



EUROPEAN COMMISSION

*Brussels, 1.3.2023
C(2023) 1520 final*

Dear President,

The Commission would like to thank the Camera Deputaților for its Opinion on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions A New European Innovation Agenda {COM(2022) 332 final}. The Commission welcomes the Camera Deputaților's support for the Innovation Agenda and its objective of allowing highly innovative companies to thrive and to create deep tech innovation solutions across the continent.

With regard to the point raised in the Opinion on financing and access to the single market for innovative companies, the Commission confirms that this is a particular focus of the actions under the Innovation Agenda's flagship on funding for deep tech scale-ups, which are aimed at facilitating access to finance and helping companies bring their products and services to the market at a faster pace. A key instrument for financing innovation, the European Innovation Council (EIC), offers 'blended finance' in the form of financial support through a combination of a grant and equity investment. By providing funding beyond the usual grant mechanism, blended finance allows the EU to attract external investors and thus give greater impact to its financial support. Various policy challenges, including artificial intelligence, are also the focus of individual thematic EIC calls.

The Commission also seeks to ensure, through the European Scale-Up Action for Risk Capital (ESCALAR) mechanism under the InvestEU Programme, that the capacity of venture capital funds to invest in innovative companies, including small rural businesses, will be enhanced.

The point on stepping up operational and inclusive information efforts is addressed by the Innovation Agenda in a number of instances, including under the flagship on enabling innovation through experimentation spaces and public procurement. This focuses on facilitating innovation through improved framework conditions including experimental approaches to regulation, e.g. regulatory sandboxes, test beds, living labs and innovation procurement. It acknowledges the importance of framework conditions, including regulations to drive the development and uptake of innovative new products and processes, particularly for smaller companies. Actions on enabling innovation through public procurement include

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support for the provision of an innovation procurement specialist advisory service to assist and function as an intermediary between public procurers and innovative suppliers.

Regarding the point on access for small rural businesses to venture capital and those seeking to exploit highly innovative technologies, the Innovation Agenda's flagship on accelerating and strengthening innovation in European Innovation Ecosystems across the EU focuses on creating connected regional innovation valleys across the EU. This includes regions with lower innovation performance, often in rural areas, by building on strategic areas of regional strength and specialisation, in support of key EU priorities. Building on Smart Specialization Strategies and taking into account the Partnerships for Regional Innovation, a pilot involving 74 territories, including 63 regions, the Commission intends to identify up to 100 regions committed to enhance the coordination and directionality of their research and innovation investment and policies, at regional level.

The Commission has also recently published guidance on synergies between the European Research and Development Fund (ERDF) programmes and Horizon Europe, which will enhance convergence in terms of the capacity of Member States to innovate, and thus reducing regional disparities and facilitate the support to small rural businesses. The Commission has also set out a long-term vision for the EU's rural areas, identifying a number of actions towards stronger, connected, resilient and prosperous rural areas and communities by 2040. It recognises the key enabling role innovation can play to empower citizens and businesses to seize these opportunities in rural areas. To tackle the challenges and reap the opportunities related to innovation in rural areas, the long-term vision includes support for the development of innovations by and for rural communities as well as enhancing training opportunities and fostering knowledge exchange and cooperation among rural innovators.

In terms of the issues on talent and learning priorities raised in the opinion, the Innovation Agenda's flagship on fostering, attracting and retaining talents will ensure the development and flow of essential deep tech talents in and to the EU through a series of initiatives. These include an innovation intern scheme for start-ups and scale-ups, an EU talent pool to help start-ups and innovative businesses find non-EU talent, a women entrepreneurship and leadership scheme and a pioneering work on start-up employees' stock options. The Erasmus+ Alliances for Innovation will support the development of entrepreneurial skills with a particular focus on deep tech skills for all ages. This will support and complement the development of incubators within higher education institutions (HEIs), in close cooperation with the entrepreneurial sector, to help student entrepreneurs turn their ideas into businesses, as announced in the European strategy for universities.

Under the talent flagship, the Commission will also pilot an innovation gender and diversity index, which will include data on women and other less represented groups, including individuals with disabilities, in innovative start-ups and scale-ups and provide the basis for monitoring these elements. The Commission will also continue to support young entrepreneurs through the European Institute of Innovation & Technology (EIT) 'girls go circular project' and extend it to cover participants from all EU Member States. In addition, a women entrepreneurship and leadership scheme will support early-stage women-led tech start-ups, including through an enhanced 'WomenTech EU' call.

With regard to regular consultations at EU level to enhance competitiveness of innovative companies, the Innovation Agenda's flagship on improving policy making tools focuses on the development and use of key information, including comparable data sets and shared definitions, that can inform policies at all levels across the EU and ensure better coordination at the European level. The flagship foresees the strengthening of the role of the European Innovation Council Forum, aiming to enhance the exchange of best practices and coordination of national innovation policy initiatives. Within the framework of the EIC Forum and its Working Groups, the Commission, the Member States and the relevant stakeholders will be able to discuss key issues including policy targets and ways to enhance the competitiveness of the EU and its companies.

The Commission hopes that these comments address the issues raised by the Camera Deputaților and looks forward to continuing the policy dialogue on enabling innovative companies to thrive and to create deep tech innovation solutions, and the continued support of the Camera Deputaților in implementing the New European Innovation Agenda.

Yours faithfully,

*Maroš Šefčovič
Vice-President*

*Mariya Gabriel
Member of the Commission*