European Innovation Council

EIC Board Statement on

European Innovation Council Board Statement on the Horizon Europe (2028-34) Negotiations

11 SEPTEMBER 2026

The European Innovation Council (EIC) Board issued a statement on the 1 July 2025 recommending an expanded and enhanced future EIC[1], which underlined the importance of an integrated and holistic EIC, covering the entirety of the innovator's journey with a budget that is commensurate with its mission. On 31 October 2025, the Board issued a statement broadly welcoming the Commission proposal on the next Horizon Europe programme (2028-34)[2], which reflected many of the Board's key recommendations for the future of the EIC under FP10.

The Commission proposal reinforced the integrity of the European innovators journey, including the distinct character of the EIC Fund, and proposed a significant increase of the EIC's budget. The proposal also endorsed a more ambitious ARPA-like Challenge model, as called for in reports by Mario Draghi, Enrico Letta and the High-Level Group chaired by Manuel Heitor with an enhanced role for the EIC Programme Managers to develop and implement these Challenges. The Commission's proposal also included relevant provisions on speeding up decision making, expanding the EIC Fund, improving synergies with the ERC and national/ regional programmes, and introducing support to defence innovations and innovators.

The EIC Board broadly therefore welcomes, albeit with some caution, an important milestone in the negotiations on the next programming period - the adoption of the Council's Partial General Approach (PGA) of the legislative proposals for the Horizon Europe Framework Programme and the European Competitiveness Fund (ECF). This caution stems from the need to properly clarify and prepare for the implementation of the many novel elements in the Commission's proposal and the Council PGA, which if not clarified and addressed correctly, run the risk of diluting the future impact of the EIC. The Board looks forward to the development of the European Parliament's position on the Horizon Europe and ECF programmes and stands ready to provide further advice as requested.

To ensure effective EIC support for deep-tech innovation that significantly enhances Europe's competitiveness and economic security, the Board reiterates the need to:

i. Support high-risk, high-impact deep tech innovations with agility and a strengthened Programme Manager role

As the recent EIC Impact Report[3] shows, the EIC Challenge model has enabled it to build a critical mass of activity in areas that are key for Europe's future competitiveness and strategic autonomy. For example, the EIC has helped catalyse four of the five biggest investment rounds in quantum in the EU in 2025, and the EIC Pathfinder 'Awareness Inside' Challenge portfolio has already led to six startups and two technology partnerships since its launch in 2022.

Nonetheless the Commission proposal sought to address important shortcomings in the current model. These shortcomings limit the freedom of Programme Managers (PMs) to define and

[1] https://webgate.ec.europa.eu/circabc-ewpp/d/d/workspace/SpacesStore/12e50af2-4157-4696-8427-9b7b00457eac/download
[2] https://eic.ec.europa.eu/news/european-innovation-council-board-welcomes-eic-expansion-under-fp10-proposal-2025-10-31_en
[3] EIC Impact Report 2026: Europe strengthens its position as a global deep tech scaling hub - European Innovation Council

establish (ARPA-like) Challenges aligned with policy priorities, to assemble their portfolios and to actively manage funded projects with the mandate to ensure timely, agile support and follow-up for the most promising ideas.

It is essential therefore that the forthcoming negotiations maintain the ambition of the Commission proposal. This requires a separate EIC Work Programme based on the advice of the EIC Board, complemented by operations that can effectively support the innovator's journey from research to scale-up, including through the provision of Transition funding without calls. Synergies with the ECF, while vital, must not limit the selection of Challenges by Programme Managers, so that such Challenges can support higher risk areas which are not yet on the policy agenda of the ECF. The Board recommends that the intelligence obtained from EIC support for emerging and breakthrough technologies feeds into the programming of the ECF (including through the proposed Observatory on Emerging Technologies) and that the ECF provides follow-on and complementary support through relevant collaborative projects, partnerships and financial instruments.

The two-step process for EIC Challenge specification must also be retained This will see policy providing initial guidelines for potential topics and then endows Programme Managers with the freedom to specify and implement their Challenges to achieve the policy goals. This is vital to ensure that the strategic task of agreeing policy guidelines for the Challenges, settled with Member States through comitology, remains separate from the operational task of defining and implementing the "Challenge calls", which must be agile, with responsibility and ownership resting with the Programme Managers informed by advice from external experts.

The Board recognises that implementation details of this approach must be clarified in advance of the next programming period. We therefore intend to advise the Commission on how best to implement this new approach, building on the earlier independent expert report[4] and drawing on international best practice to cover for example the nature of the policy mandate to be given to Programme Managers, the associated oversight and accountability, and the implementation of follow-on support including the proposed Transition funding without calls.

ii. Ensure the integrity of the EIC Fund

The EIC Fund has become one of the largest deep tech investors in Europe and has catalysed cross border investment within Europe with a growing cohort of over 1000 co-investors, including the most active VCs in Europe. It has crowded in over €5 billion of co-investment, with third-party data suggesting that six EIC beneficiaries have now achieved unicorn status[5]. The pace at which the new Scaleup Europe Fund (SEF) compartment has been established with significant commitments from founding private investors and the appointment of EQT as fund manager also

[4] Implementing the pro-active management of the EIC pathfinder for breakthrough technologies & innovations - Publications Office of the EU

[5] Based on Dealroom data on valuations (July 2026)

points to the success of, and growing confidence in the EIC as an anchor in the European capital market for innovative companies.

Future programming must therefore build on and leverage the current EIC infrastructure to support companies critical to Europe's future economic security and strategic autonomy. It must avoid the risk of fragmentation through the creation of new, competing funds at EU level and instead look to ensure funding continuity across the innovation journey. If the SEF proves to be a successful model under the EIC fund, then we would strongly recommend that it stays with the EIC. Revenues or amounts resulting from exits must also be reusable by the EIC Fund to ensure that it can provide essential follow-on funding.

At the same time, a reflection is needed on how to build on the success of the EIC Fund (including the SEF) under the current Horizon Europe programme, including faster decision-making, moving from a portfolio building to a portfolio management approach, and closer partnerships with other aligned investors. The EIC Board also intends to advise further on this aspect in the coming months.

iii. Support dual use and defence technologies

Aligned with the arguments put forward by the Heitor Group, the Board is in favour of funding dual-use projects. Furthermore, the EIC is optimally placed to assume an active role in support for emerging and breakthrough defence technologies, as well as startup and scaleup companies developing critical defence technologies so that these remain anchored in Europe. In particular, we see two things: on one hand a growing and critical need for startups with new ideas and technologies to be able to access defence markets and build next generation strategic defence capabilities, and on the other hand, an opportunity to apply the EIC's specific experience and approach to supporting disruptive technologies and startups to the defence sector.

While we observe the need to increase the interaction and permeability between defence and civilian applications of deep tech, the Board also agrees that EIC defence activities should be ring fenced, with a separate budget and bespoke implementation rules. This approach, already taken in the June EIC defence call, should be maintained in the future. Beyond separate budget and bespoke rules, this new EIC role requires skills and resources including programme managers, agency staff, and investment professionals competent in the defence field.

iv. Provide budget, resources and synergies

The EIC's mix of 'Open' (bottom-up) and 'Challenge'-driven funding enables support for disruptive innovations that emerge from radical, high-risk ideas at the intersection of scientific disciplines. This mix must be retained including the current, higher proportion of budget for 'Open', innovator-driven deep tech ideas at all stages of technology maturity.

Demand for EIC support is high, deep tech investment in the US and China is scaling rapidly, and both the EU and national funded programmes need an agile interface to catalyse the flow of ideas from research to innovation. The EIC budget must therefore match the scale of the opportunity it can, and must, address for Europe's future competitiveness and strategic autonomy.

To achieve its full potential in the most effective and efficient way possible, the EIC budget must also be accompanied by commensurate levels (quantity) and profiles (quality) in the allocation of administrative resources in charge of its implementation.

v. Conclusion

The remaining months of 2026 will be critical for achieving stability on the legal and financial framework for the future EIC. The EIC Board is encouraged that the value and impact of the EIC has been generally well recognised by the European Parliament and Council, and the Board's recommendations for the future of the EIC have been mostly, but not entirely, taken up in the legislative process. We hope that the remaining discussions will address the outstanding points including on the new approach to Programme Managers, the future of the Scaleup Europe Fund within the EIC Fund, and the EIC role in supporting defence technologies with the necessary safeguards.