

Proposal for a Council regulation establishing the Joint Undertakings under Horizon Europe General considerations

France Industrie welcomes the proposal for a Council Regulation establishing the Joint Undertakings under Horizon Europe (2021/0048 (NLE)), called the "Single Basic Act". However, we would like to draw the attention of the Council members to some important transversal considerations for the French manufacturing industry.

1. Budget: ambition, co-funding and synergies

France Industrie reiterates a longstanding call for **ambitious budgets** and **attractive co-funding rates**, even more considering that companies have all been **affected by the crisis** and that R&I projects always carry a degree of risk. Budgets have to be in line with the Strategic Research & Innovation Agendas of each partnership, and should enhance the industrial sectors' ability to **reach the ambitious green and digital targets**.

It advises including a mechanism allowing for **greater synergies** between the funds allocated to JUs and other European spending programs (managed directly by the European Commission or not). These synergies are able to support large-scale deployment of innovative solutions.

In addition, as a general rule, funding rates for Horizon Europe Joint Undertakings should be kept at the same level as for H2020's and the option for calculating private **in-kind contribution** (based on real costs) should also be preserved. A suitable definition for in-kind additional activities should be provided.

2. Role of founding members

While the text does provide that the founding members of certain JUs **must commit themselves** to a level of investment and contribute to the operating expenses of the partnerships, they have **no guarantee** that their projects will be co-funded, nor do they have any visibility on the actual co-funding rates of the projects that will be supported. We welcome the opening up of partnerships to competitive projects, but this creates **uncertainties** and potential **legal risks** when requesting the founding members to unconditionally commit ex ante. Rights and duties should be rebalanced by allowing the membership agreements to give **a certain level of guarantee and visibility** to the founding members regarding in particular their activities to be co-funded.

3. Participation of third countries: a lever for growth, subject to conditions

France Industrie is of the opinion that the participation of third countries is one of the conditions for the **success** of European projects in the field of Research and Innovation, notably through the leverage effect that their presence represents. The federation is pleased that the **United Kingdom** has decided to maintain its participation in Horizon Europe.

However, the French manufacturing industry is asking that the **financial commitment** of the associated countries to the programme Horizon Europe is connected to the investment of their companies that wish to participate in each of the JUs. This commitment must obviously come in addition to the amount already allocated and, if possible, be available before the launch of the JUs concerned. France Industrie wishes to recall this point because the current text is **unclear**.

4. Governance: rebalancing the representation of the private sector

France Industrie is of the opinion that the **balance between the representation of the private sector and the European Commission** must become an intangible principle for the governance of JUs. Therefore, a rebalancing seems necessary in favour of private sector representation on the **governing boards** of certain JUs. The **plurality** of the private sector involved in the JUs should be ensured as well.