

The Past, Present & Future of the European R&I Framework Programmes

**EAIC Response
to the European Commission Consultation**

February 2023

Summary

The European Association of Innovation Consultants (EAIC) welcomes the European Commission's initiative to reflect on the past, present and future of European Union (EU) Research and Innovation Framework Programmes (FPs).¹

EAIC Members predominantly provide consulting services to industry, universities, research and technology organisations and public authorities. They have supported vast numbers of proposals, and resulting projects, under the successive FPs. EAIC Members have developed a thorough understanding of the FP features and technicalities. Through the services they provide to their clients, or as applicants and beneficiaries themselves, they benefit from a first-hand insight of the real-life experience with the FPs at various stages (proposal preparation, evaluation, project management and completion).

The present document sets out key challenges that applicants and beneficiaries frequently encounter when preparing a proposal and running a project under the current FP, Horizon Europe (2021-2027). EAIC Members were invited to share their experiences with Horizon Europe to date and the challenges presented below result from a consolidation and prioritisation exercise.

For each of these challenges, EAIC provides a description of how they impact the development of high-quality applications, or the efficient management of funded projects, as well as recommendations on how the European Commission (EC) may address these challenges going forward. These selected challenges have been clustered under the four following themes:

- **Recognising professional project management**

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 backgrounds. 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 consequence, collaborative project management has been professionalised throughout the years, both internally with the set-up of dedicated EU projects support teams, or externally with professional consultants.

EAIC calls on the EC to amend the rules for participation (Art. 7 of the Horizon Europe Model Grant Agreement) and allow the delegation of project management services, or its outsourcing, to another entity thus enabling the beneficiaries to benefit from this crucial support. Such delegation is possible in other programmes such as INTERREG, where "external expertise" is considered as eligible expenditure.²

¹ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13460-Horizon-Europe-interim-evaluation/public-consultation_en

² See e.g. Interreg Euro-MED 2021-27 Programme Manual 'External expertise and service costs' (p76-77)

- **Improving the Horizon Europe Standard Application Form**

The modifications that the European Commission continues to introduce to the ‘Standard Application Form 1 (Research & Innovation Actions [RIA], Innovation Actions [IA])’ are warmly welcomed by the European grant writer community. In comparison to versions released under previous FPs, the information now available to applicants who develop proposals in response to Horizon Europe funding calls, marks a significant improvement in terms of clarity and relevance, for which the EC deserves to be praised.

This commendable progress notwithstanding, EAIC believes that there remains more work to be done. Further optimisation of the design of the template would give future applicants a better chance to present their innovative concepts, hereby raising the overall quality of proposals received by evaluators and ultimately ensuring that the very best projects are awarded funding. Suggested amendments relate to the space allocation for Work Package description, the alignment of project activities to broadly defined ‘Expected Impacts’, the redundancy between Open Science practices and DEC measures, the State-of-the-Art description in the ambition section; and the financial information.

- **Improving the European Innovation Council Accelerator Programme**

The European Innovation Council (EIC) provides a unique combination of grants, investments and business acceleration services to Europe’s most promising start-ups. Among these, in 2021, EAIC Members had supported 40% of all the successful companies that had been awarded EIC Accelerator funding.

EAIC acknowledges the recent restructuring of the EIC Fund with the appointment of an external fund manager to make investment decisions in the start-ups and SMEs selected so far for EIC investments. EAIC calls on the European Commission to facilitate an open dialogue with the European Parliament, Members States and relevant R&I stakeholders, including EAIC, to fully realise the EIC potential.

In the meantime, it is crucial that the EIC scheme implementation is as efficient as possible. In this context, EAIC put forwards concrete recommendations for improvements with regard to the Submission Process and the use of the AI Tool, the Evaluation, Jury Interviews, and Project Management.

- **Fostering EU 13 Participation in Horizon Europe**

As stated in European Innovation Scoreboard 2022, EU-13 Member States are still lagging behind the EU-14 and an innovation gap exists. Out of EU-13 Member States, Cyprus is the only innovation leader country with innovation performance above the EU average. The Czech Republic, Estonia, Lithuania, Malta, Slovenia, with an innovation performance below the EU average, are among the moderate innovators, while the other EU-13 Member States (Latvia, Hungary, Poland, the Slovak Republic, Romania, Bulgaria and Croatia), with an innovation performance well below the EU average, are among the emerging innovators. The innovation performance has an impact on the participation level of these Member States in the recent and ongoing FPs: Horizon 2020 and Horizon Europe. EAIC recommend targeted action to help alleviate this issue.

EAIC is committed to join forces with the European Commission, and other relevant stakeholders, to ensure that the public support to European innovation is even more impactful in the future.

Detailed Overview of Selected Challenges

1. Recognising Professional Project Management

Challenges	Diagnosis	Impact	Recommendation - EAIC calls on the European Commission to:
Recognition of professional project management for increased project efficiency and results with maximum impact.	The way management activities are currently pursued is restrained. Under Horizon Europe participation rules (Article 7 of the Model Grant Agreement) subcontracting project management services, or delegating them to another partner, are not authorised, which thus limits the possibilities of the coordinators and project partners to benefit from this crucial support. Such delegation is possible in other programmes such as INTERREG, where "external expertise" is considered as eligible expenditure. ³	<p>Inadequateness or restriction of professional project management expertise may be detrimental to the efficiency of the projects.</p> <p>Recognising the role of professional project management experts will be beneficial for:</p> <ul style="list-style-type: none"> • research organisations and industries that may be wary of taking part on competitive Framework Programme collaborative projects due to the lack of expertise in setting up and managing these projects; • project coordinators, especially SMEs, having neither experience nor time to manage Framework Programme projects on a day-to-day basis; • project consortia with no internal monitoring processes implemented, 	<p>Recognise the impact of a professional expertise in management (whether this expertise is internal or external, public or private):</p> <ul style="list-style-type: none"> • by allowing the participation of other partners, not only the coordinator, in all Project Management activities; • by allowing the subcontracting of management tasks to professional experts with proven track records. <p>Improve the quality of project management by promoting good project management practices such as:</p> <ul style="list-style-type: none"> • delivering a project management plan at the beginning of the project; • dedicating the management activities to a skilled and trained workforce which should be assessed by the evaluators under the implementation criteria;

³ See e.g. Interreg Euro-MED 2021-27 Programme Manual 'External expertise and service costs' (p76-77)

Challenges	Diagnosis	Impact	Recommendation - EAIC calls on the European Commission to:
		<p>thus putting at risk the achievement of the entire project objectives and impact;</p> <ul style="list-style-type: none"> • public-private partnerships which often require specific management expertise to ensure efficient collaborations between academic and industrial partners; • EC project officers and financial officers who could rely on a competent professional in direct contact with all consortium partners in order to facilitate the financial and administrative reporting, processes for amendment requests, and timely submission of reports and deliverables. 	<ul style="list-style-type: none"> • using tools designed for collaborative project management, such as secured collaborative platform and communication tools, during the project implementation and impact assessment.

2. Improving the Horizon Europe Standard Application Form

Challenges	Diagnosis	Impact	Recommendation - EAIC calls on the European Commission to:
Limited amount of space allocated for Work Package descriptions in Part B Section 3.	There is not enough space in the current proposal template version to fully describe the activities performed in individual work packages (as required in Part B Section 3). As a result, applicants can only provide high-level descriptions of key tasks and their interdependencies. The larger and more complex the projects proposed, the more high-level and opaque work package descriptions become.	Crucial details regarding how applicants intend to deliver their projects are lost, potentially affecting the consortium's chance of success and/or giving the evaluator a misleading understanding of the proposed activity. If the project is funded, a lack of detail can create problems during the grant agreement process, leading to delays.	Adjust the page limits within the work package description section according to the complexity and/or size of the project (with the amount of funding acting as one possible proxy). <i>The additional pages would enable applicants to fully articulate project activities, helping evaluators to understand the scope and value of the proposed work plan.</i>
Connecting project activities to broadly defined 'Expected Impacts'	The 'Expected Impacts' identified in the HE Work Programme 'Destinations' (covering multiple call topics) are often extremely broad in scope, and thus open to interpretation. This often creates practical challenges in Part B Section 2.1, where applicants must articulate how the outputs and outcomes achieved by the project will provide meaningful support to such loosely defined impacts.	It is challenging to predict reliably and demonstrate credibly how a proposed research activity will affect a broadly defined 'Expected Impact', in particular when it applies to the description of 'scale' (i.e. quantification) and 'significance' of achieving particular impacts.	Define specific 'Expected Impacts' for individual topics (a best practice from Horizon 2020), rather than entire destinations (as is the case in Horizon Europe) in future Work Programmes. <i>This would allow applicants to define "Expected Impacts" that speak directly to the call topic and thus enable them to develop robust estimations on how to reach them (both in terms of 'scale' and 'significance' of contribution)</i>
Redundancy between Open Science practices and DEC measures	There is often significant overlap (and even duplication) between the Open Science measures that applicants propose in Part B Section 1 of the HE proposal template, and the	Duplication of this content adds little to the evaluators' understanding of the project's ambition and suitability.	Consider combining sections in which applicants describe the proposed Open Science approaches and the overall dissemination, exploitation, and

Challenges	Diagnosis	Impact	Recommendation - EAIC calls on the European Commission to:
	Dissemination, Exploitation and Communication (DEC) measures described in Part B Section 2.	Duplication creates redundancy, restricting the amount of – already limited - space in the proposal where applicants have to articulate crucial concepts.	communication measures – preferably as part of Section 2.2.
Ambiguity regarding evaluator expectations related to the State-of-the-Art description in the ambition section.	The open nature of the template with regard to “state-of-the-art” in Part B Section 1.1 leads to different interpretations by applicants and evaluators alike.	The vague nature of the template leads to different interpretations regarding the type of details to be provided and the type of information (e.g. landmark works in the field, emerging competitive products) to justify the state-of-the-art. In some cases, applicants may provide too little for the evaluators’ taste, thus negatively impacting their scoring for Section 1. In other cases, applicants may provide too much, thus inefficiently using space which might otherwise be used to improve other parts of the proposal.	Provide additional and specific guidance on the type of information that evaluators expect regarding the state-of-the-art, and ensure evaluators are both aware of and abide by this official guidance. <i>Whilst EAIC welcomes the current freedom applicants are given to shape the “state-of-the-art” description and the indicative 4-page recommendation provided by the template, such guidance would be seen as beneficial.</i>
Financial information requested in Part B, Section 3 (Implementation) subject to page limits	In Part B Section 3 of the proposal template, valuable proposal space is consumed by financial tables in which applicants must indicate in great detail the costs they expect to incur during the proposed project’s execution, in case purchase costs exceed 15% of personnel costs (table 3.1h), and/or due to the subcontracting works they are expecting (Table 3.1g). This problem is particularly acute in projects involving a high number of consortium partners, since a separate table needs to be provided per partner, thus consuming valuable space.	Often this information duplicates information participants already share in Part A, e.g. in the project budget. The provision of this detail in Part B Section 3 often comes at the cost of omitting other crucial information in Sections 1 and 2, thus denying applicants the opportunity to present a fuller picture of the project for which they seek funding.	Remove the requirement by applicants to provide this type of financial information in Part B. <i>Applicants should instead be given the opportunity to provide detailed justification of project costs in Part A, where the overall budget is also included.</i> Reinstate the Horizon 2020 practice of including subcontractor information in parts not covered by the page limit.

3. Improving the EIC Accelerator Programme

Challenges	Diagnosis	Impact	Recommendations - EAIC calls on the European Commission to:
Submission Process & AI Tool			
Lengthy and complex submission process (built outside the official funding and tender opportunities portal)	<p>The online platform and the resulting 'Business Plan' do not seem to follow industry standards, for example, the current length of the proposal (120-200 pages) is very much greater compared to the Horizon 2020 Pilot (50 pages).</p> <p>Some of the information requested from applicants falls outside the scope of a typical investor memo. The information also includes a great deal of jargon which may sometimes not be necessary.</p>	<p>The process can be seen as rather confusing and time-consuming in its present form.</p> <p>Both applicants and evaluators have raised concerns about these aspects, while project officers often indicate that the platform itself can also be a reason for delays in processing grant agreements.</p>	Simplify the EIC Accelerator's current submission process and align the EIC platform with the evaluation criteria of the EIC Accelerator. This would be very helpful to ensure attaining a faster and simpler instrument which would fit the needs of European deep-tech SMEs.
Different formats / layouts of the proposal	Evaluators receive the full proposal in two different types of format/layout, and the structure of the Business Plan (in pdf format) differs somewhat from the online platform version.	The importance of some paragraphs or key elements of the project, as devised by the applicants following the logic of the online platform, might not be reflected in the pdf. In addition, both formats are unfortunately not easy to read, and therefore key information may easily be missed. This can make the process more difficult for both evaluators and applicants.	Align the two formats of the Business Plan and the online platform and enhance the readability of the Business Plan for increased clarity, which would also help to make the process more efficient.

Challenges	Diagnosis	Impact	Recommendations - EAIC calls on the European Commission to:
Evaluation			
Perceived inconsistencies in the application of the evaluation criteria	<p>Different interpretations of the evaluation criteria have come to light through comments within the same or across different proposals.</p> <p>This could be perceived as an inconsistent application of the rules that govern the evaluation of proposals.</p> <p>For example, some diverging views have been observed regarding the appropriate level of risk / maturity of selected projects (TRL included), their desired bankability or the eligibility of proposals from spin-offs (i.e. companies that are created and owned by another company).</p>	<p>The evaluation framework as it currently stands provides evaluators with a great deal of freedom in their interpretation of the selection/evaluation criteria. Conversely, this may result in inconsistent feedback to applicants, who could then voice concerns regarding the quality of the evaluation.</p>	<p>Communicate transparent guidelines on selection/evaluation criteria to both candidates and evaluators so as to increase both the transparency, and the consistency, of evaluations.</p> <p>Consider mandatory training to secure a more constant use of the selection / evaluation guidelines amongst the cohort of evaluators.</p>
Different evaluation standards (quality)	<p>In some instances, a misalignment between the topics (or industries) covered by a proposal and the actual expertise of the evaluators has been observed. This is often demonstrated in the nature and scope of the comments provided.</p> <p>In addition, applicants can take up to a few hundreds of hours to develop their proposals, whereas evaluators are only allocated a limited time span to review a full (second stage) proposal (4.8 hours)⁴.</p>	<p>Inconsistencies in the application of evaluation standards can lead to an inappropriate selection of EIC beneficiaries. In some cases, this may also be detrimental to the reputation of the EIC selection process and scheme.</p>	<p>Ensure a rigorous and continuous assessment of the evaluation procedure, which would include careful monitoring of the profiles of evaluators.</p> <p>Increase the time allocated to evaluators for the review of EIC proposals.</p> <p>Introduce a rebuttal procedure in the evaluation of the EIC Accelerator which would allow applicants to provide clarifications and/or respond to any</p>

⁴ [European Innovation Council online Info Day - Work Programme 2023](#) (13 December 2022) Speaker: Cornelius Schmaltz.

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	This discrepancy can lead to lower quality evaluations.		potential misunderstandings or errors that may have been made by the evaluators.
Jury Interviews			
Selection of Members of the Jury	<p>On some occasions it would seem that jury members do not possess the relevant qualifications or exposure to deep tech which would qualify them to perform their duties. This has been particularly apparent in those specific sectors where deep tech is more prevalent than in other sectors.</p> <p>In some cases, it has been demonstrated that evaluators have even misled the EIC with regards to their competences and thus misrepresented their professional background.</p>	<p>In several cases, the interviews were perceived as being of low quality, with jury members not having sufficient knowledge of either the proposals or the entrepreneurs representing the companies.</p> <p>This is particularly evident on reading the comments provided in the Evaluation Summary Report following the interview.</p>	Broaden the selection of jury members, preferring a mix of evaluators and representatives of different groups which could include previous entrepreneurs (EIC beneficiaries?), scientists, business angels. This would help to reduce the disproportionate representation of VCs, Corporate Innovation Managers, management and innovation consultants who do not have the expected entrepreneurial experience.
Inconsistent application of the rules of procedure for the Face-to-Face Interviews	<p>EIC Fund representatives and EISMEA Project Managers who attend the interviews as observers, may finally steer the process through their questions.</p> <p>Jury members do not always have the correct documents to hand when evaluating the candidates.</p>	Companies attending the Face-to-Face interviews are on occasion penalised by the jury and they will thus consider the evaluation process to be inconsistent.	<p>Select Jury Members based on their specific knowledge of the funding scheme; assess their practice and performance to guarantee consistency and quality in the evaluation process.</p> <p>Appoint external observers to be in charge of monitoring adherence with EIC rules and to report any possible errors.</p>

Challenges	Diagnosis	Impact	Recommendations - EAIC calls on the European Commission to:
Project Management			
Pre-financing	The rules related to the pre-financing would benefit from greater consistency and transparency. The Funding and Tender portal indicate 60% pre-financing whereas the final figure included in the Grant Agreement is 50%. In addition, there is anecdotal evidence that some companies are more successful than others in negotiating higher rates with no tangible explanations for such exceptions.	The varying pre-financing rates may result in difficulties with cash-flow planning. EIC beneficiaries may not all be treated equally as some of them might successfully negotiate higher pre-financing rates.	Inform the EIC beneficiaries clearly of the rules regarding the set pre-financing rate and provide all necessary additional information with respect to specific conditions under which a higher rate might be granted.
Financial capacity assessment	The EIC beneficiaries receive an automatic request to provide all the documents needed for financial capacity assessment with strict deadlines. However, both the Validation Services and Project Officers confirmed on an <i>ad hoc</i> basis, to different companies, that there is a failure (bug) in the system since the financial capacity assessment is not actually required for an EIC project.	This creates unnecessary work for the beneficiaries and for the EC as the beneficiaries are not aware of this system failure.	Ensure the system failure is repaired or, if this is not possible, inform in a systematic manner all the beneficiaries that it is not necessary to provide financial capacity assessment, and that they should therefore ignore the message in which this is requested.
Inconsistent reporting requirements	There exist some inconsistencies in the reporting requirements: in some cases, the first periodic report is expected within 60 days, and for others the requirement is within 15 days. In some cases, a technical report is considered as a mandatory formal document to be submitted after the first reporting period, in other cases a PowerPoint presentation would suffice.	The beneficiaries have difficulties in understanding the rules which in turn has a negative impact on the Project Management.	Publish the final version of the Annotated Grant Agreement with very clear rules as soon as possible (the pre-draft version dating from 2021 is still being used).

Challenges	Diagnosis	Impact	Recommendations - EAIC calls on the European Commission to:
<p>Innovation activities (TRL 5-8) classified by the IT system by default so as to be covered by the Grant</p>	<p>Equity investments were intended to be used for any type of activity (innovation activities at TRL 5-8 or market activities at TRL9).</p> <p>However, this was unfortunately not correctly implemented in the grant management IT system, which currently considers that all TRL5-8 activities must be managed under the grant contract, including TRL5-8 activities funded by equity.</p> <p>Furthermore, it compels applicants to detail equity spending as if it were part of the grant.</p>	<p>This creates a very large reporting overhead for start-ups, which often use up to €15M of equity for TRL5-8 activities. Grant funding is subject to detailed cost reporting, including a Certificate on Financial Statement, while equity funding is not. However, applicants spending equity funding for TRL5-8 activities must report detailed costs, as if it were for a grant.</p> <p>This increases the management costs for the start-up and for the EC, although there is no rationale or legal requirement. On many occasions it has increased the duration of the grant part and has an impact on the payments of the grant. The TRL5-8 activities funded by equity are often planned for longer durations than the grant part, but the grant part is now artificially extended until all the TRL5-8 activities are completed. The balance payment is even delayed by 12-24 months.</p>	<p>Increase the amount of grant funding (beyond the €2.5M threshold) for companies that need to fund mostly TRL5-8 innovation activities and remove the cost reporting requirements and obligatory audit for all activities funded by equity.</p> <p>Launch a consultative approach to review the application process, inviting contributions from i.a. past EIC accelerator winners, Jury Members and EAIC, as a representative organisation of the innovation consulting industry.</p>

4. Fostering EU 13 Participation in Horizon Europe

Challenges	Diagnosis	Impact	Recommendation - EAIC calls on the European Commission to:
<p>EU-13 countries participation in Horizon Europe</p>	<p>H2020 EU contribution for EU-13 was 3 563 098 351 EUR, accounting for 5.22% of the total EU programme contribution. 95% of the programme budget was allocated to the then EU-15 and non-EU countries. Non-EU countries received a four times higher EU contribution than EU-13 countries (21.13% - Cordis database).</p> <p>Horizon Europe shows a slight improvement with EU-13 Member States having received 7.37% of the EU contribution to date.⁵</p> <p>Although EU-13 countries are still lagging behind, their advantages and importance for EU wealth should be taken into account e.g.: a relatively higher percentage of the working population with university degrees, strong IT and science skills, strategic location in terms of trade and geo policy, relatively modern telecommunication systems and a rapidly growing number of deep-tech start-ups.</p>	<p>The current unsatisfactory participation of EU-13 Member States in the Horizon Europe programme limits:</p> <ul style="list-style-type: none"> • the development of long-term scientific and economic relations that support the development of new pan-European technologies; • opportunities for investors from strong innovators to invest in a growing number of start-ups in EU-13 and to develop European technologies (the technologies built with the use of cohesion funds can easily be acquitted by non-EU economies); • access to next non-European markets and human capital (e.g. Belarus, Ukraine) that could be facilitated by some EU-13 Member States. 	<p>Maintain the actions under the current Widening Programme (Teaming, Twinning, Hop-on, ERA Chairs & Fellowships, Excellence Hubs, Excellence Initiative and Pathways to synergies and dissemination). Whilst excellence should remain a core principle, new actions could be considered:</p> <ul style="list-style-type: none"> • facilitate industry access to widening actions (so far there has been a strong focus on research entities); • strengthen NCP resources (e.g. staff exchanges between NCPs); • run raising awareness actions in EU-13 and also in the rest of the EU; • extend the projects' duration for excellence hubs once they receive the financing so that staff can be hired on a long-term basis; • scrutinise the performance of mono beneficiary proposals against geographical criteria, identify reasons for underperformance (applicant's lack of expertise with FP, evaluation bias, other) and address the reasons.

⁵ Cordis database

About EAIC

The European Association of Innovation Consultants (EAIC) gathers active Innovation Consultants in the field of European research and innovation projects. The Association aims to facilitate the exchange and promotion of best practices, as well as to uphold professional skills and expertise in European RDI funding. To date, the group gathers more than 50 members, active throughout Europe.

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