, in contrast to the European Partnerships and the EIC. Fraunhofer supports the dissolution of the EIT and the financial independence of the KICs or their discontinuation if proven not successful.

The scope and scale of research conducted in the FPs must be supported by a dedicated instrument for the maturation of technology as part of a coherent approach to foster innovation. In general, the EIC has fallen short of the expectations raised in its inception since it mainly merged old program lines (such as FET and the SME instrument) into a new administrative structure. To realize its full potential, the EIC must be modified accordingly.

#### **5 Get Simplification Done for Beneficiaries**

Accessing FP10, writing proposals, forming excellent European consortia and conducting European research must be as simple as possible for researchers and the research supporting staff. It is crucial to effectively integrate the perspective of program participants into the planning and implementation of simplification measures in FP10. For instance, the current use of lump sums for project consortia has not resulted in the desired simplification, increasing insecurity regarding audits and the administrative work for researchers.\*

Changes in funding conditions and simultaneously increasing management costs lead to a net loss for coordinators of EU projects. Because coordination does not result in a direct gain in knowledge, this has made project coordination increasingly unattractive. The coordination of projects by excellent research organizations must be reimbursed through full-cost funding for management activities in EU projects.

The evaluation of proposals must continue to follow the highest standards and professionalism to uphold a distinct European R&I landscape. Increased transparency in the evaluation reports will help to increase the accountability and improve future proposals.

\* [EARTO: Position paper on Lump Sums; 8 January 2024](#)