Council of the European Union

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NOTE

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

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 3 July 2025.

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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[1] 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.

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;

– 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;

– the Heitor report of October 2024 'Align, Act, Accelerate' calling to boost Europe's global competitiveness by fostering impactful research, innovation and scaleups;

– the results of the Horizon Europe interim evaluation[2] 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.

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[1] 15602/22.
[2] COM(2025) 189 final.

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 to ensure economic security, strategic autonomy and continued high welfare in Europe. REMINDS of the complex dynamics of innovation requiring the involvement of many actors along the value chain and well-functioning feedback loops. PAYS ATTENTION TO the Commission's planned definition of startups, scaleups and innovative companies announced for 2026, and RECOGNISES the significance of the future definition for regulatory and funding purposes. RECALLS the Commission's ambitions to simplify, streamline and reduce red tape.

2. HIGHLIGHTS the importance of ensuring predictability of programmes, strategies and regulations to provide startups, scaleups and investors with a trusted environment thus facilitating long term planning. UNDERLINES THE NEED for an overall change in mindset towards supporting entrepreneurship and willingness to take risk. INCITES startups to pursue ambitions for growth and CALLS for the EU and Member States to ensure adequate support.

3. CALLS on the Commission to identify emerging technological trends and disruptive technologies across all parts of Horizon Europe. CONSIDERS that the knowledge on trends should be disseminated across all programmes supporting R&I at EU level and shared with Member States. ENCOURAGES Member States and the Commission to engage in close dialogue on future strategic priority areas, including key technologies.

4. RECOGNISES the importance of a whole of government approach, but ACKNOWLEDGES that many of the actions set out in the strategy goes beyond the scope of R&I and will be further developed through other announced acts. 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

5. CONSIDERS that strong ecosystems around universities, as well as research and technology organisations, play a key role in supporting the growth of startups and scaleups by providing access to essential infrastructures and services. STRESSES that such ecosystems are crucial for 'retaining and scaling', in particular deep-tech companies, in Europe by strengthening long-term collaboration between academia and industry and enabling knowledge circulation.

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.

7. WELCOMES the increased focus on improving the framework conditions for research-based innovation at universities. AFFIRMS that universities have a core responsibility of delivering excellent research and world-class education while also driving innovation through support to technology transfer and entrepreneurship. WELCOMES the Commission's plans for developing a blueprint for licensing, royalty- and revenue-sharing and equity participation for academic 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 to strengthen innovation and entrepreneurial skills within curricula and training programmes with respect for institutional autonomy and national competences. New skills are not only needed for students and academic staff, but also administrative staff responsible for the supporting research activities. ENCOURAGES the Commission to use existing relevant programmes, such as ERASMUS+ and the Marie Sklodowska-Curie Actions to support national efforts.

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 workforce in areas such as science, technology and engineering, but also legal and financial expertise. WELCOMES the Commission's 'Choose Europe' initiative and ENCOURAGES to build on existing activities such as EURAXESS, ERASMUS+, the EU talent pool and partnerships.

10.	REMINDS that the challenge is not only to attract talents, but also to foster talents in Europe. HIGHLIGHTS that non-EU researchers attracted to universities or research and technology organisations shall 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 of publications, but also for efforts in commercialising their results and engaging in a knowledge sharing dialogue with policy makers and citizens. 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 and easily accessible research and technology infrastructures for a well-functioning and competitive R&I ecosystem in Europe. 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' to facilitate Member States support to startups and scaleups in accessing regional, national or cross-border infrastructures. CALLS on the Commission to explain how the Charter of Access should be implemented nationally and at EU level.

12.	WELCOMES the idea of accelerating networking and collaboration of European startup and scaleup hubs 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 funding to reach the 3% GDP target for R&I and CALLS on larger industry to engage with startups and scaleups and establish business relationships to retain homegrown innovation.

13. ENCOURAGES to take advantage of digital technologies to promote the interconnectedness of hubs across Europe. PROPOSES that the network engage in the following best-practice sharing activities to harmonise the support to startups and scaleups in Europe: startup and scaleup ecosystems developments and university modernisation, management of seed funding and coordination of EU and national investments, collaboration between academia and startups, scaleups and larger companies and open innovation. The network should further provide guidance on access to research and technology infrastructures, on management of Intellectual Property Rights, State Aid rules and access to EU and national funding systems.

14. RECOGNISES the importance of 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 as well as issuing recommendations for overcoming regulatory hurdles. SUPPORTS the development of clear, unbureaucratic implementation rules for regulatory sandboxes in the forthcoming EU Innovation Act.

BRIDGING FINANCIAL GAPS IN THE VALUE CHAIN

15. RECOGNISES the role of the European Innovation Council (EIC) in supporting European startups and scaleups. WELCOMES the announced extensions and simplifications as well as the Scaleup Europe Fund, to be set up as part of the EIC Fund, to help bridge the financing gap of deep-tech scale-up companies. INVITES the Commission to position the Scaleup Europe Fund clearly in the overall funding landscape with synergies to other instruments. CALLS on the Commission to define the Fund's set-up and governance structure, as well as strategic sectors to be supported under the current Multiannual Financial Framework (MFF), before the end of 2025.

16. RECOGNISES that, in line with the subsidiarity principle, initial small funding amounts targeted at the early stages from ideation to startup creation should be covered at national/regional level to facilitate the interaction between the individual researcher and the funding body. 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 the proposed extension of the EIC accelerator programme to dual use in view of the geopolitical situation. NOTES the proposal from the Commission to support high-tech defence startups and scaleups, however, QUESTIONS if separate instruments are needed which will just add complexity and silos to the 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.

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. 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 information about national programmes and their access requirements. ADVISES that the Commission considers introducing proof of concept or proof of market options for relevant EU funded research and innovation (R&I) projects. 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.

A STRONG IMPLEMENTATION

19. WELCOMES the announced European Startup and Scaleup Scoreboard and the set of Key Performance Indicators (KPIs). INVITES the Commission to include strategic sectoral breakdowns for the KPIs as well as indicators reflecting the contribution of universities and research and technology organisations. HIGHLIGHTS the importance of the availability of data, 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.

20. CALLS for a revision of the format and mandate of the EIC Forum to be able to take over a coordination and monitoring role for the startup and scaleup strategy with the possibility to extend to innovation policy as a whole.

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