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RECH 184

NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	<i>Preparation of the Council (Competitiveness (Internal Market, Industry, Research and Space)) on 22-23 May 2025</i> Mid-term evaluation of Horizon Europe: lessons learned and looking forward to the next Framework Programme for Research and Innovation (FP 10) - Policy debate

Delegations will find attached a Presidency note on " **Mid-term evaluation of Horizon Europe: lessons learned and looking forward to the next Framework Programme for Research and Innovation (FP 10)**" with a view to the policy debate at the Competitiveness Council on 23 May 2025.

BACKGROUND NOTE FOR A POLICY DEBATE

The interim evaluation of Horizon Europe presents a valuable opportunity to assess the programme's performance to date and to **explore potential avenues for improvement** - both in remaining implementation period, and in view of the new post-2027 EU Research and Innovation (R&I) Framework Programme.

The communication '**Horizon Europe: Research and innovation at the heart of competitiveness**' presented by the European Commission on 30 April 2025, affirms that the programme is yielding substantial benefits across science, society, and the economy, generating new knowledge, and fostering innovative solutions to address critical global challenges, including those related to climate change, security, public health, international relations, and other critical domains.

Findings from the recent public consultation on the past, present, and future of the Framework Programme, highlight its indispensable role. **Nearly half of stakeholders indicated that their research and innovation initiatives would not have proceeded without Horizon Europe funding.** Additionally, 38% of projects would have involved smaller, less international consortia, while 35% would have seen a substantial reduction in scope. In certain research domains, such as civil security, many Member States lack dedicated national R&I programmes and therefore rely almost entirely on EU Framework Programmes.

The outcome of this public consultation echoes the **Council Conclusions on ex-post evaluation of Horizon 2020 and future outlook**, and the recent **Warsaw Declaration** – both recalling the instrumental role of the Framework Programmes for EU's political and policy priorities.

Between 2021 and 2024, Horizon Europe financed over 15,000 projects with an allocation exceeding EUR 43 billion - representing 58.4% of the programme's total budget.

More than **28,000 unique participants benefited from this support**. On average, each grant awarded under the programme amounted to approximately EUR 2.9 million. **Collaborative projects** remain at the core of Horizon Europe, accounting for 81% of the budget committed thus far.

Overall, Horizon Europe participants have already leveraged **EUR 10.2 billion in co-investment** to support project implementation, complementing the EU's initial financial contribution. This represents a substantial increase compared to the equivalent stage of Horizon 2020, during which co-investment amounted to EUR 5 billion.

It is estimated that every euro in costs to EU society associated with the programme - including both administrative expenditures and applicant-related costs - will generate between 5 and 6 euro in benefits for EU citizens by 2045 (measured by GDP impact). Moreover, each euro of EU contribution to Horizon Europe projects is projected to generate up to EUR 11 in economic growth by the same year, underscoring **the programme's strong economic return on investment**.

The flagship initiatives under Horizon Europe – the European Research Council (ERC) and the European Innovation Council (EIC) - deliver substantially for scientific progress and economic growth.

Both ERC and EIC have been considered significant tools for implementing the Draghi report recommendations for increased competitiveness, by bringing together excellent frontier research and venture capital, with as limited as possible top-down bureaucratic red tape.

A peer review of ERC projects from FP7 found that over **80% have led to a scientific breakthroughs or major advances in their fields**. To date, Horizon Europe's beneficiaries have reported over 10 000 peer-reviewed and other publications, 79% of which are publicly available online.

The **European Innovation Council (EIC)** and its **EIC Fund** have **supported over 700 start-ups** operating in strategic fields such as artificial intelligence, quantum technologies, semiconductors, advanced materials, biotechnology and biomanufacturing, as well as energy generation, energy storage solutions and others. The EIC continues to reinforce its role as a key player in providing integrated innovation support and stands among the largest venture capital investors in Europe's deep-tech sector.

Since 2020, the **EIC Fund has catalysed over EUR 2.6 billion** in additional investment for EIC-backed companies, achieving a leverage ratio of more than EUR 3 for every euro of EU equity invested.

However, rising demand for funding under the EIC's flagship calls - Pathfinder and Accelerator - has led to a significant decline in success rates, which fell to approximately 5% in 2024. To ensure that highly innovative but unfunded proposals still receive support, the European Commission has encouraged Member States to consider broader implementation of the **Seal of Excellence scheme**.

At the same time, the Commission envisions an expansion of the EIC to accelerate the market deployment of strategic technologies and support the scaling up of breakthrough start-ups. As part of this effort, the EIC has launched a new call under the Strategic Technologies for Europe Platform (STEP), through which it will invest up to **EUR 30 million in high-potential scale-ups**. In alignment with the White Paper on European Defence – Readiness 2030, the Commission also plans to ensure **targeted EIC investment in dual-use technologies** with both civilian and defence applications. This entails a major shift from the exclusive focus of Horizon Europe (and its predecessors) on civilian applications.

The Framework Programme serves as a significant driver of employment and important tool for attracting talent to Europe.

Through Horizon Europe, participating organisations have created or sustained nearly 40 thousand full-time equivalent (FTE) jobs – almost double the number recorded during the equivalent period of Horizon 2020. Looking ahead, Horizon Europe is projected to **generate approximately 63,000 jobs in the period 2033–2034**, including 2,000 positions in research and 61,000 in production-related activities.

A total of 95 156 researchers are benefiting from upskilling activities under Horizon Europe, of which 44.14% are women.

In addition, Marie Skłodowska Curie have registered 8 307 researchers benefitting from mobility grants.

With **19 associated countries and applications from 194 countries**, Horizon Europe strengthens science diplomacy and global reach. Future attention will focus on **research security**, particularly with the launch of a new European Centre of Expertise on Research Security.

However, challenges remain, with the need for simplification and a reduction in administrative burden ranking high on the priority list.

The evaluation highlights the **advantages of lump sum grants**, which are estimated to reduce administrative costs by 14% to 30%, **resulting in total savings of EUR 63 million**.

While the Framework Programme has delivered significant results, the evaluation also points out that **collaborative activities remain complex and difficult to navigate**. Under Pillar II alone, there are currently 60 European Partnerships, six clusters, and five EU Missions. Additionally, the Horizon Europe main work programme includes 1,060 topics and actions detailed across more than 3,000 pages.

The key priority for the coming years is to reduce this complexity and enhance the quality of collaboration.

The research and innovation gap in Europe remains persistent, as does the disparity in participation among Member States in Horizon Europe.

Although progress has been made, imbalances endure. The success rate of proposals submitted by entities from Widening Member States has improved, with their share of total programme funding rising from 9% in Horizon 2020 to 14% in Horizon Europe so far. Notably, five Widening Member States now report success rates of 20% – around 4 percentage points higher than the programme average. Additionally, the share of collaborative projects involving Widening Member States has increased from 47% during Horizon 2020 to 58% in the current programme phase.

Organisations from four non-Widening Member States - Germany, France, Spain, and the Netherlands - continue to receive a major share of funding, accounting for 50.9% of all Horizon Europe allocations.

Nevertheless, according to a European Commission monitoring report, when the EU contribution is adjusted for national R&D expenditure, beneficiaries from Widening countries receive twice as much funding as those from other Member States on a per-euro-invested basis.

Valorisation of new knowledge created with Horizon Europe support remains a challenge, as already seen in Horizon 2020.

This is not limited to the framework programme, which constitutes only about 10% of public R&D expenditure in the EU. The Draghi report highlights that only about one-third of the patented inventions registered by European universities or research institutions are commercially exploited. To address this, beneficiaries must make their best effort to exploit their results, and if unable to do so - use the Horizon Results Platform to disseminate and find interested parties to take them forward.

The interim evaluation of Horizon Europe revealed strong public support for EU Missions, but also highlighted several critical shortcomings.

These include an overly complex and burdensome governance structure, a lack of coherence with European Partnerships, and an incomplete monitoring and evaluation system. Missions are perceived as insufficiently distinctive, challenging to manage, and not enough integrated with the broader Horizon Europe framework.

The ‘Align, Act, Accelerate’ report recommends placing EU Missions under an appropriate level of political ownership, while limiting their R&D&I components to the scope of the Framework Programme. For the final three years of Horizon Europe, additional actions related to EU Missions will be incorporated into the programme’s work plans.

As announced by the Commission, the new work programmes will have a clearer focus on key policy priorities, with fewer but more strategic topics.

This should allow to achieve critical mass in the most strategic areas by pooling resources and human capital. Topics will also be described in a less prescriptive way with more ‘open’ approach, to encourage the widest range of creative proposals.

It needs to be noted that **nearly 70% of high quality proposals went unfunded** due to budget limitations of Horizon Europe. Only 16% of all applications were successful. In the same period, to fund all the high-quality proposals, Horizon Europe would have needed nearly another EUR 82billion.

The Polish Presidency of the Council is initiating, in the form of the policy debate, a follow-up to the interim evaluation of Horizon Europe. In that context, Research Ministers are invited to share their views on the following key questions:

- 1. Which results stemming from the interim evaluation of Horizon Europe are in your view essential for the remaining implementation period of Horizon Europe and for the design of the future EU R&I Framework Programme?**
 - 2. How to ease and accelerate participation of SMEs to the Framework Programme?**
 - 3. How do you see the prospects for the announced new role of the EIC in supporting dual-use technologies under Horizon Europe? Without prejudging negotiations on future MFF and its programmes, should this new approach be continued in the post-2027 EU Framework Programme for R&I?**
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