

Scotland Europa  
Scotland House  
Rond-Point Schuman 6  
1040 Brussels, Belgium  
EU Transparency Register ID: 01312486176-25

## **Scotland Europa response to the European Commission's public stakeholder consultation on the interim evaluation of Horizon 2020**

### **Introduction**

Investment in research and innovation is essential to supporting Scotland's economic growth. Horizon 2020 (H2020), along with the series of previous framework programmes (FPs) have contributed considerably to Scottish frontier research, facilitating researcher mobility, building value chains for the deployment of key enabling technologies and developing international collaboration to support industrial innovation and business development. Moreover, the overarching policy goals are set to respond to some of humanity's most pressing and shared challenges.

To date, €296m million in funding has been awarded to Scottish organisations. Although the funding itself is vital, H2020 facilitates the generation of internationally excellent research which is founded on collaboration that reinforces the relationship between innovation and industry, lead customers and markets, and open innovation and demand-led innovation opportunities. In short, H2020 engagement is an integral part of the Scottish research, development and innovation eco-system.

Scotland Europa members and the wider Scottish H2020 community welcome the opportunity to respond to the European Commission's public stakeholder consultation on the interim evaluation of H2020. As a result of a Scottish stakeholders' workshop held on 11 January 2017 and previous one-to-one consultations, Scotland Europa has documented the collective experiences of our members and Scottish partner organisations, for whom innovation and funding policies represent a key interest.<sup>1</sup>

### **Key messages**

Our hope is that the interim evaluation contributes to improving the implementation of H2020 and will provide a solid evidence base for formulating the vision of future activities and initiatives founded on collaborative research, geared to delivering Europe's global competitiveness.

The 10 key messages mentioned below broadly cover the five evaluation criteria (relevance, efficiency, effectiveness, coherence, and EU added value) and serve as the basis of reflection of benefits and costs associated with engaging in the programme.

---

<sup>1</sup> See the Annex at the end of this document for a full list of contributing organisations

## 1. Excellence and widening participation

Horizon 2020 represents a unique pan-European mechanism for leveraging excellence and research collaboration. The European FP for funding R&I should continue prioritising *excellence* and grants for *collaborative* pan-European projects. However, the general view of Scottish partners also reflects concerns that the current budget in H2020 does not aptly satisfy the notion and delivery of excellence itself, and earlier budget cuts have exacerbated this issue. Continued and enhanced support to the European Research Council (ERC) would also be welcomed as ERC is recognised as an effective way to harness the world-class excellence that exists in Europe.

*“The European FP for funding R&I should continue prioritising excellence and grants for collaborative pan-European projects”*

The Excellent Science pillar of H2020 is well aligned to the objectives of the European Research Area (ERA) – the Marie Skłodowska Curie Actions calls in particular are a good example of support for researcher mobility and development – and to the knowledge triangle of research, education and innovation. High impact research and innovation has to be international and H2020 is a unique funding mechanism for pan-European and international R&I that is leveraged to use the ERA to its fullest potential and adds value at a social, cultural and economic level. Here there is an opportunity to create further collaborative calls focussed on lower Technology Readiness Levels, thus further supporting fundamental research.

## 2. Internal architecture and programme coherence

H2020’s three pillars structure – which combines ‘excellent science’, ‘industrial leadership’ and ‘societal challenges’ – continues to be a useful means of linking excellence and innovation and the development of interesting and engaging calls for proposals. Furthermore, Scottish partners generally welcome the idea of injecting more of a market focus and commercial approach. We highlight, however, that greater thought must be placed into developing efficient structures to gain cross-complementarity between the three pillars themselves, the various funding instruments and sustainable mechanisms to support Open Science.

*“Greater thought must be placed into developing efficient structures to gain cross-complementarity between the three pillars, the various funding instruments and sustainable mechanisms to support Open Science”*

H2020 aligns well to the Europe 2020 goals of sustainable economic growth and international competitiveness through its focus on research and innovation with a view to commercialising project results where relevant. However, some of the impacts required in calls seem overly-ambitious in the lifetime of a project and it remains to be seen to what extent the results of the projects will impact on the European economy and job growth.

The trend towards an increased emphasis on the co-creation of solutions, and research requirements, between relevant stakeholders and researchers has been significantly reinforced in H2020. This mirrors the evolution of the approach advocated and adopted by the Scottish Government in the development of its Strategic Research Programmes<sup>2</sup>. To

---

<sup>2</sup> <http://www.gov.scot/Topics/Research/About/EBAR/StrategicResearch/future-research-strategy/Themes>

increase the levels of success in the remaining period of Horizon 2020, more investment is required in preparing researchers for effective working with stakeholders, of all types, including greater involvement of EU citizens.

Scotland Europa members also see a great opportunity to more prominently embed the element of trans-disciplinarity within H2020 calls for proposals and in doing so encourage social scientists, natural scientists and practitioners to work together towards shared goals. To this end, further engagement with other commercial, NGO or academic partners in Scotland and beyond would be beneficial. Whilst the societal challenges pillar is generally well aligned to EU policy priorities, the budget available to Social Science and Humanities (SSH) research under societal challenge 6 is too low to truly address the issues in this area.

### 3. Close to market innovation

Overall funding types represent a good mix of instruments that broadly target the entire innovation cycle. Scotland Europa members understand the fundamental value of driving basic research. However, accelerating the process of ‘idea to market’ should become a hallmark of the programme and would benefit from continuing and building upon initiatives such as the Fast Track to Innovation fund, the SME Instrument, PcP and PPI actions, as well as the Eurostars approach, all of which have strong support from SMEs.

*“Accelerating the process of ‘idea to market’ should become a hallmark of the programme.”*

These programmes offer a number of distinct advantages in that they catalyse bottom-up proposals for close-to-market innovation activities (in various technological application areas) and pilot cross-cutting innovative approaches to unlocking market barriers. This approach should rely on thematic openness and nurture trans-disciplinary and cross-sectoral cooperation, tethered to the leadership of regional authorities. In addition, the bottom-up approach is a good way of building the capacity of small companies accessing EU funding for the first time.

Streamlining the number of innovation-related instruments and increasing the budget available to such instruments would assist in demystifying and simplifying the funding landscape, particularly for the SME community, and would provide funding schemes that reflect the various levels of preparedness of companies to step into Europe.

Moreover, it is essential that the right conditions for building collaboration networks around shared strategic interests and shared value are created. There is a clear role for H2020 in supporting this type of activity. The approach of interregional collaboration, co-creation, and co-investment along value chains, developed by the Vanguard Initiative<sup>3</sup>, has the potential to generate a strong and visible added value at all levels, in particular for industry and SMEs.

---

<sup>3</sup> <http://www.s3vanguardinitiative.eu> – Scotland is a founding member of the Vanguard Initiative.

#### 4. SME participation

Despite the challenge of engaging SMEs in the first place (due to administrative practices and low success rates), Scottish SMEs have been very positive about their experience in H2020 as it offers great exposure to other European researchers, businesses and working cultures and opportunity to exchange best practices and develop international connections. Some SME-specific difficulties with the programme pertain to the inability to commit to long-term projects and the often cumbersome administration and restrictive staff cost payment system, which is not complementary to the way that business usually operates.

*“Peer-to-peer activities help spread ideas and good practice across regional development agencies and should be used to strengthen new approaches and methodologies”*

Scottish Enterprise’s consultations with the SME community in Scotland have suggested a few solutions to overcome some of the administrative burdens and thus help encourage SME and industrial participation. One of these is the possibility of covering the preparation costs via the project budget (for successful projects), as is currently the case for the Interreg Programmes. These would also include a travel allowance for pre-proposal meetings and funding for the writing of the project should they choose to lead one. This way SMEs would be enabled to engage early in the proposal process.

Peer-to-peer activities help spread ideas and good practice across regional development agencies and should be used to strengthen support of new approaches and methodologies, especially in areas such as demand-led innovation, pre-procurement innovation, open innovation and service innovation. Europe also needs its proactive policies to support the generation and scale-up of ideas and projects within regional ecosystems that will deliver solutions to these challenges.

We advocate for the development of an ambitious EU cluster policy as a central part of EU industrial policy. We support the initiatives of the Commission in this field, which should be further scaled-up in the next programming period. Clusters can play a role as bridges between actors within regions and outside, as channels for business support to SMEs and their participation in Horizon 2020.

Further encouraging SMEs to engage with these support ecosystems would provide them with ample opportunity to scale internationally and build collaborative international partnerships (innovation, business, lead customer, investors) to drive economic growth. ‘Soft’ support mechanisms<sup>4</sup> should be embedded, and expanded access to top-quality international business innovation coaches should be seen as an integral part of financial support.

#### 5. Oversubscription

The most recent figures for H2020 participation clearly show a marked rise in the number of competitive proposals being submitted. The overall response from Scottish stakeholders has reflected this development along with lower success rates and a general sentiment that it has made the FP less attractive.

---

<sup>4</sup> Innovation coaching, mentoring, business advice, financial readiness etc

Given the initial investment necessary in personnel costs during proposal writing and bid submission, development of project proposals becomes unattractive to applicants; especially to innovative SMEs (who might be lacking in resources) seeking to engage with the FP. Retaining SMEs with prior experience of H2020 should be viewed as a priority, as it has so far been one of the success stories of the FP.

*“The initial investment in personnel costs during proposal writing and bid submission means development of project proposals becomes unattractive to applicants”*

There are a number of remedies that we suggest to mitigate the issue of oversubscription. Firstly, where appropriate and where oversubscription is of particular concern, more prescriptive calls could be utilised to make proposals more concise. It is also recognised that this may not be the most appropriate solution in all areas and where necessary, more open and flexible calls should be applied.

Furthermore, this should be supported by an increased use of the two-stage call system, whilst simultaneously capping the number of applications that progress from the first to the second stage of the evaluation process. By supporting this with a return to facilities used to pre-check the appropriateness of proposal, scope and eligibility of the consortium (as was commonplace under FP7 and still is in Interreg), we retain that oversubscription can be managed. Moreover, this would strengthen the rapport and enhance communication between the project coordinator and the EC policy officer assigned to a particular call, reinforcing the support framework.

## **6. Technology Readiness Level (TRL)**

Introducing the Technology Readiness Levels (TRL) within the call/topic description has been a welcome addition to the programme, but there is a need to more clearly define the TRL levels themselves and to provide better description of the TRL scale to avoid misinterpretation by the applicant. Moreover, effort should be made to address the broader contribution that science makes to society and therefore translate this into the value chain and impact created.

*“Efforts should be made to address the broader contribution that science makes to society and translating this into the real impact created”*

This is consistent with the expectations of increased stakeholder engagement in the research process, and desire for evidence of outcomes (for beneficiaries) as well as outputs. Consideration could be given to delivering this kind of research through joint programming approaches, where there is a shared agenda and priorities for what research is needed to address societal challenges between the European Commission and member states. The TRL scale can be an added value if it is adequately adapted in order to function more as a context-based evaluation tool, rather than purely for communication and planning purposes.

## **7. Simplification**

While efforts to simplify the funding process – in particular improvements in IT tools and the Participant Portal – has been praised by a large part of our membership, complexity is still viewed as a barrier by some. Further simplification of administrative processes (such as the standardisation of accounting procedures) would also decrease financial investment during project preparation. Applying this within KIC Programmes and the Joint Technology Initiative

on Bio-Based Industries, and in administrative areas such as internally invoiced costs, equipment costs, and personnel costs would lead to further efficiencies.

*“Further simplification and standardisation of administrative processes would further decrease financial investment during project preparation”*

The staff costs associated with preparing H2020 applications are significant and are generally higher than the costs associated with preparing for other programmes which involve international collaboration. This is a drawback for some academic staff and is particularly problematic for SMEs. Our members have pointed out that H2020 maternity leave and family provisions for collaborative projects do not allow additional funding to recruit cover or extend the research project. This can be seen as counteractive to H2020’s aims to create gender balance within project consortia and end users.

## **8. Evaluation process**

Scottish partners are generally satisfied with the reduction in time from proposal submission to grant agreement thus far and would encourage the implementation of measures to continue streamlining the process. However, feedback received has raised questions pertaining to inconsistencies in the quality of the evaluation process and summary reports – especially in the two stage proposals. Moreover, a distinct lack of qualitative feedback at the evaluation stage, caused by the sheer number of applications, diminishes the opportunity for constructive feedback and has caused some to question the transparency of the process.

*“Utilising more prescriptive bid document templates with lower page limits, would help to guide more succinct proposals and thus assist evaluators.”*

As stated in section 5, utilising more prescriptive bid document templates with lower page limits would guide more succinct proposals and thus assist evaluators. Furthermore, it would make the task of writing a bid less daunting. More specificity and structure to the proposal would make reviewing the document simpler. Asking concrete questions of the applicant would also remove repetition, which the current bid document tends to lend itself to.

For the SME instrument, we suggest that a two stage process be applied with very specific remits for each one. The initial stage should target and be assessed against the impact of the project, whilst stage two should evaluate the rationale, approach and methodology. In addition, and in order to filter as many substandard proposals as possible, ‘deal breakers’ should be inserted. These would equate to specific challenges the proposal must respond to. This should see a considerable decline of stage two proposals that should ideally stand at a 50% success rate in order to retain the programme’s attractiveness.

On a final point, and in line with weaving this mentality of commercialisation into the review process, greater thought needs to be directed towards profiling the ‘right’ individual to perform the evaluation of near market innovation projects, where they should be expected to have a clear business exploitation focus and a firm eye on impact, scalability, viability of business plan etc. Our members have also suggested that greater transparency would be achieved by disclosing the identities of reviewers once the review process had been completed, whilst also focusing on enhanced communication and co-ordination between call officers, national contact points and proposal reviewers.

The EU added value criterion is usually considered as central in the European financial framework debate, and the collaboration aspects are not questioned. That is a key pillar of the Vanguard Initiative, which is pleading for the development of support tools and appropriate conditions for further developing interregional collaboration and open innovation networks. It is a key mechanism for enhancing EU global competitiveness, and discontinuity in EU support in that field would be a big concern.

## 9. Synergies

One solution proposed by the European Commission to tackle the issue of oversubscription, to make more efficient use of resources and leverage thematic and smart specialisation complementarity has been to promote synergies with other funding instruments.

*“In Scotland we have benefited from an ‘outcomes focused’ approach to coordination which has aided knowledge sharing as well as created efficiencies in project development.”*

The principle of synergies across various EU programmes involving innovation, particularly ERDF, is to be commended, however further attention is required to address the practicalities for project sponsors and beneficiaries. The complexity of implementing synergies have proven to be substantial, and guidelines lack both the clarity and the tools for streamlining the process of combining funding, which has been a major focus of these discussions. These are serious barriers to the concept being useful to stakeholders.

However, in Scotland we have worked and encouraged outcomes-focused approaches across the business, academic and public sector innovation community to increase awareness of all EU programmes in the innovation space and to encourage positive connections between these strands of work. We have seen coordination and knowledge-sharing benefits from this ‘pipeline approach’ as well as efficiencies in terms of time invested in project development.

New management rules must be developed to allow mixed funding of innovative projects from different sources across regions. A renewal of current programmes and budget architecture that supports the implementation of smart specialisation, anchored in the regions, but linked to EU priorities should be on the agenda. Accomplishing this will require the breaking down of traditional silos and an acceptance that delivering results is more important than who is responsible for initiating them.

## 10. International Cooperation

There has unfortunately been a drop in international cooperation due to factors such as lack of automatic funding for less economically developed countries, and legal obstacles caused by the H2020 Grant Agreement. As a result, our members have suggested that the European Commission work to safeguard intra-European collaboration, reinforce its efforts to match funds with third countries and re-evaluate the legal and financial framework for non-EU countries.

*“The EC should safeguard intra-European collaboration, reinforce efforts to match funds with third countries and re-evaluate the legal and financial framework for non-EU countries”*

Our stakeholders believe Europe has, and should continue to have, a major role in international research and innovation, engaging third countries as appropriate when dealing with important global challenges. The capacity to work in partnership with developing countries therefore should be retained, especially when addressing problems of global magnitude. Scotland's expertise extends across a number of global challenges and it is therefore important that Horizon 2020 (as the main EU R&I funding framework) provides concrete opportunities to continue our engagement in such activities.

### Annex – List of contributors

**Scotland Europa** is a membership-based organisation that promotes Scotland’s interests across the institutions of the European Union and to the representatives of Europe’s regions and nations. We help Scottish organisations foster successful European relationships, providing guidance on European policies, funding and networks. We manage Scotland House in Brussels, which is also home to the EU offices of the Scottish Government and other Scottish and European partners. Scotland Europa is a subsidiary of Scottish Enterprise.

[www.scotlandeuropa.com](http://www.scotlandeuropa.com)

**Scottish Enterprise** (SE) is Scotland’s main economic, enterprise, innovation and investment agency. SE’s objective is to build Scotland’s international competitiveness, within the Scottish Government’s framework of long-term, inclusive economic growth for Scotland.

[www.scottish-enterprise.com](http://www.scottish-enterprise.com)

**The Scottish Government** is the devolved government for Scotland and has a range of responsibilities that include: the economy, education, health, justice, rural affairs, housing, environment, equal opportunities, consumer advocacy and advice, transport and taxation.

[www.gov.scot](http://www.gov.scot)

### Contributing Scotland Europa members

- Edinburgh Napier University – [www.napier.ac.uk](http://www.napier.ac.uk)
- Glasgow Caledonian University – [www.gcu.ac.uk](http://www.gcu.ac.uk)
- Highlands and Islands Enterprise – [www.hie.co.uk](http://www.hie.co.uk)
- James Hutton Institute – [www.hutton.ac.uk](http://www.hutton.ac.uk)
- NHS 24 – [www.nhs24.com](http://www.nhs24.com)
- University of Edinburgh – [www.ed.ac.uk](http://www.ed.ac.uk)
- University of Glasgow – [www.gla.ac.uk](http://www.gla.ac.uk)
- University of the Highlands and Islands – [www.uhi.ac.uk](http://www.uhi.ac.uk)
- University of Stirling – [www.stir.ac.uk](http://www.stir.ac.uk)

### Other contributing Scottish stakeholders

- Climate Futures – [www.climatefutures.co.uk](http://www.climatefutures.co.uk)
- Ingenza – [www.ingenza.com](http://www.ingenza.com)
- MicroMatrices Associates Ltd – [www.micromatrices.com](http://www.micromatrices.com)
- European Marine Energy Centre – [www.emec.org.uk](http://www.emec.org.uk)

For questions about this consultation response, please contact:

Philip Piatkiewicz

Senior EU Policy Executive

Scotland Europa

E [philip.piatkiewicz@scotent.co.uk](mailto:philip.piatkiewicz@scotent.co.uk)

T +32 2 282 83 12