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From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
No. prev. doc.:	9354/16 RECH 201 COMPET 315 EDUC 211 FIN 318
Subject:	Draft Council conclusions on the Special Report No. 4/2016 by the European Court of Auditors: "The European Institute of Innovation and Technology must modify its delivery mechanisms and elements of its design to achieve the expected impact" - Adoption

1. On 15 April 2016 the European Court of Auditors published its Special Report No 4/2016 entitled "The European Institute of Innovation and Technology must modify its delivery mechanisms and elements of its design to achieve the expected impact"¹.
2. Under the rules laid down in the Council conclusions on improving the examination of Special Reports drawn up by the Court of Auditors², the Permanent Representatives Committee instructed the Working Party on Research to examine that report in accordance with those rules.
3. The Special Report was presented by the Court of Auditors to the Working Party on Research on 25 April 2016.

¹ The report is available in all official languages on the Court's website: <http://eca.europa.eu>.

² 7515/00 FIN 127 + COR 1.

4. Based on the findings of the Special Report the Presidency prepared draft Council conclusions which have been examined by the Working Party on 6 June 2016 and an agreement in principle on these conclusions has been found.
 5. The Permanent Representatives Committee is therefore invited to recommend to the Council to adopt, as an "A" item of its agenda, the draft Council conclusions as set out in annex to this document.
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Draft Council conclusions on the Special Report No. 4/2016 by the European Court of Auditors: “The European Institute of Innovation and Technology must modify its delivery mechanisms and elements of its design to achieve the expected impact”

THE COUNCIL OF THE EUROPEAN UNION,

RECALLING

- its conclusions on improving the examination of special reports drawn up by the Court of Auditors in the context of the discharge procedure³;
- 1. WELCOMES the Special Report No. 4/2016 by the European Court of Auditors entitled: “The European Institute of Innovation and Technology must modify its delivery mechanisms and elements of its design to achieve the expected impact”⁴;
- 2. ACKNOWLEDGES the conclusions and recommendations of the Special Report and RECOGNISES in particular that:
 - the main reasons for setting up the European Institute of Innovation and Technology (EIT) are well founded;
 - at the end of the period covered by the Special Report, the first three knowledge innovation communities (KICs) had brought together more than 500 partners from academia, research and business and had offered new opportunities to carry out innovative activities and promoted an entrepreneurial culture;

³ Doc. 7515/00 + COR 1.

⁴ http://www.eca.europa.eu/Lists/ECADocuments/SR16_04/SR_EIT_EN.pdf

- in order to enhance the EIT's overall effectiveness and to achieve its objectives some of its key concepts and operational processes need to be further improved.
3. TAKES NOTE of the Commission's replies which accompany the Special Report and ACKNOWLEDGES that both the Commission and the EIT agree to the main recommendations of the Special Report.
 4. WELCOMES the actions already undertaken by the EIT and the Commission in 2015.
 5. INVITES the Commission and the EIT to pay utmost attention to the recommendations of the Special Report and CALLS on the Commission and the EIT to report to the Council on the actions taken by mid-2017, such as on the improvement of the EIT and EIT/KIC management, the progress towards financial sustainability of the KICs, the development of the involvement of industry and the development of the Regional Innovation Scheme, as well as to provide as soon as possible detailed information describing the allocation of EU funds in each KIC.
 6. LOOKS FORWARD to the results of the review of the EIT in the context of the interim evaluation of the Horizon 2020 by the end of 2017, with a view to examining the findings in detail, including possible changes to the Regulation establishing the EIT and to discuss the EIT in the context of the future EU research, development and innovation Framework Programme.
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