

# Horizon Europe PILLAR III "Open Innovation", including EUROPEAN INNOVATION COUNCIL (EIC)

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# 3 KEY ISSUES PREVENT EUROPE FROM EXPLOITING ITS FULL POTENTIAL

<b>Innovation performance</b>	Lack of creation and diffusion of breakthrough innovations, means low productivity growth.
<b>Innovation transfer</b>	World leader in science, but <b>underperforms</b> in transferring science into innovative companies.
<b>Innovation Scale-up</b>	<b>Lack of risk finance</b> for scaling up (e.g. venture capital). "Valley of death" between early stage ideas (grant funding) and private investment (private investment).

# European Innovation Council

The EIC will support innovators with breakthrough ideas and market creating innovations that currently face high risks due to the fragmentation of the innovation eco-system, lack of risk finance and risk aversion.

Two complementary instruments:

## Pathfinder

(from early technology to pre/early commercial)

## Accelerator

(from pre/early commercial to market & scale-up)

Expected impact



More innovations that create the new markets of the future



Scaled up companies and higher SME growth



Increased complementarities between grant-type funding, financial instruments, and leverage from private investment



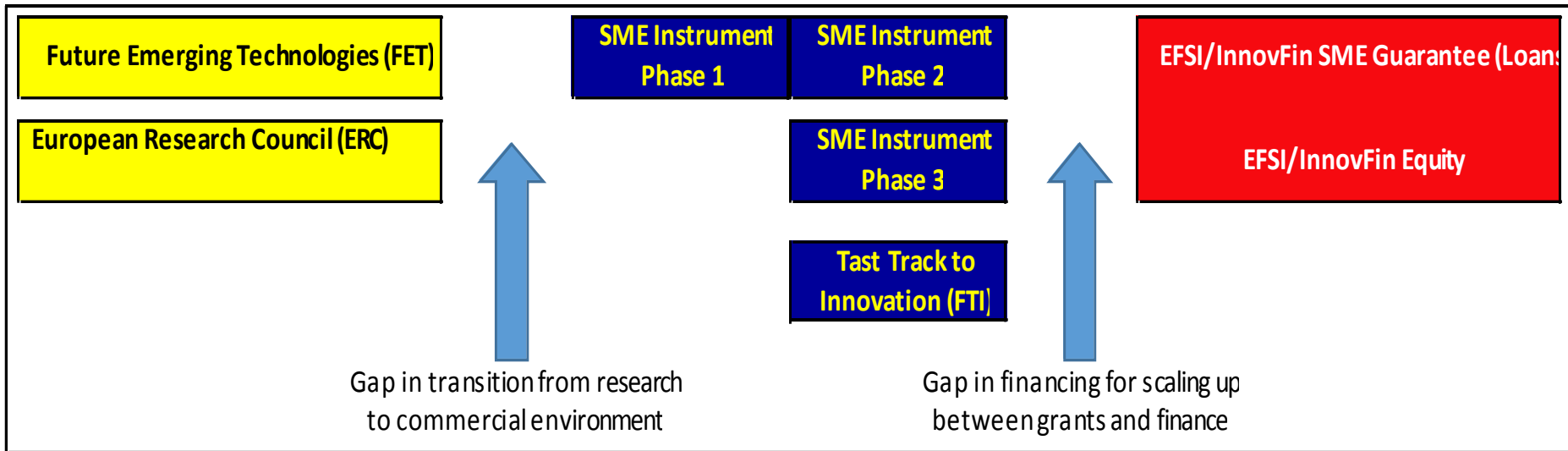
More entrepreneurship and risk-taking



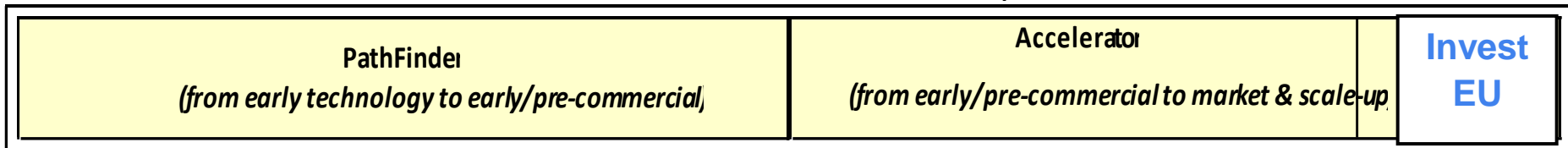
More accessible and user friendly support to innovation

# Building on existing instruments, simplifying the landscape and bridging gaps

From current situation ...



... to the EIC in Horizon Europe



## Establishment of a European Innovation Council

**The core of the Innovation Pillar of the next Framework Programme (Horizon Europe):**

- ✓ Single budget with critical mass
- ✓ Core objective: **scaling up breakthrough innovation**
- ✓ Rationalised, simple and flexible funding

**Dedicated implementing structure**

- ✓ Engaging top innovators
- ✓ Reforms to implementation (e.g. best practice from ARPA-E, DARPA)

**And increasing impact from other pillars of FP9**

- ✓ Science pillar: support spinouts from basic research projects
- ✓ Global challenges pillar: support spinoffs from collaborative projects, start-ups emerging from EIT etc.

## European Innovation Council – 2 main instruments (1)

### 1. The Pathfinder for Advanced research (TRL 1/2 to TRL5/6)

*Advanced research support to companies*

Grants to high-risk cutting edge projects

=> earliest stage of scientific and technological research and development

e.g. proof of concept

prototypes for technology validation

## European Innovation Council – 2 main instruments (2)

### 2. The Accelerator



Blended finance instruments (grants+ loans+ Equity)

=> support for emerging breakthrough technologies

=> access for Pathfinder projects

# The European Innovation Council will provide direct funding to high potential innovators

Simple

- Open to **all areas** of innovation
  - *No prescriptive topics* – to grasp interdisciplinary
  - *No geographical constraints* (within EU, possibly open to AC) – level playing field to identify excellence
  - *Selection by interview* – focus on innovator with excellent ideas and scale-up potential

Innovator-centric

- Adapted to **different phases**
  - For *development of emerging technology* - flexible grant based
  - For *innovation development & scale up* - significant amounts, combining grants, financial instruments and private investment
- Providing **access to mentors**, coaches, advice

Agile

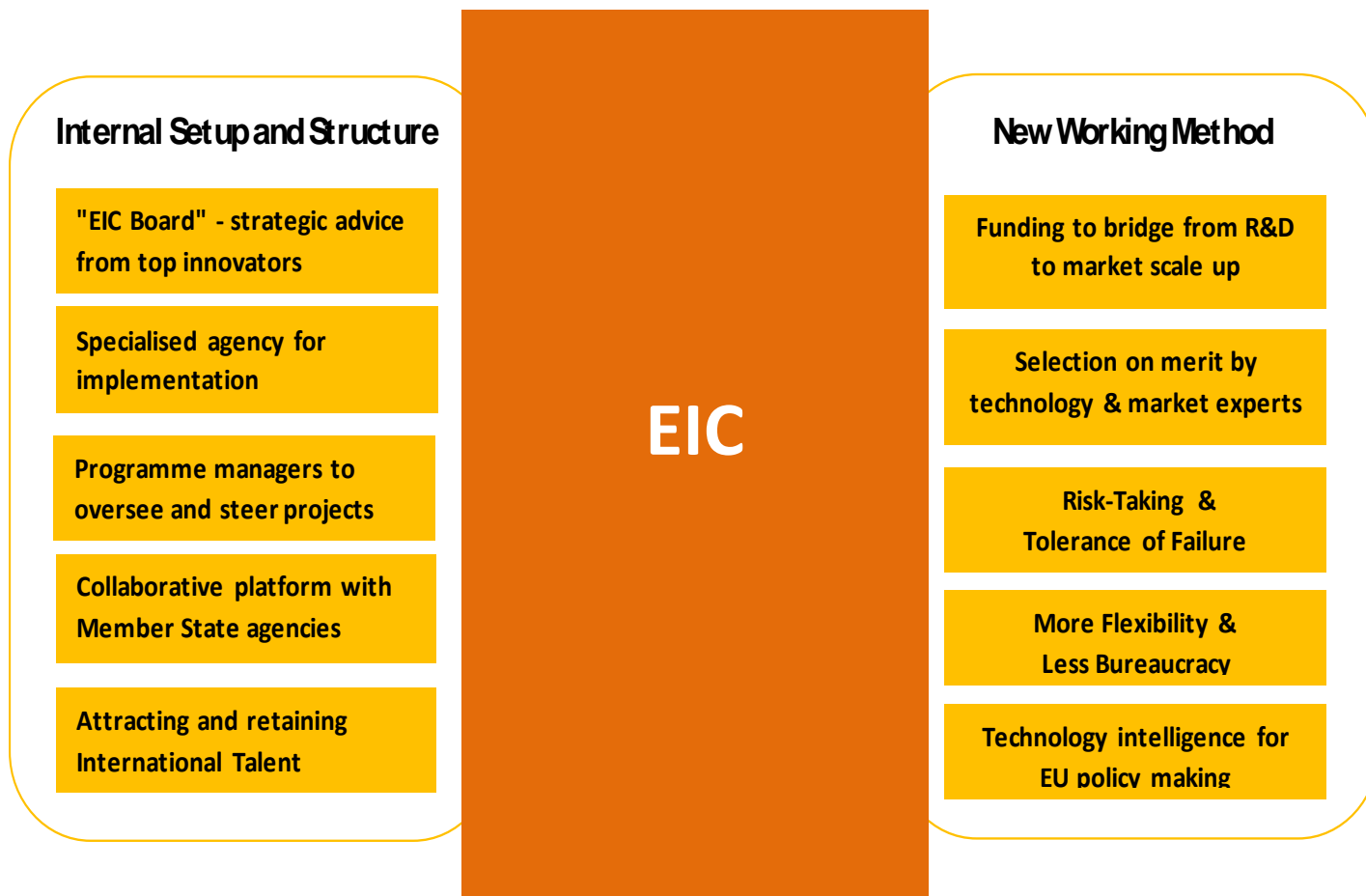
- **Pro-active management** ("Darpa style"):
  - *Flexibility* to stop, or change direction
  - *Follow up with* mentoring, coaching, prizes, fellowships
  - *Access to other initiatives* (infrastructure, incubators, data, ...)
  - Key role of Programme Managers



# Open innovation Pillar – a particular emphasis on Ecosystem

- Support to the **innovation ecosystem in Europe**
  - ✓ Co-fund **Partnerhip(s) in innovation programmes** (in particular with national innovation agencies)
  - ✓ mentoring, coaching, technical assistance and other soft skills and services for innovative enterprises delivered close to innovators by networks (EEN, Startup Europe, etc) + INNOSUP actions
- Support to the **EIT**
- **No more FI but dedicated R&I and SME Windows notably under InvestEU** (successor of EFSI & Horizon 2020 Financial instruments) – **obvious synergies to be ensured with all THE pillars**
  - ✓ Support high risk investments in R&I and new technologies (equity /loans/TA)
  - ✓ Enhancement of investment landscape for R&I

## To summarize



# Thank you