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# On the concept of a European Innovation Council

Contribution to the EC Call for Ideas on the European  
Innovation Council

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## Introduction

EU-LIFE welcomes the open debate about the European Innovation Council (EIC).

This position paper results from an internal consultation within the EU-LIFE community regarding the EIC proposed by the European Commission (EC) and is based on scattered information available through papers, presentations, talks at events, interviews and opinion articles in the media. It is a first official contribution of EU-LIFE to the public debate. Further developments may lead to an evolution of the EU-LIFE position regarding the EIC.

## EIC as paradigm-changer

EU-LIFE applauds the role of the EC on the research and innovation policies put in place across Europe, in particular the challenge of implementing a European Research Area and the current framework programme, Horizon2020. ERA and Horizon2020 are key to building a framework that brings research, innovation and society closer together and thus prepares Europe for the future.

Open innovation is key to Europe. However, there is the clear need for Speed and Scale regarding European innovation power. An EIC could be the driving force behind this, however it is unclear how the EC will implement a strategy to tackle this need and what the role of the EIC will be. In fact, there is still very limited information on how the EC is actually designing an EIC, and consequently it is very difficult to currently assess the potential of such a Council.

Thus at this stage, EU-LIFE would like to:

1. Congratulate Commissioner Moedas and DG Research for initiating the public debate regarding the creation of an EIC;
2. Highlight the potential of the EIC as an extraordinary opportunity for a paradigm shift at two levels:
  - To change the way innovation is tackled in Europe
  - To change the vision of the role of research in boosting innovation

Therefore, in order for the EIC to be a true paradigm-changer in European innovation, EU-LIFE highlights the following ideas:

- ✓ To be successful, the creation of an EIC should be a stepwise process resulting from wide and thorough discussion with the community. EU-LIFE supports LERU's recommendation: do not accelerate into a decision about an EIC before thorough evaluation and consultation.
- ✓ Without excellent research there is no future for innovation. Currently excellent research is limited because of the demand for short-term, foreseeable impacts of research. Open innovation needs a paradigm shift from pushing research with obvious but limited applicability to fostering efficient collaboration between excellent research and innovation, thereby providing the means and support for a smooth transition from ideas and scientific

results to the innovation process. If created, the EIC should be designed so it fosters this paradigm change.

In other words, an EIC is an extraordinary opportunity to change the innovation potential in Europe but only if next to Speeding and Scaling Innovation, it contributes to alleviate the pressure of short-term impact of research. Only by alleviating this pressure can research contribute to fuel innovation with disruptive ideas and blue sky solutions for today and tomorrow's challenges.

- ✓ If established, an EIC should be focused on bringing research and innovation together – working on the INTERSECTION of research and innovation. However, in several scenarios under public discussion, the EIC represents a real risk of contributing to an extremely undesirable duplication of structures, bodies and silos and could therefore widen further the gap between research and innovation. This must be avoided at any cost.
- ✓ When creating an EIC, the EC should be ambitious regarding its governance namely in terms of independence from EC rules and administrative burden: create a solid concept with clear values, and let it grow and develop independently.
- ✓ EU-LIFE believes that innovation should be promoted and fostered by the research institutions in Europe. Having a good collection of top professionals at the institutions capable of recognizing ideas at their embryonic stages, as well as providing valorization funds to those institutions, is one way to ensure success as exemplified by institutes like the VIB in Belgium.

## Funding the EIC

The crucial challenge for the formation of an EIC is the source of funding:

- ✓ Europe needs more private investments in Research & Innovation (R&I). If established, an EIC should promote leverage of private investments in R&I.
- ✓ Funding to the EIC should mainly come from private sector and from EU programmes on innovation, it would be counterproductive if it came from research programmes at EU level. Deviating funds from research to innovation at EU level will endanger the goals of the EIC itself, as research is fuelling innovation and is itself currently underfunded (e.g. see the low funding rates in Horizon2020, with projects achieving maximum scores left unfunded). Therefore, the creation of an EIC must not compromise any funding for research, on the contrary its concept should liberate more EU funding for research.
- ✓ There should be additional funding to provide for additional research-innovation gap-filling schemes.
- ✓ There are ethical and state aid issues to consider when using public funding for private entrepreneurship. This aspect must be clearly and transparently addressed before the creation of an EIC.

- ✓ The EIC should lobby Member State governments so that they provide part of the innovation funding and also provide support to their top research institutions to facilitate the transfer of scientific results to innovation.

### Potential role and functions of the EIC

- ✓ The second major challenge of creating an EIC is its model. The EIC needs to be a high impact initiative, but it will fail if it is too complex. Therefore, very clear goals and strategies are needed. The goal should be simplification and cohesion, not the addition of another layer of complexity to all the other initiatives to promote innovation with the EC. On the other hand, creating a strictly advisory body will not yield the necessary impact.
- ✓ An EIC should play a role in creating environments that promotes opportunities for excellent researchers to come into contact with excellent entrepreneurs.
- ✓ Regulatory constraints are a major challenge for European innovation. If established, an EIC should focus on removing regulatory constraints on innovation in Europe both at EU and at the Member States level. This should be a priority.
- ✓ The European Research Council (ERC) is based on excellence – what will be the basis of an EIC and how will success be attained and measured? It is of the utmost importance not to proceed with the EIC before this concept is fully developed.
- ✓ The EIC should consider an open, bottom-up programme, with high quality standards and strict rules regarding return on investments. It should not be easy money with no strings attached. The same driving mechanisms of VCs should apply to an EIC.
- ✓ Assessment: what will be the measure of success of an EIC? Key aspects to consider include: 1) revenue (return on investment) and financial autonomy after creation; 2) contribution to closing the gap between innovation-rich and innovation-underdeveloped regions/countries; 3) removal of barriers to innovation (regulatory and educational); 4) increased social/economic benefit to the public.
- ✓ Conflict of interest and transparency in governance should be rigorously addressed: who will manage, evaluate and decide on innovation policy and financing? Clear and transparent participation of the private sector needs special attention.

### Proposals to boost innovation beyond an EIC

- ✓ Further innovation will flow from well-resourced national funding schemes together with cross-European programmes. Therefore the Commission should focus on encouraging the Member States to fund their national research at the level of minimally 3% GDP and to create research environments which facilitate exchanges between excellent researchers and successful entrepreneurs. As the last decade shows, this policy is very hard to implement – a bold step needs to be taken.
- ✓ Simplify the Horizon2020 Programmes (there are too many and too diverse); make it easier for companies to participate; optimize effective interactions between companies and research organizations.



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