

# European Institute of Innovation and Technology (EIT)

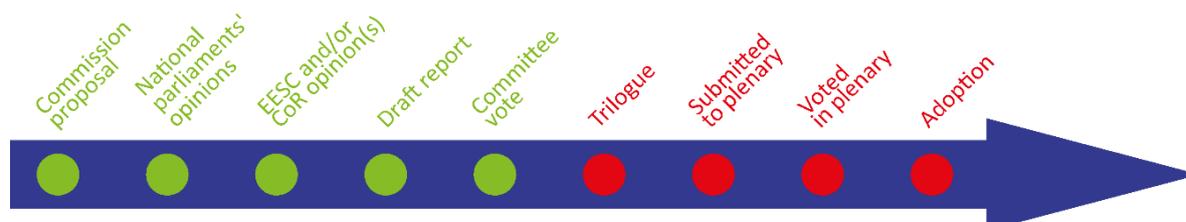
## Regulation and new strategic innovation agenda

### OVERVIEW

On 11 July 2019, the Commission presented its new legislative package on the European Institute of Innovation and Technology. The package consists of a recast of the current regulation and the new strategic innovation agenda.

Created in 2008 at the start of the seventh EU research and development framework programme, the EIT is dedicated to increasing competitiveness, sustainable economic growth and job creation by promoting knowledge triangle activities (higher education, research and innovation). It operates through eight 'knowledge and innovation communities' that address specific societal challenges, such as digitalisation, urban mobility, climate and raw materials and is part of Horizon 2020.

<b>a) Proposal for a regulation on the European Institute of Innovation and Technology (recast)</b>		
<b>b) Proposal for a decision on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT) 2021-2027: Boosting the Innovation Talent and Capacity of Europe</b>		
<i>Committee responsible:</i>	Industry, Research and Energy (ITRE)	COM(2019) 331 COM(2019) 330
<i>Rapporteurs:</i>	a): Marisa Matias (GUE/NGL, Portugal) b): Maria Da Graça Carvalho (EPP, Portugal)	11.7.2019
<i>Shadow rapporteurs:</i>	Andrius Kubilius (EPP, Lithuania), Lina Gálvez Muñoz (S&D, Spain), Susana Solís Pérez (Renew, Spain), Ijabs Ivars, (Renew, Latvia), Klaus Buchner (Greens/EFA, Germany), Robert Roos (ECR, the Netherlands), Andrea Caroppo (ID, Italy), Elena Lizzi (ID, Italy)	2019/0151(COD) 2019/0152(COD)
<i>Next steps expected:</i>	Trilogue negotiations	Ordinary legislative procedure (COD) (Parliament and Council on equal footing – formerly 'co-decision')



## Introduction

On 11 July 2019, the Commission presented its new legislative package on the European Institute of Innovation and Technology (EIT). The package consists of two proposals, for a:

- [regulation](#) on the European Institute of Innovation and Technology (recast) (COM(2019) 331), and for a
- [decision](#) on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT) 2021-2027: Boosting the Innovation Talent and Capacity of Europe (COM(2019) 330).

The [initial EIT Regulation](#), adopted at the start of the 7th EU Framework Programme for Research and Development (FP7) in 2008, set out the institute's mission and tasks and the framework for its functioning. The regulation was [amended](#) in 2013, in part so as to align it with the Horizon 2020 programme. The EIT has become an integral part of [Horizon 2020](#), the EU's current framework programme for research and innovation. Since Horizon 2020 will be phased out as of the end of 2020 and since Article 17 of the EIT Regulation requires that the Commission submit to Parliament and Council a proposal for a new strategic innovation agenda every seven years, the Commission needed to present a new legislative package.

The Union programme funding the EIT for the 2021-2027 period will be [Horizon Europe](#) (Horizon 2020's successor). The EIT is consequently also an integral part of the Commission proposal establishing Horizon Europe. The Horizon Europe proposal broadly sets out the budget for the EIT for the next multiannual financial framework (see 'Context' below) and also its rationale, added value, areas of intervention, broad lines of activity and synergies with other EU funding programmes. However, the Horizon Europe proposal itself does not provide the legal basis for continuing the EIT operations as from 2021. The legal basis for the EIT remains its own regulation.

In continuity with Horizon 2020, the Commission refers to Article 173 TFEU as legal basis for the EIT as it gives the EU shared competence in industrial policy.

## Context

Every seven years, the European Union decides on its long-term budget. On 2 May 2018, the European Commission proposed the next [multiannual financial framework](#) (MFF) for the 2021-2027 period. Ahead of the adoption of the proposal for a long-term budget, the European Commission presented [various options](#) (and their financial consequences) for a framework that would deliver efficiently on EU policy priorities after 2020. The 2021-2027 MFF will be the first for the European Union of 27 Member States, taking account of the budgetary consequences of the [withdrawal](#) of the United Kingdom from the EU.

## Existing situation

The [European Institute of Innovation and Technology](#) is an EU body created by the Union in 2008 and located in Budapest. The overall mission of the EIT is to boost sustainable European economic growth and competitiveness by reinforcing the innovation capacity of the Member States and the Union. The strategic innovation agenda lays down the strategic, long-term priorities and financial needs for the EIT.

The EIT is not a research centre and does not directly contribute to financing individual projects. Rather, it provides its knowledge and innovation communities (KICs) with grants. Currently, the EIT operates through eight KICs. These are large-scale European partnerships that address specific societal challenges (i.e. digitalisation, health, food, urban mobility, climate, energy, manufacturing and raw materials) by bringing together education, research and business organisations – they form the 'knowledge triangle'. To this end, the EIT provides the KICs with grants, monitors their activities, supports cross-KIC collaboration and disseminates results and best practice. A focus on global

challenges through the integration of the knowledge triangle and the provision of KIC grants lasting up to 15 years sets the EIT apart from other innovation instruments. Currently, with 1 500 partners in business, education and research, more than 50 'co-locations' across Europe,<sup>1</sup> and more than 6 000 jobs and 900 new products created, the EIT is Europe's largest innovation network.

The [EIT Governing Board](#) is the principal governing body, entrusted with the strategic leadership of the institute and the overall direction of the operational activities implemented by the EIT headquarters. It is independent and autonomous in its decision-making and is responsible for the selection, evaluation and support of the EIT. The board consists of 12 members, balancing expertise from higher education, research, business and innovation. Members have a four-year non-renewable term of office.

The [mid-term evaluation](#) of the EIT in 2018 confirmed that the overarching rationale of the EIT remains valid and the model of innovation-driven knowledge triangle integration remains relevant.

However, in the 11 years since the EIT was established, the pace of innovation has accelerated and is reshaping economic sectors. These changes are also however generating opportunities to tackle global challenges deriving for instance from climate change and the unsustainable use of natural resources, digital transformation, demographic shifts and the future of healthcare and food.

## Parliament's starting position

The European Parliament has voted on EIT-related issues on several occasions, for instance in March 2008 with its [legislative resolution](#) on establishing the European Institute of Innovation and Technology. In November 2013, Parliament adopted a [legislative resolution](#), amending the founding regulation of the EIT.

More recently, the EIT was subject of a Parliament report on the interim evaluation of Horizon 2020 and the two Horizon Europe proposals. In its June 2017 [resolution](#) on the assessment of Horizon 2020 implementation, Parliament called on the Commission to retain the KICs in their current EIT structure, stressing the importance of transparency and extensive stakeholder involvement, and to analyse how the EIT and KICs might interact with the [European Innovation Council](#) (EIC).<sup>2</sup>

In its [report](#) on the specific programme implementing Horizon Europe, Parliament calls on the Commission to make sure it harnesses the synergies between the EIC and EIT-affiliated innovative companies on a systematic basis. High potential innovative companies funded by the EIC, that are not already engaged in one of the KICs, could be offered access to EIT support.

In its [report](#) on the Horizon Europe framework programme, Parliament points out that 'research and innovation activities under the EIT shall have an exclusive focus on civil applications'. In Article 9.2(c), Parliament proposes to allocate 12.71 % of the budget for Pillar III 'Innovative Europe' for the 2021-2027 period, of which 8.71 % is earmarked for the European Innovation Council and 4 % for the European Institute of Innovation and Technology (see also 'Stakeholders' views').<sup>3</sup> Given that Parliament is calling for €120 billion for Horizon Europe (in constant 2018 prices), its first-reading position is more ambitious for the EIT budget than the Commission's proposal. The Parliament's position would amount to €4.8 billion for the EIT while Commission has proposed €3 billion, which amounts to 3.8 % of its proposal for Horizon Europe. Furthermore, Parliament advocates efforts to secure gender and climate mainstreaming and an interlinkage with the European Universities Initiative.

## Preparation of the proposal

In April 2016, the European Court of Auditors (ECA) presented a [special report](#) on the EIT. The report concludes that, 'despite a valid *raison d'être*, the EIT's complex operational framework and management problems have impeded its overall effectiveness'. Furthermore, the report states that 'seven years after its inception, the EIT is not yet fully operationally independent from the European

Commission. This has hampered its decision-making. The EIT is not the impact-driven institute envisaged'.

The ECA identified several weaknesses in key concepts and operational processes, including the following:

- The funding model of the EIT includes the concept of KIC complementary activities, which are not funded by the EIT. There is little or no added value to this funding condition, which complicates the monitoring and reporting of the EIT's financial contribution unnecessarily.
- The practical arrangements between the EIT and the KICs, such as the procedures for EIT grants to the KICs, are ill suited given the nature of the innovation activities the EIT aims to support.
- The financial sustainability of the KICs is doubtful. Businesses are not sufficiently involved in the KIC activities even though their participation was a prerequisite for the EIT to be successful. EIT funding is concentrated within a few countries and a limited number of KIC partners.
- The performance indicators and the monitoring and reporting processes do not provide an informative picture of results and impacts.

The ECA report makes the following recommendations on the basis of its conclusions:

- The Commission should propose an amended EIT legal basis to the European Parliament and the Council, revising the EIT's funding model.
- The EIT grant agreement (a) should cover a longer period than a calendar year and (b) should be signed before the start of the activities.
- The EIT should refocus its approach to delivering impact. To that end, it should seek greater autonomy and make use of the flexibility in the legal basis of Horizon 2020. In particular, it should adopt specific rules tailored to the needs of the KIC partners. The EIT should resolve its staffing issues to enable it to monitor the KICs' performance continuously.
- The EIT should develop impact-based analysis. The EIT should also streamline its monitoring and reporting processes.

In addition to taking into account the ECA report when preparing the new proposals, the European Commission conducted a [public consultation](#) on both proposals from 10 October to 5 December 2018. According to the Commission's [impact assessment](#), the consultation triggered 157 completed questionnaires and 14 written position papers.<sup>4</sup> The majority of respondents were EU citizens and academic and research organisations (32 % each), 16 % were company and business organisations (of which 44 % were SMEs), and 20 % were a mix of other respondents comprising public authorities, non-governmental organisations, environmental organisations and non-EU citizens.

The aggregate results showed that 96 % of the respondents agreed or strongly agreed with the statement that 'there is scope for further reinforcing the role of research and innovation in Europe to address global challenges'. The majority of respondents also agreed with statements about the fragmentation of the European innovation ecosystem (85 %), the slow transfer of ideas, technologies and talents from education and research into start-ups and technology (84 %) and the issue of companies with the potential for international growth facing the fragmentation and diversity of national markets (78 %).<sup>5</sup>

The most commonly mentioned factors hindering innovation included lack of visibility and awareness of existing innovation ecosystems and opportunities. Another key factor was excessive bureaucracy and high administrative complexity. This was often linked to the large amount of paperwork that needed to be filled out, long lead times for submitting projects, the scope of the work for the application, and the complexity of reporting outputs and impact. Many respondents noted that national differences (e.g. cultural, educational) and local contexts also were hindering factors. A number of issues relating to funding were also raised by respondents. Alongside the need for funding, other issues included complex funding rules, lack of commitment to multiyear or long-term funding, and little low-risk follow-up funding for completed projects.<sup>6</sup>

Furthermore, the impact assessment identified the following policy options: a baseline option and two different options addressing the problems and technical issues highlighted in the impact assessment. The baseline option 1 represented the continuation of EIT's activities as they are today with only the adjustments necessary to align them with the proposal for Horizon Europe. Option 2 built on the baseline, including the adoption of a number of technical measures to enhance the functioning of the EIT, and proposing a new action to foster entrepreneurial education across Europe. Option 3 differed from option 2 in that it would set up an EIT hub in each Member State in order to increase the impact of the EIT activities all across Europe. Option 2 was identified as the preferred option as it struck 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 also bring significant improvements to the EIT in the next programming period.<sup>7</sup>

In November 2019, the European Parliamentary Research Service (EPRS) published an [initial appraisal](#) of the European Commission impact assessment. The appraisal concludes, among other things, that the impact assessment 'lacks clarity in the most essential chapters of the IA, namely, when describing the content of the options and assessing various types of impacts. The IA gives the impression that it was put together in some haste. It is regrettable 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 for not having done so. It is difficult to read and understand the IA as a self-standing document, as the reader needs to look up many details in the supporting analyses'.

## The changes the proposal would bring

The Commission's legislative proposals envisage the EIT launching two new KICs. The launch of new KICs will take into account the strategic planning of Horizon Europe and the budget allocated to the EIT for the 2021-2027 period. Based on a proposal from the EIT Governing Board and an analysis thereof, a first KIC in the field of cultural and creative sectors and industries (CCSI) is to be launched in 2022 (with a call for proposals to be published in 2021). Depending on the proposed budget for the EIT, a second new KIC could be launched in 2025 with a call to be published in 2024.

The Commission proposal for a decision on the strategic innovation agenda (SIA) consists of three articles, covering the adoption and implementation of the SIA as well as its entry into force. The decision is accompanied by an [annex](#) (COM(2019) 330) that explains the new SIA in detail.

The strategic innovation agenda for the 2021-2027 period reflects the Horizon Europe proposal and, in particular, the key role of the EIT as part of the Open Innovation Pillar (Pillar III) and its aim to address global challenges (e.g. climate objectives). Furthermore, the EIT should contribute to European industrial competitiveness (Pillar II) and to excellent science (Pillar I).

According to the new SIA, the EIT will increase its regional impact through enhanced openness towards potential partners and stakeholders and a better articulated regional strategy for KICs, including links to the relevant smart specialisation strategies (S3).

The EIT regional innovation scheme (RIS), steered by the EIT and implemented by the KICs, has so far been run on a voluntary basis. From 2021 on, the EIT RIS will become an integral part of the KICs' multiannual strategy. RIS activities will continue with improved support for the innovation capacity of countries and regions that underperform in terms of innovation. Activities supported through the RIS will aim to improve the innovation capacities of the local ecosystem, via capacity-building activities and closer interactions between local innovation actors, such as networks, regional authorities, higher education institutions (HEIs), research organisations, and vocational education and training (VET) systems. In addition, the RIS intends to link local innovation ecosystems to pan-European innovation ecosystems through cooperation with EIT KICs and their co-locations.

The EIT budget devoted to implementing these activities will be at least 10 % of the overall EIT support funding for the KICs, thereby increasing the number of KIC partners from targeted regions.

The Commission proposal for the regulation on the EIT (recast) introduces the following changes:<sup>8</sup>

**Article 5 – EIT bodies:** The role of the Executive Committee as a specific EIT body is reinforced as is the accountability of the Director to the Governing Board. The independence of the internal auditing function is strengthened. The number of the members of the Governing Board is to increase from 12 to 15, balanced between business, higher education and research. These members will have a four-year term of office and, this is new, the Commission may extend that term of office once by a two-year period on a proposal of the Governing Board.<sup>9</sup>

**Article 6 – Tasks:** This article emphasises the importance of the EIT's role in ensuring an appropriate level of coordination and facilitating communication and thematic cooperation between the KICs. The article introduces a new EIT task to design and coordinate support actions undertaken by the KICs for the development of the entrepreneurial and innovation capacity of higher education institutions and their integration in innovation ecosystems.

**Article 10 – Principles for the evaluation and monitoring of KICs:** Here the Commission adds a reference to the Union framework programme supporting research and innovation as regards indicators for the continuous monitoring and periodic external evaluation of the KICs.

**Article 11 – Duration, continuation and termination of a KIC:** The proposal 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 an optional means of preserving the EIT-KIC relationship following the end date of the framework partnership agreement.

**Article 17 – Financing of the KICs:** This article sets out the principles underpinning the revised EIT funding model, namely that the EIT contribution to KICs can cover up to 100 % of the total eligible costs of KIC added-value activities only in the initial stages of the KIC's life. This contribution will gradually decrease over time in compliance with the co-funding rates defined in the SIA. The article also emphasises the importance of the financial sustainability of the KICs within the EIT's competitive allocation mechanism.

**Article 20 – EIT budget:** This article outlines the funding of the EIT and the source of the EIT's financial contribution to the KICs.

## Advisory committees

The European Economic and Social Committee (EESC) appointed Antonello Pezzini (Employers - Group I, Italy) to draft an opinion. The Committee adopted the [opinion](#) in plenary at its October 2019 session. EESC members generally welcome the Commission proposal. For the EESC, the EIT should, among other things, 'highlight its unique added value as a European leader in high-skill, specialist business education, identifying and trialling new teaching and learning methods'. In addition, it should build up (with the KICs) their own strategies for financing businesses. With regard to the proposal for a decision on the strategic innovation agenda for the 2021-2027 period, the EESC thinks that this process should be part of an all-encompassing approach and should cover all types of partnership in order to ensure a comprehensive overview of the work carried out in the partnerships and to achieve the objectives of the policies.

## National parliaments

The deadline for the submission of [reasoned opinions](#) on the grounds of subsidiarity was 7 October 2019 for both Commission proposals. The national parliaments largely support the Commission proposals.

## Stakeholders' views<sup>10</sup>

In a September 2019 circular to Member States and Members of the European Parliament, the KIC chief executive officers (CEOs) commented on the Commission proposals. Their letter has not, however, yet been made available to a wider audience.

## Legislative process

In the Council, the Research Working Party has been examining the Commission proposals since July. On 18 September 2019, Council published the [Member States' views](#) on the Commission's impact assessments. Delegations considered that the policy context was clearly explained, however one delegation was of the view that the political context could have been better developed. A majority of delegations considered that the IA demonstrated a potential gap that required a cross-border policy response. One delegation felt that increased attention should have been drawn to the continuing disparity between the EU's Member States and their research and innovation capacities. This delegation also remarked that further assessments should have taken place at Member State level to get an understanding of the impact of the EIT on the ground. All delegations accepted the proposed legal basis, i.e. Article 173(3) TFEU.

Concerning policy options, the delegations recognised that different options, including their costs, economic impact and implications for competitiveness, had been examined and that reasons had been provided for discarding alternatives during the public and stakeholder consultation. One delegation considered that insufficient attention had been given to addressing the acute concentration of EIT funding in a small number of Member States.

The European Parliament assigned the files to the Committee for Industry, Research and Energy (ITRE), which appointed Marisa Matias (GUE/NGL, Portugal) as rapporteur for the recast dossier and Maria Da Graça Carvalho (EPP, Portugal) for the dossier on the strategic innovation agenda.

The Committee for Culture and Education (CULT) drafted an opinion on each of the Commission proposals, as an associated committee under Rule 57, while the Legal Affairs Committee (JURI) provided an opinion on using the recast technique.

A technical meeting with the European Commission took place in Parliament on 7 November 2019. On 4 December 2019, there was an exchange of views with the Commission in the ITRE committee. The rapporteurs and ITRE committee members highlighted the need to increase openness and transparency in the operations of the KICs, the high concentration of EIT funding in a restricted number of Member States, the need to find a sustainable solution for the KICs after 15 years, and the low profile of the EIT, which remains unknown to most European citizens.

The publication of the two ITRE draft reports was initially planned for early 2020. However, the Covid-19 pandemic led to delays, with the two reports presented in mid-March 2020.

In total (including those in the two rapporteurs' reports), 374 amendments were tabled for the EIT Regulation and 409 amendments for the SIA Decision by the 30 April deadline. The amendments mostly aimed to simplify the EIT's financial and administrative rules, ensure more transparency, and set standards for geographical and gender balance in the work of its KICs.

On 16 June 2020, after several technical meetings in May and June (e.g. to discuss financial sustainability, regional distribution, the impact of the coronavirus), the ITRE committee adopted both the [Matias report](#) and the [Carvalho report](#).

The most important changes to the proposal are as follows:

- The EIT and the KICs' activities are to reinforce the knowledge triangle, while their objectives must contribute to the realisation of the Union strategic objectives and policies including the European Green Deal, the European Recovery Plan, the European data, digital, SME and industrial strategies and achieving Europe's strategic autonomy. Furthermore, the priorities are to contribute to tackling global and societal challenges, including the United Nation's Sustainable Development Goals (SDGs), and following the principles of the Paris Agreement.
- During the two first years of the EU's new multiannual financial framework (starting in January 2021), KICs will work under special terms in order to respond to the aftermath of the coronavirus pandemic. KICs will have more leeway in how they spend their money and face less bureaucratic burden around grant applications. After these two years, multiannual grant agreements

between EIT and the KICs will replace the annual ones, with the aim of reducing bureaucracy and ensuring more transparency.

- While excellence remains the main criterion for the selection of partners, projects or new co-location centres, KICs will give priority to those proposals that, inter alia: involve a higher number of SMEs; ensure a better gender balance; envisage a better linkage to regional and smart specialisation strategies. Moreover, they will include a higher number of regions and countries that are low research and innovation performers or that are not yet participating in the KIC community. In this context, the EIT is invited to extend geographical coverage of its activities' (in the Union) and to tackle the brain drain in particular from eastern and southern Member States.
- The first new KIC – covering the field of cultural and creative sectors and industries (CCSI) – is proposed to be launched in 2022. However, if the EIT Governing Board considers that further consultation of stakeholders is appropriate, it may postpone the establishment to 2023. The second new KIC – covering the field of Water, Marine and Maritime Sectors and Ecosystems (WaterKIC) – is proposed to be launched in 2025, with a call for proposals to be published in 2024. However, the Commission, with the assistance of independent experts, should carry out an impact assessment to evaluate the relevance of the field of Water, Marine and Maritime Sectors and Ecosystems by 2023.
- Duration of KICs: At the end of the initial seven-year period, the Governing Board may decide to extend the framework partnership agreement for a further seven-year period. In this context, the EIT must consult the European Parliament before extending the initial seven-year period. Before the expiry of the 14-year period, the Governing Board may decide to extend the framework partnership agreement with a KIC. That extended framework partnership agreement will be subject to the following: (a) a positive in-depth evaluation of the KIC by external experts and the Governing Board; (b) a detailed plan by the KIC setting out the reasons why the framework partnership agreement should be extended; (c) a limitation in time, scope and budget encompassing higher education, training and horizontally structured activities of the KIC that remain crucial for the fulfilment of its activities in responding to societal challenges.
- The Governing Board will be composed of 15 members and – as a novelty proposed by Parliament – also include a Member of the European Innovation Council (EIC). The term of office of the Director will be four years and can be extended for a period of up to another four years (instead of two years as the Commission proposed).
- As previously mentioned, Parliament suggests raising the EIT's budget from €3 billion to €4.8 billion – that would equal 4 % of the proposed €120 billion budget for Horizon Europe (which would finance the EIT). Around 96.7 % of the budget is envisaged to fund existing and new KICs of which (a) at least 15 % for the Regional Innovation Scheme (RIS); (b) a maximum 3 % for the education initiative aimed at developing innovation and entrepreneurial capacities in the knowledge triangle; and (c) around 10 % for the launch of two new KICs.
- The EIT is invited to establish an EIT country liaison officers network, as part of the National Contact Points (NCPs) for Horizon Europe in order to encourage the mutual transfer of knowledge, advice and best practice.
- To increase accountability and visibility of the EIT, every year the EIT Director is to present the annual activity report to the competent committees of the European Parliament.

On 10 July 2020, Parliament's plenary confirmed the ITRE committee's decision to enter into interinstitutional negotiations with the Council and Commission (Rule 71).

## EP SUPPORTING ANALYSIS

European Court of Auditors, [Special Report](#): The European Institute of Innovation and Technology must modify its delivery mechanisms and elements of its design to achieve the expected impact, No 4, 2016.

Karakas C., [Horizon Europe: Framework programme for research and innovation 2021–2027](#), EPRS, European Parliament, May 2019.

Karakas C., [Horizon Europe – Specific programme: Implementing the framework programme](#), EPRS, European Parliament, May 2019.

Karakas C., [Research and innovation in the EU: Evolution, achievements, challenges](#), EPRS, European Parliament, November 2018.

Reillon V., [The European Institute of Innovation and Technology](#), EPRS, European Parliament, September 2016.

Scientific Foresight (STOA) Blog, [How Can The EIT Strengthen EU Innovation?](#), EPRS, European Parliament, 2018.

Zandersone L., [European Institute of Innovation and Technology and its Strategic Innovation Agenda 2021-2027](#), EPRS, December 2019.

## OTHER SOURCES

[European Institute of Innovation and Technology \(EIT\). Recast](#), Legislative Observatory (OEIL), European Parliament.

[European Institute of Innovation and Technology \(EIT\): strategic innovation agenda 2021-2027](#), Legislative Observatory (OEIL), European Parliament.

## ENDNOTES

- <sup>1</sup> The EIT provides an overview of the community and co-locations on a dedicated [webpage](#).
- <sup>2</sup> When discussing the differences between the EIC and the EIT, the European Commission stresses that the EIC provides [direct funding](#) through Europe-wide, open competition, with a focus on all areas of disruptive and breakthrough market-creating innovation. The focus of the EIT, meanwhile, is the integration of higher education, research and innovation to address the global challenges set in the Horizon programmes. More specifically, the EIT is implemented through KICs, as partnerships between universities and businesses in specific thematic areas. The EIT and the EIC are considered to be complementary. The Commission points out that the EIC can provide follow up funding for start-ups that are fostered by the EIT KICs following a fast-track procedure.
- <sup>3</sup> While the Commission envisages a financial envelope of €94.1 billion for the implementation of the Horizon Europe framework programme, Parliament has proposed to raise the budget to €120 billion. This would have a significant impact on the EIT budget. The EIT would receive €4.8 billion for the 2021-2027 period as opposed to €3 billion.
- <sup>4</sup> See European Commission, [Impact Assessment](#), SWD(2019) 330, p. 72.
- <sup>5</sup> See European Commission, [Impact Assessment](#), SWD(2019) 330, p. 75.
- <sup>6</sup> See European Commission, [Impact Assessment](#), SWD(2019) 330, pp. 79-81.
- <sup>7</sup> This is the Commission's summarised version of the policy option results. See the European Commission's proposal for a [regulation](#) (recast), COM(2019) 331, p. 5.
- <sup>8</sup> This is the Commission's summarised version of the key changes. See the European Commission's proposal for a [regulation](#) (recast), COM(2019) 331, pp. 6-7.
- <sup>9</sup> See [Annexes](#) to the European Commission's proposal for a regulation (recast), pp. 1-2. This part aims to 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. The proposal contains a new requirement for agreement by the Commission on a limited number of strategic issues decided by the Governing Board (e.g. monitoring and financial allocation principles).
- <sup>10</sup> This section aims to provide a flavour of the debate and is not intended to be an exhaustive account of all different views on the proposal. Additional information can be found in related publications listed under 'EP supporting analysis'.

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