

## **EARTO Response to the EC Call for Evidence: Single Basic Act for Joint Undertakings**

10 July 2026

EARTO, the European Association of Research and Technology Organisations, welcomes the European Commission's [Call for Evidence](#) on the Single Basic Act (SBA) for Joint Undertakings. EARTO represents over 350 Research and Technology Organisations (RTOs) across more than 32 countries, employing 228,000 highly-skilled researchers and engineers.

RTOs occupy a distinctive position in the EU R&I ecosystem: as non-profit organisations bridging fundamental science and industrial application, they are essential for making Joint Undertakings work. EARTO [analysis](#) of the European Commission's eCORDA data shows that the average industrial involvement in Horizon Europe projects increases from 23% to 33% when EARTO members are part of the consortium, demonstrating the catalytic role RTOs play in attracting and retaining industry in European collaborative RD&I efforts.

RTOs are active in all EU Co-Programmed and Institutionalised European RD&I Partnerships, involved in 61% of Horizon Europe institutionalised partnerships' projects. This response draws on [EARTO's last position paper on EU Partnerships](#). EARTO supports a next generation of Joint Undertakings that is more strategic, more effective, and better equipped to advance EU competitiveness and technological sovereignty while still very much supporting to keep the model of EU Co-Programmed European RD&I Partnerships as well.

### **The Value of Joint Undertakings: An RTO Perspective**

Joint Undertakings (JUs) are unique in the EU R&I funding landscape. By bringing together the EU, Member States, research actors and industry under a common legal structure with shared governance and long-term strategic agendas, they create conditions that no other instrument can replicate.

EARTO Members have documented the following key contributions of institutionalised partnerships to European RD&I:

- **Supporting and developing EU global leadership in key technologies.**
- **Accelerating the creation and upscaling of new solutions:** JUs foster pan-European collaborative RD&I within relevant ecosystems, valorise knowledge and help bridge the valley of death between research and market.
- **Designing RD&I activities on a European scale:** JUs structure RD&I communities and industrial value chains; align research priorities across EU borders and generate a coherent European logic that transcends isolated national agendas.
- **Sharing risks and optimising resources:** By mobilising entire industrial innovation value chains, JUs provide support that no single country, company or research actor can deliver alone.
- **Aligning national and EU research & development agendas with industry needs:** JUs ensure research and funding mechanisms are strategically directed and well-aligned with industry demands.
- **Proven instrument for aligning EU, national and private investments** – Especially relevant for strategic technologies and infrastructures.
- **Delivering the highest leverage in Horizon Europe:** Private contributions in institutionalised partnerships have more than doubled or tripled EU funding, making JUs the most financially leveraged instrument in the EU RD&I framework programme.

This value must be preserved and strengthened in the next generation of JUs. The European Commission's identification of issues in the current JU landscape is well-founded. However, the solutions chosen for improvement must not sacrifice the features that make JUs effective in the first place.

## EARTO's Position on the EC's Identified Issues

### Issue 1. Strategic Alignment: Co-design is Essential; Avoid 'Jumbo JUs'

EARTO agrees that the existing portfolio of institutionalised partnerships should better reflect current and evolving EU strategic priorities, and that the limited flexibility of individual JUs to adapt to rapidly changing conditions is a genuine problem. We support the development of a portfolio approach that ensures coverage of the full RD&I value chain, reduces unnecessary duplication, and introduces new JUs only where identified gaps exist.

The choice of partnership model should also remain fit for purpose: Joint Undertakings are appropriate where a dedicated legal structure, strong industrial commitment and critical mass are needed, but MoU-based or in-programme partnerships should remain available where they offer a lighter, more flexible framework – particularly for partnerships supporting transversal areas such as climate neutrality and other public goods objectives – helping to lower entry barriers and enable broader participation, including by SMEs.

In addition, EARTO cautions against a restructuring that creates very large "jumbo JUs" organised primarily around the Horizon Europe/European Competitiveness Fund (ECF) policy windows (clean transition, digital, resilience, health/biotech). Technology-specific communities built over years – on hydrogen, batteries, semiconductors, advanced manufacturing, photovoltaics, and others – represent irreplaceable concentrations of expertise, trust and momentum. Merging technologically distinct communities into a single JU organised around a broad policy objective risks bringing:

- Loss of coherence in Strategic Research and Innovation Agendas, which depend on strong, focused technology communities;
- Disappearance of partnerships for cross-cutting enabling technologies (e.g. advanced materials, metrology, etc.) as well as the more social-scientific topics (societal transitions, societal transformations, resilience, (deep tech) entrepreneurship etc) whose applications span multiple industrial sectors, but which do not neatly fit a single proposed ECF/FP10 policy window;
- Administrative simplification for the European Commission but added complexity for participants, who would need to navigate oversized governance structures.

EARTO therefore recommends that the strategic selection of JUs be based on demonstrated added value and community readiness, not on arbitrary scale criteria. In particular, EARTO cautions against fixed minimum Union contribution thresholds for Joint Undertakings (such as the proposed EUR 2 billion limit proposed by the European Parliament [draft position](#)). Such a threshold would disadvantage strategically important but more focused partnerships (such as Metrology), where the right level of EU investment is determined by the scope of the challenge, not by scale for its own sake.

EARTO further underlines that new JUs must be co-designed with the relevant industries and RTOs from their earliest conception. Only through early co-design can long-term private commitment and co-financing be secured. This applies equally to any restructuring of the existing JUs. It is important that the JUs' setting up takes into account the following points:

1. Ecosystem should be diverse: Partnerships should demonstrate broad and balanced involvement of key stakeholders adequately composed (in size, profiles and roles) for the strategic direction chosen by the partnership, across the value chain.
2. Ecosystem mobilisation capacity should be demonstrated: ability to mobilise, align and sustain a sufficiently broad and committed innovation ecosystem over time should be a key criterium.

### Issue 2. The Innovation-to-Investment Journey: Preserve the Research Dimension

EARTO strongly supports the objective of creating a seamless innovation-to-investment journey, connecting JUs' RD&I outputs to deployment and scale-up through the ECF Partnership communities – in which RTOs play a central role – are uniquely positioned to produce not only strategic research agendas but also industrial deployment roadmaps that can guide ECF investments, investments to reach industry, as well as RTOs' capabilities supporting industry (e.g. pilot lines, technology infrastructures, etc.).

EARTO members underline that this bridge between Horizon Europe and ECF should be structured, deliberate and governed jointly. JU communities should be formally involved in developing the policy window agendas under the ECF, ensuring continuity between research outcomes and deployment investments, including the necessary Technology Infrastructures. The fact that this is being piloted under the new JU automotive under construction is a positive sign in this direction.

At the same time, EARTO cautions against using the Horizon Europe-ECF linkage as a justification to shift JU activities entirely towards high technology readiness levels (TRLs). The strength of JUs lies precisely in their

capacity to span TRL levels, from applied research through to demonstration. RTOs are uniquely positioned across this range. A JU that abandons mid-TRL research leaves industry without the technology building blocks needed for deployment. The European Commission's emphasis on high-TRL activities and deployment must be accompanied by an explicit commitment to preserving applied research and development activities at mid-TRLs within JUs. This will be key to ensure participation of non-profit research actors like RTOs which are key operators of the technology infrastructures needed by industry to scale up innovative solutions.

### **Issue 3. Private Co-Funding: Defend In-Kind Contributions**

EARTO takes a firm position on the issue of private co-funding. The European Commission and the European Court of Auditors have raised doubts about the real value of in-kind contributions from private partners. EARTO strongly disagrees with any policy that would dismiss or undervalue in-kind contributions or that would make cash contributions a mandatory requirement.

In-kind contributions which include personnel costs, provision of know-how, equipment and use of testing and pilot facilities represent a genuine and significant financial commitment. In-kind contributions are expenses not covered by EU funds; they reflect real resource deployment by research actors and industry in support of shared RD&I goals. To require cash contributions instead will trigger mass disengagement by industry partners, particularly in technology areas where the business case for cash investment at early TRL is weak. In addition, a mandatory shift toward cash co-funding would disproportionately disadvantage non-profit research actors like RTOs and smaller industrial actors compared to large industrial companies and could effectively push smaller actors out of participation altogether. The risk is not merely lower leverage but the collapse of the partnership model itself in some sectors.

EARTO's recommendations on this issue:

- In-kind contributions must remain a valid and valued form of private co-funding in the new SBA: RTOs strong in-kind contributions range from access to their many technology infrastructures to the knowhow of their researchers and highly-skilled researchers and engineers.
- Any evolution towards cash contributions should be voluntary, incentive-based, and developed in close consultation with industry and the RD&I community.
- Leverage ratios must not be confused with funding rates: a high leverage ratio is not equivalent to a low EU funding rate, and the two should not be conflated in policy analysis or reporting.
- The SBA must also establish funding mechanisms that make participation attractive for non-profit actors such as universities and RPOs (including RTOs), so that they can engage as core partners and help fill knowledge gaps, ensure a solid technological base and accelerate the pace of innovation within partnerships: the framework conditions for non-profit participants should be equivalent to those applied elsewhere in the Framework Programme.

### **Issue 4. Cross-Fertilisation and Portfolio Management**

EARTO strongly supports the development of a genuine portfolio approach for institutionalised partnerships. Currently, joint topics between two JUs are practically impossible due to independent work programme preparation processes. This is a real barrier to cross-fertilisation and must be addressed in the new SBA.

EARTO recommends the following to improve cross-fertilisation:

- Introduce a formal portfolio management mechanism at programme level, with a coordinating body that oversees synergies, identifies gaps and avoids overlaps across the full JU portfolio;
- Enable joint work programme topics between JUs working in adjacent or complementary areas;
- Ensure better coordination between the EC services responsible for policymaking and the executive agencies managing implementation;
- Increase the flexibility of Strategic Research and Innovation Agendas to allow for swift updates in response to changing priorities, without full re-negotiation;
- Ensure that JUs are more systematically connected to Pillar 1 (basic research outputs from ERC, Marie Curie) as feeders for their applied work, and to Pillar 3 with the EIC's calls as downstream routes to scale-up.

### **Issue 5. Simplification, Accessibility and Governance**

EARTO welcomes the European Commission's commitment to a single, comprehensive SBA covering all JUs. Harmonised rules across the JUs' landscape are long overdue, and the single SBA is the right approach.

EARTO endorses the following simplification priorities:

- Harmonised participation rules (lowering barriers), funding rates, and reporting requirements across all JUs;

- Elimination of JU-specific reporting obligations that do not directly support project implementation or genuine impact assessment to reduce administrative burden and avoid duplication;
- Identical participation conditions for associated countries in JUs as in the rest of the Framework Programme;
- Integration of all JU calls for proposals into the F&T Portal to improve transparency and accessibility for potential participants.

Accessibility should not only be measured through simplified administrative procedures but also through the effective participation of SMEs and mid-caps. Consortium preparation and partnership governance can be particularly demanding for smaller actors in industry or RD&I. The future SBA should encourage simplified access mechanisms, clearer project pipelines, greater transparency in topic preparation and dedicated support measures allowing smaller actors to participate throughout the innovation cycle.

It should be noted that consolidation of the future portfolio of JUs could reduce the access, visibility and influence of smaller actors: through fewer governance seats, less say over agenda-setting, or greater difficulty being heard alongside larger organisations. We believe this deserves explicit consideration in the SBA design and impact assessment.

In addition, in terms of accessibility, there is the inherent risk of the JUs linked to their tripartite governance model for the RD&I actors operating in Member States lacking strong national investment strategy aligned with the JUs' objectives. Where national commitment is weak or absent, the RD&I actors from these Member States, including RTOs, are structurally uncompetitive within the JUs irrespective of their scientific and technological merit. The new SBA should therefore ensure that JUs' membership and governance remain open to RD&I actors from all Member States to allow industry to tap in the needed capabilities wherever it may be located independently of Members States' commitments. This calls among others for transparency on Member States' commitments for each JUs. Furthermore, to strengthen Member States' capabilities to invest in RD&I and support their investment commitments in future JUs, funding under the future Regional & National Partnership Plans (RNPPs) should be explicitly allowed and encouraged for the co-financing of JUs, as well as for investments in the Research and Technology Infrastructures required to implement their research, innovation and deployment agendas.

On governance, EARTO calls for explicit formal recognition of RTOs as members in JU governance structures, at parity with industry for the R&D dimension of JU activities. RTOs bring independence, scientific depth and multi-sectoral perspective that industry alone cannot provide. RTOs' participation in governance should reflect their unique role as neutral integrators of industrial ecosystems. Unlike actors representing a single sector or company interest, RTOs contribute long-term technological expertise across multiple value chains and facilitate the participation of SMEs, supply-chain actors and industrial users. Their involvement therefore strengthens both strategic continuity and market relevance. Their role as honest brokers between the European Commission, Member States and industry is critical to the credibility and strategic direction of JUs by supporting the monitoring as well as the formulation of objectives, KPIs, indicators of progress of the JUs.

## The Essential Role of RTOs in Joint Undertakings

EARTO wishes to draw particular attention to the specific role that RTOs play within JUs, as this role is often under-recognised in policy discussions that focus primarily on the industry-European Commission dynamic.

Despite the substantial involvement of RTOs in European Partnerships, they receive only 10% of EU funding for these partnerships, showing that their primary contribution is facilitation, infrastructure provision and applied research. These activities multiply the impact of others' investments rather than simply generating outputs.

### RTOs contribute to JUs in four essential ways

- **Ecosystem builders:** RTOs create meeting places for technology communities across research & innovation, and industrial spheres, enhancing visibility of knowledge, expertise and collaboration opportunities at European level.
- **Applied research providers:** RTOs conduct the pre-competitive research and technology development that industry needs to de-risk investments and achieve deployment readiness.
- **Operators of shared research and technology infrastructure:** RTOs manage testing facilities, pilot lines and demonstrators that enable JU participants to validate technologies at scale, without the cost of duplicating these assets nationally.

- **Cross-TRL connectors:** RTOs span the full TRL range from applied research to near-market demonstration, providing the connective tissue between Horizon Europe's research activities and ECF's deployment ambitions.

For these reasons, EARTO calls on the European Commission to explicitly recognise the role of RTOs in the new SBA not only as project participants, but as structural members of JU governance with a defined and protected role in shaping strategic research and industrial deployment agendas.

### **EARTO's five core asks for the new SBA**

EARTO and its members support the reform of the JU landscape through a new Single Basic Act. A well-designed SBA can make Joint Undertakings more strategic, more impactful and better aligned with EU competitiveness priorities – provided it preserves the features that have made JUs effective, and addresses the genuine weaknesses identified by the European Commission in a balanced way.

Accordingly, EARTO's five core asks for the new SBA are as follows:

1. **Co-design:** Develop the architecture and selection of new JUs in close consultation with industry and RTOs from the outset. Avoid fixed minimum budget thresholds; base selection on strategic added value.
2. **Preserve community coherence:** Avoid merging technologically distinct communities into jumbo JUs; strategic technology communities built over years are irreplaceable assets.
3. **Defend in-kind contributions:** Retain in-kind contributions as a valid and valued form of private co-funding; any shift to cash must be voluntary and evidence-based. Establish funding mechanisms that make participation attractive for non-profit actors (including RTOs), so they can engage as core partners.
4. **Simplify, harmonise and improve transparency:** Adopt the single SBA, harmonise rules across all JUs, eliminate unnecessary reporting, and apply the same participation conditions for associated countries. Promote more transparent governance by providing earlier visibility of strategic priorities, future roadmaps and upcoming funding opportunities.
5. **Recognise RTOs formally:** Establish explicit governance roles for RTOs in the new SBA, and protect funding rates for non-profit participants.

EARTO and its members remain fully available to engage in further consultation, expert group work, and targeted discussions with the European Commission services as the impact assessment process proceeds. We are committed to ensuring that the next generation of Joint Undertakings delivers maximum impact for European RD&I, competitiveness and technological sovereignty.

For more information on detailed recommendations on the ECF and Horizon Europe regulations' texts, please see the following documents:

- [EARTO Recommendations on the EC Proposals for a European Competitiveness Fund and Horizon Europe](#)
- [EARTO Analysis on EC ECF Proposal](#)
- [EARTO Analysis on EC New HE Proposal](#)
- [EARTO Analysis on EC New HE - Specific Programme Proposal](#)

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### **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 innovation 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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