

EARTO Analysis of EC Regulation Proposal:

Establishing the European Competitiveness Fund (ECF), including the Specific Programme for Defence Research & Innovation Activities

10 October 2025

EARTO and its members welcome the European Commission (EC)'s proposal for the [European Competitiveness Fund](#) (ECF), including the Specific Programme for Defence Research & Innovation Activities, starting in 2028 onwards. To strengthen such a proposal even further, EARTO has hereby made a detailed analysis of the EC's proposal for the ECF Regulation.

Such analysis is organised in the following distinctive parts:

- Explanatory Memorandum
- Preamble
- Chapter I – General Provisions
- Chapter II – ECF Toolbox
- Chapter III – Project Advisory, SME Collaboration & Access to Funding
- Chapter IV – Support for Clean Transition & Industrial Decarbonisation
- Chapter V – Support for Health, Biotech & Bioeconomy
- Chapter VI – Support for Digital Leadership
- Chapter VII – Support for Resilience, Defence Industry
- Chapter VIII – Final Provisions & Space

Please also note that EARTO has made a detailed analysis of all [Horizon Europe](#) and [ECF](#)'s Basic Acts as proposed by the European Commission. For more information, please see the following documents:

- [EARTO Key Recommendations on Establishing the European Competitiveness Fund and Horizon Europe](#)
- [EARTO Analysis of EC Proposal – Establishing Horizon Europe](#)
- [EARTO Analysis of EC Proposal – Specific Programme implementing Horizon Europe](#)
- [EC Proposal – Establishing the ECF](#)
- [EC Proposal – Establishing Horizon Europe](#)
- [EC Proposal – Council Decision on establishing the Specific Programme implementing Horizon Europe](#)

Regulation on ECF – Preamble			
Topic	ECF Article	Analysis	Text Changes
Investments in Strategic Technologies	<i>(7) Therefore, the purpose of the ECF is to establish an investment capacity to support European competitiveness in strategic technologies, infrastructures, products and services and sectors, providing for a more seamless investment journey.</i>	The focus of the ECF on boosting the EU's investment capacity in strategic technologies is welcome. Planned investments under the ECF should target further investments in the very much needed Technology Infrastructures, allowing the creation and maturation, as well as the very much needed scaling up activities.	Add the following text: <i>Therefore, the purpose of the ECF is to establish an investment capacity to support European competitiveness in strategic technologies, infrastructures (including research & technology infrastructures),</i>

		See the latest EC report on technology infrastructures & the EIB study showing the needed investments for those.	<i>products and services and sectors, providing for a more seamless investment journey.</i>
Synergies between EU Funds	<i>(10) The Commission should ensure tight coordination and synergies between all Union founding sources in the MFF. For this purpose, the Framework Programme for Research and Innovation will be tightly linked to the ECF: to ensure that the European industry leverages research results funded by the Union to further innovate and produce in Europe.</i>	Effective links between the ECF and Horizon Europe are welcome; however, the regulation needs to further detail how that will be placed into practice for the programming of the HE Part of Competitiveness, as well as the ECF budget should also complement HE investments in technology infrastructures. For this, it is important to ensure that the same definitions apply to ECF and HE.	Add the following text: The Commission should ensure tight coordination and synergies between all Union founding sources in the MFF. For this purpose, the Framework Programme for Research and Innovation will be tightly linked to the ECF: to ensure that the European industry leverages research results funded by the Union to further innovate and produce in Europe, including thanks to better access to technology infrastructures and regulatory sandboxes.
Work programming	<i>(12) Moreover, to foresee a strong connection with the Competitiveness Coordination Tool, the work programme of the ECF should ensure coherence with the selected projects and competitiveness priorities identified under the Tool.</i>	ECF WP in connection with the Competitiveness Coordination Tool (CCT) remains unclear: the mechanisms and processes by which this tool will operate are not defined yet. More details are needed, e.g. composition, decision making, responsibilities, etc., to understand how THE ECF and HE investments will be linked and complementary.	
EU Partnerships	<i>(13) Cooperation between public and private sectors can benefit European competitiveness and leveraging private investments is necessary to complete the objectives of the ECF. Therefore, it should be possible to implement parts of the ECF budget through public-private partnerships together with other public and private entities, where this is the most effective implementation form to achieve the policy objectives established for research and technological development, while ensuring additionality and avoiding the crowding-out of private investments. Public-private partnerships in the form of Joint Undertakings should be established where a close involvement of the Union is required and should ensure appropriate voting rights for the Union as well as sufficient co-investment by other partners to leverage Union support. In view of fostering synergies and efficiencies, it is necessary, based on the assessed needs, to ensure a centralised establishment and administrative functions for joint undertakings. Therefore, the number of joint undertakings should be as limited as possible.</i>	EU public-private partnerships are key RD&I instruments; we welcome the continuity of the instrument. We welcome the centralised establishment and administrative functions for JUs. Another aspect, it will be important to have specific rules for participation in the future EU partnerships that appreciate the public non-profit mission of RPOs. See EARTO paper on EU Partnerships .	
Dual Use	<i>(40) Dual-use technologies, materials, knowledge, or products that can be used for both civilian and military purposes may be supported across the ECF, to ensure a better connection of the Union's technological industry to its defence industrial base as well as to the technological innovation capital of Europe.</i>	EC Dual-Use Regulation 2021/821 defines only the term 'dual-use items' meaning items, including software and technology, which can be used for both civil and military purposes, and includes items which can be used for the design, development, production or use of nuclear, chemical or biological weapons or their means of delivery, including all items which can	Adapt the following text: R&D with civil/military synergy potential may be supported across the ECF, to ensure a better connection of the Union's technological industry to its defence industrial base, as well as to the technological innovation capital of Europe.

		be used for both non-explosive uses and assisting in any way in the manufacture of nuclear weapons or other nuclear explosive devices; Most of today's important technologies can be considered dual-use. A suggestion would be to use the term "R&D with civil/military synergy potential" rather than "dual-use potential", to avoid any hesitation to step into a dual-use funded project due to the challenging requirements for Research & Technology Organisations to comply with the EC Dual Use Regulation 2021/821.	
Indicative budget distribution across policy windows	(41) <i>To ensure predictability for stakeholders and provide a sufficient level of certainty for investment planning, the ECF should set out an indicative budget distribution across the policy windows for the period 2028 to 2034 while maintaining flexibility to reallocate parts of the budget in accordance with new challenges and emerging priorities throughout the duration of the Multiannual Financial Framework. To this extent, it should be ensured that a certain minimum budget envelope is available for long-term planning and commitments broken down over several years into annual instalments in each policy window, allowing the Union to consolidate its demand and enter into strategic long-term relations with recipients give long-term predictability to industry and financial ecosystem, and enable the setup of important Union infrastructures, such as for hydrogen and industrial carbon management, world-class satellite systems, underwater observation infrastructures, cybersecurity, semiconductors quantum, AI and high-performance computing or critical infrastructure, and defence or space projects of common interest.</i>	The ECF regulation should provide a fixed budget for RD&I in its windows, as in the Horizon Europe regulation, to avoid the RD&I grants budget being finally turned into financial instruments unusable for public actors such as RTOs. A Contingency and Flexibility Reserve could be included, with a fixed allocation, to be activated if required or otherwise redistributed across the planned budget envelopes in proportion to their initial values. See earlier comments on investments in technology infrastructures.	Add the following text: To ensure predictability for stakeholders and provide a sufficient level of certainty for investment planning, the ECF should set out an indicative budget distribution across the policy windows for the period 2028 to 2034, including ringfenced commitments for Horizon Europe grants, while maintaining flexibility to reallocate parts of the budget in accordance with new challenges and emerging priorities throughout the duration of the Multiannual Financial Framework. To this extent, it should be ensured that a certain minimum budget envelope is available for long-term planning and commitments broken down over several years into annual instalments in each policy window, allowing the Union to consolidate its demand and enter into strategic long-term relations with recipients give long-term predictability to industry, Research and Innovation and financial, ecosystem, and enable the setup of important Union infrastructures, such as for hydrogen and industrial carbon management, world-class satellite systems, underwater observation infrastructures, cybersecurity, semiconductors quantum, AI and high-performance computing or critical infrastructure, and defence or space projects of common interest, including technology infrastructures.
Costs running ECF	(42) <i>To achieve the important objectives and manage the ECF, a sufficient level of resources for the implementation of the ECF should be provided. The budget envelope should therefore provide a sufficient contribution to the cost of managing the ECF.</i>	We have repeatedly noted issues with the use of 'cheaper' agencies vs the quality of manager performance. To ensure the success and impact of the ECF, the need to set up efficient management with properly qualified personnel will be key. We understand MS pressure on administrative costs, but so far, experience with past FP shows it has been the wrong bet to externalise the management of the	Add the following text: To achieve the important objectives and manage the ECF, a sufficient level of resources for the implementation of the ECF should be provided. The budget envelope should therefore provide a sufficient contribution to the cost of managing the ECF

		framework programme to agencies: great expertise losses have taken place over the last years for the strategic steering of the programming in partnerships with RD&I stakeholders.	to ensure quality of programming and delivery in the long run.
Third Countries	<i>(46) ECF activities should be open for cooperation with third countries where this is in the interest of the Union. To that extent, the Union may associate, fully or partially, third countries to the activities under the ECF. Association should be subject to a fair balance as regards contributions and benefits of the third countries and ensure the protection of the financial and, where relevant, security interest of the Union.</i>	EARTO, having its members also located in third countries, supports further international collaboration within its membership. EEA EFTA States should be allowed full association with the ECF. The latter is particularly important in the context of the specific programme for defence research and innovation activities. The involvement of Ukraine in those should also be continued.	Add the following text: Negotiations with EEA EFTA States for association with the ECF will be launched as a priority.
Specific Eligibility Conditions	<i>(49) The ECF should support a diverse set of policies contributing to competitiveness, while providing a harmonised baseline set of eligibility criteria to provide policy steer and ensuring a sufficient level of protection of economic and security interests by focusing Union support on recipients in the Member States, including Overseas Countries and Territories. Where necessary, the ECF should establish specific eligibility conditions for strategic sectors and technologies, including underlying value chains, critical Union infrastructures and specific capabilities.</i>	See earlier comments on investments in technology infrastructures.	Add the following text: Where necessary, the ECF should establish specific eligibility conditions for strategic sectors and technologies, including underlying value chains, critical Union infrastructures and specific capabilities, including Technology Infrastructures.
Deep-tech scale-ups	<i>(52) All scaleup financing under the MFF 2028-2034 should take place under the ECF.</i>	RD&I Grants for deep-tech scale-ups are planned under the EIC; accordingly, this text requires adaptation.	Add the following text: All scaleup financing under the MFF 2028-2034 should take place under the ECF, excluding RD&I grants for deep-tech start-ups that will be awarded under the European Innovation Council under Horizon Europe.
WP for RD&I	<i>(53) ...The ECF work programmes will include collaborative research and innovation actions, in a specific dedicated part. This may also include contributions to European Partnerships established under the Framework Programme for Research and Innovation, where necessary to achieve the ECF objectives. The ECF work programmes should also set out policy priorities that will steer EIC challenges.</i>	The integrated governance of the ECF and Horizon Europe Part II on key priority areas is welcomed in principle: it is a way to ensure a better coherence between the EU RD&I and industrial policy instruments, as requested by EARTO in various positions. However, it is unclear how this governance between HE and ECF will work in practice: how will R&D be considered in the ECF work programme priority setting? Who will oversee the design of integrated work programmes? What will be the role of the Member States? Which rules for participation will apply to Part II: the ECF or HEU ones (c.f. article 1.2.a of HEU regulation)? In addition, within HE Part II, priority areas have very large scopes and are only very loosely described in the specific programme as well. This brings the following questions: What is the exact range of technologies and scientific fields that may be covered in upcoming work programmes?	

		Furthermore, the proposed structure brings the current HE Cluster 2 as a separate sub-part in HE Part II: will the same links in WPs to ECF apply then to this part? And why decouple the topics from competitiveness? To ensure the link between the ECF and Horizon Europe Part III Competitiveness, the ECF committee configurations for each policy window must be composed of technical experts from relevant DGs.	
Mix of funding tools	<i>(56) A horizontal, cross-cutting funding toolbox should be set at the service of all policy windows, offering every form of support allowed by Regulation (EU, Euratom) 2024/2059, such as financial instruments, including support provided in the form of equity. The choice of the specific funding instrument and in particular whether support will be repayable or not, shall depend on the nature of the actions to be funded (for example underlying market failures, the specific need, the nature of the industry, the stage of development or type of the beneficiary). Union support should derisk projects to the degree necessary for the private sector to invest and for the project to be successfully delivered. Co-financing rates should be as low as possible and as high as needed to realise the supported project. A mix of funding tools could be used, including blending operations and combination of funding. The ECF should also provide each policy area with advice on the most appropriate funding tool to be used for its specific actions, depending on, inter alia, the development stage, the specific industry needs and underlying market failures.</i>	This article is unclear, with no further details – several remaining questions: • What is the purpose and aim of this mix of funding tools? Is it to create a common pool/envelope to be used on the programme level or per call? • How will this mix of funding tools work in practice? Will it depend on the type of actions? • Will there be policy areas dedicated to services? Where, and by whom, will this be done? Link to Investment Committee and Advisory Committee? • Where are the national co-funding commitments needed, and how should they be provided? According to the regulation, “Member States may contribute to the Union’s financial instruments, budgetary guarantees or financial assistance”. • How will this simplify funding access for beneficiaries, while mixing funding instruments will certainly complicate it? • See previous comment relating to the potential risk of the competitiveness factor in relation to, e.g. societal challenges.	
Stakeholders’ engagement	<i>(57) Multistakeholder consultations, including those of researchers and industry, the social partners, as well as investors, end-users and civil society, from SME, small to large organisations, should contribute to the priorities of the ECF. Those consultations should be structured via advisory boards including the ECF Stakeholder Board whose task should be to provide insights and advise the Commission on policy trends, on investment needs, and on the implementation of the ECF from the perspective of project promoters, with the aim to ensure that feedback from stakeholder communities is reflected in the design of work programmes.</i>	Advisory Boards, including the ECF Stakeholder Board, are supported by EARTO; however, the inclusion of RTOs as public actors should be guaranteed. EARTO’s participation in the ECF Stakeholder Board would be highly welcome.	Add the following text: ...A balanced representation should ensure participation of private actors as well as key public non-profit RD&I actors such as RTOs supporting industry.

Important Projects of Common European Interest (IPCEIs)	<i>(58) ...Given the commonalities of objectives pursued, the ECF will foster synergies between Union funding and IPCEIs by supporting specific projects integrated within IPCEIs, based on their contribution to Union strategic priorities, such as the resilience of the Union, and on the ability of ECF financing to broaden participation, notably of SMEs, or broaden Member State coverage, as well as increase Union added value.</i>	To ensure that EU investments effectively boost EU technology capabilities, the EU top-off given to IPCEIs should come with a conditionality of RD&I investments and plans by the private actors. See EARTO paper on Competitiveness Compass .	Add the following text: Given the commonalities of objectives pursued, the ECF will foster synergies between Union funding and IPCEIs by supporting specific projects integrated within IPCEIs, based on their contribution to Union strategic priorities, especially ensuring that the projects supported have an RD&I component , such as the resilience of the Union, and on the ability of ECF financing to broaden participation, notably of SMEs, or broaden Member State coverage, as well as increase Union added value.
Subsidies Production Ramp Up	<i>(59) ...The ECF will include the possibility to support production ramp up and undertake accelerated competitiveness actions for projects that offer specific support to European strategic autonomy. This is for example the case for projects that have been selected as strategic under Regulation (EU) 2024/1252 (Critical Raw Materials Act), Regulation (EU) 2024/1724 (Net Zero Industry Act) and the Regulation (EU) 2025/102 (Critical Medicines Act).</i>	This should also include the possibility of funding technology infrastructures for key strategic technologies, as has been done under the EU Chips Act with key pilot lines.	Add the following text: The ECF will include the possibility to support production ramp-up and undertake accelerated competitiveness actions for projects, including technology infrastructures , that offer specific support to European strategic autonomy.
Dedicated SME actions	<i>(81) ...Second, the ECF policy windows should include dedicated SME actions targeting SMEs in strategic sectors, such as bonus systems to encourage SME participation, with a view to fostering SME innovation, growth and scaling-up.</i>	See earlier comments on investments in technology infrastructures.	Add the following text: Second, the ECF policy windows should include dedicated SME actions targeting SMEs in strategic sectors, such as bonus systems to encourage SME participation, with a view to fostering SME innovation, growth and scaling-up, including access to Technology Infrastructures .
Single Portal	<i>(82) ...the ECF should offer a single portal centralising information on and access to all Union funding opportunities and support other activities. The single portal should facilitate and accelerate access to Union and other funding, financing and investments, streamlining the approach while building on the Funding and Tenders Portal, InvestEU Portal, Access to Finance Portal, STEP Portal and other relevant platforms. It should also be possible to directly apply for funding opportunities on the single portal.</i>	Very welcome simplification: to make it useful and impactful for beneficiaries, such a portal should be ready from the start of the programmes: ECF and Horizon Europe.	Add the following text: ... It should also be possible to directly apply for funding opportunities on the single portal. This single portal will be made available to beneficiaries at the start of the programmes.

Regulation on ECF Chapter I - General Provisions			
Topic	ECF Article	Analysis	Text Changes
SECTION 1 – Objectives & Structure of the fund			
Art.2 Definitions	(11) Investment journey <i>'Investment journey' means the continuum of public and private financial support and policy support mechanisms provided to recipients across its entire development chain, including a comprehensive series of activities involved in the allocation of financial resources and provision of support to foster innovation and economic growth. This journey includes, but is not limited to, the initiation from fundamental and applied research phases, progressing through stages of scaling up, industrial deployment, and advancing to the culmination in full-scale manufacturing and industrial maturity and internationalisation;</i>	The different phases of technology development, being creation, maturation, demonstration and validation, should be included in this investment journey.	Add the following text: This journey includes, but is not limited to, the initiation from fundamental and applied research phases, progressing through stages of creation, maturation, demonstration, validation , scaling up, industrial deployment, and advancing to the culmination in full-scale manufacturing and industrial maturity and internationalisation;
	Add new definition: (22) Technology Infrastructures	See earlier comments on investments in technology infrastructures. In addition, viewing that investments in such infrastructures should be considered in the ECF, the definition should match the regulation of Horizon Europe. Please also check relation to Proposals for Council Decision on Implementation of Horizon Europe and Council Decision on establishing the Specific Programme implementing Horizon Europe - the Framework Programme for Research and Innovation for the period 2028-2034, laying down the rules for participation and dissemination under that Programme, and repealing Decision (EU) 2021/764, art 16 & 17.	Add the following text: (22) Technology Infrastructures Use Horizon Europe regulation text in Art. 2.2: '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;
Art. 3 Objectives	(e) aligning research, innovation and industrial policy support to translate Union's research excellence into Union industrial strength on global markets and securing the future of manufacturing in Europe;	Please mark the importance of applied research of the specific objectives of the programme.	Add the following text: e) aligning research, innovation and industrial policy support to translate Union's research excellence into Union industrial strength on global markets and securing the future of manufacturing in Europe; collaborative RD&I actions to be supported by the Pillar on Competitiveness under Horizon Europe will be key for translating research into the creation of products and solutions to support the industrial strength of the Union on global markets.

NEW Article on General Award Criteria		A new article setting general award criteria should be added to the General provisions chapter of the European Competitiveness Fund Regulation. The other ECF articles should be aligned with the new article and modified accordingly. The work programmes could set additional or complementary award criteria, but the general award criteria would have to be applied. Some exemptions could be needed, but these would be as limited as possible.	Add article: General award criteria The ECF funding shall be based on open competition and assessed in accordance with the award criteria of excellence and highest relevance for European competitiveness.
SECTION 2 – Single Rulebook			
Art. 6 Alternative, combined & cumulative funding	<i>1. The ECF shall be implemented in synergy with other Union programmes. An action that has received a Union contribution from another programme may also receive another contribution under the ECF. 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.</i>	To ensure the link between the ECF and Horizon Europe Part III Competitiveness, the ECF committee configurations for each policy window must be composed of technical experts from relevant DGs. A single set of rules appreciated, also for a common implementation in JUs.	Adapt the following text: Such procedures shall must be subject to a single set of rules and lead to the conclusion of single legal commitment.
Art. 7 Coordination	<i>2. The Commission and Member States shall, in a manner commensurate to their respective responsibilities, facilitate coordination and coherence between European Competitiveness Fund and national and regional partnership plans on common competitiveness priorities in selected key areas and projects deemed of strategic importance and of common European interest.</i>	The coordination between the Commission and the MS plans is too vague: What would be the role of national partnership plans in ECF programming (in reality)?	Adapt the following text: The Commission and Member States shall, in a manner commensurate to their respective responsibilities, facilitate and ensure coordination and coherence.
Art. 8 Competitiveness Seal	<i>1. A Competitiveness Seal may be awarded to high-quality actions which shall comply at least with the following conditions: (a) they have been assessed in an award procedure under the ECF; (b) they comply with the minimum quality requirements of that award procedure;</i>	To ensure such a seal would actually have value, this article should be complemented to ensure an easier journey to new sources of regional and national funding for the sealed projects. This article should be linked to other regulations to ensure the possibility of funding the Competitiveness Sealed projects in National & Regional Partnerships of the new MFF. This also requires that the flexibility of the terms of the use of the national/regional budget/funding	Add the following text: (a) they have been assessed in an award procedure under the ECF or Horizon Europe;

	<i>2. The work programme or the documents related to the award procedure may set out additional conditions.</i>	authorities' rules be ensured so that national/regional funds could be used without organising a separate call and evaluation procedure (with eligibility requirements).	Add the following text: The work programme or the documents related to the award procedure may set out additional conditions for an action to be awarded. The Commission shall actively promote coordination mechanisms with Member States to establish national or regional co-funding programmes for proposals awarded the Competitiveness Seal with a single set of rules for all Member States. These proposals, having successfully passed the evaluation thresholds under the Framework Programme, should be eligible for complementary funding through national or regional funds (i.e. National and Regional Partnership Plans) without requiring a new evaluation. Furthermore, the recognition of the Competitiveness Seal shall be binding for such national or regional programmes, unless duly justified. <i>The implementation of all those synergy activities should be simple. Reporting and record-keeping requirements for recipients should be reduced, where possible, to a single contractual reporting and payment stream with a single set of rules for all support provided.</i>
Art. 12 Implementation & forms of Union support	<i>4. Where award procedures concern more than one specific objective laid down in Article 3(2), the work programme may specify that the award procedure is implemented under a single set of rules by applying directly Regulation (EU, Euratom) 2024/2509, complemented by the general rules set out in Chapter I and II, or by applying the rules of one of the concerned specific objectives.</i>	To ensure the link between the ECF and Horizon Europe Competitiveness part, the ECF committee configurations for each policy window must be composed of technical experts from relevant DGs.	
	<i>8. ...Funding may be also provided in the form of actual eligible cost reimbursement where the objectives of an action cannot be achieved otherwise or where this form is necessary to enable other sources of funding, including financing from Member States.</i>	This may indicate that project-based grants (based on actual eligible costs) can be limited only to cross Member State actions (or IPCEIs), where Union support and national contributions are combined, e.g. for large-scale infrastructure investments (EU Chips Act pilot line-type of investments, or critical infra grids, underwater cables, etc.), where cost-intensive equipment and components are jointly procured. Therefore, the same comment applies here as in Horizon Europe regulation – we need to know which work programmes and calls will be implemented through project-based grants (with	

		actual eligible costs) and which fall under the lump sum or other flat rate type of funding.	
	<i>9. In accordance with Article 153(3) of Regulation (EU, Euratom) 2024/2509, for actions implementing research and innovation activities, the evaluation committee may be composed partially or fully of independent external experts.</i>	For transparency's sake, independent experts need to be used for the evaluations.	Adapt the following text: In accordance with Article 153(3) of Regulation (EU, Euratom) 2024/2509, for actions implementing research and innovation activities, the evaluation committee may will be composed partially or fully of independent external experts.
Art. 14 Governance and Advisory Boards	<i>2. The members of the ECF Strategic Stakeholders Board shall be appointed by the Commission, following an open call for nominations or for expressions of interest, or both, whichever the Commission finds more appropriate, and taking into account the need for balance in sector, organisation type, including private investors, and size, expertise, gender, age and geographical distribution. The term of members the Board shall be limited to four years, renewable once. Members of the Board should act with integrity and probity.</i>	The establishment of the ECF Stakeholder Board is very much supported by EARTO. The ECF has clear targets to improve the EU's technological capabilities; accordingly, knowledge on the latest technology trends should be brought back into the ECF Stakeholder Board and the work to be done by this board. The participation of RTOs' CEOs would be highly welcomed, ensuring balanced sectoral representation. RTOs' capabilities could also be called to set up or provide inputs to the new observatory on emerging technologies. EARTO and the JRC have already set up a joint TF on technology foresight, so many capabilities are available.	Add the following text: ...including private investors representatives from industry, and actors supporting industry such as non-profit Research and Technology Organisations.
	<i>4. The ECF Strategic Stakeholder Board, informed by an observatory on emerging technologies, shall advise on the overall direction for the ECF, advise on long-term competitiveness trends...</i>		Add the following text: The ECF Strategic Stakeholder Board, informed by an observatory on emerging technologies, shall advise on the overall direction for the ECF and advise on long-term technological and competitiveness trends.
	<i>6. The composition of the Investment Committee shall ensure that it has a wide knowledge of the sectors covered by the ECF and a wide knowledge of the geographic markets in the Union, and shall ensure that the Investment Committee as a whole is gender-balanced.</i>	As for the Board, the Investment Committee for operations that include R&D components or industrial scaling up of technologies would require the participation of experts knowledgeable on the latest technology trends: ensuring the inclusion of RTOs would be beneficial to this extent.	Add the following text: The composition of the Investment Committee shall ensure that it has a wide knowledge of the technologies and of the sectors covered by the ECF, and a wide knowledge of the geographic markets in the Union.
	<i>11. The Commission shall ensure that stakeholders are consulted in the development of the work programmes, with the creation of one or several thematic platforms per window.</i>	Stakeholders' consultation is very welcome, here again, knowledge on the latest technology trends should be found back in the Stakeholders consulted: ensuring the inclusion of RTOs would be beneficial to this extent.	Add the following text: The Commission shall ensure that stakeholders, ranging from industry to non-profit Research and Technology Organisations , are consulted in the development of the work programmes, with the creation of one or several thematic platforms per window.

Regulation on ECF Chapter II – ECF Toolbox			
Topic	ECF Article	Analysis	Text Changes
SECTION 1 – Grants, Procurement & Industrial Policy Coordination Tools			
Art.15 Work Programmes	<i>1. The work programmes may set out:</i> <i>(d) a single co-financing rate per action for actual cost grants;</i> <i>2. The work programmes under this Regulation shall integrate in a specific dedicated part collaborative research and innovation activities and their dedicated budget.</i>	There are many articles linked to actual cost grants, bringing confusion to the topic: - Horizon Europe Regulation - Art.11.6.(b) European Partnerships: (b) <u>co-financing by the Partners of their own participation</u>, or that of their members, in projects funded through the initiative. - ECF Regulation - Art.54.(d): <u>For actions supporting the development of defence technologies and capabilities, access rights to the results of development actions shall be granted to the national authorities co-financing the action</u> under fair and reasonable conditions to be agreed upon with the recipients generating those results. - ECF Regulation - Art. 82.1: For activities supporting <u>Coordination and Support Actions</u> in the area of civil security industry, the Union may cover up to 100 % of the eligible costs, <u>without prejudice to the co-financing principle</u>. - ECF Regulation - (56): A horizontal, <u>cross-cutting funding toolbox</u> should be <u>set at the service of all policy windows</u>, offering every form of support allowed by Regulation (EU, Euratom) 2024/2059... <u>Co-financing rates should be as low as possible and as high as needed to realise the supported project</u>. - Horizon Europe - (20) <u>definition of CSA and bottom-up coordination without co-funding of research activities from the Union that allows for cooperation between legal entities from Member States and associated countries in order to strengthen the ERA</u>: Here, co-financing is mentioned only linked to European Partnerships. Clarity is therefore needed on where co-funding from Member States is needed. This is crucial to secure RTOs' participation possibilities in strategic initiatives, and where the EU, with beneficiaries' own funding, is enough.	

	3. <i>The Commission shall, by means of implementing acts, adopt the work programmes implementing the specific objectives referred to in Article 3(2), points (a), (b), (c) and (d) and for the horizontal activities in Chapter III. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 83(2).</i>	There is a need to specify the points (a), (b), (c), and (d) referred to in the regulation, as these are specific policy areas/fields, e.g. Clean Transition and Industrial Decarbonisation, Health, Biotechnology, etc., and this would provide clarity to beneficiaries to which policy windows this refers. It is not clear if the intended functioning adequately covers intermediate TRLs since several articles (especially articles from 15 to 20) mention scale-up, production ramp-up, and industrial deployment, which usually implies higher TRLs 7-9. It would be advisable to assess whether mechanisms need to be introduced for TRL 5-6, which apparently will have fewer opportunities (less competitive) for manufacturing and production calls.	
Art. 17 EU Tech Frontrunners	1. <i>The work programmes may include dedicated two-stage bottom-up award procedures to identify and support EU Tech frontrunners through industry-driven consortia leveraging on their role as innovation and export drivers to strengthen their global competitive position along with their European SME suppliers through investments in new solutions and identification of relevant partners. Project preparation as well as crowding in of additional public and private capital may be supported.</i>	Clarity needed on this article on: - What type of entities qualify as “EU Tech Frontrunners”? Does this term apply only to companies/industry-driven consortia only, or what role is foreseen for RTOs as tech providers? - An indication of potential funding mechanisms and amounts should be given to encourage participation. - Identify and support EU Tech Frontrunners along with their suppliers to invest in new innovative solutions.	Add the following text: <i>The work programmes may include dedicated two-stage bottom-up award procedures to identify and support EU Tech frontrunners, being private or non-profit entities, through industry-driven consortia leveraging on their role as innovation and export drivers to resolve significant future challenges and increase their research, development and innovation investments to strengthen their global competitive position along with their European SME suppliers through investments in new solutions and identification of relevant partners. Project preparation, as well as crowding in of additional public and private capital, may be supported.</i>
Art. 19 Top Ups for IPCEIs	1. <i>The ECF may support:</i> (a) <i>projects directly participating in an Important Project of Common European Interest (IPCEI) approved by the Commission pursuant to Article 107(3), point (b), of the TFEU;</i> (b) <i>the follow-on projects based on results from IPCEIs, conditional on significant private investments.</i> 2. <i>Any support of the ECF for IPCEI referred to in paragraph 1, shall be conditional on national co-funding.</i>	There is clarity needed in this article on various points: - EU contribution maximum? Rules of the game? + EU top off on projects coming from IPCEIs Art. 19.1(b) = no more RD&I budget? - When is this commitment requested? In the proposal phase, through the call eligibility criteria and evaluation criteria? - How much budget from ECF is reserved for Top Ups? Depending on available funding? What is the procedure to apply for it, or can Member States expect the Top Up for a certain call? - Additional R&I component conditionality would be interesting, e. g. via national plans connected to the IPCEIs.	

Art. 20. Accelerated and Targeted Actions for Competitiveness	<i>2. In accordance with paragraph 1, one or more of the following measures may be applied to an award procedure:</i> <i>(a) For grants, without prejudice to the use of competitive procedures wherever appropriate in line with Article 192(1) and in addition to Article 198 of Regulation (EU, Euratom) 2024/2509, the work programme may specify that an award procedure takes the form of a targeted intervention to:</i> <i>(1) identify an action of imperative public interests of the Union and the beneficiaries or categories of beneficiaries which may be invited to submit a proposal without a call; or,</i> <i>(3) specify an action and beneficiaries, or a policy area and categories of beneficiaries, and set out an amount up to which proposals may be invited for extension of actions under the ECF or other Union programmes, in order to continue or add additional activities or entities, and/or to further develop results. The award may take the form of an amendment to the original action by adding new activities and increasing the maximum Union contribution.</i>	This article does not specify clear criteria for activating these shortened procedures. There is a risk of a lack of transparency if minimum rules for publicity and ex post control are not established.	
SECTION 2 – ECF InvestEU Instrument			
Art. 22 Support to scaleups and startups	<i>1. The ECF InvestEU Instrument shall serve as the Union's integrated platform for delivering targeted financial support to companies across all development phases start-ups, scale-ups, including those actively pursuing manufacturing, industrial and market deployment. It shall ensure that high-potential European companies developing or deploying innovative solutions can access the capital and resources to grow in the Union, thus strengthening the integration of the Single market and the Savings and Investment Union.</i>	The plan is not to finance 'old stuff', it should be specified that investments are aiming to support new products or services.	Add the following text: The ECF InvestEU Instrument shall serve as the Union's integrated platform for delivering targeted financial support to companies across all development phases start-ups, scale-ups, including those actively pursuing manufacturing, industrial and market deployment of innovative solutions. It shall ensure that high-potential European companies developing or deploying these innovative solutions can access the capital and resources to grow in the Union, thus strengthening the integration of the Single market and the Savings and Investment Union.

Regulation on ECF Chapter III - Project Advisory, SME Collaboration, skills development & Access to Funding

Topic	ECF Article	Analysis	Text Changes
SECTION 2 – SME Collaboration			
Art. 28 Business Support	<i>1. (c) support and assistance for access to technologies, technology infrastructure and facilities, support market uptake of innovation and support business organisations, SMEs and small mid-cap companies, including startups and scaleups, to participate in collaborative platforms and sectors;</i>	As noted in our comments to Horizon Europe regulation, there should be a possibility of including upgrades and improvements for Technology Infrastructures to the ECF actions, which are directly linked to technology development and improvements to development, testing, demonstration and piloting facilities (= financial support for upgrades). In addition, there is a growing demand for support, for example, legal issues pertaining to new technologies (e.g. new AI products and services). We suggest promoting the development of such additional legal skills and services in the text. Here, Research Performing Organisations (RPOs) such as RTOs already have competence in-house, allowing them to provide SMEs with the right support: such competences should be extended and further developed.	Add the following text: 1. (c) support and assistance for access to technologies, technology infrastructure and facilities (including investments) and services of research performing organisations, such as legal knowledge, support market uptake of innovation and support business organisations, SMEs and small mid-cap companies, including startups and scaleups, to participate in collaborative platforms and sectors;
Art. 29 Dedicated SMEs Actions to increase SME participation	<i>Each window shall support dedicated, sector-specific actions targeting start-ups, SMEs and small mid-cap companies or calls for SMEs in strategic sectors with a view to fostering innovation, business acceleration, commercialisation and scaling-up.</i>	As noted earlier, there should be a possibility of including upgrades and improvements for Technology Infrastructures in the ECF actions, which are directly linked to technology development and improvements to development, testing, demonstration and piloting facilities (= financial support for upgrades).	Add the following text: Each window shall support dedicated, sector-specific actions targeting start-ups, SMEs and small mid-cap companies or calls for SMEs in strategic sectors with a view to fostering business acceleration as well as technology creation, maturation, and adoption innovation, for the commercialisation and scaling-up of innovative products and services by SMEs. This includes actions to improve access of SMEs to technology capabilities and infrastructures.
Art. 30 Support for skills development	<i>The ECF shall finance activities in support of skills development, in particular in the strategic sectors, building strong links between higher education, vocational education and training providers, applied research and businesses for an agile, innovative and competitive economy. This shall include support for a European Skills Guarantee to support value chain transitions in favour of strategic growth sectors or occupations across the labour market through upskilling and reskilling of the workforce and Vocational Education and Training (VET) partnerships to strengthen cooperation between VET providers and businesses, especially SMEs and connecting them with regional industrial ecosystems.</i>	The skills agenda is overlooking the role of research and technology organisations in both hosting academics' PHD to work on industry-led projects as well as the transfer of skills via the transfer of personnel from RTOs to industry. So, when thinking about further new actions to boost EU technology skills & capabilities, a new dialogue should be started with RPOs to go beyond the usual academia-industry outlook.	Add the following text: The ECF shall finance activities in support of skills development, in particular in the strategic sectors, building strong links between higher education, vocational education and training providers, as well as with research performing organisations (RPOs) and businesses for an agile, innovative and competitive economy.

SECTION 3 – Beneficiary service desk			
Art. 31 Access to Union Funding	31.1 <i>In accordance with Article 150 of Regulation (EU, Euratom) 2024/2509, the ECF shall contribute to the maintenance and extension of the single electronic data interchange area for participants to ensure simplified access to Union funding. That contribution shall be irrespective of the mode or instrument of budget implementation and including advisory and business acceleration services and support to a single gateway for access to Union support.</i>	This article refers only to Art. 150 of Regulation EU, Euratom 2024/2509, which is to e-Government (exchange with Member States). However, what is the link to 'The single portal' (explanatory memorandum (80)?	
Regulation on ECF – Chapter IV Support for Clean Transition & Industrial Decarbonisation			
Topic	ECF Article	Analysis	Text Changes
Art. Collaborative RD&I 33	1. <i>Support for clean transition, and industrial decarbonisation window shall be implemented in particular through the following activities: [...]</i>	EARTO would like to recall that collaborative RD&I is the core of EU added value in R&D of the programme and that to keep up with future emerging critical technology, large investments are needed in EU tech capabilities. A well-defined RD&I strategy covers the whole RD&I value chain up from research and technology maturation to deployment. These distinct stages each require tailored financing: technology creation and maturation require RD&I grants for Europe to keep developing its own pipeline of EU technologies with its needed Technology Infrastructures and explore new fields of applications.	Add the following text: (p) Fostering an innovative and competitive industry in the Union, in particular by supporting the discovery, development, derisking, creation, maturation and demonstration, piloting, and scaling-up of new technologies into new products and services.
	2. <i>Support provided through the activities referred to in paragraph 1, may be provided in any form, including through collaborative research and innovation activities set out in Regulation (EU) [XXX] [Framework Programme for Research and Innovation] and identified in a specific dedicated part of the Work Programme.</i>	See comments made at (53) .	
Art. Complementary Rules 34	1. <i>...Union support may cover up to 100 % of the eligible costs, without prejudice to the co-financing principle.</i>	100% for CSA still seems to apply. However, it is not clear what this formulation tries to limit or support, since the co-funding is mentioned only linked to Art. 19 Top Ups for IPCEIs. Or should we read this as the co-funding is needed for all ECF-financed actions?	Delete the following text: For activities supporting Coordination and Support Actions in the area of energy efficiency and clean energy transition, Union support may cover up to 100 % of the eligible costs, without prejudice to the co-financing principle.
	2. <i>...for activities supporting Coordination and Support Actions in the area of energy efficiency and clean energy transition and LIFE activities referred to in Article 34, paragraph 1, point (a), the authorising officer responsible may authorise or impose, in the form of flat-rates, funding of the beneficiary's indirect costs up to a maximum of 25 % total eligible direct costs, excluding direct eligible costs for</i>	25% flat-rate for CSA in LIFE. However, this is confusing since testing and demonstration are mentioned as "LIFE activities" in Art. 33 under Chapter IV; however, in Horizon Europe definition for CSA, in principle, excludes R&I activities. There are similar provisions for:	Delete the following text: 2. By way of derogation from Article 184(6) of the Financial Regulation, for activities supporting Coordination and Support Actions in the area of energy efficiency and clean energy transition and LIFE activities referred to in Article 34, paragraph 1, point (a), the authorising officer responsible may

	<i>subcontracting, financial support to third parties and any unit costs or lump sums which include indirect costs.</i>	- Support for Clean Transition and Industrial Decarbonisation: Article 34(2) - Security: Article 82(2) - Defence: Article 52(8) - Space: Article 73(2) Adjustment needed accordingly for all articles.	authorise or impose, in the form of flat-rates, funding of the beneficiary's indirect costs up to a maximum of 25 % of total eligible direct costs, excluding direct eligible costs for subcontracting, financial support to third parties and any unit costs or lump sums which include indirect costs.
	3. Work programmes shall ensure coherence with the types of actions planned to be implemented under the Fund.	See comments made at (53) .	
	4. Work programmes adopted in accordance with the rules of this Regulation under this chapter shall integrate in a specific dedicated part and ensure coherence with the Competitiveness and Society activities.		
Art. Competitive bidding Mechanisms	35 Award procedures under this chapter may take the form of competitive bidding. That includes contracts for difference, carbon contracts for difference, or fixed premium contracts to support decarbonisation investment, provided that the financial interests of the Union are protected and the exposure of the budget remains limited to a maximum contribution. Competitive bidding procedures may be implemented through, and in accordance with, any of the budget implementation instruments set out in Article 12.	Financing unclear: will it be used for sustainable energy projects (e. g. offshore wind energy)? EU ETS (emission trading)? "decarbonisation investment" (industry?)	

Regulation on ECF – Chapter V Support for Health, Biotech & Bioeconomy

Topic	ECF Article	Analysis	Text Changes
Art. Collaborative RD&I	37. 1. Support for Health, Biotech, Agriculture and Bioeconomy policy shall be implemented in particular through the following activities: (f) Fostering an innovative and competitive bioeconomy sector in the Union, including ... in particular by supporting the discovery, development, derisking, demonstration, piloting, and scaling-up of bioeconomy innovations;	EARTO would like to recall that collaborative RD&I is the core of EU added value in R&D of the programme and that to keep up with future emerging critical technology, large investments are needed in EU tech capabilities. A well-defined RD&I strategy covers the whole RD&I value chain from research and technology maturation up to deployment. These distinct stages each require tailored financing: technology creation and maturation require RD&I grants for Europe to keep developing its own pipeline of EU technologies with its needed Technology Infrastructures and explore new fields of applications.	Add the following text: (f) Fostering an innovative and competitive bioeconomy sector in the Union, including ... in particular by supporting the discovery, development, derisking, creation, maturation and demonstration, piloting, and scaling-up of bioeconomy new technologies into new products and services innovations;
	2. Work programmes adopted in accordance with the rules of this Regulation under this chapter shall integrate in a specific dedicated part and ensure coherence with [Competitiveness and Society activities supported under the Regulation (EU) [XXX] [Horizon Europe Framework programme for Research and Innovation	See comments made at (53) . In addition, Article 184(6) of the Financial Regulation provides the following: 6. The authorising officer responsible may authorise or impose, in the form of flat-rates, funding of the beneficiary's indirect costs up to a maximum of 7 % of total eligible direct costs for the action. A higher flat rate may be	Add the following text: (a) By way of derogation from Article 184(6) of the Financial Regulation, when applying flat rates, the authorising officer responsible may authorise or impose funding of the beneficiary's indirect costs of 25 % of total eligible direct costs for the action.

		<i>authorised by a reasoned Commission decision. The authorising officer responsible shall report in the annual activity report referred to in Article 74(9) on any such decision taken, the flat rate authorised, and the reasons leading to that decision.</i> The amendment proposed is essential to reflect established RD&I framework conditions.	
Regulation on ECF – Chapter VI Support for Digital Leadership			
Topic	ECF Article	Analysis	Text Changes
Art. 39 Specific activities to support digital leadership policy	1. <i>...as well as cross-sectoral digital technologies and applications, including those with dual-use potential, support for data technologies and data spaces.</i>	The list of supported digital technologies does not include advanced manufacturing (only digital twins, augmented reality and virtual worlds).	Add the following text: <i>....as well as cross-sectoral digital technologies and applications, including manufacturing technologies and those with dual-use potential, support for data technologies and data spaces.</i>
	2. <i>Support for digital leadership shall be implemented in particular through the following activities: (a) Achieving leadership in digital and AI technologies through research and innovation, applied research, technology transfer, industrial deployment, and market uptake.</i>	This article is very much welcomed. EARTO would like to recall that collaborative RD&I is the core of EU added value in R&D of the programme and that to keep up with future emerging critical technology, large investments are needed in EU tech capabilities. A well-defined RD&I strategy covers the whole RD&I value chain up from research and technology maturation to deployment. These distinct stages each require tailored financing: technology creation and maturation require RD&I grants for Europe to keep developing its own pipeline of EU technologies with its needed Technology Infrastructures and explore new fields of applications.	
	4. <i>Work programmes adopted in accordance with the rules of this Regulation under this chapter shall integrate in a specific dedicated part and ensure coherence with Competitiveness and Society activities under the Regulation (EU) [XXX] [Horizon Europe Framework programme for Research and Innovation.</i>	See comments made at (53) .	

Regulation on ECF – Chapter VII Support for Resilience and Security, Defence Industry & Space

Topic	ECF Article	Analysis	Text Changes
SECTION 1 – Support for Resilience (CRM)			
Art. 42 Specific activities to support resilience policies	<i>1. Support to Resilience policy shall reinforce the strategic autonomy, economic security and the resilience of the Union industry by strengthening the different stages of the raw materials value chain, including through diversification of the supply of critical raw materials from third countries.</i> <i>2. Support for resilience policy shall be implemented in particular through the following activities:</i> <i>(a) support for the strengthening of the EU capacity in exploration, extraction, processing and recycling of raw materials;</i> <i>(b) purchasing of raw materials, in line with economic security needs and the green and digital transition objectives, in order to reduce the risk of supply disruptions for companies in the EU, including for establishing and managing stockpiles of critical raw materials in coordination with Member States and industry;</i> <i>(c) financial support to Strategic Projects under the Critical Raw Materials Act in line with economic security needs and the green and digital transition objectives.</i> <i>3. Support provided through the activities referred to in paragraph 2, may be provided in any form, including through collaborative research and innovation activities set out in the Framework Programme for Research and Innovation [REF] and identified in a specific dedicated part of the Work Programme.</i> <i>4. Work programmes adopted in accordance with the rules of this Regulation under this chapter shall integrate in a specific dedicated part and ensure coherence with Competitiveness and Society activities under the Regulation (EU) [XXX][Horizon Europe Framework programme for Research and Innovation]</i>	On point 4. See comments made at (53). Article 42 only mentions raw materials. And resilience policies are a much more complex area. We suggest either updating the title of this part or including other resilience needs, for example, cyber resilience, critical infrastructure protection, resilience against hybrid threats, societal resilience, psychological resilience, etc. It is preferred to start this section 1 with a more comprehensive art defining “resilience” in a broader way (following the Niinistö report); and to renumber and rename the current art 42 (as suggested above). “Preparedness”, “Total preparedness”, or “total defence”: how can the civil community increase its preparedness and respond to the global security level that has changed dramatically lately? How to support the community to “spend” 1.5% GDP on civil preparedness as decided by NATO countries? The military and civil society need to communicate, how to share information and make a “shared situational awareness”, not just cross-sectors within either the civilian or military part, but also between the (national and cross-border) civil and military systems (respecting confidentiality of information). Hybrid threats are more than a technological threat; they are a strong “human factors” element. Being resilient to hybrid threats requires SSH research; it requires the combination of SSH and technology; it is an interdisciplinary and multidisciplinary field.	Retitle & Rewrite Art. 42 to: Specific activities to support raw materials resilience policies Resilience as a Core Component of Preparedness 1. Preparedness is defined as the EU’s ability to: anticipate, prevent, withstand and respond to major threats or crises that: (a) Affect the EU as a whole or multiple Member States, (b) Have cross-border and cross-sectoral impacts, (c) Exceed national capacities and require EU-level coordination. 2. Resilience is the capacity to withstand and respond effectively to a wide variety of crises. Resilience has many different perspectives, like critical infrastructure resilience, cyber resilience, societal resilience, and psychological resilience. 3. Resilience is not a siloed effort. Instead, it requires a Whole-of-Society and Whole-of-Government Approach, encompassing (a) Cross-sectoral coordination (civilian and military), (b) Public-private partnerships, (c) International cooperation, and (d) Citizen engagement. This integrated approach is essential to building mutual resilience across the EU and with global partners. 4. Citizens are the backbone of societal resilience. This includes: (a) Raising public awareness of risks, (b) Encouraging voluntary and legal civic contributions to security, (c) Building trust between citizens and institutions, and (d) Promoting a shared responsibility for security and preparedness.
Art. 43 Complementary rules	<i>Strategic projects under CRMA and strategic projects foreseen in relevant sectoral legislation may apply the rules in Article 20.</i>		Add NEW article 43: Resilience against hybrid threats

			Hybrid threats are deliberate, coordinated actions by hostile state or non-state actors that combine multiple instruments of power—including cyberattacks, disinformation, economic coercion, sabotage, and instrumentalised migration—to exploit vulnerabilities in open societies and democratic systems. These threats are designed to remain below the threshold of armed conflict, making them harder to detect, attribute, and respond to using traditional security and defence mechanisms. Hybrid Threats have the following key characteristics: (a) Multidimensional: They span across digital, economic, societal, and political domains, (b) Ambiguous: Often lacks clear attribution, making retaliation or legal response difficult, (c) Persistent: Can be sustained over time to gradually erode trust, cohesion, and stability, (d) Targeted: Aim at critical infrastructure, public opinion, democratic institutions, and supply chains.
SECTION 2 – Support for Defence Industry Policy			
Art. 46 Collaborative Defence R&D, Innovation & Technological Sovereignty	<i>1. Activities supporting Defence R&D, Innovation and Technological Superiority may cover, in particular:</i> (a) collaborative research actions for defence, from basic to applied research, focusing on jointly agreed capability priorities; (b) collaborative development actions for new defence products and technologies, including at least system prototyping, testing, qualification, or certification; (c) actions to support disruptive technologies for defence; (d) actions to support faster innovation cycles and technology integration, including continuous research and development and technological challenges; (e) spin-in actions to adapt civilian technologies for defence.	Just as in other points (a), (b), etc., point c) should specify the type of support, i.e., research/development/deployment/adoption.	Add the following text: (c) actions to support research, development and adoption of disruptive technologies for defence; (f) selected spin-out actions to bring innovative defence technologies to the civil domain
Art. 50 Complementary rules on the	<i>2.</i> (b) lay down appropriate measures to ensure security of supply as well as any other measure	2.(b) Although EU-sovereignty is very important, it should be noted that, especially for research activities, it is very difficult to ensure, at the project	Delete and add the following text: 2.(b) plan and whenever possible lay down appropriate measures to ensure

association of third countries	<i>required for the protection of the security and defence interests of the European Union and of the Member States;</i> (c) <i>contribute to an increase in the standardisation of defence systems and a greater interoperability between Member States' and those other third countries' capabilities.</i>	stage, that all components used in the entire supply chain are from the EU. During project executions for research actions, conditions should be eased, although the aim should be to prepare for full sovereignty over the supply chain. If EARTO welcomes the possibility for the EU to protect its interests as needed, EARTO also welcomes this article, having its members also located in third countries and supporting further international collaboration within its membership. When considering the standardisation of defence systems, it may be useful to refer to NATO's standardisation process, as this is the leading process for major defence systems, and the EU should not reinvent methods that are already established.	security of supply as well as any other measure required for the protection of the security and defence interests of the European Union and of the Member States;
Art. 51 Complementary eligibility rules for grants	5. <i>Guarantees as referred to in the first subparagraph shall in particular substantiate that, for the purposes of an action, measures are in place to ensure that:</i> (c) <i>ownership of the intellectual property arising from, and the results of, the action remain within the recipient during and after completion of the action, are not subject to control or restriction by a non-associated third country or by a non-associated third-country entity, and are neither exported outside the Union or outside associated countries nor accessible from outside the Union or outside associated countries without the approval of the Member State or the associated country in which the legal entity is established and in accordance with the objectives set out in Article 3.</i>	• Currently, in the proposal phase, it is very difficult to provide guarantee declarations if needed. • The Member State or the associated country in which the legal entity is established becomes responsible for checking that the involvement in an action of this legal entity would not contravene the security and defence interests of the Union and its Member States. It is not consistent across EU MS on how this is defined and regulated. Some MS are not able to provide such declarations, while other MS are very open and hand them out very easily. • The EC only informs the Committee. It would be safer and simpler if the checking is centralised by the EC, informing the MSs that will participate in the Committee. • The IP rules in the ECF Regulation are not easily reconcilable with the established and valued IP rules of the Framework Program. The ECF rules tend to move away from typical funding rules toward the acquisition of rights for the EU. However, the purpose here should be less to secure control and usage rights for the EU and more to pursue policy objectives by strengthening grant recipients and enabling them to exploit their grants as autonomously as possible. • The legal entity may be established in an MS/AC while its board is controlled by a third country. The Horizon Europe 1.0 safeguards the involvement of entities and countries with Art. 22.5 and Art.22.6.	

		- In addition, the restrictions of IPR/results sharing with third country entities should be regulated in an additional eligibility condition. - Furthermore, it is not clear the feasibility of the mechanism to control this by MS/AC after the completion of the action.	
Art. 52 Funding rates	3. <i>For actions referred to in Article 44(1), point (b), supporting the development of defence technologies and capabilities, Union support may cover up to 50% of the eligible costs or, for procurement of R&D services, up to 50% of the estimated value of the contract.</i>	"support may cover up to 50% of the eligible costs or, for procurement of R&D services" – this is a real issue for RTOs to be able to keep their active involvement in such EU actions. It tends to exclude them, and it would be a very significant barrier for future participation in the programme.	Add the following text: 3. For actions referred to in Article 44(1), point (b), supporting the development of defence technologies and capabilities, Union support may cover up to 50% of the eligible costs or, for procurement of R&D services, up to 50% of the estimated value of the contract. The Union support may cover up to 100% of the eligible costs of non-profit entities, like Research and Technology Organisations, participating in such actions.
	8. <i>By way of derogation from Article 184(6) of the Financial Regulation, for actions referred to in Article 44(1), point (a) and (b), the authorising officer responsible may authorise or impose, in the form of flat-rates, funding of the beneficiary's indirect costs up to a maximum of 25 % total eligible direct costs, excluding direct eligible costs for subcontracting, financial support to third parties and any unit costs or lump sums which include indirect costs.</i>	There are similar provisions for: - Support for Clean Transition and Industrial Decarbonisation: Article 34(2) - Security: Article 82(2) - Defence: Article 52(8) - Space: Article 73(2) Adjustment needed accordingly for all articles. It is unclear if the intent is the same as regards defence compared to all other subject areas outlined above.	Adapt the following text: 8. <i>By way of derogation from Article 184(6) of the Financial Regulation, for actions referred to in Article 44(1), point (a) and (b), the authorising officer responsible may authorise or impose, in the form of flat-rates, funding of the beneficiary's indirect costs up to a maximum of 25 % of total eligible direct costs, excluding direct eligible costs for subcontracting, financial support to third parties and any unit costs or lump sums which include indirect costs. The Union support may cover up to 100% of the eligible costs of non-for-profit entities, like Research and Technology Organisations, participating in such actions.</i>
	9. ADD NEW ARTICLE		Add NEW article 9: 9. For actions referred to in Article 44(1), point (b), indirect eligible costs may be determined in accordance with the recipient's usual cost accounting practices on the basis of actual indirect costs provided that those cost accounting practices are accepted by national authorities for comparable activities in the defence domain, in accordance with Article 188 of the Financial Regulation, and that they have been communicated to the Commission by the recipient.
Art. 53 Award criteria	1.	An award criterion is the number of SME in the project, specifically, cross-border cooperations make	Add the following text:

	(b) <i>The objectives, priorities and the expected results set for the relevant action, in particular through the evaluation of one or more of the following criteria as specified in the work programmes: (i) contribution to excellence in the defence domain, (ii) innovation capacities, (iii) cross-border cooperation, in particular with SMEs and mid-caps that bring substantial added-value to the action...</i> (c) ADD NEW ARTICLE	it difficult for RTOs to participate together with SMEs. An additional criterion is new partners/new cooperations. This is very difficult for follow-up projects, which are already at high TRL and going towards procurement. This award criterion should be softened for follow-on Development Actions.	...(iii): cross-border cooperation, in particular with SMEs, research performing organisations and mid-caps that bring substantial added-value to the action... Add NEW article (c) (c) Knowledge-generating research and innovation activities are preferably coordinated by research performing organisations (RPOs).
Art. 54 Ownership of Results	1. <i>Where Union support is provided in the form of a grant, Union institutions, bodies, offices or agencies as well as granting authorities shall enjoy upon request royalty-free access rights to results for the purpose of developing, implementing and monitoring existing Union policies or programmes in the fields of its competence and the right to grant, or to require the recipients to grant, non-exclusive licenses to third parties to exploit the results under fair and reasonable conditions to be set out in the contractual relationships between the interested parties without any right to sublicense unless otherwise specified in the grant agreement.</i>	This article is considered too general and requires minimal additions. This article refers to the rights of the EU to the future project results. This article should be analysed in three obligation options for the projects: • Obligation to grant the EC royalty-free access rights to results. • Obligation to grant the EC non-exclusive licenses to exploit the results. • Obligation to grant third parties non-exclusive licenses to exploit the results, upon request of the EC. Regarding the third option above, presumably, the third parties would be selected by the EC after the project ends, which is not fair: it should be defined at proposal time. Commercial conflicts may arise when the third party is a competitor of a beneficiary of the action (co-)owner of the IPR/results. User rights for the granting authority are generally against the funding nature and must be kept to a minimum. Funding may not appear as payment for user rights. Exploitation must be an exclusive right of the beneficiaries. Horizon Europe regulation also contains some rights for the funding authority; however, they are limited to non-commercial and non-competitive use. The same rule should apply here, too, to avoid having conflicting regulations. Additionally, the Member States receive only reports for now; it is not clearly defined which outputs the MS have access to, making it difficult to involve the MoD in the process, although they are co-financing the projects. Their access rights should be clearly defined. So, the EC should ensure that: A) The conditions are fair and reasonable, but the retention of rights of disposal alone is already sufficiently critical in terms of tax law. B) If rights are free, then no liability shall occur and an obligation to inform of the results of the	Add the following text: Access shall be limited to non-commercial and non-competitive use. Further user rights shall be subject to separate procurement.

		usage. Furthermore, the granting of rights should be subject to the legal possibility in regard to export laws (as some of the results might be subject to military restriction in the national laws, needing a license to export within the EU).	
	2. Without prejudice to applicable export control rules under Member States and associated countries responsibility: (a) The national authorities of Member States and associated countries shall enjoy access rights to the special reports of activities funded under Article 44 paragraph 1, point (b) Such access rights shall be granted on a royalty-free basis and transferred by the Commission to the Member States and associated countries after the Commission has ensured that appropriate confidentiality obligations are in place.	This article moves strongly towards the exchange of services. Raises the question of warranty claims by rights recipients? Acceptance of a share of the costs is then no longer self-evident.	Add the following text: Such access rights shall be granted on a royalty-free basis and transferred by the Commission to the Member States and associated countries after the Commission has ensured that appropriate confidentiality obligations are in place. Access shall be limited to non-commercial and non-competitive use. Further user rights shall be subject to separate procurement.
	2.(c) Where two or more Member States or associated countries have, multilaterally or within the framework of the Union, jointly concluded one or several contracts with one or more recipients to further develop together results of activities supported by the Fund under Article 45 paragraph 1, point (b), they shall enjoy access rights to those results insofar as they are owned by such recipients and are necessary for the execution of the contract or contracts. Such access rights shall be granted on a royalty-free basis and under specific conditions aiming to ensure that those rights are used only for the purposes of the contract or contracts and that appropriate confidentiality obligations are put in place.	This is a peculiar rule. It refers exclusively to MS/AC, but the rules of use are the same as for project partners. This implies that they would generally have rights to the results, which should not be the case, as this is a grant and not an exchange of services/procurement. There are no restrictions on specific purposes (it could be anything, as long as the contracts between MS/AS and recipients provide for this). It mixes elements of different objectives (grant, exchange of services/procurement) and should be deleted. Especially since (d) immediately follows with a rule for access on reasonable terms.	There is no Art. 45 paragraph 1 (b). Should this statement, "activities supported by the Fund under Article 45 paragraph 1, point (b)," be "activities supported by the Fund under Article 45 paragraph 1, paragraph 4 point (b)"? EARTO's advice: Delete the article
	2.(g) the right to authorise other legal entities established in the Union or associated countries to use the results on their behalf, under conditions of confidentiality where appropriate.	There is an unclear reference – what exactly does "such access rights" refer to? Potentially sensitive extension of already critically viewed access rights to an unknown number of additional users without clarification of the conditions. In case of doubt, the same conditions apply as for the first user, i.e. in the worst case, free of charge. So, there is a need to clarify whether this means the EC is granted the right to grant "third parties" use rights in a royalty-free use? Are exploitation rights included? If such third-party rights must be maintained, they should be subject to procurement principles. Note that the funding may not serve as compensation for user rights! Otherwise, the funding nature is lost, and the border to procurement is crossed.	Add the following text: The funding authority/ies shall have the right to authorise other legal entities established in the Union or associated countries to use the results on their behalf, under conditions of confidentiality where appropriate, and subject to fair and reasonable compensation.

	3. Any transfer of ownership of results, or the granting of exclusive licences for results, generated with support to legal entities established in non-associated third countries or to non-associated third-country entities shall be subject to prior notification and approval by the Commission or the relevant Member State or associated country authorities, which takes place within 3 years after the final payment of the action, under conditions ensuring the protection of the Union's security and defence interests.	"which takes place within 3 years after the final payment of the action": earmarking extending beyond the project duration. Although understandable to a certain extent, this could significantly restrict autonomy regarding utilisation.	Delete the following text: 54(3): Any transfer of ownership of results, or the granting of exclusive licences for results, generated with support to legal entities established in non-associated third countries or to non-associated third-country entities shall be subject to prior notification and approval by the Commission or the relevant Member State or associated country authorities, which takes place within 3 years after the final payment of the action, under conditions ensuring the protection of the Union's security and defence interests.
Art. 55 Additional applicable rules on classified information	1. Natural persons who are resident in and legal persons that are established in a third country may handle Union classified information regarding the Programme only where they are subject, in those countries, to security regulations ensuring a degree of protection at least equivalent to that provided by the security rules of the Commission and of the Council.	This means that natural persons residing in a third country who are employed by an EU-based organisation, such as an RTO, should transfer their residency to the EU.	
	5. The security framework to ensure the appropriate protection of classified foreground information generated in carrying out in an action funded under this Section shall be established in accordance with Decisions (EU, Euratom) 2015/444 and implementing rules, with the assistance of security experts appointed by the Member States and associated countries on whose territory the beneficiaries are established.	A well-defined, documented and with clear guidelines for the implementation of the "Security Framework" and, if possible, common to different acts will be welcome.	
Art. 56 Defence Industrial Advisory Board	2. The general task of the Board is to assist and provide advice and recommendations to the Commission pursuant to this Regulation. It shall notably provide advice on the long-term investment strategy of the defence policy window.	There will be RD&I funding managed with this ECF window, so RD&I actors such as RTOs, having the role to support industry needs, should be included in the discussion as well, alongside industry.	Add the following text: "The general task of the Board is to assist and provide advice and recommendations to the Commission pursuant to this Regulation. It shall notably provide advice on the long-term investment and research strategy of the defence policy window."
SECTION 3 – Space systems and space policy implementation			
Art. 67 Technology Sovereignty & R&I	2.(e) exploring and leveraging synergies with complementary domains such as defence and other relevant sectors for key areas such as Artificial Intelligence and cybersecurity;	It remains unclear how synergies will be leveraged with complementary domains like space and other sectors in key technology areas like Artificial Intelligence and Cybersecurity.	
Art. 70 Ownership of Union space assets and access to results	70.1 Except as provided under paragraph 2, the Union shall be the owner of all tangible and intangible assets created, developed or purchased under direct or indirect management in the implementation of activities supported under this section. To that effect, the Commission shall ensure that relevant contracts, agreements and other arrangements relating to the activities which may result in the creation or	Transfer of ownership to the funding agency is only acceptable in the case of procurement. The reference to paragraph 2 resolves this by exempting grants from the basic rule. However, the relationship between the rule and the exception is strange. In addition, the problem of gratuitous rights of use remains. See the following comment on this.	Turn around the order of rule vs exception by conclusively listing the cases where ownership is to be transferred, rather than subjecting everything to transfer and making exceptions. (No text suggestion since we don't know what would have to go on the list.).

	development of such assets contain provisions ensuring the Union's ownership.		
	70.3 In the conditions set in paragraph 2, Union institutions, bodies, offices or agencies shall not acquire ownership but enjoy royalty-free access rights to results for own use and the right to grant, or to require the recipients to grant, non-exclusive licences to third parties to exploit the results under fair and reasonable conditions without any right to sublicense.	Similar to Defence – Article 54.1, rights of use free of charge in exchange for support (exchange of services).	Add the following text: Access shall be limited to non-commercial and non-competitive use. Further user rights shall be subject to separate procurement.
	70.4 The Union shall be entitled to conclude the relevant agreements in order to acquire ownership of assets developed by third parties where such assets are necessary to the fulfilment of the objectives laid down in Article 3.	As always, any rights of use for funding providers or third parties in return for funding are contrary to the funding guidelines.	Add the following text: Any such agreement shall be subject to fair and reasonable remuneration.
	70.5 The Commission shall ensure that the Union has the following rights: (a) the right of use of the frequencies required for the transmission of the signals generated by the governmental infrastructure of IRIS ² , the PNT components and the EO components in accordance with the applicable laws and regulations and the relevant licensing agreements, enabled by the relevant filings for the frequencies provided by the Member States, which remain under the responsibility of the Member States; (b) the right to prioritise the provision of the IRIS ² governmental services over commercial services, in accordance with the terms and conditions to be established in the contracts referred to in Article 61 and by taking into consideration the needs of government-authorised users.	This is a clear case of exchange of services; in this case, no funding may be granted, but rather a procurement (at 100% of the actual costs, plus VAT if applicable) must be made. Otherwise, it tends to be considered abusive.	Add the following text: Any such right shall be subject to a separate procurement agreement against fair and reasonable remuneration.
Art. 71 Warranty and liability	71.1 Except if otherwise specified the services, data and information provided by the components and activities under this section shall be without any express or implied warranty as regards their quality, accuracy, availability, reliability, speed and suitability for any purpose. The Union, including the Commission and the Agency (EUSPA), shall not be liable.	- Sentence 1 refers to services in a non-specific way, so it doesn't exclude services provided by the recipients of the grant. Even if the grantor or third parties acquire rights, we wouldn't owe any warranty, which is generally a good thing. - Sentence 2, however, only regulates the grantor's warranty and calls into question what happens to our warranty for our services. - Here, too, the following applies in principle: In the case of funding, there should be no consideration in return, i.e., no warranty! - Perhaps a fundamental problem with the ECF rules is that they deal partly with funding and partly with procurement, and simply do not distinguish clearly between the two institutions?	Add the following text: Except if otherwise specified, the services, data and information provided by the components and activities via procurements under this section shall be without any express or implied warranty as regards their quality, accuracy, availability, reliability, speed and suitability for any purpose. The Union, including the Commission and the Agency (EUSPA), shall not be liable.
Art. 73 Complementary grant rules	2. By way of derogation from Article 184(6) of the Financial Regulation when applying flat rates, the authorising officer responsible may authorise or impose funding of the beneficiary's indirect costs up	There are similar provisions for: Support for Clean Transition and Industrial Decarbonisation: Article 34(2)	Delete the following text: 2. By way of derogation from Article 184(6) of the Financial Regulation, when applying flat rates, the authorising officer responsible

	to a maximum of 25 % of total eligible direct costs for the action.	- Security: Article 82(2) - Defence: Article 52(8) - Space: Article 73(2) Adjustment needed accordingly for all articles.	may authorise or impose funding of the beneficiary's indirect costs up to a maximum of 25 % of total eligible direct costs for the action.
SECTION 4 – Support for Security Industrial Policy			
Art. 80 Specific activities to support civil security industry policy	<i>1. Support for civil security industry policy shall address in particular the following application areas:</i> (a) Security and resilience of critical civil infrastructures, in particular against hybrid threats; (b) Technologies, capabilities and solutions relevant for the prevention of and response to crime, in particular terrorism and violent extremism, organised crime and cyber-enabled crime; (c) Technologies, capabilities and solutions for the control of goods and persons at borders, the protection of borders and logistical hubs, maritime security and surveillance and customs security; (d) Civil preparedness against security threats, whether natural or human-made, accidental or intentional.	The cybersecurity areas are included under Art. 39. Reference only to cyber-enabled crime is clearly a limitation. Cyber-enabled crime is a crime committed with the help of technology, but not so much directed at technology itself (where cybersecurity plays a bigger role). The text should include a separate point on cybersecurity (and perhaps use the term cyber-dependent)."	Add the following text: (d) Civil preparedness against security threats, whether natural or human-made, accidental or intentional, including hybrid threats and disaster resilience. (e) Technologies for Increased cybersecurity supporting protection of data and networks aspiring to technological sovereignty in this field, while respecting privacy and other fundamental rights; This should contribute to secure services, processes and products, as well as to robust digital infrastructures capable of resisting and countering cyber-attacks and hybrid threats. Support provided through the activities referred to in paragraphs 1 and 2 involves the support of Research & Technology Organisations in the creation of start-ups and scale-ups, and transfer of knowledge to industry.
Art. 82 Complementary grant rules	<i>2. By way of derogation from Article 184(6) of the Financial Regulation when applying flat rates, the authorising officer responsible may authorise or impose funding of the beneficiary's indirect costs up to a maximum of 25 % of total eligible direct costs for the action.</i>	Complementary grant rules should be extended or divided into detailed Articles to explain general grant rules for Support to Security Industrial Policy, complementary rules, funding rates, etc., just as in other sections. There are similar provisions for: - Support for Clean Transition and Industrial Decarbonisation: Article 34(2) - Security: Article 82(2) - Defence: Article 52(8) - Space: Article 73(2) Adjustment needed accordingly for all articles.	Delete the following text: 2. By way of derogation from Article 184(6) of the Financial Regulation, when applying flat rates, the authorising officer responsible may authorise or impose funding of the beneficiary's indirect costs up to a maximum of 25 % of total eligible direct costs for the action.
Regulation on ECF – Chapter VIII Final Provisions			
Topic	ECF Article	Analysis	Text Changes
Art. 83 Committee Procedure	<i>6. The Committees in points b) through h) of paragraph 1 may convene in different</i>	See comments made at (53) .	Add the following text: The Committees in points b) through h) of paragraph 1 may convene in different

	<i>configurations or sub-committees aligned with the specific components of the policy windows.</i>		<i>configurations or sub-committees aligned with the specific components of the policy windows, in particular about collaborative research and innovation.</i>
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EARTO and its experts remain ready to further discuss these recommendations with the European Institutions' representatives.

EARTO - European Association of Research and Technology Organisations

Founded in 1999, EARTO promotes RTOs and represents their interest in Europe. EARTO network counts over 350 RTOs in more than 32 countries. EARTO members represent 228,000 highly-skilled researchers and engineers managing a wide range of technology infrastructures.

RTOs - Research and Technology Organisations

From the lab to your everyday life. RTOs innovate to improve your health and well-being, your safety and security, your mobility and connectivity. RTOs' technologies cover all scientific fields. Their work ranges from basic research to new products and services' development. RTOs are non-profit organisations whose core mission is to produce, combine and bridge various types of knowledge, skills and infrastructures to deliver a range of research and development activities in collaboration with public and industrial partners of all sizes. These activities aim to result in technological and social innovations and system solutions that contribute to and mutually reinforce their economic, societal and policy impacts.

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