

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

Design ECF and FP10 for Transformation, Not Incremental Change

Europe's world-class research excellence too often fails to translate into industrial leadership due to fragmented funding, interrupted innovation pathways, and disconnected instruments. While prioritization is frequently advocated, it remains difficult to achieve. A framework grounded in continuity, structured feedback loops, and rapid adaptability could unlock significantly greater impact in innovation and market uptake. To achieve this, Europe must step-up its current efforts on the European Competitiveness Fund (ECF) and the 10th Framework Program for Research and Innovation (FP10). Research and Innovation (R&I) agendas must not be driven exclusively by political steering or by attempts to catch up with global competitors. Instead, industrial strategy and political priorities must build on Europe's technological strengths, with R&I defining ambition, policy providing focus, and industry driving scale. For this purpose, FP10, ECF and the link between the two must be designed based on a clear intervention logic, rather than the legacy of established instruments.

A step-change in R&I investment

Europe's R&I system requires scale and stability as the foundation for continuity, broad accessibility, and strong European added value. This must be anchored in a clear prioritization of collaborative, pre-competitive R&I under Pillar II. FP10 must ensure:

- An inflation-proof budget of at least €175 billion, with €200 billion realistically necessary to ensure impact across the full Technological Readiness Level (TRL) spectrum – or risk Europe's gradual withdrawal from key technologies and growing dependence on third countries.
- At least 56%¹ of the FP10 budget dedicated to Pillar II, safeguarding collaborative, pre-competitive R&I. A further increase in downstream and single-beneficiary instruments at the expense of collaborative research is unacceptable.
- Pillar II funding lines systematically linked to the EIC, technology infrastructures, and ECF scale-up instruments, creating clear pathways from R&I to scale-up and deep-tech growth.
- Fast-track mechanisms and access to Business Acceleration Services for high-potential Pillar II projects, ensuring continuity across the entire innovation pipeline.
- A fully cost-compatible framework, avoiding in-cash requirements for R&I actors (legally not feasible), particularly within European Partnerships.

An R&I-driven portfolio approach

The market alone cannot close structural gaps in the innovation pipeline and should not exclusively guide European R&I policy. A portfolio approach, based on R&I priorities, will allow Europe to prioritize investments, maximize impact, and leverage collaborative innovation at scale. ECF and FP10 must move beyond "project islands" and fragmented funding:

- Full innovation pipeline continuity from pre-competitive research through TRL 8 in FP10 to pilot lines, scale-up, and market deployment in ECF.
- R&I expertise drives swift portfolio decisions, informing project selection (through independent expert peer-review), implementation, and continuity across FP10 instruments.

¹ [Business Europe – Strengthening the HE and ECF combination in the MFF](#)

- Radically shorter time-to-grant, without shifting the burden exclusively onto applicants, through delegated operational decisions by program managers and standardized, portfolio-based procedures that reduce coordination loops between institutions.
- Institutionally independent, strategically managed interfaces replacing isolated projects, with thematic portfolios integrating R&I expertise to address industrial challenges and enable pathways to deployment (e.g., flagships).
- Open-topic components anchored structurally in the work programs.
- Tiered projects with the achievement of milestones as a condition for funding or termination, implemented, e.g., via cascade funding.
- Definition of adaptation and termination criteria to pivot, scale, or phase out projects.
- Integration of technology infrastructures support in Pillar II, investment through ECF in pilot lines, testbeds, and demonstrators with open, industry-relevant access under EU standards.
- Predictable, coherent, and innovation-oriented legislation that follows R&I development (e.g., collaborative, pre-competitive projects) and bring technologies to market.
- Regulatory sandboxes integrated into projects for testing, demonstration, and deployment.

This step-change in R&I investment and the R&I-driven portfolio approach are preconditions for setting up ECF and FP10 for genuine transformation. However, both regulations will only reach their full potential if they are embedded in a robust, jointly steered governance framework that aligns design, financing, and implementation. The following reflections outline a co-governance model for ECF and FP10 to guide further dialogue.

A reliable and agile co-governance of ECF and FP10

At present, it is unclear how ECF and FP10 will be linked. Although both legislative drafts share similar strategic objectives, their roles, target stakeholder communities, and instruments are not yet coherently connected. To create impact, the intervention logic must go beyond incremental change, avoid fragmentation, and ensure complementarity. ECF and FP10 should be embedded from the outset in a reliable, agile co-governance framework with clear roles, transparent decision-making, and inclusive structures that integrate R&I and industry expertise. Funding decisions must be guided by robust technological insight. Otherwise, FP10 and ECF risk missing their transformation objective.

This paper puts forward a governance model for the policy windows (see Annex) in which stakeholders from policy, applied research, and industry act as co-architects and drivers of European competitiveness. Research and Technology Organizations (RTOs) must be given a formalized role in the governance and portfolio management of FP10 and ECF, providing independent technical expertise and system-level insights within transparent frameworks that prevent conflicts of interest between program design and individual funding decisions.

The policy windows would be managed within a joint portfolio, guided by R&I and industry needs and bottom-up R&I efforts, and implemented through independent, high-quality and expert-based program management and comitology. Partnerships would serve as the cornerstone for integrating R&I and industrial policy, and for aligning ECF and FP10. A bottom-up component would identify opportunities not yet reflected in industrial needs or partnership roadmaps but essential for Europe's competitiveness. Consequently, additional non-thematic blocks within each policy window would complement partnership-based portfolios and continuously feed new ideas into the programs.

Annex

Proposal for a reliable and agile co-governance model for ECF and FP10

- A shared, evidence-based understanding of competitiveness developed by the co-legislators in a structured dialogue with representatives of all relevant stakeholder communities.
- High-level, evidence-based objectives and thematic priorities set by the Commission and member states for the duration of the next MFF.
- Partnerships:
 - Merging co-programmed partnerships into one partnership per policy window **or** merging thematically similar co-programmed partnerships, clustering them according to policy windows.
 - Co-financed partnerships integrated into co-programmed partnerships.
 - Institutionalized partnerships could be merged depending on the subject area but remain independent Joint Undertakings (JUs) based on the Single Basic Act (SBA).
- Each partnership covers the full investment journey by translating industrial R&I needs into concrete R&I activities under FP10 and ensuring subsequent demonstration, deployment, and scale-up through ECF instruments.
- Governance:
 - One program committee per policy window, except for Resilience, Security, Defence industry and Space.
 - State Representative Groups of the partnerships are integrated into the programme committees; mandatory involvement of relevant DGs and ministries (e.g., for research and the economy).
 - The Commission and member states set broad policy lines.
 - Stakeholder Advisory Boards provide strategic input without decision-making authority.
- Work programs:
 - A work program (2028 - 2034) is adopted based on the examination procedure setting out the overarching thematic focus; the configurations each adopt one chapter of the work program – ensuring meaningful involvement of member states.
 - Updates to the work program are adopted as needed based on the advisory procedure; the updates ensure that the calls for proposals developed in the partnerships are incorporated into the work program.
 - The calls for proposals under the partnerships are based on Strategic Research, Innovation and Deployment Agendas (SRIDAs) and are implemented through joint ECF and FP10 work programs. The SRIDAs and work programs are adopted at the start of 2028 and span the entire funding period until 2034.
 - Partnerships and policy windows each have an “open” block to integrate bottom-up topics into the work program that are not initially covered, enabling stakeholders to identify and implement the most innovative solutions.
- Portfolio and program management:
 - Portfolio management within each partnership prioritizes measurable impact, innovation, and market uptake over institutional legacy or pre-existing structures.
 - Dedicated program managers with expertise in the field lead portfolio management and rapid decision-making based on peer-reviewed research excellence.

- Program management steers R&I priorities and through the active involvement of the stakeholder communities through the definition of R&I actions, transfer pathways, and portfolio decisions.
- Cross-window coordination mechanism to ensure synergies between ECF and FP10 instruments and avoid duplication.
- The Commission and member states are transparently informed about funding decisions, portfolio adjustments, and major breakthroughs to prepare for regulatory changes.
- The Commission and member states provide advice and regularly evaluate the impact of partnerships.
- Tiered membership fees in the private partnership associations depend on the type of actor, e.g., industry, SMEs, RTOs, universities, partners from widening and transition countries.
- Open to associated countries.
- Aspects relating to the EIC and ERC:
 - The role of the EIC must be carefully reflected upon in relation to Pillar II and ECF to avoid parallel structures and ensure a clear, complementary division of labor, especially regarding start-ups, scale-ups, and higher TRL innovation support.
 - Frontier research funded by the ERC can, where appropriate, feed into these programs, but the ERC itself must remain independent from the ECF-FP10 interconnection, with its governance, evaluation procedures, and scientific agenda unaffected.

As for next steps, the proposed model should undergo an in-depth discussion focused on advantages, disadvantages, and a SWOT analysis, with the primary aim of ensuring high-quality, expertise-driven program management.

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