



Meeting document N.2

EIC Board - 5th plenary Meeting

6/7 September 2022 – Brussels

DRAFT VERSION

1. Welcome and approval of minutes

Mark Ferguson, the EIC Board Interim Chair, welcomed the members of the Board present (apologies from Bruno Sportisse (day 1) and Špela Stres (day 1&2)), the EIC Programme Managers, the new head of the PM's office unit and the European Commission / EIC & SMEs Executive Agency representatives.

The Chair informed the Board about the revised agenda and that Commission Executive Vice-president (EVP) Margrethe Vestager will join breakfast from 8:30 – 9:00 on 7 September.

The agenda was adopted and the minutes of the 4th meeting (6 June 2022) were approved.

2. Plenary exchange with EIC Programme Managers (PMs)

As a follow-up of the discussions held at the last meeting in Norway, the PM for health and biotechnology provided an overview of the experience and future vision of PMs followed by short presentations from all PMs' highlighting aspects of their work. This was followed by breakout groups with more in-depth exchanges between Board members and PMs.

Members of the Board welcomed the presentations and interactions, as well as the progress made by PMs. Specific points raised were:

- PMs are covering a wide range of technologies and innovations at all Technology Readiness Levels (TRL) and with many roles. Given the limited number of PMs, there is a need for

further prioritisation and specialisation of individual PMs activities, with the necessary organisational support and IT and data tools.

- PMs are not always sufficiently informed about the work and vision of the Board and the interactions should be increased to ensure a common vision.
- PMs need a relative degree of autonomy in developing visions and challenges in their area. At the same time, they need to be able to do this quickly given that their terms are limited to four years.
- There should be more interactions with the VC and investor communities, with a plan developed for this, and making use of PMs expertise in a systematic way for the EIC Fund.
- A key barrier for many startups is regulatory approvals and PMs could play an important role in helping overcome these. The proposed work on “innovation deals” as well as the joint EIC-EMA collaboration was welcomed.
- The career paths of PMs after they end their terms is a critical issue to make sure interests are aligned and that the position of PM is able to advance individuals on their career paths.
- Concerning the areas covered by the PMs there remains a gap in the growing field of FemTech/ female health.

Follow up:

The Agency was asked to collect from the PMs their top 2-3 priorities to be put together in a short paper for the next Board meeting.

The Board will interact further with PMs to support a common vision, further prioritisation of their activities and longer term advice on the career paths and profiles of future PMs.

3. Chips Act and the role of EIC

The Chair welcomed Thomas Skordas deputy Director General, DG CNECT, who presented the state of play of the Chips Act and the foreseen actions that are relevant to startups/ SMEs, emphasising the important role already foreseen for the EIC.

The PM for quantum tech and electronics summarised the current portfolio of EIC supported companies/ projects relevant to the Chips Act, along with the foreseen challenges for 2023.

In the exchange with Board members the following points were discussed:

- There is a major gap in scale up financing for startups in semiconductors/ quantum, especially in relation to the amounts available in the US and China. The EIC Fund can help at early stage but needs to be complemented by support for larger financing rounds as envisaged in the Chips Fund under InvestEU.
- Startups in this field are often unaware of the EU programmes, including the EIC, which are there to support them or lack information about how to access these programmes. An effort on communication and outreach is needed.
- Startups are reliant in their supply chain on specialised chips and on non-EU source for chip design and this represents threats to technology autonomy. While measures are being taken to improve access to chip designs, it is also important to support startups in Europe to become leading players in these critical areas.
- Skills shortages are a major constraint, especially to access expertise on the design and construction of advanced chip manufacturing plants.

- There is considerable potential in demand side measures, and the first of a kind purchasing approach (as used by EUHPC) should be considered.
- There are a multitude of initiatives at national level which need to be brought together. The Quantum flagship is doing this within the research field, but further measures such as exchange schemes could be envisaged.

Follow up:

Thomas Skordas thanked the Board for the exchange and stressed the importance of strong collaboration between the EIC and the work under the Chips Act. Particular areas for future collaboration are: improved communication to startups, collaboration to further identify areas to be supported under EIC challenge funding, and finding ways to support larger financing needs

4. Breakfast exchange with Commission Executive Vice-president Margrethe Vestager

The Chair welcomed EVP Margrethe Vestager and her continuous support to the EIC. EVP Vestager emphasised the importance of the EIC in addressing the EU's competitiveness challenges and her support in finding a way forward for the EIC Fund.

The Board expressed their concerns about the severe delays in implementing the EIC fund, which is undermining the reputation of the EIC and causing real problems for entrepreneurs. The Board called for the EIC Fund to be fully operational under the transition solution by no later than the end of September, and that there should be rapid learning about how this solution works in practice (e.g. against the KPIs set by the Board for speed of decision making, effective coordination between grant and investment components, etc.) in order to inform the long term solution. The Board highlighted possible solutions to four immediate priorities for rapid EIC fund operationalisation, namely: 1) Establishment of a fund advisory group and coordination with EISMEA, 2) Board nomination of members to serve on the EIC fund board, 3) Abolish the approval of the college of commissioners for blended finance decisions (which currently results in 6-9 weeks delay 4) Relevant authority back to the agency/directorate. Board stressed their commitment to successful implementation of the EIC and offered their support and advice where needed.

EVP Vestager welcomed the input and advice of the EIC Board which she considered to be fully relevant. She informed the Board that the new Commission Decision for the transition phase was being finalised, and the discussion of the long term solution structure needs to be finalised by the end of the year. She welcomed the offer of support and advice from the Board including on the learnings from the transition solution, advice on the long term solution, and recommendations for key appointments.

The Chair assured EVP Vestager of the follow up by the Board on the points discussed and looked forward to welcoming her to future meetings with the Board.

5. Overview of innovation policy latest developments

Anna Panagopoulou, Director DG R&I presented the new European Innovation Agenda, and highlighted the role foreseen for the EIC (e.g. on finance, gender, innovation interns). She also invited the Board to advice on the implementation of the regional innovation valleys. She thanked members for their participation in the validation event and the EIC Forum Working Groups, and

invited Board members to participate in future WGs, e.g. on scale up financing and on stock option schemes.

Members noted:

- The need for coordination of national scale-up initiatives, noting the role of the EIC Fund in co-investing with national funds. Coordination between funds/ initiatives should be complemented by easy front end information and access for startups and scaleups.
- The proposed Regional Innovation Valleys are welcomed as a way to integrate between structural funds, widening and interregional innovation investments (I3) and should draw lessons from US and other international experience.
- The Board is interested in procurement of innovation, and future Board meetings could conduct deep dives in specific aspects of the Agenda.

Follow up:

Secretariat to follow and provide information on the EIC Forum Working Groups to ensure participation of interested Board members.

EIC Board WGs to further discuss and advise on specific actions/ flagships of the Innovation Agenda, including the Widening WG on the Regional Innovation valleys scheme.

6. EIC implementation & EIC Fund

Jean-David Malo highlighted latest developments in EIC implementation, including the EIC Ukraine actions and results of the pathfinder, transition and accelerator schemes. In particular, he emphasised the important progress in the time to grant for the EIC Accelerator towards the target set by the Board.

As a follow-up to the KPIs set by the Board, the Head of Unit for the EIC Board & Strategy (EISMEA) presented the first Board monitoring report, indicating that some indicators are still missing and that while indicators for the Pathfinder and Transition schemes are generally positive, the main difficulties are for the Accelerator. Further work is underway to prepare the 2022 EIC Impact report to be presented at the EIC Summit in December and to include public reporting against the KPIs.

The Board welcomed the reporting as a very good first step. For future reports, members recommended: to specify targets, to clarify ownership of KPIs, to have more time series data to understand trends, and to have indicators to capture feedback of beneficiaries/ applicants. The Board would like also to have a follow-up in the upcoming meeting on the evolution of the 'red' KPIs and the possible reference to China and the USA. The Board also questioned the flexibility and review mechanisms, risk management if the funding decision making does not meet KPIs.

The HoU Innovation Policy, Investment Agendas & Access to Finance, informed the Board on the EIC Fund latest developments and the discussions in the European Parliament ITRE committee, led by MEP Christian Ehler. Mr Inotai explained the arrangements that still need to be finalised for the transition phase, and the ongoing long term solution discussions. More detailed discussion will take place at the next EIC Board WG meeting on the EIC Fund, on 26 September.

Board members expressed various concerns and issues which require consideration:

- Creation of a common EIC vision and culture between the agency, EIC Fund manager and EIB team, including the use of single EIC branding by all parties, and using secondments.
- Ensuring appointments to the EIC Fund Board and bring appropriate expertise and both understand and share the EIC vision
- How the Transition set up will work in practice including the information flow and coordination between investment and grant components
- Who will be appointed as representatives on company boards, what role they will have and who will source the appointments.
- The plan for follow on funding of some companies
- The exit strategy for investments and ensuring returns are redeployed ("evergreen" Fund)

Bart Becks presented some reflections on the communication strategy to develop a plan until the end of year, including the announcement of the Fund Manager. The strategy will include positive testimonials, the first EIC investments and the improvement on KPIs.

The head of EIC Department, EISMEA, presented the experience with investments under the pilot EIC Fund. A large number of investments have been made. While progress has been made in helping companies find co-investors (match making platform, advisory support, etc.) further work is needed in some cases.

Follow up:

Subject to the Commission Decision, the Board will provide suggestions to the Commission for EIC Fund Board representatives.

Secretariat to provide timely information on implementation of the transition arrangements for the EIC Fund.

Working Group on the EIC fund to further discuss and advise on the transition and long term solutions.

The Communication WG and the Agency to develop a communication Plan for the EIC Fund.

7. Review of Working Groups

The Chair explained the need to discuss the next steps and potential changes in mandate of Working Groups and to avoid a multiplication of WGs. The proposals include the expansion of the scope of the EIC Fund WG (to include other aspects related to the Accelerator and investments) and the joint WG with the ERC (to include other aspects related to the Pathfinder, Transition, technology transfer and infrastructures), the need for all WGs to consider gender and diversity aspects, and to appoint alternate chairs for some of the WGs.

Board members welcomed the proposals and endorsed the changes proposed. It was suggested that the EIC Fund WG also cover the Plug In and Fast Track (in coordination with the Widening and joint EIT WGs)

Decision and Follow up:

The mandates of the Working Groups are revised as set out in the input paper.

Spela Stres is agreed as the Alternate Chair of the WG with the ERC, eg to chair when the group meetings with EIC members only.

Kinga Stanislawska is agreed as Alternate Chair of the WG on the EIC Fund (eg chair on matters relating to simplification of accelerator application process, gender initiatives)

The secretariat will organise the next meetings of WGs in liaison with chairs/ alternate chairs.

8. Development of EIC Work Programme 2023

Following the orientations endorsed at the previous Board meeting the Board was updated on the preparation of the Work Programme and presented for the views of Board members the proposals on the budget breakdown, the selection of challenges, the design of new public procurement scheme, and the implementation of Plug in from national programmes to EIC Accelerator. the Head of Unit for the EIC Board & Strategy (EISMEA) acknowledged the different comments received by email from the members of the board on the draft.

Board members discussed in-depth the budget repartition, the finalisation of challenges, the new procurement scheme, and stressed that technology sovereignty considerations should be taken fully into account. They noted that the WP should not pre-empt decisions on the long term solution of the EIC Fund (sentence in the draft was agreed to be released) and that the proposed expert group to feed into the mid-term review of Horizon Europe should consider the option of a Union agency and the Board should be closely involved in this work.

Decision:

Subject to the above comments, amendments and the finalisation of the text with the Programme Committee of Members States), the Board gave a positive opinion and endorsed the EIC Work Programme 2023.

9. Exchange with Commissioner Mariya Gabriel, Commissioner for Innovation, Research, Culture, Education and Youth

Mark Ferguson welcomed Commissioner Mariya Gabriel, in the meeting and thanked her for the regular open exchanges.

Commissioner Gabriel congratulated the Board on the commitment of members, in providing valuable, clear advice and recommendations which had helped the Commission, and for the engagement with the European Parliament. Commissioner Gabriel reassured that the efforts are being put in place to finalise the setup of the EIC Fund, to complete the transition solution by the end of September and the whole process by the end of the year.

The Board stressed that the current situation is very damaging both the companies approved for funding and to the EIC reputation and offered the Board's help and advice on the long term solution and if useful on appointments, eg the EIC fund board. Both suggestions were welcomed by Commissioner Gabriel.

Mark Ferguson, Ana Barjasic, Marja Makarow and Bart Becks reported and provided the recommendations from the EIC Board's work so far, including from the various working groups set up after the exchange with the Commissioner at the Board's inaugural meeting.

Commissioner Mariya Gabriel welcomed the progress made. With regard to widening participation, she welcomed country specific data analysis which highlights the different situations of countries, and supported the proposal of a Code of Conduct for consultants, and the work to assess potential biases. Regarding the communication working group, she welcomed the development of the strategy and the proposed targeted campaigns. For universities she advocated collaboration with existing university networks and initiatives including the network of innovative universities and the European university alliances. She also welcomed the joint work with the EIT and the ERC and supported further collaboration with these programmes. An additional issue raised by the Board members is that many European startups use the Delaware company structure as this is well known and well suited to startup needs, and that a European equivalent is needed. The Commissioner took note of this point and promised to consider it further

Kinga Stanislawska presented the Women VC report that analyses the role and importance of women as cheque writers and start-up founders. Commissioner Gabriel stressed the importance of this report and the need for further progress on gender.

Follow-up:

EIC Board WGs to follow up on the next steps presented to the Commissioner, taking into account her comments.

The Board to advise on the long term solution for the EIC Fund and to be ready to provide suggestions for the EIC Fund Board appointments.

10. EIC Ambassadors

The Head of Unit for the EIC Board & Strategy (EISMEA) presented the experience so far with EIC Ambassadors following their appointments in 2021 and set out some options for appointing new EIC ambassadors.

Board members advocated a limited group of Ambassadors in order to have effective communication. They agreed with the option to appoint a small set of new ambassadors at the EIC Summit, to limit the duration of ambassador appointments and to maintain a cap on the total number. To complement this, the Board advocated the need for a wider EIC alumni network and the possibility for the EIC Community platform to serve this purpose.

Decision and Follow-up:

Secretariat to follow-up to propose potential names for new EIC ambassadors and an overall limit on the number of ambassadors.

Future Board meeting to discuss the EIC Community platform and its role in fostering an alumni network.

11. Wrap-up, conclusions, arrangements for next meetings

The secretariat informed Board members about arrangements for the EIC Summit, and other key events during fall 2022. The next Board meeting is confirmed on 9 December, including a dinner on 8 December, in Brussels back to back with the EIC Summit.

The secretariat will consult members to schedule dates for Board meetings in 2023 (Ex: February, April, June, Sept, Nov) and Board members were asked to inform the secretariat if they would like to host a Board meeting in 2023.

List of participants

Members of the Board

- Ana BARJASIC
- Bart BECKS
- Kat BORLONGAN (*Remote*)
- Liene BRIEDE (*Remote*)
- Carsten DREHER
- Mark FERGUSON
- Lars FRØLUND
- Radoslav GEORGIEV – only 7 September
- Jan GOETZ
- Hermann HAUSER
- Vicky KEFALAS
- Taavi MADIBERK (*Remote*)
- Marja MAKAROW
- Ana MAIQUES VALLS
- Francesco PROFUMO
- Cristina RIESEN (*Remote*)
- Bruno SPORTISSE – only 7 September
- Kinga STANISŁAWSKA
- Anita TRAASETH

Apologies:

- Bruno SPORTISSE and Radoslav GEORGIEV (6 September)
- Špela STRES (6&7 September)

European Commission

COLLEGE

- Margrethe Vestager - *EC Vice-president*
- Mariya Gabriel - *Commissioner for Innovation, Research, Culture, Education and Youth*
- *Cabinet member, Vestager*
- *Cabinet expert, Gabriel*

DG Communications Networks, Content and Technology

- Thomas Skordas – *Deputy Director General (agenda point on Chips Act)*

DG Research & Innovation

- Anna Panagopoulou - *Director – ERA & Innovation*
- *HoU Innovation Policy & Access to Finance*
- *Policy Officer, Innovation Policy, Investment Agendas & Access to Finance*

EIC & SME Executive Agency

- Jean-David Malo – *Director*
- *Head of Department European Innovation Council*
- *Head of Unit EIC Board, Strategy and Feedback to Policy*

- *Head of Unit EIC Programme Managers' Office*
- *Head of Unit EIC Pathfinder*
- *Head of Unit EIC Transition and Business Acceleration Services*
- *Policy Adviser – EIC Board*
- *Policy Adviser – EIC Board*

EIC Programme Managers

- Programme Manager Health and biotechnology
- Programme Manager for space
- Programme Manager for quantum tech and electronics
- Programme Manager for food & agri-tech
- Programme Manager Medical technologies and medical devices
- Programme Manager Energy systems and green technologies
- Programme Manager Advanced materials for energy and environmental sustainability
- Programme Manager for construction & AI