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Summary Report on the Workshop on Phasing-out Strategies

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In line with the legal requirements of the Horizon Europe Regulation, all European Partnerships are expected to prepare an **exit strategy including measures for phasing-out from the programme funding** as part of their lifecycle. This was intended as an ex-ante selection criterion. **All partnerships need to adopt their phasing-out strategies by March 2026.**

On 25 September, the European Commission hosted a virtual workshop to facilitate the development of phasing-out strategies by European Partnerships. The workshop presented the process and guidelines established to support the partnerships on the preparation of their phasing-out strategy. This was followed by a question-and-answer session. The outcomes were summarised in an FAQ document on Phasing-out Strategies of European Partnerships, which is available on the ERA-LEARN website.

The workshop featured **presentations from the ERA-NET IRA-SME** that has successfully transitioned from EU funding, as well as from **EIT KICs** that have completed or are currently undergoing the transition process towards financial sustainability. Each presentation was accompanied by a question-and-answer session.

To foster collaboration and the exchange of good practices among the partnerships, thematic breakout sessions were held. These sessions enabled the partnerships to engage with one another within their respective clusters.

Table of content

1. Setting the scene on phasing out strategies: Rationale, process and guidelines

Marion Jamard from DG RTD, Unit G4. presented the background and rationale for developing phasing-out strategies. She recalled that these strategies are a legal requirement in the Horizon Europe programme, but also a strategic opportunity for partnerships to articulate their long-term vision. It is good policy practice to facilitate portfolio renewal and policy agility in light of evolving EU priorities and finite resources. The goal is to ensure partnerships remain resilient and secure their legacy. She emphasised that developing a phasing-out strategy does not mean it will be applied immediately, and that the defined lifetime of European Partnerships under the current Framework Programme is not questioned.

1.1. Coordination and Feedback

Partnerships will receive support from the European Commission to develop their phasing-out strategies. A Commission guidance document, with a checklist of compulsory components is available to clarify expectations and give an overview of the process structure. structure.

1.2. Suggested elements of the Phasing-Out Strategies

- Describe the policy assumptions behind each scenario, consistent with the wider context.
- Provide concrete, actionable implementation plans, identifying alternative implementation modalities and funding sources.
- Outline pathways, enablers, and conditions for success.
- Define measurable indicators and monitoring arrangements (who, how, when).
- Ensure coherence with broader landscape, avoiding duplication and highlighting links with other initiatives.
- Keep strategies dynamic through regular updates and proactive mechanisms.
- Include some core foresight scenarios without going into detail.

DG RTD emphasised that this exercise is not a formality. Strategies must be meaningful, aligned with the partnership's overall orientation, and present at least one credible pathway without Horizon Europe funding. The objective is to demonstrate realistic continuity, not to argue for additional EU funding.

2. Learning from experience: approaches to financial sustainability

2.1. Experience from the previous ERA-NET IraSME

Christian Fichtner (AiF Projekt GmbH) outlined the evolution of IraSME, which began as an ERA-NET focused on **sharing experiences among national research funders** and **running joint transnational calls**. When EU funding ended, coordination shifted to AiF Projekt GmbH with support from the German Ministry for Economic Affairs, while other activities were financed by members. Although some partners left, the core group expanded internationally, simplified structures, and sustained key activities such as biannual joint calls, SME–RTO cooperation, and a platform for programme managers. This **leaner model has proven stable**, supporting over 1,000 SME-led projects. Critical to success were partner ownership, regular physical meetings, and strong personal relationships.

2.2. Experiences from across the KICs

Marco Brueckner (EIT) presented the *EIT funding model*, which spans 15 years in four phases: **Start-up (years 1–4), Ramp-up (5–7), Maturity (8–11), and Exit (12–15)**. Funding rates decrease from up to 100% in the start-up phase to 50% at year 12, declining by 10% annually thereafter. KICs are required to build alternative revenue streams throughout this lifecycle.

Three KICs graduated in 2024, demonstrating that **financial independence** from EIT is achievable with **diversified income and careful planning**. Transition is framed as achieving financial sustainability, emphasising **continuity through diversified funding, monitoring, and corrective measures**. Open questions remain on whether **successful models can be replicated** across KICs, which diversification strategies work best, and whether current exit funding provides sufficient runway.

From 2021–2024, **revenue sources diversified significantly**: membership fees dropped from 83% to 52%, while **alternative funding rose from 9% to 30%.** Additional contributions came from ROI & equity, services and consulting, and education. By the end of 2024, the aggregated equity portfolio consisted of SAFE instruments (45%), direct equity stakes (44%), equity warrants/options (11%), and other subscription rights (9%).

2.3. EIT Food: diversifying revenues while preserving the mission

EIT Food’s future financial model is built on three main revenue streams: **grants, commercial services, and investment returns**. The grant pipeline currently includes over 40 bids worth €24 million. Commercial services — such as education programmes, corporate venturing, events, and partnership fees — have become a steady income source. Investment returns will expand further with the launch of **AgriFoodInvest in 2025**, building on the Success Sharing Mechanism and a growing startup equity portfolio. Together, these streams signal a more diversified and resilient revenue base.

According to the presentation, the key challenge in the phase-out process is **preserving EIT Food’s neutrality and trust.** It was argued that partnership fees may eventually hit a natural ceiling, while co-financing with corporates can mobilise significant resources but also risks perceptions of undue influence. Public grants were highlighted as another means of diversification, though they are often episodic and subject to rigid conditions.

The speaker underlined that, to sustain credibility, **transparent rules for corporate engagement** and strong governance mechanisms will be crucial. They emphasised that maintaining a robust grant pipeline alongside corporate sources can help strike a balance, reduce overdependence on any one stream, and ensure that EIT Food preserves its mission while broadening its revenue base.

2.4. EIT Digital and phases of self-reinvention

EIT Digital has already passed through three phases — investing for impact (ramp-up), deepening and scaling (peak), and supporting inclusive and sustainable post-COVID recovery (maturity) — and is now entering the fourth phase (exit).

The speaker explained that EIT Digital has been preparing for the phase-out of EIT grants by **embedding financial sustainability into its core activities through several alternative revenue streams**. While grants and programme funding still play a role, direct revenues such as **tuition fees, partnership fees, and programme fees** provide predictable income. The Master School alone reportedly generates about €2 million annually, with €500,000 reinvested in scholarships. Additional long-term assets, such as an equity portfolio and a talent pool of over 500 startups and nearly 4,000 alumni, were also highlighted as key sources of value.

It was emphasised that the phase-out is not only about broadening revenues but also about **reinforcing European priorities**. Education was presented as both a financial stream and a retention tool: 89% of Master School graduates remain in Europe, even though many come from abroad. According to the speaker, **reinvesting surpluses into scholarships strengthens legitimacy** by showing that financial returns directly benefit students. Similarly, **venture and ecosystem building** were described as creating new assets while reinforcing EIT Digital’s political importance as a platform Europe needs to maintain.

Looking ahead, the presentation suggested that education revenues and tuition-linked instruments are expected to keep growing, supported by banks and EU instruments that share risk. Reinvestment mechanisms into scholarships and startups were highlighted as essential for maintaining trust. Finally, keeping a **broad base of partners** - from universities and corporates to investors and development banks - was seen as a way to **reduce dependency on single sources of funding.** Taken together, the speaker concluded, this approach should allow EIT Digital to phase out effectively while safeguarding its mission.

3. Breakout sessions

The breakout sessions each brought together partnerships of the same thematic cluster to **exchange experiences and challenges** related to developing phasing-out strategies. Despite their diversity in scope, maturity, funding models, and development stage of their strategies several common themes emerged across the discussions.

Participants underlined that designing viable scenarios without EU funding remains a **complex task, particularly for newer partnerships that lack data, resources, or established structures**. The question of how the Commission will remain engaged during and after the phasing-out process was raised in different sessions. Many partnerships also highlighted the **difficulty of translating the concept of financial sustainability into practice**, especially in cases where activities are heavily dependent on public funding.

Another recurring concern was the **impact of phase-out discussions** on internal and external stakeholders. If not carefully framed, such discussions may create uncertainty, risking disengagement or loss of partners. At the same time, participants pointed to the value of **exchanging good practices, exploring synergies, and even considering mergers** as a way to ensure continuity.

3.1. Report from Cluster 1

In this group, participants raised the question of how the Commission intends to remain engaged with partnerships once EU funding is phased out, stressing the importance of continued involvement beyond financial support.

A particular focus was placed on **health-related partnerships**, which are typically structured as public–public collaborations between the Commission and Member States. Participants noted that attracting industry participation in such partnerships is difficult, given their predominantly social and governmental character. Where industry involvement does occur, often through participation fees, concerns were voiced about the potential for **increased corporate influence and imbalances in stakeholder power.**

3.2. Report from Cluster 2

The session was considered a special case, as both partnerships in this cluster are not yet operational, and the *Innovative SMEs* partnership is cross-cutting under Pillar 3. Participants asked whether the phasing-out strategy is a deliverable. It was clarified that it is a **legal obligation**, but also conceived as a **living document** that can evolve over time and be adapted to future evolutions. Representatives stressed the importance of a strong governance structure and of involving the full consortium in strategy development. Some noted the absence of guidelines tailored to the different types of partnerships, which makes the process more complex.

Partnerships still in the establishment phase voiced concern about drafting strategies without a clear governance structure in place, but they valued the exchange of experiences and committed to maintaining **regular bilateral discussions** to address challenges and meet deadlines.

Finally, it was underlined that Cluster 2 faces particular difficulties in achieving financial sustainability, as its members are mainly **innovation agencies and ministries**. For these actors, translating the concept into practice and creating **replicable funding models** remains a major challenge.

3.3. Report from Cluster 4

The discussion in this session – as in the other groups – highlighted that partnerships are at very different stages in developing their phasing-out strategies. Some had already submitted plans or shifted **from initial hesitation to a more pragmatic approach**, others were still **drafting scenarios and consulting stakeholders,** while those in the design phase stressed the **need for clearer guidance and additional resources**.

Uncertainty remains about **roles and responsibilities**, in particular whether **private partners** should develop scenarios independently and what role the Commission should play after a phase-out. Participants also underlined the **importance of distinguishing between partnership continuity and funding continuity.**

For newer partnerships, **producing evidence-based strategies without sufficient data, staff or confirmed funding was considered unrealistic**. Adjusting expectations according to maturity and providing **flexible templates and additional support** were suggested.

It was also noted that **intensive phase-out discussions can create insecurity** among members, risking disengagement or staff turnover, which calls for careful communication. Finally, several participants suggested lighter forms of continuation after phase-out, such as

networking, newsletters or knowledge-sharing platforms, and called for clearer guidance on how such models could be systematised.

3.4. Report from Cluster 5

Some partnerships in this group, particularly those that evolved from **ERA-NETs**, were able to build on earlier experience with integration and coordination. They are now revisiting impact analyses and sustainability strategies while exploring potential synergies. Partnerships without such a legacy found the process more challenging. Those that had already adopted a phasing-out strategy and defined a long-term vision were now focusing on the **administrative aspects of transition**, though several noted that defining suitable indicators remains difficult.

For some, scenarios were less about financial stability of the partnership itself and more about sustaining the **community and its ecosystem**. Private partners remarked that describing a business model for later stages felt unusual in this context, with outcomes depending heavily on how the Commission structures funding in the next **Multiannual Financial Framework (MFF)**.

Joint Undertakings (JUs) discussed how they might learn from KICs in **diversifying activities** but stressed that their current framework does not allow the same flexibility. To make diversification possible, this option would need to be built into their structure from the outset.

Finally, the importance of exploring **synergies and potential mergers** with other partnerships was underlined. The Commission has already initiated such discussions with some groups. Participants agreed that further development of scenarios should reflect these opportunities, and that alignment requires **open dialogue across partnerships and with the Commission** to avoid superficial efforts.

3.5. Report from Cluster 6

Some partnerships in this session reported that a common way of exploring **alternative funding opportunities** was to revisit their **original formation processes** and draw on existing networks such as EU missions, JPIs, or SKA.

Participants noted, however, that especially the monitoring of the constantly evolving funding landscape requires significant resources that are not always available. In response, some partnerships have pursued **collaboration and synergies** with others, including those outside their own cluster, to join forces, pool resources, or even merge similar project activities. To strengthen these joint efforts, a **dedicated workshop at the Partnership Stakeholder Forum** on 3 December 2025 has been suggested. This would provide a platform to continue working collaboratively with other partnerships on the exercise. Others chose to make use of existing deliverables that addressed related topics (i.e. strategies for the future of the partnership).

For partnerships addressing topics that primarily serve the **public good** - such as water or biodiversity - securing private funding was seen as particularly challenging, as these areas are not supposed to generate revenue. Nonetheless, participants suggested that **international funding sources** could provide a viable alternative for such cases that deal with global challenges.

4. Recommendations and next steps

4.1. *The workshop has led to the following recommendations targeted to partnerships:*

- Partnerships should identify **essential elements** of the Partnership to be secured as the legacy of the partnership, to ensure the lasting impact of its results and position its community for the future.
- Partnerships are expected to develop one **scenario without Horizon Europe funding**.
- The **feedback round** foreseen in December 2025-January 2026 on the partnerships' draft strategies is an opportunity for the partnerships to receive tailored feedback and recommendations.
- The document is a **living document**. It will be continuously updated and refined based on feedback and new information.
- **Cross-cluster coordination** will allow to identify and leverage synergies that can ease the phase-out, open up new opportunities, and strengthen future impact.

4.2. *Next steps*

Partnerships are expected to deliver their **draft phasing-out strategies by 15 December**. The Commission will provide **tailored feedback** during this process. While it is only a **draft version**, participants were reminded that the more developed the draft, the more useful the feedback round will be.

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