



# EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY (EIT)

Excellence for Innovation



# IMPRINT

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# CONTENT

The European Institute of Innovation  
and Technology – Excellence for Innovation

- 2 Innovation is our future
- 4 The EIT – a driving force for innovation
- 8 The EIT – an innovative structure
- 12 The EIT – beneficial for all
- 16 Getting started

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# Innovation for growth and jobs

Innovation is vital for our future. In the globalised economy of the 21st century, Europe's growth, competitiveness and social well-being will largely depend on its capacity to innovate. The European Institute of Innovation and Technology (EIT) is a new initiative which aims to become a flagship for excellence, helping Europe to unlock its innovation potential.

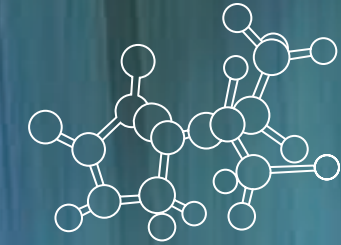
In an evermore competitive world economy, success is increasingly being determined by the ability of businesses and societies to be innovative. Europe, however, could still do better in this respect. When it comes to innovation, the EU is lagging behind its international competitors, notably the United States and Japan. The EIT has been conceived as an answer to this 'innovation gap'. Situated in the framework of the Lisbon Strategy for Growth and Jobs, the EIT is therefore part of a broader strategy to mobilise education, research and innovation for the benefit of all European citizens. It responds to public demand and to the needs of the knowledge economy in the 21st century.

*"The EIT will help make Europe competitive on the global scene. It will unlock Europe's potential for innovation."*  
**José Manuel Barroso,**  
President of the European Commission



# What it takes to innovate

Innovation does not simply happen. It needs a fertile breeding ground to thrive. The essential ingredient of this favourable environment is the integration of the three elements of the knowledge triangle: higher education, research and innovation.

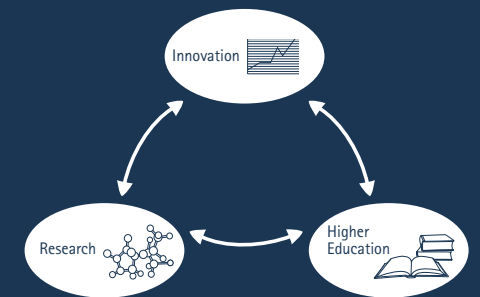


Innovation is not a linear process. It happens through interaction of the three sides of the knowledge triangle. It is only when academia, research and business work together that new ideas can be generated and be brought to the market. In the EU, the triangle is often still fragmented: Europe is good at inventing, but falls short in exploiting the results of its research work. Why is this?

- Lack of critical mass: the EU's higher education and research systems are too fragmented, leading to dispersed innovation efforts.
- Not enough top-class excellence: there are too few internationally renowned, excellent EU universities.
- Lack of business involvement: the level of business involvement in education and research is too low.
- Education and research structures: traditional structures tend to stifle entrepreneurial initiative and rapid response to social and economic needs.
- Brain drain: working environments fail to attract or keep the best talents in Europe.
- Lack of attention given to market signals: need for more user-driven innovation and anticipative approach for lead-markets.
- Lack of funding: insufficient private funding for education and R&D.

The EIT responds to these shortcomings and provides the environment for innovation to thrive.

## The knowledge triangle



INNOVATION IS OUR FUTURE

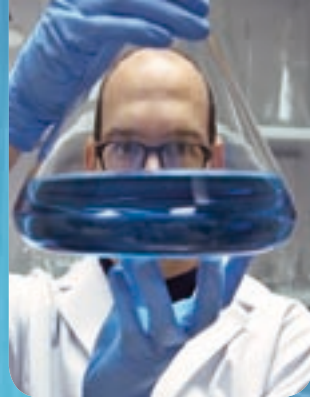
## Integrating the knowledge triangle

The EIT is the first European initiative to integrate fully the three sides of the knowledge triangle. It will enhance the competitiveness of the EU at its base by bringing together excellence in higher education, research and business in a truly integrated manner, thereby generating innovation in areas of key economic or societal interest.

The EIT responds to the fragmentation of the European knowledge landscape by establishing a new, innovative model of collaboration. Interactions within the EIT will be marked by the full integration of the three sides of the knowledge triangle. It embeds the business dimension in all knowledge activities and in turn makes knowledge outputs from universities and research more accessible to businesses.

The EIT will encourage and promote innovation. Its basic instruments will be trans- and interdisciplinary strategic research and education in areas of key economic or societal interest and exploitation of its knowledge outcomes for the benefit of the citizens. It will build a 'critical mass' of human and physical resources, attracting and retaining private sector investment in innovation, education and R&D. Also, it will bring together students at master level, doctoral candidates and researchers at all stages of their careers from both the scientific and business sectors.

The ambition is that the EIT becomes a reference model for innovation, promoting new forms of collaboration among partner organisations involved in the knowledge triangle and contributing to the modernisation of higher education and research institutions in the EU.



### The EIT

- encourages and promotes innovation
- builds a 'critical mass' of human and physical resources
- attracts and retains private sector investment in innovation
- brings together students and researchers
- offers a reference model for innovation

*"The European Institute for Innovation and Technology provides an opportunity to match the rhetoric with pragmatic pro-active action. Europe and the wider world increasingly face challenges to which no institute, organisation or country can alone provide the answer. The EIT offers a unique opportunity to bring together the best minds in Europe with a view to responding to challenges such as climate change and energy dependency... What is critical to improve Europe's innovative potential is to strengthen knowledge transfer and to foster more effective cooperation between academia, research institutes and business."*

**Philippe de Buck, Secretary General of BUSINESSEUROPE**

## Education for innovation

New skills and talents are crucial for enhancing Europe's innovation potential. This is why the EIT makes education an integral component of its approach, going beyond traditional mindsets and offering new opportunities to students, universities and businesses alike.

Until now, higher education has notoriously been the absent member of innovation partnerships. New ideas, however, need new skills and new talents to make them flourish. The EIT responds to this demand by fully integrating higher education into the initiative, making it a distinctive feature of its approach.

The EIT will inspire change within higher education institutions by promoting innovative teaching programmes and inter- and trans-disciplinary approaches. It will also facilitate a close association of business in the development of new curricula, thereby ensuring that students will be equipped with entrepreneurial skills as well as relevant knowledge in risk and innovation management.

Moreover, participating higher education institutions will be able to award masters degrees and doctorates bearing an "EIT label". This label will be a hallmark of quality and reflect the excellent and innovative character of the EIT's higher education component.

### The EIT

- inspires change within higher education institutions
- facilitates a close association of business in the development of new curricula
- awards masters degrees and doctorates bearing an "EIT label"



*"Apart from the cutting edge of advanced studies, we also need a population with the knowledge and the skills required by today's modes of production. And this is the job of education. ... The EIT will establish strategic partnerships among Europe's best innovators, entrepreneurs, researchers, post-graduates and PhD students, who genuinely understand both academia and business environments and which will act as bridge builders."*

**Ján Figel', Commissioner for Education, Training, Culture and Youth**



# Transforming knowledge outputs into new business opportunities

Knowledge lies at the core of innovation. Only when knowledge is shared among those who generate it and those who apply it are new opportunities created. The EIT will reinforce Europe's capacity to transform education and research results into societal and business innovations for the benefit of all. It will become a model for the promotion of open innovation and knowledge-sharing among the three sides of the knowledge triangle.



Europe is very good at creating high-level knowledge – but it is less successful in transforming those knowledge outputs into new socio-economic benefits. In order to make a difference, knowledge has to be applied and transferred to those who will turn it into new opportunities for business and society.

Through its novel approach, the EIT will become a reference model. It will inspire change and accelerate the processes of knowledge-sharing and transfer in existing institutions and organisations.

## Business involvement at all levels

The EIT will foster a high degree of business involvement at all levels, including in the governance structure. By stimulating an entrepreneurial mindset, the EIT will therefore help to orientate research and education activities towards the needs of the economy.

## Promoting new business opportunities: SMEs, start-ups and spin-offs

Turning new ideas into tangible new business opportunities will be one of the benchmarks of the EIT's success. The EIT will put in place the incentives and financial engineering instruments that are conducive to the development of new business – notably through start-ups, spin-offs and the development of SMEs. Private equity and venture capital as well as rotating funds for innovative start-ups should play the essential role as engines for entrepreneurship, innovation and job creation.

## Mobility for researchers and students

Knowledge-sharing and transfer are not only virtual. They have a very clear human dimension. In fact, one of the most effective methods of sharing knowledge is the movement of staff between higher education, research institutions and industry.

The EIT will be one of the most important vehicles in promoting the free movement of knowledge, which is often termed the "fifth freedom", complementing the four freedoms of the EU's Internal Market. By fostering mobility not only across sectors but also among Member States, the EIT will provide a major push towards an effective common space for researchers and for students at masters and doctoral level.

## Efficient rules on Intellectual Property

At the same time, an efficient system of knowledge-sharing and transfer needs clear rules to function. The EIT will adopt guidelines for the management of intellectual property and thereby contribute to the development of a more efficient and effective system in this area. On this basis, participating organisations will be able to conclude agreements among themselves on the management and use of intellectual property – to the benefit of all partners, including small and medium sized enterprises.

*"... Lack of innovation is Europe's Achilles' heel. We are not bad at education or research but we often seem to have problems when ideas need to be turned into commercial products."*

**Reino Paasilinna, MEP, Rapporteur on the EIT**

## The EIT

- fosters a high degree of business involvement at all levels
- helps to orient research and education activities towards the needs of the economy
- helps to turn new ideas into tangible new business opportunities
- puts in place incentives and financial engineering instruments
- encourages movement of staff between higher education, research institutions and industry
- promotes the free movement of knowledge (the "fifth freedom")
- adopts guidelines for the management of intellectual property



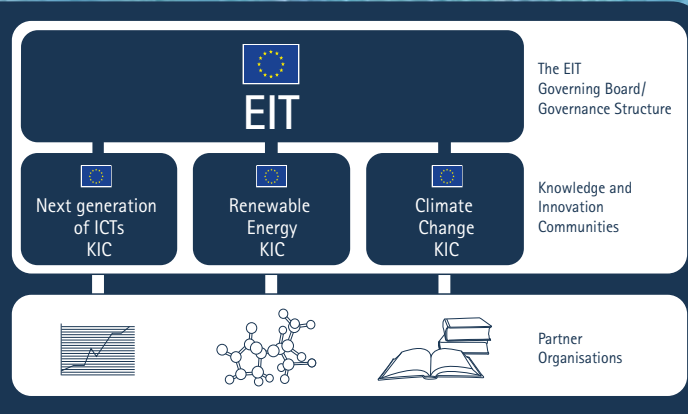
## The EIT – an innovative structure

In line with its objectives, the EIT will be equipped with an innovative structure. Bringing together Europe's very best resources in research, education and innovation, the EIT's strategic decisions will be taken by a fully independent, high-calibre Governing Board. Its activities will be focused in a series of Knowledge and Innovation Communities (KICs).

Meeting the EIT's objectives requires the right structures to do so. This is why an innovative system has been conceived, responsive to the needs of the initiative, and flexible enough to accommodate new developments and to meet future challenges.

The EIT combines a bottom-up and a top-down approach: It caters for the need of coordination and strategic orientation through its central structures (top down), while providing for a maximum of autonomy in the delivery through the KICs (bottom up). The relations between the KICs and the EIT will be 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.

By pooling European excellence in an innovative and modular way, the EIT has the potential to become a reference model for restructuring the innovation landscape in Europe and for inspiring a change in mentality.



### The Identification Committee

In January 2008, the Commission set up an ad-hoc "Identification Committee" with the mission to recommend potential members of the EIT's initial Governing Board.

Composed of four prominent European professionals of unquestionable independence and providing a balance of relevant expertise from across the EU, the Committee guaranteed the legitimacy and credibility of the selection process.

The identification process was broken down into two phases in order to render it as objective as possible. During the first phase, the Committee devised selection criteria for potential members and consulted relevant European organisations on their pertinence. The second phase culminated in a list of potential candidates matching the chosen criteria.

## Ensuring excellence – an independent Governing Board

If the EIT wants to address future challenges in the best interests of society, it needs to combine expertise with a vision. In order to ensure that excellence is its only guiding principle, the EIT and its Governing Board will be fully independent.

Independence and autonomy are distinctive features of the EIT. They are an integral character trait of the approach, guaranteeing that the EIT is guided exclusively by excellence when implementing its mission.

The EIT Governing Board clearly reflects those principles. It is composed of high-calibre experts who have been selected by an independent high-level Identification Committee. Through a two-step public consultation procedure, candidates were identified on the basis of agreed selection criteria. The Governing Board's 18 members combine expertise in academia, business and research, and have a proven track record of experience relevant to the EIT's objectives. All members participate in their personal capacity and not as representatives of a specific community, organisation, or state.

Once the Knowledge and Innovation Communities have been established the Governing Board will additionally include four elected members, coming from among the students and staff of the partner organisations.

## Guiding the way – strategic planning and programming

As Europe's flagship for innovation, the EIT will be kept on the right course by the Governing Board. In an independent manner, the Board will provide strategic guidance and steer the thematic orientation of the EIT and the KICs.

If the EIT is to fulfil its pioneering role in innovation and meet the challenges of globalisation, it needs a long-term vision and a clear strategic orientation. It is the role of the Governing Board to provide such guidance and to safeguard the EIT's objectives, identity and coherence. Drawing upon the pooled expertise of its members, the Governing Board will shape the thematic outlook of the EIT, as well as the framework in which the KICs will operate.

The Governing Board will choose the EIT's themes on a strategic basis, covering areas that represent the foremost current and future challenges facing the Union. In a first phase, these are likely to include climate change, renewable energy and the next generation of Information and Communication Technologies. On this basis, the Governing Board will not only select, but also monitor and evaluate the KICs and their performance. This way it will ensure the highest standards of quality and a constant check against the EIT's objectives.

The long-term strategic vision of the Governing Board will be set out in a seven year "Strategic Innovation Agenda" and made operational through a triennial rolling work programme.



### The Governing Board

- provides guidance for strategic orientation and safeguards the EIT's objectives, identity and coherence
- shapes the thematic outlook of the EIT and the framework in which the KICs operate
- chooses the KIC's themes on a strategic basis
- monitors and evaluates the KICs and their performance
- ensures the highest standards of quality

## A strong innovation base – the KICs

The EIT will be equipped with a highly performing innovation base through its Knowledge and Innovation Communities (KICs) – excellence-driven partnerships between universities, research organisations, companies and other innovation stakeholders. This bottom-up component is one of the defining features of the EIT's innovative structure.

The EIT will have a strong operational base, bringing together the best in Europe's innovation landscape. The EIT's Knowledge and Innovation Communities (KICs) are integrated partnerships of higher education, research and business actors, grouped around themes and guided by excellence.

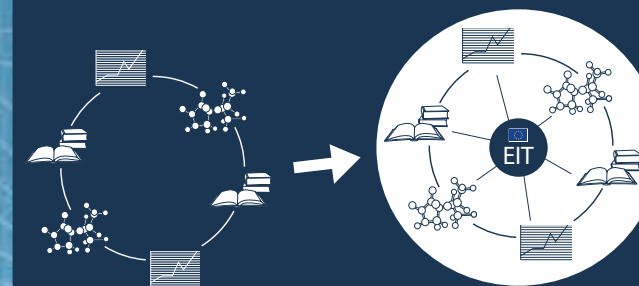
They will promote the production, dissemination and exploitation of new knowledge products and best practices in the innovation sector, transforming the results of higher education and research activities into commercially exploitable innovation. The obligatory inclusion of the business and higher education dimensions will ensure a constant focus on delivering and disseminating usable outcomes.

The KICs will be selected by the Governing Board on the basis of competitive, transparent and excellence-driven innovation criteria. Relations between the Governing Board and the KICs will be based on contractual agreements, established for periods of seven to fifteen years in order to ensure the sustainability of the chosen partnerships.

The KICs will have substantial overall autonomy to define their internal organisation and composition, as well as their precise agenda and working methods. In particular, KICs will aim to be open to new members from Europe and beyond whenever these members add value to the partnerships.

In view of its long-term development perspective, the EIT will follow a gradual approach in establishing the KICs. In a first phase, 2–3 KICs will be selected; subsequent partnerships will follow after the adoption of the first Strategic Innovation Agenda.

### The KICs – towards integrated partnerships



### The KICs

- comprise actors from higher education, research and business
- promote the production, dissemination and exploitation of new knowledge products and best practices
- transform the results of higher education and research activities into commercially exploitable innovation
- ensure a constant focus on delivering and disseminating usable outcomes

## Business

For business, the EIT will bring a competitive advantage. Conceived with an entrepreneurial mindset, the EIT will boost market-oriented innovation, which in turn helps business to obtain better quality in their products, more choice and a higher turnover. At the same time, the involvement of the business sector will be crucial for the success and credibility of the EIT.

Business stands to gain from the EIT because it will be at the centre of its strategic planning and will have a unique opportunity to focus its activities on emerging areas that have the potential to boost growth and employment. Business culture and an entrepreneurial mindset are part of the offerings of the EIT, as a key aspect of its creation of a new mix of skills, suited to the needs of the knowledge economy and society.

In particular, businesses – including SMEs – will benefit from the EIT through

- influencing the scientific and educational agenda
- privileged access to Europe's best research teams and students
- better-trained graduates who match labour market requirements
- speedier availability of new products and services for the markets
- the creation of spin-offs and start-ups
- creating value from the EIT's activities and from the use of intellectual property rights
- technology sharing and licensing

In order to match ambition with reality, the EIT model ensures that business is involved at all strategic and operational levels. It provides the opportunity for the private sector to contribute substantial financial, human and physical resources to the EIT and notably to the KICs – thereby shaping the success and credibility of the EIT.



*"If the EIT can deliver more new products and new services to the market, if it can deliver more appropriately educated workers to the workforce, and if it can stimulate more entrepreneurs to set up and sustain innovative enterprises, then it must be supported and implemented."*

**Arnaldo Abruzzini, Secretary General Eurochambres**

## Universities and research

For universities and research teams, the EIT will provide the opportunity to achieve a critical mass of resources needed to compete with leading global competitors. It will also facilitate access and links to Europe's most outstanding resources, benefiting both academia and business in terms of knowledge transfer and visibility – a win-win situation.

The EIT will boost Europe's skills and knowledge base to the particular benefit of universities and research centres. It will allow excellent higher education and research institutions to achieve the critical mass they need to compete at the top international level. Through the KICs, they will develop a European dimension and will have access to the resources needed to excel.

In particular, higher education and research will benefit from the EIT through

- improved prospects for researchers at all stages of their careers
- better and smoother integration of graduates in the labour market
- obtaining a "critical mass" of the very best resources
- (re)attracting the best talents worldwide
- prestige and visibility

Interaction in the framework of the EIT will bring a mutually beneficial "brain gain" and will move Europe a step further towards the creation of a single and attractive labour market for researchers.



*"The EIT constitutes a great opportunity, which has sparked new life in our network. The EIT concept promotes strategic top-down discussion of cooperation and alliances on a competitive basis between education, research and innovation, but for the first time, involving industrial partners too, on a European scale."*

**Professor Ramon Wyss, Secretary General of CLUSTER (Consortium Linking Universities of Science and Technology for Education and Research)**



## Global partners

Innovation knows no borders. That is why the EIT has been conceived with a clear global vision. It aims at boosting Europe's competitiveness in an international context and is open to top-level partners from all over the world.

While it is a European initiative, the EIT has been clearly conceived with a view to the international context it will operate in. It will not only enhance Europe's competitiveness in the global economy, but should also become a pole of attraction for researchers, students and business from all over the world.

The participation of top-class partners from non-EU countries in the activities of the EIT and notably in the Knowledge and Innovation Communities is clearly desirable, following the agreement of the EIT Governing Board.

The majority of partner organisations forming the KICs are to be established in EU Member States, but KICs will be open to non-EU partners with high added value. By doing so, the EIT facilitates access for resources from outside the EU and allows for a fruitful sharing of the best ideas and knowledge that exist on an international scale.



## Benefits for all

By fostering innovation, the EIT will not only bring new products and new ideas for society, but will also enhance Europe's competitiveness, thereby contributing to sustainable growth and the creation of new jobs.

European citizens stand to benefit from the EIT in many ways. By boosting Europe's knowledge economy, the EIT will contribute to sustainable growth in Europe and thereby to the prosperity and social well-being of all.

- By bringing innovative ideas to the market, European consumers will enjoy a wider range of products and services, at better prices and of higher quality.
- At the same time, the activities of the EIT will stimulate more entrepreneurs to set up and sustain new and innovative businesses, thereby creating new and future-oriented jobs.
- By making education a core element of its approach, the EIT will help to broaden Europe's skills and creativity base, equipping people with the competences they need in the knowledge society.

The EIT also represents an opportunity for regional and local development. Through spin-off effects and by attracting new people and resources, regions and cities can derive clear benefits from the activities of the EIT and the Knowledge and Innovation Communities.

### The EIT

- brings innovative ideas to the market
- stimulates more entrepreneurs to set up and sustain new and innovative businesses
- helps to broaden Europe's skills and creativity base
- represents an opportunity for regional and local development



## Efficient funding

In order to sustain the initiative with sufficient funding, the financing model of the EIT follows an entrepreneurial logic. With an EU contribution to kick-start and support its activities, the EIT should become an attractive target for business investment.

An initial contribution from the EU budget will help to launch the EIT during the 2008–2013 period, and will provide the support structure and the conditions necessary for integrated knowledge-transfer and networking. This EU contribution will act as leverage. As the initiative is likely to generate considerable returns, businesses will be expected to buy into the EIT and be willing to lead the way in unleashing Europe's innovation potential.

Through their strong business component, the Knowledge and Innovation Communities are expected to become attractive targets for investment from the private sector. At the same time, they will be able to rely on a variety of sources in order to ensure a sound financial base:

- the EU: a dedicated EIT budget line (EUR 308.7 million) and the possibility for KIC partners to apply for funds from the Structural Funds, the 7th Framework Programme, the Lifelong Learning Programme and the Competitiveness and Innovation Framework Programme
- participating States and international bodies and institutions
- loans from the European Investment Bank
- philanthropic contributions such as donations or bequests
- the generation of own revenue

### The EIT Foundation — an attractive entry point for investing in the future

The EIT has the power to establish a Foundation to promote and support its activities. The Foundation will be the EIT's main vehicle for fund-raising, mobilising and leveraging resources from both individuals and corporate donors.

The Foundation will provide business, philanthropic organisations and other interested partners with an easy and effective entry point into the EIT, securing the EIT's competitive advantage in excellence. Funds from the Foundation will be directed to the EIT's operational activities — a true investment in the future.

## Getting started: major steps towards the establishment of the EIT

The target is for the EIT to be operational by the end of 2009.

Major steps towards the establishment include:

- Summer 2008: Appointment of the EIT Governing Board
- Autumn 2008: First sessions of the EIT Governing Board
- Summer 2009: Appointment of the Executive Director
- Summer 2009: First rolling triennial work programme
- End 2009: Selection of the first 2–3 KICs

Further developments:

- Summer 2011: First independent overall evaluation of the EIT
- Summer 2011: First Strategic Innovation Agenda
- Autumn 2011: Selection of further KICs



## More information:

More information on the European Institute of Innovation and Technology can be found on the EIT website:  
<http://eit.europa.eu>

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