



EIC Board - 9th plenary Meeting

11 July 2023 – Riga

19 September 2023

1. Welcome

Michiel Scheffer, President of the EIC Board, welcomed the members of the Board present and representatives of the European Commission and the EISMEA. He introduced himself as first President of the EIC Board, reported on some of his first experiences and reflections. His priorities in the short term are operational excellence and the future of the EIC. He is also in favour of an active media engagement and visiting beneficiaries and applicants, in particular in the widening countries. He highlighted that this is a new role which will require further clarification of the mandate in line with the legal base. He also welcomed Svetoslava GEORGIEVA, Chair of the EIC Fund Board, as an observer to the meeting.

Board members were reminded to declare any changes in their or their partner's activities, to update their Declaration of Interests and inform the secretariat if any agenda item may pose a conflict of interest. The Secretariat noted two notifications which it had received. No other conflicts of interest were declared.

The agenda of the meeting was approved, and it was recalled that the minutes of the previous meeting had already been approved by written procedure. It was noted that some of the follow up actions of the previous meeting, including on widening, would be discussed under the agenda points of the meeting.

2. Commission's Economic Security Strategy and Step proposals – Implications for EIC

Anna Panagopoulou, Director of ERA & Innovation (EC), outlined the rationale of the Strategic Technologies for Europe Platform (STEP) and its importance in the context of economic security. The platform will capitalise on existing instruments, including the EIC Fund, and is a step towards an EU Sovereignty Fund. It will focus on certain key areas, such as deep and digital technologies

and biotech. She explained the implications for the EIC Fund and the complementarity with InvestEU instruments in the context of STEP. She also then explained the policy developments on economic security and the implications for the EIC, notably the inclusion of safeguard measures in the EIC Fund Investment Guidelines.

Board members strongly welcomed the STEP proposal and the proposed new compartment of the EIC Fund which would cater for the increasing needs for follow up investments of larger amounts. The Commission noted that the STEP proposal is only just starting the negotiations in the Council and Parliament and it is not certain at this stage what the outcome would be.

Regarding the approach to technology sovereignty and economic security, Board members commented:

- Tech sovereignty in the sense of independence from other regions is impossible given the global organisation of economy and hyperconnectivity (chip production is a good example). As such the focus should be on derisking and not de-coupling to minimize dependency and to give the freedom to decide. It was welcomed that the EU applies this definition of tech sovereignty and also recognised that decisions on tech sovereignty are of a political nature.
- EIC Fund safeguards on foreign investments/ takeovers need to be carefully balanced, and such measures while important should only be used with caution and if absolutely necessary. Strengthened (punitive) conditions may be off-putting for companies while the aim should be to attract companies to stay and expressed that the use of strengthened conditions in practice should be avoided as much possible. Startups should not have to face a black and white choice of EU vs US and EU based startups should be supported to become global companies. Foreign investment can be highly positive for EU based startups, such as the Chinese investment in Lilium, an EU based deep tech startup.
- It was noted that if the EIC wants to take blocking minorities then it would require the means to do so.
- The particular case of AI was raised, where developments could stifle Europe unless it takes advantage of the technological opportunities, which should be supported by the EIC.
- The EU still requires an equivalent of the Delaware corporations which is extensively used by European startups (including in Latvia).

The Head of Unit (DG RTD – Innovation Policy & Access to Finance) updated the Board on the implementation of the New European Innovation Agenda where 12 out of 25 actions have so far been implemented, including guidance on regulatory sandboxes, and a Listings Act proposal. He noted the success of the Women2Invest programme and the continued divergence of innovation performance (as evidenced by the 2023 European innovation Scoreboard) is successful. He informed the Board of the next EIC Forum meeting as part of the Spanish Presidency event in October. The Board stated that its members, who participated in earlier meetings of the EIC-Forum, shall be invited to the event.

Conclusions and follow up

- The Board welcomed the Commission's STEP proposal and will consider a statement of support.

- The Board will advise on how the EIC component of STEP can be implemented, and this work will be included within the remit of the Working Group on the future of the EIC.
- The Secretariat will circulate the draft Investment Guidelines for possible comments

3. Updates on EIC implementation

Jean-David Malo (JDM), Director of Digital Excellence and Scientific Infrastructures (Remote), updated the Board on implementation, including progress on KPIs on time to grant and time to invest for the Accelerator, as well as strong demand and successful evaluations under the Pathfinder and Transition calls. He briefed the Board on the move from the AI platform to the Commission platform for Accelerator applications, and also updated on measures to support widening countries. Board members expressed their concern on the impact of the transition in the framework for a swift processing of applications. The President of the EIC Board takes that point up, in respect of operational excellence.

Regarding widening countries, Ana Barjasic as chair of the widening WG, asked for urgent action to follow up the conclusions of the previous Board meeting including the publication of the draft Code of Conduct for consultants and Action Plan. Other members supported this request, emphasising also the need to communicate better on the Seal of Excellence (with data on the uptake) and to highlight the Board's full support for the principle of excellence. The President of the EIC Board confirmed that the Code should be published, and the implementation of the actions is urgently needed. He also proposed a Board statement to be published and to endorse the recommended actions, preferable with a clear timetable for implementation. The Commission and EISMEA representatives confirmed their willingness to implement actions where possible and in respect of the legal base.

Anna Panagopoulou highlighted a range of measures already taken, such as the hop-on, new role of the EEN, communications day etc. also suggested strengthening participation in info days and noted that work is ongoing with DG REGIO on accessing pre-accelerator instruments through widening instruments/ structural funds. Jean-David Malo recognised that many supporting actions have already been implemented but implementable recommendations should be defined.

The impressive Pathfinder outcomes as highlighted by innovation radar were welcomed and it was suggested to share these with senior stakeholders in universities to develop similar strategies already in place for the ERC.

Regarding KPIs, it was highlighted that the KPIs for the EIC should include disbursements and that a discussion is needed on integration of ESG metrics. It was also agreed that the KPIs need to have targets set.

A question was raised about the implementation of the Expert Group on the future of the EIC, included in the 2023 Work Programme. The Commission responded that this is still under consideration as it is not yet clear if it will add value to the work of the EIC Board on the future, and the extensive ongoing evaluation study of the first years of EIC.

Conclusions and follow up

- Secretariat to publish Code of Conduct, organise an urgent meeting to discuss implementation of the widening action plan and prepare a Board statement on widening for publication
- Secretariat to share information on evaluation study with Board members
- The President of the EIC Board follows up on the process of the accelerator
- EISMEA to disseminate results of innovative outcomes of Pathfinder
- Review of KPIs, including on targets, EIC Fund KPIs and ESG metrics, to be discussed at September Board meeting

4. EIC Programme Managers

The Head of Unit of the EIC Programme Manager's Office (EISMEA) presented the EISMEA's approach for recruiting new Programme Managers (PMs). 4 PMs will be at the end of their 4-year contract in 2024, and 6 PMs at the end of 2026. The Board's advice is sought on the priority areas for future PMs as well as the lessons from the first experience of PMs to take into account for the future.

Board members enquired about the reason for the 4-year limit and whether this could be extended. The Commission and EISMEA explained that time limited contracts for PMs were considered important drawing from the experience of agencies such as DARPA, and that the four limit was part of the agreement within the Commission to have more flexibility on the level and process for recruitments. Nevertheless, this could be reconsidered for future.

The Board urged EISMEA and the Commission to consider longer durations so that PMs could implement the full cycle of funding of portfolios. It was also noted that for the first PMs, the effective duration has been shorter than 4 years as there was a start up period in the first years before the EIC was fully operational. At the same time the recruitment of new PMs is important to bring in fresh ideas, and there should be sufficient overlaps to ensure business continuity. The Board also advised to find ways to continue the involvement in the EIC of outgoing PMs, for example as ambassadors. It was also noted that PMs could play a stronger role in relation to EIC Fund investments, such as sourcing expertise for technology due diligence.

The Board welcomed the proposed thematic areas for future PMs, in particular in Artificial Intelligence, but also suggested have some flexibility as it may not be easy to find an appropriate candidate in this field.

It was noted that Board members were involved in the interviews to select Programme Managers and this practice should be continued in future.

Conclusions and follow up

EISMEA and the Commission are invited to reconsider the durations of Programme Manager posts to maximise impact, and to involve the Board in the next steps.

5. Draft EIC Work Programme 2024

The Head of Unit of the European Innovation Council (EIC) (EC) presented main changes being considered for the EIC Work Programme 2024, following the orientations agreed with the Board at previous meetings. He outlined a number of proposed changes to the Accelerator to simplify applications and participation including a the use of lump sum funding (less reporting burden and a move to monitoring results rather than cost statements), , merging of “grant first” and “grant only”, change in the criteria to pass the Step 1 phase to require 3 out of 4 evaluators to give “GOs”, introduction of consensus meetings on full applications where necessary, removal of access of evaluators to previous evaluations, and a simplification of the resubmission rules to allow a maximum of three submissions at any stage in the process. He noted relative stability on Pathfinder and Transition calls, but that the rebuttal for Pathfinder could be removed given the experience of the pilot. On budget, following comments from the Board and the Programme Committee, as well as the STEP proposal, a smaller amount is foreseen as a reserve for follow on investments, allowing an increased budget for new projects in particular for the Pathfinder. He also presented the proposed set of Challenges following the assessment and feedback on the longer list of areas presented at the previous meeting.

Board members broadly welcomed the proposed simplifications and changes, including the introduction of consensus meetings. A suggestion was to introduce a majority rule among evaluators, but the experience so far shows that this would not be sufficiently selective. Board members agreed that the Accelerator evaluation criteria should look at the excellence of the company, and that the assessment of the need for EU support should take account of the international context (i.e., the EIC should invest even if there are existing investors if this needed for the company to be competitive globally). It was noted that allowing three submissions is relatively generous (evidence shows that after two submissions there are unlikely to be improvements).

Conclusions and follow up

The Board broadly welcomed the proposed changes, revised budget and took note of the selection of challenges put forward. Board members were requested to provide any follow up comments in writing by 21 July.

The Commission was invited to take into account the Board’s advice in the next draft of the Work Programme that would be presented for an opinion of the Board at the September meeting.

6. Future Strategy

The President of the EIC Board presented the vision for the future of the EIC on basis of the draft paper of the EIC Future WG. He noted that many members had been involved in preparing the draft and so welcomed in particular comments from those members who had not been part of the working group.

Board members commented that:

- The Why question should be stronger addressed in terms of linkage to the transition challenges and why new entrepreneurship is needed

- the EIC needs a stronger vision to show that Europe can set the agenda and not just follow.
- Actions to incentivise procurement of innovation are highly important but further work is needed on how this will be implemented.
- Greater support for less developed regions is also critical, the pre-accelerator idea needs a co-investment by the EIC.
- The links to the ERC and to national programmes should be strengthened.
- The budget of the EIC should be put in an international context where other regions are spending order of magnitude higher amounts in critical technologies.

The Board also discussed the timing of the Board's recommendations on the future of the EIC. It was agreed that this should take account of developments on the STEP proposal, as well as the appointment of the new Commissioner for research and innovation. At the same time, it was suggested that the Board should start testing the main recommendations with policy makers before finalising its opinion.

Conclusions and follow up

The Board WG on the future EIC to integrate feedback and comments, to consider timings and sequencing of next steps, and mandate the WG to make a final draft opinion for discussion with the new Commissioner.

To come to the next meeting with a dissemination plan and overview of future actions.

7. EIC Fund

The Head of Unit of Innovation Policy & Access to Finance (EC) and the Head of Unit of the European Innovation Council (EC) provided an update on the EIC Fund restructuring and implementation.

Svetoslava Georgieva, Chair of the EIC Fund Board, reported from the workshop organised by the EIC Fund Board and provided recommendations for improvement, in particular on KPIs for the Fund and Syndication. She highlighted the late start of the operational work of the Fund in September 2022, and there is considerable need to catch up with investments. She also highlighted the need for well-coordinated communication, streamlining the Know your Customer (KYC) checks and more effort for syndication.

The Board endorsed the recommendations for improvement and stressed the need for faster decision making and disbursement of payments, and greater efforts on syndication. The President of the EIC Board expressed his support for the work done by the EIC Fund board and stresses the importance of getting all actors of the process aligned, and if needed, to intervene to that effect.

Decision and follow-up

For the EIC Fund Board Chair to share an overview of the Fund operational process (incl. DD & KYC)

8. Wrap-up, next steps, arrangements for next meetings

Ana Maiques Valls (AMV) announced that her intention to resign after the Board meeting (11 July) from her position as EIC Board Member).

The Secretariat outlined the approach to selection of members for new Board when current mandates finish in November, and that all Board members would be contacted as part of this process.

Next meetings - 2023:

- 28 September – Brussels (timings to be confirmed); the agenda will include points on the EIC Work Programme, KPIs, Widening and syndication.
- 6 & 7 November – Athens: this will be the final meeting of the Board under its current mandate.

List of participants

Members of the Board

- Michiel SCHEFFER – EIC Board President
- Francesco PROFUMO
- Bart BECKS
- Vicky KEFALAS
- Liene BRIEDE
- Carsten DREHER
- Hermann HAUSER
- Ana MAIQUES VALLS

- Ana BARJASIC (*Remote*)
- Lars FRØLUND (*Remote*)
- Mark FERGUSON (*Remote*)
- Špela STRES (*Remote*)
- Taavi MADIBERK (*Remote*)
- Marja MAKAROW (*Remote*)
- Anita TRAASETH (*Remote*)

Apologies

- Cristina RIESEN
- Bruno SPORTISSE
- Radoslaw GEORGIEV
- Kinga STANISŁAWSKA
- Kat BORLONGAN

European Commission:

DG Research & Innovation

- Anna PANAGOPOULOU – Director – *ERA & Innovation*
- Head of Unit – *European Innovation Council*
- Head of Unit – *Innovation Policy & Access to Finance*
- Deputy Head of Unit – *European Innovation Council*
- Policy Officer – *European Innovation Council*
- Policy Officer – *European Innovation Council*
- Policy Officer – *European Innovation Council (Remote)*
- Policy officer – *European Innovation Council (Remote)*

DG Communications Networks, Content and Technology

- Gustav KALBE – Director – *Digital Excellence and Scientific Infrastructures (Remote)*
- Policy officer – *Technologies for Smart Communities (Remote)*
- Programme officer – *Emerging and Disruptive Technologies/ Quantum Communication Infrastructure (Remote)*

EIC & SME Executive Agency

- Jean-David MALO – Director (*Remote*)
- Stéphane OUAKI – Head of Department – *European Innovation Council*
- Head of Unit *EIC – Programme Managers' Office*
- Head of Unit *EIC – Pathfinder (Remote)*
- Head of Unit *EIC – Transition and Business Acceleration Services (Remote)*

- Deputy Head of Unit - *EIC Accelerator (Remote)*
- Policy Adviser – *EIC Board, Strategy and EA Feedback to Policy (Remote)*
- Head of Sector *(Remote)*
- Policy Adviser *(Remote)*
- Policy Adviser *(Remote)*

Observers

- Svetoslava GEORGIEVA, Chair, EIC Fund Board
- Programme Manager (EISMEA) - *Health and Biotech portfolio (Remote)*
- Programme Manager (EISMEA) - *Medical Technologies and Medical Devices (Remote)*
- Programme Manager (EISMEA) - *Materials for Energy and Environment (Remote)*
- Programme Manager (EISMEA) - *Construction, AI and Optimization (Remote)*
- Programme manager (EISMEA) - *Quantum Technologies and Electronics (Remote)*
- Programme manager (EISMEA) - *Responsible Electronics (Remote)*
- Programme manager (EISMEA) - *Energy Systems and Technologies, Biosystems Engineering (Remote)*
- Programme Manager (EISMEA) - *Food & AgriTech (Remote)*
- Programme Manager (EISMEA) - *Space (Remote)*