

# Eureka Network position paper on the next EU framework programme for research and innovation

Addressed to Manuel Heitor, chair of the expert group on the interim evaluation of Horizon Europe, providing strategic advice and recommendations for its successor, FP10 - the 10th framework programme for research and innovation (2028 to 2034)

The views outlined in this paper are those of the Eureka countries. Its content does not pre-empt individual country positions in the upcoming negotiations for the next framework programme (FP10) and the multi-annual financial framework (MFF). The European Commission, as member of Eureka, has neither been involved in the writing, nor consulted on the content of the paper. This paper therefore reflects solely the views of Eureka countries and not those of the European Commission.

## Key messages:

- Eureka has a unique role in the European innovation ecosystem, bridging national and European level SME support, with demonstrated impact on this ecosystem and business competitiveness.
- Eureka should have a clear role and function for international research, development and innovation cooperation in FP10 through the continuation of the European Partnership on Innovative SMEs.
- Eureka's European Partnership on Innovative SMEs (including the Eurostars and Innowide funding programmes) should continue into FP10. It is one of the few SME internationalisation programmes that actively supports industrial competitiveness through collaborative research, development and innovation projects and market exploration with countries outside of Europe; its track record demonstrates support to market growth and value chain security.
- Synergies between the European Partnership on Innovative SMEs and other Eureka or FP10 programmes, particularly the European Innovation Council (EIC), should be further developed and streamlined. Links and beneficiary pathways between Eureka instruments and FP10 would help ensure coherent support for SMEs, reduce fragmentation in innovation ecosystems and build additional momentum towards a comprehensive European industrial strategy. The European Commission's strong involvement in Eureka as a member has been a key driver for the success of the network and the European Partnership on Innovative SMEs. It has helped to align objectives and could further support synergies.



# About Eureka

## Eureka and its role in the European Innovation Ecosystem

Eureka is the world's largest research, development and innovation network, bringing together 47 national governments to support international collaborative business-led innovation.

As recognised by the Council of the EU in its [Conclusions on the New European Innovation Agenda](#) (NEIA), Eureka provides well-targeted support for European businesses - particularly SMEs and midcaps - and facilitates access to international knowledge, thus enabling them to internationalise and enter global markets. This is a key role in a context where nearly half of EU businesses are not active beyond national borders, but where 90% of growth comes from global markets. Eureka bridges national programmes and larger-scale European or global initiatives, closing a funding gap that SMEs often face when first venturing beyond domestic markets.

Eureka has the advantage of operating close to individual company level through its decentralised structure. Ministries and funding bodies (NFBs) within Eureka countries act as the main contact point for SMEs, working in their national language and currency, through national financing and monitoring schemes that companies may already know. Eureka supports smaller international consortia and is open to applications from any field, acting as a stepping stone between national and larger European/global programmes. 59% of our beneficiaries have secured additional public funding following their successful Eurostars project to take their innovation further.

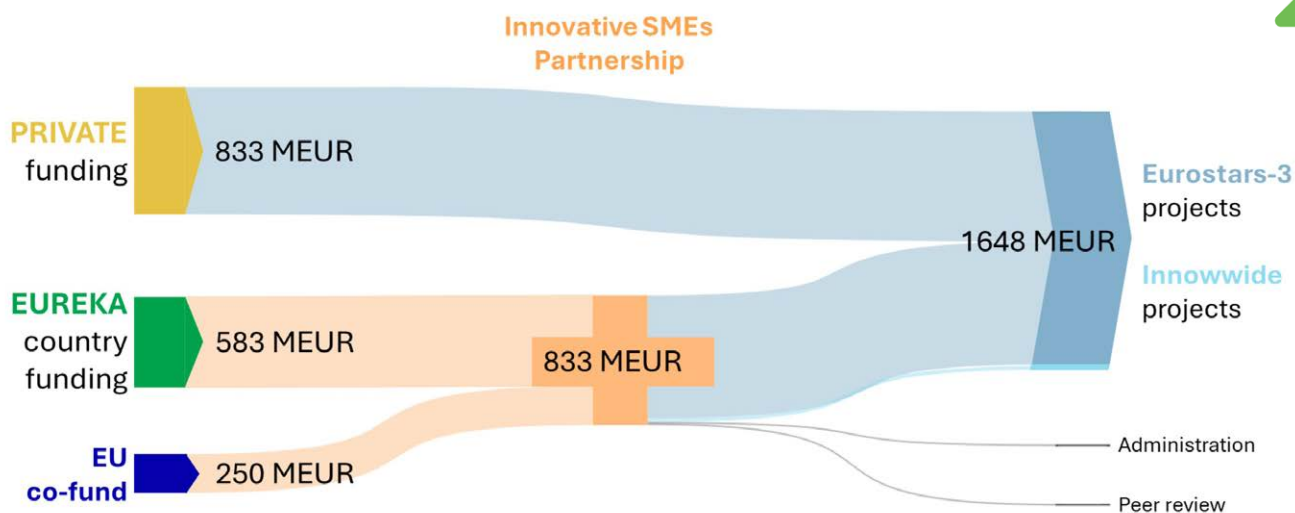
## Leveraging the European Partnership on Innovative SMEs

Eureka coordinates delivery of the European Partnership on Innovative SMEs, a 7-year initiative co-funded by the EU that helps SMEs innovate, internationalise and boost their competitiveness. Its flagship programme - Eurostars 3 - funds collaborative research, development and innovation projects led by an SME with at least one partner in another country. SME journeys towards global markets are also supported through the Innowide funding programme for non-European market exploration, as well as through the Investment Readiness Programme and the Fast Track to the EIC Accelerator.

Regular Eurostars and Innowide calls give SMEs predictable future funding opportunities, which they can count on when ready to take the leap. National Eureka representatives have efficient and solid support structures that SMEs and other potential partners (such as research institutions) rely on. In Eurostars, more than 30% of applicants are new to international cooperation.

By its horizontal nature, the European Partnership on Innovative SMEs allows countries with limited resources, including widening countries, to cover all technology areas with their existing and relatively small Eureka teams. Since 2008, the three editions of Eurostars witnessed a steady increase in national commitments and number of projects funded, as well as its expansion towards non-European countries (currently Canada, South Africa, South Korea and Singapore, and with the potential for others such as Chile), opening pathways to international collaboration that may not exist on a bilateral country basis.

The European Partnership on Innovative SMEs has a dedicated EU budget of 250 million euro from the European Innovation Ecosystem budget in pillar three of Horizon Europe. Dedicated EU funds will generate nearly 1.7 billion euro worth of public-private investment - a 1:7 leverage of EU funds. National authorities commit three euro for every euro the EU invests; this public financing then attracts another four euro from the innovative SME and fellow participants we support. Administrative and evaluation costs for the centralised coordination and implementation of the programme represent around 2% of the public funding, three times less than its EU Framework Programme equivalent.



The Eurostars programme has successfully established strong ties between the European Commission and ministries and NFBs in Eurostars countries, building an effective programme where the centralised evaluation and administration costs are covered by the EU, while national management and implementation costs are internalised by Eureka countries. This provides high added value for both sides, while filling a significant gap for European innovators.

### Impact on EU competitiveness

As emphasised by the Council of the EU, all types of innovation play a critical role in driving the EU's competitiveness, job creation, prosperity and wellbeing. The [2023 Eurostars impact assessment](#) demonstrates this clearly. The previous edition of Eurostars (deployed under Horizon 2020), supported more than 8000 SMEs in growing their business through collaborative projects, bringing innovations to the market. Eurostars projects led to the creation of 4000 jobs. It also enabled SMEs to raise – on average – 1.5 million euro in venture capital and angel funding, as well as 0.3 million euro in loans following their Eurostars projects.



Around 70% of programme participants are SMEs, 65% at early growth stages



Over 60% of beneficiaries took their innovations to non-European markets



SMEs increased turnover by 23% following their participation in Eurostars



# Eureka proposals for the way forward to FP10

## 1. Major challenges still to be addressed

**Relevance and reach:** Horizon Europe and FP10 should further strengthen innovation capacity within industry, and particularly among SMEs. As industrial innovation propagation is what leads to economic development, the NEIA focus should be expanded to a wider spectrum of innovations and the diffusion of breakthrough technologies throughout the economy. Partnerships can contribute significantly to improved access to finance and business acceleration services by aligning resources and supporting exchanges across ecosystems. Through Eurostars, Innowwide, and other Eureka programmes, Eureka and its European Partnership on Innovative SMEs are well positioned to address this challenge.

**EU-wide approach:** The latest European [Innovation Scoreboard](#) shows the need for strengthening innovation capacity in over half of the EU Member States. This can be achieved by actively encouraging participation from widening countries in collaborative projects, leading to technology transfer and cooperation along value chains, while keeping focus on excellence. Horizontal Partnerships such as the European Partnership on Innovative SMEs can support this goal, as they are easily accessible to countries with limited resources to invest in Partnership participation. The same applies to small business participation. This contributes to European competitiveness and the balance between innovation leaders and underperforming countries.

**Competitiveness:** Half of European businesses are not active beyond national borders. Since 90% of global growth originates outside the EU, the fact that so many companies struggle to access foreign knowledge and markets puts Europe at a disadvantage. The internationalisation of SMEs and larger companies' research, development and innovation activities must be prioritised under FP10. Prioritising internationalisation would support European businesses to access knowledge, and diversify partners, financing and entry into global markets, spurring their growth, as well as the EU's open strategic autonomy. Opening and deepening the co-innovation collaboration opportunities with like-minded international partners would contribute to the growth of EU companies and ease their successful access into global value chains. Eureka is well suited to support the development of the international innovation ecosystem that is needed to interconnect with Horizon Europe.

## 2. Roadblocks to be tackled under the current and future framework programmes

**A need for sustainability and a long-term approach:** Submitting collaborative project proposals requires significant investment by SMEs; providing them with regular and predictable calls is therefore important as well as a simple submission and reasonable chances of success. For the partnerships, more agile contracting and management mechanisms would reduce uncertainty and risk - allowing development of value-added for beneficiaries.

**Improved regulatory framework:** Adapted rules and funding mechanisms that create effective partnerships – possibly with a model for a separate horizontal partnership programme. The one-size-fits-all approach to Horizon Europe regulations has moved several problems downstream and become a hinderance to efficient and effective implementation. A more nuanced approach would bring improvements to actions such as Eurostars and its beneficiaries, but also to other Partnerships.

**Enhanced synergies:** Connections among the different components of Horizon Europe and, more specifically, the European Innovation Ecosystem programme, could benefit from further development. This is already happening, for example, through the Fast Track to the EIC Accelerator, but more such collaborations should be sought and implemented. Improved synergies would serve to increase the framework programme's impact and reach along the whole value chain. Eureka, through the European Partnership on Innovative SMEs, has sought to create synergies with the EIC and other partnerships.



### 3. Elements of Horizon Europe that should continue in future framework programmes

**Value diversity of innovation funding:** As our longstanding Eurostars programme has demonstrated, European SMEs use Eureka funding programmes as a first instance of collaborative research, development and innovation, with the reassurance of working with national funding bodies embedded within local ecosystems and easy to access. Eurostars projects are often the stepping stone to kick-start their innovations and grow a consortium of trusted international partners, before advancing to larger-scale Eureka or EU projects - or private financing. The European Partnership on Innovative SMEs is one of the few SME internationalisation programmes that actively supports both collaborative projects (via Eurostars) and market exploration (via the Innowwide programme) with countries outside Europe, enabling market growth and value chain security.

**The European Commission in Eureka:** The active membership of the European Commission in Eureka remains key, creating important synergies between our programmes and the Framework Programme. The European Commission's membership not only ensures Eureka's cooperation with third countries is based on open and secure principles, in line with the [Council recommendation on enhancing research security](#), but it has also given Eureka visibility of EU policies in relevant areas. In turn, this allows Eureka to align its activities with EU priorities such as the twin transition and open strategic autonomy goals. The memorandum of understanding between Eureka and the European Commission further builds on this by adding new opportunities for collaboration and enhanced synergies. One example is the development of links between the European and African innovation ecosystems through the Innowwide call focused on Africa.

### 4. How to further improve future framework programmes

**Streamlined partnership processes:** To improve performance, simplifying implementation and lowering the administrative burden is essential. This could be achieved by having one grant agreement confirmed for the duration of the seven-year framework programme, which would encourage a long-term approach, lower administrative costs, give partnerships stability and flexibility to adapt to changing conditions, and allow spending to be carried over between years. This would benefit European SMEs by securing continuity of funding and the opportunity of regular calls with stable rules.

**Enhancing synergies:** Just as synergies are the backbone of innovation ecosystems, so are they in innovation policy. We encourage the creation of clear beneficiary pathways linking the European Partnership on Innovative SMEs and other Eureka programmes with activities and support mechanisms running under future framework programmes. The Eureka label, assigned to high-quality proposals, could be leveraged in a manner similar to the 'Seal of excellence', to establish efficient beneficiary pathways to the framework programme and other EU programmes. Cooperation with the Enterprise Europe Network could be strengthened by moving from ad hoc contacts to a longer term and stable footing; this would support the creation of high-quality consortia through matchmaking, improve project outcomes through peer learning and connectivity, as well as supporting outreach for beneficiaries in underperforming countries. Enhanced synergies between Eureka and the Framework Programme would reduce fragmentation in the innovation ecosystem, foster connections and drive beneficiaries towards the European Innovation Council and other relevant funding instruments. The joint ambition is to create additional momentum towards Europe's industrial and innovation ecosystem development.