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COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	29 January 2024
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union

Subject:	Report from the Commission to the European Parliament and the Council <i>Ex post</i> evaluation of Horizon 2020, the EU framework programme for research and innovation
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Delegations will find attached document SEC(2024)52 final.

Encl.: SEC(2024)52 final



EUROPEAN COMMISSION
Regulatory Scrutiny Board

Brussels,
Ares(2023)

Opinion

Title: Final evaluation of the Horizon 2020 Programme

Overall 2nd opinion: POSITIVE

(A) Policy context

Horizon 2020, the eighth framework programme (FP), was the EU research and innovation program running from 2014 to 2020 with a budget of around EUR 80 billion.

Its successor is Horizon Europe (2021–2027). Horizon 2020 promoted collaboration between scientists, businesses, and other stakeholders to foster excellent science, strengthen EU's competitiveness/industrial leadership and to find solutions to societal challenges.

The evaluation examines the performance, the scientific, societal and economic impact of the implementation of Horizon 2020.

(B) Summary of findings

The Board notes the improvements made to the evaluation report in line with the first opinion and technical comments.

The Board gives a positive opinion. The Board also considers that the report should further improve with respect to the following aspects:

- (1) The report does not sufficiently explain the underlying assumptions of the Benefit Cost Analysis and uncertainty of the three models used.**
- (2) The report does not fully account for the impact of data limitations in the conclusion chapter and does not adequately align some scoring with the outcome of the impact analysis.**

This opinion concerns a draft evaluation which may differ from the final version.

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(C) What to improve

- (1) The report should better explain the underlying assumptions behind the derived Benefit-Cost-Ratio rather than relying on a reference to the technical annexes. It should also include the administrative cost estimates in the quantification table under Annex IV. It should better place the average application cost estimates in relation to FP7, or comparable R&I programmes in the Member States or third countries.
- (2) The report should better explain the diverging outcomes of the three quantitative models applied. Given the report's finding that Europe's overall competitive position has not fundamentally changed over the duration of Horizon 2020, while indicating that this does not imply that Horizon 2020 did not contribute to competitiveness, the report should be more balanced in concluding and scoring Horizon 2020's contribution to boosting EU's competitiveness.
- (3) The report should elaborate further on the data limitations related to having 59% of finalised projects. The fact that more projects have been finalised than under FP7 at the corresponding moment does not present a solid base for drawing firm conclusions. Even though the report claims that results will improve further on the basis of the IPR outputs of FP7 whose performance more than doubled 10 years after its end, this is only a small part of the Horizon 2020 programme, and it is not clear whether this development could be indicative for other parts of the programme, too (past performance does not guarantee to be repeated). In general, the conclusions should be more nuanced for specific parts of the programme.
- (4) Several scores allocated in the conclusion section should be critically reviewed to better reflect the outcome of the impact analysis. For example, the objectives regarding the European Institute of Technology in terms of start-up creation were not reached the attributed score should be reviewed. Considering the discussion on the impact of H2020 on GDP, employment and overall EU competitiveness, the corresponding scoring should be more balanced.
- (5) The report should critically review some of the assumed causality links, such as that Horizon 2020 beneficiaries invest more, recruit more and grow more than non-beneficiaries. It should assess to what extent this is a direct consequence of the grant or a rather a result from selecting the most promising projects from most promising companies. It should be clearer whether successful beneficiaries continue to out-perform non-beneficiaries after the competition of the project.
- (6) The report should better distinguish between what has been learned from the final (or mid-term) Horizon 2020 evaluation, and be more explicit on which lessons have already been (partly) taken up and revised in the successor programme, and which remain relevant for future revisions in this policy area.

(D) Conclusion

The DG may proceed.

The DG must take these recommendations into account before launching the interservice consultation.

Full title	Final evaluation of the Horizon 2020 Programme
Reference number	PLAN/2022/785
Submitted to RSB on	15 September 2023
Date of RSB meeting	Written procedure



Brussels,
Ares(2023)

Opinion

Title: Final evaluation of the Horizon 2020 Programme

Overall opinion: NEGATIVE

(A) Policy context

Horizon 2020, the eighth framework programme (FP), was the EU research and innovation program running from 2014 to 2020 with a budget of around EUR 80 billion. Its successor is Horizon Europe (2021–2027).

Horizon 2020 promoted collaboration between scientists, businesses, and other stakeholders to foster excellent science, strengthen EU's competitiveness/industrial leadership and to find solutions to societal challenges.

The evaluation examines the performance, the scientific, societal and economic impact of the implementation of Horizon 2020.

(B) Summary of findings

The Board notes the complexity of the evaluation exercise given the large scope and size of the Programme and the significant analytical efforts. The Board notes as well the additional information provided in advance of the meeting and commitments to make changes to the report.

However, the Board gives a negative opinion, because the report contains the following fundamental shortcomings:

- (1) The analysis of effectiveness and efficiency is often inconclusive as regards the value for money of the Programme, in general and for its individual components.**
- (2) The conclusions do not adequately reflect the presented analysis and do not provide a clear and balanced narrative about the successes and failures of the Programme.**
- (3) The lessons learned from the evaluation do not provide the basis for future action and Programme adaptations.**

The Board considers that in its present form this report does not sufficiently respond to the mandate of the evaluation.

This opinion concerns a draft evaluation which may differ from the final version.

Commission européenne, B-1049 Bruxelles - Belgium. Office: BERL 08/010. E-mail: regulatory-scrutiny-board@ec.europa.eu

(C) What to improve

(1) The effectiveness and efficiency analyses should be improved so that it is clear to what extent Horizon 2020 has been successful in achieving (or progressing towards) its objectives (overall and in specific parts) and whether and to what extent the benefits outweigh the costs. The report should improve the evaluation of the impact of Horizon 2020 on all dimensions of competitiveness, productivity, and industrial leadership of EU industry as part of the effectiveness analysis. It should be clearer on the extent to which Horizon 2020 increased the contribution of research and innovation to tackle societal challenges. When discussing leverage, it should be clearer in distinguishing co-funding from leverage effects. It should also discuss the areas of possible simplifications, in particular regarding the application process and the cost for applicants. While the report acknowledges that the Programme's monitoring system was deficient, which led to data gaps, there should be increased efforts to better exploit the findings of the support studies and to recreate the missing points of comparisons or benchmarks to be able to assess the extent to which the objectives have been achieved and at what cost. The assumptions underpinning the analysis of costs and benefits should be clarified as to whether the assessment considers full or actual spending, given that only 59% of projects have been finalised.

(2) Once the effectiveness and efficiency analyses are improved in line with the points mentioned above, the report should bring all the quantified costs and benefits together in an overview table (differentiated by key program parts or instrument where possible) and calculate a Benefit Cost Ratio. The analysis of the overall value for money of the Programme and its specific elements should also better consider the non-quantified costs and benefits.

(3) The conclusions of the report should answer the three fundamental questions of any evaluation, i.e. was the intervention successful and why, how did the EU intervention make a difference and to whom, and has it been / is it still relevant. In its current form, the concluding section does not adequately reflect the key findings of the analysis, not providing sufficient discussion of the shortcomings or underperformance and not making a clear assessment on the degree of achievement of the Horizon 2020 Programme's specific and general objectives. The impact of data limitations resulting from a deficient performance monitoring system and potentially from having data for only 59% of the projects should be clearly qualified in the report.

(4) The lessons learned from the evaluation are not developed in the report and therefore have little use for future actions and further improving the ongoing programme (Horizon Europe) or developing future EU research programmes. If there are lessons learned derived from the mid-term evaluation of Horizon 2020 that have been already addressed, they should be explicitly identified and described. The lessons learned should reflect all the elements from the previous analysis where any shortcomings were identified and be coherent with the overall picture presented in the conclusions. In particular, any potential for further simplification of procedures, introducing efficiency enhancing measures and improving and future-proofing the performance monitoring system of the programme should be discussed. The lessons learned regarding the Programme's capacity to contribute more effectively to the EU's overall as well as sectoral competitiveness should be also discussed.

Some more technical comments have been sent directly to the author DG.

(D) Conclusion

The Board advises the DG not to launch the interservice consultation before substantially revising the report.

The lead DG may resubmit to the Board a revised version of this report.

Full title	Final evaluation of the Horizon 2020 Programme
Reference number	PLAN/2022/785
Submitted to RSB on	17 May 2023
Date of RSB meeting	21 June 2023