

The European Institute of Innovation and Technology (EIT) 2014 Call for Knowledge and Innovation Communities (KICs) proposals

The EIT invites applicants to submit their proposals with a view to selecting and designating a Knowledge and Innovation Community (KIC) in each of the following thematic areas:

- 1) Innovation for healthy living and active ageing; and
- 2) Raw materials: sustainable exploration, extraction, processing, recycling and substitution.

The deadline for the submission of proposals is:
10 September 2014 [17h00 Brussels local time]

The European Institute of Innovation and Technology (EIT) is a key driver of sustainable European economic growth and competitiveness. It reinforces the innovation capacity of the EU and its Member States in order to address the grand challenges facing European society.

During the period from 2014 to 2020, the EIT will contribute to the general objectives of [Horizon 2020 - The Framework Programme for Research and Innovation](#), by integrating the entrepreneurship-driven 'Knowledge Triangle' of higher education, research and business in order to deliver disruptive innovation.

To further enhance its impact and to incentivise the innovations needed to meet new societal challenges, the EIT will, as established in the [EIT Regulation](#) and [Strategic Innovation Agenda \(SIA\)](#), gradually expand its portfolio of Knowledge and Innovation Communities (KICs). With this Call, the EIT launches the selection process for two new KICs in the thematic areas of: 1) Innovation for healthy living and active ageing; and 2) Raw materials: sustainable exploration, extraction, processing, recycling and substitution.

The KICs offer a genuine opportunity for top innovation players to be part of a highly collaborative community, based on principles of excellence and commitment, which will achieve pan-European impact. KICs are organised according to business logic, with a focus on people and talent as drivers of innovation and a lean and efficient governance and business model. The interrelation of these elements within a KIC provides the optimal framework for achieving long-lasting structural, economic and societal impact, and the creation of high-quality jobs in Europe.

1. The EIT – European Institute of Innovation and Technology

Europe has excellent education, research, and inventions whose innovation potential can and should be fully exploited. Europe's research and innovation systems can also be further integrated by allowing the development and scale-up of poles of excellence with the critical mass to compete at a global level and by fostering close collaboration between organisations from the Knowledge Triangle. Moreover, to create and nurture high-growth companies and capture the value of research and innovation outputs, Europe must do more to instil an entrepreneurial culture throughout society.

The EIT has been created to enhance Europe's ability to innovate by integrating, for the first time at the EU level, education and entrepreneurship with research and innovation.

To achieve this goal, the EIT follows an 'investor approach', which stands for a focus on identifying best strategic opportunities and selecting a portfolio of world-class partnerships – the KICs – to deliver them.

Through the KICs, the EIT develops and tests new models of how innovation is approached, managed, financed and delivered in Europe. After four years of operation, the EIT has created new environments in which innovation thrives and has generated breakthroughs in the way in which higher education, research and business collaborate. Ultimately, the EIT aims to boost and significantly accelerate the innovation process - from idea to product and service, from student and researcher to entrepreneur, from lab to the market; thereby triggering a change towards a more entrepreneurial mindset.

As a European institute, the EIT shares new, innovative approaches and good practices emerging from the KICs for the benefit of the European Union as a whole as well as future generations.

The EIT is an integral part of the EU's framework programme for research and innovation – Horizon 2020 – which brings together all existing Union research and innovation initiatives for the period 2014 to 2020. In order to promote cross-fertilisation, the EIT and its KICs will exploit synergies and complementarities with existing European and other relevant policies and programmes.

2. KICs - Knowledge and Innovation Communities

A KIC is a highly autonomous partnership of top-class higher education institutions, research organisations, companies and other stakeholders in the innovation process that tackles societal challenges through the development of products, services and processes and also by nurturing innovative, entrepreneurial people. A KIC connects excellence-driven innovation hubs, the co-location centres, with a view to becoming leading centres of excellence and competing and collaborating with other innovation hubs across the world.

A KIC follows a long-term innovation and impact-driven strategy, operating with business logic and a results-oriented approach to contribute to the achievement of the EIT's overall mission, the priorities laid down in the SIA and the attainment of the general objectives established in Horizon 2020.

A KIC carries out a whole range of world-class activities encompassing the whole innovation value chain within a particular field. A KIC's portfolio of activities typically includes, inter alia: entrepreneurial education and training programmes, research and innovation projects, and incubation of, and support to start-ups and ventures. The EIT also encourages cross-KIC collaboration.

A KIC is established as a legally and financially structured partnership and sets up its own governance system. A strong commitment by KIC partners, including financial support, is a must. KICs must remain open and flexible in order to attract new partners that bring added value to the partnership.

2.1 Impact

A KIC is expected to turn investment into tangible economic and social impact (such as new businesses and business opportunities, risk taking and entrepreneurial people contributing to sustainable economic growth) and generate new, high quality jobs. The potential and desired impact must be the overarching principle when designing the KIC strategy, business model, portfolio of activities and management. The impact of a KIC results from the clear articulation and execution of:

- *Long-term strategy:* A KIC strategic outlook covers a seven-year period. This long-term perspective enables partners to commit for a long period, and ensures that a

KIC is able to focus on short, mid and long-term objectives, while remaining flexible enough to adapt to new emerging needs.

- *Integration of the Knowledge Triangle with a focus on the market:* A KIC designs and implements an integrated portfolio of activities, which acts as a catalyst, blending an exploitation approach into the existing research base and making education and training activities more responsive to business needs. On this basis, a highly interactive process is generated.
- *Integration of the Knowledge Triangle with a focus on human capital development:* A KIC is expected to pioneer new ways of learning and teaching on a global scale, through open learning environments which foster creativity, seamless interactions among talented people, and highly innovative virtual and physical means of learning.
- *Performance and results:* A KIC has to define impact indicators derived from the key performance indicators included in a KIC Scoreboard consistent with the KIC's activities and contribution to the EIT Scoreboard as outlined in the [Framework of Guidance](#).

2.2 People & Talent

People act as carriers and multipliers of knowledge and, therefore, are of paramount importance in achieving a KIC's objectives. A KIC is expected to attract business professionals, educators, students, entrepreneurs, investors, researchers, and academics, from Europe and abroad, who are eager to innovate.

A KIC will contribute to the development of the EIT brand and promote the recognition of talent through the EIT labelled masters and doctorates as well as through post-doctoral programmes.

A KIC approach towards the promotion of collaboration between people includes:

- Stimulating innovative learning environments within and across co-location centres in diverse and multidisciplinary teams;
- A highly developed entrepreneurial team culture/spirit;
- Mobility between industry/business, research organisations and academia and across national boundaries; and
- Incentive schemes that attract and retain excellent people and talent from across the innovation chain.

2.3 Partnership

A KIC must be a diverse, balanced, collaborative and world-class partnership with the adequate managerial and operational capacity to deliver on the KIC's proposed strategy and portfolio of activities.

By developing robust collaborative linkages between excellent partners from the 'Knowledge Triangle', i.e., higher education institutions, research organisations and business/industry (including SMEs), a KIC allows partners to optimise resources, have access to new business opportunities, accelerate market uptake of new products and services and enhance the attractiveness of postgraduate education.

Disruptive innovation comes from the collaboration between people, institutions and organisations with different cultures and backgrounds which challenge traditional collaborative models. Therefore, diversity in KIC partnerships, the governing bodies and leadership teams in terms of composition and approaches towards innovation, is essential in creating new value chains.

The combined strength of the partners must be greater than the sum of the strengths of the individual partners. This is determined, to a large extent, by the commitment of all its individual partners.

A KIC is a dynamic partnership. The initial partnership has a crucial role in defining the core elements of a KIC, successfully setting up a KIC and starting to implement activities. As the volume and scope of activities grow, a KIC is expected to expand the partnership to new partners provided they bring further added value to the KIC.

2.4 Co-location centres

Co-location centres are the main instrument for managing KIC activities and knowledge flow. They bring together, in one physical location, diverse teams from across the 'Knowledge Triangle', providing the focal point for the KICs' activity in that area. Geographical proximity is essential to facilitate interactions among KIC partners within a geographical area.

While geographically distributed across a specific area, the different co-location centres of a KIC are effectively connected to each other, they are closely aligned with the KIC's strategy and goals, and work together in a coherent manner as part of the KIC partnership. Co-location centres should build on existing centres of excellence in higher education, research, and innovation, blend them in local innovation ecosystems and link them together to become a world-class innovation hub in the relevant thematic area.

All co-location centres must fulfil the following key functions:

- *Connectivity*: co-location centres provide a physical space for interaction with the local ecosystem, the main knowledge triangle partners based in the area and strong links to the KIC partnership. They act as points of attraction for a wide range of actors (e.g. students, start-ups, industry, policy-makers, etc) from within the KIC and beyond.
- *Knowledge management*: co-location centres function as points for knowledge exchange (within and between co-location centres).
- *Activity management*: co-location centres act as hubs for many KIC activities; coordinating and managing partner activity, structuring and implementing governance arrangements and facilitating collaboration.

In order to ensure an efficient set-up, a KIC must have a minimum of four and a maximum of six co-location centres at proposal stage.

2.5 Building the EIT identity

When communicating, a KIC must also contribute to the development of an innovative community based on the EIT values. Therefore, communication activities must be understood as an intrinsic part of the KIC's strategy to achieve its goals. In doing so, a KIC will also contribute to the development of the EIT identity and support the EIT's mission. Close collaboration between the EIT and the KIC is of particular importance in order to ensure brand alignment and the sharing of common values.

In promoting the EIT identity, a KIC will apply the EIT principles of excellence and innovation in its activities. The EIT label, which can be awarded to Master and Doctoral programmes offered by a KIC's partners, is an important element of a KIC's approach to building the EIT identity and in raising the visibility of its novel approach to higher education.

2.6 Outreach & Dissemination

A KIC shares and exchanges information, results and lessons learned from its activities between KICs and with external stakeholders across the European innovation landscape through outreach and dissemination activities, thereby promoting a faster uptake of innovation models across the European Union.

A KIC's strategy will include specific outreach initiatives in order to bring benefits to the whole of the European Union. A KIC's outreach activities are an opportunity to establish a mutually enriching engagement with areas and stakeholders beyond the KIC's community and partners. In particular, a KIC may develop the 'Regional Innovation Scheme' (RIS) as outlined in the SIA, an outreach scheme targeted at partnerships between higher education institutions, research organisations, companies and other stakeholders, in order to foster innovation across the Union

2.7 Governance & Management

A KIC has substantial autonomy to define its internal organisation and composition as well as its precise agenda, strategy, objectives, activities and working methods. In its operations, a KIC follows the principles of flexibility and business logic.

A KIC must put in place a strong, diverse and flexible management structure that includes:

- Governance arrangements which reflect the knowledge triangle of higher education, research and innovation;
- A governance structure where high-level management from KIC partners is involved and which integrates a system of checks and balances;
- An effective operational structure to deliver the KIC strategy and ensure a gradual, and transparent partner expansion plan;
- A high quality and diverse management team with strong direction, leadership and executive power over the implementation of the KIC's strategy and business plans – including a Chief Executive Officer (CEO) and other key management positions;
- Business plans with short, mid and long-term targets, Key Performance Indicators (KPIs) and milestones for the activities; and
- Internal rules which guarantee transparency.

To function as a legally and financially integrated partnership, the designated KIC must establish a KIC Legal Entity (KIC LE) that is the official representative for all contractual relations with the EIT. The KIC will be free to decide on its legal form. At the proposal stage, a suitable KIC LE must be identified and presented, with the choice of entity justified.

2.8 Business model, financial plan and sustainability

The business model and financial plan of a KIC must be consistent with, and contribute to, the KIC's objectives and strategy and provide for an optimal and efficient use of resources. It

must be designed so as to contribute to the generation of economic and societal impact and the positioning of the KIC as a leading global player in its field.

While a KIC will not be fully financially independent from the EIT during the first years of operation, it should aim to become sustainable in the medium-term; i.e. gradually reduce its dependency on EIT funding.

The EIT's funding model seeks to generate a smart alignment of investment as well as high leveraging of resources. The proposal therefore requires strong financial commitment from partners, including a substantial and increasing contribution from business, and from other non-EIT sources to ensure long-term sustainable financing and achieve a return on investment in the medium-term.

A KIC's business model should foresee the monetisation of investments resulting in additional revenue streams stemming from KIC activities (e.g. equity stakes in new start-ups, licencing deals, IP revenues, etc), which capitalise on the competitive advantages of the KIC.

A KIC must develop a motivating policy for the management and exploitation of Intellectual Property (IP), tailored to the specific needs of its thematic area, aligned with the KIC business model and contributing to the KIC's financial sustainability in the medium term. A KIC must set-up an IP Board to facilitate the formulation of its IP policy.

3. The EIT indicative financial contribution to the KICs

During the period 2014-2020, the EIT will be funded through a contribution of EUR 2.7 billion from Horizon 2020. The EIT budget will cover three main priorities during this period: the necessary expenditure for consolidating the existing three KICs; establishment of five new KICs to be launched in three waves (in 2014, 2016 and 2018 respectively); and dissemination and outreach activities and administrative expenditure.

A KIC may be financed by the EIT, on average up to 25% of its overall budget. The remaining 75% should be financed from other non-EIT sources of financing (e.g. mainly partners' own resources and other sources including national/regional funding, EU funds, etc).

The financing modalities are defined in accordance with the [EIT Principles for financing, monitoring and evaluating KIC activities](#) and the [EIT Financial Regulation](#).

4. Contractual relations between the EIT and the KICs

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 FPA may be renewed. Within this framework, the EIT may award grants to a KIC formalised through specific Grant Agreements (GA) under the FPA.

The EIT intends to sign a FPA with the designated KICs within a period of 9 months following their designation.

The EIT will make annual funding decisions, following an assessment of each KIC's individual performance and a competitive review between the KICs.

The long-term cooperation between the KIC and the KIC partners must be formalised through internal agreements, which should include provisions for enforcing the terms of the FPA and the specific Grant Agreements against any KIC partner.

5. Start-up Grant

The EIT may award a grant, from EUR 2 to 4 million, to the designated partnership in order to support the efficient setting up of the KIC. As outlined in the Framework of Guidance, the grant may cover the eligible costs of, inter alia, the following activities: establishment of legal structures, including the set-up of the KIC Legal Entity; recruitment and appointment of a CEO and other core staff; coordination and signature of the internal agreements formalising the engagement of partner organisations; preparation of the first KIC Business Plan.

The modalities of the grant will be communicated to the designated partnerships shortly after the designation decision of the EIT Governing Board (EIT GB).

6. Overview of proposal preparation and submission

This section contains an overview of the preparation and submission of a KIC proposal - 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/kics/2014-call-for-kics/>

6.1 Registration

Prior to the submission of a proposal, the coordinator must register via the [KICs Call page of the EIT website](#).

The electronic proposal submission system will open on 28 February 2014 on the KICs Call page of the EIT website.

6.2 Proposal preparation and submission

Following registration, the applicants will have access to the electronic proposal submission system. Only proposals submitted through the electronic proposal submission system will be accepted.

6.3 Proposal content and structure

The proposal will contain three sections:

- **Part A** – this part contains administrative information on the proposal, the coordinator and partners, including the declarations that they are not in a situation leading to exclusion;
- **Part B** – this part includes the main body of the proposal and the following elements should be included:
 - List of partners;
 - KIC strategy, including the KIC strategic approach, its added value, innovation potential and synergies and complementarities with other relevant initiatives, and KIC partnerships; (maximum 15 pages)
 - KIC operations, including justification of the choice of the Legal Entity and KIC governance, the presentation of a KIC operational structure (including the profiles of the leadership team) and its co-location plan (plan of operation within and between co-location centres), KIC business model and financial plan (including the IP strategy and provisions for sustainable and long-term financing); (maximum 20 pages)

- KIC impact and competitiveness, Key Performance Indicators (KPIs) and KIC Scoreboard, KIC communication strategy, outreach and dissemination plans; (maximum 15 pages)
- Estimated KIC financial resources.
- **Part C** – this part contains a declaration from the legal representative of each partner on their motivation and endorsement of the proposal, and their commitment, including financial commitment (indicative budget per partner), to the objectives and aims of the KIC.

Proposals may be submitted in any of the official languages of the European Union. The EIT prefers, however, to receive documentation in English as it is its working language. Nonetheless, the choice of language will not be relevant for the purposes of evaluation. The EIT appreciates documentation presented in an orderly, clear and easy to read style.

7. Overview of exclusion, eligibility, evaluation procedures and selection criteria

7.1 Exclusion

Applicants shall be excluded from participation in the Call if they are in one of the situations referred to in Articles 106(1), 107, 108, 109 of the [EU Financial Regulation](#).

7.2 Eligibility

Prior to evaluation, the proposals will be examined for conformity with the following eligibility criteria:

- The proposal must be submitted by the Call deadline;
- The proposal must contain the completed parts A, B, and C;
- The proposed KIC must contain at least three independent partner organisations established in at least three different Member States;
- At least two thirds of the partner organisations forming the proposed KIC are established in Member States;
- The proposed KIC includes at least one higher education institution and one private company.

Only proposals satisfying all of the eligibility criteria shall pass on to the evaluation stage.

7.3 Evaluation and criteria for the selection of KICs

Eligible proposals will be evaluated by Panels of high-level, independent external experts with respect to the criteria presented in Table 1 below. Independent external experts will be grouped into Panels of Experts for each thematic area, covering the entrepreneurship-driven 'Knowledge Triangle' of higher education, research and innovation. Each Panel of Experts will prepare a consolidated evaluation report for each proposal.

The EIT will appoint a high-level Independent Observer who will give an opinion on the conduct and fairness of the evaluation process carried out by the Panels of Experts.

The three highest-ranked proposals from each thematic area, together with their associated consolidated evaluation reports, will be assessed by a Final Recommendation Panel of high-

level independent external experts. These experts will prepare a report to the EIT GB containing an overview, including strengths and weaknesses, of the three highest-ranked proposals per thematic area and recommendations on the way in which these proposals may need to be improved and/or strengthened.

The EIT will select the independent external experts based on the principles of transparency, equal treatment and non-discrimination. They will abide by the Code of Conduct for independent external experts acting as evaluators, as adopted by the EIT.

Table 1 – Criteria for the Selection of KICs

STRATEGY 30 points max.	OPERATIONS 35 points max.	IMPACT 35 points max.
TOTAL 100 points		
<p>1.1 STRATEGIC APPROACH</p> <p>Relevance and applicability of the KIC model to tackle the societal challenge via a multidisciplinary approach by integrating the Knowledge Triangle and fostering entrepreneurship. <i>[10 points max]</i></p> <p>1.2 ADDED-VALUE, INNOVATIVENESS AND SYNERGIES</p> <p>Novelty of the strategic market-oriented approach and competitive position; readiness to establish concrete synergies and complementarities with EU and other relevant global initiatives. <i>[10 points max]</i></p> <p>1.3 KIC PARTNERSHIP</p> <p>The combined strength of the partners, forming a diverse, balanced, collaborative and world-class partnership. <i>[10 points max]</i></p>	<p>2.1 KIC GOVERNANCE</p> <p>Quality and relevance of the KIC governance model for implementing the KIC's strategy including the choice and suitability of the KIC Legal Entity and involvement of partners' top management in the KIC's governance. <i>[10 points max]</i></p> <p>2.2. LEADERSHIP AND OPERATIONS</p> <p>Quality of the leadership team profiles and their executive power over all of the KIC's strategy and business plan implementation. Effectiveness of the operational structure including connectivity among co-location centres; quality and demonstration of how activities (education, research, and innovation) are integrated in the entrepreneurship-driven Knowledge Triangle. <i>[10 points max]</i></p> <p>2.3 KIC BUSINESS MODEL AND FINANCIAL PLAN</p> <p>Feasibility of the KIC's business model and financial plan for achieving market targets and strategic milestones; Financial plan for achieving return on investments and financial sustainability in the long-term with a progressive phasing out of the EIT's funding; cash-flow including the EIT's funding and partners' investments and other non-EIT resources; a plan for the management and exploitation of intellectual property supporting the KIC's business model. <i>[15 points max]</i></p>	<p>3.1 IMPACT AND COMPETITIVENESS</p> <p>Short, mid and long-term potential pan-European impact on human capital, job creation, economic growth and its relevance in the context of the KIC's strategy and the EIT's Strategic Innovation Agenda. <i>[15 points max]</i></p> <p>3.2 OUTPUTS (KPIs) AND KIC SCOREBOARD</p> <p>Relevance of the expected outputs, Key Performance Indicators (KPIs) included in a KIC Scoreboard consistent with the KIC's activities, and contribution to the EIT Scoreboard. <i>[10 points max]</i></p> <p>3.3 COMMUNICATION, OUTREACH AND DISSEMINATION</p> <p>Quality and relevance of the KIC communication strategy including the contribution to building the EIT identity; quality and relevance of the outreach and dissemination plans, including sharing good practices, within, between and beyond the KICs, across EU Member States, regions and institutions. <i>[10 points max]</i></p>

7. 4 Hearings and designation of the KICs

The EIT GB will hold hearings with representatives from the three highest-ranked proposals from each thematic area. The EIT GB will designate one KIC per thematic area and will establish a reserve list with one KIC per thematic area. This choice will be based on:

- The consolidated evaluation reports prepared by the Panel of Experts on the three highest-ranked proposals per thematic area;
- The report prepared by the Final Recommendation Panel on the three highest-ranked proposals per thematic area;
- The outcome of the hearings.

Hearings will take place at the EIT premises in **Budapest on 9 December 2014**. Representatives of KICs proposals should ensure that they keep this date available in case they are called.

More details on the procedures of the hearings will be communicated in due time to the representatives of the pre-selected proposals. The EIT GB intends to complete the selection and designate the two KICs by December 2014.

The EIT will apply its Code of Good Conduct in the eventuality of any Conflict of Interest.

The EIT has no obligation to designate a KIC or KICs as a result of the Call for proposals. The EIT shall not be liable for any compensation with respect to applicants whose proposals have not been accepted, nor shall the EIT be liable when deciding not to designate a KIC or KICs or to cancel the procedure at any time. The decision not to designate a KIC or KICs shall be substantiated and brought to the attention of applicants.

7.5 Information for applicants

The applicants are invited to send in any questions they might have on the Call until 15 July 2014 via the [Contact Page](#) on the EIT website: <http://eit.europa.eu/nocache/contact/>. Replies will be given until 31 July 2014.

All questions together with their answers will be published on the EIT's website KICs Call page. It is therefore strongly recommended that applicants regularly check the above mentioned website.

On the grounds of equal treatment, the EIT GB members and EIT staff cannot give applicants a prior opinion on the eligibility, quality or any other relevant element of a specific proposal.

Following designation of the KICs by the EIT GB, all applicants will receive written feedback on the evaluation of their proposals. Letters to unsuccessful applicants will state the name of the successful applicant and the grounds on which the decision was taken.

7.6 Informing the public

The EIT will publish the results of the 2014 Call for KIC Proposals on its website.

7.7 Gender and Ethical principles

Gender and Ethical principles are governed in accordance to the provisions laid down in Horizon 2020 - The Framework Programme for Research and Innovation.

7.8 Complaints procedure and appeal

Applicants may have recourse to redress if they have grounds to believe that their application has been adversely affected by incorrect eligibility checks or apparent shortcomings in the evaluation of their proposal. A request for redress, from the coordinator and addressed to the Chairman of the EIT GB, may be submitted through the Contact page on the EIT's website. Please note that redress on the technical judgment of the external expert evaluators is not admissible.

Applicants who believe that the EIT, has not acted in accordance with principles of good practice during the Call procedure, may lodge a complaint against the EIT with the European Ombudsman: <http://www.ombudsman.europa.eu>

However, it should be noted that a complaint to the European Ombudsman does not have the effect of either suspending the period or of opening a new period for lodging appeals against the designation decision of the EIT.

Applicants may lodge an appeal against the designation decision. This must be done within two months of receipt of the notification letter (see point 7.5). The court responsible for hearing appeal procedures is the General Court:

General Court
Rue du Fort Niedergrünwald
L-2925 Luxembourg
Tel.: (352) 4303-1 Fax: (352) 4303 2100
E-mail: CFI.Registry @ curia.europa.eu
URL: <http://curia.europa.eu>

ANNEXES

Documents for information

- a. Templates to submit a Proposal
- b. SIA thematic factsheets