

## Exploring how to better link regional and European level support for innovation – Follow up from the exchange with Michiel Scheffer

### Introduction

In 2018, when Horizon Europe was under development, ERRIN made the following recommendation: *“The EIC must have a mechanism that allows regional level to be part of designing the most suitable instruments to address the SME investment barriers. Complementarities between EIC and decentralised financial instruments should be ensured.”*

This recommendation is still valid. Coordination of the support provided to SMEs and start-ups by different instruments at different governance levels can still be improved and opportunities to bring EIC and the regional level closer together should be further explored.

For this purpose, in October 2023, the ERRIN Innovation and Investment Working Group organised direct exchange between the EIC and regional stakeholders. The meeting aimed to discuss synergies and links between European and regional level innovation support provided to SMEs, startups and clusters. Four different support mechanisms were presented:

- The newly created [Basque Tek Venture](#), an itinerary that identifies, prioritises and support technological assets with the greatest potential in the ecosystem.
- [INNOV’Up schemes](#) in Ile-de-France, and the creation of a regional network of 28 incubators launched in November 2023.
- [European RDI Programs Vouchers](#), where innovation actors can be subsidies to cover expenses of contracting consultancy services for the submission of EIC proposals, accredited by the Catalonia Trade and Investment Office.
- [Inside out EU Project](#), presented by European Office, an Interreg project where the Swedish Region Värmland is providing support to SME internationalisation thanks to the use of ERDF.

This meeting and the discussions with the participants contributed to the formulation of the following recommendations on the EIC going forward.

### 1. Further linking European and local / regional levels

At the moment there is no direct communication channel between EIC / European level and the actors supporting SMEs and start-ups at regional level. The regional agencies could support better the EIC if there was a better communication flow between the European and regional levels. Enhanced communication would allow the supporting organisations to have better view on which companies are planning to apply to the EIC accelerator or would like to benefit from the business acceleration services.

For example, the business acceleration services are seen by some SMEs and start-ups as too complex and their design would also benefit from a more close link with the regional agencies who understand the needs of the companies. Regional agencies could work as intermediaries when developing those services – also to ensure the EU added value when defining which services are best provided at the EU level.

For example, regarding the short proposal, as most applicants are supported by consultants, it does not seem always useful to offer 3 days of consultancy. In contrast, it would be valuable to offer training on the due diligence process. At least a check list and a timeline would support applicants in this process. Also, this call should be open continuously, as proposals may be submitted at any time via the Funding and Tender Opportunities Portal.

Collaboration with NCPs matter. For example, in France the collaboration with the NCP has been very good, which has allowed effective preparation of the interview phase of the EIC Accelerator. Collaboration should be tightened both between EU and regional level as well as between national and regional levels. One proposal could also be to appoint a person from a regional funding agency to the EIC Board. This could help the process of tightening links between EIC and the regional support schemes.

## **2. Going beyond the usual suspects**

It is a challenge as well as an opportunity to increase EIC results outside of the main innovation centres – both in “innovative countries” as well as more broadly in the widening countries. In widening countries as well as more remote areas, start-ups are traditionally less well connected and have less strong support frameworks, which also means that local start-up communities are less likely to engage with the EIC. Good ties between the EIC and local and regional business support communities can help strengthen the pipeline outside the main innovation centres.

Widening and deepening engagement a priority for ERRIN and we could support this topic for example by organising a dedicated session with members who are struggling to have beneficiaries in the EIC instruments and to exchange on what would be needed to change that situation. ERRIN has also extensively commented on the Horizon Europe Widening Work Programme.

## **3. Innovation does not happen in a vacuum – getting support from the ecosystem**

In general, further support frameworks are needed on one hand to support those start-ups and SMEs locally (functioning innovation ecosystems) but also linking them to existing networks that can support with connecting start-ups and SMEs across Europe. Further links should be therefore foreseen between the EIC accelerator and the other support mechanisms such as the European Innovation Ecosystems action or the Interregional Innovation Investment (I3) instrument. Also, other instruments could be useful to be better connected to EIC such as the Single Market Programme.

ERRIN members are very interested in the European Innovation Ecosystems action and the opportunities it provides. For instance, ERRIN has been very much engaged in supporting members in joining the “Regional Innovation Valleys” initiative and related calls. This programme, however, remains very limited in terms of funding and is also somewhat detached from EIC as well as from the pillar II of the framework programme. The framework programme should put more emphasis on the ecosystem approach and such an approach could be further mainstreamed across the programme, but also further considered under the EIC instruments.

## **4. Better define the target group of the EIC accelerator**

The regional business support community has been working to generate interest and identify relevant applicants for the EIC. A significant part of efforts has also been to pre-screen companies to reduce the

number of applicants that do not have a good chance of success under EIC Accelerator. In many start-up communities there has been a lot of interest in the EIC Accelerator, and many companies have interpreted the scope of the EIC as very wide, when in fact this is not necessarily the case.

Helping companies understand when the EIC might not be a good match is important to manage expectations. Therefore, it would be useful to be as clear as possible on the intended Accelerator target group, including relating to maturity of the investments and the deep tech angle. There have been too many definitions, and too much uncertainty whether and how “deep tech” is evaluated. It would be useful to keep the first step of the application process as a screening mechanism to increase the barrier for companies to pass to the second step.

## 5. Next steps

ERRIN members would like to continue discussing the above recommendations and how we could further strengthen the involvement of local and regional actors in the European Innovation Council. To support ERRIN members in engaging their innovation ecosystems, we propose to continue our dialogue focusing on the following aspects:

- **Creation of a more structured and systematic dialogue between EIC and the regional level**, through existing or new actions such as ERRIN engagement in the EIC Forum working groups; exploring a possibility to appoint a regional representative in the EIC Board; inviting regional level to propose plug-in schemes and increasing the number regional support mechanisms in the EIC plug-in schemes.
- **Strengthen the links between the EIC and the European Innovation Ecosystem action**, to enhancing the support provided and strengthening the support system necessary to help individual companies and start-ups. As ERRIN is currently developing proposals for the next Framework Programme FP10, concrete suggestions could also be outlined to help achieving this objective.
- **Bridge the innovation divide** and increase the number of start-ups and SMEs coming from regions that are emerging or moderate innovators. As widening and deepening engagement is a priority for ERRIN, we would like to discuss how could we support the EIC in getting also the non-usual suspects applying and being successful under the EIC instruments. A dedicated meeting is planned on widening and bridging the innovation divide as part of ERRIN’s work towards FP10 on 22 May. This meeting could be designed to also tackle EIC.