

Session II: International experience - European Commission Inducement Prize schemes

Barbara Kowatsch

Washington DC, 29.05.2019

National Academies of Sciences, Engineering, and Medicine in Cooperation
with The Laboratory for Innovation Science at Harvard

1 EU government Innovation Prizes

- Policy development
- Activities overview in Horizon 2020
- European Innovation Council

2 Trends & recommendations

3 Q&A


Rationale for EC prize policy

1. Leverage

Attract investment in specific area. Experience shows, that the total of private investment triggered by a prize in R&D is often a multiple of the prize (10-30 times).

2. Result orientation

The EC pays only for results. 'Best value for money'



3. Simplification Inducement prizes are awarded for delivery of a result. Only the outputs have to be checked. They reduce administrative burden for EC and contestants.

4. Diversity, new talent and entrepreneurship

The lighter procedures reduce barriers to take part in EU programmes for start-ups and innovators. This increases the number and diversity of the individuals and teams that are addressing a particular problem.

5. Public awareness

Raise public awareness of a societal challenge by attracting more interest and attention to a defined program, activity, or issue of concern. Demonstrate feasibility or potential of a certain technology, promote diffusion of it.

6. Innovation

Non-prescriptive as to how to achieve goal. The prize provokes thinking out of box, as opposed to incremental changes to existing technology. Because of their flexibility, they empower the EC to quickly respond to new challenges.

Prizes in before 2014 (under FP7)

Under the Financial regulation 2002 prizes were treated as as rewards for any entry in a contest under the same provisions as grants.

First inducement prize by DG RTD 2012 WP €2 Mio. prize for alternative ways of formulating, preserving or transporting vaccines in RTD Directorate Health

In 2013 the Financial regulations were updated and prizes have a dedicated provision (Art. 138) seperate from grants. They are a new form of Union financial support, given as rewards following a contest.

Horizon 2020 Prizes narrative:

EC Horizon Prizes are 'challenge' prizes (also known as 'inducement' prizes) offering a cash reward to whoever can most effectively meet a defined challenge.

The aim is to stimulate innovation and come up with solutions to problems that matter to European citizens and that most likely would not ordinarily develop through traditional routes such as grants or procurement.

When inducement prizes?

Factors to be taken into account in the design:

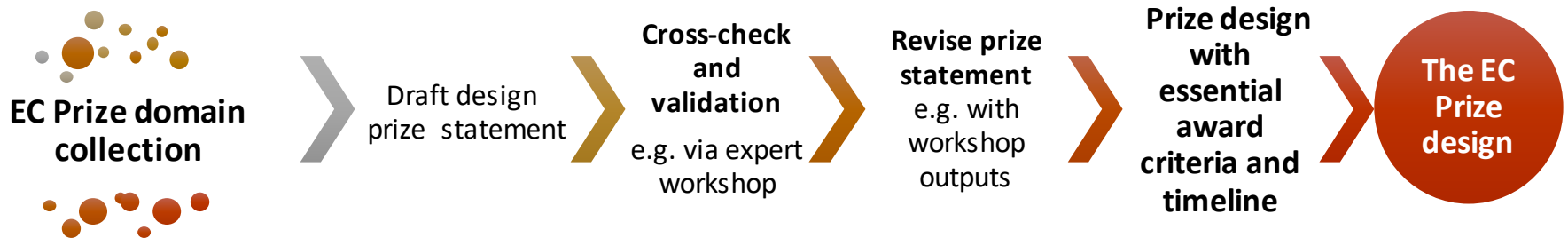
Easy to **communicate**, to attract as many investors as possible (leverage effect) and a great diversity of participants (contributes to innovation)

Achievable within a **reasonable time** (prizes must be awarded within the MFF, latest 2021, if ran in-house)

Ambitious and **wide** enough to allow for **many possible solutions** and **innovative** approaches

Narrow enough to allows for **verification of results** against **objective** standards.

Prize design process



FP7 2012: Pilot inducement Prize	DG RTD 1 Prize	Overall budget: 2 Mio EUR
Horizon 2020 WP 2014-2015: 5 Horizon Prizes	DG RTD 2 Prizes DG CNECT 2 Prizes	Overall budget: 6 Mio EUR
Horizon 2020 WP 2016-2017: 12 Horizon Prizes	DG RTD 7 Prizes DG CNECT 4 Prizes DG GROW 1 Prize	Overall budget 26.25 Mio EUR
Horizon 2020 WP 2018-2020: 6 EIC Horizon Prizes	DG RTD 4 Prizes DG CNECT 1 Prize DG GROW 1 Prize	Overall budget 40 Mio EUR

Horizon Prize
CO₂ REUSE

Crack the challenge and win

€1.5 million

Apply by 3 April 2019

ec.europa.eu/horizonprize/co2reuse
#horizonprize

European Commission

Horizon Prize
CLEANEST ENGINE RETROFIT

Can you crack the challenge?

€1.5 million

Apply by 12 September 2017

www.ec.europa.eu/horizonprize/engineetrofit

European Commission

Horizon Prize
ZERO POWER WATER MONITORING

Crack the challenge and win

€2 million

ec.europa.eu/horizonprize/watermonitoring
#horizonprize

European Commission

Horizon Prize
IMPROVED MOBILITY FOR OLDER PEOPLE

Crack the challenge and win

€2 million

Apply until 28 February 2019

European Commission

Horizon Prize
PHOTOVOLTAICS MEETS HISTORY

Crack the challenge and win

€750,000

Apply by 26 September 2018

European Commission

Horizon Prize
LOW CARBON HOSPITAL

Crack the challenge and win

€1 million

Apply by 3 April 2019

European Commission

Horizon Prize
CLEANEST ENGINE OF THE FUTURE

Crack the challenge and win

€3.5 million

Apply by 20/08/2019

European Commission

Horizon Prize
BETTER USE OF ANTIBIOTICS

Who cracked the challenge to win

€1 million

To be announced on 6 February 2017

www.ec.europa.eu/horizonprize/antibiotics
#horizonprize

European Commission

Horizon Prize
Seamless authentication for all

Crack the challenge

€4 million

Contest is open!

ec.europa.eu/horizonprize-authentication
#horizonprize #authentication4all

European Commission

Horizon Prize
LOW CARBON HOSPITAL

Crack the challenge and win

€1 million

Apply by 3 April 2019

European Commission

Horizon Prize
Seamless authentication for all

Crack the challenge


€4 million

Contest is open!

ec.europa.eu/horizonprize-authentication
#horizonprize #authentication4all

European Commission

Lessons learned – what not to do

- 
- Too narrow scope
 - Too specific/incomprehensible goal
 - Goals too loosely defined
 - Unclear award criteria
 - Too long or too short submission time
 - Lack of communication activities
 - No clear picture about evaluation
 - No participant activation
 - Implementation unclear

EIC Horizon Prizes narrative:

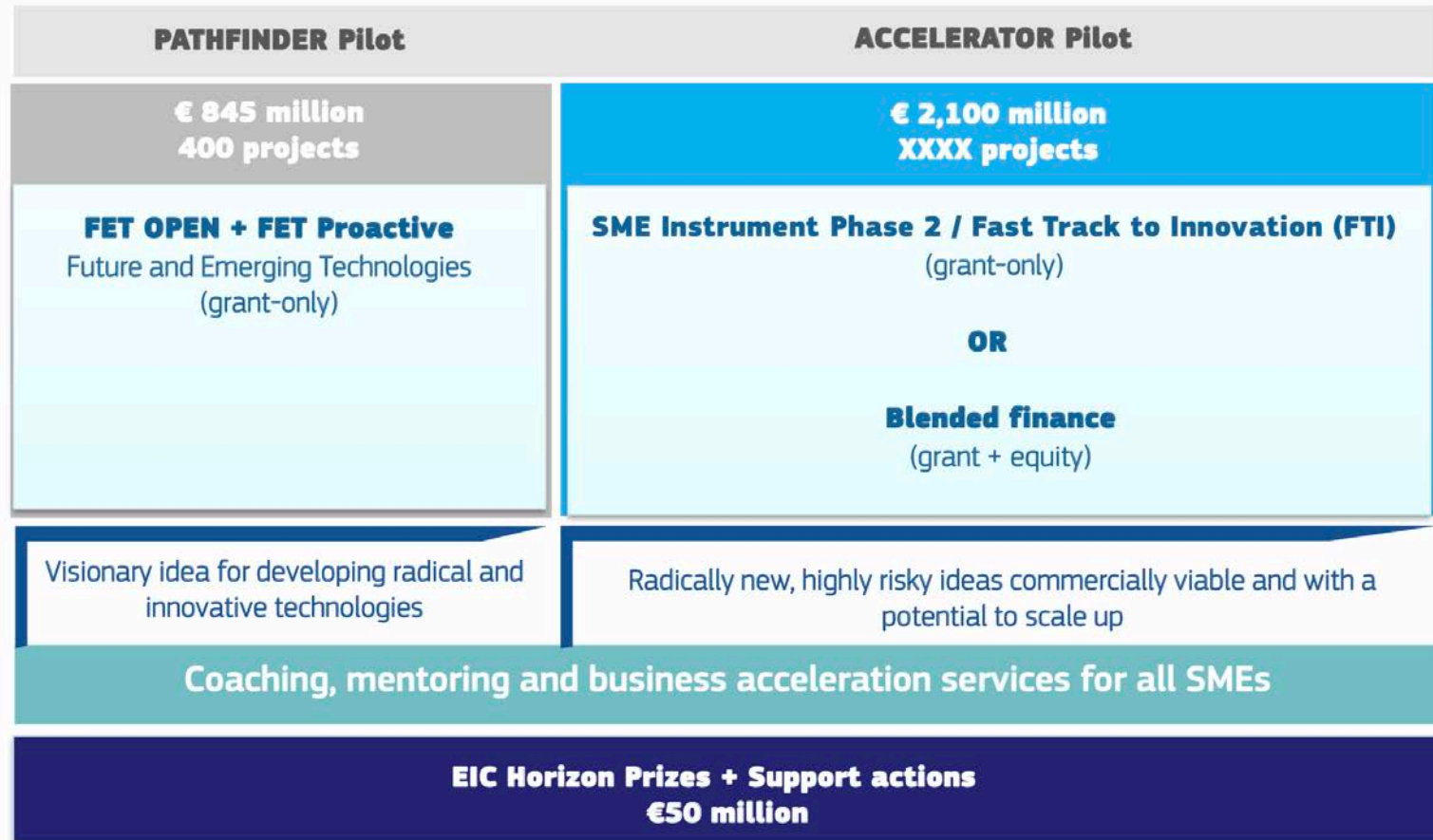
EIC Horizon Prizes boost **breakthrough innovation** by fostering solutions to challenges which bring major benefits to society.

In line with the EIC scope, the EIC Prizes address challenges that require cutting-edge breakthrough solutions, in areas where an ambitious goal with high societal impact can be defined.

These prizes should broaden the scope of entities participating in the EU research and innovation programmes and reaching out to a variety of new talents and innovators.

European Innovation Council (EIC)

€3 billion-pilot package to support bottom-up ideas



European Innovation Council Pilot 2019

- ✓ **Increased budget of €2.2 billion** (€1.0bn in 2019; €1.2bn in 2020)
- ✓ **Introduction of pilot accelerator** with option to apply for blended finance (combined grant and equity)
- ✓ **Introduction of pilot pathfinder**, with 6 strategic emerging technologies targeted (human-centric AI, novel medical devices, zero-emission energy generation, etc)



PATHFINDER: Researchers, technologists

- ▶ For radically new technologies emerging from collaborative research
- ▶ Grant funding of up to €4 million (100% of costs)
- ▶ From proof of concept to demonstration of commercial viability
- ▶ Access to EIC coaching and mentoring services
- ▶ Majority of funding is open (no predefined themes). Strategic breakthrough technologies are also supported (challenge-based)



ACCELERATOR: Start-ups, SMEs and entrepreneurs

- ▶ For development and scaling up of high risk innovations by startups and SMEs
- ▶ Grant funding of up to €2.5 million (70% of costs)
- ▶ Option of equity investment of up to €15 million
- ▶ Access to EIC coaching and mentoring services, pitches with corporates, VCs, etc
- ▶ All funding is open (no predefined thematic areas)

1 EU government innovation prizes

2 Trends and recommendations

- Horizon Europe
- Partnerships & platform
- Policy learning

3 Q&A

Horizon Europe: evolution not revolution

Specific objectives of the Programme

