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**NOTE**

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From:	General Secretariat of the Council
To:	Delegations
Subject:	Council Conclusions on the importance of research and innovation for ‘The EU Startup and Scaleup Strategy’ - Presidency text

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Delegations will find attached a Presidency text on the draft “Council conclusions on the importance of research and innovation for ‘The EU Startup and Scaleup Strategy’” with a view to the Research Working Party meeting on 24 July 2025.

**DRAFT COUNCIL CONCLUSIONS ON THE IMPORTANCE OF RESEARCH AND  
INNOVATION FOR ‘THE EU STARTUP AND SCALEUP STRATEGY’**

THE COUNCIL OF THE EUROPEAN UNION

RECALLING

- its conclusions of 2 December 2022<sup>1</sup> on the New European Innovation Agenda, recognising that innovative startups and SMEs are key actors in transforming the European economy and the need to improve access to scaleup financing;
- **its conclusions of 23 May 2024<sup>2</sup> on strengthening knowledge valorisation as a tool for a resilient and competitive industry and for strategic autonomy in an open economy in Europe;**
- **its recommendation on the ERA Policy Agenda 2025-2027<sup>3</sup>, which sets out actions relevant for the start-up and scale-up strategy, such as knowledge valorisation, research and technology infrastructures, sustainable research careers or the reform of research assessment;**
- **the European Council Conclusions of 26 June 2025<sup>4</sup>, welcoming the Commission’s ‘EU Startup and Scaleup Strategy’ and calling for work on implementation to begin swiftly.**

TAKING NOTE OF

- the Letta report of April 2024 ‘Much more than a market’, highlighting the need to strengthen financial support to startups and scaleups;

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<sup>1</sup> 15602/22.  
<sup>2</sup> 10182/24.  
<sup>3</sup> OJ C, C/2025/3593, 30.6.2025.  
<sup>4</sup> EUCO 12/25.

- the Draghi report of September 2024 ‘The future of European competitiveness’ emphasising that Europe has many talented researchers and entrepreneurs, but lacks dynamism to translate innovative ideas into commercial success **and needs to improve the conditions for breakthrough innovation in its common R&I programmes;**
- the Heitor report of October 2024 ‘Align, Act, Accelerate’ calling to boost Europe's global competitiveness by fostering impactful research, innovation and scaleups **and avoid entrepreneurial brain drain causing missed opportunities for the European ecosystem;**
- the results of the Horizon Europe interim evaluation<sup>5</sup> showing that despite 20% of the overall funding being allocated to SMEs, a persistent funding gap in the scale up phase remains a challenge together with knowledge valorisation.

## AN AMBITIOUS STARTUP AND SCALEUP ECOSYSTEM FOR EUROPE

1. WELCOMES the startup and scaleup strategy as an important milestone in reinforcing European competitiveness and boosting innovation. STRESSES that concerted and bold action is urgently needed to close the innovation gap with global competitors **and within the Union** to ensure **continued high welfare**, economic security, **and** strategic autonomy **while preserving an open economy** ~~and continued high welfare in Europe~~ **the Union**. REMINDS of the complex dynamics of innovation **ecosystems** requiring the involvement of many actors along the value chain and well-functioning feedback loops **from innovators to research**. **EMPHASISES that making progress on current ERA policies and actions can contribute substantially to the objectives of the startup and scaleup strategy.**
2. ~~PAYS ATTENTION TO~~ **ENCOURAGES** the Commission's, **in cooperation with Member States, to rapidly come forward with simple and practical** ~~planned definitions~~ of startups, scaleups and innovative companies ~~announced for 2026~~, and RECOGNISES the significance of the future definitions for regulatory and funding purposes. RECALLS the Commission's ambitions to **reduce red tape in regulations and reporting requirements and simplify their practical implementation for the benefit of stakeholders, in particular SMEs** ~~simplify, streamline and reduce red tape.~~

<sup>5</sup> COM(2025) 189 final. **8526/25.**

3. [previous para 4] RECOGNISES the importance of a whole of government approach, in particular for the implementation of the strategy, but ~~and~~ ACKNOWLEDGES that many of the actions set out in the strategy goes beyond the scope of research and innovation (R&I) and will be further developed through other ~~announced~~ acts, as proposed by the Commission. Therefore, focuses these conclusions on the activities related to R&I to draw due attention to the importance of this segment of the value chain in terms of delivering on the strategy.

#### ~~UNIVERSITIES AS THE R&I FOUNDATION OF THE ECOSYSTEM~~ ENABLING A STRONG R&I FOUNDATION

4. [previous para 2] HIGHLIGHTS the importance of ensuring predictability and coherence of funding programmes, strategies and regulations to provide startups, scaleups and investors with a ~~trusted~~ trustworthy environment thus facilitating long term planning. UNDERLINES THE NEED for stimulating ~~an overall change in mindset towards supporting~~ entrepreneurship and willingness to take risks, including the right to fail and restart after failure. INCITES ENCOURAGES startups to pursue ambitions for growth and CALLS for the EU Union and Member States to ensure adequate support ~~support~~ framework conditions.
5. ~~CONSIDERS~~ ACKNOWLEDGES that strong innovation ecosystems ~~around universities,~~ as well as originating from higher education institutions and research and technology organisations, play a key an important role in supporting the creation and growth of startups and scaleups by providing access to talent, essential infrastructures and related services. STRESSES that ~~such~~ these ecosystems are crucial for ‘retaining, anchoring and scaling’, academic spin-offs and startups, in particular deep-tech companies, in Europe ~~the~~ the Union, by strengthening The long-term collaboration between academia and industry ~~and enabling~~ enables knowledge circulation ~~valorisation and transfer~~.

6. ~~REQUESTS that the issue of access to university facilities, services and intellectual property rights for startups and scaleups be considered in the context of the revised State Aid rules and that proper guidance on the implementation of both current and revised rules is provided to Member States. ENCOURAGES Member States to ensure national laws applicable to universities are fit for seizing new opportunities and support the role of modern universities in rolling out innovation.~~ **RECOGNISES that current State Aid rules pose challenges for higher education institutions to support startups emerging from within their ecosystems, particularly when providing access to services and infrastructure or transferring intellectual property rights to these startups. ENCOURAGES the Commission and Member States to look for solutions within the current regulatory framework. WELCOMES further guidance from the Commission to Member States on implementing State Aid rules and REQUESTS this guidance to address the implementation of current State Aid rules related to higher education institutions facilities.**
7. WELCOMES the increased focus on improving the framework conditions for research-based innovation at universities **higher education institutions**. AFFIRMS ~~that universities~~ **the central role of higher education institutions** ~~have a core responsibility of~~ **in** delivering excellent research and world-class education, while also driving innovation through support ~~to~~ **for** technology transfer and entrepreneurship. **UNDERLINES therefore the role of Technology Transfer Offices (TTOs) in fostering collaboration between academia and businesses.** ~~WELCOMES~~ **ACKNOWLEDGES** the Commission's plans for developing a blueprint for licensing, royalty- and revenue-sharing and equity participation for ~~academic~~ **higher education** institutions and their investors when commercialising IPs and creating spinoff companies. ~~NOTES the efforts in consolidating Intellectual Property rights regulations across programmes.~~

8. ENCOURAGES Member States to support ~~universities~~ **higher education institutions** to strengthen innovation and entrepreneurial skills within curricula and training programmes, **whilst promoting gender balance and** with respect for **academic freedom**, institutional autonomy and national competences. ~~These N~~new skills are not only ~~needed~~ **relevant** for students and academic staff, but also **for** administrative staff responsible for ~~the~~ supporting research **and innovation, as well as knowledge transfer and valorisation**, activities. ENCOURAGES ~~the Commission to use existing relevant programmes, such as ERASMUS+ and the Marie Skłodowska-Curie Actions to support national efforts.~~ **RECOGNISES the role of the European Institute of Innovation and Technology (EIT), EUREKA, and the European Startup Nations Alliance (ESNA) in fostering entrepreneurship in the Union.**

#### FOSTERING, ATTRACTING AND RETAINING TALENTS AND SKILLS

9. WELCOMES the strong focus on talent and skills in the strategy and RECOGNISES that a strong startup and scaleup ecosystem requires a ~~high-quality~~ **highly skilled** workforce in areas such as science, technology and engineering, ~~but also~~ **as well as** legal, **commercial**, and financial expertise. **STRESSES the importance of promoting women-led entrepreneurship.** WELCOMES the Commission's 'Choose Europe' initiative and ENCOURAGES **the Commission** to build on existing **programmes and** activities **instruments** such as **ERASMUS+, the European Research Council (ERC), Marie Skłodowska-Curie Actions, and EURAXESS** ~~ERASMUS+, the EU talent pool and partnerships,~~ **complementing national and regional initiatives.**

10. REMINDS that the challenge is not only to attract talents, but also to foster **and retain** talents in **the Union** ~~Europe~~. HIGHLIGHTS that non-EU researchers attracted to ~~universities~~ **higher education institutions** or research and technology organisations ~~shall~~ **should** also be able to transition into entrepreneurial roles or employment in startups, scaleups or larger industries seeking their expertise. AGREES on the need to reward academic staff in their career not only by number **and impact** of publications, but ~~also~~ **equally** for efforts in **knowledge transfer and valorisation**, commercialising **of** their results and engaging in ~~a~~ knowledge sharing dialogue with policy makers and citizens. **UNDERLINES that these efforts should be pursued in line with appropriate safeguards for research security**<sup>6</sup>. **ACKNOWLEDGES the ongoing work through initiatives like the Coalition for Advancing Research Assessment (CoARA)**. ENCOURAGES the Commission to come up with new ideas for incentives to reward researchers in the announced blueprint for an academic career development framework, provided the blueprint is implemented on a voluntary basis.

#### ACCESS TO INFRASTRUCTURES AND NETWORKING FOR ~~BUILDING~~ INTERCONNECTED ECOSYSTEMS

11. REITERATES the importance of state-of-the-art, **visible**, and easily accessible research and technology infrastructures for a well-functioning and competitive R&I ecosystem in ~~Europe~~ **the Union**. REQUESTS the Commission to make best use of the ongoing mapping of infrastructures and share the results on a user-friendly and regularly updated platform. WELCOMES the proposed ‘Charter of Access **for industrial users**’ to facilitate **Union and** Member States support to startups and scaleups in accessing **relevant** regional, national or cross-border infrastructures **and their related services**. CALLS on the Commission to ~~explain~~ **suggest** how the Charter of Access should be implemented ~~nationally and at EU~~ **Union, national, and regional** level.

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<sup>6</sup> **OJ C, C/2024/3510, 30.5.2024**

12. WELCOMES the idea of ~~accelerating~~ **reinforcing** networking and collaboration of European startup and scaleup hubs, **drawing on the experience of existing initiatives, such as the European Universities' Alliances and Rise Europe** and ~~CALLS~~ for quick action to ~~establish a network of hubs at EU level~~. RECOGNISES that it requires national and regional prioritisation and engagement to foster and maintain these hubs. STRESSES the important contribution of private **and public** funding to reach the 3% GDP target for R&D and ~~CALLS~~ ~~on~~ **ENCOURAGES** larger industry to engage with startups and scaleups and establish business relationships to retain homegrown innovation.
13. ENCOURAGES **the Commission** to take advantage of digital technologies to promote the interconnectedness of hubs across ~~Europe~~ **the Union**. PROPOSES that the network **of hubs** engages in the following best-practice sharing activities to harmonise the support to startups and scaleups in ~~Europe~~ **the Union**: startup and scaleup ecosystems developments, **collaboration between academia and startups, scaleups and larger companies and open innovation** and ~~university modernisation~~, management of seed funding, ~~and~~ **access and** coordination of **Union, EU and national, and regional** investments, **funding systems, and improving access to finance, including risk-financing** ~~collaboration between academia and startups, scaleups and larger companies and open innovation~~. The network should further **promote the uptake of the Charter of Access and** provide ~~guidance~~ **advice** on access to research and technology infrastructures, on management of Intellectual Property Rights, **and applicable** State Aid rules ~~and access to EU and national funding systems~~.
14. RECOGNISES the importance of **regulatory** sandboxes to facilitate market entry of innovations by supporting innovative startups and scaleups in developing and testing new ideas, assessing regulatory compliance of new technologies, products and solutions, **improving regulatory learning**, as well as issuing recommendations for overcoming regulatory hurdles. SUPPORTS the development of clear, unbureaucratic implementation rules for regulatory sandboxes in the forthcoming **proposal for a European** ~~EU~~ Innovation Act **and URGES the Commission to develop a sound methodology and processes for the rapid and effective implementation of regulatory sandboxes**.



15. RECOGNISES the role of the European Innovation Council (EIC) in supporting innovative European startups and scaleups and WELCOMES the announced simplifications of its rules. AGREES that the scale-up financing gap should be reduced as quickly as possible. ~~WELCOMES the announced extensions and simplifications as well as~~ TAKES NOTE of the reasoning for a Scaleup Europe Fund, to be set up as part of the EIC Fund in collaboration with the private sector, to help bridge the financing gap of deep-tech scale-up companies. INVITES the Commission to ~~position~~ provide more information about the Scaleup Europe Fund and to position it clearly in the overall funding landscape with synergies to other Union, national, and regional instruments. CALLS on the Commission to ~~define~~ swiftly propose the Fund's set-up and governance structure and sources of finance of the Scaleup Europe Fund, as well as strategic sectors to be supported under the current Multiannual Financial Framework (MFF), before the end of 2025, without prejudice to the negotiations on the post-2027 MFF.
16. RECOGNISES that, in line with the subsidiarity principle, initial small funding ~~amounts~~ rounds targeted at the early stages from ideation to startup creation should be covered at national/regional level to facilitate the interaction between the individual innovator or researcher and the relevant national/regional funding body. INVITES the Commission, Member States, and regional authorities to explore synergies with cohesion policy. ~~CONSIDERS that shared language and proximity are key to building a trusted relationship allowing for more efficient and effective decisions on support to be taken.~~

17. ~~UNDERSTANDS~~ **INVITES the Commission to explain** the proposed extension of the EIC accelerator programme to dual use **applications** in view of the geopolitical situation. ~~NOTES the proposal from the Commission to support high-tech defence startups and scaleups~~ **through separate instruments.** ~~however, QUESTIONS, however, if separate instruments are needed which will just add complexity and silos to the~~ **Union** funding landscape. ~~ENCOURAGES the Commission to define what existing instruments will be leveraged to support European security and defence startups and scaleups and to build strategic bridges between the EIC and the European Defence Fund. HIGHLIGHTS that the targeted support of single entities within defence through R&I instruments should not compromise the principles of open competition and excellence.~~ **HIGHLIGHTS that R&I targeted instruments should always be driven by the principles of open competition and excellence.**
18. ~~INVITES the Commission to simplify the landscape of funding instruments and service platforms for startups and scaleups, as well as the landscape of mobility instruments for students, researchers and workers under the current MFF.~~ **by establishing** ~~Enable a ‘one stop’ access portal guiding the user to the best option in a resource efficient way. CONSIDERS integrating to the extent possible also~~ **and information on venture capital and other private investments for startups and scaleups, should also be integrated to the extent possible.** ~~ADVISES~~ **RECOMMENDS** that the Commission considers introducing proof of concept or proof of market options for **all** relevant EU **Union** funded ~~research and innovation (R&I)~~ projects **and not only within the ERC and EIC.** ~~ENCOURAGES the Commission to find new methods to raise awareness and promote the use of innovative technologies in the public and private sector. ADVOCATES a more proactive use of pre-commercial procurement to establish such~~ interfaces **between innovators and procurers in the public and private sector.**

## A STRONG IMPLEMENTATION

19. [previous para 3] CALLS on the Commission, **in collaboration with Member States**, to identify emerging technological trends and disruptive technologies across **Union, national, and regional programmes** ~~parts of Horizon Europe~~ **and disseminate the findings across these programmes**. ~~CONSIDERS that the knowledge on trends should be disseminated across all programmes supporting R&I at EU level and shared with Member States.~~ ENCOURAGES **the Commission and** Member States ~~and the Commission~~ to engage in close dialogue on future strategic priority areas, including **for** key technologies, **based on the acquired evidence**.
20. [previous para 19] WELCOMES the announced European Startup and Scaleup Scoreboard and the set of Key Performance Indicators (KPIs) **and SUGGESTS exploring synergies with the ERA monitoring framework**. INVITES the Commission to include strategic sectoral breakdowns for the KPIs, as well as indicators reflecting the contribution of ~~universities~~ **higher education institutions** and research and technology organisations. HIGHLIGHTS the importance of the availability of **and openness of** data, **and** clear methodologies for data collection ~~and open data~~. REQUESTS a weighting based on population size to be applied for optimal cross-country comparisons. LOOKS FORWARD to the first reporting in 2027.
21. [previous para 20] CALLS for a revision of the format and mandate of the EIC Forum to be able to take over a **the proposed** coordination and monitoring role for the startup and scaleup strategy with the possibility to extend to innovation policy as a whole. **INVITES the Commission to duly inform the Member States about the implementation of the strategy**.
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