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COVER NOTE

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

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To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of
the European Union

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OF THE INTERIM EVALUATION of the Joint Undertakings operating under
Horizon 2020

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COMMISSION STAFF WORKING DOCUMENT
EXECUTIVE SUMMARY OF THE INTERIM EVALUATION
of the
Joint Undertakings operating under Horizon 2020

{SWD(2017) 338 final}

EXECUTIVE SUMMARY

Joint Undertakings (JUs), launched under article 187 of the Treaty on the Functioning of the European Union, are a special legal instrument of implementing Horizon 2020 through a public-private partnership (PPP) in key strategic areas. Their aim is to implement research and innovation activities to enhance competitiveness and to tackle the grand societal challenges with the active engagement of Europe's industry.

The seven JUs currently in operation implement specific parts of Horizon 2020 in the areas of transport (CleanSky2, Shift2Rail and SESAR), transport/energy (FCH2), health (IMI2), bio-economy (BBI) and electronic components and systems (ECSEL). For the duration of the framework programme, they will manage around 10% of the global Horizon 2020 budget and, through the leverage effect, will mobilise additional resources from the private side of each JU.

The legal framework of each of the JUs foresees an interim evaluation to be carried out with the assistance of independent experts. The Commission is required to prepare a report - a Staff Working Document (SWD) - which addresses the conclusions of the evaluations and the related observations by the Commission services. The report should also take into account the findings and conclusions reached by the independent experts in the final evaluations of the six JUs that operated under FP7, namely, SESAR, ARTEMIS, CLEAN SKY, ENIAC, FCH and IMI.

During the period from October 2016 to June 2017, a total of 39 independent experts working in seven groups evaluated the progress realised until the end of 2016 by the seven JUs operating under Horizon 2020; this work also covered the six JUs that operated under FP7.

This SWD presents the Commission services' view on the performance of the seven JUs under Horizon 2020, based on the findings of the seven expert groups, the outcomes of the public consultation of stakeholders and the survey of project coordinators.

The overarching conclusion is that the JU-based PPPs under Horizon 2020, while it is still early for most of them to demonstrate tangible project outputs, have demonstrated efficiency improvements in comparison to FP7. They have also effectively managed to engage the major actors in research and innovation in the respective industrial sectors and have shown their potential as important drivers for strengthening Europe's competitiveness and helping to respond to major socio-economic challenges. The private funding leveraged by the JUs is shown to be well on track against the targets defined in the respective legal frameworks.

The industrial sectors addressed by the JUs are not only of high economic relevance for Europe, but also areas where well-identified market risks require a long-term concerted research and innovation effort. Taking into account the needs of the specific sector, JUs are fostering synergies by linking activities across the innovation cycle, from research outcomes to closer-to-market activities and facilitating the creation of an internal market for innovative technologies, products and services.

The Commission services' view, shared by the vast majority of the stakeholders who participated in the open public consultation, is that the JUs are on track to deliver against the set objectives, despite a number of identified shortcomings that need to be addressed by the

JUs and the Commission services in order to improve their functioning, ensure delivery of solid output and objectively assess impact.

Strengths

The evaluations, supported by the views of the stakeholders involved in the consultation, confirmed the **continued relevance** of the seven JUs in contributing directly to competitiveness and EU policy goals. The key strength of the JUs is their **ability to engage major, strategic industry partners** in priority areas of the Union, across borders and business sectors and lead a step change in comparison to standard research. This effect has been observed in all JUs. The JUs have also **managed to overcome the fragmentation** in their respective sectors, bringing together competing or even previously unrelated stakeholders and creating long-lasting collaborative networks. While the definite amount of **leveraged funding** will only be known at the end of the JU operations, current Commission estimations point to private sector funding that already equals or exceeds the set targets in four out of the seven JUs, whereas for the remaining three it is closing in to the target.

Regarding openness, it is generally agreed that, in comparison to the first generation, the second generation JUs have developed more **open and straightforward policies regarding membership** of the private entities, which are described clearly, along with the eligibility criteria, in the respective Council regulations. JUs implement the programme with small teams, focusing on research priorities that are, to a large extent, **coherent** with the corresponding Horizon 2020 activities. They are **lean, efficient structures**, most of them benefiting from a simplified and more uniform application of rules and processes in Horizon 2020. Performance indicators such as time-to-grant, time-to-inform and time-to-pay, are all observed to be within the set targets. As a result, the JUs achieved a **very high stakeholder satisfaction** for their services (more than 90%).

Challenges

Despite the general acceptance that the JUs operating under Horizon 2020 are on track to achieve their objectives, the seven groups of experts identified a number of issues that need to be addressed in order to reap the maximum of their potential and impact. As each JU has its own specificities, only a handful of these challenges are common to all.

Even though it is generally acknowledged that most of the key players in the respective industrial sectors are already engaged actively, many expert groups call for the inclusion of a **wider range of stakeholders** either in the governance structures or in submitted proposals. The **limited interaction** between the **Governing Boards** and their **advisory bodies** is another issue where possible improvements should be explored. Additional efforts are also needed to further **align** JU activities with **policies at EU, national and regional level**.

The choices of the **Key Performance Indicators (KPIs)** used to measure JU-specific impact are criticised by several expert groups. They propose to **re-visit and re-define** the whole set of KPIs by including indicators related to global competitiveness of the relevant industrial sectors and, also, to couple the indicators with baseline metrics showing progress over time.

Experts report **uneven SME participation rates** that, on average are lower than those observed in Pillars II (the LEIT part) and III (Societal Challenges) of Horizon 2020, a finding which might be linked to cost considerations and long term commitments. Similarly, the **participation rates of the EU-13 Members States**, while they have improved over those in FP7, are still overall lower than the already low rates of Pillars II and III. Finally, there is a

need to **improve** and enforce **communication activities** and, in particular, to ensure effective **dissemination** of project results.