

## The European Institute of Innovation and Technology (EIT) Knowledge and Innovation Communities (KICs)

### Definition & Context

The European Institute of Innovation and Technology (EIT) is a European Union body located in Budapest, Hungary. The European Parliament and the Council announced EIT on 11/03/2008<sup>1</sup> and amended the regulation on 11/12/2013<sup>2</sup> after it became operational in 2010 with the establishment of the EIT Headquarters<sup>3</sup>. The EIT aims to enhance Europe's ability to innovate in terms of reinforcing the Member States' capacities, creating the entrepreneurs of tomorrow and increasing European sustainable growth and competitiveness. The EIT particularly focuses on the integration of all three sides of the Knowledge Triangle (higher education, research and business) and undertakes a unique experience to foster collaboration between innovation and excellence centres with the emphasis on boosting innovation process; namely, from idea to product; from lab to market; and from student to entrepreneur.

The integration of different sides of Knowledge Triangle requires effective transmission and sharing knowledge, information and skills as excellent researchers, students and entrepreneurs who generally work in isolation with very limited connections. The Knowledge and Innovation Communities (KICs) are designed to overcome this communication barrier and provide opportunities to commercialise the most up-to-date and relevant research findings. In this way, research organisations can also benefit from additional resources, an enhanced networking capacity and interdisciplinary approaches in areas with strong societal and economic importance.

Similar to the other EU instruments, the EIT's activities have been defined for the period from 2014 to 2020, with emphasis on the contributions to the objectives set out in Horizon 2020<sup>4</sup>, in particular by addressing societal challenges, the establishment of Innovation Union<sup>5</sup> and complementary tasks to other initiatives in these areas.

The EIT addresses the issues on the integration of knowledge triangle and the establishment of Innovation Union by promoting structural changes in the European innovation landscape. It undertakes this broad task by fostering the integration of higher education, research and innovation of the highest standards, notably through its Knowledge and Innovation Communities (KICs). In other words, the activities of EIT have been undertaken by the KICs; namely,

- **Climate KICs** (2010): *The main activities are centred on the climate change themes; i.e. greenhouse gas monitoring, adaptation services, making transitions happen, sustainable cities, the built environment, resource efficiency, developing a bio-economy and land and water. This first KIC covers about 250 organisations, including large and small companies, some of leading universities in Europe, 15 regional governments and NGOs.*
- **EIT Digital** (2010): *aims to foster digital technology innovation and entrepreneurial talent for economic growth and quality of life in Europe. EIT Digital bring together entrepreneurs from a partnership of over 130 top European corporations, SMEs, start-ups, universities and research institutes.*
- **KIC InnoEnergy** (2010): *aims to make a positive impact on sustainable energy in Europe, including acceleration services to start-ups, supporting new business ideas, providing expert teams for innovations and educational programmes. KIC InnoEnergy involves 200 partners*

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<sup>1</sup> [Regulation \(EC\) No 294/2008](#) (accessed January 13<sup>th</sup>, 2015).

<sup>2</sup> [Amended REGULATION \(EU\) No 1292/2013](#) (accessed January 13<sup>th</sup>, 2015).

<sup>3</sup> For more information on the EIT Headquarters, please see <http://eit.europa.eu/eit-community/eit-headquarters> (accessed January 13<sup>th</sup>, 2015).

<sup>4</sup> For more information, please see <http://ec.europa.eu/programmes/horizon2020/en> (accessed January 10<sup>th</sup>, 2015).

<sup>5</sup> Also see [http://ec.europa.eu/research/innovation-union/index\\_en.cfm](http://ec.europa.eu/research/innovation-union/index_en.cfm) (accessed January 10<sup>th</sup>, 2015)

and accessed the creation of 70 ventures and 30 start-ups while more than 160 companies involved in the activities.

- **EIT Health** (2014): *EIT Health aims to accelerate entrepreneurship and innovation in healthy living and active ageing, providing Europe's top talents with new opportunities and resources for the benefit of all citizens. The KIC launched on 09/12/2014 with more than 50 partners and 90 associate partners from leading business, research centres and universities from 14 EU countries.*
- **EIT Raw Materials** (2014): *aims to boost the competitiveness, growth and attractiveness of the European raw materials sector via radical innovation and entrepreneurship. The KIC launched on 09/12/2014 and recently covers more than 150 partners from 22 EU countries.*

The two new KICs ("*Food4Future - Sustainable Supply Chain from Resources to Consumers*" and "*Added-value Manufacturing*") are expected to be designated in the late-2016. Furthermore, the EIT also involves two bodies for particular activities; "EIT Foundation" dedicated to promoting a culture of innovation and entrepreneurship in Europe in order to enlarge the impact of the EIT and "EIT Alumni" dedicated to educational activities of EIT to create EIT alumni community of young entrepreneurs and innovators.

The KICs create new conducive environments for innovation and promotion of a new generation of entrepreneurial community by stimulating the creation of innovative spin-off and start-ups. They are supposed to be active in areas which offer a strong innovation potential. On the one hand, the KICs have overall substantial autonomy in drawing their own strategies; however, on the other hand, all KICs have to coordinate their activities to seek potential synergies. Furthermore, they develop a greater variety and provide advice on educational and training activities to raise awareness of innovation activities. On the whole, the EIT fully contributes to the objectives of the Europe 2020 strategy and notably to the flagship initiatives "*Innovation Union*" and "*Youth on the Move*"<sup>6</sup>.

## Implementation

The EIT operates in a comprehensive legal framework, composed of the Horizon 2020 Framework Regulation<sup>7</sup>, the Horizon 2020 Rules for Participation<sup>8</sup> and EIT specific provisions established in the EIT Strategic Innovation Agenda<sup>9</sup>. According to these regulations;

- As the EIT plays a major role for promoting a faster uptake of innovation models across Europe, the EIT is financed through a maximum contribution from Horizon 2020.
- The KICs are supposed to strongly contribute to addressing the objectives of Horizon 2020, with a specific objective of integrating the knowledge triangle of research, innovation and higher education. Thus, the EIT promotes entrepreneurial top talents and fosters innovation by bringing together stakeholders from different countries, disciplines and organisations.
- The EIT and the KICs contribute to the priority "Societal Challenges" and the specific objectives "Leadership in Enabling and Industrial Technologies" and the performance assessed on the basis of the monitoring indicators<sup>10</sup>.

The KICs operate in line with business logic and take a result-oriented approach<sup>11</sup>. While each KIC is driven by an individual CEO, the KIC partners are represented by single legal entities to allow more

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<sup>6</sup> Please see [http://ec.europa.eu/youthonthemove/index\\_en.htm](http://ec.europa.eu/youthonthemove/index_en.htm) (accessed February 16th, 2015).

<sup>7</sup> [Regulation \(EU\) NO 1291/2013](#), (accessed January 10th, 2015).

<sup>8</sup> [Regulation \(EU\) No 1290/2013](#), (accessed January 10th, 2015).

<sup>9</sup> [Decision No 1312/2013/EU](#) (accessed January 10th, 2015).

<sup>10</sup> Monitoring indicators vary in a broad spectrum; i.e. cross-cutting topics such as social and economic sciences and humanities, sustainability and climate change, including information on the amount of climate related expenditure, SME participation, private sector participation, gender equality, widening participation and progress against performance indicators, information on the extent of funding for public-private and public-public partnerships and so on.

<sup>11</sup> Also see [Regulation \(EU\) NO 1291/2013](#).

effective decision-making. In this way, they are able to provide a well-defined business plans by setting out a multiannual strategy, supported by an ambitious portfolio of activities. All these activities have clear targets and deliverables, focusing on both market and societal impact.

The EIT applies principles for financing, monitoring and evaluation criteria for the implementation bodies, KICs, with emphasis on their contributions to the EIT objectives, results, accountability and identification opportunities for simplification.

### Possible synergies

The EIT is one of the first European initiatives that express its willingness to create synergies. The institute aims to achieve two different types of synergies; *policy synergy* and *programme complementarity*. Policy synergy refers to achieve impact by combining policy positions and influence strategies in an interactive way. Meanwhile programme complementarity indicates the joint actions where two or more initiatives are pooling resources and using them to create synergies. In this context the EIT seeks opportunities to establish synergies, with special emphasis on the European Higher Education Area (EHEA), the Knowledge Alliances, the Joint Programming Initiatives (JPIs), the Competitiveness of Enterprises and SMEs (COSME), ESIF, Clusters and so on<sup>12</sup>.

The financial mechanisms to fund the KICs' activities are quite flexible. Principally, the funds are allocated according to KICs' business plans and performance with attention on the competitive review mechanisms. In particular, the EIT will contribute through the KICs to the specific objectives of the priority *Societal Challenges* and to the specific objective "leadership in enabling and industrial technologies". In addition, the EIT and its KICs seek synergies and interaction across the priorities of Horizon 2020 and other relevant programmes.

The KICs have already put effort into facilitating synergies between different EU programmes at different levels; for example,

- Aligning KIC's activities and regional investments through the EIT Regional Innovation Scheme<sup>13</sup>,
- Tailor-made support to the Member States' regions in terms of connecting KIC activities and regional operational programmes,
- Articulating current KIC projects to EU regional policies/Smart Specialisation<sup>14</sup> strategies to bridge these projects and ESIF.

There is a variety of mechanisms and instruments facilitating and promoting synergies. One of the most important ones is the ***EIT Regional Innovation Scheme (EIT RIS)***, which is active in 12 MS, is an outreach scheme fully in line with the EIT's mission to support the integration of Knowledge Triangle and increase the innovation capacity in regions of Europe. The EIT RIS promotes KICs to act on regional scales and takes account of each KIC's specificities, overall strategy and portfolio in order to optimise the potential benefits and impact for both the participants and the KICs themselves. In this respect, each selected EIT RIS partner and its region can benefit from the exchange of knowledge and good practices, accelerating innovation outputs, boosting regional innovation and contributing to economic growth. Furthermore, the Scheme helps the KICs to get aligned with regional Operational Programmes and use ESIF sources

The Background Note on the EIT RIS clearly states that "*selected EIT RIS partnerships will primarily use other sources of funding, such as national and regional funding, including EU Structural Fund monies and own resources to participate in the EIT RIS*". This approach is emphasised with possible

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<sup>12</sup> Technopolis (2013), *Analysis of Synergies Fostered by the EIT in ythe EU Innovation Landscape*, available at <http://eit.europa.eu/collaborate/documents/analysis-synergies-fostered-eit-eu-innovation-landscape>

<sup>13</sup> Also see <http://eit.europa.eu/activities/outreac/eit-regional-innovation-scheme-ris> (accessed February 27<sup>th</sup>, 2015)

<sup>14</sup> <http://s3platform.jrc.ec.europa.eu/home> (accessed March 2nd, 2015).

additional education activities. The KICs can finance structured mobility actions as a part of their business plans to ensure the participation of individuals from diverse backgrounds in the EIT RIS. Additionally, all regional activities of KICs are primarily driven by *the Co-location Centres* and they are able to capitalise on various funding schemes from their respective regions in relation to the Cohesion Policy<sup>15</sup> requirements by addressing the links between the local and global aspects of innovation: "*the Co-location Centres offer platforms for cross-border collaboration playing a major role in strengthening the local-global connectivity of the KIC as a whole, including through close co-operation with regional authorities, in particular those involved in designing and delivering the Regional Innovation Strategies for Smart Specialisation (RIS3)*"<sup>16</sup>. In this way, the EIT demonstrates that creating a better connection between higher education institutions, the labour market and regional innovation would only be possible with a close coordination to regional and national smart specialisation strategies.

Another mechanism of the EIT that may facilitate synergies is the monitoring process, which is planned to be launched in 2016. The monitoring activities will be based on three dimensions: *Strategic Review* (assessment of the "Knowledge Triangle integration" and "Activity Portfolio Management"), *Activity Review* (assessment of "Inflow and Output" for key activities) and *Performance Measurement System* (assessment of "Output and Impact" for all activities). Also it is supposed to be *continues* (ensuring accountability of high quality results and innovation excellence), *adaptive* (adaptation in the evolving context of EIT and KICs) and *bespoke* (a tailor-made approach taken into account the thematic area of different KICs). Furthermore, the monitoring process will focus on the synergy possibilities and motives the project partners to apply different funding sources.

Finally, it can be noted that the KICs have more opportunities to create synergies by means of cross-technology and cross-sectoral collaborations. For example, the Horizon 2020 implementation structure supports Key Enabling Technologies (KETs) and cross-cutting KET activities (multi KETs) while synergies are also promoted in areas related to societal challenges. Similarly, activities within the specific objective "Future and Emerging Technologies (FET)" are referred as complementary activities of EIT and interactions between KET, FET and EIT activities are ensured by means of an official EU regulation<sup>17</sup>. The sector specific areas are also considered as a way to obtain optimal leveraging effects through synergies; therefore, the EIT puts emphasis on these fields.

*The European Institute of Innovation and Technology (EIT) web page: <http://eit.europa.eu/>*

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<sup>15</sup> Also see [Challenges for the New Cohesion Policy in 2014-2020](#) (accessed January 25<sup>th</sup>, 2015).

<sup>16</sup> [Background Note on EIT Regional Innovation Scheme \(EIT RIS\)](#), Budapest: 2014, pp. 3

<sup>17</sup> [REGULATION \(EU\) No 1291/2013](#) (accessed January 13<sup>th</sup>, 2015).