



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Industry, Research and Energy

2011/0387(COD)

1.6.2012

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DRAFT REPORT

on the proposal for a decision of the European Parliament and of the Council on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT): the contribution of the EIT to a more innovative Europe (COM(2011)0822 – C7-0462/2011 – 2011/0387(COD))

Committee on Industry, Research and Energy

Rapporteur: Marisa Matias

Rapporteur for the opinion (*): Chrysoula Paliadeli, Committee on Culture and Education

(*): Associated committee - Rule 50 of the Rules of Procedure

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

In amendments by Parliament, amendments to draft acts are highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the draft act which may require correction when the final text is prepared – for instance, obvious errors or omissions in a language version. Suggested corrections of this kind are subject to the agreement of the departments concerned.

The heading for any amendment to an existing act that the draft act seeks to amend includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend. Passages in an existing act that Parliament wishes to amend, but that the draft act has left unchanged, are highlighted in **bold**. Any deletions that Parliament wishes to make in such passages are indicated thus: [...].

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a decision of the European Parliament and of the Council on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT): the contribution of the EIT to a more innovative Europe (COM(2011)0822 – C7-0462/2011 – 2011/0387(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2011)0822),
 - having regard to Article 294(2) and Article 173(3) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0462/2011),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee¹,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Industry, Research and Energy and the opinion of the Committee on Culture and Education (A7-0000/2012),
1. Adopts its position at first reading hereinafter set out;
 2. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a decision

Recital 2 a (new)

Text proposed by the Commission

Amendment

(2a) Still too often, excellence in higher education, research and innovation, while clearly existing across the Union, remains

¹ OJ C , , p. .

fragmented. Europe needs to overcome this lack of strategic co-operation across boundaries – countries, sectors and disciplines. A broad concept of innovation, guided by the public interest – that focuses on social impact and goes beyond technological and product-oriented innovation, involves all stakeholders and highlights the role of social innovation - should be at the centre of the EIT and thereby contribute to a true change in our innovation systems and paradigms.

Or. en

Amendment 2

Proposal for a decision Recital 2 b (new)

Text proposed by the Commission

Amendment

(2b) The EIT should contribute to accelerating education, research and innovation as key tools both to attain a sustainable and competitive economic model and to generate and maintain future employment. While contributing to these objectives, SIA should generate instruments based on the major societal challenges that European society is facing.

Or. en

Amendment 3

Proposal for a decision Recital 2 c (new)

Text proposed by the Commission

Amendment

(2c) The EIT activities and projects

should include leveraging and stimulating investments from the private sector, as well as a fruitful cooperation between education and research institutes, including research and technology organisations (RTOs), businesses, governments and citizens, and it may also be a tool to establish collaborative platforms and tools such as open networks, open standards, clusters, sharing knowledge and ideas, mainly at university networks level.

Or. en

Amendment 4

Proposal for a decision Recital 2 d (new)

Text proposed by the Commission

Amendment

(2d) The EIT should ensure the involvement of all relevant actors and at the same time provide more innovative tools to deal with industrial property in a context of globalisation and digitisation of the economy.

Or. en

Amendment 5

Proposal for a decision Recital 2 e (new)

Text proposed by the Commission

Amendment

(2e) The main role of EIT is to ensure greater integration of the components of the knowledge triangle of research, innovation and education, the need to promote policies to strengthen cooperation between education systems,

the research and the business world, as well as to develop new curricula and doctoral programmes.

Or. en

Amendment 6

Proposal for a decision Recital 2 f (new)

Text proposed by the Commission

Amendment

(2f) The EIT is for these purposes the effective Union body to cope with new, emerging needs, to find innovative solutions and to strengthen their impact on society. By embracing a culture of openness, transparency and external engagement, the EIT can actively promote the take-up and acceptance of new innovations by society at large.

Or. en

Amendment 7

Proposal for a decision Recital 3

Text proposed by the Commission

Amendment

(3) The **first SIA should include detailed specifications and** terms of reference concerning the **operation** of the EIT, the modalities for co-operation between the Governing Board and the **Knowledge and Innovation Communities (hereinafter referred to as the KICs)** and the modalities for the funding of the KICs.

(3) The terms of reference concerning the **role** of the EIT **and the Knowledge and Innovation Communities (hereinafter "KICs")**, the modalities for co-operation between the Governing Board and the KICs and the modalities for the funding of the KICs **are governed by Regulation (EC) No 294/2008.**

Or. en

Amendment 8

Proposal for a decision Article 1

Text proposed by the Commission

The Strategic Innovation Agenda of the European Institute of Innovation and Technology as set out in the annex is hereby adopted.

Amendment

Subject matter

This decision establishes the Strategic Innovation Agenda ("SIA") of the European Institute of Innovation and Technology ("EIT") for the period from 2014 to 2020.

Or. en

Amendment 9

Proposal for a decision Article 1 a (new)

Text proposed by the Commission

Amendment

Article 1a

Objectives of the Strategic Innovation Agenda

1. The SIA outlines the priorities for the EIT over the period 2014-2020 as well as the modalities for its operation. It is therefore a key tool to steer the strategic direction of the EIT, while leaving it with considerable autonomy in defining the ways and means to achieve the set goals.

2. The SIA shall facilitate the coordination of policies and coherence among their different instruments and create synergies with regard to innovation policy by adopting a truly holistic approach focused on the major societal challenges.

3. The SIA is a key tool for innovation policy, job creation and sustainable development, including the conditions to generate employment for young graduates

on SIA projects .

4. The SIA shall play a key role in providing answers in times of crisis, as it is essential to attract young people to the new types of jobs and to ensure that new and existing educational programmes promote access to the labour market for young people.

5. This SIA is to be implemented in accordance with the Regulation (EC) No 294/2008.

Or. en

Amendment 10

Proposal for a decision Article 1 b (new)

Text proposed by the Commission

Amendment

Article 1b

General Priorities

1. The EIT shall contribute to the creation of a "science base of excellence" by fostering mobility across boundaries – between disciplines, sectors and countries – and by embedding entrepreneurship and a risk-taking culture in innovative post-graduates degrees.

2. Overcoming fragmentation via long-term integrated partnerships and achieving critical mass through its European dimension, in a wide and balanced geographical coverage, the EIT shall act as a catalyst with flexibility to test out new innovation models, nurturing talent across borders and creating an internationally recognized brand of excellence. Through a smart human resource strategy, including systematic use of internal and external expertise, and internal management procedures, the EIT shall develop into a reference institution for innovative governance.

3. The EIT shall consolidate and further increase its role as an 'investor' which develops and enables existing centres of excellence at all levels in research, business and higher education in Europe to come together and foster their long-term systematic collaborations. EIT shall aim at boosting technology transfer and commercialisation and developing new ventures within existing business or creating new innovative businesses.

4. The EIT shall exploit its flexibility to push for simplification, implemented in a responsible and accountable manner, in order to achieve effective results, promote innovation breakthroughs and the involvement of the business community.

Or. en

Amendment 11

Proposal for a decision Article 1 c (new)

Text proposed by the Commission

Amendment

Article 1c

The Knowledge and Innovation Communities (KICs)

1. The EIT shall provide strategic orientation for the KICs and shall coordinate and monitor them with full respect for their autonomy and allowing room for bottom-up initiatives while ensuring transparency and accountability procedures. The EIT shall ensure that the KICs operate on a transparent basis and take into account the interests of all participants, both those already involved and newcomers.

2. KICs are a key instrument for the EIT. While always respecting the same principle of materializing the full integration of the knowledge triangle, and

in line with objectives in Pillar 2 and 3 of Horizon 2020, the EIT shall foster the creation of KICs that may differ in size and in duration depending on the circumstances and the issues to be addressed. For additional KICs, allocated funds shall be provided on a competitive basis and taking into consideration the quality and potential of the projects.

3. Critical mass is essential for the EIT to develop its full potential as a leading innovation institute. It shall be reflected in terms of support provided to the KICs, the intensity and coverage of its outreach, the capacity of dissemination and promotion of international activities and its ability to deliver simplified procedures.

4. A significant number of centres of excellence across the Member States often do not attain the critical mass for global competition individually. The same could happen with small KICs. Their integration in the EIT will have the effect of providing the support, background and critical mass needed for their success. SME participation and the involvement of smaller research organisations, as well as civil society organisations shall be ensured.

5. After the three initial KICs, which are Sustainable energy ('KIC InnoEnergy'), Climate change adaptation and mitigation ('ClimateKIC') and Future information and communication society ('EIT ICT Labs'), certain more thematic areas have been suggested by the Commission for creation of new KICs: Added-value manufacturing, Food4future - sustainable supply chain from resources to consumers, Innovation for healthy living and active ageing, Raw materials - sustainable exploration, extraction, processing, recycling and substitution, Smart secure societies, Sustainable use of the seas, Urban mobility and Water. Additional proposals of KICs have already been mentioned in different platforms, as

*is the case of the **Marine KIC on the Sustainable use of the seas**, and others such as Health innovation and people empowerment or Water proposals. The EIT shall have the autonomy to organise the future KICs selection process which shall go beyond the top-down process and include competitive and open application system to new KICs.*

6. The EIT shall be a partner to the KICs all along the programme object of contract (7- to 15-year duration or other agreed). When this period expires, and in the case the KIC decides to go on without EIT funding, or to transform itself into one or several companies to develop the business dealt with by the former KIC, EIT may decide to be a full business partner to the new entity.

7. Returns on EIT investment on KICs shall be measured in terms of tangible benefits for the European economy and society at large, such as creation of new businesses, products and services in existing and future markets, better skilled entrepreneurial people, new and more attractive job opportunities and the attraction and retention of talent from across the Union and abroad.

Or. en

Amendment 12

Proposal for a decision

Article 1 d (new)

Text proposed by the Commission

Amendment

Article 1d

The educational programmes and activities

1. A key point of SIA is promoting and implementing the EIT's educational mission. The objective is to educate and train talented people with the skills,

knowledge and mindset needed in a global society and in a knowledge economy. In that sense, a Marie Curie Scholarship Program shall be developed as part of the EIT activities.

2. The EIT shall develop different level training programmes – Master programmes, PhD programmes, summer schools, specific training programmes –, providing the long term commitment needed to deliver sustainable changes in higher education, notably through these new, trans- and interdisciplinary EIT-labelled degrees. The EIT shall seek national and international recognition of these EIT labelled qualifications, through peer evaluation. The EIT may organize – by itself or in cooperation with other European or third countries' universities or research centres – programmes or courses on fundamental and key innovation enabling disciplines.

3. These programmes may be fully integrated in a KIC activity, may result from different KICs cooperation, or be organized by the EIT itself or in cooperation with its KICs. The EIT shall incentivise the KICs to engage in cross-KIC work in areas which offer a strong potential for synergies, e.g. via joint professional development courses, joint research activities, masters or PhDs degrees or cross-KIC mobility between academia and business.

4. To expand its educational activities to a greater variety of study modes, enhancing the impact of educational activities and reaching out to a wider audience, the EIT and the KICs may cater for a wider range of innovative professional development activities, involving executive education, tailor-made training courses, modules for undergraduate courses or packages targeted to school education.

5. The EIT shall put in place a specific people scheme to ensure that talent, such as students, researchers, teaching staff

and entrepreneurs at all career levels, beyond the KICs and its co-location centres, will be connected to the EIT. Such a scheme shall not only provide top talents with the opportunity to benefit from the innovation environments created within the co-location centres, but shall also provide these people with incentives to make full use of the knowledge and know-how acquired in areas beyond the KICs. Typically, the EIT Foundation could play a significant role in this area.

6. The EIT Governing Board may organize, on a regular basis, European or international conferences on relevant subjects under its scope of activities, transforming the EIT in a true European crossroad for researchers, professionals, teachers and students from all over Europe and beyond.

7. The EIT shall help developing the necessary human resources for an innovation society, educating key actors such as students, researchers and entrepreneurs, and identifying framework conditions and best practise on policy, regulatory or standardisation issues in their relevant sector.

8. The EIT shall encourage the setting up of an EIT Alumni network fostering by this knowledge sharing, mentoring and networking.

9. The EIT shall in coordination with the Commission help the KICs to engage with regional and local authorities, as they have an important role in bringing together businesses, specially SMEs, knowledge institutions, public authorities, thus serving as an intermediary between these various actors, the Member States and the Union.

Or. en

Amendment 13

**Proposal for a decision
Article 1 e (new)**

Text proposed by the Commission

Amendment

Article 1e

Intellectual Property Rights

- 1. On what concerns scientific information policy for its research data and findings, open access to publications is the general principle of the EIT, as open access is considered as a key tool to ensure and improve the circulation of scientific information in the European Union. Consequently, the EIT shall cover costs for publishing peer reviewed articles in open access journals and for the deposition of articles in open access repositories***
- 2. This open access policy is limited to non-commercial use of the information provided. For any profit-driven use, the EIT shall pursue the full defence of the Intellectual Property Rights (IPR) of the EIT, the KICs and the researchers.***
- 3. Intellectual Property rules are established stipulating sharing the profits from IPR between the EIT, the researchers, the companies involved and the KIC legal entity, according to each specific IP situation. This will provide some return for EIT investment.***

Or. en

Amendment 14

**Proposal for a decision
Article 1 f (new)**

Text proposed by the Commission

Amendment

Article 1f

EIT headquarters

- 1. The EIT headquarters shall provide a number of services to the KICs on horizontal issues where efficiency gains can be achieved, as well as implement other corporate policies to the same end.*
- 2. The EIT headquarters shall develop the capacity to systematically digest the learning from the KICs and make these findings available for the benefit of the wider innovation community. The EIT headquarters shall provide a number of services to the KICs on horizontal issues where efficiency gains can be achieved, as well as implement other corporate policies to the same end. Over time, the EIT headquarters shall become a resourceful repository of good practice and a real knowledge partner for policy makers.*
- 3. Attraction and retention of talented professionals is a challenge for the EIT headquarters. In order to equip its office with the best talent and skills, the EIT shall define a clear human resource strategy for its team, following the Union principle of decent jobs, but including also options beyond direct employment such as secondments or temporary attachments, promoting regular exchanges of staff and internships with other excellent innovation centres.*
- 4. As a global player in the field of technology and innovation, absolutely committed to excellence, the EIT must have excellent premises itself. This will not only reflect the importance the Union as a whole pays to its technology and innovation policy, but may become an instrument of utmost importance for the EIT's institutional communication, for its international relations and for consolidating its global brand of excellence.*
- 5. To properly develop its programmes and activities, as defined in this strategic agenda, the EIT needs a different type of premises. The European Parliament is*

open to give its support to moving the EIT headquarters to the European Parliament's Strasbourg buildings. Those buildings have full potential to be a cheap, easy and quick solution to install the EIT, some KIC headquarters or co-location centres, start-ups, the EIT Foundation, the EIT Alumni Network, but also for hosting the EIT sponsored big and small conferences, seminars, inter-KICs initiatives, Master and PhD courses and training programmes, as well as technology or science exhibitions and other events.

6. The Commission, together with the Governing Board of EIT, shall present in 2015 to the Parliament and the Council a study on the institutional, financial and logistic conditions to be met in order to proceed to the transfer of EIT headquarters to the European Parliament's buildings in Strasbourg.

Or. en

Amendment 15

Proposal for a decision Article 1 g (new)

Text proposed by the Commission

Amendment

Article 1g

Union-wide and international cooperation

1. The EIT, as an instrument for Union-wide cooperation between all stakeholders of the knowledge triangle, shall work in a co-operative and complementary basis – and not in competition – with the research and education institutions of all Member-States, namely associations of universities, business, clusters and research organisations.

2. In close cooperation with the KICs, the EIT shall develop a strong international

strategy, identifying and liaising relevant interlocutors and potential partners from within and outside the Union. By creating a strong global EIT brand (through the excellence of its staff, of its activities, of its publications and of its prestigious location) and forging strategic relations with key partners from around the globe, the EIT may be very attractive in itself and can add to the attractiveness of the partners within the KICs.

3. The EIT shall set up a regular EIT Stakeholder Forum, to facilitate interaction and mutual learning with the wider innovation community from across the knowledge triangle, and including national and regional authorities.

4. The EIT shall make systematic use of existing associations of universities, business and research organisations and cluster organisations as platforms for the knowledge exchange and dissemination of results.

5. The EIT shall establish a mechanism to further facilitate synergies between the EIT, its KICs and other Union initiatives, such as an annual meeting between the EIT, the KICs and relevant services of the Commission.

6. The EIT shall be used as a key instrument of the European Union for global cooperation in the fields of technology and innovation.

Or. en

Amendment 16

Proposal for a decision Article 1 h (new)

Text proposed by the Commission

Amendment

Article 1h

EIT and other Union instruments

1. The EIT and KICs, as the only instrument which completes the knowledge triangle, shall provide additional opportunities in innovation, entrepreneurship and industrial environment to 'Marie Curie' researchers and 'Erasmus for all' students.

2. Drawing on its characteristics, the KICs shall provide the nucleus for the pan-European innovation policy and scheme, Joint Technology Initiatives (JTIs), a key instrument for addressing fragmentation in research, should be more articulated and a progressive approach between the two instruments should be defined. The JTIs and the newly established Public and Private Partnerships provide platforms for promotion of large-scale industry-driven research and should be grounded in the same line as SIA in terms of the promotion of a sustainable, redistributive and competitive growth.

3. The EIT shall reinforce interaction with the Union's Cohesion Policy by addressing the linkages between the local and global aspects of innovation. Co-location centres shall provide for cross-border collaboration and are well positioned to capitalise on various funding schemes from their respective regions. The co-location centres shall play a major role in strengthening the local-global connectivity.

Or. en

Amendment 17
Proposal for a decision
Annex 1 – part 2 – point 2.1 – subparagraph 2

Text proposed by the Commission

In the future, clearer guidance should be given upstream since the selection process to ensure that essential strategic features

Amendment

In the future, clearer guidance should be given upstream since the selection process to ensure that essential strategic features

are shared by all KICs, while allowing for differentiated approaches in KICs organisation, delivery and funding approaches. Finally, the current total number of three KICs does not yet provide the critical mass for the EIT to develop its full potential as a leading innovation Institute. With only three KICs there are limited opportunities to achieve cross-KIC benefits of adjacent innovation opportunities as well as to reap economies of scale in administration and dissemination. It also means that the EIT is not of a sufficient scale to truly act as a European institution in its own right. In this respect additional KICs are required in order for the EIT to gain *the* critical mass *for being more than simply the 'sum of its parts'*. If the EIT is to explore new innovation governance and management models through the KICs, a limited number of additional partnerships need to be set up in order to enlarge the sample on which the EIT experience is based upon.

are shared by all KICs, while allowing for differentiated approaches in KICs organisation, delivery and funding approaches. Finally, the current total number of three KICs does not yet provide the critical mass for the EIT to develop its full potential as a leading innovation Institute. With only three KICs there are limited opportunities to achieve cross-KIC benefits of adjacent innovation opportunities as well as to reap economies of scale in administration and dissemination. It also means that the EIT is not *yet* of a sufficient scale to truly act as a European institution in its own right.

The EIT as a real institute

The EIT must be more than simply the 'sum of its parts', which currently are the KICs. EU needs an excellence label regarding innovation, to be internationally recognizable, and this can be achieved by giving EIT a broaden and inclusive field of action.

In this respect additional KICs are required in order for the EIT to gain critical mass. If the EIT is to explore new innovation governance and management models through the KICs, a limited number of additional partnerships need to be set up in order to enlarge the sample on which the EIT experience is based upon.

EIT aims to consolidate and further develop its role as an 'investor' which nurtures and enables existing centres of excellence in research, business and higher education in Europe to come together and foster their long-term

systematic collaborations.

However, EU can not afford to lose or to waste knowledge. Having this in regard, EIT needs also to include universities networks, besides the ones already participating on the KICs, as well as Marie Curie's grants for innovation, and work in close cooperation and articulation with JTIs, RICs, and other innovative forms of doing or promoting research that can emerge, including smaller KICs. Even though the object of research is not in the heart of the existing KICs, EIT shall promote multi-disciplinary approaches to innovation, and support development of non-technological, organisational, systems innovation and public sector innovation as a necessary complement to the existing innovation activities, as well as to the possible future ones.

Or. en

Amendment 18
Proposal for a decision
Annex 1 – part 2 – point 2.1 – subparagraph 3

Text proposed by the Commission

Amendment

Building on these lessons the EIT aims to consolidate and further develop its role as an ‘investor’ which nurtures and enables existing centres of excellence in research, business and higher education in Europe to come together and foster their long-term systematic collaborations through the KICs.

deleted

Or. en

Amendment 19
Proposal for a decision
Annex 1 – part 2 – point 2.1 – subparagraph 4

Text proposed by the Commission

The 'EIT investor' approach stands for a focus on identifying best strategic opportunities and selecting a portfolio of world-class partnerships – the KICs – to deliver on these. As part of this approach, the EIT awards the annual grants to the KICs based on their past performance and proposed activities in their business plan. The assessment of the business plans will be supported by external, independent experts. In this perspective, the EIT should not only set out broad directions and visions, but needs to provide KICs with an appropriate level of support and monitor their performance. At the same time, KICs are given a substantial degree of leeway to define their internal strategies and organisation as well as to deliver their activities and mobilise the talent and resources needed.

Amendment

The 'EIT investor' approach stands for a focus on identifying best strategic opportunities and selecting a portfolio of world-class partnerships – the KICs – to deliver on these. As part of this approach, the EIT awards the annual grants to the KICs based on their past performance and proposed activities in their business plan, ***following a clear, transparent and public procedure***. The assessment of the business plans will be supported by external, independent experts. In this perspective, the EIT should not only set out broad directions and visions, but needs to provide KICs with an appropriate level of support and monitor their performance. At the same time, KICs are given a substantial degree of leeway to define their internal strategies and organisation as well as to deliver their activities and mobilise the talent and resources needed.

Or. en

Amendment 20

Proposal for a decision

Annex 1 – part 2 – point 2.1 – point 2.1.1 – subparagraph 1

Text proposed by the Commission

The EIT will actively support the initial three KICs to enhance their potential and impact and their contribution to the objectives of Horizon 2020. Over time, the KICs will expand their initial portfolio of activities in order to seize new market or societal opportunities. To support these developments, the EIT will advise and define, in close co-operation with each individual KIC, tailor-made co-financing strategies, which at the same time underpin strategic activities from an EIT perspective.

Amendment

The EIT will actively support the initial three KICs to enhance their potential and impact and their contribution to the objectives of Horizon 2020. Over time, the KICs will expand their initial portfolio of activities in order to seize new market or societal opportunities. To support these developments, the EIT will advise and define ***- in a clear, transparent and publicly accountable way -*** in close co-operation with each individual KIC, tailor-made co-financing strategies, which at the same time underpin strategic activities

from an EIT perspective.

Or. en

Amendment 21

Proposal for a decision

Annex 1 – part 2 – point 2.1 – point 2.1.1 – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

Leverage effect is one of the main goals of the EIT's use of Union funds. The EIT and the KICs should also seek synergies with relevant Union initiatives, as well as with emerging centres of excellence, communities or innovative regions within less developed Member States.

Or. en

Amendment 22

Proposal for a decision

Annex 1 – part 2 – point 2.1 – point 2.1.1 – subparagraph 4

Text proposed by the Commission

Amendment

KICs not only build on their partners' existing excellent research base, but are also the frontrunners for promoting and implementing the EIT's educational mission. The objective is to educate and train talented people with the skills, knowledge and mindset needed in a global knowledge economy. To this end, the EIT actively promotes, inter alia, the EIT-labelled degrees by monitoring their quality and coherent implementation across KICs. In this endeavour they will make extensive use of peer and expert evaluations, and establish a dialogue with national and quality assurance bodies. This will enhance the national and international recognition of the EIT labelled qualifications and raise their attractiveness

KICs not only build on their partners' existing excellent research base, but are also the frontrunners for promoting and implementing the EIT's educational mission. The objective is to educate and train talented people with the skills, knowledge and mindset needed in a global knowledge economy. To this end, the EIT actively promotes, inter alia, the EIT-labelled degrees by monitoring their quality and coherent implementation across KICs. In this endeavour they will make extensive use of peer and expert evaluations, and establish a dialogue with national and quality assurance bodies. This will enhance the national and international recognition of the EIT labelled qualifications and raise their attractiveness

globally, while providing a platform for collaboration at international level. In the future, KICs will be encouraged to expand their educational activities beyond post-graduate education to a greater variety of study modes to cater for a wider range of innovative, professional development activities, involving executive education, tailor-made training courses and summer schools. To enhance the impact of KICs' educational activities and to reach out to a wider audience, KICs may envisage the design, on an experimental basis, of modules for undergraduate courses or packages targeted to school education.

globally, while providing a platform for collaboration at international level. In the future, KICs will be encouraged to expand their educational activities beyond post-graduate education to a greater variety of study modes to cater for a wider range of innovative, professional development activities, involving executive education, tailor-made training courses **(including professional training courses)** and summer schools. To enhance the impact of KICs' educational activities and to reach out to a wider audience, KICs may envisage the design, on an experimental basis, of modules for undergraduate courses or packages targeted to school education.

Or. en

Amendment 23

Proposal for a decision

Annex 1 – part 2 – point 2.1 – point 2.1.2 – subparagraph 1

Text proposed by the Commission

In order to further enhance impact and to incentivise innovation in new areas of societal challenges, the EIT will gradually expand its portfolio of KICs. By following an incremental development path in establishing new KICs, the EIT will ensure that lessons learned from previous rounds are duly taken into consideration, and that KICs are set up only in areas where there is a clear innovation potential and top-class excellence to build on. In the period 2014-2020, new KICs will therefore be set up in two waves, ***i.e. three new KICs each*** in 2014 and 2018, ***leading up to a portfolio of nine KICs in the period 2014-2020 (equalling the set-up of 40-50 co-location centres across the EU)***. A potential new selection process for KICs in 2018 shall strongly build on the results of a thorough external evaluation of the EIT and existing

Amendment

In order to further enhance impact and to incentivise innovation in new areas of societal challenges, the EIT will gradually expand its portfolio of KICs. By following an incremental development path in establishing new KICs, the EIT will ensure that lessons learned from previous rounds are duly taken into consideration, and that KICs are set up only in areas where there is a clear innovation potential and top-class excellence to build on. In the period 2014-2020, new KICs will therefore be set up in two waves, ***the first starting*** in 2014 and ***the second in*** 2018. A potential new selection process for KICs in 2018 shall strongly build on the results of a thorough external evaluation of the EIT and existing KICs, including an assessment of KICs' economic and societal impact and the contribution of the EIT to strengthening the

KICs, including an assessment of KICs' economic and societal impact and the contribution of the EIT to strengthening the innovation capacity of the EU and Member States, as well as on the results from the evaluations of Horizon 2020.

innovation capacity of the EU and Member States, as well as on the results from the evaluations of Horizon 2020.

Or. en

Amendment 24

Proposal for a decision

Annex 1 – part 2 – point 2.1 – point 2.1.2 – subparagraph 6 a (new)

Text proposed by the Commission

Amendment

This list inevitably represents a mere starting point for the analysis of possible new KICs, but cannot be considered as an exhaustive list. New KICs, including their priority fields and the organisation and timing of the selection process, should be launched and selected through an open tender process, in accordance with the priorities and objectives within the scope of "societal challenges" and "leadership in key industrial technologies".

Or. en

Amendment 25

Proposal for a decision

Annex 1 – part 2 – point 2.1 – point 2.1.2 – subparagraph 7

Text proposed by the Commission

Amendment

Based on these themes, the EIT will have the autonomy to organise the future KICs selection process. The success of future calls for KICs will depend largely on clear guidance as regards the expectations and requirements, as well as a timeframe allowing KIC applicants to get solidly organised both legally and financially before submitting a proposal. KICs will be

The success of future calls for KICs will depend largely on clear guidance as regards the expectations and requirements, as well as a time frame allowing KIC applicants to get solidly organised both legally and financially before submitting a proposal. KICs will be selected against detailed criteria defined in the EIT Regulation, based on the overarching

selected against detailed criteria defined in the EIT Regulation, based on the overarching principles of excellence and innovation relevance. Any KIC selected will need to demonstrate how it will create maximum impact in the given area and prove the viability of its strategy.

principles of excellence and innovation relevance. Any KIC selected will need to demonstrate how it will create maximum impact in the given area and prove the viability of its strategy. ***The better qualified proposals will be selected to start in 2014, and then, after the evaluation of Horizon 2020, the EIT and the KICS, there will be a new open tender process to select the new KICs to start in 2018.***

Or. en

Amendment 26
Proposal for a decision
Annex 1 – part 2 – point 2.2 – subparagraph 7

Text proposed by the Commission

Moreover, the EIT has a clear role to play in ***attracting talent from outside the EU***. By creating a strong brand and forging strategic relations with key partners from around the globe, the EIT can add to the attractiveness of the partners within the KICs. In close cooperation with the KICs, the EIT should develop a strong international strategy, identifying and liaising relevant interlocutors and potential partners. In this context the EIT and its KICs should take full advantage of existing EU initiatives in the area, such as the ‘Erasmus for all’ programme and the Marie Curie Actions. In addition, the EIT can foster knowledge sharing, mentoring and networking by encouraging the setting up of an EIT alumni network.

Amendment

Moreover, the EIT has a clear role to play in ***international cooperation in the field of knowledge and innovation***. By creating a strong brand and forging strategic relations with key partners from around the globe, the EIT can add to the attractiveness of the partners within the KICs, ***or to any other of its activities or fields of action***. In close cooperation with the KICs, the EIT should develop a strong international strategy, identifying and liaising relevant interlocutors and potential partners. In this context the EIT and its KICs should take full advantage of existing EU initiatives in the area, such as the ‘Erasmus for all’ programme and the Marie Curie Actions. In addition, the EIT can foster knowledge sharing, mentoring and networking by encouraging the setting up of an EIT alumni network, ***among others***.

Or. en

Amendment 27

Proposal for a decision

Annex 1 – part 2 – point 2.3 – paragraph 5 – bullet point 6

Text proposed by the Commission

Establish, in cooperation with the Commission and the KICs, a comprehensive system to monitor: the EIT's contribution to Horizon 2020; the EIT's impact via its own and KIC activities; and KIC results. The EIT will report on all its monitoring activities in the annual activity report

Amendment

Establish, in cooperation with the Commission and the KICs, a comprehensive system to monitor: the EIT's contribution to Horizon 2020; the EIT's impact via its own and KIC activities; and KIC results. The EIT will report on all its monitoring activities in the annual activity report ***to be sent to the European Parliament and to the Council***

Or. en

Amendment 28

Proposal for a decision

Annex 1 – part 3 – point 3.2 – subparagraph 2

Text proposed by the Commission

Moving away from a merely administrator role, the EIT headquarters will optimise their operational functions to steer the KICs to maximum performance and make good results widely available. There are efficiency gains to be achieved from providing a number of centralised services and functions, rather than at individual KIC level. While all KICs work on specific themes, a number of elements are of a cross-cutting nature and it is precisely there where the EIT can provide tangible added value. Such knowledge provider functions can relate notably to the EIT headquarters becoming an information broker and resourceful interlocutor, e.g. in fostering cross-KIC exchange and mutual learning, facilitating relations with the EU institutions and other key organisations, such as the Organisation for Economic Co-operation and Development (OECD), or on specific cross-cutting issues, such as

Amendment

Moving away from a merely administrator role, the EIT headquarters will optimise their operational functions to steer the KICs to maximum performance and make good results widely available. There are efficiency gains to be achieved from providing a number of centralised services and functions, rather than at individual KIC level. While all KICs work on specific themes, a number of elements are of a cross-cutting nature and it is precisely there where the EIT can provide tangible added value. Such knowledge provider functions can relate notably to the EIT headquarters becoming an information broker and resourceful interlocutor, e.g. in fostering cross-KIC exchange and mutual learning, ***promoting the exchange of knowledge between the KICs and university networks, RICs, smaller KICs, and other research activities conducted with EIT funding***, facilitating relations with the EU

counselling on IP, technology and knowledge transfer, benchmarking against international best practices, or undertaking anticipation and foresight studies to identify future directions for the EIT and the KICs. The EIT and KICs should decide together where these tasks can be most effectively dealt with. In this regard, it will be of crucial importance for the EIT and the KICs to establish viable mechanisms for systematic collaboration around cross-cutting issues.

institutions and other key organisations, such as the Organisation for Economic Co-operation and Development (OECD), or on specific cross-cutting issues, such as counselling on IP, technology and knowledge transfer, benchmarking against international best practices, or undertaking anticipation and foresight studies to identify future directions for the EIT and the KICs. The EIT and KICs should decide together where these tasks can be most effectively dealt with. In this regard, it will be of crucial importance for the EIT and the KICs to establish viable mechanisms for systematic collaboration around cross-cutting issues.

Or. en

Amendment 29

Proposal for a decision

Annex 1 – part 4 – point 4.2 – subparagraph 1

Text proposed by the Commission

The EIT's budget **needs in** the period 2014-2020 **are** 3,1 billion **euro** and **are** based on three main components: the necessary expenditure for consolidation of the existing three KICs, gradual development towards new KICs in 2014 and 2018 respectively, **and** dissemination and outreach activities and administrative expenditure.

Amendment

The EIT's budget **for** the period 2014-2020 **is** 3,1 billion **EUR** and **is** based on three main components: the necessary expenditure for consolidation of the existing three KICs, gradual development towards new KICs in 2014 and 2018 respectively, dissemination and outreach activities and administrative expenditure.

Or. en

Amendment 30

Proposal for a decision

Annex 1 – part 4 – point 4.2 – subparagraph 2

Text proposed by the Commission

Around 1,69 billion euro (53,15% of the

Amendment

The greater part of the EIT budget **will be**

total EIT budget) is envisaged to fund the KICs designated in 2009 and already operating at the cruising speed; 1,01 billion euro (31,81%) is envisaged for the second wave of KICs (at that time during the start up and development phases) and 259,75 million euro (8,16%) for KICs established as a result of the third wave.

allocated to former and new second and third wave of KICs, in accordance with the plans to be approved by the Governing Board and the results of the KICs's selection process and rate of implementation, in accordance with Regulation (EC) No 294/2008.

Or. en

Amendment 31
Proposal for a decision
Annex 1 – part 4 – point 4.2 – subparagraph 3

Text proposed by the Commission

Amendment

Therefore, the projected EIT budget for the KICs in the period 2014-2020 equals to 2,9 billion euro (93,13% of the EIT total budget for the period 2014/2020). Through the EIT's strong leverage effect, the KICs are expected to mobilise a further 8,890 billion euro of other public and private sources.

deleted

Or. en

Amendment 32
Proposal for a decision
Annex 1 – part 4 – point 4.2 – subparagraph 4

Text proposed by the Commission

Amendment

The EIT will *also* engage in a number of dissemination and outreach activities, *such as the EIT fellowship programme* which will significantly enhance the impact of its operations across Europe. Moreover, a number of cross-cutting supporting and monitoring services will provide added value and efficiency gains for KIC activities. *In implementing and developing*

The EIT will engage in a number of dissemination and outreach activities, which will significantly enhance the impact of its operations across Europe. Moreover, a number of cross-cutting supporting and monitoring services will provide added value and efficiency gains for KIC activities. Around *10 to 15%* of the EIT budget *will be allocated* to implement

these activities, the EIT will need to follow a strategy aimed at a high efficiency ratio, i.e. a maximum of impact to be achieved through light-touch mechanisms. Around 141,76 million (4,4%) of the EIT budget is needed to implement these activities.

these activities.

Or. en

Amendment 33
Proposal for a decision
Annex 1 – part 4 – point 4.2 – subparagraph 5

Text proposed by the Commission

Amendment

*If the EIT is to pioneer new models of open innovation and simplification, this should be reflected in its approach to administration. The EIT headquarters needs to be a lean organisation, which follows a strategic approach towards tapping into expertise whenever needed, but without creating unnecessarily heavy and permanent structures. The costs of administrative expenditure, covering necessary staff, administrative, infrastructure and operational expenses, will over time not exceed 2,4% of the EIT budget. **Part of the administrative expenditure is covered by the host country Hungary through provision of free of charge office space until the end of 2030, as well as an annual contribution of 1.5 million euro to the staff cost until the end of 2015. On this basis, administrative expenditure will therefore be approximately 77 million euro for 2014-2020.***

The EIT headquarters needs to be a lean organisation, which follows a strategic approach towards tapping into expertise whenever needed, but without creating unnecessarily heavy and permanent structures. The costs of administrative expenditure, covering necessary staff, administrative, infrastructure and operational expenses, will over time not exceed 5% of the EIT budget.

Or. en

EXPLANATORY STATEMENT

There is a large consensus on the importance of EIT as a key instrument for technology and innovation policy of EU and on its strategy and functioning. That allows your rapporteur, on this short explanatory statement, to skip all those matters where there is no need to change substantially the Commission proposal and focus on the aspects that, in our opinion, should be the object of some changes in order to better achieve the important goals of the EIT.

EIT as a European Institute and a global brand of excellence

EIT is not a programme, EIT is not a network: EIT is an Institute. Surely, it works in the framework of a programme, surely it builds up technology and innovation networks with many different partners, but it is an Institute with an important role to play, which is not the role of a mere administrator, coordinator or facilitator of its KICs. As an Institute, it should be addressed in a very specific way, different from other sections of H2020. Being not only a direct instrument for innovation, but also an instrument for education, EIT brings a fully-fledged education dimension to the EU's research and innovation policy. This is one of the specificities of EIT in the whole EU policy framework: it's the only instrument that fulfils the knowledge triangle..

We aim at making EIT become a big innovation partner in Europe and beyond, but also a major centre of scientific and technologic research and interchange, of dissemination of good practices and knowledge sharing culture.

EIT can reinforce its role in this field hosting and organizing (or co-organizing with its KICs) big conferences, seminars, technology exhibitions as well as specific training actions, modules for undergraduate courses or packages targeted to school education, summer courses, EIT fellowship programme, adding to the EIT labelled Master and PhD programmes that already exist and that should be further developed.

Although being an educational, technological and innovation Institute, EIT cannot be seen (or behave) as a competitor to our Universities and Research Centres, public or private, but as an important tool they all have for developing a better cooperation, permanent exchange of views and experiences and develop different kind of common projects: common research projects, common innovation projects and common educational projects. This way, EIT will better help EU to face the problem mentioned in the Commission proposal that “(s)ill too often, excellence in higher education, research and innovation, while clearly existing across the EU, remains fragmented.”

We must also recognize that EIT lacks visibility and recognition in Europe and, even more, at a global scale. The new strategic agenda should tackle this problem and aim at creating an internationally recognized brand of excellence, helping to attract talent from Europe and abroad and to forge strategic relations with key partners from around the globe.

To achieve that goal, different things are needed. Certainly, an ambitious agenda for the above-mentioned activities will help solve the problem; good and effective communication is

also needed; but we believe a major step forward in what regards the future premises of the Institute will be a key element in this Strategic Agenda.

New headquarters for EIT

It is undisputed in the business world that the headquarters of a company are an instrument of utmost importance for its institutional communication and brand setting. We think it is time to face this question regarding EIT, if we want to build it as a global brand of excellence, as seems to be a consensual target.

To be seen by the world as a global player in its field, absolutely committed to excellence, EIT must itself have excellent premises. This will reflect the importance EU as a whole pays to its technology and innovation policy.

In our opinion, the EP's Strasbourg buildings are absolutely appropriate to host the EIT. And we think that moving EIT headquarters to our Strasbourg buildings constitutes a positive change not only for EIT, but also for the Parliament and for the EU, both in political and in economical terms. And that this would also be a very positive solution for the city of Strasbourg. Let's see why.

Locating EIT in EP's Strasbourg buildings would raise immediate attention from Europe and from the world and would put EIT project on the focus of world media. It would be seen by European citizens and business and by our global partners as a major symbol of the new vision EU is adopting in the next seven-year period, reinforcing its focus and commitment to a stronger innovation policy.

From the political point of view, it would correspond to the position of the majority of MEPs, recently confirmed twice in roll-call votes, to have a single seat. But it would also bring an answer to the wish many MEPs feel of not leaving a black hole behind their decision.

From the point of view of public opinion feelings towards the EU and its institutions, mainly during these days of crisis and cuts in public expenditure, this decision could do nothing but generate sympathy.

From the economic point of view, and considering the general budget of EU in its global numbers, as we must do, this solution could only bring a reduction in the total costs. No extra money is needed to adopt this solution, quite on the contrary.

For the city of Strasbourg, this would be a very positive solution. The prestige of the city is unaffected; it is even enhanced, as it would become the European Capital of Knowledge and Innovation, not only because of the location of EIT, but because, due to the characteristics of the buildings, EU could also locate in the same premises other European academic or research related projects and institutions. For the good management of city life, it is much better to have a permanent presence of people living and working there, than having a peak of thousands of commuters three days per month. Anyway, many big events, with lots of participants, would regularly be organized in Strasbourg by the EIT.

For EIT and its present, but mainly future activities, Strasbourg premises seem absolutely ideal. They have full potential to be a cheap, easy and quick solution to install EIT headquarters, but also for EIT to host big conferences, seminars, training actions and courses, as well as technology or science exhibitions, with plenty of big and small meeting rooms (or classrooms), offices, bars and restaurants, even several hundreds of rooms with full bathing facilities where participants in these events, coming from all over the world, could be accommodated for free.

Strasbourg building would also host the EIT Foundation, EIT Stakeholder Forum, EIT Alumni Association and other initiatives, start-ups, Universities networks.

Some new KICs co-location centers could be located there too, where partners would have excellent conditions to work closely together on a daily basis (this should not be detrimental to the main policy guideline for a distribution of localization of KICs that helps strengthening the local-global connectivity and co-operation with different national and regional authorities and universities, local clusters and SMEs).

We know EP cannot decide this change by itself. But it can state its position and ask the Commission to study its feasibility. That's what we propose.

Allocation of resources

In order to accomplish the tasks needed to make EIT a global brand of excellence, we need a real budget for EIT that goes far beyond the mere sum of KICs' budget. In the Commission proposal, we have 4,4% for *dissemination and outreach activities* and 2% for *administrative expenditure*. This allocation of resources is coherent with the present vision of a "KICs only" (or almost "KICs only") EIT. But perhaps the vision of EIT as a "KICs only" project is not the more adequate for the important mission and role EIT can play in EU, as described above and as suggested in the Commission proposal.

However, to build EIT upon a different and more ambitious vision, we don't really need more money for EIT: a simple change in the distribution of the resources foreseen by the Commission may be enough. Allocating 10 to 15% of the global budget to the own activities of EIT, keeping 2% for administrative expenditure and the rest for KICs is a possible solution, taking in consideration what follows on the number and size of KICs.

About the number and size of KICs

The model and size of KICs used in the process of setting up the initial three KICs, requiring them to have a critical mass from the very moment of its creation, was probably the adequate form of launching the project. In the technology and innovation world, being able to attain a critical mass is really critical.

Similar requirement may be kept for some of the new KICs. But a slightly different approach is perhaps possible now: if EIT exists as such and has a good dimension, can't it be counted

by itself, summed up with the network of existing KICs at any given moment, as a critical mass provider or a critical mass background, comforting the creation of smaller KICs or other EIT regional cooperation projects? In some cases, to tackle specific challenges, smaller KICs may prove to be a better solution. In this case, keeping a dogmatic approach on the size of KICs (*one size fits all* approach) could be a barrier to finding the best answer.

We should be acting according to what happens sometimes in the business world, where the solution of creating a small company affiliated to a big group may present both the simplicity and flexibility of small organizations and the prestige, stability and market guarantees of the big group, in a virtuous and dialectical combination.

KICs are now to be developed in number, in thematic variety and on regional coverage. We should underline that, bigger or smaller, KICs should always be highly integrated partnerships, bringing together universities, research centers, companies, including SMEs, and other innovation actors around specific societal challenges.

For the period 2014-2020, the Commission has already identified six thematic areas where the establishment of a new KIC may have great potential to add value to existing activities and bring about a real boost to innovation:

- Added-value manufacturing
- Food4future - sustainable supply chain from resources to consumers
- Innovation for healthy living and active ageing
- Raw materials – sustainable exploration, extraction, processing, recycling and substitution
- Smart secure societies
- Urban mobility

We think it is too early to approve and close this list and that a bottom-up approach should be further developed in which other areas could also be the object of applications worth considering, such as the case of the **Sustainable use of the seas, Water and Marine KIC**. This list is not closed yet, nor the decision on the number, size and time framework for the new KICs to be launched. The EIT will have the autonomy to organise, according to the Regulation, the future KICs selection process, in an open, transparent and competitive way, taking in consideration the priorities defined in Horizon 2020.

The EIT Governing Board should have the autonomy to organize, in a public and transparent way, according to the procedure defined in the EIT Regulation, the future KICs selection process, based on general themes fitting in the grand societal challenges. The call for applications should be more open than fixing in advance three fields of activity in each wave, as suggested by the Commission. Could be more, or could be less.

A more flexible approach on the size (and on the funding needs) of KICs can lead to a solution where more than three new KICs can be envisaged for the second and/or for third wave.

Anyway, the Governing Board will keep the EU institutions, namely the Parliament, fully informed about this process and will take into consideration their opinions on the subject.

On the long-term economic relations with the KICs

In the first phase of KICs' life, the EIT provides up to 25% of the KICs budget. Returns on EIT investment in KICs can be measured in terms of benefits for the society and the economy, such as better education opportunities, creation of new business and new jobs, of new products and services.

Over time, seizing market or societal opportunities, KICs may become independent from EIT funding, when the initial project reaches a natural end. But perhaps this does not mean that EIT should put an end to its economic relation to that KIC or to the institution or company it will become when the 7- or 15-year programme ends. EIT should consider being a long-term business partner to the project it has helped to create and also a beneficiary of the revenues it may generate, and not only the ones resulting from direct and indirect exploitation of IP results.

Keeping this partnership may be of strategic importance from the technologic point of view, but also from the economic one. These revenues would help EIT budget to finance new KICs or help develop other education projects.