



The Future EIT

Strategic Outline

This paper presents the **main strategic directions for the EIT post-2020**, which form the basis for the next Strategic Innovation Agenda (SIA) we are developing and for our **place in the future EU Innovation landscape**. It **reflects our current considerations** on main elements of our future strategy.

As we continue to amend and fine-tune our strategy, this document **will serve as an input to and basis for the consultation with our stakeholders**. We intend to collect feedback until the end of October in order to finalise the SIA by early December.

WORK IN PROGRESS

European Institute of Innovation and Technology
(EIT)

Budapest | October 2017

www.eit.europa.eu



The EIT is a body of the European Union

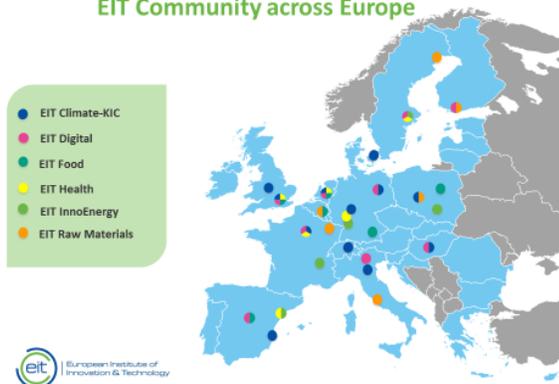


Innovation plays a key role in modern economies and there is a clear need and potential to further improve Europe's capacity **to respond to the challenges our society will face**, to build resilience and secure future economic and social prosperity. Along with most other countries in the world, Europe signed up to the 17 UN Sustainable Development Goals¹ which set highly ambitious targets for 2030, addressing key challenges, such as to guarantee clean water and sustainable energy, ensure healthy well-being and inclusive education for all, fight climate-change, end hunger and poverty, and reduce inequalities.

Building on a strong basis

As integral part of Horizon 2020, our distinctive role is to deliver solutions to these global societal challenges by bringing together people to educate and innovate. Today, we are **Europe's largest integrated innovation ecosystem** with over 1,000 excellent partners from the Knowledge Triangle of business², research and education and beyond. Our partners collaborate in **six EIT Innovation Communities spanning over 30 innovation hubs** and involving students, educators, researchers, entrepreneurs, investors, NGOs, public authorities and citizens. Together we create new products and services for the benefit of Europe and we train future entrepreneurs and change makers in our entrepreneurial education programmes.

EIT Community across Europe



Our first three **Innovation Communities** - EIT InnoEnergy, EIT Climate-KIC and EIT Digital – launched in 2010, have reached full maturity and **are delivering an increasing number of results**.³ These include commercial successes such as tado⁴ - the smart thermostat that saves up to 40% on energy costs – which attracted over €50 million in external investment and grew to over 100 employees. We also received strong international recognition for nurturing entrepreneurial talent, as 18 of our young EIT innovators were included in the prestigious *'Forbes 30 under 30 list'* of 2017.⁵ EIT Health and EIT Raw Materials, designated in 2014, have by now established their innovation ecosystems across Europe and started delivering initial results while EIT Food, designated in 2016, is currently in its start-up phase. EIT Manufacturing and Urban Mobility are planned to join our community in December 2018. By 2020, eight pan-European thematic EIT Innovation Communities will be delivering innovation to Europe and its citizens.

Between 2012 and 2016, **over 400 innovative products and services** were brought to market and over **800 start-ups** have been supported, which **raised over €600 million in external funding creating over 6,100 jobs**. We **widened participation** and brought knowledge, skills and good practices to **16 modest and moderate performing countries and regions**⁶ through our EIT Regional Innovation Scheme, **increased synergies** with European, national and regional initiatives and established links with Silicon Valley in the United States, China and Australia.

As an **independent EU Innovation Institute** we guide, incentivise and supervise our Innovation Communities to deliver and increase their results and impact. It allows us to be **flexible, autonomous, business driven** and tailor requirements to the specific needs of our communities. For example, the EIT's rules for competitive funding, financial sustainability and simplifications are designed to foster innovation. The EIT administrative costs are very low at only 1.9% of the 2016 total budget compared to the average of 4.6% reported for Horizon 2020.

¹ <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

² More than 50% of our partners are from business: large corporates, SMEs, start-ups and scale-ups.

³ For more details see eit.europa.eu

⁴ www.climate-kic.org/start-ups/tado or www.tado.com

⁵ <https://eit.europa.eu/newsroom/eit-innovators-named-forbes-list-2017>

⁶ http://ec.europa.eu/growth/industry/innovation/facts-figures/scoreboards_en

Through the **systematic focus on joint activities, sharing of best practices and integrating lessons learnt** we have built up a wealth of knowledge and experience on innovation and education to share.

After overcoming initial start-up difficulties, we will now step-up our ambitions to serve Europe and its citizens better and more efficiently. To do so, **we need to have our place at the heart of EU innovation policy making and delivery as an integral and central part of the future Framework Programme for Research and Innovation (FP9)**. Our focus on fostering and strengthening innovation ecosystems and solving societal challenges through the integration of the Knowledge Triangle will **complement other future EU innovation and education instruments**. A structured and streamlined cooperation and alignment to increase impact through synergies is therefore crucial.

Stepping up: The EIT as Global Innovation Leader

Our vision: to become a global innovation leader delivering world-class solutions to global societal challenges that create jobs and improve the quality of life of citizens.

To address future global challenges, embrace the opportunities of new technologies and contribute to sustainable economic growth, jobs, competitiveness and the well-being of Europe's citizens, we need to **further strengthen Europe's capacity to innovate**. For this to happen, it is paramount to **connect and empower people and organisations to create, educate and innovate**.

Our strategy to achieve this mission is based **on four key objectives and delivery avenues** which form the basis of our EIT innovation model:

1. To **foster and strengthen sustainable innovation ecosystems** by connecting people, disciplines, sectors, organisations and resources;

⁷ An Impact Framework is under development and will include specific indicators to measure our impact.

⁸ This is confirmed by the EIT's independent external evaluation, which will be published in October 2017.

⁹ There is thus no one-to-one correspondence between the formal type of an organisation and its function. For example, research can be conducted by public research organisations, higher education

2. To **bring solutions to global societal challenges to the market** by integrating business, education and research;
3. To **enhance and promote skills and competences** for a strong inclusive entrepreneurship and innovation culture; and
4. To **share innovative practices and learnings** widely and contributing to innovation policy design in Europe.

We will continue to deliver **impact**⁷ on three levels:

- **Socio economic impact:** Improved quality of life, enhanced job creation and economic growth;
- **Impact related to the global societal challenges** (e.g. reduction of CO² emissions, improved citizen health, healthier and sustainable food, more sustainable and green urban transport systems);
- Systemic long-term **impact on innovation and education systems:** Improved capacity of participating organisations to innovate.

We foster and strengthen sustainable innovation ecosystems across Europe by connecting people, disciplines, sectors, organisations and resources.

We treat innovation as a collective and collaborative endeavour and the **integration of the Knowledge Triangle remains at the heart of our innovation model**.⁸

We have **two distinct pathways to foster and strengthen sustainable innovation ecosystems in Europe:** (1) By reinforcing the effectiveness and expanding EIT Innovation Communities and (2) by supporting regions towards excellence in countries that are modest or moderate innovators through the EIT Regional Innovation scheme (EIT RIS).

1. Reinforcing the effectiveness and expanding EIT Innovation Communities

Our EIT Innovation Communities are thematic networks of excellent partners who innovate and educate by integrating the **three functions**⁹ of the Knowledge Triangle. **Each community has a joint long-term**¹⁰ **strategy** to deliver

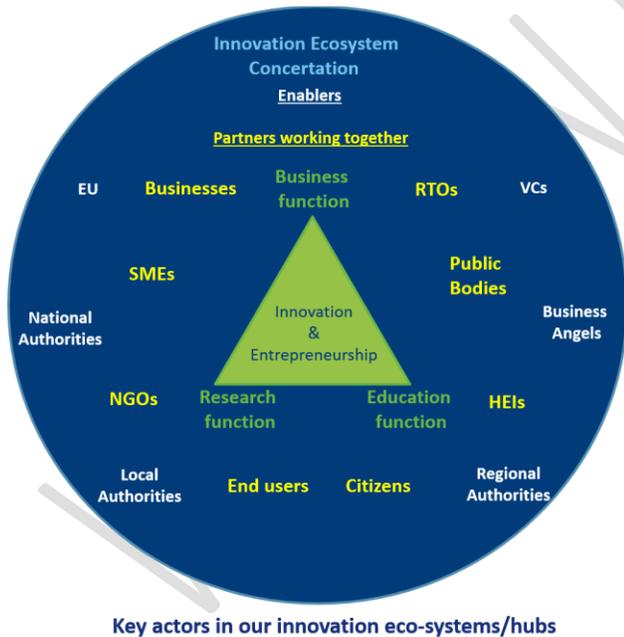
institutions, large corporates and SMEs; learning programmes can be delivered by education institutions together with businesses; and in the development of new products and services, all actors may all play a role.

¹⁰ We offer a long-term perspective (7 to 15 years) and structured cooperation, which goes beyond the traditional scope of project- or programme-based funding.

solutions to a specific societal challenge; and operates with an efficient organisational structure and business plan with our strategic guidance and financial support. Clear, measurable objectives and KPIs ensure concrete benefits for partners and EU citizens and long-term financial sustainability of the community is an inbuilt feature.

‘EIT innovation hubs’ – which are **regional innovation ecosystems interlinked across Europe** – form the structure of the EIT Innovation Community and enable regional and cross-border EU collaboration. The hub is the focal point for activities and has key partners in close proximity to facilitate interaction among members of the regional community.

Each hub offers a physical space –functioning as an entry point for and actively facilitating a trusted face-to-face collaboration between its members and beyond. This enhances knowledge transfer and provides a test bed for fresh ideas in a cross-disciplinary way. EIT Innovation hubs provide access to the knowledge, expertise and talent pool of the individual thematic EIT Innovation Community and the entire EIT Community.



To further increase Europe’s innovation capacity, we will enhance the efficiency and effectiveness of our existing

innovation ecosystems and open up to new collaborations. We will:

- **Guide our first three Innovation Communities** – *EIT Climate-KIC, EIT Digital and EIT InnoEnergy* towards **financial sustainability** and ensure their continuous impact beyond EIT funding;
- **Scale up, mature and ensure continuous delivery of results and impact of our five Innovation Communities** (*EIT Health, EIT Raw Materials, EIT Food, EIT Manufacturing and EIT Urban Mobility* which started operations between 2015 and 2019);
- **Set up new EIT Innovation Communities** to address the challenges faced by citizens and realise Europe’s innovation potential in areas such as security and resilience; inclusion, integration and migration; water, marine and maritime; and cultural and creative industries. To remain flexible and adapt to future emerging challenges and needs, we are also exploring the option of an open call for societal challenges to be proposed bottom-up by innovation stakeholders;
- **Develop our innovation hubs and Co-location Centres into acknowledged drivers of regional innovation** in collaboration with Member States and regional authorities;
- Step-up **collaboration among EIT Innovation Communities on cross-cutting topics** to increase innovation opportunities, for example by aligning innovation hubs operating in the same region;
- Mobilising investors and providing specific mechanism **for access to finance for innovative companies;** continue **simplification,** for example through multiannual and results-based funding, a shared services centre, and adopting an investment logic for mature EIT Innovation Communities.

2. Supporting regions towards excellence through the EIT Regional Innovation scheme (EIT RIS)

To bridge the existing gaps in innovation performance across Europe, enable talent and unlock assets we aim at **strengthening the innovation capacity of countries that are modest and moderate innovators**¹¹. To achieve this, we will target innovation ecosystems that exhibit high innovation potential¹² and work with them in a systematic, synergetic

¹¹ European Innovation Scoreboard 2017: http://ec.europa.eu/growth/industry/innovation/facts-figures/scoreboards_en

¹² For example, regions with existing pockets of excellence

and sustainable manner, moving beyond the current approach of involving selected entities and individuals. Dedicated regional EIT hubs will be designated to serve as an entry point for interacting with local players, mobilising and **internationalising the regional networks**.

By applying the Knowledge Triangle approach, we strengthen local and regional innovation ecosystems. We

- Bring together actors and **create strong links between business, research and education**, as well as national and regional authorities and link them to our pan-European Innovation Communities;
- **Enhance the institutional capacity of innovation actors** through joint activities and transfer of good practices, learnings and know-how in entrepreneurial education, business development and innovation;
- **Coordinate with national and regional policy makers and Managing Authorities** to align efforts; and **facilitate synergies and complementarities** with other national or EU initiatives and programmes, such as regional Smart Specialisation Strategies and European Structural and Investment Funds (ESIF).

We bring solutions to global societal challenges to the market by integrating education, business and innovation-driven research.

We inspire, facilitate and empower entrepreneurs, innovators, educators, students and other innovation actors to work together in cross-disciplinary teams to generate ideas and transform them into both **disruptive and incremental innovations**.

Products and services are brought to the market through **intrapreneurial and entrepreneurial pathways**: A solution born from an innovation project may be placed on the market by a partner (e.g. large firm or SME) or by establishing a start-up, either through one of its members or by finding a suitable external team.

Through their **pan-European accelerators**, our Innovation Communities support high potential start-ups from both within or outside the community and integrate them in the ecosystem. Successfully commercialised innovations create a **return on investment** and can contribute to the financial sustainability of the EIT Innovation Community. High-level services and support are provided to **scale-ups**, including technical assistance to fine-tuning products or

services, substantive mentoring, support to securing target customers and raising capital (“access to market” and “access to finance”).

In business creation activities and management of start-up portfolios high priority is given to disruptive and market creating innovations. Moreover, the EIT is considering the feasibility to have a dedicated mechanism for improved access to finance for innovative companies to scale up.

From 2021-2027 the EIT Community will contribute with novel solutions to:

1. **Mitigate and adapt to climate-change** by building a zero-carbon economy and climate resilient society. [EIT Climate-KIC]
2. Drive **digital innovation, education and entrepreneurship** for economic growth and quality of life in Europe. [EIT Digital]
3. Secure adequate supply of **energy** produced in a sustainable and affordable manner and transitioning towards a zero-carbon economy. [EIT InnoEnergy]
4. **Promote healthy living and active ageing** by increasing awareness of good habits and encouraging changes in behaviour, developing tools to help people to work more flexibly and live longer in their own homes and improve cost-effective healthcare, through innovations that empower patients. [EIT Health]
5. Sustainably explore, extract, process, recycle and substitute **raw materials** in an efficient, secure, sustainable and circular way. [EIT Raw Materials]
6. **Secure an adequate supply of high quality food**: Ensuring a sustainable value chain from “from farm to fork”, from resources to consumers, improving nutrition and making the food system more resource-efficient, secure, transparent and trusted. [EIT Food]
7. Create an **integrated manufacturing system** spanning the entire value chain from production, distribution and end-of life treatment of goods, products, services based on a customer-driven innovation system. [EIT Manufacturing]
8. Ensure a smart, greener, more inclusive, and safer integrated **urban mobility** system [EIT Urban Mobility]

In addition, we are currently considering the following societal challenges to be addressed by new EIT Innovation Communities:

9. Ensure European freedom of action with regard to **security and resilience related threats** to citizens, goods and organisations, including protection of critical infrastructures and cyber security;
10. Foster **inclusion and integration** in European societies, in the context of demographic and social changes, including inequalities and migration trends;
11. Create sustainable, circular and blue economies that are based on healthy **water and marine ecosystems**;
12. Unlock the potential of **cultural and creative industries** in promoting **cultural diversity, European citizens' creativity and social cohesion** as well as in creating **sustainable economic growth and jobs**.

We enhance and promote skills and competences for a strong inclusive entrepreneurship and innovation culture.

The development of 'human capital' with the competences and skills needed to become a smart, sustainable and inclusive economy is central to Europe and is at the heart of our renewed strategy. Our educational model focusses on involving business and research **and providing excellent education for innovation and entrepreneurship**. As a result, students are more international, interdisciplinary and entrepreneurial than regular graduates and better prepared for future challenges through creative problem solving and team-working. We will:

- Strengthen and further **develop our flagship initiative – the EIT Label**¹³ – into an acknowledged European quality seal for excellent entrepreneurship education, improve its quality assurance and step up its promotion and **design to make it available to partners** outside the EIT Community;
- Refine and **widen our offers beyond higher education** inter alia to schools, **in line with the EU's 'New Skills Agenda for Europe'**¹⁴ as competences for entrepreneurship, innovation and digital skills need to be developed on a much larger scale. Systematic inclusion in education across Europe is needed to effectively strengthen the EU innovation capacity;

- Provide strategic knowledge and guidance to our stakeholders and **encourage the development of innovative forms of teaching and learning**;
- **Reduce skills mismatch and boost skills uptake** throughout the education chain, focussed on a higher participation of women, minorities and other under-represented groups in entrepreneurship, digital issues as well as scientific and technical specialisations and in geographies where they are currently underrepresented;
- **Strategically guide our EIT Alumni Community** to maximise its entrepreneurial and societal impact.

We share innovative practices and learnings and contribute to innovation policy design in Europe.

To fully deliver on our mandate as an 'Innovation Institute for Europe'; to become a real partner for policy makers and allow entrepreneurs, start-ups, SMEs and large corporates alike to benefit from the results of our innovation activities, we will:

- **Systematically identify and codify innovative approaches and concepts**;
- Make our **knowledge and experience available in a much more targeted and systematic manner** as good practices, new or improved models for entrepreneurship, innovation and education, and through advice for policy makers on innovation, entrepreneurship and education,
- **Enhance the identification of synergies** with actors and initiatives at global, European, national and regional levels to reduce fragmentation, boost efficiency and effectiveness of EU innovation support instruments at large and thus to increase impact globally.

We share and discuss these draft future strategic directions with our stakeholders to collect your input and feedback to finalise our EIT Strategic Innovation Agenda by December 2017.

¹³ The EIT Label: <https://eit.europa.eu/activities/education/eit-label>