



European Institute of
Innovation & Technology

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EIT 2.0

FOR A COMPETITIVE EUROPE

REDESIGNING EUROPE'S LARGEST INNOVATION ECO-
SYSTEM FOR A LEAP IN COMPETITIVENESS

EIT Governing Board
July 2025

1. EIT MISSION FOCUS

Europe needs to become more competitive to address the major **global challenges** facing the European Union (EU) and its citizens in all Member States. The European Institute of Innovation and Technology (EIT) directly supports this goal. As an independent body created by the EU in 2008, it strengthens Europe's ability to innovate and empowers its next generation of entrepreneurs. The EIT's aim is to 'increase Europe's competitiveness, sustainable economic growth, and job creation by promoting and strengthening cooperation among leading business, education, research organisations and investors, and power innovation and entrepreneurship in Europe by creating environments for creative and innovative thoughts to thrive'.

The [Political Guidelines for the next European Commission \(2024-2029\)](#), backed by [The Future of European Competitiveness](#) report by Prof. Mario Draghi **confirm that the EIT's core mission remains fully relevant**. Both reports have highlighted the root causes hindering Europe's competitiveness and that 'Europe needs to redress its slowing productivity growth by closing the innovation gap'. The findings are stark:

- 'The commercialisation of research results is insufficient. Much of the knowledge generated in research institutions remains commercially unexploited. The links between higher education and business are weak, and researchers have few incentives to become entrepreneurs'.
- 'The limited development of angel investors, venture capital (VC), and growth finance is an important driver of the financial gap for innovative startups in the EU'.
- 'Europe is suffering from skills gaps across the economy, reinforced by a declining labour force. The European economy displays persistent skills shortages in several sectors and occupations, for both low- and high-skilled workers'.

As Europe's largest innovation ecosystem, with activities in all EU Member States and beyond, the EIT directly addresses these shortcomings to strengthen Europe's innovation landscape and boost its competitiveness:



To address the pressing social and economic challenges they face, the **EU and its Member States** must **leverage instruments such as the EIT**, which are **designed for purpose and have proven their impact**. In this paper, the EIT Governing Board outlines the institute's main strengths and the added value it brings to the EU research and innovation landscape, whilst looking ahead at the key contribution it should make during the EU's next Framework Programme for Research and Innovation (2028–2034).

2. PRIORITISE AREAS OF STRENGTH

Through an unparalleled local presence across Europe and beyond, the EIT connects entrepreneurs, industry, academics, and researchers through an integrated pan-European network, reducing existing barriers in the EU's fragmented innovation landscape. Leveraging its model to address thematic challenges, **the EIT should enhance its efforts in the areas where it stands out in the EU innovation landscape**, mainly:

1. **closing the EU's innovation gap** to strengthen the European innovation ecosystem; and
2. **closing the skills gap** to meet the EU's talent needs.

In order for this to take place, **synergies between the EU's innovation instruments must be strengthened under a common framework, and simplification should be enhanced.**

- **CLOSE THE INNOVATION GAP**

- **Expand Europe's innovation network and reduce fragmentation:** Over the past fifteen years, the EIT has codified a unique approach and established itself as an expert in building **trusted networks and innovation ecosystems**. **New global challenges** and opportunities for innovation are rapidly emerging and can only be addressed through collaboration. To help Europe regain its competitiveness, the innovation potential of several thematic areas has been identified ([Policy Guidelines for the Next European Commission](#)). The EIT should be leveraged as an asset to bring innovations to market in these areas **through the existing Knowledge and Innovation Communities (KICs), which the EIT has created to deliver on its mission**, and through the establishment of new KICs. Potential areas where its impact-driven approach could help overcome fragmentation and enhance Europe's competitiveness include:
 - **Security and resilience:** 'Building a safer, stronger and more resilient Europe for its citizens.'
 - **Artificial intelligence and robotics:** 'Transforming to a better future with intelligent automation and applications.'
 - **Space and aerospace:** 'Pioneering advancements beyond the horizon.'
 - **Rural innovation:** 'Advancing and connecting rural communities through innovative solutions.'
 - **Bio-based industry:** 'Driving sustainable growth with nature-inspired products and materials.'

In addition, the EIT will serve as a central coordinator, strengthening collaboration between its KICs and other European partnerships, while leveraging its expertise in creating financially sustainable innovation ecosystems. The EIT model enables KICs to act as catalysts at all levels of innovation, fostering synergies and complementarities between different European initiatives. This approach aims to streamline the partnership landscape, ensuring a seamless, accelerated flow from basic research to market adoption.

- **Accelerate regional innovation in Horizon Europe widening countries with a new support programme:** To boost innovation across Europe and ensure no region is left behind, the EIT plans to expand its Regional Innovation Scheme (RIS) by launching the **EIT Regional Innovation Booster (RIB)**. This strategic initiative aims to better integrate innovation efforts across regions, leveraging the EIT's extensive European network, flexibility, and presence in less-developed areas. The RIB will support local ventures by combining existing local, national and EU initiatives, creating a seamless support system

that simplifies and unifies Europe's startup ecosystem.

This shift will transform the EIT RIS from a focus on increased participation and capacity-building to delivering real, on-the-ground impact – particularly in regions with lower innovation capacity. The priority will be to provide deep, tailored support to the most promising early-stage startups, guiding their growth towards further backing from the European Innovation Council (EIC), the European Investment Fund and other investors. The RIB will build on the EIT's place-based approach, customising activities to regional needs, connecting them to Europe's broader innovation landscape, and working hand-in-hand with Member States.

All of the EIT's partners will be mobilised to help turn promising ventures into success stories. Beyond funding, the EIT will continue to serve as a platform for knowledge exchange and innovation insight, ensuring best practices are widely shared across Europe. With thousands of partners, the EIT is uniquely positioned to help decision-makers understand complex challenges and drive forward innovation across the continent.

- **Improve support for early-stage startups to boost competitiveness:** As Draghi emphasises, 'The provision of equity through angel financing remains relatively weak, yet their role is vital in providing funding, guidance and mentoring to innovative startups – key components of a **successful early-stage innovation ecosystem**.' Currently, EU research and innovation instruments, as well as most Member States, lack adequate tools to directly, rapidly and effectively support greenfield industrial startups at their earliest stages – when targeted support and access to international partners are most needed, and risks of failure are highest.

Neither the EIC, the European Investment Bank nor the new Innovation Fund appear equipped to support startups at this stage, tending instead to prioritise more mature applicants and focus mainly on financial support. The **EIT will expand its toolbox for pre-seed financing of industrial startups**, addressing the unique challenges and long development timelines of specific sectors by providing early-stage capital and de-risking investments – combined with targeted services available across the EIT Community.

Strengthening interconnected innovation ecosystems through improved access to seed funding, infrastructure, networks and support services is fundamental to delivering on Europe's Startup and Scaleup Strategy. The EIT, through its KICs, is ideally positioned to design and manage these sector-specific funding programmes, leveraging its deep understanding of industry needs and its extensive network of investors.

- **CLOSE THE SKILLS GAP**

The EIT's unique approach to education lies in the deep understanding that its KICs have of their respective sectors, enabling them to **customise training programmes to meet the specific needs of key European industries**. The strong connections between industry and higher education within the EIT ecosystem facilitate the rapid identification of emerging trends, allowing these insights to be seamlessly integrated into training programmes. This ensures that **learners are equipped with the most relevant skills**.

Meeting Europe's increasing need for skilled talent will be achieved by consolidating the EIT's existing education and skilling programmes into **the EIT Innovation Campus** – a coherent portfolio of coordinated entrepreneurial education initiatives focused on **boosting Europe's workforce and competitiveness**. EIT education programmes combine innovation and entrepreneurship skills with industry-specific knowledge, addressing the evolving needs of each sector. These programmes are tailored to market demands, innovation training, and industry-recognised qualifications and certifications, promoting the **European Degree criteria and facilitating skills portability**.

The EIT Innovation Campus will become an entrepreneurial education hub where Europe's higher education institutions, vocational training providers, and private sector education providers come together – **delivering the talent Europe needs to meet its innovation and competitiveness ambitions**. It will build on existing programmes such as the EIT Higher Education Initiative, the EIT Deep Tech Talent Initiative, the Girls Go Circular programme, and sector-specific programmes and courses.

3. SIMPLIFY EU INNOVATION INSTRUMENTS

The EIT cannot operate in isolation, and success in delivering on the above two objectives will depend on effective synergies with other programmes at EU and national level, and on a simple and effective delivery mechanism. The European innovation landscape as a whole can better leverage its impact by catalysing a critical mass of startups and scaleups, along with public and private funding, through the development of a **common framework across the three key areas of the integrated innovation funnel**:

1. generation of ideas and excellent research results (e.g. European Research Council, Marie Skłodowska-Curie Actions, Erasmus+, European University Alliances);
2. valorisation of knowledge, research and innovation, startup creation and support, and skills development (the EIT, European Partnerships) through stronger connectedness between innovation ecosystems;
3. innovative company scaleup and growth through financial support and investments (EIC, European Investment Fund and European Investment Bank).

Specifically, the EIT and the EIC are complementary in their roles. The EIT offers broad coverage, fostering thousands of innovations across diverse regions, industries and stages of development. In contrast, the EIC provides depth by supporting a select number of high-impact, high-risk ventures with the potential for significant disruption. By leveraging this complementarity, the EIT can serve as a strategic partner to the EIC through:

- channelling early-stage ventures from the KICs into the EIC funding pipeline;
- helping EIC ventures scale by connecting them with industrial customers within the KICs;
- extending the EIC's reach into member states with below-average innovation capacity;
- developing the talent necessary for EIC ventures – emphasising entrepreneurial skills and diversity.

A common framework with an impactful strategy and effective governance between the two instruments is urgently needed to maximise opportunities for European innovators from idea to scaleup in all sectors.

EU instruments and organisations, such as the EIT, must be **simplified, recalibrated and transformed to meet new challenges and act as catalysts of change**. The EIT's role as an independent EU body is a critical component

of its ability to deliver impact, as it ensures meaningful involvement of the private sector and allows for efficient, agile and impact-driven decision-making. The EIT Governing Board, comprising 15 independent members from business, education and research, provides strategic, multidisciplinary leadership. The financial sustainability achieved by the first three KICs¹ would not have been possible without the Board's strategic guidance and the unique model developed and implemented by the EIT. The EIT's governance model has proven to be robust and reliable – also evidenced by its quick time to grant.

Nevertheless, to be fully fit for purpose, the EIT has embarked on a simplification journey, streamlining processes to create a more agile and efficient funding and operational model for the KICs and their participants, including startups. A comprehensive set of short- and long-term simplification proposals is being developed, focusing on:

1. reviewing the legal structures of the KICs – at times complex – and their relationship with the EIT;
2. ensuring EIT and KIC governance aligns with best practices – regarding the composition, powers and roles of supervisory and management bodies;
3. simplifying grant management for consistency, transparency and efficiency, and reducing duplication and administrative overhead;
4. repositioning and staffing the EIT team in Budapest as a coach and enabler for the KICs.
5. developing shared services across the KICs, including joint administration, IT systems and auditing.

In the annexes to this document, the detailed measures are listed – separating those already under way for short-term implementation from those requiring adjustments to the EIT's legal basis.

4. ACCELERATE

At the heart of European innovation is collaboration. Through a distinct blend of partnership, thematic expertise and a shared funding model, the **EIT is well positioned to be one of the key drivers of the EU's competitiveness** – delivering results and impact. Achieving the necessary advancements in innovation in Europe demands bold investment in innovation ecosystems. Equipped with a **budget of €3 billion** and 100 staff, the EIT is ready to deliver on this common European agenda, multiply its impact and further build on its strong foundation and results – along with learnings from the past 15 years.

The EIT model has been built on collaboration and connectivity. The EIT Governing Board submits its vision to the European Commission, the European Parliament and the Council of the European Union as an input for Europe's future innovation landscape – so that Europe can support its researchers and entrepreneurs to seamlessly deliver innovation from lab to unicorn.

5. REASON TO BELIEVE: EIT IMPACT TO DATE

Given its track record in terms of results and impact, the EIT is confident in its ability to deliver on the above future vision. Since 2010, the EIT has **enhanced Europe's competitiveness** by building and steering pan-European innovation partnerships. Its approach **connects organisations from business, education and research**

¹ EIT Digital, formerly EIT Climate-KIC (now Climate KIC) and EIT InnoEnergy (now InnoEnergy)

across Europe through ten thematic partnerships known as Knowledge and Innovation Communities (KICs). These dynamic public–private partnerships drive innovation and address global challenges facing society:

EIT KNOWLEDGE & INNOVATION (KICs)



The EIT is **Europe's largest pan-European innovation ecosystem** – and the only EU innovation instrument covering the entire pipeline, from skills and early-stage ideas to scalable, market-ready products and services. Since 2008, the EIT has built a network of over **2 400** key organisations in business, education and research across Europe and beyond. It has skilled more than **1 300 000 learners** in innovation, entrepreneurship and deep tech across all its education and training initiatives. **Entrepreneurs and innovators throughout Europe** have received critical support from the EIT Community. Research results have been transformed into ground-breaking products, while creating thousands of highly skilled jobs. This support has led to the launch of more than **2 400 new products and services** and has directly supported over **9 900** companies. These companies have **raised almost €10 billion in external funding** and have produced unicorns and innovative businesses now **valued at €71.2 billion**.

The **EIT's Regional Innovation Scheme (RIS)** is a proven instrument that is **effectively reducing Europe's innovation capacity divide**. Accumulated data from 2021–2023 show that EIT RIS-eligible countries attracted an unprecedented share of over 40% of the total EIT grant – a significant overachievement under Horizon Europe.



The EIT has also established itself as a reliable partner in implementing EU policy priorities. The European Commission recently adopted the communication on the **‘Union of Skills’ and the ‘STEM Education Strategic Plan’**, which highlights the crucial role of the EIT in addressing Europe’s skills gaps and boosting its competitiveness. It calls upon the EIT to contribute across multiple initiatives: the European Battery Academy, the European Solar Academy, the Raw Materials Academy, and the Advanced Materials Academy.

The EIT fosters collaboration, encouraging active commitment and shared responsibility from all participants – most evidenced by KICs eventually needing to sustain their activities as financially sustainable partnerships without EIT funding. In a first for EU funding, the EIT steered and managed three of its KICs to achieve financial sustainability by the end of 2024. The EIT’s first three KICs have **achieved financial sustainability following a unique model tailored to the characteristics and players in their respective markets**. Independent studies have positively assessed their progress, highlighting their ability to generate significant private and public investments.

None of this would have been possible without the EIT in the driver’s seat – steering the KICs as an independent EU body led by its Governing Board. At the same time, the EIT is administratively efficient, managing 10 European Partnerships with just 77 staff, using only 2.5% of its budget for the programme’s administration.

The EIT’s added value has been examined and summarised by independent experts in publications issued by the European Commission’s Directorate-General for Research and Innovation ([Evaluation Study of the European Framework Programmes for Research and Innovation for an Innovative Europe](#), [Biennial Monitoring Report 2024 on Partnerships in Horizon Europe](#) and the [Report from the Commission to the European Parliament and the Council: Ex post evaluation of Horizon 2020](#)). These reports confirmed the EIT’s key **role in bridging fragmentation in innovation ecosystems and nurturing Europe’s innovation and talent pipeline**. The reports highlighted that:

1. The EIT is **‘successful in unifying and integrating the Knowledge Triangle and in supporting the development of long-term pan-European innovation ecosystems’**. The KICs add value beyond national support initiatives by operating across borders and connecting EIT Community partners and beneficiaries with organisations and networks across the entire EU and beyond – which they would otherwise find difficult to access.
2. The **EIT demonstrates one of the highest leverage effects in Horizon Europe**. According to the reports, KICs stand out with a full leverage of 5.6, compared to co-programmed partnerships with 3.55, co-funded partnerships with 2.21, and institutionalised partnerships (excluding KICs) with 1.64.
3. EIT education activities are **tailored to industry needs and are highly relevant** given the shortage of skilled workers in high-tech and deep-tech sectors in the EU.

The [Horizon Europe Interim Evaluation](#) (April 2025) highlights the KICs as key catalysts of innovation-driven growth – supporting startups, fostering future entrepreneurs, and establishing EU Skills Academies in strategic sectors. Furthermore, the EIT’s capacity to attract substantial private and public capital puts it in a key position within the innovation financing landscape – supporting startups and scaleups to attract additional investment. **The EIT is therefore also well placed to deliver on the newly adopted Startup and Scaleup Strategy of the European Commission.**



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ANNEX 1

KIC MODEL REVISION



THE NEW KIC TARGET MODEL

The EIT now has 15 years' experience of what the success factors are for a KIC. This leads to the following seven principles for an **ideal KIC** under the EIT umbrella:

1. A clear strategic direction and **focus on** a limited number of **collaborative innovation** topics where the EIT model brings the highest added value for EU policy priorities.
2. **A strong partnership with deep expertise in the KIC theme, independently** setting the strategic direction of a KIC. Ownership by business and industry beyond universities and research organisations.
3. Excellent **leadership, management** and staff with a proven track record, deep understanding of innovation management, and a strong business mindset.
4. A **simple, standardised legal and operational structure** with best-in-class governance and very few legal entities. Trust, transparency and accountability through administrative excellence and strong processes.
5. **Financially sustainable by design**, ensuring meaningful engagement of all parties and **a clear separation between funds for KIC operations and funds for supporting collaborative work from day one**.
6. A **culture** in the partnership and the KIC that is engaged, results-oriented, business-minded, **diverse, open, dynamic**, and balanced across Europe.
7. An **engaged member of the EIT family** benefiting from scale, sharing and structured co-operation with the agency, other KICs and other EU programmes.

While KICs recognised the above principles in the past, the less successful ones deprioritised them for the sake of other objectives. **Transitioning existing KICs into target KICs** and ensuring consistent implementation and simplicity requires the following ongoing and regulatory changes:

TOWARDS THE TARGET KIC MODEL: ONGOING CHANGES

KIC GOVERNANCE

KIC Governance systems are currently not always effective and efficient in exercising the supervisory functions. Also, KIC governance and decision-making can still be over-influenced by partners (e.g. remaining conflicts of interest between the partner representative in KIC governance and the KIC's long-term strategy). To improve the situation, the EIT has started to review both the suitability of the **Good Governance Principles**, and also insists on improvements at the level of KICs, where the governance is not efficient or effective. This analysis is planned to be completed by September.

SIMPLIFY GRANT MANAGEMENT OPERATIONS

Further **simplification of the grant management operations** is necessary to increase the effectiveness of the funding allocation and implementation process, including:

- a call planning optimisation through increasing call sizes and limiting their number, as well as optimising thematic focus and procedures;
- further incentivising the participation of business / industry partners in KICs' activities;
- further incentivising, simplifying and focusing EIT Community (cross-KIC) activities;
- reducing reporting requirements, controls and audits at Horizon Europe, EIT and KIC level by enhancing the use of lump sums.

ACCELERATION OF THE USE OF SHARED SERVICES

The acceleration of the use of shared services activities (joint events, administrative activities like IT systems or auditing) is needed to increase operational efficiency and effectiveness of KICs.

The EIT would develop the implementation concept of a **Centre of Administrative Excellence** (CAE), led by the EIT, that could effectively act as an incubator for newly created KICs, providing them with a head start, and could support existing KICs, providing numerous benefits and efficiencies throughout their lifecycle. The CAE would aim to address EIT / Horizon Europe grant-related requirements that are common among KICs and that can be more efficiently and economically managed in a coordinated way, under the supervision of the EIT. This would also help to harmonise the KICs' requirements towards partners, e.g. when launching calls or submitting proposals. The centre's scope would concentrate on: audit and cost control of subgrantees, common IT tools, validation of subgrantees, grant management tools, coordination of specific working groups, including policy input and synergies with other programmes. State-of-the-art technologies, including AI tools, would be used to make the centre effective.

CAE objectives would be:

- harmonisation of grant management requirements and work among KICs (harmonised call documents, rules of project implementation, compulsory actions, etc.);
- reduction of the administrative efforts of individual KICs, allowing them to focus more of their human and financial resources on implementing their specific core tasks and delivering impact;
- support from the EIT, to ensure alignment with rules and to promptly resolve emerging issues;
- strengthening the coordination and sharing of best practices among KICs.

TOWARDS THE TARGET KIC MODEL: REGULATORY CHANGES

WAY FORWARD: EIT SIA 2028-2034 AND REVISED EIT REGULATION

1. **Consolidate the EIT's objectives and align the next Strategic Innovation Agenda (SIA) and its Impact Framework with this document.** There should be far fewer **objectives**^{2 3}, in line with the available budget⁴ and capacity. KIC strategies should be revised in 2028 and better aligned with EU-level priorities.
2. Be **more prescriptive towards the KICs' governance model** based on the first-wave KICs' experience and, in particular, to InnoEnergy's shareholder model, and strengthen the EIT Governing Board's **supervision and control functions**.⁵ The evolution of the model needs to ensure the **strategic focus of KICs, the improvement of their governance, and support as well as supervision by the EIT**.
3. The EIT should have a **veto on Chief Executive Officers and chairs** of the Supervisory Boards of KICs, and play a role in their annual performance reviews.

² Articles 3, 4; Regulation (EU) 2021/819 (OJ L 189, 28.05.2021)

³ Annex 2; Decision (EU) 2021/820 (OJ L 189, 28.05.2021)

⁴ Article 21, 22; Regulation (EU) 2021/819 (OJ L 189, 28.05.2021)

⁵ Article 7(2); Regulation (EU) 2021/819 (OJ L 189, 28.05.2021) and Annex 1, Section 2; Regulation (EU) 2021/819 (OJ L 189, 28.05.2021)



4. **Simplify the operational model** of the EIT–KICs.⁶ This could be done by introducing a simplified EIT Impact Framework with a targeted set of indicators that remain stable for the 7-year planning period. Also, **abolish the 3-year and 10-year reviews** that have caused unnecessary duplication, given the external evaluations of the Framework Programme, which run in parallel
5. **Simplify the funding model.** The current top-down brackets for EIT–KIC co-funding requirements and the earmarking for different EIT programmes (RIS, Higher Education Initiative, new KICs) do not match multiannual grants, or the idea of **competitive funding allocation, and are generally too rigid.**⁷ As a solution, instead of setting prohibitive funding rate limits in the SIA, which creates unnecessary complexity without achieving the intended purpose, **better EIT performance indicators should be defined in the future SIA**, measuring progress towards financial sustainability and assessing the future revenue-generating potential of KICs .

The above points must be **enshrined in the legal basis of the EIT** and the Partnership Agreements between the EIT and KICs.

⁶ Annex 3.6.1; Decision (EU) 2021/820 (OJ L 189, 28.5.2021)

⁷ Annex 3.6.2 and 3.6.3; Decision (EU) 2021/820 (OJ L 189, 28.5.2021)



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ANNEX 2

POTENTIAL NEW KIC THEMES



SECURITY AND RESILIENCE

Building Safer, Stronger and More Resilient Communities

This theme addresses Europe's evolving security challenges, from hybrid threats and cyberattacks to climate-induced disasters and infrastructure vulnerability. It promotes innovation in civil security technologies, disaster risk management, critical infrastructure protection, and cybersecurity. A dedicated KIC would contribute to the implementation of the [Economic Security Strategy](#). It would foster **cross-sector collaboration**, enabling the EU to anticipate and respond to threats while enhancing societal resilience and technological sovereignty through the development of an innovation **ecosystem**. It would also focus on upskilling talent in the area and advancing dual-use technologies. The theme is included in the [Competitiveness Compass](#).



AI AND ROBOTICS

Transforming the Future with Intelligent Automation and Applications

Artificial Intelligence (AI) and robotics are foundational technologies with enormous economic and societal potential. Despite a strong academic base, Europe lags in innovation uptake and **commercialisation**. Closing the investment and capability gaps, boosting the competitiveness of small and medium-sized enterprises (SMEs) and startups, and ensuring ethical AI aligned with European values are essential. A dedicated KIC would contribute to the implementation of the [AI Act](#) and act as a catalyst for innovative AI and robotics **applications**, securing Europe's role in global tech leadership. The theme is included in the Competitiveness Compass.



SPACE AND AEROSPACE

Pioneering Advancements Beyond the Horizon

Space and aerospace are strategic sectors vital to Europe's economic and physical security, climate monitoring, and digital transformation. This theme aims to support the implementation of a Space Act, strengthen Europe's position in satellite systems and aviation technologies, and reduce dependence on public funding. A KIC would drive private sector growth, accelerate technology transfer, and ensure faster **market uptake** of breakthrough aerospace innovations. The theme is included in the Competitiveness Compass.



RURAL INNOVATION

Advancing and Connecting Rural Communities Through Innovative Solutions

Rural areas face structural challenges in **connectivity**, employment, and **innovation**. This theme supports the revitalisation of rural regions by linking traditional sectors (such as agriculture and forestry) with digital and green technologies. A KIC would build innovation **ecosystems**, empower rural entrepreneurs, and enable local solutions to global challenges, helping bridge rural–urban disparities and support Europe's social and territorial cohesion. The theme is included in the Competitiveness Compass.



BIO-BASED INDUSTRY

Driving Sustainable Growth with Nature-Inspired Products and Materials

Transitioning to a circular, low-carbon economy by advancing sustainable, bio-based products and **advanced materials at scale** is a key societal challenge. A dedicated KIC would unlock innovation potential **across value chains**, address regulatory and market-entry barriers, and position Europe as a leader in the global bioeconomy. It would support the development of new materials, processes, and markets. The theme is included in the Competitiveness Compass.



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ANNEX 3

EIT REFORM



Boosting Competitiveness: EU Support for Collaborative Innovation

EIT Reform Proposal

This document proposes three sets of reforms for the EIT to align its operational model with the Strategic Vision document. In principle, as the EIT manages public funds and its governance and risk and compliance standards must be maintained – and even strengthened – it should move towards becoming Europe’s innovation ecosystem facilitator. This recalibration should follow the relevant legal framework⁸ and be applied in a lean, effective and efficient way:

- 1) Evolve the role of **the EIT towards a more ‘ecosystem-focused’ facilitator**, with its primary mission and emphasis on:
 - a. disseminating **and enabling** the KICs to make available, follow and implement standard best practices and tools (including IT) for the effective and efficient organisation and management of their information and decision flows, legal entities, teams and innovation networks – through further strengthening of the EIT cross-KIC and shared services agenda;
 - b. **guiding** innovators in the Member States towards the most appropriate form of EU support across structures and instruments (including Member States, European Research Council, EIC, etc.) – a ‘one-stop shop’ connecting people and reinforcing connectedness within and between European innovation ecosystems;
 - c. being the centre of **excellence** for collaborative innovation in Europe – spreading proven approaches and identifying opportunities based on the wealth of data from KICs and the largest community of experts in the EU (acting as a ‘think tank’ for insights and foresight).
- 2) Align and focus the **visible** organisation on the mission and priorities:
 - a. Consider the option of a **new communication identity** to better reflect the focus on supporting collaborative innovation.
 - b. Establish a visible ‘front end’ presence in Brussels – including clarification of the oversight structure.
- 3) **Staff** the agency to reflect its innovative, pioneering role and deliver tangible results:
 - a. Consider **reviewing the size of the Governing Board** to improve effectiveness and increase the likelihood of consistently appointing high-calibre members. The operations of the Governing Board should be simplified through a leaner supervision model.
 - b. Designate a part-time **representative function to the Chairperson** and Executive Committee roles to preserve capacity – ensuring the **strategic role of the Governing Board and the operational role of the Director** remain separate.

⁸ EU Financial Regulation, the Horizon Europe legal framework and the EIT Regulation.



- c. **Enhance the job description of the Director** to place greater emphasis on preparing strategic decisions for the Governing Board.
- d. Increase EIT staff by around 20 additional posts – **bringing the total to 100** – with greater expertise in innovation-enabling and investment-oriented functions, and to create the think tank function.
- e. Ensure the enhanced **EIT team is appropriately sized**, selected, trained and incentivised – bringing both a culture and deep understanding of innovation and the ability to connect actors across the ecosystem, in addition to their knowledge of EU rules. This includes innovation project management qualifications and experience, thematic relationship management with KICs, and the capacity to act on short-term innovation opportunities through an ‘operational task force’ model.

The estimated budget for the next Multiannual Financial Framework of the EIT would be €3 billion, assuming the designation of two new KICs.