



INTERIM EVALUATION OF HORIZON 2020 AND FUTURE FP9 CONTRIBUTION TO THE DEBATE

FOREWORD

As Europe's biggest programme to foster research and innovation, Horizon 2020 plays an essential role in strengthening European competitiveness and tackling societal challenges. It provides the unique possibility for excellent individual and collaborative research and innovation projects to generate true European added value for EU citizens.

This document intends to provide an Italian contribution to the ongoing debate about the interim evaluation of Horizon 2020 and to launch some first thoughts on the future FP9 with specific regard to:

- Rules for participation and dissemination;
- Structure of the programme;
- Research & Innovation;
- Synergies.

Section 1

RULES FOR PARTICIPATION AND DISSEMINATION

Horizon 2020 has demonstrated so far to be extremely attractive both for research organizations and enterprises. Despite its success, there is still room of maneuver for improvements, i.e. in the following fields:

- **Participant portal**

Further improvements of the Participant Portal are needed for it to become more “user friendly”, able to facilitate the search for funding opportunities (i.e. through

search with keywords), making clear the different sources of funding available. In this perspective, also the IT system must be improved, in order to avoid technical problems, as they create much confusion and delays.

From a wider point of view, a comprehensive common portal for all EU R&I initiatives and a more effective search solution providing a semantic search platform would facilitate consultation and help participants to understand which funding scheme is the right one for them. We also expect more support by the EC project officers in facilitating the guidance along the different mechanisms and topics.

- **Submission procedure - 1 vs 2 stage calls**

More simplification in the proposals submission procedure and less administrative burdens for participants, should be promoted. To this aim, two-stage calls did not always contribute to reduce the burden of the proposal preparation, nor always ensured that only best proposals were assessed at the second stage, allowing a more thought-out evaluation. Anyhow, the use of two stage calls should be always justified.

- **Evaluation procedure**

Despite a general positive assessment on timing and transparency, it appears essential to improve the proposals evaluation procedure, investing more resources and time in giving substantial, adequate and relevant feedback about the results of the evaluation. This is especially true in two-stage proposals where evaluators should write their feedback in such a way that it is easier to understand strengths and weaknesses of the short first-stage submitted proposal.

The accuracy of the Evaluation Summary Reports (ESR) – and of the evaluation process itself – should be enhanced to provide beneficiaries with an exhaustive feedback on their proposals. This is fundamental to plainly understand the reasons of failure as well as to improve the quality of projects through corrective actions.

The application of the excellence, impact and implementation criteria within the evaluation process is overall considered as positive, even if concerns linked to a sort of subjective approach on impact evaluation by the experts should be faced and given proper solutions. The impact criterion in pillar II and III plays an essential role in targeting the challenges EU faces but it should be defined in a clearer and more precise way.

As regards evaluators, a strengthened recruitment of experts with the right skills and competences should be pursued, as their expertise appears to be not always in line with the detailed technical depth of the proposals. We believe that only a thorough knowledge of the sector can enable the evaluator to understand if a project really has the potential to enter the market and to give an answer to real needs. A proper balance of the representativeness of evaluators (i.e. gender, academic/non academic sector) should also be ensured.

Furthermore, the consensus phase should be carried out not in remote modality but at the Executive Agencies' premises for all the evaluation processes.

- **Dissemination**

The dissemination of success stories should be further enhanced. Funded projects should be better exploited through other existing funding resources and follow-up activities, enhancing the dissemination of results deriving from excellent projects. In this context, easier access to project results should be ensured and more synergies among current actions and between funded projects and new ones should be encouraged through call for proposals.

Outreach communication to the general public needs to be further improved to reach a wider share of EU citizens for a true European added value.

- **Budget and types of funding**

It is essential to support research and innovation with more funding avoiding reallocation of H2020 budget to other initiatives or pilots not directly linked to H2020 priorities (e.g. EFSI).

Within this context, we underline the importance of maintaining a grant-based system for research and innovation. Grants for collaborative projects are the most important form of funding for R&I activities; focus on grants rather than financial instruments must be assured. Grants are fundamental for innovation driven projects, especially when innovation is particularly risky in terms of investment.

In any case, loans for R&I activities should be conceived as complementary and not as substitute to grants.

Section 2

STRUCTURE

Framework Programmes have considerably grown in size and complexity over the

years. In comparison to its predecessors, Horizon 2020 has made considerable improvements in terms of simplification and impact. Nonetheless, building on these positive achievements there is still room for enhancing the attractiveness and effectiveness of the Programme.

- **Pillars**

The three-pillar structure of Horizon 2020 has contributed to bring some clarity within the programme architecture; although it remains quite complex and not easily accessible, especially for new applicants, radical change should be avoided and this structure should be maintained.

The challenge-based and multidisciplinary approach of the ‘societal challenge’ pillar is fundamental to achieve the objective of smart, inclusive and sustainable growth in Europe and to deliver solutions with a direct impact on citizens’ lives. The focus on the key enabling technologies of the ‘leadership in enabling and industrial technologies’ pillar contributes to transfer knowledge to and strengthen the industry technological know-how and capabilities. Basic and applied research is essential in shaping and driving future innovations, although its impact may be less evident or measurable.

A reasonable balance between the three pillars should be ensured in terms of financial allocations.

- **Priorities**

The priorities of the Framework programme should continue to be aligned to EU policies and long-term objectives. As for the definition of the priorities, a systemic approach should be adopted, taking into account the interactions among different systems and value chains.

Considering the well-known budget constraints, resources should be pooled around a limited number of strategic priorities, thus enhancing the impact of the programme, contributing to create a lean and simple interface with applicants, developing critical mass and reducing over-subscription. Moreover, bottom-up approaches in the priorities setting should be used more often, strengthening the role of the Programme Committees and external expertise. A more coherent approach in the setting of priorities should be encouraged improving the governance of the process. Finally, considering its crucial role in addressing current and emerging societal challenges, interdisciplinary research should be further strengthened by adopting specific measures able to tackle existing barriers.

- **SME Instrument**

The SME Instrument has proved to adequately respond to the specific needs of small and medium enterprises and it has been successful in increasing their participation to the Framework Programme. Anyway, the extremely low success rates risk to discourage SMEs participation. Therefore, financial resources should be increased. Moreover, further attention should be given not only to disruptive innovation but also to incremental innovation.

- **Other instruments**

Joint Programming Initiatives, ERA-NET actions and other initiatives based on articles 185 and 187 of the TFEU are useful instruments to align national and regional research and innovation programmes. This is why these initiatives should be preserved in the future Framework Programme, after a careful evaluation of their achievements. Rules for participation of these initiatives may differ significantly from H2020 standard rules; often, this causes confusion and high administrative costs among applicants. An effort should be done to harmonize participation rules to the greatest possible extent. Moreover, these initiatives do not have high visibility and are often perceived as not very transparent. Action should be taken in order to make them more visible and easily accessible (eg. through the participant portal).

Section 3

RESEARCH & INNOVATION

Efforts made by the European Commission to strengthen the collaboration between academic and non-academic world, to promote the creation of innovation ecosystems and to address global challenges through the involvement of a wide variety of expertise are very much appreciated. In a context of weak economic growth, the EU needs a strong R&I policy focused on strategic investments involving all academic, economic and territorial stakeholders. This policy should contribute to the strengthening of research, both fundamental and applied, the use and exploitation of its results, the "industrial renaissance" and the response to major societal challenges.

- **Approach to innovation**

An open approach to innovation, both incremental and disruptive, must be promoted in order to foster an eco-system of enterprises (large, medium, small companies), startups, technology providers, RTD performers and universities, to facilitate an efficient access of new solutions to markets, research infrastructures and financing and to ensure economies of scale for deployment. A “value chain approach” to innovation, instead of the traditional approach where R&I funding tends to support isolated technology silos, should be privileged. The link between the public and private sector should continue to be encouraged and further promoted.

- **Collaborative projects**

Collaborative projects play an essential role in supporting inclusive innovation ecosystems: they allow for the creation of effective cross-border R&I networks based on successful synergies between academia, SMEs and large industries. Collaborative instruments should continue to be supported also in the future considering their strong European added-value. Furthermore, they should be conceived in order to ensure a proper balance between fundamental and applied research. Financial support should be distributed in a balanced way through out all the TRLs as, just to make an example, projects with intermediate TRL represent fundamental bridges between fundamental research and innovation. TRL definition should be integrated with guidelines and examples focusing on strategic value chains.

- **Topics**

A more targeted definition of topics could ensure more sustainable outcomes and reduce the high number of applications which is increasingly lowering the overall success rate.

Expected impacts should be described much clearer and adapted to the purpose and maturity of a project.

- **European Innovation Council (EIC)**

The reflection on the European Innovation Council (EIC) could be an opportunity for Europe to re-think its innovation approach and to develop an integrated EU innovation strategy, to be coordinated with other key EU’s policies along the “knowledge triangle”, improving inclusiveness and European added-value. Looking forward to receive more precise indications about the EIC, a large definition of

innovation should be considered and the EIC should support both product & process innovation, including new business and production models and address all type of companies (large, medium and small enterprises, start-ups).

Looking at supporting either the generation of new businesses developing high added value products (risk-taking, high-tech and knowledge intensive SMEs and industries), and the reconversion of existing 'traditional' businesses into innovation-driven companies, the EIC should operate mainly on the basis of a bottom-up approach with no thematic topics and support projects, which aim towards both incremental and breakthrough innovation, from start-ups to scaling up of innovation. Any duplication of roles already performed by other European, national or regional bodies should be avoided.

Section 4

SYNERGIES

Better integration between H2020 and other R&I funding programmes should be enhanced, in order to avoid overlaps and optimize available resources. **Synergies between H2020 and other EU funding programmes** are especially relevant when **research results need to be valorised/exploited on the market**.

- **ESIF and H2020**

Resources from European Structural and Investment Funds (ESIF) should support the exploitation of the research results. The attractiveness of synergies could be enhanced by exempting ESIF funding from state aid legislation when combined with funding from the R&I Framework Programme, which is already exempted from this regulation.

Regions represent the best level to bring coherence and connect the actions of academic stakeholders, research centers, clusters and businesses with European research and innovation policy. Managing authorities of European Structural and Investment Funds are well-placed to contribute to the synergies encouraged by the European Commission. However, the differences in criteria (e.g. State aid) limit the possibilities for the stakeholders to combine ESIF and Horizon 2020 funding.

An increased coordination could contribute to maximise the impact of H2020 if problems deriving from different funding mechanisms will be solved and alignment among rules for participation, selection criteria and timing will be ensured.

In any case, combining funding from ESIF and H2020 within one project should never become mandatory, given that simplification achieved in H2020 should be preserved and the availability of ESIF funding is too unevenly distributed across Member States.

- **Seal of Excellence**

Concerning the Seal of Excellence, it could contribute to achieving more synergies if fully implemented. In this sense, it appears essential to:

- Provide beneficiaries with an accompanying letter to express the real potential of SoE, better clarifying how it can be used (reference to regional and national call, VC etc.);
- Improve awareness among third financial parties (business angels, VC...);
- Publish the names and the project abstracts of SoE beneficiaries, in order to increase their visibility;
- Provide national or regional institutions with the lists of the “above threshold SMEs/projects”
- Improve collaboration with European financial institution such as EIB, EIF.

- **Financial instruments**

Regarding synergies and complementarities with innovative financial instruments, a study on the actual capacity of national credit systems should be launched.

Financial instruments (such as InnovFin and COSME implemented by EIB and EIF, EASI) are not always able to achieve the expected potential impact, because of several reasons including lack of visibility and insufficient awareness. It is therefore important to ensure that the right framework conditions are in place in all EU countries to take advantage of these financial instruments.

Created in 2011, GIURI is an informal platform of more than 50 Italian Brussels-based representation offices representing research organizations, business organizations, national/regional institutional bodies and financial intermediaries, actively dealing with EU R&I policies. GIURI promotes knowledge exchange, joint actions and cooperation between its members in order to strengthen R&I performance of the Italian system and enhance its capacity to successfully participate to EU funding programmes.

This contribution to the ongoing debate on the interim evaluation of Horizon 2020 and future FP9 may not reflect the position of individual GIURI members.