EU funding for innovation

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What’s holding back European innovation

- **Innovation performance**: Lack of **breakthrough and disruptive innovations** that create new markets
- **Innovation funding**: **Financing gap** between R&D grants and private investment for scaling up innovative start-ups
- **Innovation ecosystem**: Many national & local ecosystems, but **fragmented at European level**
Who will lead the next wave of breakthrough and disruptive innovation?

Past:
- electricity
- semi-conductors
- antibiotics
- sea container
- Synthetic chemicals
- barcode
- telecomms
- PC
- EU and US lead

Current:
- airplane
- GPS
- semi-conductors
- digital platforms
- internet
- smart phone
- blockchain
- internet of things
- US lead (and Asia, EU)

Future?
- social media
- artificial intelligence
- gene therapy
- 3-D printing
- liquid biopsies
- autonomous vehicles
- CRISPR-cas
- quantum computing
- new batteries
- graphene
- Hydrogen fuel cells

Who leads?

Examples taken from WIPO, MIT, WEF, OECD, etc.
Financing gap: venture capital US vs EU

Venture capital raised. Data: Invest Europe, NVCA / Pitchbook. (1) EU does not include HR, CY, MT, SI, SK.
Global Fast-growing Innovative Companies

Die 60 wertvollsten Plattformen der Welt (Mrd. Dollar (Börsenwert; jüngste Finanzierung / Stand 31. Dezember 2017))

USA
- Apple (868)
- Alphabet (730)
- Facebook (513)
- Amazon (564)
- Microsoft (660)
- Pinterest (12)
- Ebay (39)
- Netflix (83)
- Snap (18)
- Slack (5)
- Twitter (18)
- Salesforce (74)
- WeWork (21)
- Airbnb (31)
- Priceline (85)
- Intuit (40)
- Square (13)
- Stripe (9)
- Dropbox (10)

Europa
- Spotify (16)
- Zalando (11)
- Yandex (11)
- Social Finance (4)
- Credit Karma (4)
- Houzz (4)
- Instacart (3)
- Delivery Hero (6)
- Scout24 (4)

Afrika
- Naspers (120)

Asien
- JD.com (59)
- Baidu (81)
- JD (493)
- Alibaba (442)
- Tencent (367)
- Didi Chuxing (58)
- Didi (58)
- Baidu (81)
- JD (59)

Quelle: NetzeKonomen.de / Idee: Peter Evans

Dr. Holger Schmidt | NetzeKonomen.de | Handelsblatt | TU Darmstadt | Ecodynamics.io | Platformeconomy.com
European tech ecosystems are rich but can only reach their full potential if better interconnected.
The European Innovation Council

**One stop shop** for breakthrough & disruptive innovators

Open to all innovators, in any field, at any time

**Highest potential** innovators selected on basis of ideas and team

**Agile funding** from idea to investment

**Pathfinder grants** for advanced research on emerging technologies

**Accelerator funding** for innovative start-ups (<€2.5 million grant, <€15 million equity)

**Crowding in private investment** (VC, Invest EU)

**Building ecosystems** and communities

**Access** to mentoring and advisory services and to knowledge partners (e.g. EIT)

**Expert Programme Managers** to engage with projects and communities

**Prizes** for breakthrough technologies
"Europe does not yet have a world class scheme to support the very best innovations in the way that 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."

Designed together with leading innovators

*Accelerating breakthrough innovation report, January 2018*
We will only succeed if we are the ones creating, developing and producing new technologies. That is why we need: a strong EU commitment to disruptive innovation within the framework of the European Innovation Council (EIC). The goal is to support very high risk deep tech projects at the European level.

A Franco-German Manifesto for a European industrial policy fit for the 21st Century, February 2019
Tested under Horizon 2020, fully incorporated in Horizon Europe

Total estimated budget, M€
First phase launched in 2018

- Bringing together relevant Horizon 2020 schemes in one place \((SME\) instrument, Fast Track to Innovation, FET Open, Prizes)\)
- Introduction of open support for Start-ups and SMEs (no predefined themes)
- Introduction of interviews with experienced innovators to select SMEs for funding
- Launch of major prizes for breakthrough innovations, e.g. low cost space launcher (€10 million prize); artificial photosynthesis (€5 million prize)
- Total budget in 2018 of €778 million (for all EIC pilot actions)

EIC SME Instrument Phase II (up to €2.5m in grant)

⇒ 6000 applications received by start-ups or SMEs (for SME phase 2 grants)
⇒ Majority combining different fields: digital, energy, manufacturing, health, etc.
⇒ 520 interviewed for 250 awarded funding
⇒ Fast process (grant awarded in under 4 months)
Second phase launched in 2019

- Increased budget of €2.2 billion (€1.0bn in 2019; €1.2bn in 2020)
- Introduction of pilot accelerator with option to apply for blended finance (combined grant and equity – call opens on 5th June 2019)
- Introduction of pilot pathfinder, with 6 strategic emerging technologies targeted (human-centric AI, novel medical devices, zero-emission energy generation, etc; call open now)
- New EIC Advisory Board to bring in leading innovators for ongoing design & implementation (call for applications open until 10th May)
- First EIC programme managers recruited to actively engage with pathfinder projects (call for applications coming soon)
Full EIC under Horizon Europe (2021-27)

✓ Proposed budget of €10 billion
✓ Dedicated governance with EIC President and Advisory board
✓ More flexible rules for funding (ability to stop or reorient, links to Invest EU) with increased role for expert **programme managers**
✓ Full accelerator funding with both grant and blended finance
✓ Full pathfinder scheme for grants in advanced research and transition activities
✓ Fast track access for Horizon grant holders (incl. European Research Council) and certified national schemes
✓ Creation of EIC Forum with Member States innovation agencies
"[The EIC alone will not create global champions. What it will do is create a European Champions' League]"

Find out more
ec.europa.eu/research/eic

#EU_EIC