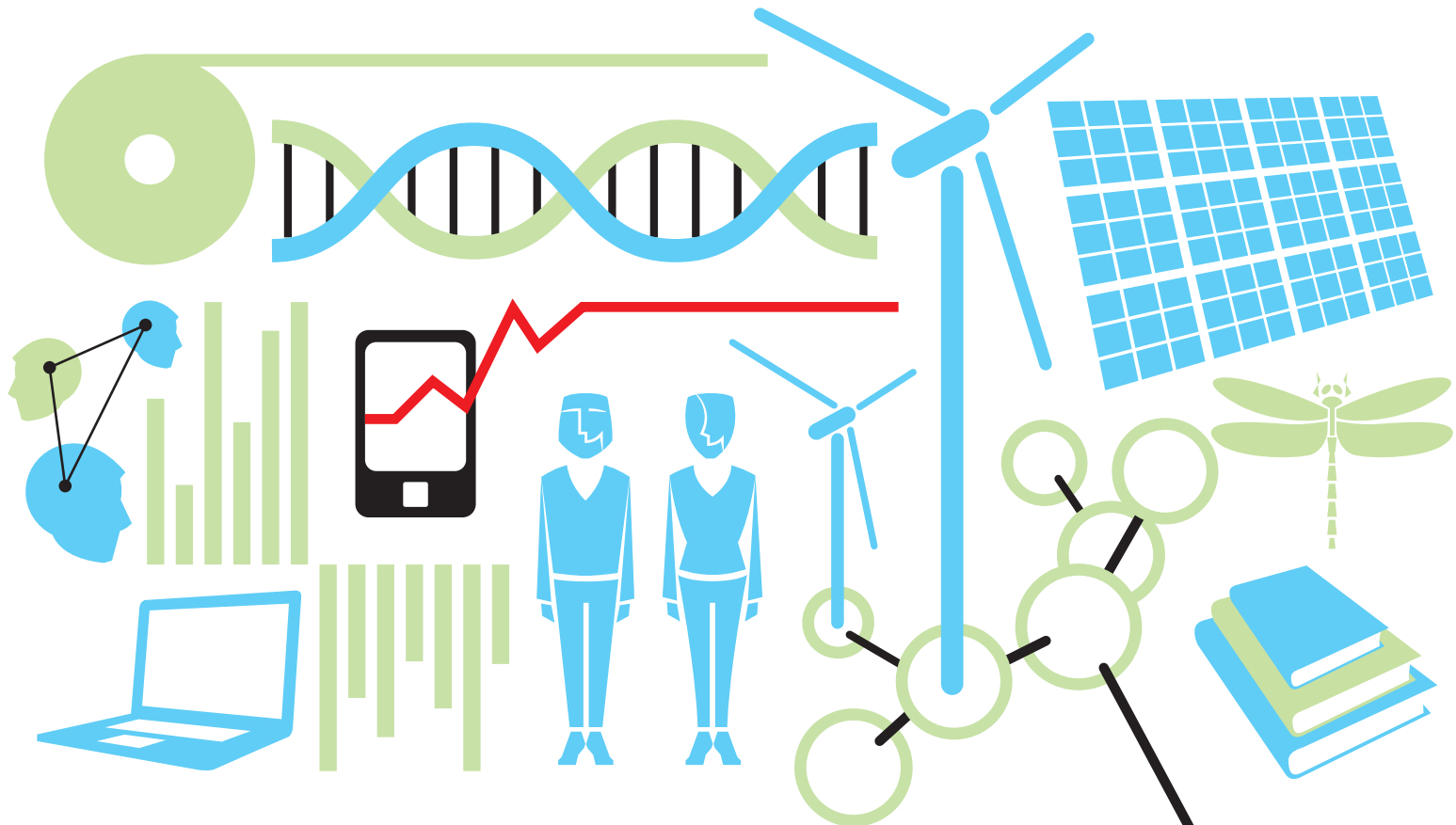


# STRATEGIC INNOVATION AGENDA:



## THE EIT'S VISION FOR THE FUTURE

The EIT presents its Draft Strategic Innovation Agenda (SIA) in the context of the European Commission's EU2020 Strategy and the Communication on the Innovation Union and for a period of seven years starting from 2014.

EIT Governing Board



The European Institute of Innovation and Technology (EIT) was set up in March 2008 by the European Parliament and Council with a view of increasing Europe's innovation impact and of becoming a key driver of sustainable European growth and competitiveness.

The EIT is a European Union Institute that encourages, seeds and enables existing European education, research and business hotspots to form entrepreneurial and excellence driven innovation clusters – its Knowledge and Innovation Communities (KICs). As such, the EIT brings together the three sides of the knowledge triangle, consisting of higher education, research and business including SMEs from the EU and beyond.

## THE EIT'S KNOWLEDGE AND INNOVATION COMMUNITIES (KICs)

KICs are the EIT's operational base. The first three KICs were designated in December 2009: **Climate-KIC** (climate change), **EIT ICT Labs** (future information and communication society) and **KIC InnoEnergy** (sustainable energy). The funding or seeding of the KICs by the EIT accounts for only 25% of the total KIC budget. The remaining 75% reflects the commitment of KIC partners and comes from the partners' own resources and regional, national or European funding attracted by the partners.

KICs address long-term EU societal challenges offering new opportunities for innovation in Europe. The KICs drive real impact through the training of entrepreneurs in higher education, through new business creation leading to new products and services for the existing EU industry and through the creation of new businesses (including SMEs) in Europe.

KICs are shaped by strong entrepreneurial cultures and are driven by common visions and goals expressed in a business plan. The KICs' innovative "webs of excellence" consist of five or six innovation hotspots where all the elements of the Knowledge Triangle are being co-located. Additional Regional Innovation Centres help address geographical coverage through Europe.

KICs are driven by entrepreneurship to provide higher innovation impact in the form of **new products and services for existing industry, new businesses and SMEs and more entrepreneurially minded and (higher) educated people**. The EIT headquarters are in Budapest. The EIT's regulation allows EIT significant autonomy so as to cope with the particular demands of high pace innovation; among them flexibility and simplicity through derogations from the EU Financial Rules.

The KICs have set-up a legal entity representing the core of the KIC partners and are run by a CEO. Indeed KIC partners do not subscribe to an effort of contributing to the programme of a KIC, as most grant programmes in Europe do. Instead, the KICs must accept the leadership of the CEO (and a supervisory board) and the subscription to the production of innovation results/impact, rather than efforts, as described in each KIC's business plan.

It is also worth mentioning that KICs follow a completely new approach with contractual agreements signed between the EIT and the KIC legal entity – while all KIC partners sign an internal agreement with the KIC legal entity.



The EIT and the KICs are designed to continuously learn from each other. They establish and facilitate a culture that helps unlock Europe's underused potential to leverage people, technology and business innovation for greater EU innovation impact. Entrepreneurship is the central driving force of innovation in the EIT and its KICs. Over time, KICs must become self-sustainable world-class innovation centres to survive.

# EIT ACHIEVEMENTS

None of what the EIT has realised thus far has ever been achieved before. With a trial and error approach and an insistence on simplicity, the EIT selected the first three KICs and supported them in building their respective governance structure all in less than two years following the Call for Proposals. Following the first EIT Governing Board meeting with European Commission President Barroso in September 2008, the EIT launched its first call for KICs in April 2009.

The first three KICs were designated in December 2009 and a year later, the contractual agreements between the EIT and each KIC legal entities were signed. 2010 was spent developing KIC legal and financial entities, getting the contracts signed, putting the KIC entities under the leadership of a CEO. Meanwhile, the EIT has started driving entrepreneurship education and business creation together with the KICs; with initiatives such as KIC summer schools, mentoring schemes, business accelerators and an EIT Entrepreneurship Award. In addition, the EIT Foundation has been established to raise additional funding supporting the EIT.

# THE EIT STRATEGY

The EIT and its KICs are currently following three specific strategic strands:

1. Building up of the EIT and the KICs by further development of the EIT Headquarters in Budapest and of each KIC co-location centre as a hotspot driving innovation effectiveness and focusing specifically on results and impact;
2. Further development of entrepreneurship education within KIC higher education institutions sealed and branded by an EIT label;
3. And continued focus on new business creation within the three KICs based on entrepreneurship leading to new products and services for existing industry, new businesses and SMEs, as well as better entrepreneurially minded and trained people.

# THE EIT'S CONTINUOUS LEARNING FOCUS

Shifting from a system based on control of expenditure towards a trust-based system, focusing on outcomes (impact) and rewarding performance is perceived as "the" next major challenge for the EIT. This will again be tackled in a 'learning by doing' approach and by capitalising on the EIT's existing derogations from the EU Financial Regulation towards optimum flexibility for the institute to foster innovation. In the years to come, the EIT will aim and focus on becoming an **entrepreneurial driven innovation impact investment institute**.



# SECOND INVESTMENT ROUND FOR 2014

Further reinforcement of Europe's innovation landscape beyond the current important policy strengthening of the 2020 Innovation Union target is both timely and urgent. Moreover according to its regulation, the EIT was set-up to last for the long periods of time that innovation typically takes.

## HOW DOES THE EIT WANT TO ACHIEVE THIS?

The EIT will be putting forward additional new themes all with high societal relevance and all chosen to reflect new business creation opportunities and requiring the full inclusion of the knowledge triangle in the innovation approach. A next round of investment in new themes together with the existing three themes will start in 2014.

Thus, the EIT wants to go for a second 'KIC investment round' in 2014 so that more potentially world-class and over time self sustainable European innovation hotspots can emerge. Moreover, the EIT will add value to the European innovation landscape by providing a 'role model service' to others providing inspiration and good practice, etc. to the larger initiatives of post-2013 EU funding, namely the Common Strategic Framework, the Education and Training Programmes as well as the Structural Funds.

The EIT is ready to take its own place within the Commission's EU2020 Strategy and Innovation Union and is confident it will significantly contribute to Europe's innovation impact. Key requirements now and in the future remain flexibility and simplicity in EIT's operation, great attention to all elements of the knowledge innovation chain: education, research/technology and small and large businesses, and a continued and further re-enforced focus on entrepreneurship driving innovation impact.

