



EIC Board - 8th plenary Meeting

26/27 April 2023 – Brussels

15 May 2023

1. Welcome and approval of minutes

Mark Ferguson, EIC Board Chair, welcomed members of the Board, Marc Lemaître - Director-General, Directorate General for "Research and innovation" (RTD), other representatives of the European Commission and the EIC & SMEs Executive Agency. He highlighted the recent visit to the US along with Commissioner Gabriel and some other members of the Board (Kinga, Jan, and Ana).

Board members were reminded to ensure that their Declaration of Interests were up to date and to inform the Secretariat of any potential conflicts of interest. It was noted that 2 conflicts of interest had been notified and a third was made at the meeting. It was also noted that a substantive discussion on Conflicts of Interest would take place as part of the Agenda and the three individual cases would be discussed and actions considered, without the members concerned present, after the general discussion on the topic

The Agenda for the meeting was adopted and the minutes of the 7th plenary meeting (28 February 2023) were approved. Outstanding actions from the previous Board meetings were noted including for Board members to suggest recommendations for suitable expert evaluators/ jury members for EIC Transition with an appropriate mix of technical expertise and business/ market experience.

2. Introduction – Marc Lemaître

Marc Lemaître Director-General, Directorate General for "Research and innovation" (RTD), introduced himself to the Board, outlined his early impressions of the EIC, including its novelty, impact and relevance to policy objectives such as on strategic autonomy. He welcomed the Board's work on Widening and the timely ideas on how the EIC might contribute to a European Sovereignty Fund.

3. Exchange with Commissioner Mariya Gabriel

The discussion with the Commissioner was taken forward in three parts.

Draft recommendations on the future of the EIC were presented by the Chair and Carsten Dreher, proposing an enhanced EIC given the impact and increasing relevance of the EIC, but with a number of areas for improvement. The Commissioner recognised the achievements of the EIC, and welcomed the early work on the future of the EIC. She underlined the need to effectively communicate and gain recognition of the value proposition of the EIC, including its successes such as in crowding in private finance and to the increasing share of women led companies winning EIC funding

The Chair presented the Board's ideas on how the EIC could contribute to the proposed Technology Sovereignty Fund through a compartment of the EIC Fund for larger investments in critical areas – including follow on investments in EIC supported companies. This new compartment has the potential for co-investments from the EIB and private investors. The Commissioner welcomed the Board's proposal and Commissioner underlined her wish to see additional funding reach the EIC and also that any such new funding would be of benefit to companies across all parts of the EU.

As chair of the Working Group on widening participation, Ana Barjasic presented the main recommendations to increase the level and success of applicants including better targeting of the right companies, activate Structural Funds, offer better training and information, ensure fair selection, and monitor impacts.. These proposals and efforts were warmly welcomed by the Commissioner who underlined the need to re-double efforts to both reach potential applicants and develop the ecosystem of support available to them to maximise the chances of success.

Conclusion:

The Working Group on the future of the EIC to further develop potential recommendations for discussion at the next Board meeting. This Working Group to be chaired by the incoming President as soon as he is in post.

4. Exchange on IP issues relevant to EIC (including follow up and feedback to Board proposed revision of IP Rules for Pathfinder and Transition)

Špela Stres, chair of Tech transfer WG provided an overview of the discussions with stakeholders following the previous Board, resulting in some adjustments to the proposed statement and recommendations of the Board on the revision to the IP rules under the Pathfinder and Transition schemes.

The Board adopted the statement and recommendations and urged the Commission to implement these recommendations in the next Work Programme with appropriate changes to the legal text.

The importance of strong communication on this issue was highlighted, for example the campaign in the Netherlands to promote the unified Dutch approach on IP and spinouts. The EIC should work with the stakeholders to promote a Best Practice Guide

Conclusion:

Secretariat to publish the statement and recommendations

Commission to follow up recommendations in drafting of next EIC Work Programme

5. EIC implementation

Jean-David Malo updated the Board on progress with implementation. The Board welcomed the generally positive trends across the KPIs. Members made some suggestions on further improvements to KPIs, for example drawing from ESG reporting and reporting on geographical balance of juries.

Conclusion:

Review of KPIs to be discussed at next EIC Board meeting

Secretariat to prepare a background paper as basis for discussion.

6. EIC Fund

The Board welcomed the pace of work by the EIB and the establishment of the new EIC Fund Board. The Board discussed the progress from term sheets to investment agreements and proposed further analysis of this issue to ensure the full budget is used. It was noted that the EIC Fund differs from market investors in that it's not a lead investor and therefore reliant on other investors to finalise investment agreements. The Board also called for greater effort to work with the new EIC Fund Board, to establish procedures to help syndicate deals.

7. Recommendation on an Action Plan for Widening Countries

The work of the EIC Board Working Group was presented by the WG Chair, Ana Barjasic. The Board strongly welcomed the progress made in the Working Group and endorsed the Action Plan.

The Board also discussed a relevant level of ambition for increasing the participation of widening countries in the EIC. Given the current overall level of success across the Horizon Europe programme and the contributions of widening countries to the budget, the Board agreed the aim of reaching minimum 15% of all EIC funding (across all instruments) to reach Widening Countries without compromising the principle of excellence.

The Board fully supported the proposal of a pre-Accelerator instrument, designed to be implemented with transfers from the Structural Funds to support earlier stage companies in the widening countries contributing to such SF transfers

The Board also endorsed the initiative of Code of Conduct for consultants, recognising the importance of making available high quality consultancy services but also avoiding over prescriptiveness in the Code.

Conclusion:

After legal review, Secretariat to publish the Code of Conduct for consultants, as a draft for consultation on the EIC website with a feedback form field to receive further comments from stakeholders.

Commission and Agency to take forward recommendations from the Action plan, to implement the Action Plan and report on its implementation progress at the subsequent board meetings.

All board members but especially those in widening countries to suggest names and contact details of possible jury members.

WG on Widening to support and monitor implementation of the Action Plan and support the development and uptake of the pre-Accelerator instrument.

8. Arrangements for the incoming EIC Board President and reorganisation of the Board Secretariat

Marc Lemaître outlined the revised distribution of tasks between the DG and Agency, and recalled the appointment of EIC Board President, Michael Scheffer, who is expected to start on 1 June.

9. Update to Rules of procedure, including on Conflicts of Interest

The Board considered whether further rules on conflict of interest should be introduced. It was agreed that the Board should follow high standards and that entities controlled by Board members should not participate in the targeted calls. Regarding open calls it was noted that the participation of Board members does not represent an actual conflict of interest as the Board does not advise on such calls and members have no involvement in the evaluation and selection of proposals. However, it was also noted that such participation could create a reputational risk. At the same time, it is important to attract Europe's leading innovators to serve on the EIC Board and in some cases a prohibition on applying for EIC funding may lead to entrepreneurs not accepting a Board membership. This could be partially mitigated by the limited term (2 years) of Board membership, although the prohibition would need to last for a period (e.g 1 year) following their membership.

Conclusion:

The Board decided against introducing new Rules, at this time on conflict of interest but recommended that the Commission establish more precise Rules – in particular for Board members participation in EIC calls – in advance of the appointment of future Board members, such rules to be communicated to all new members before they accept appointments.

A number of more minor changes in the Rules of Procedure were agreed, subject to confirmation by written procedure.

All Board members were reminded of the importance of notifying the EIC Secretariat of any cases which may raise conflict of interest issues.

The Board then considered a number of individual cases of conflict of interest that had been declared by Board members, and the members concerned left the meeting for this discussion.

Two cases were considered where companies controlled by Board members have submitted applications to EIC open calls. The Board was informed of the legal advice on these cases by the Agency's staff. In agreement with the legal advice, the Board did not consider these as presenting actual conflicts of interest as the Board had not advised on these calls and the members have no role in the evaluation process. However, there is a reputational risk and the Board therefore decided that the concerned members should be invited to either withdraw their applications for funding or offer their resignation from the Board.

A further case was not considered as the Commission and Agency informed the Board that a conclusion had already been reached following the application of the current rules on conflict of interest.

Conclusion:

Secretariat to communicate the decision of the Board to the members concerned.

Secretariat to share the revised Rules of Procedure for written agreement by the Board.

Board members to ensure that they regularly update their declarations and notify the Secretariat of any potential cases of conflict of interest. These must be declared in writing before each board meeting, so that, if appropriate legal advice is available for the Board's consideration.

Commission to consider more precise rules on conflict of interest and communicate them in advance of the selection of future Board members.

10. Overview of innovation policy latest developments

The discussion on this item was shortened due to time constraints and focused on the upcoming calls and wider efforts by the Commission to recognise and connect regional innovation valleys, a flagship commitment under the new EU Innovation Agenda.

Conclusion:

EIC Board members to support and help promote efforts to establish Regional Innovation Valleys.

11. 2023 EIC Work Programme 2024

The Head of Unit EIC Board, Strategy and Feedback to Policy, presented the preparatory work towards the EIC Work Programme 2024, where the Board's advice is sought on budgetary issues, the selection of challenges, the pre-accelerator scheme and a number of other issues.

The Board acknowledged the difficult choices surrounding the future EIC budget and urged the Commission to reflect on the extent of funding that should be reserved for follow-on funding in light of the current downturn in private investment, and the need for flexibility for increasing budgets for new calls where possible. The Board strongly supported the ideas for a pre-Accelerator scheme (also a recommendation of the Widening WG) and encouraged a clearer and smarter process for prioritisation of challenges.

Conclusion:

Board endorsed the approach to the EIC budget.

WGs on Pathfinder and on Accelerator to examine current evaluation criteria to advise on potential improvements, and to assess proposed areas for challenge funding.

Next meeting of EIC Board to consider remaining issues for 2024 Work Programme.

12. EIC Health and Biotech Challenge-based portfolios: Strategic positioning and impact generated

The EIC Programme Manager - Health and biotechnology highlighted the broad community support and the competitive positioning of the EIC's Health and Biotech Challenge-based portfolios. In reflecting on the scale of licencing and partnership in areas such as Cancer, the Board encouraged work to better understand the extent of collaboration and licencing data emerging from Pathfinder and Transition projects including a breakdown by sector/ technology area.

Conclusion:

Report on collaboration, licencing and spinouts statistics from pathfinder and transition projects to be prepared by EIC programme Managers/Agency for the Board.

13. Working Groups – short updates

The Chair of the EIT-EIC Working Group, Marja Makarow, outlined the outcome of the recent joint meeting, including on the collaborations of Programme Managers with EIT KICs, the Fast Track scheme, the joint woman innovator prize, the innovation internship scheme, and Business Acceleration Services. The meeting had agreed on a joint presentation of EIC and EIT support at a health innovation event in the autumn. The joint WG also plans to prepare a joint statement in the autumn for the Board to consider and to feed into the mid-term review of Horizon Europe.

As Chair of the ERC- EIC Working Group, Mark Ferguson outlined discussions from the recent meeting including on the innovation internship scheme, and a revised approach to joint events/workshops. The WG had also met with a group of academics interested in promoting innovation.

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

The next meeting of the Board will take place on 11 July in Riga with further details on the meeting to be shared shortly. A request was made to include an Agenda point on future Board membership procedures and timetable by email. It was agreed to also include an agenda point on the approach to hiring future EIC Programme Managers, including areas of expertise

The meeting concluded with warm thanks and appreciation for Mark Ferguson during his period as Chair of the EIC Board.

List of participants

Members of the Board

- Ana BARJASIC (*Remote 2nd day*)
- Bart BECKS
- Kat BORLONGAN
- Liene BRIEDE (*only 2nd day remote*)
- Carsten DREHER
- Mark FERGUSON
- Lars FRØLUND (*only 2nd day*)
- Jan GOETZ (*only 1st day*)
- Radoslav GEORGIEV
- Hermann HAUSER (*Remote*)
- Vicky KEFALAS (*Remote*)
- Taavi MADIBERK (*Remote*)
- Marja MAKAROW (*Remote*)
- Ana MAIQUES VALLS
- Francesco PROFUMO (*Remote*)
- Cristina RIESEN (*Remote*)
- Kinga STANISŁAWSKA
- Špela STRES

Apologies

- Bruno SPORTISSE
- Anita TRAASETH

European Commission

COLLEGE

- Mariya Gabriel - *Commissioner for Innovation, Research, Culture, Education and Youth*
- Isidro Laso Ballesteros - *Cabinet Expert*

DG Research & Innovation

- Marc Lemaître - *Director-General*
- Anna Panagopoulou - *Director – ERA & Innovation*
- *HoU Innovation Policy & Access to Finance*

DG Communications Networks, Content and Technology

- *Programme Officer officer – Research Strategy & Programme Coordination*

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*
- *Policy Adviser – EIC Board*
- *EIC Programme Manager - Health and biotechnology*