

## **Policy Brief**

A 10 billion deal: The European Innovation Council to finance and accelerate breakthrough technologies across Europe

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## Introduction

The innovation ecosystem in Europe is due to get a significant boost over the current Horizon Europe funding period. Following up on the discussion of the European Institute of Innovation and Technology and its programs, it is time to look at the more direct business funding and acceleration opportunities.

In the final part of the [EUROPEUM series](#) on the Innovation pillar of Horizon Europe, we focus on the [European Innovation Council](#) (EIC), [officially launched in March 2021](#). Counting with a budget of EUR 10 billion for the period of 2021-2027, it becomes the most robust funding platform for connecting innovative research and industry in Europe.

The principle of EIC is to support emerging technologies and applications, giving a much-needed starting boost to innovations which require a great deal of funding to start with. The objective is to ensure the applicability and marketability of these innovations, helping companies, job creation and the (local) economies.

Almost one third of the EIC budget will be committed to the [EIC Equity Fund](#) which aims to support scaling up promising startups and SMEs developing breakthrough innovations. From developing nanotechnologies to hydrogen production or smart urban mobility, the objective is to support small businesses to address the current environmental, technological and societal challenges, end help put European companies at the forefront of innovation.

## Three ways to boost innovations

In order to do this, the EIC has developed three [main platforms](#), which are accepting the first round of funding applications in 2021:

[EIC Pathfinder](#) – grants of up to EUR 4 million for consortia of 3 or more organizations (universities, companies, research centers) for validating breakthrough technologies. Specific challenges-driven calls are to be launched for cell and gene therapy, hydrogen production or engineered living materials.

[EIC Transition](#) – grants for up to EUR 2.5 million for single applicants or small consortia, focused on technology application and market readiness. Specific calls will be launched in areas of medical devices and energy harvesting and storage.

[EIC Accelerator](#) – blended finance of up to EUR 2.5 million for single startups, SMEs or individuals aiming to develop or validate innovative technologies. Specific area calls will include strategic health and digital technologies, and the Green Deal innovations.

## EIC to complement EIT as a business accelerator

The newly established European Innovation Council joins the existing platforms present in the third Horizon pillar. The most vivid discussion arose around the role of the [European Institute of Innovation and Technology](#), whose mission is very similar to the EIC. The questions about possible



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overlay were addressed by both sides, resulting in the argued complementarity.

The role and objectives of the EIT was introduced and discussed [throughout the series](#). The complementary nature of EIT and EIC is based on developing the innovation ecosystem harnessed by EIT, with direct financing and accelerating industry innovations, with the latter being the domain of EIC. In any case, many of their declared objectives are similar – or even identical, focusing on technological, environmental and societal challenges in Europe.

The EIT Director Martin Kern has recently announced a memorandum of understanding between EIT and EIC, which sets out the respective roles, objectives and complementarities in more detail. With the launch of the first EIC projects throughout the 2021, the extent and nature of EIT-EIC synergies is due to crystalize more clearly.

## Recognizing the societal impact

The EIC is due to open funding calls worth more than EUR 1.5 billion in 2021. In addition to the long-term business financing projects, EIC also supports a number of awards for impactful cities and individuals. Among the specific programs and calls accepting applications through the summer of 2021, two stand out in addressing the societal dimension of the European innovation project.

[The European Capital of Innovation Awards](#) – accepting applications from March to July, this initiative recognizes the role of cities – and citizens – in the local innovation ecosystems. With citizen

engagement as a key principle, the goal is to highlight the cities' success stories of citizen-driven interventions and decision making into the mainstream urban development process.

[EU Prize for Women Innovators](#) – running from March to end of June, this initiative aims to raise awareness of the importance and impact of women in innovation, and recognize the role models for women and girls in and beyond the tech industry. It celebrates the women entrepreneurs who have launched companies to bring an innovative product or service to the market.

## European innovation – where next?

As the EUROPEUM series has shown, innovation has got a green light in Europe, with an unprecedented boost made possible by the Horizon Europe and other EU-wide funding programs introduced in recent years. Through the 2027, we are due to witness technological breakthroughs in biotechnology, nanotechnology, medicine, materials, energy, mobility and other areas, with impacts far beyond the technological domain. Taking advantage of these opportunities will help unleash the potential of cities, organizations, businesses and individuals, leading to a greener, more sustainable and hopefully more equitable future for Europe.



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## About the series

This EUROPEUM series addresses the transformative momentum of Europe which is met by the beginning of the 2021-2027 Horizon funding cycle. The latter gives Europe a unique opportunity to address the societal and environmental challenges ahead.

This series of articles introduces some of the key components and programs of Horizon's innovation pillar. For this purpose, it discusses the trends, objectives and specific program calls, focusing predominantly on areas of private-public collaboration, capacity building and higher education.

[More about the series](#)

## About the author

Katarína Svitková, Ph.D. is an Associate Research Fellow at EUROPEUM, focusing on areas of climate change, sustainability, education, innovation and development policy. She earned a Bachelor degree in International Area Studies and a Master's degree in Security Studies from Charles University (CU) in Prague. She completed a PhD in International Relations at the Department of Security Studies, Faculty of Social Sciences of the CU, focusing on urban governance and resilience policy of cities. She conducted a part of her studies at the University of Miami (FL) and the University of Granada (Spain).

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