

à Also refer to the KICs FAQ

## THE EIT

Why a European Institute of Innovation and Technology (EIT)?

The European Institute of Innovation and Technology will give a much needed boost to Europe's innovation capacity and to its readiness for the knowledge society. It responds to the particular situation in Europe, where excellent higher education, research and innovative business are still too often fragmented, thereby hindering a free flow of knowledge. By facilitating knowledge sharing and innovation processes, the EIT will make a decisive impact on the European innovation landscape and help to ensure that the best ideas are being brought to the best use of economy and society.

What is the place of the EIT in the European Union's innovation strategy?

Innovation and knowledge have been identified as key drivers in the EU's recently launched vision for the future of Europe, the EU2020 strategy. The EIT's mission therefore clearly responds to the ambition for Europe to lead, compete and prosper as a knowledge-based, connected, greener and more inclusive economy.

What is new about the EIT?

The EIT is a new 'experiment' in many ways. Not only has it been given unprecedented independence and autonomy in decision-making, but this excellence-driven body is also the first European initiative bringing together all three sides of the knowledge triangle (higher education, research and innovation) with a strong focus on entrepreneurship and entrepreneurial education. In doing so, the EIT will deliver new ways of tackling major societal challenges, thereby inspiring others to emulate them and contributing to a change in mindset across the innovation web.

In order to be successful in this endeavour, the EIT operates on a strategic, longer-term horizon, with Knowledge and Innovation Communities having a life-span of 7-15 years. The focused leadership of KICs, their funding model, as well as their bottom-up approach equally make the EIT a test-bed for exploring new ways of innovation.

What is the EIT's governance structure?

An innovative governance structure was conceived for the EIT to enable it to meet its objectives. It caters for the need for coordination and strategic orientation through the EIT Governing Board, while providing for maximum autonomy in the delivery through the KICs.

Who is responsible for the strategic orientation of the EIT?

The Governing Board is the principal driving force behind EIT governance issues and is independent and autonomous in its decision-making. It is entrusted with the role of strategic leadership and coordination of the EIT's activities and is responsible for the selection, evaluation and support of the Knowledge and Innovation Communities (KICs). The Governing Board brings together 18 high-calibre members balancing prominent expertise from the higher education, research, business and innovation fields.

What is the role of the EIT Director?

The Director of the EIT is responsible for turning the strategic decisions taken by the Governing Board into a reality and for the day-to-day management of the EIT Headquarters in Budapest. He is accountable to the Governing Board and reports to the Board on an ongoing basis.

What are the next steps for the EIT?

The EIT's activities for 2010 are driven by three main objectives: delivering the KICs; developing the Strategic Innovation Agenda (SIA); and the establishment of the headquarters in Budapest (spring 2010). Next steps will include the start of the first KICs, marked by the conclusion of Framework Agreements between the EIT and the KICs, which cover a strategic horizon of seven years and are implemented on an annual basis. Moreover, the EIT will launch a series of KIC support activities and consultations in preparation for the EIT's Strategic Innovation Agenda.

What is the EIT Strategic Innovation Agenda (SIA)?

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 prioritisation of themes for KICs, budgets and finance, and the role and contribution of the EIT to the European innovation landscape. The lessons learned from the KICs will significantly shape the Strategic Innovation Agenda (SIA) which the EIT will present in summer 2011.

When are the headquarters in Budapest becoming operational? What is the role of the Commission during the interim period?

European member states unanimously decided on the 18th of June 2008 that the EIT headquarters would be located in Budapest, Hungary. It is expected that the EIT building will be finished and operational in spring 2010. The new EIT Director, in place since 1<sup>st</sup> November, is fully backed by the Commission during the interim period. However, the aim is that the EIT becomes financially and operationally autonomous as soon as possible. The EIT team is currently being recruited and Commission support will gradually phase out as EIT staff starts working from the new EIT Headquarters in Budapest by early spring 2010.

## KIC OVERVIEW

What is the role of the KICs within the EIT?

The EIT aims to create a new European way to deliver essential economic growth and societal benefits through innovation. The KICs are the operational part of the EIT, bringing together actors from the entire innovation web to stimulate innovation and entrepreneurship. The relationship between the KICs and the EIT is organised on a contractual basis, leaving a great degree of autonomy to the KICs to define their own legal status, internal organisation and working methods.

What is a KIC?

A KIC is a highly integrated, creative and excellence-driven partnership which brings together the fields of education, technology, research, business and entrepreneurship in order to produce new innovations and new innovation models that inspire others to emulate it. KICs will be active in areas of long-term societal challenges, offering new opportunities for innovation in Europe and generating real impact in terms of new business creation, entrepreneurship education and societal benefit.

What characterises the KICs' structure?

Key features of the KIC structure are co-location, top quality leadership and management, combined with simplicity and a 'CAN DO' approach. The KICs need to be run with a clear business mindset capable of taking decisions that engage the entire partnership swiftly. The activities of a KIC will be based on a monitored business plan with a clear focus on results and deliverables with targeted investment returns.

What is co-location?

A co-location centre is a geographical location where all or a large part of the innovation web can be found in close proximity. It brings together people that were previously separated and from diverse backgrounds. A co-location centre builds the collaborative activities of the KIC partners into regional or national centres of excellence. Typically each KIC has 4-6 co-location centres, each one potentially associated with a subtheme of the overall theme of the KIC.

What themes will the EIT address through the KICs?

As one of the main objectives of the EIT is to tackle major societal and economic challenges, the first call for KICs has three priority areas: climate change mitigation and adaptation, sustainable energy and the future information and communication society. It is up to the KICs to define their area of activity within those fields.

## KICs CALL 2009 and NEXT STEPS

When was the EIT KICs Call 2009 launched?

The EIT KICs Call 2009 for proposals was open from 2 April 2009 until 27 August 2009. The call itself reflected the novel and innovative nature of the EIT and was marked by a strong bottom-up approach and simplicity (proposal max 40 pages).

What are the essentials of a KIC as laid down in the call?

Key winning points for a successful KIC proposal are novelty and attractiveness, effective business and co-location plans, clear IPR policy and benchmarks as well as a strong leadership and governance structure. When assessing the KICs, the EIT put emphasis on commitment and performance rather than on control. In this spirit, the EIT will stimulate competition amongst KICs so as to maintain top quality levels over time.

What was the KIC selection procedure?

The KIC selection procedure was divided into three stages:

Stage 1: Eligibility check - a KIC proposal must meet all the KIC eligibility criteria outlined.

Stage 2: Evaluation by external independent experts (a call for experts was launched on 14 May 2009), review by final expert panel and report to the EIT Governing Board, recommending a shortlist of six proposals (the top two from each priority area).

Stage 3: Final decision on the KIC selection by the EIT Governing Board following hearings with the six shortlisted candidates on 16 December 2009.

When will the KICs become fully operational?

In order to give the KICs a rapid start, the EIT has among others created a preparatory grant, intended to enable an immediate start on KIC activities; including putting in place organisation and management structures, the IP board, the business plan as well as securing the commitment of the various partners. With the preparatory grant in place, KICs are expected to phase in towards full activity very quickly. They should become fully operational shortly after having signed their seven year Framework Partnership Agreement with the EIT and after confirmation of the first annual grant agreements towards mid 2010.

How will the KICs be financed?

KICs are funded in part by a direct contribution from the EIT, but are also expected to generate significant parts of their budget out of other sources - notably the private sector - through their strong business component.

It is expected that the EIT contribution will amount to approximately 25% of the total KICs budget. This money may be used to fund KIC added value actions within the KIC programme up to 100%. KIC added value actions are the activities that "make a KIC a KIC".

Other than the direct EIT contribution, sources of funding may include for example businesses, venture capital, national and regional funding, European Union funding (FP7 research grants or structural funds), private funding and participants' own resources.

On what basis will KICs be granted the contribution from the EIT budget?

The EIT allocates the direct contribution in the form of annual grants and on a competitive basis. The annual cycle of agreements will include monitoring of the KIC with respect to its Work Programme, Key Performance Indicators and budget. The KIC will present an annual report of KIC activities and financial performance, together with its rolling three-year Work Programme 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 Work Programmes and funding for the following year.

How will the EIT develop as a role model?

It is one of the foremost aims of the EIT to serve as a model inspiring new innovation partnerships. Immediately with the designation of the first 2-3 KICs, the EIT will start an intensive learning process accompanying their establishment. The lessons drawn from this process will significantly help the EIT to shape future KICs. The focus of this learning exercise will be chiefly on the effectiveness of the co-location, the leadership, the processes and governance as well as on the interactions with stakeholders - with business in particular. In doing so, the EIT will seek strong interaction with a broad base of European and international stakeholders to share and analyse the vital success factors of KICs, for example through seminars or online tools.

When will the next call for KICs be launched?

The newly designated KICs are the only ones foreseen under the current Financial Framework which remains valid until 2013. The next call for KICs will be launched after adoption of the EIT's Strategic Innovation Agenda (SIA) and once a positive decision about EIT funding is taken by the European Parliament and the Council of Ministers after 2013.