



Council of the European Union  
General Secretariat

**Brussels, 23 November 2018**

**WK 14470/2018 INIT**

**LIMITE**

**RECH**

**WORKING PAPER**

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From:	ERAC Secretariat
To:	ERAC (European Research Area and Innovation Committee)
Subject:	ERAC Plenary in Brussels on 6 December 2018 - Item 5.2 - Proposal by the Commission on the "Draft criteria Framework for European Partnerships under Horizon Europe"

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Delegations will find attached the proposal by the Commission on the "draft criteria Framework for European Partnerships under Horizon Europe" in view of item 5.2 of the agenda of the ERAC plenary in Brussels on 6 December.

# Draft criteria Framework for European Partnerships under Horizon Europe

*The provisions for European Partnerships under Horizon Europe are subject to the on-going negotiations on the Commission proposal. The criteria framework is subject to further revisions and will need to be updated once the final provisions have been agreed. Presentational issues will be addressed at a later stage.*

## 1. Background

Following a request from the Competitiveness Council<sup>1</sup>, the Commission proposal for Horizon Europe presents a revised policy approach to European Partnerships with criteria that cover their life cycle from the selection to their implementation, monitoring, evaluation and phasing-out. The purpose of this document is to further develop the criteria framework to support developing ideas for European Partnerships in line with the ambition of the new approach, and their preparation and implementation. In particular, it will provide a better understanding of

- the meaning of the criteria and how they need to be addressed along the lifecycle of a European Partnership;
- the form of European Partnerships that might be best suited to achieve particular objectives;
- essential elements that need to be developed in preparation of a proposal for a European Partnership.

The interim evaluation of Horizon 2020 and the Lamy report<sup>2</sup> concluded that the next generation of partnerships need to play a greater role in delivering on EU policy priorities, be more transparent in their implementation and open to newcomers, and ensure strategic and coherent approach among EU research and innovation partnerships and between partnerships and the Framework Programme. To deliver on these expectations, it is necessary to reflect on how the governance of the partnerships can help engaging a broader range of partners, as well as to building the ability to learn and adapt the orientation of the partnership to changing environment. The notion of time-limited and exit strategy from Framework Programme funding are key to deliver on the objective of achieving a more coherent and relevant partnership landscape. While many topics and challenges addressed by partnerships will be long-term oriented, Horizon Europe is in essence a competitive research and innovation (R&I) programme that is not designed to replace long-term cooperation structures between countries, industry and other R&I stakeholders. Finally, the trend towards open science practices and open data issues will also have consequences for the implementation of partnerships.

This criteria framework should be considered for now a living document to take into account the progress in Horizon Europe negotiations. The criteria framework will be finalised after the end of negotiations of Horizon Europe, and once the experience of its first application have been taken into account. This will also allow including good practices examples as illustrations for the different criteria to allow for continuous improvements and inspiration. A corresponding indicator system for partnerships will be linked to the overall monitoring and evaluation framework of Horizon Europe.

The Commission services will actively facilitate the implementation of and compliance with the criteria framework in line with the overall EU political ambition, including the identification of synergies and complementarities between partnerships and with other relevant initiatives as well as the phasing out of partnerships and possible emergence of new partnerships on common European challenges and opportunities

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<sup>1</sup> 15320/17

<sup>2</sup> The report “LAB – FAB – APP: Investing in the European future we want”

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## 2. Introduction

Joint action between the EU and other R&I actors in Europe continues to be a strategic element of Europe's R&I policy. Horizon Europe will take a new and more impact-focussed approach to R&I partnerships, ensuring that they can effectively contribute to the objectives of Horizon Europe including to relevant strategic European policies. They will be designed on the basis of the key principles of Union added value, transparency, openness, impact, leverage effect, the long-term financial commitment of all the involved parties, flexibility, coherence and complementarity with Union, national and regional policies and initiatives. The new policy approach aims at a consolidated and rationalised number of strategic partnerships that avoid overlaps and duplication and that are better aligned with Union policy priorities.

There will be three forms of European Partnerships:

- a) **Co-programmed European Partnerships**: participation in partnerships set up on the basis of memoranda of understanding and/or contractual arrangements between the Commission and the partners, specifying the objectives of the partnership, related commitments for financial and/or in-kind contributions of the partners, key performance and impact indicators, and outputs to be delivered. They include the identification of complementary research and innovation activities that are implemented by the partners and by the Programme;
- b) **Co-funded European Partnerships**: participation in and financial contribution to a programme of research and innovation activities, based on the commitment of the partners for financial and in-kind contributions and integration of their relevant activities using a Programme co-fund action (grant agreement);
- c) **Institutionalised European Partnerships**: participation in and financial contribution to research and innovation programmes undertaken by several Member States/ Associated Countries in accordance with Article 185 TFEU, or by bodies established pursuant to Article 187 TFEU, such as Joint Undertakings, or by the EIT Knowledge and Innovation Communities in compliance with the EIT Regulation, to be implemented only where other forms of European Partnerships would not achieve the objectives or would not generate the necessary expected impacts, and if justified by a long-term perspective and high degree of integration including central management of all financial contributions.

The areas for European Partnerships will be identified during the strategic planning process foreseen in Horizon Europe (the proposed legal basis sets out only the instruments and criteria that will guide their use). Proposals for future EIT Knowledge and Innovation Communities (KICs) will be indicated in the EIT Strategic Innovation Agenda (SIA), and will take into account the outcomes of the strategic planning process. Themes will be identified and selected in a way that maximises complementarities and synergies with Horizon Europe actions, in particular under the 'Global Challenges and Industrial Competitiveness' Pillar.

The Commission proposal for Horizon Europe specifies in its Annex III provisions and criteria for the selection, implementation, monitoring, evaluation and phasing-out of EU funding of European Partnerships. As a life-cycle approach is at the heart of the new policy approach on European Partnerships, the document is structured along these different phases.

The different phases are closely interrelated and in order to avoid too many repetitions in the criteria framework, the focus is on the specificities of the different phases, while allowing sufficient references to the described interrelation between the different phases.

## 2.1. Key concepts and definitions

- **Additionality and directionality:** The main added value of partnerships derives from the additional private and/or public R&I investments on EU priorities (additionality) that can be translated into an leverage effect resulting from the Union intervention. The alignment of these investments and contributions towards common objectives (directionality) and the achievement of impacts that cannot be created by other Framework Programme actions or national action alone is a main justification for using a partnership approach.
- **Union added value:** Partnerships must facilitate the creation and expansion of R&I networks that bring together relevant and competent actors from across Europe, thus contributing to the realisation of the ERA. Union investment in Partnerships will be limited to areas of high European added value and relevance for agreed European political priorities. The EU added value needs in particular to be reflected in the outcome of the strategic planning process of Horizon Europe. They should clearly demonstrate delivery of results for the EU and its citizens, notably global challenges and competitiveness, which cannot be achieved by the Programme alone.
- **Transparency and openness:** Partnerships should be transparent in the process of their selection, as well as during their preparation and implementation, and use of results beyond the partnerships themselves. They should demonstrate high level of openness towards relevant partners and stakeholders in priority setting, implementation and participation in its activities. During their lifetime, they should actively facilitate the participation of new members at programme and project level, aim at a broader stakeholder involvement and improve openness for dissemination of and access to results.
- **Impact:** Progress towards achieving the objectives should be measured building on the impact pathway indicators of the Horizon Europe regulation that allow to capture and communicate on progress in short-, medium- and long-term towards a wide variety of potential impacts (scientific, societal and economic). These indicators can be complemented by other indicators at project and partnership level. Overall the indicator system will be one of the inputs to evaluations of partnerships that will notably include case studies and other qualitative elements.
- **Leverage effect:** The leverage effect of R&I partnerships has a quantitative and a qualitative dimension. The quantitative dimension describes the mobilised national and/or industrial resources that are invested in partnerships and the corresponding leverage effect that the EU co-funding creates for exploiting or scaling-up results (financial additionality). The quantitative leverage effect needs to be reported on the basis of a harmonised calculation methodology. The qualitative dimension describes the wider impacts according to its intervention logic.
- **Long-term financial commitment:** The long-term financial commitment of participating countries and/or industry and other stakeholders is a pre-condition for considering the establishment of a European Partnership. The commitment should be clear from the outset, and ensured during the lifetime of the partnership, including beyond Union support, where appropriate. The endured commitment over the lifecycle of the European Partnership, including adequate human resources, is a core indicator for ensuring its relevance. The potential combination of cash and in-kind contributions has to be defined individually per partnership and requires appropriate and transparent calculation methodologies across the different partnership approaches.
- **Flexibility:** Partnerships should demonstrate flexibility in implementing their activities, resource allocation and/ or partner composition to changing market and/or policy needs. A partnership is expected to deploy a wider set of modalities and activities necessary to achieve its objectives, beyond the calls for proposals.
- **Coherence and complementarity:** European Partnerships need to be designed and implemented in a way that ensures coherence among partnerships, and between partnerships and Framework Programme activities, other EU action and national/sectorial action. This coherence should be demonstrated at the level of objectives and impacts sought, partners involved and activities implemented. Complementarity ensures added value and synergies between R&I initiatives while avoiding unnecessary duplication.
- **Time-limited and phasing out:** European Partnerships need to be established with a clear time-limitation and put forward measures for orderly phasing-out from the Framework Programme funding, according to the foreseen conditions and timeline, without prejudice of continued existence ensured by partners / transnational funding by Member States / Associated Countries.

## 2.2. Key factors for identifying the best-suited form of European Partnerships

At the design phase of partnerships, the most appropriate form of intervention to achieve the objectives needs to be identified, with the following key aspects:

- **Partner composition and contributions:** the variety of actors that need to be involved as partners and their expected contributions over time, as well as their ambition to integrate their contribution and activities within the planned partnership.
- **Target group:** the target group addressed by the partnership as participants in their activities, potential down-stream and end-users, public authorities and broader stakeholder communities;
- **Flexibility** that is needed in the range of activities, partner composition and resource allocation to adapt to changing R&I and market developments;
- **Governance:** the complexity of the governance model that is required to support the policy objectives.

The new generation of European Partnerships are expected to involve a broader range of partners, from the public, private and third sector, that are relevant for achieving the objectives, regardless of the form. Also, the experience in Horizon 2020 demonstrated the need to increase focus on societal impact of partnerships, in particular contributions to sustainability-related objectives, which is also in line with the ambition of the EU, Member States and Associated Countries to implementing SDGs and the Paris Agreement.

It is expected that the institutionalised partnerships ensure a stronger commitment of partners to a more integrated approach, resulting in a higher degree of additionality and directionality compared to co-programmed and co-funded partnerships.

## 2.3. What will be defined at what stage?

Due to the differences in preparation for the different implementation modalities of European Partnerships some distinctions are provided in the following that allow to better understand which elements will be defined or need to be provided at what stage. The identification of candidates for all future European partnerships will be fully integrated in the strategic planning of Horizon Europe.

- a) **Co-programmed European Partnerships:** the elements related to the selection phase need to be fully developed by the time the Commission Services enter into preparing the Memoranda of Understanding and contractual arrangements. By the time of their signature the elements related to implementation and monitoring need to be agreed, and maintained throughout the implementation in the Annual work plans or respective planning documents, and in the Horizon Europe Work Programmes for the activities financed by the Union contribution;
- b) **Co-funded European Partnerships:** the elements related to the selection phase need to be fully developed by the time the Commission Services agree to include topics into the Horizon Europe work programme. With the proposal the partnership has to provide elements related to implementation and monitoring, subject to evaluation by experts and adjustment during Grant preparation with the Commissions Services. They will be maintained throughout the implementation in the Annual work plans;
- c) **Institutionalised European Partnerships:**
  - **Based on Article 185 or 187:** the elements related to the selection phase need to be provided as an input to (and further developed as necessary during) the ex-ante impact assessment. By the time the Commission Services adopt the proposal for the respective regulation all elements related to implementation, monitoring and evaluation should be defined. They will be maintained throughout the implementation in the Annual work plans;
  - **Based on EIT-KICs:** some of the selection criteria will be addressed at the EIT Strategic Innovation Agenda (SIA) stage, e.g. strategic elements concerning the theme and the necessity for the KIC, while others at the KIC Call for proposals stage and be evaluated accordingly. With the proposal the partnership has to provide elements related to implementation and monitoring, subject to evaluation by experts and adjustment during Grant preparation with the Commissions Services. They will be maintained throughout the implementation in the Annual work plans.

### 3. Selection of a European Partnership

Any future proposal for an R&I partnership will need to be in line with agreed priority areas for partnerships and assessed against the selection criteria of Annex III of the Horizon Europe regulation to achieve a more strategic, coherent and impactful partnership landscape fully supporting the objectives of Horizon Europe.

Annex III includes the following key criteria for the selection phase

- Evidence of effectiveness in achieving the objectives of the Framework Programme
- Coherence and synergies within the EU research and innovation landscape
- Openness and transparency
- Ex-ante demonstration of additionality and directionality, including a common vision of the purpose of the European Partnership
- Ex-ante demonstration of the long-term commitment of the partners

The following sections refine and describe in more detail the criteria, with a particular focus on what these criteria mean for the different forms of partnerships. The latter point is essential, as the design/selection phase should also be used to identify the most appropriate form of partnership in relation to the desired objectives. It is important to underline that there is no 'hierarchy' between the different forms but they simply serve different purposes.

In the case of the EIT KICs, some of the criteria will be addressed at the EIT Strategic Innovation Agenda (SIA) stage, e.g. strategic elements concerning the theme and the necessity for the KIC, while others at the KIC Call for proposals stage and be evaluated accordingly.

#### 3.1 Evidence of effectiveness in achieving the objectives of the Framework Programme

##### **The idea behind**

The new policy approach limits and rationalises the use of partnerships to those that will achieve impacts beyond the ones that Horizon Europe action alone can have. These additional impacts need to clearly outweigh the additional efforts (administrative) for the setup and implementation of partnerships. This requires the partnership to provide evidence why implementation through a European Partnership is more effective than through other Horizon Europe actions in achieving the policy objectives.

##### **How to address this criterion?**

All partnership proposals should

- S.1.a. Describe the general, specific and operational objectives of the proposed partnership based on a clear intervention logic, and demonstrate its contribution to achieving Horizon Europe objectives and the respective EU policies;
- S.1.b. Describe the impact pathways through which the intended activities of the proposed partnership should achieve the desired scientific, economic and societal impacts and benefits for Europe and its citizens, and beyond;
- S.1.c. Provide evidence why and how the proposed partnership will provide a more effective and efficient framework to achieve the specified objectives and impacts than other Horizon Europe instruments and actions (in particular RIAs stemming from regular open calls for proposals), or national actions or other forms of European partnerships in case of institutionalised partnerships.

Depending on the intervention logic of a European Partnership, namely the objectives and impacts it has set out to achieve, the composition and type of partners may differ. For instance, a partnership that, besides scientific objectives, has a strong focus on R&I driven economic and innovation related objectives towards a step change in a given field in particular with regard to industrial transformation towards sustainable development and technology breakthroughs needs to involve industrial actors as core partners to achieve the related impacts. On the other hand, a partnership, that, beside scientific objectives, has a strong focus on societal outcomes, such as R&I based solutions for global challenges

and contribution to policies, needs to involve public actors as core partners. Therefore, proposals will have to address on different degrees the following aspects:

- S.1.d. Describe the underlying research, innovation, deployment or systemic bottlenecks and/or market failures that are to be addressed by the partnership by triggering the industrial sector and/or the Participating States to develop a common medium-term and long-term strategic vision that serves both private and public interest and delivery of public goods including dissemination and exploitation issues;
- S.1.e. Estimate the investments or reinvestments and jobs the partnerships will trigger in Europe and in the specific target domain over the medium- to long-term (5-20 years), or at least, present a methodology on how these investments and jobs and wider economic impacts will be monitored during the implementation of the partnerships and beyond (as most impacts will only materialize after the envisaged funding period);
- S.1.f. Demonstrate how the partnership will establish a meaningful collaboration with Member States / Associated countries and relevant national/regional authorities and their respective commitments;
- S.1.g. Demonstrate the European level of excellence that forms the basis for the implementation of the partnership;
- S.1.h. Demonstrate how the partnerships addresses common political priorities of the EU and its Member States with cooperation extending well beyond transnational joint calls and R&I projects, thus ensuring that structural and societal impacts contributing to the overarching policy objectives can be achieved;

The Horizon Europe proposal specifies that institutionalised partnerships should be limited to cases where other forms of partnerships would not be able to generate similar impacts and if justified by a long-term perspective and high degree of integration. Consequently, in the case of institutionalised partnerships based on Article 185/187 the proposal has to address in addition the following issues:

- S.1.j. Demonstrate how the institutionalised partnerships would be more effective and efficient in achieving the objectives and impacts than other forms of Partnerships;
- S.1.k. In case of an Article 185 initiative: Provide evidence of commitment of at least 50% of Member States among the envisaged Participating States to participate and contribute to the initiative.

In the case of institutionalised partnerships in the form of an EIT-KIC it has to be demonstrated at the level of the EIT Strategic Innovation Agenda (SIA) how the set-up of a KIC would be more effective in achieving the objectives and impacts than other forms of Partnerships.



### 3.2 Coherence and synergies within the EU research and innovation landscape

#### **The idea behind:**

Coherence and synergies are here understood as the relationship and complementarity between:

- The planned partnership and the Horizon Europe programme in general and within the specific clusters/intervention areas where the partnership is positioned;
- With other relevant European Partnerships; and
- With national/regional programmes and policies, where relevant.

#### **How to address this criterion?**

All partnership proposals should

- S.2.a. Describe the mechanisms ensuring complementarity of activities and avoiding unnecessary duplications with other relevant initiatives of Horizon Europe (including missions, when relevant) through dedicated actions as appropriate, including with other relevant European Partnerships and EU actions/initiatives beyond Horizon Europe. Describe how Commission services will be involved when designing the portfolio of activities;
- S.2.b. Demonstrate how the partnership ensures coherence and synergies in relation to national (sectorial) policies, programmes and activities;

In addition, the following issues might be relevant for some of the proposed partnerships with respect to coherence and synergies:

- S.2.c. Describe, where relevant, how it may establish synergise with other EU programmes, (such as the Connecting Europe Facility, the European Structural and Investment Funds, the Digital Europe programme, the Emission Trading System Innovation Fund, InvestEU);
- S.2.d. Demonstrate, how it takes into account and builds on the experience and outcomes of previous R&I partnerships and the results of evaluations and assessments, if relevant.

In the case of institutionalised partnerships based on Article 185/187 the proposal has to address in addition the following issues:

- S.2.e. Demonstrate that its institutionalised form will lead to substantial better coherence and synergies within the EU research and innovation landscape than other forms of partnership would do.

In the case of institutionalised partnerships in the form of an EIT-KIC the proposal has to address in addition the following issues:

- S.2.f. Describe how synergies with Horizon Europe, other EU programmes and national (sectorial) policies, programmes and activities are created at the level of the KICs.

### 3.3 Openness and transparency

**The idea behind:**

A partnership will maximise its impacts by involving all relevant partners and stakeholders beyond the narrow composition of core partners and remaining open during its lifetime. Consequently, there should be a high level of openness and transparency embedded already in the design and governance of the partnership as regards to the identification of common vision, and the involvement of partners and stakeholders from different sectors, including international ones when relevant. Also, a partnership should seek to remove barriers that hinder newcomers from entering and participating in the partnership. The level of openness and transparency needs to be also assessed in relation to the strategic commitment of partners. The general rule should be to maximise openness without compromising the commitment of partners.

**How to address this criterion?**

All partnership proposals should

- S.3.a. Demonstrate that the proposed partnership will be established in a transparent way with no unjustified restriction in participation with a broad, open and transparent approach towards different sectors and geographical areas including international partners when relevant, and that the partnership includes all necessary partners to achieve the policy objectives. Justify any restrictions for the openness of the partnership where it is deemed absolutely necessary;
- S.3.b. Demonstrate how the partnership ensures an open and transparent process during its lifetime as regards the identification of its objectives, priorities, vision, Strategic Research and Innovation Agenda (SRIA) and work plans;
- S.3.c. Describe how the proposed partnership will promote an open membership policy throughout its lifetime, and actively reaches out to new potential partners across the Union and beyond.

As openness and transparency should be guiding principles throughout the life cycle of the planned partnerships, its draft programme of activities should describe already during the design and selection phase:

- S.3.d. How the partnership will guarantee an easy and non-discriminatory access to information and results in line with Horizon Europe provisions throughout its lifetime, including for non-members;
- S.3.e. The mechanisms and their communication throughout its lifetime to stimulate the participation of new partners and actors in the further definition of common priorities and their participation in the partnerships itself or its activities, including eligibility for funding;
- S.3.f. How to elaborate the international dimension and justify the EU-added value including international partners and stakeholders, and a justification when specific strategic needs at European level restrict the international dimension.

Additional requirements for institutionalised partnerships for their set-up and supervision are in particular

- S.3.g. Describe the procedure by which the partners will inform and involve the relevant sector(s) and/or value chain, global challenge and/or scientific and/or policy community at high level over the lifetime of the initiative;
- S.3.h. Describe the policy towards the enlargement of the partnership itself, or the target group it addresses, during its lifetime, and the targets and criteria in terms of partner organisations.

### 3.4 Ex-ante demonstration of additionality and directionality, including a common vision of the purpose of the European Partnership

#### **The idea behind:**

Partnerships allow to pool additional private and public R&I investments on EU priorities (additionality and leverage) and align them towards common objectives (directionality), thus allowing achieving impacts that cannot be created by other Framework Programme actions or national action alone. This requires a common vision and a corresponding firm commitment from partners from the beginning, with a clear idea of the impacts and objectives that need to be achieved, and the necessary resources, investments and activities. Since partnerships are by definition only receiving financial support from the Framework Programme for a limited duration they have to also provide a clear concept on the expected time necessary to achieve the objectives, and the phasing out from the Union funding. The common vision is an important element demonstrating the envisaged benefits for the partners and the society at large stemming from the desired additionality and directionality of the public and private R&I investments. A smart indicator system should facilitate reporting and to identify the most promising activities/projects within the partnerships.

#### **How to address this criterion?**

All partnership proposals should

- S.4.a. Prepare a vision document on the objectives of the partnership (criteria S.1.a) accompanied by resource/budget estimates that includes all elements described below, information and qualitative and quantitative data from socio-economic, environmental and industrial/technological studies as well as on identifiable business/investment plans, as appropriate (based on criteria S.1.c);
- S.4.b. Include a Strategic Research and Innovation Agenda that identifies the foreseen portfolio of activities and measurable expected outcomes, deliverables and milestones within specific timeframes, as well as specific key scientific, economic and societal value for Europe. The work plan of the partnership should include milestones, which are used to ensure the continued relevance of the partnership and the activities carried out (based on Criteria S.1.b);
- S.4.c. Develop a monitoring system, integrated with the Horizon Europe monitoring framework (in particular the Key Impact Pathways) complemented by indicators directly applicable to the specificities of the initiative, expected to be in place ex-ante, before the start of the initiative and used as progress monitoring tools;
- S.4.d. Identify the necessary contributions from partners and demonstrate how much additional R&I investment is triggered by the EU contribution (quantitative direct and indirect leverage effects);
- S.4.e. Demonstrate how the proposed partnership will also trigger relevant changes in the research and innovation ecosystem (qualitative impacts) at national and/or sectorial level;
- S.4.f. Foresee regular assessment mechanisms as part of an overall risk management and risk mitigation system to determine how much the proposed partnership objectives are being reached and how much the above criteria are fulfilled, including flexibility mechanisms to reorient the partnership or its portfolio of activities in case of changing market and/or policy environments and new scientific knowledge;
- S.4.g. Identify a credible exit-strategy (or sustainability strategy without EU funding), with measures for preparing and implementing its winding down at the end of its expected mandate, or once it reached its objectives, whichever comes first, including a time limit for the activities of the partnership.

Institutionalised partnerships should furthermore:

- S.4.h. Demonstrate that the institutionalised form achieves directionality and additionality of resources and investments beyond what can be achieved with other forms of partnerships.

### 3.5 Ex-ante demonstration of the partners' long-term commitment, including a minimum share of public and/or private investments

#### The idea behind:

A partnership will only be successful, if all partners are and remain committed and provide and maintain binding commitments for the necessary financial and/or in-kind contributions necessary to achieve the objectives. In addition, to support the idea of 'directionality, indications on the share of overall investments coordinated through the partnership are expected.

#### How to address this criterion?

All partnership proposals should

- S.5.a. Include commitments from all partners other than the EU, that should be legally binding to the extent possible;
- S.5.b. Include quantitative and qualitative analysis from partners other than the EU on the share of their overall R&I investments/funding that is expected to be coordinated through the planned partnership. The partnership should display the methodology used to calculate the ratio of coordinated investment/funding.

Beside these overall criteria, a distinction is required between the different forms of partnership concerning the timing by when the commitments from the partners are needed.

- Co-programmed partnership: S.5.c. Indicative commitments from all partners need to be provided with the partnership proposal, prior to concluding possible contractual arrangements and/or memoranda of understanding;
- Co-funded partnership: S.5.c. Indicative commitments from all partners need to be provided with the partnership proposal, prior to the discussing a potential topic for the Horizon Europe work programme. They have to be confirmed as part of the proposal submitted to the respective call and during grant preparation and will be limited to the duration of the EU funding.
- Institutionalised partnerships:
  - Article 185 initiatives: S.5.c. The commitments from all Participating States need to be provided prior to the adoption of proposal for the basic act. It is expected that substantial parts of the national R&I funding (financial and/or in-kind) in the partnership area will be coordinated through the partnership;
  - Article 187 initiatives: S.5.c. The private counterpart will provide a qualitative and quantitative description of the different types of contributions, including financial contributions that would need to be committed by the private partners, to both the operational and administrative costs of the institutionalised partnership. Partnerships based on Art 187 may include financial contributions from Member States and/or Associated Countries: those commitments need to be provided prior to the adoption of proposal for the basic act. In this case it is expected that substantial parts of the respective national R&I funding (financial and/or in-kind) will be coordinated through the partnership;
  - EIT/KICs: S.5.c. Commitments from the partners need to be provided with the KIC proposal prior to the evaluation process managed by the EIT.

There are furthermore specific requirements set for the institutionalised partnerships with respect to the ratio of the EU support in the overall budget. Concretely, for Article 185 and Article 187 initiatives it is required that

- S.5.d The Union contribution initiative will be between 25% and 50% of the total budget of the initiative, to be defined individually in the basic act, taking into account, among others, the following elements:
  - Composition of contributions from partners (financial, in-kind) for the administrative and operational budget of the partnership;
  - In case of participation of and contribution from Member States/Associated Countries: share of public funding in the partnership area coordinated by the partnership and degree of its scientific and financial integration in the annual work plan;

- Fundamental research versus activities closer to the market for which the participants may have an immediate or faster return on investment;
  - Other EU investments (including from other parts of Horizon Europe) that may complement the partnership objectives and activities.
- S.5.e. A share of the overall contributions from partners other than the Union will be in the form of financial contributions for the administrative and/or operational budget of the partnership. The partners will demonstrate how they will mobilise the financial contributions (taxation of project beneficiaries will be excluded).

## 4. Implementation of a European Partnership

The implementation of the partnerships is usually based on annual or multiannual work plans or similar documents agreed/drafted with the Commission Services, with a broad programme of activities to be implemented by the partnership. The backbone of this is typically a strategic Research and Innovation Agenda guiding the design and implementation of the overall R&I programme and being translated into the work plans.

The criteria presented in Annex III of the proposal for the Horizon Europe regulation aim to provide guidance on how the partnership should apply a systemic and flexible approach for its implementation, continue to ensure openness and transparency, is well connected and cooperates with related national and/or EU level initiatives, continues to receive the originally committed contributions from the partners and provides access to its results. These criteria do not intend to repeat classical monitoring and controlling criteria (see the following chapter), but they intend to look behind the hard data and to give some insight into the quality and 'spirit' of the management of the partnership.

The main differences in implementation of the different forms of partnerships concern the governance of the partnerships and thus the distribution of responsibilities between the EU and the partners.

- In a co-programmed partnership based on a MoU, the EU contribution is implemented via the usual Work Programme procedures and calls managed by the Commission Services, while the partners implement their investments, contributions and activities under their own responsibility and rules. The contractual arrangement establishing the partnership defines the overall governance and the coordination activities between the EU-funded and partner-funded measures.
- Co-funded partnerships are based on a grant agreement under Horizon Europe (programme Co-fund action). The governance structures are organised within that grant, with the Commission Services in a supervisory role.
- The governance structures of institutionalised partnerships based on Article 185 or Article 187 are defined in the respective basic acts establishing the partnership and setting-up their implementation structure, either as Joint Undertaking (JU) or Dedicated Implementation Structure (DIS).

While the criteria framework for the implementation phase of the partnership's life-cycle are independent from the form of partnership, the different implementation modalities have direct implications on the 'who' is looking 'when' at these criteria.

Annex III for the proposal for the Horizon Europe regulation includes the following key criteria for the implementation phase of European Partnerships:

- systemic approach for its implementation;
- measures to ensure openness and transparency;
- coordination and/or joint activities with related national and/or EU level initiatives;
- receipt of the originally committed contributions from the partners;
- provides the EU access to its results, in the case of institutionalised partnerships;

Most of these issues relate to translating elements that have been defined during the preparation of the partnerships into adequate measures for their implementation throughout the life-cycle. They have to be seen against the background of definitions provided in the previous chapter.

#### **4.1 Systemic approach ensuring achievement of the expected impacts of the European Partnership**

##### **The idea behind:**

The 'systemic' refers to the underlying intervention logic and links up the research and innovation measures of the partnerships. The partnership should be able to deploy the necessary broad range of activities and adjust them to its needs over time, going beyond the classical calls for R&I proposals, including those related to market, regulatory, societal or policy uptake.

##### **How to address this criterion?**

- I.1.a. Overall targets for the partnership are outlined in the Strategic Research and Innovation Agenda and in annual or multi-annual work plans specifying intermediate steps, targets, expected outcomes, deliverables and milestones;
- I.1.b. The partnership has in place broad range of activities including calls for R&I proposals, from concept to demonstration and validation, as well as joint activities beyond joint calls that effectively support achieving its objectives. The partnership takes early on into account relevant standardisation, regulation and certification issues to maximize the impact of its actions and ensure market, regulatory or policy uptake;
- I.1.c. Systematic progress reporting is in place, based on a pre-defined format, on on-going projects, with regular go/no go decision points, including a payment system linked to milestone achievements. Projects and demonstrators are systematically reviewed. Clear rules to re-orient and/or stop underperforming projects are in place. The progress reporting includes the establishment of impact cases and is used to identify the most promising projects/activities and their possible follow-up with appropriate instruments including other forms of support outside the partnerships. Ensure a mechanism to evaluate high potential project outcomes and fast track them towards further investment and rapid development.

#### **4.2 Appropriate measures ensuring continuous openness and transparency**

##### **The idea behind:**

A partnership should aspire to be open and serve the interests of all relevant stakeholders. Consequently, the implementation of the partnership via its work plans should include regular activities that allow new players to enter, participate in and benefit from its activities, and add value to the partnership without compromising the ownership and commitment from the partners.

##### **How to address this criterion?**

All partnerships should indicate how they will

- I.2.a. Measures in place ensuring open and transparent processes for consulting all constituent entities and relevant stakeholders for the identification of its priorities and the design of its activities, maintain measures for new partners to get involved in the partnerships, including open policy to membership and member services in private associations, as well a maintain governance structures that allow for a high level of openness and transparency;
- I.2.b. Measures in place to ensure an appropriate level of openness to achieve its objectives, in particular for participation in its calls for proposals;
- I.2.c. Report in on the involvement of new and smaller R&I partners in its regular reporting;
- I.2.d. Communicate and disseminate broadly and through various channels to ensure the necessary information is available to all possible stakeholders, all along its life time.

In addition to the above-mentioned criteria for all partnerships, there are additional criteria for the different forms of partnerships, often related to the particular governance modes. In particular

- Co-programmed partnerships:
  - I.2.e. The research and innovation activities to be funded under the Horizon Europe Framework Programme in the scope of the partnership will be subject to the Horizon Europe Rules for participation and dissemination. Participation in activities not directly funded through calls for proposals, but related to the partnership should to the extend possible also be open to non-members.
- Co-funded partnerships:
  - I.2.f. Implement joint activities aiming at disseminating the knowledge developed in the partnership and/or measures to reach-out to additional stakeholders that should be more actively involved in the implementation of the partnership e.g. through some form of regular 'innovation radar' activities. Thus, the partnership should communicate and disseminate broadly and through various channels to ensure the necessary information is available to all possible stakeholders, all along its lifetime. A core notion here is transparency – if activities are not fully open, there should be convincing arguments and all activities should be as open as possible to achieve the policy objectives.
- Institutionalised partnerships:
  - I.2.g. Article 185 initiatives are based on a joint programme established by several Member States and have usually a strong focus on global challenges and/or common public goods, requiring implementing measures ensuring the up-take of research results in the specific policy environment and EU, national and regional level. In addition, the continuous relevance should be ensured by measures which allow all relevant actors to participate in action funded by the initiative, including for relevant third country participants (international cooperation), provided their participation serves European interests.
  - I.2.h. For Article 187 initiatives: The partnership maintains governance structures that give appropriate power to the other public funders (EU, MS/AC in cases where they provide financial and/or in kind contributions).

### 4.3 Coordination and/or joint activities with other relevant initiatives

**The idea behind:**

Partnerships do not act in isolation of a broader R&I landscape of the topic addressed by the partnership. In order to improve additionality and directionality of the partnership, more emphasis should be given to seek and exploit synergies with related initiatives funded from Horizon Europe, other Union programmes and national/sectorial initiatives.

**How to address this criterion?**

All partnerships should

- I.3.a. Provide and maintain a clear strategy for interfaces and joint activities with relevant European Partnerships and the broader European research and innovation system;
- I.3.b. Demonstrate in its work plans the resulting complementarity to, coordination and synergy with the other European Partnerships and relevant parts of Horizon Europe (including missions), as well as where relevant other Union programmes, Union bodies and national, international, and intergovernmental programmes;

### 4.4. Legally binding commitments, in particular for financial contributions

**The idea behind:**

The contribution from the EU is conditional to the fulfilment of the partner's commitments, requiring a careful monitoring that ex-ante commitments of the partners are provided timely in the agreed amounts and forms. The partnerships need to regularly monitor and report the actual contributions against the original commitments and should have a risk management system in place for cases where some partners are not able to meet their original commitments.

**How to address this criterion?**

All partnerships should have

- I.4.a. Measures in place ensuring that the contributions agreed and committed by partners are provided on time. This concerns both financial and in-kind contributions;
- I.4.b. Report in a transparent manner on the contributions from its partners in its regular reporting;
- I.4.c. Measures in place to mitigate the associated risks and take corrective measures. Corrective measures, to be agreed by the partners, might include compensation by other partners and/or the inclusion of further partners in the partnership consortium, or even the scaling or winding down of the initiative, as appropriate.



#### **4.5. In the case of institutionalised European Partnership access to the results and other action related information for the Commission for the purpose of developing, implementing and monitoring of Union policies or programmes;**

##### **The idea behind:**

In the past Commission Services and Member States/Associated Countries had only incomplete access to monitoring data and results of institutionalised partnerships, resulting in inefficiencies in developing, implementing and monitoring related Union policies or programmes. In the future, the basic acts will include provisions guaranteeing that common data models are in place to monitor the implementation of the partnerships, including information on results and documentation from projects and other types of actions<sup>3</sup> and that the European Commission, Member States and Associated Countries have full and effective access to the tools put in place, while acknowledging justified commercial IPR interests and restrictions of the partners.

- I.5.a. Common data models are in place so that the institutionalised partnerships provide all relevant data in a timely fashion, in a format specified by the Commission Services, to allow integration in the overall Horizon Europe data management systems. This access serves the purpose of developing, implementing and monitoring the EU policies and programmes. This access also serves the purpose of monitoring the progress made by the partnership. Publication and use of information and data at a disaggregated level will be subject to the protection necessary with regards to legitimate economic interest of the beneficiaries.

## **5. Monitoring**

The monitoring as such is not a phase of the partnership life cycle, but a cross-cutting activity covering all phases, in particular the implementation and phasing-out phases. It provides strategic intelligence on the achievements, results and impacts of European Partnerships and all projects stemming from the partnerships. The monitoring will also allow to assess the effectiveness of the revised policy approach of Horizon Europe, as it allows an evidence-based view not only on the individual partnerships, but on the partnership landscape and its relation to the rest of Horizon Europe. Consequently the monitoring system for European partnerships needs to be built into the overall Horizon Europe monitoring system described in §45 of the proposal, and ensure that project data from the partnerships are fully integrated in the overall data management system of Horizon Europe. Annex III of the Horizon Europe proposal includes two main criteria for the monitoring of European Partnerships, notably

- A monitoring system in line with the requirements set out in Article 45 to track progress towards specific policy goals/objectives (that also includes indicators particular to the individual partnership defined at the start-up);
- Dedicated reporting on quantitative leverage effects and qualitative impact, including on
  - financial and in-kind contributions,
  - visibility and positioning in the international context,
  - impact on research and innovation related risks of private sector investments.

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<sup>3</sup> The same incomplete access applies also to partnerships involving Member States and Associated Countries – depending on the composition of the partnership, notably in cases where MS/ACs are active partners (all Article 185 initiatives, some Article 187 initiatives), the full access should be ensured also for MS/ACs.

## 5.1 A monitoring system in line with the requirements set out in Article 45

### **The idea behind:**

While the partnership monitoring used to be somewhat outside of the Framework Programme, they should be fully integrated in the overall monitoring system of Horizon Europe. This also underlines their strategic relevance. As a consequence, the very different existing monitoring mechanisms need to be more harmonised across partnerships and between the partnerships and the overall Horizon Europe monitoring framework. The monitoring and reporting should be as open as possible to allow for broad knowledge transfer, while ensuring that justified IPR and other commercial interests of the partners are sufficiently respected and enforced.

### **How to address this criterion?**

All partnerships should

- M.1.a. Set up and implement an effective monitoring system to report on a continuous basis on inputs (financial and/or in-kind contributions), activities, outputs (including additional investments mobilised) and results (including exploitation or scaling-up of projects) in line with its overall intervention logic (criteria S.1.a) and in line with Horizon Europe impact pathways. Additional agreed and validated indicators for each specific partnership should also be monitored and reported on a yearly basis in the annual progress report;
- M.1.b. Implement a common data model to ensure all data on proposals and projects funded by the partnership, both funded by the Union contribution and partners, are fully compatible, transmitted and integrated in the Commission IT system managed by the Common Support Centre for Horizon Europe;
- M.1.c. Put in place a process for flagging underperforming projects, and for taking corrective measures.

Institutionalised partnerships are based on individual basic acts, with more details on monitoring requirements and the requirement for interim- and final evaluations defined in the ex-ante impact assessments and the provisions in the basic act.

## 5.2 Dedicated reporting on quantitative leverage effects and qualitative impact, including on financial and in-kind contributions, visibility and positioning in the international context, impact on research and innovation related risks of private sector investments

### **The idea behind:**

**Quantitative leverage effect and qualitative impact** is a core narrative for partnerships and reflects the input requested from partners and related impacts. Consequently the monitoring of the leverage effect is key component and should be as transparent and harmonised as possible with sufficient flexibility in relation to the specific thematic context of the partnership. The financial and/or in-kind contributions from the partners are the basis for the calculation of the leverage effect and consequently, for the EU contribution to the partnership and the leverage effect *generated by* the EU contribution to the partnership.

The **visibility and positioning in the international context** results from the partnership acting as global ambassador for the European R&I system. They have global relevance and serve as hubs for international cooperation, where appropriate.

The **expected impact on research and innovation related risks of private sector** investments is a main justification for public funding of private sector R&D in addressing the sub-optimal R&I investments, in particular for industry-driven partnerships. Consequently, the monitoring system for industry-driven partnerships should include some elements on R&I related risks.

### How to address this criterion?

All partnerships should

- M.2.a. Report as part of the annual reporting on the direct financial and/or in-kind contributions by partners in line with the activities defined in the Annual Work Plans, and the resulting indirect quantitative leverage effects, in accordance with different agreements between the Commission and the partners (Memoranda of understanding, contractual arrangements, grant agreements, delegated acts or delegation agreements). Eventual activities by the partners contributing to the objectives of the partnership, but undertaken outside its work plans can be considered as indirect leverage effect outside the financial envelope of the partnership.
- M.2.b. Report annually on the progress towards the expected scientific, economic and societal impacts (Horizon Europe Key Impact Pathways), such as:
  - Diffusion of R&I results into new products, processes or services, policy or societal uptake, contributing to addressing EU strategic priorities (including the SDGs);
  - Scientific and technological reputation in the international context and level of international cooperation at initiative and project level, and resulting visibility for the European Partnership;
  - Reduction of research and innovation related risks for the private sector investments, spill-over into other sectors, growth and jobs creation, etc.

## 6. Evaluation, phasing-out and renewal

The life cycle based policy for European Partnerships under Horizon Europe implies that R&I partnerships should be funded via the EU only for a limited period of time. This will lead to a new flexibility to adapt to changing policy priorities without risking an ever-increasing overall budget share of European partnerships. It will also increase the pressure on partnerships to ensure evolution and adaptation with respect to the policy priorities of the partners, being public non-for profit or private sector organisations, as it can and should be expected that, at least some, partnerships will continue their operation with different funding sources. European Partnerships will be in general evaluated as part of the overall programme evaluation of Horizon Europe. As input to the overall programme evaluation (or for the periodic evaluation process of institutionalised partnerships), each partnership will undertake a self-assessment on the issues mentioned in the criterion (positioning, phasing out, possible renewal, etc.). Annex III of the Horizon Europe proposal includes the following criteria

- Evaluation of impacts achieved at Union and national level in relation to defined targets and key performance indicators, feeding into the Programme evaluation set out in Article 47, including an assessment of the most effective policy intervention mode for any future action; and the positioning of any possible renewal of a European Partnership in the overall European Partnerships landscape and its policy priorities
- Appropriate measures ensuring phasing-out according to the agreed conditions and timeline, without prejudice to possible continued transnational funding by national or other Union programmes

## 6.1 Evaluation of impacts achieved at Union and national level

### The idea behind:

There are two changes to the current practice included: first the integration of all partnerships in the overall Horizon Europe evaluation cycles (both interim and final) and second that already the interim evaluation of the individual partnerships should have a stronger focus on the phasing-out of partnerships from Programme funding.

### How to address this criterion?

All partnerships should

- E.1.a. Provide the Commission services with a comprehensive self-assessment before the completion of 3 years of operation, informing the overall monitoring and evaluation of the European Partnership landscape and interim and final evaluations of Horizon Europe. This will include an assessment of the impacts of the partnership at Union and national level in relation to defined targets and key indicators, the most effective policy intervention mode for any future action and plans for phasing out of the Framework Programme funding;
- E.1.b. Provide upon request all additional necessary information for the assessment of their achievements in the context of the overall Horizon Europe evaluations.

In addition, additional requirements for the institutional partnerships due to their legal nature will result in periodic evaluations, which will follow the Better Regulation principles. The interim evaluations will evaluate the impact of the initiative and already assess the most appropriate measures with regards to a possible phasing-out or renewal of the partnership, or any important change in the partnership landscape and/or policy priorities.

## 6.2 Appropriate measures ensuring phasing-out according to the agreed conditions and timeline, without prejudice to possible continued transnational funding by national or other Union programmes

### The idea behind:

While legally speaking, there has always been a time limit on partnerships by being part of the MFF, the reality is that most partnerships do not prepare themselves for a phasing-out and expect continued funding from the next Framework Programme. Future partnerships should include activities allowing for an orderly phasing-out or exit from Framework Programme funding (sustainability).

### How to address this criterion?

All partnerships should

- P.1.a. Include in its legal provisions (contractual arrangement/memorandum of understanding/grant agreement/regulation) appropriate timelines, measures and conditions to decide its phasing out and/or the phasing out of Framework Programme funding. This shall be without prejudice to other national or Union programmes, which might continue to fund initiatives;
- P.1.b. Introduce a realistic business plan for winding down operation or continuation outside the scope of Framework programme support;
- P.1.c. Institutionalised partnerships based on Article 185 or 187 should introduce a realistic plan for continuation outside the scope of an institutionalised partnership, by the date of the mid-term evaluation. This has to ensure among others the continuity of exploitation and dissemination activities beyond the duration of the Union participation.