



European Institute of Innovation & Technology





STAKEHOLDER CONSULTATION: EIT REGIONAL INNOVATION SCHEME (EIT RIS) POST-2020

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Stakeholder Consultation: EIT Regional Innovation Scheme (EIT RIS) post-2020

This report includes a summary of responses by stakeholders, collected between October and November 2020, in the framework of a Public Online Stakeholder Consultation launched by the European Institute of Innovation and Technology (EIT) in 2020. The output expressed aims to inform the EIT about the consulted stakeholders' views concerning the deployment of further activities, without implying a policy position or expression of any opinion by the EIT, nor that all ideas presented will necessarily come to fruition. The analysis and summary of responses was prepared by Cecoforma, February 2021.



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Executive Summary

As part of the EIT's <u>Strategic Innovation Agenda for 2021-2027</u>, the EIT plans to reinforce the regional support activities carried out through the EIT RIS (Regional Innovation Scheme). In line with the European Commission's proposal¹, it will do this by:

- increasing its openness to regional partners and improving the EIT KICs' regional strategies;
- devoting a larger portion of its budget to the implementation of EIT RIS activities;
- **prioritising a place-based approach** that links local innovation ecosystems to pan-European networks through the EIT KICs and their regional EIT Hubs.

In order to ensure that the EIT achieves these objectives optimally, the EIT carried out as part of the EIT Stakeholder Forum 2020 a public online consultation from 1 October-15 November 2020. The respondents were asked a series of specific questions about themselves and their organisation and were also asked to comment in free-form text on what the EIT RIS could do to:

- strengthen innovation capacities and <u>Knowledge Triangle Integration</u> in the EIT RIS countries;
- further increase impact and help generate more successful start-ups and innovations in the EIT RIS eligible countries (and what type of unique support the EIT could provide to achieve this);
- take a more tailored approach to addressing the needs of diverse innovation ecosystems in the EIT RIS countries;
- further expand the role of the <u>EIT Hubs</u> to increase the EIT's impact in the EIT RIS countries and ensure a geographical balance across the KICs' partner networks;
- ensure better alignment between the EIT RIS and regional development policy objectives and implementation mechanisms so that they are mutually reinforcing and generate greater impact;
- facilitate the financial sustainability of the EIT RIS activities and ensure that innovators from the EIT RIS countries have better access to finance;
- measure the success of the EIT RIS.

Respondents came from 45 organisations, with almost one quarter (11, or 24%) coming from research institutions. Higher education institutions (HEIs) and EIT KICs accounted for 8 respondents, 18% of the total in each case. Three other categories accounted for 5 respondents

¹ On 28 January 2021, a political agreement was reached between the European Parliament and the Council of the European Union on the EIT Regulation and Strategic Innovation Agenda 2021-2027. The publication of the entire legislative package in the Official Journal of the European Union (OJ) is expected in spring 2021.



each (11%), i.e. corporate/industry, NGO and "Other" respondents. There were also 2 start-ups and 1 national authority among the respondents.

The respondents' organisations were based in 18 countries, of which 12 were EIT RIS eligible countries (11 EU Member States and North Macedonia). Excluding the 8 EIT KIC respondents, exactly half the remainder were EIT KIC alumni or partners, i.e. members of the EIT Community. Excluding EIT KICs, most respondents were already familiar with the EIT (53%), in particular through participation in events, but also through a range of other activities. Their interest in the EIT was mainly for ecosystem building/connectivity and innovation-driven research. Interest in education and training, and business support was less high, but strong nevertheless.

Specific measures to strengthen innovation capacities and Knowledge Triangle Integration in the EIT RIS eligible countries

The majority of respondents were looking for improvements to existing mechanisms as a mean of strengthening innovation capacities and Knowledge Triangle Integration. Some suggested new areas for EIT RIS funding, in particular at the very early stages of the innovation chain. Others wanted better integration with other EU programmes. Respondents were also looking for a number of changes in programme requirements, e.g. relaxing the requirements on financial sustainability and simplification of the rules. Many stressed the need for brand-building, awareness-raising and capacity-building with stakeholders across the spectrum of society (the quadruple helix) and for exchange of good practice and experience within the Knowledge Triangle. Brand-building, awareness-raising, capacity-building and knowledge-sharing were recurrent themes across the responses to all questions.

Further increasing the impact of the EIT RIS with EIT support, generating more successful start-ups and innovations in the EIT RIS countries

Respondents to this question focused more on increasing the impact of EIT RIS and on how to generate more successful start-ups through funding, than addressing the unique support needed from the EIT. They stressed the need to take the special characteristics of the EIT RIS eligible countries into account, both collectively and individually, including through a stronger presence on the ground in the EIT RIS eligible countries. They also stressed the importance of strengthening the business mindset of entrepreneurs and the ecosystem. The support they felt the EIT can give was through the strength of its network and the consequent ability to "open doors".



Taking a more tailored approach to addressing the needs of diverse innovation ecosystems in the EIT RIS countries

Respondents identified two related areas that, in their view, the EIT should address in order to improve the tailoring of its approach: more devolution of responsibility to the national level within the EIT's own structures and more cooperation with stakeholders, not just those in the knowledge triangle, but also policymakers and regulators, civil society and citizens. Respondents advocated a more "bottom-up" approach, one that is based on taking a place-based perspective and gaining a better understanding of the innovation ecosystems in the EIT RIS countries, including policymaking. This would provide the knowledge needed for better tailoring. A number of respondents called for mapping the current ecosystems to provide a baseline for any changes as some respondents felt that there is a knowledge gap that needs filling.

Expanding the role of the RIS Hubs to increase the EIT's impact in the EIT RIS eligible countries and ensure a geographical balance across the EIT KICs' networks

The predominant message from the responses to this question was that the EIT's impact via the RIS Hubs could be increased by building networks – of RIS Hubs, across EIT KICs, across regions or sectors. Respondents made a number of proposals on improving the rights and roles of the RIS Hubs, including by involving them more closely in EIT KIC core activities and also by giving them more autonomy. Ensuring a geographic balance was considered secondary to the importance of ecosystem building.

Ensuring better alignment between the EIT RIS and regional development policy objectives and implementation mechanisms to generate greater impact

Respondents discussed alignment between the EIT RIS and regional development policy objectives primarily from the perspective of more alignment at regional level. There was a consensus that mechanisms need to be found for the EIT and regional authorities to learn from each other and for the EIT and/or the EIT RIS to provide input into regional policymaking and implementation. Some respondents also considered the need for more alignment at EU level, taking the view in a number of cases that the EIT should be more involved in policymaking and priority-setting at EU level.

Facilitating the financial sustainability of the EIT RIS activities and ensuring access to finance for innovators from EIT RIS eligible countries

Respondents came up with a range of ideas on how the EIT RIS could facilitate its financial sustainability. These fell into three categories: efficiencies in management, for instance by calling



on more expertise from businesspeople and finance professionals; efficiencies through partnerships, such as through better integration with other EU funding sources; and monetisation of services, like by charging for certain services or events. Better access to finance for innovators is not just a question of more or different types of funding – while desirable, respondents suggested, but it is also a question of access to information about potential funding sources. Concrete proposals included easing the pre-financing requirements, administrative simplification, and providing better information on co-financing sources of other EU funds.

Measuring the success of the EIT RIS

Respondents had a very wide range of suggestions, both for quantitative and qualitative measurement. In the list of possible numerical or financial indicators, four recurred most frequently: the number of start-ups created, the number of jobs, the network effects and the amount of investment attracted. Suggestions for qualitative measurement included some which can be measured by data in response to surveys, such as levels of satisfaction with events or activities funded, but also others which would be likely to require qualitative evaluation, like influence of start-ups on their ecosystem, cluster development or satisfaction with programmes.

Conclusions

Respondents to this consultation, who in the main were already familiar with the EIT, were looking for improvements, not fundamental change. The improvements fell into three main categories: financial incentives, operations and outreach. Not only were there a wide range of suggestions in areas which the EIT / EIT RIS could spend more money for, but also about the direction of funding, i.e. making it as easy as possible to obtain funding at the beginning of the innovation chain either by targeting it more precisely or easing some requirements, e.g. pre-financing requirements.

Respondents identified more professionalism in management, more partnerships and the monetisation of some services and events as solutions to improved financial sustainability. At an operational level, suggestions ranged from a reduction in the administrative burden to more autonomy for RIS Hubs. It was felt that recognising more that the EIT RIS eligible countries have particular characteristics as a group and individually would enable the RIS Hubs to make a greater impact.

There was a clear message throughout the responses on the need to strengthen the EIT RIS ecosystem, combining a 'bottom-up' approach of working with every level of local, regional and national stakeholder and at the same time leveraging 'top-down' the knowledge and networks of the EIT. An important part of this was felt to be better integration and co-ordination with other sources of EU, international, and national funding.



In conclusion, therefore, the results of the consultation support the objectives for the period 2021-2027 of increasing its openness to regional partners and improving the EIT KICs' regional strategies, devoting a larger portion of the EIT budget to the implementation of EIT RIS activities and prioritising a place-based approach that links local innovation ecosystems to pan-European networks through the KICs and their regional EIT Hubs.



1. Introduction

The European Institute of Innovation and Technology (EIT) launched its <u>Regional Innovation</u> <u>Scheme</u> (EIT RIS) in 2014 to reduce regional disparities in innovation across Europe. Under Horizon 2020 (H2020), of which the EIT was an integral part, the EIT RIS enabled the EIT to enhance its outreach to countries with modest or moderate innovation performance according to the <u>European Innovation Scoreboard</u> and which had limited participation in the activities of the EIT Knowledge and Innovation Communities (KICs). Countries eligible to take part in the EIT RIS are:

EU Member States: Bulgaria, Croatia, Cyprus, Czechia, Estonia, Greece, Hungary, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain.

H2020 Associated Countries: Albania, Armenia, Bosnia and Herzegovina, Faroe Islands, Georgia, Moldova, Montenegro, Republic of North Macedonia, Serbia, Turkey, Ukraine.

Under Horizon Europe, the EIT and the EIT KICs will reinforce their regional support activities through the EIT RIS as part of the EIT's <u>Strategic Innovation Agenda for 2021-2027²</u>. The EIT plans to:

- increase its openness to regional partners and improve the regional strategies of the EIT KICs;
- devote a larger portion of its budget to the implementation of EIT RIS activities;
- **prioritise a place-based approach** that links local innovation ecosystems to pan-European networks through the KICs and their regional EIT Hubs.

The Stakeholder Consultation was part of the <u>EIT Stakeholder Forum</u>, the annual forum for engaging with the EIT's varied <u>stakeholders & partners</u>. Against the backdrop of the COVID-19 crisis, the 2020 edition of the Forum combined online consultations with a series of digital sessions and meetings. The Stakeholder Consultation provided a platform for EIT stakeholders to express their views and contribute towards the impactful implementation of the EIT's Strategic Innovation Agenda 2021-2027.

The Stakeholder Consultation aimed to give EIT stakeholders a say in the implementation plans of the strengthened EIT RIS, which will build on the activities and results delivered under Horizon 2020 (2014-2020). The Consultation was open, online, from 1 October-15 November 2020.

 $^{^2}$ On 28 January 2021 a political agreement was reached between the European Parliament and the Council of the European Union on the EIT Regulation and Strategic Innovation Agenda 2021-2027. The publication of the entire legislative package in the Official Journal of the European Union (OJ) is expected in spring 2021.



Anyone interested in the EIT RIS topic was invited to respond, irrespective of whether they had previously heard about it or not. However, those who were more familiar with the details of the EIT RIS were especially encouraged to provide their views on the future implementation of the scheme based on their experience and expertise.



2. Respondent profiles

There were **45 respondents to this consultation** (Figure 1). **Research institutions were the largest respondent organisation type**, accounting for 11, or around one quarter of responses (24%). Higher education institutions and EIT KICs each accounted for 8 or 18% of respondents. In addition, there were 5 respondents (11%) in each of the corporate/industry, NGO and "Other" categories, as well as 2 start-up/scale-ups (5%) and 1 national authority (2%).

As internal EIT Community stakeholders, the EIT KICs may have different perspectives from external stakeholders. The Figures and text highlight any differences between EIT KIC responses and external stakeholders where relevant. The Figures also highlight any relevant difference between the answers of two significant groups of external stakeholders who might have different perspectives, i.e. research institutions and higher education institutions (HEIs).



Figure 1: Type of organisation

In terms of geographical coverage, **the 45 respondents were based in 18 countries: 17 in EU Member States and one in North Macedonia**. Of those in the EU Member States, 10 were based in countries eligible to take part in EIT RIS. 25 responses came from from RIS-eligible countries (including North Macedonia), i.e. 56% of all responses and 64% of the responses from external stakeholders (excluding EIT KICs).

Figure 2 shows the geographic breakdown for all respondents, comparing the total number of respondents with the EIT KIC respondents. It shows that of the 18 countries from which there were responses; 12 were EIT RIS eligible countries (11 EU Member States and one other EIT RIS eligible country, i.e. the Republic of North Macedonia). Excluding the EIT KICs, Italy (and EIT-RIS eligible country) was the country with the



largest number of responses (5 of the 45, i.e. 11%. It was followed by three EU Member States that are not EIT RIS eligible countries, i.e. Belgium, Germany and Sweden, with 4 each.





The majority of respondents (28 of the 45) were already part of the EIT Community at the time of the consultation (i.e. they were EIT KICs, EIT KIC partners or EIT alumni), but this ratio is reduced when the EIT KICs are not taken into account, i.e. 20 members and 17 non-members (Figure 3).







Only 6 of the 45 respondents had not taken part in any EIT Community activity yet (Figure 4). Therefore, **71% of all respondents and 86% of non-EIT KIC respondents had already taken part in an EIT activity**. The 35 respondents with previous experience with the EIT were most likely (32) to have taken part in an EIT Community event. Significantly fewer, had taken part in an innovation project (21) or an education programme (18). Even fewer (8) had participated in venture support programmes, while 17 cited "Other" activities. Only 2 participants had participated in all 5 types of event.

Figure 4: Have you participated in an EIT activity before?



The answers by respondents from the 8 EIT KICs have not been removed in this case as they do not change the relativities significantly.

Research institutions were significantly more likely to have attended an EIT Community event than HEIs (38% and 25% of their total mentions respectively) and significantly less likely to have ticked "Other" (4% - i.e. 1 mention by a research institution, as opposed to 20% of the HEI mentions).

Figures for the other categories were essentially the same for both groups, except that all HEIs had participated in at least 1 event, while 1 research organisation had not participated in any.

When asked about the areas of activity of interest, **most respondents** (one third of the multiplechoice answers) underlines **"Ecosystem-building/connectivity"** (Figure 5) **as the most interesting area of activity**.

There was no difference in the importance attached to this area by the EIT KICs and the remaining respondents (33%). The same stands for business support (18%, the area of lower interest).



A slight difference between EIT KIC respondents and the total group showed up in the "Innovationdriven research activities" area (30% and 27% respectively), as the second area of greatest interest. "Education & training" ranked third, but EIT KICs were relatively less interested in this than the group as a whole (18% as opposed to 22%).

Figure 5: Which of the following areas of activity are you most interested in?





3. Thematic Questions

In most cases, the analysis of responses to the thematic questions is based on clustering by:

- (i) overarching issues;
- (ii) suggested changes to the EIT approach
 - o at a policy/conceptual level,
 - o in relation to scope or focus;
- (iii) proposals for changes to **operational requirements** within the existing programmes;
- (iv) suggestions on ways to strengthen the ecosystem
 - o through visibility and engagement (i.e. with external stakeholders) and
 - capacity building/knowledge-sharing (i.e. with knowledge triangle stakeholders or potential stakeholders).

Not every cluster is relevant in each case. Where relevant, the respondent group has been indicated.

There are a number of **cross-cutting issues** that emerge from the responses:

- the need to take the special characteristics of the EIT RIS-eligible countries into account³;
- a desire for better integration with EU funding programmes and smart specialisation initiatives;
- the importance of promoting more open innovation⁴;
- the need for the EIT to take a more bottom-up approach;
- a desire to see wider participation in KIC activities / new forms of partnership;
- a desire for longer term and stable requirements to facilitate planning;
- the burden represented by the financial sustainability requirements;
- the weakness of the EIT brand;
- the importance of engaging with the whole of society.

³ While it might seem self-evident that there are significant differences between these countries and countries that are leading in innovation performance, the sentiment being expressed is that this is not sufficiently recognised/the differences are not properly understood.

⁴ Promotion of open innovation has not been included as a separate item in any of the several responses where it was mentioned because it is a generic response to a request for proposals on measures.



3.1 Measures to strengthen innovation capacity

Question: What specific measures should the EIT RIS implement to strengthen innovation capacities and Knowledge Triangle Integration (KTI - bringing together business, research, and education) in the EIT RIS countries?

Although some answers suggested a re-think of the approach, the majority of respondents were looking for improvements to existing mechanisms, including suggesting new areas for EIT funding. Respondents were also looking for a number of changes in programme requirements, and a better integration with EU funding programmes. Many stressed the need for brand-building, awarenessraising and capacity-building with stakeholders across the spectrum of society (the quadruple helix) and for exchange of good practice and experience within the Knowledge Triangle.

3.1.1. Overarching issues, scope changes, operational changes

Overarching issues

An EIT KIC respondent suggested a need to **go back to basics**: "To my mind, first, **we need to take a step back** and educate stakeholders about the benefits of KTI and how a good strategic partnership looks like as, unfortunately, currently we still experience reluctance towards collaboration in EIT RIS countries. I am not certain about the causes, but I believe this approach is also embedded in culture. People are afraid of conflicts and the influence of others on their activities. Thus, to strengthen KTI, we have to identify common interests and challenges among which each type of KTI actor is motivated to work but they cannot solve it on their own." A concern that participants in the Knowledge Triangle need to speak the same language was expressed by two EIT KIC respondents.

One corporate respondent suggested **a re-think** is needed because EIT RIS eligible countries have structural differences compared to non-RIS countries. Multinational companies have used higher education institutions as a pool of talent to draw on and local companies do not have the critical mass to initiate and finance KTI-type collaboration.

The higher education and research communities very often specialise in the specific needs of sponsoring multinational companies (MNCs), and do not take enough initiatives to provide input and motivate local companies. Consequently, measures are needed to build up the local companies and mitigate the risk of brain drain from the RIS countries.

Scope changes

Suggestions on **modifying the scope** included broadening the scope of EIT KICs to life science and health innovation, and a place-based approach using geographic, political and economic data.



Suggestions on new or modified **financial measures** included:

- a larger budget to map ecosystems;
- joint financing of innovation value chains, including development and involvement of business partners, with professional governance and project management;
- setting up an innovation support programme for early-stage development: soft and financial support (EUR 50 000-100 000) for proof of concept of the project applied from start-up or educational/research institution;
- direct investment in start-ups;
- effective support for spin-offs (on the ground that current benefits are actually for the companies that manage the process of spin-off formation, and not for prospective spin-offs);
- support for acceleration/incubation programmes within tech/business universities;
- financial incentives:
 - o for marketable university research;
 - for university-business cooperation (e.g. scholarship programmes to match industrial needs and challenges with researchers and establish a common language);
 - for universities to focus more on entrepreneurship and practice-oriented education (in cooperation with the industry/end-users/customers) instead of theoretical education, and in so doing promote encouragement instead of punishment in education, which one respondent described as the current practice in a majority of the EIT RIS eligible countries.

Other suggestions included to:

- influence governments to reallocate budget to R&D to align with EIT RIS;
- provide a gap analysis for the Member States and supporting them with know-how, policies;
- better integrate EIT RIS in EU and national innovation ecosystems including programmes (H2020, Horizon Europe national programmes);
- support the incorporation of innovation by SMEs and stimulate the technology transfer from research to innovators;
- leverage the international guidance standard for innovation management system ISO 56002:2019 (replacing CEB TS 16555-1), to help building innovation capabilities⁵;

⁵ This respondent called for this in answer to four of the questions. It has not been cited each time. In other cases, where respondents made much the same point across several questions, the same approach has been adopted.



- connect EIT innovation activities and business creation through early involvement of potential start-uppers in proposal preparation;
- focus on research addressing industrial/real life needs.

Operational changes

The proposed **changes to programme requirements** included to:

- drop the requirement for financial sustainability at activity level (which makes it more complicated for parties of mixed background to collaborate closely);
- pay more attention to geographic representation in order to ensure European impact and relevance, e.g. make it a requirement for the consortia of call activities to involve partners from at least two different Co-location Centres (CLCs);
- demand Knowledge Triangle Integration (KTI) in each activity encompassing active participation of company staff, researchers and students covering different aspects of the activity;
- promote simpler rules in the programmes aligning them with H2020 (HEU) rules;
- increase access to market data for EIT RIS awardee companies.

Comments on **measurement** included proposals to:

- introduce KPIs to monitor the scale of impact on the three pillars of KTI. This could be done through educational and research programmes in partner institutions (to ensure that EIT approaches and results are promoted and penetrate Higher education system and local research systems);
- measure innovation activities, such as new projects, activities, collaborations, start-ups, ventures, education activities;
- in addition to the strict control of EIT RIS activities, set more specific requirements through agreements at the highest level with local governments and authorities;
- measure the number of businesses created (companies); finance attracted by companies (grants, investments, loans).

3.1.2. Strengthening the ecosystem

Visibility and engagement

A range of respondent categories commented on the need to strengthen the EIT brand and **raise awareness** of the EIT RIS. "*The EIT should position itself in the RIS countries through the Hubs to be the main institution for supporting business, research and education in the ecosystem*" a corporate respondent argued. One NGO illustrated the lack of visibility by pointing out that there is no



systematic reference to the EIT RIS scheme on EIT KICs' web pages. Several respondents felt that there is a lack of clarity about the EIT KICs' service offering.

Respondents were not only pushing for awareness-raising, but also for **engaging** with local communities and providing capacity building for the local ecosystems. They listed a wide range of target groups to involve or to involve more than at present: citizens, civil society, innovation authorities, national authorities, local government, the private sector beyond start-ups, and policymakers. were all mentioned. Other entrepreneurial and innovation actors were also mentioned as a route to boosting critical mass and strengthening efficiency: Enterprise Europe Networks, Digital Innovation Hubs, S3 (Smart Specialisation) partnerships, cluster organisations, and local innovation actors not directly involved in EIT RIS, such as universities, and research and technology organisations.

Several comments emerged on the importance of engagement with the community and with citizens, for instance by adopting the **quadruple helix model**. One research institution believed that citizens should be involved both in shaping the agenda and scope of the innovation but also in monitoring innovation activities, because, without a bottom-up approach, there is a risk of tech businesses and tech-oriented research failing to spot and tackle the most pressing societal problems. A higher education institution respondent said the focus should be "on creating value: socio-economic as well as economic." An EIT KIC respondent called for a focus on research addressing industrial/real life needs. The need to address real life needs was mentioned by a number of respondents in answer to different questions in this consultation.

Emphasis on the need to **avoid top-down approaches** came from an "Other" respondent, who said that the EIT RIS should engage in the local Entrepreneurial Discovery Process, but also "avoid any top-down approach that could be considered as paternalistic intervention from the local actors...The EIT RIS should adopt the position of a socially responsible entrepreneurial university scheme that would work together with the local players, in extracting value, identifying opportunities and modernising the local institutions."

Respondents emphasised the importance of improving the policy environment for innovation in EIT RIS eligible countries, pointing inter alia to the importance of carbon transition policy

Capacity-building / knowledge-sharing

A typical comment on **sharing good practices and experience** emerging from the EIT Community's activities was one from an EIT KIC respondent: "*knowledge transfer activities are needed that are targeted at the regions' leadership, particularly about how to increase the entrepreneurial mindset of researchers, students and how to create a vibrant innovation community."*



The perceived need for **networking and knowledge-sharing** was expressed in different ways, but the underlying message of the existence of this need was the same. The suggestions included networking (including platforms), and matchmaking (e.g. between business and policy makers, or innovators and EIT KIC partners), brokerage events, events with representatives of EIT KICs from all countries, strengthening connections and cooperation between academia, business and research, partnerships between the three types of institution with expertise on business models, financial mechanisms, policy frameworks, technological and organisational solutions etc.

Other suggestions included:

- strengthening direct academic and entrepreneurial exchange programmes (exchanges of teachers, other staff and students, and study visits. , bilateral programmes with other regions that leverage foreign direct investment);;
- establishing city Hubs to promote trans-sectoral cooperation with an integrated approach;
- sharing good practice/knowledge or mentoring or twinning across the EIT RIS eligible countries and/or from the more innovative countries;
- creating increased connections with the main countries involved in innovation calls and activities in order to close the gap between the EIT RIS eligible countries and other countries;
- expanding cross- EIT KIC collaborations; closer cooperation between educational institutions and business, including by involving manufacturing companies in teaching;
- cooperating with Vocational Education and Training (VET) providers on identifying the competences needed for Industry 4.0, developing appropriate training manuals and materials (including e-learning materials) with manufacturing companies.



3.2 Increasing the impact of the RIS Hubs

Question: How can the EIT RIS further increase its impact and help generate more successful startups and innovations in the EIT RIS countries? What kind of unique support is needed from the EIT?

Respondents to this question focused more on increasing the impact of EIT RIS and on how to generate more successful start-ups through funding, than addressing the unique support needed from the EIT, by taking the special characteristics of the EIT RIS eligible countries into account, strengthening the business mindset of entrepreneurs and strengthening the ecosystem. However, in terms of support, the strength of the EIT network and its ability to "open doors", was either raised specifically or was implicit in some of the responses.

3.2.1. Overarching issues, scope changes, operational changes

Overarching issues

There were **three cross-cutting themes** in relation to increasing the impact of EIT RIS and generating more successful start-ups:

- the amount, type and destination of funding;
- special characteristics of the EIT RIS eligible countries;
- strengthening the business mindset.

However, one respondent felt that the problem is more fundamental: since the EIT's mandate should dictate the strategy, **more clarity** is needed upfront as to whether the EIT should fund research, business, or both.

A research institution respondent questioned whether start-ups are in fact really the best way to foster innovation, particularly in areas requiring large sums of money, e.g. drugs and diagnostics. This respondent suggested **development platforms or incentives for collaboration** of industry and academia could be a better approach.

Scope changes

Amount, type and destination of funding

Many respondents called for **more funding** (which one respondent called "serious financial support to start-up programmes"), but not everyone agreed.. For one HEI respondent the problem is rather the fact that **the road to existing finance is barred by companies who are specialised at unlocking EU funds.** "The science base is ready and available," this respondent said, and "entrepreneurs are willing to set up start-ups, but resources are lost before reaching them."



Suggestions on areas for different or new funding included:

- providing more support to facilitate experimentation in innovation, in short cycle times;
- giving equity-free start-up grants of EUR 25 000 together with online coaching in order to generate more start-ups to finance;
- supporting Zebra start-ups to support more organic growth from the outset;
- providing more acceleration initiatives;
- integrating business support (incubation and acceleration) in cluster and value chain approaches in order for to make place-based innovation and smart specialisation more effective. The EIT (through the Hubs) could provide strategic intelligence (to challenge the assumptions on strengths and find relevant partners), and train programme and cluster managers in transformation policies;
- providing support for crowdfunding campaigns (for business, social innovation, environmental actions etc...)";
- establishing proof-of-concept funds;
- establishing programmes to help start-ups with fundraising strategies to capitalise on the initial investment;
- establishing a programme to help corporations to buy from start-ups;
- setting up a dedicated programme applying to all EIT KIC sectors to provide not only financial support to successful start-ups and innovators, but also market research and validation of the technology by experts plus future support in commercialisation (with help from the EIT/KIC partners);
- demanding both technological and business novelty and excellence.

Special characteristics of EIT RIS countries

Several respondents said that working with the EIT and EIT KICs challenges the **support capacity** in **the EIT RIS eligible countries**. This is weaker than that of other countries because these countries have higher administrative and bureaucratic burdens, and less budget flexibility. As low liquidity is one result, it is important, one respondent said, that *"financial processes have to run quickly and smoothly and prefinancing has to be guaranteed."* This respondent suggested that if there were a **separate legal entity for the EIT RIS programme**, this would lead to better financial transparency and quick financial implementation. A particular challenge to the EIT RIS eligible countries' support capacity, one respondent said, comes from annual changes in the EIT's and the EIT KICs' expectations, identifying these as an external threat to the ecosystem. An NGO echoed this with a call for a five-year rather than a "call-to-call" approach, while another respondent asked for a better roadmap for future funding.



In addition to support capacity, respondents identified either other **special characteristics of EIT RIS eligible countries** which they felt should be better taken into account or advocated measures which implicitly, at least, suggested this. They included:

- having more dedicated staff to support regional and national implementation;
- locating the centre of the EIT RIS activities in proximity to (and preferably in) the EIT RIS eligible countries;
- organising EIT RIS activities centrally to remove tensions and inefficiencies caused by having parallel activities in different CLCs;
- being sensitive within the activities of the programme to historic tensions between different EIS RIS eligible countries;
- having more partners from across each EIT RIS country and not just one from the capital who may not engender the necessary trust in other cities.

In addition, respondents pinpointed a lack of a deep knowledge of and integration with the world economy as a special characteristic of the EIT RIS eligible countries to be taken into account, together with a lack of understanding of markets, marketing, pitching, fund-raising, culture and communication skills.

One respondent argued for a conceptual shift to consider more the wider variety of economic, societal and cultural traits of the EIT RIS eligible countries, as this could facilitate the integration and alignment of EIT-supported projects with regional programmes (e.g. Cohesion Funds).

Strengthening the business mindset

A number of respondents proposed ways of **strengthening the business mindset**. They included:

- focused support for RIS partners, targeting more the inclusion of young researchers and innovators (with definitions of both needed);
- strengthening technology transfer capacities in universities (a proposal made by two respondents);
- starting young, i.e. in elementary and high school (with activities such as hackathons and idea competitions) to encourage students to express their ideas, and avoid the formation of fear of failure;
- providing education in entrepreneurship and innovation management, either as an integral part of higher education or for start-uppers. Courses should be short and in the national language (as opposed to long and in English), one respondent said.



Operational changes

Changes sought to the **procedures already in place** included:

- aligned regulations for start-ups across the EU, including term sheets and investment security for business angels and venture capital (VC) funds;
- avoiding a single point of contact and considering alternatives to the master contact because of high personnel fluctuations;
- strict guidelines on what is to be achieved, how EU funds are to be used and strict controls.

3.2.2. Strengthening the ecosystem

Respondents made a wide range of suggestions on strengthening the ecosystem including:

- more marketing and communication about the EIT RIS;
- Innovation Days in EIT RIS eligible countries, using the KTI players in EIT RIS eligible countries to develop and showcase success stories;
- live demonstrations of innovative solutions for technology transfer
- disseminate, best practice from other regions;
- peer reviews;
- prizes;
- staff exchanges, scholarships, business roaming, coaching, mentoring, networking across the KTI triangle and across EIT KICs;
- dissemination of business models, including what makes a successful start-up and on change management;
- platforms to engage users and solution-providers (to motivate the private sector and researchers to develop innovations with and for the public);
- measurement of societal impact on civil society and citizens;
- inclusion in governance of a broad range of societal actors by social and educational background, and career path.

Several of the suggestions on networking and best practice stressed **the importance of including start-ups**. One corporate respondent said that the biggest value the EIT can provide to start-ups is its network, as its stakeholders are potential customers and partners. While the financial investment the EIT can provide is great, this respondent said: *"the network makes the difference in making the right deals at the right time"*.



3.3 Addressing the needs of EIT RIS eligible countries

Question: How can the EIT RIS ensure a more tailored approach to address the needs of diverse innovation ecosystems in the EIT RIS countries?

Respondents to this question identified two related areas for the EIT to address: more devolution of responsibility to the national level within its own structures and more cooperation with stakeholders, not just those of the knowledge triangle, but also policymakers and regulators, and civil society and citizens. The consensus was that a more "bottom-up" approach is needed, based on taking a place-based perspective and gaining a better understanding of the innovation ecosystems in the EIT RIS countries, including policymaking. The result should be better tailoring. A number of respondents called for mapping of the current situation to be sure of understanding the starting point.

3.3.1. Overarching issues, scope changes, operational changes

Overarching issues

A number of respondents stressed **the importance of a needs-based approach and of "listening"**. A significant number of respondents mentioned cooperation and consultation with a wide range of stakeholders, including start-ups and R&I councils, standardisation bodies, local authorities (municipal and regional), policymakers and regulators, citizens and civil society organisations (CSO's).

Several respondents suggested **more formal means of identifying needs** before deciding on what measures to take, including analysing the root cause of problems before moving towards solutions. The EIT <u>Climate-KIC's Deep Demonstrations</u> was given as a possible model that could be scaled up

Suggestions on areas the EIT needs to map included:

- local activities connected to the KTI;
- strong cities and regions based on existing industrial performance and academic strongholds;
- the innovation ecosystem in each country to identify the relevant stakeholders, what exists and where the gaps are, or to understand the current industrial strengths and weaknesses.

One respondent suggested the EIT RIS Hubs could have work packages covering innovation ecosystem mapping; another suggested using the CLC format.



One suggestion on how best to consult local stakeholders was to hold individual/group interviews/consultations to gather feedback or for Hubs to hold monthly meetings. An example cited of a shift away from what was characterised as a unidirectional mindset was the EIT Food KIC programme: "*RIS growing consciousness: revitalising food value chain in rural areas*".

One respondent pointed out that if the EIT RIS were involved in **regional smart specialisation strategies**, that would already give the EIT RIS a focus on the opportunities supported by each region. This would make the EIT aware of the place-based innovation ecosystem and the governance and organisational structures and their development over time. Nevertheless, one respondent pointed out the value of a two-way process in which the EIT not only listens but uses its its contacts to bring fresh ideas from inside the EIT and good practice from other regions.

Flexibility in taking the differing degrees of maturity of the EIT RIS countries into account was another recurring theme. It was argued that their ecosystems and frameworks are different, requiring the EIT portfolio to be **flexible, agile and customised based on location**.

Scope changes

Suggestions on how best to localise included:

- a mandate for action by the EIT KICs that recognises them as actors in policy and funding scheme developments;
- co-creation and dissemination of detailed knowledge about concrete steps to found and run a business in the respective ecosystem with open knowledge owners in these regions;
- a centrally developed innovation ecosystem development framework that Hubs could adapt to regional needs and goals;
- a budget for Hubs for individual action plans, methodology support and mentoring, to develop a local ecosystem development strategy and to implement those strategies and local actions;
- more autonomy at CLC level;
- one contact person per EIT RIS eligible country;
- a Key Account Management structure in order to strengthen the link between Hubs / Partners and start-ups, thus ensuring that RIS Hubs and partners are involved from the early steps in the planning of new initiatives;
- adapt the degree of intensity to the different levels of maturity of RIS countries;
- take a sectoral/industry approach.

It was also considered important for the EIT RIS to have **a better understanding of policymaking** since the policymaking culture in EIT RIS eligible countries tends to be more rigid. One respondent, who is particularly interested in urban mobility, suggested that policymakers and regulators have



knowledge gaps that need to be filled by capacity building, provision of information and visits to innovative projects.

More cooperation with non-EU funding programmes was also suggested, e.g. existing higher education institution cooperation schemes such as CEEPUS (Central European Exchange Program for University Studies) and the DRC (Danube Rectors' Conference) and inter-governmental initiatives of the EU-13 Member States⁶, such as BIOEAST.

Some respondents expressed **doubts as to whether the question was in fact the right one**. One NGO respondent felt it is not clear to what extent the EIT RIS measures currently address 'innovation ecosystems' in EIT RIS countries as opposed to individual entities. Some respondents felt the real issue was the need for the EIT to act as a broker, between investors and business angels, and research and industry, and to offer training and project participation opportunities.

One "Other" respondent queried the concept of the transfer of best practices from Co-location Centres through EIT RIS Hubs because of different starting positions and different specialisation dynamics for catch-up economies. This respondent argued that a stronger agency function is needed for less-developed innovation systems. Universities often play an 'agency' role in regional development activities (such as research parks and spin-offs, venture capital, industry-science contracts), but need the co-development with policy to scale-up and combine other assets.

Operational changes

A number of respondents suggested **opening up participation in EIT KIC activities to a wider range of participants** by:

- facilitating access to EIT KIC core activities (fully-fledged partnership, higher funding rate and pre-financing);
- involving more partners per country;
- enabling start-ups to participate in EIT KIC Business Creation programmes;
- allowing EIT RIS stakeholders to join EIT KIC Innovation projects that are already under way.

One respondent suggested that the EIT should **stimulate targeted open innovation**, creating "clusters of companies" that can operate in a competitive environment and that can also cooperate;

One EIT KIC respondent suggested that more staff would enable better tailoring of EIT RIS.

⁶ Bulgaria, Croatia, Cyprus, Czechia, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia



3.3.2. Strengthening the ecosystem

Visibility and engagement

A need for more **awareness-raising** was identified, e.g. information events both organised by the EIT and other organisations, and newsletters. A strong need was expressed to engage with students. That is dealt with under best practice below.

Capacity-building / knowledge-sharing

Proposals in the area of exchange of **best practice and establishing connections**, several of which were made several times in various forms, included:

- matchmaking and networking events (including networking between micro-companies and larger SMEs);
- peer-to-peer exchanges;
- establishing an EU level council for start-ups and innovation.

Ideas on how to engage with students included:

- scholarships, exchange of master and doctoral students, summer academies;
- joint training programmes for industry projects,; business idea competitions (like Jumpstarter) and start-up competitions;
- exchange of know-how and best practices;
- training/education programmes for start-up support.

Other proposals were to:

- organise citythons involving both students and decision makers (from a respondent with a strong interest in urban mobility and a view that city planners in the EIT RIS countries are not very open to innovation);
- improve the possibilities for students and researchers in the EIT RIS countries to work on practical innovation projects – creating a link between the challenges of the EIT Urban Mobility <u>City Club Model</u> of cooperation with EIT RIS universities (offer for students, researchers, professors and the university, clear communication);
- set up an internship system and motivate projects to use interns from the EIT RIS countries.



3.4 Expanding the role of the RIS Hubs and ensuring geographic balance

Question: How should the role of the RIS Hubs be further expanded to increase the EIT's impact in the EIT RIS eligible countries and ensure a geographical balance across the KICs' partner networks?

The predominant message from the responses to this question was that the EIT's impact via the RIS Hubs could be increased by building networks – of RIS Hubs, across EIT KICs, across regions or sectors. Respondents made a number of proposals on improving the rights and roles of the RIS Hubs. Ensuring a geographic balance was considered secondary to ecosystem building.

3.4.1 Overarching issues, scope changes, operational changes

Overarching issues

Expansion and impact measures: networks and partnerships

Key concepts that came up in response to this question were **networking and partnership across RIS Hubs and across EIT KICs.** This was seen as desirable in its own right and also as a way to achieve critical mass where EIT RIS eligible countries are small and to develop the culture of working together in EIT RIS eligible countries. The weak cooperation culture is one cause of low innovation capacity according to one respondent:

Suggestions included:

- encouraging EIT RIS Hubs in EIT RIS eligible countries to organise themselves as networks of partners from different **sectors** (research, business, NGOs etc.);
- organising a dedicated call to set up or improve the structuring and intensification of the EIT RIS Hubs , on the basis of **regional specialisation**, e.g. South-East European region and its agri-food-tourism-recreation specialisation;
- establishing "EIT Hubs" representing **multiple** EIT KICs, thus opening open up an (additional) entry point for entities in EIT RIS eligible countries to connect to EIT KICs with operational offices all over Europe;
- working more closely with other Hubs within H2O2O and Digital Europe, connecting with Impact Hubs or co-creating Impact Hubs alongside EIT RIS Hubs;
- setting up a **partnership** scheme with different levels of engagement and outreach regionally and locally;
- stimulating cooperation and openness through mission-oriented calls;

One from the "Other" category advocated fostering collaboration between different RIS Hubs to deal in particular with transversal processes like the circular economy, i.e. when faced with non-



conventional innovation models that do not fit within the EIT KIC sectoral approach. This same respondent pointed out that the Smart Specialisation Strategy has shown that a place-based approach can identify market niches which can be exploited on a local scale free from the constraints of global competition. This respondent concluded that these requirements prefigure **a wider and more autonomous role of the Hubs**, whereas so far, the RIS Hubs act mostly as "local amplifiers" of the EIT KICs' approaches with the aim of leading local actors to the EIT KIC Community.

One respondent called for RIS Hubs to be a key stakeholder in the development of regional **smart specialisation strategies**. Especially in the case of EIT Climate-KIC, this respondent argued, the European Green Deal has stimulated smart specialisation strategies (S3) to become sustainable smart specialisation strategies (S4). This shift towards overarching EU policy objectives should also include EIT Digital.

A respondent from EIT Urban Mobility suggested that additional criteria implying greater involvement in local ecosystems could be added to existing criteria for being a RIS Hub. This respondent pointed out that in future open calls EIT Urban Mobility will not only use the selection criteria from the EIT RIS Implementation Guidance Note 2018-2020, but add others linked to existence of a strong culture of cooperation/open innovation; plans for co-funding using local resources; experience in innovative projects in line with the EIT Urban Mobility strategy and topics.

Is expansion the issue?

A few respondents felt that **expansion is not necessarily needed**, but were in a significant minority. One said there is definitely a need for a Hub just for Eastern Europe, but felt the key issue is to get people on the ground meeting with businesses and other stakeholders on a regular basis, i.e. networking.

Similarly, a number of other respondents stressed the need to promote the EIT and the RIS Hubs and to share the EIT's expertise through various forms of **integration and closer collaboration with the local ecosystems and stakeholders**, including national, regional and local authorities. Suggestions included having champions, ambassadors, motivated business angels and a contact person/team actively engaged in promoting the EIT or strengthening collaboration and implementing strategy. Local authorities were regarded as particularly important.

Another response that queried whether expansion per se is the answer described this as a **catch-22** request on the grounds that when EIT KICs expand with a RIS Hub, it becomes a regular EIT KIC activity. That means it is not counted as a RIS activity and therefore the KIC will have to come up with additional RIS activities. Hence the KICs have little incentive to involve EIT RIS eligible countries in a regular manner. An EIT KIC respondent took the view that, as external contractual



and fulfilment partners of the various EIT , the RIS Hubs cannot make a systematic contribution to increasing the impact of the RIS Hubs, but that this is for the EIT KICs to do.

An HEI respondent argued that, "as the number of [EIT] RIS-eligible countries has increased already to 28, the EIT and EIT KICs need to work on their value proposition and have a clear understanding if they are mainly funding instrument or networking instrument. If the former, it does not make sense to extend the network and 'dilute' the funding available for partners since in this case the impact is less pronounced. If the latter, there must be a clear value proposition for industry (other than the money) and the administration/reporting must be simplified."

The view that **the EIT needs greater clarity on its own role** was raised by another HEI respondent, who said that the EIT needs to decide whether it wants to run programmes based on global excellence (in both tech and business) or if it will be content to run honourable, but regional, support programmes.

A respondent who pinpointed the complexity of the structures as a barrier to impact called for a single and **clear definition of an EIT Hub** to avoid confusion with Co-location Centres.

Another said EIT KICs should be recognised as actors in policy developments and funding schemes developments as well and **be eligible to be EU funding beneficiaries as EIT KIC entities** rather than through individual organisations.

Scope changes

Several respondents felt that the RIS Hubs should be given **a greater role or more rights** in order to increase their impact:

- provide RIS Hubs with similar rights to those of EIT partners. Currently, the funding they may receive and the KIC activities they may participate in is limited;
- integrate the EIT RIS regions and RIS Hubs into the EIT KICs' core activities (a suggestion made by several respondents);
- ensure RIS Hubs are invited to apply for EIT KICs' Business Plan calls at least as external project partners;
- ensure RIS Hubs work with EIT KIC partners and prestigious institutions from well developed regions;
- give RIS Hubs more freedom in ecosystem development (implementing local actions);
- make RIS Hubs responsible for the preparation of the project pipeline;
- extend the RIS Hub capabilities, by allowing them the integrate third party services in their portfolio.



Other ideas for increasing the impact by **redefining or broadening the role of the RIS Hubs** included:

- creating roadmaps and strategic visions of geographical strengths and presence of highly skilled people or the potential for attracting more people to a career in science, technology or innovation;
- having RIS Hubs act as a catalyst for attracting more funding (but with a proviso of needing to avoid raising additional sources of funding becoming too time-consuming);
- having consortia of 2-3 RIS Hubs. This would require more coordination, but that would be offset by the benefits;
- using RIS Hubs as competence Hubs for maintaining ensuring the quality of support services provided by innovation management professionals;
- broadening the knowledge triangle approach to create real space for more experimentation and social innovation. This respondent believed only very thin layer of tech-oriented companies benefit at present, and the wider impact remains minimal.

Geographic balance

Very few respondents addressed **geographic balance**. One felt that forced "geographical balance" of RIS Hubs might not achieve the best outcome and suggested that imbalances might be justified due to where the expertise lies. Another (from an EIT KIC) said that geographic balance is difficult because it depends on the innovation capacities of a particular country/Region.

Another felt that **integration of more members** in the RIS Hubs so as to be able to cover the three sides of the knowledge triangle would improve geographic coverage. A fourth said the EIT needs to ensure full coverage for all specialised regions, but also for niche players in regions that have not identified the domain as a priority. Similar to European Digital Impact Hubs, they should have a double function of diffusion of the best available technologies, and knowledge and collaboration on the basis of complementarities.

Operational changes

Two respondents advocated changes to the rules on pre-financing by:

- reforming the financing rules for RIS Hubs. As RIS Hubs currently only receive a small amount of pre-financing, this limits the ecosystem-building activities that they can perform. They rely on finding someone willing to "lend" the rest of the money for the project, and where RIS HUBs are within a university, the university is often not willing to do this.
- providing **100% pre-financing** because a 25% pre-financing rate hinders the implementation of capacity-building activities in a context where these regions lack



funding and decision makers are not aware of the importance of capacity building, and local actors' entrepreneurship culture and collaboration is not sufficient.

Other comments on existing operations were that:

- the evaluation process needs to be more transparent with provision of feedback on decisions;
- the same strategy and guidelines should apply to all the programmes;
- the RIS Hubs need to be released from their current "huge amount" of administrative tasks..

3.4.2 Strengthening the ecosystem

In addition to the recommendations above on awareness-raising and closer relations with local ecosystems and stakeholders, there were comments from research institutions, higher education institutions and NGOs, in particular on the need for **better dissemination of information** and more creative communication, e.g. through events and shared activities, on the RIS Hubs and of the possible beneficial impact of working with the EIT. Municipality and regional governing bodies and businesses were identified here as well as key target audiences.

Several respondents called for **involving EIT RIS stakeholders in other KIC activities**, e.g. matchmaking events, think tank events, labelling programmes, as well as more work on the ground with companies (including increasing interaction between micro-companies and larger SMEs, and possibly with larger MNCs), sharing of best practice and synergies, and joint activities.

One respondent suggested that RIS Hubs not only need to raise their profile in their own country, but need to do better at **raising their profile vis-à-vis RIS Hubs in other countries**, sharing experiences and best practice, news about events, participation in common projects, etc.

An issue with visibility was implicit in the disincentive to working with the EIT identified by one respondent, who believed **the complexity of the multi-layered structure of the EIT and its EIT KICs** and of the Co-location Centres as operational entities is a barrier to potentially interested parties (business or other) because it is difficult for them to understand the dynamic and opportunities of the EIT. This is even more so for entities in EIT RIS countries.



3.5 The relationship of EIT RIS with regional development policy

Question: How can better alignment be ensured between the EIT RIS and regional development policy objectives and implementation mechanisms to reinforce one another and generate greater impact?

Alignment between the EIT RIS and regional development policy objectives and implementation mechanisms was interpreted either as more alignment at regional level or more alignment at EU level. There was a consensus that mechanisms need to be found for the EIT and regional authorities to learn from each other and for the EIT and/or the EIT RIS to provide input into regional policymaking and implementation. There was also a view that the EIT should be more involved in policymaking and priority-setting at EU level.

3.5.1 Overarching issues, scope changes, operational changes

Overarching issues

Respondents **interpreted this question in two ways**, i.e. regional development policy as formulated by the Member States or their regions and the policy under which the EU funds regional development policy in the Member States.

Looked at from the perspective of alignment between the EIT and regional development policies at Member State level, there was a clear message on working more closely with the regions: *"talk to the regions"*; *"increase links with national agencies."*

Suggestions on how to achieve that and on leveraging what was perceived to be complementarity between the practical knowledge of local issues of national regional development stakeholders and the formal knowledge of the innovation tools that the EIT RIS can offer, included/

Engagement:

- of EIT KICs with:
 - regional representatives via regular and quarterly progress meetings with regional representatives, *"also holding them accountable"*;
 - regional/national **European Regional Development Fund (ERDF)** management authorities in order to align the EIT RIS agenda in that region with the activities planned in the region (or country's) ERDF strategy. The respondent making this point advocated emphasised that any such work should be reported upon, within the EIT and in ERDF reporting cycles.
- of the EIT as such:



with national (and not just regional) governments and administrations. One respondent suggested that the EIT as such should have a representative in each EIT RIS eligible country because it needs a knowledge of local procedures. However, this should be a two-way process: one respondent pointed out that the relevant authorities formulating national policy guidelines need to know about the activities of the EIT and understand the mechanisms, policies and objectives of the EIT and its value to the country's ecosystem.

Another respondent advocated going further by **embedding the EIT in the regional policymaking process**, with agreement at EU level that EIT representatives or nominees should be integrated in policy processes, working groups or other decision-making bodies at local level. Others suggested involving national regional development stakeholders at the grant application stage, in events, in EIT RIS performance reviews, or providing co-funding by the EIT and other regional sources. This last would boost the effectiveness of the Knowledge Triangle.

In terms of **alignment at European level**, a series of responses gave examples of a range of entities, programmes and hubs with which the EIT RIS should interact: ERA Hubs, Digital Innovation Hubs, clusters, Centres of Vocational Excellence, Horizon Europe, the European Innovation Council, Next Generation EU, the Recovery Plan, the European Structural and Investment Funds (ESIF), the European Social Fund specifically, and smart specialisation strategies. According to one respondent, a problem that has arisen in the past in alignment between EU funds and EU programmes in general is that there has been more funding for material infrastructure than for employment, leading to well-equipped labs with no technicians.

One HEI said the EIT could put pressure on the European Commission and the Member States to open up other funding mechanisms dedicated to the EIT RIS eligible countries to address the capital needs of start-ups. There are some Member States where that is already the case, i.e. HEIs may apply to the local government for funds to participate in EIT activities.

A respondent from an EIT KIC stressed the need not just for alignment but **for the EIT to be involved in EU policymaking**. This was in line with a research institution respondent who suggested the EIT should be involved in the programming of priorities for EU funding at EU level. However, one respondent felt that the EIT's core role is implementation of regional policy objectives.

Several respondents highlighted the desirability of a link with **smart specialisation strategies**. One of these, a corporate, suggested that the EIT RIS should connect with the RIS3 specialisation domains in the regions in order to develop innovation capacities and support for start-ups/scale-ups. A possible approach would be to launch challenges for solution providers to solve regional/urban development issues. Another suggested that the national contact points could


participate in the design and implementation of the local RIS3, and that the co-location centres and RIS Hubs could be involved in the development of the S3 thematic partnerships.

Whatever the approach, one corporate respondent felt it is important not to make "little brother" clones of Germany intended to compete with Germany, but "big" Estonias, Hungarys, with distinctive clusters, capabilities, strengths, specialities and a vision of how to integrate with the rest of Europe.

Scope changes

An HEI suggested a new form of call for proposals which should on the one hand **make it a requirement that regional policy structures and governing bodies be involved** based on their regional specialisation strategies - e.g. food, logistics, industry, IT, tourism, etc., and on the other require inclusion of R&D and education establishments for more effective Knowledge Triangle Integration. KPIs should be introduced, this respondent added, for monitoring and assessment of the results of such collaboration. An EIT KIC suggested joint calls with regional entities.

One respondent suggested **using the RIS Hubs to support implementation of the programming process** with stakeholders at national level. This would provide a project-measure level input to national/regional authorities responsible for programming. This was an idea put in a similar form by other respondents, one of whom suggested working through the CLCs. An HEI respondent suggested instead that regional innovation actors and universities should take the lead in bringing the different actors together.

Other proposals were:

- EIT incentives for **open innovation** projects which pay specific attention to **'sidestream' innovation** that could be picked up by start-ups or established companies and be supported by innovation radar experts. These should be involved in the project over a longer period, including beyond the termination of the project;
- finance for pre-seed start-up ideas;
- EIT support for higher value-added innovation development in the region.

Operational changes

The only suggestion for operational change was to simplify the funding mechanisms.



3.5.2 Strengthening the ecosystem

Many of the ideas put forward in answer to this question and described above would have the effect of strengthening the ecosystem through a much closer relationship with regional and national government and other EU programmes. Other suggestions were:

- accessing networks of decision and policy makers to inform them about innovative mobility solutions and services of the innovation community;
- holding round tables and sharing best practice with success stories from the past;
- involving socially innovative networks and communities in sharing the innovation agendas at regional level;
- creating a local contact point inside the EIT KICs to be available for meetings and strategy creation with each national authority;
- coordinating with local industry specialisations.



3.6 Financial sustainability of EIT RIS activities; access to finance for innovators

Question: What measures should be put in place to facilitate the financial sustainability of the EIT RIS activities and ensure that innovators from the EIT RIS eligible countries have better access to finance?

Respondents came up with a range of ideas on how the EIT RIS could facilitate its financial sustainability. These fell into three categories: efficiencies in management, efficiencies through partnerships and monetisation of services. Better access to finance for innovators is not just a question of more or different types of funding, respondents suggested, but it is also a question of access to information about potential funding sources.

3.6.1 Overarching issues, scope changes, operational changes

Overarching issues

The financial sustainability of the EIT and the EIT RIS **will depend on the value they can add to the strategic priorities at EU and national/regional level**, one respondent said. Therefore, the business model needs to focus on unique services in times of transformation at European and regional scale. These services will then find co-financing in other programmes with similar goals.

An EIT KIC argued for a change of narrative, with **a shift from a grant-making to an investment logic**. Another suggestion of creating equity options in the entrepreneurship programmes appeared to have been motivated by similar considerations, as did a proposal for the EIT and the EIT KICs to act as venture capital investors in EIT RIS countries. The respondent positing this argued that it would otherwise be difficult to attain financial sustainability for the limited EIT RIS activities and that EIT RIS actions should not be financed from profits generated elsewhere.

Not everyone agreed with the principle of financial sustainability. A research institution respondent disputed the concept that activities should be financially sustainable, stating that EIT RIS activity management should be seen as a strategic investment not as a source of profit. An HEI respondent believed that the current sustainability and revenue policies are often a turn-off for companies, and they need simplifying and rethinking. This respondent suggested that EIT KICs should be considered to have done their job if they do not reach sustainability in 15 years.

Scope changes

Facilitating financial sustainability

The concrete proposals on facilitating financial sustainability fell into three categories:

- Efficiencies in management;



- Efficiencies from partnerships;
- Monetising services;

Efficiencies in management

The suggestions on efficiencies in management generally appeared to be rooted in a belief that EIT KIC staff do not have the right skillset or need to focus more on the business aspects of projects. Suggestions included:

- **involving more businesspeople** in governance and investing in training EIT KIC staff: *"It is not motivating for the companies to give the rights of the innovations to the EIT KIC only to make sure the KIC administration has also has a job after the 15-year deadline. EIT KIC's have to exist for the benefit of Europe."*
- **including finance professionals** in reviews of EIT RIS projects to gain insight into market-relevant aspects;
- putting more emphasis on business plans and post-project sustainability plans;

Other suggestions on **efficiency in management** were:

- close contact between the EIT RIS and the research parties, to help in short decision routes;
- greater stability in the funding schemes because having to deal with changes mid-project is a disincentive to continuing to take part in EIT projects;
- giving the hubs the same rights as EIT partners and ensure a willingness and openness from KIC CLCs to work with these stakeholders;
- formalising the legal set-up of the Hubs;
- ensuring sound financial management on the part of the EIT KICs and strengthening monitoring by the EIT to protect the use of EU funding in view of the EIT KICs' financial sustainability objective;
- **greater transparency** of funding and KIC operations, taking the information on Horizon 2020 projects in CORDIS as a model.

Efficiencies from partnerships

Suggestions on **efficiencies from partnerships**, particularly through co-funding, included:

- co-financing with local, regional, national and international players and funds available in the EIT Community;
- developing synergies with and receiving Cohesion funding and other EU funds;



Monetising services

Several respondents suggested ways in which the EIT could monetise its services. They included:

- monetising the current service portfolio (or just the EIT RIS portfolio);
- opening membership to all participants, but offering special fees for external partners;
- paid or sponsored services and events;
- developing and charging for accelerator or education programmes, or a localisable ecosystem development methodology produced with external partners;
- monetising the EIT's unique expertise in scouting, evaluating and accelerating start-ups, entrepreneurship education and ecosystem development.

Ensuring that innovators have better access to finance

There was a consensus that there is **a gap in funding sources for start-ups in EIT RIS countries**. One respondent also pointed out the importance of building a pipeline for venture capital investors to garner enough intelligence on potential investment opportunities to merit their time to investigate further – and hopefully invest.

Proposals for ensuring that innovators have better access to finance fell into two main categories:

- finance-based solutions;
- information-based solutions.

Finance-based solutions

Proposals for **finance-based solutions** included:

- increasing the amount of money available;
- having different benchmark expectations for different budgets;
- stable and continuous access to finance for start-ups;
- equity-free financing for start-ups;
- acting as a venture capital investor (with one respondent suggesting the possibility of selling the stake at the Series C stage);
- providing debt of blended finance;
- connecting with diasporas to co-create new business angel networks.



Related proposals were:

- examining means of increasing state risk funding along the model of Enterprise Ireland's Commercialisation Fund with the Higher Education sector and the High Potential Start-Up scheme;
- promoting replication of the best legal frameworks for risk finance.

Information-based solutions

The proposals on **making sure that innovators have the necessary information** at their disposal included:

- providing innovators with more opportunities to present their solutions/ideas to investors (venture capital funds, international corporates);
- providing technical assistance to companies on specific technologies, and coaching on innovation management – assessing the value of their innovation would provide the companies with a "seal of excellence" they can use when going for bank loans or other sources of finance;
- building on the results of the Cross-KIC RIS project in 2019 to find synergies with external financing by setting up a joint Knowledge Hub for Sustainable Funding to work as a platform for knowledge-sharing and provide input for the EIT KICs' sustainability agenda. It would disseminate information on the possibilities arising from the new Multiannual Financial Framework, and share best practices and links.

Operational changes

Proposals for operational changes to existing systems also fell into two categories – finance-based and information-based. They were:

Finance-based proposals

- making demonstration of a commitment to use a systems approach to innovation management a precondition for financing as a means of creating platforms for measurement and follow-up;
- discontinuing the KCA (KIC Complementary Activities) system because the administrative burden is disproportionate to the benefits and also not necessarily suited to new partners from EIT RIS countries;
- having a multi-annual business plan for RIS Hubs, with (i) sufficient financial support (minimum 66%), thus enabling Hubs to allocate quality staff to implementing RIS Hub programmes and (ii) business plans that ensures activities are meeting the needs of communities and providing room for innovative approaches;



- fewer or different pre-financing requirements;
- different ratios for any self-funding.

Information-based proposals:

- providing guidance on appropriate financing sources, with tailored financial engineering of different co-financing sources, including Invest EU, and support the efficient use of funding through the Recovery and Resilience Facility;
- developing a more user-friendly manual for participants in EIT RIS activities;
- organising events about the financing opportunities.

3.6.2 Strengthening the ecosystem

Awareness-raising came up extensively in answer to this question in the importance of ensuring that innovators have the information they need, but this is dealt within the previous sections. Apart from that, one respondent commented that **the EIT must be more visible** in the Member States.



3.7 Measuring the success of the EIT RIS

Question: How can the success of the EIT RIS be best measured?

Answers to this question fell into three categories: general remarks; quantitative measurement; qualitative measurement. Respondents had a very wide range of suggestions, both for quantitative and qualitative measurement. In the list of possible numerical or financial indicators, four recurred most frequently: the number of start-ups created, the number of jobs, the network effects and the amount of investment attracted. Suggestions for qualitative measurement included some of which can be measured by data in response to surveys but others which would be likely to require evaluation.

3.7.1 General remarks

General remarks advocated **the use of KPIs/indicators** without specifying whether they should be quantitative or qualitative, though one respondent stressed the importance of the KPIs being tangible and measurable. No respondent mentioned the concept of SMART measurement.

An EIT KIC emphasised that the KPIs or impact should be measured directly in the EIT RIS countries, *"not abstractly through any reporting (on whatever) of the individual KICs."* One respondent mentioned that they should be monitored by independent evaluators. One respondent suggested that KPIs should be used to graduate EIT RIS eligible countries off the EIT RIS list.

Generic proposals involving both quantitative and qualitative measurement included:

- starting with a clear vision and action plan for the EIT RIS and the RIS Hubs in order to evaluate the impact in the present context of large transformations;
- developing a methodology in consultation with different EIT KICs as there are specificities;
- using the proven role in implementation of RIS3 as a first-line success measure;
- measuring performance against the evaluation criteria, in particular systemic impact and smart specialisation alignment;
- identifying success stories, including going further by looking at the experience of participating companies and the lessons learned by the EIT KICs.

3.7.2 Quantitative measures

In the list of possible numerical or financial indicators, four recurred regularly (including variations on these themes):

- the number of start-ups created;
- the number of jobs created;



- the network effects;
- the amount of investment attracted.

Proposals for quantitative indicators were:

- 180 external participants in EIT RIS programmes⁷;
- 60 outreach events in EIT RIS countries;⁷
- 26 education activities at EIT RIS hubs;⁷
- 110 sub-grants to EIT RIS country partners by 2026⁷.
- Number of:
 - applications and of successful/approved applications and amount of financing received;
 - new start-ups created (suggested by several respondents) / supported (differentiating between early-stage start-ups, scale-ups, larger companies) / activities of start-ups;
 - jobs created (suggested by several respondents) / companies from the network founded in EIT RIS countries with at least one full-time employee / local jobs/positions created through the application of the Knowledge Triangle model to the innovation projects;
 - projects with follow-up deals and income from commercialisation / products and services reaching the market / innovations/innovation projects in place;
 - o organisations generated;
 - network effects, e.g. organisations and individuals actively engaged with RIS Hubs / activities in the networks and contacts between the parties in the network / local actors engaged in EIT KICs' "core" activities / collaborations between EIT RIS actors and EIT KIC partners / collaboration agreements between local actors / EIT RIS partners involved as regular partners and in regular EIT KIC activities / meetings with relevant stakeholders in the country / entities taking part in the EIT KICs' activities developed to share good practice in terms of new membership of EIT KICs by entities established in EIT RIS countries;
 - participating HEIs / EIT RIS universities in EIT KIC Campus programmes and Business Plan calls;
 - o methodologies launched;
 - o customisable local ecosystem development programmes;
 - o public policy interventions promoted;

⁷ KPIs in the proposal defined for the RIS programme for the next seven years. A ramp-up period is foreseen in the first three years, and in the following years the delivery of the results should be stable.



- students/researchers trained in entrepreneurship / graduates / PhD's / EIT RIS talents certified in RIS label education programmes;
- o patents/first time patents (meaning new patent holders);
- EIT RIS projects co-funded by other regional funding sources;
- o research organisations connected to European businesses for commercial research;
- joint partnerships in EIT-supported projects between entities established in EIT RIS countries take and entities outside their own country;
- o exits;
- o events, workshops, seminars, training, local community building events
- o participants from industry and academia at events targeting them;
- o audience reach and engagement in communication (traditional and social media);
- o increases in the regional innovation scoreboard results
- rise in regional GDP over the period 2021-2017.
- Amount of:
 - o additional funding attracted (suggested by several respondents);
 - o financial revenue generated;
 - o investment raised by alumni start-ups of entrepreneurship programmes;
 - financial volume of EIT RIS partner involvement as regular partners and in regular KIC activities.

3.7.3 Qualitative measures

Suggestions for qualitative measurement included some of which can be measured by quantitative responses to surveys but others which would be likely to require qualitative evaluation, in particular the significant number of responses suggesting ways in which the relationship within the ecosystem should be measured:

- satisfaction with events;
- ratio of satisfied SMEs compared to number of activities funded;
- positive/negative attitudes toward EIT programmes, etc., measuring process rather than outcomes;
- innovations from EIT RIS countries being known internationally.
- evolution of clusters;
- vertical integration within countries and regions;
- evidence of companies growing to scale;
- incidence of projects addressing transversal European challenges through the cooperation among RIS Hubs;
- structured approach to knowledge transfer;
- easily adoptable methodologies;



- alignment of the activities with local contexts/ecosystem needs (localisation of programmes, individual coaching/mentoring support by matching the needs with expertise);
- individual, tailored local ecosystem development plans for the RIS regions;
- establishment of ecosystem development frameworks and methodologies;
- influence of start-ups on their ecosystem;
- extent to which start-ups consolidate and even create around them more benefits than support previously received by using economic and other indicators. Such indicators could be reduction in water pollution, which prevents costs in water treatment and in the fight against invasive species in aquatic ecosystems, something which has not usually been quantified when measuring the success of programmes and actions, since they are money-consuming (although they save more money than they spend);
- EIT KIC activities' value to the local ecosystems and longer term follow-up for the startups and business collaboration, e.g. sustainability and liability;
- extent to which activities are embedded in the regional innovation ecosystem as measured by healthy business and social impact entities;
- impact on ecosystem growth, new collaboration, side and direct activities;
- consolidation of new kinds of entrepreneurial capabilities able to challenge at the same time economic development, environmental sustainability and social inclusiveness;
- diagnostic monitoring of progress in the implementation of strategies for smart specialisation in targeted domains, which has the advantage of adaptability. (The number of innovations and start-ups that have been supported is a proxy if these are positioned in the growth of new value chains and ecosystems);
- the (long to medium-term) evolution of relative specialisations and other structural features;
- trends in (and the level of) the investment mix in research, innovation and industry (together with the level);
- evaluation of the success of the S3 (Smart Specialisation Strategy);
- benchmarking innovation and entrepreneurship performance through various EU surveys such as the Innovation Radar, Regional Innovation Monitor Plus, the European Regional Competitiveness Index, the Research and Innovation Observatory Horizon 2020 Policy Support Facility, Innobarometer, the EU Industrial R&D Investment Scoreboard, the Digital Transformation Scoreboard, the Business Innovation Observatory, the Digital Economy and Society Index (DESI) and the European Public Sector Innovation Observatory, as well as the CIS and the Innovation Output Indicator (IOI).



4. Conclusions

Respondents to this consultation, who in the main were already familiar with the EIT, were looking for improvements, not fundamental changes. The improvements fell into three main categories: financial incentives, operations and outreach. Not only were there a wide range of suggestions of areas in which the EIT / EIT RIS could spend more money, but also about the direction of funding, i.e. making it as easy as possible to obtain funding at the beginning of the innovation chain either by targeting it more precisely or easing some requirements, e.g. pre-financing requirements. Respondents identified more professionalism in management, more partnerships and the monetisation of some services and events as solutions to improved financial sustainability. At an operational level, suggestions ranged from a reduction in the administrative burden to more autonomy for RIS Hubs. It was felt that recognising more that the EIT RIS eligible countries have particular characteristics as a group and individually would enable the RIS Hubs to make a greater impact.

There was a clear message throughout the responses on the need to strengthen the EIT RIS ecosystem, combining a 'bottom-up' approach of working with every level of local, regional and national stakeholder and at the same time leveraging 'top-down' the knowledge and networks of the EIT. An important part of this was felt to be better integration and co-ordination with other sources of EU, international, and national funding.

In conclusion, therefore, the results of the consultation support the objectives for the period 2021-2027 of increasing its openness to regional partners and improving the EIT KICs' regional strategies, devoting a larger portion of the EIT budget to the implementation of EIT RIS activities and prioritising a place-based approach that links local innovation ecosystems to pan-European networks through the KICs and their regional EIT Hubs.



Annex: Consultation Questionnaire

Basic Questions

- Name and surname:
 - o (free text)
- E-mail:
 - o (free text)
- Name of organisation:
 - o (free text)
- Type of organisation:
 - Higher education institution
 - o Research institution
 - Corporate/industry
 - o Start-up/scale-up
 - National authority (e.g. national ministry, science and innovation agency, parliament)
 - Intergovernmental organisation (IGO)
 - Non-governmental organisation (NGO)
 - o European institution (European Commission, European Parliament, etc.)
 - o EIT KIC
 - o Other
- Organisation's location:
 - o Choose from a list of countries (all)
- Position in the organisation:
 - o (free text)
- Have you participated in an EIT activity before? (multiple choice)
 - o EIT Community event
 - o Innovation project
 - o Education programme
 - o Venture support
 - o Other
 - o Not yet



- Are you currently a member of the EIT Community (EIT KICs and their partners, EIT Alumni)?
 - o Yes/No
- Which one of the following areas of activity are you most interested in?
 - o Business support
 - o Education & training
 - o Innovation-driven research activities
 - o Ecosystem-building/connectivity
- Publication privacy settings:
 - Anonymous: Only your answers to the following type of respondent, country of origin and contribution will be published. All other personal details (name, organisation name etc.) will not be published.
 - Public: Your personal details (name, organisation name etc.) will be published with your contribution.

Thematic Questions

1. What specific measures should the EIT RIS implement to strengthen innovation capacities and <u>Knowledge Triangle Integration</u> (bringing together business, research, and education) in the EIT RIS countries?

Free-form

2. How can the EIT RIS further increase its impact and help generate more successful startups and innovations in the EIT RIS countries? What kind of unique support is needed from the EIT?

Free-form

3. How can the EIT RIS ensure a more tailored approach to address the needs of diverse innovation ecosystems in the EIT RIS countries?

Free-form

4. How should the role of the <u>EIT Hubs</u> be further expanded to increase the EIT's impact in the EIT RIS countries and ensure a geographical balance across the KICs' partner networks?

Free-form



5. How can better alignment be ensured between the EIT RIS and regional development policy objectives and implementation mechanisms to reinforce one another and generate greater impact?

Free-form

6. What measures should be put in place to facilitate the financial sustainability of the EIT RIS activities and ensure that innovators from the EIT RIS countries have better access to finance?

Free-form

7. How can the success of the EIT RIS be best measured?

Free-form

Submission of Supporting Documents

If you wish to upload additional documents (e.g. Position Papers), please do so here:

[↑] (upload file here)

□ I agree with the personal data protection provisions.

□ I consent to being included in the EIT Stakeholder Database for future contacts.



Confidential Annex: Additional contribution

Respondents to this consultation were given the opportunity to submit position papers. One did so.

This was a paper highlighting the emerging innovation management profession. This is defined⁸ as a person responsible for, or actively contributing to, leading and organising innovation efforts and increased innovation capability in a company or an organisation.

Companies and other organisations are increasingly employing innovation management professionals, e.g. innovation managers, innovation coaches, innovation ambassadors, chief innovation officers. In addition, the market for innovation management support and consulting services is increasing, including within publicly funded programmes targeting SMEs (e.g. Enterprise Europe Network), R&D programmes, and other organisations. The profession meets the need to drive innovation efforts in a more systemic and systematic way in both private and public organisations, propelled by e.g. digitalisation, sustainability, social challenges and Agenda 2030.

International common frameworks and vocabulary for systematic innovation management and innovation management systems are now available, e.g. ISO 56000 and ISO 56002, while Innovationsledarna has already published a Body of Knowledge which is aligned with these ISO standards. RISE (Research Institutes of Sweden) has published personal certification requirements with a view to strengthening the profession, establishing a labour market for professionals, improving employability for the individual and to provide assurance from the employer perspective.

⁸ By Innovationsledarna, the Association for Innovation Management Professionals in Sweden