Horizon Europe Interim Evaluation Consultation

29 July 2022

Feedback from the European Association of Innovation Consultants

The European Association of Innovation Consultants (EAIC) comprises 53 members present across over 29 European Countries, they represent over 9400 professional consultants, helping their clients to innovate and fund their innovation. Altogether they accompany numerous applications to the various calls of Horizon Europe, for individual or in consortia candidatures. They represent for instance 40% of successful applicants to the EIC Accelerator instrument.

They are guiding applicants in the structuring, writing and online submission of proposals.

After over 15 months of experience with Horizon Europe for both individual and collaborative calls, EAIC can provide some constructive feed-back on the new Horizon Europe Programme and its application process which has slightly evolved since the previous Framework Programme H2020. With a view to contributing to the European Commission's current interim review of Horizon Europe programme, a synthesis of EAIC member recommendations is provided below:

1. Summary of our comments and recommendations

- **A number of calls are too open and the expectations created are far above from the EC capacity to fund excellent projects**, we urge the commission to consider restricting the focus of topics when the budget available cannot meet a large part of applicants' expectations, risking to demotivate new comers.
- For actions receiving 15 points out 15 but not being funded due to a lack of allocated budget we strongly recommend the EC to use all regulatory means possible to **facilitate the transfer of budget from unused part of the programme by setting up an automatic scheme** enabling to fund such excellent projects.
- Generally, the structure of the application process and **the format of the answer for collaborative Horizon Europe calls (IAs, RIAs or CSAs) remains the same as in Horizon2020 which is perceived positively.**

- Part 4 and 5 of H2020 has disappeared and the information gathered in Part A generally replaces it together with some descriptive text in Part B. One key aspect of Part 4 in H2020 was to describe which staff members would implement projects, however **in Horizon Europe only researcher staff can be included which creates confusion within companies participating in projects without proper researcher staff** (e.g., when participating in IAs) or in the case on non-technical partners. **We suggest some clearer instructions are given for such type of cases.**
- **Concerning Part B, the structure is almost the same as in H2020 but the limit of 45 pages for RIAs and IAs (limited to 70 pages in Horizon 2020) and 30 pages for CSAs constitutes a drastic reduction, and as a result is extremely difficult to achieve without having to suppress very relevant explanation on the project impact or implementation.** The indicative length does not seem to correspond to the emphasis put on project impact, as only 9 pages for impact is recommended. Additionally, some redundancies in the information requested leads to inefficient use of limit page space and is a barrier for very large impactful consortia. **We recommend to allow a length of 70 pages for the part B when the budget of projects foreseen goes beyond 10 million euros.**
- Concerning the server capacities of the Funding and Tenders portal we have severe concerns. We have observed that a considerable amount of time is required to upload information on the portal, or that it is simply not saving data already included. After months of effort in compiling a proposal, we deem it unacceptable that an applicant risks having their submission rejected due to technical errors within the IT infrastructure. **We urge the commission and its agencies to review urgently the capacities of their IT infrastructure.**
- The **EIC Accelerator evaluation requires some further improvements,** the GO / NO-GO process is potentially leading to some false negatives, we are suggesting below several improvements to avoid such situations.
- **Equity investments approved under the Horizon 2020 EIC Pilot have been severely delayed, following a drastic change in the EIC Fund investment policy**. We believe the EIC should go back to its original mission of **a European sovereign investment mechanism**, as initially foreseen by the European Parliament and European Council. The European Commission should remain the single decision-maker with regards to EIC equity funding. The EIC Fund should only be responsible for the investment implementation modalities and exit strategy, as per the Council Decision.
- **In view of professionalising the management of Horizon Europe projects and ensuring a efficient spending of public money, we are proposing the following:**
  - **Recognise the impact of professional project management (whether this expertise is internal or external, public or private):**
    - By allowing the participation of other entities, not just the coordinator, in Project Management activities.
    - By allowing the subcontracting of management tasks to professional experts with proven track records.

- o **Improve the quality of project management by promoting good project management practices such as:**
    - ▪ The delivery of a project management plan at the beginning of the project.
    - ▪ The delegation of management activities to a skilled and trained workforce which should be assessed by the evaluators under the implementation criteria.
    - ▪ The use of specific tools designed for collaborative project management, such as a secured collaborative platform, during the project implementation and impact assessment.

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2. Oversubscription in Horizon Europe topics

We acknowledge that the average success rate in Horizon Europe is above the H2020 average of 12%, this is very positive. However, **a number of calls are too open and the expectations created are far above from the EC capacity to fund excellent projects**, we urge the commission to consider restricting the focus of topics when the budget available cannot meet a large part of applicants' expectations, risking to demotivate new comers.

Here are some examples in cluster 4 of Horizon Europe pillar 2:

There was a total of 22 topics proposed in the 2022 resilience call, altogether the call received 991 applications, the overall success rate of the call is 6.26%, 5 topics will have a success rate below 5%, these are:

Topic code	Number of projects submitted	Projects to be funded	Oversubscri-ption	Success rate
Horizon-CL4-2022-Resilience-01-13	100	3	33,33	3,00%
Horizon-CL4-2022-Resilience-01-19	65	3	21,67	4,62%
Horizon-CL4-2022-Resilience-01-21	153	1	153	0,65%
Horizon-CL4-2022-Resilience-01-25	25	1	25	4,00%
Horizon-CL4-2022-Resilience-01-26	329	2	164,5	0,61%

We therefore urge the European Commission to consider restricting the focus of topics when the budget available cannot meet a large part of applicants' expectations, risking demotivating new comers.

3. Allocation of funds for excellent projects

Horizon Europe projects are scored on a total of 15 points. A number of projects are receiving 15 points out 15 without being funded, e.g. when only one project is expected to be funded. These are excellent projects and still no funding is made available for those projects. The demotivation of teams having worked for months on a proposal can be really damageable for the credibility of Horizon Europe's programme.

We strongly recommend the EC to use all regulatory means possible to facilitate the transfer of budget from unused part of the programme by setting up an automatic scheme enabling to fund such excellent projects.

4. New Application Process and submission process for Collaborative calls

4.1 Collaborative calls: Feed-back on the application form

4.1.1 Part A

Part A of proposals, whether Research and Innovation Actions (RIA), Innovation Actions (IA) or Coordination and Support Actions (CSAs) is generated by the IT system. It is based on the information entered by the applicants through the submission system in the Funding & Tenders Portal.

The following concerns have been expressed by EAIC members about the Part A :

There is no space to insert "non research" team members. This means evaluators will be unable to evaluate the implementation capabilities of "non-research" entities or "non-research personnel", as there is insufficient space to insert such critical information in part B (section 3). This has been very confusing for applicants, as there are many terms unfamiliar to them and not enough options to show the position of persons participating. **We would like to see here either clearer instructions, or some new options added to the table - being more relevant for / taking better into account the non-research partners**.

The integration of previous part 4 & 5 in Horizon 2020 (presentation of partners and ethics/security) in Part A is a good improvement. However, it shall be assessed with the evaluator if the current template allows them to assess the quality of the team involved in the project. **Hence the quality of evaluations could be affected**

The removal of part 4 & 5 also no longer gives applicants the possibility to add letters of support and similar documents confirming the interest of external stakeholders in

the project. It should be considered whether a separate space in the portal for **adding letters of support** (with limited page numbers) should be created

Once entered in the portal (Part A) the order for the consortium partners cannot be changed. This is especially a problem when a late partner joins the project, but should logically be put higher up in the consortium list (the reordering functionality was available in H2020).

Affiliated partners (previously known as linked third party) have to be fully entered in the portal (with a separate PIC, company information and even budget). There is therefore no difference with adding them as a full-blown partner, and **the amount of information required creates a large administrative overhead compared to what was needed under H2020.**

⇨ **We urge the Commission that the information required for affiliate partners is reduced, in line with H2020 requirements.**

4.1.2 Part B

Part B of the proposal is the description of the project, organised in 3 sections (Excellence, Impact, and Quality & efficiency of the Implementation), each corresponds to an evaluation criterion. Part B needs to be uploaded as a PDF document. It is recommended that applicants follow the template downloaded by the applicants in the submission system for the specific call or topic.

The following feedback is provided on the Part B of the application form as a whole:

The new structure is fair and it is a good thing that it stands in the three parts: Excellence; Impact; and Implementation.

There seems to be an informal guidance from the EC to limit the number of work-packages to 5, and the number of deliverables per work package. However, this approach is not aligned with what would be required in a large-scale, complex IA or RIA. **We are worried that applicants following the new EC guideline will be down-scored by evaluators who expect to see a more detailed level of work package structure than in a H2020 proposal. We ask the EC to clear any doubt in future information days.**

Concerning Part B, the structure is almost the same as in H2020 but the limit of 45 pages for RIAs and IAs (limited to 70 pages in Horizon 2020) and 30 pages for CSAs constitutes a drastic reduction, and as a result is extremely difficult to achieve without having to suppress very relevant explanation on the project impact or implementation. The indicative length does not seem to correspond to the emphasis put on project impact, as only 9 pages for impact is recommended. Additionally, some redundancies in the information requested leads to inefficient use of limit page space and is a barrier for very large impactful consortia. **We recommend to allow a length of 70 pages for the part B when the budget of projects foreseen goes beyond 10 million euros.**

Section 1 "Excellence"

In this section, applicants should describe what are the key objectives of the project and how they are pertinent to the work programme topic. They should describe how the proposed work is ambitious, how is it positioned in terms of R&I maturity and what is the proposed methodology.

- The proposal template suggests to devote 4 pages to Section 1.2 "Objectives and ambition" and 14 pages to Section 1.3 "Methodology". It seems 4 pages are very little to introduce the project context and cover aspects related to the project objectives, progress beyond state-of-the-art and the R&I maturity. It should be considered whether the page number suggestion for section 1.2 should be increased (probably against the 14 pages currently devoted to section 1.2 "Methodology") or whether the page number suggestions should be removed completely.
- In section 1.2 "Methodology", applicants are asked to "describe how appropriate open science practices are implemented as an integral part of the proposed methodology". This constitutes to some extent a redundancy with dissemination, exploitation and communication measures to be described as part of the Impact part (Section 2.2 "Measures to maximise impact"). It should be considered to move this point to the "Impact" part.

Section 2 "Impact"

In this section, applicants should describe how their project could contribute to the outcomes and impacts described in the work programme, the likely scale and significance of this contribution, and the measures to maximise these impacts.

Despite the renewed focus on impact in Horizon Europe, the template recommends applicants dedicate **9 pages for the impact section**. The **risk is that evaluators feel that there is not enough information about the impact-related activities, if they represent only 20% of the total proposal**

In the proposal template section 2.1 "Project's pathways towards impact", there are 3 points:

(a) Describe the **unique contribution your project results would make towards (1) the outcomes specified in this topic, and (2) the wider impacts;**

(b) **Describe any requirements and potential barriers**; and

(c) Give an indication of the **scale and significance of the project's contribution to the expected outcomes and impacts**, should the project be successful.

Both the EAIC, as consultants, and our many clients and collaborators representing research organisations and companies, who are very experienced in Horizon proposal writing, **have felt confused with this order, as (a) and (c) are so much connected**. Having to present the outcomes and impacts twice, first in (a) and then in (c) creates unnecessary **duplication whilst adding no additional value.** Following this, **we would**

like to see (a) and (c) to be merged, or at least the order of (a), (b) and (c) be reorganised (first a, then c and b).

Secondly, there seems to be further duplication between section 2.1 "Project's pathways towards impact" and section 2.2 "DEC Measures" on the one hand, and section 2.3 "Impact Summary Table" on the other hand. Whilst section 2.3 is meant to be a summary of section 2.1 and 2.2, it is often not clear how much information is expected to be repeated in section 2.3 to satisfy the evaluator expectations, but without cutting too much into the already very tight page limit. Anecdotal evidence suggests that some evaluators begin assessing the entire "Impact" part of the proposal with section 2.3. If this is the case, one should consider moving section 2.3 before sections 2.1 and 2.2 and provide applications with respective information.

Section 3 "Quality and Efficiency of the Implementation

Section 3.1 Financial tables: The shortened proposal template for IA and RIA places larger consortiums with substantial equipment and purchase costs, subcontracting costs, etc. at a disadvantage, as space, which could be used to articulate the project, is surrendered to document these items. We are asking the EC consider a solution so these tables would not be counted to the max. 45 pages.

- **Some tables are redundant in part 3** : as for H2020 the deliverables are explained once in the WPs breakdown and further synthesis in a single table. Furthermore, there seems to be conflicting information on the number of deliverables expected. Whilst there seems to be informal guidance to limit the number of Work Packages to 5-6 (and consequently the number of deliverables), first hand-experiences from successful proposals that entered the Grant Agreement phase have shown that consortia are being asked to increase their number of deliverables to include at least one deliverable per reporting period per Work Package. One should consider including this information in the proposal template.

4.1.3 Online platform

The online platform is the one used to submit the proposals and all its sections. It is linked to the Funding and Tenders portal where the calls can be screened. Our members provided us the following feed-back about the online platform

Firstly, the fact that the Funding and Tenders portal is the same for many programmes and not only Horizon Europe, we believe represents a marked improvement compared to the past. This evolution was under way in the previous MFF and is being generalised. This evolution is a very welcomed.

Additionally, we would like to add that the Helpdesk is responsive and the information process is well structured.

There are however some problems related to the use of the online platform which remain unsolved which we would like to highlight:

A functionality to manage the consortium in the "partners" step has been removed. In Horizon 2020, it was possible to change the role of the partner during the proposal preparation, e.g., to switch the role of the coordinator to another partner. This is particularly important when the proposal preparation is coordinated by an organisation other than the coordinator of the project. Here we note that the role of proposal preparation and project coordination are not always the same. Under the current system, proposal drafters who are not designated as project coordinator, do not have the full functionality required to administer the proposal preparation process.

We experienced **regular lags while working in the proposals** – as the lags happened during the day we believe they are due to under-capacities of the Funding and Tenders servers. Those lags did not happen only during the days before the submission deadline but also a few weeks before. **We calculate that the lags amounted to approx. 15 min./partner to complete an overall Part A. This may not sound much but ultimately represents a huge improvement in time when multiplied by thousands of applicants. We therefore recommend to improve the Funding and Tenders server capacities.**

We encountered **a bug while using the "save" button when filling the Part A** (at least 3 partners on 25 has had this problem) – the bug is that – from time to time – the button do not save any of the information put in the Form A and leads to a double work. We contacted the IT Helpdesk on this point and they were aware of it, **we strongly suggest this bug is fixed going forward**.

5. EIC Accelerator: some improvements are needed

The EIC Accelerator is the main non-collaborative instrument for deeptech start-ups/scale-ups and SMEs. **We acknowledge that the EIC Accelerator is the most impactful and coveted funding instrument that the EC has at its disposal to fund high-risk deep-tech innovation.** The funding decisions made by the EIC in the coming years will durably shape the future of European deeptech, with €7bn allocated to the EIC Accelerator, which will fuel the next European champions in strategic domains such as quantum, bioinformatics, high-performance computing, cybersecurity, cleantech, healthcare, etc.

While the instrument has been excellently initially conceived, the implementation is suffering some heavy drawbacks, particularly as regards the evaluation process and the EIC Equity Fund.

5.1 Evaluation process of EAIC Accelerator

To improve the robustness of the evaluation process, the EIC made significant changes to the EIC Accelerator submission process in 2021.

The new format proved to be successful in filtering out proposals that are not a good fit for the EIC Accelerator through Step 0 (diagnostic) and Step 1 (short proposal). This consequently improved the quality level of Step 2 applications, while unsuccessful applicants were recommended programs that may suit their proposals better instead of attempting to resubmit their application many times over.

The new format also generated certain criticisms mainly because it might lead the EIC to miss out some real innovation champions due to technical evaluation errors. In order to cope with the issue of "false negatives" and to improve the selection process further, the EAIC has put forward a series of recommendations, some of which are implemented already by the EIC:

- Add simple control questions to the evaluation form to ensure proper understanding of the selection criteria, and implement a specific quality control process for cases awarded 8 "GOs" out of 9;
- Add a "print to pdf" function for online form, as well as an improved table of content with hyperlinks in order to get a more comprehensive view, including hidden or collapsible fields, and improve the navigation throughout the document itself;
- Make sure the evaluators' background is relevant to the topic and their workload is within reasonable limits

5.2 EIC Equity Fund

The companies that we support are highly concerned about how equity investments approved under the Horizon 2020 Pilot have been severely delayed, following a drastic change in the EIC Fund investment policy. Delays are moreover increased as the adoption of the work programme 2022 was delayed at the end of 2021 given that no agreement on how to manage and implement the equity component of the EIC Accelerator under Horizon Europe was made. This has been severely impacting the credibility of the instrument.

The Work Programme finally published is placing the equity investment decisions in the hands of various EIC investment partners including the EIC Fund, the European Investment Bank Group and private venture capital funds, while increasing the administrative **expenses and fees from 4% to 10% of the equity investment budget**, in order to support these new investment partners.

The proposed new approach violates the EIC legal basis. The European Commission cannot make the EIC support dependent on the interest of private investors to join, and transform the **objective** to crowd them in, into a **pre-condition**.

The EIC programme was meant to be different from similar programmes run at Member States, where initial co-investment is an obligation. This radically new design led the European Council of Spring 2018 to request that the EIC Accelerator be already implemented as a Pilot programme, pending the adoption and entry into force of Horizon Europe.

We believe the EIC should go back to its original mission of **a European sovereign investment mechanism**, as initially foreseen by the European Parliament and European Council. The European Commission should remain the single decision-maker with regards to EIC equity funding. The EIC Fund should only be responsible for the investment implementation modalities and exit strategy, as per the Council Decision.

Moreover, we consider that the **governance** of the current EIC Fund should be opened to stakeholders such as impact investment funds, corporate funds, entrepreneur funds and business angels, in addition to venture capital funds. Finally, the EIC should add considerable resources to actively manage investments and match them with these investors.

6. Recognition of professional project management expertise under Horizon Europe

European research and innovation collaborative projects are complex: they involve different types of organisations, from several disciplines, coming from different countries with different cultures and background. The management and implementation of these projects is a challenge that requires a range of professional skills and tools (contractual, financial and knowledge management, activity follow-up, monitoring, communication and impact assessment...).

Experience shows that the influence of effective and professional project management has a decisive impact on project performance and results. As a result, collaborative project management has been professionalised throughout the years, both internally with the set-up of dedicated EU projects teams, or externally with professional consultants.

Subcontracting of project management services or its outsourcing to another entity is not currently allowed by the rules for participation (Art. 7 of the Horizon Europe Model Grant Agreement) thus limiting the possibilities of the beneficiaries to benefit from this crucial support.

We are therefore proposing the following measures:

Recognise the impact of professional project management, whether this expertise is internal or external, public or private:

> By allowing the participation of other entities, not just the coordinator, in Project Management activities.
> By allowing the subcontracting of management tasks to professional experts with proven track records.

Improve the quality of project management by promoting good project management practices such as:

> The delivery of a project management plan at the beginning of the project.
> The delegation of management activities to a skilled and trained workforce which should be assessed by the evaluators under the implementation criteria.
> The use of specific tools designed for collaborative project management, such as a secured collaborative platform, during the project implementation and impact assessment.