

NCP Input Paper for the Interim evaluation of Horizon 2020

prepared by the NCP-Academy
with contribution from the wider Community of National Contact Points
(via Coordinating NCPs and NCP project coordinators)

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Content

- 1. Introduction..... 3
- 2. Executive Summary 4
- 3. Major observations..... 6
 - 3.1. Simplification of Legal and Financial Issues & the Participant Portal 6
 - 3.2. Success Rates..... 7
 - 3.3. Instruments in Horizon 2020 and attached initiatives 9
 - 3.4. Evaluation..... 10
 - 3.5. Innovation within Horizon 2020..... 12
 - 3.6. About the ERC and MSCA..... 12
 - 3.7. How to catalyse the whole potential of the ERA - attracting EU13 participants.. 13
 - 3.8. International Participation 14
 - 3.9. Unfolding the full potential of NCPs 15

1. Introduction

This paper summarises relevant observations regarding the implementation of Horizon 2020 from the perspective of National Contact Points (NCPs). Although the systems, tasks and duties of NCPs, which are nationally financed, are diverse, the major focus of their work according to the “Guiding principles for NCPs” can be considered the same. NCPs offer professional services benefiting users of Horizon 2020 funding opportunities as framed by the guiding principles defined by the European Commission. This includes both awareness and information activities as well as individual assistance, advice and training concerning all relevant aspects of Horizon 2020, from the proposal application phase to the implementation of projects selected for funding. In an increasingly complex European research landscape, NCPs play a growing role in guiding organisations through the entire funding portfolio in an optimal and strategic way and to position themselves in relevant networks at an early stage.

As a major part of their work, NCPs are in close contact with all kinds of organisations both from the academic as well as from the non-academic sector. Thus, the NCP community can provide valuable feedback about how the framework programme is perceived by its users to the European Commission (EC) and programme delegates. The feedback in this paper specifically identifies programme implementation barriers, such as major challenges for applicants and project participants along with areas that have been improved from previous Framework Programmes (FPs).

The following reflections, based on the experiences of the NCP community, might mitigate implementation barriers and drawbacks of Horizon 2020 and improve access to the current programme as well as the next FP.

We would like to refer to two additional NCP papers focussing on specific programmes under Horizon 2020. For the paper on “Lessons Learned first Calls 2014/2015 Health in Horizon 2020” please contact info@healthncp.net. For the paper on “Research infrastructures” please contact bossi@apre.it.

2. Executive Summary

The main aim of this NCP paper is to provide feedback on the implementation of Horizon 2020 so far, taking advantage of the position of NCPs as a main entry point for input from H2020 participants facing the practical implementation of the programme.

One challenge for H2020 raised in the FP7 Interim evaluation was the need for simplification. Steps towards simplification have been taken for Horizon 2020. The participant portal and its integrated use for the whole process from proposal submission to final reporting is one of the most visible examples to ease programme navigation as well as the harmonization of funding rates and alleviations with respect to time sheets. At the same time, new barriers have been identified in the legal and financial implementation of H2020 in areas such as internally invoiced costs, equipment costs, personnel costs or costs of third parties in Marie Sk.-Curie Actions (MSCA). These issues should be analysed and where possible corrected during Horizon 2020, or otherwise addressed in the next framework programme.

The decrease of the success rate due to oversubscription is also a very sensitive issue that certainly will be covered by the H2020 interim evaluation. FP calls have always been very competitive, but several additional elements have contributed to further increasing the level of competition. Amongst others, the increase in funding rates and the provision of broader topics along with the sometimes tougher national availability of funding budgets have resulted in the current H2020 low success rates. This oversubscription has also affected the quality of the evaluation and consequently the participants' perception about the programme. Although some measures have been put in place to counteract the drop in success rates, a thorough analysis is needed to see how the success rate can be sustainably increased. A more adequate balance between the number of topics, which should be broader in scope and the funding available is suggested. Moreover, in view of ongoing efforts to implement the "seal of excellence" as a potential complementary funding opportunity, NCPs note that this scheme is difficult to put into practice in many cases and does not seem sufficiently thought-out.

Although H2020 has a significantly larger budget than FP7, the proliferation of satellite initiatives has resulted in a landscape that is far from simple for participants.. While the need for openness to new approaches in the framework programme is recognized, it is also important to support a better understanding of the specific aims of all the programmes/initiatives by potential participants. Measures to ensure coherence in the development of new programmes/initiatives and to provide information that illustrates the context of new initiatives and their connections to other areas in Horizon 2020 should be implemented, so that all stakeholders can tap the full potential of H2020. That said, the number of instruments used within the different programmes (mainly RIA, IA, CSA) is concise and harmonized across Horizon 2020 and adds a level of understanding.

Another weakness we identify in this paper, which is closely linked to the problem of oversubscription, is the perception of the H2020 evaluation process by participants. While NCPs are aware of the transparency and objectivity of the evaluation process, this

is not what many users perceive. One reason for this is the feedback (ESR-Evaluation Summary report) provided to applicants, where in some cases details given in the explanations seem to be in contradiction with the score and in other cases generic comments that have little meaning are found. Enhanced quality control mechanisms for the evaluation process should be implemented. As far as possible the use of consensus meetings in all the programmes and the reinforcement of evaluation teams in more ‘crowded’ calls may improve the current situation, where frequently the evaluation process comes across as a “lottery” to applicants.

If there is a ‘magic word’ in H2020 it is ‘innovation’. Although several new instruments try to tackle this process, it seems that there is still a gap. This gap does not stimulate solutions to citizens’ problems or to potential business opportunities – in terms of concrete, tangible impact by new products and services - as rapidly as needed. To this end the EC proposes to develop the European Innovation Council (EIC). We welcome the discussion of such an initiative, in particular against the backdrop of the broader discussions on open innovation, but we also encourage the EC to see how an EIC would add value to this complex picture through alignment with new and existing instruments and complementarity at national and EU level.

On the other side of the research and innovation chain, there are the H2020 programmes related to excellent science, and in particular those linked to mobility and excellent basic research. Concerning these programmes, we think that they are running well. Overall, a well-balanced spectrum of research funding ranging from basic research across all TRLs to research close to the market should be in the goal of Horizon 2020.

One of the weaknesses identified for H2020 is the low involvement of EU-13 Member states. We encourage the EC to take further measures that are cutting-edge and harmonised across the EU as possible.

Another observation is related to the modest participation of third countries, and the lower level of participation of partners outside the EU and Associated countries. The fact that the list of third countries eligible to receive EU funding has been reduced has certainly contributed to this finding, along with the lower success rates in H2020. Overall it seems too early to assess the effect of the new approach to cooperation with third countries in Horizon 2020. This will depend on the extent to which third countries implement national funding measures to support collaboration in Horizon 2020 projects.

A final observation concerns the common perception of the function of NCPs to act as “ambassadors of H2020”. The perceived role of NCPs and the communication from the EC to NCPs varies depending on the thematic programme and the DG concerned. Regarding externalised programmes such as JTI, NCPs struggle with getting adequate and timely programme information. We believe that if the processes and exchange of information were further harmonized and efficient communication flows in both directions ensured, the service of NCPs could have an even stronger leverage effect.

3. Major observations

3.1. Simplification of Legal and Financial Issues & the Participant Portal

We appreciate the efforts made towards simplification in H2020 and we recognise the progress achieved in this respect. However, we still see room for improvement, and have identified areas where the H2020 rules are more difficult to administer than the FP7 rules. Administrative simplification must remain an essential target for Horizon 2020 to meet its objective. Effective simplification measures should continue, based on an appropriate balance between trust and control, leaving the necessary flexibility for the beneficiaries' usual practise.

As ambassadors of the programme, NCPs are concerned that Horizon 2020 must be "user-friendly" both at programming level (structure, instruments, etc.) and at implementation level (IT tools, financial and IPR rules, guidelines) in order to allow the multi-actor approach to flourish (increased participation of newcomers to the programme, such as NGOs, associations, end-users, policy makers, etc.). We therefore recommend transparency, streamlining of instruments and increased acceptance of usual accounting practices as guiding principles of continuous simplification.

Selected key issues are the following:

- Internally Invoiced Costs:

The annotations in the Annotated Model Grant Agreement (AGA) regarding internal invoices (no estimates, average costs or global prices accepted) constitute a heavy administrative burden for beneficiaries and are sometimes impossible to execute. On the other hand, externalising these services would only increase costs and it is against the best value for money principle. We recommend revising the annotations in order to provide more flexible solutions for beneficiaries, as already described in the "Joint Statement on the current problem of internal cost allocation (ICA) in Horizon 2020" (https://www.helmholtz.de/fileadmin/user_upload/03_ueber_uns/organisation/Internationale_Bueros/Bruessel/stellungnahmen/2016-01_Joint_Statement_to_the_current_problem_of_internal_cost_allocation.pdf)

- Equipment Costs:

The AGA's interpretation that "*only the part of the equipment's 'full capacity' actually used for the action may be declared*" and the obligation to calculate costs based on the "*full potential use of the equipment*" go against the participants' usual accounting practices, significantly increases administrative expenses, may increase error rates and lead to a significant loss of funding for beneficiaries. Moreover, the kind of activities funded need the best technology and equipment for very specific operations, and are therefore not fully used in many cases. We suggest revising the annotations and restoring the FP7 criteria of acceptability.

- Personnel Costs:

Two issues make it difficult for beneficiaries to bring their usual practise in line with the H2020 rules:

1. There are types of contracts commonly used in certain countries that do not fulfil the H2020 definition of “personnel costs” (e.g. “in-house consultants”). A more flexible approach to established national systems would be worthwhile.
2. The new distinctions between basic, additional and ineligible parts of remuneration seem incompatible with some established national remuneration systems and raises a number of issues with regard to practical implementation. In our experience, the conditions for charging additional remuneration can be met by only a few institutions and do not serve the original purpose for which they were created.

Details on the Legal and Financial NCPs’ views and recommendations on personnel costs in Horizon 2020 are available in the “NCP experience report on the current setup of personnel costs in H2020” from October 19, 2015 (http://www.ncpacademy.eu/wp-content/uploads/2016/01/ME_PersoCosts_ExperienceReport.pdf).

- Costs of Third Parties in Marie Sk.-Curie Actions (MSCA):

In MSCA, the inapplicability of the provisions on Third Party costs is at odds with common organisational structures in some countries (dedicated legal entities created to manage grants, research infrastructures composed of several legal entities). The impossibility of charging these costs in MSCA puts the beneficiaries concerned in a difficult situation. It also raises questions of principle regarding the homogenous implementation of rules among programmes. We appreciate the changes envisaged and request the European Commission to continue to advance this issue.

- Participant Portal and Guidance on Legal and Financial Issues:

While the comprehensive services of the Participant Portal throughout the project cycle are much appreciated, there are needed improvements for future revisions. Applicants should be made more aware of the overall policy and programme structure behind the topics (in particular when using the keyword search), and background information related to specific calls should be made more visible.

The Annotated Model Grant Agreement is a useful document for the work of Legal and Financial NCPs, but beneficiaries can be baffled by the level of detail and size of the document. It would be useful to have a summarised version of the requirements in the H2020 online manual. More legal and financial FAQ would also be an asset. It should be considered to publish anonymised answers by the Research Enquiry Service (RES) on the Participant Portal.

3.2. Success Rates

Success rates in Horizon 2020 (success rate = the number of proposals funded over the total number of proposals submitted) are considerably lower compared to the 7th Framework Programme (FP7). The disappointing success rates of Horizon 2020 programme lines receive a lot of attention from proposers because they represent the *a priori* likelihood of a proposal getting funded, an important motivation when researchers consider investing time and money in preparing a Horizon 2020 proposal. Furthermore, a high percentage of proposals that are evaluated “above threshold” and too often even

proposals evaluated with very high scores are not funded due to budgetary limitations. This is not only regrettable for these proposers but constitutes a macroeconomic waste of resources in the Member States and the Associated Countries.

The question that needs to be answered by the mid-term evaluation of the framework programme is: Does Horizon 2020 make the most out of the vast potential of excellent researchers? Or are experienced researchers and innovators put off by the low success rate?

There may be several reasons for the low success rates: the general attractiveness of H2020, the long period of time between last FP7 and the first H2020 calls, or the economic crisis that limited national research funding budgets at least in some countries. However, a major reason is the lack of balance between topics' breadth (allowing more project ideas) and available budget per topic. The new (and mostly appropriate) approach of Horizon 2020 to publish calls with less prescriptive topics, allowing more flexibility for proposers to bring innovative solutions to the challenges has not been combined with an appropriate increase of budget for each topic (or alternatively a lower number of open topics).

The European Commission anticipated higher submission numbers and has used the two-stage evaluation procedure in some cases to reduce the resources spent on proposals that would not receive funding. However, the way in which the two-stage evaluation procedure was implemented for example in calls in the programme "Health" 2014 and 2015, led to very low stage 2 success rates negating any positive effects of the procedure. Furthermore, on many occasions the two-stage submission procedure seemed to be used to artificially improve/sugar-coat success rates, as the Commission only reported the 2nd stage success rates.

Recommendations:

Future calls should include fewer topics that are broad in scope and provide them with large enough budgets to allow for several projects per topic to be funded. Furthermore, a portion of the call budget should be available to fund further projects in topics with a large number of highly evaluated applications, such as with a score of 14.5 or 15. Accordingly, in the bottom-up programmes like MSCA, a more balanced success rate among the different programme lines (e.g. between ITN and RISE in MSCA) should be ensured with a coordinated use of the budget.

A balance between the "macroeconomic" cost and benefit of the two-stage submission system for the research community needs to be established. At the moment many proposers believe there is no real benefit in the two-stage evaluation procedure since all the work needs to be done before the 1st stage anyway given the short amount of time between the two stages. A way forward could be to have a very short evaluation time for the 1st stage and a longer period between the 1st stage evaluation result announcement and the deadline for the 2nd stage, without overstretching the overall time-to-grant period.

The Commission's efforts in reforming the two-stage evaluation procedure are appreciated, including the decision to implement adaptable dynamic thresholds that can

limit the number of projects approved in the first stage and ensure success rates of approx. 33% in the 2nd stage.

3.3. Instruments in Horizon 2020 and attached initiatives

- Use of Instruments, complexity and thematic overlaps

Throughout Horizon 2020 and in JTI, Research and Innovation Actions (RIA) and Innovation Actions (IA) are the common instruments used to implement major parts of the Work Programmes. They are complemented by Coordination and Support Actions and instruments to support innovative procurement (PCP/PPI).

The use of RIA and IA throughout Horizon 2020, however, seems to be inconsistent at the topic level (e.g. “RIA only” approach in Societal Challenge Health versus the use of Technology Readiness levels to discern between RIA and IA in the LEIT domain “Production”) or the specific community they are to benefit (e.g. RIAs for Starting Communities in the INFRA programme).

Experiences show that for the instruments of PCP and PPI, the targeted group of public procurers is often not willing or capable to develop a proposal for several reasons, e.g. established, experienced proposers are few and far between, the needs of procurers and users are not sufficiently addressed or the timeframes until the respective call deadlines are too short. This has resulted in either no proposals or low quality proposals. Within the NCP-Academy a Meet&Exchange Workshop on PCP/PPI in Horizon 2020 took place on May 11, 2015. The NCP-experience report as outcome of this workshop is available on:http://www.ncpacademy.eu/wp-content/uploads/2016/01/ME_PCP_2015_Experience_report.pdf

When considering different parts of the Horizon 2020 work programme within or attached to it (e.g. Horizon 2020 vs. JTIs vs. EIT KICs or other P2P initiatives), the challenge for the research and innovation community to find their way through the European RDI landscape has increased by orders of magnitude. In addition, sometimes the same type of topics (e.g. Research for nano-electronics) is funded in different parts of the programme and in other initiatives (for example ICT-LEIT and JTI ECSEL) and it is not self-evident which initiative funds which aspects of RDI. The situation is even more confusing for potential applicants, when looking at differing selection processes and the limited availability of statistical data. Transparency is in some cases limited (e.g. EIT KICs¹ and the “cascading funding” model used within Horizon 2020).

The many different instruments, interfaces, evaluation sub-criteria and legal and financial requirements can be difficult for applicants to manage. Therefore, we

¹ This was i.e. lately pointed out in the Court of Auditors' special report No 4/2016: "The European Institute of Innovation and Technology must modify its delivery mechanisms and elements of its design to achieve the expected impact", point 20; "Other barriers to innovation in the EU were reported to be: too many different public funding mechanisms with their own rules which weaken the overall efficiency of public support schemes; too much fragmentation of the research effort across the EU leading to costly duplication; a lack of common strategies and/or synergies in the EU programmes with other EU, national and local programmes which support innovation; the existence of different legal systems at the national level, restricting cross-border innovation; lack of an effective EU internal market, which increases the difficulty of commercialising new products/services in other EU countries."

recommend streamlining the funding opportunities and provide a better overview of the information to applicants e.g. on the Horizon 2020 Participant Portal.

Recommendation:

The Horizon 2020 Midterm evaluation should assess the criteria for the use of instruments compared to the intended outcome across Horizon 2020. There should also be a critical look at funding programmes financially attached to Horizon 2020 (PPPs, P2Ps, Projects with cascading grants etc.) examining if those initiatives follow the same standards as Horizon 2020 and how data can be made available to policy makers and national authorities. Awareness of any overlaps in topics between Horizon 2020 and programmes financially attached to it should be raised and appropriate measures should be taken.

A specific investigation concerning the usefulness of the current implementation of support for innovative procurement is recommended.

- Increased use of Financial Instruments

In Horizon 2020 there has been an increase in the use of financial instruments (risk financing: loans and equity). These instruments are typically used for the private sector. Here, a mechanism should be established to assess the real market failure these financial products address. For public institutions on the other hand it is sometimes hard or even impossible (e.g. forbidden by law) to use loans for financing projects and information available on best practice is sparse. A common conclusion reached by stakeholders is that frontier research and relatively risky research and innovation should therefore be the domain of classic, grant-based funding.

In general a closer cooperation of the entrusted entities – particularly of the European Investment Bank (EIB) and the European Investment Fund (EIF) - with the local NCPs should be envisaged. This also emerged during the Meet and Exchange Workshop dedicated to Access to risk finance held in Brussels in June 2016, e.g. regarding the promotion of the opportunities, the dissemination of good practices of successful projects as well as of synergies between H2020 and the European Structural and Investment Funds (ESIF).

Recommendation:

The Horizon 2020 Midterm Evaluation should look at publicising information on best practice in the area of risk financing through Horizon 2020 schemes. The evaluation should analyse the appropriateness of those instruments for all eligible organisations. Mechanisms should be established to assess the market failure these financial products address.

3.4. Evaluation

As mentioned earlier under the topic of „Success rates“, the Horizon 2020 Midterm evaluation should critically assess and discuss the pros and cons of single stage versus two stage submissions/evaluations based on NCP experiences, applicants' perceptions, European Commission's experience and cost benefit/time to market analyses. There is

no "one size fits all" approach and every programme has to find the right balance between single and two stage submissions and evaluations.

Regarding the evaluation process for two stage calls, researchers and NCPs greatly appreciate the improvements made in Calls 2016/17 that have a more harmonised approach across the different programmes and the introduction of a dynamic threshold in Stage 1 targeting at higher success rates in Stage 2. In the past the procedures for two stage evaluations varied substantially between directorates. NCPs faced numerous questions from their community about why they had not received any feedback in Stage 1 whereas others did. In addition, NCPs have observed an increasing number of non-ranked applicants asking for advice and "interpretation" of ESRs and reasons for deduction of points that were often not obvious, especially for high scoring projects.

We strongly encourage the EC to further harmonise the evaluation procedures and raise the quality and level of details in the ESRs across the different directorates by avoiding too generic phrases and inconsistencies between comments and scores. All evaluations under Horizon 2020 should include a consensus phase, preferably in the form of a physical meeting. Consensus meetings are a crucial step in the evaluation process. If possible, evaluations should be driven by high quality arguments rather than by short timeframes and cost savings.

As NCPs, we hear many disreputable rumours, „half-truths" and complaints about the lack of transparency amongst the applicant community about the evaluation procedures. The fact that many evaluations were outsourced to agencies does not necessarily increase transparency. To strengthen the reputation of the Horizon 2020 evaluation processes and to better exploit our potential as NCPs being in close contact to the applicants, we recommend greater transparency and information flow on the whole process from call deadline to signature of GA. There is already best practice in some DGs. NCPs for all themes need to be able to answer questions such as:

- How are broad topics evaluated?
- Do 1st stage proposals have consensus meetings?
- How is it decided what reserve list projects are funded?
- How is interdisciplinarity evaluated?
- Are previous evaluations taken into account, and if so, are the same evaluators involved?

Concerning the external experts involved in the evaluations, we recommend that especially in interdisciplinary topics or topics with a multi-actor approach, the numbers of evaluators should be increased to guarantee a fair evaluation. In addition, there needs to be a constant effort by the EC to attract competent experts, especially female and those with business background.

When looking at the SME instrument, the evaluation procedures are also often seen as non-transparent and evaluation results as volatile, especially when evaluations of re-submissions receive very different scores. Therefore, large deviations from original scores should be re-checked by evaluators. The fact that there is no qualitative form of written feedback for the SME strengthens the impression of non-transparency. If we really

want to enable the SMEs to grow stronger by applying to the SME instrument, proposers need specific feedback.

3.5. Innovation within Horizon 2020

Although Horizon 2020 has taken some steps in the right direction, many processes are slow in encouraging innovation and can burden participating organisations/companies with excessive bureaucracy.

The EC has suggested the creation of an European Innovation Council (EIC) that would have a holistic view on innovation and innovation related activities. This discussion is welcomed by NCPs.

Other forms of funding such as risk financing instruments appear disconnected from the rest of the programme. A seamless flow in the funding approach through the whole innovation cycle is missing.

There are too many instruments around that are indistinct from one another and do not address the requirements of different target groups (f.e. start-up companies versus mature enterprises). These include “Fast track to innovation”, “SME instrument”, Eurostars 2, MSCA and the “Innovation Associate” etc. The European Commission should consider carefully the role, the budget and activities of the European Innovation Council in this landscape

Particularly in the case of the SME instrument, the work programme structure and SME instrument topics strongly depends on Programme Committee structures with political and budget-related restrictions which decrease the consistent use of this instrument throughout Horizon 2020. Enabling companies to be more certain about upcoming work programmes, a more uniform pattern should be implemented reflecting a “true” bottom-up approach. In this regard a deeper involvement of the "SMEs and Access to risk finance" Programme Committee would be welcome to ensure a major coordination on the 13 SME Instrument topics' definition.

With regard to the “Seal of Excellence” pilot the major obstacle lies within the state-aid-rules and the different funding principles within the Member and Associated States. The limited possibilities of Member and Associates States are in contrast to the high expectation that the Seal of Excellence has created. This expectation will be further increased if the “Seal of excellence” is extended to FTI and MSCA. The pilot also lacks a structured process that involves all related stakeholders, including NCPs. The “Seal of Excellence” concept was not communicated and discussed sufficiently well with the Member and Associated States prior to its implementation. The “Community of Practice” established by the EC is a good first step in enhancing the overall communication but there is room for improvement.

3.6. About the ERC and MSCA

Several measures implemented for the ERC in recent years are considered positive and should be maintained in the future. This concerns e.g. the single reference date to

calculate the eligibility of ERC applicants as „Starter“ or „Consolidator“ as well as the fact that there is no ear-marked budget per ERC domain in Horizon 2020.

With respect to ERC proposal resubmissions, the current rule that all principal investigators (PI) successful in step 1 can reapply immediately to the next call if they are not funded in step 2 of a specific call should be maintained for future calls.

The timing of deadlines should allow for enough time (at least 2 months) for applicants to be able to prepare a competitive proposal resubmission. Currently the timing between notifying non-funded applicants and the next deadline is often too narrow.

With respect to evaluation comments, it is suggested to foresee „compulsory“ explanatory remarks by ERC reviewers in case a track record is deemed „non-competitive“. This modification is suggested in order to ensure a better orientation of PIs in particular if the assessment of their track record differs significantly between reviewers.

For MSCA and ERC, the current availability and quality of participation data in eCORDA for the Programme Committee is non-satisfactory. The availability and quality of data has decreased compared to the situation in FP7. While according to the Commission services the reasons for this change are data protection issues, this explanation appears insufficient in view of the strict confidentiality rules applying to programme committee members. Recently, however (April 2016), the Commission has signalled that core data requested for MSCA and ERC by members of the Programme Committee for ERC, FET and MSCA will be provided to the horizontal Programme Committee. This announcement is welcomed, and NCPs hope that it will be implemented swiftly and continuously throughout Horizon 2020.

3.7. How to catalyse the whole potential of the ERA - attracting EU13 participants

In Horizon 2020, the geographical location of participants has not changed from previous programmes. After 200 calls of Horizon 2020 about 90% of the funding is received by EU 15 participants, while less than 5% of the funding is received by EU 13 participants (based on the eCORDA data published by the EC in March 2016).

In NCP experience, it is likely this will not change in the future without intervention, as the usual FP partners seem to tend to use their existing collaborative networks. Some New Member States are developing quickly and have excellent research centres with cutting edge research facilities financed via Operational Programmes but are still newcomers in H2020 who need specific support. EU13 countries are in the process of directing their basic research towards practical applications while simultaneously changing the attitude of researchers from a more science based “push” to a more market based “pull” approach. This process has only begun.

The key factors in discouraging newcomers from New Member States are the new remuneration rules. This involves the new distinction between basic, additional and ineligible parts of the remuneration that seems incompatible with the established

national remuneration systems of certain countries and raises a number of issues when it comes to practical implementation (see Chapter 3.2 Personnel Costs).

It is generally difficult for newcomers to join existing collaborative research networks. Since the beginning of FP6 a significant institutional concentration of participants in the EU R&I Framework Programmes can be observed. Currently 500 organisations among more than 13 000 beneficiaries have received about 58% of the H2020 financing (source: e-Corda). One organisation has 56% of the budget distributed to all EU13 participants.

Measures should be taken to encourage the inclusion of new partners and partners from EU13, in order to take advantage of the entire potential of the ERA. Such inclusion also ensures a stronger and wider spread European dimension in innovation without compromising the quality of the research. Expert discussions on new instruments facilitating the openness and inclusiveness of existing networks (e.g. CSA networking projects or introducing an additional criterion for geographical differentiation for projects with equal scores) should be started. The programme area “Spreading Excellence and Widening Participation” makes an important contribution to strengthening the participation of previously underrepresented regions.

A new focus could be to open up excellent research infrastructures in EU13 to enhance their contribution to international research and to the attraction of the best minds.

Last but not least newcomers are in general less likely to coordinate large actions due to lack of experience with the FPs. Therefore, in the remaining time period of Horizon 2020, an appropriate balance between small and large projects within the areas of ‘Societal challenges’ and ‘Leadership in enabling and industrial technologies’ (as indicated in the DECISION of 3 December 2013 establishing the specific programme implementing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)) must be ensured.

3.8. International Participation

International cooperation in research and innovation contributes to the broader policies of the European Union by strengthening the Union’s excellence and attractiveness in research and innovation as well as its economic and industrial competitiveness, tackling global societal challenges and supporting the Union’s external policies.

In FP7 about 5’500 projects (about 20% of all projects) included at least one international partner and about 5.4% of all participants came from a Third Country drawing around 2% of the programme budget. The top five countries in terms of total participations were Russia, USA, China, India and South-Africa.

H2020 has not yet reached the international cooperation level of FP7. There are many reasons. The new definition of countries that are not eligible for automatically receiving EU funding (BRIC, Mexico and –as in FP7- industrialised countries and emerging economies) and the high interest in H2020 that leads to higher competition and lower success rates have both contributed to a lower number of projects with international participation.

National H2020 co-funding mechanisms in some of these above mentioned Third Countries make it possible to participate in a H2020 consortium and being funded on a

national level. However, including a Third Country in a consortium is often considered as being risky since often the national authorities will only decide to fund the Third Country partner after the consortium's proposal is successfully evaluated above threshold and selected for funding. This risk is frequently perceived as a detriment to proposals resulting Third Countries less often in consortium despite clear assets. A remedy could be:

- Automatic funding at national level
- Automatic funding at national level for a defined set of programmes/calls or type of project partners

In both cases the national authority of a given Third Country could commit to a certain envelope that would be used to fund project participations, for example in ECSEL. An alternative but less practical approach could be that the national authority decides prior to the consortium building and proposal submission to support a project e.g. via a binding letter of support.

3.9. Unfolding the full potential of NCPs

NCPs play an important role in the programme implementation of Horizon 2020 by offering high quality services to the European research community. A prerequisite for doing a successful job is an exchange of information between the European Commission and NCPs. Experience shows that the scale and timeliness of information provided to NCPs differs substantially among programme areas and responsible officers at the Commission and executive agencies. Sharing information as soon as it becomes available and proactively informing NCPs whenever new content is put online would greatly facilitate the work of NCPs for the benefit of all parties involved.

Regarding many externalised programmes and instruments such as JTIs or JPIs, NCPs struggle with getting adequate and timely programme information, which is needed to guide and support potential programme users. Keeping in mind the significant budget of H2020 dedicated to these initiatives this situation needs to be improved enabling NCPs to give comprehensive and detailed advice on the European research and innovation funding opportunities.

Moreover, an exchange of experiences among NCPs is essential in serving the needs of the programme users for information, advice and also orientation in an increasingly complex European research funding landscape. The NCP coordination actions funded by the European Commission provide the scaffolding for assembling relevant Horizon 2020 knowledge and experience enabling mutual learning among NCPs. Within these NCP actions implementation barriers can be discussed and feedback and potential solutions can be provided to the EC (e.g. MSCA-NCPs feedback on the guide for applicants was appreciated by REA/EC and there many more examples). The NCP Academy as a central training facility for NCPs also contributes to well-informed and skilled NCPs. All these initiatives need to be sustained to cover the remaining programme period of Horizon 2020 and provide an overlap to the next Framework programme (i.e. at least till 2021). This would ensure a seamless transition and help NCPs adequately prepare their clients

for FP9. Appropriate NCP topics both for thematic NCP actions as well as the NCP Academy (also with its focus on capacity building among Legal & Financial NCPs) should be included in the next work programme (2018-2020) accordingly.

(A Meet&Exchange Workshop has been organised to discuss the impact of the NCP-networks. The report is available for download on:

<http://www.ncpacademy.eu/meet-exchange-workshop-impact-of-ncp-networks/>)