

## A New European Innovation Agenda<sup>1</sup>

**Type of Document:** Commission Communication

**Date of document/adoption:** 5 July 2022

### Policy document summary

The goal of the Commission Communication on the New European Innovation Agenda is to provide measures designed to improve the EU's innovation performance. The Commission grouped the measures into five flagship action areas with the aim to improve the deep tech innovation in the EU, deliver on the opportunities offered by the twin transition and build lasting global partnerships while meeting the need for future open strategic autonomy. Specifically, the flagship measures concern: (1) funding for deep tech scale-ups; (2) enabling deep tech innovation through experimentation spaces and public procurement; (3) accelerating and strengthening innovation in European Innovation Ecosystems across the EU and addressing the innovation divide; (4) fostering, attracting and retaining deep tech talents; and (5) improving policy making tools.

### Disclaimer

This brief overview is intended to summarize the essential points from the EU institutions' policy document that are relevant for research performing and innovation institutions, without providing the full extent of information available in the original document. The focus of the overview is put on initiatives regarding circulation of highly qualified staff, especially researchers, relevant to the European Research Area. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or the European Commission.

The Commission Communication focuses on deep tech innovation, which has emerged from the growing number of startups at the intersection of science, technology, and engineering. This innovation often combines advancements in the physical, biological, and digital spheres. The Communication aims to improve the EU's innovation performance and outlines measures and actions grouped into the following flagship areas:

#### 1. Flagship on Funding for Deep Tech Scale-ups:

- This flagship aims to accelerate the growth of deep tech startups in the EU by encouraging private capital investments and reducing the cost of listing on public markets. The Commission has proposed a directive on debt-equity bias reduction allowance (DEBRA) and pledged to propose a Listings Act to simplify listing requirements for certain companies.
- The Commission seeks to enhance venture capital financing and attract new private funds and institutional investors. The InvestEU Guarantee Agreement signed in March 2022 will provide €5.5 billion through the EIB Group to support breakthrough innovations up to 2027.
- The European Scale-Up Action for Risk Capital (ESCALAR) mechanism will be expanded under InvestEU as a complement to venture capital equity.
- To increase diversity and improve deal flow, the Commission will pilot an innovation gender and diversity index and support the EIT's Women2Invest Programme to help investors connect with a more diverse pool of talent.

<sup>1</sup> You can access the original document here: [European Commission. \(2022\). Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A New European Innovation Agenda \(COM/2022/332 final\).](#)

## **2. Flagship on Enabling Deep Tech Innovation through Experimentation Spaces and Public Procurement:**

- This flagship aims to facilitate deep tech innovation by improving framework conditions through experimental approaches to regulation, such as regulatory sandboxes, test beds, living labs, and innovation procurement.
- **Regulatory sandboxes:** The Commission will issue guidance in 2023 to support policymakers and innovators in their approach to experimentation. It will also support the creation of an agreement for cross-border collaboration between digitalisation agencies for innovative digital government solutions and pilot an Innovation-Friendly Regulations Advisory Group.
- **Test beds:** The Commission will establish a new open innovation test bed in renewable hydrogen in 2023 under Horizon Europe to provide access to physical facilities, capabilities, and services.
- **Access to innovation infrastructure:** After adopting the revised State Aid Framework for Research and Development and Innovation (RDI), Member States will be allowed to grant aid for the construction and upgrade of testing and experimentation infrastructures. The Commission will also launch testing and experimentation facilities for AI innovation at a European level in 2023.
- **Innovation procurement:** The Commission will launch an innovation procurement specialist advisory service to act as an intermediary between public procurers and innovative suppliers.

## **3. Flagship on Accelerating and Strengthening Innovation in European Innovation Ecosystems and Addressing the Innovation Divide**

According to the Communication, this flagship focuses on enhancing innovation ecosystems throughout the EU by connecting less innovative regions with more innovative ones. This will be achieved by fostering the development and connectivity of regional deep-tech innovation valleys, creating greater synergies between cohesion policy and Horizon Europe, increasing the number of domain-specific ecosystems, continuing collaboration among Member States on Important Projects of Common European Interest (IPCEI), and establishing the Innospace platform.

- **Fostering Connected Regional Deep-Tech Innovation Valleys:** The Commission plans to establish and link regional deep-tech innovation valleys across the EU by the end of 2023. This initiative involves identifying up to 100 regions committed to improving the coordination and direction of their R&I investments and policies. These regions are expected to prioritize 3-4 inter-regional innovation projects, including those focused on deep tech, aligned with key EU priorities.
- **Synergies between Cohesion Policy Programs and Horizon Europe:** The Commission has committed to publishing a guidance document during the 2021-2027 programming period to enhance synergies between cohesion policy and Horizon Europe. This document will clarify the complementary nature of the funding instruments and assist managing authorities, National Contact Points for Horizon

Europe, and project promoters in leveraging opportunities to foster innovation across all regions.

- **Domain-Specific Ecosystems:** To promote breakthrough innovation in renewable and low-carbon hydrogen as part of the REPowerEU Plan, the Commission announced plans to double the number of Hydrogen Valleys in the EU to 50 by 2025, starting in the fourth quarter of 2022.
- **Important Projects of Common European Interest:** The Commission will continue to actively support collaboration among Member States on cross-border IPCEIs under the State Aid Framework to facilitate large-scale investments in breakthrough innovations across key sectors and to address market failures in less developed regions.
- **Innospace:** The Communication specifies the establishment of ‘Innospace,’ an AI-driven open platform designed to facilitate the exchange of ideas and access to research results, highlight the demand and supply of innovative solutions, and connect stakeholders to promote collaboration. Additionally, the Communication introduces the ‘EIC ScaleUp 100’ initiative, which will identify a cohort of 100 deep tech startups with the potential to become global leaders or unicorns from the EIC and other EU programs.

#### **4. Flagship on Fostering, Attracting, and Retaining Deep Tech Talent**

This flagship emphasizes activities aimed at nurturing the development and movement of essential deep tech talent within and into the EU.

- **Deep Tech Talents:** The Communication indicates that the EIT will launch an initiative to target 1 million deep tech talents across all Member States over a three-year period. Additionally, the EIC and EIT will introduce an innovation intern scheme in the third quarter of 2023, providing over 600 researchers and EIT-labeled students and graduates with innovation experience by 2024.
- **Stock Options:** The Commission has committed to forming a working group on stock options within the EIC Forum to explore ways to address the administrative barriers that currently hinder the uptake of employee stock options across the EU.
- **Women Leading Deep-Tech Innovation:** The Commission will implement a women entrepreneurship and leadership scheme to support early-stage women-led tech startups, including through an enhanced ‘WomenTech EU’ call. This initiative will align with other EU efforts such as ‘Women4Cyber’ and potentially national acceleration programs to accelerate the growth of women-led companies. Collaboration between the EIC and EIT will be strengthened by opening the EIC’s Women Leadership Programme to women-led deep-tech startups from the EIT.
- **Promoting an Entrepreneurial and Innovation Culture:** The Commission plans to establish a peer learning and review community for innovative policies and practices. In collaboration with the OECD, it will engage higher education institutions (HEIs), including the new European network of innovative HEIs, public officials, and key stakeholders to promote the adoption of policies that enhance HEIs’ contributions to local innovation. Furthermore, the Commission will continue to

support young entrepreneurs through the EIT's "Girls Go Circular" project, expanding it to include participants from all EU Member States and equipping over 40,000 schoolgirls with digital and entrepreneurial skills. Starting in 2023, the Erasmus+ Alliances for Innovation will focus on developing entrepreneurial skills, particularly in deep tech.

## **5. Flagship on Improving Policy-Making Tools**

This flagship focuses on creating and utilizing robust, comparable data sets and a common data taxonomy to inform policies at all levels across the EU and provide support for Member States.

- **Data-Informed Policy:** The Commission has committed to developing an exploratory report on definitions related to startups, scaleups, and deep tech innovation in the first quarter of 2023.
- **Support for Member States:** The Commission will assist Member States and regions in designing and implementing improved innovation policies through the Technical Support Instrument (TSI) as part of Next Generation EU.
- **Coordinating Policy:** The Commission plans to enhance the role of the European Innovation Council Forum in 2022 to improve the exchange of best practices and coordination of national innovation policy initiatives.