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**NOTE**

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From: Presidency

To: Permanent Representatives Committee/Council

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Subject: *Preparation of the Competitiveness Council on 19 February 2019*  
Horizon Europe package: Framework Programme for Research and Innovation 2021-2027  
- Proposal for a DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on establishing the specific programme implementing Horizon Europe – the Framework Programme for Research and Innovation  
- *Exchange of views*

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Delegations will find attached the Presidency Discussion Paper in view of the Competitiveness Council on 19 February 2019.

**Presidency Discussion paper – Competitiveness Council of 19 February 2019****Missions and Partnerships**

In September 2018, Ministers underlined the need for an early involvement of Member States in the process for establishing missions and partnerships under "Horizon Europe", the next Framework Programme for research and innovation. It was agreed to establish areas for possible missions and Article 185 or 187-based institutionalised partnerships in an annex to the Specific Programme, instead of the Strategic Plan as initially proposed by the Commission. A list of these areas is attached to this discussion paper.

The Commission designed the “missions” following the recommendations from Professor Mazzucatto’s report and the ministerial debates. As Prof. Mazzucatto pointed out, the first criteria to select a mission must be its relevance and interest for a large majority of Member States and citizens. Missions must thus have a clear EU-added value and contribute to reaching Union priorities. They should have a wide socio-economic relevance directly oriented to stakeholders and citizens. Missions should be ambitious but realistic, with a clear direction and target, measurable and time-bound. Also, missions must have a clear research and innovation content and contribute to reaching Union priorities and "Horizon Europe" programme objectives.

Missions and partnerships should be a way to stimulate research and innovation activity across disciplines and enable active participation of stakeholders from public and private sectors, including citizens and end-users and encompassing activities. They should offer solutions taking into account human and societal needs and benefits and recognizing the importance of diverse contributions to achieve them.

In the partial general approach (PGA) of 30 November 2018, Ministers agreed on a framework for establishing missions and a new approach to rationalise the partnerships landscape.

As it was agreed, the involvement of the Union in European Partnerships may take any of the following forms: Co-programmed European Partnerships, Co-funded European Partnerships and Institutionalised European Partnerships. They should have a clear life-cycle approach, be time limited and include conditions for phasing-out the Programme funding.

It is highly important that European Partnerships are based on long-term financial commitments of all the involved parties, flexibility in implementation, coherence, coordination and complementarity with Union, national, regional, local, and, where relevant, international initiatives or other partnerships and missions.

Therefore, a political orientation is needed at this stage in the process of shaping of the missions and partnerships.

**The Presidency invites ministers to address the following questions:**

*How could the articulation with national policies, programmes or initiatives enhance the success of possible missions and partnerships in the areas on the list, taking into account the Council's will of having grants as the main implementation tool and the streamlining of the European Research and Innovation landscape?*

*What is in your view the best approach to ensure efficient coordination between Council and the European Parliament while designing missions and partnerships?*

**European Innovation Council**

In the PGA of 30 November 2018, Ministers reconfirmed the need for a European Innovation Council (EIC). The third pillar of the proposed "Horizon Europe" will be designed to enhance Europe's innovation output, with the aim of making Europe a front runner in market-creating innovation. The proposed EIC would thus offer EU funding to high potential and breakthrough technologies as well as innovative companies with a potential for scaling up.

Its aim will also be to help developing the overall European innovation landscape, in particular by further strengthening the European Institute of Innovation and Technology (EIT) to foster the integration of business, research, higher education and entrepreneurship.

To achieve these aims, the proposed EIC would essentially implement two activities: "Pathfinder" to support future and emerging breakthrough technologies and "Accelerator" to bridge the financing gap between late stages of innovation activities and market take-up, by arraying innovation and market deployment actions, which include the scaling-up of companies, by providing "Horizon Europe" blended finance.

Ministers agreed that under certain conditions, the Accelerator may also provide grant-only and equity-only support. SMEs and start-ups will be the main beneficiaries of the Accelerator, while small mid-caps may also participate in exceptional cases.

Also, to precisely design the EIC, the European Council requested in July 2018 an EIC pilot initiative. This enhanced EIC pilot initiative is to be launched in 2019 and will build on a first phase of the EIC pilot which was launched on 27 October 2017, as part of the Horizon 2020 Work Programme 2018-2020.

Two other EU innovation support programmes have some similar objectives and implementing activities as the EIC: *InvestEU* and *VentureEU*.

*InvestEU* provides an EU guarantee and blended finance to mobilize public and private financing in the support of research, development and innovation activities through a dedicated investment window. For this “*research, innovation and digitisation window*”, the operational objectives are the “*transfer of research results to the market, demonstration and deployment of innovative solutions and support to scaling up of innovative companies other than SMEs as well as digitisation of Union Industry*” (nota bene: this is done through the “SMEs policy window”).

According to the Commission, *InvestEU* will trigger more than €200 billion for research and innovation. It should be noted that blending operations decided under EIC will be implemented in accordance with the *InvestEU* Programme.

The European Commission and the European Investment Fund (EIF) have also launched in 2018 a Pan-European Venture Capital Funds-of-Funds programme (*VentureEU*) to boost investment in innovative start-up and scale-up companies across Europe.

Six participating funds are selected to receive EU support in their mission to invest in the European venture capital market. Backed by EU funding to the tune of €410 million, *VentureEU* is expected to trigger an estimated €6.5 billion of new investment in innovative start-up and scale-up companies across Europe, doubling the amount of venture capital currently available in Europe.

Furthermore, the EU has created in 2008 the European Institute of Technology (EIT) that aims to “*create favorable environments for creative thought, to enable world-class innovation and entrepreneurship to thrive in Europe*”

It is important to avoid overlaps and duplications and to be effective. EU support to innovation and innovative enterprises from all these programmes and initiatives must be coherent and complementary.

**The Presidency invites ministers to address the following questions:**

*What is the best approach to ensure efficient coherence and complementarity between InvestEU, VentureEU, EIT and "Horizon Europe"?*

*In particular, what kind of coordination should be established between the EIC Board, the InvestEU Advisory Board, the EIT Governing Board or the EIT Executive Committee?*

I. Areas for Missions

Missions Area 1: Adaptation to Climate Change, including Societal Transformation

Mission Area 2: Cancer

Mission Area 3: Healthy Oceans and Natural Waters

Mission Area 4: Carbon-Neutral and Smart Cities

Mission Area 5: Soil Health for sustainable food

II. Areas for institutionalised European Partnerships

Partnership Area 1: Faster development and safer use of health innovations for European patients, and global health

Partnership Area 2: Advancing key digital and enabling technologies and their use, including novel technologies such as Artificial Intelligence and quantum technologies

Partnership Area 3: European leadership in Metrology including an integrated Metrology system

Partnership Area 4: Accelerate competitiveness, safety and environmental performance of EU air traffic, aviation and rail

Partnership Area 5: Sustainable, inclusive and circular bio-based solutions

Partnership Area 6: Clean hydrogen and sustainable energy storage technologies with lower environmental footprint and less energy-intensive production

Partnership Area 7: Clean, connected, cooperative, autonomous and automated solutions for future mobility demands of people and goods

Partnership Area 8: Innovative and R&D intensive small and medium-sized enterprises

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