

EARTO Feedback to ECA on European Institute for Innovation and Technology (EIT) & Knowledge Innovation Communities (KICs)

29 September 2014

On the occasion of the European Court of Auditors workshop on the European Institute for Innovation and Technology (EIT) Knowledge & Innovation Communities (KICs) in Brussels on 29 September 2014, EARTO was asked to provide feedback on the functioning of the EIT KICs.

Accordingly, this document summarizes the main issues identified by EARTO experts which the EIT could further consider in order to improve the functioning and impact of its KICs. In view of discussing the recommendations below, EARTO members very much welcome further dialogue with the EIT Secretariat's and KICs Co-location Centers.

- 1. Does the EIT address the relevant needs and expectations of potential stakeholders? Cooperation between partners can be difficult: the often divergent motivations of the different actors can lead to a mismatch of objectives, expectations, and approaches. Hence, needs and expectations of each stakeholder must be clearly laid down before hand to ensure their convergence in pursuing a common objective.**
 - It is important that all aspects concerning IPR are also clearly defined.
 - The EIT could discuss with the KIC partners the Knowledge Performance Indicators (KPIs), the criteria for performance and feasibility to meet those indicators as well as the contribution and role of RTOs to achieve them. Beforehand, the EIT will need to define together with stakeholders realistic objectives together with KPIs.
- 2. What is the added value of the EIT and its particular set-up to the innovation landscape? The operating model of the EIT is a novelty in the EU innovation landscape.**
 - One of the great positive points of the EIT is its focus on creating value through fostering innovation in applied research, bringing technology to the market, while supporting entrepreneurship.
 - The successful deployment of the KICs is linked to the stronger financial support to TRL 4-7, activities tackling the valley of death as well as training and supporting entrepreneurship. Most RTOs address TRLs 3-7, therefore have an important role to play. The KICs foster links between RTOs and industry by becoming sustainable networks of high quality.
- 3. To what extent is the EIT likely to achieve its main objectives?**
 - One of the EITs objectives is to bring technology to the market but in order to achieve this goal the EIT will need to keep key actors such as RTOs further involved in the setting up and running of the KICs.
- 4. How should the EIT and the KICs performance be assessed? Measuring causation and the existence and impact of innovation is difficult. Using only quantitative outputs as performance indicators may not reveal the full picture.**
 - Now the KPIs are: Outcome KPI (product/start-up that show commercial transaction, that is the difficult part), Progress KPI (knowledge adoption and transfer, via patent/know-how to be used and sold respectively). Number of patents in itself is not longer a KPI. Return on investment: KIC InnoEnergy is looking at it.
 - Indicators should be also qualitative: type of innovation/regarding type of activities, impact. KIC Climate also has a KPI Impact (regarding CO2 reduction).
 - Combining quantitative and qualitative objectives is necessary. In terms of quantitative, an indicator could be the number of start ups launched.

5. What could the EIT do better?

- Trying to share lessons learned between different KICs could be an easy way to start.
- More focus into applied research and close to market activities is needed if KICs are to be impactful initiatives. For some KICs, the “research” component of the triangle is given less focus than entrepreneurship and education. Certain KICs could further fund large research-based innovation projects ‘close to market’, like living labs, pilots, etc.
- The KICs should cover since its beginning a larger set of countries. The usual outreach procedures that are in use to spread the KICs’ methods outside the consortium usually take place after the KIC is established, and do not allow to new countries to have full involvement in the KIC.
- Harmonisation and stability of rules are welcome. Guidelines for governance and financial rules of the KICs would also be appreciated.
- KICs could be developed in the areas of Key Enabling Technologies, in particular for the promotion of innovation based on start-ups and high-tech entrepreneurships.
- In some cases, participation of industry is very low due to the lack of understanding of funding schemes and unclear return on investment.
- Some RTOs experienced a tightening of the rules for the KICs: increasing control and less freedom to operate.

EARTO - European Association of Research and Technology Organisations

EARTO is the European trade association of the research and technology organisations (RTOs), a non-profit organisation founded in 1999. EARTO groups over 350 RTOs with a combined staff of 150,000, an annual turnover of €23 billion, special equipment and facilities to a value of many €billions and more than 100,000 customers from the public and private sectors annually.

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