

The European Innovation Council

European
Innovation
Council



Backing visionary entrepreneurs

Meeting of the Western Balkans
Steering Platforms on Education and
Training & Research and Innovation

16 February 2023

Dr Eric-Olivier PALLU – Policy Adviser





A brief history...

- **2015:** Proposed by Commissioner Moedas as an innovation equivalent of the European Research Council
- **2017:** Recommended by Group led by Pascal Lamy in “Lab – Fab – App” report on mid-term review of Horizon 2020
- **2018** High level group of innovators (Chair Hermann Hauser) published “Funding - Awareness - Scale - Talent (FAST) Europe is back: Accelerating breakthrough innovation” with recommendations to set up EIC
 - Fed into EIC pilot phase 2018-2020
 - Commission’s legislative proposals for establishing EIC as part of Horizon Europe programme
- **2020** EIC pilot Advisory Board (Chair Mark Ferguson) published “A vision for the EIC: from deep-tech research to visionary innovation and scale-ups”
 - Basis for first EIC Work Programme
- **March 2021:** Launch of EIC – event with Commission President von der Leyen, President Macron, Commissioner Gabriel, and al.



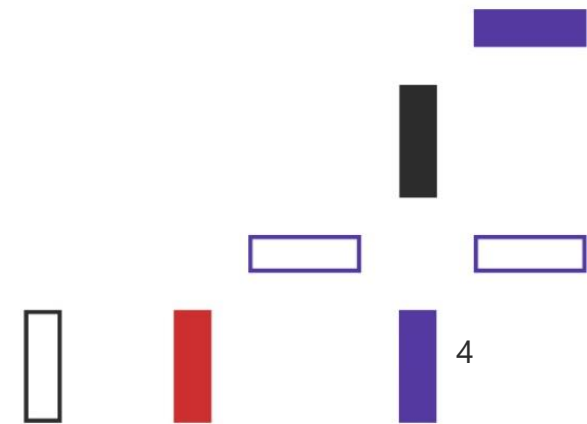
Europe's most ambitious innovation initiative

- **€10 billion** programme to identify, develop and scale up breakthrough technologies and disruptive innovations in Europe
- **Unique** in the world to combine research on emerging technologies with Accelerator for startups, SMEs and scaleups
- **EIC Fund** largest VC deep-tech investor in Europe (over €3 billion)
- **Innovator-centric** steered by Board of leading innovators
- **Pro-active approach** with flexible funding
- Enhances the **European innovation ecosystem**





European Innovation Council – why?





What's holding back European innovation?

Innovation performance

- **Strong research performance not translated** into innovation
- **Lack of breakthrough/ disruptive innovations** that create new markets

Innovation funding

- Financing gaps (2 "valleys of death") in
- **Transition** from lab to enterprise
 - **Scaling up** for high-risk innovative start-ups

Innovation ecosystem

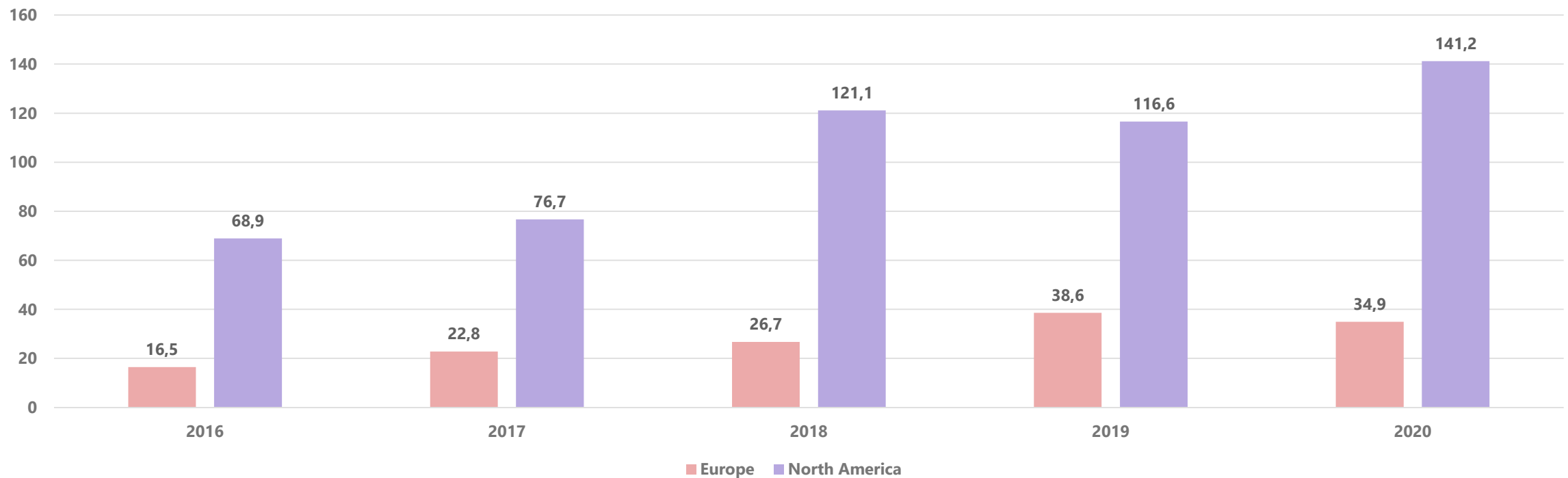
- Many national & local ecosystems, but **fragmented at European level**
- Need to **include all regions and all talent** (especially female)



Funding gap for scaling up highly innovative startups and SMEs

US venture capital investments are 4-5 times higher than EU

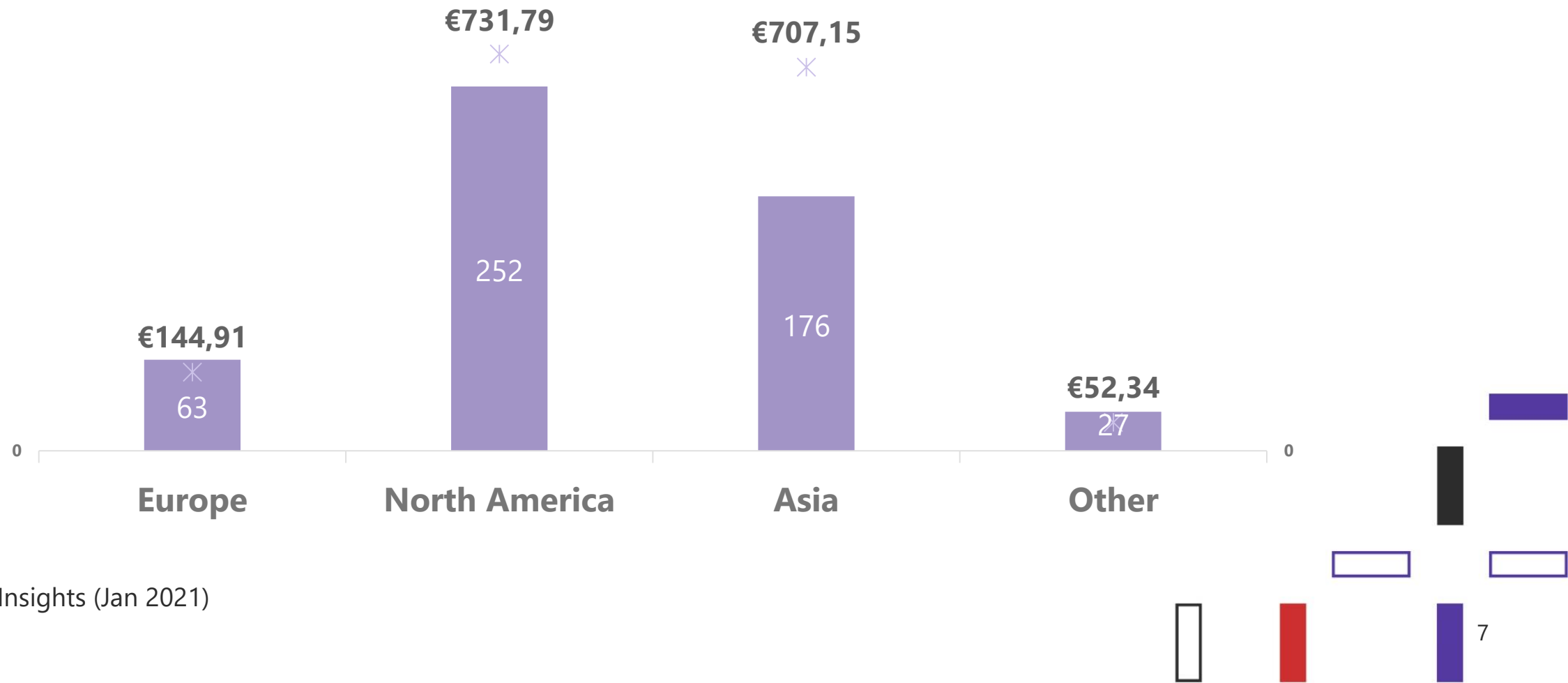
Capital invested by year (B\$)



Source: [Invest Europe, Pitchbook]

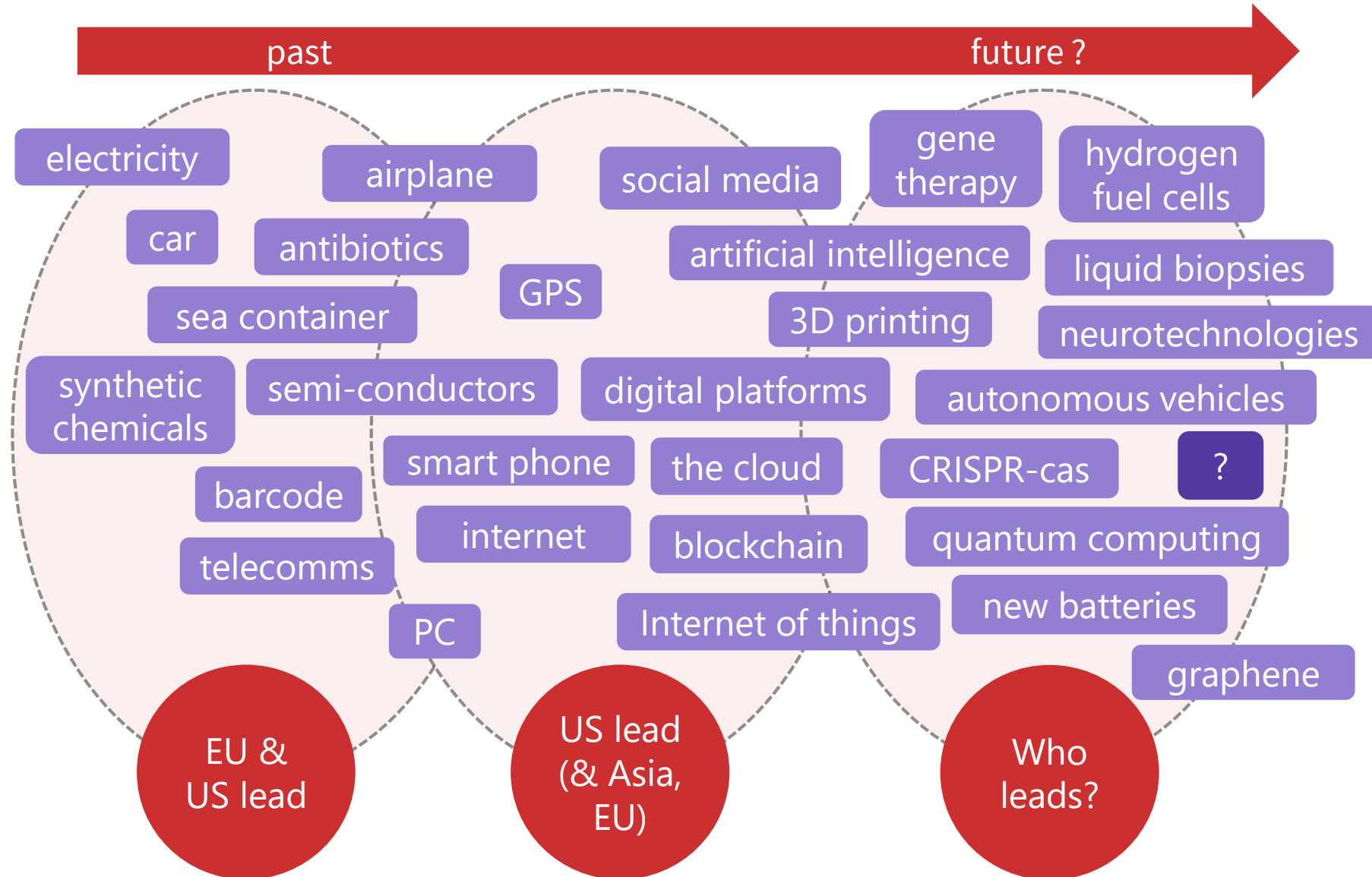
What is at stake: will Europe be home to future « unicorns »?

Number and market value of “unicorn” companies (valued at over €1 billion) by regions



Source: CB Insights (Jan 2021)

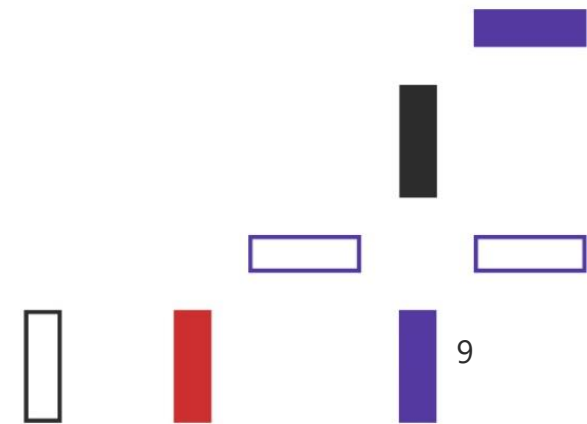
What is at stake: who will lead on the next wave of strategically important technologies?



Examples taken from WIPO, MIT, WEF, OECD, etc.



What does the EIC look like in Horizon Europe?





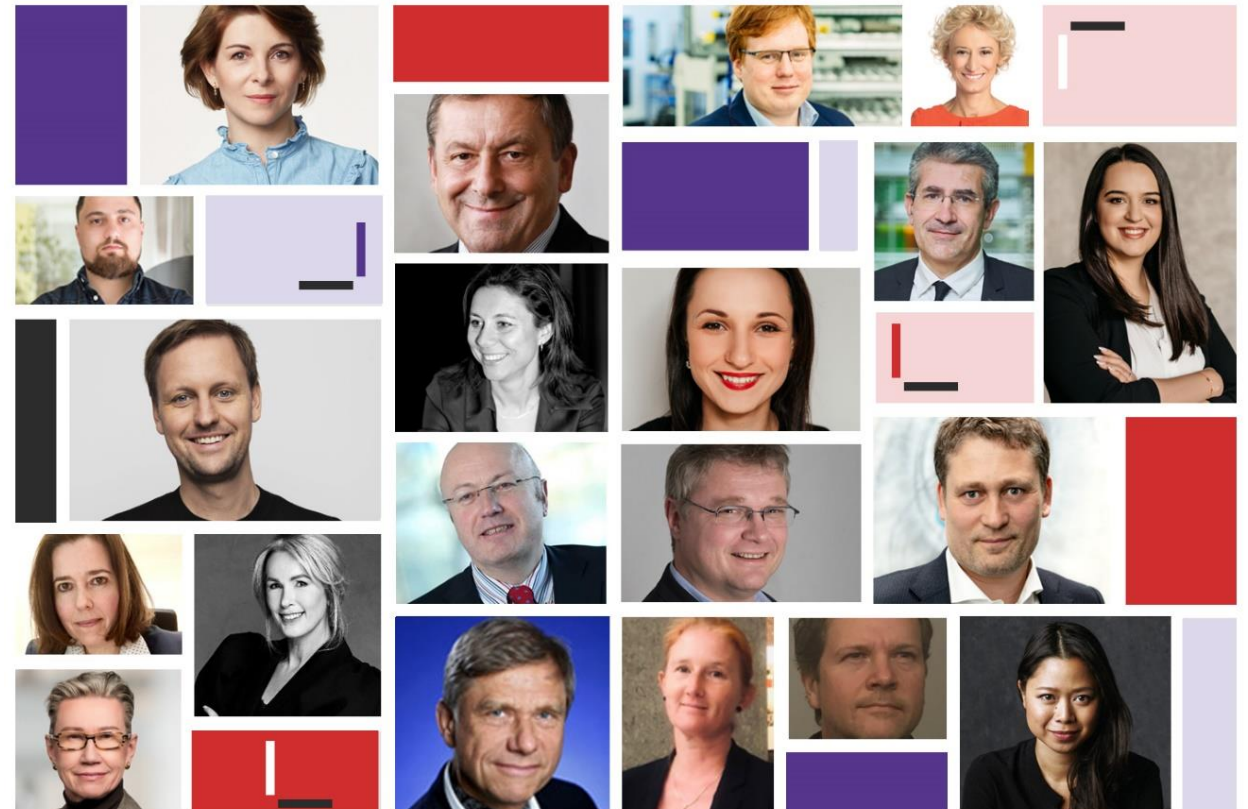
EIC Governance

- **EIC Board & President** to set strategy, advise on work programme & implementation
- **EIC and SME Executive Agency** (from 1 April 2021) to manage EIC activities
- **EIC Fund** to manage equity investments in EIC supported companies
- **European Commission** to appoint Board, adopt Work Programme, monitor implementation



Establishment of EIC Board

- Appointed on 18 November 2021 for 2 year mandate
- Role to advise:
 - EIC strategy,
 - EIC work programme & implementation
 - Broader innovation policy
- Diverse expertise:
 - Entrepreneurs, investors, researchers, innovation ecosystem
 - Gender balance (parity), Geographic balance (20 nationalities)
- First meeting on 26 November
- EIC Board Statement to welcome Work Programme published 9 February





EIC Ambassadors

- High level individuals form the innovation ecosystem who have direct experience of the EIC
- Role to communicate about the EIC + provide feedback on improvements
- First set of ambassadors nominated on 26 November 2021 (at EIC Summit)



The fully fledged EIC



One stop shop for
breakthrough, deep-tech,
market-creating innovators

- Open to all innovators, in any field, at any time
- Complemented by targeted funding on strategic challenges
- Highly competitive for Europe's high potential innovators

Agile funding from idea to
investment

- Pathfinder for advanced research on emerging technologies
- Transition from lab to commercial setting
- Accelerator & EIC Fund to scale up innovations by start-ups & SMEs

Building ecosystems and
communities

- Access to Business Acceleration Services (coaches, mentors, corporates, investors & knowledge partners)
- EIC Programme Managers to develop visions for breakthroughs, manage portfolios, and connect to ecosystems
- Crowding in other investors (VC, corporates, etc.)



EIC main instruments and characteristics

Pathfinder

- **Early stage research** on breakthrough technologies
- Grants up to €3/4 million
- Successor of FET (Open & Proactive)

Transition

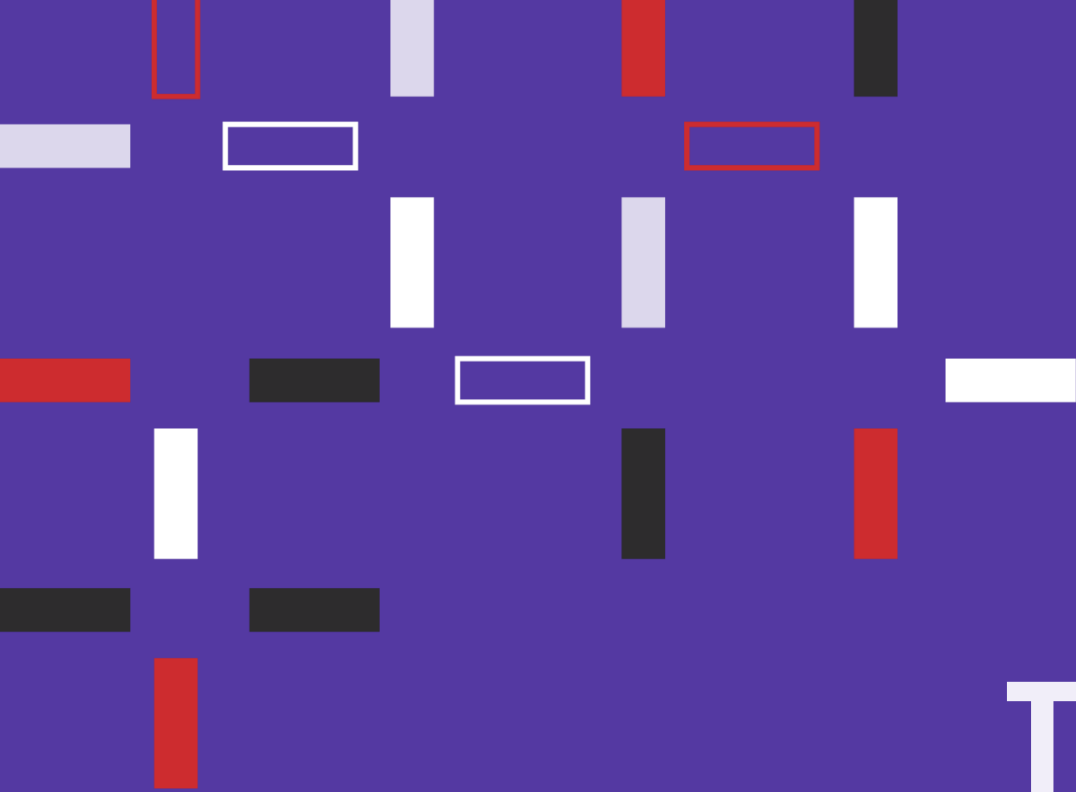
- **Technology maturation** from proof of concept to validation
- **Business & market readiness**
- Grants up to €2.5 million

Accelerator

- **Development & scale up** of deep-tech/ disruptive innovations by startups/ SMEs
- Blended finance (grants up to €2.5 million; equity investment up to €15 million)
- Successor of SME instrument

- Focus on **breakthrough, market-creating, deep-tech**
- **Mainly bottom up** complemented by targeted funding on strategic technologies/ challenges
- Steered by **EIC Board** of leading innovators (entrepreneurs, investors, researchers, ecosystem)
- **Business Acceleration Services** (coaches/ mentors, corporates, investors, ecosystem)
- **Pro-active management** (roadmaps, reviews, re-orientations, etc) with EIC Programme Managers
- **Fast track access** to Accelerator for results from EIC Pathfinder, EIT, ERC, Eurostars





The EIC Accelerator in 2023



What are we looking for?

Start-ups and SMEs seeking to **scale-up** high impact innovations with the **potential to create new markets** or disrupt existing one

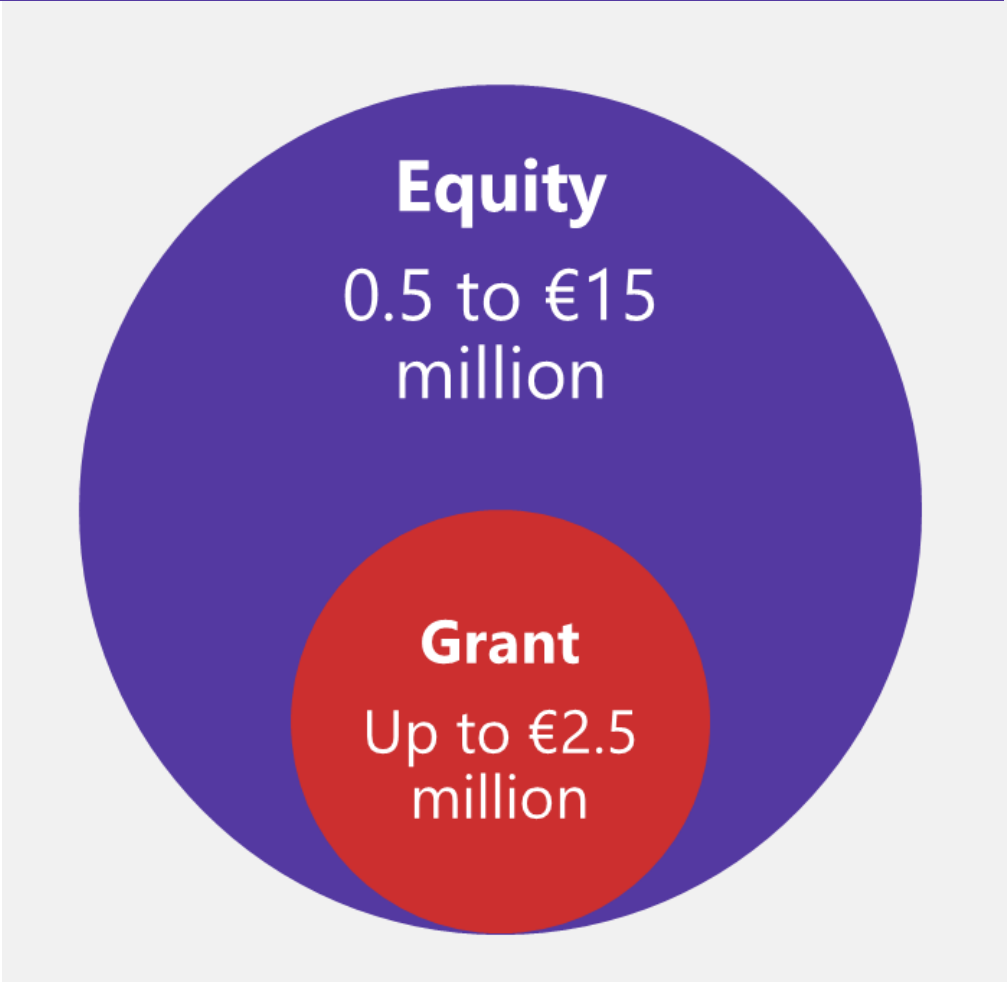
Innovation building on **scientific discovery** or technological breakthroughs
(« **deep tech** »)

Innovations where **significant funding** is needed over a **long timeframe** and are **too risky** for private investors alone

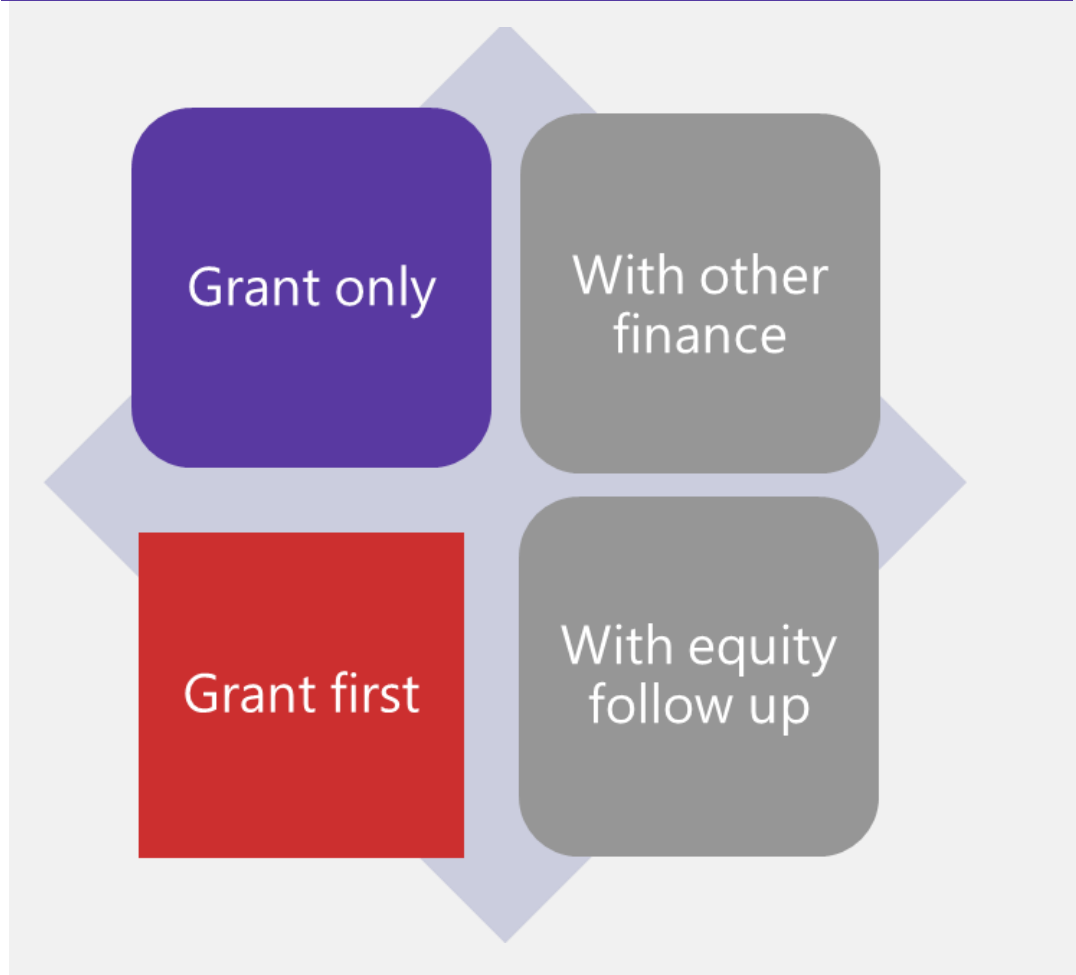


What can companies apply for?

EIC Blended Finance



Also



EIC Accelerator– Blended Finance



Grant component



Investment component

- maximum of less than **€ 2.5 million**
- eligible costs are reimbursed up to a maximum of **70%**
- small mid-caps are not eligible for a grant only

- € 0.5 million and **maximum € 15 million**
- usually in the form of direct **equity** or quasi-equity
- **minority ownership** (maximum 25% of the voting shares of the company)
- **“patient capital” principle** (7-10 years perspective on average, max 15 years)

EIC Accelerator – Funding options



Grant only

If you can prove that you have sufficient financial means for deployment and scale-up (TRL 9)

Grant first

If your innovation still requires significant work to validate and demonstrate in relevant environments to assess its commercial potential

Investment only (after a previous grant)

If you are looking to fill the funding gap for rapid scale-up of your high-risk innovation and you don't need a grant

Grant & investment

If you need support for development (TRL 5/6 → 8), deployment and scale-up (TRL 9)



EIC Accelerator – Who can apply?



- **Single company (i.e. no consortia, but subcontracting and affiliated entities are possible)**
 - SME according to EU definition: < 250 employees, < 50 million EUR turnover or < 43 million EUR total balance sheet, data from linked or partner enterprises might need to be taken into account*
 - Small mid-caps (up to 499 employees) – for rapid scale up only
 - Natural person(s) or legal entity
 - from Member State (MS) or Associated Country (AC) intending to establish an SME or small mid-cap in MS or AC by the time of signing the EIC Accelerator contract.
 - From a non-associated third country intending to establish an SME or to relocate an existing SME to a MS or AC (establishment prior to full proposal!)

[* More details and self-assessment tool](#)



EIC Accelerator **Open**

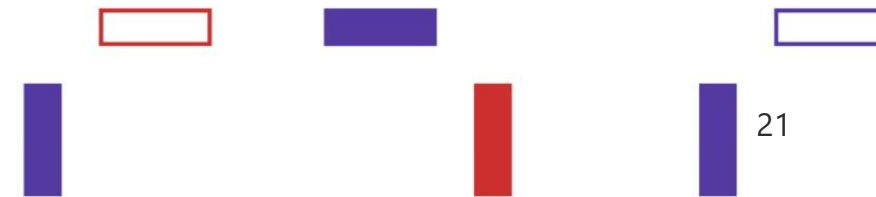


to support **projects in any field** of science, technology or application without predefined thematic priorities ('bottom-up')

EIC Accelerator **Challenges**



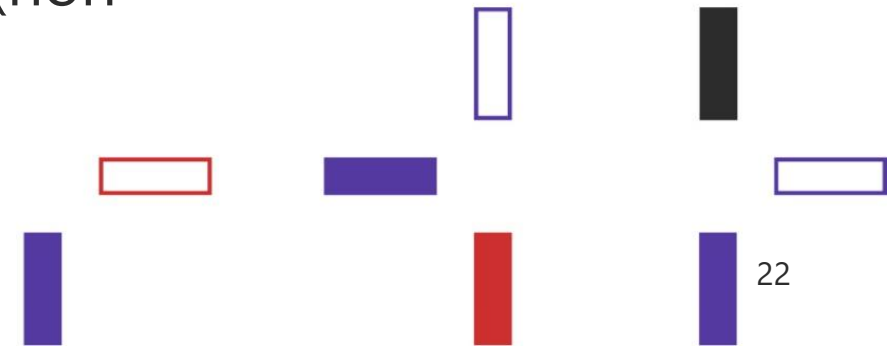
to support projects within **predefined thematic areas** with the aim to achieve specific objectives for each Challenge



The selection process in a nutshell



- The **Accelerator evaluation process** is composed of the **following phases**:
- **Screening of short proposals**: performed by remote evaluators, which leads to a GO or NO-GO to the next evaluation stage,
- **Evaluation of full proposals**, performed by remote evaluators, which leads to a GO or NO-GO to the next evaluation stage,
- **Interviews with participation of Jury Members** which leads to establishing the list of GO (funded) and NO-GO (non-funded) proposals



Accelerator implementation - numbers

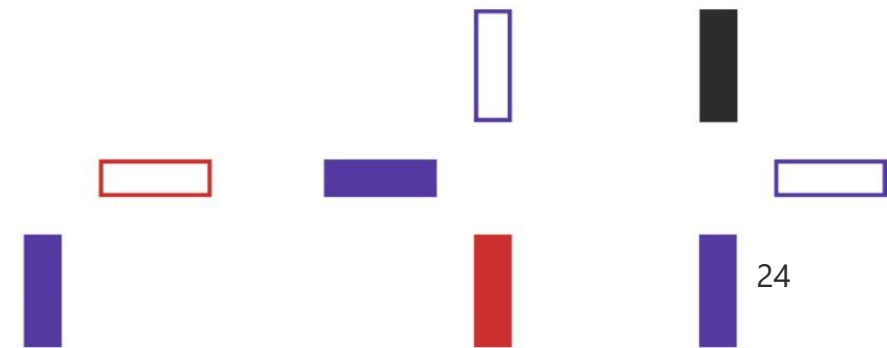


- Over **5000** short applications submitted in 2021 and over **2500** in 2022
- Almost **2000** full applications submitted in 2021 and more than **3000** in 2022
- Over **1000** projects have been invited to interview in 2021-2022
- **391 projects** already selected for funding under Horizon Europe (164 in 2021 and 227 in 2022)
- **293 projects** selected in the context of the EIC pilot phase under Horizon 2020 (2019-2020)



Accelerator implementation - impact

- **Incentivised over €10 billion** in follow-on investments in its portfolio companies
- **Combined valuation of €40 billion** including 12 Unicorns and 112 Centaurs
- **20%** of funding for **women-led** companies



EIC Accelerator: cut-off dates 2023 still to come



Short proposal evaluation

Submit **any time** during the year
Feedback within **4 weeks**

Full proposal -cut off

date when a round of evaluations
of **full proposals** start

Full proposal evaluation

Cut-off Interview weeks (tentative)

22 March 2023	May 22 – June 2
7 June 2023	September 11 – 22
4 October 2023	November 27 – December 8



EIC Accelerator - Calls

Accelerator Challenges

Novel biomarker-based assays to guide personalised cancer treatment	€ 65 million
Aerosol and surface decontamination for pandemic management	€ 65 million
Energy storage	€ 100 million
New European Bauhaus and Architecture, Engineering and Construction digitalisation for decarbonisation	€ 65 million
1) Emerging semiconductor & 2) Quantum technology components	€ 100 million
Novel technologies for resilient agriculture	€ 65 million
Customer-driven, innovative space technologies and services	€ 65 million

Indicative call budget € 523.5 million

EIC Accelerator Challenges **individual workshops** will be organised by PM early next year

EIC Accelerator Open
Indicative budget
€ 611.7 million

The evaluation process



Selection process for Accelerator projects



- The **evaluation process** is managed by the **EISMEA**.
- All proposals submitted in response to EIC Accelerator calls for proposals are first collected in the **EIC Platform** and checked against the admissibility and eligibility criteria, as set out in the Annex 2 and Annex 3 of the EIC Work Programme 2023.
- Only proposals, which meet the **admissibility and eligibility** criteria, will undergo evaluation.

Selection process for Accelerator projects



Experts evaluate the proposals against the three award criteria:

- Excellence
- Impact
- Level of risk, implementation, and need for Union support
 - **Risk level of the investment:** Does the nature and level of risk of the investment in your innovation mean that European market actors are unwilling to commit the full amount alone? Is there evidence that market actors would be willing to invest, either alongside the EIC or at a later stage?

More details in the [EIC Work Programme 2023](#)

EIC Accelerator – Evaluation



1

- You have a disruptive/deep tech idea with potential to scale up
- **Tell us your story** and submit your short application to be assessed by remote evaluators

2

- To submit a full proposal, we help you to prepare **your business plan** and draft a proposal with our AI tool and coaching
- **You submit your proposal**

3

- **Your full proposal** is assessed by remote evaluators

4

- **You pitch your innovation** in front of the EIC Jury Members
- If selected you sign the EIC contract (including the grant component and – if applicable – an indicative amount of the investment component)

5

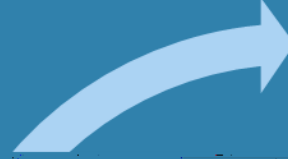
- **In case of investment component** you enter a due diligence process + compliance checks
- At the end of the process, you sign the Investment Agreement and your EIC contract is updated accordingly

EIC Accelerator – Evaluation in 4 steps



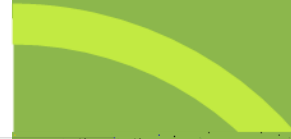
Prepare the proposal

We will help **you** to prepare your **business plan** and draft a **proposal** with AI tool and coaching



Submit

You submit your full **proposal** which will be **assessed** by Remote evaluators



You have an idea

You have a disruptive or deep tech **idea** with a potential to **scale up &** you need **financial support**

Tell us your story in 5 pages



Pitch to jury

Pitch your innovation in front of EIC Jury Members. If selected, you will sign the **contract**



Short application: your idea



EIC AI Platform

Short Proposal

- Respond to a set of questions on the EIC AI-based IT platform
- Submit a 10 slides presentation
- Submit a 3 minutes video pitch

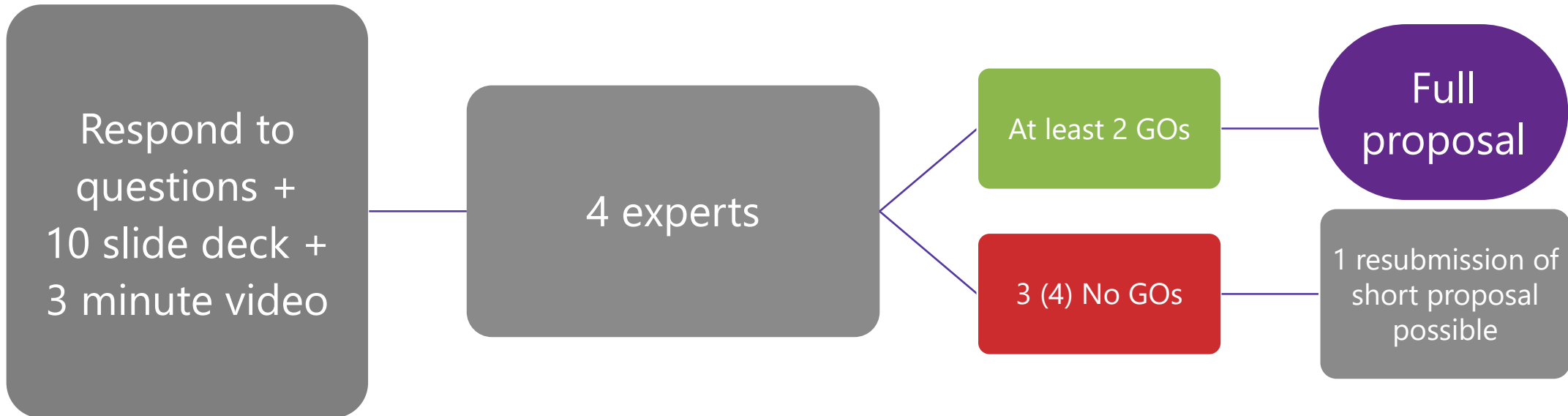
Short application: evaluation process



Short Proposal



Continuously open, results within approx. 4 weeks!



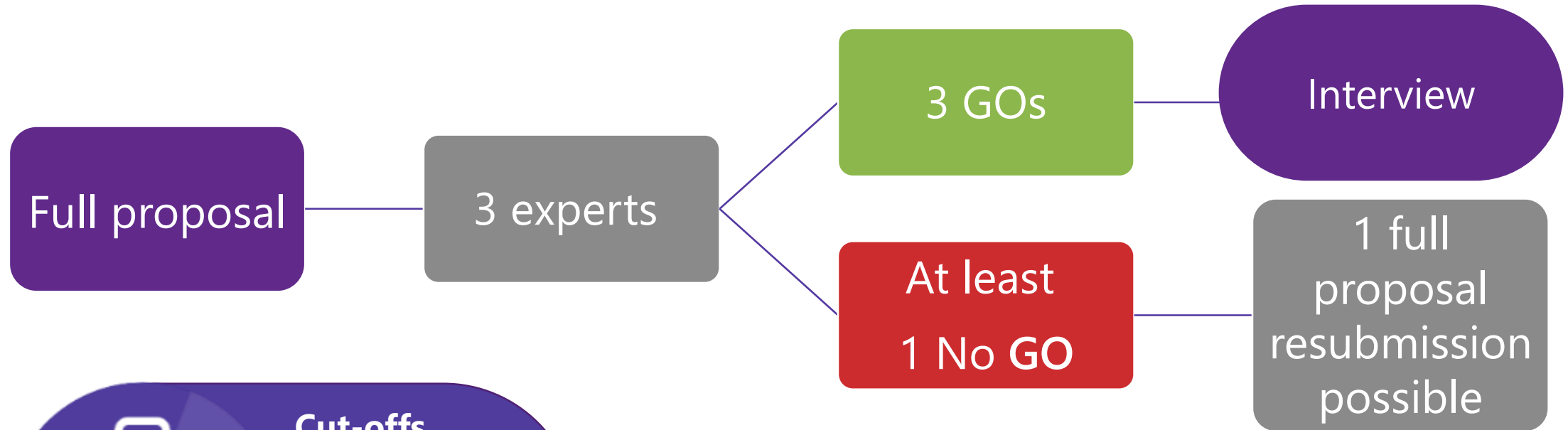
Full proposal: your business plan



12 months within receiving outcome
of short proposal evaluation

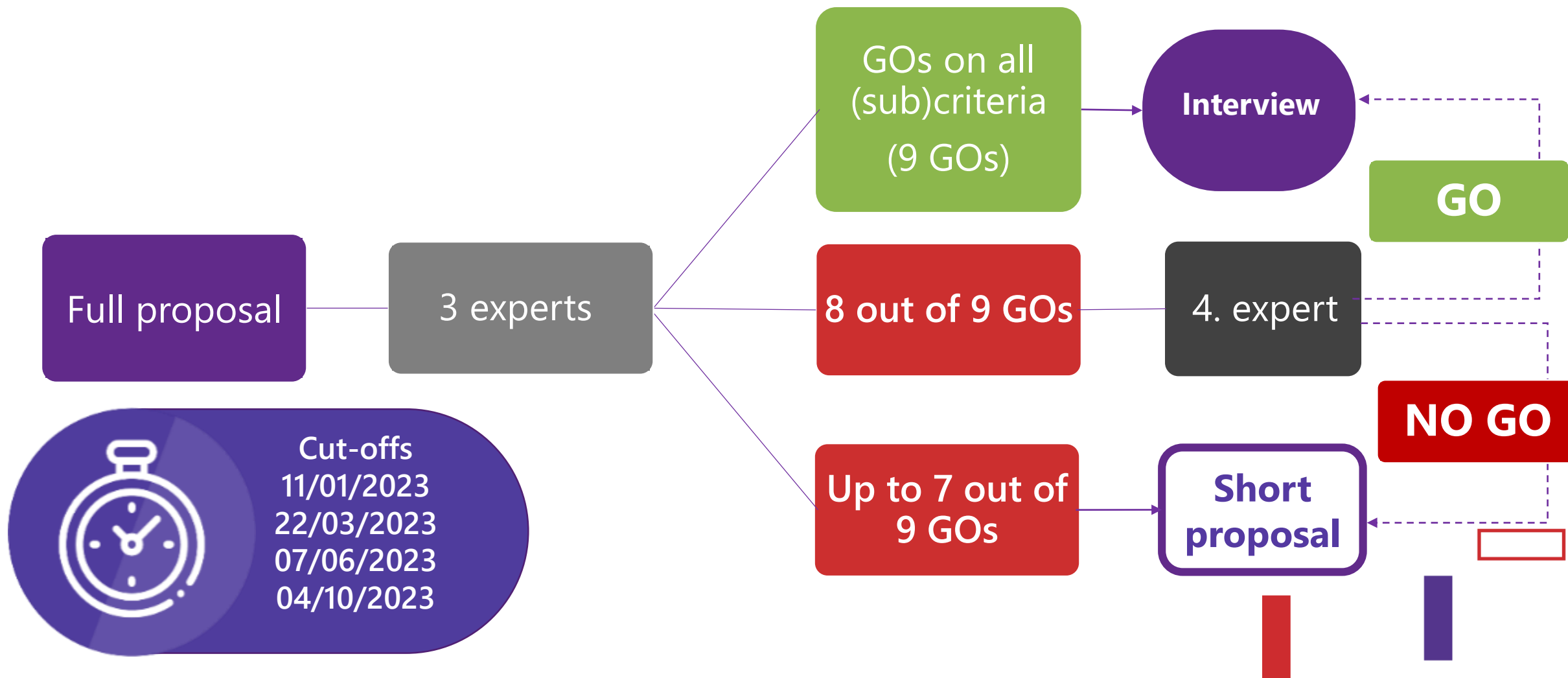
- Prepare a business plan supported by the EIC AI-based platform and with the help of an EIC business coach (not mandatory)
- Submit your full proposal

Full proposal: remote evaluation process- first submission



Cut-offs
11/01/2023
22/03/2023
07/06/2023
04/10/2023

Full proposal: remote evaluation process for resubmissions

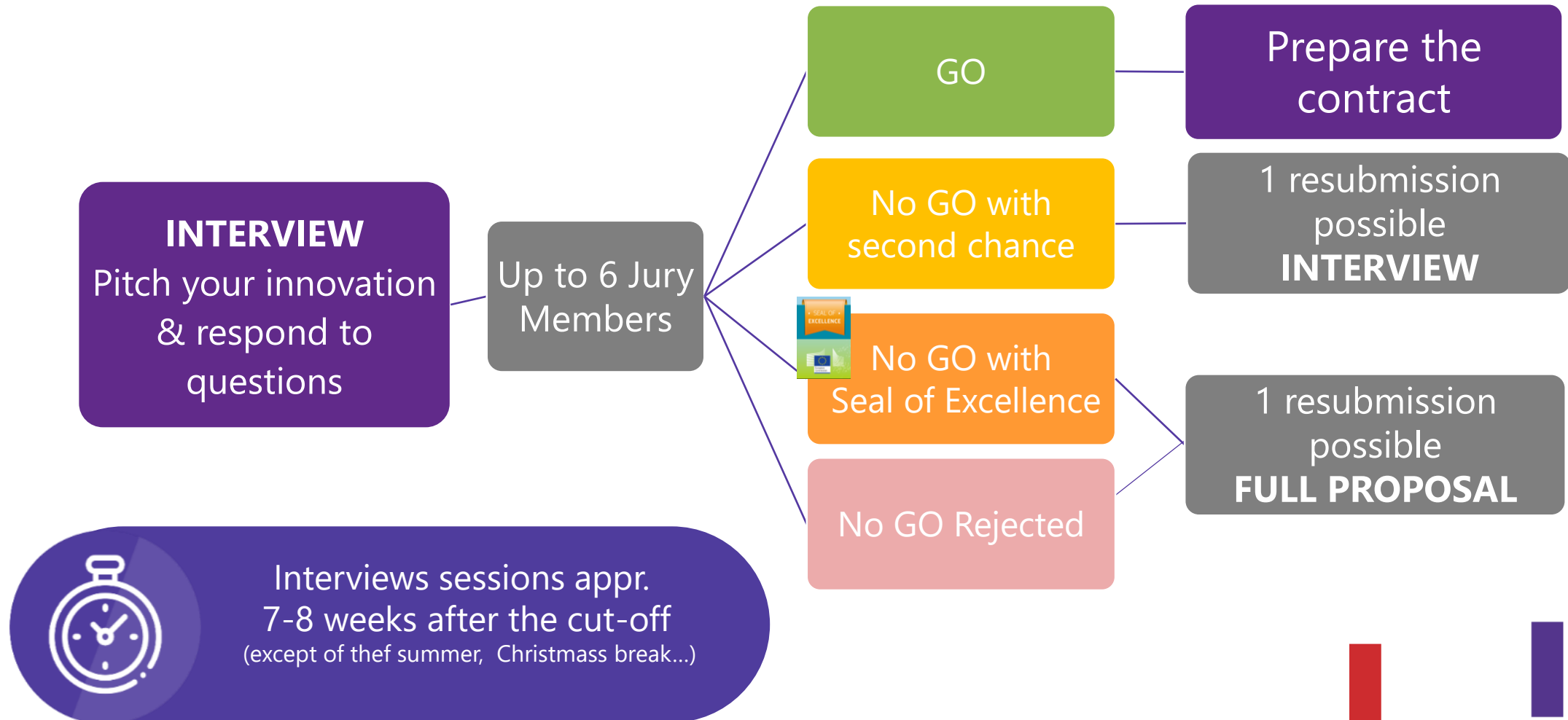


Interview: pitch your innovation



- Pitch your innovation to the EIC Jury Members composed of serial entrepreneurs, innovation specialists and senior investors
- Answer the questions from the EIC Jury Members
- If selected, you will sign the contract

Full proposal: interview evaluation process





Thank you!

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