



BusinessEurope comments on Horizon 2020 Interim Evaluation

The present paper outlines the views expressed by BusinessEurope members based on their direct experience with Horizon 2020.

In light of the simplification effort initiated by the European Commission and the current interim evaluation process, BusinessEurope aims to convey the following main observations.

1. Evaluation process

Use of excellence, impact and implementation

The application of the excellence, impact and implementation criteria within the evaluation process is overall considered as positive. However, the impact is sometimes difficult to evaluate. Since Horizon 2020 tends to reach a good balance between research and innovation, all criteria should be clearly outlined and a monitoring system put in place. It is hence of utmost importance to emphasize the role of effective industrial, economic and societal exploitation; this should be taken into account in the evaluation system more firmly. The dissemination of success stories is equally needed.

Quality of feedback from evaluation proposals

The experience shows the quality of feedback varies from sector to sector. The accuracy of the Evaluation Summary Reports (ESR) – and of the evaluation process itself – should be enhanced to provide the beneficiaries with an exhaustive feedback on their proposals. This is fundamental to plainly understand possible reasons of failure as well as for corrective actions required to improve the quality of proposals. In some cases ESRs give clear justification, but in other cases it fails to bring substantiated and specific reasoning.

The involvement of industry-based evaluators should also be strengthened. We have to ensure a sufficient pool of specialists for the evaluation process. The expertise of the evaluators appears to be not always in line with the detailed technical depth of the proposals. This includes a proper balance of the representativeness of evaluators and fair application of conflict of interests' rules.



Time to grant

Significant improvements have been noted when compared to the Seventh Framework Programme. However, enhancements are still needed, especially in terms of the two stage calls. In addition, when granted successful applicants face too long time to start the project.

Accounting rules

With regard to the approach on cost claims and eligibility of direct and indirect costs, the simplification effort and results is appreciated. However, the calculation of productive hours has become more complex and the eligibility of internal invoices (from the same companies but another business unit) is extremely difficult to proof. Here it would be easier to treat internal invoices like external invoices. Also, the flat rate for real indirect costs introduced an additional accounting requirements, deviating from the usual accounting principles of the beneficiary. As a general principle, accounting rules must not change within the project duration. Public guidelines on the Participant Portal, with a clear and concise explanation of the costs' categories, would also help the project costs planning.

2. Balance between research and innovation



The three Pillars

In order to ensure the right balance across the research and innovation chain, from fundamental to market-innovation driven research, a reasonable equilibrium between the three funding pillars within Horizon2020 must be maintained.

Technology Readiness Level scale

The introduction of the TRL scale has been perceived as a major improvement in Horizon 2020. Using such scale allows better positioning of proposals and helps companies to see whether their ideas and concrete activities fit into the framework programme. However, there are still some concerns. The TRL scale is not applicable to all technologies and the system to apply the TRL-X is not sufficiently clear. To indicate the start and the aimed end in all calls is warmly recommended. In this regard, explanatory guidance would help. To deploy the results in the market, an increased focus on support to close-to-market activities – industrial research projects with high TRL – would also be welcomed.

Public Private Partnerships

Despite diverging experiences with specific PPPs, we perceive their positive role, allowing players in a specific technology field to unite and cooperate. However, the oversubscription remains one of the key concerns as combination to a relatively low budget available for PPP calls results in a low success rate. Therefore, we would support more partnership opportunities beyond PPP call topics (e.g. Factories of the Future) within Horizon 2020 programme. More efforts are needed to bridge the gap between public and private sector.



Joint Technology Initiatives (JTIs)

JTIs revealed to be valid tools to boost innovation along the value chain and foster collaboration between sectors. For example the Electronic Components and Systems for European Leadership (ECSEL) benefited from a direct involvement and co-financing from the Member States and helped to implement the European Research Area (ERA) in the domain of electronic components and systems. However, the governance structure of JTIs should be manageable, as lean as possible and reflect national standards.

Fast Track to Innovation

Fast Track to Innovation Pilot Phase brought overall positive outcomes. It proved to be attractive for start-ups and SMEs as well as for large industries. While oversubscription is still experienced, the bottom-up approach and the thematic openness is appreciated. To maintain and increase the support to such initiatives close to the market is important for growth and jobs creation.

3. Success rate

Design of the calls

The number of calls within the various Horizon 2020 programme lines should be more narrowly defined; in addition, the calls need to be sharpened with a more defined thematic focus. The content of calls should be open as to technology and/or solutions but formulated in a consistent and unambiguous manner. Current design of the calls is significantly affecting the experienced oversubscription issue and low success rate.

Two-stage proposal procedure

In principle, the two-stage procedure introduced a useful tool to pre-select proposals for a more efficient use of the resources. However, the first stage should be more selective, leading to a higher success rate in the second stage. There is also a risk of inconsistencies between the stage 1 and 2, as the second stage is sometimes a brand new evaluation process, run with new metrics.

SME instrument

The SME Instrument represents a good opportunity for high-innovative and market-ready SMEs. It has proved to adequately respond to the specific financing needs of innovative SMEs when compared to previous framework programme. It also allowed several first-applicant SMEs to approach and receive the EU funding in a relatively easy way. However, some improvements are needed in order to make this tool more effective, in particular with regard to the evaluation process. Communication about success rate and profile of potential participants should also be improved.



Synergies between EU funding programs

Increased coordination and strategic alignment with other EU programmes could contribute to maximise the impact of Horizon 2020.

In particular, the Seal of Excellence is a quality label with high potential in supporting the search for alternative funding. However, it needs to become more effective and be extended to other funding schemes. This includes means to better clarify its use in connection with regional and national calls, improve awareness among third financial parties (such as business angels) as well as the collaboration with European financial institution, notably the European Investment Bank and the European Investment Fund.

Grants for collaborative research & innovation are important form of financing innovative projects and we should therefore avoid reallocation of funds to other financial instruments.

4. Preliminary comments on the European Innovation Council Pilot Phase

With a view to the incoming Pilot phase of the European Innovation Council (EIC), BusinessEurope wishes to address the following preliminary observations.

The EIC could contribute to the enhancement of the European funding schemes, maximising the impact of innovation projects by playing a strategic role in order to simplify the access to the financial instruments. The EIC could also promotes synergies between different types of public funding scheme (local, regional, national, European), as well as with private funding, without jeopardizing the simplification achieved in Horizon 2020. It could eventually encourage the use of a balanced mix of financial instruments, such as grants and loans.

However to be successful the implementation of the EIC should not contribute to a rigorous split between EU research support and EU innovation support. This would imply a fragmentation hampering public-private collaboration of universities and RTOs with companies, irrespective of their size, along the innovation chain.

The EIC should not introduce an extra governance layer on top of the existing instruments and their management structures, as for example the European Institute of Innovation and Technology (EIT) and its Knowledge and Innovation Communities (KICs). An alignment of the EIC with parallel initiatives, as for examples on start-ups, would be also desirable to undertake harmonized and consistent approach.

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