



European Economic and Social Committee

INT/617
EIT – Modification
INT/618
EIT – Strategic Agenda

Brussels, 28 March 2012

OPINION

of the

European Economic and Social Committee

on the

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
COM(2011) 817 final – 2011/0384 (COD)

and the

Proposal for a decision of the European Parliament and of the Council on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT): the contribution of the EIT to a more innovative Europe
COM(2011) 822 final – 2011/0387 (COD)

Rapporteur: **Mr Lemerrier**

On 13 December 2011 the European Parliament, and on 16 January 2012 the Council, decided to consult the European Economic and Social Committee, under Article 173(3) of the Treaty on the Functioning of the European Union, on the

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The Section for the Single Market, Production and Consumption, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 8 March 2012.

At its 479th plenary session, held on 28 and 29 March 2012 (meeting of 28 March), the European Economic and Social Committee adopted the following opinion by 123 votes to 5 with 4 abstentions.

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1. Conclusions and recommendations

- 1.1 The EESC welcomes the Commission's overall approach regarding the European Institute of Innovation and Technology (EIT).
- 1.2 It supports the Commission's core proposals, which are the outcome of consultations with the different EIT stakeholders, the impact assessments and the data generated by experimentation.
- 1.3 The EESC is aware that the European Union is lagging behind in cooperation, knowledge-sharing and in bringing together high-level research and training institutions, and therefore sees the Commission's initiative as a positive step.
- 1.4 Given the globalisation of research and the decisive weight of innovation in production, it maintains that excellence must be fostered.

2. **Background**

- 2.1 The EIT was created in 2008.
- 2.2 The EIT resulted from a Commission proposal to the Council, which was adopted on 22 February 2006, and was set up as part of the Lisbon strategy with the aim of boosting growth and creating jobs in the Union.
- 2.3 Its primary objective is for Europe to catch up in the area of technological innovation-based industrial policy and hence to promote synergies between basic research, R&D and innovative industrial applications in Europe, especially for SMEs and SMIs.
- 2.4 As a centre for excellence, the EIT aims to become a flagship of innovation, research and growth in the Union. To achieve this, it strives to bring higher education, research and innovation bodies closer together, both functionally and geographically.
- 2.5 This closely mirrors the concept applied by the Massachusetts Institute of Technology (MIT), which works for the horizontal integration of these three sectors.
- 2.6 In June 2008, Budapest was selected as the operational headquarters.
- 2.7 The EIT does not fund individual projects directly: it makes a 25% contribution to financing the decentralised Knowledge and Innovation Communities (KICs).
- 2.8 The KICs, made up of universities, businesses and research institutes, work together on innovative projects, and contribute together with local partner entrepreneurs and innovators of all kinds to providing 75% of the funding of local projects.
- 2.9 The first three KICs were selected in December 2009 with co-location centres in France, Germany, the United Kingdom, Switzerland, Italy, Spain, the Netherlands, Sweden, Finland, Hungary, Belgium and Poland.

3. **The Commission's proposals**

- 3.1 In this context, the EIT must become a reference mark and a beacon for universities, research bodies and businesses involved in research and development (R&D), and especially for innovative small and medium-sized enterprises (SMEs) who are also the main providers of skilled jobs and new occupations.
- 3.2 In order to boost its impact and stimulate innovation in new areas relating to societal challenges, the EIT will gradually expand its range of KICs in the course of the 2014-2020 framework programme for funding research.

- 3.2.1 The budgets allocated will be monitored: ultimately, the practical results will determine the viability of each KIC.
- 3.2.2 By adopting a gradual approach to setting up new KICs, the EIT will ensure that the lessons learned from experience will be properly taken into account and that new KICs will only be created in areas with clear potential for innovation and offering outstanding excellence that can attract the necessary skills and financing.
- 3.3 Two new generations of KIC will emerge during the 2014-2020 period: three are to be set up in 2014 and a further three in 2018 – with the existing three, this will make a total of nine KICs (meaning the creation of 40 to 50 co-location centres across the EU).
- 3.4 Grounded on a solid scientific and research foundation, they can bring together training, research and innovation stakeholders.

All the KICs are capable of mobilising investment and fostering a long-term commitment on the part of businesses, facilitating new technological developments and stimulating social innovation:

- a KIC for added-value manufacturing industries;
 - a KIC for the food supply chain;
 - a KIC for innovation for healthy living and active ageing;
 - a KIC in favour of secure societies faced with the rapid digitalisation of the economy;
 - a KIC to facilitate new methods of sustainable exploration, extraction, processing, recycling and substitution;
 - a KIC on urban mobility.
- 3.5 The establishment of decentralised KICs bringing together all potential local partners, probably at regional level, appears to be a proper response to the challenges facing the EU. In view of the proven impossibility of harmonising the research, training and production systems of the various Member States within a reasonable (meaning short) timeframe, because these issues touch upon subsidiarity, setting up KICs provides a practical solution for overcoming this difficulty and offering a new policy model for developing industry and services.
- 3.6 The autonomy enjoyed by KICs in recruitment, organisation and financing will make it easier to identify the most skilled and motivated researchers, and should facilitate the returns on experience and the international cooperation envisaged by the Commission.

4. General and specific comments

- 4.1 The **overall architecture** proposed by the Commission is both innovative and promising. The Committee would recall its previous opinion¹ on the establishment of the European Institute of Technology, considering that its general comments remain entirely valid today.
- 4.2 Regarding the **budget**, the Committee considers that, in the light of the number of KICs to be set up and the duration of the programme, the budget allocated by the Commission's project effectively represents a freeze, or even a relative reduction, in financial resources up to 2020. The EIT however offers a path towards sustainable medium- and long-term growth for European SMEs and SMIs that would offer a wealth of innovation and jobs and which must be helped to flourish in the most promising sectors.
- 4.3 The **financing structure** for the KICs is clearly advantageous, as only 25% is contributed by the EIT with the remaining 75% to be provided by partner businesses, SMEs, research centres and public and private stakeholders. The flexibility of this structure can speed up the process of acquisition and of shifting from fundamental to applied research, of innovation and lodging patents and of setting up or developing companies putting innovation on the market.
- 4.4 What is more, local initiatives will be in a position to enjoy considerable room for manoeuvre in the Member States.
- 4.5 The **governance structure** of the KICs, together with the regular turnover of members, represent obvious assets. The Committee agrees with the thinking that guides the EIT's development. It is also convinced that that the KICs' independence and autonomy must be maintained in the interests of greater effectiveness, and that their work should be judged on the basis of results.
- 4.6 A valuable aspect of this two-tier structure is that it will be easier to bring patents and innovative products emerging from the KICs to the market.

Faced with accelerating globalisation that is undermining traditional industries, the EESC agrees that the concept of "excellence" in training and production is a forward-looking value and an effective tool for competitiveness.

- 4.7 More than ever, the added value of innovative products and services that are strongly geared to sustainable development will create skilled jobs and prevent relocation to lower labour cost countries.
- 4.8 The EESC notes the relative concentration of KICs. The Committee would like to see a focused effort being made to forge links with laboratories, businesses and research institutions

¹ [OJ C 161, 13.7.2007, p. 28.](#)

in as many Member States as possible in order to broaden the creative potential and human and technological resources available to KICs and to avoid accentuating imbalances between the Member States in terms of research and high-level training. It also notes that more than 200 partners from all the Member States have committed themselves.

- 4.9 The EESC is particularly pleased at the introduction of EIT-labelled degrees, facilitating mobility for researchers and the development of businesses and SMEs beyond their home territories.
- 4.10 The EESC hopes that as much information as possible will be channelled to institutes, businesses and potential partners so they can support and contribute to the establishment of KICs in the main areas mentioned in the 2020 strategy.

To this end, the EIT must rapidly publicise these topics so that businesses and potential partners can build up their partnership projects.

- 4.11 The EESC is aware that there may be some reluctance, and even resistance, on the part of national institutions and so urges the Commission to promote a comprehensive dialogue between the EIT and such institutions, generating synergies which it believes will turn out to be crucial.

It would point in particular to the concerns felt by the heads of research and training institutes that their budgets may be reduced for the benefit of KICs.

Brussels, 28 March 2012.

The President
of the
European Economic and Social Committee

Staffan Nilsson
