



Association of  
European Research Establishments in Aeronautics

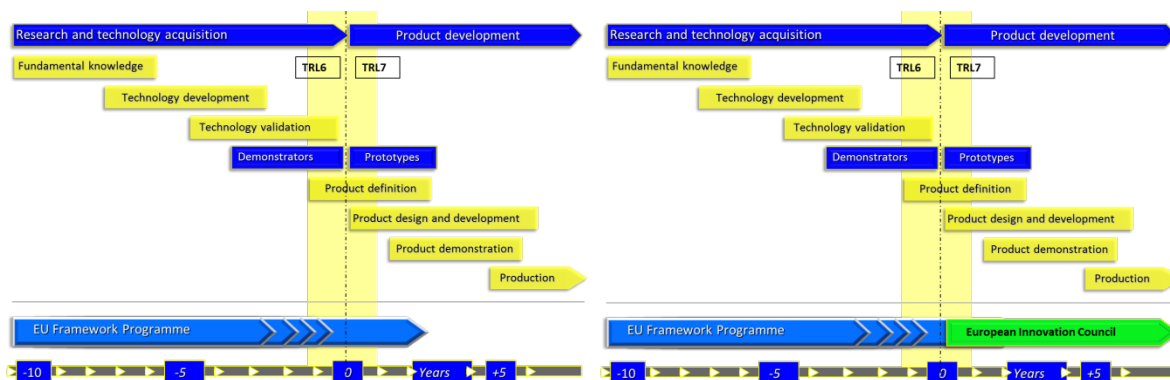
## EREA Position on European Innovation Council

**Need to invest in research and innovation while covering the entire research and innovation chain.**

Because of lacking natural resources the only way for Europe to maintain its worldwide leading position in the global competition is to ensure a continuous flow of new innovative ideas and products. These will also help to address the societal challenges like sustainable energy, sustainable transport and climate change.

Except in the ICT Sector most sectors in particular aviation, transport and energy have experienced long lasting research and development chains as well as long product cycles. To ensure innovation in these sectors the entire research and innovation line needs to be well covered. This starts from bright new ideas that emanate from basic research and continue via technology development, technology validation, system demonstration up to the final development of an innovative product, which can be sold successfully on the market and covering the entire TRL line from 1 to 9.

On European scale the steps from basic research (TRL1) up to system demonstration (TRL6) are covered appropriately by ERC, RT&D collaborative research and the system demonstration in Joint Technology Initiatives like Clean Sky, SESAR and FCH-JTI. However, similar as on national level on European scale there are only few instruments to cover the so called valley of death, in which companies will have to deploy the demonstrated technologies into the final successful product. A European Innovation Council could be the right instrument to support industry and enterprises on higher TRLs from 7 to 9.



*EIC as complementary instrument on European scale*

AIT (AT) – CSEM (CH) – CEiiA (PT) – CIRA (IT) – DLR (DE) – FOI (SE) – ILOT (PL) – INCAS (RO) – INTA (ES) – ITWL (PL) – NLR (NL) – ONERA (FR) – TsAGI (RU) – VKI (BE) – VZLU (CZ)



## **European Innovation Council**

As start-ups, spin-offs and so called unicorns need to make fast progress, processes for a faster and simplified financing of innovations can be made available via the EIC. 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 2 to 5 years is given.

Companies, especially start-ups and SME, face difficulties to learn about and understand the funding mechanisms. To address this, the EIC should act as focal point, providing all relevant information and be recognized as the main organization dealing with innovation in this segment of the innovation chain. In case of coexistence with other bodies, as European Institute of Innovation and Technology (EIT), respective roles should be clearly identified: overlapping and confusion should be avoided. Furthermore simple and lean processes for application, eligibility conditions, technical and cost reporting should be established. Efforts should be focused on technical progress rather than burdensome administrative procedures.

The EIC should set a specific, effective and clear governance structure, incorporating all stakeholders in its decision process and giving the possibility to ensure that the EIC orientation meets the private stakeholders' expectations.

Existing instruments, which are currently fragmented into several funding mechanisms, e.g. SME instrument, COSME, Fast-Track-to-Innovation, should be merged into a single instance that is clearly separated from the RT&D collaborative research. Synergies with the structural funds or European Fund for Strategic Investments could be highlighted with a precise procedure and guidelines on ways to take advantage of those synergies effectively.

To prevent establishing silos for industry, research organizations 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 Industries, SMEs, research organisations and universities.**

As the whole research and innovation chain must be funded in the years to come, 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. In order to avoid silos between the various research and innovation stakeholders the ERC should neither be the only instrument for fundamental research nor should the EIC be an exclusive club for industry and technology transfer organisations. There is a strong need for funding research in TRL 1-6 to generate knowledge and innovations.

In a similar way a set of appropriate instruments (small and medium sized collaborative research projects to develop new technologies and large collaborative projects/programmes for system demonstration) are needed to push forward excellent ideas and generate research results in order to build the sound technology basis for a competitive European industry. 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 entire innovation chain.



## **Conclusion**

Consequently, the EC's idea is supported to complement the existing European funding instruments ERC, collaborative research, JTIs/PPPs with an European Innovation Council as a one-stop shop for innovators starting with a Technology Readiness Level of 7 or higher.

It is crucial that this additional instrument flanks existing instruments and does not weaken them by reducing their resources. The entire research and innovation chain must be covered by European support to ensure in the long run a continuous development of new innovative products and processes, hence creating growth and jobs in Europe.

**EREA Registered in the EU Transparency-Register under No. 010397411668-54**

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