European Institute of Innovation and Technology (EIT)

2006/0197(COD) - 26/09/2007 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Reino **PAASILINNA** (PES, FI), and made some amendments to the proposal for a regulation of the European Parliament and of the Council establishing the European Institute of Technology. The main amendments were as follows :

Name: stressing that the main task of the EIT will be to promote innovation, Parliament changed the name of the Institute to the European institute of Innovation and Technology ("the EIT"). It is a body set up in accordance with Article 185 of the Financial Regulation and Point 47 of the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management;

Definitions: the definition of “Knowledge and Innovation Community” ("KIC") was amended so that this term now means a legally autonomous partnership between higher education institutions, research organisations, companies and other stakeholders in the innovation process in the form of a strategic network with a joint mid to long-term innovation plan designated to achieve the EIT objectives. Furthermore, the term ‘higher education institution’ was substituted for ‘university’and a definition inserted for ‘qualifications’. Parliament also proposes to delete the reference to "European country" in the definition of Participating State ;

Objective: the objective of the EIT is to enhance European competitiveness and contribute to sustainable economic growth by reinforcing the innovation capacity of Member States and the Community. It shall do this by promoting and coordinating innovation, research and higher education at the highest levels. In order to achieve its objective, the EIT shall identify its priority areas and (i) encourage the recognition of qualifications awarded by higher education institutions which are partners in the KICs and bear the EIT mark in the Member States; (ii)) promote the dissemination of good practices for the integration of the knowledge triangle in order to develop a common culture of innovation with a high level of knowledge transfer; (iii) seek to become a world class body for excellence in innovation, higher education and research; (iv) ensure complementarity and synergy between EIT activities and other Community programmes; (v) complement existing national and regional policies, instruments and networks in the field of innovation, research and higher education in Europe;

Knowledge and innovation communities: Parliament changed the definition from a joint-venture of partner organisations to ‘a legally autonomous partnership between higher education institutions, research organisations, companies and other stakeholders in the innovation process in the form of a strategic network with a joint mid to long-term innovation plan designated to achieve the EIT´s objectives’. KICs shall have substantial overall autonomy to define their internal organisation and composition, as well as their precise plan of activities and working methods. KICs undertakings must include education and training activities at master and doctoral level, in disciplines that will meet future European economic needs and the mobility of researchers. They must aim to be open to new partner organisations, wherever they can add value to the partnership. They shall be legally autonomous from the EIT. The relationship between the EIT and each KIC shall be governed by contractual agreement, and each KIC shall submit a business plan to the Governing Board of the EIT for approval ;

Selection of knowledge and innovation communities: a new article stipulates that a partnership shall be selected and designated by the EIT to become a KIC on the basis of a competitive, open and transparent procedure. Detailed criteria for the selection of KICs, which shall be based on the principles of excellence and innovation capacity, shall be adopted by the EIT, and external and independent experts shall be

involved in the selection procedure. In the selection of a KIC, particular account must be taken of certain factors, including (a) the current and potential innovation capacity within the partnership as well as its potential excellence in innovation, higher education and research; (b) the partnership's capacity to achieve the goals set out in the Strategic Innovation Agenda; (c) the partnership's capacity to secure sustainable, long-term funding, including substantial financial commitments from the private sector; (d) the participation in the partnership of organisations active in the triangle of research, higher education and innovation, including at least one higher education institution and one private company; (e) where appropriate, the existence of a plan for the management of intellectual property appropriate to the sector concerned; (f) the involvement of the private sector, and in particular small and medium-sized enterprises (SMEs) and the financial sector; (g) measures to support the creation of startups and spin-offs; (h) the partnership's capacity to interact with other organisations and networks outside the KIC with the aim of sharing good practices and excellence. Members want each KIC to have at least three partner organisations, situated in at least two different Participating States, of which each shall be independent of the others. A KIC may include partner organisations not established in a Participating State, subject to the approval of the Governing Board;

Intellectual property rights: the EIT shall adopt guidelines for the management of intellectual property rights based, inter alia, on the principles set out in Chapter II, Section 2 of Regulation (EC) No 1906/2006 (rules laid down for FP7). On the basis of these guidelines, the partner organisations of each KIC shall conclude an agreement on the management and use of intellectual property rights, which shall be subject to the approval of the Governing Board ;

Pilot phase: no later than 24 months after the entry into force of the Regulation, the EIT shall select and designate two or three KICs and may select additional KICs after the adoption of its first Strategic Innovation Agenda. A new recital states that a pilot phase, with a limited amount of KICs, is needed in order to properly evaluate the functioning of the EIT and the KICs and where necessary introduce improvements. During this pilot phase, the Governing Board should select KICs in areas that help the European Union to face today's and tomorrow's challenges, such as climate change, sustainable mobility, energy efficiency or the next generation of information and communication technologies (ICT) ;

EIT label on qualifications: MEPs reject the Commission's proposal for the EIT itself to award degrees and diplomas. Instead they ask for an EIT mark to be added to qualifications awarded through the higher education institutions within the KICs. Member States shall cooperate in recognising the qualifications awarded by higher education institutions within KICs and bearing the EIT mark, without prejudice to Directive 2005/36/EC ;

Mobility of researchers and students: through its activities and work, the EIT shall help promote mobility within the European Higher Education Area (pursuant to the agreements concluded under the Bologna Process). The transferability of grants allocated for KIC activities, in particular to researchers and students, must be ensured;

Governing Board: the selection procedure for the Governing Board should be more transparent, notably towards the European Parliament and the Council. The procedure must a transparent one and one where the Commission reports appropriately to the other institutions. Furthermore, the Commission's proposal only foresees consultation of the Commission in determining the strategic priorities of the EIT. The European Parliament and the Council must be able to endorse these priorities prior to their final adoption. Accordingly, Parliament has made some amendments to the articles regarding the selection and responsibilities of the Governing Board and its functioning. In addition the provisions concerning the organisation of the Agency are integrated in the articles of the legislative text and not laid down in an annex. The annex is deleted and inserted as Articles ;

Funding : the EIT and the KICs shall be financed through: (a) contributions from business or private organisations, preferably from companies participating in the KIC; (b) contributions from the general

budget of the EU; (c) contributions from Participating States, third countries or public authorities within them; (d) bequests, donations and contributions; (e) revenue generated by its own activities, including royalties from intellectual property rights; (f) loans and contributions from the European Investment Bank (EIB). In the event that the KICs or their partner organisations apply directly for assistance from Community programmes (including the Risk Sharing Finance Facility), the Commission shall ensure that these applications are in no way privileged over other applications. No contribution may be made from the Framework Programme for Research, the Competitiveness and Innovation Programme and the Life Long Learning Programme to the establishment and/or administration costs directly associated with the EIT or the KICs. The indicative financial envelope of Community during the period of 6 years as from 1 January 2008 is set at EUR 308.7 million, subject to agreement by the two arms of the budgetary authority in accordance with the IIA, and in particular part C and point 47 thereof.

Strategic Innovation Agenda: by 31 December 2011 at the latest and every seven years thereafter, the EIT shall draft a seven-year Strategic Innovation Agenda and submit it to the Commission. The SIA shall highlight the long-term strategic areas of the EIT in the fields of key potential economic and societal interest which are likely to generate the greatest innovation added value at EU level. A more concrete and detailed strategy shall be drawn up in the triennial work programmes, allowing the EIT to respond to internal and external developments in the fields of science, technology, innovation and other relevant areas ;

Evaluation: by 31 December 2010 at the latest and every seven years thereafter (rather than five years after the date of adoption and every four years thereafter), the Commission shall carry out an evaluation of the EIT.