

EIT
EUROPEAN INSTITUTE OF
INNOVATION & TECHNOLOGY

TRIENNIAL WORK PROGRAMME 2010-2012

Executive Summary

The EIT is about creating a new European way to deliver economic growth through addressing major global and societal challenges, such as people-friendly communication, a sustainable supply of energy and a habitable environment. Innovative approaches that will help existing European industries and SMEs to prosper, whilst also generating new businesses, updating skills, creating new jobs and developing exciting new entrepreneurial talent. The current economic crisis only serves to reinforce the timeliness of this initiative.

What is special about the EIT?

The EIT aims to deliver world-leading innovation through collaboration between all the actors in the “knowledge triangle” within Knowledge and Innovation Communities (KICs). For the first time, all the stakeholders in the innovation chain - industry, higher education, research and technology institutes and entrepreneurs - will be brought together with a common goal: a positive social and economic impact for Europe, to be measured in terms of new business creation in existing industries and SMEs, creation of new businesses, job creation and the education and delivery of a new generation of entrepreneurs. EIT’s focus on impact has resulted in a concentration of activities in co-location centres, a strong focus on the leadership of KICs, simple approaches and a strong emphasis on entrepreneurship and entrepreneurship education. The EIT will not do this in isolation. It aims to capitalize upon and promote strong bonds with existing and forthcoming Community initiatives.

On track

Today, we are pleased to report that the EIT is on track with the process of delivering the first 2 or 3 KICs. The KIC call for proposals was published on April 2nd 2009, proposals must be submitted by August 27th and the final selection will be complete before the end of this year, slightly ahead of schedule. The call, selection criteria and IP guidelines are simple, transparent and brief: the call text is only 9 pages; proposals are limited to 40 pages. KICs can start immediately, in 2010, based on an initial grant. The KIC 7 year framework agreement will be signed in the second quarter of 2010, releasing the full grant of the first year of operation.

KICs, Innovation and Entrepreneurship

The EIT Governing Board will assess the progress of KICs through a simple balanced scorecard approach. The EIT will work with the KICs to stimulate and reward performance. In the area of education, the EIT will encourage the leading universities and business schools involved in KIC partnerships to develop innovative new curricula, targeting in particular stronger entrepreneurial and multi-disciplinary skills. The use of the EIT label in conjunction with these new diplomas will be an important part of building the EIT brand.

The EIT will encourage the exploration of a wide range of innovation models within the KICs, including open, non-technological and user-driven innovation. The EIT will identify, and share widely, best practice, particularly that associated with co-location of people from a diverse range of backgrounds. Best practice in knowledge transfer will be of a particular interest. Administration will be kept as simple as possible for the KICs, for example through simple funding mechanisms including the use of lump sums and flat rates.

The creation of an EIT culture of innovation, education and entrepreneurship will be implemented through multiple means: seminars, summer schools, newsletters, networking and an EIT website; in short – through highly interactive physical and virtual communication.

The EIT will encourage KICs to develop entrepreneurial skills, cultures and governances to boost new business creation. The development of KIC-specific instruments will contribute to the success and consolidation of KICs. These will include an entrepreneurship academy, an entrepreneurship prize aimed at universities and an interactive website hosting innovation and entrepreneurship and building the entrepreneurial community.

Seeking new ways

The EIT has been created as a Community Body with a strong business focus and an unprecedented level of autonomy in decision-making and operations. For the EIT to be successful a 'CAN DO' approach is essential, characterized by simplicity, leadership, competition and agility. The EIT will strive to 'seek new ways' of doing things better in an accountable and transparent manner. This includes initiatives in the area of mobilization of funding such as the EIT Foundation. The limit of 25% funding for KIC activities from the EIT will strongly enhance the commitment (75%) of the collaborating parties. The EIT will also be seeking new ways to approach many of its other activities, including governance, KIC support, operation of the EIT headquarters and relations with the Commission.

The Strategic Innovation Agenda (SIA) and new KICs

After the summer break in 2009, the EIT will start initial preparations for the Strategic Innovation Agenda and the development of a proposal for new KICs. In 2010, a broad audience will be engaged in the thinking and discussion, including the European Parliament, the European Commission and the Council. The delivery of the SIA will be a major milestone in establishing the EIT as a convincing new instrument for stimulating innovation in Europe. The EIT Governing Board believes that the momentum created in Europe associated with the launch of the first round of KICs should be followed up as soon as possible with a second competition.

Annual plan 2010

Finally, the report summarizes the plan for the EIT's activities in 2010. These are concentrated on delivering the KICs, consolidating the KICs through various supporting actions, collecting and sharing lessons learned, and using this experience in the development of the SIA and the proposal for new KICs.

Invitation

We very much welcome your comments and suggestions.

1. Introduction

The EIT is about creating a new European way to deliver essential economic growth through innovation. Innovation that delivers economic benefits whilst addressing global challenges, such as people-friendly communication, a sustainable supply of energy and a habitable environment for future generations. Finding innovative solutions: 'seeking new ways' is the essence of the EIT.

Since the launch of the Lisbon agenda in 2000, European policymakers have put an increasing emphasis on the key roles of knowledge and innovation. In the context of the current recession the view is emerging more strongly than ever that innovation is a vital driver of sustainable growth and a key component of the response to global and societal challenges. Moreover, the European Union is still lagging in terms of competitiveness, economic growth and the involvement of women in technology and entrepreneurship compared with our major competitors in the global knowledge society. Radical change is needed - just at a time when there is an increase in entrepreneurial spirit amongst young Europeans and when European businesses are eagerly seeking new innovation models, processes and graduates with stronger entrepreneurial and multi-disciplinary skills.

The EIT thus emerges as a timely catalyst for renewed dynamism in the European innovation landscape.

The delivery of the EIT's strategy is centred around Europe's most exciting "innovation experiments", the Knowledge and Innovation Communities, KICs. KICs are bringing together the key actors in the knowledge triangle: research, education, innovation, entrepreneurship and business; co-locating people from diverse backgrounds (industry, SMEs, academia, nationality, gender, discipline ...) to work together across the innovation chain from education through to economic impact. KICs will be testbeds where we will address some of the critical questions for Europe's future success in the knowledge economy: "what makes people and teams innovative?"; "can we train entrepreneurs?"; "what makes an innovative place?"; "can open innovation work for an advanced manufacturing industry?"; "how can we measure innovation?".

Whilst the future looks exciting, there are major challenges ahead for the EIT. The first 2 or 3 KICs must be selected and put into operation. The strategy for further KICs must be shaped. A strong EIT brand must be created. And the EIT should serve as a role model for a new, more knowledgeable, competent and entrepreneurial European society.

The EIT triennial plan presented here indicates the direction for further development of the EIT. The EIT's success will only be achieved through collaboration and sharing of ideas. That success will be measured in terms of what the EIT delivers: people with the skills and motivation to become entrepreneurs, innovators and change agents, alongside new technology, new products, new processes, new business models, new companies and new jobs. Finding the European way to become world leading in innovation will not be simple - but the EIT is striving to make it possible.

As an ambitious initiative, 'seeking new ways', the EIT will contribute to the upcoming 'Innovation Plan' which the European Commission will propose early in 2010, at the request of the European Council.

2. Delivering the first EIT milestone: kick-off, development and measurement of the first KICs

As its first priority, the EIT Governing Board is concentrating - right now - on the establishment and delivery of KICs. We realize that the delivery and subsequent success of KICs is absolutely critical to the further development of the EIT as a successful European innovation instrument. However, we are very much aware of the many initiatives at European as well as at national and regional levels to further strengthen innovation in Europe. Our work will complement and support these, whilst ensuring that the EIT makes an additional contribution which is novel and impactful. With that in mind the Governing Board focus is first and foremost the KICs and the unique contributions that, through them, the EIT can make to Europe's innovation agenda.

Shaping Knowledge Innovation Communities (KICs)

A KIC is a collaborative partnership, a legally and financially structured entity of internationally distributed but thematically convergent partners. In defining the themes for the first 2 or 3 KICs, the EIT Governing Board has decided to focus on the global and societal challenges of sustainable energy, climate change mitigation and adaptation and the future information and communication society. The core activities of the EIT will bring together the knowledge triangle to stimulate innovation and entrepreneurship, through entrepreneurship education, co-location, top quality leadership and management, combined with simplicity and a 'CAN DO' approach. This focus within the KICs will produce the critical mass to deliver new business creation, new jobs and new skills and entrepreneurial talents into the job market. Themes for future KIC competitions are already under discussion, with many important areas – particularly healthcare and/or biotechnology – being considered, but no decisions have yet been taken.

Co-location

Co-location of team members from diverse backgrounds is an essential notion in the establishment of the KICs. A co-location centre is a geographical location where all or a large part of the innovation chain/web can be found in close proximity. By bringing together geographically separated people, co-location builds the collaborative activities of the KIC partners into regional or national centres of excellence. Working face-to-face amongst people from organizations with different roles in the innovation chain will foster knowledge transfer in the most effective way. A co-location centre is a lead node in the network of participating nodes making up the KIC, bringing together people from different organizations, sectors, disciplines and countries, united by common strategic objectives. Typically each KIC will have 4-6 co-location centres, each one potentially associated with a subtheme of the overall theme of the KIC. Through the promotion of new interactions between all the actors in the innovation chain, the co-location centres will build on excellent regional clusters and raise them to international levels of competitiveness. Such centres will become attractive breeding-grounds for new ideas and interactions, consolidating and accelerating the innovation process whilst strongly contributing to EU policy objectives.

KIC selection process

The KIC selection procedure has been designed both to be transparent and to offer equality of treatment to all proposers. The call for KICs proposals was published on 2nd April 2009 and remains open until 27th August 2009. All relevant documentation (including the call text, selection criteria, IP guidelines and expert selection process is published on the EIT web-site: www.eit.europa.eu.) The first 2 or 3 KICs will be selected before end 2009, ahead of the deadline laid down in the EIT Regulation.

KICs: dynamic partnerships involving non-EU countries

The KICs will operate in an open environment, driven by a relentless pursuit of excellence and impact for Europe. Participation by organizations from non-EU countries with clear potential to bring added value to KICs is encouraged. World class demands that KICs interact with the leading international players.

KIC funding: competitive, results-driven

Following selection, the designated KICs will immediately be awarded an initial preparatory grant by the Governing Board. This grant is intended to cover the cost of the initial activities of the KIC, including preparatory actions. Seven-year framework partnership agreements will be signed within the second quarter of 2010. The first annual grant agreements, governing the content of the KIC work programme (WP), budget and implementation, should enter into force shortly afterwards.

The annual cycle of agreements will include monitoring of the KIC with respect to its Work Programme (WP), Key Performance Indicators (KPIs) and budget. The KIC will present an annual report of KIC activities and financial performance, together with its rolling three-year WP and budget proposals. These will be reviewed by the Governing Board, who will hold annual hearings with the KIC. As a result of this competitive review of all KICs, the Governing Board will make its decision concerning the KIC WPs and funding for the following year.

KIC Performance Scoreboard.

EIT will closely monitor the impact of each KIC's actions in terms of a 'living scorecard', taking a balanced view of the relevant long-term and short-term measurable performance indicators and goals. The initial scorecard will map the indicators under development onto the performance criteria defined in the KIC Call. Over time the scorecard will develop into an optimized instrument to help KICs and the EIT to achieve continuous performance improvement.

The development of such a dynamic ('living') scorecard is a true challenge in the domain of innovation. The scorecard will include, amongst other areas, new business creation, market creation, job creation, entrepreneurship education outcomes, research outcomes, KIC governance effectiveness, and societal benefits.

EIT: developing optimal connections with existing EU initiatives

Currently the EIT is developing a regular exchange of views with the Commission. A key priority for the Governing Board is to capitalize upon and promote strong bonds with existing and forthcoming EU initiatives, both in strategic and financial terms. The EIT does not aim to replace existing structures. It aims to play the much-needed and unique new role of "knowledge broker" between all actors of the innovation chain at the pan-European level, and to bring existing excellent regional and national innovation to world class levels.

As an example, the "co-location centres" of the EIT's KICs will feed into current objectives of both the European Higher Education Area (EHEA) and the European Research Area (ERA) through their focus on innovation-driven research; on the enhanced mobility of researchers and teachers; on integrated public-private approaches towards funding; on skills development; and notably on education via the promotion of new curricula in close collaboration with practitioners from the business innovation world. The establishment of the first 2 or 3 KICs will provide around 10 to 20 co-location centres across Europe, which will also act as unique testbeds in which to study our key 'innovation questions'

In addition, the joint launch of the KICs and the Commission's upcoming European Innovation Plan (EIP) in April 2010 under the Spanish Presidency (cf. section 6 below) is another example of embedding the KICs into the EU knowledge and innovation landscape. The EIT will actively promote contacts with relevant Commission services, the European Parliament and Council, and to share feedback on KICs' evolution, learning process and best practices.

3. Consolidation and support to KICs

Towards Consolidation of KICs

Early in 2010, once the initial KICs are up and running, the EIT-Governing Board will develop and start the implementation of its support programme for the KICs, to consolidate the KICs and share best practices in achieving a world-class level of innovation. This support will be developed and tuned through close interaction with the KICs, learning, going forward from their challenges and successes. This is a major opportunity in the cross-fertilisation between KICs in cross-cutting, horizontal domains, in particular entrepreneurship, education, research and transfer of technology, and development of living innovation scoreboard. The EIT Governing Board will encourage this, both through funding and facilitating sharing of experience and best practice, within the KIC community and externally. The support to KICs will be complementary to existing regional or national initiatives and support from other European programmes, in order to achieve constructive synergy. The following sections discuss development of the EIT support to KICs as it will be developed over time (2010-2012).

Simple financial management and competition

The EIT will help the KICs to simplify their financial governance. For example the EIT will simplify grant management through the systematic use of flat rate payments and lump sums in addition to the EU real costs approach, as laid down in the EIT Financial Regulation. The EIT will work with the KICs to develop KIC financial framework conditions that are conducive to world-class business creation.

KICs need to share best practice but also be in competition with each other for the very best results. The EIT Governing Board plans to give regular feedback to the KICs and will reward excellent KIC progress with supplementary funding. Poor progress will result in clear instructions from the EIT Governing Board on the need for improvement and, if the KIC still fails to deliver, to a decline in funding.

A holistic view

We treat all elements of the innovation chain as equally important because innovation can start at any place in the chain (or perhaps more appropriately at any point in the innovation web) and it is not clear in advance which element will be critical to the innovation impact. Whilst there must be significant overlap and mutual reinforcement between the areas of education, research and Entrepreneurship within the KICs, and our approach aims to be holistic, it is convenient to address each of these areas of support for the KICs in turn.

Education

Europe's need for highly skilled and entrepreneurial graduates, in particular Masters and PhDs, will continue to grow in the years ahead. Europe not only needs employees but also future employers and entrepreneurs. The EIT will encourage universities to focus on developing curricula that give students the knowledge, personal development and the research and entrepreneurship skills consistent with the broad employability demand. Major changes in governance, curricula content and learning and teaching methods, in particular problem-solving and 'learning by doing', are required within Europe's universities. On the labour market side, there is also a need to boost key issues such as female participation in technology-based employment and enhancing entrepreneurship skills amongst existing company employees. Through the KICs, the EIT has the opportunity to contribute strongly to on-going developments in this area.

KICs, new curricula and leading universities

The KICs will no doubt include among their partners leading European universities. They will take a lead role in introducing innovative approaches to graduate education, by developing new European masters, doctoral and post-doctoral curricula, integrating scientific progression and depth and with a strong entrepreneurial profile and multi-disciplinary skills. Such an approach is relevant not only to technical universities; entrepreneurial educational programmes in medicine, social sciences, humanities and arts are also needed to create new learning outcomes and interdisciplinary skills. The new approaches will reflect the diversity of actors in the innovation chain.

Once KICs start their operations, the EIT will monitor and reward the impact of their new curricula. Examples of measurement could include world-class best practices, translational and transferable skills, multidisciplinary curriculum design, assessment based on learning outcomes and new models of entrepreneurship education, encompassing the rich spectrum of innovation models and approaches. The Bologna process is promoting the concept of learning outcomes in curricula design in order to promote the employability of students. The concept can serve as a basis for the monitoring but needs to be developed to serve the new KIC educational programmes as well.

World class education

To achieve 'world-class' levels it is important to tap into the leading developments outside Europe. The EIT will prepare a benchmark report on graduate education as it relates to innovation and entrepreneurship in the context of KICs. The review will focus on the niche areas that will particularly help and inspire university members of KICs to develop and position world-class programmes at master, doctoral and post-doctoral levels, by incorporating entrepreneurship education, business education as well as inter-, supra-disciplinary and social skills. The EIT will not interfere with the design and implementation of curricula, but will support and challenge the KICs in this area. In preparing the review, the EIT will draw on existing reports and our own 'field study', and will involve the KICs. The results will be shared with European or National bodies active in this domain.

EIT degrees and diplomas

Degrees and diplomas awarded by higher education institutions in the context of the KICs should be identified with the EIT ensuring the prestige of clearly identified excellence. This will also help develop the EIT's brand and international impact. Ensuring the high quality of EIT-branded degrees and diplomas and promoting them as a prestigious layer of academic achievement will be an important task for the KICs and the EIT. We expect the KICs educational activities to be role models for Europe's universities. Joint degrees, such as those within the Erasmus Mundus programme, will be particularly encouraged.

Research and Innovation

A spectrum of innovation

The EIT is open to all types of innovation. In its call for proposals, the EIT has asked KICs to address emerging innovation models and to consider the linkages with basic and applied research.

In business today, the concepts of open innovation and user-driven innovation are radically affecting both products and services. The advent of the so called network economy is also broadening the scope of innovation to include non-technological innovation. Indeed today innovation in both large and small companies is multifaceted: in addition to technology and research-driven innovation (sometimes called "from invention to innovation"), we find user-driven innovation, cost-driven innovation (e.g. in China and India) and non-technological innovation, i.e. innovation in other elements of the value chain such as the supply chain.

The EIT will act in collaboration with KICs to exploit their achievements, to advance the most promising innovation models and to carry out the necessary performance evaluation in the context of the living scorecard. Learning lessons and sharing them are key to the EIT.

Best practices: co-location

The KICs will be partnerships formed by co-located clusters of organizations, people, and activities. Without interfering with the KICs' internal organization, the EIT will compare co-location structures, innovation environments and governance to identify their key ingredients, critical factors and effective innovation impacts. The use of such best practices will be strongly promoted: reinforcing the message that lessons learned are a guiding principle for EIT.

Best practices: knowledge transfer and innovation models

The financial sustainability of the KIC will depend on the effectiveness of the solutions adopted for knowledge and know-how management (information and knowledge creation within the KIC and transfer between research institutes and industry) and on the models of innovation adopted. Through continuous interactions with KICs and building upon current best practices, the EIT will explore the key factors leading to success in knowledge transfer and innovation schemes and will promote the use of such best practices.

Links to world-class research and innovation

Innovation is multifaceted and can be initiated at any position in the innovation chain. Around us innovation is thriving more effectively than in Europe. We can, and must, learn from the world beyond Europe, notably from the USA and the BRIC countries. The EIT will prepare a benchmark analysis and report on knowledge transfer and innovation, identifying world-class approaches relevant to KICs. This work will draw on existing reports complemented by focussed 'field study'. This will be value adding for KICs in terms of making their innovation and research more effective.

Entrepreneurship

Effective governance, mindset and new models

The EIT will encourage KICs to make entrepreneurship a central theme of their governance and activities, for example in the generation of initial proposals or prototypes, the KIC business growth phases, the creation of new ventures, the characterization of co-location centres, the role of big industry as well as SMEs and KIC governance. The EIT will also foster the development of new entrepreneurial mindsets and new entrepreneurial models through its support to the KICs. The value add of this support will be effective and fast implementation of entrepreneurship in KICs.

The focus on entrepreneurship to enable and accelerate the creation of value from public and private investments in R&D and in education will be effectively measured through a scoreboard, agreed with the KICs: these indicators will specifically assess the "additionality" of the EIT, that is the faster commercial deployment of R&D activities through greater entrepreneurship, the "glue" that links R&D projects and educational programmes to market needs.

EIT Academy for Entrepreneurship

KICs will link existing centres of excellence in countries or regions to co-location centres with world-class potential in innovation. Entrepreneurship is generally well supported by regional actions and support mechanisms. However, co-location centres will be aiming for innovation across regional borders, delivering multi-region or multi-country spin-outs or new companies.

To support this effectively, the EIT will establish a coaching/mentoring scheme for European entrepreneurs within the KICs. The mentors, leading international entrepreneurs and industrialists, will integrate practical coaching and mentoring into various dimensions of entrepreneurship, and should be able to bridge regions and drive world-class aspirations and outcomes. These individuals could also contribute as members of 'Advisory' Boards of university spin-outs. Summer camps on entrepreneurship and innovation models would complement the mentoring support.

The EIT Academy will quickly help to establish an entrepreneurship capacity and capability for the KICs and their multi-regional co-location centres. Moreover, it will help build the EIT brand for innovation and entrepreneurship in the global context.

EIT Award for entrepreneurship in universities

To identify and recognize role models of entrepreneurial spirit and innovation within universities participating in KICs, EIT is considering establishing an award; the details need further work. The added value of this award would be to address for the first time entrepreneurship in universities collaborating in co-location centres. The award will increase the importance higher education attaches to entrepreneurship.

Alternatively, a "proximity" award could be defined to recognize a particular achievement of a KIC – or the Award could be replaced by a Contest, to address a key issue or opportunity in a KIC programme/project.

Creation of an EIT culture of innovation, education and entrepreneurship: interactive communication

The notion of innovation as being dependent on education, research, business and entrepreneurship in an all-encompassing and mutually reinforcing way is not yet sufficiently visible and alive in Europe. The EIT and the KICs are specifically designed to contribute to building and embedding this notion at the European level.

The EIT will contribute to the development of a community of practice based not on sectors (e.g. ICT) or organizational type (research, academia, business) but on shared interests (cross-fertilization) and common values (innovation). This will be implemented through multiple means: seminars, summer schools, newsletters, networking and an EIT website; in short, through highly interactive physical and virtual communication. The EIT website will deliver dynamic EIT news and support community-building through modern social media and virtual environments. It will for instance link to sites involved in market creation and on-line courses on entrepreneurship and innovation models. The EIT's communication strategy will foster KIC-KIC interaction and best practice sharing.

The EIT intends to be a world player, so it must also communicate and promote itself on a world scale. A timely opportunity to launch the EIT and KICs on the international stage and enhance their international visibility is offered by the China expo in Shanghai, P.R. of China, in August 2010.

4. Moving forward with EIT and mobilization of funding

Governance of EIT and KICs

The EIT: a Community Body bridging EU compliance with quick mobilization

The EIT has been created as a Community Body with a strong business focus. The EIT is an experiment in terms of EU governance structure, with an unprecedented level of autonomy in its decision-making and operations. However, being supported through Community funds, the EIT must and will comply with Community principles when it comes to financial management and control, for example in the area of public procurement.

For the sake of the success of the EIT and the KICs, the Governing Board feels that it should continuously strive to seek new ways of doing things and to be more in line with the 'Can Do, Challenge and Leadership' approach needed for successful innovation and business creation. In the past year both industry, SMEs and academia have been pressing us to move forward as far as possible in terms of autonomy, in order to position the EIT as a world-class innovation player where quick mobilization of funding and action is a must. The EIT is encouraged by this and is determined to make full use of its current levels of autonomy.

EIT governance structure and executive leadership

The basic governance structure of an independent board selecting, coordinating and monitoring KICs is seen by the Governing Board as appropriate. The full incorporation of the four board members elected from among the designated KICs and the EIT staff is an important challenge ahead. Here too, we will strive, through simplification and executive leadership, to streamline the ways of working of the Governing Board in the interests of all its stakeholders, but particularly the KICs.

EIT internal auditing

The organization of the internal auditing function for EIT and KICs is a challenge given the desire for simplicity on the one hand and Community rules on the other. Here the EIT will set up by the end of 2009 an independent Audit function to advise the Governing Board and the EIT Director on any matter pertaining to the organization of financial management and control activities within the EIT. It will also play a key role in the organization of financial relations with KICs.

EIT headquarters and continuing relationship with the Commission

As the building of the EIT headquarters in Budapest is being completed and the Director and his key staff are being selected, as we write, the role of the Commission as the EIT interim secretariat will phase out. The Governing Board would like to reiterate that a strong and continuing link to the Commission is a must for the EIT's proper functioning as a Community Body and for the exploration of the synergies with other European programmes and organizations. The Governing Board also expects the Commission to play a key role in putting forward the EIT Strategic Innovation Agenda (SIA) and a possible draft amended Regulation to the European Parliament and the Council.

Role of the EIT Governing Board moving forward

With the Director and staff and thus the EIT operations being in place in Budapest, the EIT Governing Board, whilst continuing to carry key responsibilities for the coordination, supervision, funding and support to the KICs, can focus more strongly on strategic direction, mobilization of funding and making the case for new KICs. The EIT will help develop new directions and initiatives for innovation via the EIT SIA. Moreover, the Governing Board will spend significant efforts on building the EIT brand and maintaining the ties with existing and prospective stakeholders in Europe.

Mobilization of funding

Structural, national and regional funding

With a budget of around 86 Billion € earmarked to research and innovation in the period 2007-2013, Structural Funds will play an increasingly important role in driving action to smart investments such as energy, efficiency, clean technologies and environmental services. The KICs and their co-location centres should fully exploit existing and forthcoming opportunities in this context, through co-operation with national and regional authorities. Likewise, synergies and stronger bonds between the various sources of Community funding as well as national and regional funding should be explored to the fullest to maximize the impact of the limited resources available.

Eligibility for European funding

The KICs can participate in Community programmes on an equal footing with other proposers. The EIT Board has worked closely with the European Commission to make sure that funding from existing or future Community programmes that add value to the KICs can be used in the construction of the KICs. The EIT encourages KICs to work with the Governing Board and the Commission to try and use this when and where appropriate.

A multiplier of 3 and commitment!

With a budget of 309 M Euro the EIT is not a funding instrument. The EIT Governing Board has thus decided that EIT will contribute only about 25% to the KICs' budgets, leaving 75% to be found from commitments by collaborating parties including, amongst others, current and future Community programmes (7TH Framework Programme, Life Long-Learning Programme, Competitiveness and Innovation Framework Programme), the Structural Funds, national or regional funding and private funding. The EIT is therefore leveraging funding by a multiplier of 3, assuring strong commitment of participants in a KIC; a new and innovative way of moving forward.

The EIT Foundation

One initiative that the Governing Board is following up is the creation of an EIT Foundation with three purposes: to have an agile and flexible instrument for funding high-risk innovative initiatives by entrepreneurs and talented students; for funding to help initiate and grow KIC spin-out companies and as a service to KICs to channel funding as and when appropriate. Currently the EIT Governing Board has decided that the Foundation will be housed in the Netherlands (pending a European statute for Foundations). We are still looking for the best approach for establishing the Foundation in terms of purpose, 'friendship/donor members' (alumni, industries, etc) as well as funding.

Financial community / EIB

The EIT will engage the financial community in the entrepreneurial activities of KICs, including the creation of spin-offs and start-ups and the expansion and growth of such small companies. The EIT will help KICs involve national and international players such as business angels, venture capital funds and investment banks at the seed and start-up phases as well as helping to attract capital for the growth phase. The EIT will also investigate the possibility of building up a group of friends of EIT both from the private and public sectors. The EIT Governing Board has also initiated contacts with the European Investment Bank (EIB).

Other specific actions to mobilize the private sector could capitalize upon the strengthening of relationships with industry and business associations, sharing key success stories and learning from the KICs. Also, developments of the forthcoming European Innovation Plan (EIP) could be used to create and test innovative financing models, attracting co-investments from corporate venture funds and from other actors of the private sector.

5. Learning lessons, preparing the first EIT SIA and the second wave of KICs

Learning lessons

The starting point for the discussion of the SIA and the second wave of KIC proposals from the EIT to the Commission, Council and the European Parliament, will be the lessons learned from the establishment of the first KICs. Lessons learned, for example, about the effectiveness of the co-location, the leadership, the processes and governance, the interactions with stakeholders – and with industry in particular. Our action plan includes interactive seminars to share and analyse the learning, draw conclusions and determine the pointers for the preparation of the SIA and new KIC proposals.

The Strategic Innovation Agenda

The first EIT SIA will set out the direction for the EIT's long-term development. It will have far-reaching implications for virtually all aspects of the EIT – including governance and relationships, identification and prioritization of themes for KICs, budgets and finance, and the role and contribution of the EIT to the European innovation landscape.

The SIA must deliver a compelling vision, with 'blue sky' thinking and novel ideas, concepts and initiatives, supported by plans for implementation and delivery. The SIA will form the basis for the mobilization of Community funding for EIT beyond 2013. The SIA is a critical milestone for the EIT. We will consult with a large and representative audience, in a diverse range of ways, in preparing it.

Engaging audiences and consultation

The EIT will reach out to the knowledge triangle stakeholders, as well as to the communities and the Commission, the European Parliament and the Council. Particular attention will be paid to inputs from industry and academia, as these will be key to the success of the SIA. We intend to deliver an SIA which will be a positive and results-oriented addition to the landscape of European measures to boost innovation.

Preparing the ground for the next KICs

During this triennial work cycle, the EIT Governing Board will start the process leading up to the next wave of KICs. As a first step, the priority areas will be identified through an open innovation approach, in the form of an extended seminar, where EIT Governing Board will engage in discussions with a broad base of European and international stakeholders. Once the priority areas have been identified, the selection of the new KICs is dependent on a positive decision about additional EIT funding. We are confident that by then the EIT will have established itself as a convincing new European instrument, delivering impact through innovation.

The EIT Governing Board believes that it will be important to maintain the momentum created in Europe around the launch of the first KICs in 2010 through a follow-on competition as soon as possible.

6. Annual Plan 2010

The EIT's activities for 2010 are driven by three main objectives: (i) delivering the KICs; (ii) developing the SIA and the proposals for new KICs; and (iii) the establishment of the headquarters in Budapest. All the 2010 actions have timelines and EIT Governing Board members as action owners: the detailed project plan is in the process of being put together. The plan is summarized briefly below, more detailed information is contained in the preceding sections and in appendix (2010 activity overview)

Launching the first KICs, 1st quarter 2010

The major task of the EIT in 2010 is to ensure the successful launch of the KICs, having selected them in December 2009.

'Kick Start'

In order to give the KICs a rapid start and to allow preparation of activities in time for the 2010 academic year, each KIC will be awarded a start-up grant at the beginning of the year. This grant, of €1-1,5 million per KIC, will enable the partners to make an immediate start on KIC activities, including putting in place organization and management structures, the IP board and the business plan, and preparing new educational activities for launch at the start of the 2010 academic year.

7-year framework agreement

In parallel, negotiations on the 7 year framework agreement with KICs will be concluded. It is the intention of the EIT Governing Board that the majority of funding must be directed to value-adding activities, hence the administrative burden on KICs must be kept as low as possible. Negotiations will cover the KICs first work programme and budget, IP board and business plan completion, key performance indicators and financial reporting.

Operation

KICs are expected to become fully operational very shortly after confirmation of the first annual grant agreements by the end of Q2 2010.

Major launch event in Spain

The major EIT event in 2010 will focus on the launch of the first 2-3 KICs, and on the role of KICs as experiments or reference models for new ways of stimulating innovation. The Spanish authorities, who will hold the Council Presidency in the first half of 2010, have agreed to host the launch, which will take place in the Spring of 2010 in San Sebastian. This event will also mark the launch of a series of KIC support activities, and the announcement of the consultation in preparation for the SIA. (The major consultation on the SIA will be the subject of a separate major seminar at the start of 2011.)

Support to consolidate the establishment of the KICs

The Governing Board will continue its support to the KICs once they are operational. The elements of support described in Section 4 will be put in place during 2010 and 2011. The EIT's support will not be a top-down activity, but rather a highly interactive engagement, working with the KICs to determine the best support solutions.

Building the innovation and entrepreneurship culture: interactive communication

High priority will be given to the creation of an EIT culture of innovation, education and entrepreneurship by building up an interactive communication plan as described in section 4. The plan is currently being developed (Q3-4 2009) for implementation in 2010.

The EIT Academy for Entrepreneurship

Our second priority, to be started in Q3 2010, will be to lay the (virtual!) foundations for the EIT Academy for Entrepreneurship. The plan is to attract a small number of world leaders in innovation and entrepreneurship alongside leaders from industry to interact with the KICs in a range of advisory and mentoring roles, to build a challenging, external support structure for both organisations and individuals.

Developing the balanced scorecard

This challenging exercise of developing the living scorecard approach will be kicked off in Q3 2009 and completed in Q2 2010 in close cooperation with the KICs.

Effective governance of entrepreneurship

Throughout 2010 the EIT Governing Board will be working with the KICs to encourage and ensure effective governance of entrepreneurship.

EIT Foundation

The establishment of the EIT Foundation and the mobilization of other instruments (as described in Section 5) will be completed in 2010.

Seminars

An inter-KIC seminar to share ideas and concerns, for example in the areas of management, governance, IP, co-location, efficient administration and coherent performance indicators, will be held back-to-back to the KIC launch conference in Spain in Q1 2010.

A second seminar addressing learning and the sharing of experience will be organised in Q4 2010. A third major seminar in Q1 2011 on the SIA and new KIC proposals is described above.

Paving the way for the SIA and New KICs

At the start of Q3 2010 the EIT will launch the process leading up to the adoption of the SIA in June 2011, and the Governing Board's proposal for new KICs. To reach out to all interested parties, the EIT plans to launch the following initiatives in the second half of 2010:

- extensive consultation with EU and national stakeholders
- extensive consultation with industry, research and academia
- engagement with thought leaders and entrepreneurs.

As noted above, a major seminar is planned for Q1 2011 to take forward this agenda.

Establishing the EIT Headquarters in Budapest

Office and Director

Following the commitment of the Hungarian Government to the EIT, office space in the Infopark area in Budapest will be made available in December 2009. The EIT Director and other EIT staff are expected to start operating in Budapest early 2010.

Recruitment of headquarters staff

Throughout 2010, the EIT will proceed with intensive recruitment for the Budapest office. New staff appointed in 2010 will support the set up and development of KICs and support the Governing Board, as well as developing links with all relevant stakeholders. The EIT will strive to attract the best possible candidates for all posts, ensuring a widespread dissemination of information about vacancies through the EIT website.

Towards Financial Autonomy of EIT

Following the appointment of the EIT Director and other key financial and management staff, and the establishment of an EIT bank account, the EIT expects to become financially autonomous from the Commission by the end of 2010. The Commission will lend its fullest support to ensuring that the transfer of financial responsibilities runs as smoothly as possible and does not hinder the implementation of EIT activities.

Appendix: key activities / planning overview for 2010:

		2009	2010				
		Q4	Q1	Q2	Q3	Q4	
KICs	selection		preparatory grant learnings/sharing BP workshop	7 yrs framework grant 2010 Annual Grant Agreement	EIT Academy for Entrepreneurship monitoring / new learning	EIT Foundation learnings/sharing Inter-KIC seminar	
Operation	people	+ 9 (9) Head of Resources Accountant	+ 26 (35) FN Officer Leader HR Officer Leader HoKIC + Proj Mgr HoStratg/Com				FN team HR team KIC team Strtg/Com team
	finance & budget	procure IT	setup financial processes ABAC, SWIFT - systems (s-TEST)... "partial" financial autonomy (implementation) (testing)				training readiness assessment final FN autonomy
	HQ	host agreement start lease from HU	move to Budapest	start HQ operation			
	COM	COM plan 2010	implementation communication plan				
	TWP / SIA	TWP SIA release 2010-2012	2011-2013	EIT Annual Activity Report San Sebastian	public consultations SIA trip to China	Lessons Learnt KIC	