

European Institute of Innovation and Technology and its Strategic Innovation Agenda, 2021-2027

Impact assessment (SWD(2019) 330 final/2, SWD(2019) 331 (summary)) accompanying a Commission proposal for a regulation of the European Parliament and of the Council on the European Institute of Innovation and Technology and a Commission 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

This briefing provides an initial analysis of the strengths and weaknesses of the European Commission's [impact assessment](#) (IA) accompanying the above-mentioned Commission proposal for a regulation ([COM\(2019\) 331, recast](#)) and proposal for a decision ([COM\(2019\) 330](#)), adopted on 11 July 2019 and referred to the European Parliament's Committee of Industry, Research and Energy (ITRE).

The [European Institute of Innovation and Technology](#) (EIT) is a European Union body established in 2008¹ and located in Budapest, Hungary. Its aim is to stimulate and support innovation in order to boost sustainable economic growth and competitiveness in Europe (IA, p. 5). The above-mentioned Commission proposals aim to align the EIT legislative framework with the Commission proposal establishing [Horizon Europe](#),² the EU's new framework programme for research and innovation under which the EIT will receive funding worth €3 billion over the 2021-2027 multiannual budgetary period (see the [proposal](#) for the Horizon Europe regulation). The Horizon Europe proposal is currently under trilogue discussions among the Commission, the Parliament and the Council. It does not in itself provide the legal basis for continuing the operation of the EIT beyond 2020, and the EIT regulation needs to be amended (IA summary, pp. 2-3).

The impact assessment accompanying both EIT proposals builds on the impact assessment³ performed for Horizon Europe, which 'focusses on key problems and issues that have been identified as hampering the effectiveness of the EIT' both in the [interim evaluation](#) of the EIT⁴ (see section problem definition below) and in 'other key sources of evidence'⁵ (IA, p. 5). Annex 4B to the IA (p. 103) points to the conclusion drawn in the EIT evaluation that the EIT/[knowledge and innovation communities](#) (KICs) model remains highly relevant and targets structural weaknesses of the innovation capacities in the EU, such as: 'the limited entrepreneurial culture, the low level of cooperation between academia and industry and the insufficient development of human potential'. Furthermore, the EIT and KICs model 'aims to contribute to closing the innovation gap between the EU and its key competitors'⁶.

KICs bring together the 'knowledge triangle' – leading companies, universities and research centres – and perform innovation activities. Since 2010, eight KICs have been set up in the following areas of innovation: Digital, Climate, InnoEnergy, Health, Raw Materials, Food, Manufacturing, and Urban Mobility (IA, p. 7). According to the EIT Strategic Innovation Agenda (SIA) proposal, there are plans to set up two new KICs in the next budgetary period: one in the area of Culture and Creative Industries (CCI),^{7,8} and another 'on a theme to be defined taking into account the Horizon Europe Strategic Planning exercise' (IA, p. 35).⁹

It has to be noted that 73 % of the EIT financial contribution to innovation is concentrated in five countries: the Netherlands (24 %), Germany (15 %), France (13 %), Sweden (12 %) and the United Kingdom (9 %) (IA, p. 17). The proposal on the EIT SIA offers to strengthen the Regional Innovation Scheme (RIS) as a means to expand the regional outreach to Member States with low innovation performance¹⁰ (Explanatory memorandum to the EIT SIA proposal, p.5), in accordance with the preferred option of the IA (Option 2, IA, p. 36). Currently, KICs represent more than 1 500 partners across the EU: 983 companies, including small and medium-sized enterprises (SMEs), 133 cities, regions and NGOs, 252 research centres, and 249 higher education institutions (see [EIT At a glance](#)).

Problem definition

The problems that the proposals aim to resolve have been identified in the interim assessment of the EIT, the Court of Auditors' (ECA) [report](#) and the High-level Group report,¹¹ and are described in the IA as follows: sub-optimal funding of the KICs; limited impact of the EIT education activities and regional outreach; a high concentration of EIT financial support among a small number of partners; and EIT governance and staff issues (IA, pp. 13-21).

The IA clearly describes both the scale of the problems and their drivers (p. 21), taking on board the evidence presented in the various sources of supporting analysis mentioned above. The funding modalities that divide the EIT's activities into two categories, namely, activities funded up to 100 % by the EIT and complementary activities that are not funded by the EIT, cause a disproportionate administrative burden for the KICs, because reporting on such activities is not essential to achieving the EIT objectives, according to the ECA report (IA, pp. 13- 14). In addition, the existing annual funding model makes it difficult to plan and organise multiannual innovation projects, thereby limiting any longer-term innovation activities (p. 15).

KICs are made up of geographical hubs or co-location centres (CLCs) bringing together partners from the areas of education, research and industry at the local or regional level. Stakeholders publicly consulted for the mid-term evaluation reported that KICs actually had 'little or no systemic impact on local, regional, or national innovation ecosystems', especially in the 'moderate' and 'modest' innovation countries (IA, p. 17). To mitigate the regional innovation disparities, the EIT set up a Regional Innovation Scheme in 2014. However, its impact remains limited, according to the IA, due to sub-optimal budget availability, which is 1.7 % to 5 % of the total annual grant¹² for a first-generation KIC¹³ (IA, pp. 17-18). The main criterion for receiving funding under Horizon 2020 is excellence in research, which makes it complicated for moderate and modest innovator countries to receive EIT funding.¹⁴ However, the IA does not discuss this problem.

The IA considers that the level of cooperation between education and training institutions and businesses is not sufficient; the same goes for training opportunities in Europe, which, according to the respondents to the open public consultation, are limited in order to become more entrepreneurial and innovation-minded (IA, p. 19). Regarding the KICs' transparency and openness, some KICs partners have expressed concerns that only a limited number of partners are making the strategic and operational decisions. This has the effect of diminishing the KICs' attractiveness to potential new partners, including SMEs, who perceive them as 'closed clubs' (IA, p. 18).

There is a high turnover of EIT staff due 'to the fact that EIT staff contracts have limited duration compared to other similar EU bodies', affecting the continuity of the EIT's operations and its functioning (IA, p. 20).



Objectives of the initiatives

The **general objectives** of the EIT have already been outlined in the Horizon Europe programme (Pillars II and III, IA, p. 41): 'to strengthen the scientific and technological bases of the Union and foster its competitiveness, including for its industry, deliver on the EU's strategic policy priorities and contribute to tackling global challenges, including the Sustainable Development Goals' (IA for the proposal on Horizon Europe,¹⁵ p. 15). **The specific objectives** for the EIT, which are 'to be defined in the Strategic Innovation Agenda' (IA, p. 23), are as follows:

- to increase the impact of KICs and knowledge triangle integration through an effective and efficient EIT funding model;
- to increase the innovation and entrepreneurial capacity of the higher education sector by promoting institutional change in higher education institutions in Europe;
- to increase the regional outreach of the EIT in order to address regional disparities in innovation capacity across the EU.

The EIT has two operational objectives: to improve its operational effectiveness and efficiency, and to increase its openness and transparency. Operational objectives are identified for the preferred option, in accordance with [tool #16](#) of the [Better Regulation](#) Guidelines (BRGs). However, these objectives appear not to be very specific, as they do not include more concrete actions on how to achieve institutional change in the higher education institutions (HEIs) in Europe, or how to address regional disparities.

The objectives are consistent with the conclusions of the supporting analyses, and are in line with the problems identified and their underlying drivers. Furthermore, they appear to comply broadly with the SMART criteria¹⁶ of the BRGs, although the operational objectives could have been more specific. The general budget decisions that are yet to be taken in the framework of Horizon Europe for the 2021-2027 period are important in order to achieve the objectives set out in the IA for the two EIT proposals, and that remains a political uncertainty at the time of writing.

Range of options considered

The IA presents the minimum of two policy options in addition to the baseline.

Under the **baseline** (no-change scenario), which is presented as option 1, the funding model would not change, the RIS would remain a voluntary tool, and no changes would be applied to the staff or their contracts. No new actions would be launched to further address education and regional issues. (IA, pp. 34-35). Two new KICs¹⁷ would be launched over the 2021-2027 programming period; it appears that they are not an element of either of the two proposals – on the EIT and on its SIA – as they would be implemented under the baseline, i.e., not as part of the updated legislation. Therefore, the IA could have expanded more on how the themes for the new KICs would be selected: based on what criteria and on what decision-making process between the Commission and the EIT.

Option 2 builds on the baseline, while also adopting 'technical measures to enhance the functioning of the EIT' (IA, p. 35). A new action, HEInnovate, would be introduced to directly support the entrepreneurial and innovation capacity of the HEIs, with a dedicated budget of around €420 million (€60 million per year). The EIT funding model would be adapted to gradually decrease the EIT co-funding rate, as a way to incentivise KICs to look for alternative, private sources of funding. The RIS would be integrated into the KICs' business plans as a core activity of theirs, and the budget for this core activity would be increased (to around €420 million), particularly targeting HEIs from modest and moderate innovator countries. Two new KICs would be launched over the 2021-2027 period, as under the baseline scenario. The first three KICs that were launched in 2010 would stop receiving EIT financial support after 2024, in line with the current EIT Regulation (IA, pp. 36-37). Rules concerning EIT staff and the duration of their employment contracts would be aligned with those of other agencies (IA, p. 46).

Option 3 introduces 'the same co-funding model and technical measures to enhance the functioning of the EIT' as under option 2. Option 3 would set up an EIT hub in each Member State instead of supporting the entrepreneurial and innovation capacity of HEIs as suggested in Option 2. The role of such hubs would be 'to support small-scale knowledge triangle integration projects between at least one HEI, one

business and one research organisation from at least three countries' (IA, p. 39). The EIT would manage the hubs in all Member States, and the allocated total budget for this activity would be around €800 million. Under this option, 70 % of the budget would be allocated to grants to KICs, 27 % to EIT-driven activities, and 3 % to administration. (IA, p. 39). Only one new KIC would be launched, on the theme of Cultural and Creative Industries; later, in the chapter on the types of impacts (IA, p. 46), the IA specifies that the reason for this single KIC is the limited budget allocation under this scenario. As under option 2, the first three KICs launched in 2010 would stop receiving EIT financial support after 2024, and rules concerning EIT staff and the duration of their employment contracts would be aligned with those of other agencies (IA, p. 49).

Annex 5 to the IA describes the discarded options, showing attempts to search for alternative solutions according to [tool #17](#) of the BRGs. With the help of a table, the IA makes a useful comparison between the options based on their effectiveness, efficiency and coherence. (IA, pp. 51-53). The **preferred option** on this basis is **option 2**, which is said to offer 'the highest impacts': economic and social spill-overs, higher competitiveness, a relative low cost and a considerable improvement of the regional outreach. Option 3 envisages higher costs for achieving the objectives relative to option 2. Furthermore, its regional outreach would be achieved only in the long term, and 'the administrative burden created from the implementation of this option in multiple locations and the need to coordinate at a centralised EIT level would not be commensurate to the potential benefits within the proposed budget' (IA, p. 55). The big contrast of how negative the impacts for option 3 are raises the question as to whether this could be a genuine alternative for future political action.

Overall, the policy options are described in a balanced way; however, it would have been helpful if there was greater clarity regarding the planning for the future KICs and the basis for launching them. For example, Annex 9 to the IA usefully analyses other possible themes for future KICs.¹⁸ It explains that the Commission, together with the EIT, has checked the new themes for the future KICs, including Cultural and Creative Industries. It is not clear why this theme is included in the baseline no-action scenario, given that it is discussed as a future theme.

Scope of the impact assessment

The IA discusses the **economic, societal and innovation impacts** in qualitative and quantitative terms, without however specifying the kinds of impacts that fall under each category, and therefore lacking sufficient analytical clarity. The table below is the author's attempt to somehow categorise the types of impacts. Annex 2a specifies that societal benefits actually refer to the areas in which the KICs operate, such as climate, health, or energy (IA, p. 69). The IA admits that '[d]ue to the nature of the policy there will not be any particular health or environmental risks' (IA, p. 53). For example, regarding social impacts under the preferred option, the IA generally observes that 'the social impact of the entrepreneurial transformation of higher education [...] would be reflected by the involvement of staff, students and institutions' (IA, p. 45). Regarding innovation impacts, the IA explains that '[t]he novel character of the EIT and the knowledge triangle integration model suggest that its impacts are gradually evolving and can only be demonstrated in the long-term' (IA, p. 41).

Table 1 – Description of the impacts of the policy options

	Baseline	Option 2	Option 3
Economic impacts	1. No particular incentives to enhance SME participation 2. Around 73 % of the total budget remains available to partners in five countries	1. The number of CLCs in modest and moderate innovator countries would at least double 2. The budget increase to at least 10 % for the regional outreach (from the current average of 4.3 %) would benefit the moderate and modest innovators as their participation would grow	1. The total budget for EIT hubs over the next seven-year period would be around €810 million 2. The planned creation of EIT hubs in each Member State would involve a more than double increase in EIT staff numbers

		3. Between €1 500 and 1 800 million of private investment co-funding is expected to be generated	
Societal impacts	<ol style="list-style-type: none"> 1. The number of full time equivalents (FTE) in the EIT and KICs would reach 1 000 (in 2016, 430 FTE direct jobs were created due to the establishment of the EIT, KICs and their co-location centres) 2. The number of indirectly created jobs will double, reaching around 12 000 jobs 3. Around 10 000 students would participate in the EIT education activities over the 2021-2027 period 	<ol style="list-style-type: none"> 1. The overall number of participants from moderate and modest innovation countries would be 850: 200 (current RIS), +200 (future RIS), +450 (HEI projects) 2. Around 450 HEIs and more than 20 000 students would be expected to participate in the new EIT action, HEInnovate 3. The total budget allocated to education would increase to around 31 %, compared to the current rate of 17 % for the KIC-related expenditure for education 	<ol style="list-style-type: none"> 1. The overall number of participants from moderate and modest innovation countries would be 850: 200 (current RIS), +200 (future RIS), +450 (HEI projects). Each hub would run projects with a maximum budget of €3 million, involving at least 20 students per project 2. Job creation and revenue growth in local innovation systems would increase marginally under the new action of creating EIT hubs
Innovation impacts	<ol style="list-style-type: none"> 1. Between 2021 and 2027 around, 3 500 new products, services or processes would reach the market 2. The number of start-ups supported by the EIT would reach around 400 	<ol style="list-style-type: none"> 1. Broadly similar to the baseline 2. The number of start-ups would not increase in linear terms, but some efficiency gains are expected in terms of survival rates of start-ups and higher commercialisation of ideas and technological maturity 3. The social impact of the entrepreneurial transformation of higher education through this measure would be measured through the involvement of staff, students and institutions 	<ol style="list-style-type: none"> 1. Broadly similar to the baseline and option 2

Source: Author on the basis of the information provided in the IA (pp. 41-50).

The IA describes the impacts in rather general terms, giving a lot of attention to the content of the options rather than their impacts. Furthermore, the IA does not make it clear what added value the innovation impacts would bring to the policy options, as innovation continues under the baseline as well. It is difficult to compare the options, as, for example, jobs are not discussed under option 2.

One of the specific objectives of the two EIT proposals is to address regional disparities in innovation capacity across various Member States; however, the IA does not attempt to specifically describe any territorial impacts. Under option 3, the IA says that the '[k]nowledge triangle integration in regions would increase as a result of operations of the EIT Hubs through annual calls', and that specific synergies are expected with the European Regional Development Fund, for example (IA, p. 48-49). Perhaps it is a matter of presentation, and the IA could have drawn a clearer distinction between economic and territorial impacts. Moreover, Annex 10 to the IA provides a model-based analysis of funding scenarios for two regions in the EU,¹⁹ investigating the impact of EIT investment-support measures on private investment. A stylised investment model is used to look at the impact of the private investment co-funding rate and policy-induced changes in the risk premium component of the cost of capital (IA, Annex 10, pp. 159-181). The main conclusion of the analysis is that '[t]he higher the policy ability to reduce financial, technology or market uptake risks, the larger is the potential of the EIT investment support to leverage additional investment in KIC-supported projects' (IA, Annex 10, p. 182). It would have been helpful to include some details or conclusions of these quantifications in the main body of the IA, in order to link these quantifications with the logic behind the policy options selected for assessment.

Subsidiarity/proportionality

The IA addresses subsidiarity in a dedicated chapter (p. 22). The legal basis for both proposals is Article 173 of the Treaty on the Functioning of the European Union (TFEU), under which the EU shares its competence with the Member States regarding industry policy (Title XVII, Industry). The IA generally explains that the proposals have respected the principles of subsidiarity and proportionality, as a) they do not go beyond what is required to achieve the EU's objectives, and b) they 'provide a clear EU added-value in terms of economies of scale, scope and speed of investments in research and innovation areas, compared to national [...] solutions (IA, p. 22). At the same time, options are compared against criteria of effectiveness, efficiency and coherence, but not against the mandatory criterion of proportionality.

Several national parliaments have scrutinised the two proposals, but none has issued a reasoned opinion on subsidiarity or proportionality grounds. The deadline for submissions was 7 October 2019 (for both proposals). The Romanian Chamber of Deputies has [expressed concerns](#) regarding the data quality and has requested additional, quantifiable information on the extent of the risks and the impact indicators foreseen.

Budgetary or public finance implications

The IA describes the budgetary impacts and administrative burden for the EIT and the KICs in general terms, without providing a breakdown of the costs for the partners in the knowledge triangle (universities, industry and research centres). Under the baseline, the yearly reporting on the KICs' complementary activities would continue to add a significant administrative burden (IA, p. 43). Under option 2, compliance and adaptation costs regarding the new financing model would be higher for more mature KICs with an established practice, and lower for newer KICs; the same impacts are expected under option 3 (IA, p. 44 and 47). Option 2 reduces the administrative burden for KICs (IA, p. 52). Under option 3, the EIT's administrative costs would increase to €90 million, compared to €70 million under option 2 and €48 million under the baseline scenario (IA, p. 49). The setup and maintenance costs of the 26 EIT hubs for a seven-year period are calculated at around €110 million (IA, p. 47).

SME test/Competitiveness

The IA generally speaks about achieving a higher involvement of SMEs in the KICs; however, the impact that KICs could have on SMEs has not been evaluated among the types of impacts. One of the general objectives of the Horizon Europe programme is to increase competitiveness across the EU; however, the IA does not discuss competitiveness as a distinct type of impact.

Simplification and other regulatory implications

The SIA states clearly that 'the EIT will continue its efforts towards simplification in order to alleviate unnecessary administrative burden' (SIA, p. 17). The IA does not give details on simplification within the two proposals; however, the preferred option addresses the issue of the administrative burden.

Quality of data, research and analysis

The strength of the IA lies in the variety of supporting analyses that offer an ample overview of the problems the two proposals aspire to resolve. Sources of research include the ECA report, the High-level Group reports, the supporting study of the IA, and the interim evaluation performed by a consortium of two external consultancies: ICF and Technopolis (Interim Evaluation, p. 21). However, the IA makes no reference to a support study²⁰ that contributed to the assessment of impacts. Model-based analysis is used for assessing the impacts on the KICs' co-funding model, but no clear picture of the results is given in the main body of the IA.

The description of the content of the policy options is very general. The chapter assessing the types of impacts does not draw a clear distinction among the various types of impacts and lacks clarity. Furthermore, it is surprising, in light of the objectives of the proposals, that impacts on SMEs, territorial impacts and impacts on competitiveness are not discussed, nor are any details provided as to any data limitations or any other constraints that may have prevented such a discussion. The IA could perhaps have provided a summary of the impacts already assessed under the Horizon 2021-2027 programme

impact assessment exercise, in order to provide a more global context, especially taking into account that the proposals are consequently sharing the same general objectives as outlined in the Horizon Europe proposal. It is difficult to read the IA as a self-standing document.

Stakeholder consultation

A [public consultation](#) on the two proposals was conducted from 10 October to 5 December 2018 and triggered 157 contributions and 14 written position papers. The public consultation was shorter than 12 weeks, the minimum limit provided for in the BRG, but no justification was provided. The majority of respondents were EU citizens and academic and research organisations (32 % each), company and business organisations (16 %; of this percentage, 44 % were SMEs), and a mix of other respondents comprising 'representatives from public authorities, non-governmental organisations, environmental organisations and non-EU citizens' (20 %) (Annex 2b, p. 73).

Annex 2a to the IA mentions other consultation activities, such as interviews and online consultations with EIT and KIC representatives, but gives no details on the opinions expressed in their course. The views of stakeholders expressed at the public consultation appear to generally have been mentioned in the IA, albeit in a somewhat limited way. The IA claims that the majority of stakeholders support the preferred funding model (IA, p. 32), without providing a breakdown of the respective stakeholder groups.

Monitoring and evaluation

The IA deals with monitoring and evaluation indicators in a specific chapter featuring a table of key indicators to be collected against each objective. Annex 8 explains the impact indicator framework that would be used to assess the performance of the KICs in the next SIA (IA, p. 60 and Annex 8, pp. 118-131). The proposal for a decision on the SIA explains that 'the EIT will align its monitoring tools with the Impact Pathways of Horizon Europe that seek to address the need for scientific, economic and societal impact indicators more comprehensively' (Explanatory memorandum, p. 4), which is in accordance with what the IA says as well. The annex to the proposal for a decision on the [SIA](#) sets out reporting and monitoring obligations for the EIT, as well as target indicators (for example, a number of innovations launched on the market: 1 500 by 2023 and 4 000 by 2027) (Annex to the proposal for a decision on the SIA, p. 22). Mid-term and ex-post evaluations are planned for assessing the performance of the EIT and KICs in terms of relevance, effectiveness, efficiency, EU added value, and coherence (EIT proposal (recast), recital 20, p. 14). Such evaluations will feed into the overall Horizon Europe programme evaluation (IA, p. 60).

Commission Regulatory Scrutiny Board

The Regulatory Scrutiny Board (RSB) issued a first, [negative opinion](#), on 15 February 2019, which was followed by a [positive opinion](#) on 5 April, 2019. In its positive opinion, the RSB recommended that the IA be further improved in several important respects. Its key criticism was that the IA did not sufficiently analyse stakeholder views on the different options, nor did it explain how KICs would become sustainable under the new funding rules or what would be done to ensure the success of the new regional outreach activities. The IA appears to have addressed these concerns to a sufficient degree.

Coherence between the Commission's legislative proposal and IA

The proposal's provisions appear to generally follow the recommendations expressed in the IA.

Conclusions

The IA draws on ample supporting analyses, evaluation reports, supporting studies and modelling exercises, providing a solid base for the assessment of impacts. Nevertheless, the IA lacks clarity in its core chapters, namely when describing the content of the options and assessing the various types of impacts. The IA gives the impression that it was put together in some haste. It is surprising, in light of the objectives of the proposals, that impacts on SMEs, territorial impacts and impacts on competitiveness are not discussed, nor details provided as to any data limitations or any other constraints that may have prevented such a discussion. The IA is difficult to read and understand as a self-standing document, as the reader needs to look up many details in the supporting analyses. The big contrast of how negative the impacts of option 3 are compared to the preferred option 2 raise the question as to whether the IA

offered a genuine alternative choice for future political action. Finally, contrary to the BRGs, the public consultation lasted less than 12 weeks, without this having been accounted for in the IA.

ENDNOTES

- ¹ [Regulation \(EC\) No 294/2008](#) of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology. This regulation was amended in 2013 ([Regulation \(EU\) No 1292/2013](#) of the European Parliament and of the Council of 11 December 2013 amending Regulation (EC) No 294/2008 establishing the European Institute of Innovation and Technology), to align it to the Horizon Europe programme.
- ² See C. Karakas, [Horizon Europe Framework programme for research and innovation 2021–2027](#), EU Legislation in Progress 2021-2027 MFF, EPRS, European Parliament, May 2019.
- ³ See H. Dalli, [The Horizon Europe framework programme for research and innovation 2021-2027](#), Initial Appraisal of a European Commission Impact Assessment 2021-2027 MFF, EPRS, European Parliament, November 2018.
- ⁴ See [SWD\(2017\) 351](#). The reference to the interim evaluation is only found in the annexes to the impact assessment.
- ⁵ Such sources are not clearly indicated in the IA.
- ⁶ Here Annex 4b to the IA does not name the EU's competitors, even though doing so would have been useful.
- ⁷ The proposal on Horizon Europe explains that '[p]roposals for future EIT Knowledge and Innovation Communities (KICs) will be indicated in the EIT Strategic Innovation Agenda (SIA), and will take into account the outcomes of the strategic planning process' (explanatory memorandum of the proposal on the Horizon programme, p. 12).
- ⁸ Call planned for 2021.
- ⁹ Call planned for 2024.
- ¹⁰ The Commission uses the same categorisation of countries as in [the European Innovation Scoreboard](#): Innovation Leaders; Strong Innovators; Moderate Innovators; and Modest Innovators (IA, p. 17).
- ¹¹ The IA does not indicate here which High-level Group Report it is referring to. The interim evaluation refers to two High-level Group reports: the [Navracsics report](#) on 'The Future of the European Institute of Innovation and Technology (EIT)', 2016, and the [Lamy report](#) on 'Investing in the European future we want: Report of the independent High Level Group on maximising the impact of EU Research & Innovation Programmes', 2017.
- ¹² At the same time, EIT funding may only cover a maximum of 25 % of a KIC's overall costs (IA, p. 13).
- ¹³ The first KICs selected in December 2009: Climate, Digital and InnoEnergy.
- ¹⁴ See C. Karakas, [European research area \(ERA\) – Regional and cross-border perspectives](#), Briefing, EPRS, European Parliament, April 2019.
- ¹⁵ See [SWD\(2018\) 307](#).
- ¹⁶ Objectives should be Specific, Measurable, Achievable, Relevant and Time-bound (i.e. 'S.M.A.R.T').
- ¹⁷ Culture and creative industries, and another one to be determined in the framework of the Horizon programme.
- ¹⁸ Cultural and Creative Industries; Security and Resilience; Water, Marine and Maritime; and Inclusion, Integration and Migration (IA, Annex 9, p. 132).
- ¹⁹ Noord-Brabant in the Netherlands and Helsinki-Uusimaa in Finland.
- ²⁰ [The study](#) is publicly available: EU economic modelling system: Assessment of the European Institute of Innovation and Technology (EIT) investments in innovation and human capital, 2019, Joint Research Centre, European Commission.

This briefing, prepared for the Committee of Industry, Research and Energy (ITRE), analyses whether the principal criteria laid down in the Commission's own Better Regulation Guidelines, as well as additional factors identified by the Parliament in its Impact Assessment Handbook, appear to be met by the IA. It does not attempt to deal with the substance of the proposal.

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