European Institute of Innovation and Technology (EIT) 2014-2020

2011/0384(COD) - 30/11/2011 - Legislative proposal

PURPOSE: to amend Regulation (EC) No 294/2008 establishing the European Institute of Innovation and Technology (EIT), in the perspective of the contribution of the EIT to the general objective of “Horizon 2020 – The Framework Programme for Research and Innovation”.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: the Europe 2020 strategy for smart, sustainable and inclusive growth assigns a prominent role to the European Institute of Innovation and Technology (set up by Regulation (EC) 294 /2008) which contributes to a number of flagship initiatives.

During the period 2014-2020, the EIT will contribute to the general objective of "Horizon2020 - The Framework Programme for Research and Innovation, by integrating the knowledge triangle of higher education, research and innovation. This integration takes place primarily via the Knowledge and Innovation Communities (KICs), which bring together organisations on a long-term basis around societal challenges. However, given its integrated, cross–cutting nature, synergies will also be sought with other pillars, in particular the "competitiveness" pillar.

IMPACT ASSESSMENT: no impact assessment was carried out. On the other hand, the preparation of the proposal took account of the responses to the open consultations on the EIT. Views were expressed by the Member States and a wide range of stakeholders from industry, academia and civil society. It showed a strong support to the mission of the EIT to **drive more and better cooperation between the worlds of academia, 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;
- a majority of respondents praised the way in which the EIT ensures the participation of businesses in its work and urged the Institute to step up its outreach activities. Moreover, respondents considered business involvement as highly relevant for the future success of the EIT. Flexibility, clarity on rules and clear returns on investment is therefore fundamental in order to attract private sector participation;
- the proposal also relies on the external evaluation report in which the concept of integrating the knowledge triangle is regarded as highly relevant and the themes around which the EIT is structured are well-received;
- there is much support for the model which has been developed by the EIT, based around integrated networks of co-location centres. Respondents were also positive, and consistent, in their perspective that the value of the KICs was in acting as a catalyst to secure additional value from the activities which individual members already undertook.

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

CONTENT: the proposal will be implemented as **centralised indirect management**. The proposed amendments are based on several sources: lessons learnt during the initial period, the proposal for the EIT Strategic Innovation Agenda, which builds on the proposal of the EIT Governing Board, the

recommendations of the external evaluation report and Commission opinion on the evaluation, as well as the results of broad consultations with EIT stakeholders.

The main amendments proposed are as follows:

- the financial contribution from Horizon 2020 to the EIT will be implemented in accordance with the Regulation of the European Parliament and of the Council laying down the rules for the participation and dissemination in "Horizon 2020". The EIT funding to the KICs will cover "**KIC added value activities**", however the KICs or their partner organisations may apply to other schemes under Horizon 2020 or European Union programmes in accordance with their respective rules and on equal footing with other applications;
- the EIT should directly engage with national and regional representatives and other stakeholders from across the innovation chain, generating beneficial effects on both sides. In order to render such dialogue and exchange more systematic, an **EIT Stakeholder Forum** should be organised, bringing together the wider community of stakeholders around crosscutting issues;
- the scope of the EIT contribution to the Knowledge and Innovation Communities (hereinafter referred to as KICs) should be defined and the origins of KICs' financial resources clarified;
- **the composition of the EIT bodies should be simplified**. The functioning of the EIT Governing Board should be streamlined and the respective roles and tasks of the Governing Board and the Director should be further clarified;
- **new KICs**, including their priority fields and the organisation and timing of the selection process, should be launched on the basis of modalities defined in the Strategic Innovation Agenda;
- cooperation on the organisation the monitoring and evaluations of the KICs between the Commission and the EIT is required to ensure coherence with overall EU level monitoring and evaluation system;
- in order to assure broader participation of organizations from different Members States in the KICs, the partner organizations should be established in **at least three different Member States**;
- the **criteria and procedures** for the financing, monitoring and evaluation of the activities of the KICs should be adopted by the EIT prior to launching the KIC selection process;
- **the EIT Triennial Work Programme** should take into account the Commission's opinion concerning the EIT's specific objectives, as defined in Horizon 2020, and its complementarities with European Union policies and instruments;
- the EIT, being under Horizon 2020, will be part of the mainstreaming of **climate change** expenditures as defined in Horizon 2020;
- the evaluation of the EIT should provide timely input to the evaluation of Horizon 2020 in 2017 and 2023;
- the Commission should strengthen its role in monitoring the implementation of specific aspects of EIT activities.

BUDGETARY IMPLICATION: during the period 2014-2020 a financial contribution of **EUR 3.182.230 million** (current prices) for the EIT will be provided from Horizon 2020, the Framework Programme for Research and Innovation (2014-2020).