European Institute of Innovation and Technology (EIT): strategic innovation agenda 2014-2020

2011/0387(COD) - 30/11/2011 - Legislative proposal

PURPOSE: to adopt the Strategic Innovation Agenda of the European Institute of Innovation and Technology.

PROPOSED ACT: Decision of the European Parliament and of the Council

BACKGROUND: the European Institute of Innovation and Technology (EIT) has been set up by Regulation (EC) 294/2008 with the objective of contributing to sustainable economic growth and competitiveness by reinforcing the innovation capacity of the EU and its Member States through the full integration of the knowledge triangle. According to the provisions of the Regulation, and based on a draft proposal from the EIT, the Commission shall adopt before the end of 2011 **a proposal for adoption by the European Parliament and the Council of the EIT Strategic Innovation Agenda,** which will define long-term priority fields for the EIT, including an overview of the planned higher education, research and innovation activities, for a period of seven years.

The EIT submitted its first draft Strategic Innovation Agenda to the Commission before 30 June 2011.

IMPACT ASSESSMENT: the Commission has not carried out an impact assessment. However, the preparation of the proposal took account of the responses to the open public consultation on the EIT as well as the results of the open public consultation. Member States and a wide range of stakeholders from industry, academia and civil society expressed strong support for the mission of the EIT to **drive more and better cooperation between the worlds of higher education, entrepreneurship, research and innovation.**

According to respondents:

- the EIT should play a distinctive role in 'Horizon 2020', the future EU Programme for Research and Innovation, and forge closer links with other European and national efforts;
- the EIT should continue to ensure the participation of businesses in its work since this is important for the future success of the EIT;
- flexibility, clarity on rules and clear returns on investment are fundamental in order to attract private sector participation;
- the concept of integrating the knowledge triangle, as well as the themes around which the EIT is structured, is regarded as highly relevant;
- there is much support for the model which has been developed by the EIT, based around long-term highly integrated networks of co-location centres;
- lastly, the merit of the KICs is to act as a catalyst for creating additional value from the activities which individual members already undertake on a more fragmented basis.

LEGAL BASIS: Article 173(3) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the proposal aims to adopt the Strategic Innovation Agenda of the European Institute of Innovation and Technology as set out in the annex. It builds on the provisions laid down in the EIT Regulation and complements the proposals included under the Horizon 2020 package.

1)Achievements: the Commission notes that the EIT has completed its initial phase, and has been successful in reaching its main objective - the full integration of the entire innovation chain, bringing together higher education institutions, research organisations and businesses via **three initial Knowledge and Innovation Communities, established in 2010** in areas identified by Council and Parliament as essential to Europe's future development: (i) **sustainable energy** ('KIC InnoEnergy'), (ii) **climate change** adaptation and mitigation ('Climate KIC') and (iii) **future information and communication society** ('EIT ICT Labs').

The current three KICs have succeeded in achieving critical mass in their respective areas. The combined strength of partners in a KIC – both in number and in the weight they represent in their respective fields – gives them the potential to be world class.

2) Priorities for 2013 onwards: drawing on the lessons of setting up the initial KICs, the Commission considers that the bottom-up approach should be maintained since it offers substantial leeway to each KIC to organise their partnerships, but further guidance should be given to identify suitable legal set-ups.

In the future, **clearer guidance** should be given upstream from the selection process to ensure that essential strategic features are shared by all KICs, while allowing for differentiated approaches in KICs organisation, delivery and funding approaches.

It is important also to enhance the role of the EIT as an **investor in the knowledge triangle** and enhance the growth and influence of existing KICs.

Lastly, the current total number of three KICs does not yet provide the critical mass for the EIT to develop its full potential as a leading innovation Institute. Therefore, **in the period 2014-2020, new KICs will therefore be set up in two wave**s, i.e. three new KICs each in 2014 and 2018, leading up to a portfolio of nine KICs in the period 2014-2020.

Three themes have been identified for the first wave in 2014:

- innovation for healthy living and active ageing
- raw materials – sustainable exploration, extraction, processing, recycling and substitution
- food4future - sustainable supply chain from resources to consumers.

For the second wave in 2018, the remaining themes (urban mobility, added-value manufacturing and smart secure societies) will be considered.

3) Effective decision-making: the governance model of the EIT has proven its overall value. However, experiences from the initial period show that further efforts can be made to enhance the effectiveness of the EIT's decision-making and implementing mechanisms. The relationship between the EIT Governing Board, responsible for strategic decisions, and the EIT headquarters, responsible for implementation, has to be more clearly defined and streamlined. The EIT headquarters will have to define the critical domains where the EIT should provide support to the KICs, striking an appropriate balance between supporting and monitoring functions. Lastly, the Governing Board needs to better ensure that strategic decisions are properly informed by the experiences from the KICs and the wider innovation community.

BUDGETARY IMPLICATIONS: the legislative financial statement attached to the proposal amending the Regulation establishing the EIT sets out the budgetary, human and administrative resource implications.