



Committee on Industry, Research and Energy

2019/0152(COD)23.3.2020 *****IDRAFT 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) 2021-2027: Boosting the Innovation Talent and Capacity of
Europe(COM(2019)0330 – C90043/2019 – 2019/0152(COD))Committee on
Industry, Research and Energy

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PR_COD_1amCom

<i>Symbols for procedures</i>

*	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

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or ~~strikeout~~. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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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) 2021-2027: Boosting the Innovation Talent and Capacity of Europe (COM(2019)0330 – C90043/2019 – 2019/0152(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2019)0330),
 - 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 (C90043/2019),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the opinion of the Committee on Culture and Education,
 - having regard to the report of the Committee on Industry, Research and Energy (A90000/2020),
1. Adopts its position at first reading hereinafter set out;
 2. Suggests that the act be cited as 'the Decision on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT) 2021-2027: Boosting the Innovation Talent and Capacity of Europe';
 3. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 4. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1 Proposal for a decision Citation 2

Text proposed by the Commission

Having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology⁵, and in particular Article 17 thereof,

⁵ OJ L 97, 9.4.2008, p. 1.

Or. enJustification

Regulation (EC) No 294/2008 will be replaced by a new EIT regulation (2019/0151 (COD)) and the relevant article is now Article 4. However, it is appropriate in the citations only to refer to the direct legal basis, which, in this case, is Article 173(3) TFEU. It is sufficient to refer to Regulation (EC) No 294/2008 in the recitals (see recital 1). **Amendment**

2Proposal for a decisionRecital 1

Text proposed by the Commission

(1) Regulation (EC) No 294/2008 provides for the adoption of a Strategic Innovation Agenda (‘SIA’).

Or. en**Amendment**

3Proposal for a decisionRecital 2

Text proposed by the Commission

(2) The SIA **should define** the priority fields and the long-term strategy for the European Institute of Innovation and Technology (‘EIT’) and include an assessment of its socio-economic impact and its capacity to generate best innovation added value. The SIA **should** take into account the results of the monitoring and evaluation of the EIT.

Or. en**Amendment**

4Proposal for a decisionRecital 3

Text proposed by the Commission

(3) The SIA **should** include an analysis of potential and appropriate synergies and complementarities between EIT activities and other Union initiatives, instruments and programmes.

Or. en**Amendment**

5Proposal for a decisionArticle 1 – paragraph 1

Text proposed by the Commission

The Strategic Innovation Agenda of the European Institute of Innovation and Technology for the period from 2021 to 2027 as set out in the Annex is hereby adopted.

Or. en**Amendment**

6Proposal for a decisionArticle 2 – paragraph 1

Text proposed by the Commission

The SIA shall be implemented in accordance with Regulation (EU) **No on the European Institute of Innovation and Technology**⁶.

⁶ Reference to the adopted recast EIT Regulation.

Or. en**Amendment**

7Proposal for a decisionArticle 3 – paragraph 1

Text proposed by the Commission

This Decision shall enter into force ***on the day following that of*** its publication in the Official Journal of the European Union.

Or. en **Amendment** **8** **Proposal for a decision** **Annex I – point 1 – point 1.1 – paragraph 1**

Text proposed by the Commission

The EIT was established in 2008 in order to contribute to sustainable economic growth and competitiveness by reinforcing the innovation capacity of the Member States and the European Union. It pioneered the integration of education, ***business and*** research (knowledge triangle) together with a strong emphasis on entrepreneurial talent and innovation skills. The mid-term evaluation of the EIT in 2018 confirmed that the overarching rationale of the EIT remains valid and the model of innovation-driven knowledge triangle integration remains relevant.

Or. en **Amendment** **9** **Proposal for a decision** **Annex I – point 1 – point 1.1 – paragraph 2**

Text proposed by the Commission

A decade after EIT's establishment, the pace of innovation has accelerated dramatically. Innovation is reshaping economic sectors, disrupting existing businesses and creating unprecedented opportunities. With a shifting global economic order and international competition on the rise, the EU's dependence on talent and its capacity to innovate is growing. Co-design, collaboration and co-creation across disciplines and between education, business and research have never been as important as today to contribute to address global challenges related to climate change and unsustainable use on natural ***recourses***, digital transformation, demographic shifts or the future of healthcare and food.

Or. en *Justification*

Linguistic adjustments. **Amendment** **10** **Proposal for a decision** **Annex I – point 1 – point 1.2 – paragraph 1**

Text proposed by the Commission

Since its set up, the EIT has established itself gradually as a ***successful*** instrument addressing societal challenges. The EIT operates mainly through Knowledge and Innovation Communities (KICs), which are large-scale European partnerships between education and training, business and research organisations. There are currently eight KICs that operate in the following areas: climate change, digital transformation, energy, food, health, raw materials, urban mobility and added-value manufacturing (***see Figure 2***).

Or. en **Amendment** **11** **Proposal for a decision** **Annex I – point 1 – point 1.2 – paragraph 2**

Text proposed by the Commission

Each KIC *is* organised ***around five to ten of*** co-location centres (CLCs²²) which are intended to act as geographical hubs for the practical integration of the knowledge triangle. They are organised and structured according to their respective national and regional innovation context and build on a pan-European network of existing labs, offices or campuses of a KICs' core partners.

²² A 'Co-location centre' is a geographical area where the main KICs knowledge triangle partners are based and can easily interact, providing the focal point for the KICs' activity in that area.

Or. en **Amendment**
paragraph 3 – indent 1

12 Proposal for a decision Annex I – point 1 – point 1.2 –

Text proposed by the Commission

— Education and training activities with strong entrepreneurship components to train the next generation of talents, including the design and implementation of programmes awarded the EIT Label²³, in particular at master and doctoral level;

²³ The EIT Label is a quality seal awarded by the EIT to a KIC's educational programme which complies with specific quality criteria related inter alia to entrepreneurial education and innovative 'learning-by-doing' curricula.

Or. en **Amendment**
paragraph 3 – indent 2

13 Proposal for a decision Annex I – point 1 – point 1.2 –

Text proposed by the Commission

— Activities supporting innovation to develop innovative, products, processes and services that address a specific business opportunity;

Or. en **Amendment**
paragraph 3 a (new)

14 Proposal for a decision Annex I – point 1 – point 1.2 –

Text proposed by the Commission

Or. en **Amendment**
paragraph 4

15 Proposal for a decision Annex I – point 1 – point 1.2 –

Text proposed by the Commission

The KICs represent dynamic innovation ecosystems that produce a wide range of results (see Figure 1 below).

Or. enAmendment
figure 1

16Proposal for a decisionAnnex I – point 1 – point 1.2 –

Text proposed by the Commission

[...]

Or. enAmendment
paragraph 5

17Proposal for a decisionAnnex I – point 1 – point 1.2 –

Text proposed by the Commission

Education and training, talent and skills development are at the core of the EIT model. No other EU action on innovation includes higher education in the innovation value chain to the extent the EIT does. The EIT's education agenda is key for developing highly entrepreneurial and skilled innovators. ***By 2017, more than 1700 graduates have successfully completed an EIT-labelled master and/or doctoral programme, and thousands have participated in entrepreneurial and innovative education activities and formats.***

Or. enAmendment
paragraph 6

18Proposal for a decisionAnnex I – point 1 – point 1.2 –

Text proposed by the Commission

The focus on global challenges through the integration of the knowledge triangle distinguishes the EIT from other innovation instruments. By providing a grant for up to 15 years to KICs, the EIT is delivering ***on its long-term objective of tackling*** global challenges through innovative products and services and bringing concrete benefits to our society and citizens. The EIT also has set the objective ***to*** the KICs to become financially sustainable after 15 years, which is a unique feature that leads to a business and result oriented innovation instrument. In this context, KICs have to develop and implement revenue-creating strategies in order to maintain their innovation ecosystem beyond the period covered by the grant agreement.

Or. enAmendment
paragraph 7

19Proposal for a decisionAnnex I – point 1 – point 1.2 –

Text proposed by the Commission

The EIT approach contributes to both incremental and disruptive innovations to happen, to effectively address market failures ***and*** help transform industries. It enables the creation of long-term business strategies for addressing global challenges and helps creating the framework conditions that are essential for a well-functioning innovation ecosystem to grow and innovation to thrive.

Or. enAmendment
paragraph 8

20Proposal for a decisionAnnex I – point 1 – point 1.2 –

Text proposed by the Commission

The EIT offers an efficient and effective platform for launching, scaling up and managing KICs with strong network effects and positive spill-overs (***see Figure 2 below***). The first

wave of KICs (EIT Digital, EIT Climate-KIC and EIT InnoEnergy), launched in 2009, is established and mature and after 2024 their framework partnership agreements *will* be terminated, in line with the *maximum* grant duration. A second and third generation of KICs (EIT Health and EIT Raw Materials (2014), EIT Food (2016)) is maturing. EIT Urban Mobility and EIT Manufacturing, the two KICs designated in December 2018, are starting their operations in 2019.

Or. enA
figure 2
Amendment

21Proposal for a decisionAnnex I – point 1 – point 1.2 –

Text proposed by the Commission

[...]

Or. enA
paragraph 9
Amendment

22Proposal for a decisionAnnex I – point 1 – point 1.2 –

Text proposed by the Commission

Through its eight KICs with more than 1000 partners from business, research and education, the EIT represents the largest EU-supported innovation ecosystem. The EIT has supported more than 1200 start-ups and innovative ventures, leading to over EUR 890 million in external funding attracted by those companies and more than 6000 jobs created by the supported start-ups. More than 50% of KIC partners are from the business sector (industry, SMEs and start-ups) demonstrating the proximity to the market. *The increase in number of partners in each KIC shows the attractiveness and long-term potential of the EIT model. By 2019, there are more than 600 businesses, 250 HEIs, 200 research organisations, and more than 50 civil society organisations and authorities participating in EIT KICs.*

Or. enA
paragraph 10
Amendment

23Proposal for a decisionAnnex I – point 1 – point 1.2 –

Text proposed by the Commission

In the backdrop of persisting regional disparities in innovation performance, the EIT launched a Regional Innovation Scheme (RIS) in 2014 to widen its regional outreach to modest and moderate innovator countries. Through the RIS, the EIT has *expanded* its activities across Europe and *offers now* opportunities *for* regions with *low* innovation performance to engage in knowledge triangle activities as part of the *a KIC* community. *This is also reflected in the share of EIT funding allocated to EU-13 partners (8.3% as compared to 4.8% in Horizon 2020 as of 2018).*

Or. enA
paragraph 10 a (new)
Amendment

24Proposal for a decisionAnnex I – point 1 – point 1.2 –

Text proposed by the Commission

Or. enA
figure 3
Amendment

25Proposal for a decisionAnnex I – point 1 – point 1.2 –

Text proposed by the Commission

[...]

Or. en
**Amendment
paragraph 11**

26 Proposal for a decision Annex I – point 1 – point 1.2 –

Text proposed by the Commission

The EIT has been able to stay agile and to develop the governance principles and rules for the successful management of its KICs under the overall umbrella of Horizon 2020, in accordance with the EIT Regulation. Its operational independence has allowed it to test and effectively implement a number of novelties in the management of its beneficiaries such as a competitive funding mechanism, financial sustainability targets and specific key performance indicators.

Or. en
**Amendment
paragraph 1**

27 Proposal for a decision Annex I – point 1 – point 1.3 –

Text proposed by the Commission

The EIT is part of the overall Horizon Europe framework that aims, inter alia, to deliver scientific, economic/technological and societal impact so as to strengthen the scientific and technological bases of the Union; deliver on the Union strategic policy priorities, foster its competitiveness in all Member States, including in its industry, and contribute to tackling global challenges, including the Sustainable Development Goals. A core condition for being successful in this endeavor is to respond to the persisting need to **increase** innovation capacity across the Union. There are in particular **three** challenges the EU faces that will guide EIT's actions in 2021-2027 as reflected by its general objectives.

Or. en
**Amendment
paragraph 2**

28 Proposal for a decision Annex I – point 1 – point 1.3 –

Text proposed by the Commission

First, today's economies are increasingly driven by the skills and abilities of people and organisations to turn ideas into products **and** services. Innovation skills **and an** entrepreneurial culture make all the difference **today, in particular in the technological and scientific domains but increasingly also in other disciplines**. There is a strong need to further boost the innovation capacity of higher education institutions in Europe. The EIT is in a unique position to deliver on this in the Horizon Europe framework.

Or. en
**Amendment
paragraph 3**

29 Proposal for a decision Annex I – point 1 – point 1.3 –

Text proposed by the Commission

Second, physical proximity is a key enabling factor for innovation. Initiatives aiming at developing innovation networks and providing services that support the creation, sharing and transfer of knowledge, play a key role in fostering the interactions between business, academia, research organisations, governments and individuals. Still, research and innovation

performances across the EU, as reflected in the annual European Innovation Scoreboard, vary considerably. It is of crucial importance that innovation is inclusive and rooted in the local territories. EIT activities, thanks to their “place-based” approach, are well suited to contribute to strengthening local innovation ecosystems.

Or. en **Amendment**
paragraph 3 a (new)

30 Proposal for a decision Annex I – point 1 – point 1.3 –

Text proposed by the Commission

Or. en **Amendment**
paragraph 4

31 Proposal for a decision Annex I – point 1 – point 1.3 –

Text proposed by the Commission

Finally, vibrant innovation ecosystems require a mix of knowledge, infrastructure and talent. Framework conditions for cooperation between European research, education and innovation along with strong synergies need to be in place to ensure proper and efficient investment of scarce resources *into* research and innovation. Deepening the knowledge triangle integration through existing and new KICs is a proven way to foster an environment conducive to innovation and is a guiding objective for the EIT.

Or. en **Amendment**

32 Proposal for a decision Annex I – point 2 – paragraph 1

Text proposed by the Commission

The EIT as an integral part of the Horizon Europe programme will contribute delivering on its overarching objectives and priorities. The KICs *will be part of the Institutionalised* European Partnerships, meaning they will follow *a set of* principles and *life-cycle* criteria *to ensure a more coherent, open and impact-driven approach*. The EIT general objectives therefore reflect the overall role of the EIT in Horizon Europe and its place in the [Innovative Europe Pillar].

Or. en **Amendment**
paragraph 1 – introductory part

33 Proposal for a decision Annex I – point 2 – point 2.1 –

Text proposed by the Commission

The overarching areas of intervention for the EIT are defined in *the [Horizon Europe proposal]*. The EIT will continue to support its Knowledge and Innovation Communities (KICs) in order to strengthen the innovation ecosystems that help to tackle global challenges. It will do so by fostering the integration of education, research and business, thereby creating environments conducive to innovation, and by promoting and supporting a new generation of entrepreneurs and stimulating the creation of innovative companies in close synergy and complementarity with the EIC. In doing so it will in particular:

Or. en **Amendment**
paragraph 1 – point 2

34 Proposal for a decision Annex I – point 2 – point 2.1 –

Text proposed by the Commission

- (2) Foster innovation and entrepreneurship through better education;

Or. en **Amendment** **35** **Proposal for a decision** **Annex I – point 2 – point 2.1 – paragraph 2 – introductory part**

Text proposed by the Commission

In line with the identified challenges that the EIT is facing (described in chapter 1.3.) and in order to contribute to the above overarching objectives defined for the EIT in *the [Horizon Europe proposal]*, the specific objectives of the EIT for the period of 2021-2027 are to:

Or. en **Amendment** **36** **Proposal for a decision** **Annex I – point 2 – point 2.1 – paragraph 2 – point a**

Text proposed by the Commission

- (a) Increase the impact of KICs and knowledge triangle integration;

Or. en **Amendment** **37** **Proposal for a decision** **Annex I – point 2 – point 2.1 – paragraph 2 – point a a (new)**

Text proposed by the Commission

Or. en **Amendment** **38** **Proposal for a decision** **Annex I – point 2 – point 2.1 – paragraph 2 – point b**

Text proposed by the Commission

- (b) Increase the innovation capacity of the higher education sector *by* promoting institutional change in higher education institutions (HEIs);

Or. en **Amendment** **39** **Proposal for a decision** **Annex I – point 2 – point 2.1 – paragraph 2 – point c**

Text proposed by the Commission

- (c) Increase the regional outreach of the EIT in order to address regional disparities in innovation capacity across the EU.

Or. en **Amendment** **40** **Proposal for a decision** **Annex I – point 2 – point 2.2 – paragraph 1**

Text proposed by the Commission

By delivering on these objectives, the EIT will contribute to the overall achievement of Horizon Europe scientific, economic/technological and societal impacts. ***It will continue to strengthen innovation ecosystems that help to tackle global challenges, by fostering the integration of the knowledge triangle in the areas of activity of the KICs.*** The Horizon

Europe Strategic Planning process will ensure closer alignment between the EIT activities and the rest of Horizon Europe. ***Based on its proven track record***, the EIT will play an important role in the ***Open Innovation*** Pillar.

Or. en
**Amendment
paragraph 2**

41Proposal for a decisionAnnex I – point 2 – point 2.2 –

Text proposed by the Commission

Strong synergies between the EIT and the European Innovation Council ***will be key for the impact of the [Innovative Europe] Pillar. The EIT and the EIC*** will run complementary activities aiming at streamlining the support provided to innovative ***ventures***. Based on the expertise of its KICs, the EIT will provide business acceleration services and trainings to beneficiaries awarded EIC funding.

Or. en
**Amendment
paragraph 3**

42Proposal for a decisionAnnex I – point 2 – point 2.2 –

Text proposed by the Commission

The EIT will furthermore facilitate the access of EIC beneficiaries to KICs' innovation ecosystems and relevant actors of the knowledge triangle. In this way EIC beneficiaries can become actively involved in KICs' activities and benefit from KICs' services. In parallel, EIT beneficiaries will be able to apply to the EIC instruments, ***when EIT KICs*** support ***may not be available***. The EIC may help start-ups supported by KICs with a high growth potential to rapidly scale-up. In particular, the most innovative ***KICs'-backed*** ventures may, if selected under the EIC, benefit from the blended finance support offered by the EIC Accelerator and/or by the financial support offered by InvestEU instruments.

Or. en
**Amendment
paragraph 3 a (new)**

43Proposal for a decisionAnnex I – point 2 – point 2.2 –

Text proposed by the Commission

Or. en
**Amendment
paragraph 4**

44Proposal for a decisionAnnex I – point 2 – point 2.2 –

Text proposed by the Commission

The EIT will ensure stronger synergies ***also*** with programmes and initiatives in the [Excellent Science] Pillar, to accelerate the transfer of knowledge resulting from blue sky research into concrete applications benefiting the society. In particular, with regard to the Marie-Skłodowska-Curie Actions (MSCA), the EIT will collaborate on the development of innovation and entrepreneurial skills of MSCA fellows.

Or. en
**Amendment
paragraph 7**

45Proposal for a decisionAnnex I – point 2 – point 2.2 –

Text proposed by the Commission

Opportunities for synergies will be also explored between the **Sharing** Excellence part of Horizon Europe and the outreach activities supported by the EIT. In particular, target countries of the Horizon Europe Sharing Excellence part will be able to leverage on EIT expertise and support for the development of downstream activities (i.e. close to market), as the target group for **for** EIT outreach activities.

Or. en **Amendment** **46 Proposal for a decision Annex I – point 3 – paragraph 1**

Text proposed by the Commission

A reinforced role of the EIT, through a focus on actions where it will add value at the EU level and contribute to achieving the objectives of Horizon Europe, will guide the EIT strategy for 2021-2027. First, the EIT **will** continue to support the innovation capacity and ecosystems through KICs, their further development and expansion, and through the launch of new KICs. Secondly, building on its experience with the knowledge triangle integration, the EIT **will directly support** the development of the entrepreneurial and innovation capacity in the higher education sector. Finally, through more effective cross-cutting measures, the EIT **will** ensure that its impact at the EU level **increases**. In addition, the EIT will also improve its operations in a number of areas in order to increase its effectiveness, efficiency and impact.

Or. en **Amendment** **47 Proposal for a decision Annex I – point 3 – point 3.1 – point 1 – paragraph 1**

Text proposed by the Commission

The integration of the knowledge triangle by the EIT and KICs at EU, Member States, regional and local levels will remain a core task for strengthening innovation ecosystems and making them sustainable, as well as for developing new solutions to global challenges. The EIT will continue support a portfolio of KICs (*see Figure 2*) and will further strengthen its successful platform for launching, growing **and managing** them. KICs will continue to operate through **co-location centers (CLC)**. The KICs will continue to pursue financial sustainability in order to achieve financial independence from the EIT grant in the long-term (**at the latest**, after 15 years) through leveraging public and private investment.

Or. en **Amendment** **48 Proposal for a decision Annex I – point 3 – point 3.1 – point 1 – paragraph 2**

Text proposed by the Commission

The EIT **will** dedicate a large share of its budget to support KICs. **It will** monitor and analyse **their** performance and **ensure they deliver towards the objectives** of the **EIT and of the Horizon Europe Programme**. Beyond financial support, based on lessons learned, the EIT **will** provide strategic supervision to KICs, as well as guidance on horizontal and specific issues, including on the establishment of synergies within Horizon Europe **and** with other EU initiatives. In particular, the EIT **will** support KICs in establishing interfaces and fostering joint activities with relevant European Partnerships **and** other relevant Union initiatives and programmes.

Or. enAmendment
point 1 – paragraph 3

49Proposal for a decisionAnnex I – point 3 – point 3.1 –

Text proposed by the Commission

It **will** also monitor **the award of** the EIT Label to KICs' education **and** training programmes and explore a more effective quality assurance mechanism, including external recognition and **accreditation** for the EIT Label.

Or. enAmendment
point 1 – paragraph 4

50Proposal for a decisionAnnex I – point 3 – point 3.1 –

Text proposed by the Commission

The EIT **will** facilitate shared services **towards the KICs and** exchanges of experiences and good practices between KICs and foster collaboration between them (cross-KIC activities) on both thematic and horizontal topics. Cross-KIC activities have highest potential where several KICs **already address** common EU policy priorities where no dedicated KICs exist. Bringing together the different KICs communities in dedicated joint actions of mutual benefit has high potential for synergies **and** The EIT **will** boost such **activities and** take an active part in defining the content and structure of the cross-KIC activities. It **will** monitor the implementation of cross-KIC activities as well as the results achieved, with the aim of **making** those activities an integral part of the KICs' strategies.

Or. enAmendment
point 2 – paragraph 1

51Proposal for a decisionAnnex I – point 3 – point 3.1 –

Text proposed by the Commission

The EIT **will** further increase its regional impact through an enhanced openness towards potential partners and stakeholders and a better articulated regional strategy of KICs, including **links to the** relevant Smart Specialisation Strategies.

Or. enAmendment
point 2 – paragraph 2 – introductory part

52Proposal for a decisionAnnex I – point 3 – point 3.1 –

Text proposed by the Commission

The EIT Regional Innovation Scheme, steered by the EIT and implemented by KICs, has been so far run on a voluntary basis. From 2021 on, the EIT RIS **will** become an integral part of the **KIC' multi-annual strategy**. The EIT **will** continue to provide guidance and support to KICs in the preparation of multi-annual **EIT RIS strategies and in their implementation**. **EIT** RIS activities **will continue with improved support to** the innovation capacity of countries and regions that underperform in terms of innovation. The EIT budget devoted to implementing EIT RIS activities **will be at least 10%** of the overall EIT support funding to KICs, thereby

increasing the number of KIC partners from targeted regions. Activities supported through the RIS *will* aim to:

Or. en **Amendment** **53** **Proposal for a decision** **Annex I – point 3 – point 3.1 – point 2 – paragraph 2 – indent 1**

Text proposed by the Commission

— improve the innovation capacities of the local ecosystem, via capacity building activities and closer interactions between the local innovation actors (clusters, networks, regional authorities, HEIs, research organisations, VET institutions);

Or. en **Amendment** **54** **Proposal for a decision** **Annex I – point 3 – point 3.1 – point 2 – paragraph 2 – indent 2**

Text proposed by the Commission

— link local innovation ecosystems to pan-European innovation ecosystems through cooperation with EIT KICs and their co-locations centres.

Or. en **Amendment** **55** **Proposal for a decision** **Annex I – point 3 – point 3.1 – point 2 – paragraph 2 – indent 2 a (new)**

Text proposed by the Commission

Or. en **Amendment** **56** **Proposal for a decision** **Annex I – point 3 – point 3.1 – point 2 – paragraph 3**

Text proposed by the Commission

In addition, in order to ensure KICs’ deeper integration in local innovation ecosystems, each KIC will be required to develop and implement a strategy aiming at strengthening the relationship with regional and local innovation actors, and the EIT will actively monitor the implementation. A “place-based” innovation approach should be integrated within the KIC’s multi-annual strategy and business plan and build on KIC’s CLCs (and RIS), thus leveraging on their role as gateway for accessing a KIC community and interacting with the co-located partners. KICs should demonstrate links with local Smart Specialisation Strategies and with the activities of relevant thematic platforms and interregional initiatives, including the Managing Authorities of ESI Funds. The EIT will also monitor how CLCs operate and how they integrate in the local innovation ecosystems.

Or. en **Amendment** **57** **Proposal for a decision** **Annex I – point 3 – point 3.1 – point 3 – paragraph 1**

Text proposed by the Commission

In order to contribute to addressing new and emerging global challenges, the EIT *will* launch new KICs in priority fields selected based on criteria assessing, among other aspects, their relevance to Horizon Europe policy priorities, and their potential and added value to be addressed through the EIT model. The launch of new KICs *will* take into account the Strategic

Planning of Horizon Europe and the budget allocated to the EIT in 2021-2027. The relevant selection criteria for European Partnerships defined in Annex III of the [Horizon Europe Regulation] **will** be included in the KIC Call for proposals and assessed during the evaluation.

Or. en
point 3 – paragraph 3

58 Proposal for a decision Annex I – point 3 – point 3.1 –

Text proposed by the Commission

Based on a proposal from the EIT Governing Board and an analysis thereof, a first KIC in the field of Cultural and Creative Industries (CCI) is proposed to be launched in 2022 with a call for proposals to be published in 2021. ***This priority field has the strongest complementarity with the eight KICs that have already been launched by the EIT, as well as with the potential priority areas for other European Partnerships to be launched in the framework of Horizon Europe. CCI are a sector with a high growth potential, many grass-roots initiatives and strong citizen appeal. They are strongly embedded in their local and regional ecosystems. However, CCI are still a very fragmented sector and the innovators and business creators lack the needed entrepreneurial and innovation skills. These bottlenecks would be best tackled by a KIC thanks to its knowledge triangle integration approach, long-term perspective and place-based approach. A factsheet summarizing the challenges of the CCI field and the expected impact of the future KIC is included in Annex 1B to this SIA.***

Or. en
point 3 – paragraph 3 a (new)

59 Proposal for a decision Annex I – point 3 – point 3.1 –

Text proposed by the Commission

Or. en
point 3 – paragraph 3 b (new)

60 Proposal for a decision Annex I – point 3 – point 3.1 –

Text proposed by the Commission

Or. en
point 3 – paragraph 4

61 Proposal for a decision Annex I – point 3 – point 3.1 –

Text proposed by the Commission

Based on the proposed budget for the EIT, a second new KIC could be launched in 2025 with a call to be published in 2024, after an amendment to Annex 1A to add new priority field(s). The priority area(s) will be selected in light of the proposals of the EIT Governing Board. These proposals will take into account the priority areas to be identified in the Horizon Europe Strategic Research and Innovation Plan and the criteria set for the selection of European Partnerships, in particular openness, transparency, EU added value, coherence and synergies. The criteria for selecting new KICs will be aligned with those in the Horizon Europe. They will also support delivery on EU policy priorities such as missions and Sustainable Development Goals. Other new KIC/KICs could be selected in case additional budget to that of the EIT would become available.

Or. enAmendment
point 3 – table

62Proposal for a decisionAnnex I – point 3 – point 3.1 –

Text proposed by the Commission

The EIT will:

- *Strengthen innovation ecosystems by continuing to support existing KICs in addressing global challenges through the integration of the knowledge triangle.*
- *Define areas of and promote stronger cross-KIC collaboration on topics of strategic and policy relevance.*
- *Ensure that KICs develop and implement a strategy to create collaboration and synergies with relevant European Partnerships and other relevant Union initiatives and programmes.*
- *Ensure that KICs have an inclusive approach aiming at strengthening their relationship with national, regional and local innovation actors.*
- *Ensure that EIT RIS activities deliver on increased regional impact and are fully integrated in KICs' multi-annual strategies.*
- *Launch new KICs in selected thematic areas of strategic importance, starting with a KIC in the field of Cultural and Creative Industries in 2022.*

Or. enAmendment
introductory part

63Proposal for a decisionAnnex I – point 3 – point 3.2 –

Text proposed by the Commission

3.2. Supporting the innovation capacity of higher education

Or. enAmendment
paragraph 1

64Proposal for a decisionAnnex I – point 3 – point 3.2 –

Text proposed by the Commission

Through the knowledge triangle integration model, the EIT has helped to bridge the persistent gap between higher education, research and innovation. In particular, the EIT *is a key tool* for the development of human capital through *its* distinctive focus on entrepreneurial education. However, the impact of the EIT *remains* limited to the KICs' partners.

Or. enAmendment
paragraph 2

65Proposal for a decisionAnnex I – point 3 – point 3.2 –

Text proposed by the Commission

To support innovation more widely, higher education institutions in Europe need to be innovative and entrepreneurial in their approach to education, research, and engagement with businesses and the broader local innovation ecosystem, including civil society.

Or. enAmendment
paragraph 3

66Proposal for a decisionAnnex I – point 3 – point 3.2 –

Text proposed by the Commission

Developing HEIs into more innovative and entrepreneurial organisations requires a clear strategy, a methodological framework and commitment of resources. Based on its experience, the EIT is uniquely positioned to **support the** development of entrepreneurial and innovation capacity of HEIs under Horizon Europe.

Or. en
**Amendment
paragraph 4**

67 Proposal for a decision Annex I – point 3 – point 3.2 –

Text proposed by the Commission

Activities **will** be implemented by the **EIT through the** KICs in an open and targeted way which will aim at increasing the innovation capacity in higher education in order to integrate a wider number of HEIs in innovation value chains and ecosystems. These activities will **complement the intervention of the EIT on** education **as core part of the** Knowledge Triangle **Integration activities of KICs**, in particular through making them more open and accessible to non-partners of the KICs. **The impact of** the EIT **would** reach beyond the KICs and contribute to the EIT's core mission of boosting sustainable economic growth and competitiveness by reinforcing the innovation capacity of Member States, in line with the Horizon Europe goals of fostering entrepreneurial and innovation skills in a lifelong learning perspective, **including increasing the capacities of HEIs across Europe**.

Or. en
**Amendment
paragraph 5**

68 Proposal for a decision Annex I – point 3 – point 3.2 –

Text proposed by the Commission

The EIT support **will build** on policy initiatives such as the HEInnovate²⁴ and RIIA²⁵ frameworks that have proven their value in a number of HEIs and Member States across the EU. The EIT **will design the support** activities in **close collaboration with the Commission ensuring** coherence and complementarity with relevant activities within Horizon Europe , **Erasmus and** other programmes. **The specific details of the implementation and delivery mechanism process will be further developed and fine-tuned in the first three years and will be subject to monitoring and evaluation during this pilot phase before further upscaling.**

²⁴ HEInnovate is a policy framework developed by the European Commission and the OECD. HEInnovate offers HEIs a methodology to identify innovation capacity areas for further development and to shape relevant strategies and actions in order to achieve the desired impact. HEInnovate is based on sound methodological evidence with eight capacity development areas: Leadership and Governance; Digital Transformation; Organisational Capacity; Entrepreneurial Teaching and Learning; Preparing and Supporting Entrepreneurs; Knowledge Exchange; Internationalisation; and Measuring Impact. OECD has published a number of HEInnovate-based country reports, see OECD Skills Studies series at <https://www.oecd-ilibrary.org/education/>

²⁵ The Regional Innovation Impact Assessment framework (RIIA) was developed by the European Commission as a first step in guiding assessments of the innovation impact of universities through the elaboration of metrics based case studies. Assessing the innovation

impact, e.g. through the RIIA framework, could potentially be tied to innovation performance based funding instruments at the regional, national or EU level.

Or. enAmendment
paragraph 6

69Proposal for a decisionAnnex I – point 3 – point 3.2 –

Text proposed by the Commission

The EIT will play a steering and coordination role in the implementation and monitoring of the activities that will be run by the KICs. Particular attention ***will be paid*** to ensuring: an inclusive approach to attract HEIs beyond the KICs' partners; an inter-disciplinary and inter-sectoral approach; and a link with the European Commission Smart Specialization Strategy, relevant thematic platforms and the EIT RIS.

Or. enAmendment
paragraph 7

70Proposal for a decisionAnnex I – point 3 – point 3.2 –

Text proposed by the Commission

The EIT ***will link its*** support ***to developing innovation capacity in higher education to*** the EIT Label, which is awarded ***currently*** to the KICs' education programmes. ***In particular,*** participating HEIs ***may be involved in the use of*** the EIT Label. The EIT ***will also extend*** the EIT Label ***to*** lifelong learning activities involving and reaching out to a wider target group of students, adult learners and institutions (including VET institutions) beyond the KICs. The application of the Label beyond the EIT ***community*** will have a more structuring effect at all levels (individual, programme and institution).

Or. enAmendment
paragraph 8

71Proposal for a decisionAnnex I – point 3 – point 3.2 –

Text proposed by the Commission

The ***EIT will*** in particular target HEIs from countries that are moderate and modest innovators and other low performing regions that wish to strengthen their innovation footprint and Smart Specialisation Strategies. The EIT ***will*** allocate ***to this measure at least 25% of the overall*** budget ***allocated*** to these activities.

Or. enAmendment
table

72Proposal for a decisionAnnex I – point 3 – point 3.2 –

Text proposed by the Commission

The EIT will:

— ***In cooperation with the Commission, design and launch activities to support the development of innovation capacity in higher education, which will be implemented through the KICs, starting in 2021.***

— ***Introduce an outreach scheme to incentivize HEIs from moderate and modest innovator countries to develop their innovation capacities.***

— ***Provide specific guidance, expertise and coaching to participating HEIs.***

— ***Strengthen and widen the scope of the EIT Label beyond the KICs to include the HEIs***

participating in the action.

Or. en **Amendment**
point 1 – paragraph 1

73 Proposal for a decision Annex I – point 3 – point 3.3 –

Text proposed by the Commission

The EIT *will* reinforce *its* communication and visibility. With a growing number of KICs *and a new action supporting the entrepreneurial development of HEIs*, the EIT will boost its efforts to increase *its* recognition as a quality brand for innovation. This brand management and improved communication is crucial especially towards citizens as the innovations coming out of the EIT contribute to demonstrate the concrete impact of EU investments through the European Research and Innovation Framework Programme. The EIT *will* apply an improved branding strategy towards its main stakeholders (HEIs, research *organisation*, businesses, etc.) in all Member States and beyond, in line with Horizon Europe communication approach.

Or. en **Amendment**
point 1 – paragraph 2

74 Proposal for a decision Annex I – point 3 – point 3.3 –

Text proposed by the Commission

In order to ensure wider dissemination and better understanding of the opportunities offered by the EIT, the EIT *will explore the possibility to* reinforce guidance and assistance on aspects related to participation in EIT KICs across Europe *by building* on existing networks of information across Europe.

Or. en **Amendment**
point 1 – paragraph 5

75 Proposal for a decision Annex I – point 3 – point 3.3 –

Text proposed by the Commission

The EIT *will* continue running the EIT Stakeholder Forum and the EIT awards in order to promote the interactions with European actors of the knowledge triangle and recognise the most promising entrepreneurs and innovators in Europe.

Or. en **Amendment**
point 1 – paragraph 6

76 Proposal for a decision Annex I – point 3 – point 3.3 –

Text proposed by the Commission

The EIT *will* continue to steer and provide strategic guidance to the EIT Alumni Community²⁶ (in collaboration with the EIT Alumni Board) to maximise its entrepreneurial and societal impact and the continuous involvement of its members in EIT-supported activities. In the course of 2021-2027 the Community will continue growing and will also include the alumni taking part to the actions supporting the innovation capacities of HEIs.

²⁶ The EIT Alumni Community brings together entrepreneurs and change agents who have participated in an education or entrepreneurship programme delivered by a KIC. The Community represents a network of over 5000 members.

Or. en **Amendment**
point 2 – paragraph 1

77Proposal for a decisionAnnex I – point 3 – point 3.3 –

Text proposed by the Commission

The EIT has a key role in disseminating good practices and lessons learned. The KICs and the projects supporting innovation and entrepreneurial capacity of HEI are a valuable source of evidence and experimental learning for policy-makers, providing examples of good practices and support in the development and implementation of EU policy in their thematic domains.

Or. en **Amendment**
point 2 – paragraph 2

78Proposal for a decisionAnnex I – point 3 – point 3.3 –

Text proposed by the Commission

So far, the good practices and learnings stemming from the KICs have not been sufficiently codified and disseminated effectively. In its support function as a knowledge partner for policy makers and the entire *innovation* community, the EIT *will* further develop its role as an innovation institute able to detect, analyse, codify, share and ensure the take-up of innovative practices, learnings and results from the EIT-funded activities (education & training, support to innovation, support to entrepreneurship) on a broader scale. This activity *will* build on the links and synergies with the other initiatives within the [Innovative Europe Pillar]of the [Horizon Europe *proposal*].

Or. en **Amendment**
point 3 – introductory part

79Proposal for a decisionAnnex I – point 3 – point 3.3 –

Text proposed by the Commission

(3) International cooperation

Or. en **Amendment**
point 3 – paragraph 1

80Proposal for a decisionAnnex I – point 3 – point 3.3 –

Text proposed by the Commission

Within the scope of the EIT Regulation, the EIT *will seek greater impact of* its activities through international cooperation and *will coordinate* international *EIT-funded* activities by the KICs. Its focus *will* align closely with relevant industrial policy objectives of the European Union as well as its research and innovation priorities and ensuring European added value.

Or. en **Amendment**
point 3 – paragraph 2

81Proposal for a decisionAnnex I – point 3 – point 3.3 –

Text proposed by the Commission

In its international cooperation *the EIT*, in consultation with the Commission, *will* focus on effective tackling of global societal challenges, contributing to relevant international initiatives and the Sustainable Development Goals, ensuring access to talent and enhanced supply and demand of innovative solutions. The EIT and KICs *will plan and* perform their international activities in close collaboration with the Commission, in compliance with the Horizon Europe approach and other relevant EU policies, and under the supervision of the

EIT Governing Board.

Or. enAmendment
point 3 – table

82Proposal for a decisionAnnex I – point 3 – point 3.3 –

Text proposed by the Commission

The EIT will:

— *Improve its visibility through a stronger branding strategy towards main stakeholders in Member States.*

— *Ensure visibility of the European Union’s support.*

— *Explore the feasibility to use existing EU information networks and provide coordination to their activities in order to ensure better advice and guidance to potential EIT KICs partners.*

— *Organise regular meetings of the Member States’ Representatives Group to ensure an effective communication and flow of information with MS.*

— *Increase the visibility of its action towards citizens and its community of stakeholders through the Stakeholder Forum, the EIT Awards and the EIT Alumni.*

— *Identify, codify, and effectively share learnings and good practices emerging from EIT-funded activities; engage with EU Member States authorities at both national and regional level, establishing a structured dialogue and coordinating efforts, in order to identify, share and disseminate good practices and learnings.*

— *Develop broad lines of international cooperation of the EIT and the KICs under the supervision of the EIT Governing Board, in compliance with the Commission’s strategy for international cooperation on research and innovation and in consultation with the the respective Commission services.*

Or. enAmendment
paragraph 1

83Proposal for a decisionAnnex I – point 3 – point 3.4 –

Text proposed by the Commission

This section includes a number of measures that aim to adapt and improve the current functioning of the EIT and the KICs. An effective and strategic EIT Governing Board **will** monitor the implementation of those measures at the EIT level, and **will** provide the necessary incentives and control, including through the funding allocation process, to ensure that the KICs implement them.

Or. enAmendment
point 4 – paragraph 1

84Proposal for a decisionAnnex I – point 3 – point 3.4 –

Text proposed by the Commission

The EIT will provide operational guidance to and monitor the KICs on compliance with sound management principles, the principles and criteria set out for European Partnerships in the Horizon Europe regulation and alignment with Horizon Europe priorities in order to **maximize** their performance and impact.

Or. enAmendment
point 4 – paragraph 2

85Proposal for a decisionAnnex I – point 3 – point 3.4 –

Text proposed by the Commission

Measures ensuring continuous openness of the KICs and transparency during implementation will be improved notably by **including** common provisions for new members that add value to the partnerships. They **will** also run their activities in a fully transparent way. KICs will remain dynamic partnerships that new partners, including an increasing share of SMEs, can join on the basis of excellence and strategic fit. In order to limit the concentration of funding and ensure that KICs activities benefit from a wide network of partners, the procedure for the preparation of the Business Plan (including the identification of priorities, the selection of activities and the allocation of funds) **will** be made more transparent and inclusive. **Finally, KICs will increase the share of calls, in particular for innovation projects that are open to third parties. All these measures will increase the number of participating entities involved in KICs' activities.** Finally, KICs should report on the involvement of new partners in their regular reporting.

Or. enAmendment
point 4 – paragraph 3

86Proposal for a decisionAnnex I – point 3 – point 3.4 –

Text proposed by the Commission

As KICs operate across the entire value chain of innovation, they **will** ensure an appropriate balance of education, entrepreneurship and innovation activities in their Business Plan portfolio. KICs operations **will be** implemented through a lean, efficient and cost-effective structure that would keep administrative and overhead costs to a **minimum**. EIT will ensure that KICs will achieve their expected impacts through a broad range of activities, identified in the KICs' Business Plans, which effectively support the fulfilment of their objectives.

Or. enAmendment
point 4 – paragraph 4

87Proposal for a decisionAnnex I – point 3 – point 3.4 –

Text proposed by the Commission

Commitments from each KIC's partner throughout the contractual duration of the initiative **will** be ensured by regularly monitoring the actual partner's contributions against the original commitments. EIT **will** ensure that KICs have a risk management system in place for cases where some partners are **not able** to meet their original commitments.

Or. enAmendment
point 4 – table

88Proposal for a decisionAnnex I – point 3 – point 3.4 –

Text proposed by the Commission

The EIT will:

- **Ensure that KICs apply strict principles of openness and transparency, in particular as regards the selection of new partners and the procedure for the preparation of the Business Plans.**
- **Ensure that the implementation of the KICs is in full compliance with the respective requirements stemming from the Horizon Europe regulation.**
- **Ensure an appropriate balance in the Business Plans between activities of the knowledge triangle.**
- **Ensure that KICs keep their administrative costs to a minimum.**
- **Ensure transition of existing eight KICs towards delivery of the new implementation criteria of Horizon Europe for European Partnerships.**

Or. enAmendment
point 5 – paragraph 1

89Proposal for a decisionAnnex I – point 3 – point 3.4 –

Text proposed by the Commission

Through a lean and simplified funding model, the EIT will enhance the impact and contribution of KICs towards reaching the objectives of the Horizon Europe Programme. In order to increase the value added of its support, the EIT **will** adapt its funding model. There are four main areas where the EIT will implement improvements.

Or. enAmendment
point 5 – paragraph 2

90Proposal for a decisionAnnex I – point 3 – point 3.4 –

Text proposed by the Commission

Firstly, the EIT will introduce a co-funding rate in order to increase the levels of private and public investments. The **adaptation** of the **funding model will facilitate** the KICs in the transition towards financial sustainability. It will **incentivise them to** decrease gradually during the duration of the framework partnership agreements the share of EIT funding in their Business Plan while increasing the level of co-investment from non-EIT sources. Fixed decreasing co-funding rates **will be applicable** across phases of the entire KICs' life cycle (start-up, **ramp-up**, maturity, exit from the EIT grant) as **presented below**.

Or. enAmendment
point 5 – figure 4

91Proposal for a decisionAnnex I – point 3 – point 3.4 –

Text proposed by the Commission

[...]

Or. enAmendment
point 5 – paragraph 3

92Proposal for a decisionAnnex I – point 3 – point 3.4 –

Text proposed by the Commission

Secondly, the grant allocation process currently used ***will be geared more strongly towards competitive performance and results*** and the use of multiannual grants. The EIT Governing Board will provide stronger incentives to KICs in particular based on their individual performance in order to ensure the highest level of impact. The EIT will therefore amend its competitive funding provisions in order to improve its impact as part of Horizon Europe.

Or. enAmendment
point 5 – paragraph 4

93Proposal for a decisionAnnex I – point 3 – point 3.4 –

Text proposed by the Commission

Thirdly, the EIT will apply strict rules for reinforcing the review mechanism prior to the expiry of the first 7 years initial period of KIC's operations. This mid-term review to be undertaken with the help of external experts should be in line with the best international practice, in line with Horizon Europe criteria for the monitoring and evaluation of European Partnerships and take place before the expiry of the initial seven years period. As a result of the review, a decision will be made by the Governing Board to either continue the financial contribution to a KIC, or to discontinue it (thus not extending the framework partnership agreement with that KIC) ***and reallocate the resources to better performing activities***.

Or. enAmendment
point 5 – paragraph 5

94Proposal for a decisionAnnex I – point 3 – point 3.4 –

Text proposed by the Commission

Finally, the EIT will ***continue*** its efforts towards simplification ***in order to alleviate unnecessary administrative burden²⁷ of the KIC***, allowing the implementation of their ***annual Business Plan and multi-annual strategy*** in an agile and efficient way. This will include the use of lump sum or unit costs for relevant KIC activities. Moreover, in order to provide a better planning of the resources, in particular of innovation activities, as well as facilitate stronger commitment and long-term investment from participating partners in KICs activities, the EIT will sign multi-annual grant agreements with KICs, ***when appropriate***, under the respective framework partnership agreements. These multi-annual grant agreements should not exceed 3 years.

²⁷ In particular, the annual reporting on KIC complementary activities would be discontinued, as recommended by the Court of Auditors in its Special Report of 2016 (Recommendation 1, p. 51).

Or. enAmendment
point 5 – table 2

95Proposal for a decisionAnnex I – point 3 – point 3.4 –

Text proposed by the Commission

The EIT will:

— *Implement a new funding model designed to incentivise commitment from KICs' partners.*

— *Continuously improve the funding model by simplifying KIC's reporting practices and, when deemed appropriate, sign multi-annual grant agreements with KICs under the respective framework partnership agreements.*

— *Adapt the competitive grant allocation process to reward performance and results.*

— *Reinforce the comprehensive review of the performance of each KIC prior to the expiry of their 7th year of activity to support a Governing Board decision on the continuation or termination of their financial support, in line with Horizon Europe framework for European Partnerships.*

Or. enAmendment 96Proposal for a decisionAnnex I – point 3 – point 3.4 – point 6 – paragraph 1 – introductory part

Text proposed by the Commission

Subject to an in-depth independent study in close cooperation with the Commission, by the end of 2023, the EIT *will define its relations with the* KICs that will stop receiving support grants in the course of the 2021-2027 programming period. Subject to a positive *outcome of a final* review, the EIT may conclude a “Memorandum of Co-operation” with each KIC, aiming to maintain cooperation with KICs after the termination of the framework partnership agreement. This Memorandum should include, inter alia, rights and obligations linked to:

Or. enAmendment 97Proposal for a decisionAnnex I – point 3 – point 3.4 – point 6 – paragraph 1 – indent 2

Text proposed by the Commission

— the use of the EIT Label for education & training programmes;

Or. enAmendment 98Proposal for a decisionAnnex I – point 3 – point 3.4 – point 6 – paragraph 1 – indent 4

Text proposed by the Commission

— *relations with the EIT Alumni Community.*

Or. enAmendment 99Proposal for a decisionAnnex I – point 3 – point 3.4 – point 6 – table

Text proposed by the Commission

The EIT will:

— *Develop the general principles for the relation with KICs after the termination of the framework partnership agreement, in line with Horizon Europe framework for European Partnerships;*

— *Conclude, subject to a positive final review and EIT Governing Board decision, Memoranda of Cooperation with the KICs in order to keep them as active members of the EIT Community.*

Or. enAmendment
paragraph 1

100Proposal for a decisionAnnex I – point 3 – point 3.5 –

Text proposed by the Commission

Building on its broad scope of action and distinctive role, the EIT is well placed to create synergies and provide complementarities with other EU programmes or instruments, including by reinforcing its support to KICs in their planning and implementing activities. The list below offers concrete examples where the EIT will contribute to synergies in the mid to long term beyond Horizon Europe.

Or. enAmendment
paragraph 4 – indent 1 a (new)

101Proposal for a decisionAnnex I – point 3 – point 3.5 –

Text proposed by the Commission

Or. enAmendment
paragraph 4 – indent 2

102Proposal for a decisionAnnex I – point 3 – point 3.5 –

Text proposed by the Commission

— EIT KICs will promote the collaboration *with* the Smart Specialisation Platforms, *particularly the projects having experience in working with the Managing Authorities of Cohesion Policy Funds*, in order to facilitate synergies between EIT resources, Cohesion Policy Funds and other European, national and/or regional programmes.

Or. enAmendment
paragraph 1

103Proposal for a decisionAnnex I – point 4 – point 4.1 –

Text proposed by the Commission

The EIT's budget needs in the period 2021-2027 are EUR [3000] million and are based on *three* main components: 1) the expenditure for the existing eight KICs (reflecting that for three of them the framework partnership agreements will come to an end by 2024) and the launch of two new KICs (in 2022 and 2025); 2) *the launch of a new EIT support and coordination action; and 3) administrative expenditure.*

Or. enAmendment
paragraph 2

104Proposal for a decisionAnnex I – point 4 – point 4.1 –

Text proposed by the Commission

Around EUR [2500] million (83,3 % of the total EIT budget) is envisaged to fund existing and new KICs *and includes* EUR [200] million for the Regional Innovation Scheme. Through the introduction of a co-funding rate, the KICs are expected to mobilise a further EUR [1500] million of other public and private sources. *The budget for the launch of two new KICs (to*

be launched in 2022 and 2025, respectively) will be around EUR [300] million. Should additional budget to that of the EIT become available, the EIT could also launch additional KICs.

Or. enAmendment
paragraph 3

105Proposal for a decisionAnnex I – point 4 – point 4.1 –

Text proposed by the Commission

The EIT will launch a new support action to help develop the entrepreneurial and innovation capacity of HEIs. This action will require horizontal project management and monitoring services. Around EUR [400] million of the EIT budget (max. 14%) is needed to implement these activities, with EUR [120] million dedicated to the start-up phase (first 3 years) and the rest for the scale-up phase (final 4 years)

Or. enAmendment
paragraph 4 – introductory part

106Proposal for a decisionAnnex I – point 4 – point 4.1 –

Text proposed by the Commission

The EIT will continue to be a lean and dynamic organisation. The costs of administrative expenditure, covering necessary staff, administrative, infrastructure and operational expenses, will increase but on average **not exceed** 3% of the EIT budget. Part of the administrative expenditure is covered by Hungary through provision of free of charge *office space* until the end of 2029. **On this basis**, administrative *expenditure will therefore be approximately EUR 73 million for 2021-2027. The budget breakdown is presented below:*

Or. enAmendment
paragraph 4 – figure

107Proposal for a decisionAnnex I – point 4 – point 4.1 –

Text proposed by the Commission

[...]

Or. enAmendment
paragraph 1

108Proposal for a decisionAnnex I – point 4 – point 4.2 –

Text proposed by the Commission

The measurement of EIT's impact will be continuously improved over the next programming period taking into account the lessons learnt **and** the experiences gained so far. The EIT will apply **an** evaluation, reporting and monitoring framework *ensuring coherence with the overall approach taken for Horizon Europe while catering for flexibility. In particular, feedback loops between the Commission, EIT and KICs will be improved in order to address the objectives in a consistent, coherent and efficient manner.*

Or. enAmendment
paragraph 1 a (new)

109Proposal for a decisionAnnex I – point 4 – point 4.2 –

Text proposed by the Commission

Or. enAmendment
paragraph 2

110Proposal for a decisionAnnex I – point 4 – point 4.2 –

Text proposed by the Commission

Evaluation

Or. enAmendment
paragraph 3

111Proposal for a decisionAnnex I – point 4 – point 4.2 –

Text proposed by the Commission

The periodic evaluations of the EIT activities, including those managed through KICs, will be carried out by the Commission in line with the provisions of the EIT Regulation and Horizon Europe Regulation. These evaluations will assess the effectiveness, efficiency, relevance, coherence and EU added value of the EIT activities including the KICs. They will be based on independent external evaluations and will feed into the overall mid-term and ex-post evaluations of Horizon Europe. **Furthermore**, each KIC will be subject to a thorough review by the EIT before the end of the 7th and 14th year of operation under the Framework Partnership Agreements.

Or. enAmendment
paragraph 5

112Proposal for a decisionAnnex I – point 4 – point 4.2 –

Text proposed by the Commission

The **reporting and monitoring** of the **KICs operational performance and their results will be a primary task** of the EIT **and will be implemented in cooperation with** Horizon Europe **common corporate services. The reporting and monitoring system for KICs will be built into the overall** Horizon Europe **monitoring system, in particular by implementing common data models including data collection**. The Commission will take part in the co-design of all relevant impact and monitoring indicators and tools developed or applied by the EIT in order to ensure compatibility and consistency with the overall Horizon Europe monitoring system, including the key impact pathways, the criteria framework for European Partnerships and the Strategic Planning Process. Furthermore, EIT will take into account the deployment of the Innovation Radar methodology in Horizon Europe, and will explore how Innovation Radar could be leveraged by the KICs for enhancement of its monitoring activities.

Or. enAmendment
paragraph 6

113Proposal for a decisionAnnex I – point 4 – point 4.2 –

Text proposed by the Commission

Overall, it will be a responsibility of the EIT to regularly monitor the operational performance of the KICs and to adapt continuously its monitoring systems in line with Horizon Europe monitoring and reporting framework for European Partnerships and in cooperation with the Horizon Europe common corporate services. The results of such monitoring will feed into the KICs business planning processes and into the EIT decision-making on the allocation of the budget and preparation of the framework partnership agreements with the KICs as beneficiaries.

Or. en **Amendment**
paragraph 7 – point 1

114 Proposal for a decision Annex I – point 4 – point 4.2 –

Text proposed by the Commission

(1) economic/innovation impact by influencing the creation and growth of companies, as well as the creation of new innovative solutions to address global challenges, creating direct and indirect jobs and *mobilising* other public and private investments;

Or. en **Amendment**
paragraph 7 – point 2

115 Proposal for a decision Annex I – point 4 – point 4.2 –

Text proposed by the Commission

(2) scientific and educational impact by strengthening human capital in research and innovation, enhancing innovative and entrepreneurial skills both at individual and organisational levels and fostering the diffusion of knowledge and innovation openly within society;

Or. en **Amendment**
paragraph 7 – point 3 a (new)

116 Proposal for a decision Annex I – point 4 – point 4.2 –

Text proposed by the Commission

Or. en **Amendment**
paragraph 7 a (new)

117 Proposal for a decision Annex I – point 4 – point 4.2 –

Text proposed by the Commission

Or. en **Amendment**
paragraph 8

118 Proposal for a decision Annex I – point 4 – point 4.2 –

Text proposed by the Commission

The table below provides the non-exhaustive list of management indicators and their targets that would be monitored by the EIT in 2021-2027. These indicators provide the main input and output orientations for monitoring the achievement of EIT's key objectives for the period

2021-2027 such as fostering innovation and entrepreneurship through better education, increasing its regional impact and openness towards potential partners and stakeholders, and bringing new innovative solutions to global challenges to market.

Or. en **Amendment** **119** **Proposal for a decision** **Annex I – point 4 – point 4.2 – paragraph 10**

Text proposed by the Commission

The EIT **will** ensure that the data it collects through its internal monitoring system, including the results from KICs, are fully integrated in the overall data management system of Horizon Europe programme. The EIT **will** ensure that detailed information arising from its monitoring and evaluation process are made available timely and are accessible in **a** common e-database **on** Horizon Europe **implementation**. In addition, the EIT **will** ensure dedicated reporting on quantitative and qualitative impacts, including on committed and actually provided financial contributions.

Or. en **Amendment** **120** **Proposal for a decision** **Annex I – point 4 – point 4.2 – table 2**

Text proposed by the Commission

The EIT will:

— **Improve its current monitoring systems and introduce a reporting and monitoring framework including impact indicators, aligned with the Key Impact Pathways of the [Horizon Europe programme].**

— **Regularly monitor the KICs operational performance and their outputs, results and progress towards impact in line with the [Horizon Europe framework].**

— **Ensure the development of the specific societal indicators in the KICs areas of activity and its regular monitoring in line with Horizon Europe framework for societal impact.**

— **Ensure reporting on quantitative and qualitative impacts, including on financial contributions.**

— **Ensure access to results and project data from KICs and integrating it in the overall data management and reporting system of Horizon Europe programme.**

Or. en **Amendment** **121** **Proposal for a decision** **Annex I – point 5 – paragraph 1 – point 1 a (new)**

Text proposed by the Commission

Or. en **Amendment** **122** **Proposal for a decision** **Annex I – point 6 – paragraph 1 – point 7 – paragraph 1**

Text proposed by the Commission

Cultural and Creative Industries (CCI) can bring a horizontal solution to an array of rising challenges, which are of a permanent nature, and can be addressed through research and

innovation activities. These challenges can be grouped into four pillars: 1) Europeans' creativity, cultural diversity and values; 2) European identity and cohesion; 3) European employment, economic resilience, and smart growth; and 4) Europe as a global actor.

Or. en **Amendment** **123** **Proposal for a decision** **Annex I – point 6 – paragraph 1 – point 7 – paragraph 3 – indent 3 a (new)**

Text proposed by the Commission

Or. en **Amendment** **124** **Proposal for a decision** **Annex I – point 6 – paragraph 1 – point 8 – paragraph 1**

Text proposed by the Commission

An EIT KIC on CCI – with its holistic and integrated approach - will help address all challenges defined above. By covering nearly all sectors of our lives, society and economy, such KIC will be highly relevant in terms of economic and societal impact, unlocking strategic opportunities for economic, technological as well as social innovation.

Or. en **Amendment** **125** **Proposal for a decision** **Annex I – point 6 – paragraph 1 – point 8 – paragraph 2**

Text proposed by the Commission

Culture-based and creativity-driven innovations boost European competitiveness either directly by creating new enterprises and jobs or indirectly by creating cross-sector benefits to the wider economy, improving quality of life and increasing the attractiveness of Europe. CCIs are increasingly seen as new sources of smart, sustainable and inclusive growth and jobs. employing already more than 12 million people in the *EU*, which amounts to 7.5% of all EU people in employment.

Or. en **Amendment** **126** **Proposal for a decision** **Annex I – point 6 – table**

Text proposed by the Commission

An EIT KIC on CCI will:

- Reduce the fragmentation of the cultural and creative sectors' innovation landscape by fostering the creation of innovation ecosystems that will connect actors and networks across sectors and disciplines at local, regional, national and EU levels.***
- Train the next generation of innovators in the CCI sectors by equipping them with the necessary entrepreneurial and technical skills needed to thrive in a fast changing environment.***
- Contribute to the development of the right framework conditions to transform ideas into new technological developments and social innovation that will improve the quality of life and benefit EU citizens.***

— *Foster the creation and development of new ventures in the cultural and creative sectors by mobilizing investment and long-term commitment from the business sector.*

— *Synergize with the existing KICs, as well as with other European partnerships, programmes and initiatives to drive innovation beyond cultural and creative industries in other sectors of the economy.*

— *Strengthen the EU position as a global actor in CCI by harnessing Europeans' creativity and cultural diversity.*

Or. enAmendment

127Proposal for a decisionAnnex I – point 6 a (new)

Text proposed by the Commission

Or. en

EXPLANATORY STATEMENT

Introduction

Since its creation in 2008, the European Institute for Innovation & Technology (EIT) and its Knowledge and Innovation Communities (KICs) have played an important role in enriching the innovation ecosystems, training thousands of researchers, creating new businesses, and improving cooperation and transfer of technology between universities, research institutions and the private sector.

The EIT is instrumental in addressing key barriers for innovation in the Union, but it is yet to achieve its full potential. This revision should build on the achievements while correcting aspects and adapting to the new context. With digitalization and competition from other regions, the Union needs a new pace for achieving all its goals, including the ‘European Green Deal’, while becoming technologically sovereign.

The thematic focus of the future KICs deserves careful attention. EIT’s priorities should reflect the challenges of their times. We believe that Cultural and Creative Industries (CCI), the new KIC proposed by the Commission, is very promising, but we would also like to suggest a new one, on Water, to be launched in 2025.

Principles

This draft report builds upon three major principles, supported by different measures. These principles are **Balance**, **Sustainability** and **Simplification**.

Balance is a crucial and comprehensive dimension. The current **geographical** distribution of KICs and grants is excessively concentrated and there are major inequalities between countries and even between different regions in the same country. Although excellence must remain the prior criterion when attributing funds, pockets of excellence exist all around Europe and not only in the richest regions of half the member states. The EIT must be an instrument for RDI capacity building and a vehicle for a more even brain circulation within the Union. **Gender** balance must also be the rule. Women need a special attention in the EIT and the KICs projects and structures, as they represent an untapped talent, which is key to the transformation of our economy. This results in a loss of talent for the European society, a lack of diversity in the workplace, an underrepresentation of women in leading positions and a potential threat to the search for scientific excellence, and the creation of innovative entrepreneurship and businesses. Finally, we must have a better balance between the three pillars of the **Knowledge Triangle** - Education, Innovation and Research. The KICs operate across the entire value chain with a specific goal: to promote entrepreneurship in different fields of expertise. However, without a true integration between Education, Innovation and Research, this task will always be incomplete. Education, in particular, needs to be more valued if the EIT is to fulfil its role, inducing institutional transformations at Higher Education Institutions, creating innovative entrepreneurship, new businesses and services.

Sustainability is a multi-dimensional, with financial, social, territorial and environmental aspects. The KICs must leverage external investments and become **financially sustainable**

after 15 years of institutional funding by the Union. This is still a challenge for the existing KICs and a certain flexibility to this timeline could be beneficial. Addressing geographical disparities and inequalities, not only between Member States but also within their territories, acting at regional and local level, fosters the **territorial sustainability** of the Union. Reflecting current EU priorities in the KICs activities, namely our **environmental** concerns, is justification for their existence. That is why a new KIC on Water is proposed.

The **Simplification** principle consists of adopting the most user-friendly solutions in all dimensions: **administrative, financial** and in the **structure of EIT** itself and its KICs. The interest of the beneficiaries of the grants and the decrease of their administrative burden must be our first concern. Our goal is to reduce complexity, to favour results and innovative outputs and to align the rules of the EIT and the KICs with those of Horizon Europe.

Key measures

1) Higher Education strengthened

To embed entrepreneurial culture throughout the society, a better balance in the Knowledge Triangle is necessary for the EIT, in particular the increase of the capacities of higher education institutions to create talent and new competences. This is achievable in a balanced, sustainable and simple manner through:

- i. The extension of the regular Higher Education activities of the KICs. This implies re-skilling and up-skilling human resources in a life-long learning perspective, vocational training, mentoring activities and the systematic use of tuition-free MOOCs for the broadest possible dissemination of KICs educative outputs. Cooperation with the private sector will be key to enhance properly our business and innovation ecosystem;
- ii. The new initiative proposed under the form of a Support Action to foster the innovative capacity of Higher Educations institutions shall be an integral part of the KICs business plans and budget. This Higher Education Initiative will be implemented directly by the sectoral KICs through open and transparent calls; it shall not be a separate support action at EIT level.

2) Openness, transparency and visibility increased

The EIT and its KICs shall systematically launch open and transparent calls for selecting new partners, new projects and for establishing new colocation centres. Broad dissemination of these calls and the selection criteria are necessary. We also propose to establish a network of liaison officers dealing with EIT in each Member State within the National Contact Points for Horizon Europe.

Finally, to increase readability of the EU funding for innovation, all implementing bodies of the ‘Innovative Europe’ pillar of Horizon Europe shall work more and more closely. The feasibility of establishing a unique one-stop-shop for innovation at EU level shall be assessed during the mid-term review of the EIT.

3) Geographical distribution extended

The Regional Innovation Scheme (RIS) has been a privileged tool for broadening the geographical base of EIT and KICs activities. Yet, its potential remained largely unexploited, notably due to the lack of synergies and diverging rules between Union’s structural and investments funds (ESI funds) and the Framework Programme for Research and Innovation. For the next financial period, the RIS and the new network of country liaison officers can

promote a more balanced brain circulation and geographical distribution within the Union, notably by:

- making the use of RIS mandatory;
- using synergies with ESI funds *to create inside the EIT funding schemes that are similar to the widening actions of the Framework Programme for Research and Innovation (teaming, twinning and ERA-Chairs)*;
- encouraging the return of highly skilled people to home country, in particular towards those countries that suffer from higher outflows than inflows (“brain drain”); synergies with ERC, with Marie S. Curie actions, as well as national programmes for return grants could be instrumental;
- mobilising ESI funds for the creation of new colocation centres and/or new research infrastructures;
- ensuring that KICs activities are enshrined in Smart Specialisation Strategies. In addition, when dealing with ex-aequo proposals, the EIT and the KICs shall give priority to the proposals that meet more of the following specifications:
 - being able to leverage contributions from the ESI funds.
 - including a higher number of regions that underperform in R&I.
 - are under-represented in the EIT community.
 - include a higher number of SMEs.
 - have a better gender balance in the project teams.

All of this keeping in mind that excellence remains the main criterion.

4) The funding model revised and simplified

In order to reduce the administrative burden, to streamline the rules with those of ‘Horizon Europe’ and to encourage the KICs to become more rapidly financially sustainable, we propose that:

- i. Three instead of four co-funding rates shall apply over the lifetime of a KIC, to bring them closer to the practices under Horizon Europe;
- ii. As recommended by the European Court of Auditors in 2016, the EIT shall allocate only multi-annual grants to the KICs (two or preferably three years) and the duration of the KICs business plans shall be aligned to the duration of the grants;
- iii. The derogations to the model grant agreement of Horizon Europe shall be limited to duly justified cases and subject to a delegated act;
- iv. In line with Horizon Europe, the administrative costs of both the EIT and the KICs shall not exceed 5%;
- v. An extension of the Framework Partnership Agreement of the KICs for three more years, decided by the governing board after an independent assessment, could also be considered to ensure funding for essential activities that are not commercially viable.

Furthermore, it is crucial that the KICs leverage different sources of private and public funding. However, those should be external funders (regions, companies, foundations.). The efforts towards financial sustainability cannot lead to an increase of tuition-fees, membership fees that the KICs are demanding from the partners. Similarly, the efforts towards financial sustainability shall not lead to a decrease of the grant funding and a shift towards financial instruments (loans or blended finance), except for the more close-to-the-market activities. These aspects are of particular importance for smaller entities, such as SMEs.

5) Two new KICs launched in well-defined priority fields

The new KIC proposed on CCI is very promising, and its focus should take into account the preservation and valorisation of the European cultural heritage and arts. This draft report fully supports the timetable proposed to launch the call for this new KIC in the first year of the next financial period.

In order to allow for thorough preparation of the stakeholders and coordination with the strategic planning process for Horizon Europe, it is important to indicate the topic of the second KIC proposed. We are convinced that among the priority fields identified in the EIT Strategic Innovation Agenda, the one on water presents the highest benefit at EU level. It is fully in line with the new EU priorities of the 'European Green Deal' as well as with international initiatives such as the UN 'Decade of Ocean Science for Sustainable Development' between 2021 and 2030. Therefore a new annex proposing a KIC on of 'Water, Marine and Maritime Sectors and Ecosystems' ('Water KIC') has been added.

6) Gender dimension embedded in all aspects

Women doctoral graduates are significantly under-represented in the fields of ICT (21 %), engineering, manufacturing and construction (29 %). The KICs education and training activities must pay more attention to the need to overturn these trends. When faced with two projects with an equal score, the one with a better gender balance shall prevail. The EIT has a specific monitoring role on the activities performed to this end.

ANNEX: LIST OF ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT

Since my nomination as rapporteur for the Strategic Innovation Agenda of the EIT, I had the chance to confront my positions with a series of public and private stakeholders that were requesting to discuss the Commission's proposal and their ideas on how to improve it according to various needs.

The table below is a summary of all the meetings and phone calls held in the past months with private undertakings that are active in different forms in the EIT and the KICs' activities.

<i>Organisation</i>	<i>Date and time</i>	<i>Topics discussed</i>
EIT Governing Board	21.10.2019 - 18.30	EIT functioning, relations between Governing Board and KICs, importance of Court of Auditors' remarks, results of the EIT so far
KICs on Raw Materials and Health	24.10.2019 - 08.30-09.30	KICs' activities, functioning and results obtained so far, improvements of the Com proposal, budget, funding curve, openness and geographical balance, financial sustainability, education, new KICs.
Hewlett Packard (HP)	06.11.2019 - 11.30-12	HP participation in the activities of the KIC Digital
KIC InnoEnergy	23.10.2019	KICs' activities, functioning and results obtained so far, improvements of the Com proposal, budget, funding curve, openness and geographical balance, financial sustainability, education, new KICs.
KIC Food	21.01.2020	KICs' activities, functioning and results obtained so far, improvements of the Com proposal, budget, funding curve, openness and geographical balance, financial sustainability, education and training activities, new KICs.
Frontiers Open Access Platform	06.02.2020	Open science, open access and interactions between editorial platform and dissemination of EIT and KICs' results.

Further to the bilateral meetings, the rapporteur co-organised and participated to some public activities during which it was possible to gather further opinions and to ask questions to the relevant actors. These were:

- an official mission organised by the ITRE committee to Budapest and Wien at the EIT Headquarters and some co-location centres from 28th to 30th of October 2019 - the report on the mission with further details and a summary of the discussions is available on request;
- a public breakfast event organised together with Knowledge 4 Innovation Network in the European Parliament on 13th of November 2019, on the European Innovation Council, with the participation of some KICs' representatives and many other stakeholders. Among other issues, also the relations between EIC and EIT were discussed;
- a public conference organised together with Knowledge 4 Innovation Network in the European Parliament on the 4th of February 2020, with the participation of the EIT Director, some KICs' representatives, the EP shadow rapporteurs and other stakeholders.

The Rapporteur received inputs in form of emails and position papers also from the following entities: Climate KIC; The Guild; Mission of Norway to the EU; YERUN; ECIU; Open

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