Basic information

2006/0197(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
European Institute of Innovation and Technology (EIT) Amended by 2011/0384(COD) **Subject** 3.50.01 European research area and policy 3.50.04 Innovation 4.40 Education, vocational training and youth	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, Research and Energy	PAASILINNA Reino (PSE)	30/01/2008

Former committee responsible	Former rapporteur	Appointed
ITRE Industry, Research and Energy	PAASILINNA Reino (PSE)	23/11/2006

Former committee for opinion	Former rapporteur for opinion	Appointed
BUDG Budgets	ŠKOTTOVÁ Nina (PPE-DE)	25/10/2006
CONT Budgetary Control	GUIDONI Umberto (GUE/NGL)	27/11/2006
IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.	
CULT Culture and Education (Associated committee)	HENNICOT-SCHOEPGES Erna (PPE-DE)	18/12/2006
JURI Legal Affairs	GERINGER DE OEDENBERG Lidia Joanna (PSE)	26/02/2007

Council of the European Union

Council configuration	Meetings	Date

	Competitiveness (Internal Market, Industry, Research and Space)	2820	2007-09-28
	Competitiveness (Internal Market, Industry, Research and Space)	2852	2008-02-25
	Competitiveness (Internal Market, Industry, Research and Space)	2801	2007-05-21
	Competitiveness (Internal Market, Industry, Research and Space)	2811	2007-06-25
	Competitiveness (Internal Market, Industry, Research and Space)	2832	2007-11-22
	Agriculture and Fisheries	2843	2008-01-21
	Education, Youth, Culture and Sport	2762	2006-11-13
	Education, Youth, Culture and Sport	2829	2007-11-15

European Commission	Commission DG	Commissioner
	Education, Youth, Sport and Culture	FIGEĽ Ján

Key events

Date	Event	Reference	Summary
18/10/2006	Legislative proposal published	COM(2006)0604	Summary
13/11/2006	Debate in Council		
29/11/2006	Committee referral announced in Parliament, 1st reading		
18/01/2007	Referral to associated committees announced in Parliament		
21/05/2007	Debate in Council		Summary
25/06/2007	Debate in Council		Summary
09/07/2007	Vote in committee, 1st reading		Summary
23/07/2007	Committee report tabled for plenary, 1st reading	A6-0293/2007	
25/09/2007	Debate in Parliament		
26/09/2007	Decision by Parliament, 1st reading	T6-0409/2007	Summary
26/09/2007	Results of vote in Parliament		
28/09/2007	Debate in Council		
15/11/2007	Debate in Council		Summary
22/01/2008	Council position published	15647/1/2007	Summary
31/01/2008	Committee referral announced in Parliament, 2nd reading		
18/02/2008	Vote in committee, 2nd reading		Summary
20/02/2008	Committee recommendation tabled for plenary, 2nd reading	A6-0041/2008	
25/02/2008	Debate in Council		
11/03/2008	Decision by Parliament, 2nd reading	T6-0081/2008	Summary
11/03/2008	Debate in Parliament		
11/03/2008	Final act signed		

11/03/2008	End of procedure in Parliament		
09/04/2008	Final act published in Official Journal		

Technical information

Procedure reference	2006/0197(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amended by 2011/0384(COD)
Legal basis	EC Treaty (after Amsterdam) EC 157-p3
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/6/58438

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE384.423	26/02/2007	
Amendments tabled in committee		PE390.472	05/06/2007	
Committee opinion	CONT	PE386.650	06/06/2007	
Committee opinion	JURI	PE388.502	12/06/2007	
Committee opinion	BUDG	PE388.355	13/06/2007	
Committee opinion	CULT	PE384.289	19/06/2007	
Committee report tabled for plenary, 1st reading/single reading		A6-0293/2007	23/07/2007	
Text adopted by Parliament, 1st reading/single reading		T6-0409/2007	26/09/2007	Summary
Committee draft report		PE400.622	04/02/2008	
Committee recommendation tabled for plenary, 2nd reading		A6-0041/2008	20/02/2008	
Text adopted by Parliament, 2nd reading		T6-0081/2008	11/03/2008	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position	15647/1/2007	22/01/2008	Summary
Council statement on its position	16839/2007	22/01/2008	
Draft final act	03609/2008/LEX	11/03/2008	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2006)0604	18/10/2006	Summary
Document attached to the procedure	SEC(2006)1313	18/10/2006	
Document attached to the procedure	SEC(2006)1314	18/10/2006	
Document attached to the procedure	SEC(2007)1220	18/09/2007	
Commission response to text adopted in plenary	SP(2007)5401	18/10/2007	
Commission communication on Council's position	COM(2008)0052	29/01/2008	Summary
Follow-up document	C(2009)8078	26/10/2009	
Follow-up document	COM(2011)0816	30/11/2011	Summary
For information	SWD(2017)0351	18/10/2017	
For information	SWD(2017)0352	18/10/2017	
Follow-up document	C(2018)0061	12/01/2018	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0410/2007	14/03/2007	

Additional information		
Source	**Document**	**Date**
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act	
Regulation 2008/0294 OJ L 097 09.04.2008, p. 0001	Summary

European Institute of Innovation and Technology (EIT)

2006/0197(COD) - 15/11/2007

The Presidency of the Council informed the Council of the state of play of the draft Regulation on the establishment of a European Institute for Technology (EIT), following the general approach on the proposal for a Regulation, established by the Council in June 2007 (see Council document 11058/07 and the summary of the Council activity of 25 June 2007), and the vote in the European Parliament on 26 September.

European Institute of Innovation and Technology (EIT)

2006/0197(COD) - 21/05/2007

The Council held an exchange of views on a draft regulation aimed at establishing a European Institute of Technology (EIT). It instructed Council preparatory bodies to continue further work with a view to reaching an agreement on a general approach at the Council session on 25 and 26 June.

The ministerial debate took place on the basis of a compromise text elaborated by the presidency and concentrated on the following outstanding issues:

- the two-step approach concept, according to which a limited number of initial knowledge and innovation communities (KICs) would be set up as a first step; further KICs would be developed in a second phase after evaluation of EIT activities;

- sources of financing. The compromise text notes an indicative budget of EUR 308.7 million for implementation of the EIT for a six-year period starting in 2008, thus matching the amount indicated in the Commission proposal;

- the degree of autonomy of the EIT and the KICs in terms of operation and implementation. The compromise text considers allowing the use of an additional EIT label for recognised diplomas awarded by universities and higher-education institutes participating in the KICs.

The EIT would perform its activities through KICs, which are partnerships between the private sector, the research community and excellent teams from research communities and universities. In accordance with the codecision procedure, the European Parliament is working in parallel with a view to presenting an opinion at first reading.

The last Spring European Council asked the Parliament and the Council to conclude the examination of the proposal for a future EIT in the first half of 2007 with a view to taking a decision before the end of the year.

European Institute of Innovation and Technology (EIT)

2006/0197(COD) - 29/01/2008 - Commission communication on Council's position

In its communication on the Council’s common position, the Commission indicates that it is in a position to support the text arising from the compromise with the European Parliament in that it meets the aims of the Commission's initial proposal. The Commission, however, asked that the following declaration should be included in the minutes of the common position in regard to the setting of selection criteria for the appointment of members of the Governing Body of the EIT:

‘The Commission will inform the Council and the EP about the nomination of the members of the Identification Committee and its mandate.

The Commission will inform the Council and the EP about the selection criteria that the Identification Committee will use for the selection of the first members of the Board, following an open consultation process.

The Commission will without any delay inform the EP and the Council about the outcome of the selection process carried out by the Identification Committee for appointing the first members of the Governing Board and by the Governing Board for appointing subsequent members.

The Commission will grant the EP and the Council a period of one month to take cognisance of the outcome of the selection process. Following this, the Commission will then appoint the members of the Governing Board.

The Commission will inform the Council and the EP about the Chairperson elected by the Governing Board. An exchange of views with the Chairperson may take place following his/her election before he/she takes office.’

European Institute of Innovation and Technology (EIT)

2006/0197(COD) - 11/03/2008 - Text adopted by Parliament, 2nd reading

The European Parliament adopted a legislative resolution and approved the Council’s common position for a regulation of the European Parliament and of the Council establishing the European Institute of Technology.

The recommendation for second reading (under the codecision procedure) had been tabled for consideration in plenary by Reino **PAASILINNA** (PES, FI) on behalf of the Committee on Industry, Research and Energy.

European Institute of Innovation and Technology (EIT)

2006/0197(COD) - 18/10/2006 - Legislative proposal

PURPOSE: the establishment of a **“European Institute of Technology”.**

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

BACKGROUND: this proposal is being presented as a backdrop to the Lisbon agenda, which emphasises the need to translate innovative discoveries into entrepreneurial results. Innovative discoveries, if controlled appropriately, can lead to more and better jobs.

Studies indicate, however, that Europe is falling behind in filling the innovation gap. In particular, it is failing to develop an integrated “knowledge triangle” namely an effective synergy between a) education; b) research and c) innovation. One major weakness is the EU’s perceived inability to convert knowledge into commercial opportunities. Global competition from both traditional competitors such as the US and Japan, as well as from emerging Asian economies, poses a challenge to the attractiveness of Europe as a knowledge area. In order to bridge the innovation gap between the EU and its major competitors and in order to tap into the unused seam of potential, the Community is proposing the establishment of the European Institute of Technology. The purpose being to address the Community’s weakness in translating competitive innovation into positive employment opportunities. In presenting this proposal, the Commission is hoping to brand the EIT as a world-class operator capable of serving as a high performance flagship and setting the standard for other European actors.

The idea of creating an EIT was first put forward by Commission President Barroso in February 2005. Following a period of consultation and reflection the European Council, in June 2006, reaffirmed and acknowledged that a future “EIT could act as an important instrument in filling the gap between higher education, research and innovation and help create synergies resulting in competitive and innovative research.” It called on the Commission to present a formal proposal by autumn 2006. In presenting this proposal the Commission is fulfilling this mandate.

CONTENT: the EIT’s principle objective is to contribute towards the EU’s industrial competitiveness by reinforcing Member State’s innovation capacities.

Proposed EIT tasks: The principle task of the EIT will be to integrate innovation, research and education under one framework. The EIT will be responsible for identifying strategic long-term challenges which are likely to generate the best innovative added value. Its other proposed responsibilities will include defining its own priorities and selecting those in which it will invest resources; raising awareness among potential partner organisation; selecting and designating KICs (see below); mobilising funds from both public and private sources; and promoting the recognition of EIT degrees and diplomas in the Member States. 3% of the EIT’s annual budget may be devoted to the setting up of a Foundation the purpose of which will be to promote and support EIT activities.

Legal status and structure of EIT: The Commission proposes that the EIT will have a legal personality and that it will be solely responsible for meeting its obligations. The governing structure of the EIT will be strictly limited in size and will be built up over time to a total of thirty scientific and senior staff and thirty support staff. It will not be a Community Agency.

Knowledge and Innovation Communities (KICs): The EIT will perform its activities through “Knowledge and Innovation Communities” to be referred to as KICs. In practice, KICs will take the form of either a partnership or a joint venture between the private sector, universities and research centres. The resources of the combined partnership will work together to promote innovation; the exploitation of results; research in areas of key economic concern; education and training at a master or doctoral level; and the dissemination of best practice. A KIC partnership will be selected by the EIT on the basis of a competitive, open and transparent process. Detailed specifications and conditions will be published. A KIC partnership will be selected depending on its ability to generate innovative research as well as the financial contributions it can bring into the partnership.

Structure of KICs: The Commission is proposing that six KICs be created between 2007-2013. The proposal is based on the assumption that, at a cruising speed, one KIC could involve around 1000 staff of which around 100 would be academic staff, 300 would be researchers and 600 would be technical and supporting staff. A KIC could host approximately 600 Master students and 400 PhD candidates at any given time.

Degrees and Diplomas: Education will play a crucial component of the EIT. The EIT will, therefore, promote the development of courses and doctoral programmes. Innovation will be one of the hall-marks of the degrees issued through the KICs. The Commission is keen that the EIT “brand” its degrees. In the majority of cases the degree awarding partners will be universities. The proposed Regulation states specifically that the degrees and diplomas awarded through a KIC will be EIT degrees and diplomas. The Member States are asked to co-operate in recognising EIT degrees and diplomas.

Management of Intellectual Property: Guidelines for the management of intellectual property are proposed. They have been designed to enable the use of intellectual property under appropriate conditions for research innovative purposes. In addition, they have been created to act as incentives for EIT partners, to provide specific incentives for spin-offs and to generate commercial success. It will be the EIT’s responsibility to define the principles and guidelines for managing intellectual property issues.

Budgetary implications and resources: Although the exact amount is difficult to define at this early stage, the Commission nevertheless predicts that the combined estimated funding for the EIT and KICs, between 2007 and 2013, will be **EUR 2.4 billion**. Financing of this amount, it is proposed, should derive from a number of sources including: the EU budget; the Member States; the private sector; bequests; donations; EIT generated revenue; and contributions from third countries and other international bodies or institutions.

The Commission notes that no specific provision has been made for the EIT in the new legislative proposals on the “Inter-institutional Agreement”, which was agreed upon in May 2006. The actual EU contributions should, as a result, derive from a variety of sources including: the unallocated margins beneath the ceiling of sub-heading 1A. Funding from sub-heading 1A will amount to EUR 308.700 million.

For further analysis of the financial implications on the EU budget, please refer to the financial statement.

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.

European Institute of Innovation and Technology (EIT)

2006/0197(COD) - 11/03/2008 - Final act

PURPOSE: establishing the European Institute of Innovation and Technology.

LEGISLATIVE ACT: Regulation (EC) No 294/2008 of the European Parliament and of the Council establishing the European Institute of Innovation and Technology.

CONTENT: in the context of the Lisbon Strategy, this Regulation aims to establish a European Institute of Innovation and Technology (EIT). The EIT will be a flagship for excellence in innovation, as well as a reference model in order to enable Europe to face the challenges of a globalising, knowledge-based world economy more effectively.

Objective: the EIT's objective is to contribute to sustainable European economic growth and competitiveness by reinforcing the innovation capacity of the Member States and the Community. It shall do this by promoting and integrating higher education, research and innovation (the knowledge triangle) of the highest standards. For organisation and administrative management purposes, the EIT will be provided with a governance structure designed to facilitate business involvement. It will be made up of a governing board, an executive committee, a director and an audit committee. The EIT shall be a Community body and shall have legal personality.

Tasks of the EIT: the main tasks of the EIT are to:

(a). identify its priority fields;

(b). raise awareness among potential partner organisations and encourage their participation in its activities;

(c). select and designate Knowledge and Innovation Communities (KICs) in the priority fields;

(d). mobilise funds from public and private sources;

(e). encourage the recognition in the Member States of degrees and diplomas which are awarded by higher education institutions that are partner organisations and which may be labelled EIT degrees and diplomas;

(f). promote the dissemination of good practices, in order to develop a common innovation and knowledge transfer culture;

(g). seek to become a world class body for excellence in higher education, research and innovation.

Knowledge and Innovation Communities (KCIs): the EIT will be organised on the basis of "Knowledge and Innovation Communities", in other words partnerships of universities, research organisations, companies and other stakeholders in the innovation process, in the form of a strategic network based on joint mid- to long-term innovation planning. These will be steered, coordinated and evaluated by a Governing Board, composed of high calibre people from the business, academic and research communities. The involvement of business at all strategic and operational levels will be a keystone of the initiative.

KICs tasks: KICs shall undertake in particular:

(a). innovation activities and investments with European added value, fully integrating the higher education and research dimensions to attain a critical mass and stimulating the dissemination and exploitation of results;

(b). cutting-edge and innovation-driven research in areas of key economic and societal interest;

(c). education and training activities at masters and doctoral level, in disciplines with the potential to meet future European socio-economic needs;

(d). the dissemination of best practices in the innovation sector.

KICs shall have substantial overall autonomy to define their internal organisation and composition, as well as their precise agenda and working methods. The relationship between the EIT and each KIC shall be based on a contractual agreement.

Two phase approach: within a period of 18 months from its creation, the Governing Board should select two or three KICs in areas that help the European Union to face current and future challenges, which could include such fields as climate change, renewable energy and the next generation of information and communication technologies. Further KICs will follow during the second phase, subject to an evaluation of the activities of the EIT.

Degrees and diplomas: degrees and diplomas, relating to higher education activities, shall be awarded by participating higher education institutions, in accordance with national rules and accreditation procedures. The agreement between the EIT and the KICs shall provide that these degrees and diplomas may also be labelled EIT degrees and diplomas. EIT shall also encourage participating higher education institutions to award joint or multiple degrees and diplomas, reflecting the integrated nature of the KICs.

Strategic Innovation Agenda (SIA): by 30 June 2011 at the latest, and every seven years thereafter, the EIT shall prepare a seven-year draft SIA and submit it to the Commission. The SIA is a policy document which defines the long-term priority fields of the EIT for future initiatives, including an estimate of financial needs and sources in view of the future operation, long-term development and funding of the EIT. Acting on a proposal from the Commission, the SIA shall be adopted by the European Parliament and the Council.

Programming and reporting: the EIT shall adopt a rolling triennial work programme, based on the SIA, stating its major priorities and planned initiatives, including an estimate of financing needs and sources. The work programme shall be transmitted by the EIT to the European Parliament, the Council, the Commission, the European Economic and Social Committee and the Committee for the Regions for information. The EIT also shall adopt an annual report outlining the activities conducted by the EIT during the preceding calendar year and assessing the results with respect to the objectives and timetable set.

Monitoring and evaluation of the EIT: the EIT shall ensure that its activities shall be subject to continuous and systematic monitoring and periodic independent evaluation, to ensure both the highest quality of outcome, scientific excellence and the most efficient use of resources. The outcomes of the evaluations shall be made public. By June 2011 and every five years after the entry into force of a new financial framework, the Commission shall provide for an evaluation of the EIT.

Budget: the financial envelope for the implementation of this Regulation during the period from 1 January 2008 to 31 December 2013 is set at EUR 308.7 million. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial framework.

ENTRY INTO FORCE: 29/04/2008.

European Institute of Innovation and Technology (EIT)

2006/0197(COD) - 22/11/2007

The Council reached a political agreement on the draft Regulation for the creation of a European Institute of Innovation and Technology (EIT).

The political agreement should allow implementation of the EIT Regulation to start as from spring 2008, after completion of the second-reading phase provided for under the Council–Parliament codecision procedure.

The agreement contains the main issues that will shape the EIT, namely:

- the two-step approach concept, according to which a limited number of initial Knowledge and Innovation Communities (KICs) would be set up in a first step, and further KICs would be developed in a second step, subject to evaluation of the EIT's activities. The EIT would perform most of its activities through the KICs, which are partnerships between the private sector, the research community and excellent teams from research communities and universities;
- long-term strategic policy guidance will be provided by the Parliament and the Council, which will have to adopt the EIT's strategic innovation agenda (SIA) for future EIT activities;
- the use of an additional EIT label on recognised diplomas awarded by universities and higher education institutes participating in the KICs;
- EUR 308,7 million have been earmarked for the functioning of the EIT for a period of six years, but the sources of the EU's budget contribution to the funding of the EIT are still subject to the approval of the Community budgetary authorities;
- for organisation and administrative management purposes, the EIT will be provided with a governance structure designed to facilitate business involvement. It will be made up of a governing board, an executive committee, a director and an audit committee.
- the location of the EIT will be decided within 12 months after the Regulation enters into force.

European Institute of Innovation and Technology (EIT)

2006/0197(COD) - 25/06/2007

The Council held an exchange of views and reached an agreement on a general approach on a draft regulation aimed at establishing a European Institute of Technology (EIT).

The debate took place during a public session on the basis of a compromise text elaborated by the presidency with the objective of achieving an agreement with the European Parliament at first reading during the upcoming EU presidency.

According to the agreement, the financial envelope for the implementation of the EIT during a period of 6 years as from 1 January 2008 is set at **EUR 308.7 million**.

The general approach reflects the two-step approach concept, according to which two to three initial Knowledge and Innovation Communities (KICs) would be set up in a first step; and further KICs as well as a longer-term strategy of the EIT would be developed in a second step, subject to the evaluation of the EIT's activities. For the selection of initial KICs, priority EU policies, such as renewable energy and climate change will be taken into account.

The EIT would perform most of its activities through the KICs, which are partnerships between the private sector, the research community and excellent teams from research communities and universities. They would fulfil a unique role in the European Research Area by combining all sides of the "knowledge triangle" (education, research and innovation) and thus enable the latest results from excellent basic research to be converted rapidly into new technologies to achieve breakthrough innovation in the market.

The agreement gives a large measure of autonomy to both the EIT and the KICs in terms of operation and implementation. At the same time, long-term strategic policy guidance will be provided by the Parliament and the Council, which will adopt an strategic innovation agenda for future EIT activities.

The agreement also recognises the principle of non-discrimination regarding the future language regime of the EIT.

European Institute of Innovation and Technology (EIT)

2006/0197(COD) - 22/01/2008 - Council position

The Common Position is the result of intense inter-institutional negotiations, following the Commission's proposal on the revision of the financial framework of 19 September 2007 (see ACI/2007/2213), as well as, the adoption of a resolution on the EIT by the EP on 26 September 2007.

Within this context, informal and technical meetings have pinpointed avenues for compromise on a number of outstanding legislative issues. In parallel, discussions on the financing of the EIT (and Galileo) have been conducted within the Council's Budget Committee and between the two branches of the budget authority in the context of the 2008 budget procedure.

On 20 November 2007 the chairwoman of the ITRE Committee, Ms Angelika **NIEBLER** (EPP-ED, DE**)**, confirmed Parliament's agreement to the text agreed by Coreper on 14 November 2007 and to the Commission's Declaration (subject to an agreement on the financing of the EIT – see below).

The Competitiveness Council reached a political agreement on Friday 23 November 2007 on the establishment of the EIT. The same day, the Council and the European Parliament reached an agreement on the financing of Galileo and the EIT, with **EUR 309 million** earmarked for the EIT for the period 2008-2013.

The main subjects of negotiation on which accord has been reached are:

- **the educational dimension:** A consensus has emerged on the definition of higher education institutions and on degrees and diplomas;
- **participation of KICs in Community programmes (recital 17 and Article 14): t**he text of Article 14 has been re-drafted to avoid creating the expectation that all the administrative costs of the KICs, which could be significant, would necessarily be funded through the Community budget.
- **the definition of Participating States (Article 2 definitions):** The word "**European"** has been deleted by common agreement in response to the EP proposal, while the European dimension has been reinforced in Article 7(3).
- **the EIT label** (recital 12 and Article 8): A compromise has been reached between the EP's and the Council's position (compulsory versus voluntary use).
- **the concept of a "pilot phase"** (recital 24 and Article 19): replaced by **"initial phase"**.
- **the fields of first KICs** (recital 24): The Council agreed, in response to Parliament's request, to add *"renewable energy*" and the "*next generation of ICTs*" in recital 24.
- the period for the selection of the first KICs (recital 24 and Article 18) has been shortened to **18 months** (from 24) in response to the EP's request.
- **evaluation and Commission's review of the proposal (Article 16(3))**: It was agreed that the reference to the Commission's capacity to review the regulation *"where appropriate"* would be linked to the evaluation of the EIT.
- **establishment of the support structure (Article 6 of the Annex):** During the negotiations, the need emerged for a provision in the Regulation to prepare the support structure. The Commission has, with the co-legislators' agreement, looked at various options and considers that the best way to proceed would be to include a new article in the Statutes which would allow it temporarily to take legal and financial decisions on behalf of the EIT until a Director is appointed by the Board.
- **the Identification Committee (Article 1 of the Statutes)**: To emphasize the "ad-hoc" basis of an Identification Committee it has been agreed that it be used only for the appointment of the first Board members.
- In response to Parliament's request for a more open and informative identification process (vis-à-vis the Parliament and Council), a Declaration of the Commission was added to the minutes of the Council.

It should however be noted that the only amendment that the Council did not accept in its entirety was one regarding the sectors of activity of the first KICs (Recital 24). The European Parliament would have preferred a reference to *energy* in general but the Council insisted on a reference to *renewable energies*.

European Institute of Innovation and Technology (EIT)

2006/0197(COD) - 30/11/2011 - Follow-up document

The Commission presents its Opinion on the independent expert evaluation on the European Institute of Innovation and Technology ("EIT"), which was established by Regulation (EC) No 294/2008. In accordance with the EIT Regulation, the Commission provided for an external evaluation of the EIT which was completed on 31 May 2011 by ECORYS.

The Commission acknowledges the results of the independent external evaluation of the EIT. It endorses the recommendations from the evaluation and shall ask the EIT to implement them.

- the EIT should continue in its current format for the next multiannual financial framework. Its approach has demonstrated strong potential. It should expand on an incremental basis and continue to focus on strengthening existing centres of excellence;

- in view of the selection and designation of future KICs, the EIT should provide clear and consistent guidance on its expectations as well as on the obligations and responsibilities of future KICs. Prior to the publication of the call for the selection and designation of new KICs, the EIT should provide public notice of the broad themes of interest to allow consortia to develop their plans and ensure an adequate period to prepare their proposals;

- the focus of the EIT for the period 2011-2014 should be on consolidation and delivery. It should put in place robust procedures developed through a mutual learning process with the existing KICs. The EIT should continue to develop, in collaboration with the European Commission and the current KICs, further simplified procedures for the operation of the EIT under Horizon 2020 -the Framework Programme for Research and Innovation.

The EIT should also:

- establish robust monitoring procedures in association with the KICs and in co-operation with the European Commission. This should include the measurement of the performance of the EIT against its own objectives. The focus should be on establishing a results-based approach. An immediate priority is to use the results of such a monitoring procedure to assess the performance of the individual KICs and of the EIT overall;

- embrace a culture of openness and external engagement through which it can develop and share lessons of practice. It should seek to engage with external expertise in developing new models of entrepreneurialism, innovation and education, actively work with other initiatives with similar aims and consider how its activities can assist in building capacity across the EU;

- be distinctive but should seek to promote synergies with other European Union initiatives and programmes in the fields of education, research and innovation. The inclusion of the EIT under Horizon 2020 -the Framework Programme for Research and Innovation- will help to build closer ties to other EU research and innovation initiatives seeking to promote common agendas;

- publish the lessons it has learnt in the application of the derogations available in its financial rules and regulations governing its operations. This should be based upon the lessons learnt from the development of the first KICs and should seek to balance a desire for flexibility and a simplified approach with the need for responsibility for public monies. This should contribute to the future development of the Horizon 2020 - the Framework Programme for Research and Innovation;

- review its communications strategy and the development of the EIT brand. The EIT should take a more pro-active approach to brand development and identify clearly the values that it is seeking to promote;

- review its staffing levels, resource plan and internal management procedures in the light of the chosen strategic model for the institution. Staffing increases should be gradual, tied to any increase in the functions of the EIT;

- further develop its strategic role. It should focus on how the lessons learnt from the operation of the KICs can be used to build the capacity for innovation in Member States throughout the EU. This is not a resource intensive activity but should complement the work undertaken by the KICs.