

EUROPEAN STRATEGY BOARD

18 September 2009

**Summary of the Climate Knowledge and Innovation
Community (KIC) Application**

Report of the Head of European Policy, Advantage West Midlands

1. Purpose of Report

- 1.1 To update the Board on the Climate Knowledge and Innovation Community (KIC) application that was submitted to the European Institute of Innovation and Technology on 27 August.

2. Recommendation

- 2.1 That ESB members note the contents of this report and receive the verbal report to be made at the European Strategy Board meeting on 18 September.

3. Background

- 3.1 The European Union has established the European Institute of Innovation and Technology (EIT) to develop a new way of delivering economic growth through addressing major global and social challenges. The EIT aims to deliver world-leading innovation through collaboration between all the actors in the "innovation chain" – industry, higher education, research and technology institutes, entrepreneurs and public agencies – and the creation of Knowledge and Innovation Communities (KICs). KICs are expected to have a common goal: a positive social and economic impact for Europe, to be measured in terms of business creation in new and existing industries and SMEs, job creation and education and delivery of a new generation of entrepreneurs.
- 3.2 The first call for proposals to establish KICs was published on 2 April with a deadline of 27 August. In defining the themes for the first two-three KICs, the EIT Governing Board decided to focus on the global and societal challenges of (i) sustainable energy; (ii) climate change mitigation and adaptation; and (iii) future information and communication technology.

4. The Climate-KIC partnership

- 4.1 Over the past few months, AWM has coordinated the development of a network of six regions (the other regions being Hessen, Emilia Romagna, Central Hungary, Valencia and Lower Silesia) known as the **Regional Innovation**

Implementation Community (RIC). Each region brings together its key regional development players – regional and local authorities, universities, research and technology organisations and industry.

- 4.2 AWM was then approached by Imperial College London to explore the possibility of developing a collaborative proposal which combined our respective strengths. This has been the focus of recent activity, which has resulted in the Climate-KIC application. RIC will be a core partner on the Climate-KIC Governing Board which will evolve into a not-for-profit company. The other core partners include academic partners (Imperial College, Potsdam Institute, Paris-Tech, the Universities of Delft/Utrecht and ETH Zurich) and industry (CISCO, Solar Valley, Bayer, Schipol airport, Schell, Beluga Shipping, EDF, DSM, SAP and Thales). A range of additional partners will also contribute their expertise during the delivery phase. An overview of the Climate-KIC partnership is available in Annex 1.
- 4.3 The UK Government (DECC and BIS) have both expressed their strong support for UK involvement in the KIC and the collaboration between AWM and Imperial College.

5. Climate-KIC activity

- 5.1 If successful, the Climate-KIC aims to be the natural place for companies to locate their climate R&D centres, for top students to look for climate education, for researchers to look for inspiration and for policy-makers to seek out advice. The following are the key strands of activity relevant to the West Midlands/RIC partners.
- 5.2 **Research and Innovation Programmes:** at the core of the Climate-KIC will be four research and innovation programmes – (i) climate science; (ii) low carbon cities; (iii) bio-renewable processes; and (iv) integrated water management. The application text includes a clear role for RIC partners in these programmes, in particular the cities programme focused our original ideas around low carbon mobility, low carbon living and smart grids. RIC partners with particular strengths will be able to work with the academic partners in the development of topics and activities within these programmes. Annex 2 provides further information on the programmes and partners involved.
- 5.3 **Knowledge development:** alongside a top-level academic programme, RIC will run a practitioners programme to develop new generations of high-skilled specialists in the low-carbon economy. This will be known as 'Pioneers into Practice' and will be based on the RIC's original ideas on placement programmes and intensive innovation workshops. The programme has been allocated a minimum of €4m per year.
- 5.4 **InnovationFest:** Climate-KIC partners recognised the value that RIC brings to the application in terms of a much wider geographical diversity. Thus, with regard to the Annual Innovation Festival, it has been agreed that these will operate in the RIC regions. The first will be held in Central Hungary in June 2011 to coincide with the conclusion of the Hungarian Presidency of the EU and the following festivals will be held in Emilia Romagna and Wroclaw. An annual budget of €400,000 has been allocated for the festival and linked activity.

6. Budget and duration

- 6.1 The core partners are committed to investing over €760m in the Climate-KIC during the first 4 years (2010-13). Of this, approximately €120m will come from the EIT itself. The remaining funding will come from a combination of national and regional funding, EU funding and private contributions. RIC is committed to providing €140m over the first four years – the largest contribution from any of the core partners.
- 6.2 The KICs represent a long-term commitment from the EIT. They will be expected to operate for a minimum of seven years and possibly up to 15 years.

7. Next Steps

- 7.1 AWM is a member of the Climate-KIC project team that will be working on the detail of the proposal over the next few months. The RIC partners have been invited to the West Midlands on 21-22 October to discuss the detail of RIC activities and for them to get a better understanding of current projects in the Region.
- 7.2 Following a two-stage assessment process, a final decision on the approval KICs will be made in mid-December. Two-three KICs will be approved.

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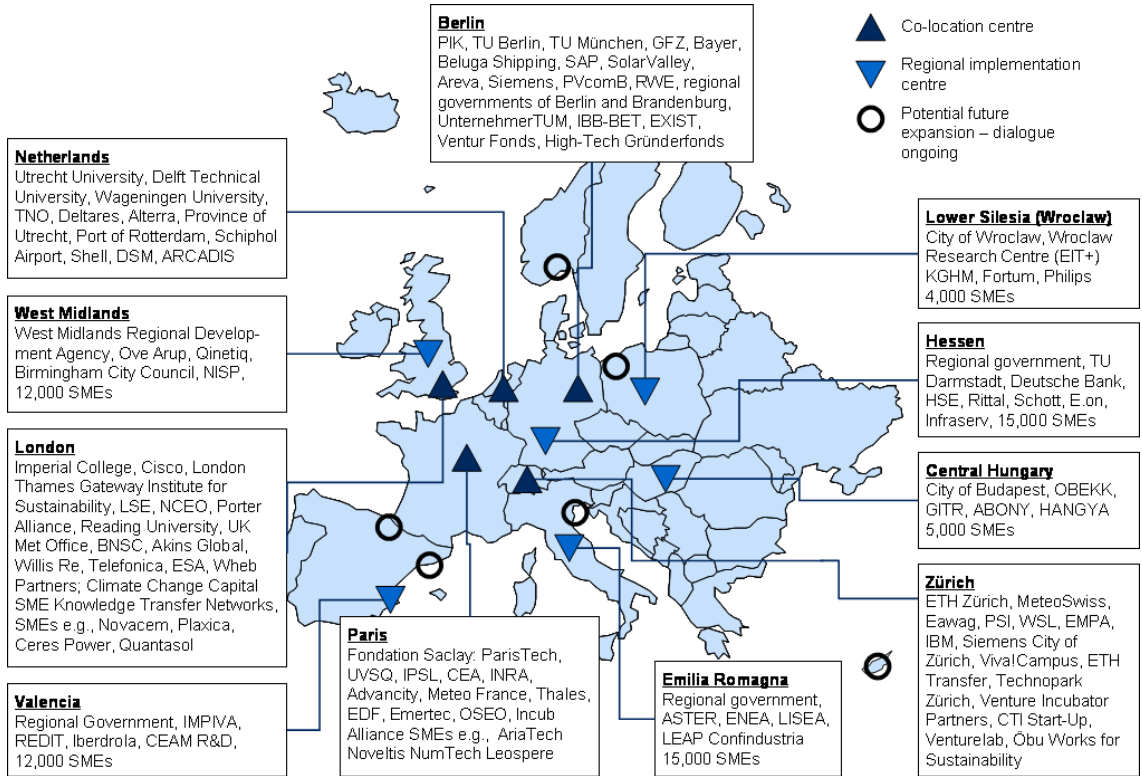
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Annex 1 – overview of the Climate-KIC partnership



Annex 2 – outline of the Climate-KIC innovation and research programmes

Programmes	Example projects/themes	Aim	Non-academic core / programme partners
Assessing climate change and managing its drivers	Climate extremes	Develop tools for projecting, forecasting and managing climatic risks including floods, droughts and heat waves	
	Carbon management	Develop integrated solutions for continuous assessment and verification of CO ₂ emissions	
Transitioning to resilient low carbon cities	Decarbonising major cities	Create a new flexible and collaborative template for the next stage evolution of cities and city life including the integration of urban sub-systems	
	Electric urban mobility	Design alternative policies for combined energy and transport infrastructures to facilitate the transition to more electrified cities	
Adaptive water management	Managing Europe's water resources	Develop solutions for the management of scarce water resources, risk sharing and trading	
	Integrated management of catchments	Develop integrated land use practices for managing water resources and reducing risks	
Zero carbon production systems	Sustainable renewables production	Develop low carbon bio-based manufacturing that avoids competition with food production	
	Integrated energy production and consumption	Integrate renewables, CCS and infrastructure for stable and robust electricity and production systems	