

**Opinion of the Committee of the Regions on the European Institute of Technology**

(2007/C 146/04)

## THE COMMITTEE OF THE REGIONS

- suggests that the EIT governance structures are developed to balance the need for independence for the EIT for its day to day running, with the need for Member States and the EU Institutions to have the ability to safeguard the interests of the EU, for example through a quinquennial review by a Member State panel;
- regrets that the proposal puts forward inadequate fresh funding for the research community. It insists that the existing EU funding streams for research are not top sliced but instead additional private sector contributions are specified and ensured by clear mechanisms. The Knowledge and Innovation Communities (KIC) should be encouraged to become financially sustainable over time and also have their budget regularly reviewed against their performance;
- recommends that in its initial stages, the EIT does not award its own degrees, rather develops a brand or label that is awarded by KIC partner universities;
- recommends that the selection of KIC partnerships should take account of both their excellence and also demonstrated potential for excellence in education, research and innovation. It calls on the European Commission to specify how these criteria will be measured;
- recommends to instruct the EIT to give a high rating to KIC applications that have strong partnerships with structured research communities and engagement with their regional and local authorities/bodies. SMEs should explicitly be listed as potential partner organisations.

THE COMMITTEE OF THE REGIONS,

**Having regard** to the Communication from the Commission to the European Council on *The European Institute of Technology: further steps towards its creation*, (COM(2006) 276 final);

**Having regard** to the *Proposal for a Regulation of the European Parliament and the Council establishing the European Institute of Technology* (COM(2006) 604 final — 2006/0197 (COD));

**Having regard** to the decision of the European Commission of 8 June 2006 to consult it on the subject, under the first paragraph of Article 265 of the Treaty establishing the European Community;

**Having regard** to the decision of the Bureau of 25 April 2006 to instruct its Commission for Culture, Education and Research to draw up an opinion on this subject;

**Having regard** to the Communication from the Commission to the Council and the European Parliament: *Delivering on the modernisation agenda for universities: Education, Research and Innovation*, (COM(2006) 208 final);

**Having regard** to its Opinion on the *Proposal for a Decision of the European Parliament and of the Council concerning the seventh framework programme of the European Community for research, technological development and demonstration activities (2007-2013)*, (COM(2005) 119 final — 2005/0043 (COD) — 2005/0044 (CNS)), (CdR 155/2005 fin) <sup>(1)</sup>;

**Having regard** to its Opinion on the *Proposal for a Decision of the European Parliament and of the Council establishing a Competitiveness and Innovation Framework Programme (2007-2013)*, (COM(2005) 121 final — 2005/0050 (COD)), (CdR 150/2005 fin) <sup>(2)</sup>;

**Having regard** to its Opinion on the *Communication from the Commission: Mobilising the brainpower of Europe: enabling universities to make their full contribution to the Lisbon Strategy*, (COM(2005) 152 final), (CdR 154/2005 fin) <sup>(3)</sup>;

**Having regard** to the Communication from the Commission to the European Council: *Implementing the renewed partnership for growth and jobs Developing a knowledge flagship: the European Institute of Technology*, (COM(2006) 77 final);

**Having regard** to the Communication from the Commission to the Spring European Council: *Working together for growth and jobs — a new start for the Lisbon Strategy*, (COM(2005) 24 final);

**Having regard** to the Presidency Conclusions of the Brussels European Councils on 23/24 March and on 15/16 June 2006 on the European Institute for Technology;

**Having regard** to the draft opinion adopted by the Commission for Culture, Education and Research on 28 September 2006 (CdR 273/2006 rev. 2), (Rapporteur: **Mr Keith Walters**, Member of Cambridgeshire County Council (UK/EPP));

**Whereas:**

1. Positive steps forward have been taken with the Commission's second Communication and the proposal for a regulation on the subject of the creation of a European Institute of Technology;
2. Although it is not possible that all research institutes in the EU will participate directly in the EIT, the aspiration of all to become part of it through a Knowledge and Innovation Community will change the research environment for the better through the strengthening of the knowledge triangle of education, research and innovation;
3. The improvement of the knowledge triangle, and in particular the development of strong partnerships between business and research, will make a significant contribution to the improvement of the EU's competitiveness;
4. Balanced regional development can be enhanced if the EIT's Knowledge and Innovation Communities, which will centre around the best teams working with businesses, work together in synergy with regional and local economic development bodies;

**adopted the following opinion at its 68th plenary session, held on 13-14 February 2007 (meeting of 13 February):**

<sup>(1)</sup> OJ C 115, 16.5.2006, p. 17.

<sup>(2)</sup> OJ C 115, 16.5.2006, p. 20.

<sup>(3)</sup> OJ C 81, 4.4.2006, p. 16.

## 1. General views

### THE COMMITTEE OF THE REGIONS

1.1 **welcomes** this second Communication as a positive contribution to the debate on the establishment of a European Institute of Technology (EIT) and as a contribution to delivering Lisbon;

1.2 **welcomes** the balanced approach taken by the Commission in the preparation of the legislative proposal including the change of title for 'Knowledge Communities' to 'Knowledge and Innovation Communities' (KIC) and it is **pleased to note** that local and regional authorities are included as potential KIC 'partner organisations', but has concerns with some of the detail;

1.3 **supports** the initiative which is designed to strengthen the relations between the three pillars of the knowledge triangle — education, research and innovation — and the proposal to address the recognised innovation gap in Europe;

1.4 **re-states** the view that successful research and innovation models cannot be copied at will and instead the EU should look at building upon successful models of best practice of strong relations between research, innovation and education in the EU;

1.5 **recognises** the importance of the EIT bringing on board all of the key stakeholders in the knowledge triangle, top research teams, industry and public authorities. A two tier system should be avoided at all costs;

1.6 **acknowledges** that some issues surrounding elements of the proposal still remain problematic;

1.7 **regrets** that the new legislative proposal puts forward inadequate fresh funding for the research community and that the proposal does not contain clear mechanisms for ensuring private sector financing;

1.8 **insists** that the existing funding streams for research (FP& CIP) are not top sliced but instead additional private sector contributions are specified;

1.9 **underlines** that the influence of local and regional authorities on the conditions that create interaction which leads to innovation is crucial;

1.10 **reminds** the Commission of the important role of local and regional authorities, particularly their economic partnerships, in setting down the conditions for interaction between the 3 parts of the knowledge triangle, such as stimulating cluster development, providing the infrastructure for incubators, stimulating investment from industry, etc;

1.11 further **reminds** the Commission that regional and local authorities are best placed to encourage SMEs to work within a research partnership and also to promote industry-university partnerships which are likely to thrive in the regional/local environment taking into account existing and future circumstances, policies, push and pull factors, etc;

1.12 further **emphasises** that the main focus of the EIT should be on innovation, knowledge transfer and applied research projects.

## 2. General recommendations

### THE COMMITTEE OF THE REGIONS

2.1 **recommends** that the EIT combines the strengths of both the EU's globally recognised excellent universities and their research teams and bodies, as well as the best teams from other universities and research bodies across the EU with potential to be excellent;

2.2 therefore **urges** the Commission to work with the universities and research bodies that have had a strong experience of the knowledge triangle in action. If the EIT fails to engage with Europe's top ranking universities and research bodies, then this will impact upon how it is viewed globally;

2.3 **insists** that the creation of the Knowledge and Innovation Communities be a bottom up approach, initially selecting existing excellent examples of research/business collaboration;

2.4 **is pleased to note** that the selection process for Knowledge and Innovation Communities be open, allowing research teams with potential to aspire to the EIT. All universities and research bodies, both large and small, should feel that if the right structures, partnerships and policies are put in place that their best teams could eventually actively participate in the EIT. However, it **regrets** that the related key-criterion of 'excellence in education and research' does not refer specifically to potential excellence too and **calls** on the Commission to specify how the two criteria will be measured;

2.5 **suggests** that a way to reinforce the relationship between the research and private sector in a Knowledge and Innovation Communities could be to encourage/incentivise the KICs to become financially sustainable over time and calls for the legislative proposal to include this approach within its provisions;

2.6 **opposes** the Commission's proposal for the EIT to award its own degrees and **recommends** on the subject of degrees that in its initial stages, the EIT not issue its own degrees, rather that the EIT develop a brand or label that is awarded by a KIC partner university. Otherwise an EIT degree risks alienating leading universities;

2.7 **suggests** that in the initial years of the EIT it should restrict itself to branding a masters programme containing specific elements such as industry placements, interdisciplinarity, entrepreneurship training, etc;

2.8 **insists** on appropriate private-sector representation on the governing board, which rightly should have the autonomy to set the EIT's strategic agenda;

2.9 **suggests** that the EIT governance structures are developed to balance the need for independence for the EIT for its day to day running, with the need for Member States and the EU Institutions to have the ability to safeguard the interests of the EU, for example through a quinquennial review by a Member State panel;

2.10 **calls on** the Commission, when selecting KICs, to instruct the governing board in its guidelines to give a high rating to KIC applications from partnerships which involve regional or local authorities and have structured research communities involving scientific and technological cooperation between universities, research bodies and companies with medium- and long-term research planning;

2.11 **reminds** the Commission of the decisive cluster forming role which regions and local authorities play through their policies and investment into the infrastructure, that leads to strong university-industry collaboration;

2.12 **suggests** that as a means of judging the success of the EIT, the governing board be set targets by which its strategic direction be measured. Measurements of success could include indicators that evaluate the EIT's ability to offer concrete

'marketable' solutions to problems faced by SMEs, businesses and industry;

2.13 **urges** the Commission to avoid any dilution of the focus on the establishment of the European Research Council as the prime driver of fundamental research as a result of the strong and positive momentum behind the establishment of the EIT. As much as possible the governing board of the EIT should establish strong links with the ERC and establish structures to ensure complementarities and avoid silo working and duplication;

2.14 **suggests** that the EIT Knowledge and Innovation Communities be set up gradually, learning from each experience, and adapting the structures as appropriate each time new KICs are formed, and is pleased that the Commission proposes a scenario of 6 KICs by 2013;

2.15 **considers** the following areas to be of key importance for establishing and managing of the Knowledge and Innovation Communities:

- review procedures and performance measurement: it **welcomes** the reference made by the legislative proposal to result-oriented parameters, however it **regrets** that these are not adequately specified;
- financing arrangements/sustainability of the funding: it **rejects** the Commission's proposal for the largest part of funding of the KICs to be derived from existing Community programmes and funds, in particular potential top slicing from EU research funds;
- links to research supported by the ERC;
- role of regional/local authorities/bodies: regional/local engagement in KIC bids should be given strong emphasis;
- role of SMEs: it **recommends** SMEs to be explicitly listed as potential 'partner organisations' within the legislative proposal and requests the Commission to specify how to engage SMEs in Knowledge and Innovation Communities;

2.16 **recommends** that the staffing question be dealt with in a flexible way to ensure the engagement of the best teams of researchers in the EIT. Dual affiliation is felt to be a positive step forward in the question of staffing;

2.17 **suggests** that as a means of engaging top ranking teams of researchers and establishing a sense of commitment to the EIT, the KICs employ staff for a set percentage of their time. Maximum and minimum levels can be set on a case by case basis and adapted over the course of a KIC's duration;

2.18 **urges** the Commission in the preparation of its legislative proposal on the EIT to emphasise the important role of local and regional bodies which will provide essential support for KICs in particular and bridging the gaps in the knowledge triangle in general.

### 3. The Committee of the Regions' recommendations on the proposal for a regulation

#### Recommendation 1

##### Recital (10)

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | CoR Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| There is a need to support education as an integral but often missing component of a comprehensive innovation strategy. The agreement between the EIT and KICs should provide that the degrees and diplomas awarded through the KICs should be EIT degrees and diplomas. The EIT should promote the recognition of EIT degrees and diplomas in the Member States. All these activities should be carried out without prejudice to Directive 2005/36/EC on the recognition of professional qualifications. | There is a need to support education as an integral but often missing component of a comprehensive innovation strategy. The agreement between the EIT and KICs should provide that the degrees and diplomas awarded through the KICs should be EIT <u>branded</u> degrees and diplomas. The EIT should promote the recognition of EIT <u>branded</u> degrees and diplomas in the Member States. All these activities should be carried out without prejudice to Directive 2005/36/EC on the recognition of professional qualifications. |

This recommendation implies that 'EIT degrees' should be changed to 'EIT branded degrees' throughout the proposal.

#### Reason

In the explanatory memorandum of the Proposal for a Regulation, the Commission specifically refers to an EIT 'brand' on degrees which promote entrepreneurial elements etc. This is reasonable, but to many leading universities, an EIT degree is not necessary for the EIT to achieve its aims. A degree incorporating such elements awarded by one or more KIC partner university with an EIT 'brand' will achieve the same aim.

#### Recommendation 2

##### Article 5 (2) (a)

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                            | CoR Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| 2. A partnership will be selected by the EIT to become a KIC on the basis of a competitive, open and transparent process, including the publication of detailed specifications and conditions.<br><br>The selection of partnerships shall take particular account of:<br><br>(a) the current and potential innovation capacity within the partnership as well as its excellence in education and research; | 2. A partnership will be selected by the EIT to become a KIC on the basis of a competitive, open and transparent process, including the publication of detailed specifications and conditions.<br><br>The selection of partnerships shall take particular account of:<br><br>(a) the current and potential innovation capacity within the partnership as well as its excellence and <u>demonstrated potential for excellence</u> in education and research; |

## Reason

In line with point 2.4 of the opinion.

## Recommendation 3

## Article 5 (2)

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | CoR Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| <p>A partnership will be selected by the EIT to become a KIC on the basis of a competitive, open and transparent process, including the publication of detailed specifications and conditions.</p> <p>(...)</p> <p>The selection shall also take account of:</p> <p>a) an operational structure demonstrating commitment to the EIT and its goals;</p> <p>b) the capacity to ensure a dynamic, flexible and attractive working environment which rewards both individual and team achievements in terms of innovation, research and education;</p> <p>c) the basis on which the degrees and diplomas would be awarded including the arrangements to take in account the Community policy on the European Higher Education Area, particularly in terms of compatibility, transparency, recognition and quality of degrees and diplomas;</p> <p>d) the capacity of the partnership to adapt and take account of changes in their field or in the innovation landscape.</p> | <p>A partnership will be selected by the EIT to become a KIC on the basis of a competitive, open and transparent process, including the publication of detailed specifications and conditions.</p> <p>(...)</p> <p>The selection shall also take account of:</p> <p>a) an operational structure demonstrating commitment to the EIT and its goals;</p> <p>b) the capacity to ensure a dynamic, flexible and attractive working environment which rewards both individual and team achievements in terms of innovation, research and education;</p> <p>c) the basis on which the degrees and diplomas would be awarded including the arrangements to take in account the Community policy on the European Higher Education Area, particularly in terms of compatibility, transparency, recognition and quality of degrees and diplomas;</p> <p>d) the capacity of the partnership to adapt and take account of changes in their field or in the innovation landscape.</p> <p>e) <u>The strength of the partnership including its engagement with its regional and local authorities and bodies.</u></p> |

## Reason

This recommendation takes forward point 2.10 of the opinion which insists that applications to become KICs should indicate engagement with local and regional authorities.

## Recommendation 4

## Article 15

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | CoR Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <p>1. The EIT shall ensure that its activities, including those managed through KICs, shall be subject to continuous monitoring and periodic independent evaluation, to ensure both the highest quality of outcome and the most efficient use of resources. The outcomes of the evaluation shall be made public.</p> <p>2. Within five years from the date of adoption of this Regulation and every four years thereafter, the Commission shall make public an evaluation of the EIT. This shall be based on an independent external evaluation, and shall examine how the EIT fulfils its mission. It shall cover all activities of the EIT and the KICs and shall examine the effectiveness, sustainability, efficiency and relevance of the activities pursued and their relation with Community policies. It shall take into account the views of stakeholders, at both European and national level.</p> <p>(...)</p> | <p>1. The EIT shall ensure that its activities, including those managed through KICs, shall be subject to continuous monitoring and periodic independent evaluation, to ensure both the highest quality of outcome and the most efficient use of resources. The outcomes of the evaluation shall be made public.</p> <p>2. Within five years from the date of adoption of this Regulation and every four years thereafter, the Commission shall make public an evaluation of the EIT. This shall be based on an independent external evaluation, and shall examine how the EIT fulfils its mission. It shall cover all activities of the EIT and the KICs and shall examine the effectiveness, sustainability, efficiency and relevance of the activities pursued and their relation with Community policies. It shall take into account the views of stakeholders, at both European and national level.</p> |

| Text proposed by the Commission | CoR Amendment                                                                                                                                                                                                                                                                                                                               |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                 | <p>3. <u>KICs should have their budget regularly reviewed against their performance. As a general rule KICs funding should decrease gradually over the lifetime of the project and should be replaced by other funding. Ability to attract external investment into KICs will be a key measure of success for the EIT.</u></p> <p>(...)</p> |

Brussels, 13 February 2007.

The President  
of the Committee of the Regions  
Michel DELEBARRE

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