

**STANDARD FORM OF EXPLANATORY MEMORANDUM FOR EUROPEAN UNION  
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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT,  
THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND  
THE COMMITTEE OF THE REGIONS**

**Horizon 2020 interim evaluation: maximising the impact of EU research and innovation Lessons learnt from the Horizon 2020 interim Evaluation and response to the recommendations of the High Level Group on maximising the impact of EU Research and Innovation programmes**

**Submitted by the Department for Business, Energy and Industrial Strategy on 29<sup>th</sup>  
January 2018**

**SUBJECT MATTER**

**Summary**

1. The document outlines the key findings and lessons learnt by the European Commission following an interim evaluation of Horizon 2020 programme's progress. This includes possible improvements for the future, including first responses to recommendations made by the Lamy High Level Group on maximising the impact of EU research and innovation (R&I) programmes.

**Background**

1. The report begins by highlighting the importance of R&I generally and Horizon 2020 specifically within the European Union.
2. The European Commission carried out its interim evaluation on Horizon 2020 three years into its implementation. Three further interim evaluations were carried out specifically covering the European Institute of Innovation and Technology (EIT), public-public partnerships (P2Ps), and public-private partnerships (PPPs).
4. As required by Article 32 of the regulation establishing Horizon 2020, the purpose of the document is to raise to the attention of the EU institutions the key findings and lessons learnt from the evaluation.
3. The interim evaluation was the basis for a report produced by an independent High Level Group on maximising the impact of EU R&I programmes, which was chaired by Pascal Lamy (Lamy High Level Group).

**Key Findings**

5. The report outlines a number of key findings from the Horizon 2020 interim evaluation. Overall, the European Commission believes that:

**I. Horizon 2020 is attractive and relevant;** participants from the best institutions and companies globally express strong satisfaction with the programme, while more than half of Horizon 2020 participants are newcomers compared to the previous Framework Programme 7 (FP7).

**II. Horizon 2020 offers unique collaboration and networking opportunities;** the programme has resulted in more interdisciplinary publications than FP7, with one in five of the programme's scientific publications the result of academia-private sector collaboration.

**III. Horizon 2020 is on track to contribute significantly to the creation of jobs and growth;** macroeconomic models project its socio-economic impact to be in the order of EUR 600 billion and 179,000 jobs by 2030.

**IV. Horizon 2020's has excellence as the core underlying principle which ensures quality;** patents produced by the programme are of higher quality and likely commercial value than others, and publications are cited at twice the world average rate.

**V. Horizon 2020's leap in simplification has paid off;** the simplification measures introduced as opposed to FP7 have reduced administrative burden and costs and led to a decrease in the time to grant, which has been appreciated by stakeholders.

**VI. Horizon 2020 has shown clear EU added value;** the programme benefits from economies of scale, compared to national R&I support, and does not displace national funding.

**VII. Horizon 2020 is delivering value for money;** the programme's overhead is lower than FP7.

6. The Commission suggests that individual evaluations of the Horizon 2020-supported partnership initiatives show their effectiveness at leveraging additional private and public funding and in aligning R&I priorities across Europe.

**I. The European Institute of Innovation and Technology (EIT) addresses structural weaknesses in the EU's innovation capacity and has added EU value by stimulating links between education, research and innovation across different global challenges.**

**II. Public-public partnerships (P2Ps) under Article 185 have created long-term R&I partnerships between research funders and governments and mobilised significant investment in transnational projects, e.g. Eurostars2 and Joint Baltic Sea Research Programmes (BONUS).**

**III. Public-private partnerships (PPPs) under Article 187 have engaged with industry partners in priority areas and contributed to competitiveness and EU policy goals, e.g. CleanSky2 and Bio-Based Industries (BBI). PPPs were found to have broadly achieved their goals, e.g. Factories of the Future (FoF), Energy-efficient Buildings (EeB).**

## Lessons Learnt

7. The Commission states that the main purpose of the interim evaluation was to improve the implementation of Horizon 2020 in its last three years (2018-2020). The evaluation will also inform the design of Horizon 2020's successor Framework Programme 9 (FP9), with some longer-term lessons already being tested in the final Horizon 2020 Work Programme for 2018 – 2020. The document provides a summary of the main lessons the Commission considers to have learned from the interim evaluation, with particular attention given to advice from the European Parliament and the Lamy High Level Group. These lessons are:

8. **Invest more ambitiously**; the Commission states that Horizon 2020 is currently underfunded with large-scale oversubscription and a success rate of only 11.6%, down from 18.5% for FP7. An additional €62.4 billion would have been needed to fund every proposal which passed the stringent quality threshold. In response to the interim evaluation, both the European Parliament and the Lamy High Level Group have called on the EU to allocate more funding to R&I and endowing FP9 with an increased budget.

9. **Continue simplification**; despite progress, the Commission thinks that Framework Programmes need to be simplified further. The Commission will pilot simplification actions during the last Work Programme of Horizon 2020. Subject to their success, further simplification actions will be pursued.

10. **Support breakthrough innovation**; The Commission intends on ensuring innovative companies are able to make use of grants and financial instruments to scale up more quickly than they current do so.

11. **Create more impact through mission-orientation and citizen involvement**; the Commission intends on ensuring citizens are more involved in future Framework Programmes with a focus on creating a greater impact, achieving better outreach and capturing the public's imagination.

12. **Increase synergies with other EU funding programmes and EU policies**; in future funding programmes, the Commission will seek to enhance synergies, bringing priorities across programmes more in line with each other, and giving co-funding schemes more flexibility in pooling resources at the EU level.

13. **Strengthen international cooperation**; third country participation in Horizon 2020 declined from FP7. The Commission intends on considering ways it can stimulate international cooperation in R&I.

14. **Reinforce openness**; less than 70% of publications produced in Horizon 2020 are available in Open Access, and so for future Framework Programmes the Commission will attempt to ensure all publications are openly accessible and all data Findable, Accessible, Interoperable and Re-usable (FAIR).

15. **Rationalise the funding landscape**; stakeholders have pointed out that the complexity of many instruments and initiatives may lead to overlaps. In response, the Commission intends to rationalise the different EU R&I funding schemes, with a future European Innovation Council (EIC) perhaps giving the opportunity to streamline the process. The Commission will also explore in the Impact Assessment

of the future programme ways of rationalising partnerships (including Knowledge and Innovation Communities (KICs) and Future and Emerging Technologies Flagships).

## **Outlook**

16. Concluding, the document suggests Horizon 2020 has strong EU added value, and that an “evolution, not a revolution” should be called for, meaning future Framework Programmes should be refined, rather than overhauled.

## **SCRUTINY HISTORY**

17. BEIS submitted an EM on Council document 9791/17 on 30 June 2017 relating to ‘Commission Staff Working Document – in-depth interim evaluation of Horizon 2020 Parts 1-16’. The Commons European Scrutiny Committee cleared it as legally and politically unimportant (Report no. 2, Session 17/19). The Lords Select Committee of the EU cleared it (Sift 1661, Session 17/19).

18. BEIS submitted an EM on Council document 11901/16 on 22 September 2016 relating to ‘Report from the Commission to the European Parliament and the Council – Annual Report on Research and Technological Development Activities of the European Union in 2015’. The Commons European Scrutiny Committee cleared it as legally and politically unimportant (Report no. 13, Session 16/17). The Lords Select Committee of the EU cleared it (Sift 1631, Session 16/17).

19. BIS submitted an EM on Council document 11504/15 on 8 September 2015 relating to ‘Report from the Commission to the European Parliament and the Council – Annual Report on Research and Technological Development Activities of the European Union in 2014’. The Commons European Scrutiny Committee cleared it as legally and politically unimportant (Report no. 4, session 15/16). The Lords Select Committee on the EU cleared it (20 October 2015, session 15/16).

## **MINISTERIAL RESPONSIBILITY**

20. The Secretary of State for Business, Energy and Industrial Strategy has the principal ministerial responsibility for research and innovation matters, including the United Kingdom’s policy on EU research and development.

## **INTEREST OF THE DEVOLVED ADMINISTRATIONS**

21. Relations with the institutions of the European Union are a reserved matter under the UK’s devolution settlements, but the devolved administrations have an interest in European research and innovation policy and the devolved administrations have been consulted in the preparation of this EM.

## **LEGAL AND PROCEDURAL ISSUES**

22. There are no legal or procedural issues related to this document.

## **APPLICATION TO THE EUROPEAN ECONOMIC AREA**

23. Horizon 2020 is open to the association of EEA states. Both Iceland and Norway associated to Horizon 2020, but Lichtenstein excluded itself from association to the programme.

## **SUBSIDIARITY**

24. This Communication is justified in accordance with the principle of subsidiarity because the evaluation of the progress of EU research and innovation programmes is better achieved at the Union level

## **POLICY IMPLICATIONS (including Exit implications where appropriate)**

25. On 23 June, the EU referendum took place and the people of the United Kingdom voted to leave the European Union. Until exit negotiations are concluded, the UK remains a full member of the European Union and all the rights and obligations of EU membership remain in force. During this period the Government will continue to negotiate, implement and apply EU legislation.

26. On 8 December, the negotiators of the EU and of the UK presented their Joint Report on phase one of the exit negotiations. Commitments made by both parties within the Joint Report state the UK will continue to participate in EU programmes financed by the MFF 2014-2020, including Horizon 2020, until their closure. Subject to the wider Withdrawal Agreement, the expectation is therefore that UK entities will be eligible to fully participate in Horizon 2020.

27. Acknowledging the importance of science and research to our country's prosperity, security and wellbeing, the Government has said that UK researchers and businesses should continue to bid for competitive EU research funding such as Horizon 2020 while we remain a member of the EU. As outlined in the Joint Report, the Commission will continue to make payments to UK participants as per the current process. Should it become necessary, the Government underwrite guarantee of competitive EU funds remains in place. Businesses and universities should therefore continue to bid for Horizon 2020 projects and the Government will work with the Commission to ensure payment when funds are awarded, even when specific projects continue beyond the UK's departure from the EU. This includes bids that are submitted before departure and approved afterwards.

28. The document outlines the key findings and lessons learnt from the Horizon 2020 interim evaluation, leading to general suggestions in regards to the final Work Programme of Horizon 2020 and the next Framework Programme, FP9. The Government has been clear that it highly values the UK's R&I collaborations with the EU, and the UK wants to continue playing a major role in creating a brighter future for all European citizens by strengthening collaboration with European partners in science and innovation. To this end, the UK will seek to agree a far-reaching science and innovation agreement with the EU that establishes a framework for future collaboration. This includes discussing possible options for participating in FP9.

## **CONSULTATION**

30. Not applicable as this is not a proposal for legislation.

## **IMPACT ASSESSMENT**

31. An impact assessment is not required as this is not a regulatory proposal and will not have an impact on businesses, public or civil society organisations, regulators or consumers.

**FINANCIAL IMPLICATIONS**

32. There are no direct financial implications for the UK.

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**Minister of State  
Department for Business, Energy and Industrial Strategy**