Basic information

2019/0151(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
European Institute of Innovation and Technology (EIT). Recast **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	MATIAS Marisa (GUE/NGL)	11/09/2019
	Shadow rapporteur KUBILIUS Andrius (EPP) GÁLVEZ Lina (S&D) SOLÍS PÉREZ Susana (Renew) BUCHNER Klaus (Greens /EFA) ROOS Robert (ECR) CAROPPO Andrea (ID)	

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	The committee decided not to give an opinion.	
CONT Budgetary Control	The committee decided not to give an opinion.	
CULT Culture and Education (Associated committee)	EHLER Christian (EPP)	18/09/2019

Committee for opinion on the recast technique	Rapporteur for opinion	Appointed
JURI Legal Affairs	ADAMOWICZ Magdalena (EPP)	13/11/2019

Council of the European Union	
European Commission	Commission DG: Education, Youth, Sport and Culture Commissioner: GABRIEL Mariya
European Economic and Social Committee	
European Committee of the Regions	

Key events

Date	Event	Reference	Summary
11/07/2019	Legislative proposal published	COM(2019)0331	Summary
18/07/2019	Committee referral announced in Parliament, 1st reading		
19/12/2019	Referral to associated committees announced in Parliament		
16/06/2020	Vote in committee, 1st reading		
16/06/2020	Committee decision to open interinstitutional negotiations with report adopted in committee		
19/06/2020	Committee report tabled for plenary, 1st reading	A9-0120/2020	
08/07/2020	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 72)		
10/07/2020	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 72)		
23/02/2021	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	GEDA/A/(2021)001137	
26/04/2021	Debate in Parliament		
27/04/2021	Decision by Parliament, 1st reading	T9-0126/2021	Summary
27/04/2021	Results of vote in Parliament		
10/05/2021	Act adopted by Council after Parliament's 1st reading		
20/05/2021	Final act signed		
20/05/2021	End of procedure in Parliament		
28/05/2021	Final act published in Official Journal		

Technical information

Procedure reference	2019/0151(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Recast
Legislative instrument	Regulation

Legal basis	Treaty on the Functioning of the European Union TFEU 103-p1 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 European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/9/00667

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE643.201	18/11/2019	
Committee draft report		PE648.286	12/03/2020	
Amendments tabled in committee		PE650.626	04/05/2020	
Committee opinion	CULT	PE644.884	09/06/2020	
Committee report tabled for plenary, 1st reading/single reading		A9-0120/2020	19/06/2020	
Text adopted by Parliament, 1st reading/single reading		T9-0126/2021	27/04/2021	Summary

Council of the EU

Document type	Reference	Date	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2021)001137	17/02/2021	
Draft final act	00008/2021/LEX	20/05/2021	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2019)0331	11/07/2019	Summary
Document attached to the procedure	SEC(2019)0275	11/07/2019	Summary
Document attached to the procedure	SWD(2019)0330	11/07/2019	Summary
Document attached to the procedure	SWD(2019)0331	11/07/2019	Summary
Commission response to text adopted in plenary	SP(2021)359	18/06/2021	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary

Contribution	RO_CHAMBER	COM(2019)0331	29/11/2019	
Contribution	IT_CHAMBER	COM(2019)0331	02/03/2020	

Additional information		
Source	**Document**	**Date**
European Parliament	Briefing	17/12/2019
European Commission	EUR-Lex	

Final act
Regulation 2021/0819 OJ L 189 28.05.2021, p. 0061

European Institute of Innovation and Technology (EIT). Recast

2019/0151(COD) - 27/04/2021 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 663 votes to 17, with 19 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on the European Institute of Innovation and Technology (recast).

Parliament's position adopted at first reading under the ordinary legislative procedure amends the Commission's proposal as follows:

Mission and objectives

The European Institute of Innovation and Technology (EIT) should:

- contribute to sustainable economic growth and competitiveness of the EU by strengthening the innovation capacity of the Union and the Member States in order to address major challenges facing society. To this end, it should promote synergies and cooperation between and integration of higher education, research and innovation, to the highest standards, including by fostering entrepreneurship, thereby strengthening innovation ecosystems across the EU in an open and transparent manner;

- contribute to the achievement of the EU's strategic priorities and objectives and policies, including the European Green Deal, the Recovery Plan for Europe, the European Data Strategy, the SME strategy for a sustainable and digital Europe and the new Industrial Strategy for Europe, and those related to achieving the Union's strategic autonomy, while maintaining an open economy;

- contribute to meeting global challenges, including the achievement of the UN Sustainable Development Goals (SDGs) in line with the principles of the 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change, and to achieving a net zero greenhouse gas emission economy by 2050 at the latest.

For the budgetary period 2021-2027, the EIT should contribute to the achievement of the targets and the specific objectives of Horizon Europe, taking full account of its strategic planning.

Tasks

The EIT should ensure that it is open to new potential partner organisations, in particular SMEs and emerging centres of excellence. It should select and designate Knowledge and Innovation Communities (KICs) and define through partnership agreements the rights and obligations of these KICs, supervise them and provide them with support and strategic guidance, through quality control measures, continuous monitoring and periodic external evaluations of their activities, and take corrective action where necessary.

The continuation of existing KICs should be subject to an overall evaluation, which should include monitoring progress towards financial sustainability, as well as opening up to new members.

The EIT should also monitor the implementation of the activities to be carried out by KICs for the development of the entrepreneurial and innovation capacities of their member organisations, including higher education institutions, vocational education and training providers, SMEs and start-ups, and their integration into innovation ecosystems, across the EU and in line with the knowledge triangle approach.

EIT bodies and group of Member State representatives

The Governing Board should be responsible for steering and monitoring the activities of the EIT, for the selection, designation, financing, monitoring and evaluation of the KICs, including the adoption of appropriate corrective measures in case of underperformance of the KICs, and for other strategic decisions.

A Member State Representatives Group (MSRG) should be consulted on strategic decisions, such as the extension of partnership agreements with KICs.

EIT budget

The EU contribution should be provided in the form of a financial contribution from Horizon Europe set at EUR 2 726 000 000 in current prices, plus an additional amount of EUR 210 000 000 in constant 2018 prices, for the period 2021-2027.

The EIT may receive additional financial resources from other EU programmes.

Monitoring and evaluation of the EIT

The Commission, with the assistance of independent external experts and taking into account the views of stakeholders, should carry out a timely interim and final evaluation of the EIT and the KICs. No later than 31 December 2026, the Commission should, on the basis of the results of the evaluations, present, if appropriate, any proposal for the amendment of the Regulation which it considers necessary.

European Institute of Innovation and Technology (EIT). Recast

2019/0151(COD) - 11/07/2019 - Document attached to the procedure

This Commission document concerns the regulatory scrutiny board opinions on the proposal for a Regulation of the European Parliament and of the Council on the European Institute of Innovation and Technology (recast) and 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) 2021-2027: Boosting the Innovation Talent and Capacity of Europe.

Two opinions were given, the first negative opinion was given based on the version of the proposal dated the 22 January 2019 and the second, positive opinion, was based on the version from 22 March 2019.

Opinion 1: the Board gave a ***negative opinion*** as it considered that the report contains important shortcomings that need to be addressed, particularly with respect to the following key aspects:

- the report does not explain what still needs to be decided and what is covered under Horizon Europe. It is also unclear which elements pertain to the new SIA and the amended EIT Regulation, respectively;

- the report does not provide evidence that demonstrates the need to act on alleged problems. It is also not clear how the options respond comprehensively to the reported problems;

- the report does not explain why the reallocation of funds works in opposite directions for different options, nor does it explain what the regional hubs achieve.

Further considerations and adjustment requirements

The Board suggested that the report should better explain what the Commission needs to decide at this stage. It should clarify the urgency to act and coherence with other initiatives.

Other relevant problems need assessment, such as administrative costs or burdens for SMEs.

The options should contain alternative solutions to the identified problems and for the decisions to take, such as the choice of themes for new KICs. The report should make clear what measures are contained in each option, and how they would tackle the problems in practice. The options should explore alternative uses of the available budget. The report should report on the opinions of stakeholders on the options.

The presentation of the report should be more reader friendly, avoiding jargon and using plain language. It should enable the reader to understand how the EIT works and cooperates with KICs. Some more technical comments have been transmitted directly to the author DG.

Opinion 2: the Board takes note of substantial improvements to the impact assessment. It therefore gave a ***positive opinion***, with a recommendation to further improve the report with respect to the following key aspects:

- the report should present in more detail the views of the relevant stakeholder groups on the different policy options;

- the revised report explains better how the funding model of the KICs would change;

- the report could further elaborate on potential administrative burden reduction with a focus on the reporting on KIC complementary activities;

- the report presents a monitoring and evaluation system that matches objectives with corresponding indicators. It clarifies the sources and the responsibilities for data collection. It would be useful to define benchmarks for measuring success ;

- the revised report is more reader-friendly with the addition of boxes, visual aids including a problem tree, objective tree and a revised intervention logic diagram.

European Institute of Innovation and Technology (EIT). Recast

2019/0151(COD) - 11/07/2019 - Document attached to the procedure

This Commission staff working document sets out the executive summary of the impact assessment on the Proposal for a Regulation of the European Parliament and of the Council on the European Institute of Innovation and Technology (recast) and 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) 2021-2027: Boosting the Innovation Talent and Capacity of Europe.

Three options were considered in addressing the identified challenges:

- ***Option 1*** (the baseline) represents the continuation of EIT's activities as they are today with adjustments necessary to align it with the proposal for Horizon Europe. The EIT would comply with implementation, monitoring and evaluation criteria for European Partnerships. It would develop synergies with the European Innovation Council. There would be two new KICs.

- ***Option 2*** builds on the baseline and furthermore adopts a number of measures to enhance the effectiveness of EIT functioning, including adapting its funding model. It introduces a new EIT action to support the entrepreneurial and innovation capacity development of Higher Education Institutions (HEIs) and strengthen its Regional Innovation Scheme. There would be two new KICs.

- ***Option 3*** builds on the baseline and a number of measures to enhance the effectiveness of the EIT as in Option 2. It furthermore introduces a new activity of setting up a EIT Hub in each Member States in order to increase the EIT's overall impacts. The EIT would directly implement the EIT Hubs to foster knowledge triangle integration via support for collaborative projects on a smaller scale than KICs.

There would be one new KIC.

All three Options would have legislative implications for the amendment of the EIT Regulation and the new Strategic Innovation Agenda of the EIT.

Preferred option

The preferred option is Option 2, which strikes the best balance in achieving the objectives of the initiative while considering the resources available and offering the highest economic and societal impacts. It would entail a significant improvement of the EIT in the next programming period. It would deepen the knowledge triangle integration, contribute to strengthening innovation ecosystems and increase the innovation and entrepreneurial capacity of the higher education sector. It would contribute to reducing skills gaps in key sectors of the economy; increase knowledge sharing and networking in innovation ecosystems; promote effective and efficient new business creation; increase the quality of entrepreneurial higher education. It would also increase the levels of private investment in KICs in medium to long run and support them more effectively to reach the EIT financial sustainability objectives.

It would allow the EIT to gradually improve and enhance its regional outreach to countries with modest and moderate innovation performance.

Lastly, the implementation of the preferred policy option will be monitored and evaluated regularly. Continuous monitoring of the operational performance and output of the KICs will be carried out annually by the EIT based on a specific impact indicator framework. The Commission will carry out an independent mid-term evaluation of the economic and societal impacts of the EIT in 2024, aligned with the mid-term evaluation of the Horizon Europe programme.

European Institute of Innovation and Technology (EIT). Recast

2019/0151(COD) - 11/07/2019 - Document attached to the procedure

This Commission staff working document sets out the impact assessment that accompanies the proposals for an amendment of the European Institute of Innovation and Technology (EIT) Regulation through a recast and for a new Strategic Innovation Agenda (SIA) for the EIT for the period 2021-2027.

These initiatives aim to align the EIT legislative framework with the Commission proposal establishing the Horizon Europe Programme, the next Union framework programme supporting research and innovation, to define the new priority fields of the EIT as well as its financial needs, and to improve the functioning of the EIT taking into account the lessons learned from the past years.

This impact assessment focuses on key problems and issues that have been identified as hampering the effectiveness of the EIT based on lessons learned from the EIT interim evaluation and other key sources of evidence.

Policy options

Three policy options are presented below:

(1) A baseline reflecting the continuation of business as usual: the EIT would continue to support KICs and build innovation ecosystems across the EU. The first three KICs, launched in 2010, will cease to receive an EIT grant after 2024 (in line with the maximum duration for support provided by the EIT to KIC) while one new KIC would be set up in 2022 and a second in 2025.

(2) Concerted action: the EIT would continue to support KICs and build innovation ecosystems across Europe. The key results of KIC activities (EIT Label graduates; start-ups created by EIT; new products and services on the market) would be broadly similar to the baseline given that the number of new KICs will be the same. However, there would be a number of efficiency gains resulting from the improvements related to the technical issues and the introduction of a co-funding model.

(3) Increased support: the EIT would continue to support KICs and build innovation ecosystems across Europe. Within the given budget distribution of this option only one KIC could be launched (in 2022). The key results of KIC activities (EIT Label graduates; start-ups created by EIT; new products and services on the market) would be broadly similar to Options 1 and 2.

Preferred option

Based on the assessment of impacts presented above, Option 2 represents the most suitable way to implement the objectives of the initiative while offering the highest impacts. It would allow for a targeted and proportionate action, amounting to an incremental strengthening of the intervention alongside reinforced legal certainty. Option 2 would be a significant improvement over the baseline Option, it would reflect well the stakeholders views and could be implemented within the suggested timeframe. Particular attention has been paid to the contribution of each Option to the attainment of the overall delivery of EU priorities as set in the Horizon Europe proposal and the role of the EIT in that programme, while also comparing their effectiveness, efficiency and coherence.

European Institute of Innovation and Technology (EIT). Recast

2019/0151(COD) - 11/07/2019 - Legislative proposal

PURPOSE: to update the legal base of the European Institute of Innovation and Technology (EIT).

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

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the European Institute of Innovation and Technology was established in 2008 by Regulation (EC) No 294/2008, as amended by Regulation (EC) No 1292/2013, and has its headquarters in Budapest. Its overall mission is to stimulate sustainable European economic growth and competitiveness by strengthening the innovative capacity of Member States and the Union.

The functioning of the EIT is based on its Knowledge and Innovation Communities (KICs). These are large-scale European partnerships bringing together educational institutions, research institutes and professional organisations to address specific societal challenges.

The EIT is an integral part of the Commission's proposal to establish Horizon Europe, the EU's next research and innovation programme (2021-2027). It is one of the three components of its "Innovative Europe" pillar.

The Horizon Europe proposal sets out the budget for the EIT for the next MFF as well as its rationale, added value, areas of intervention and broad lines of activity. However, the Horizon Europe proposal itself does not provide the legal basis for continuing the EIT operations as from 2021. The legal base of the EIT remains the EIT Regulation which defines its mission, its main tasks and the framework for its operation.

As a number of provisions of the EIT Regulation refer directly to the current Horizon 2020 programme for the period 2014-2020, the Commission proposes to amend these provisions in order to make them compatible with the next Union framework programmes supporting research and innovation.

The proposal builds on the external evaluation of the EIT carried out in 2017 which confirmed that the rationale behind the establishment of the EIT is valid.

IMPACT ASSESSMENT: the preferred option is based on the baseline scenario (continuation of the EIT's activities in their current form, with the necessary adjustments to bring the EIT into line with the Horizon Europe proposal). In addition, it provides for the adoption of a number of technical measures to improve the functioning of the EIT and proposes a new action to encourage entrepreneurial education across Europe.

CONTENT: the proposal for a revised EIT Regulation aims to ensure greater legal clarity and alignment with the EU Framework Programme for Research and Innovation.

The Commission proposes to make the new EIT Regulation time neutral so that amendments to it at the end of each MFF would in principle not be necessary or only minimal.

The EIT's Strategic Innovation Agenda (SIA) would define the priority areas and long-term strategy for EIT action for a period of seven years. It should ensure that it is in line with the objectives of the relevant EU framework programme for support for research and innovation and with the requirements of that programme for multi-annual strategic planning, monitoring and other activities, and promote synergies with other relevant programmes under each new MFF.

In concrete terms, the recast proposal:

- clarifies the missions of the EIT and assigns it a new mission to design and coordinate support actions undertaken by the KICs for the development of entrepreneurial and innovation capacity of Higher Education Institutions and their integration in innovation ecosystems;

- updates the reference to the Union framework programme supporting research and innovation as regards the indicators for the continuous monitoring and periodic external evaluations of the KICs;

- reinforces the comprehensive mid-term review of each KIC before the expiry of the initial framework partnership agreement and introduces the notion of a memorandum of cooperation, as a facultative means to ensure EIT-KICs relation following the end date of the framework partnership agreement.

- provides the EIT with a light and simplified funding model, designed to more effectively encourage additional private and public investment: the EIT's contribution to the KICs could only cover up to 100 % of the total eligible costs of KIC added-value activities only in the initial stages of the KIC life. Such contribution shall gradually decrease over time in compliance with the co-funding rates defined in the SIA. It also emphasises the importance of financial sustainability of KICs within the EIT’s competitive allocation mechanism;

- strengthens the governance structure of the EIT: the amendments aim to clarify the roles of the EIT Governing Board, Executive Committee and Director, strengthen the Governing Board’s role in the monitoring, supervision and steering of KICs and clarify the Commission’s role vis-à-vis the EIT to reflect its obligations in terms of monitoring and sound financial management.