



Innovate!

**Join the EIT – and help Europe advance
Framework of Guidance
2014 Call for KIC proposals**



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So you want to join the EIT?

The European Union has taken the next big step in improving its capacity to innovate, educate and grow: An expansion of the European Institute of Innovation and Technology.

Since its founding in 2008, the EIT has moved from idea to reality – forming three far-reaching partnerships for innovation, called Knowledge and Innovation Communities. These KICs have already trained more than 1,000 young entrepreneurs, incubated more than 100 new companies, and developed a wide range of new products and services. They have forged productive partnerships among hundreds of companies, universities and research institutes. And they have mobilised European capital for innovation on a large scale – using the initial EU investment to attract three times as much capital from partners and other funding sources.

The EIT is, truly, Europe's answer to the global innovation challenge – a unique made-in-Europe approach, reflecting our special skills at managing collaboration, diversity and invention.

Now, the EIT is poised to grow. In 2014, it will recruit two new KICs, in healthy living and active ageing and raw materials – and by 2016 two additional KICs in food4future and added value manufacturing will join the EIT family. In 2018, a new KIC will be launched in urban mobility. Combined with the existing KICs in energy, climate change and information and communications technologies, these built-for-purpose partnerships will harness European innovation and entrepreneurship to solving some of the world's greatest problems in nutrition, climate, health, productivity, sustainability – and to provide quality jobs. These are big dreams, but we are not dreamers. From these KICs will come real products, services, entrepreneurs, engineers, scientists, companies, revenue, profit and jobs, right here in Europe.

A public Call, to be launched on the 14th of February 2014, inviting applications to start a new KIC, is open until the 10th of September 2014. Full details are at eit.europa.eu/kics/2014-call-for-kics. But we have learned, through our own start-up phase from 2008, that there is much to consider when applying, planning, starting and managing a KIC. The new KICs will be on a fast-track to success. As this document suggests, the EIT will help them get there.

This Framework of Guidance is intended to help those interested in forming an EIT Knowledge and Innovation Community (KIC). This document is not legally binding, and applicants are advised to study the underlying legal texts at: eit.europa.eu/kics/2014-call-for-kics/



Alexander von Gabain
Chair, EIT Governing Board



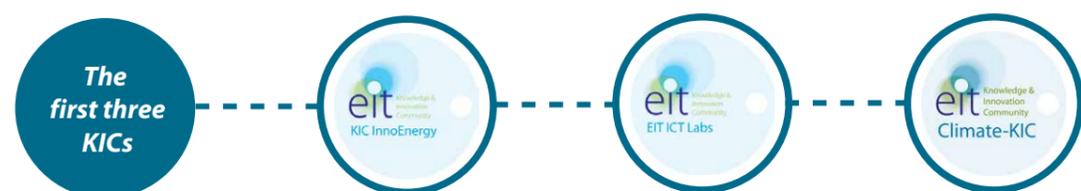
Jose Manuel Leceta
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1. What is the EIT?

Today, we face many daunting challenges – global warming, youth unemployment, social division, an ageing population, and more. But we can find solutions to them. Europe has great universities, strong companies, stable and democratic institutions. It has clever scientists and engineers, ambitious students and entrepreneurs. The trick: Finding a better way to get them working together, learning, innovating and prospering. That's where the EIT comes in.

The European Institute of Innovation and Technology is a unique EU initiative to spur innovation and entrepreneurship across Europe. The idea is simple: in diversity is strength. It brings together leading universities, research labs and companies to form dynamic cross-border partnerships. Together, they develop innovative products and services, start new companies, and train a new generation of entrepreneurs. They bring ideas to market, turn students into entrepreneurs. They innovate.

Each partnership focuses on a different challenge – to start with, developing sustainable energy sources, managing climate change, and pioneering information and communications technologies. Each sets its own objectives, business plan and structure. Each uses the central EIT funding as seed-money to attract other investors. These are the KICs, the Knowledge and Innovation Communities. They knit together Europe's leading players in education, research and business: they deliver the results.



How does the EIT and the KICs work?

Since the first KICs began operating in 2010, the EIT has developed a unique system to pull it all together:

Step 1: Making the plan. A Governing Board of the EIT of leaders in industry, research and education – reflecting the make-up of the KICs – provides strategic direction to the whole EIT family. A central, small and efficient administrative staff at the EIT headquarters in Budapest coordinates policy and manages the EU investment granted by the EU: €308.7 million from 2008 to 2013, and €2.7 billion from 2014 to 2020.

Step 2: Forming the KICs. A core group of educational, research and business partners comes together and are invited to bid to form a KIC. They set their objectives, develop a business model, and devise a structure to deliver the results. They enter a competition against other would-be KICs, a transparent, competitive and fair process led by the EIT Governing Board, following criteria set by the Board. The winners – one group for each field – get the mandate and resources to get to work.

Step 3: Delivering results. The KICs have seven years to deliver, with annual milestones. They start with the EIT funding as up to 25% of their capital, and raise the rest from other European and national sources, private investors and the partners themselves – hence, the EU money is leveraged to greater effect. Each KIC has its own head office, its own system of management, and its own network of partners operating across the EU and beyond. Together, they attract students for masters and doctoral degrees and other forms of entrepreneurship training. They incubate new companies, using ideas from the researchers and business partners. They develop new services, processes or products, that big or small companies can roll out into the marketplace. They generate a return – for Europe.

What are EIT and the KICs doing?

Since launch, the EIT and its KICs have:

Brought together 352 partners, across disciplines, countries and sectors.

These include, among the three founding KICs, some of the biggest names in industry, from ABB to Vattenfall. Working with them are **91 higher education institutions**, from Aalto University to Utrecht University. They are joined by **66 research centres and 42 cities, regions and non-governmental organisations**. In barely three years of operations, the EIT has accomplished its first goal: reducing the fragmentation of the European innovation landscape in the areas of operation of the existing KICs. And with its partners the EIT has achieved something extra: It has leveraged the initial EU investment to attract more capital. Starting with their EIT grants of €145.2 million from 2010 to 2012, the existing KICs were able to raise additional resources from elsewhere, to make up a total budget of €769.2 million.

Sparked a new type of entrepreneurship training for Europe. EIT partners have created scores of new entrepreneurship programmes. They are for masters or doctoral degrees, executive education or other forms of training. They are popular, **attracting 13 candidates for every available place**. And they have produced a first crop of **more than 1,000 graduates**. The teaching is innovative. "The Journey", run by the Climate-KIC, brings students from many backgrounds on a five-week trek across Europe for lectures, business coaching and hands-on venturing. Another KIC, EIT ICT Labs, has formed a joint venture of more than 20 universities and business schools to train young engineers and ICT specialists – with guaranteed internships at partner companies. And KIC InnoEnergy has opened a Master School in two universities focused on sustainable energy technologies. All are now expanding their programmes. In all, the EIT Label has been awarded to more than 35 Masters courses – a brand certifying a focus on innovation and entrepreneurial, creative thinking.

Fostered more than 90 new services and products in 108 start-ups. True innovations are disruptive – and it often takes small, dedicated teams of start-up entrepreneurs to push them out of the lab and into the market. They are in every area imaginable. One is developing a **new 'aquaponics' system** to farm better vegetables and fish. Another is successfully selling combined **photovoltaic and solar thermal energy cells**, to heat water and generate electricity. A third has a **new 'self-learning' system** for computer networks to protect themselves against cyber-threats. From the EIT, they get help in planning their businesses, recruiting staff, raising capital, winning customers and attracting business partners; indeed, the EIT's multinational partners are often among their customers, thanks to their work together. And they get what every innovative venture needs: public attention. The EIT has its own awards programme with nine winners to date – but KIC ventures are also lauded elsewhere: Two Climate-KIC ventures just won prizes in a Silicon Valley competition, and five student-entrepreneurs from KIC InnoEnergy came second in the \$1 million HULT Global Challenge, sponsored by former US President Bill Clinton.



What's next?

The EIT has a clear path for growth. The budget rises, from €308.7 million in the EU's seven-year planning cycle from 2007 through 2013, to €2.7 billion in the next planning cycle from 2014 through 2020. It will be used to help the three existing KICs grow; because they started operations in 2010, they are only about half-way through their own seven-year terms – and an extension beyond that is possible. The EIT funds will also be used to grow the EIT family of KICs, and tackle challenges in new domains beyond energy, climate and ICT.

The five new KICs

2014

Innovation for healthy living and active ageing

Improve the quality of life of European citizens of all ages and maintain economic sustainability of the health and social care systems. This is in the face of increasing costs, shrinking human resources and citizens' expectations for the best care possible.



Raw materials – Sustainable exploration, extraction, processing, recycling & substitution

Ensure the accessibility, availability and sustainable use of raw materials needed for the economy and for the satisfaction of citizens' well-being. This is while achieving a resource-efficient economy that meets the needs of a growing population within the ecological limits of a finite planet.



2016

Food4Future

Ensure a climate-resilient and sustainable global food system. This is while meeting increasing food demand within the constraints of available land and declining fish stocks, protecting the natural environment and safeguarding human health.



Added Value Manufacturing

Strengthen high value (or added-value) manufacturing industry to guarantee Europe's competitive position. Create value by delivering product and service innovation, establishing process excellence, achieving high brand recognition and contributing to a sustainable society.



2018

Urban Mobility

Develop solutions for sustainable urban mobility. This will require breakthrough innovations leading to greener, more inclusive, safer and smarter transport systems.



The selection of the first two new KICs, in healthy living and active ageing, and in raw materials, will start in 2014. The selection of the next two, food4future and added value manufacturing, will begin in 2016. And the last, on urban mobility, is for 2018 pending the results of an EIT review in 2016-2017.

If you want to apply, think through your motivations and those of your main partners carefully. The EIT is not for everyone. It is not just another EU grant programme. It is an ambitious but pragmatic effort to work with the best in solving our biggest problems; to do so by delivering real products, services and jobs; to create new sectors and markets; to renew and give new impetus to existing sectors and markets; and to effect a lasting change in the way Europe thinks and goes about innovation and entrepreneurship.

2. What makes a successful KIC?

The idea of an EIT Knowledge and Innovation Community is straightforward and in itself an innovation. It is a partnership, operating under the EIT umbrella, at the core of which are research organisations, educational institutions, businesses and other innovation stakeholders such as regions or NGOs. It operates across the EU and beyond, connecting its partners' labs, factories or classrooms for joint projects. It focuses on developing innovative products, services and training in a specific area of the economy so that it can help overcome some of society's main challenges in that field. It operates with its own management, legal structure and business plan, autonomously designed with the EIT's support. It has clear, measurable objectives, to deliver value to its partners and EU taxpayers.

A KIC is, in essence, innovation in action. Its work is world-class, and covers the entire value chain from education to R&D, demonstration, start-up incubation, marketing and sales. It is a living entity – a dynamic partnership, ready to adapt to the changing realities of its field and the emerging needs of Europe. Yet, it is visibly a part of, and contributor to, the whole EIT community and embodies its core values: impact, excellence, and partnership.

A KIC must be born from a strong desire to do things differently, with like-minded people and organisations ready to experiment and operate at the boundaries of innovation. It must pioneer new solutions to society's biggest challenges. And it must innovate.

Some tips for starting a KIC

Start small, consolidate and then grow progressively.

Get organised early and well. Do not underestimate the importance and the intensity of the set-up phase to get the KIC off the ground. The first KICs took nine to twelve months to establish all necessary legal and financial structures and define how they would work.

Make sure your partners are fully **committed** from the outset.

Define the role of and empowering **the CEO and Executive Team** is vital.

Choose the right **legal entity** for your partnership and strategy.

When establishing **co-location centres** think through their management structure and how they will connect to the KIC and each other.

A successful KIC has...

A long-term strategy

Once you know what you want to achieve, how are you going to do it?

Partners in a KIC come together with a long-term vision. It is essential they design a realistic strategy to overcome the concrete challenges posed in their thematic field. The strategy must cover at least seven years. It lets partners commit for a long time, and ensures that a KIC is able to focus on short, medium and long-term objectives, while remaining agile enough to adapt to emerging needs.

A KIC works across the boundaries of higher education, research and business, developing activities within and across all three sectors. Its strategy must reflect its multidisciplinary nature, its approach to innovation and its preferred portfolio of activities. In addition, the strategy is crucial in positioning the KIC as a world-class player.

The EIT's Strategic Innovation Agenda, at eit.europa.eu/about-us/eit-key-documents, includes indicative factsheets on the societal challenges which the future KICs will address. It is up to you, the expert in the field, to define together with your partners how exactly you are going to overcome these challenges.

A successful KIC has...

A diverse, balanced, world-class partnership

Partnership is an essential feature of a KIC. To start with, it's required by the EIT's aim of bringing together players in the "Knowledge Triangle" of education, research and business. Diversity of partners is vital; no two companies, universities or research institutes are the same; each KIC partner sees the world differently; and it's when they work together that the creative sparks of innovation can fly. Binding them into partnerships makes good business sense: Europe's many strengths are more effective if pooled together.

But to make a KIC work, the partners must be committed to it. Each existing KIC has chosen its own way of showing that commitment, with different classes of partner, costs and benefits. This reflects the diversity of partners – from tiny companies to major universities. But it also reflects their different approaches to innovation and entrepreneurship.

The three existing KICs have come up with a two- or three-layered partnership scheme, distinguishing between core and other (affiliate or associate) partners. The core partners have a much higher level of rights and responsibility than the other partners, and must devote substantial human and financial resources throughout the KIC's life. They are in the driver's seat. The other, affiliate or associate, partners may enter or leave the KIC, often to participate in specific projects or tasks. The current KICs started with about 30 partners each, but have gradually expanded; they now include more than 100 organisations each.

A successful KIC has...

A focus on people and talent

A KIC puts people at the centre of everything it does – whether research, development projects, educational courses or business coaching. It provides talented people with the opportunity to start a company, design a product, launch a service, get a new degree, advance their careers – or just plain make money. It lets them move – across national borders for new jobs or tasks, or across the conventional boundaries between industrial sectors or scientific disciplines. Providing these opportunities is important; it should be reflected in the KIC's management model, its long-term strategy, its drive for excellence, its portfolio of activities, and the way it communicates and interacts with society at large.

The EIT can help...

Students

As a student you will find that the EIT and KICs are built around a new way of approaching innovation and business creation. Thanks to their broad partner base, you will be able to meet professionals from companies, big and small, increasing your chances of landing a job or creating your own company. Your training will reflect the multifaceted reality of innovation. You will be able to spend time in companies, learning by doing. You will be graduating from high-quality universities offering EIT-labelled degrees. You will be able to move from one country to another and from universities to companies. Get ready to learn and work all over Europe.

Teachers

A KIC gives you the opportunity to learn to teach differently, using new technologies, new types of learning through collaboration with business and research, and innovative learning environments. By bringing together education, research and business in the design of entrepreneurship courses, a KIC lets you trigger the creativity of students. Share your experience within the KIC to improve curricula, create new learning formulas and capitalise on the opportunities offered by innovation.

Entrepreneurs

KICs gather top talent for innovation. As an entrepreneur, you will be able to learn from the best and, who knows, you might find new business partners to develop your ideas. KICs offer you direct access to the European marketplace; be prepared to expand to new markets. KICs have many activities for entrepreneurs: mentoring schemes, enhanced access to finance, access to top researchers and students, and more resources – from office space, to administration, to the know-how of the KIC partners. The KICs accompany you during the entire journey of creating a business.

Researchers

Working in a KIC can offer a creative blast – new partners, new facilities, new disciplines and cultures. If you're in a university, the KIC can grant you access to corporate labs, applied research disciplines and ambitious entrepreneurs to make your ideas real. If you are in a company, the KIC can broaden your partner network, bring new ideas and draw on new disciplines to meet your goals. Have a say in how your research can be used to find solutions to global challenges!

Business professionals

The KIC can help you advance your career. Its partnerships let you develop your creativity, broaden your skills, stay up to date with latest technologies, and network with other professionals from world-class organisations. A KIC provides insights into the latest innovation trends, to create new business opportunities. You can take part in entrepreneurship-driven courses to stay competitive, get business coaching, work across borders and disciplines – or more quickly bring your company's innovation projects to fruition.



A successful KIC has...

Top quality governance and management

Bringing together many different partners requires strong governance. A KIC is free to define its own internal organisation and management structure; but experience shows that a strong, lean and flexible management is needed to implement the KIC's strategy. Governance and structure affect not only how the KIC works centrally, but also how the co-location centres are managed and integrated into the wider KIC network.

All the current KICs have a Chief Executive Officer (CEO), supported by an Executive Team consisting of top management positions such as a Chief Financial Officer (CFO), Chief Operating Officer (COO) or a Chief Science Officer (CSO). They have executive power over the management and finance of the KIC. Experience shows that independence, a clear mandate and empowerment from the partners are all crucial to give the CEO and Executive Team enough room for manoeuvre. The KIC partners are represented, depending on their class of membership, by participation in KIC Boards, Committees or Assemblies. For a KIC to run smoothly, it is important to have the partners' top management involved in its decision-making.

Who's the boss?

Climate-KIC

Climate-KIC has an Assembly, with one representative from each core partner and two elected affiliate-partner representatives. Strategically, it is led by a governing board with representatives of the co-location centres and regional centres. Operationally, it is led by a Chief Executive Officer and an executive team.

EIT ICT Labs

EIT ICT Labs has a General Assembly of partners that decides on strategic issues and the business plan and elects the Executive Steering Board. The Board includes two core partners from each of the KIC's six regional nodes; appoints its chairman, the KIC Chief Executive Officer and the other main officers of the KIC; and provides guidance to the CEO. The Management Committee includes the CEO and other key executive officers of the KIC.

KIC InnoEnergy

KIC InnoEnergy has a Supervisory Board responsible for oversight and the general direction of the KIC. It also appoints an Executive Board, responsible for elaborating and implementing the business strategy and an annual business plan. A General Assembly of the KIC partners adopts the annual report, accounts and profit appropriation. The day-to-day business is led by a Chief Executive Officer and an executive team.

A successful KIC has...

An integrated network of co-location centres

A KIC knits together organisations of different sectors, countries and disciplines. Physically, how does it do it? The co-location centre is an EIT invention – and one of its primary characteristics.

Co-location centres build on the existing labs, offices or campuses of some of the KIC's core partners, which serve as clusters for a particular region, discipline or task. They bring together, at a local level, the education, research and industry partnerships of the KIC. They permit face-to-face contact and geographical proximity. They ensure that a KIC's innovation potential is fully realised. Each KIC has from four to six co-location centres at the start.

As part of the KIC's strategy, including synergies with other initiatives, the innovation capacity and potential impact of all co-location centres together must be greater than their individual strengths. Co-location centres give the KIC critical mass on a European scale; they help the KIC have impact. Together, they form a continent-spanning network – so partners can tap the best talent, ideas and resources for their particular projects, wherever they may be.

Each current KIC has chosen a co-location centre model best suited to its strategy. Some centres have specialties in a particular field or discipline; others have horizontal skills that can help all partners. But several key functions can be seen across all co-location centres: managing projects and other activities, coordinating partners, serving as contact points, managing knowledge networks – and simply providing physical space for work to happen.

So far, co-location centres are:

- bringing ideas and people together in new ways;
- facilitating the exchange of ideas and interactions between partners;
- creating opportunities for new and existing organisations to access leading European teams;
- embedding themselves in local and regional networks;
- creating continuous linkages and strong networks across the KIC;
- benefiting business by providing access to people, ideas and opportunities to test new products, develop new services, and provide innovators and entrepreneurs access to markets.



Some examples of co-location centres...

Climate-KIC's co-location centre in Germany, headquartered in Berlin, manages all Climate-KIC activities at the local and regional level. Climate-KIC's offices at the EUREF-Campus in Berlin-Schöneberg include videoconference facilities. The centre focuses on sustainable city systems, e-mobility, modelling, policy and technology road-mapping, solar energy, water and zero-carbon production. The centre also hosts Climate-KIC's local business incubator, the Green Garage, which offers working space for up to six start-up companies as well as space for workshops and seminars. Climate start-ups can get workshop and prototyping space and the support of Climate-KIC's Acceleration Programme to make their business ideas a reality. The German centre also brings together such partners as Bayer Technology Services, Forschungszentrum Jülich, GFZ, the Potsdam Institute for Climate Impact Research and TU Berlin, and serves as a local hub for Climate-KIC's wider pan-European partner network.

KIC InnoEnergy co-location centre in Sweden, headquartered in Stockholm, is set up by Kungliga Tekniska Högskolan (KTH), Uppsala University, ABB, and Vattenfall as shareholders. It integrates an additional 30+ partners from industry, research, and education. KIC InnoEnergy Sweden offers the Swedish innovation community access to 10 different sustainable energy topics which are addressed by KIC InnoEnergy, e.g. renewable energies or energy efficiency. At the same time it coordinates KIC InnoEnergy's expertise in the field of Smart Grid and Storage. KIC InnoEnergy Sweden delivers our European educational offers in Sweden. So while e.g. the KIC InnoEnergy PhD School is one European offer, its six tracks are implemented locally, one of it in Sweden. Finally, KIC InnoEnergy Sweden also serves as the Swedish entry point to the KIC InnoEnergy Highway, a European incubator specialized in sustainable energy. Among the ventures nurtured is CorPower Ocean, which has developed an advanced compact high-efficiency Wave Energy Converter (WEC), inspired by the pumping principles of the human heart. Recently, Swedish angel investors joint forces and established a company dedicated to support the start-ups' growth phase.

EIT ICT Labs co-location centre in Italy, headquartered in Trento, focuses on leveraging ICT for Quality of Life and is located at the core of the Trentino Region, an area rich in communications infrastructures and bristling with innovative companies. Trentino Region is sometimes referred to as Semantic Valley. The Node unite the leading ICT players in Italy. In the Povo Scientific and technological centre Trento CLC co-locates with its core partners - Engineering, Telecom Italia and TrentoRISE. The affiliated partners have activities all over Italy (CNR-National Research Council) and have labs, connected to the Co-Location Centre, in Lombardy (Politecnico of Milan), Piedmont (Politecnico of Turin), Emilia Romagna (Alma Mater Studiorum - Università di Bologna) and Tuscany (Scuola Superiore Sant'Anna). Affiliated industrial partners are CFR (FIAT Research Centre), Cooperazione Trentina, Postelitaliane, Reply and ST Microelectronics.

Climate-KIC

▲ - Co-location Centre

▲ - RIC (Regional Implementation and Innovation Centre)

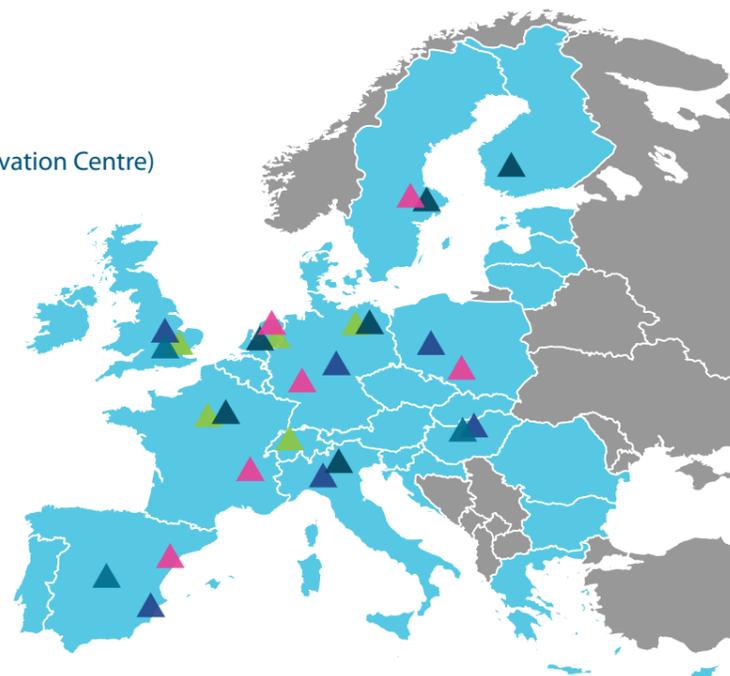
EIT ICT Labs

▲ - Co-location Centre

▲ - Associate Partner

KIC InnoEnergy

▲ - Co-location Centre



A successful KIC has...

A legal entity suited to its needs

The choice of an appropriate legal entity for a KIC is crucial. It integrates the partners, and is the intermediary for any communications between the EIT and the KIC partners. The KIC CEO is the representative of the KIC Legal Entity (KIC LE).

The structure chosen by each KIC reflects the initial commitment of the various partners. But more importantly, it has a bearing on their performance and long-term commitment. In addition, the choice of legal entity determines the governance structures of the KIC. Whatever the structure, its leading principle must be business-like logic and flexibility to make quick decisions.

The Legal Entities of existing KICs

The three existing KICs have chosen different legal forms for their legal entity: Climate-KIC is organised as a Dutch Association; EIT ICT Labs is organised as an Association under Belgian law, and KIC InnoEnergy is organised as a Societas Europaea (SE).

Societas Europaea	Dutch Association	Belgian Association
<ul style="list-style-type: none"> A single legal structure and a unified management and reporting system Some requirements in the SE seem to render it more suitable for large companies than for SMEs. Great flexibility is granted for its internal organisation Mixed system of EU and national legislation A European company can attract private venture capital more easily 	<ul style="list-style-type: none"> Direct involvement of the members A members' meeting must always be organised before taking a decision Clear legal structure and well regulated by law The head office must be in the Netherlands No minimum capital is required. The members cannot make material profit from their participation in the Association. 	<ul style="list-style-type: none"> Adapted for international projects Modification of Statutes clauses may be subject to rigorous formalities Flexible governance structures The head office must be in Belgium. No minimum capital is required. The members cannot make material profit from their participation in the AISBL.

A successful KIC has...

A sustainable business model and financial plan

A KIC is expected to have a business logic, transforming knowledge into money and sustainable businesses by, for instance, creating new companies, developing new or improving old products, services and processes, spurring innovation from research, or training the entrepreneurs of tomorrow. This focus on the market requires a well-developed business model and financial plan.

For that, the KIC must decide what will be its unique selling proposition, what value it can add, and what its business opportunities could be. A market analysis, including how to achieve a competitive position, is also essential.

It must also plan how to raise capital. As the EIT funds only up to 25% of the budget, a KIC's business model is its engine to generate the remaining 75%. As a KIC gradually develops, its financial needs increase – and that has consequences on how the KIC leverages complementary funding for its operations. For that, partner commitment, including financial support, is essential.

In addition, a KIC must aim at being sustainable in the long term. Financial sustainability means a progressive reduction of its dependency on EIT funding. The KIC's business model and financial plan must take this into account, as well.

A successful KIC has...

A policy for intellectual property

A KIC will create valuable new ideas – for patent, copyright or trademark. How should it protect them? How to share them internally? Can it make money from them?

The EIT follows a non-prescriptive, flexible and lean approach as to the development of rules for Intellectual Property Rights within each KIC. As a consequence, the existing KICs have great flexibility in setting their own policies. They have all established IP boards, responsible for the management of knowledge transfer and IP-related issues. They have used this flexibility to match their IPR policies to their specific business models – and to their unique nature of collaboration on multi-stakeholder projects.

The EIT will continue to facilitate the exchange of good practices and experiences in drafting IPR policies.

IP lessons from the existing KICs

- Regulating IPR in collaborative projects is essential
- All three KICs have established IP boards and have created IP policies
- For KIC InnoEnergy, IPR has become one of several sources of income
- EIT ICT Labs has a lean approach to IPR based on seven principles for joint projects
- Climate-KIC is using IPR to reinforce its 'open innovation' approach for collaboration in the emerging climate technology sector

A successful KIC has...

A communications plan supporting the EIT brand

At this point, it is clear that you are set to achieve great things. All great things must be shared.

A KIC's communications strategy is an opportunity to convey its unique way of approaching innovation and entrepreneurship. Communications should focus on what is being accomplished while emphasising the benefits that the KIC, as part of the EIT community, brings to its partners, collaborators and society at large. The EIT is an innovative, dynamic and pan-European Institute. A KIC's communication activities should strongly contribute to the development of the EIT brand. Building the EIT identity helps the KIC attract new partners, talented individuals and financial resources. The stronger the EIT brand, the easier the life of a KIC.

Thus, the EIT will offer newly designated KICs tailored and targeted communications support. The objective of these services is to build a consistent and coherent EIT brand. The EIT's communications support to KICs will be carried out by experts in the field, taking into account a KIC's own needs and working closely with it. The EIT will assist KICs with the development of brand identity guidelines, an online presence, the creation of content, the production of audio-visual materials, and relations with the press.

Another way of promoting the EIT identity is by instilling its core values in the KIC activities. To this end, the EIT label, which can be awarded to Master and Doctoral programmes offered by a KIC's partners, is an important element of the KIC's approach to dissemination. To earn the label, now used at 35 different university programmes across Europe, requires measuring up to a list of demanding characteristics – of high competence at innovation, out-of-the-box thinking, leadership and ethical behaviour. The EIT label highlights the novelty of its teaching. Part of the EIT's mission is to deliver a unique brand of excellent and relevant education responsive to both business and societal demands, focused on innovation, entrepreneurship and creativity. The hallmark of an EIT education is not only acquiring knowledge but also overcoming real challenges - with an entrepreneurial mind-set and skills. Innovative learning, high standards and a rich learning environment form the foundations of the EIT label. It represents an opportunity to share with the whole of Europe and beyond the entrepreneurial education being developed by a KIC.

A successful KIC has...

A plan for outreach and dissemination

To succeed, a KIC must put forward its people, products and companies to the market, and to society at large. Outreach gives the opportunity to share what is happening across the EIT and KICs, while making a real change in how other organisations and individuals approach innovation.

From 2014 onwards, the Regional Innovation Scheme (RIS) will be a new element of the EIT and KIC outreach strategy. It is the EIT's answer to ensuring wider participation in its research and innovation. The aim of the RIS is to draw others, outside the KIC partnership, into the world of innovation – to engage with other companies, universities, labs and stakeholder organisations that could help or be helped by the KIC. This will create lasting and systemic impact, for a better integration of the knowledge triangle across the European innovation landscape.

The EIT Regional Innovation Scheme (RIS)

The RIS promotes engagement between the KICs and the wider innovation community.

- **Excellence** – In line with all EIT activities, participation in the RIS must be based on the principle of excellence. The RIS will be targeted at partnerships representing the three sides of the knowledge triangle.
- **Implemented by KICs** – The EIT will encourage participation in the RIS and provide support to the KICs as required. The RIS will be implemented by the KICs on a voluntary and autonomous basis.
- **Openness and transparency** – Participants will be selected by the KICs through open and transparent processes.
- **No automatic KIC membership** – Participating in the RIS does not imply a future partnership with a KIC.

Funding – The primary sources of funding for the RIS will be from non-EIT sources (national funding, structural funds, participants' own resources, etc.). Funding for specific mobility actions within the RIS can be funded from the EIT.

A successful KIC has...

An eye for synergies

The KICs do not work in a vacuum. Innovation happens throughout the world. A KIC, in its quest to learn new ways of doing things, seeks opportunities to collaborate with others – at the international, EU, national, regional or local level. Wherever it can gain from working with others, a KIC is ready to take the opportunity. Of course, it is up to the KIC to decide how, and with whom, to collaborate.

For instance, in China the Climate-KIC recently signed a memorandum of understanding to collaborate with a state-run development corporation in the city of Tianjin on green building retrofit and smart city systems. It is developing relationships with China's National Development & Reform Commission, the Ministry for Housing and Urban-Rural Development as well as other local technical agencies concerned with urbanisation. Climate-KIC's efforts in Brazil focus on developing pilot schemes in the education sector, targeting sustainable development, and building capacity for leadership in the private sector and city and region. KIC InnoEnergy, meanwhile, is managing the MAGHRENOV project for innovation in renewable energy and energy efficiency, as part of EU efforts to collaborate with the Maghreb countries in the Mediterranean Basin.

The KICs are also deeply involved in other EU programmes. For instance, EIT ICT Labs is working on several projects that fit neatly into the EU's new research and innovation programme, Horizon 2020. These include initiatives in health, smart energy systems, digital cities, cloud computing, and much more. The educational initiatives of EIT ICT Labs (Master and Doctoral School) link naturally with the skills and career development part of Horizon 2020. And KIC InnoEnergy is one of 15 actors coordinating the EU's new energy technology strategy, the SET Plan Integrated Roadmap 2014-2020. It is a member of the Advisory Board of the Joint Research Centre's Energy and Transport Institute, and is developing a new fellowship programme supported by with the EU's Marie Curie Actions.



3. The fine print: Getting started

If you win the KIC bid, the first year after designation will be a critical period. Partnership arrangements must be finalised, the legal entity established, management and staff recruited, and many details that were formerly theoretical become very real – such as IP policy. While it is primarily the responsibility of the designated partnership to ensure a good start, the EIT will incentivise the KICs to set up the right governance and management structure, in accordance with the commitments made in the proposal. Among other things, that makes sure the EIT-KIC contracts are signed on time.

Thus, the EIT may provide an EIT Start-Up Grant, from EUR 2 to 4 million, to the designated partnership during the set-up phase. This is to help the KIC:

- Set up necessary KIC governance and legal structures
- Recruit and appoint KIC CEO and other KIC core staff
- Design and agree on the practical modalities for implementation of KIC activities
- Prepare the KIC's integrated portfolio of activities in the first KIC Business Plan (KIC BP)
- Prepare monitoring, reporting and evaluation functions for the KIC Legal Entity

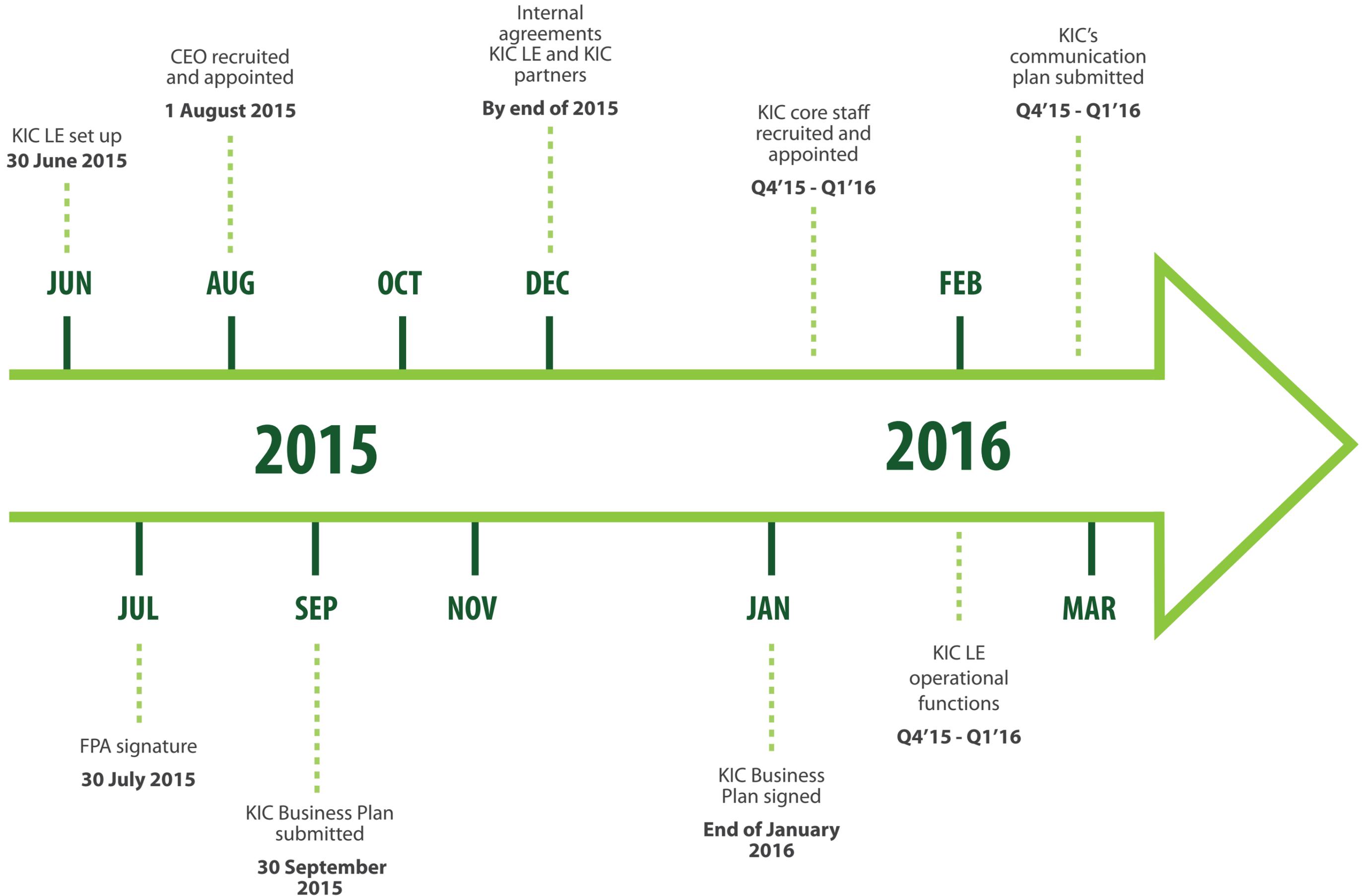
In addition, when justified, the EIT Start-up Grant Agreement may also finance some initial higher education, research and innovation activities that directly contribute to the rolling-out of the first KIC Business Plan. The EIT will continuously monitor the implementation of all the preparatory actions based on a set of objectives, deliverables and milestones included in the grant agreement (see below).

The partnership will be asked to provide a plan of Start-Up activities together with the estimated budget. Given that the partnership structure is not yet legally ready to receive an EIT grant (i.e. the KIC Legal Entity does not yet exist), the EIT may provide a standard model grant, under the EU's Horizon 2020 programme, to the Coordinator of the KIC Proposal and relevant KIC initial partners.

List of indicators to monitor KICs preparatory actions

Objectives	Milestones	Deliverables	Expected deadlines
Legal readiness	Set up of KIC LE	Extract from the registry	30 June 2015
	Framework Partnership Agreement (FPA)	FPA signed	30 July 2015
	Conclusion of agreements between KIC LE and KIC Partners	Internal agreements concluded	1) Majority of partners – 30 July 2015 2) Remaining partners; 31 Dec 2015
Operational readiness	Recruitment & appointment of CEO	Confirmation of handing over duties from the coordinator to the CEO	01 August 2015
	Recruitment & appointment of KIC Core staff (CFO, COO, Thematic Directors, CLC managers)	Confirmation of taking up duties	Q4'15 - Q1'16
	Set up of operational functions at the KIC LE level	Declaration of readiness of accounting system from KIC LE	Q4'15/Q1'16
		Reporting and monitoring system designed and initial implementation started	Q4'15/Q1'16
KIC BP developed and submitted	Proposed KIC BP submitted Signature of KIC BP	30 September 2015 End of January 2016	
Fostering EIT identity	Development of the KIC's communication policy contributing to the EIT's visibility and identity	KIC's communication plan submitted	Q4'15/Q1'16

Timeline



The EIT and KIC contractual relations

The relations between the EIT and KICs are laid down in contracts that set out their respective rights and obligations, ensure an adequate level of coordination and outline the mechanism for monitoring and evaluating KIC activities and outcomes.

These comprise two types of agreements:

- The long-term cooperation between the EIT and each KIC will be formalised within a seven-year Framework Partnership Agreement (FPA). This agreement will specify the common objectives, the nature of activities planned and the general rights and obligations of each party. The Framework Partnership Agreement (FPA) can be renewed.
- The Grant Agreement (GA) is the contractual instrument through which the EIT awards, typically on an annual basis, a grant to a KIC for implementing its Business Plan.

The agreements are signed by the EIT Director, as the EIT's legal representative, and the KIC CEO, as the KIC's legal representative. The EIT concludes the agreements with a KIC Legal entity. KIC Partners accede to the FPA and are entitled to benefit from the EIT grant through the signature of internal agreements between the KIC Legal Entity and KIC Partners.

The EIT funding model

The EIT funding model seeks to leverage and align innovation investment. Therefore the EIT financial contribution on average does not exceed 25% of a KIC's overall funding.

The non-EIT funding may include KIC partners' own revenues and resources, but also public funding at national, regional and EU level, in particular the – current and future – Structural Funds and the Framework Programme for Research and Innovation.

The EIT financial contribution to the KIC is provided primarily in the form of a grant for action, which may cover, up to 100% of the total eligible costs of KIC added-value activities (KAVA) – that is, activities contributing to the integration of the Knowledge Triangle of research, innovation and higher education; this includes establishment, administrative and coordination activities of the KICs, and contributing to the overall objectives of the EIT. The other KIC activities, so called KIC Complementary Activities (KCA) not financed by the EIT grant, must contribute to the implementation of the long term strategy of the KIC.

The EIT monitoring system

The EIT's Performance Measurement System (PMS) was designed in early 2012. Its overall objective is to support a results-oriented monitoring of the implementation of the EIT strategy. It consists of four levels, reflecting the multi-layered governance of the EIT. It is based on common strategic objectives resulting from a shared vision and values of the EIT and the KIC and will be carried out at four levels:

1. KIC level: Monitoring of a KIC on the basis of its individual targets and Key Performance Indicators (KPIs) stipulated in the KIC business plans. The indicators are defined by the KICs based on their internal strategies and organisation as well as to define their activities and mobilise the resources needed.

2. Cross-KIC level: The EIT monitoring of all KICs, which will focus on a series of EIT's strategic objectives, as identified in the EIT Scoreboard, covering a common set of indicators across all KICs. The indicators are:

- a. Attractiveness of Education Programmes
- b. Number of new graduates
- c. Number of business ideas incubated
- d. Number of start-ups created
- e. Knowledge Transfer and Adoption
- f. New or improved products, services and process launched

3. EIT level: The monitoring of the EIT's own activities, which combines quantitative and qualitative indicators in a medium-term perspective. It monitors:

- a. Due dates for Grant Agreement completion, reporting acceptance and payment execution
- b. Percentage of processes formalised
- c. Talent on the job
- d. Level of satisfaction on EIT services
- e. Dissemination
- f. EIT Brand recognition

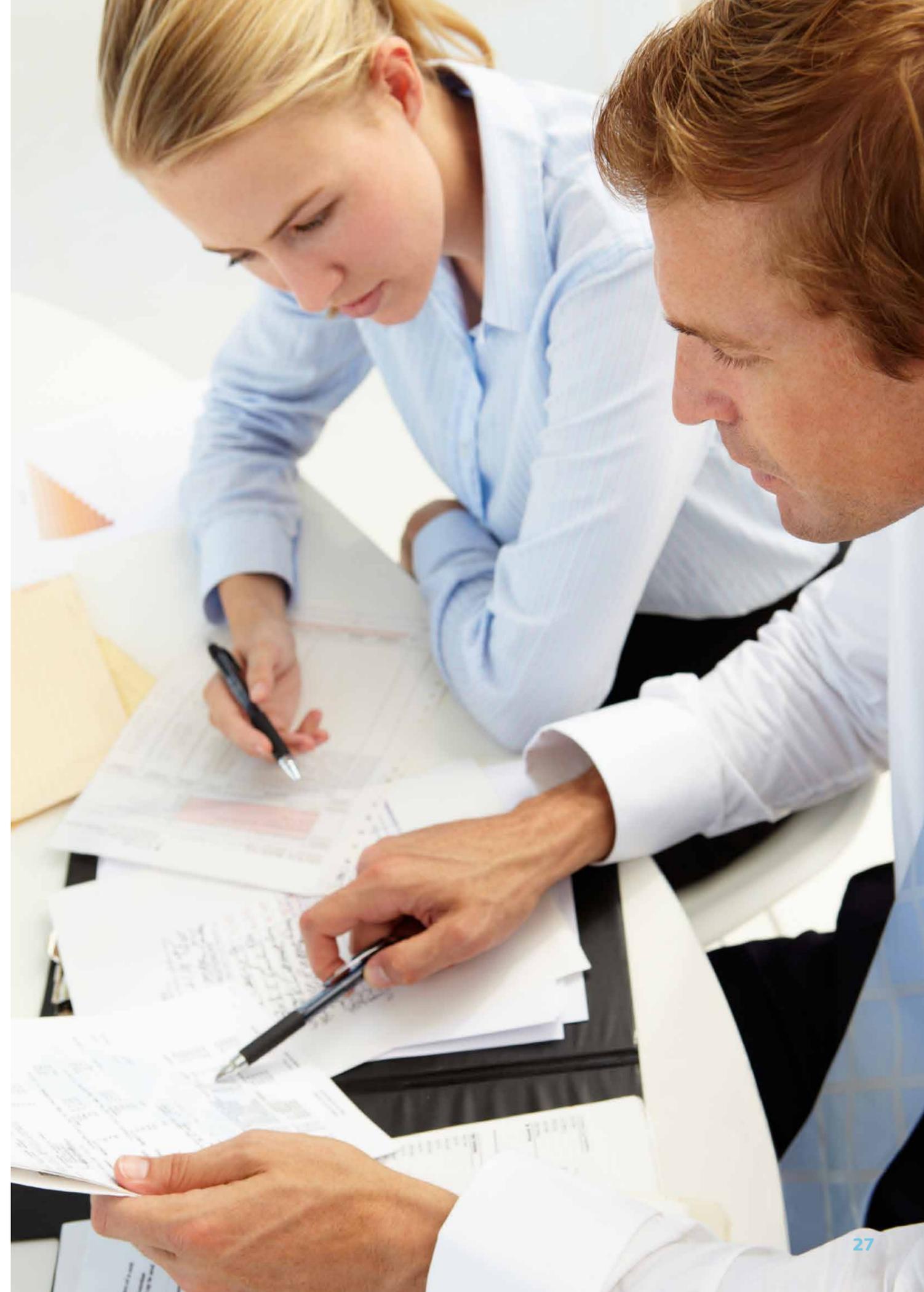
4. Horizon 2020: Monitoring and Evaluation of the EIT as an EU innovation institute under Horizon 2020. The indicators for assessing the performance of the EIT are:

- a. Organisations from universities, business and research integrated in the Knowledge and Innovation Communities;
- b. Collaboration inside the knowledge triangle leading to the development of innovative products, services and processes.
- c. New performance indicators in Horizon 2020

4. Innovate!

There is more to running a KIC, of course. But don't lose sight of the big picture, as you develop your own KIC plans. The EIT is bringing a real and lasting change to the EU's innovation landscape. With its partnerships, the EIT overcomes the fragmentation – of markets, disciplines and sectors – that have hampered growth in the past. It generates a critical mass of excellent innovators and entrepreneurs, strengthens collaboration across sectors, optimises the use of human, financial and physical resources, and attracts top talent from all over the world.

In short, the EIT strengthens Europe's ability to innovate. By joining us, you are building a more prosperous, competitive Europe – and making a vital contribution to solving some of our greatest challenges. The next step is yours: Innovate!





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