CDTI POSITION PAPER - HORIZON EUROPE INTERIM EVALUATION

The aim of this position paper is to contribute to the Horizon Europe interim evaluation process. Horizon Europe (HE) has proven to be a bold support to researchers and innovators across Europe. Being the largest R&I Programme in the world, it successfully fosters excellence and supports its valorization considering the needs of very different stakeholders. The Spanish Innovation Agency, CDTI, considers HE as a key competitiveness tool, which deserves an in-depth analysis based on its experience.

The main conclusions of this analysis are presented hereafter as suggestions for improvement which should contribute to the success of current and future EU R&I Framework Programmes.

GENERAL COMMENTS

- The budget allocated to Horizon Europe must be exclusively devoted to support its Research and Innovation activities. This should be a red line for all parts. Over the last years there have been some initiatives that have tried to use part of the HE budget for activities different to Research and Innovation, deviating from the agreement reached in the MFF and HE Regulation. Any measures aiming to introduce new political priorities or initiatives impeding the implementation of the Strategic Plan must wait until the following programming period.

- The specific case of Cluster 3. In the past 3 years, Europe has faced the worst security-related challenges in decades (e.g., Geo-political and security challenges such as the Ukraine war, migratory crisis, COVID-19 pandemic, terrorism and organized crime, fake news and disinformation). These current and future challenges, justify more than ever the continuation of an independent stand-alone security research and innovation programme with an adequate budget to ensure a proper security framework for EU citizens.

- Horizon Europe's structure was one of the main changes compared to its predecessors, mainly focused on Pillar II and its Clusters. This new Pillar organization aimed for more interdisciplinarity, more interactions among themes and reinforced synergies between them. In practice, this rearrangement has created a problem at management level. Indeed, big clusters are impossible to manage from a single Programme Committee configuration, having to take decisions on very different and critical areas without enough information and discussion. The initiatives taken to overcome this problem (e.g., creation of specific groups) have added complexity making impossible to reach an acceptable level of interaction. Proof of this has been the problematic approval and adoption of the Horizon Europe 2023-24 Work Programme.

- Co-creation was a term used since the beginning of the Programme that has come up recurrently while talking about Horizon Europe. In this sense, many new ways to discuss and participate in the management of the Programme have been put in place, some towards involving society or new stakeholders from outside the usual participants, and some involving different units from the European Commission. However, the level and

quality of discussion between the EC and Member States (and Associated countries) has decreased during these first years of the Programme. To improve it and maintain the needed interaction must be a common goal tackled from all sides.

- In addition, the pandemic has also added some problems when organizing the discussions within the different Programme Committee configurations. Although physical meetings have resumed, the use of hybrid formats should be enlarged recalling that the real added value of physical discussions relays on personal contact.

ADMINISTRATIVE PROCEDURES AND IMPLEMENTATION

When it comes to administrative procedures and implementation actions, HE is a continuation of Horizon 2020 which is very positive, especially for experienced organisations that are used to participating in the previous Framework Programme. However, we would recommend a few improvement measures:

- The rise in size of both budget projects and consortia lead to an increase in the administrative and management burden which makes it difficult for participants to focus on research issues. Furthermore, bigger size does not necessarily mean higher impact.

- Topics funding only one project should only be considered when duly justified (e.g., CSAs or big demonstration projects). A broader use may hinder competition.

- The limitation on the number of pages for the submission of proposals is not useful as a simplification tool. There should be more flexibility in terms of project size, objective, etc., and not only determined by the type of action.

- The funding and tender opportunities portal is a very useful and well-operated tool. However, due to the integration of many different EU programmes, it is still difficult to find the right calls for proposals.

SIMPLIFICATION AND PARTICIPATION

- Simplification was one of the main principles of HE but we consider that despite achieving further simplification in the management of the Programme, it has not reach yet the participants.

- The above-mentioned structure of Pillar II and its Clusters have created a new difficulty for participants. Work programmes are too long and difficult to understand and it is complex to find the right call for proposals and understand its conditions.

- The increasing obligations to address horizontal, and especially political issues, complicates the preparation of project proposals. In Horizon Europe the length of proposals has been reduced, the technical description (part B) is shorter while the bulk of the proposal is to be devoted to cross-cutting issues (Open Science, SSH, interdisciplinarity, gender, data management plans, dissemination and exploitation plans, etc.).

- The establishment of the Corporate Model Grant Agreement could be considered as a simplification measure but as it covers many different programmes, it has become a complex and confusing document with many exceptions and especial cases.

- In addition, the Annotated Model Grant Agreement (AGA) is still an incomplete draft. This guidance document is extremely important to ensure legal certainty for participants in the implementation of their projects and a smooth running of the Programme. It should be published as soon as possible.

- Continuity of rules is of paramount importance. Simplification is a must, but at the same time, the focus only on helping new entrants to the Programme forces traditional participants to change internal procedures and implement new rules e.g., for the calculation method of personnel costs (daily rates instead of hourly rates, reporting period instead of annual/closed financial year) or the use of lump sums.

LUMP SUM

The lump sum model aims to simplify the implementation of projects. In this sense, this model is useful for some type of projects, especially CSAs but not clear yet its positive impact when it comes to bigger projects with low TRL levels (or far from the market). It should not be used as the main cost reimbursement option.

- Lump sum requires more effort at proposal preparation level.

- Lump Sum implies a closer follow up from coordinators in order to assure payments in due time for the consortium and therefore, more administrative and management work than other financial models.

- The lack of financial reporting in the lump sum model may be a simplification for project and programme managers but most, participants still need to maintain their current obligations under their own countries' financial legislations, and therefore this simplification is limited.

- The first Lump Sum audits are still to come and therefore, its success and simplification potential is not clear yet.

- Although one of the objectives of lump sum is to offer newcomers easier access to Horizon Europe, many participants tend to participate with well-known partners when using this model, mainly due to its uncertainty.

EVALUATION

The time taken to evaluate proposals is adequate in general terms. The process is robust, and the timing can be considered fit for purpose, but there are still some possible improvements pending:

- The feedback received from the evaluation is in general clear and informative. Evaluation Summary Reports (ESRs) are informative but need a thorough analysis to take conclusions. Incoherencies can still be found in issues like TRL interpretation among different ESR and calls. There is room for improvement in the homogenization of ESRs.

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- Experience with rebuttal procedures under Horizon Europe, although limited, is considered positive, as it adds transparency and further information to participants. However, time of response provided to coordinators is very short and should be revised, especially when large consortia are involved.

- The time taken to sign the grant agreement is considered adequate in general terms. However, in the case of projects close to market, e.g., involving demonstrators, this timing is critical, and it should be kept to a minimum.

- As a concern for the near future, Blind evaluation may be reconsidered, as it is adding burden in the proposal preparation phase, while the benefits of its implementation are not clear. Many uncertainties arise about how experts will interpret it during the evaluation.

PILAR III

- More time and analysis are needed to assess whether the creation of Pilar III has strengthened R&I impact in Europe. Visibility of the budgetary effort to take ideas to market has been increased but more stability of Pillar III conditions and calls is needed in order to offer a sound and stable support comparable to the ERC.

- Due to an original EIC Fund design incompatible with Horizon Europe regulations, the start of its operations was held up by the EC until Q2 2022. This delay has resulted in an inacceptable backlog of Accelerator projects since 2021 until now. More than 2 years of delay in the projects devoted to boost European Unicorns, has indubitably hampered the impact of Pillar III in the first half of Horizon Europe. This situation must be taken into account in the future planning and corrective measures have to be implemented as soon as possible.

- In addition, budget devoted to smaller collaborative projects in lower TRL is considered by participants to be low in Horizon Europe in general and in Pathfinder/Transition calls in particular.

STRATEGIC PLANNING

- Strategic Planning could be considered a useful tool for steering political objectives. However, it must be implemented in a simple way to be understood and easily applied in projects by participants.

- The Horizon Europe Strategic Plan 2021-2024 helped orienting work programmes and calls for proposals, however it is complex and difficult to understand for participants. In particular the translation of the political priorities to the work programmes, calls, topics and projects is a plethora (jumble) of concepts: key strategic orientations, impact areas, expected impacts and destinations. Somehow, it is not a simplification but, on the contrary, adds another layer of complexity.

MISSIONS

- The concept of Mission has been widely explained by several stakeholders involved in the management of Horizon Europe, but participants have found it confusing and hard to understand. In many cases it has been received as a part of the Programme not directed to participants in general.

- By definition, Missions are initiatives linked to research and Innovation and beyond. However, for the moment, they have only received direct financial support from Horizon Europe. In order for Missions to reach the envisaged objectives is of utmost importance that other European Programmes contribute to their implementation.

- In case these contributions are not put in place, there is a risk to support activities not directly related to Research and Innovation using budget devoted to Horizon Europe. This should be avoided at any cost.

- Although it is not clear that all Missions are on track to achieve their objectives. It is noteworthy that in those fields where political support is needed, Missions have demonstrated to be a useful instrument.

EUROPEAN PARTNERSHIPS

- The reformulation exercise realized at the definition of Horizon Europe was necessary, but looking at the final result, the objectives are still far from being reached. More efforts should be devoted towards rationalization, both in terms of number of initiatives and the homogeneity among them.

- In this sense, the differences in the implementation of individual initiatives create a burden for participants, especially for newcomers. This is more significant in co-funded partnerships.

- It is important to keep on analysing the real necessity to have a partnership in a given area. In some cases, it is not clear the added value provided by these initiatives compared to what may be reached using regular Horizon Europe calls. There is a risk that the creation of partnerships is used just to guarantee a defined budget for a certain area, in particular in big clusters.

- From the point of view of potentially interested entities, the participation in European partnerships implies investing additional efforts in positioning themselves within the initiative. This may create a situation where those efforts may be subtracted from those that should be devoted to R&I activities and the participation in the calls.

- The limitation of using 50% of the budget from Pillar II in Partnerships should be taken as a ceiling, not as an objective.

- The continuous proliferation of these initiatives, especially those requiring co-funding from Member States and associated countries must be avoided. In fact, many member states do not have enough resources to participate with full involvement in all partnerships, and therefore, in some cases, the innovation breach may be increased.

In particular, each type of partnership is facing different issues:

Co-funded:

- In most cases the rules of procedure have been developed at the same time as the implementation itself. This situation has created great delays and uncertainties. The first definition of this kind of partnerships was simple and straightforward, but at implementation level many problems arose that had to be solved through temporary measures or improvisations.

- Possible conflicts of interest is a sensible matter yet to be solved.

Co-programmed:

- The big similarities between these partnerships and regular calls have eased the implementation process and most of them were launched at the envisaged moment.

- Industry participation may be affected due to the decrease in the percentage of funding (60% reduced funding rate) as the instrument becomes less attractive than regular calls. This is especially important when considering a complex industrial scenario (e.g., inflation rate, supply chain disruptions) and the efforts that industry members already committed in these partnerships.

Institucionalised:

- It is necessary to keep on improving the transparency and openness of these initiatives. For example, mandatory entry fees for participants or percentages retained from the grants to support the common services, create a bad image of the instrument as a whole.

- Including EIT KICs in this group was only an exercise of nomenclature. Their reality, rules of procedure and the objectives pursued are completely different.

SUPPORT SERVICES

- The NCP support services during the different editions of the Framework Programme have been developed and fine-tuned. To keep these first quality services and even reinforce them is a common responsibility that must be assumed by all parties.

- In this sense, it is necessary to improve the interactions between the Commission and its Executive Agencies with NCPs and ensure that information flows both ways. NCP Trainings are a very important tool to build this relationship and must be carefully planned.

- In addition, it is also important to reinforce the quality of the direct interaction between the Commission and participants. Information days in Brussels must be an opportunity of exchange and thus it is important to get back to the presential version of these events.