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INFORMATION NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
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) 2021-2027: Boosting the Innovation Talent and Capacity of Europe - Outcome of the European Parliament's first reading (Brussels, 27 to 29 April 2021)

I. INTRODUCTION

In accordance with the provisions of Article 294 of the TFEU and the Joint declaration on practical arrangements for the codecision procedure[1], a number of informal contacts have taken place between the Council, the European Parliament and the Commission with a view to reaching an agreement on this file at first reading.

In this context, the rapporteur, Maria da Graça CARVALHO (EPP, PT), presented a compromise amendment (amendment number 162) to the abovementioned proposal for a Decision on behalf of the Committee on Industry, Research and Energy. This amendment had been agreed during the informal contacts referred to above. No other amendments were tabled.

[1] OJ C 145, 30.6.2007, p. 5.

II. VOTE

When it voted on 27 April 2021, the plenary adopted the compromise amendment (amendment number 162) to the abovementioned proposal for a Decision. The Commission's proposal as thus amended constitutes the Parliament's first-reading position which is contained in its legislative resolution as set out in the Annex hereto[2].

The Parliament's position reflects what had been previously agreed between the institutions. The Council should therefore be in a position to approve the Parliament's position.

The act would then be adopted in the wording which corresponds to the Parliament's position.

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[2] The version of the Parliament's position in the legislative resolution has been marked up to indicate the changes made by the amendments to the Commission's proposal. Additions to the Commission's text are highlighted in ***bold and italics.*** The symbol " ▌ " indicates deleted text.

P9_TA(2021)0127

Strategic Innovation Agenda of the European Institute of Innovation and Technology ***I

European Parliament legislative resolution of 27 April 2021 on 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) 2021-2027: Boosting the Innovation Talent and Capacity of Europe (COM(2019)0330 – C9-0043/2019 – 2019/0152(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

– having regard to the Commission proposal to Parliament and the Council (COM(2019)0330),

– having regard to Article 294(2) and Article 173(3) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0043/2019),

– having regard to the opinion of the Committee on Legal Affairs on the proposed legal basis,

– having regard to Article 294(3) of the Treaty on the Functioning of the European Union,

– having regard to the opinion of the European Economic and Social Committee of 30 October 2019[1],

– having regard to the provisional agreement approved by the responsible committee under Rule 74(4) of its Rules of Procedure and the undertaking given by the Council representative by letter of 17 February 2021 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,

– having regard to Rules 59 and 40 of its Rules of Procedure,

– having regard to the opinion of the Committee on Culture and Education,

– having regard to the report of the Committee on Industry, Research and Energy (A9-0121/2020),

1. Adopts its position at first reading hereinafter set out;

2. Suggests that the act be cited as 'the Decision on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT) 2021-2027: Boosting the Innovation Talent and Capacity of Europe';

3. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially

[1] OJ C 47, 11.2.2020, p. 69.

amends or intends to substantially amend its proposal;

4. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

P9_TC1-COD(2019)0152

Position of the European Parliament adopted at first reading on 27 April 2021 with a view to the adoption of Decision (EU) 2021/… of the European Parliament and of the Council on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT) 2021-2027: Boosting the Innovation Talent and Capacity of Europe and repealing Decision No 1312/2013/EU

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 173(3) thereof,

▌

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee[4],

Acting in accordance with the ordinary legislative procedure[5],

[4] OJ C 47, 11.2.2020, p. 69.

[5] ***Position of the European Parliament of 27 April 2021.***

Whereas:

(1) Regulation (***EU***) ***2021/... of the European Parliament and of the Council***[6+]***, and in particular Article 4 thereof,*** provides for the adoption of a Strategic Innovation Agenda (SIA).

(2) The SIA should set out the priority fields and the ▌strategy for the European Institute of Innovation and Technology (EIT) ***for the seven-year period concerned in accordance with Regulation (EU) 2021/... of the European Parliament and of the Council***[7++]***, should establish the EIT's key actions*** and ***should*** include an assessment of the EIT's expected ***social, economic and environmental*** impact, its outreach activities and its capacity to generate best innovation added-value. The SIA should take into account the results of the continuous monitoring and periodic independent evaluation of the EIT.

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6 ***Regulation (EU) 2021/... of the European Parliament and of the Council of ... on the European Institute of Innovation and Technology (OJ ...).***

\+ ***OJ: please insert in the text the number of the Regulation contained in file (2019/0151(COD)) and insert the number, date and OJ reference of that Regulation in the footnote.***

7 ***Regulation (EU) 2021/... of the European Parliament and of the Council of ... establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ ...).***

++ ***OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)) and insert the number, date and OJ reference of that Regulation in the footnote.***

(3) The SIA should also ***take into account the strategic planning of Horizon Europe*** – the Framework Programme for Research and Innovation (Horizon Europe), established by Regulation (EU) 2021/...[+]***, establish and foster*** appropriate synergies and complementarities between EIT activities and other ***relevant*** Union***, national and regional*** initiatives, instruments and programmes, ***and ensure consistency with Union priorities and commitments, including those referred to in the communications of the Commission of 11 December 2019 on the European Green Deal, of 27 May 2020 on EU budget powering the recovery plan for Europe (Recovery Plan for Europe), of 19 February 2020 on a European strategy for data, of 10 March 2020 on an SME Strategy for a sustainable and digital Europe and of 10 March 2020 on a New Industrial Strategy for Europe and those related to achieving Europe's strategic autonomy, while retaining an open economy***.

(4) The SIA should include an estimate of financial needs and sources for the future activities of the EIT. It should also include an indicative financial plan covering the period of the relevant multiannual financial framework (MFF).

[+] OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)).

(5) In order to ensure the continuity of the activities of the EIT and the Knowledge and Innovation Communities (KICs) in compliance with the relevant provisions of Regulation (EU) 2021/...[+], this Decision should enter into force as a matter of urgency and should apply, with retroactive effect, from 1 January 2021.

(6) Since the objectives of this Decision cannot be sufficiently achieved by the Member States but can rather, by reason of scale and transnationality, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Decision does not go beyond what is necessary in order to achieve those objectives.

(7) Decision No 1312/2013/EU of the European Parliament and of the Council[8] should be repealed,

HAVE ADOPTED THIS DECISION:

[+] ***OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)).***

[8] ***Decision No 1312/2013/EU European Parliament and of the Council of 11 December 2013 on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT): the contribution of the EIT to a more innovative Europe (OJ L 347, 20.12.2013, p. 892).***

Article 1

The Strategic Innovation Agenda of the European Institute of Innovation and Technology for the period from 2021 to 2027 ***(SIA 2021-2027)*** as set out in the Annex is hereby adopted.

Article 2

SIA 2021-2027 shall be implemented in accordance with Regulation (EU) ***2021/...***[+].

Article 3

Decision No 1312/2013/EU is repealed with effect from 1 January 2021.

[+] ***OJ: please insert in the text the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).***

Article 4

This Decision shall enter into force on the day ▌ of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2021.

Done at ...,

For the European Parliament	*For the Council*
The President	*The President*

ANNEX

The Strategic Innovation Agenda of the European Institute of Innovation and Technology for the period from 2021 to 2027

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1. INTRODUCTION

This Strategic Innovation Agenda sets out the ***priority fields and*** strategy ***of*** the European Institute of Innovation and Technology (EIT) for 2021-2027 (SIA 2021-2027). It ▌establishes the EIT's objectives, key actions, ***mode of operation,*** expected results and ***impact, as well as an estimate of the*** resources needed. SIA 2021-2027 ensures the necessary ***consistency*** of the EIT with Horizon Europe.

SIA 2021-2027 is informed by an impact assessment carried out by the Commission. It takes into account the draft SIA prepared by the EIT and submitted to the Commission on 20 December 2017, in accordance with Regulation (EC) No 294/2008 of the European Parliament and of the Council[9]. It also reflects Regulation (EU) 2021/...[+], and, in particular, the key role of the EIT as part of Pillar III 'Innovative Europe' of Horizon Europe, and its contribution to addressing global ***and societal*** challenges, including established targets ***and commitments*** to climate objectives ***and the United Nations (UN) Sustainable Development Goals (SDGs)***, and to Pillar I 'Excellent Science' and Pillar II 'Global Challenges and European Industrial Competitiveness' of Horizon Europe. SIA 2021-2027 builds on the lessons learnt over the previous years of operation of the EIT and the results of a wide consultation process with key stakeholders.

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[9] Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology (OJ L 97, 9.4.2008, p. 1).

[+] OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)).

SIA 2021-2027 takes into account the strategic planning of Horizon Europe to ensure ***consistency*** with the Horizon Europe activities, ***as well as synergies*** with other relevant Union programmes and consistency with ***Union*** priorities and commitments**, *including those related to the European Green Deal, the Recovery Plan for Europe, the European strategy for data, the SME Strategy for a sustainable and digital Europe and the New Industrial Strategy for Europe and those related to achieving the Union's strategic autonomy, while retaining an open economy. Furthermore, it contributes to tackling global and societal challenges, including the SDGs by following the principles of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change[10], and to achieving a net-zero greenhouse gas economy by 2050 at the latest. It also aims to increase*** complementarity and synergies ***between the EIT activities and*** national and regional funding programmes and priorities.

[10] ***OJ L 282, 19.10.2016, p. 4.***

1.1. ***Background***

The EIT was established in 2008 in order to contribute to sustainable economic growth and competitiveness by reinforcing the innovation capacity of the Union and Member States. It pioneered the integration of ***higher*** education, research ***and innovation*** (the 'knowledge triangle') together with a strong emphasis on entrepreneurial talent***, business creation*** and innovation skills.

Since its establishment, the EIT has gradually established itself as a ***unique*** instrument addressing societal challenges ***through the integration of the knowledge triangle***. The EIT operates mainly through Knowledge and Innovation Communities (KICs)[11+]. There are currently eight KICs that operate in the areas of climate change, digital transformation, energy, food, health, raw materials, urban mobility and added-value manufacturing .

[11] As defined in point (2) of Article 2 of Regulation (EU) 2021/... .

[+] OJ: please insert in the footnote the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).

Each KIC ***has to date been*** organised around five to ten co-location centres (CLCs ▌)[12+], which are intended to act as geographical hubs ***that also provide a physical space for local interaction within the innovation ecosystem and*** for the practical integration of the knowledge triangle. CLCs are organised and structured according to their relevant national and regional innovation context and build on a pan-European network of existing labs, offices or campuses of a ***KIC partner***.

The KICs aim ***to run*** portfolios of knowledge triangle activities through:

(a) education and training activities with strong entrepreneurship components to train the next generation of talents, including the design and implementation of programmes ▌, in particular at master's and doctoral level***, awarded the EIT label, namely a quality seal awarded by the EIT to a KIC's educational programme which complies with specific quality criteria related, inter alia, to entrepreneurial education and innovative 'learning-by-doing' curricula, the EIT's education agenda being key to developing highly entrepreneurial and skilled innovators, hence the importance of programmes and activities aiming to develop entrepreneurship and digital skills and re-skill and up-skill human resources in a lifelong learning perspective***;

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12 As defined in point (3) of Article 2 of Regulation (EU) 2021/... .

+ OJ: please insert in the footnote the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).

(b) activities that support ***research and*** innovation to develop innovative ***and sustainable*** products, processes, ***technologies,*** services ***and non-technological solutions*** that address a specific business opportunity ***or social objective***;

(c) business creation and support activities, such as accelerator schemes to help entrepreneurs translate their ideas into successful ventures and speed up the growth ***and development*** process.

▌

The focus on global ***and societal*** challenges through the integration of the knowledge triangle***, integrating higher education activities in the innovation value chain, is a distinctive feature of the EIT compared to*** other innovation instruments. ▌

The EIT approach ***helps to build resilience and increase sustainability and*** contributes to the creation of incremental and disruptive innovations, in order to effectively address market failures and help transform industries ***and support the creation of start-ups, spin-offs and small and medium-sized enterprises (SMEs)***. The EIT enables the creation of long-term business strategies for addressing global challenges and helps create the framework conditions that are essential for a well-functioning innovation ecosystem to grow and for innovation to thrive. ***Regulation (EU) 2021/...[+] provides for the objective that the KICs become financially sustainable[13++], which is a unique feature, aiming to create a business and results-oriented innovation. In that context, the KICs are to develop and implement revenue-creating strategies in order to maintain their innovation ecosystem and knowledge triangle activities beyond the period covered by the grant agreements.***

[+] ***OJ: please insert in the text the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).***

[13] ***As defined in point (16) of Article 2 of Regulation (EU) 2021/... .***

[++] ***OJ: please insert in the footnote the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).***

The EIT ***thus*** offers ***a dynamic*** platform for launching, scaling up***, monitoring*** and ***supporting*** KICs with strong network effects and positive spill-overs ▌. The KICs in the first wave (EIT Digital, EIT Climate-KIC and EIT InnoEnergy), launched in 2009, are established and mature and their ▌ partnership agreements are to be terminated after 2024, in line with the maximum grant duration. A second and third generation of KICs (EIT Health and EIT Raw Materials, launched in 2014, and EIT Food, launched in 2016) are maturing. The KICs EIT Urban Mobility and EIT Manufacturing were both launched in December 2018 and ***started*** their operations in 2019.

▌

By 2019, there ***were*** more than 600 businesses, 250 higher education institutions (HEIs)[14+], 200 research organisations[15+], and more than 50 civil society organisations and authorities participating in ***the eight*** KICs.

Against the backdrop of persisting regional disparities in innovation performance ***in Europe***, the EIT launched a regional innovation scheme (RIS)[16+] in 2014 to widen its regional outreach to modest and moderate innovator countries. Through the RIS, the EIT has expanded its activities across Europe and offers opportunities for ***countries (and*** regions ***in those countries)*** with ***modest and moderate*** innovation performance ***as classified in the European Innovation Scoreboard (EIS)*** to engage in knowledge triangle activities as part of a KIC community.

The EIT has been able to stay agile and to develop the governance principles and rules for the successful management of the KICs under the overall umbrella of Horizon 2020 established by Regulation (EU) No 1291/2013 of the European Parliament and of the Council[17], in accordance with ***Regulation (EC) No 294/2008***. Its operational independence has allowed it to test and effectively implement a number of novelties in the management of its beneficiaries, such as a competitive funding mechanism, financial sustainability targets and specific key performance indicators.

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14 As defined in point (7) of Article 2 of Regulation (EU) 2021/... .

\+ OJ: please insert in the footnotes the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).

15 As defined in point (6) of Article 2 of Regulation (EU) 2021/... .

16 As defined in point (10) of Article 2 of Regulation (EU) 2021/... and section 3.2 of this Annex.

17 Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC (OJ L 347, 20.12.2013, p. 104).

1.***2.*** Key challenges

In recent years, the pace of innovation has accelerated dramatically. Innovation is reshaping economic sectors, disrupting existing businesses and creating unprecedented opportunities. With a shifting global economic order and international competition on the rise, the Union needs, inter alia, to involve all talents, increase the participation of women and foster a swift transfer of the results of research and innovation activities to the market and society, with the aim of increasing innovation capacity across the Union. Co-design, collaboration and co-creation across disciplines and between higher education, research and business have never been so important in contributing to address global challenges related to climate change, biodiversity loss and unsustainable use of natural resources, digital and social transformation, demographic shifts and the future of healthcare and food.

First, the spread of COVID-19 has had a major impact on our economies and societies, disrupting economic activities, affecting healthcare systems, jobs and well-being. In order to address the crisis, a combination of short-term and forward-looking measures are required in order to provide immediate support to the economies and stakeholders, while ensuring the necessary conditions for the recovery to take place.

It is therefore important to identify and tackle crisis-related challenges, including access to finance, in order to rebuild trust and confidence among all stakeholders as well as support the development and implementation of solutions to ease the impact of crises on society. At the same time, programmes supporting innovation, business creation and upgrade, entrepreneurial and innovation skills are key to putting the Union economy on the right track and propelling a swift recovery.

Stronger innovation ecosystems have proved to respond more quickly and resolutely to crises. In order to accelerate the recovery and be able to tackle future emergencies, investments in improving coordination capacities within innovation ecosystems are essential to increase their resilience and their responsiveness to deliver promptly the needed solutions.

In the medium and long term, all the KICs need to adapt to the impacts of the shock and ensure agility and flexibility in order to find and pursue new opportunities. Thanks to their 'place-based' approach through CLCs and RIS hubs[18+] across Europe, the KICs contribute to strengthening local innovation ecosystems, inter alia, by fostering closer interactions between the actors of the knowledge triangle and by favouring better coordinated relations with financial and public institutions, as well as with citizens.

Second, today's ***societies and*** economies are increasingly driven by the skills and abilities of people and organisations to turn ideas into ***novel*** products***, processes,*** services***, businesses and societal models***. Innovation***,*** entrepreneurial culture***, market uptake of innovative solutions and increased investments in education, research and innovation will*** make all the difference ***if the Union is to succeed in its transition towards a competitive, digital, climate-neutral and inclusive society***. There is a strong need to further boost ***collaboration between disciplines and interdisciplinary learning, as well as*** the innovation capacity of HEIs ***across the Union***. The EIT is in a unique position to fulfil that need in the Horizon Europe framework.

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[18] ***As defined in point (4) of Article 2 of Regulation (EU) 2021/... .***

[+] ***OJ: please insert in the footnote the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).***

Third, physical proximity is ***one of the*** key factors enabling innovation. Initiatives aiming ***to develop*** innovation networks and providing services that support the creation, sharing and transfer of knowledge play a key role in fostering interactions between academia, research organisations, business, public authorities and individuals. Still, research and innovation performances across the Union, as reflected in the annual EIS, vary considerably. It is of crucial importance that innovation is inclusive and rooted in local territories ***with a particular attention to the increased involvement of SMEs and third sector organisations***. EIT activities ▌ are well suited to contribute to strengthening local innovation ecosystems ***with a strong European dimension and provide new models for a sustainable economy***. ***The activities of the EIT and the KICs have yet to become increasingly linked to regional strategies and smart specialisation strategies***[19+].

Fourth, vibrant innovation ecosystems require a mix of knowledge, ***investment,*** infrastructure and talent. Framework conditions for cooperation between European research, education and innovation along with strong synergies need to be in place in order to ensure proper and efficient investment of scarce resources ***and to leverage other sources of funding aiming to achieve financial sustainability***. ***Strengthening*** the knowledge triangle integration through ▌ KICs***, including through the involvement of new partners in other sectors, countries and regions,*** is a proven way to foster an environment conducive to innovation and is a guiding objective of the EIT.

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[19] ***As defined in point (2) of Article 2 of Regulation (EU) 2021/... .***

[+] ***OJ: please insert in the footnote the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)).***

1.3. Positioning in Horizon Europe

In the context of Regulation (EU) 2021/...[+], the Commission made a firm commitment to raise Europe's innovation potential further in order to be able to respond to future challenges. The EIT's distinctive role in fostering innovation by bringing together business, education, research, public authorities and civil society is reinforced by its positioning in Pillar III 'Innovative Europe' of Horizon Europe. Regulation (EU) 2021/...[+] reflects the growing Union ambition of innovation and the need to deliver on that ambition.

The strategic planning of Horizon Europe aims to ensure coherence between the EIT activities and other activities under Regulation (EU) 2021/...[+]. The EIT ***shall*** contribute ***to the strategic coordinating process for*** European Partnerships ▌. The EIT ***shall continue to work closely with other implementing bodies under the Pillar III 'Innovative Europe' of Horizon Europe and use best efforts to contribute to a one-stop shop for innovation.***

[+] ***OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)).***

▌

▌ The EIT ***shall*** continue to strengthen innovation ecosystems that help to tackle global challenges by fostering the integration of the knowledge triangle in the ***thematic*** areas of activity of the KICs.
▌

Strong synergies***, including through cooperation at governance level,*** between ***the implementing bodies*** of the ▌ Pillar III 'Innovative Europe' of Horizon Europe ***are required***. The EIT and the European Innovation Council (EIC) shall run complementary activities aiming ***to streamline*** the support provided to innovative ***businesses, including*** business acceleration services and training ▌ .

▌The EIC may help start-ups supported by KICs with a high growth potential to rapidly scale-up. In particular, the most innovative ventures supported by the KICs may benefit from ***simplified and thereby faster access to EIC actions, in particular to*** the ▌support offered by the EIC Accelerator and by the financial support offered by the InvestEU Programme established by Regulation (EU) 2021/523 of the European Parliament and of the Council[20]. ***Furthermore, the EIT shall facilitate the access of EIC beneficiaries to the KICs' innovation ecosystems and relevant actors of the knowledge triangle. EIC beneficiaries can thus become actively involved in the KICs' activities and benefit from the KICs' services.***

The EIT shall ensure consistency with the European innovation ecosystems component of Pillar III 'Innovative Europe' of Horizon Europe. In particular, the EIT shall take an active part in the activities of the EIC Forum referred to in Council Decision (EU) 2021/…[21+] and shall establish links between the EIT Community[22++] and relevant activities supporting innovation ecosystems in order to avoid duplication and to ensure the consistency and complementarity between actions of the EIT and of the EIC.

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[20] ***Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30).***

[21] ***Council Decision (EU) 2021/... of ... on establishing the Specific Programme implementing Horizon Europe – the Framework Programme for Research and Innovation, and repealing Decision 2013/743/EU (OJ ...).***

[+] ***OJ: please insert in the text the number of the Decision contained in document st8967/20 and insert the number, date and OJ reference in the footnote.***

[22] ***As defined in point (8) of Article 2 of Regulation (EU) 2021/... .***

[++] ***OJ: please insert in the footnote the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).***

The EIT shall ***also*** ensure stronger synergies ▌ between its actions and the programmes and initiatives of the Pillar I ▌ 'Excellent Science' of Horizon Europe ▌ , to accelerate the transfer of knowledge resulting from blue sky research into concrete applications benefiting society. In particular, with regard to the Marie Skłodowska-Curie Actions (MSCA) ***and the European Research Council (ERC)***, the EIT shall collaborate on the development of innovation and entrepreneurial skills of MSCA fellows ***and ERC grantees at all stages of their career***. ***That collaboration shall remain voluntary and shall not increase the administrative burden on the beneficiaries.***

The EIT shall contribute to the Pillar II 'Global Challenges and ***European*** Industrial Competitiveness' of Horizon Europe, complement relevant activities to tackle global ***and societal*** challenges, and ***foster*** the ***sustainable growth and*** competitiveness of the ***Union*** on a global scale. In particular, through the KICs, the EIT shall seek to contribute to ***and ensure stronger synergies with*** relevant missions and thematic clusters and other European Partnerships, such as by ▌ supporting demand-side measures and providing exploitation services to boost technology transfer and accelerate the commercialisation of results achieved.

The EIT shall explore opportunities for synergies between the '***Widening Participation and S**trengthening the European Research Area'* part of Horizon Europe***, including the teaming and twinning activities*** and the outreach activities that it supports. In particular, target ***entities*** of the '***Widening Participation and Strengthening the European Research Area'*** part of Horizon Europe, as well as EIT outreach activities, may leverage EIT expertise and support.

2. RAISING THE BAR: EIT STRATEGY AND OBJECTIVES FOR 2021-2027

During the period 2021-2027, the EIT shall continue to support the KICs in order to strengthen the innovation ecosystems that help to tackle global and societal challenges, in full complementarity with Horizon Europe and other Union programmes. It shall do so by fostering the integration of higher education, research and innovation, thereby creating environments conducive to innovation, and by promoting and supporting a new generation of entrepreneurs, contributing also to closing the entrepreneurial gender gap and to stimulating the creation of innovative businesses, with a particular focus on SMEs, in close synergy and complementarity with the EIC.

Particular attention shall also be paid to gender balance and gender-sensitive approaches, in particular in areas where women remain underrepresented, such as information and communications technologies, science, technology, engineering and mathematics. In doing so, on the basis of the areas of intervention established in Regulation (EU) 2021/...[+], the EIT shall, in particular:

(1) strengthen sustainable innovation ecosystems across Europe;

(2) foster innovation and entrepreneurial skills in a lifelong learning perspective, including increasing capacities of HEIs across Europe;

(3) create new solutions to the market to address global challenges; and

(4) ensure synergies and value added within Horizon Europe.

[+] ***OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)).***

In line with the challenges that the EIT is facing and in order to contribute to its general objectives as set out in Article 3 of Regulation (EU) 2021/...[+] and thereby to the scientific, economic, technological and societal impact of Horizon Europe, the EIT's specific objectives for 2021-2027 shall be to:

(a) increase the openness, impact and transparency of the KICs and the integration of the knowledge triangle across the Union;

(b) increase the entrepreneurial and innovation capacity of higher education across Europe by promoting and supporting institutional change in HEIs and the integration of HEIs in innovation ecosystems;

(c) increase the regional and local outreach of the EIT and the KICs, in particular by including a wider range of stakeholders in order to address disparities in innovation capacity and to enhance knowledge and innovation diffusion across the Union.

[+] ***OJ: please insert in the text the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).***

The EIT may, where relevant, respond to the COVID-19 crisis and potential future crises with the necessary flexibility by integrating relevant initiatives in its strategy in order to contribute to protecting the innovation ecosystems and to help EIT stakeholders prepare for the economic recovery.

3. BOOSTING THE INNOVATION TALENT AND CAPACITY OF EUROPE***:*** ***KEY ACTIONS***

▌The EIT ***strategy for 2021-2027 shall*** focus on actions adding value at Union level and contributing to achieving the objectives of Horizon Europe ▌. First, the EIT ***shall*** continue to support the innovation capacity and ecosystems ***across the Union*** through ***the*** KICs, their further development***, openness to new partners, enhanced transparency, compliance with good governance principles*** and expansion ▌. Second, building on its experience with the knowledge triangle integration, the EIT ***shall steer the*** support ***and*** development of entrepreneurial and innovation capacity of HEIs, which will be ***implemented through the KICs***. Third, through more effective cross-cutting measures, the EIT ***shall make all necessary efforts to*** ensure that its ***visibility and*** impact at Union level increase. In addition, the EIT ***shall*** improve its operations ▌in order to increase its effectiveness, efficiency and impact***, including in areas such as guiding the KICs towards financial sustainability, the openness, outreach, transparency, quality and sustainability of its own activities and the activities of the KICs, a higher involvement of SMEs and start-ups, and gender balance***.

3.1. ▌Support for existing KICs

The EIT shall strengthen innovation ecosystems by continuing to support existing KICs in addressing global challenges through the integration of the knowledge triangle ▌ at Union, national, regional and local level ▌ . ***To that end, a large share of the EIT budget is to be dedicated to*** support ▌ the KICs***,*** and ***the EIT shall*** further strengthen its ▌ platform for launching, growing ***and monitoring the KICs***.

The EIT shall ensure that the KICs ▌ continue to pursue financial sustainability, in order to achieve financial independence from the EIT grant ▌ at the latest ▌ after 15 years following their launch ▌ by leveraging public and private investment***, while still focusing on the integration of knowledge triangle activities.***

The EIT ***shall*** ensure ***that the KICs develop and implement a strategy to collaborate and create interfaces and synergies with relevant European Partnerships, missions and the EIC, as well as with other relevant Union and international initiatives and programmes***. In addition to financial support, based on lessons learned, the EIT ***shall*** provide strategic supervision ***and guidance*** to the KICs ▌. ***On the basis of the indicators listed, inter alia, in Annex V to Regulation (EU) 2021/...[+], the EIT shall monitor and analyse the performance, the leverage investments and the different qualitative and quantitative impacts.***

The EIT shall make best efforts to streamline the terminology related to the structure of each KIC, with the purpose of further simplifying and enhancing the recognisability of the EIT.

[+] ***OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)).***

The EIT ***shall establish areas of, and promote stronger cross-KIC collaboration on, topics of strategic and policy relevance. The EIT shall strengthen coordination between KICs in areas of common interest, in particular by fostering*** exchanges of experiences and good practices between KICs and ▌ collaboration between them (cross-KIC activities[23+]) on both thematic and horizontal topics. Cross-KIC activities have the highest potential where several KICs ***already address*** common Union policy priorities where no dedicated KICs exist. Bringing together the different KICs communities in dedicated joint actions of mutual benefit has high potential for synergies and ***interdisciplinary benefits.*** The EIT ***shall encourage*** such ***activities and*** take an active part in defining the content and structure of the cross-KIC activities. It ***shall*** monitor the implementation of cross-KIC activities as well as the results achieved, with the aim of making those activities an integral part of the KICs' ***multiannual*** strategies. ***The EIT shall also facilitate the establishment of cross-KIC shared services with the purpose of jointly handling operational tasks common for all the KICs.***

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23 As defined in point (14) of Article 2 of Regulation (EU) 2021/... .

+ OJ: please insert in the footnote the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).

***3.*2.** Increasing the regional impact of KICs

The EIT ***shall*** further increase its regional impact through an enhanced openness ***and inclusive approach of the KICs*** towards ***a wide range of*** potential partners and stakeholders***, a strengthened dissemination and exploitation of results*** and a better integrated regional strategy of KICs***. Each KIC will be required to develop and implement a regional strategy as an integral part of its business plans with the aim of strengthening the relationship with national, regional and local innovation actors***, including ***SMEs. Where*** relevant***, the KICs shall demonstrate links with*** smart specialisation strategies ***and with the activities of thematic platforms and interregional initiatives, including with the managing authorities of European structural and investment funds (ESIF)***. ***The EIT shall continuously monitor the implementation of those strategies, including the leverage effect on the ESIF.***

A so-called 'place-based' innovation approach is to be integrated within the KICs' multiannual strategy and business plan and build on its CLCs and RIS hubs, thus leveraging their role as a gateway for accessing a KIC community, and interacting with the co-located partners, as well as with other local innovation actors.

The EIT shall monitor how CLCs and RIS hubs operate and how they integrate in the local innovation ecosystems.

The EIT shall ensure that RIS activities are used to attract and facilitate integration of potential new partners that add value to the KICs, thus extending the EIT's pan-European coverage, and are fully integrated in KICs' multiannual strategies. The RIS, steered by the EIT and implemented by KICs, has been run on a voluntary basis to date. From 2021, the RIS ***activities shall*** become ***mandatory and*** an integral part of the KICs' multiannual strategies. ***The EIT shall ensure that RIS activities are used as a bridge towards relevant research and innovation smart specialisation strategies.***

In addition, KICs shall enhance such integration through the establishment of RIS hubs. A RIS hub shall be established following a thorough needs analysis and an open call. It shall be part of the structure of the KICs and serve as focal point for their activities. Its objective is to mobilise and involve local knowledge triangle actors in the KICs' activities, establishing synergies at local level, identifying funding and collaboration opportunities and promoting their active integration in ecosystems. In accordance with the KIC expansion strategy, RIS hubs could pave the way to the establishment of a CLC in the targeted region.

The EIT ***shall*** continue to provide guidance and support to KICs in the preparation ***and implementation*** of multiannual RIS strategies ▌. RIS activities ***shall*** continue ***to*** support ▌ the innovation capacity of countries ***(***and regions ***in those countries) that have modest and moderate innovation performances according to the EIS, as well as of the outermost regions within the meaning of Article 349 of the Treaty on the Functioning of the European Union, in order to foster their integration in the KICs' communities***. ***The following are countries and regions eligible for RIS activities (RIS countries and regions):***

(1) the countries (and the regions in those countries) that are classified as either 'moderate' or 'modest' innovators in at least one of the three EIS annual reports issued in:

(a) 2018, 2019 and 2020 for 2021-2024; and

(b) in 2021, 2022 and 2023 for 2025-2027; and

(2) the outermost regions.

The EIT budget devoted to implementing RIS activities ***shall*** be at least 10 % ***and a maximum of 15 %*** of the overall EIT ▌ funding ***for existing and new*** KICs, thereby allowing an increase in the number of KIC partners from targeted regions. Activities supported through the RIS ***shall*** aim to:

(1) ***contribute to improving*** the innovation capacities of ***regional and*** local ***ecosystems across the Union***, via capacity building activities and closer interactions between the local innovation actors, such as clusters, networks, ***public*** authorities, HEIs, research organisations, vocational education and training providers ***and SMEs***, ***as well as the activities of those actors***;

(2) ***support the objective of attracting new partners in the KICs and*** link local innovation ecosystems to pan-European innovation ecosystems***;*** and

(3) ***leverage additional private and public funding, with particular attention to ESIF.***

▌

3.3. Launch of new KICs

In order to contribute to addressing new and emerging global challenges, the EIT ***shall*** launch ***open and transparent calls for proposals to create*** new KICs in priority fields selected ***among thematic areas of strategic importance and*** based on criteria assessing, inter alia, their relevance to ***the Union*** policy priorities ***with regard to addressing global and societal challenges***, and their potential and added value to be addressed through the EIT model. The launch of new KICs ***shall*** take into account the strategic planning of Horizon Europe and the budget allocated to the EIT for the period from 1 January 2021 to 31 December 2027. The relevant selection criteria for European Partnerships set out in Annex III of Regulation (EU) 2021/...[+] ***shall*** be included in the KIC call for proposals and ***shall be*** assessed during the evaluation.

[+] OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)).

Based on a proposal from the Governing Board and an analysis thereof, a first new KIC, in the field of Cultural and Creative ***Sectors and*** Industries (***CCSI***), is proposed to be launched ***as soon as possible*** in 2022 ***or 2023,*** with a call for proposals to be published ***if feasible*** in 2021. This priority field has the strongest complementarity with the eight existing KICs, as well as with the potential priority areas for other European Partnerships to be launched in the framework of Horizon Europe.

▌A factsheet summarising the challenges in the ***CCSI*** field and the expected impact of the new KIC is included in Appendix 1.

A second new KIC, in the field of Water, Marine and Maritime Sectors and Ecosystems (WMM), is proposed to be launched in 2026, with a call for proposals to be published in 2025. The Commission, with the assistance of independent external experts, shall carry out an ex-ante analysis by 2024 to evaluate the relevance of the WMM field. If the analysis results in a negative conclusion, the Commission may submit a proposal to amend SIA 2021-2027, taking into account the contribution of the Governing Board and the strategic planning of Horizon Europe. A factsheet summarising the challenges in the WMM field and the expected impact of the new KIC is included in Appendix 2.

Other new KICs may be ▌ selected ***if budget allocations additional to those*** of the EIT ***become available and*** shall take into account the ***contribution of the Governing Board, the strategic planning of*** Horizon Europe ▌ and the criteria set for the selection of European Partnerships, in particular openness, transparency, Union added value, ***contribution to the SDGs,*** coherence and synergies. ▌

▌

3.*4*. Supporting the innovation ***and entrepreneurial*** capacity of higher education institutions

In cooperation with the Commission, and after consulting the KICs, the EIT shall design and launch a pilot initiative supporting the innovation and entrepreneurial capacities of higher education institutions and their integration in innovation ecosystems (pilot higher education initiative), which will be implemented through the KICs, starting in 2021. Through the knowledge triangle integration model, the EIT ***is bridging*** the persistent gap between higher education, research and innovation. In particular, the EIT ***and the KICs are key tools*** for the development of human capital through ***their*** distinctive focus on ***innovation and*** entrepreneurial education. However, the impact of the EIT ***shall be further extended beyond*** the KICs' partners.

HEIs ***across*** Europe need to be innovative and entrepreneurial in their approach to education, research, and engagement with businesses and the broader ***regional and*** local innovation ecosystem, including civil society***, public institutions and third sector organisations, in the most inclusive and gender balanced way***, ***which is possible to be achieved through a clear strategy, a methodological framework and commitment of resources.***

▌

The KICs' activities relating to the pilot higher education initiative ***shall*** be implemented ▌through ▌open and ***transparent calls for proposals,*** which will aim ***to increase*** the innovation capacity in higher education***, targeting mainly*** HEIs ***that are not KIC partners*** in innovation value chains and ecosystems ***across the Union***. ***The activities shall address primarily the capacity development of HEIs, including:***

(1) the exchange and implementation of best practices in knowledge triangle integration, including organisational learning, training for up-skilling and re-skilling, coaching and mentoring;

(2) the development of action plans on how to address identified needs in areas such as innovation management, start-up creation and development, technology transfer including intellectual property rights management, sustainability and climate neutrality by design, people and organisational management, the integration of gender approaches in innovation and engagement with local stakeholders and civil society; and

(3) the implementation of innovation capacity development action plans and follow-up actions.

Those activities ***shall involve other actors in the knowledge triangle, such as vocational education and training providers, research and technology organisations, SMEs and start-ups, and shall*** complement the intervention of the EIT on education as a core part of the knowledge triangle integration activities of the KICs ▌. ***The EIT shall promote stronger cross-KIC collaboration within the pilot higher education initiative. The eligibility criteria to be included in the calls for proposals shall ensure that the majority of funding will go to HEIs from outside of the KICs. The aim of the pilot higher education initiative is that the impact of the EIT reach*** beyond the KICs and contribute to the EIT's core mission of boosting sustainable economic growth and competitiveness by reinforcing the innovation capacity of Member States, in line with the Horizon Europe goals of fostering entrepreneurial and innovation skills in a lifelong learning perspective, including increasing the capacities of HEIs across Europe.

The EIT support ***shall also*** build on policy initiatives such as the HEInnovate[24] and RIIA[25] frameworks that have proven their value in a number of HEIs and Member States across the Union. The EIT ***shall*** design the support activities in close collaboration with the Commission, and after consulting ***the KICs***, ensuring ***full*** coherence and complementarity with relevant activities within Horizon Europe***, Erasmus+***, established by Regulation of the European Parliament and of the Council (EU) 2021/...[26+], ***and*** other Union programmes. The specific details of the implementation and delivery mechanism process ***shall*** be further developed and fine-tuned in the first three years and shall be subject to monitoring and evaluation during this pilot phase ▌. ***The evaluation of the pilot phase shall be conducted by independent external experts and the results shall be communicated to the Member State Representatives Group (MSRG) and to the European Parliament. Based on the results of that evaluation, the Governing Board shall decide whether the pilot higher education initiative is to be either continued and scaled-up or discontinued.***

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24 HEInnovate is a policy framework developed by the Commission and the Organisation for Economic Co-operation and Development (OECD). HEInnovate offers HEIs a methodology to identify innovation capacity areas for further development and to shape relevant strategies and actions in order to achieve the desired impact. HEInnovate is based on sound methodological evidence with eight capacity development areas: Leadership and Governance; Digital Transformation; Organisational Capacity; Entrepreneurial Teaching and Learning; Preparing and Supporting Entrepreneurs; Knowledge Exchange; Internationalisation; and Measuring Impact. OECD has published a number of HEInnovate-based country reports, see OECD Skills Studies series at https://www.oecd-ilibrary.org/education/

25 The Regional Innovation Impact Assessment framework (RIIA) was developed by the Commission as a first step in guiding assessments of the innovation impact of universities through the elaboration of metrics based case studies. Assessing the innovation impact, e.g. through the RIIA framework, could potentially be tied to innovation performance based funding instruments at the Union, national or regional level.

26 Regulation (EU) 2021/... of the European Parliament and of the Council of ... establishing Erasmus+: the Union Programme for education and training, youth and sport and repealing Regulation (EU) No 1288/2013 (OJ ...).

+ OJ: please insert in the text the number of the Regulation contained in file (2018/0191(COD)) and insert the number, date and OJ reference of that Regulation in the footnote.

The Governing Board shall steer and ***supervise*** the implementation and monitoring of the activities ***of*** the KICs. Particular attention ***shall*** be paid to ensuring an ***open and*** inclusive approach to attract HEIs beyond the KICs' partners ***aiming for wide geographical coverage***; an inter-disciplinary and inter-sectoral approach***; a broader participation of women in sectors where they are underrepresented***; and a link with ***the RIS, relevant thematic platforms and*** smart ***specialisation strategies***, ***and the Policy Support Facility when appropriate***.

The EIT ***shall strengthen and widen the scope of the EIT label beyond the KICs to include the HEIs participating in the action. With the involvement of actors from across the knowledge triangle, the EIT shall strive to*** link its support for developing innovation capacity in higher education to the EIT label, which is currently awarded to the KICs' education programmes. ▌

The EIT ***shall*** extend the EIT label to lifelong learning activities***, such as mentoring, vocational training, skilling, re-skilling and up-skilling programmes,*** massive open online courses***,*** involving and reaching out to a wider target group of students, adult learners and institutions, including vocational education and training institutions, beyond the KICs. The application of the EIT label beyond the EIT Community ***is expected to*** have a more structuring effect at all levels (individual, programme and institution).

The EIT shall monitor the award and expansion of the EIT label to KICs' education and training programmes and explore a more effective quality assurance mechanism, including external recognition and accreditation of the EIT label.

To ensure the success of the pilot higher education initiative, the EIT shall provide specific guidance, expertise and coaching to participating HEIs and target ***HEIs from across Europe, paying particular attention to*** HEIs from countries **(*and regions in those countries)*** that are moderate and modest innovators and other low performing regions that wish to ***develop their innovation capacities and*** strengthen their innovation footprint and smart specialisation strategies.

3.***5***. EIT cross-cutting activities

3.5.1**.** Communication ***and dissemination***

The EIT ***and the KICs shall strive to improve and*** reinforce ***their*** communication and visibility***, and apply an improved branding strategy with regard to their main stakeholders in Member States and beyond, in line with the communication approach used with regard to Horizon Europe***. With a growing number of KICs and ***the pilot higher education initiative***, the EIT ***shall*** boost its efforts to increase ***the*** recognition ***of Union support*** as a quality brand for innovation. This brand management and improved communication is crucial, in particular with regard to citizens ***and national and regional authorities,*** as the innovations coming out of the EIT contribute to ***demonstrating*** the concrete impact of ***Union*** investments through Horizon Europe. ▌

The EIT shall strive to increase the use of existing Union information networks and provide coordination to their activities in order to ensure better advice and guidance to potential KIC partners. Such increased use and coordination may include the support of the national and regional authorities in identifying the necessary synergies with the multiannual strategies of the KICs. In order to ensure wider dissemination and better understanding of the opportunities offered by the EIT, the EIT shall ▌ reinforce guidance and assistance on aspects related to participation in KICs across Europe by building on existing networks of information ***and structures*** across Europe***, in particular the National Contact Points referred to in Regulation (EU) 2021/...***[+].

In order to ensure that a large stakeholder community across the knowledge triangle at Union, national, regional and local level ***is*** aware of all EIT (and KIC) calls and funded projects, they will appear also in the European Funding and Tender Opportunities Portal, under Regulation (EU) 2021/...[+].

[+] ***OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)).***

The EIT ***shall*** organise regular meetings of the MSRG and of Commission related services, at least twice a year, to ensure appropriate communication and flow of information with Member States and at Union level***. The European Parliament and the Council shall be kept duly*** informed of the ***performance,*** achievements ***and activities*** of the ***EIT and the KICs***. ***In addition,*** the MSRG shall ***advise the EIT on strategically important issues. The MSRG, together with the EIT, shall*** ensure appropriate support to liaise ***and promote synergies about*** EIT-supported activities with national ***or regional*** programmes and initiatives, ***and share information about*** the potential national ***and regional*** co-financing of those activities.

The EIT ***shall further increase the visibility of its action towards citizens and the EIT Community through*** the ▌Stakeholder Forum[27+]***,*** the EIT Awards ***and the EIT Alumni Community***[28] ***with the aim*** of promoting the interactions with European actors of the knowledge triangle and recognise the most promising innovators and entrepreneurs in Europe.

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27 As defined in point (11) of Article 2 of Regulation (EU) 2021/... .

+ OJ: please insert in the footnote the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).

28 The EIT Alumni Community brings together entrepreneurs and change agents who have participated in an education or entrepreneurship programme delivered by a KIC. The Community represents a network of over 5 000 members.

The EIT ***shall*** continue to steer and provide strategic guidance to the EIT Alumni Community (in collaboration with the EIT Alumni Board) to maximise its entrepreneurial and societal impact and the continuous involvement of its members in EIT-supported activities. In the course of 2021-2027 the EIT Alumni Community will continue to grow and will also include the alumni taking part in the actions supporting the innovation capacities of HEIs.

3.5.2. Identify and share good practices with stakeholders

The EIT ***shall identify, codify, effectively share, and disseminate learning and*** good practices ***emerging from EIT-funded activities and, for that purpose, engage with Member State authorities at both national and regional level, with the Commission and the European Parliament, in particular with its Science and Technology Panel, establishing a structured dialogue and coordinating efforts***. The KICs and the projects supporting innovation and entrepreneurial capacity of HEI are ***expected to be*** a valuable source of evidence and experimental learning for policy-makers ▌ in the ***field of research, innovation and higher education, as well as*** in ***different*** thematic domains.

To date, the good practices and learning stemming from the KICs have not been ***pooled*** or codified sufficiently or disseminated effectively. ▌ The EIT ***shall*** further develop its role as an innovation institute with the ability to detect, analyse, codify, share and ensure the take-up of innovative practices, learning and results from the EIT-funded activities (support for education ***and*** training, ***research and*** innovation and entrepreneurship) on a broader scale. That EIT activity ***shall*** build on the links and synergies with the other initiatives within ▌ Horizon Europe***, in particular the EIC, the missions and the European Partnerships***.

3.5.3. International cooperation ***and global outreach activities***

The EIT shall develop broad lines of international cooperation of the EIT and the KICs under the supervision of the Governing Board, in compliance with the Horizon Europe approach to international cooperation as referred to in Regulation (EU) 2021/...[+] and other relevant Union policies, and in consultation with the respective Commission services. The EIT shall seek to ensure that its activities have a greater impact through international cooperation and ***shall*** coordinate international EIT-funded activities by the KICs. Its focus ***shall be to*** align closely with relevant ▌ policy objectives of the Union as well as its research and innovation priorities, and to ensure Union added value. ***When a physical presence of the EIT Community in a third country is deemed to be necessary to increase the impact and deliver more efficiently on its objectives, the EIT shall ensure coordination of the intervention, and provide incentives for joint KIC efforts.***

[+] ***OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)).***

In its international cooperation ***and global outreach activities,*** the EIT, in cooperation with the Commission, ***shall*** focus on effective tackling of global ▌ challenges, contributing to relevant international initiatives and the SDGs, ensuring access to talent and enhanced supply and demand of innovative solutions. ***The EIT shall closely monitor those activities and ensure that they comply with the Horizon Europe approach to international cooperation as referred to in Regulation (EU) 2021/...[+] and other relevant Union policies.***

▌

3.***6***. Making it work: ***mode of operation***

This section includes a number of measures that aim to adapt and improve the current functioning of the EIT and the KICs. An effective***, empowered*** and strategic Governing Board ***shall monitor*** the implementation of those measures at the EIT level, and ***shall*** provide the necessary incentives and control, including through the ***performance-based*** funding allocation process, to ensure that the KICs implement them.

[+] ***OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)).***

3.6.1. KIC operational model

The EIT shall ensure that the implementation of the KICs is in full compliance with the relevant requirements provided for in Regulation (EU) 2021/...[+], including ensuring the transition of the eight existing KICs towards the delivery of the new implementation criteria for European Partnerships set out in that Regulation. Therefore, the EIT ***shall*** provide ***strengthened*** operational guidance to the ***KICs*** and ***continuously*** monitor the ***KICs' performance to ensure*** compliance with sound management***, good governance, monitoring and evaluation*** principles ***set out in Regulation (EU) 2021/...[++], as well as*** the principles and criteria for European Partnerships set out in Regulation (EU) 2021/...[+] and alignment with ***the requirements stemming from*** Horizon Europe priorities ***and indicators*** in order to ***maximise*** their performance and impact***, based on a long-term collaboration strategy between the EIT and the KICs***. ***Appropriate corrective measures shall be taken if a KIC underperforms, delivers inadequate results, fails to achieve the expected impact or lacks Union added value***.

[+] ***OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)).***

[++] ***OJ: please insert in the text the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).***

The EIT shall ensure that the measures ensuring continuous openness of the KICs ***to new members as well as*** transparency during implementation be improved, in particular by ***adopting and applying transparent, clear and consistent accession and exit criteria*** for new members that add value to the partnerships***, as well as other provisions such as transparent procedures for preparation of their business plans, and by systemically monitoring the KICs' activities***. ***The KICs shall*** also run their activities in a fully transparent way ▌, including ***through open calls for identifying and selecting their projects, partners and other activities and shall*** remain ***open and*** dynamic partnerships that new partners ***across the Union***, including an increasing share of SMEs ***and start-ups***, ***that add value to the partnership*** are able to join on the basis of excellence and ***innovation relevance***. In order to limit the concentration of funding and ensure that the KICs' activities benefit from a wide network of partners, the procedure for the preparation of their business plans (including the identification of priorities, the selection of activities and the allocation of funds) ***and related funding decisions shall*** be made more transparent and inclusive. ***The KICs' multiannual strategies shall address the expansion of the partnership, including the establishment of new CLCs for which the Governing Board shall allocate an adequate budget. When deciding on the funding, the Governing Board shall take into account the progress towards the targets indicated in the multiannual strategies, inter alia, the number of CLCs.*** KICs ***shall make broader use of competitive funding mechanisms and*** increase the ***openness*** of calls, in particular for ▌projects that are open to third parties. All those measures will increase the number of participating entities involved in the KICs' activities. Finally, the KICs ***shall*** report on the involvement of new partners in their regular reporting ***as one of the elements of their performance-based funding***.

As KICs operate across the entire value chain of innovation, they ***shall*** ensure an appropriate ***and continuous*** balance ***between the three sides of the knowledge triangle and related activities*** in their business plan portfolio. ***The EIT shall monitor the*** KICs' operations ***to ensure that they are*** implemented through a lean, efficient and cost-effective structure that ***keeps*** administrative***, management*** and overhead costs to a minimum. ***The*** EIT ***shall*** ensure that the KICs achieve their expected impacts through a broad range of activities, identified in their business plans, which effectively support the fulfilment of their objectives***, including their potential impact on innovation ecosystems at Union, national, regional and local level***.

Commitments from each KIC's partner ***shall*** be ensured by regularly monitoring the actual partner's contributions against the original commitments. The EIT ***shall*** ensure that the KICs have a risk management system in place for cases where some partners are not able to meet their original commitments. ***In pursuing the financial sustainability of their activities, the KICs shall look to a wide range of revenue and investment sources. To that end, the KICs shall ensure that the conditions of access to the partnership remain attractive to a wide range of potential partners. Any membership or tuition fees should not constitute a barrier for the participation of relevant partners in a KIC, in particular for SMEs, start-ups and students.***

3.6.2. KIC funding model

Through a lean and simplified funding model, the EIT ***is expected to*** enhance the impact ***of the KICs*** and their contribution towards reaching the objectives of the ***EIT and*** Horizon Europe, ***as well as encourage the commitment of the KICs' partners***. In order to increase the ***added*** value ▌ of its support, the EIT ***shall*** adapt its funding model. ***The EIT shall make best efforts to facilitate a smooth transition between MFF periods, in particular for the ongoing activities***. There are three main areas where the EIT ***shall*** implement improvements.

First, the EIT ***shall gradually decrease the funding*** rate ***for KIC added-value activities***[29+] in order to increase the levels of private and public investments ***other than revenues from their partners***. The adaptation of the funding model ***is expected to*** facilitate the ability of the KICs to manage the transition towards financial sustainability. It ***is expected that KICs be encouraged*** to gradually decrease the share of EIT funding in their business plan during the duration of the ▌ partnership agreements, while increasing the level of co-investment from non-EIT sources. ***Decreasing EIT funding*** rates ***for KIC added-value activities shall*** be applicable across phases of the KICs' entire life cycle (start-up, ramp-up, maturity, exit from the EIT grant), as presented in the following table:

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[29] ***As defined in point (13) of Article 2 of Regulation (EU) 2021/... .***

[+] ***OJ: please insert in the footnote the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).***

	Start-up	Ramp-up	Maturity	Exit from EIT grant
Years	1 – 4	5 – 7	8 – 11	12 – 15
EIT funding rate	Up to 100 %	Up to 80 %	Up to 70 %	***Up to*** 50 % at year 12, decreasing by 10 % per annum

Figure 1: EIT funding rates 2021-2027

The activities of some of the KICs, due to their specific nature, might need extra incentives to be performed. To that end, the Governing Board might decide to apply more favourable funding conditions for cross-KIC activities, RIS activities and the pilot higher education initiative.

Second, ***the EIT shall ensure that*** the grant allocation process will ***follow a performance-based funding model***. ***The use of multiannual grants shall be increased to the extent possible. The EIT funding shall be directly tied to progress made in the areas listed in Article 10 and Article 11(5) of Regulation (EU) 2021/...[+] and to the KICs' objectives as laid down in their business plans, and could be reduced, modified or discontinued in the event of a lack of results.*** The EIT ***shall, inter alia,*** provide stronger incentives to the KICs ***to strive for new partners and shall take corrective measures,*** in particular based on the KIC's individual performance, in order to ensure the highest level of impact. ▌

[+] ***OJ: please insert in the text the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).***

Third, the EIT ***shall*** apply strict rules for reinforcing the comprehensive ***assessment*** mechanism prior to the expiry of the initial seven-year period of the KIC's operations ***in accordance with Articles 10 and 11 of Regulation (EU) 2021/...***[+]. That comprehensive ***assessment,*** to be undertaken with the help of independent external experts, ***shall*** be in line with best international practice and with ▌ the monitoring and evaluation ***criteria for*** European Partnerships ***set out in Regulation (EU) 2021/...***[++]***. It shall*** take place before the expiry of the initial seven-year period. As a result of the comprehensive ***assessment***, the Governing Board ***shall*** decide to continue, modify or discontinue (thus not extending the partnership agreement with that KIC) the financial contribution to a KIC and reallocate the resources to better performing activities. ***The Governing Board shall seek the opinion of the MSRG prior to adopting that decision.***

[+] ***OJ: please insert in the text the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).***

[++] ***OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)).***

3.6.3. Reducing the administrative burden

▌The EIT ***shall intensify*** its efforts towards simplification in order to ***reduce*** the administrative burden on the ***KICs***, allowing the implementation of their ▌business ***plans*** and multiannual ***strategies*** in an agile and efficient way. Such simplification ***may*** include the use of lump sum or unit costs for relevant KIC activities. Moreover, in order to provide for better planning of resources, in particular of innovation activities, as well as facilitate stronger commitment and long-term investment from participating partners in the activities of the KICs, the EIT shall sign multiannual grant agreements with KICs, when appropriate ***including provisions for performance-based funding,*** under the respective ▌partnership agreements. Those multiannual grant agreements shall not exceed three years.

▌

3.6.4. EIT relation with KICs after the termination of the ▌ partnership agreement

The EIT shall develop the general principles for the relation with KICs after the termination of the partnership agreement in line with the framework for European Partnerships provided for in Regulation (EU) 2021/...[+]. Based on an in-depth independent study ▌ , to be conducted by the end of 2023, the EIT ***shall establish, in close cooperation with the Commission, the overall framework for*** its relations with the KICs ***whose partnership agreement is terminated or expired*** in the course of the 2021-2027 programming period. ***That in-depth independent study shall include an assessment of the KIC's efforts to achieve financial sustainability, the revenues generated and KIC's financial outlook and shall identify any activities, the continuation of which might be at risk due to a lack of resources.*** Subject to a positive outcome of a final review, the EIT may conclude a memorandum of cooperation[30++] with ***a*** KIC, aiming to maintain ***active*** cooperation with ***it*** after the termination of the ▌ partnership agreement.

[+] ***OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)).***

[30] As defined in point (15) of Article 2 of Regulation (EU) 2021/... .

[++] OJ: please insert in the footnote the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).

The memorandum ***of cooperation shall*** include ▌:

(a) rights and obligations linked to the continuation of the knowledge triangle activities as well as the maintenance of the KIC's ecosystem and network;

(b) conditions for the use of the EIT brand ***and*** participation in EIT Awards and in other initiatives ***organised*** by the EIT;

(c) conditions for the participation in higher education and training activities including the use of the EIT label for education and training programmes ***and relations with the EIT Alumni Community***;

(d) conditions for participation in EIT competitive calls for ***some specific activities, including*** cross-KIC activities and shared services;

(e) conditions for additional support from the EIT for transnational coordination activities among the CLCs with a high Union added value.

Taking into account the results of an in-depth independent study, the Governing Board shall establish the duration, content and structure of the memorandum of cooperation, including the specific activities of the KICs that can be supported under points (a) to (e) of the second paragraph. The KICs shall be entitled to participate in the activities of the EIT in accordance with the conditions set out in the memorandum of cooperation, including the participation in competitive calls.

3.*7.* Synergies ***and*** complementarities with other Union programmes

Building on its broad scope of action and distinctive role ***as an integral part of Horizon Europe***, the EIT is well placed to create synergies and provide complementarities***, while avoiding duplications,*** with other Union programmes or instruments, including by reinforcing its support for KICs in their planning and implementing activities. The EIT ***is expected to*** contribute to synergies in the mid to long term, inter alia with regard to the following:

Erasmus+

– The EIT shall seek to establish synergies between Erasmus+ and EIT communities. Cooperation ***is to*** be geared towards ensuring access for Erasmus+ students participating in KIC partner HEIs to KIC summer schools or other relevant training activities (for instance, on entrepreneurship and innovation management) and establishing contacts with the KICs' alumni network.

– Cooperation activities ***may*** also include delivery of training by the EIT or the KICs to academic staff (from any HEIs, beyond the KICs) for curricula integrating entrepreneurship and innovation, as well as testing, adoption and scaling-up of innovative practices developed within Erasmus+ networks (such as the alliances for innovation between HEIs and businesses) by KICs and vice versa.

– Synergies ***are to*** be ensured, where possible, with the European Universities initiative that could help mainstream the EIT's education activities to reach a systemic impact.

Digital Europe Programme, established by Regulation (EU) 2021/... of the European Parliament and of the Council[31+]

– ***The KICs, in particular the*** CLCs**,** shall collaborate with the European Digital Innovation Hubs in accordance with Regulation (EU) 2021/...[++] to support the digital transformation of the industry and public sector organisations.

– Feasibilities shall be explored to use infrastructures and capacities developed under the Digital Europe Programme (such as data resources and libraries of artificial intelligence algorithms and high performance computing competence centres in Member States) by the KICs in education and training, as well as for testing and demonstration purposes in innovation projects.

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31 Regulation (EU) 2021/... of the European Parliament and of the Council of ... establishing the Digital Europe Programme and repealing Decision (EU) 2015/2240 (OJ ...).

+ OJ: please insert in the text the number of the Regulation contained in file (2018/0227(COD)) and insert the number, date and OJ reference of that Regulation in the footnote.

++ OJ: please insert in the text the number of the Regulation contained in file (2018/0227(COD)).

Cohesion Policy Funds (in particular the European Regional Development Fund and the Cohesion Fund, established by a Regulation of the European Parliament and of the Council on the European Regional Development Fund and on the Cohesion Fund *and the European Social Fund Plus*, established by a Regulation of the European Parliament and of the Council on the European Social Fund Plus (ESF+))

– The KICs, through the CLCs and RIS hubs, ***shall*** promote regional and cross-regional cooperation between the knowledge triangle actors and managing authorities, in synergy with interregional cooperation and investments along value chains in related smart specialisation priority areas, and the work of the thematic smart specialisation platforms. ***Such cooperation with managing authorities may lead to including KIC activities in the operational programmes.*** The EIT ***shall*** also explore contributing to the skills development initiatives under the Cohesion Policy Funds through the exchange of best practices.

– ***The*** EIT ***shall*** promote the collaboration ***between relevant KICs and*** the smart specialisation platforms, in order to facilitate synergies between EIT resources, Cohesion Policy Funds and other Union, national and regional programmes. ***The aim is to reach a broader representation of EIT activities across the Union, to strengthen links with smart specialisation strategies and to better use the RIS to leverage ESIF in EIT and KIC activities.***

InvestEU Programme

– The KICs ***shall*** seek the collaboration of the InvestEU Advisory Hub to provide technical support and assistance to KIC-backed ventures for the preparation, development, and implementation of projects.

– The KICs ***shall strive to*** contribute to feed the InvestEU Portal in order to bring investors ***and financial intermediaries*** closer to KIC-backed ventures, in close collaboration with Commission services ***and in synergy with the EIC***.

Creative Europe Programme, established by Regulation (EU) 2021/... of the European Parliament and of the Council[32+]

The Creative Europe Programme is ▌ relevant, inter alia, to the activities of a new KIC on ***CCSI***. Strong synergies and complementarities ***are to*** be developed with the Creative Europe Programme in areas such as creative skills, jobs and business models.

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32 Regulation (EU) 2021/... of the European Parliament and of the Council of ... establishing the Creative Europe Programme (2021 to 2027) and repealing Regulation (EU) No 1295/2013 (OJ ...).

\+ OJ: please insert in the text the number of the Regulation contained in file (2018/0190(COD)) and insert the number, date and OJ reference of that Regulation in the footnote.

Single Market Programme, established by Regulation (EU) 2021/... of the European Parliament and of the Council[33+]

KICs ***shall*** seek cooperation with the Enterprise Europe Network (EEN) and its Sector Groups to facilitate business-to-business cooperation, technology transfer and innovation partnerships for entrepreneurs wishing to develop their activities across the Union and beyond in accordance with Regulation (EU) 2021/...[++]. EEN organisations will promote the KICs' activities among their SME clients. The EIT ***shall*** explore cooperation ***on*** the mobility programmes for new entrepreneurs to improve their entrepreneurial skills.

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33 Regulation (EU) 2021/... of the European Parliament and of the Council of ... establishing a programme for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed, and European statistics (Single Market Programme) and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014 and (EU) No 652/2014 (OJ ...).

\+ OJ: please insert in the text the number of the Regulation contained in file (2018/0231(COD)) and insert the number, date and OJ reference of that Regulation in the footnote.

++ OJ: please insert in the text the number of the Regulation contained in file (2018/0231(COD)).

4. TACKLING THE CRISIS RESULTING FROM THE OUTBREAK OF COVID-19

Major social, economic, environmental and technological changes arising from the COVID-19 crisis will require the collaboration of all Union institutions, bodies, offices and agencies. The EIT should contribute to the necessary innovation efforts by providing a coherent response to the COVID-19 crisis.

The EIT will ensure that the KICs support and promote the delivery of innovative solutions in different fields of action in accordance with the priorities of the Recovery Plan for Europe, the European Green Deal, the New Industrial Strategy for Europe and the SDGs, thus contributing to the recovery of Europe's societies and economy and strengthening their sustainability and resilience.

In particular, the EIT should ensure that the KICs are able to operate with the necessary flexibility to adapt to the challenges arising from the COVID-19 crisis, as well as to new and unexpected challenges and priorities. Under the supervision and control of the EIT, the KICs could create measures that are fit for the purpose of supporting and increasing the resilience of their ecosystems, namely their partners and beneficiaries and beyond their existing communities. Specific attention should be paid to actions aiming to increase the resilience of microenterprises, SMEs and start-ups, as well as students, researchers, entrepreneurs and employees who have been hit particularly hard by the COVID-19 crisis.

The KICs are also invited to exploit synergies with other Union initiatives and partnerships, with a view to supporting the strength of Europe's innovation ecosystems.

In adapting to the new situation, the KICs may make use of innovative collaborative tools, instruments, information and support services to ensure collaboration and interaction within their communities.

The EIT, seeking synergies with other Union programmes and agencies, may propose initiatives based on the integration of the knowledge triangle aiming to support innovation ecosystems in the Union. To that end, the EIT may promote new cross-KIC activities to tackle challenges arising from the COVID-19 crisis.

5. RESOURCES

5.1. Budget needs

The EIT's budget needs in the period 2021-2027 are EUR ***2 965 000 000*** and are based on three main components: (1) expenditure for the existing eight KICs (reflecting that for three of them the ▌partnership agreements will come to an end by 2024) and the launch of two new KICs (one in 2022 ***or 2023*** and a second one in ***2026***); (2) ▌EIT ▌administrative expenditure***; and (3) expenses for preparation, monitoring, control, audit, evaluation and other activities and expenditures necessary for managing and implementing the activities of the EIT, as well as evaluating the achievement of its objectives in accordance with Article 12(6) of Regulation (EU) 2021/...***[+].

[+] ***OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)).***

Around EUR ***2 854 000 000*** (***96*** % of the total EIT budget) is envisaged to fund existing and new KICs ***of which:***

(a) ***at least 10 % and a maximum of 15 % shall be dedicated to*** the RIS***;***

(b) ***a maximum of 7 % shall be dedicated to cross-KIC activities, including support for KICs for which the partnership agreement is expired or terminated;***

(c) ***a maximum of 3 % shall be dedicated to a pilot higher education initiative of three years.***

Through the introduction of a ***gradually decreasing EIT*** funding rate, the KICs are expected to mobilise a further EUR ▌1 500 ▌000 000 of other public and private sources. The budget for the launch of two new KICs (one to be launched ***as soon as possible*** in 2022 ***or 2023*** and a second to be launched in ***2026***) will be around EUR ▌300 ▌000 000. If budget allocations additional to those of the EIT become available, the EIT may launch additional KICs.

▌

The EIT shall continue to be a lean and dynamic organisation. The costs of ***EIT*** administrative expenditure, covering necessary staff, administrative, infrastructure and operational expenses, shall, on average, ***not exceed*** 3 % of the EIT budget. Part of the administrative expenditure is covered by Hungary through the provision of ***office space*** free of charge until the end of 2029. ***To that end, a major effort shall be made to decrease the KICs'*** administrative ***costs which, in any event, shall be kept to a reasonable minimum***.

5.2. Impact (monitoring and evaluation)

The measurement of the EIT's impact ***is expected to*** be continuously improved over the next programming period taking into account the lessons learnt and the experiences gained so far ***and the need to streamline its practices with those of Horizon Europe***. The EIT ***shall*** apply an evaluation, reporting and monitoring framework ***in accordance with Articles 10, 11 and 20 of Regulation (EU) 2021/...***[+], ensuring coherence with the overall approach taken for Horizon Europe while catering for flexibility. In particular, feedback loops between the Commission, the EIT and the KICs ***shall*** be improved in order to address the objectives in a consistent, coherent and efficient manner.

[+] ***OJ: please insert in the text the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).***

5.2.1. Reporting and monitoring

The EIT shall improve its current monitoring system and introduce a reporting and monitoring framework including key performance indicators, aligned with the impact pathway indicators of Horizon Europe. The reporting and monitoring of the KICs' operational performance***, including their administrative expenditure*** and their results, will be a primary task of the EIT and ***shall*** be implemented in cooperation with Horizon Europe common corporate services within the Commission. The reporting and monitoring system for the KICs ***shall*** be built into the overall Horizon Europe monitoring system, in particular by implementing common data models including data collection ***stored in the Horizon Europe database***. The Commission ***shall*** take part in the co-design of all relevant impact and monitoring indicators and tools developed or applied by the EIT in order to ensure ***coherence*** with the overall Horizon Europe monitoring system, including the impact pathway indicators, the criteria for European Partnerships and the strategic planning of Horizon Europe. ***Continuous monitoring procedures, as well as interim review and comprehensive assessment procedures, including the establishment of a sound set of quantitative and qualitative indicators and their related baseline and targets, shall be established by the Governing Board.*** Furthermore, the EIT ***shall*** take into account the deployment of the innovation radar methodology in Horizon Europe, and ***shall*** explore how innovation radar could be leveraged by the KICs in order to enhance its monitoring activities.

The results of such monitoring ***shall*** feed into the KICs' ***multiannual*** business planning processes and ***determine*** the allocation of the ***EIT's performance-based funding of the KICs' activities*** and ***the*** preparation of the partnership agreements ***and grant agreements*** with the KICs as beneficiaries. ***Furthermore, the results of the monitoring of the KICs is expected to feed into the strategic coordinating process for the European Partnerships.***

The EIT's activities, including those managed through the KICs, are expected to have:

(1) a ***technological,*** economic and innovation impact by influencing the creation and growth of businesses, as well as the creation of new innovative solutions to address global challenges, creating direct and indirect jobs and mobilising ***additional*** public and private investments;

(2) a scientific and educational impact by strengthening human capital in research and innovation, enhancing innovative and entrepreneurial skills both at individual and organisational levels and fostering the ***creation and*** diffusion of knowledge and innovation openly within society;

(3) a societal impact***, including an impact derived by the delivery of systemic solutions within and beyond the EIT Community, also through cross-KIC activities,*** by addressing Union policy priorities in the fields of climate change ***(such as mitigation, adaptation and resilience)***, energy, raw materials, health***, added value manufacturing, digital, urban mobility,*** food***, culture and creativity, or water*** through innovative solutions, engagement with citizens and end-users and by strengthening the uptake of innovative solutions in those areas of society.

The EIT shall ensure the development of specific societal indicators in the areas of activity of the KICs and shall carry out regular monitoring in line with the Horizon Europe framework for societal impact.

The impacts referred to in the third paragraph shall be measured, inter alia, in accordance with the impact pathway indicators set out in Annex V to Regulation (EU) 2021/...[+].

[+] ***OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD).***

Additional indicators, including societal impact indicators in the areas of activity of the KICs, ***shall*** be developed by the EIT together with the Commission in line with the development of the Horizon Europe indicator framework and ***shall*** reflect the overall approach for European Partnerships to contribute to scientific, economic and societal impact. The alignment of the impact indicators with Horizon Europe ***aims*** to monitor progress towards the EIT's objectives over time, ensuring a comparative evidence-base on results and impacts generated by the KICs *vis-à-vis* Horizon Europe. In addition, the EIT ***shall*** ensure that the monitoring system captures progress in relation to activities specific to the KIC model, such as knowledge triangle integration and entrepreneurial skills. ▌ The indicators on EIT education-related activities (including those supporting the capacities of HEIs) shall monitor for example:

(1) human capital skill acquisition and HEI engagement and capacity improvement (short term);

(2) career and the role and performance of HEIs in local innovation ecosystems (medium term); and

(3) working conditions and the role and performance HEIs in local innovation ecosystems (long term).

The continuous monitoring of the KICs shall be performed in an efficient way and address, inter alia, the following:

(1) progress towards financial sustainability in particular leveraging new sources of investments;

(2) progress towards pan-European coverage and openness, as well as transparency of governance;

(3) effectiveness in business acceleration (namely, created and supported high-growth ventures);

(4) each KIC's administrative and management costs;

(5) the operations of CLCs and the RIS hubs and entities and their integration in the local innovation ecosystems;

(6) the implementation of education and training activities, including the extended use of the EIT label.

The following table sets out a non-exhaustive list of key performance indicators and targets that are expected to be monitored by the EIT in the period 2021-2027. Those indicators provide the main input and output orientations for monitoring the achievement of the EIT's key objectives for 2021-2027, such as fostering innovation and entrepreneurship through better education, increasing its regional and local impact and openness towards potential partners and stakeholders, ensuring balance between revenues and costs, establishment of new CLCs and bringing new innovative solutions to global challenges to market.

EIT Management Indicators	Target 2023 (baseline 2020)	Target 2027 (baseline 2020)
Number of entities/organisations participating in activities of the EIT and the KICs	20 % increase	50 % increase
Number of innovations (products and services) launched on the market	1 500	4 000
HEIs involved in activities of the EIT and the KICs	***285***	***680***
Number of students involved in education activities of the EIT and the KICs	***8 500***	***25 500***
Number of start-ups supported	300	700
KICs' funding	EUR 700 000 000	EUR 1 500 000 000
Number of entities/organisations participating in activities of the EIT and the KICs from regions outside the KICs' CLC regions	50 % increase	100 % increase

In order to improve openness and transparency, the EIT ***shall*** ensure that the ***project*** data collected through its internal monitoring system, including the results from the KICs, ***is*** fully ***accessible and*** integrated in the overall data management system of Horizon Europe. The EIT ***shall*** ensure that detailed information arising from its monitoring and evaluation process is made available in a timely manner and is accessible in ***the*** Horizon Europe database. In addition, the EIT shall ensure dedicated reporting on quantitative and qualitative impacts, including on committed and actually provided financial contributions.

5.2.2. Evaluation, interim review and comprehensive assessment

The periodic independent evaluations of EIT activities, including those managed through the KICs, shall be carried out by the Commission in accordance with Regulations (EU) 2021/...[+] and (EU) 2021/...[++].

[+] ***OJ: please insert in the text the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).***

[++] ***OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)).***

In accordance with Article 20 of Regulation (EU) 2021/...[+], the interim evaluation shall assess, inter alia, the result and impacts of the pilot higher education initiative, the effectiveness of the KICs' financial sustainability strategies, the impact of RIS activities and the collaboration between the EIT and the implementing bodies under Pillar III 'Innovative Europe' of Horizon Europe. In that respect, the EIT evaluations shall, in particular, assess the effectiveness, efficiency, relevance, coherence and Union added value of the EIT activities, including through the KICs. They shall be carried out by the Commission, with the assistance of independent external experts, and they shall feed into the Horizon Europe evaluations carried out by the Commission, also in view of a systemic assessment of the Pillar III 'Innovative Europe' of Horizon Europe, in particular with respect to the one-stop shop for innovation.

[+] ***OJ: please insert in the text the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).***

Each KIC shall be subject to a comprehensive assessment conducted by the EIT, under the supervision of the Governing Board and with the support of independent external experts, before the end of the seven-year period of the partnership agreement, as well as to a final review before its end. On the basis of a comprehensive assessment, the Governing Board shall decide on whether to extend the partnership agreement beyond the first seven years, while the final review shall be used as a basis on which to negotiate a possible memorandum of cooperation. When conducting those evaluations, in accordance with Article 11(5) of Regulation (EU) 2021/...[+], the Governing Board shall take into account the implementing, monitoring and evaluation criteria for the European Partnerships set out in Regulation (EU) 2021/...[++], the achievement of the KIC's objectives, its coordination with other relevant research and innovation initiatives, its level of financial sustainability, its capacity to ensure openness to new members, the transparency of its governance, and its achievement in attracting new members, within the limits of the Union contribution referred to in Article 21 of Regulation (EU) 2021/...[+], the Union added value and relevance with regard to the objectives of the EIT.

[+] ***OJ: please insert in the text the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).***

[++] ***OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)).***

In addition, in accordance with Article 11(2) of Regulation (EU) 2021/...[+], the EIT shall, under the supervision of the Governing Board, conduct interim reviews of the KICs' performance and activities covering their first three years of the partnership agreement (namely, the KICs' start-up phase) and, if it is the case, the three years following its extension (namely, the maturity phase). Those reviews shall be based on the continuous monitoring performed by the EIT. They shall help the Governing Board to get early indications on the KICs' performance with respect to their strategy and targets, as well as compliance with Governing Board indications.
In accordance with Article 11(6) of Regulation (EU) 2021/...[+], in the event that the continuous monitoring, an interim review or the comprehensive assessment of a KIC shows inadequate progress in areas referred to in Article 10 of that Regulation or a lack of Union added value, the Governing Board shall take appropriate corrective measures. The corrective measures may take the form of a reduction, modification or withdrawal of the EIT's financial contribution or the termination of a partnership agreement, as well as binding recommendations related to the KIC's activities, or suggestions for adaptations of its delivery and operational models.

[+] ***OJ: please insert in the text the number of the Regulation contained in file PE-CONS 8/2021 (2019/0151(COD)).***

The results of those interim reviews and evaluations shall be made publicly available, communicated to the European Parliament and to the Council and reported to the strategic coordinating process for European Partnerships.

APPENDIX 1

FACTSHEET ON THE KIC ON CULTURAL AND CREATIVE ***SECTORS AND*** INDUSTRIES (CCSI)

I. The Challenge

A KIC on ***CCSI***[34] can bring a horizontal solution to an array of rising challenges, which are of a permanent nature and may be addressed through ***education,*** research and innovation activities. Those challenges may be grouped into four pillars:

(1) European creativity, cultural ***and linguistic*** diversity ;

(2) European identity and cohesion;

(3) European employment, economic resilience and smart growth; and

(4) Europe as a global actor.

[34] ***CCSI relate to all sectors and industries whose activities are based on cultural values, cultural diversity and individual and/or collective artistic and other creative expressions, whether those activities are market or non-market oriented, whatever the type of structure that carries them out, and irrespective of how that structure is financed. Those activities include the development of skills and talent with the potential to generate innovation, the creation of wealth and jobs through the production of social and economic value, including from intellectual property management. Those activities relate also to the development, the production, the creation, the dissemination and the preservation of goods and services which embody cultural, artistic or other creative expressions, as well as related functions such as education and management. The cultural and creative sectors include, inter alia, architecture, archives, the arts, libraries and museums, artistic crafts, audiovisual (including film, television, software, video games, multimedia and recorded music), tangible and intangible cultural heritage, design, creativity-driven high-end industries and fashion, festivals, music, literature, performing arts (including theatre and dance), books and publishing (newspapers and magazines), radio and visual arts, and advertising.***

European creativity and cultural diversity depends on resilient and robust ***CCSI***. However those sectors ▌ are facing a number of challenges as a result of the increased competition from global players and the digital shift.

– Producers***, creators***, distributors, broadcasters, cinema, theatres and all types of cultural ***organisations and businesses*** need to innovate in order to attract new ▌ audiences ***and expand, and to develop new processes, services, contents and practices that provide societal value***.

– The shortage of entrepreneurship and cross-cutting skills in ***cultural and creative sectors***[35] concerns both emerging sub-sectors and very mature ones that undergo a profound digital transformation. Those skills are needed for innovation and are crucial in light of labour market changes that the sector is facing.

35 Cultural and creative studies in European universities are mostly focused on the "creative part" and their graduates are not always ready to enter the modern labour market as they lack cross-sectoral (entrepreneurial, digital and financial management) skills. With regard to HEIs, the Union is trailing behind the United States of America in communication and media studies (while Union universities are performing better in more traditional disciplines such as art and design or performing arts).

– ***Cultural heritage is an undisputed expression of cultural identity, an important public good and a source of innovation, providing good return on investment and significant economic revenues, but its potential is still largely untapped. As a catalyst for sustainable heritage-led regeneration and an essential stimulus to education and lifelong learning, fostering cooperation and social cohesion, it is likely to benefit greatly from a KIC on CCSI.***

Societal challenges related to European identity and cohesion can generally be described in terms of a lack of 'bridges' connecting different parts of society and connecting different territories. They include issues related to social exclusion, the need to build closer intercultural links***, protect linguistic diversity, including minority languages, and develop*** a sense of common belonging based on our cultural diversity and common heritage that could be addressed through more ***inclusive and accessible*** community participation, innovations in design, architecture and the use of public spaces, as well as culture-led ***societal*** innovation. In particular:

– there is limited cooperation among researchers, between research and industry***, and between public and third sector organisations,*** as well as insufficient coordination ***and unnecessary duplication*** of research and development efforts, sharing of methods, results, and best practices; ▌

– the level of integration of creative clusters and innovation hubs is insufficient;

– a significant share of regional smart specialisation priorities in Europe refers to culture under different angles (such as cultural heritage, creative industries and the ***arts***);

– given the important role of culture and creativity for the economic and social development of cities and regions and their ability to further help address disparity issues across Europe, the potential of ***a*** KIC on CCSI is high.

Current challenges related to European employment, economic resilience, and smart growth, include ***socio-economic*** issues such as ***tackling*** unemployment (in particular youth unemployment)***, improving skills and working environments and facing*** global competition.

– There is a high market concentration: in 2013, around 50 % of the total Union turnover and added value was generated in the United Kingdom, Germany and France.

– ***Globalisation, digitisation and technological innovation*** have a strong impact on European industries***. Those developments have changed*** the way in which artists produce and distribute their works and relate to their audiences, ***changing the traditional business models of CCSIs, and they have fundamentally altered consumer*** expectations and ***behaviour. In addition, the increasing power of non-European content production companies has had a huge impact on*** the traditional value chain.

– ***Creative, cultural and artistic productions often face the challenge of monetising their output and products, thereby creating highly precarious areas of work. New innovative ways of supporting micro, small and medium-sized creative and cultural organisations and enterprises are to be found.***

The role of Europe as a global actor includes the need to enhance the dissemination of ***European*** cultural content ▌. Europe needs to remain competitive in the global digital race for the creation of new technologies (such as Artificial Intelligence, the Internet of Things and blockchain) for which ***CCSI*** are important generators of content, products and services ▌. Moreover, on a global scale, ***CCSI*** (such as design and architecture) contribute actively to the sustainable development and drive green innovation, while cultural content (literature, film and the arts) can***, in addition to its intrinsic value,*** raise awareness of ecological problems and inform public opinion.

▌II. Relevance and impact

A KIC on ***CCSI*** – with its holistic and integrated approach – will help address all the challenges set out in Section I. By covering nearly all sectors of our lives, society and economy, that KIC is likely to be highly relevant in terms of its economic and societal impact, unlocking strategic opportunities for economic, technological and social innovation. ***It is also likely to be instrumental in allowing HEIs in the arts to play a more active role in developing hybrid competences and an entrepreneurial mindset that better meets the needs of industry.***

Culture-based and creativity-driven innovations boost European competitiveness either directly by creating new enterprises and jobs or indirectly by creating cross-sector benefits to the wider economy, improving quality of life and increasing the attractiveness of Europe. ***Cultural and creative sectors (such as cultural heritage and the arts)*** are increasingly seen as new sources of smart, sustainable and inclusive growth and jobs. ***Those sectors are already*** employing more than 12 million people in the ***Union***, which amounts to ***more than 7,5 %*** of all persons employed in the Union. ***Cultural heritage is a key component of the cultural and creative sectors and a major contributor to the attractiveness of Europe's regions, cities, towns and rural areas. It is a driver for private sector investments, for talent attraction, for business generation and for direct and indirect job creation.***

The contribution of culture and creativity to innovation ▌ is increasingly driven by non-technological factors such as creativity, design and new organisational processes or business models. In particular, ***the sectors*** with distinct value chains (namely, music, the ***arts,*** design, fashion, audiovisual, video games and architecture) have a strong innovation capacity in economic terms and are able to drive innovation in other sectors of the economy.

Culture and participation in cultural activities have a direct impact on the well-being of citizens ***and social inclusion***. Cultural and creative industries enhance societal values of identity, democracy and community participation. Culture has a great potential to reinforce a European sense of belonging, where diversity represents an asset. This is of fundamental importance to enable resilience, social access, societal cohesion, anti-radicalisation and gender equality, and to tackle Europe's political uncertainties and the need for unity.

A KIC on ***CCSI*** is to empower network opportunities, collaboration, co-creation and knowhow transfer between education, research***,*** business***, public and third-sector organisations***, within the cultural and creative sectors and with other sectors of the society and the economy. It is intended to:

– catalyse bottom up and top down initiatives at Union, national and regional level. It will develop the necessary framework conditions for the creation and scale-up of new ventures in innovative ecosystems;

– provide researchers and students in many disciplines (including the arts, humanities, social sciences, applied hard sciences and business) and entrepreneurs of the ***cultural and creative industries*** and other sectors with the knowledge and skills necessary to deliver innovative solutions and to turn them into new ***cultural, societal and*** business opportunities; and

– allow further cross-fertilisation with other economic and industrial sectors, acting as an accelerator for innovation.

III. Synergies and complementarities with existing initiatives

A KIC ***on CCSI*** would be complementary to a number of other Union initiatives, as well as such at the level of Member States. The main synergies expected at Union level are presented in this Section.

A KIC on ***CCSI*** is expected to establish strong synergies with relevant policy initiatives under Horizon Europe, and in particular under Pillar II 'Global Challenges and European Industrial Competitiveness' with the cluster '***Culture, Creativity and*** Inclusive Society' and its areas of intervention on cultural heritage and democracy. A KIC on ***CCSI*** could also provide valuable horizontal inputs across various activities to be carried out in the cluster 'Digital***,*** Industry ***and Space***', in particular as regards the manufacturing technologies in which the need to develop new products relies heavily on ***CCSI***. Furthermore, it could efficiently complement other parts of Horizon Europe, the intervention of the existing EIT Digital and the actions planned under other Union programmes such as InvestEU Programme, ***Erasmus+, Creative Europe Programme,*** Digital Europe Programme or the Cohesion Policy Funds.

The Creative Europe Programme will be highly relevant for the activities of a KIC on ***CCSI***. The Creative Europe Programme elects strands and special calls reflecting some of the challenges facing the cultural and creative sector (such as skills and employment and business models) and aims to develop strong synergies and complementarities. ***Under the InvestEU*** Programme, and in the context of limited access to finance for the cultural and creative sectors, synergies are expected with the financial mechanism helping to scale up cultural and creative projects by providing insurance to financial intermediaries.

The Smart Specialisation Strategy (S3 strategy) platform on Industrial Modernisation has identified a number of research and innovation strategies that focus on ***CCSI*** and explore new links between local assets, potential markets and societal challenges through the involvement of a large set of entrepreneurial actors. In particular, the promotion of new partnerships between research organisations, enterprises and public authorities is a major concern of the S3 strategy, calling for the set-up of new collaborative platforms.

IV. Conclusion

A KIC on ***CCSI*** is most suited to address the major economic and societal challenges referred to in this Appendix. Creativity is a key driver of innovation and a KIC on ***CCSI*** has the capacity to unleash the potential of ***artistic,*** culture-based creativity and ***to*** help ***strengthen*** Europe's competitiveness***, sustainability, prosperity*** and smart growth.

APPENDIX 2

FACTSHEET ON THE KIC ON WATER, MARINE AND MARITIME SECTORS AND ECOSYSTEMS (WMM)

This Appendix presents an overview of the WMM field at the time of preparation of the SIA 2021-2027. Prior to the launch of a KIC on WMM, the Commission shall perform an analysis to reflect developments in scientific, technological and socio-economic trends, and ensure:

(1) full alignment with the strategic planning of Horizon Europe;

(2) full alignment with the criteria for European Partnerships set out in Annex III of Regulation (EU) 2021/...[+]; and

(3) coherence with existing initiatives at Union, national and regional level, including European Partnerships and missions.

[+] ***OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)).***

I. The challenge

Seas, oceans and inland waters play a central role in human life, health and wellbeing, in the provision of food, critical ecosystem services, renewable energy and other resources, as well as in climate-related dynamics and in the preservation of biodiversity. During the last 100 years, the overuse and mismanagement of natural resources have placed a great pressure on freshwater and marine ecosystems. Therefore, the creation of a circular and sustainable blue economy that develops within ecological limits and that is based on the reliable availability of an acceptable quantity and quality of water as well as on healthy and functioning freshwater and marine ecosystems is a challenge. That challenge encompasses mainly: (1) water scarcity, drought and floods; (2) marine and freshwater ecosystem degradation; and (3) the circular and sustainable blue economy.

1. Water scarcity, drought and floods

Continued climate change and over-extraction of fresh water are increasing the severity and frequency of water scarcity and droughts. Without innovative methods and technologies to gather, predict, prepare and disseminate information and solutions about waterbody safety, potential threats and mitigation of risks, the Union is exposed to severe economic and social harm. Water scarcity accompanies the pressure on land driven by the need to increase biomass production, carbon sequestration and wilderness to achieve decarbonisation and biodiversity targets. The Commission's impact assessment[36] indicates that shifting protein production to non-fed aquaculture and to integrated multi-trophic aquaculture and aquaponics, could relieve pressure on land and freshwater.

[36] ***Impact assessment accompanying the communication of the Commission of 17 September 2020 on Stepping up Europe's 2030 climate ambition. Investing in a climate-neutral future for the benefit of our people.***

2. Marine and freshwater ecosystem degradation

Coastal, marine and freshwater ecosystems are subject to pressure from direct human activity and accelerating climate change. The damage includes the loss of biodiversity, the depletion of fish stocks, damage to the sea floor, including from the use of harmful devices such as fishing gear, obstruction of rivers, eutrophication pollution, and the accumulation of marine litter including a high level of fishing gear and microplastics that are discarded in the oceans. Poor ecological health not only compromises biodiversity targets but also harms those communities and businesses that depend on clean water and healthy ecosystems. The global market for goods and services for measuring and mitigating that degradation is growing and is highly competitive. Innovation that can enhance, restore and recover marine, coastal and freshwater capital and innovation into sustainable fishing gear and methods is key for the competitiveness of Union businesses and to supporting jobs and growth across the Union.

3. The circular and sustainable blue economy

The circular economy path not only safeguards human health and resource efficiency, but is also an engine of sustainable growth. The planned unprecedented growth in offshore wind energy and other innovative ocean energy technologies, which must not undermine environmental protection, offer opportunities both for the enhancement of biodiversity (such as artificial reefs and oyster beds) and for new activities that make use of the space and renewable electricity such as aquaculture and hydrogen electrolysis. Non-fed aquaculture is able to recycle the excess nutrients that would otherwise cause eutrophication. New targets for emissions reduction and renewable fuel in maritime transport require innovation in propulsion and logistics. The reuse of wastewater prevents shortages that may be exacerbated by a changing climate.

II. Relevance and impact

A KIC on WMM – with a holistic and integrated approach – will help address the challenges referred to in Section I. This field has a relatively strong knowledge base and high market potential. European countries have produced more research papers on water science and technology in the past 15 years than both the United States of America and the rest of the world. Moreover, the Union, together with China and the United States of America, is one of the leading maritime economies. According to the most recent figures from 2018, the established sectors of the blue economy employed over five million people in the Union, and generated EUR 750 billion of turnover and EUR 218 billion of gross value added. However, there is a clear fragmentation of efforts and disconnections between education, research and innovation activities. For example, less than 20 % of research and development organisations in water sciences have an effective cooperation with industries or enterprises.

Newly emerging innovation sectors (such as biotechnologies and offshore energy production) open new market opportunities for new technologies and new business and highly skilled jobs. Those sectors and the technological transition of the more traditional marine-related sectors would require trans-disciplinary approaches and new types of education across discipline boundaries. In particular, academic programmes tend to be rather broad, whereas the sectors require specific knowledge and skills. Additionally, curricula in areas such as engineering, urban design and architecture do not sufficiently cover issues related to ecology, marine engineering and management of water.

Establishing a KIC on WMM is intended to comprise a real contribution to strengthening innovation ecosystems and stimulating cooperation across the knowledge triangle, in order to accelerate the uptake of new technologies and approaches and boost the development of more sustainable products and methods, in particular as far as fishing gear is concerned. The establishment of a pan-European multi-disciplinary community of knowledge triangle partners would help to promote the blue economy vision and boost world-wide competitiveness of European marine and maritime science and technology. Such a community would help bring to the market innovative projects of blue science and technology that would provide solutions to urgent practical challenges of sustainability and contribute to an "Ecosystem-based Blue Economy" not only at a European but also at a global level. A KIC on WMM would lead to better management of human interactions with water-marine ecosystems directly contributing to a sustainable blue economy that develops within ecological limits, in particular by ensuring the sustainable management of marine ecosystems.

III. Synergies and complementarities with existing initiatives

The KIC on WMM shall establish the strongest possible synergies with relevant Union policy initiatives as well as within Horizon Europe, and interact at an international level with relevant UN initiatives and the SDGs, in particular SDG 6 "Clean Water and Sanitation", SDG 11 "Sustainable Cities and Communities", SDG 13 "Climate Action" and SDG 14 "Life below Water".

The KIC on WMM shall be aligned with the priorities established in Directive (EU) 2020/2184 of the European Parliament and of the Council[37], Directive 2008/56/EC of the European Parliament and of the Council[38], Directive 2014/89/EU of the European Parliament and of the Council[39], Regulation (EU) No 1380/2013 of the European Parliament and of the Council [40], the communication of the Commission of 10 October 2007 on An integrated Maritime Policy for the European Union and international commitments. The KIC on WMM shall contribute to priorities established in the European Green Deal, in particular the "Farm to Fork Strategy", the "Zero pollution action plan for air, water and soil", the "initiatives to increase and better manage the capacity of inland waterways" and the EU Biodiversity Strategy for 2030.

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37 ***Directive (EU) 2020/2184 of the European Parliament and of the Council of 16 December 2020 on the quality of water intended for human consumption (OJ L 435, 23.12.2020, p. 1).***

38 ***Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive) (OJ L 164, 25.6.2008, p. 19).***

39 ***Directive 2014/89/EU of the European Parliament and of the Council of 23 July 2014 establishing a framework for maritime spatial planning (OJ L 257, 28.8.2014, p. 135).***

40 ***Regulation (EU) No 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the Common Fisheries Policy, amending Council Regulations (EC) No 1954/2003 and (EC) No 1224/2009 and repealing Council Regulations (EC) No 2371/2002 and (EC) No 639/2004 and Council Decision 2004/585/EC (OJ L 354, 28.12.2013, p. 22).***

Some regional S3 strategies have identified a number of research and innovation strategies that focus on marine and aquatic industries and explore new links between local assets, potential markets and societal challenges through the involvement of a large set of entrepreneurial actors.

Strong complementarities with the components of Horizon Europe are to be ensured and duplications are to be avoided, in particular with:

(1) the possible mission on "healthy oceans, seas, coastal and inland waters";

(2) relevant European Partnerships, in particular the ones on "a climate-neutral, sustainable and productive Blue Economy", "Rescuing biodiversity to safeguard life on Earth", "Water4All", "Clean energy transition", "Driving urban transition", "Food systems" and "Research and Innovation in the Mediterranean Area" (Horizon 2020);

(3) all clusters of Pillar II 'Global Challenges and European Industrial Competitiveness';

(4) research infrastructures; and

(5) the EIC.

Strong complementarities with the European Investment Bank (EIB) and BlueInvest are also to be ensured for the uptake of promising innovations and duplications are to be avoided.

IV. Conclusion

The KIC on WMM is best suited to addressing the major economic, environmental and societal challenges referred to in this Appendix. That KIC is needed, in particular, to strengthen the innovation ecosystems throughout Europe tackling the water-related challenges, train the next generation of innovators and entrepreneurs, and find and support innovative solutions for those challenges.

The KIC on WMM shall:

(1) reduce the fragmentation of the water, maritime and marine sectors' innovation landscape by fostering the creation of innovation ecosystems that will connect actors and networks across sectors and disciplines at Union, national, regional and local level;

(2) promote an integrated and multidisciplinary approach through collaboration among HEIs, research organisations, innovative businesses, public and third-sector organisations in the blue economy sectors in order to deliver on the Union objectives on green and digital transitions;

(3) connect actors and networks across sectors and disciplines at Union, national regional and local level, in particular by identifying the relevant S3 strategy and further regional strategies which include blue economy sectors;

(4) train and develop the next generation of innovators and entrepreneurs in the blue economy sectors by equipping them with the necessary entrepreneurial and technological skills needed for sustainable and competitive development;

(5) contribute to the development of the appropriate framework conditions to transform ideas into new technological developments and social innovation, and to their market deployment in view of improving the quality of life and benefitting Union citizens;

(6) establish synergies with other European Partnerships, missions, the EIC, the EIB and BlueInvest, in order to scale up innovations, allow other sectors to prosper in a sustainable manner and increase the market deployment and societal acceptance of innovative solutions; and

(7) strengthen the Union's position as a global actor in ocean science, inland waters management and ecosystem protection and restoration.