



European Innovation Council: State of play and next steps

Chris North, DG Research and Innovation, Ljubljana, 26 September 2016

Political Context

"Europe does not yet have a world class scheme to support the very best innovations in the way the European Research Council is the global reference for supporting excellent science. So I would like us to take stock of the various schemes to support innovation and SMEs under Horizon 2020, to look at best practice internationally, and to design a new European Innovation Council. This is not for tomorrow, but I believe we should discuss it as a major element under the mid-term review of Horizon 2020."

Commissioner Moedas 22/06/2015

A few clarifications...

No plans to:

- Create a new institution
- Change the H2020 legal framework
- Switch money away from basic research to innovation

The EU is already making major efforts to boost innovation...

- Leveraging more private investment
(Investment Plan, Capital Markets Union, venture capital Fund of Funds...)
- Improving regulation
(Better Regulation, Innovation Principle...)
- Strengthening markets
(Digital Single Market, Energy Union...)
- Funding research and innovation
(Horizon 2020, EIT-KICs)
- Building regional capacities
(European Investment and Structural Funds)

...but losing the race on scaling up disruptive, market-creating innovation

On scaling up:

- US: 101 Unicorns
- China: 36 Unicorns
- EU: 19 Unicorns

'Unicorns' are start-ups with market value > \$1 billion
Source: Fortune, 'The Unicorn list 2016'

On disruptive, market-creating innovation:

- Innovations that create new markets and jobs – not just improving existing products and services, not just tech (also business model, user based)
- Major new markets led by non-EU companies: Google, Apple, Facebook, Amazon, Tesla, Netflix etc.



"Europe has excellent science, but we lack disruptive market-creating innovation. This is what is needed to turn our best ideas into new jobs, businesses and opportunities."

Carlos Moedas
European Commissioner for
Research, Science and Innovation

#EU_EIC

 **@Moedas**



DG RTD ran a call for ideas from 16 February until 29 April 2016:

- How can we overcome obstacles to disruptive innovation and scaling up in Europe?
- What can the EU do about it?
- How could we improve existing EU support for innovation?
- What could be the role and functions of a European Innovation Council?

<http://ec.europa.eu/research/eic>

https://ec.europa.eu/research/eic/pdf//eic_call_for_ideas-overview.pdf#view=fit&pagemode=none

https://ec.europa.eu/research/eic/pdf/workshop/eic_workshop_summary_report_final.pdf#view=fit&pagemode=none

Views of stakeholders

- 1000 replies to Call for Ideas, including 100 position papers
- 80 % agree that a lack of disruptive, market-creating innovations hampers growth in Europe
- EIC should:
 - fill in gaps in EU support for disruptive innovation and scale-ups
 - simplify access
 - provide advice on improving the innovation environment

"Have intuitive and **simple programs** across various accelerators and hubs in Europe, using a step-by-step approach."

"Europe must **get over its fear of disruption**, fear of failure, avoidance of entrepreneurial risk-taking. It needs to support a lot more experiments - also policy experiments - which look dangerously disruptive...."

"There are **far too many** different EU finance channels. Single channel. The finance rules for H2020 and ESFI should be based on the same concepts and guidelines."

"... I think that the **requirement of 3 members from 3 different countries** is a barrier to true disruptive innovation."

"The **website and list of programmes** are still too complicated. The website and programmes should be divided into categories according to target potential applicants."

"It remains difficult for the private sector, especially SMEs, to get involved in EU funding opportunities. **Minimising bureaucracy** would help."

"More support in terms of market connections, strategic introduction - eg. **mentorship** or investment events where innovative entrepreneurs can connect with investors, partners."

"**Better information** for the different schemes, a way people can learn if a specific instrument is for them, remove the obstacle of "hidden information" behind rules or calls."

Follow up to the Call for Ideas

- DG Research and Innovation published overview of the responses to Call for Ideas in June
- Stakeholder workshop held on 13 July
- Commissioner Moedas discussed with European Parliament/ITRE Committee (12 July)
- ERAC opinion (early July)
- Informal Competitiveness Council, Bratislava (18 July)

EIC pilot – 10 point plan

- 1. Establish a Group of Innovation Advisors** – to provide a user perspective on EU innovation support and advise Commission on reforms
- 2. Revise Horizon 2020 work programme** (2018-20) with simple presentation of instruments targeting market creating innovations
- 3. Make SME instrument fully bottom up** with continuously open call
- 4. Strengthen evaluation criteria** to focus on market creating innovations, with potential to scale, and higher risk profiles
- 5. Revise and accelerate evaluation process** with face to face interviews with teams and faster results (5 weeks rather than 5 months)
- 6. Provide access to mentors** for project teams, targeted to their specific needs
- 7. Test out new scale-up instruments**, e.g. reimbursable grants, blending grants and financial instruments, etc.
- 8. Gather real time data and intelligence**, tracking performance of projects and feeding into policy
- 9. Work in partnership with existing initiatives** - EIT, EIB Group, Eureka, VC and business angel communities – for sharing data & intelligence
- 10. Improve Horizon 2020 website/ participant portal** – with dedicated space for innovators with advice on funding opportunities

Work underway

- *5 working groups involving RTD and EASME, participation now being extended to other DGs*
 1. Awareness and accessibility
 2. Funding opportunities
 3. Proposal evaluation
 4. Follow-up and mentoring
 5. Monitoring and information
- *Call for High Level Group of Innovation Advisors to be launched shortly*

High Level Group of Innovation Advisors

- *8-12 personalities with a good track-record in starting and scaling up innovative businesses and/or investing in innovative ventures.*
- *Mandated to give advice on:*
 - a) The design and implementation of an EIC pilot for the years 2018-20*
 - b) Future design and delivery of EU funding and other support for market-creating innovation under FP9*
- *The Group will start work early 2017*

Next Steps

- DG RTD will develop pilot measures for 2018-20 Work Programme
- Ongoing stakeholder discussions, including with H2020 Programme Committee
- Link up with H2020 Interim Evaluation and preparations for next Framework Programme (Impact Assessment etc)

Conclusion

- Horizon 2020 has made a good start with new focus on innovation
- But more could be done to boost impact of EU support for innovation
- Means reaching out to new class of entrepreneurs/innovators
- Step-by-step process: short term actions in 2018-20 potentially leading to a fully-fledged EIC in successor programme to Horizon 2020



Thank you !

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