



# "Europe is open for innovation"

## First Set of key recommendations for a European Innovation Council from the High Level Group of Innovators

The EU has the potential to take the global lead for the next big innovation wave, combining the physical with the digital. To help achieve that objective, it must establish a European Innovation Council (EIC) in the next EU research and innovation programme. The EIC main objective will be to adequately support single innovators transforming disruptive/breakthrough science and technology into market-creating innovations and products for the benefit of all.

The EIC should target support for such breakthrough innovation, focusing on the needs of individual innovators from start-up to scale-up, through an excellence based approach. Excellence means attracting and supporting the highest potential innovators selected through EU wide competition, based on the quality and scalability of their ideas and their commitment (no geographical or political criteria). A successful EIC will be a visible and recognised brand for the whole innovation community and the wider public, highlighting strong role models and developing an inspirational narrative.

An ambitious EIC, with substantial and adequate financial means, should be a central pillar in the next EU research and innovation programme as proposed in the "LAB, FAB, APP" report<sup>1</sup>. It should complement and increase the impact from the "science and skills" and "global challenges" pillars, with the necessary flexibility, agility and ownership in terms of implementation and financial means.

### 1. Bring all relevant EU innovation financing into a single, fit for purpose, EIC

**Action:** Cut the multitude of existing EU schemes into a significantly simplified set of impact-driven EIC Awards addressing different needs of innovation-driven entrepreneurs from:

- ✓ *proof of concept* (feasibility of breakthrough ideas);
- ✓ *acceleration* (demonstration of commercial viability);
- ✓ *scale-up* (co-investing for market introduction and expansion).

**Action:** Design the Awards to include different forms of funding – grants, finance (debt and equity), including in combination (blending) – and taking into account different types of innovators at different stages (e.g. start-ups vs established SMEs/Midcaps ; digital vs deep-tech ; etc.).

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<sup>1</sup> « LAB – FAB – APP » - *Investing in the European future we want* – Report of the independent High Level Group on maximising the impact of EU Research & Innovation Programmes  
([https://ec.europa.eu/research/evaluations/pdf/archive/other\\_reports\\_studies\\_and\\_documents/hlg\\_2017\\_report.pdf](https://ec.europa.eu/research/evaluations/pdf/archive/other_reports_studies_and_documents/hlg_2017_report.pdf) )

Action: Design all EIC websites, application forms, etc. focusing on the needs of the innovator; minimise administrative and financial reporting.

## 2. Empower the innovator

Action: Bring in leading innovative entrepreneurs, universities, research organisations, venture capitalists and other investors (Business Angels, banks, etc.) and corporates in an EIC strategic advisory board.

Action: Introduce a prestigious EIC fellowship to recognise Europe's leading innovators.

Action: Pair up EIC-awarded innovators with experienced peers; help them build a "camp" of supportive investors and "mentors/peers".

## 3. Focus on excellence even if high risk, crowding in private investors

Action: Design evaluation and selection of EIC Awards in ways that promote excellence, enable risk taking and align interests with private investors; ; apply a bottom-up approach; base award decisions on face to face interviews involving funders; allow flexibility to stop or change EIC Awards.

Action: Focus grants and other high risk-finance on innovators commercialising breakthrough products based on science, research and development, where there are most significant market gaps for private financing and largest positive externalities.

Action: Continue to improve overall access to innovation finance (incentivising private funds into venture capital (including support to deep-tech VC Funds-of-Funds), risk-sharing guarantees with banks and financial intermediaries, etc.).

## 4. Amplify, don't duplicate, existing innovation ecosystems

Action: Map out and support both leading and emerging existing ecosystems (expertise, infrastructures, support schemes, ...); identify global best practice to respond to innovators' needs, in areas like university knowledge transfer.

Action: Help EIC awarded innovators access relevant partners across value chains (corporates, investors, public procurers, technology providers) and support (public, private, philanthropic) across the EU and internationally.

Action: Establish synergies with other EU, intergovernmental and national/regional innovation-related programmes to optimise the EU-wide innovation ecosystem and make life simple for innovators.

## 5. Connect breakthrough innovators to public policy and regulations

Action: Support EIC innovators to identify and overcome regulatory barriers (e.g. through "innovation deals", "innovation principle" or "regulatory sandboxes").

Action: Collect, analyse and make available data on new technologies, breakthrough innovations and value chains, combining feedback from EIC awarded innovators with other existing data sources. Feed this intelligence into public policy and regulatory decision makers.

### NOTICE

**The views expressed in this report reflect the collective opinion of the [High-Level Group of Innovators](#), and may not in any circumstances be regarded as stating an official position of the European Commission.**