

European
Innovation
Council



European Innovation Council pilot Advisory Board

Statement to accompany the launch of the full EIC

18 March 2021

eic.ec.europa.eu

Statement by the EIC pilot Advisory Board

Less than a year ago we set out our vision for the European Innovation Council (EIC) as providing European leadership and sustainable solutions to 21st century innovation challenges, crowding in €30-50 billion of impact investments into radically new innovations for economic and social progress, becoming the high risk investor of choice for visionary innovators from diverse backgrounds and building one European innovation community including all actors along the innovation value chain from academic researchers to investors.

With the launch of the fully fledged EIC, the vision has taken a big step towards becoming a reality. Inspired and driven by the success of the pilot run in 2018-2020, the EIC will be the integrated platform for European entrepreneurship, nurturing the entire innovation community from early stage ideas to company scale-ups and investment, and bringing it together.

- ✦ The outcome of many years of EU policy and funding experience, the EIC will be a highly ambitious, unique European entity, sustaining high risk, high impact innovations with an agile, flexible, risk taking and proactive approach. Data from the pilot shows that 90 percent of its supported innovations address Sustainable Development Goals, in particular in green, health, deep-tech and digital areas;
- ✦ The approved budget of €10.1 billion meets our ambition, and data from the pilot show that each euro of EIC funding is already leveraging three euro of follow on private investment. The launch of the EIC Fund which approved 48 investments in its first 6 months is a remarkable achievement and will allow further crowding in of private investment;
- ✦ The diversity measures pioneered in the 2020 Accelerator pilot increased the success of women-led companies from 8% to 29% without compromising on excellence. Building on this success, the full EIC will aim to achieve 40% women-led companies in its portfolio;
- ✦ In the last year of the pilot, a record 14,000 start-ups and SMEs and 2000 research consortia applied for EIC funding. The launch of the full EIC provides the moment to put the EIC on the global map and to reach out to all parts of the innovation world: entrepreneurs, researchers, investors, corporates, network builders and many more.

The recommendations from our “Roadmap for impact” will now be put into practice, to support innovators all the way from very early stage invention through grants and collaboration in EIC Pathfinder, to mentoring and steering through Business Acceleration Services and EIC Programme Managers, boosting technology transfer and the founding of companies through EIC Transition, ultimately co-investing in European start-ups and scale-ups with EIC Accelerator.

The full EIC will include:

- A transformed approach for start-ups and scale-ups to apply for EIC Accelerator funding, starting with a simple pitch that can be made at any time;
- Introduction of EIC Transition funding to help a promising research result develop into an investable business proposition;
- The start of a hands-on approach by EIC Programme Managers to steer portfolios of EIC Pathfinder and Transition projects towards impact;
- Increasing collaboration with corporates, including through the first two multi-corporate events tackling Green Deal and Energy policy;
- Strengthened collaboration with the European Research Council (ERC), where the EIC will support ERC research results transition to market, and with the European Institute of Innovation and Technology (EIT) through a comprehensive agreement to help European innovators upskill and network;
- Whenever possible a more agile and dynamic approach to management of EU funding, focused on the best outcomes and minimising the administrative burden for applicants and funded projects.

The launch of the EIC marks an important moment for European innovators. The result of many years of work and of the European Union taking a greater level of risk. But much still needs to be done, with a focus on execution. The EIC must remain innovator-centric and be prepared to experiment and learn.

Every European innovator and entrepreneur should be made aware of the opportunities offered by the EIC. To reach this goal a pervasive communication and information campaign must be carried out both at the European and the national level. Moreover, national efforts to support the local innovation communities will help to build awareness and skills to succeed at winning the highly competitive funding from the EIC. The reinforced approach to the "Seal of Excellence" will ensure that excellent innovative projects which cannot be funded by the EIC budget will be supported by national and regional programmes. This will have broader impacts in boosting European innovation capabilities and laying the foundation for a thriving European Innovation Area.

A major outreach is needed to the investment community to understand the role of the EIC Fund, which is to provide a pipeline of de-risked deals, and a highly capable co-investment partner ensuring the crowding-in of private investment in early stage, high-risk start-ups. As such the EIC brings new opportunities to business angels, Venture Capitalists, Corporate VCs and other investors. This requires the EIC Fund to intensify its interactions with other investors, to communicate clearly on how it works with other investors and facilitate syndication.

It is equally important that the EIC reaches out to researchers and universities with the opportunities that it offers them, particularly through the EIC Pathfinder and Transition

programmes: not as another science funding programme but one that gives them freedom to explore new avenues to innovation and that accompanies them to turn promising results into real world impacts.

Gender imbalances remain prevalent across the innovation ecosystem, particularly in deep tech. The pilot measures had a clear impact in increasing the number of women led start-ups supported by the EIC, but more needs to be done. The WomenTech EU scheme to provide recognition, funding and mentoring to women-led tech start-ups is welcome. And beyond gender, other aspects of diversity need to be examined to identify biases in funding and investment decisions and to correct these with a single focus on excellence and impact. Already we have seen increased numbers of excellent applications from widening countries – but more can be done in partnership with the European Institute of Innovation and Technology among others, as well as through the EIC Seal of Excellence.

Europe must learn the lessons to avoid technological dependencies on monopolistic players in other regions (See Statement on Technological Sovereignty at Annex 1). The EIC should therefore target emerging technologies that have the potential to become strategically important, support the transfer and investing in the scale up of these technologies in European based companies, and in exceptional cases protect these companies and technologies against foreign acquisition.

The EIC is breaking new ground through employing Programme Managers and through dedicated Transition funding. This should be part of a broader focus on effective technology transfer that we believe is a critical bottleneck in the European innovation ecosystem, in particular in less performing regions and institutions (See Statement on supporting researchers in technology transfer at Annex 2). Rapid lessons should be drawn from the EIC experience, as a basis for broader initiatives across Europe to level up to the best performers on technology transfer.

In the 18 months of our mandate within the EIC pilot, we were honoured to help the EIC vision materialise into successful programmes, activities, results. And we have witnessed the overwhelming interest of the European innovation community, confirming the untapped potential of European innovators to bring tangible economic, environmental and societal benefits to all citizens.

A fully-fledged EIC Board will succeed us, led by a new role of EIC President who will promote and represent the EIC. We will continue to act as champions and ambassadors of the EIC in our respective countries and communities, and look forward to support the incoming Board, the EIC and all European innovators to fulfil our common dream of one thriving European innovation community.

Members of the European Innovation Council pilot Advisory Board

Mark Ferguson (Chair)

Entrepreneur, Science
Foundation Ireland

Hermann Hauser (Vice-Chair)

Co-founder of Amadeus Capital
Partners

Kerstin Bock

CEO of Openers

Jo Bury

Managing Director of Flanders
Institute of Biotechnology

Dermot Diamond

Principal Investigator, INSIGHT
Centre for Data Analytics, Dublin
City University

Laura González-Estéfani

Founder and CEO at
TheVentureCity

Jim Hagemann Snabe

Chair Siemens AG, Chair AP
Moller Maersk A/S

Ingmar Hoerr

Founder and Chairman of the
Supervisory Board of CureVac AG

Fredrik Hörstedt

Vice president of utilisation,
Chalmers University of
Technology

Heidi Kakko

Partner of BaltCap Growth Fund

Bindi Karia

European Innovation Expert +
Advisor, Connector of People and
Businesses

Anita Krohn Traaseth

Former CEO Innovation Norway

Jerzy Langer

Physicist, Emeritus Professor at
the Institute of Physics of the
Polish Academy of Sciences

Ana Maiques

Chief Executive Officer,
Neuroelectrics

Marja Makarow

Biochemistry/molecular biology,
Director of Biocenter Finland

Carlos Oliveira

Serial Entrepreneur, Innovator,
Executive President of José
Neves Foundation

Valeria Nicolosi

Chair of Nanomaterials and
Advanced Microscopy, Trinity
College Dublin

Bruno Sportisse

Chair and CEO at INRIA

Kinga Stanislawska

Managing Partner and Founder
of Exporior Venture Fund

Roberto Verganti

Innovation academic, former RISE
group

Martin Villig

Co-founder of Bolt (formerly
Taxify)

Yousef Yousef

CEO of LG Sonic

Annex 1. Statement on Technological Sovereignty

In the context of growing geopolitical rivalries and the pandemic, the concept of technological sovereignty has emerged to become a key political theme. This concept is directly relevant to the European Innovation Council and the EIC pilot Advisory Board has concluded on the following main messages:

- ✦ As a fundamental principle, the EIC should take a positive and proactive approach to giving as much freedom/ opportunities as possible to innovators, opening opportunities for them to scale up in global markets, attracting international investors to start-ups in Europe, not foreclosing options for international investors or partners, and avoiding restricting intellectual property rights (IPR) & investment conditions.
- ✦ Although there is no official definition, technological sovereignty should be understood as avoiding situations where the EU is reliant on a limited number of third country suppliers for technologies that are critical to start-ups and to the EU's economic and societal wellbeing. Such cases should be assessed against three questions:
 - a. Do we have the technology in Europe?
 - b. If not, do we have several suppliers from stable reliable countries?
 - c. If still not, do we have unfettered guaranteed access to monopoly or oligopoly suppliers from a single country (often US or China)?
- ✦ The EIC has a key role to play in building technological sovereignty as an initiator, investor and ecosystem builder, in particular for future and emerging technologies that could become critical. This should complement initiatives in other EU policy fields such as the identification/definition of critical technologies for industry policy, competition policy, national policies, defence, etc.
- ✦ EIC needs a working list of potential critical technologies for European technological sovereignty. This should be based on existing assessments. The United States have already established such a list and set aside \$ 100 billion to guarantee US technological independence. EU policies (industry policy, key enabling technologies) are also relevant.
- ✦ EIC should proactively support projects/ start-ups that have the potential to become leaders in the field of these critical technologies (starting with the targeted challenge funding in the EIC 2021 Work Programme) and, as a given technology is never in isolation, to link them into ecosystems (e.g. role of Programme Managers, Business Acceleration Services). The underlying objective is to promote the emergence of new businesses delivering high economic benefit in the European territory.
- ✦ In order to deal with risks that may arise, the EIC needs tools for exceptional cases where the acquisition of technologies/ companies by non-European actors would represent a threat to technological sovereignty. Such tools need further development and may include specific terms and conditions for investments by the EIC Fund, and IPR provisions in grant agreements concerning the transfer of ownership and/or exclusive licensing.

Annex 2. Statement on supporting researchers in technology transfer

The history of innovation is one of sharing, connecting, combining knowledge and ideas to improve an existing product, process or service. In high and deep tech, innovation builds on fundamental physical, biological and engineering principles mostly created by academic researchers through publicly funded research programmes. From discovery to invention to innovation, the EIC must therefore nurture promising ideas and technology developed within the academic community and help these mature to the point where they can deliver a benefit to society.

Inspired by the success of its progenitor, the Future and Emerging Technologies Programme (FET), the EIC Pathfinder programme supports high risk, low Technology Readiness Level projects, in which emerging technologies meet groundbreaking science. This is where futuristic ideas with real potential are created, and begin their journey towards market impact through the EIC Transition activities. As field experts with significant experience in public and private R&D management, the EIC Programme Managers will play a pivotal role through rapid and agile implementation of targeted innovation supports for high-potential results emerging from projects. In doing so, the EIC should employ a strategy that protects intellectual property to enable successful commercialisation, together with a commitment to facilitate and support open public dissemination of research outputs.

Importantly, the EIC should help train and inspire the next generation of European innovators. On the one hand, Pathfinder projects will be typically led by academic groups that inherently upskill doctoral students by immersing them in an innovation-led, impact-driven project environment. On the other hand, Transition projects will rather appeal to more senior postdoctoral researchers, a talented, driven, and largely untapped creative community, highly suited to the risky and dynamic culture of innovation. The EIC must strive to give academic inventors the means and freedom to pursue their entrepreneurial vision, working in tandem with high-performing local Technology Transfer Offices, and providing additional supports where such Offices are lacking.

Through constructive interactions with the EIC Programme Managers, the academic Technology Transfer Offices and the EIC Marketplace, the EIC is well placed to support high potential projects to successfully bring promising technologies through to market impact. The planned EIC Marketplace will facilitate information exchange through controlled disclosures between researchers, inventors, innovators, entrepreneurs and investors, and assist with benchmarking, team formation, and consortia building.

The EIC Advisory Board welcomes the new approaches being introduced in EIC Pathfinder and Transition support, and encourages the academic community and institutions to seize this opportunity to further their own innovation and technology transfer activities. University Technology Transfer Offices are an increasingly important component of the innovation ecosystem and as such require broader attention from policy makers, funding agencies and universities themselves.