



Brussels, 10.12.2025
C(2025) 8501 final

ANNEX

ANNEX

to the

Commission Decision

on the approval and signature of the Memorandum of Understanding for a Co-programmed European Partnership for Research and Innovation on Virtual Worlds

Memorandum of Understanding for the Co-programmed European Partnership ‘Virtual Worlds’

The “Virtual Worlds Association AISBL”, the registered offices of which are in 9052 Zwijnaarde, Rijvisschestraat 124, Belgium, herein after referred to as the “Partners other than the Union”, and the European Union, represented by the European Commission, (hereinafter jointly referred to as “the Partners”),

Considering that:

- Parts of Horizon Europe – the Framework Programme for Research and Innovation (‘Horizon Europe’) ¹ – may be implemented through Co-Programmed European Partnerships, on the basis of a Memorandum of Understanding between Partners determined to support the development and implementation of research and innovation activities of strategic importance to enable the Union to address global challenges and maintain its competitiveness in line with EU priorities, including the Sustainable Development Goals;
- The Horizon Europe Strategic Plan 2025-2027² has identified a candidate for a Co-Programmed European Partnership for Virtual Worlds considered instrumental to deliver scientific, economic and societal impact in line with the Horizon Europe objectives;
- The proposal received from the Partners other than the Union has been positively assessed by the European Commission in that it fulfils the new ambition and the selection criteria referred to in Article 10 and Annex III of Regulation (EU) 2021/695³ (‘the Horizon Europe Regulation’);
- The implementation, monitoring and evaluation of the European Partnerships will comply with the criteria referred to in Annex III of the Horizon Europe Regulation, including an alignment with the Horizon Europe Regulation’s monitoring and evaluation provisions, set out in its Article 50 and Article 52, as well as Annex V on Key Impact Pathways;
- The multi-annual Strategic Research and Innovation Agenda (SRIA) agreed by the Partners will provide the basis for the development of the co-operation under this Memorandum of Understanding, and for defining the annual priorities in line with the Horizon Europe Strategic Plan 2025-2027;
- Regulation (EU) 2020/852⁴ establishes the general framework for determining whether an economic activity qualifies as environmentally sustainable for the purposes of defining

¹ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination (OJ L 170, 12.5.2021, p. 1–68, ELI: <http://data.europa.eu/eli/reg/2021/695/oj>)

² <https://op.europa.eu/en/web/eu-law-and-publications/publication-detail/-/publication/3c6ffd74-8ac3-11eb-b85c01aa75ed71a1>

³ OJ L 170, 12.5.2021, p. 1–68.

⁴ Regulation (EU) 2020/852 of the European Parliament and the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

sustainable investments. It creates a common reference that investors, banks, industry and researchers can use when investing in projects and economic activities that have a substantial positive impact on climate and environment and no significant harm on any of them. It is the reference for green investments in the Union.

- Funding sources other than Horizon Europe (other Union programmes as well as external funding sources, including those from Member States) will be explored in order to contribute to the achievement of objectives of this Co-programmed European Partnership in line with the Horizon Europe objectives;
- Virtual worlds will be an important aspect of Europe’s Digital Decade and will impact the way people live, work, create and share content, as well as the way businesses operate, innovate, produce and interact with customers. This brings both opportunities and risks to be addressed, as set out in the Commission Communication ‘An EU initiative on Web 4.0 and virtual worlds: a head start in the next technological transition.’⁵
- The European Citizens’ Panel on Virtual Worlds⁶ put forward a collective vision for virtual worlds environments in Europe, reflecting the priorities of 150 European citizens. Their 23 recommendations inspired the European Commission’s Strategy on Web 4.0 and Virtual Worlds.
- The Partnership addresses the key priorities for Web4.0 and virtual worlds as set out in the Commission’s initiative. One of the actions put forward by the strand “Business: supporting a European Web4.0 industrial ecosystem” - Action 4- refers to the possibility of a European partnership under Horizon Europe for key stakeholders to develop the technological building blocks for useful, inclusive, sustainable and trustworthy virtual worlds systems and applications. Pursuant to Article 3 of the Statutes of Virtual Worlds Association, the Partners other than the Union engage in the European Partnership for Virtual Worlds with the European Commission to promote, facilitate and carry out the research, innovation, dissemination and other activities aiming at market, regulatory and societal uptake, including workforce training, necessary to achieve the objectives specified in Section 1 below;
- This Memorandum of Understanding constitutes a non-binding document in which the Partners will undertake all efforts necessary to achieve the general and specific objectives set out in point 1 below. It is not legally binding and does not create any contractual obligations under any law or legal system. Nothing in this Memorandum of Understanding will be construed as creating any liability, rights, waiver of any rights or obligations for any Partner or as releasing any Partner from its legal obligations. Neither Partner should be held liable under this Memorandum of Understanding towards the other Partner;

Have agreed the following:

⁵ COM(2023) 442 final

⁶ European Citizens’ Panel on Virtual Worlds: Final Report

1 Establishment, general, specific and operational objectives

The Co-programmed European Partnership for Virtual Worlds, hereinafter referred to as “the Co-programmed European Partnership”, is agreed between the Partners, to be implemented in an open, transparent, efficient and flexible way.

This Memorandum of Understanding sets out a cooperative relationship for the duration of the Co-programmed European Partnership with a long-term common vision, and the Partners pledge to pursue this common vision throughout the duration of this Partnership. It will contribute to the objectives of Horizon Europe and the Horizon Europe Strategic Plan 2025-2027.

The general objectives of the Co-programmed European Partnership are defined as follows:

GO1 Strengthen the European Virtual worlds ecosystem of stakeholders.

GO2 Advance Europe’s autonomy and competitiveness in strategic value chains for resilient sector industry.

GO3 Guarantee a human-centred, accessible, inclusive and ethical development of digital and industrial technologies.

The specific objectives are the following:

SO1.1 Develop an innovation ecosystem that enables the realisation of virtual worlds, contributing to the European economy and society.

SO1.2 Support Research, Development and Innovation (R&D&I) in virtual worlds technologies, including immersive technologies, extended reality, digital twins and collaborative virtual spaces.

SO1.3 Contribute to a thriving eco-system for start-ups and small and medium enterprises in the domain of Virtual Worlds.

SO2.1 Promote, scale, facilitate and carry out the research, innovation, dissemination and other activities aiming at market, regulatory and societal uptake, including workforce training, necessary to achieve its objectives.

SO2.2 Support the development of virtual worlds that offer significant business opportunities and new avenues for individual and collective creativity, arts and culture.

SO3.1 Deliver Europe’s vision for virtual worlds that reflect EU values and principles and fundamental rights, enabling transformation towards ethical, accessible, inclusive, sustainable and resource-efficient methods and processes.

The operational objectives are the following:

OO1.1a Grow the Virtual Worlds Association (VWA) membership, ensuring balanced representativeness of European regions, sectors, company sizes, academia and technology scope.

OO1.1b Extend the Virtual Worlds Association community to grow representative distribution sectors and promote the deployment of virtual worlds applications accordingly.

OO1.1c Contribute to a growing European start-up eco-system for virtual worlds deployments.

OO1.2a Provide scientific input to regulation and Union policies, when requested, and provide a multi-disciplinary roadmap with input from different technology communities and experts.

OO1.2b Promote collaborative working with other Research and Innovation communities at European level and relevant European Partnerships or/and initiatives under Horizon Europe.

OO1.3a Support inclusion of small and medium enterprises in research consortia, by promoting Virtual Worlds Association members in events and online.

OO2.1a Support relevant standardisation activities for various segments of the virtual worlds value chain in close cooperation with standardisation bodies.

OO2.1b Contribute to the continued innovation process by facilitating the improvement of skills in the virtual worlds sector.

OO2.1c Dissemination of Success Stories for virtual worlds deployments.

OO2.2a Develop innovative applications and services in different strategic economic sectors of public and private interest.

OO2.2b Grow the R&D&I investment in virtual worlds.

OO3.1a Support the development of virtual worlds that respect European rules (such as the GDPR, EU competition law, the European Accessibility Act or the EU labour law acquis) and values, in line with the Declaration on Digital Rights and Principles

2 Contributions and activities by the Partners

Any Union contribution, provided through Horizon Europe to the co-programmed European Partnership on Virtual Worlds, will be used to fund research and innovation activities, implemented as indirect actions following open calls for proposals and contests for prizes. These activities will be subject to the Rules for Participation and Dissemination of the Horizon Europe Regulation.

The European Commission envisages to dedicate up to EUR 200 million within the current Multiannual financial framework (MFF) to actions within the scope of the Co-programmed European Partnership

The Partners other than the Union will provide input and advice to the European Commission in order to contribute to the identification of priorities of research and innovation activities through the Strategic Research & Innovation Agenda for Virtual Worlds and associated activities and the definition of call topics to be included in the Horizon Europe Work **within the scope of the Co-programmed European Partnership's activities.**

Furthermore, the **Partners other than the Union envisage⁷ to dedicate at least 200 EUR million** for the period 2025-2030⁸ in research, innovation and other activities in the area of the Co-programmed European Partnership, engaging their constituent and affiliated entities⁹ to make such investments. These contributions will complement and at least match the Union contribution.

Contributions by the Partners other than the Union^{10 11 12} will take the form of:

- a. **In-kind contributions to the Actions funded by the Union**, consisting of eligible costs in accordance with the Horizon Europe rules minus the Union contribution;
- b. **In-kind contributions to Additional Activities** that are in the scope of the Strategic Research and Innovation Agenda (SRIA) and addressed in the Additional Activities Report, which is approved by the Partnership Board. In-kind Additional Activities are those activities which contribute to achieving the objectives of the Co-programmed European Partnership, including R&I at higher Technology Readiness Level (TRL) and/or to ensure demonstration, market, regulatory and societal uptake, which are in the scope of the SRIA but are not covered by Union funding.

For the in-kind contributions generated in Actions with lower funding rates than the maximum funding rates under Horizon Europe, the funding rate will be defined individually per call topic in the Horizon Europe Work Programme. This will range from the standard funding rate for R&I actions, to reduced funding rates for certain R&I actions and for Innovation actions in line with Article 34 of Horizon Europe. The selection of topics with reduced funding rates will be discussed in the Partnership Board.

In addition, the Partners other than the Union intend to make **Investments in operational activities** that go beyond the work foreseen in the SRIA, that contribute to achieving the objectives of the Co-programmed European Partnership and where there is a clear link between the investment and the activities of the Co-programmed European Partnership (e.g. investments in building production facilities, in training programmes for workers, and in other activities required for producing and putting on the market the product/service resulting from the R&I performed as part of the Co-programmed European Partnership). Those Partners may consider the ‘Do No

⁷ The undertaking and contribution by the Association covers only the in-kind contributions to be provided by its constituent entities and their affiliated entities (and not any contributions to be provided by its non-constituent entities or by a non-affiliated entity).

⁸ The longer timeline for contributions from Partners other than the Union takes into account the fact that the contributions will materialise over a longer period.

⁹ Entities are affiliated when they have a link with the beneficiary, in particular a legal or capital link, which is neither limited to the action nor established for the sole purpose of its implementation, in accordance with Article 190 of Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast), (OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>).

¹⁰ In line with Annex III of Horizon Europe and referred as co-investment in Annex V of Horizon Europe.

¹¹ Where applicable, funding from state resources must be compliant with State aid rules.

¹² The European Partnership may consider the ‘Do No Significant Harm Principle’ pursuant to Article 17 of Regulation (EU) 2020/852 and take into account the provisions of that Regulation to improve access to sustainable finance, where relevant.

Significant Harm Principle' pursuant to Article 17 of Regulation (EU) 2020/852 and take into account the provisions of that Regulation to improve access to sustainable finance, where relevant. These Investments in operational activities are however not included in the abovementioned contributions intended by the Partners other than the Union, but they should be taken into account as leverage.

3 Governance

The Partners should convene in the form of a Partnership Board as the main forum for dialogue and steering to reach the objectives set out in this Memorandum of Understanding. Through the Partnership Board, the representatives of the Partners should agree on all issues concerning the cooperation for the Co-programmed European Partnership. The Partners through their participating representatives are considered as 'Members' of the Partnership Board.

The Partners agree on the composition and size of the Partnership Board, while respecting the following principles:

- Adequate representation of the European Commission services, including through acting as co-chair when meeting in the format of the Partnership Board;
- Adequate representation of SMEs;
- Adequate gender balance;
- Adequate geographical coverage.

Participation in the Partnership Board may be on a rotating basis, except for the representatives of the European Commission.

In addition, the Partnership Board may agree to invite, or nominate as observers to its meetings, representatives of other European Partnerships, civil society organisations, standardisation bodies, certification bodies, regulators, public procurers as well as experts in the area of the Co-programmed European Partnership.

The Partnership Board will be co-chaired by the European Commission, represented by the lead service in charge of the Co-programmed European Partnership, and a co-chair from the Partners other than the Union, selected among their members nominated to the Partnership Board.

The Partnership Board may lay down its Rules of Procedure, based on a harmonised proposal provided by the European Commission, covering inter alia rules on confidentiality, transparency and avoidance of conflicts of interests.

In order to address strategic issues, the Partners may also convene at a higher level¹³ to review the work of the Partnership Board, take stock of the progress by the Co-programmed European Partnership in achieving its objectives, adjust priorities and activities according to changing market or policy needs or based on results from monitoring and evaluation activities, and discuss further ways to enhance collaboration between European Partnerships and synergies with other

¹³ For example, between the President of the Association and a Director-General from the European Commission.

Programmes. The implementation of results and proposals from such high-level meetings may be subject to approval by the Partnership Board.

An Advisory Committee will advise on the priorities to be addressed, in line with the Strategic Research and Innovation Agenda and the Horizon Europe strategic planning, and suggest, in view of the progress of the Co-programmed European Partnership, adjustments or re-orientations to the Partnership Board, where necessary.

The Partners may form an Advisory Committee. The members of the Advisory Committee should reflect a balanced representation of experts and stakeholders from across Europe within the scope of the priorities of the Co-programmed European Partnership, including e.g. from academia, industry, SMEs, end-users, non-governmental and civil society organisations, stakeholder associations and regulatory bodies. The Advisory Committee may elect a chairperson from among its own members.

The Partnership Board convenes the meetings of the Advisory Committee.

The Virtual Worlds Steering Group¹⁴ which brings together Member States representatives in a view to developing and promoting common, consistent European approaches on the development of virtual worlds and the wider technological transition to Web 4.0 to avoid a potential fragmentation of the Single Market, acts as a State Representatives Group to the Partnership.

The Virtual Worlds Steering Group should advise and actively support the achievement of objectives of the Co-programmed European Partnership for Virtual Worlds to ensure complementarity with national policies, priorities and programmes. They may review information and provide opinions on the progress of the Co-programmed European Partnership for Virtual Worlds towards its scientific, economic and/or societal impacts.

The Virtual Worlds Steering Group may provide information to, and act as an interface with the Co-programmed European Partnership for Virtual Worlds on the following matters:

- a) The status of activities performed under national or regional policies, priorities and research and innovation programmes which are relevant to the Co-programmed European Partnership for Virtual Worlds and identification of potential areas of cooperation, including concrete actions taken or envisaged for the deployment of relevant technologies and innovative solutions at the national or regional level;
- b) Specific measures taken at national level or regional level to maximise the impacts of the results achieved, in particular dissemination events, dedicated technical workshops and communication activities;
- c) Specific measures taken at national or regional level to support the exploitation, deployment and/or scale-up of the results achieved within the Co-programmed European Partnership.

¹⁴ Commission Decision C(2024) 149 final – 17 January 2024 setting up the group of experts on the transition to Web 4.0 and Virtual worlds (“Virtual Worlds Steering Group”). The Virtual Worlds Steering Group is a formal Commission Expert Group providing the Commission with advice and expertise.

The calls that will implement the Partnership will be co-created with and approved by Member States and Associated Countries in the competent Strategic Programme Committee in charge of implementing the Cluster “Digital, Industry and Space” under Horizon Europe (Programme Committee). Moreover, progress and achievements of the Partnership will be discussed in regular and possibly dedicated workshops organised with the Programme Committee.

The Partners other than the Union may arrange their own governance structures, providing that those structures do not contradict this Memorandum of Understanding. They may invite a European Commission representative as observer to meetings of their governance structure on subjects related to the Co-programmed European Partnership. The European Commission services may participate as observers to meetings of technical groups set up by the Partners other than the Union that are relevant for the Co-programmed European Partnership.

4 Activities and commitments of the European Commission

The European Commission undertakes to duly take into account the input and advice from the Partners other than the Union when identifying and defining call topics for research and innovation activities in the scope of and linked to the European Partnership for Virtual Worlds to be included in the Horizon Europe and future related Work Programmes. For this purpose, the European Commission undertakes to consult and maintain a regular dialogue with the Partners other than the Union during the preparation of the Work Programmes. The call topics will be subject to Horizon Europe comitology procedures.

The European Commission may support and contribute to the regular monitoring of the Co-programmed European Partnership, including through its participation in the Partnership Board and in other activities, in line with the Horizon Europe Regulation monitoring provisions (Article 50). The European Commission shall also carry out in a timely manner the evaluation of the Co-programmed European Partnership feeding into the final Horizon Europe evaluation, as specified in Article 52 of the Horizon Europe Regulation. This evaluation will inter alia be fed by a self-assessment provided by the Partners other than the Union on the achievement of objectives and how their commitments have been fulfilled and contributions made throughout the lifecycle of the Co-programmed European Partnership.

The evaluation will examine how the Co-programmed European Partnership fulfils its mission and objectives, cover all its activities and evaluate its European added value, effectiveness, efficiency, including its openness and transparency, the relevance of the activities pursued and their coherence and/or complementarity with relevant regional, national and Union policies, including synergies with other parts of Horizon Europe (such as missions, clusters or thematic/specific programmes). The evaluation will take into account the views of stakeholders, at both European and national level. The evaluation will include, where relevant, an assessment of the most effective policy intervention mode for any future action, as well as the relevance of any possible renewal of the Co-programmed European Partnership given the overall policy priorities and the research and innovation support landscape, including the coherence and positioning against other initiatives supported through the Framework Programme, in particular European Partnerships or missions.

5 Activities and commitments of the Partners other than the Union

5.1 Activities

The Partners other than the Union undertake to provide inputs and advice to the European Commission in order to achieve the objectives of the Co-programmed European Partnership. In particular, they may provide input and advice to the European Commission in order to contribute to the identification of priorities of virtual worlds related research and innovation activities and the definition of call topics to be included in the Horizon Europe and future related Work Programmes in view of financial support for indirect actions following calls for proposals and contests for prizes. This is without prejudice to the outcome of the Horizon Europe comitology procedures.

The Partners other than the Union also undertake to make the following In-kind Additional Activities and Investments in operational activities in support of the objectives set out in Section 1 of this Memorandum of Understanding:

- a) Scope of In-kind Additional Activities. In-kind Additional Activities may include:
 - i. Creation of and participation in working groups and task forces for virtual worlds related activities.
 - ii. Yearly updates of the Strategic Research & Innovation Agenda, through community collaboration and inclusion of recent outcomes and realisations.
 - iii. Dissemination of knowledge by contributing to developing digital skills for virtual worlds in collaboration with academia and industry.
 - iv. Awareness-raising activities on technologies and measures like the organisation of events for community building and participation to external events.
 - v. Start-up community support, driving exchanges between established industry partners and small businesses. Pre-commercial trials and field tests, up to commercialisation offerings.

- b) Scope of Investments in operational activities. Investments in operational activities may include:
 - i. Product and service realisation, leveraging results from the Research and Innovation activities in context of Horizon Europe
 - ii. Network of experimentation facilities and sandboxes
 - iii. Development of standards and their publication
 - iv. Cooperations with partners like industry partners, industry associations, academia, outside Horizon Europe-funded activities
 - v. Training programmes for workers
 - vi. Investment and sponsoring of major events

The reporting of In-kind Additional Activities and Investments in operational activities will respect confidentiality requirements.

5.2 Openness and transparency

An appropriate level of openness is necessary to achieve the objectives of the Co-programmed European Partnership. Thus, the Partners other than the Union undertake to put in place measures that ensure:

- a) An open and transparent process for consulting their constituent entities and other relevant stakeholders as well as Member States and Associated Countries on the identification of the priorities of the Co-programmed European Partnership and the design of its activities, which results in an appropriate involvement of all relevant stakeholders;
- b) A governance structure that results in a high level of openness and transparency, including publishing information on the functioning of the Co-programmed European Partnership (composition of partnership structures, decisions made by the Partnership Board etc.);
- c) A growing participation in and contribution to the Co-programmed European Partnership, supported by an open policy to membership in the Association and an appropriate level of information and, if necessary, assistance to all constituent entities of the Partners other than the Union.

In particular, the Partners other than the Union undertake to ensure that the In-kind Additional Activities that they contribute are, to the extent possible, open for participation to non-members of the Co-programmed European Partnership (e.g. dissemination and exploitation activities, etc.) and based on equal treatment.

Also, the Partners other than the Union undertake to put in place appropriate measures for informing SMEs, civil society and other relevant stakeholders about the Co-programmed European Partnership and promoting their participation.

5.3 Research security

In line with the 2023 European Economic Security Strategy (JOIN/2023/20 final) and the 2024 Council Recommendation on enhancing research security (C/2024/3510), the European Commission has been working to enhance research security in its flagship research and innovation programme, Horizon Europe, to better safeguard and promote EU interests and values. In light of the above, the Commission strongly encourages European Partnerships to take the abovementioned documents and policy direction into account when evaluating the acceptance of new Constituent entities/members of their Association. Additional guidance on mitigating research security risks can also be found in the following documents: ‘Tackling R&I Foreign Interference: Staff Working Document, 2022’ and the factsheet on Research Security: Building Blocks for Risk Appraisal, 2024.¹⁵

¹⁵ European Commission, Directorate-General for Research and Innovation: Tackling R&I Foreign Interference: Staff Working Document, 2022 ([Tackling R&I foreign interference - Publications Office of the EU \(europa.eu\)](#)); Factsheet on Research Security: Building Blocks for Risk Appraisal, 2024 ([c0c0dbac-c7d7-45d8-b59b-413f54aa8983_en \(europa.eu\)](#)).

5.4 Dissemination and communication

The Partners undertake to communicate and disseminate their activities and results broadly and through various channels, in order to ensure that any necessary information in the area of the Co-programmed European Partnership is available to all possible stakeholders, all along its duration. The Partners undertake to engage in information, communication, publicity and dissemination and exploitation activities by applying mutatis mutandis Article 51 of Horizon Europe.

This communication and dissemination will also ensure that the EU support to the Co-programmed European Partnership is visible.

5.5 Coherence and coordination with other European Partnerships and beyond

The Partners undertake to set up and maintain a clear strategy and plan for the interfaces and joint activities of the Co-programmed European Partnership with the other relevant European Partnerships, as well as with the broader European research and innovation system and communities.

The Partners other than the Union will establish a formal and regular collaboration with the following other European Partnerships:

- a) European Partnership AI-Data-Robotics
- b) European Partnership Photonics
- c) European Partnership Smart Networks and Services
- d) European Partnership Made in Europe
- e) European Partnership High Performance Computing
- f) European Partnership Innovative Health Initiative
- g) European Partnership for Globally Competitive Space Systems
- h) European Partnership on Social Transformation and Resilience
- i) European Partnership for Resilient Cultural Heritage
- j) European Partnership for Pandemic Preparedness
- k) Other European Partnerships whenever deemed necessary by their respective Partnership boards

The SRIA sets out further details, as appropriate, on coherence and collaboration with other European Partnerships, synergies with other Union programmes, Union bodies and national, international, and intergovernmental programmes and policies, and the relevant parts of Horizon Europe (including missions).

The Partners other than the Union may furthermore establish a formal and regular collaboration with other relevant research and innovation initiatives to secure an optimum level of interconnections and ensure effective synergies, inter alia to overcome potential implementation barriers at national level and to increase cost-effectiveness. Priorities for collaboration are the following other initiatives and/or missions:

- a) Virtual and Augmented Reality Industrial Coalition
- b) European Innovation Council

- c) Other European initiatives, whenever deemed necessary.

The Partners other than the Union will report specifically on their collaboration with other European Partnerships and initiatives in their biennial reporting.

5.6 Fulfilment of commitments

The Partners other than the Union undertake to put in place measures that ensure that the contributions agreed are provided in full, and on time.

The Partnership Board may monitor, throughout the life of the Co-programmed European Partnership, the contributions reported by the Partners.

If the *de facto* contribution reported by the Partners other than the Union is significantly lower than the committed contribution, the Partnership Board may make recommendations to the Partners other than the Union on adjustment measures.

If the action taken is not sufficient to reach the contribution originally agreed, the Partnership Board may recommend the European Commission to adjust its own contribution to match the contribution *de facto* made by the Partners other than the Union.

6 Monitoring and reporting

The activities of the Co-programmed European Partnership will be subject to continuous monitoring and periodic reporting in accordance with Article 50, Annex III and Annex V of Horizon Europe. The outcomes of monitoring and reporting will feed into the Co-Programmed European Partnerships as part of Horizon Europe evaluations. It will feed into the biennial monitoring of the European Partnerships in the context of the Strategic Coordinating Process.

The monitoring and reporting by the Partners will be carried out biennially for the duration of the Memorandum of Understanding. There will be an Additional Activity reporting and a full reporting, both to be provided together every second year.

The full reporting should cover all points listed below (a-e).

- a) The progress of the Co-programmed European Partnership towards its objectives (based on the Key Performance Indicators (KPI)) and the expected scientific, economic and societal impacts (following the Horizon Europe Key Impact Pathways). This reporting should also contain a qualitative assessment of the KPI for the past year.
- b) Information on the functioning of the Co-programmed European Partnership, including on openness, transparency, collaboration and synergies with other European Partnerships and initiatives, etc. in line with the implementation criteria for European Partnerships.
- c) Agreed and actually provided contributions.
- d) Investments in operational activities undertaken by the Partners other than the Union, and leverage including additional public and private investment mobilised to exploit or scale-up partnership results.

- e) Structured and representative “impact case studies”¹⁶ that will be used to highlight lessons learned from specific projects/activities, their drivers and barriers to impact, and their possible follow-up with the appropriate instruments, including other forms of support outside the Co-programmed European Partnership, such as training and skills development.

The monitoring and reporting will be done on the basis of evidence provided by Partners, respecting confidentiality of information and avoiding anti-competitive behaviour. To the extent possible, Partners will provide monitoring data in close to real-time following Horizon Europe, in particular management and implementation data. To the extent possible, the indicators and methodologies used to monitor the progress of the Partnership towards its objectives and scientific, economic and societal impacts should be harmonised and aligned with the monitoring framework of Horizon Europe (Key Impact Pathways), and the monitoring criteria of European Partnerships.

With due regard to their respective competencies, institutional settings and operational frameworks, the Partners may regularly inform and consult each other on the results of the monitoring, including to assess the contributions of the In-kind Additional Activities and Investments in operational activities undertaken by the Partners other than the Union.

The monitoring and reporting should allow for an assessment over time of their results and progress towards impacts, their visibility and positioning in the international context, and potential needs for adjustment measures.

Upon request, the Partners other than the Union engage to provide the European Commission with additional necessary information for the assessment of the achievements of the Co-programmed European Partnership in the context of the overall Horizon Europe evaluation, respecting confidentiality of information, and in the context of the Strategic Coordinating Process for European Partnerships (e.g. input to the biennial monitoring of the European Partnerships).

Further, the Partners other than the Union commit to contribute to the data collection for the Biennial Monitoring Report on the performance of European Partnerships, including full membership lists of their respective association(s).

6.1 General systems

The Partners undertake to set up and implement an effective reporting and monitoring system that allows the Co-programmed European Partnership as well as the European Commission to track progress over time towards the stated objectives and impacts, as well as to provide implementation and management data.

The information provided should include, among others:

- a) Detailed information on the calls for proposals in the Horizon Europe Work Programme and/or other future related programmes, the proposals received, the grants resulting from these calls, the beneficiaries and participants, the results achieved by individual projects and their overall progress towards impact, or any other information deemed necessary for

¹⁶ i.e. high potential project outcomes that can be fast-tracked towards further investment and rapid development.

developing, implementing, monitoring and evaluating Union policies or programmes. Such access to information is limited to non-commercial and non-competitive use and will comply with applicable confidentiality rules. The primary means of collecting information will be through the European Commission's reporting systems for management of the Horizon Europe programme;

- b) Activities and fulfilment of contributions by the Partners other than the Union, progress towards objectives, deliverables and KPIs, visibility and positioning in the international context, the results, impacts and leverage. The primary means of collecting information will be through biennial¹⁷ reporting by the Partners other than the Union and through European Commission's reporting systems for management of the Horizon Europe programme. Information collection will be based on a common methodology specified by the Commission services in consultation with the Partners other than the Union.

6.2 Reporting method for In-Kind Contributions to Additional Activities and Leverage

There are three categories related to contributions and activities that Partners other than the Union will be reporting on:

- a) In-kind contributions to the Actions funded by the Union¹⁸. At the level of the projects, reporting will be done continuously through European Commission's reporting systems for management of the Horizon Europe programme;
- b) In-kind contributions to the additional activities. At the level of the partnership, reporting will be done biennially by the Partners other than the Union and continuously through European Commission's reporting systems for management of the Horizon Europe programme¹⁹;
- c) Investments in operational activities foreseen beyond the SRIA, and leverage including other investment mobilised to exploit or scale-up partnership results. At the level of the partnership, reporting will be done biennially²⁰ by the Partners other than the Union and continuously through European Commission's reporting systems for management of the Horizon Europe programme²¹.

The value of the in-kind contributions reported by the Partners other than the Union will be calculated on the basis of a common methodology in line with Annex V of Horizon Europe. The Partners may keep an anonymised record of these contributions from its constituent entities, which provides the basis for periodic reporting of the total value by the Partners other than the Union of in-kind contributions to the partnership's activities.

¹⁷ i.e. once every two years.

¹⁸ Contributions from beneficiaries that are not members or affiliates of the private partners cannot be considered as a contribution from partners but these will be considered as part of quantitative leverage effect.

¹⁹ For example, project reporting will include fields about indirect leverage that could be used for the partnership-level reporting.

²⁰ i.e. once every two years.

²¹ For example, project reporting will include fields about indirect leverage that could be used for the partnership-level reporting.

6.3 Key Performance Indicators (KPIs)

The following Key Performance Indicators are defined for the Co-programmed European Partnership and will be included in monitoring and reporting:

1. Key Performance Indicators related to the Partnership's objectives, under the condition of continued or increased funding by the EC to actions within the scope of the Co-programmed European Partnership.

European Partnership Virtual Worlds - solving real world problems <i>VWA = Virtual Worlds Association AISBL</i>		Monitoring and evaluation framework		
Objectives	Measure of success	Data source or methodology	Responsible for collecting for providing the data	Baseline and target
GO = general objective SO = specific objective OO = operational objective				
GO1 Strengthen the European Virtual worlds ecosystem of stakeholders.	OO1.1a Grow the VWA membership, ensuring balanced representativeness of European regions, sectors, company sizes, academia and technology scope.	VWA administration	VWA secretariat	Target baseline 100+ per June 2026 Growth rate of 10% per year up to 350
	OO1.1b Extend the VWA community to grow representative distribution sectors and promote the deployment of Virtual Worlds applications accordingly.	VWA administration	VWA secretariat	Baseline 7 sectors ²² 1 additional sector per year for the first 3 years
		VWA administration	VWA secretariat	Minimum representation of >30% industry, >30%

²² Industry, Healthcare, Security & Defence, Media & Entertainment, Arts & Culture, Cities, Education

			industry, academia and public services in the VWA		academia, >5% public services and at least 8 members per baseline sector
		OO1.1c Contribute to a growing European start-up eco-system for VW deployments.	Number of spin-off / spin-out organisations in the VW domain	Survey amongst VWA members and VW stakeholders	Target of 1 out of 15 completed EU-funded projects
	SO1.2 Support Research, Development and Innovation (R&D&I) in virtual worlds technologies, including immersive technologies, extended reality, digital twins and collaborative virtual spaces.	OO1.2a Provide scientific input to regulation and Union policies, when requested, and provide a multi-disciplinary roadmap with input from different technology communities and experts.	Yearly release of the SRIA including roadmap	VWA website	Baseline release in June 2025 New release every June
		OO1.2b Promote collaborative working with other R&I communities at European level and relevant European Partnerships or/and initiatives under Horizon Europe.	Absolute number of collaborations with non-VW partnership communities	Survey amongst VWA members and VW stakeholders	Baseline 3 in June 2026 Growth target 2 per year, up to 10
	SO1.3 Contribute to a thriving eco-system for start-ups and small and medium enterprises in	OO1.3a Support inclusion of small and medium enterprises in research consortia, by	Growth of SME budget share in VW research consortia	Survey amongst VWA members and VW stakeholders	Growth target +10% per year, for the first 3 years

	the domain of Virtual Worlds.	promoting VWA members in events and online.		Deliverables of EU-funded projects	PPP organisation	
			Number of events and online instances in which SMEs were promoted	Survey amongst VWA members	VWA secretariat and VW PPP organisation	Baseline 5 events, 20 online instances Growth target +20% per year, for the first 3 years
GO2 Advance Europe's autonomy and competitiveness in strategic value chains for resilient sector industry.	SO2.1 Promote, scale, facilitate and carry out the research, innovation, dissemination and other activities aiming at market, regulatory and societal uptake, including workforce training, necessary to achieve its objectives.	OO2.1a Support relevant standardisation activities for various segments of the virtual worlds value chain in close cooperation with standardisation bodies.	Instantiations of standards listed in the ViWisso ²³ project's Standards Register in EU funded research projects and commercial deployments	Survey amongst VWA members and VW stakeholders	VWA secretariat and VW PPP organisation	Growth target +10% per year, up to instantiations in at least 50% of EU funded projects
		OO2.1b Contribute to the continued innovation process by facilitating the improvement of skills in the virtual worlds sector.	Number of re/upskilling training, education and mobility program contributions for the workforce	Survey amongst VWA members and VW stakeholders	VWA secretariat and VW PPP organisation	Baseline 20 per year Growth target +10% per year
		OO2.1c Dissemination of Success Stories for VW deployments.	Number of published Success Stories on the VWA website and other media	Success stories from VW stakeholders	VWA secretariat	Baseline 10 per year Growth target +20% per year, up to 25 per year

²³ViWisso project [EU Funding & Tenders Portal](#)

	SO02.2 Support the development of virtual worlds that offer significant business opportunities and new avenues for individual and collective creativity, arts and culture.	OO2.2a Develop innovative applications and services in different sectors of public and private interest.	Growth of VW applications developed and released in each of the represented sectors	Survey amongst VWA members and VW stakeholders	VWA secretariat and VW PPP organisation	Growth target +10% per year
		OO2.2b Grow the R&D&I investment in Virtual Worlds.	Investment in R&D&I in VW by VWA members	Survey amongst VWA members and VW stakeholders	VWA secretariat and VW PPP organisation	Baseline 200 million Euro in 2026 reporting Growth target 20% per year or at least in line with EU budget allocation
			Investment growth in R&D&I in VW through HE programs	Deliverables of EU-funded projects	VWA secretariat and VW PPP organisation	Growth target at least in line with EU budget allocation
GO3 Guarantee a human-centred and ethical development of digital and industrial technologies.	SO3.1 Deliver Europe's vision for virtual worlds that reflect EU values and principles and fundamental rights, enabling transformation towards ethical, sustainable and resource-efficient methods and processes.	OO3.1a Support the development of virtual worlds that respect European rules (such as the GDPR, EU competition law, European Accessibility Act or the EU labour law acquis) and values, in line with the Declaration on Digital Rights and Principles	Absolute number of activities focused on creating societal awareness about Virtual Worlds technologies and their proper use Number of people reached in these activities	Survey amongst VWA members and VW stakeholders	VWA secretariat and VW PPP organisation	Baseline >10 activities, reaching 50% of the member states Growth target +10% per year for the number of people and a cumulative 10% in member state coverage

2. Key Performance Indicators related to Management and Implementation Data

Management and Implementation Data	Key Performance Indicators
Data on the funded actions	Yearly financial report
Records of the decision-making bodies of the Partnership	Records of meetings and attendance

The SRIA sets out further details, as appropriate, on the monitoring framework for the Co-programmed European Partnership.

7 Application of this Memorandum of Understanding

Any issues related to the interpretation and implementation of this Memorandum of Understanding may be decided upon in consultation by the Partners in the Partnership Board. In case of ultimate disagreement, any of the Partners may request an early end of the Memorandum of Understanding.

Adaptations to this Memorandum of Understanding may be requested by any of the Partners by registered letter.

8 Duration and Review

The starting date for the Partnership is and its end date is 31.12.2030. The last calls for proposals can be launched up until 31.12.2027, so the last three years of the partnership should be used to conclude the remaining activities.

Any of the Partners may communicate by a registered letter at any time the motivated intention to end this Memorandum of Understanding. In the absence of renewal, appropriate measures may be taken to ensure phasing-out of Horizon Europe funding according to the conditions and timeline agreed with the Partners ex-ante, without prejudice to possible continued transnational funding by national or other Union programmes, and without prejudice to private investment and on-going projects. This phasing-out plan may be prepared by the Partnership Board until Q2 2026.

The periodic monitoring and reporting will inform the final evaluation of Horizon Europe referred to in Article 52 of the Horizon Europe Regulation. The evaluation will be taken into consideration in the phasing out or possible renewal of the partnership.

On the basis of these reviews and the evaluations, any of the Partners may propose adaptations to this Memorandum of Understanding or request its early end.

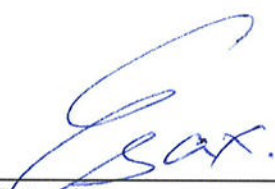
Done in duplicate at Brussels on 2025,

FOR THE EUROPEAN COMMISSION



Henna Virkkunen


Executive Vice-President for Technological Sovereignty,
Security, and Democracy



Ekaterina Zaharieva

Commissioner for Startups, Research and Innovation

FOR THE VIRTUAL WORLDS ASSOCIATION AISBL



Matthieu Worm

President of the Virtual Worlds Association