

## **The European Institute of Innovation and Technology**

### **Call for proposals EIT-KICS-2009 – Knowledge and Innovation Communities**

The ambition of the European Institute of Innovation and Technology (EIT) is to be a key driver of sustainable European growth and competitiveness through the stimulation of top class innovations with a positive impact on economy and society. As the first major step in developing the operations of the EIT, the priority is the selection by December 2009 of the first Knowledge and Innovation Communities (KICs). KICs will be highly integrated, creative partnerships including education, technology, research, business and entrepreneurship that will produce new innovations and new innovation models and inspire others to emulate them.

The EIT now invites proposals with a view to the selection and designation of the first two or three KICs.

The deadline for proposal submission is 17.00 on 27 August 2009 (Brussels time).

#### **1. The EIT – European Institute of Innovation and Technology**

The EIT is designed to be a key driver of sustainable European economic growth and competitiveness through the stimulation of top-class innovations with a positive impact on economy and society.

Despite good quality research and fine inventions, Europe today needs to boost its innovation potential. Moreover, the European Union is currently facing economic turndown as a result of a global financial turmoil. Climate change and global warming require an unprecedented response at EU level, as shown in the recently adopted climate change/energy package. The ambition to shift towards a greener, energy efficient economy obviously asks for innovative solutions. The growing importance of the knowledge society across Europe and the high speed of development in key technologies offer great opportunities for new business creation and sustainable jobs. To reap these opportunities fully, Europe must unlock its innovation potential by creating new business opportunities and by investing in education for a visionary entrepreneurship.

The mission of the EIT is to grow and capitalise on the innovation capacity and capability of the stakeholders (in and outside the Community) through Knowledge and Innovation Communities (KICs) that:

- build innovative and optimised chains of innovation including education, technology, research, business and entrepreneurship and by exploring and capitalizing on innovative and sustainable economical opportunities with a benefit to society
- create education improving the ability to challenge and to deal with change, uncertainty and complexity
- educate and develop entrepreneurial people to work across stakeholder boundaries
- create new business both for existing industry and for new endeavours
- have societal impact in terms of job creation and quality of life

This will be done in a cross-fertilizing effort with existing European policies and programs on research and technology, innovation, entrepreneurship and education.

## **Stakeholders**

The key EIT stakeholders include: business (large and small companies), entrepreneurs (including SMEs), technology, public and private research, education and investment communities (private investors and venture capital), local, regional and national governments and research funders including charities, foundations and civil society.

## **2. KICs - Knowledge and Innovation Communities**

A KIC is a collaborative partnership, a legally and financially structured and managed entity of internationally distributed but thematically convergent parties. The KIC will establish an innovation chain - from education to economic impact - drawing on, but moving beyond the experience and capabilities of individual parties. A KIC will deliver measurable societal, economic and entrepreneurial learning and business impact. Specific activities of a KIC are to:

- address long-term challenges in the themes and identify and tackle new opportunities for innovation in Europe;
- transfer higher education, research and innovation activities to the business context and commercial and societal applications (stimulating innovation in large firms as well as creating spin-offs and start-ups and supporting SMEs);
- attract, keep and work with partner organizations and top-class talent from around the world;
- develop entrepreneurial people and bring them to business;
- maximize the share of financial contribution from the private sector;
- address leading innovation-driven research essential to the KIC objectives ;
- set up new schemes of innovation-focused education through EIT-branded master, doctorate and post doctorate education.

## **Partners**

The activity of a KIC must involve at least 3 independent partner organisations. The partners must be established in at least 3 different EU Member States and must include at least one higher education partner and one private company. New partnerships are encouraged. Subject to the approval of the Governing Board, KICs may also include non-Member State partners where this strengthens the KIC.

## **Co-location centres**

KICs will be characterised by geographically distributed people who are brought together for significant periods to work in centres where individuals from different types of organisations and cultures (nationalities, industry, academia, research etc) are co-located in significant parts of the innovation chain (co-location centres). This co-location of people will allow stakeholders to work together face-to-face and move forward effectively towards KIC goals. The co-location centres are expected to be the lead nodes amongst a much larger number of partners in the network. It is anticipated that KICs will typically involve four to six co-location centres or lead nodes. Where an exceptional case for this is made, applications involving more than six may be considered.

Notwithstanding geographical co-location, all necessary means should be used to ensure a continuous linkage between all the partners in the KIC.

## **People**

A KIC is expected to include world class business people, entrepreneurs, researchers, technologists and educators, as well as talented and committed academics from Europe and abroad who are flexible, mobile and eager to innovate.

Characteristics of people and people management in a KIC include:

- people mobility between industry/business and academia and across national boundaries;
- a highly developed team culture/spirit around the objectives of the KIC;
- incentive schemes that attract and keep excellent partners and people from across the innovation chain;
- processes to stimulate working/studying together in co-location centres in “diverse” teams;
- recognition of people through the EIT brand and EIT label for master, doctorate and post-doctorate students

Mobility of people is an essential element of the operation of a KIC.

## **Management, organisation, governance, IPR and dissemination**

A KIC is expected to have a strong management and governance, including:

- high quality management with strong leadership and direction (for example, CEO, CFO) devoted full-time to develop strategy, ensure delivery of milestones and outputs and facilitate day-to-day operation of the organisation;
- clear organisation and collaboration rules (including entry-exit rules);
- an effective governance structure, enabling rapid decision making committing all KIC members;
- shared short-, mid-, and long term targets, performance indicators and milestones for the activities;
- motivating IPR rules;
- a strong outreach programme, for example to attract new partners, to develop and support clusters of SMEs around KIC nodes and to engage public interest in technology and non-technology-driven innovation and its importance in delivering Europe’s economic and social future.

## **Legal status**

KICs shall have substantial overall autonomy to define their internal organisation and composition which must, nevertheless, be aligned to its objectives and the needs of the partners. The status could vary from a consortium agreement to an independent legal entity, but must be consistent with financing requirements and operational autonomy.

## **Finance and budget**

In order to have a significant European impact a KIC should rely at cruising speed on a total spending of at least 50-100 million € per year. The KICs may be financed for up to 25% of its global expenditure over the first four years through the EIT budget, drawing in the rest through other sources of financing (e.g. co-funding from European funds). Whilst the full 75% from non-EIT sources is not expected to be in place on day one of the KIC, the application must include a robust plan to demonstrate commitments to ensure sustainable and long-term self-supporting financing including a substantial contribution from businesses.

The EIT contribution is, principally, for the operation of the KIC but may also be used to finance the establishment, administration and coordination of the KIC. The EIT contribution is not intended to fund new large infrastructure or to supplement established activities such as an existing funded research project.

### **Lifetime of a KIC**

The KIC must address a long-term horizon of 7 to 15 years, but with short-, mid- and long terms objectives that follow the mission of a KIC.

### **3. Scope of the call**

The aim of the call is to select and designate the first two or three KICs.

This first call has three priority areas:

- climate change mitigation and adaptation
- sustainable energy
- future information and communication society

Although a KIC proposal may span across areas, the KIC must address one of these priorities.

### **Contribution from the Community budget to the KICs**

The total contribution from the Community budget to the EIT available for funding all KICs activities is expected to be around 270 million in the period 2010-2013, distributed according to the following table:

Year	2010	2011	2012	2013
€(millions)	26	55	72	119

All the above amounts are indicative and subject to annual decisions of the Budgetary Authority.

### **Link between the EIT and the KICs**

The long-term cooperation between the EIT and each KIC will be formalised within an initial seven-year Framework Partnership Agreement<sup>1</sup>. This agreement shall specify the common objectives, the nature of actions planned and the general rights and obligations of each party. The Framework Partnership Agreement may be renewed.

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<sup>1</sup> This is the maximum period allowed under the EIT Financial Regulation

Within this framework, the EIT may make annual grant agreements with each KIC. These agreements shall be subject to approval, by the EIT Governing Board, of the KIC's rolling triennial work programme (containing a statement of its major priorities and planned initiatives, including an estimate of financing needs and sources) as well as the KIC's annual report (outlining the activities conducted during the preceding year and assessing the results with respect to the objectives and timetable set, the risks associated with the activities carried out, the use of resources and the general operation of the KIC).

The Governing Board will make its annual funding decisions following an assessment of each KIC's individual performance and competitive review between the KICs. Subject to the availability of funding, the EIT may award preparatory grants to the designated KICs.

#### **4. Overview of proposal preparation and submission**

This section contains an overview of KICs proposal preparation and submission – further information, including guidance for applicants on how to submit proposals is available through the **KICs Call** page of the EIT website: <http://eit.europa.eu>

##### **Registration**

Prior to proposal preparation, the coordinator must register via the link "[Register to the call EIT-KICS-2009](#)" on **KICs Call** page of the EIT website.

The EIT electronic registration system will open in May 2009. Proposers are encouraged to check frequently the **KICs Call** page of the EIT website and to register as soon as the system has been opened.

##### **Proposal preparation and submission**

Following registration, the applicants will have access to the EIT proposal submission system. Only electronic proposals submitted through the EIT proposal submission system will be accepted. As soon as a first draft proposal is available, it should be submitted. Further updates and improvements may be submitted at any time up to the call closure.

Potential applicants are strongly advised that registration and initial proposal submission should not be left to the final days before call closure as any problems encountered may result in failure to submit on time. No proposals or further modifications will be accepted after the call closure.

##### **Proposal contents and structure**

The proposal will contain four sections:

- Part A – this part contains administrative information on the partners and the proposal, as well as an executive summary of the proposal;
- Part B – (indicative length: 20 pages); this part is the body of the proposal and describes the KIC, what it wants to accomplish, its strategy, activities, work programme and processes, business plan (including provisions for sustainable and long-term self-supporting financing), its co-location plan, its IPR plan and the plans for dissemination of the KIC's activities and innovative education models;
- Part C – (indicative length: 15 pages); this part addresses the credibility of the proposal, particularly in terms of the organization, management and governance of

the KIC, the individual capability, capacity and international reputation of the partners and how this is integrated into a coherent world-class innovation chain from education through to economic and societal impact;

- Part D – this part contains a declaration from the legal representative of each partner, as listed in part A of the proposal, on their endorsement of the proposal, the KIC organization and governance and their commitment to the objectives and aims of the KIC and that they are not in a situation leading to exclusion.

The proposal will principally address one of the three priority areas.

### **Completeness of a proposal**

The **EIT-KICS-2009 - Proposers' Guide** contains precise instructions on the format, content and maximum size of each part of a proposal. Failure to follow these instructions may result in part of the proposal not being taken into account during evaluation or to the whole proposal being declared ineligible.

## **5. Overview of eligibility and evaluation procedures**

### **Eligibility**

Prior to evaluation, a proposal will be examined by the EIT support staff for conformity to the following eligibility criteria:

- the proposal must have been submitted by the call deadline;
- the proposal must contain completed parts A, B, C and D;
- the combined length of parts B and C may not exceed 40 pages;
- part D must contain the signed declaration, endorsing the proposal and confirming the absence of a situation leading to exclusion, from the legal representative of every partner listed in part A;
- the proposed KIC must contain at least three independent partner organizations established in at least three Member States;
- the majority of the partner organizations shall be established in the Member States;
- the proposed KIC shall include at least one higher education establishment and one private company.

Only proposals satisfying all of the eligibility criteria shall pass to the following evaluation stages.

### **Evaluation**

Eligible proposals will be evaluated by panels of independent experts with respect to the evaluation criteria. Experts will be grouped into evaluation panels – one for each priority area. The evaluation will take place in two steps following which a selection panel will make a final recommendation.

### **Initial Go/No-Go assessment**

Proposal parts A and B will be assessed with respect to:

- the consistency of the KIC topic with the targeted priority area and broad innovation goals, i.e. the degree to which the KIC addresses the priority area in a competitive and sustainable way.

This assessment will result in a Go/No-Go decision:

- Go: the proposal primarily addresses the targeted priority area and broad innovation goals
- No-Go: the proposal does not primarily address the targeted priority area and broad innovation goals

Only proposals receiving a "Go" decision will pass to the next step of the evaluation.

### **Step 1: evaluation of the quality of the proposed work programme and business plan (maximum 100 points)**

Parts A and B of the "Go" proposals will be assessed with respect to the following criteria:

- Novelty and attractiveness of the proposal (**maximum 20 points**);
- Economic, environmental, societal and innovation impact of the KIC in the context of European challenges and policies and potential to make a major contribution to the aims of the EIT (**maximum 20 points**);
- Internal coherence of the KIC strategy and activities (**maximum 10 points**)
  - Completeness of tools and resources of partners and level of integration between partners to form the innovation chain
  - provisions for innovation activities and investments including measures involving the private and financial sectors, SMEs, start-ups and spin-offs and new partners
  - extent to which the technological and non-technological research is innovation-driven, of high quality and with the potential to make a major impact
  - relevance and consistency of the education plan to KIC objectives;
- Quality of the co-location plan (**maximum 20 points**)
  - completeness and complementarity of KIC co-location centres
  - plan of operation: within each co-location centre and between co-location centres and the other partners in the partnership
  - people management in respect of co-location;
- Planning for the management and use of intellectual property (**maximum 10 points**)
  - effectiveness of the IPR plans including transfer, licensing and industrial value creation and consistency with KIC objectives
  - mechanisms to promote innovative research and creativity including remuneration and reward schemes;
- Completeness and credibility of the KIC business plan (**maximum 10 points**)
  - market analysis and competitive benchmarks
  - completeness and credibility of the financial plan including identification of the responsible actors, short-/medium-/long-term milestones, key performance indicators (KPIs) and sensitivity analysis (risk-assessment)
  - potential of the KIC in terms of innovation added value such as new business creation through spin-outs and within established companies, licensing etc and creation of societal impact, for example job creation or other contributions to improvement of people's lives

- potential return on investment over a 10-year period, including financial and non-financial indicators;
- Quality of the plans for dissemination of best practice and public outreach activity (**maximum 10 points**)
  - effectiveness of plans for external dissemination of best practice and excellence in the innovation sector, including education plans and programmes
  - effectiveness of public outreach.

To pass this step of the evaluation, proposals must obtain at least 30% of the maximum points for each of the seven criteria listed above and at least 50 points in total for this step. Only the five highest-scoring proposals from each priority area will pass to the next step of evaluation.

## **Step 2: evaluation of the commitment, capability and combined strength of the partners involved (maximum 100 points)**

Part C of proposals passing step 1 will be assessed with respect to the following criteria:

- Management, governance and organization of the partnership and co-location, covering also financial and legal aspects of the KIC (**maximum 50 points**)
  - suitability of the legal and financial structure: the proposal must demonstrate that the structure fully supports the aims of the KIC
  - appropriateness of the organization and management including key people profiles and time commitment in order to enable the KIC to function as an integrated entity
  - degree to which the governance structure supports clear and timely decision-making within the KIC;
- The combined strength of the partners (**maximum 50 points**)
  - the strength of the KIC in terms of the capability and capacity of the partners in the fields of higher education, research, innovation and entrepreneurship
  - the strength and track record of partners' existing experience within the innovation chain
  - the commitment of the partners to integrate activities and resources within the KIC
  - the coherence of the partners' collaboration to form a world-class innovation chain closely linking all activities from education through to economic and societal impact.

The final score of a proposal is the sum of the scores for steps 1 and 2, maximum 200.

The three top scoring proposals from each priority area will be examined by an independent panel of experts.

### **Assessment by a final selection panel**

At the end of step 2, a final panel will examine the three top-scoring proposals from each priority area (9 proposals in total) together with their associated evaluation reports. The final panel will:

- adjust, if necessary, the final scores to ensure consistency between the three priority-area evaluation panels;
- make recommendations concerning the selection of the designated KICs;
- make recommendations concerning the way in which the selected proposals need to be improved or strengthened.

The selection panel will prepare a report for the EIT Governing Board.

## **6. Hearings and designation of the first KICs**

On the basis of the final panel recommendations, the Governing Board will hold hearings with representatives of the highest-ranked proposals taken in order from the respective priority area lists.

Hearings will take place in **Budapest on 16 December 2009**. Representatives of KICs proposals should ensure that they keep this date available in case they are called. No more than 6 proposals will be invited to hearings.

The Governing Board will finally designate a maximum of three KICs. This choice will be based on:

- the scores awarded by the selection panel to each proposal;
- the outcome of the hearings, including potential improvements;
- the interests of the EIT particularly in relation to its ambition, mission, identity and coherence.

The Governing Board intends completing the selection and designation of the first two or three KICs in December 2009.

Negotiations between the EIT and the KICs, on the modalities of the seven-year Framework Partnership Agreement and the annual grant agreement, will commence in January 2010 with a view to starting the KICs' activities as soon as possible.

## **7. Information to applicants**

Following designation of the KICs by the Governing Board, all applicants will receive written feedback on the evaluation of their proposals.

## **8. Redress**

Applicants may have recourse to redress if they have grounds to believe that their application has been adversely effected by incorrect eligibility checking or manifest shortcoming in the evaluation of their proposal. A request for redress, from the coordinator and addressed to the Chairman of the EIT Governing Board, may be submitted through the help desk on the EIT website. Please note that redress on the technical judgment of the expert evaluators is not admissible.