Basic information

2011/0384(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
European Institute of Innovation and Technology (EIT) 2014-2020 Amending Regulation (EC) No 294/2008 2006/0197(COD) **Subject** 3.40.14 Industrial competitiveness 3.50.01 European research area and policy 3.50.04 Innovation 4.40.01 European area for education, training and lifelong learning	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, Research and Energy	LAMBERTS Philippe (Verts /ALE)	20/01/2012
	Shadow rapporteur TSOUKALAS Ioannis A. (PPE) MERKIES Judith A. (S&D) JOHANSSON Kent (ALDE) CHICHESTER Giles (ECR) MATIAS Marisa (GUE/NGL)	

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	GODMANIS Ivars (ALDE)	06/02/2012
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
CULT Culture and Education (Associated committee)	PALIADELI Chrysoula (S&D)	02/02/2012
JURI Legal Affairs	MÉSZÁROS Alajos (PPE)	19/12/2011

Council of the

Council configuration	Meetings	Date

European Union	Competitiveness (Internal Market, Industry, Research and Space)	3169	2012-05-30
	Competitiveness (Internal Market, Industry, Research and Space)	3147	2012-02-20
	Competitiveness (Internal Market, Industry, Research and Space)	3190	2012-10-10
	Competitiveness (Internal Market, Industry, Research and Space)	3276	2013-12-02

European Commission	Commission DG	Commissioner
	Education, Youth, Sport and Culture	VASSILIOU Androulla

European Economic and Social Committee

Key events

Date	Event	Reference	Summary
30/11/2011	Legislative proposal published	COM(2011)0817	Summary
13/12/2011	Committee referral announced in Parliament, 1st reading		
20/02/2012	Debate in Council		
20/04/2012	Referral to associated committees announced in Parliament		
30/05/2012	Debate in Council		Summary
10/10/2012	Debate in Council		
28/11/2012	Vote in committee, 1st reading		
12/12/2012	Committee report tabled for plenary, 1st reading	A7-0403/2012	Summary
20/11/2013	Debate in Parliament		
21/11/2013	Decision by Parliament, 1st reading	T7-0502/2013	Summary
21/11/2013	Results of vote in Parliament		
02/12/2013	Act adopted by Council after Parliament's 1st reading		
11/12/2013	Final act signed		
11/12/2013	End of procedure in Parliament		
20/12/2013	Final act published in Official Journal		

Technical information

Procedure reference	2011/0384(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation (EC) No 294/2008 2006/0197(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 173-p3

Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/7/08123

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE489.664	30/05/2012	
Amendments tabled in committee		PE492.618	10/07/2012	
Committee opinion	JURI	PE491.107	13/07/2012	
Committee opinion	BUDG	PE491.287	18/09/2012	
Committee opinion	CULT	PE489.609	20/09/2012	
Committee report tabled for plenary, 1st reading/single reading		A7-0403/2012	12/12/2012	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0502/2013	21/11/2013	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00068/2013/LEX	11/12/2013	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2011)0817	30/11/2011	Summary
Document attached to the procedure	SEC(2011)1433	30/11/2011	
Document attached to the procedure	SEC(2011)1434	30/11/2011	
Commission response to text adopted in plenary	SP(2014)87	30/01/2014	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2011)0817	06/02/2012	
Contribution	DE_BUNDESRAT	COM(2011)0817	12/04/2012	
Contribution	IT_SENATE	COM(2011)0817	11/05/2012	

Contribution	CZ_SENATE	COM(2011)0817	20/06/2012	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0807/2012	28/03/2012	

Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	
European Commission	EUR-Lex	

Final act

Regulation 2013/1292
OJ L 347 20.12.2013, p. 0174 Summary

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

2011/0384(COD) - 12/12/2012 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Industry, research and Energy adopted the report by Philippe LAMBERTS (Greens/EFA, BE) on the proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 294/2008 establishing the European Institute of Innovation and Technology.

The Committee on Culture and Education, exercising the prerogatives of the associated committee, was also consulted for an opinion on this report pursuant to Rule 50 of the Rules of Procedure.

The parliamentary committee responsible recommends that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission's proposal as

follows:

Missions and objectives: the amended text stipulates that the EIT's mission is to contribute to sustainable European **economic and social development** and competitiveness by reinforcing and accelerating the innovation and **entrepreneurship** capacity of the Member States and the Union. It shall do this by promoting **synergies**, cooperation and integration of higher education, research, innovation and entrepreneurial activity **of excellence**. The EIT should, among other things:

- conduct relevant **information campaigns** targeting European universities, national, regional and local authorities involved in R&D&I policies;
- broaden the involvement of **stakeholders**;
- seek to engage more closely with **SMEs** to ensure their active participation in the activities of the Knowledge and Innovation Communities (KICs);
- invest in cultivating a **world-class EIT brand-name** in the area of innovative entrepreneurial education;
- **ensure access** to all high quality European universities, research communities, small research groups and private sector actors, including highly innovative startups;
- further promote **recognition by the Member States of EIT degrees and diplomas** bearing its label of excellence.

Governing Board: the EIT should have a **Governing Board consisting of and respecting the balance** between high-level members experienced in higher education, research, innovation and business. It shall be responsible for steering the activities of the EIT, for the selection, designation and evaluation of the KICs, and for all other strategic decisions.

Broadening the concept of innovation: Members consider that the EIT should promote multidisciplinary and inter-disciplinary approaches to innovation and entrepreneurship, including the development of **non-technological solutions**, organizational approaches, new business models, systems innovation and public sector innovations, as a necessary **complement** to technological and technical innovation activities.

KICs selection: according to Members, the purpose and the number of KICs **should not be fixed in advance**. They therefore propose that new KICs should be launched and selected by the EIT on the basis of an **open, transparent and competitive process**, providing clarity and predictability for potential participants.

- **As of 2014**, the EIT should launch the selection of up to four new KICs in the thematic priority areas as defined in the Strategic Innovation Agenda (SIA).
- **As of 2018**, according to the budget available and following a stakeholders' consultation, the EIT should launch further calls for the selection of KICs in the remaining themes identified in the Strategic Innovation Agenda (SIA) or newly identified themes falling within the scope of Horizon 2020 objectives. The number of KICs selected will depend on the maturity and readiness of European consortia to form credible KICs, the potential societal and economic impact, and opportunities for synergies with other initiatives.

Members consider that the KICs should have a **large autonomy** but that it is necessary to clarify what minimum features, general principles and tasks they should have. They should play the role of **"innovation catalysts"** and have the following tasks:

- innovation activities and investments with European added value;
- cutting-edge and innovation-driven research in areas of key economic and societal interest;
- the dissemination of best practices in the innovation sector;
- integration and coordination as much as possible with existing European, national and regional initiatives and local instruments in the field of Research, Development and Innovation.

KICs – funding principles: the EIT should act as an **investor** and its funding aim at leveraging other sources of private and public funding, including other EU funds. For the purposes of clarity, the **sources and principles of funding were grouped together in a single article and amended** to include KIC leverage effects.

According to the amended text, the EIT's contribution could cover up to **100%** of the total eligible costs of KIC added-value activities but could not exceed **25%** of the KICs yearly annual budget, calculated on a three-yearly average.

In addition, the EIT should establish a **competitive review mechanism** for the allocation of a substantial share of its yearly financial contribution to the KICs.

Programming, monitoring and evaluation: Members call for the EIT's Triennial Work Programme to take into account the Commission's opinion and the views expressed by European Parliament and the Council. **A regular dialogue between the EIT and the European Parliament should be established.**

In addition, the EIT's evaluation should **allow for direct comparisons** of performance and key-indicators, on the one hand, and the relevant Horizon 2020 instruments, on the other.

Lastly, EIT activities should ensure the **utmost transparency, accountability and democratic scrutiny of contributions** from the Union budget, especially as regards their contribution, both expected and achieved, to attain Union objectives.

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

2011/0384(COD) - 21/11/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 516 votes to 22 with 62 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 294/2008 establishing the European Institute of Innovation and Technology (EIT).

Parliament adopted its position in first reading following the ordinary legislative procedure. The amendments adopted in plenary were the result of a compromise between Parliament and Council. They amend the Commission proposal as follows:

Mission and objectives: the EIT's mission is to contribute to sustainable European economic growth and competitiveness by reinforcing the innovation capacity of the Member States and the Union **in order to address major challenges faced by European society.** The EIT should:

- foster **entrepreneurship** in its higher education, research and innovation activities. In particular, it should promote excellent entrepreneurial education and support the creation of start-ups and spin-offs;
- carry out **information and communication activities** targeting relevant stakeholders ;
- promote an appropriately **balanced** participation between the different actors from the knowledge triangle involved in the Knowledge and Innovation Communities ("KICs") ;
- promote strong participation from the private sector, in particular **micro-/small and medium-sized enterprises ("SMEs").**

Governing Board: the EIT will have a Governing Board composed of high-level members experienced in higher education, research, innovation and business. It shall be responsible for steering the activities of the EIT, for the selection, designation and evaluation of the KICs, and for all other strategic decisions. It shall be assisted by an Executive Committee.

A Director, appointed by the Governing Board, shall be responsible to the Governing Board for the administrative and financial management of the EIT and shall be the legal representative of the EIT. Upon request, the Director shall present the final work programme to the competent committee of the European Parliament.

Knowledge and Innovation Communities ("KICs"): the EIT shall select and designate KICs following an **open, transparent and competitive process**. To this end it must adopt and publish detailed criteria, based on the overarching principles of excellence and innovation relevance. The following will be taken into account :

- the current and potential innovation capacity, including entrepreneurship, within the partnership as well as its excellence in higher education, research and innovation;
- the partnership's capacity to achieve the goals of the SIA and thereby contribute to the general objective and priorities of Horizon 2020;
- a multidisciplinary approach to innovation ;
- the partnership's capacity to ensure sustainable and long-term self supporting financing ;
- measures to support the involvement of, and cooperation with, the private sector, and in particular SMEs, as well as the creation of start-ups, spin-offs and SMEs ;
- readiness to interact with other organisations and networks outside the KIC with the aim of sharing best practices and excellence.

The EIT contribution should not exceed on average, **25 % of the total** KIC funding.

The KICs have been given a large degree of autonomy in defining their internal organisation, composition, agenda and working methods.

Annual report: the EIT shall transmit the annual report to the European Parliament and the Council and inform them of the activities of the EIT, its contribution to Horizon 2020 and to the Union innovation, research and education policies and objectives at least once a year.

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

2011/0384(COD) - 11/12/2013 - Final act

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".

LEGISLATIVE ACT: Regulation (EC) No 1292 of the European Parliament and of the Council amending Regulation (EC) No 294/2008 establishing the European Institute of Innovation and Technology

CONTENT: the amending Regulation aims to ensure that, during the period 2014-2020, the EIT contributes to the objectives of "Horizon 2020 - The Framework Programme for Research and Innovation" by integrating the knowledge triangle of higher education, research and innovation.

Mission and objectives: the EIT's mission is to contribute to sustainable European economic growth and competitiveness by **reinforcing the innovation capacity of the Member States and the Union** in order to address major challenges faced by European society.

The EIT should:

- **foster entrepreneurship** in its higher education, research and innovation activities. The aim is to promote excellent entrepreneurial education and support the creation of start-ups and spin-offs;
- directly engage with national and regional representatives and other stakeholders from across the innovation chain: an **EIT Stakeholder Forum** should be established, bringing together the wider community of stakeholders around horizontal issues.
- carry out **information and communication** activities targeting relevant stakeholders;
- promote an **appropriately balanced participation between the different actors** from the knowledge triangle involved in the Knowledge and Innovation Communities ("KICs");
- promote **strong participation from the private sector**, in particular micro-/small and medium-sized enterprises ("SMEs").

EIT bodies: the Regulation simplifies the composition of the EIT bodies, streamlines the functioning of the EIT Governing Board and clarifies the respective roles and tasks of the Governing Board and the Director.

Knowledge and Innovation Community (KIC): 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 following an **open, transparent and competitive process.** The EIT must adopt and publish detailed criteria for the selection of the KICs, based on the principles of excellence and innovation relevance.

The EIT shall organise **continuous monitoring** and periodic external evaluations of the output, results and impact of each KIC. The results of such monitoring and evaluations shall be reported to the European Parliament and to the Council and shall be made public. A KIC shall normally have a time frame of **seven to fifteen years**.

The EIT contribution shall not, on average, exceed **25 %** of a KIC's overall funding.

Programming and reporting: the EIT Triennial Work Programme must take into account the Commission's opinion concerning the EIT's specific objectives, as defined in Horizon 2020, and its complementarities with Union policies and instruments.

The EIT shall transmit the annual report to the European Parliament and the Council and inform them of the activities of the EIT, its contribution to Horizon 2020 and to the Union innovation, research and education policies and objectives at least once a year.

Budgetary commitments: the financial envelope from Horizon 2020 for the implementation of this Regulation during the period from 1 January 2014 to 31 December 2020 is set at **EUR 2 711.4** million in current prices.

ENTRY INTO FORCE: 01/01/2014.

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).

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

2011/0384(COD) - 30/05/2012

The Council took note of a **Presidency progress report** on a draft regulation amending the rules of the European Institute of Innovation and Technology (EIT) and on a draft decision setting the EIT's strategic implementation plan for the coming years.

The EIT, which was set up in March 2008, will continue to reinforce the innovation capacity of the EU and its Member States and to contribute to the general objectives of Horizon 2020, mainly by integrating the "knowledge triangle" of higher education, research and innovation. Under Horizon 2020, the EIT would receive a financial contribution of EUR 3.1 billion for the 2014-2020 period.

EIT Regulation: the draft proposal for an amendment of the EIT Regulation has, in general, been welcomed by delegations. Delegations raised some questions for clarification, inter alia the role of the Governing Board and the relation between the Governing Board and the Director of the EIT, the role of the Member States and the rules for management of Intellectual Property Rights. In particular the role of the Member States needs to be further clarified in the future discussions.

EIT SIA (Strategic Innovation Agenda): the EIT Regulation foresees that after the initial phase the long-term strategy of the EIT is to be set up in the Strategic Innovation Agenda (SIA), to be adopted by the European Parliament and the Council, on the basis of a Commission proposal. The discussions clarified certain aspects of the proposal and identified topics, which require further examination. Budgetary questions will be examined at a later stage.

KICs (Knowledge and Innovation Communities): delegations have highlighted that the number of new KICs is fundamentally linked to the overall budget of Horizon 2020. Given that the EIT concept is still at its early stage, several Member States wish to take a cautious approach to the establishment of new KICs. Subject to the outcome of the negotiations of the MFF, there was wide support to the two-wave approach for launching new KICs as proposed by the Commission.

- The **total number of new KICs and the timetable** for setting them up remain outstanding issues that require further examination. Likewise, whether the list of thematic areas proposed by the Commission for new KICs should be considered as an exhaustive or merely indicative list remains an issue for further examination.
- **Access to existing KICs** has been raised by some delegations as their main concern. Some delegations have enquired about the leverage effect of the KICs and their ability to mobilise investment and long-term commitment from the private sector.
- During the discussions, delegations have called for an enhanced focus on **entrepreneurship** in the KICs.
- Finally, the importance for the EIT and KICs to seek **synergies across pillars** in Horizon 2020 and other relevant European initiatives has been raised by several delegations.

COREPER agreed to forward the progress report to the Council.