



HM Government

Interim Evaluation of Horizon 2020

UK Government Response

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Contents

Interim Evaluation of Horizon 2020: UK Government Response	3
Key messages.....	3
Priorities and objectives.....	4
Value of Horizon 2020	4
Programme structure and design.....	4
Clarity around instrument purpose	4
SME instrument and European Innovation Council	5
Implementation and process.....	6
Work programme design and implementation.....	6
Simplification	6
Progress so far	6
Areas for further improvement	6
Simplification of evaluation processes	7
Assessment of impact	7
International participation.....	8
Social Sciences and Humanities.....	8
Oversubscription.....	8
Conclusion.....	8

Interim Evaluation of Horizon 2020: UK Government Response

The UK Government welcomes the opportunity to respond to the Commission's consultation on the interim evaluation of Horizon 2020, and the thoroughness with which the Commission is conducting this exercise. It is right that we reflect on the extent to which Horizon 2020, as currently designed or with improvements, can further contribute to strengthening growth and competitiveness and other areas of EU policy. As well as the outputs of this public consultation, the UK Government looks forward to the recommendations of the High Level Expert Group on maximising the impact of EU Research and Innovation programmes.

Key messages

- Horizon 2020 is overall achieving its goals of promoting excellent research and innovation across all sectors. The balance of blue-skies research and user-driven, challenge-based research programmes appears largely satisfactory.
- The principle of excellence needs to remain embedded throughout the programme's design to ensure Horizon 2020 continues to have maximum impact.
- Efforts to simplify the programme and improve processes to reduce the burden on participants and attract new participants to Horizon 2020 are welcome, as is the commitment to continuous improvement through user input. The Commission should continue efforts to simplify the programme, such as improving audit and evaluation processes, and ensuring ease of access as the Commission considers how to meet its goal that the programme is truly "open to the world".
- The balance of funding between instruments and between pillars seems broadly right. However, more consideration needs to be given to ensuring "research" and "innovation" do not become siloed; this should include considering more effective mechanisms for pulling through low technology readiness level (TRL) work from the "Excellent Science" pillar into the medium and higher TRL work in the "Societal Challenges" and "Industrial Leadership" pillars.
- We have some concerns about the plethora of additional instruments, which leads to a complex landscape where synergies may be missed and duplications are possible. We need to ensure clarity for users along with clear evaluation processes that enable instruments to be discontinued if they do not add value or if their activity replicates that of other initiatives.
- The UK is looking forward to the development of thinking on the European Innovation Council and further exploration of how this will best support innovation across the whole value chain, in particular supporting SMEs through modifications to the SME instrument.

Priorities and objectives

Overall, the UK Government's view is that Horizon 2020 is contributing to wider European Union priorities such as the deepening of the digital single market, the circular economy and energy union. The UK Government values the collaboration fostered by Horizon 2020 thus far. The programme and its predecessors contribute to Europe's scientific and technological excellence and the focus on societal challenges helps ensure the relevance and real-world impact of research.

Value of Horizon 2020

The programme is generally well-regarded by the research and innovation community. Horizon 2020's success is built on the principle of excellence that underpins the programme. Although pillar one of Horizon 2020 is often described as the excellence pillar, it is not – and should not be – the case that excellence is confined to that pillar. Rather, excellence needs to remain the main driver of European research and innovation and should therefore be maintained at the heart of any endeavour to support European research and innovation. Put the other way, Europe cannot hope to compete in the modern world on the basis of second-rate research and innovation.

This does not exclude looking for opportunities to widen the pool from which excellent research and innovation can be derived. Horizon 2020 rightly has the goal of ensuring standards rise across the board and there is more to do to improve the reach of the programme, both across the EU and globally. This will only be achieved with the principle of scientific excellence as a decisive criterion for funding research proposals.

Programme structure and design

Our impression is that the current three pillar structure and design is generally well understood by participants, and the range of funding opportunities is welcomed by stakeholders.

Clarity around instrument purpose

However, Horizon 2020 is a complex structure, in particular when navigating satellite initiatives that are funded through it in addition to the three pillar structure. For example, the various types of Public:Private Partnerships, the European Institute for Innovation and Technology (EIT) Knowledge and Innovation Communities and Public:Public Partnerships ranging from Article 185s to ERA-Nets.

We acknowledge that the breadth and range of instruments offers flexibility in selecting the best instrument to meet the specific challenge. However, we need more effective information flows to help ensure that participants can take full advantage of the opportunities on offer, and those advising applicants are also better placed to make informed judgments.

Furthermore, there should continue to be full evaluation of all existing initiatives alongside clear processes to allow instruments to be discontinued when they do not add value, no longer add value or replicate activity of other initiatives. We recognise that these are difficult decisions to make. However, without bringing to a close less effective approaches resources cannot be released to tackle new research opportunities, policy challenges or business needs. This is why we need to build in clear evaluation processes from the start of new initiatives to ensure that those involved can collectively make the decision as to whether to continue or to bring an initiative to an end.

SME instrument and European Innovation Council

Overall, the UK Government welcomes the efforts made to include innovative SMEs fully in Horizon 2020, but feels that support for this type of participant remains fragmented and potentially difficult to navigate. More procedures need to be re-thought from the perspective of the SME customer, who will be very limited in time and resources. We are also concerned that the SME Instrument is artificially restrictive in requiring companies to submit their innovative ideas against the separate themes. This approach risks compromising SME's ability to pursue areas that cut across themes or target disruptive opportunities using multidisciplinary approaches. In this context, we welcome initial considerations from the Commission that point towards the SME Instrument becoming a truly market-driven instrument.

We understand that much of this support for innovative SMEs will become the responsibility of the European Innovation Council (EIC) for the period 2018-2020. To this end the EIC must:

- be informed by and responsive to company needs, recognising that over 90% of businesses have fewer than 10 members of staff.
- build on and add value to national initiatives geared towards generating innovative scale-up;
- be coordinated with other European level actions supporting innovative SMEs that may not be part of the EIC's remit, such as the EIT's Knowledge and Innovation Communities and Eurostars.

This will additionally help ensure the EIC can speak with authority as the "voice of innovators" during the development of policies and programmes that target or affect market-creating innovators. The support for SMEs focusing on disruptive innovation delivering value through market and job creation is welcomed by the UK. However, this should not mean excluding support for SMEs delivering incremental innovation which adds significant value to existing supply chains.

Implementation and process

Work programme design and implementation

The UK Government would like to thank the Commission for the work conducted so far to provide greater clarity and transparency in the structure of the current Horizon 2020 programme.

UK stakeholders value the two-year work programmes under Horizon 2020 as they provide essential visibility, as well as the support over the whole duration of the programme (seven years), whilst maintaining methods to retain flexibility to address new and emerging issues. UK stakeholders have suggested that an overarching calendar synthesising future calls throughout the lifetime of the programme would greatly assist participants with forward planning and enable them to take full advantage of the opportunities on offer.

It is difficult to guarantee project outcomes at the bid development stage. As such we believe that UK SMEs would welcome more flexibility around the predictability of outcomes. More flexibility is also required in the SME Instrument to allow SMEs to alter the direction of a project in the light of its early findings: the process for altering an initial contract is currently perceived as very long and complex.

Simplification

Progress so far

The UK Government welcomes the efforts made to simplify Horizon 2020 structures and the work that has been done to seek user input into process design, including the simplification survey that ran in 2015. We also welcome the continued efforts to reduce the time to grant.

UK stakeholders have consistently reported that processes have improved. In particular there has been positive feedback from users on how useful and user-friendly the Participant Portal is, and on the responsive approach taken to its design and improvement. The following aspects are seen as particularly helpful: the transparent and electronic grant agreement process, easy access to proposal templates, the budgeting form and the notification functionality. We have also welcomed the processes to review and amend the Model Grant Agreement although it might have been helpful for some amendments to have been made earlier.

Areas for further improvement

Areas for improvement that have been highlighted by our stakeholders include the acceptance of institutional accounting practice. The introduction of the monthly option for the calculation of personnel costs has been a very welcome development in this respect. UK stakeholders would also welcome a faster process for ethics checks and authorisations on projects that require such procedures (e.g. clinical trials) as these often cause delays of up to 6 months; fewer restrictions on internally invoiced costs; and greater clarity on third party costs (including subcontractors) and methods for calculating personnel costs.

To reduce audit burdens on participants, the UK would welcome consideration of a more risk-based approach to audits. For example, if a participant is new to the programme more checks and balances may be required of them compared to participants that have been involved in the programme several times and have robust systems of checks and balances in place at a national level.

We acknowledge that in many cases there will be no perfect solutions and it is right that the Commission experiments to find the most optimal solution on simplification. We also need to be aware of the risk of unintended consequences of simplification measures and act to address these where appropriate. For example, changes to introduce standard reimbursement rates for indirect costs have generally been welcomed. However UK businesses have fed back that, as a consequence, they are less willing to act as lead investigator on collaborative projects because of the lower reimbursement rates they receive compared to academic participants.

Simplification of evaluation processes

We note that the Commission is seeking to introduce remote evaluation of applications for the Marie Skłodowska-Curie Actions and Future and Emerging Technologies. This is a welcome experiment in reducing the time and cost of face-to-face meetings, but care will need to be taken to ensure this does not have an impact on the quality of evaluation, it has been suggested that bids do not receive the same amount of challenge in the electronic process as they would in face-to-face evaluation meetings.

The UK also supports the work to improve evaluation under the SME instrument, such as face-to-face interviews for Phase 2 grants, as long as those measures do not result in a longer lead time to the start of the project. Interviews should help to assess the capability and growth potential of the SMEs themselves, and avoid the issues that arise where proposals have been written substantially or wholly by consultants. As with all simplification measures it is essential to ensure that the Commission has the flexibility to continue to refine processes whilst avoiding unintended consequences.

Assessment of impact

The UK Government believes that more could be done is ensuring that Horizon 2020 has consistently good mechanisms in place to assess impact and to increase the visibility EU funded research.

For example, in the UK, a UK-wide exercise, the Research Excellence Framework (REF), is conducted every few years to assess the quality of research from UK universities, including impact. The assessment of Impact case studies was added to the traditional assessment of excellence in 2014, and accounts for 20% of the exercise. It is intended to recognise and to reward researchers and universities that have produced research which has real world application, and to encourage researchers to work with and spend time in industry and the wider economy. The impact element of the REF has contributed to an evolving culture of wider engagement between businesses and academia, thereby enhancing delivery of the benefits arising from research.

UK stakeholders have noted that involving participants in the design of the Societal Challenges pillar enhances the chances of achieving impact, through a greater contextual understanding of user needs at the programme development stage.

International participation

The Commission has acknowledged concerns that international participation in Horizon 2020 has fallen compared to Framework Programme 7, despite the Commission's goal that Horizon 2020 should be open to the world. The recent practical steps taken in the Implementing Agreement between the EU and the US seemed helpful. The Commission should consider further how to ensure that bureaucratic barriers do not prevent Horizon 2020 participants from bringing together global consortia with the skills necessary to address global challenges.

Social Sciences and Humanities

The UK Government welcomes the steps taken to embed Social Sciences and Humanities (SSH) throughout the Horizon 2020 programme, noting there is room for further improvement. To guarantee SSH elements are appropriately embedded within Horizon 2020 topics it is crucial to involve SSH experts as advisors at the outset of topic development and within the call drafting process. Topics within the programme are currently suitably broad to allow an interdisciplinary approach. However, UK stakeholders suggested that broadening the definitions of “innovation” and “impact” could help facilitate more genuine multidisciplinary engagement.

Oversubscription

The Commission has recognised the issues of oversubscription to the Horizon 2020 programme and made efforts to address this through the introduction of two-stage application procedures, where applicants pass through an initial screening stage and are able to proceed to the second stage with greater confidence that their proposal may be funded. We think this approach has value but it is not appropriate in all situations, for example, the two-stage procedure may have little impact on applicants proposing complex projects where substantial time and effort is required for the first stage. The UK Government would value exploration of alternative mechanisms to shortlist bids at earlier stages.

Conclusion

In conclusion, Horizon 2020's support for EU research and innovation can be maintained with a continued focus on excellence, simplification and robust evaluation.



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