



European Innovation Council pilot Advisory Board

Statement on Gender & Diversity in EIC

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eic.ec.europa.eu

Statement by the EIC pilot Advisory Board

Despite the high demand for talent, the European pool of next generation leaders in research, innovation and venture investment continues to be limited by the underrepresentation of women in all parts of the innovation ecosystem.

At the research stage, there is a diminishing representation of women as academic careers progress.¹ Women represent less than 20% of senior management in deep tech start-ups that have raised Series A or B, with CTO positions stagnating at 1% for the last 3 years.² In technology investment, men-only teams captured 91% of all capital raised and 85% of all rounds across Europe in 2020,² and these imbalances are confirmed at regional level for Central and Eastern Europe³ and for Nordic countries.⁴ Women are equally underrepresented in the management of venture capital,⁵ with cascading consequences for the rest of the innovation world, as female investors tend to invest more than men in companies with female founders.⁶

These systemic gender imbalances are enormous and highlight a massive waste of talent that no knowledge-based economy can afford anymore. Given its pioneering role in innovation at European level, we believe the European Innovation Council (EIC) should take a leading and proactive role in correcting these imbalances. This is not about being kind to women, but about winning the race to lead the next wave of strategic technologies.

In its pilot stage, the EIC has already made good progress. For the interview pitches for Accelerator funding, 50% of the jury members are women. The prioritisation of women-led companies invited to the interview pitches, introduced in 2020, has stimulated an increase in the share of EIC funded start-ups with a female CEO from 8% to 29%. Women represent 42% of the business coaches that advise and mentor EIC supported startups. The new WomenTechEU scheme, to be launched shortly,⁷ and Women Leadership Programme for EIC companies, launched on 3 June 2021 are to be applauded.

But this is not enough: progress is too slow and some parts of the innovation world – in particular venture capital funds and the investors in such funds (including Fund of Funds, Limited Partners) where the problems are most acute - have not yet been brought into

¹ Data to be presented in forthcoming, *She Figures 2021*

² *The State of European Tech 2020*. <https://2020.stateofeuropeantech.com/>

³ In the Central and Eastern European region, only 19% of the Venture Capitals are led by women or mixed teams, while 81% are led by all-male teams; women led VC funds represent a single digit share of assets under management. *Funding in the CEE region through the lens of gender diversity and positive impact*. <https://ceereport2021experiorvc.unconventional.vc/>

⁴ In the Nordic countries, only 11% of VC partner positions are held by women. <https://report2020.unconventional.vc/>

⁵ Gender Smart Financing Investing In & With Women: Opportunities for Europe. https://ec.europa.eu/info/sites/default/files/economy-finance/dp129_en.pdf

⁶ *Venture Capital's "Me Too" Moment*. DOI 10.3386/w28679. <https://www.nber.org/papers/w28679>

⁷ https://ec.europa.eu/info/news/eu-launch-new-support-scheme-women-deep-tech-and-call-mentors-2021-mar-08_en

the spotlight. We, the EIC pilot Advisory Board, urge the EIC and all other innovation actors to take immediate action to achieve balanced representation of women and men along the entire innovation chain, from early stage research to technology development, from start-ups to scale ups, from entrepreneurship to investment, to Limited Partners and General Partners. This is a first but important step in achieving balanced participation in EIC supported activities as set out in our Vision Statement.⁸

We recommend actions on the following aspects:

- ✦ At the research phase (e.g. research teams developing new technologies), to target an equal share of women leading research work packages in EIC Pathfinder projects.⁹ Leading a work package is an important stepping stone in a research career and at the stage where female participation significantly drops off.
- ✦ At the entrepreneurship phase, to expand the share of women-led companies invited to EIC jury pitches to above 40% and broaden the definition of women-led to recognise leading executive roles beyond the CEO, such as the CTO, CSO and COO. This approach of prioritising women-led companies and projects should be extended to the EIC Transition funding. As we have seen from the EIC pilot, this approach of prioritisation for interviews does not undermine quality and actually increases excellence as it draws more women into the talent pool. We also recommend further collaboration with the EIT to strengthen entrepreneurship training for women and increase the pipeline of female founders of deep tech start-ups.
- ✦ At the investment stage, the EIC Fund should partner with a maximum number of women-led funds and funds with diverse management teams including female decision-makers. We recommend that funds of funds prioritise backing venture funds with diverse management teams, including female led venture funds, across Europe and begin to implement concrete strategies to change the status quo quickly, including within their management teams. A system wide transformative change is needed which should involve the EIF, the EIB and other major funds of funds.
- ✦ Further work is needed to understand, monitor and take action to promote other aspects of diversity in EIC supported projects, companies and investments recognising the importance of diverse teams for successful innovation. As a first action, we recommend that the EIC introduce an innovation diversity prize.
- ✦ Further work is also needed to collect, harmonise and share diversity data across the innovation ecosystem, both at EIC and EU level and in particular from the venture capital world, to establish the baselines, monitor progress and target further actions.

⁸ https://eic.ec.europa.eu/system/files/2021-03/ec_rtd_eic-vision-roadmap-impact.pdf

⁹ Data not yet available for gender in leadership of work packages. A path to the target can be defined after setting a data-driven baseline starting from 2021.

'United in diversity' is the motto of the European Union, which expresses well the need to engage Europe's best skills, competences and passion to face the growing international competition in innovation. We urge all relevant actors to implement targeted measures with clear progress milestones, to remove diversity barriers in every corner of the innovation world. In this way we will nurture and harness the full talent pool in Europe and capitalise on its diversity.

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