

Working Paper of the CPU* on the EIT

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The EIT and the Knowledge and Innovation Communities (KIC) are a new and different instrument in the approach and objectives in relation to existing funding tools. As the projects got underway in 2010, not enough time has passed to make a detailed assessment of the system.

The three existing KICs have as many objectives as they have different organisational structures in the subjects tackled with regard to the potential of their societal and economic impact.

- Climate KIC
- innoEnergy KIC
- EIT ICT labs KIC

Initial EIT objectives

The aim of the EIT approach is, in particular, to develop and strengthen exchanges between the academic world and the business world.

The objective is to work out the conditions to make it more attractive to invest in knowledge and innovation in Europe. While the EIT does not seek to settle all problems, in particular as there is not enough investment, it should nevertheless contribute to improve conditions conducive to innovation.

Education and Research: the added value of the KICs

At this stage, the main added value of the KICs lies in the development of education and training activities (initial learning and life long learning) by widening students' perspectives to the world of industry and the world of research.

Proposals:

- Strengthening the life long learning modules through funding of undertakings integrated in the KICs;
- While the CPU is delighted about the development of "EIT labels" for training, it reaffirms the importance of respecting national diploma procedures which must remain within the remit of the universities.

The model of shared location and organisation of the KICs

The KICs are structured and interlinked around shared location centres (or local nodes).

The KICs strove to establish a triangle of international and virtual knowledge and innovation which today is confined to a process of coordination with dedicated sites. The players of the local nodes are insufficiently interconnected.

In this pilot phase, the industrial partners are mainly large national or multinational businesses. SMEs are either secondary partners or players within nodes linked to the KICs in particular through poles of competitiveness. They should therefore ensure closer synergy with the existing nodes.

Proposals :

- A KIC as envisaged by the EIT can work only if each node has an activity and objective based on the local players (businesses, universities, research bodies, local authorities) who have established interaction with each other;
- Accordingly, the KICs should strengthen their own local position, in particular by establishing closer links with existing national structures striving for innovation (poles of competitiveness, Oseo, etc.);
- On the basis of this configuration, the KICs should strengthen cooperation amongst themselves in particular by promoting mobility among the various players.

The KICs and framework conditions

The KICs are not likely to solve the problems of technology transfer in Europe because these problems are mainly of a regulatory nature. In the United States, the expansion of technology transfer has been linked to rules ensuring full ownership by the universities of research results, which puts them truly at the heart of the innovation production process and gives them a genuine incentive to optimally implement their results (following the example of the Bayh-Dole Act). No European funding source makes provision for such measures. On the contrary, the usual framework conditions tend to shift the balance in negotiations on intellectual property towards the industrial partners.

Proposals :

- The CPU should like the KICs to also permit innovation by systematically guaranteeing an incentive in the form of financial return on IP for the universities. The aim is to avoid JTI drift and encourage researchers to generate their best ideas within a framework that ensures fair treatment for them;
- The CPU also stresses the importance of exchanging best practice among the existing KICs to experience new modes of innovation.

Innovation and entrepreneurship

One of the principal objectives of the KICs is promoting innovation. For the industrial sector, there may be a two-fold interest in taking part in the activities of KICs: benefitting from the scientific results provided by the research bodies/universities (in particular some SMEs of the Climate KIC), and observation of scientific activities and strategic monitoring, identifying and selecting students.

Proposals :

- The universities emphasise the importance of a balanced partnership with business undertakings: the KICs should not become tools for harvesting ideas by industrial partners without any return for the universities, but rather a platform for cooperation. Moreover, there should be real participation, in more depth, of industrialists in action to promote and develop entrepreneurship ;
- Improving mechanisms to support the creation of start-ups and spin-offs.

Simplification

The nature of the KIC (education, research, training) engenders diverse forms of expense accounting. It is to be feared that there will be a very heavy administrative and legal burden after the implementation phase. In particular, the 25/75 funding ratio is artificial and will place a heavy legal risk on the partners of the KIC:

1. it does not contribute to achieving the expected activities and the objectives of the KIC;
2. it slows down the implementation of annual programmes;
3. it requires the establishment of cumbersome and costly mechanisms;
4. it generates uncertainty about the procedures of accounting rules, financial reporting and control.

Proposals :

- The European Commission should authorise the EIT to provide more budgetary flexibility allowing the KICs to serve as testing grounds for simplification ;
- in particular, while it is normal and legitimate that financial reporting and budget control cover 25% of the budgets provided by the EIT, the 75% of co-financing must remain a simple indicator of activity. It is necessary to explore all pathways towards simplifying and alleviating demonstration of co-financing (e.g. the use of estimated flat-rate costs, replacing the financial statements on co-financing by an activity report) ;
- the experience of the KICs should be built upon to move towards harmonisation of the rules of participation.

Framework programme / EIT interaction

Proposal :

- The EIT should not develop to the financial detriment of the collaborative research of the framework programme.

*CPU = The French Rector's Conference which gathers universities, « écoles normales supérieures » and « grandes écoles ».