Statement on the call for ideas for the European Innovation Council

By the Helmholtz Association of German Research Centres e.V.

Contributing to the current discussion on the structure of a European Innovation Council (EIC) and the call for ideas, the Helmholtz Association draws attention to the fact that the process to innovation is more complex and needs a wider timeframe than a focus on disruptive market-changing entities can offer.

Horizon 2020 and future framework programmes need to support the whole innovation chain of collaborative research, from Technology Readiness Level (TRL) 1 to 9.

The European Innovation Council as one-stop shop for entrepreneurs

The EIC could be a good solution for enterprises and industry searching for the best funding mechanisms for their innovation plans. Streamlining certain Horizon 2020 instruments that already target high TRLs and gathering these under one roof could simplify accessibility for new enterprises. Funding instruments such as the SME instrument, the Fast Track to Innovation Pilot and Financial Instruments financing close-to-market innovation are already available to support mainly industrial beneficiaries.

As start-ups, spin-offs and so called unicorns need to make fast progress, we encourage the European Commission in its endeavor to establish processes for a faster and simplified financing of innovations via the EIC.

Therefore, the EIC could act in cases where the TRL is 6 or higher. It could offer grants and loans for seed investments and spin-offs, keeping in mind that it targets close-to-market research where a high probability of a return on investment within 5 to 10 years is given.

To prevent establishing silos for industry, research organisations and universities, the EIC should also provide funding for collaborative research carried out by industry and academia.

The European Innovation Council does not diminish the need for funding collaborative research carried out by universities and research organisations

Public research institutions seldom participate in product-driven research projects. Only in exceptional cases do public research organisations and universities found spin-offs to go to market. Moreover, public research organisations are often legally prevented from loan financing and are not able to offer a return on investment within a couple of years.

That is why research organisations and universities mostly do not participate in the financial instruments of Horizon 2020 and EFSI. The gathering of already existing funding and financing opportunities for SME, midcaps and spin-offs, in which research organisations and universities cannot or seldom participate, is for the benefit of industry only. Meanwhile research organisations and universities are key contributors in the European ecosystem of innovations and should also be supported by the European Union.
The European Research Council (ERC), the European Innovation Council and the European Investment Bank (EIB) cannot be the only pillars for funding and financing in Horizon 2020 or future framework programmes. The whole research and innovation chain must be funded in the years to come. The ERC should neither be the catch basin for fundamental research nor should the EIC be an exclusive club for industry and technology transfer organisations. We need funding for research in TRL 1-6 to generate knowledge and innovations just as we need collaborative projects across borders to push forward excellent ideas and generate research results. Collaborative research is needed to solve grand societal challenges of today and tomorrow. This means that funding for fundamental research should not be relegated only to the European Research Council, but should be actively supported throughout other program areas of Horizon 2020 as well as future framework programmes, in order to guarantee the continuity of collaborative research in all thematic areas and throughout the innovation chain.

Conclusions
Consequently, the Helmholtz Association agrees to the idea of a one-stop shop for innovators starting with a Technology Readiness Level of 6 or more, as long as this does not lead to a shift of funding towards higher TRL´s in the Horizon 2020 overall budget or the reduction of funding for collaborative research. Funding for research in the phases TRL 1-6 should also be readily available in all program areas of Horizon 2020 and future framework programmes to find solutions to grand societal challenges and to ensure that breakthrough-ideas are generated in Europe.

Brief portrait of the Helmholtz Association
The Helmholtz Association brings together 18 scientific-technical and biological-medical research centres. It contributes to solving major challenges facing society, science and the economy with top scientific achievements in six research fields: Energy; Earth and Environment; Health; Key Technologies; Matter; and Aeronautics, Space and Transport. With some 38,000 employees and an annual budget of approximately €4 billion, the Helmholtz Association is Germany’s largest scientific organisation.