European Institute of Innovation and Technology (EIT)

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The Committee on Industry, Research and Energy adopted a report drawn up 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, the Committee 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;
- **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:** KICs shall have substantial overall autonomy to define their internal organisation and composition, as well as their precise plan of activities and working methods. They shall aim to be open to new partner organisations, wherever they can add value to the partnership. KICs will also be legally autonomous from the EIT. The relationship between the EIT and each KIC shall be governed by contractual agreement. Each KIC shall submit a business plan to the Governing Board 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;

- **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;
- **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, the Committee 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.
- **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;
- **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. The report shall include an assessment of the added-value of the EIT, its complementarity with existing national and Community instruments to support innovation, research and education, and the realisation of its objectives. On the basis of this report, the Commission shall make any appropriate proposals for the amendment of the Regulation;
- **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). 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 Committee felt that, taking into account the lack of R&D funding in the EU, it should be ensured that the EIT does not drain resources from existing Community activities in the field. The Community core funding for the EIT should be added as a topping-up to the existing Financial Perspectives and additional funding should be obtained from different sources, including community, national, regional and private sources.