Basic information

2011/0387(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Decision	Procedure completed
European Institute of Innovation and Technology (EIT): strategic innovation agenda 2014-2020 **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 5.05 Economic growth	

Key players

European Parliament

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

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
AGRI Agriculture and Rural Development	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 European Union	Council configuration	Meetings	Date
	Competitiveness (Internal Market, Industry, Research and Space)	3147	2012-02-20
	Competitiveness (Internal Market, Industry, Research and Space)	3276	2013-12-02
	Competitiveness (Internal Market, Industry, Research and Space)	3208	2012-12-10

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)0822	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		
28/11/2012	Vote in committee, 1st reading		
10/12/2012	Debate in Council		
17/01/2013	Committee report tabled for plenary, 1st reading	A7-0422/2012	Summary
20/11/2013	Debate in Parliament		
21/11/2013	Decision by Parliament, 1st reading	T7-0501/2013	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	2011/0387(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation

Legislative instrument	Decision
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/7/08116

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE489.613	01/06/2012	
Amendments tabled in committee		PE492.619	29/06/2012	
Committee opinion	JURI	PE491.106	13/07/2012	
Committee opinion	CULT	PE489.612	20/09/2012	
Committee report tabled for plenary, 1st reading/single reading		A7-0422/2012	17/01/2013	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0501/2013	21/11/2013	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00069/2013/LEX	11/12/2013	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2011)0822	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)0822	06/02/2012	
Contribution	IT_SENATE	COM(2011)0822	11/05/2012	
Contribution	CZ_SENATE	COM(2011)0822	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

Decision 2013/1312
OJ L 347 20.12.2013, p. 0892 Summary

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

2011/0387(COD) - 17/01/2013 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Industry, Research and Energy adopted the report by Marisa MATIAS (GUE/NGL, PT) on the proposal for a decision of the European Parliament and of the Council on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT): the contribution of the EIT to a more innovative Europe.

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:

Objectives of the Strategic Innovation Agenda (SIA): Members consider that the SIA should outline the EIT's priorities **for the period 2014-2020**, as well as its operating procedures. It should therefore be **a key tool to steer the strategic direction of the EIT, while leaving it with considerable autonomy** in defining the ways and means to achieve the set goals. Among other things, the SIA should:

- facilitate the coordination of policies and coherence among their different instruments and create synergies with regard to innovation policy by adopting a truly holistic approach focused on the major societal challenges, making EIT act as an **"innovation catalyst", building itself as an internationally recognised and acclaimed world-class innovation institution**;
- be an EIT key tool for **innovation policy, for job creation and sustainable development**, for promoting the widening of participation to spread excellence across Europe;
- play a key role in providing answers in times of crisis, as it is essential to **attract young people to the new types of jobs** and to ensure that new and existing educational programmes promote access to the labour market for young people.

Headquarters of the EIT: the EIT headquarters shall be located in **Budapest**, Hungary. It is recalled that the agreement between the EIT and the Hungarian Government was signed in 2010. According to this agreement, part of the administrative expenditure is covered by the host country Hungary through provision of free of charge office space until the end of 2030, as well as an annual contribution of 1.5 million euro to the staff cost until the end of 2015.

The EIT, European institute and global reference: the EIT should contribute to the creation of a "science base of excellence":

- by fostering **mobility** across boundaries – between disciplines, sectors and countries;

- by adopting new principles and practices based, in particular, on **open and inclusive research**;
- by ensuring that research efforts are targeted, as a priority and effectively, at **issues of major public interest**; and
- by embedding **entrepreneurship** and a risk-taking culture in innovative post-graduate degrees.

The EIT and the Knowledge and Innovation Communities (KICs) should function as models for the **implementation of the knowledge triangle in the EU**. In this perspective, Members stipulate that the EIT should, among other things:

- have as its strategic goal to become more than the sum of its parts, therefore **cross-KIC coordination and cooperation** should be exercised by the EIT in order to ensure the creation of synergies;
- act as a **catalyst** with flexibility to test out new innovation models, nurturing talent across borders and creating an internationally recognized **brand of excellence**;
- consolidate and further increase its **role as an 'investor'** that develops and enables existing centres of excellence at all levels in research, business and higher education in Europe;
- encourage the creation of sustainable innovative **start-ups** and spinoffs;
- boost **technology transfer and commercialisation** and develop new ventures within existing business or creating new innovative businesses.

Knowledge and Innovation Communities (KICs): in the context of Horizon 2020, the EIT will develop the KIC concept further to support the development of European innovation culture in all Member States. **The first wave of KICs will be launched in 2014**. The EIT will select, in this first wave, up to four initial KICs out of five selected themes, respecting the following order of priorities:

1. Raw materials and bio-based economy - sustainable exploration, extraction, processing, recycling, material development and substitution;

2. Innovation for healthy living and active ageing;

3. Urban mobility, smart and sustainable development;

4. Food4future - sustainable supply chain from resources to consumers; and

5. Added-value manufacturing.

A second wave of KICs would follow in 2018. For this second wave, the themes suggested above that were not considered for the first wave will have priority. Nevertheless, Members consider that **certain indicative thematic areas** can be considered, such as: (i) smart secure societies; (ii) Marine - Sustainable use of the seas; (iii) Water, Woods and forests; (iv) Biomimetism; (v) Sustainable construction and zero-energy buildings; (vi) Health innovation; and (vii) people empowerment.

Programmes and activities in the field of education: as the only instrument in the framework of Horizon 2020 that lays a strong emphasis on education, the EIT should emerge as a **world-class provider of post-graduate education** by implementing different level training programmes for a new generation of world-class students – Master programmes, PhD programmes, summer schools, and specific training programmes.

KICs could develop **coaching programmes for young Europeans** by means of internships, school visits, grants for top high-school students and university students in Science, technology, Engineering and Mathematics (STEM) fields.

Furthermore, the EIT should put in place a specific people scheme - **Regional Innovation Scheme (RIS)** - to ensure that talent, such as students, researchers, teaching staff and entrepreneurs at all career levels, beyond the KICs and its co-location centres, will be connected to the EIT.

Cooperation within the Union and at international level: Members want the EIT to work in a co-operative and **complementary** basis – and not in competition – with the research and education institutions of all Member States, namely associations of universities, business, clusters and research organisations.

In addition, in close cooperation with the KICs, the EIT should develop a **strong international strategy**, identifying and liaising with relevant interlocutors and potential partners from within and outside the Union.

Allocation of resources: the EIT's budget for the 2014-2020 period will amount to EUR 3.1 billion (an amount unchanged from the Commission's proposal) and should be based on three main components: the necessary expenditure for consolidation of the existing three KICs, gradual development towards new KICs in 2014 and 2018 respectively, dissemination and outreach activities and administrative expenditure.

In its proposal, the Commission envisages allocating 4.4% of the EIT's budget to dissemination and outreach activities and not more than 2.4% to administrative expenditure. Members consider that **the budget allocated to the EIT's main activities would not be sufficient** if too great a proportion of the EIT's budget is devoted to dissemination and outreach activities and to administrative expenditure.

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

2011/0387(COD) - 21/11/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 523 votes to 16 with 58 abstentions, a legislative resolution on the proposal for a decision of the European Parliament and of the Council on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT): the contribution of the EIT to a more innovative Europe.

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:

Objectives of the Strategic Innovation Agenda (SIA): in accordance with Parliament's wishes, the SIA set out the EIT's priorities for the **period 2014-2020**, as well as its operating procedures.

The main Key Actions were as follows:

Consolidating and fostering growth and impact of the existing KICs: the EIT should encourage the KICs to develop a greater variety of and provide advice on educational and training activities and to raise awareness of the existence of these activities. There would be a system of peer evaluations for EIT labelled qualifications.

Creating new KICs: the EIT would launch calls for **five new KICs** as follows:

- a call for two new KICs in 2014 in the themes of Healthy Living and Active Ageing and Raw Materials;
- a call for two new KICs in 2016 in the themes of Food4Future and Added-value manufacturing and a call for one new KIC in 2018 in the theme of Urban Mobility.

The other actions set out would aim to:

- enhance EIT's impact;
- create new delivery mechanisms and results-oriented monitoring;
- streamline and clarify EIT decision-making;
- invest in KICs
- engage with stakeholders within a forum which would meet regularly.

EIT budget needs: the EIT's budget needs in the period 2014-2020 are EUR 2711,4 million and are based on three main components: the necessary expenditure for consolidation of the existing three KICs, gradual development towards new KICs in 2014, 2016 and 2018 respectively, and dissemination and outreach activities and administrative expenditure.

Around **EUR 1695** million (62.5 % of the total EIT budget) was envisaged to fund the KICs designated in 2009 and already operating at the cruising speed; **EUR 542 million** (20 %) was envisaged for the second wave of KICs, **EUR 249 million** (9.2 %) for the third wave and EUR 35 million (1.3 %) for the final wave.

Therefore, the projected EIT budget for the KICs in the period 2014-2020 equalled **EUR 2.5 billion** (93 % of the EIT total budget for the period 2014 /2020). Through the EIT's strong leverage effect, the KICs were expected to mobilise a further EUR 7.5 billion of other public and private sources.

The EIT will also engage in a number of dissemination and outreach activities, including providing support for structured mobility within the **regional innovation strategies (RIS),** which will significantly enhance the impact of its operations across Europe.

Around EUR 125 million (4.6 %) of the EIT budget is needed to implement these activities.

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

2011/0387(COD) - 11/12/2013 - Final act

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

LEGISLATIVE ACT: Decision N° 1312/2013/EU of the European Parliament and of the Council on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT): the contribution of the EIT to a more innovative Europe

CONTENT: the Strategic Innovation Agenda (SIA) describes the priorities of the European Institute of Innovation and Technology (EIT) for the period 2014-2020 as well as its methods of operation. The EIT will be integrated into the Horizon 2020 framework programme for Research and Innovation in order to strengthen the innovation capacity of the EU and its Member States and to contribute to the Programme objectives by integrating the knowledge triangle of higher education, research and innovation. This integration takes place through the Knowledge and Innovation Communities (KICs), which bring together in a sustainable manner the organisations working on addressing societal challenges.

The key actions are as follows:

Fostering growth and impact of the existing KICs: the EIT will: (i) encourage KICs to develop a greater variety of and provide advice on educational and training activities and to raise awareness of the existence of these activities; (ii) gradually set- up competitive review mechanisms for the allocation of a percentage of the KICs grant; (iii) incentivise KICs to develop joint activities on horizontal issues; (iv) set up a system of peer evaluations for EIT labelled qualifications.

Creating new KICs: five new KICs will be launched during the programme, in three stages:

-two new KICs will be launched in **2014** in the themes of Healthy Living and Active Ageing and Raw Materials;

-two themes in **2016** of Food4Future and Added-value manufacturing and

-the last theme in **2018** will be Urban Mobility.

The priority fields and the long-term strategy for the EIT are detailed in the EIT's strategic innovation agenda. The other actions aim to:

- **enhance EIT's impact**: for example, by encouraging participation in outreach activities, supporting a network of graduates from EIT/KIC educational and training activities, Making lessons learned systematically accessible to the wider Union innovation community and beyond;
- **ensure new delivery mechanisms and results-oriented monitoring**: e.g. setting up a simplification agenda, including benchmarks to assess progress;
- **invest in KICs:** providing a number of services to KICs and coherent guidance on expectations, obligations and responsibilities throughout the entire life cycle of the KICs;
- **engage with stakeholders** in a Stakeholder Forum, which will meet regularly.

Budget: the EIT's budget needs in the period 2014-2020 are **EUR 2 711.4 million** and are based on three main components: (i) the expenditure necessary for consolidation of the existing three KICs, (ii) gradual development towards new KICs in 2014, 2016 and 2018 respectively, and (iii) dissemination and outreach activities and administrative expenditure.

Through the EIT's strong leverage effect, the KICs are expected to mobilise a further EUR 7.5 billion of other public and private sources.

ENTRY INTO FORCE: 23/12/2013.

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.