Briefing

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The European Institute of Innovation and Technology

SUMMARY

In 2005, the European Commission proposed to set up a European Institute of Innovation and Technology (EIT) as a tool for strengthening innovation in Europe. The core idea of the EIT was the integration of the three dimensions of the knowledge triangle – education, research and innovation – into a single operator. However, the EIT Regulation adopted in 2008 established it as a funding body, not as an institution.

Today, the EIT can be described as a European entity investing in a new kind of public-private partnership: the Knowledge and Innovation Communities (KICs). KICs are long-term pan-European autonomous networks of higher education institutions, research centres, private companies and other stakeholders, set up to provide innovative solutions to societal challenges: climate, energy, health, information technologies, raw materials, food and manufacturing.

The EIT started its core activities in 2010. In 2013, it was integrated into Horizon 2020, the EU framework programme for research and innovation. Apart from prompting amendments to the EIT Regulation, this move also limited the EIT's flexibility, which had been one of its key features.

In recent years, the EIT has been working to improve its governance, monitoring procedures and KICs funding model. However, the audit published by the European Court of Auditors in April 2016 highlighted some key outstanding issues regarding the EIT's management and operational framework. The financial sustainability of the KICs, mentioned in the EIT Regulation but not clearly defined, is currently the main challenge to be addressed.

Despite these limitations, the rationale for establishing the EIT is still supported by all actors. Given the EIT's long-term objectives, more time is needed to fully assess its impact and that of its KICs on the European innovation landscape.



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EIT creation and evolution

The launch of the EIT

The idea to set up a European Institute of Technology (EIT) was first formulated in February 2005 by the European Commission in its <u>communication</u> on a new start for the <u>Lisbon Strategy</u>. The EIT would act as a pole of attraction for the very best minds, ideas and companies from around the world. It was presented as an innovative tool to address the 'European paradox', <u>defined</u> in 1995 as Europe's limited capacity to turn research results into commercial opportunities.¹

The EIT was first <u>presented</u> in February 2006 as **an institution that would integrate the three dimensions of the 'knowledge triangle' – education, research and innovation –** covering a wide range of activities linked to innovation.² The EIT would provide an optimal concentration of resources by gathering, through recruitments or secondments in 'knowledge communities', the best actors from universities, research centres and private companies into a single institution. The EIT would also promote an innovation culture and help develop entrepreneurial skills.

This proposal for the EIT was not fully supported by the public consultation from the autumn of 2005, the results of which were <u>published</u> in March 2006. While 26% of respondents supported the idea of a single institution, 53% opted for the concept of the EIT as a network.³ The European Council also <u>expressed</u> its vision of the EIT as 'based on top-class networks' in March 2006 and asked the Commission to propose further steps.

Following a second round of consultations with the Member States and stakeholders, in June 2006 the Commission <u>presented</u> the EIT as a knowledge operator that would manage a portfolio of integrated partnerships — the knowledge communities — addressing strategic scientific challenges of potential economic interest. The EIT would be an autonomous institution with the knowledge communities having maximum flexibility to organise and manage their resources. Human resources for the EIT would be provided by direct employment, secondment, dual affiliation or temporary attachment under a common employment framework. The EIT would be able to award degrees and diplomas and would manage the intellectual property rights deriving from its activities.

The European Research Advisory Board (EURAB), an independent advisory committee to the Commission, <u>welcomed</u> this evolution in the design of the EIT as a networking instrument and stressed that knowledge communities should be referred to as 'innovation communities'. However, EURAB was sceptical of the possibility for human resources to be directly employed by the EIT and for the EIT to be able to award degrees.

Adoption of the EIT Regulation

In October 2006, the Commission <u>presented</u> its proposal for a regulation establishing the EIT, stating that its objectives were **to improve Europe's innovation capacity** by integrating innovation, research and education activities, and **to become an EU-level model and flagship for managing innovation**. In its impact assessment preceding the proposal, the Commission <u>considered</u> five policy options to achieve these objectives:

- a centralised EIT: a single institution managing its human resources and awarding degrees (the initial concept of the Commission);
- a distributed EIT: a funding body supporting autonomous 'Knowledge and Innovation Communities' (KICs);
- an integrated EIT: a mix between the two previous options with autonomous KICs managed by an EIT governing board providing a common framework;

- a funding-labelling EIT: a funding body awarding an EIT label and allocating resources to existing organisations meeting excellence criteria; and
- the status-quo, where no new instrument is created (baseline scenario).

The impact assessment concluded that the preferred option was the integrated EIT which was thought to combine the strengths of the two first options with no major weaknesses. However, the Commission recognised that the mixed nature of the EIT under this option posed major challenges in terms of governance,⁴ selection of KICs, human resources, intellectual property rights (IPR), awarding of degrees and funding.

In the Commission proposal, the EIT would first identify strategic long-term challenges in fields of key potential economic and social interest for Europe. It would then select, establish and support excellence-driven long-term strategic partnerships among higher education institutions, research organisations, companies and other stakeholders — the KICs — whose aim would be to develop innovative solutions to address these challenges.

During the discussions on the adoption of the EIT Regulation, the European Parliament's Committee on Industry, Research and Energy (ITRE) commissioned a study on the feasibility and possible impact of the EIT. This study concluded that the impact of the proposed EIT 'would suffer from too many constraints'. Furthermore, the study found that the funding model proposed for the EIT was not feasible and stressed that EIT degrees would not have added value to existing university degrees. As a conclusion, the study suggested the creation of a 'cluster EIT' composed of multiple institutes, 'physically concentrated at one or only a very small number of adjacent locations', operating in different fields and partially funded by a European Innovation Fund to be established.

Despite the European Council's <u>call</u> for a quick adoption of the EIT Regulation, it was not <u>adopted</u> until March 2008, with key amendments to the initial Commission proposal:

- an altered name: the European Institute of Innovation and Technology;
- no possibility for the EIT to directly award degrees and diplomas. Those would be awarded by the higher education institutions participating in the KICs;
- the need for the EIT to define its strategy and priorities in a Strategic Innovation Agenda (SIA), to be adopted by the Council and the European Parliament;
- a stronger autonomy for the KICs to define their internal organisation and composition; the need for them to be open to new members; and the relationship between the EIT and the KICs to be based on a contractual agreement;
- a lighter overall IPR framework, to be defined by the KIC partners;
- the Commission is tasked with initiating a first evaluation of the EIT by June 2011;
- a tight agenda for the governing board, which has been handed the task to submit the first rolling triennial work programme for the EIT within 12 months and to select and designate two or three KICs within 18 months.

These modifications implied that after all the **EIT was not designed as an institution or an operator but as a funding instrument** supporting a new type of network: the KICs. This final version of the EIT is closer to the model of a distributed EIT than to that of an integrated EIT, which the Commission had selected initially.⁵

As the EIT was launched after the adoption of the multiannual financial framework 2007-2013, its budget of €308.7 million for 2008-2013 was taken from unallocated margins, thus leaving the budget of the Seventh Framework Programme for Research unmodified. The EIT was placed under the supervision of the Commission Directorate-General for Education and Culture (DG EAC).

First years and evaluation

The EIT was <u>inaugurated</u> in September 2008 and its headquarters were established in Budapest, Hungary. In December 2009, the first three KICs were <u>selected</u> as per the fields suggested in the EIT Regulation: climate, energy and information technologies. Their activities commenced in the beginning of 2010, while the headquarters of the EIT were becoming fully operational. At the same time, the Commission adopted the <u>Europe 2020 strategy</u> for smart, inclusive and sustainable growth, whose implementation included the <u>Innovation Union</u> flagship initiative. Here, the EIT was seen as a model of innovation governance in Europe, even though it had barely made its first steps.

The first <u>external evaluation</u> of the EIT was published in May 2011, when the KICs were still in their infancy and the Strategic Innovation Agenda (SIA) – the document which, alongside the amended EIT Regulation, defines the scope of the EIT's operations for the 2014-2020 period – was under development. The evaluators recognised that there was strong support for the EIT. They formulated 13 recommendations to address the shortcomings they identified, including: development of robust monitoring procedures; a review of the communication strategy to establish the EIT brand; a review of the staffing levels and internal management procedures; development of the strategic role of the EIT regarding the transfer of practices to build innovation capacity in Europe; and a review of the governance structure including reducing the size of the governing board. Most of these recommendations were <u>endorsed</u> by the Commission.

In parallel, in February 2011, the Commission had <u>proposed</u> reviewing EU research and innovation funding and integrating the different EU programmes and instruments⁶ in a common strategic framework. This required changing the EIT Regulation to make the rules of Horizon 2020 applicable to the EIT.

EIT integration in Horizon 2020 and adoption of the SIA

In September 2011, the Commission published the results of a <u>public consultation</u> on the move to draw up the EIT SIA and amend the EIT Regulation. The results showed: strong support for the EIT's mission; the need to consolidate the three existing KICs; the expectation that new KICs, aligned to Horizon 2020 priorities, would be set up; the need to disseminate the KICs innovation and funding models; the need to reduce bureaucracy, support autonomy and flexibility; and the need for better communication. In November 2011, the Commission published its proposal for a <u>decision</u> on the EIT SIA and for an amended EIT <u>Regulation</u>. They were both adopted in December 2013.

The <u>amended EIT Regulation</u> placed the EIT within the legal framework of Horizon 2020 and incorporated some practices and rules on the KICs' management which the EIT governing board had adopted. The key changes to the EIT Regulation involve:

- a new definition of KIC added-value activities as the activities contributing to the integration of the knowledge triangle and the EIT's objectives;
- to address the financial limitations, the EIT contribution to the KICs can now cover up to 100% of the eligible costs of KIC added-value activities; other activities – known as KIC complementary <u>activities</u> – cannot be funded by the EIT; the EIT can contribute to the overall funding of a KIC by no more than 25%;
- a clearer focus on the need for the KICs to address major societal challenges;
- the promotion of multidisciplinary approaches to innovation and of synergies and complementarities between the KICs;
- a clearer framework for the KICs with respect to governance and management; and
- the requirement to establish procedures for financing, monitoring and evaluating the

activities of the KICs.

The EIT Regulation also created an EIT Stakeholder Forum to inform Member States and key partners about EIT activities, as well as a Regional Innovation Scheme. Evaluation of the EIT would now be conducted every three years, as opposed to five, and the priority topics for the establishment of new KICs would no longer be defined by the governing board, but by the Council and the Parliament in the SIA. The EIT budget was set at €2.7 billion for the 2014-2020 period, as agreed under the Horizon 2020 Regulation, which also defined the specific objectives and broad line of activities of the EIT for that period.

The <u>Strategic Innovation Agenda</u> included the changes introduced by the modified EIT Regulation. The SIA integrated the recommendations of the above-mentioned 2011 evaluation on monitoring, communication, administrative procedures and governance balance. Although the Commission's initial proposal foresaw the establishment of six new KICs (three in 2014 and three in 2018), the SIA mentioned five: two in 2014 (on health and raw materials), two in 2016 (on food and manufacturing) and one in 2018 on urban mobility. The idea of setting up a KIC on smart and secure societies was abandoned because the budget approved for the EIT was lower than expected (€3.1 billion requested). The Commission's proposal for an 'EIT fellows' mobility scheme was not retained and a Regional Innovation Scheme was introduced instead.

Functioning of the EIT

The <u>EIT</u> integrates three bodies: a governing board, a director and an internal auditing function. KICs are established as legal entities outside the EIT. The Commission, through DG EAC, supervises the activities of the EIT (Figure 1).

The governing board

The 12-member EIT governing board (GB) is composed of persons with ample experience in higher education, research, innovation and business, whom the Commission appoints for a term of four years. Three representative members are elected by the KICs from among their partner organisations for a two-year term, renewable once. DG EAC is represented in the GB as an observer. The tasks of the GB include developing the EIT strategy and selecting and designating the KICs. The GB's activities are supported by an executive committee (the GB chairman and three board members).

The director

The EIT director, who gets appointed by the GB for a four-year term, is responsible for the Institute's operational management. He receives additional administrative support from staff at the EIT headquarters. The director prepares the draft documents, such as the SIA, the rolling single programming document⁷, the annual report and the annual budget, which the GB later adopts. The director is also in charge of negotiating the contractual agreements with the KICs and of organising the stakeholder forum.

The internal auditing function

The internal auditing function has been set up to advise the GB and the director especially on issues relating to the financial management and control structures of the EIT.

Knowledge and innovation communities

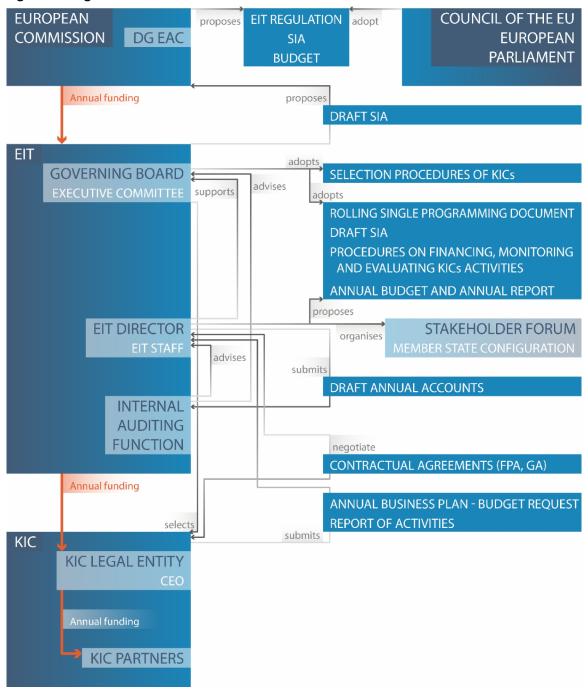
<u>KICs</u> are autonomous partnerships of higher education institutions, research organisations, companies and other stakeholders. Each KIC establishes a legal entity headed by a chief executive officer (CEO) who prepares the KIC's annual business plan, reports on activities, receives the EIT funding and distributes it among the KIC partners.

There are five KICs currently in place: <u>Climate-KIC</u>, <u>KIC InnoEnergy</u>, <u>EIT Digital</u>, <u>EIT Health</u> and <u>EIT Raw Materials</u> (Table 1). Two KICs are to be <u>selected</u> in 2016 and another one in 2018.

The stakeholder forum

The stakeholder forum was introduced by the amended EIT Regulation in 2013. It is an open platform of representatives of national, regional and local authorities and other actors from across the knowledge triangle that meet once a year in order to exchange information with the EIT. A specific configuration of the forum exists for the Member States' representatives.

Figure 1 - Organisational chart of the EIT



Source: EPRS, 2016.

Specific features of the KICs

KICs differ from other public-private partnerships supported at the European level in a number of ways. **They are large autonomous pan-European networks** which have the potential to integrate innovation activities at different levels (European, national, regional and local). Furthermore, they are the only partnerships that integrate activities involving all actors from the knowledge triangle and covering a large part of the innovation ecosystem. Finally, they are set up for a period of seven to 15 years and are the only partnerships that are expected to be financially self-sufficient in the long-term.

Table 1 – Key figures on the existing KICs

KIC	Climate-KIC	KIC InnoEnergy	EIT Digital	EIT Health	EIT Raw Materials
Year	2010	2010	2010	2015	2015
Legal Structure	Private company owned by an association	European company	Not-for- profit association	Not-for- profit association	Private company owned by an association
Public partners	52	57	38	59	59
Private partners	88	175	59	58	41
2015 EIT contribution (million €)	86.7	68	66.8	3.3	3.8
Degrees awarded up to 2015	151 MSc 30 PhD	344 MSc 26 PhD	219 MSc 6 PhD	-	-

Source: EPRS from EIT data, 2016. The number of partners is as of 31 May 2016. 2015 EIT contributions are provisional data as reporting of activities is not finalised.

Co-location centres

When the KICs were established, the GB decided that they would perform a part of their activities in co-location centres. These centres are usually located in a KIC partner's institutions and provide a physical infrastructure for the people and teams of the KIC partners to meet and work together. Each KIC can manage and fund up to six co-location centres. These centres usually receive a part of the EIT funding provided to the KICs as they are considered a key KIC added-value activity.

Educational activities

The KICs' <u>educational activities</u> focus on the attribution of Master's (MSc) and Doctoral (PhD) degrees by the KIC higher education partner institutions. These can be new degrees created and delivered collaboratively by KIC partner institutions or existing degrees labelled by the EIT after being complemented by additional modules provided by the KIC. Co-location centres play a key role in hosting skill-developing educational activities and provide a rich environment for innovative doctoral training. The amended EIT Regulation introduced a new focus on professional training courses as part of the educational mission of the EIT. For example, the KIC on raw materials is developing training courses for the staff of its private partners.

Regional innovation scheme

The geographical coverage of the EIT, with co-location centres established mostly in western and northern countries, reflects the European innovation divide (Figure 2). In

order for the EIT to fulfil its mission at the European level, the amended EIT Regulation introduced the <u>Regional Innovation Scheme</u> (RIS) as an outreach scheme aiming to increase the innovation capacity in areas not directly covered by the EIT. The <u>RIS programme</u>, which is being implemented by the KICs, aims to provide opportunities for knowledge transfer, experience-sharing and people mobility between the KICs (especially their co-location centres) and selected local partnerships from targeted areas. The objective is to extend the European coverage of EIT activities and to promote the diffusion of the best innovation practices.

EIT Community across Europe

CLIMATE-KIC

Co-location Centre
Regional Centre (RIC)

EIT HEALTH

Co-location Centre

EIT DIGITAL

Co-location Centre
Associate Partner

EIT RAW MATERIALS

Co-location Centre

KIC INNOENERGY

Co-location Centre

Figure 2 - Geographical distribution of the KICs co-location centres

Source: EPRS from EIT data, 2016.

Current challenges

In April 2016, the European Court of Auditors (ECA) <u>recognised</u> the validity of the rationale for setting up and supporting the EIT, but pointed out several issues regarding its operational framework and management. For the ECA, 'the EIT is not the impact-driven institute envisaged'. It recommended amending the EIT Regulation, revising the EIT funding model, reviewing the monitoring and reporting processes and making better use of the flexibility offered by the EIT Regulation.

Funding framework

The budget of a KIC <u>integrates</u> activities funded by the partners (complementary activities) or co-funded with the support of the EIT (added value activities). The EIT can contribute up to 25% of the amount of a KIC's budget. However, the ECA noted that the definition of the KIC complementary activities was neither precise nor being well-used, leading to an overall complexity of the financial reporting. The Court recommended to establish a funding model based solely on the activities directly funded by the EIT, particularly by removing the 25% condition added in the amended EIT Regulation.

The integration of the EIT in the Horizon 2020 Regulation had an impact on the Institute's financial framework and on the distribution of funds between the EIT and the KICs. First, the three KICs established before the integration had to revise their internal rules in order to align them with those of Horizon 2020. Second, relations between the EIT and the KICs are now defined for a period of seven years in a Framework Partnership Agreement (FPA). Based on this agreement, every year the KICs and the EIT negotiate a Specific Grant Agreement (SGA). 60% of the EIT budget for the KICs is equally distributed among the KICs from each wave (2010 and 2014), and 40% is attributed on a competitive process between the KICs, based on their past performance and future business plan. During this process, all KIC CEOs get interviewed by the GB, which adopts the funding decision. The competitive part of the budget is expected to grow in the coming years.

The GB decides upon the KICs' funding allocations at its December meeting. This leads, according to the ECA, to a short-term vision that does not 'match the time horizon of the innovation activities the KICs are undertaking'. The ECA has suggested **setting up multiannual grant agreements** between the EIT and the KICs. However, this situation is also the consequence of a budget envelope for the EIT adopted on an annual basis at the end of the year by the Council and the Parliament in the general budget.

The <u>creation</u> of the European Fund for Strategic Investments (EFSI) in June 2015 resulted in a 12% reduction of the EIT budget (a €328 million cut) that added instability in planning the KICs budgets for 2016 and 2017.

A last aspect of the funding framework is that the EIT is not yet granted full financial autonomy, meaning that DG EAC gives a second-level verification to all EIT grants and public procurements above €60 000. The ECA requested that financial autonomy, planned for 2010, should urgently be granted to the EIT. The process is underway and should be completed in the coming months.

Each year, the Parliament votes to grant the EIT director the discharge in respect of the implementation of the Institute's budget, following a report from the ECA and a hearing with the EIT director. In 2012 and 2013, the adoption of the discharge was postponed as the ECA reported a lack of assurance on the legality and regularity of the EIT's grant transactions. The 2014 discharge adopted in April 2016 takes note of the evolutions in the budget and financial management but stresses the issue of the KICs' financial sustainability.

Financial sustainability

The 2008 EIT Regulation described KICs as sustainable and long-term self-supporting networks. The amended 2013 Regulation added that KICs shall develop strategies for financial sustainability. The EIT has <u>understood</u> this to mean that in the long-term — a horizon of 15 years — **KICs should be able to pursue their activities without an EIT financial contribution**. This implies that the EIT could be seen as a kind of incubator for a new type of public-private partnerships, the KICs.

When the EIT was conceived, it was foreseen that the royalties derived from the KICs' intellectual property rights, or external contracts with private organisations would provide sources of revenue for the KICs. The EIT Foundation, established in September 2010 to contribute to the financial support of the EIT, did not reach its objectives and was closed down in 2014. It appears today that in their current form, KICs will not be able to generate the revenues needed to replace the EIT funding.

The GB, the director and the KICs have been working since 2014 on clarifying the concept of financial sustainability. In March 2015, the GB adopted the <u>Principles on the KICs' financial sustainability</u>, describing the EIT's financial contribution to the KICs budget as a bell-shape pattern, increasing during the first years and thereafter decreasing to reach a 'pre-defined minimum level'. The document also mentions that the EIT maximum cofinancing rate for added value activities would be reduced from 100% to 10% between year 10 and 15 of the KIC. To diversify their resources, KICs are requested to develop and implement a strategy on financial sustainability and report annually on their progress. Depending on the nature of the KIC legal entity, the topic they cover and their portfolio of partners, KICs can explore different possibilities and follow different approaches to increase their financial resources.

EIT funding plays a big part in funding the co-location centres and the educational activities. If solutions can be found for increasing external contributions to support the former, the application of the financial sustainability principle to educational activities represents a challenge. The EIT and the KICs are currently reflecting on how this principle could be implemented effectively without putting the nature and objectives of the KICs at risk. The EIT aims to adopt clear guidelines on this issue – potentially included in a revised EIT regulation – before the next financial framework begins in 2021.

Monitoring

The 2013 amended EIT Regulation provided that the EIT should establish key performance indicators (KPIs) for the monitoring of the output and impact of the KICs and the EIT. The ECA considered that the KPIs developed by the EIT to monitor the KICs were not suited to effective monitoring. The EIT addressed this issue while the ECA audit was still ongoing.

The KPIs established in 2012 focussed on the practical results achieved by the KICs and the EIT, such as the number of graduates, business ideas incubated or start-ups/spin-offs created. In December 2015, the EIT GB adopted a new EIT Monitoring Strategy focussed on evaluating the performance and impact of the EIT and the KICs and developing a framework for the definition of new KPIs. The GB also adopted a revised set of KPIs in March 2016, which will be used for the 2016 reporting.

The European Parliament's Committee on Budgetary Control prepared a <u>working document</u> on the ECA Special Report on the EIT. In his recommendations, which will be included in the 2015 Commission discharge, the rapporteur Dennis de Jong (GUE/NGL, NL) calls on the Commission to ensure a coordinated and efficient innovation policy. He also stresses that, despite 'the serious concerns about the basis funding model and the operation of the EIT', the current efforts to address the shortcomings identified by the ECA are reason to await further developments from the EIT.

Outlook

The EIT was set up as an innovative instrument to support innovation and entrepreneurship in Europe. It ended up being established in a form that constituted a major shift from the initial idea — an education, research and innovation operator —to a funding body investing in a new kind of autonomous public-private partnerships, the KICs. Traces of this initial transformation are still visible and are at the root of some governance and operational issues that remain to be fully addressed, such as the funding model, financial sustainability and impact of the EIT.

In 2013, the integration of the EIT under the umbrella of Horizon 2020 ushered the Institute into a second evolution. It restricted its autonomy and flexibility – features that had been among its main characteristics and reasons for setting it up, that is, to do things differently. The ECA considered that the EIT adheres too strictly to this framework and recommended making greater use of the flexibility afforded to it.

Being a unique entity at the EU level, the EIT is an innovative policy experiment and remains a learning process. Given the five years needed to start its activities and its integration into Horizon 2020, the EIT has had to claim its ground in a shifting environment. In view of the situation and the EIT's long term objectives, more time is needed in order to fully assess its impact as a catalyst for the EU's innovation potential.

Main references

Understanding Innovation, V. Reillon, EPRS, European Parliament, February 2016.

<u>EU Innovation Policy Part I – Building the EU innovation policy mix</u>, V. Reillon, EPRS, European Parliament, May 2016.

Regulation 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology, OJ L 97, 9 April 2008, p. 1–12.

Regulation 1292/2013 of the European Parliament and of the Council of 11 December 2013 amending Regulation (EC) No 294/2008 establishing the European Institute of Innovation and Technology, OJL 347, 20 December 2013, p. 174–184.

<u>Special report No 04/2016</u>: The European Institute of Innovation and Technology must modify its delivery mechanisms and elements of its design to achieve the expected impact, European Court of Auditors, 14 April 2016.

Endnotes

- More information on the evolution of the EU's innovation policy can be found in <u>EU Innovation Policy Part I Building the EU innovation policy mix</u>, V. Reillon, EPRS, European Parliament, May 2016.
- While the communication described innovation as a linear process, innovation theory propounded a more systemic approach of 'open innovation'. More information on the evolution of innovation theory and open innovation can be found in <u>Understanding Innovation</u>, V. Reillon, EPRS, European Parliament, February 2016.
- Universities were particularly against the idea of a single institution. The League of European Research Universities (LERU) <u>called</u> the EIT a 'diversion that fails to address any of the key priorities' in strengthening innovation. The European University Association (EUA) <u>considered</u> that 'the adoption of the US model of establishing an EIT as a single institution would not be appropriate in the European context where many world class RTD institutions already exist across EU member states'. The European Research Advisory Board (EURAB) the independent advisory committee to the Commission had <u>warned</u> in April 2005 that 'an ideal MIT-like institution cannot be created top-down' but 'must grow bottom-up from existing research communities'.
- 4 'Setting a proper balance between autonomy and accountability between EIT and the EU institutions, and between the Governing Board and the KICs will be crucial questions.'
- J. Huisman and D. Jong argue that the original policy proposal for the EIT as an institution was untenable. DG EAC was instrumental in reworking the concept 'into an acceptable and feasible policy'. The Construction of the European Institute of Innovation and Technology: The Realisation of an Ambiguous Policy Idea, J. Huisman and D. Jong, Journal of European Integration, Vol. 36, No. 4, 357–374, 2014.
- ⁶ The green paper covered topics such as the Framework Programme for Research, the Competitiveness and Innovation Framework Programme, the EIT, and cohesion policy.
- ⁷ The 'triennial work programme' is now referred to as the 'single programming document' following the harmonisation of the procedures for all EU agencies.
- The EIT can create other centres but it cannot fund them. The KIC EIT Digital has established two associate colocation centres funded by local partners.
- ⁹ The FPAs for the five KICs became effective on 1 January 2016 for a period of seven years.
- ¹⁰ The EIT 'can be considered as an institutional novelty, mainly because of its atypical virtual two-level structure, its independence and long-term focus and the integration of education'. The European Institute of Innovation and

<u>Technology (EIT): A New Way for Promoting Innovation in Europe?</u>, A.-C. Didier, Bruegel Political Research Paper 13/2010, May 2010.

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