



Horizon 2020 evaluation,  
Horizon Europe interim evaluation  
Horizon Europe Strategic Plan 2025-2027

Preliminary remarks and comments for the public consultation

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## 1. Performance of the Horizon 2020 Programme (ex-post evaluation) and Horizon Europe Programme (mid-term evaluation)

**Horizon 2020 and Horizon Europe have provided fundamental funding sources for projects that would have not been financed otherwise.** This applies especially to some Italian regions where ERDF funds did not provide for the possibility to finance European Seal of Excellence awarded projects (deriving from the SME Instrument/EIC Accelerator) and where, consequently, alternative financing means did not simply exist.

**However, in both programs some factors still prevent the participation of potential beneficiaries:**

- cumbersome implementation of the projects;
- too low success rates discouraging applications;
- difficulties in finding project partners;
- concerns about sharing valuable knowledge with partners;
- too broad project topics, too broad partnerships required by the topics (too many partners), limited consistency with R&D&I of companies.

**It is worth mentioning that, compared to Horizon 2020, it is easier to find information on Horizon Europe's calls for proposals.** The centralization of information and proposal submission tools in the Funding & Tenders opportunities Portal is certainly helpful, but the portal remains a tool for "insiders", not very "user friendly". The open call/cascade funding section appears often not updated and should be improved. The EU funding programs landscape is increasingly complex, hence it is essential to increase the efforts to map and simplify it in order to allow for a better understanding of all instruments, their scopes and objectives.

## 2. Implementation and administrative procedures

The drafting of a project requires more and more resources, it becomes more and more time consuming and financially heavy. **Therefore, it appears essential to foresee the possibility of covering, at least partially, the costs related to the preparation of a project proposal for the projects that has been funded.** For instance, it could be envisaged to finance such costs as a percentage of the direct cost of the project.

**Administrative burden for applicants and participants should be further reduced.** To this end, enhancing the use of the lump-sum funding mechanism for small scale projects and the two-stages proposal submission procedure should be envisaged. The cascade funding mechanism is another useful instrument to enable companies, particularly SMEs, to submit innovative ideas and become part of European networks operating in research and innovation ecosystems. However, the cascade funding mechanism needs to be clarified: in particular, it is essential to ensure and guarantee that the beneficiary companies will receive the expected funding.

### 3. Synergies and complementarities

**It is imperative to further complement and reinforce the links between Horizon Europe and structural funds.** Regarding the ERDF, in some Italian regions it is not yet possible to make an assessment about the implementation of synergies with Horizon Europe, due to the long process of defining, negotiating, and approving the Operational Regional Programs (the publication of the first calls is expected in the first half of 2023). In any case, the Regional Programs, finally approved last October, do not seem to allow for the desired synergies. In general, it is important to ensure effective implementation of synergies through an increased coordination between DG Regio/DG RTD and the managing authorities at the different national levels.

Always with a view to activate more synergies, **it would be interesting to properly look at the Missions** of Horizon Europe which have the potential to channel research and innovation strategies and activities developed at different levels toward shared European objectives.

**The 2021-2027 EU programming has established new funding programs, such as Digital Europe and the Innovation Fund.** Such programs add important pieces to the innovation landscape. It is therefore essential to also improve and increase synergies between these new funds and Horizon Europe, as well as between Horizon Europe and other funding programs, such as LIFE, the European Defence Fund, the Single Market Programme, InvestEU, and the Recovery and Resilience Facility; this is crucial to allow the innovation ecosystem to strengthen and structure itself more broadly.

**It must be recognized that the landscape of the EU funding programs appears more and more complex. Therefore, new mechanisms to guide and advise the potential beneficiaries should be envisaged.** With a view of better orienting applicants, the role of the Executive Agencies should be reviewed. **The latter should deepen their specialisation and competence on specific sectors and themes and enhance their capacity of indicating which EU program and respective instrument (among those programs and instruments that operate and finance projects in a same sector) better respond to a given need.** Moreover, executive agencies should rely on internal thematic experts, who should be specialized on very specific topics and be able to manage the interdependence between programs. In addition, they should guide potential candidates creating networks of experts able to support applicants both in the proposal preparation and project implementation phases. This is particularly important for SMEs, which do not have the resources that large companies have, and which struggle in orienting themselves in the complex landscape of the EU funding.

### 4. Focus on Pillar II: Public-Private Partnerships in Horizon Europe

**Public-Private Partnerships**, including Joint Undertakings, are generally highly valued by companies, which perceive them as a key tool to support European industrial policy. Indeed, over the past years, partnerships have enabled a significant involvement of the private sector. Through partnerships, and particularly through Joint Undertakings, it has in fact been possible to finance even large demonstration projects (first-of-a-kind or pilot line) and, more generally, projects with high TRL. Partnerships are also a useful tool for activating and making the most of the industrial European value chains defined at EU level.

Progress have been made in the 2021-2027 programming of Horizon Europe by streamlining the landscape of partnerships, but some criticalities remain and do not yet allow the full use of these important tools. In particular, critical issues and suggestions for improvement are:

- Risk that the large number of existing Horizon Europe partnerships (despite the rationalisation effort, 44 partnerships still operate within Horizon Europe) could lead to a dispersion/fragmentation of the resources and to a lack of quality, clarity and transparency about the role of each Partnership.
- Lack of synergies with other European and national programs and instruments. For example, it is necessary to simplify the rules of JUs and harmonize them with the different national eligibility criteria and contractual procedures; this would enhance the impact and simplify the life of R&I actors, in particular SMEs.
- In the first call for proposals of some JUs published during the first two years of Horizon Europe, the total amount of the resources assigned to finance the projects has been lower than the total available budget; this happened due to two main reasons: some calls remained open for only 4 months; large companies did not participate enough due to the availability of other financing programs/instruments (e.g., IPCEI, National Recovery and Resilience Plans, national instruments). Therefore, it is important to better calibrate the budget to assign to specific call for proposals.
- Calls are still very complicated to understand especially for newcomers; the funding rate of the JUs is often perceived as too low compared to other instruments of Horizon Europe.
- Regarding co-programmed partnerships, a harmonization of the internal procedures and services of the different private associations leading the partnerships is necessary.
- Executive Agencies should be better equipped and should have more support capabilities, in order to ensure more coherence and synergy among the different funded projects.
- Regarding EIT-funded partnerships, more clarity is needed on how the first and second wave of KICs will manage the phasing out of European funding.
- It is necessary to further reinforce the harmonization and the synergies between the various KICs, in fact this effort is still not fully perceived by the different stakeholders. For example, it is still very complicated to understand the annual call for proposals of the various calls published by the KICs.

## 5. Focus on Pillar III: the European Innovation Council and the European Innovation Ecosystems

The European Innovation Council (EIC) is aimed at supporting the development and commercialization of high-risk technologies; therefore, it was created with the ambition to combine research on emerging technologies with acceleration tools for start-ups, SMEs and scale-ups, making the Commission itself the largest deep tech investor in Europe.

EIC's financial instruments were constructed by drawing inspiration from the U.S. Defense Advanced Research Projects Agency (DARPA), **thus overly constraining the characteristics of the European market, predominantly made up of SMEs and with a capital market that is not yet sufficiently mature.**

In particular, the EIC Accelerator instrument, for which both grant and equity measures are envisaged, has suffered from the **cumbersome and non-linear process of building and managing the EIC Fund.** Indeed, the EIC Fund immediately revealed the unpreparedness of the

European bureaucratic system to manage an instrument that must be flexible and autonomous. The implementation of the Accelerator has suffered from extraordinary delays due precisely to the difficulty of identifying a management system that was compliant with European regulations but at the same time adequate to manage the risks involved in such an investment instrument.

The legitimate aspirations and ambitions of the EIC therefore clashed with limitations related to the way instruments were implemented. **Some critical issues are:**

- In those countries where venture capital is weak, companies struggle to get funding from the EIC. This is due to the fact that preference is given to companies which already have relationships with investors.
- The European Commission's uncertainties about how the new fund will be managed have resulted in delays in funding the winning projects. After an initial phase, the Commission signed an Investment Advisory Agreement with the European Investment Bank (EIB), requiring the latter to play a role (including performing due diligence) that did not fully fit its remit. It also identified an external private manager for the Fund (Luxembourg-based Alter Domus), who will make decisions on investments independently. In addition, the involvement of the EIB and the external manager represents a transitional solution.
- The EIC instruments currently provide for both open and challenge-driven funding. The process of identifying the challenges has become more inclusive and data-based, but greater involvement of Member States in identifying themes would be desirable as well.
- Program Managers actively manage wide portfolios of funded projects and build relationships with various relevant stakeholders. PMs are responsible for identifying, developing and implementing the business potential identified in projects to create new markets. However, the role of PMs is actually not clearly defined: indeed, they also intervene in the evaluation phases of projects and in the identification of challenges.
- Work Programs are exclusively focused on the concept of deep tech, penalizing those innovations that are not strictly technological and failing to achieve the objective of supporting "all kinds of innovation", as stipulated in the agreements.
- Countless boards, working groups and digital platforms have been established. However, this complex landscape of tools does not facilitate the identification of policy and operational hubs, which are essential to develop the Programs themselves.

**The European Innovation Ecosystems (EIE)** were created with the aim of developing innovation ecosystems by strengthening their connections, making them inclusive and efficient so that they can support business scaling and stimulate innovation to address major global challenges. The budget available for this work program is inadequate for such objectives. Additional tools and resources should be put in place to enhance the capacity of territories to support the scouting and development of innovations.

## 6. Key lessons and messages for the future

**The different types of support made available by Horizon Europe do not always meet companies' needs.** Indeed, it is necessary to consider some adjustments to improve and foster the participation of industry (both large and small/medium enterprises), for instance:

- ambitious but more corporate-oriented R&D&I work programs;
- less broad research topics;
- smaller consortia for specific types of projects, along the lines of the Fast Track to Innovation

- instrument which operated in H2020;
- stronger focus on industrial uptake and KET-based market innovations.

Furthermore, **in order to promote and facilitate the participation of SMEs**, and since the EIC Accelerator has proven to be an increasingly competitive and difficult to access tool for more traditional SMEs, it is essential to foresee additional dedicated and easy to access measures for SMEs. Looking at the success of past financing schemes such as the Fast Track to Innovation and the SME Instrument of Horizon 2020, it would be desirable to introduce new financing instruments with a strong industrial vocation, in which SMEs would play a driving role, easy to manage, market oriented and bottom-up. It is also necessary to improve already existing instruments which are related to Horizon Europe, for example the Eurostars 3 (European Partnership on Innovative SMEs) instrument.