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PROGRESS REPORT

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Subject: 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

Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 294/2008 establishing the European Institute of Innovation and Technology

- Progress Report

I. INTRODUCTION

1. The European Institute of Innovation and Technology (EIT) has been set up in 2008 by a Regulation of the European Parliament and the Council with the objective to contribute to sustainable economic growth and competitiveness by reinforcing the innovation capacity of the EU and its Member States. EIT aims to foster the integration of the knowledge triangle of higher education, research and innovation, mainly via its Knowledge and Innovation Communities (KICs).

2. The EIT Regulation foresees that after the initial phase the long-term strategy of the EIT is to be set up in the **Strategic Innovation Agenda (SIA)**, to be adopted by the European Parliament and the Council, on the basis of a Commission proposal. The SIA is a policy document outlining the future priority fields of the EIT, including an overview of the planned activities for 2014-2020, in particular, the priority fields for the KICs and their selection and designation.
3. In 2014-2020, the EIT will contribute to the Framework Programme for Research and Innovation “Horizon 2020” and the financial contribution from Horizon 2020 will be implemented in accordance with the rules for participation and dissemination of Horizon 2020. Therefore the current Regulation needs to be amended and aligned within Horizon 2020.
4. On 30 November 2011, the Commission adopted its 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)* and a proposal for a *Regulation of the European Parliament and of the Council amending Regulation (EC) No 294/2008 establishing the European Institute of Innovation and Technology*.

II. STATE OF PLAY

1. EIT Regulation

The draft proposal for an amendment of the EIT Regulation has been discussed in the Research Working Party (RECH WP) under the Danish Presidency. In general, the draft proposal was welcomed by delegations. During the discussion, delegations raised some questions for clarification, inter alia the role of the Governing Board and the relation between the Governing Board and the Director of the EIT, the role of the Member States and the rules for management of Intellectual Property Rights. In particular the role of the Member States needs to be further clarified in the future discussions.

2. EIT SIA

The RECH WP discussed the Commission proposal on the EIT SIA during the Danish Presidency. The discussions clarified certain aspects of the proposal and identified topics, which require further examination. It should be noted that pending an agreement on the Multi-Annual Financial Framework (MFF), budgetary questions will be examined at a later stage.

Delegations have highlighted that the number of new KICs is fundamentally linked to the overall budget of Horizon 2020. Also, delegations have pointed out that the EIT concept is still at its early stage and only the first deliverables are available. For this reason several Member States wish to take a cautious approach to the establishment of new KICs. Subject to the outcome of the negotiations of the MFF, there was wide support to the two-wave approach for launching new KICs as proposed by the Commission. In this respect, the importance of the positive result of the review provided for in Article 26 of the Horizon 2020 Regulation has been underlined by several delegations.

The total number of new KICs and the timetable for setting them up remain outstanding issues that require further examination. Likewise, whether the list of thematic areas proposed by the Commission for new KICs should be considered as an exhaustive or merely indicative list remains an issue for further examination.

Access to existing KICs has been raised by some delegations as their main concern. Some delegations have enquired about the leverage effect of the KICs and their ability to mobilise investment and long-term commitment from the private sector. During the discussions, delegations have called for an enhanced focus on entrepreneurship in the KICs. Finally, the importance for the EIT and KICs to seek synergies across pillars in Horizon 2020 and other relevant European initiatives has been raised by several delegations.

III. CONCLUSIONS

The Danish Presidency has put together the present progress report in order to inform Ministers about the state-of-play. COREPER, at its meeting of 23 May 2012, agreed to forward the progress report to the Council.

The Council is invited to take note of this progress report at its meeting on 30 - 31 May 2012.
