Council of the European Union

Brussels, 8 June 2018
(OR. en)

Interinstitutional File:
2018/0226 (NLE)

9871/18
ADD 6

RECH 275
COMPET 425
ATO 33
CADREFIN 82
IA 191

PROPOSAL

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	7 June 2018
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	SWD(2018) 309 final
Subject:	COMMISSION STAFF WORKING DOCUMENT **Horizon Europe Stakeholder Consultation** Synopsis Report Accompanying the document Proposals for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on establishing the specific programme implementing Horizon Europe – the Framework Programme for Research and Innovation COUNCIL REGULATION establishing the Research and Training Programme of the European Atomic Energy Community for the period 2021-2025 complementing Horizon Europe – the Framework Programme for Research and Innovation

Delegations will find attached document SWD(2018) 309 final.

Encl.: SWD(2018) 309 final

EUROPEAN
COMMISSION

Brussels, 7.6.2018
SWD(2018) 309 final

COMMISSION STAFF WORKING DOCUMENT

Horizon Europe
Stakeholder Consultation
Synopsis Report

Accompanying the document

Proposals for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on establishing the specific programme implementing Horizon Europe – the Framework Programme for Research and Innovation

COUNCIL REGULATION establishing the Research and Training Programme of the European Atomic Energy Community for the period 2021-2025 complementing Horizon Europe – the Framework Programme for Research and Innovation

{COM(2018) 435 final} - {COM(2018) 436 final} - {COM(2018) 437 final} -
{SEC(2018) 291 final} - {SWD(2018) 307 final} - {SWD(2018) 308 final}

Horizon Europe Stakeholder Consultation

Synopsis Report

Research and Innovation

1. INTRODUCTION

This document summarises[1] the responses submitted to the public consultation on future EU funds in the area of investment, research and innovation, SMEs and single market, which ran from January to March 2018, and other stakeholder feedback. The analyses contributed to the design of the Commission's proposal for the future framework programme, Horizon Europe, adopted in June 2018.

The aim of the stakeholder consultation was to gather the views of interested citizens and stakeholders on the design of Horizon Europe, the post-2020 EU programme for research and innovation. In preparation, the Commission carried out a mapping of the key stakeholders, covering EU and umbrella organisations and institutions active in this policy field. To tailor for different information needs, consultation activities also included stakeholder conferences, and events, targeted workshops, expert groups, the online public consultation, and an analysis of position papers submitted to the European Commission. Both qualitative and quantitative methods were used to analyse stakeholder input.

2. RESULTS OF THE STAKEHOLDER CONSULTATION

2.1. Public consultation on EU funds in the area of investment, research & innovation, SMEs and single market

The questionnaire included closed and open questions on policy challenges, subsidiarity and EU added value, objectives of the programmes and obstacles to reach them, scope for simplification and synergies between programmes. Stakeholders could also submit position papers. More than 4000 responses were submitted and **94% of respondents referred to the EU support for R&I**. These respondents were subject to the further analysis below.

Almost half of respondents (46%) replied as individuals, followed by business and industry representatives (17%) and universities (14%). 93% of respondents were from EU Member States, 5% from associated countries and 1% from third countries. Respondents came from 70 different countries; the most came from Spain, followed by Germany, Italy, France and Belgium.

Some 90% (3,414) of survey respondents reported having experience with the Horizon 2020 programme. Those who reported having experience with Horizon 2020 also interacted with European Structural and Investment Funds (22%), the EU Health Programme (9%) and the Competitiveness of SMEs and Enterprises Programme (8%).

The Commission has identified a number of policy challenges that the programmes in the area of investment, research & innovation, SMEs and single market could address. Respondents considered the most important of these challenges to be:

- "Fostering R&I across the EU": 97% of respondents consider this a very or rather important policy challenge.
- "Supporting education, skills and training": 93% of respondents consider this very or rather important policy challenge.
- "Ensuring a clean and healthy environment and the protection of natural resources": 90% of respondents consider this a very or rather important policy challenge.

[1] For an extended overview of the stakeholder consultation results, please see Annex 2 of the Horizon Europe Impact Assessment (SWD XXX/2018)

Some 61% of respondents believe that “fostering R&I across the EU” has so far been fully or fairly well addressed policy challenge while 35% consider it has been addressed to some extent only. More can be done to address unemployment and social disparities: only 14% of respondents consider that this challenge is fairly well-addressed.

According to most stakeholders, "too complex procedures leading to high administrative burden and delays" are the main obstacle to the current programme achieving its objectives. Other obstacles noted were the "lack of flexibility to react to unforeseen circumstances", the "insufficient synergies between the EU programmes/funds" and the "difficulty of combining EU action with other public interventions and private finance".

Generally, stakeholders agree that fewer, clearer, shorter rules, alignment of rules between EU funds and better feedback to applicants are the most important simplification factors.

The majority of respondents (88%) believe that the current programme adds value, to a large or fairly good extent, compared to what Member States could achieve at national, regional and/or local level. Public regional authorities, universities and civil society organisations appear to be slightly more positive in this regard.

Collaboration and cooperation is the most often given example of the EU added value of EU programmes and funds over efforts of Member States. Research organisations, national public authorities and individuals more frequently referenced collaboration and cooperation compared to other stakeholders. Business and industry, other stakeholders and individuals on the other hand more frequently discussed maximising competition. Meanwhile, international organisations, universities and regional public authorities more frequently than other stakeholders noted that increased mobility is an added value of EU programmes and funds. Stakeholders consider also new markets, various networks and partnerships, pooling of resources and increased visibility as factors that provide considerable added value to EU programmes and funds.

2.2. Position papers[2]

Stakeholders submitted more than 300 position papers, either ad-hoc or through the public consultation. The EU institutions also adopted opinions on the future programme. The most common views from stakeholders are briefly summarised as follows:

- Maintain three-pillar structure with refinements

There is high satisfaction with the three-pillar structure of Horizon 2020, though better linkages between pillars are needed for better coverage of the whole knowledge chain.

- Boost funding for the ERC and MSCA

The European Research Council (ERC) and Marie Skłodowska-Curie Actions (MSCA) are widely appreciated and both should see a budget increase.

- Strengthen FET

FET is an important bottom-up instrument that should be strengthened in the future. Its current oversubscription is a notable concern.

- Support for Key Enabling Technologies (KETs)

KETs play a vital role in Europe’s industrial competitiveness and ability to tackle societal challenges, and deserve a prominent future role in the future.

[2] Griniece, E. (2018) Synthesis of stakeholder input for Horizon Europe and European Commission analysis.

- Grants as the main funding instrument

Grants are considered the only acceptable funding instrument for public and non-profit entities; they should remain the main funding mode. Financial instruments could play a complementary role for close-to-market activities. Clear processes are needed and a possible choice of funding instruments should not lead to more complexity.

- Stronger emphasis on curiosity-driven research

A stronger focus on bottom-up calls is required to support ideas and solutions to future societal needs, along with an adequate balance for top-down calls on strategic priorities.

- Measures to incentivise widening participation

There were sustained calls for increased support to address the "Widening Participation" objective, which should further incentivise national investments and capacity building. Better linkages with Structural Funds would help spread excellence. Geographical quotas for the EU programme would, however, detract from the excellence focus. .

- Smaller-scale collaborative projects

An majority of stakeholders commenting on the size of projects support a justified balance between big and small-scale projects. The budget threshold ranges from less than EUR 3 million to less than EUR 8 million. Small and medium-sized collaborative projects offer good prospects for the participation of junior researchers and newcomers (such as start-ups and young companies) particularly from Member States that have, up to now, been less involved. Smaller projects may also be better starting points for exploring promising lines of enquiry, engaging in riskier research and thus incentivising originality and creativity.

- Define R&I missions as ambitious but feasible, with high impact

General support for missions, especially in terms of potential societal relevance and improving the impact and visibility of EU R&I. Missions should be limited in number, easy to communicate, with a concrete budget and timeline, offering breakthrough o potential and a clear EU added value. Cross-disciplinarity should be the central focus, made possible by non-prescriptive calls. Citizen engagement through missions is seen as highly important. All EU Institutions stress the importance of getting citizens more involved and maximising impact from the Framework Programme.

- Co-design and co-create with citizens

More open agenda setting, design and evaluation of the EU research and innovation agenda is crucial; the EU Programme should address citizens' concerns better - one way could be through "Societal Readiness Levels" aimed at increasing societal impact. Stakeholders also underline the need to enhance science communication, as well as promote projects to develop more ambitious communication strategies, including all types of media. They place particular attention on making sure that the impacts of designated missions are clearly communicated and disseminated to society.

- Reinforce the role of Social Sciences and Humanities (SSH)

SSH offers strong value for tackling societal challenges and achieving missions, and should be better reflected in the design of collaborative calls within the EU R&I programme. .

- The European Innovation Council should simplify support and be an accelerator

There was broad support for the concept, but also calls that it should not add an extra layer of governance. Instead, it should seek to identify gaps, and coordinate and simplify the existing range of EU funding schemes for innovation and technologies. Support to innovative SMEs and start-ups is vital, especially in spurring growth, so the Innovation Council should take account of lessons learned from the SME Instrument of Horizon 2020. There is a split opinion from stakeholders on the success

of the current SME Instrument scheme. While some consider the programme a great achievement of Horizon 2020, others are much more critical pointing out the high rates of oversubscription and casting doubt on the EU added value of funding single companies. Lastly, the European Innovation Council should not lead to a decreased focus on incremental innovation.

Boost international cooperation to tackle global challenges

Many stakeholders reflected on the international cooperation including around 70% of all Member States who submitted position papers. Cooperation with countries outside Europe should be strengthened and made easier, under reciprocal arrangements, to counter the observed decrease in international participation within Horizon 2020 and to boost Europe's global presence through science diplomacy. A few stakeholders touched upon the issue of exploitation of research and innovation results in Europe first. There were suggestions that the EU could adopt legislation to encourage stakeholders conducting research mainly financed by European public funds, to exploit the results of this research primarily in Europe.

Better resource and support Open Science

Data and knowledge produced from EU funded projects should be openly shared, adhering to FAIR data principles. Opt-outs to the Open Data Pilot should be maintained, in particular for industry. Open science trends call for new principles in citation and academic reward systems, and improved research data management skills. Some stakeholders also mention the European Open Science Cloud, in most cases expressing support for this initiative.

Simplify the research and innovation support landscape

The current EU funding landscape for research and innovation is seen as overly complex, and there should be better alignment and concrete linkages between programmes. Non-performing schemes or initiatives should be discontinued. The EIT receives positive remarks as an attempt to integrate all sides of the knowledge triangle and create cross-border innovation networks as 'true pan-European actors'. Yet stakeholders recognise that EIT KICs are part of the proliferation of R&I instruments and call for formulating a clear added value and complementarity with other instruments.

Synergies with other EU programmes are difficult to achieve, but essential

Improving synergies with the European Structural and Investment Funds is very important, despite the different ways the programmes are implemented. The existing Seal of Excellence initiative should be reinforced, while alignment of State Aid rules is vital. Synergies between research, education and innovation are repeatedly called for.

Enhance the strategic programming process

Transparency and harmonisation in the process of formulating Commission work programmes should be improved, including full involvement of Member States and better alignment of advisory structures. More flexible work programmes and better coordination between Commission departments and executive agencies are also frequently mentioned.

Continue efforts to simplify

Simplification efforts put in place for Horizon 2020 are well received, but these efforts must continue. The two-stage submission procedure is valued, though there is scope to further refine the process (e.g. target success rates for the second stage, more detailed evaluator feedback, better balance and tailoring of sectors and disciplines). The reimbursement rates under Horizon 2020 work well, though indirect costs for non-profit organisations could be increased. Introducing lump-sums could simplify matters, although care should be taken in implementation. There should be a better model for reporting personnel costs, and guidance documents should be streamlined.

Adapt the definition of innovation and improve evaluation to capture impacts of FP funding

Better defining and measuring impact, especially with regard to the future mission-oriented approach, is needed. A broader view of impact should cover not only economic, but also social, scientific and cultural impacts, and should capture longer-term impacts (without leading to an overly complex impact measurement system). Project reporting and monitoring obligations should allow progress towards the defined overarching goals to be measured, while monitoring systems should measure the extent to which supported actions contribute to societal challenges and other programme objectives.

3. INCLUSION OF THE STAKEHOLDER CONSULTATION RESULTS IN THE LEGAL PROPOSAL

Stakeholder views have been analysed and taken into account, to the extent possible, regarding the structure and key principles, implementation and governance of Horizon Europe.

Following the overall endorsement by stakeholders, the three-pillar structure is maintained and refined to enhance linkages between pillars for a greater impact. Key Enabling Technologies, due to their effectiveness in tackling societal challenges, will continue under Global Challenges pillar. The design of all new elements, but in particular missions and the European Innovation Council, fully reflect stakeholder views. Citizens will be involved in selecting the most relevant missions, while the EIC aims at simplifying existing support instruments. Although the EIC will focus on breakthrough innovation, Horizon Europe will continue to support incremental innovation through the Global Challenges and the EIT.

Synergies between different funding programmes will be facilitated by, for example, making the Seal of Excellence more operational and addressing issues of State Aid. The complexity of the research and innovation system is fully addressed by the new approach to Partnerships, which will lead to a smaller number of more coherent initiatives having higher impact and leverage. Moreover, the current Horizon 2020 support to lower-performing EU countries will be continued and strengthen.

As regards implementation issues, the current funding rates will be maintained and lump sums will be scaled up, though taking into account lessons learnt from the ongoing pilot phase. Bottom-up calls will be the backbone in two of the pillars. Provisions on association to the Horizon Europe, and eligibility criteria for funding are both designed to increase international cooperation. Finally, the strategic programming for calls will become more transparent and open, to ensure a more active involvement of EU institutions, citizens and end-users.