

EIT's teething problems

Good policy intentions do not always translate into the desired outcome. Nearly a decade ago, the European Commission (EC) launched two new entities with the goal of building a European-wide ecosystem—one to support frontier research, the European Research Council (ERC), and the other to boost innovation, the European Institute of Technology (EIT). Today, the ERC is considered the gold standard for funding frontier research of scientific excellence, with a budget that almost doubled in 2014 under Horizon 2020, the European Union Framework Programme for Research and Innovation. What about the EIT? While acknowledging the progress made, an April report by the European Court of Auditors states that the EIT's overly complex operational structure and past management problems have impeded its overall effectiveness. In fact, continuous evaluations and adjustments will probably be needed to turn it into a success.

In 2005, EC President José Manuel Barroso proposed the EIT as a European beacon for facilitating innovation. The EIT should become a rallying point for industry, research, and education across the extremely diverse innovation landscape in Europe. Reservations arose immediately about the EIT's fit into already existing structures and schemes, inadequate funding, and the time required for such an entity to mature. The latter proved particularly true.

Although both the ERC and EIT had to navigate the bureaucratic maze of EC rules, the EIT has experienced considerably more growing pains. This is not surprising, given that it aims to create an innovation ecosystem, which is a far more arduous task than supporting frontier research. As it turned out, the EIT's structure would mirror the complexities to be confronted. Its main operative instruments are competitively selected Knowledge and Innovation Communities (KICs), which nurture entrepreneurial students through EIT-labeled study programs at universities. In addition to this academic arm, a wealth of EIT activities foster joint research between business and

academia, create innovative companies, and support their growth. To accomplish all of these missions, KICs were set up as legal entities, giving them flexibility to tailor support for the needs of entrepreneurs and companies. But KICs were also intended to develop strategies for financial sustainability. Given that the European innovation system is dominated by a multitude of granting schemes for different purposes, this goal is ambitious, if not unrealistic.



“...EIT holds important lessons for the future.”

In its report, the auditors in particular expressed doubts about the financial sustainability of the KICs. They also found the mechanism of annual grant cycles ill suited for the KICs' multiannual activities. They urged several regulatory and operational adjustments of the EIT if expectations are to be fulfilled. For example, EIT funding may only cover a maximum of 25% of a KIC's overall costs, whereas complementary activities are covered from other sources, even ERC grants. The auditors found that there is little added value to this funding condition, which unnecessarily complicates reporting.

Arguably, igniting a new entrepreneurial spirit across universities stands out as the EIT's most substantial contribution thus far. Nevertheless, the search continues for an instrument that can address innovation as successfully as the ERC supports excellent science. In 2014, the EC launched the Small and Medium-sized Enterprises instrument to fund high-potential innovation. Earlier this year, a public consultation for setting up a European Innovation Council, inspired by the success of the ERC, was carried out by Research, Science and Innovation Commissioner Carlos Moedas.

It is too early to know the outcome of these attempts to boost Europe's performance in innovation, or how they will complement the EIT. In the meantime, continuous monitoring, analysis, and adaptation of the EIT's efforts may lead to a uniquely European facilitator of innovation. It is clear that no single, magic solution exists. As a part of the larger innovation ecosystem still under construction, the EIT holds important lessons for the future.

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