

# Backing visionary entrepreneurs

## EIC Accelerator

Overview and novelties 2022

G Ambroziewicz , EISMEA EIC Accelerator

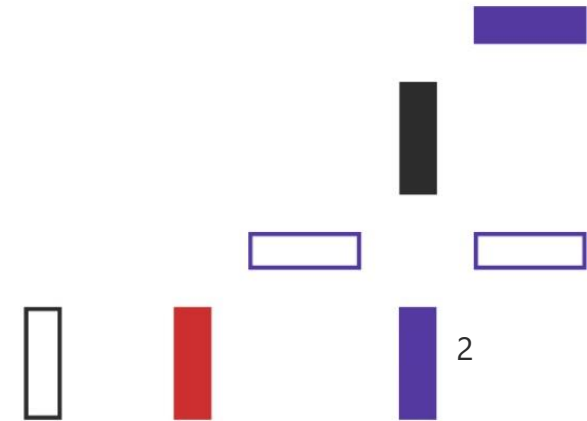
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# PL participation in the EIC accelerator



- In OCT 2021 cut off 2 companies proposed for funding
- 22 SoEs





# What are we looking for?

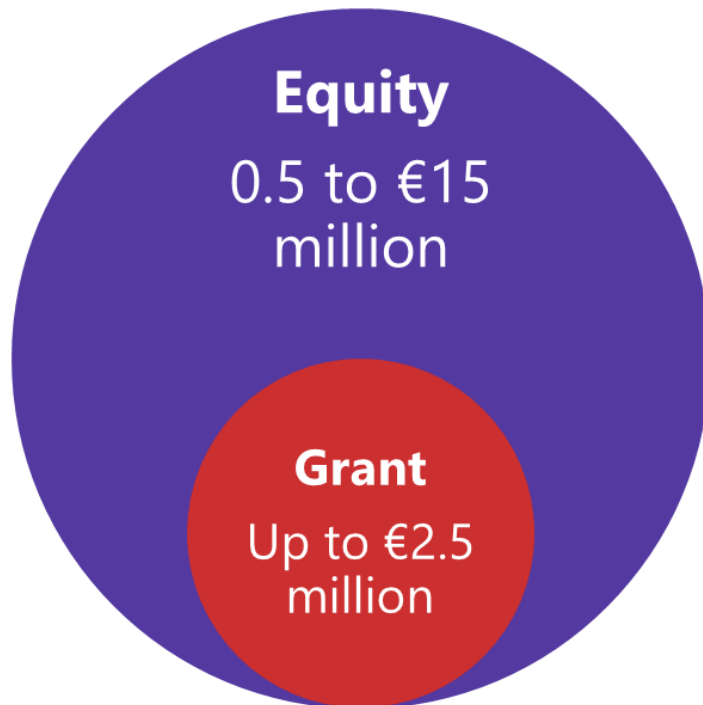
**Start-ups and SMEs** seeking to **scale up** high impact innovations with the **potential to create new markets** or disrupt existing ones

Innovations building on **scientific discovery** or technological breakthroughs ('**deep tech**')

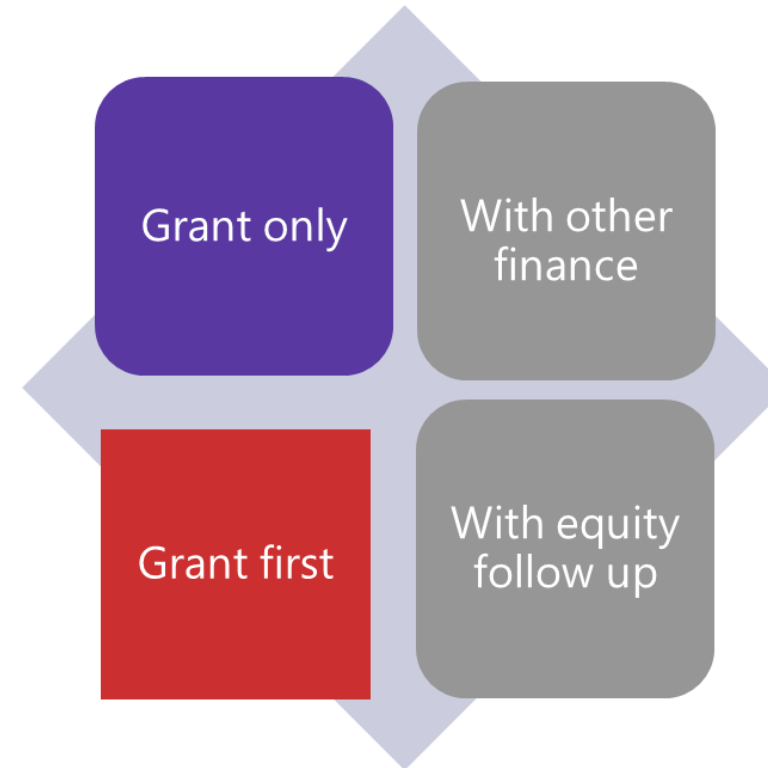
Innovations where **significant funding** is needed over a **long timeframe** and are **too risky** for private investors alone

# What can you apply for?

## EIC Blended Finance



## Also





## Grant and investment

If you need support for development (TRL 5/6 → 8), deployment and scale-up (TRL 9).

## Grant first

If your innovation still requires significant work to validate and demonstrate in relevant environments to assess its commercial potential.

## Grant only

If you can prove that you have sufficient financial means for deployment and scale-up (TRL 9).

## Investment only

If you are looking to fill the funding gap for rapid scale-up of your high-risk innovation and you don't need a grant.





# The evaluation step by step





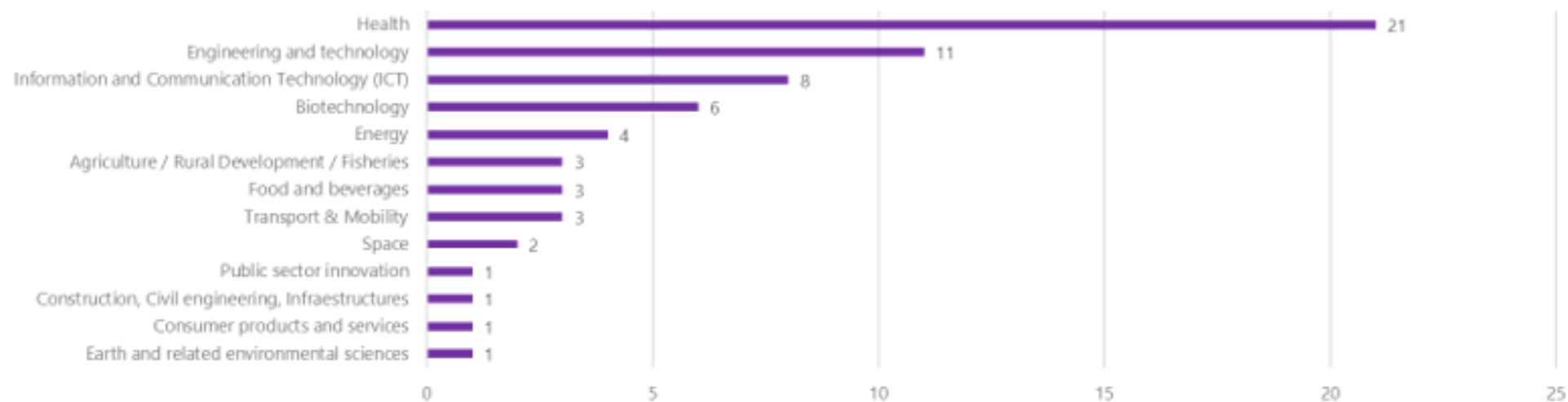
# New elements introduced in 2022

- **EIC Accelerator**

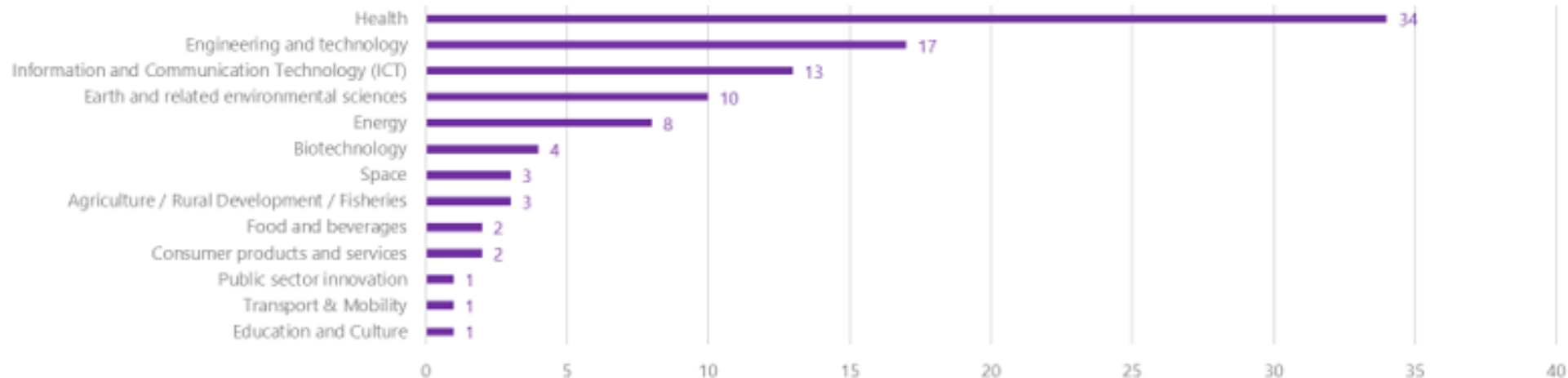
- Companies can apply for **investments above €15m** subject to conditions and budget limits
- More **frequent cut-off dates** for full applications (March, June, Oct).
- **Improved resubmissions policy**: applicants can “rebut” evaluators comments; evaluators must take account of improvements (and rebuttals)
- **Priority to interview women-led companies**: expanded to include companies with female CTO, CSO (as well as CEO)
- **Seal of Excellence simplified**: non-funded applicants from jury interviews awarded a Seal (no need for jury decisions)
- **Fast track implemented for EIT**: to submit companies directly to full application stage



## June 16/Oct 6 Cut-off Companies by Sector



### Sectors







# EIC Accelerator in 2022

- Open Accelerator
- EIC Accelerator Challenge: Technologies for Open Strategic Autonomy
  - *significant reduction of the European dependency on other regions for deep-tech innovations and services of EU key strategic interest; strengthening of European competitiveness, security and open strategic autonomy.*
- EIC Accelerator Challenge: Technologies for 'Fit for 55'
  - *accelerating decarbonisation by having high potential impact on reducing net CO<sub>2</sub> emissions; more inclusive and steady acceleration towards climate neutrality by 2050*



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**EIC Accelerator**

Application and evaluation

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# Short applications / step 1

- **Overview of Short proposals:**

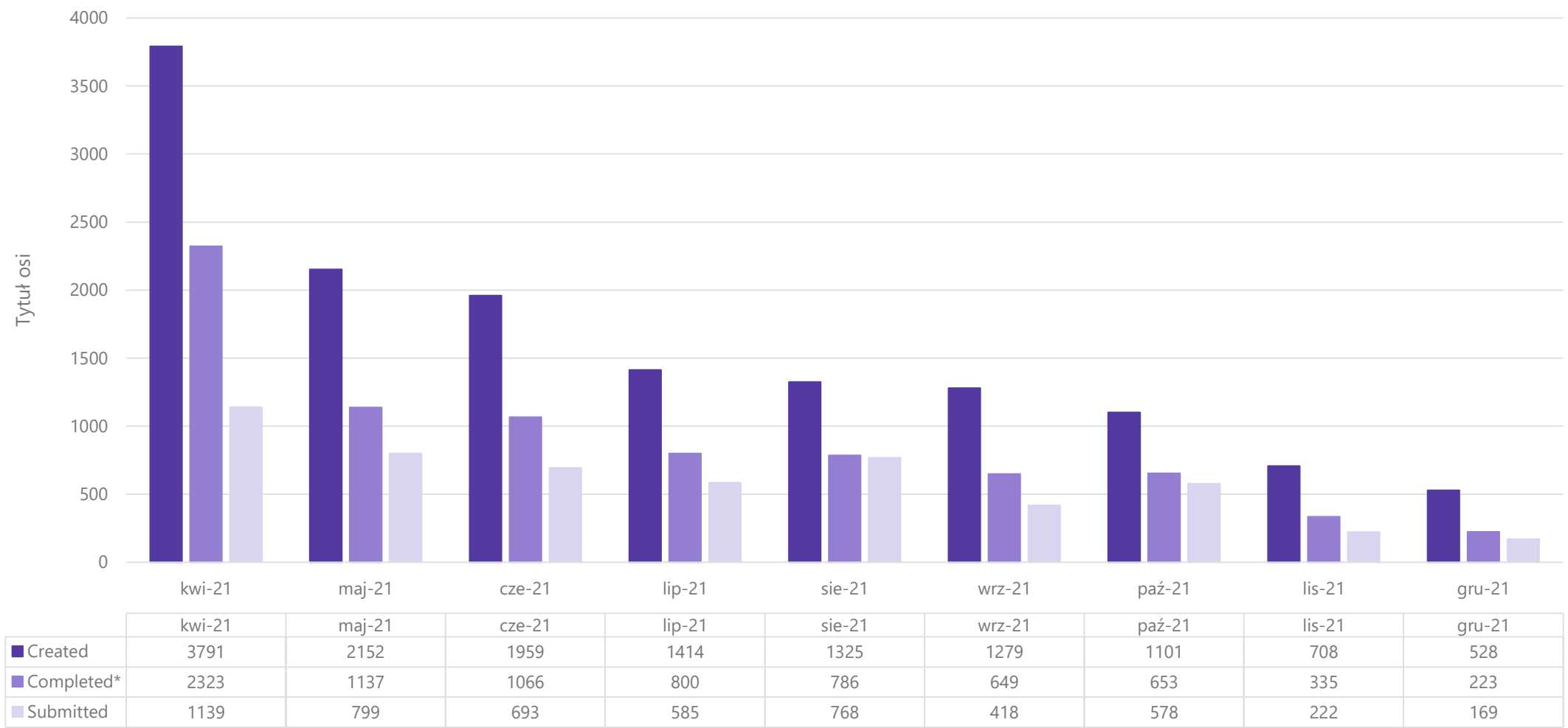
## Submission, Evaluation and Resubmission in 2021:

	Submitted	Evaluated	Resubmitted	Withdrawn	GO	NO_GO	TTI	Success rate
April	1139	1053	0	86	728	325	31	69%
May	799	731	0	68	389	342	27	53%
June	693	646	15	47	288	358	16	45%
July	585	565	57	19	410	155	16	73%
August	768	743	71	25	507	236	21	68%
September	418	409	50	9	242	167	19	59%
October	578	544	248	34	193	351	23	35%
November	222	215	39	7	147	68	25	68%
December	169	169	17	0	114	55	21	67%

# Short applications / step 1

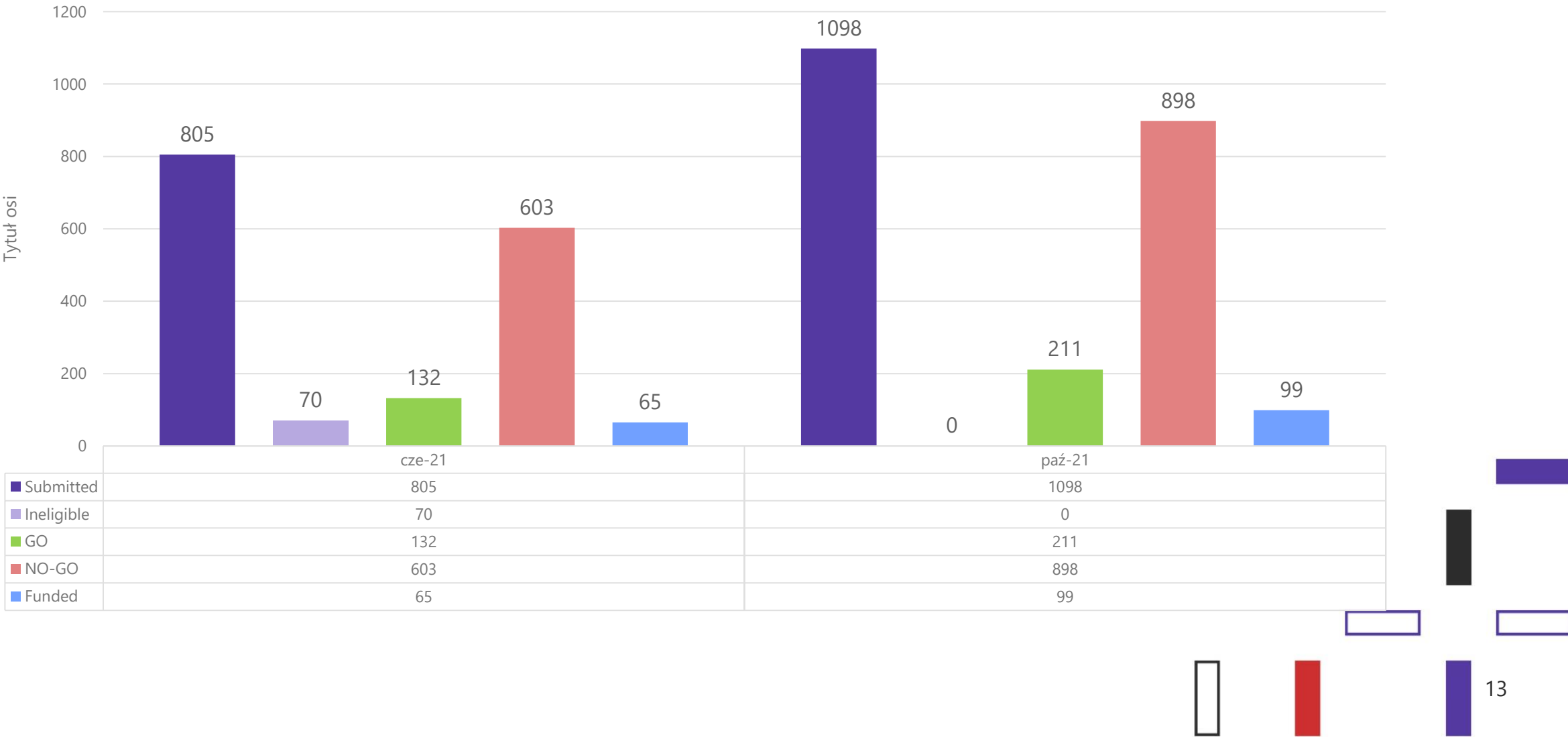
## Diagnostics Overview

- 38% conversion rate of creation to proposal submission overall



\* based on creation date, figures may change over time

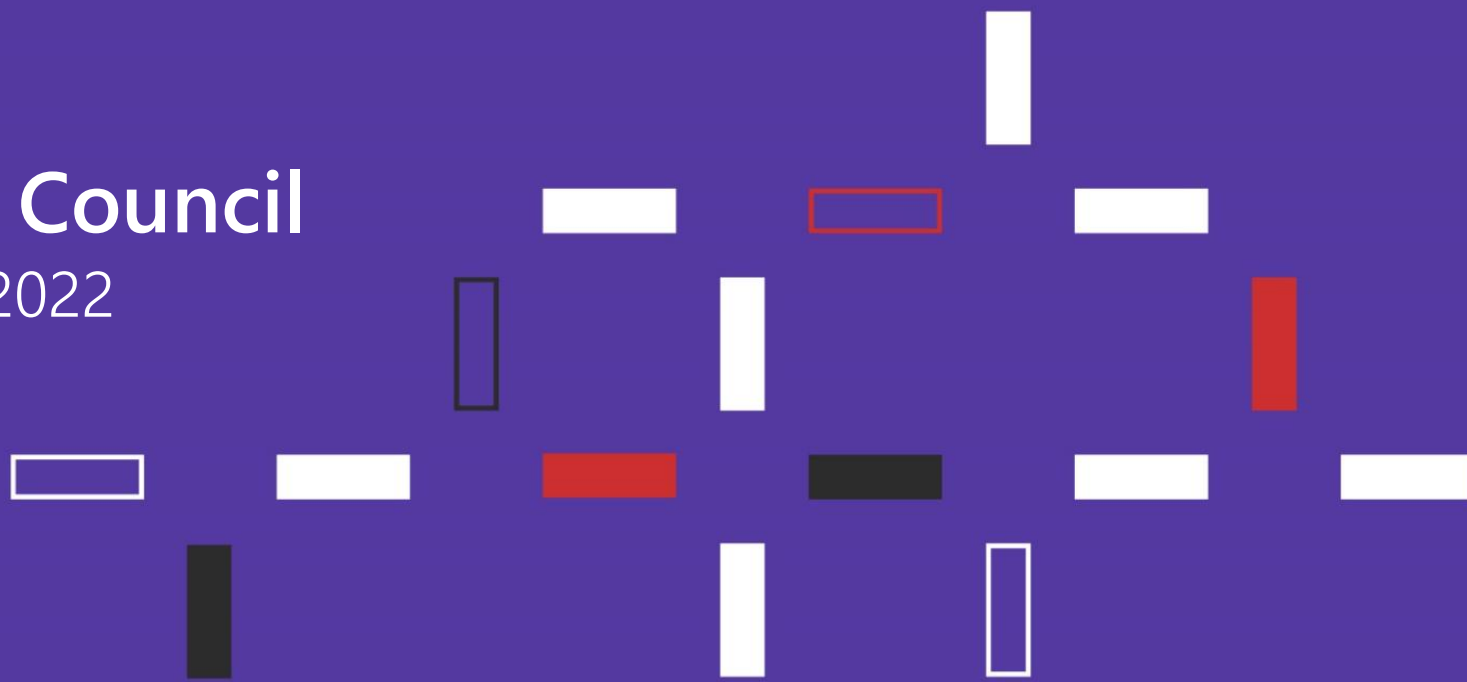
# Full applications and funded proposals





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The European Innovation Council  
EIC Accelerator – Main changes of 2022



# EIC programmes – Cut-off dates



- **Accelerator – Open and Challenges**

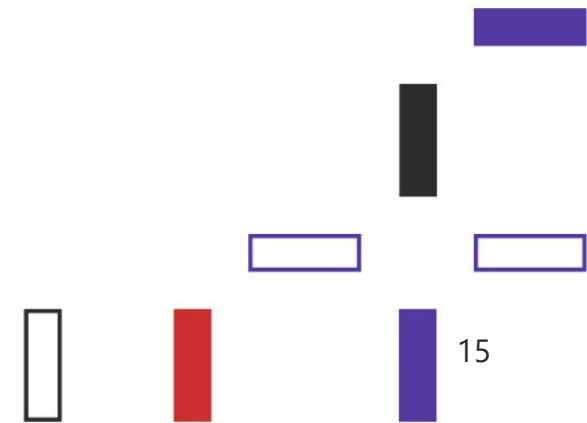
- **Cut-off 1: March 23**                      **interview weeks: 10/05 to 20/05**
- **Cut-off 2: June 15**                      **interview weeks: 12/09 to 23/09**
- **Cut-off 3: October 5**                      **interview weeks: 21/11 to 2/12**

- **Pathfinder – Open and Challenges**

- Open: May 4
- Challenges: October 19

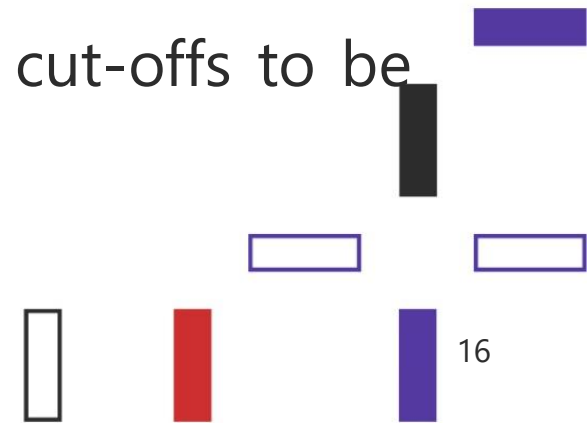
- **Transition – Open and Challenges**

- Cut-off 1: May 4                      interview week: 11/07 to 15/07
- Cut-off 2: September 28                      interview week: 05/12 to 09/12



# EIC Accelerator: Seal of Excellence

- Seal of Excellence new approach : all applicants at interview phase to be awarded SoE if not funded – as long as give consent – up to 189 from 2021 calls (**rule applied retroactively to June cut-off applicants**)
- Text improved:
  - In exceptional cases if jury recommends no SoE, this must be justified
  - Further clarity regarding consent (sharing information with alternative funding bodies in MSs/ACs)
- Seal of Excellence for companies from June and October 2021 cut-offs to be issued very soon after 2022 WP adoption

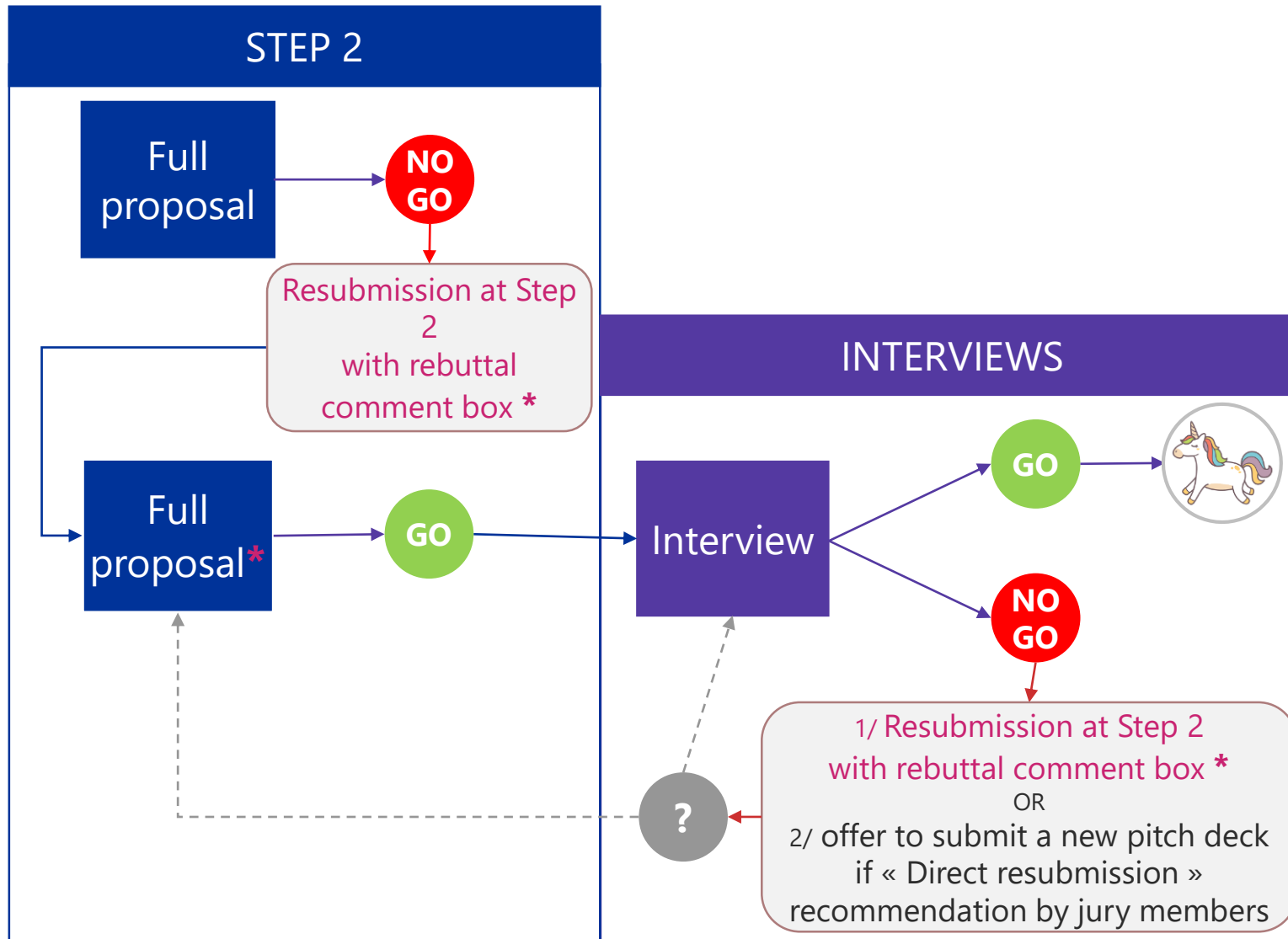




# EIC Accelerator – Recent and on-going developments

- Resubmissions & rebuttal:
  - Applicants having being rejected once at full application stage may rebut the comments provided by the experts in the initial proposal when resubmitting an improved proposal.
  - WP text reinforced that the new experts assigned to resubmitted proposals **will be requested explicitly to assess improvements** since first evaluation (consistency) and **take account of rebuttal comments** on feedback from first evaluation (**briefings and guidance updated accordingly**).
  - Important to maintain fully the principle of excellence and **require GOs on all criteria** to proceed to jury interviews (experience from 2021 shows that this leads to a manageable number of interviews with approx. 50% success rate at interview).

# EIC Accelerator – Recent and on-going developments



## On the rebuttal\*:

- Additional comment boxes available in the Business Plan
- Visible on top of the Business Plan for remote evaluators

**Submission Additional Questions \***

Please summarize the main changes to your step 2 full proposal compared to its first rejected version, if any

Please provide your rebuttal, if any, to experts comments on your first rejected step 2 full proposal

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Grant funding

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# Negotiation

- **Objective:** to agree on a Business Plan
  - ❖ following the recommendations of the jury members. Opinions from Programme Managers or other actors may have an impact on the negotiation
  - ❖ aligning the application information to the data needed to sign the contract through the EC Corporate IT tools. The negotiation process is supported by the **EIC Platform**





# Negotiation

- **Currently the negotiations concerns only the grant part of the action**
- Other checks are conducted at the same time: legal entity, ethics and security review
- SME status checked at the time of negotiation. Companies are obliged to inform EISMEA on any change
- Negotiations on the grant component focused on the implementation plan: Work packages, deliverables, milestones and costs foreseen.





# Project management – Milestone based approach

- Milestones are the cornerstone of the monitoring of the project
- Importance of having well defined milestones to allow a proper assessment of the progress
- Linked to TRL achievement but also possibility to add different ones
- **Commercialisation milestone** (for grant first):
  - At least 6 months before end of the project that allows to assess deployment perspectives and capabilities
  - In case a project is moved from blended finance to grant first during evaluation, a commercialisation milestone will be added during negotiation
- **Duration of the grant:** aligned to TRL 8 achievement





# Project monitoring – progress meetings

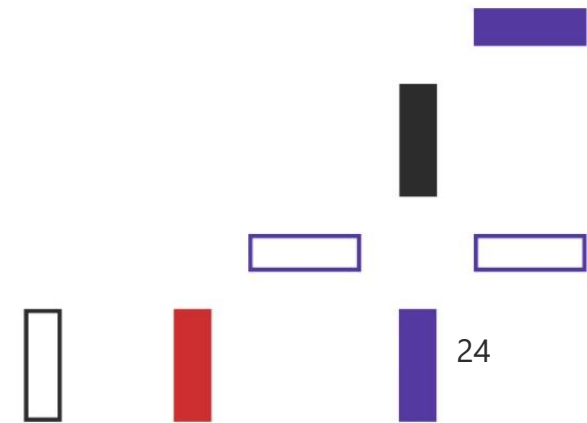
- Introduced as a novelty during the H2020 Pilot to reduce administrative burden for the companies
- **Objective:** to assess the progress of the work plan, the completion of the deliverables and the achievement of milestones
- **Timing:** Will be conducting regularly during the project and at least one at mid-term and another 3 months before the end of the project
- For the progress meeting linked to the release of the 2<sup>nd</sup> pre-financing:
  - **No reports or cost declarations**– only a statement of the use of the previous pre-financing
  - To submit the request within 15 days (although legal time 60 days)





# Project monitoring – final report

- At the end of the project: 60 days to submit final report:
  - **technical report**: using standard HE Reporting template
  - **financial report**: financial statements, CFS etc
- Payments done through pre-financings: (50% + 40%) and payment of the balance at the end of the project. Exceptions on duly justified cases allowed (ex. based on expenditure plan)





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EIC Fund

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## EIC FUND - Novelties: background

- The Commission needs to **adapt** the structure and management of the **EIC Fund**
  - to the **Horizon Europe regulation** (indirect management);
  - to **draw the lessons from the pilot** phase (2019-2020);
  - to make the Fund **sustainable** for the number and amounts of investments expected in the period 2021-27.
- Commission Services reached an agreement on the principles for the implementation arrangements of the EIC Accelerator under Horizon Europe in the long-term in December 2021.
- The EIC will make use of **indirect management** with **EIC Investment Partners** managing the investment component of EIC Accelerator blended finance.



# Principles

- **Commission risk limited to invested amounts.**
- Implementation in **indirect management through EIB Group (EIBG, EIB/EIF).**
- Commission ensures **policy steer** via EIC **Work Programme, Investment Guidelines** and **agreement with EIBG.**
- **External fund managers** make **investment decisions** and efficient management of portfolio companies (operational liability and regulatory compliance).
- **Implementation costs proportionate** to objective of supporting breakthrough innovation in SMEs.
- **EISMEA coordinates** in line with its mandate (including single award decision and deployment of proper coordination mechanisms between the grant and the equity in the new setup).
- All investments made using the EIC budget to be clearly labelled as EIC investments.
- **Close cooperation between the various partners** to ensure rapid decision making processes in line with market time frames.



# Transition phase

- Applicable to **2021 and 2022 cut-offs**.
- The European Commission still “investor of record” – under “direct management” – but will appoint an **external alternative investment fund manager (AIFM)** to manage the EIC Fund.
  - The AIFM **will make decisions** on investments, their structure and terms, follow-on investments and divestments, having regard to the EIC investment guidelines and to the recommendations of the EIB as investment adviser.
- The **EIB** will continue supporting the EIC Fund as investment adviser:
  - performing an **initial assessment** to determine the investment scenario (**bucket**), following the selection process managed by EISMEA;
  - **supporting the due diligence process and the monitoring and management** of the EIC portfolio of invested companies;
- **Legacy operations** under Horizon 2020 EIC **Pilot** would remain within the **EIC Fund** under **separate compartment** handled in indirect management.



# Implications

- **No impact on funding offered** by the EIC or on the **selection process**.
- The European Investment Bank (**EIB**) will **continue** as **investment adviser** performing the **due diligence** and preparing the **investment proposal**.
- An **external AIFM will make decisions**.
- **After 2022**, the EIC may work with other Investment Partners **in addition to the EIC Fund**.
- **EISMEA** will continue
  - conducting the **evaluation and selection** of proposals;
  - implementing the **grant** component;
  - performing **technological due diligence**;
  - ensuring **coordination** between grant and equity components, including liaising with all the Investment Partners;
  - ensuring a **single award decision**;
  - operating a **platform to animate the pipeline and find co-investors**.



# Thank you!

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