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NOTE

From:	General Secretariat of the Council
To:	Delegations
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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 1 September 2025.

Changes in comparison to document 11624/25 are marked in **bold underline** for additions and in ~~strikethrough~~ for deletions.

**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 2022¹ 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 2024² 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 2025-2027³, which sets out actions relevant for the start-up and scale-up strategy, such as **for** knowledge valorisation, research and technology infrastructures, sustainable research careers, **gender equality and inclusiveness, industrial transformation** or the reform of research assessment;
- the European Council Conclusions of 26 June 2025⁴, welcoming the Commission’s ‘EU Startup and Scaleup Strategy’ and calling for **the** 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;

¹ 15602/22.
² 10182/24.
³ OJ C, C/2025/3593, 30.6.2025.
⁴ 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 successes 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 avoiding entrepreneurial brain drain causing and missed opportunities for the **local** European ecosystem;
- the results of the Horizon Europe interim evaluation⁵ 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 in the Union. REMINDS of **RECALLS** 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 **structural** policies and **ERA** actions can contribute substantially to the objectives of the startup and scaleup strategy.
2. ENCOURAGES the Commission, in cooperation with Member States, to rapidly come forward with simple and practical definitions of startups, scaleups, **mid-caps**, and innovative companies **and undertakings in difficulty**, 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 **and reduce administrative and economic burdens** for the benefit of stakeholders, in particular SMEs.

⁵ 8526/25.

3. RECOGNISES the importance of a whole of government approach **to support, attract and retain startups and scaleups in Europe and**, in particular for the implementation of the strategy, and ACKNOWLEDGES that many of the actions set out in the strategy go beyond the scope of research and innovation (R&I) and will be further developed through other 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.

ENABLING A STRONG R&I FOUNDATION

4. HIGHLIGHTS the importance of ensuring predictability and coherence of funding programmes, strategies and regulations to provide startups, scaleups and investors with a trustworthy environment thus facilitating long term planning. UNDERLINES ~~THE NEED~~ **the need** for stimulating entrepreneurship and willingness to take risks, including the right to fail and restart after failure. ENCOURAGES startups to pursue ambitions for growth and CALLS for the Union and Member States to ensure adequate framework conditions.
5. ACKNOWLEDGES that strong **research and** innovation ecosystems originating from higher education institutions and research ~~and technology~~ **performing** organisations, play 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 these ecosystems are crucial for ‘retaining, anchoring and scaling’ academic spin-offs and startups, in particular deep-tech companies, in the Union. The long-term collaboration between academia **higher education institutions and research performing organisations** and industry **in such ecosystems** enables knowledge valorisation and transfer. **ENCOURAGES, among others, European Universities’ Alliances to strengthen their activities related to innovation and knowledge valorisation.**

6. RECOGNISES that **the application of** current State Aid rules poses challenges for higher education institutions **and research performing organisations** 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 **RECOMMENDS** 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 **and research performing organisations** facilities.
7. ~~WELCOMES the increased focus on improving the framework conditions for research-based innovation at higher education institutions.~~ AFFIRMS the central role of higher education institutions **and research performing organisations** in delivering excellent research and world-class education, while also driving innovation through support for **knowledge and** technology transfer and entrepreneurship. UNDERLINES ~~therefore~~ the role of **well-resourced Knowledge and** Technology Transfer Offices (**KFTOs**) in fostering **and supporting** collaboration between academia **higher education institutions and research performing organisations** and businesses **and in moving research into market-ready innovations and spin-offs**. -ACKNOWLEDGES the Commission's plans for developing a blueprint for licensing, royalty- and revenue-sharing and equity participation for higher education institutions **and research performing organisations** and their investors when commercialising IPs and creating spinoff companies. **INVITES the Commission to identify means to reinforce exploitation in the Union of research results funded by EU programmes.**

FOSTERING, ATTRACTING AND RETAINING TALENTS AND SKILLS

8. **WELCOMES the strong focus on talent and skills in the strategy and RECOGNISES that a strong startup and scaleup ecosystem requires a highly skilled workforce in areas such as science, technology and engineering, as well as legal, commercial, and financial expertise.** ENCOURAGES Member States **and regions** to support higher education institutions **and research performing organisations** to strengthen innovation and entrepreneurial skills within curricula and training programmes, whilst ~~promoting gender balance and with respecting~~ **ing** for academic freedom, institutional autonomy and national competences. **Closing the gender gap is essential as a matter of social justice and strategic investment in the competitiveness and productivity of the Union. STRESSES the importance of advancing gender equality and promoting women’s participation, entrepreneurship and leadership in innovation and start-ups. Innovation and entrepreneurial** These new skills are not only relevant for students and academic staff, but also for administrative staff responsible for supporting research and innovation, **knowledge transfer and valorisation in higher education institutions and research performing organisations** as well as ~~knowledge transfer and valorisation, activities.~~ **STRESSES the need for capacity building, exchange of experience and sharing of good practice. NOTES that transnational networks of higher education institutions and research performing organisations can play a key role in achieving these objectives.** RECOGNISES the role of the European Institute of Innovation and Technology (EIT), EUREKA, and the European Startup Nations Alliance (ESNA) in **this context** 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 highly skilled workforce in areas such as science, technology and engineering, 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 instruments such as ERASMUS+, the European Research Council (ERC), Marie Skłodowska-Curie Actions, and EURAXESS, complementing national and regional initiatives.~~

~~910.~~ REMINDS that the challenge is not only to attract talents, but also to foster and retain talents in the Union. **WELCOMES the Commission’s ‘Choose Europe’ initiative and ENCOURAGES the Commission to build on existing programmes and instruments such as ERASMUS+, the European Research Council (ERC), Marie Skłodowska-Curie Actions and EURAXESS, complementing national and regional initiatives.**

HIGHLIGHTS that non-EU researchers attracted to higher education institutions or research and technology **performing** organisations should also be able to transition into entrepreneurial roles or employments in startups, scaleups or larger industries seeking their expertise. AGREES on the need to reward **researchers** academic staff in their career not only by number and impact of publications, but equally for efforts in knowledge transfer and valorisation, commercialising of their results and engaging in knowledge sharing dialogue with policy makers and citizens. **ACKNOWLEDGES the importance of the ongoing work under the Coalition for Advancing Research Assessment (CoARA) initiative.**

UNDERLINES that these efforts should be pursued in line with appropriate safeguards for research security⁶. ~~ACKNOWLEDGES the ongoing work through initiatives like the Coalition for Advancing Research Assessment (CoARA).~~ ENCOURAGES the Commission to **build on existing** ~~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.

⁶ OJ C, C/2024/3510, 30.5.2024

ACCESS TO INFRASTRUCTURES AND NETWORKING ~~OF FOR~~ INTERCONNECTED ECOSYSTEMS

- ~~10~~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 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 suggest how the Charter of Access should be implemented at Union, national, and regional level.
- ~~11~~12. WELCOMES the idea of reinforcing networking and collaboration of European startup and scaleup hubs, ~~drawing~~ **building** on the ~~experience of~~ existing initiatives, such as the European Universities’ Alliances and Rise Europe, **Startup Europe and the European Startup Nations Alliance (ESNA)**. 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 ENCOURAGES larger industry to engage with startups and scaleups and establish business relationships to retain homegrown innovation.
- ~~12~~13. ENCOURAGES the Commission to take advantage of digital technologies to promote the interconnectedness of hubs across the Union. PROPOSES that ~~the a~~ network of hubs engages in the following best-practice sharing activities to harmonise the support to startups and scaleups in the Union: startup and scaleup ecosystems developments, collaboration **and open innovation** between ~~academia~~ **higher education institutions and research performing organisations** and startups, scaleups and larger companies ~~and open innovation~~, **FAIR data principles**, management of seed funding, access and coordination of Union, national, and regional funding systems, and improving access to finance, including risk-financing. The ~~A~~ network should further promote the uptake of the Charter of Access **for industrial users** and provide advice on access to research and technology infrastructures, on management of Intellectual Property Rights and applicable State Aid rules. **HIGHLIGHTS the importance of also providing well-targeted support to SMEs in their internationalisation and access to global markets, as demonstrated by the EUREKA network.**

13~~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~~ **ENCOURAGES** the development of clear, **efficient and unbureaucratic implementation** rules for regulatory sandboxes, **including Union-wide sandboxes, in coherence with existing instruments**, in the forthcoming proposal for a European Innovation Act, ~~and~~ **URGES RECOMMENDS** the Commission to develop a sound methodology and processes for the rapid and effective implementation of regulatory sandboxes **in a manner that recognises protection standards**.

BRIDGING FINANCIAL GAPS IN THE VALUE CHAIN

14~~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 **and the Commission's intention to draw inspiration from Advanced Research Projects Agency (ARPA) like practices**. **AGREES** that the scale-up financing gap should be reduced as quickly as possible. ~~-~~**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 provide more information about the Scaleup Europe Fund and to position it clearly in the overall funding landscape with synergies to other Union **instruments, in particular InvestEU, as well as national, and regional instruments**. **CALLS** on the Commission to swiftly propose the **Scaleup Europe Fund's** set-up and governance structure and sources of finance ~~of the Scaleup Europe Fund~~, as well as **the** 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.

~~15~~16. RECOGNISES that, in line with the subsidiarity principle, initial ~~small~~ funding rounds targeted at the early stages from ideation to startup creation should be covered at national/regional/**institutional** 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 **relevant** cohesion policy **measures**.

~~17.~~ 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. QUESTIONS, however, if separate instruments are needed which will just add complexity and silos to the Union funding landscape. HIGHLIGHTS that R&I targeted instruments should always be driven by the principles of open competition and excellence.

~~16~~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, **entrepreneurs** and workers under the current MFF. **INVITES the Commission to establish** by establishing a ‘one stop’ access portal **platform for beneficiaries to find, compare and access** guiding the user to the best option in a resource efficient way. Information about national programmes and their access requirements and information on **resources, including** venture capital and other private investments for startups and scaleups, should also be integrated to the extent possible. -RECOMMENDS that the Commission considers introducing proof of concept or proof of market options for all relevant Union funded 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 interfaces between innovators and procurers in the public and private sector.

A STRONG IMPLEMENTATION

1719. CALLS on the Commission, in collaboration with Member States, to identify emerging ~~technological trends,~~ and disruptive technologies **and market failures** across Union, national, and regional programmes and disseminate the findings across these programmes.

ENCOURAGES the Commission and Member States to engage in close dialogue on future strategic priority areas **for programming**, ~~including for key technologies,~~ based on the acquired evidence.

1820. 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 **and other relevant instruments**. INVITES the Commission to include strategic sectoral breakdowns for the KPIs, as well as indicators reflecting the contribution of higher education institutions and research ~~and technology~~ **performing** organisations. HIGHLIGHTS the importance of the availability and openness of data, and clear methodologies for data collection. REQUESTS a weighting based on population size to be applied for optimal cross-country comparisons. ~~LOOKS FORWARD to the first reporting in 2027.~~

1921. ~~CALLS for a revision of the format and mandate of the EIC Forum to be able to take over the proposed coordination and monitoring role for the startup and scaleup strategy with the possibility to extend to innovation policy as a whole. INVITES~~ **REQUESTS** the Commission to ~~duly inform~~ **regularly report to** the Member States about the implementation of the strategy **and INVITES the Commission and Member States to set-up an adequate coordination and monitoring mechanism for the Startup and Scaleup Strategy, taking into account existing fora and with the objective of alleviating reporting burdens.**