

# EUROPEAN PARLIAMENT

2004



2009

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*Committee on Budgets*

**2006/0197(COD)**

12.6.2007

## **OPINION**

of the Committee on Budgets

for the Committee on Industry, Research and Energy

on the proposal for a regulation of the European Parliament and the Council  
establishing the European Institute of Technology  
(COM(2006)0604 – C6-0355/2006 – 2006/0197(COD))

Draftswoman: Nina Škottová

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## SHORT JUSTIFICATION

### 1) Main objectives of the Commission proposal

The EIT is supposed to contribute to industrial competitiveness by reinforcing the innovative capacity of the EU. The aim is to integrate innovation, research and education at the highest standard (knowledge triangle). The proposal is therefore linked to the Lisbon agenda.

The Commission presents the EIT as a world-class high performance flagship, which should transform innovative discoveries into commercial opportunities. The proposal should also be seen within the framework of the Lisbon agenda, which aims at boosting the competitiveness of the EU industry and services aiming at creating jobs and sustainable growth. In particular, the participation of private sector in the EIT project appears to be exceedingly promising as an engine stimulating the efficiency of the knowledge triangle.

### 2) Financial implications

The proposed reference amount is **EUR 308 million** for a period of 6 years from 1 January 2008 (until 2013).

Additionally, **EUR 1.5 billion** are supposed to come from other EU programmes (7<sup>th</sup> Framework Programme for Research, Competitiveness and Innovation Programme (CIP) and Structural Funds etc.)

Moreover, **EUR 527 million** would come from Member States, private sector and EIB loans. This means that in **total**, the Commission estimates the spending of the EIT and the KICs (Knowledge and Innovation Communities) at **EUR 2.367 billion** (see table below).

### 3) Legal nature of EIT

The Commission indicates in the proposal that Article 185 of the Financial Regulation will apply because the EIT receives a contribution from the general budget. However, the Commission is of the opinion "that it will not be an "agency" in the generally accepted sense of that word". In its opinion, the Legal Service of the EP came to the conclusion that, in the absence of a clear definition of an agency, Point 47 of the Interinstitutional Agreement of 17 May 2006 should apply to the EIT.

Since the EIT as proposed by the Commission represents a structure/organisation that is very similar to (nearly identical with) an agency the draftsman, in cooperation with the standing rapporteur for Agencies, proposes several amendments that bring the EIT's organisational structure into line with already existing agencies such as the European Union Agency for Fundamental Rights. This concerns the tasks of the Director, the possibility to dismiss him, the disciplinary authority over the Director, the obligation to report regularly to the EP, etc.

### 4) Problems linked to financing

The funding was not explicitly foreseen in the Multiannual Financial Framework (MFF)

2007-2013. Therefore, the financial reference amount (EUR 308 million) would reduce the margin left under heading 1a by approximately 25%.

According to the Commission proposal, additional EU funding for the EIT would be taken from existing Community programmes:

- 7<sup>th</sup> Framework Programme for Research (FP7)
- Competitiveness and innovation programme (CIP)
- Structural Funds (European Regional Development Fund (ERDF), European Social Fund (ESF)): the expected contribution from the Structural Funds is estimated at up to EUR 1.25 billion for the period 2007-2013, of which EUR 1 billion would come from the ERDF and EUR 250 million from the ESF.

These appropriations would therefore not be available for other projects that are eligible under the Structural Funds. The scarce financial means available under heading 1a and 1b would thus be reduced.

Furthermore, from a legal point of view, there seem to be at least serious doubts as to whether such double-funding by the EU (the EIT as a body financed by the EU would receive additional funding from existing EU programmes) is admissible, because the EIT as a body financed by the EU would not only receive funding from the EU budget but would also receive additional funding from existing EU programmes.

As the Court of auditors pointed out in its Special Report 6/2005<sup>1</sup> on the trans-European network for transport (TEN-T), the combined Community financing from different sources entails a number of risks (such as over- or double-funding).

Furthermore, there are serious doubts as to whether such double-funding, if not mentioned explicitly in the relevant Community programme, is compatible with Article 111 of the Financial Regulation: *"Each action may give rise to the award of only one grant from the budget to any one beneficiary, except where the relevant basic acts authorise otherwise. A beneficiary may be awarded only one operating grant from the budget per financial year. The applicant shall immediately inform the authorising officers of any multiple applications and multiple grants relating to the same action or to the same work programme"*.

However, the EIT is not mentioned in the legal texts setting up these Community programmes. Preferential access to funding under these programmes can therefore not be granted. This means that the financing cannot be regarded as sure, bearing in mind that the biggest part of the estimated cost of the EIT (about EUR 1.5 billion out of EUR 2.67 billion) are to come from existing programmes).

The EIT will also be co-financed by local authorities, Member States, businesses, EIB loans and venture capital. Exact figures cannot be obtained, as the interest of the private sector is difficult to assess.

There is also concern that the EIT could overlap with already existing structure set up by FP7, such as the European Research Council. One of the innovations of FP7 is the establishment of the **European Research Council (ERC)**: the Specific Programme "Ideas" will be

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<sup>1</sup> OJ C 94 of 21 April 2006 p. 16-17 and p. 33 (par. 66, 68).

implemented according to the principles of scientific excellence, autonomy, and efficiency by means of the ERC consisting of an independent Scientific Council composed of scientists, engineers and scholars of the highest repute, representing the European research community, supported by an implementation structure which would be set up as an **Executive Agency** in accordance with Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes.

The rapporteur would also like to clarify the relationship between the existing Joint Research Centre and the EIT. The total staff of the Joint Research Centre is currently 1957 (only permanent posts).

The draftswoman would also like to emphasize that the relation between the EIT, JRC and ERC and the private sector needs clarification.

## 5) Conclusions

- a) The draftswoman welcomes the Commission's initiative to create a European Institute of Technology as an important step towards the improvement of the EU's competitiveness. However, she is concerned that such an important project could fail as there are still serious doubts about several aspects concerning the financing of the EIT. The material submitted by the Commission is sometimes unclear and/or contradictory so that it becomes difficult to evaluate whether or not sound financing of the EIT can be ensured.
- b) In view of the serious doubts concerning the additional funding from other Community programmes and the fact that this would reduce the funding available for other projects, this form of additional financing seems to be unsure.
- c) It is increasingly obvious that the appropriations provided for under heading 1a are insufficient. The European Parliament has fought to strengthen this heading, the aim of which is to promote competitiveness for growth and employment. The EIT could also be a candidate for the review of the IIA (revision of heading 1a).
- d) The EIT as proposed by the Commission would have a structure that is similar to the one of already existing agencies. The draftswoman therefore proposes several amendments in order to bring the EIT's organisation into line with the standard provisions laid down in legal texts establishing other agencies.

**DETAILS OF RESOURCES (AS SET OUT IN THE FINANCIAL STATEMENT OF THE COMMISSION PROPOSAL)**

**OBJECTIVES OF THE PROPOSAL IN TERMS OF THEIR FINANCIAL COST AND RESOURCE (SCENARIO OF 6 KICs IN 2013)**

<b>Costs</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Total</b>
EIT governing structure	2.900	5.800	8.700	8.700	8.700	8.700	43.500
Knowledge and Innovation Communities	0.000	0.000	220.800	303.600	441.600	662.400	1,628.400
Grants for Master students and PhD candidates	0.000	0.000	5.600	20.600	45.200	73.800	145.200
Improvement of innovation/research/education capacity	0.000	0.000	100.000	150.000	150.000	150.000	550.000
<b>Total costs</b>	<b>2.900</b>	<b>5.800</b>	<b>335.100</b>	<b>482.900</b>	<b>645.500</b>	<b>894.900</b>	<b>2,367.100</b>
<b>Resources</b>							
Local authorities and Member States, Enterprises, EIB loans, Venture Capital, <i>(directly to KICs or directly to EIT depending on source)</i>	0.000	0.000	47.080	113.040	133.740	233.100	526,960
Community budget (programmes: FP7, CIP, LLL, Structural Funds: ERDF, ESF) <i>(directly to KICs)<sup>1</sup></i>			238.020	309.860	436.760	546.800	1,531.440
Community budget (unallocated margin, subheading 1A) <i>(directly to EIT)</i>	2.900	5.800	50.000	60.000	75.000	115.000	308.700
<b>Total resources</b>	<b>2.900</b>	<b>5.800</b>	<b>335.100</b>	<b>482.900</b>	<b>645.500</b>	<b>894.900</b>	<b>2,367.100</b>

**AMENDMENTS**

The Committee on Budgets calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following amendments in its report:

**Draft legislative resolution**

Amendment 1  
Paragraph 1 a (new)

***1a. Considers that the compatibility of the Commission proposal with the ceilings of the multiannual financial framework (MFF) is not ensured;***

<sup>1</sup> Awarded in accordance with respective programme procedures.

Amendment 2  
Paragraph 1 b (new)

***1b. Recalls that the opinion delivered by the Committee on Budgets does not pre-empt the outcome of the procedure laid down in Point 47 of the IIA of 17 May 2006 which applies to the setting up of the European Institute of Technology;***

Amendment 3  
Paragraph 1 c (new)

***1c. Calls on the Council to enter into negotiations with the Parliament on both the financing of the governing body of the EIT, in accordance with point 47 of the IIA, and the financing of the KICs, using all possibilities offered by the IIA of 17 May 2006;***

**Proposal for a regulation**

Text proposed by the Commission<sup>1</sup>

Amendments by Parliament

Amendment 4

THE EUROPEAN PARLIAMENT AND  
THE COUNCIL OF THE EUROPEAN  
UNION

Having regard to the Treaty establishing the  
European Community, and in particular  
Article 157(3) thereof,

Having regard to the proposal from the  
Commission,  
Having regard to the opinion of the  
European Economic and Social Committee,  
Having regard to the opinion of the  
Committee of the Regions,  
Acting in accordance with the procedure laid  
down in Article 251 of the Treaty,

THE EUROPEAN PARLIAMENT AND  
THE COUNCIL OF THE EUROPEAN  
UNION

Having regard to the Treaty establishing the  
European Community, and in particular  
Article 157(3) thereof,

***Having regard to Article 185 of the  
Financial Regulation,  
Having regard to Article 47 of the  
Interinstitutional Agreement of 17 May  
2006 on budgetary discipline and sound  
financial management<sup>1</sup>,***

Having regard to the proposal from the  
Commission,  
Having regard to the opinion of the  
European Economic and Social Committee,  
Having regard to the opinion of the  
Committee of the Regions,  
Acting in accordance with the procedure laid  
down in Article 251 of the Treaty,  
<sup>1</sup> OJ C 139, 14.6.2006, p. 1.

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<sup>1</sup> OJ C , p. .

## *Justification*

*The EIT as proposed by the Commission represents a structure/organisation that is typical for agencies. This has to be reflected in the legal bases referred to in the Regulation.*

### Amendment 5 Recital 15

(15) This Regulation establishes a financial framework for the period 2008 to 2013 ***which is to be the principal point of reference for the budgetary authority, within the meaning of point 37*** of the Inter-institutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management.

(15) This Regulation establishes a financial framework for the period 2008 to 2013. ***However, by virtue of point 14*** of the Inter-institutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management, ***no act adopted under the codecision procedure by the European Parliament and the Council nor any act adopted by the Council which involves exceeding the appropriations available in the budget or the allocations available in the financial framework may be implemented in financial terms until the budget has been amended and, if necessary, the financial framework has been appropriately revised in accordance with the relevant procedure for each of these cases.***

### Amendment 6 Recital 15 a (new)

***(15a) Whereas in view of the problems experienced with PPP's, such as currently with Galileo, private sector contributions cannot be taken for granted.***

### Amendment 7 Article 1

A European Institute of Technology (hereinafter referred to as "the EIT") is established.

A European Institute of Technology (hereinafter referred to as "the EIT") is established. ***It is a body set up in accordance with Art. 185 of the Financial Regulation and Point 47 of the Interinstitutional Agreement of 17 May***



***2006 on budgetary discipline and sound financial management.***

*Justification*

*The EIT as proposed by the Commission represents a structure/organisation that is typical for agencies. This has to be reflected in the legal bases referred to in the Regulation.*

Amendment 8  
Articles 8 a to 8 l (new)

***Article 8a***

***Composition of the Governing Board***

***1. The Governing Board shall consist both of appointed members providing a balance between those with business experience and those with academic/research experience (hereafter: “appointed members”) and members elected by and from among the innovation, research, academic, technical and administrative staff, students and doctoral candidates of the EIT and the KICs (hereafter “representative members”).***

***2. There shall be 15 appointed members. They shall have a 6-year non-renewable term of office. They shall be appointed by the Commission on the basis of proposals from an Identification Committee. This Identification Committee will be composed of 4 independent high level experts appointed by the Commission.***

***3. The Commission shall have regard to the balance between academic/research and business experience as well as to gender balance and an appreciation of the innovation, research and education environments across the Union.***

***4. One-third of the appointed members shall be replaced every two years. Members whose terms of office expire after the second and fourth years following the initial nomination of the Governing Board***

*shall be drawn by lot.*

*5. There shall be 4 representative members. They shall have a 3-year term of office, renewable once. Their term of office shall cease if they leave the EIT or a KIC. They shall be replaced through the same process for the remainder of the mandate.*

*6. The conditions and modalities for election and replacement of the “representative members” shall be approved by the Governing Board on the basis of a proposal from the Director before the first KIC is in operation. This mechanism shall ensure an appropriate representation of the diversity and shall take into account the evolution of the EIT and the KICs.*

*7. In the event that a member of the Governing Board is unable to terminate his mandate, a substitute member shall be appointed or elected by the same procedure as the incapacitated member in order to complete his mandate.*

#### *Article 8b*

##### *Responsibilities of the Governing Board*

*1. The Governing Board members shall act in the interests of the EIT, safeguarding its goals and mission, identity and coherence.*

*2. The Governing Board shall, in particular:*

*(a) approve the EIT strategy as enshrined in its triennial rolling work programme, its budget, its annual accounts and balance-sheet and its annual activity report on the basis of a proposal from the Director;*

*(b) define the fields in which to establish the KICs;*

*(c) adopt rigorous, transparent and user-*

*friendly procedures for selection of KICs; these procedures shall include external expert evaluation and shall cover the relations between the EIT and the KICs;*

*(d) select and designate a partnership as a KIC or withdraw the designation if necessary;*

*(e) ensure continuing evaluation of the activities of KICs;*

*(f) adopt its rules of procedure, and those for the Executive and Audit Committees;*

*(g) define, with the Commission's agreement, appropriate honoraria for members of the Governing Board and of the Executive and Audit Committees; these honoraria shall be benchmarked against similar provision in the Member States;*

*(h) adopt a procedure for choosing the Executive Committee, the Audit Committee and the Director;*

*(i) appoint and if necessary dismiss the Director, appoint the Accounting Officer, and the members of the Executive Committee and the Audit Committee;*

*(ia) exercise disciplinary authority over the Director;*

*(j) establish where appropriate advisory groups which may have a defined duration;*

*(k) promote the EIT globally, so as to raise its attractiveness and make it an "international player" for excellence in education, research and innovation;*

*(l) adopt a code of good conduct regarding conflicts of interest;*

*(m) define principles and guidelines for the management of intellectual property rights.*

*3. The Governing Board may delegate specific tasks to the Executive Committee.*

***4. The Governing Board shall elect its Chairperson from among the appointed members. The mandate of the Chairperson shall be for a period of 3 years, renewable once.***

#### ***Article 8c***

##### ***Functioning of the Governing Board***

***1. The Governing Board shall adopt decisions by simple majority of all its members.***

***However, decisions under Article 8b, paragraphs 2 (a), (b), (c), (d) and (i) and 4 shall require a majority of two thirds of all its members.***

***2. The Governing Board shall meet in ordinary session at least three times a year, and in extraordinary session when convened by its Chairperson or on request of at least one third of its members.***

***3. As a transitional provision, the Governing Board shall consist exclusively of appointed members until elections for representative members can be held, after the first KIC has been established.***

#### ***Article 8d***

##### ***The Executive Committee***

***1. The Executive Committee shall consist of five persons including the Chairperson of the Governing Board who shall also chair the Executive Committee.***

***The four members other than the Chairperson shall be chosen by the Governing Board from among the “appointed members”.***

***2. The Executive Committee shall meet on***

*a regular basis as convened by its Chairperson or on the request of the Director.*

*3. The Executive Committee takes its decisions by simple majority of all its members.*

*4. The Executive Committee shall:*

*(a) prepare the meetings of the Governing Board;*

*(b) oversee the implementation of the EIT's rolling triennial work programme;*

*(c) oversee the selection procedure for KICs;*

*(d) take any decisions delegated to it by the Governing Board.*

#### *Article 8e*

##### *The Director*

*1. The Director shall be a person with expertise and high reputation in the areas where the EIT operates. He shall be appointed by the Governing Board for a term of office of 4 years. The Governing Board may extend that term of office once by 4 years when it considers that the interests of the EIT are best served by so doing.*

*2. The Director shall be responsible for the day-to-day management of the EIT and be its legal representative. He shall be accountable to the Governing Board to which he will report on an ongoing basis on the development of the EIT activities.*

*3. The Director shall in particular:*

*(a) support the Governing Board and the Executive Committee in their work and provide the secretariat for their meetings;*

*(b) prepare the draft strategy and budget for submission to the Governing Board through the Executive Committee;*

*(c) administer the selection process for KICs; and ensure that the various stages of that process are carried out in a transparent and objective manner;*

*(d) organise and manage the activities of the EIT;*

*(da) ensure the implementation of effective monitoring and evaluation procedures relating to the performance of the EIT in accordance with Article 15;*

*(e) be responsible for administrative and financial matters, including the implementation of the EIT budget. In this the Director shall take due account of advice received from the Audit Committee;*

*(f) be responsible for all staff matters;*

*(g) prepare the draft rolling triennial work programme and annual report on the EIT activities and submit them to the Governing Board;*

*(h) submit the draft annual accounts and balance sheet to the Audit Committee, and subsequently to the Governing Board, through the Executive Committee;*

*(i) ensure that the obligations of the EIT with regard to the contracts and agreements it concludes are met;*

*(j) provide the Executive Committee and the Governing Board with all information necessary for the performance of their functions.*

## *Article 8f*

### *The Audit Committee*

*1. The Audit Committee shall consist of 5 persons appointed for a period of 4 years by the Governing Board after consultation of the Commission from external advisors with appropriate expertise in the audit and financial control of academic, research and business organisations.*

*2. The Audit Committee shall perform its duties in complete independence from the other bodies of the EIT.*

*3. The Audit Committee shall elect its Chairperson.*

*4. The Audit Committee shall review the provisional accounts and issue recommendations to the Governing Board and the Director.*

*5. The functions entrusted by Article 185(3) of Regulation (EC, Euratom) No 1605/2002 to the Commission's internal auditor shall be carried out under the responsibility of the Audit Committee, which shall make appropriate provision.*

#### *Article 8g*

#### *Staff of the EIT*

*1. The staff of the EIT shall consist of personnel employed directly by the EIT under fixed term contracts. The conditions of employment of other servants of the European Communities shall apply to the Director and the staff of the EIT.*

*2. Experts may be seconded to the EIT for a limited duration by Member States or other employers.*

*The Governing Board shall adopt provisions enabling seconded experts from Member States or other employers to work at the EIT and defining their rights and responsibilities.*

***3. The EIT shall exercise, with regards to its staff, the powers which are devolved to the authority authorized to conclude the contracts with the staff members.***

***4. A member of staff may be required to make good, in whole or in part, any damage suffered by the EIT as a result of serious misconduct on his/her part in the course of or in connection with the performance of his/her duties.***

#### ***Article 8h***

##### ***Principles guiding the organization and management of the Knowledge and Innovation Communities***

***1. The Governing Board shall adopt a framework of guidance on which it shall base the conditions and terms of the agreements with the KICs and on financing, monitoring and evaluating their activities. It shall be made public before the selection process for KICs begins.***

***2. The Governing Board shall in particular provide guidance as to:***

***(a) monitoring and evaluation of the KICs and the participation of the EIT in their governance;***

***(b) integration of the business dimension into research and education activities, including the planning and implementation of educational activities and research and development efforts; staff and student/researcher mobility between the business and the academic/research sectors; the provision of educational content that takes into account business, management and innovation related issues; the sharing of results and revenues arising from results between partners; dissemination of outcomes and good practices to non-partner organisations including small and medium-sized***



*enterprises;*

*(c) how to ensure that curricula and internal practices foster an entrepreneurial and innovation mindset.*

*3. Within the terms of their agreement with the EIT, KICs shall have substantial autonomy to define their internal organisation as well as their precise agenda and working methods.*

#### *Article 8i*

##### *Principles for the evaluation and monitoring of the Knowledge and Innovation Communities*

*The EIT shall organise continuous monitoring and periodic independent evaluations of the outcomes and results of each KIC. These evaluations shall be based on good administrative practice and result-oriented parameters and avoid unnecessary formal and procedural aspects.*

#### *Article 8j*

##### *Duration, Continuation and Termination of a Knowledge and Innovation Community*

*1. Subject to the outcomes of periodic evaluations and to the specificities of particular fields, a KIC shall normally have a time-frame of 7-15 years.*

*2. The Governing Board may exceptionally decide to extend the operation of a KIC beyond the period initially set if this is the most appropriate way to achieve the objective of the EIT.*

*3. In the event that evaluations of a KIC show inadequate results, the Governing Board shall take appropriate measures including reduction, modification or withdrawal of its financial support or*

*termination of the agreement.*

#### *Article 8k*

##### *Implementation and control of the budget*

*1. By 1 March at the latest following each financial year, the EIT's accounting officer shall communicate the provisional accounts together with a report on the budgetary and financial management to the Audit Committee, the Commission's accounting officer and the Court of Auditors.*

*2. On receipt of the Audit Committee's opinion and the Court of Auditors' observations on the EIT's provisional accounts, the Director shall draw up the EIT's final accounts under his own responsibility and submit them to the Governing Board for an opinion.*

*3. The Governing Board shall deliver an opinion on the EIT's final accounts.*

*4. By 1 July of the following year at the latest, the Director shall send the final accounts, together with the opinion of the Governing Board, to the Commission, the Court of Auditors, the European Parliament and the Council.*

*5. The Director shall send the Court of Auditors a reply to its observations by 30 September at the latest. He shall also send this reply to the Governing Board.*

#### *Article 8l*

##### *Winding up of the EIT*

*In the event of winding up of the EIT, its liquidation shall intervene under the supervision of the Commission in conformity with the laws applicable. The agreements with the KICs and the act establishing the EIT Foundation shall lay down the appropriate provisions in such*

**situation.**

*(Note to Translators: Underlining identifies modified text in this "converted" Annex, i.e. the only bits needing translation)*

*Justification*

*Usually, the provisions concerning the organisation of the Agency are integrated in the articles of the legislative text and not laid down in an annex. Therefore, the annex is deleted and inserted as Articles 8a to 8l.*

*The power to dismiss the Director and to exercise disciplinary authority over him is one of the main features of the organisational structure of agencies. Even agencies which fulfil their tasks in complete independence such as the Agency for Fundamental Rights are bound to respect these rules (see Article 8b, paragraph 2, point (ia)).*

*As for other agencies, the Director should be responsible for the proper implementation of a regular evaluation procedure (see Article 8e, paragraph 3, point (da)).*

Amendment 9

Article 12, paragraph 2, introductory part

2. The EIT shall ***make public without delay***:

2. The EIT shall ***transmit to the budgetary authority***:

*Justification*

*In line with the principles established for other agencies, the budgetary authority has to be kept informed on a regular basis.*

Amendment 10

Article 13, paragraph 1, point (a)

(a) contributions from the European Union budget;

(a) contributions from the European Union budget ***provided for in Article 16***;

*Justification*

*The provision as proposed by the Commission is misleading as it is not clear where the EU contributions will come from. The amendment therefore refers explicitly to the reference amount of EUR 308 million in order to make it clear that this is the indicative amount that will be financed from the EU budget*

Amendment 11

Article 13, paragraph 2

**2. The EIT may apply for and/or channel ~~Community assistance in particular in the framework of Community programmes and funds. In that case, such assistance shall not be attributed for activities already funded through the Community budget.~~ deleted**

*Justification*

*There are serious legal doubts concerning the EIT's eligibility for applying for funds coming from existing Community programmes such as the 7th Framework Programme for Research or the Structural Funds.*

*According to the financial statement of the Commission proposal the financial assistance for the EIT from existing Community programmes would amount to more than EUR 1,5 billion. This would represent an unacceptable reduction of the funding for these programmes. Other applicants competing for these scarce resources would not be able to carry out their projects. Therefore the reference to financing from other Community programmes has to be deleted.*

Amendment 12

Article 14, paragraph 1, point (a)

(a) a rolling triennial work programme containing a statement of its major priorities and planned initiatives including an estimate of financing needs and sources. The draft work programme shall be submitted by the Governing Board to the Commission. The Commission shall deliver an opinion within three months with regard to its complementarity with Community policies and instruments. Where the Commission expresses disagreement, the Governing Board shall re-examine the programme and adopt it with any appropriate amendments.

(a) a rolling triennial work programme containing a statement of its major priorities and planned initiatives including an estimate of financing needs and sources. The draft work programme shall be submitted by the Governing Board to the Commission, ***the European Parliament and the Council***. The Commission shall deliver an opinion within three months with regard to its complementarity with Community policies and instruments. Where the Commission expresses disagreement, the Governing Board shall re-examine the programme and adopt it with any appropriate amendments.

*Justification*

*In line with the principles established for other agencies, the budgetary authority has to be kept informed on a regular basis.*

Amendment 13

Article 14, paragraph 2

2. The rolling triennial work programme and the annual report shall be transmitted to the Commission, ***which shall communicate them to*** the European Parliament, the Council and the European Court of Auditors.

2. The rolling triennial work programme and the annual report shall be transmitted to the Commission, the European Parliament, the Council and the European Court of Auditors. ***The work programme shall be in accordance with the available financial and human resources.***

*Justification*

*As for other agencies, the European Parliament must receive relevant information such as the work programme and the annual report directly from the EIT. The work programme has to reflect the available resources.*

Amendment 14  
Article 15, paragraph 1

1. The EIT shall ensure that its activities, including those managed through KICs, shall be subject to continuous monitoring and periodic independent evaluation, to ensure both the highest quality of outcome and the most efficient use of resources. ***The outcomes of the evaluation shall be made public.***

1. The EIT shall ensure that its activities, including those managed through KICs, shall be subject to continuous monitoring and periodic independent evaluation, to ensure both the highest quality of outcome and the most efficient use of resources. ***The EIT shall forward annually to the budgetary authority any information relevant to the outcome of the evaluation procedures.***

*Justification*

*This provision is standard in legal texts establishing an agency.*

Amendment 15  
Article 16

The indicative financial envelope ***for the implementation*** of this Regulation during the period of 6 years as from 1 January 2008 is set at ***EUR 308.7 million***. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial framework.

The indicative financial envelope ***of Community funding*** of this Regulation during the period of 6 years as from 1 January 2008 is set at [xxx million] ***which is subject to an agreement*** by the budgetary authority ***as foreseen by the Interinstitutional Agreement of 17 May 2006, in particular its part C and article 47.*** The annual appropriations shall be authorised by the budgetary authority within

the limits of the financial framework.

Amendment 16  
Article 17, paragraph 5

5. The Governing Board shall adopt the draft estimate accompanied by the preliminary rolling triennial work programme, and forward them by 31 March to the Commission.

5. The Governing Board shall adopt the draft estimate accompanied by the preliminary rolling triennial work programme **and a draft establishment plan**, and forward them by 31 March to the Commission.

*Justification*

*The draft establishment plan must be part of the information transmitted to the Commission. Staffing is a central issue of the draft estimate.*

Amendment 17  
Article 17, paragraph 5 a (new)

**5a. The estimate shall be transmitted by the Commission to the budgetary authority together with the preliminary draft budget of the European Union.**

*Justification*

*The European Parliament has to receive the estimate. This is a standard laid down for in the legal text establishing an agency.*

Amendment 18  
Article 17, paragraph 6

6. On the basis of the estimate, the Commission shall enter in the preliminary draft general budget of the European Union the estimates it deems necessary for the amount of the subsidy to be charged to the general budget.

6. On the basis of the estimate, the Commission shall enter in the preliminary general budget of the European Union the estimates it deems necessary for **the establishment plan and** the amount of the subsidy to be charged to the general budget, **which it shall place before the budgetary authority in accordance with Article 272 of the Treaty.**

*Justification*

*The European Parliament has to receive the estimate. This is a standard laid down for in the legal text establishing an agency.*

Amendment 19  
Article 17, paragraph 7

7. The budgetary authority shall authorise the appropriations for the subsidy to the EIT.

7. The budgetary authority shall authorise the appropriations for the subsidy to the EIT.  
***The budgetary authority shall adopt the establishment plan.***

*Justification*

*The establishment plan is an important part of any Agency's budget. It must be approved by the budgetary authority (standard for other agencies).*

Amendment 20  
Article 17, paragraph 8 a (new)

***8a. The Governing Board shall, as soon as possible, notify the budgetary authority of its intention to implement any project which may have significant financial implications for the funding of its budget, in particular any projects relating to property such as the rental or purchase of buildings. It shall inform the Commission thereof.***

*Justification*

*Standard provision in other legal text establishing agencies. See also Article 179(3) of the Financial Regulation.*

Amendment 21  
Article 18, paragraph 1

1. The EIT shall adopt its financial rules in accordance with Article 185(1) of Council Regulation 1605/2002. Due account shall be given to the need for adequate operational flexibility in order to enable the EIT to achieve its objectives and attract and retain

1. The EIT shall adopt its financial rules in accordance with Article 185(1) of Council Regulation (EC, Euratom) No 1605/2002 ***after the Commission has been consulted.*** Due account shall be *taken of* the need for adequate operational flexibility in order to

private sector partners.

enable the EIT to achieve its objectives and attract and retain private sector partners. ***The financial rules may not depart from Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002<sup>1</sup> unless specifically required for the EIT's operation and with the Commission's prior consent.***

<sup>1</sup>OJ L 357, 31.12.2002, p. 72.

*Justification*

*Framework Regulation 2343/2002 on agencies has to be respected. The formulation is in line with the provisions laid down in other legal texts establishing an agency*

Amendment 22

Article 21

***Article 21***

***deleted***

***Statutes***

***The statutes of the EIT, as set out in the Annex, are adopted.***

*Justification*

*See amendment 2 - the Statutes have been moved from the Annex to Articles 8a to 8l (new)*

Amendment 23

Annex

***Annex deleted***

*Justification*

*See amendment 2 - the Statutes have been moved to Articles 8a to 8l (new)*



## PROCEDURE

<b>Title</b>	European Institute of Technology	
<b>References</b>	COM(2006)0604 - C6-0355/2006 - 2006/0197(COD)	
<b>Committee responsible</b>	ITRE	
<b>Opinion by</b> Date announced in plenary	BUDG 29.11.2006	
<b>Enhanced cooperation - date announced in plenary</b>		
<b>Drafts(wo)man</b> Date appointed	Nina Škottová 25.10.2006	
<b>Discussed in committee</b>	7.5.2007	11.6.2007
<b>Date adopted</b>	11.6.2007	
<b>Result of final vote</b>	+: 27	-: 0
	0: 0	
<b>Members present for the final vote</b>	Richard James Ashworth, Reimer Böge, Herbert Bösch, Simon Busuttil, Joan Calabuig Rull, Paulo Casaca, Gérard Deprez, Hynek Fajmon, Szabolcs Fazakas, Salvador Garriga Polledo, Ingeborg Gräßle, Louis Grech, Catherine Guy-Quint, Jutta Haug, Anne E. Jensen, Janusz Lewandowski, Vladimír Maňka, Mario Mauro, Gérard Onesta, Petre Popeangă, Nina Škottová, László Surján, Helga Trüpel, Kyösti Virrankoski	
<b>Substitute(s) present for the final vote</b>	Marusya Ivanova Lyubcheva, Paul Rübig, Gianluca Susta	