

Response of the League of European Research Universities to the proposed draft amendments to the EIT Regulation and the EIT Strategic Innovation Agenda

General Comments on the proposed amendments of the EIT Regulation

LERU is worried about some of Philippe Lambert's proposals for amendments to the proposed EIT Regulation. In particular we are concerned at the possibility of an increase in excessive red tape especially with the proposed increased amount of monitoring and evaluations; the yearly competition for EIT funding by the KICs; and the increased number of requirements and categories of participants.

LERU is not in favour of the idea of having open calls for an unlimited number of KICs without predefined topics as this is very likely lead to massive oversubscription and wasted effort.

LERU also wants to underline that the obligation to reach out to and involve more partners from less performing regions would have no bearing on a KIC's performance.

LERU believes the proposal to move the EIT from Budapest to Strasbourg makes little sense. The EIT seems to be well established in Budapest. Moving it would clearly have cost implications and hinder the continuity of the EIT activities, while it is not clear what the benefit of moving to Strasbourg would be.

General Comments on the proposed amendments of the EIT SIA

If the EIT is to receive less funding than proposed by the EC, this should be linked to a removal of the mid-term review as proposed by Marisa Matias. The EIT KICs in general would benefit from a longer time horizon and therefore greater capacity for strategic planning. It must however be noted that there will be less budget available for EIT activities if 10-15 % of EIT budget is to be spent on dissemination and outreach and 5% on administrative expenditure.

LERU thinks it is inappropriate for the EIT to become a KIC partner after 7+7 years, in particular in the context of the funding and monitoring role of the EIT.

On IPR issues, addressed in amendment 15, LERU would like to underline that IPR resides with the participants, not with the individual researchers, EIT or the KIC. Universities do not wish IPR to be shared between EIT, researchers, companies and KIC. Next to this, LERU also believes the EIT funding regulations do not allow for the EIT to receive a return on its investment. We believe this should not change in the future.

The proposed amendment (16) to Article 1 h (new) seems to put the KICs in charge of pan-European innovation policy, including JTIs. LERU considers this neither realistic nor desirable.

Detailed comments on the proposed amendments on the EIT Regulation (P. Lamberts)

Amendment 3

'Each KIC should also establish a Stakeholders' Forum in their particular field of activity'. The proposed annual EIT Forum is sufficient, and can readily cover all the fields of the KICs - indeed the cross-fertilisation between the fields is an important feature, this new proposal is very likely to overload KICs

with a task which should be managed by the EIT. KICs should have the freedom to use other more suitable mechanisms such as their external Advisory Boards.

Recommendation: delete the amendment

Amendment 7

‘...EU funding should act as leverage... This should be EIT funding.

Recommendation: replace EU with EIT

Amendment 10

‘*The EIT should designate as many KICs as financially possible....*’. The SIA proposals for new KICs (3 in 2014; 3 in 2018) and budget requested are already based on the appropriate finances required to successfully launch and develop these KICs. Amendment 10 is linked to amendment 52 where Lambert proposes that KICs should receive only 3-years’ finance. This proposal for a larger number of short-lived entities is not compatible with the concept of a KIC and reduces KICs to just another EU-funded project.

Recommendation: Delete this amendment

Amendment 14

‘*In particular a competitive review mechanism should be established for the allocation of the yearly financial contribution to the KICs*’. There is a proposal to move to multi-annual grants to enable KICs to plan in a more strategic manner.

Recommendation: delete the word ‘yearly’

Amendment 15

‘...should take into account *the European Parliament’s and the Council’s* opinion; *a yearly dialogue between the EIT and the European Parliament should also be established.*’ This is unnecessary micromanagement which will paralyse not only the EIT but also the KICs, since the major part of the EIT’s triennial work plan is in fact the sum of the triennial work plans of the individual KICs. Discussion and decision-making between Parliament and Council takes months to years for agreement to be reached. No other EU research/innovation programme/instrument is subjected to this.

Recommendation: delete the amendment

Amendment 16

‘*The Commission and the EIT should strengthen their roles in monitoring the implementation of specific aspects of EIT and KIC activities.*’ It is of course important to ensure that public funds are well spent. However, this additional monitoring is highly time-consuming and would take the KICs away from their core activities. A balance needs to be found here. The KICs are already very closely monitored by EIT (many new systems and processes are already being implemented); there is no need to strengthen this. There is, as the original Recital states, a need to monitor the EIT.

Recommendation: delete the amendment

Amendment 23

‘*The Commission shall appoint observers representing the three dimensions of the knowledge triangle to take part in the meetings of the Governing Board.*’ LERU believes this is not necessary. The Board members - including the 12 new (very senior and high level members to join in September) already represent the 3 sides of the triangle.

Recommendation: delete the amendment

Amendment 26

'...continuously monitor and periodically evaluate...' Excessive monitoring should be avoided. *Recommendation:* There is a need for caution in over-zealous monitoring and evaluation to avoid excessive time commitment to non-productive non-innovative activity.

Amendment 32

'... (a) establish a Governing Board...'. Each KIC has a different form of legal entity. While there clearly needs to be an overarching governance structure, it is not appropriate to specify its nature.

Recommendation: delete this section of the amendment.

Amendment 33

'...(b)...leading to a gradual reduction in EU financing;' Sustainability refers to weaning the KICs off EIT funding; it should have no effect on other sources of EU funding.

Recommendation: replace 'EU' with 'EIT'

Amendment 34

'...designate as many KICs as financially feasible..' This statement sounds reasonable, but is unnecessary given that the budget for the EIT proposed in the SIA is based on the requirements for the establishment of 3 new KICs in 2014 and 3 more in 2018. However, it also links to Amendment 52 (and is similar to amendment 10) which is of serious concern.

Recommendation: delete - either unnecessary or very serious when linked to 52

Amendment 46 (Section 5)

'...competitive review system for a substantial share of its yearly finance...' Clearly competition is important. However, the 'yearly' allocation of budgets poses a risk to KICs relating to their multi-year activities (e.g. innovation projects, masters' students, PhD students, all staff). It is crucial that a sufficient % of each yearly financial allocation is guaranteed (subject of course to satisfactory performance) to enable KICs to honour such commitments year-on-year. With pre-financing within each year running at only 57% for 2012 and confirmed substantive financial payment not being made available until Q3 of the following year, upon settlement of Cost and Performance reports, partners are already carrying a significant financial risk within each year. An additional risk concerning multi-year activities will impact on partner confidence and the KICs' ability to deliver.

Recommendation: delete the amendment

Amendment 46 (Section 6)

'The financial contribution from other Union programmes and funds shall not exceed 25% of the KIC's annual budget...' The KICs receive a maximum of only 25% of their total funding from the EIT, therefore the 25% limit in this amendment results in a 50% cap on all EU funding for a KIC. This cap is not imposed by any other EU funding instrument - despite the fact that the funding for all other instruments is always greater than 25%.

Recommendation: delete the amendment

Amendment 49

'...for allocation of the yearly EIT financial contribution...'. There is an urgent need to move to multiannual funding, as for other EU instruments, and there are on-going discussion concerning this.

Recommendation: delete the word 'yearly'

Amendment 52 (section 1)

'The initial duration of EIT financing shall be three years.' This amendment relates to amendments 10 and 34. Lambert is recommending that the funding is spread between larger numbers of smaller KICs for a shorter period of time. It is a major undertaking to develop and establish a KIC and a 3-year horizon is too short. The key attributes of a KIC are; critical mass; a large cross-sector community (current KICs each have >100 partners); and a long term life-span. Partners join a community not just a single project. This amendment effectively reduces the KICs to the level of projects and networks (which have dramatically failed in terms of business involvement). If enacted, this will destroy the entire concept of a KIC leaving very few partners willing to participate. EIT-KIC agreements (Framework partnership agreement) should remain at 7 years' duration.

Recommendation: delete the amendment

Amendment 53

'...decide every 3 years...' See comments relating to amendment 52 concerning 3 versus 7 years.

Recommendation: replace 'three years' with 'seven years'.

Amendment 59

'(a) a rolling triennial.... and the intention to continue or not to finance'. See comments related to amendments 52 and 53.

Recommendation: delete the amendment

'...The preliminary triennial work programme shall be submitted by the EIT to the Commission, the European Parliament and the Council...' This is over-burdensome; involvement of all three EU bodies will result in complete paralysis.

Recommendation: delete the amendment

Amendment 66

'Non exhaustive list of performance indicators...' There is an on-going EIT/KIC project to define the Scoreboard and KPIs which is due to reach completion in Q3 2012. It is inappropriate to give a prescriptive list here. Moreover, the review Task Force has already considered those listed here (e.g. number of curricular developed; number of research projects) as not meaningful KICs would be driven to divide their innovation projects into smaller and smaller slices to attain high KPI scores. Innovation in curricula is much more important than the number developed.

Recommendation: delete the amendment