

EIT Regulation (recast)

ow No	COM proposal - ST 11228/19+ADD1	EP ammendments	PGA	Compromise text
1	Proposal for a	Proposal for a	Proposal for a	
2	REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL	REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL	REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL	
3	on the European Institute of Innovation and Technology (recast)	on the European Institute of Innovation and Technology (recast)	on the European Institute of Innovation and Technology (recast)	
4	(Text with EEA relevance)	(Text with EEA relevance)	(Text with EEA relevance)	
5	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	<i>[no change]</i>	<i>[no change]</i>	
6	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 173(3) thereof,	<i>[no change]</i>	<i>[no change]</i>	
7	Having regard to the proposal from the European Commission,	<i>[no change]</i>	<i>[no change]</i>	
8	After transmission of the draft legislative act to the national parliaments,	<i>[no change]</i>	<i>[no change]</i>	
9	Having regard to the opinion of the European Economic and Social Committee ¹ ,	<i>[no change]</i>	<i>[no change]</i>	

¹ OJ C [...], [...], p. [...].

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10	Having regard to the opinion of the Committee of the Regions ² ,	<i>[no change]</i>	<i>[no change]</i>	
11	Acting in accordance with the ordinary legislative procedure,	<i>[no change]</i>	<i>[no change]</i>	
12	Whereas:	<i>[no change]</i>	<i>[no change]</i>	
13	(1) Regulation (EC) No 294/2008 of the European Parliament and of the Council ³ has been substantially amended ⁴ . Since further amendments are to be made, that Regulation should be recast in the interests of clarity.	<i>[no change]</i>	<i>[no change]</i>	
13a			<u>(1a) The periodic evaluations of the EIT and the experience in applying Regulation (EC) No 294/2008 show that substantial changes are necessary to further improve the EIT model and its underlying processes. Moreover, the EIT interim evaluation and the ex-ante impact assessment have identified a number of areas for improvement, inter alia</u>	

² OJ C [...], [...], p. [...].

³ 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 097, 9.4.2008, p. 1).

⁴ See Annex II.

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			<u>the KICs’ funding model, the integration of EIT KICs in local innovation ecosystems, KICs’ openness and transparency and the EIT monitoring. This recast offers the opportunity to address also these aspects.</u>	
14	(2) Member States are primarily responsible for sustaining a strong European industrial, competitive and innovative base. However, the nature and scale of the innovation challenge in the Union also require action to be taken at Union level.	(2) Member States are primarily responsible for sustaining a strong European industrial, competitive and innovative base. However, the nature and scale of the innovation challenge also require action to be taken at Union level.	(2) Member States are primarily responsible for sustaining a strong European industrial, competitive and innovative base. However, the nature and scale of the innovation challenge in the Union also require action to be taken <u>collaboratively</u> at Union level.	
15	(3) The European Institute of Innovation and Technology (‘EIT’) should be established to complement existing Union and national policies and initiatives by fostering the integration of the knowledge triangle — higher education, research and innovation — across the Union.	<i>[no change]</i>	(3) The European Institute of Innovation and Technology (‘EIT’) should be <u>is</u> established to complement existing Union and national policies and initiatives by fostering the integration of the knowledge triangle — higher education, research and innovation — across the Union.	
15a			<u>(3a) The EIT should contribute to reinforcing the innovation capacity of all Member States and the</u>	

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			<p><u>Union in order to tackle major challenges faced by society.</u></p>	
16	<p>(4) The EIT, primarily through its Knowledge and Innovation Communities ('KICs'), should aim at strengthening innovation ecosystems that tackle global challenges. It should primarily have the objective of contributing to the development of the Union's and the Member States' innovation capacity at the highest standards. In order to achieve this objective, the EIT should facilitate and enhance networking and cooperation and create synergies between different innovation communities in Europe.</p>	<p>(4) The EIT, primarily through its Knowledge and Innovation Communities ('KICs'), <i>has the mission of contributing to sustainable Union economic development and competitiveness by reinforcing the innovation capacity of the Member States and the Union. It also aims to deliver on the Union strategic priorities and contribute to the realisation of EU objectives and policies, including the European Green Deal, the European Recovery Plan, the European data, digital, SME and Industrial strategies and achieving Europe's strategic autonomy. Furthermore, it should contribute to tackling global challenges, including the United Nations Sustainable Development Goals (SDGs) by following the principles of the Agenda 2030 and the Paris Agreement, and achieve a transition to a net-zero greenhouse gas (GHG)</i></p>	<p>(4) The EIT, primarily through its Knowledge and Innovation Communities ('KICs'), should aim at strengthening <u>to strengthen</u> innovation ecosystems that tackle global challenges. It should primarily have the objective of contributing to the development of <u>across</u> the Union's and the Member States' innovation capacity at the highest standards. <u>Union in an open and transparent manner.</u> In order to achieve this objective, the EIT should facilitate and enhance networking, <u>integration</u> and cooperation and create <u>promote</u> synergies between different innovation communities in <u>across</u> Europe.</p>	

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		<p><i>economy by 2050 at the latest. This transition will only be possible through a boost in research and innovation, which underscores the need to reinforce favourable conditions and investments in enhancing Europe’s knowledge base and research and innovation capacity, in particular in green climate-friendly technologies and innovations.</i></p>		
16a		<p><i>(4a) The EIT should facilitate and enhance networking and cooperation and create synergies between different innovation communities in Europe, ensuring a wide geographical coverage with the aim of bridging regional disparities and preventing innovation divide, while keeping excellence its prior criterion.</i></p>	<p><u>(4a) In order to contribute to tackling disparities in innovation in Europe, the EIT should, notably through its Regional Innovation Scheme (RIS) and as further defined in the SIA, support the innovation capacity of countries and integrate new partner organisations in KICs’ communities.</u></p>	
17	<p>(5) The strategic priority fields and financial needs for the EIT for a period of seven years, covering the respective Multiannual Financial Framework (‘MFF’), should be laid down in a Strategic Innovation Agenda (‘SIA’). The SIA should ensure alignment with the Union framework programme supporting research and innovation and foster</p>	<p>(5) The strategic priority fields and financial needs for the EIT for a period of seven years, <i>including short-term actions aimed at tackling the COVID-19 crisis and recovery</i> should be laid down in a Strategic Innovation Agenda (‘SIA’). The SIA should</p>	<p>(5) The strategic priority fields and financial needs for the EIT for a period of seven years, covering the respective Multiannual Financial Framework (‘MFF’), should be laid down in a Strategic Innovation Agenda (‘SIA’). The SIA should</p>	

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	<p>synergies with other relevant Union programmes of the MFF as well as with other Union initiatives, policies and instruments, in particular with those supporting education and regional development. Given the importance of the SIA for the Union innovation policy and the resulting political significance of its socio-economic impact for the Union, the SIA should be adopted by the European Parliament and the Council on the basis of a Commission proposal based on a contribution provided by the EIT.</p>	<p>ensure alignment with <i>Horizon Europe</i> - the Framework Programme <i>for Research and Innovation (Horizon Europe)</i>, <i>namely strategic R&I plans</i>, and foster synergies with other relevant Union programmes as well as with other Union initiatives, policies and instruments. Given the importance of the SIA for the Union innovation policy and the resulting political significance of its socio-economic impact, the SIA should be adopted by the European Parliament and the Council on the basis of a Commission proposal based on a contribution provided by the EIT. <i>Those contributions should also be made available to the European Parliament.</i></p>	<p>ensure alignment with the Union framework programme supporting research and innovation <u>Horizon Europe, including in reporting, monitoring and evaluation, and should take into account its strategic planning. It should</u> foster synergies with other <u>parts of Horizon Europe, other</u> relevant Union programmes of the MFF as well as with other <u>relevant Union, national and regional</u> initiatives, policies and instruments, in particular with those supporting <u>research and innovation, education and regional skills</u> development-, <u>sustainable and competitive industry, entrepreneurship and regional development.</u> Given the importance of the SIA for the Union innovation policy and the resulting political significance of its <u>expected</u> socio-economic impact for the Union, the SIA should be adopted by the European Parliament and the Council on the basis of a Commission proposal based on a</p>	
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			contribution provided by the EIT.	
17a		<p><i>(5a) The crisis resulting from the outbreak of COVID-19 has caused a massive and disruptive impact on Member States' health and economic systems, causing societal disruptions. Those impacts will require the collaboration of all Union institutions, bodies, offices and agencies and the EIT should contribute to the innovation efforts that are needed to provide a coherent response to the crisis. Moreover, the EIT and its KICs should reinforce its actions in order to support and increase the resilience of microenterprises, small and medium-sized enterprises (SMEs), start-ups as well as students, researchers, entrepreneurs and employees.</i></p>		
17b		<p><i>(5b) The economic shock linked to the COVID-19 crisis has a major impact on universities, researchers, companies and other EIT stakeholders. It is important to identify and tackle related challenges, in particular</i></p>		

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		<i>access to finance, in order to safeguard the knowledge triangle and rebuild the trust and confidence among all stakeholders. In the medium-term, all KICs should adapt to the impact of the shock and re-orient their focus and activities, therefore they need to be agile and flexible in order to seek new opportunities.</i>		
17c		<i>(5c) Ongoing research into tackling the effects of the COVID-19 crisis should be accelerated. The EIT should boost the impact of that research and help develop products and innovative services arising from that research, ensuring that they reach as many people as possible.</i>		
17d		<i>(5d) The EIT Governing Board and the KICs should adopt flexibility measures and actions necessary to provide the appropriate support to their ecosystem based on the knowledge triangle, creating, where necessary, ad hoc support measures for their partners and beneficiaries and even beyond their</i>		

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		<i>communities. They should provide their partners, beneficiaries and students with tools and instruments to adapt to more decentralised and remote working methods, less travel, more uncertainty and continued social distancing.</i>		
18	(6) In line with the Union framework programme supporting research and innovation, the activities of the EIT should address strategic long-term challenges for innovation in Europe, particularly in trans- and/or inter-disciplinary areas including those already identified at European level. In so doing, the EIT should promote periodic dialogue with civil society.	(6) In line with Horizon Europe , the activities of the EIT should address strategic long-term challenges for innovation in Europe, particularly in trans- and/or inter-disciplinary areas including <i>the development of innovative non-technological solutions as a necessary complement to technology focused innovation activities</i> . In so doing, the EIT should promote periodic dialogue with civil society <i>and with research and innovation centres, SMEs, higher education and industry</i> .	(6) In line with the Union framework programme supporting research and innovation Horizon Europe , the activities of the EIT should address strategic long-term challenges for innovation in Europe, particularly in trans- and/or inter-disciplinary areas including those already identified at European level. In so doing, the EIT should <u>also promote periodic dialogue with civil society and other stakeholders</u> .	
19	(7) The EIT should give priority to the transfer of its higher education, research and innovation activities to the business context and their commercial application, as well as to supporting the creation of	(7) The EIT should give priority to the transfer of its higher education, research and innovation activities <i>and entrepreneurial activities to a business context and to</i> their	(7) The EIT should, <u>through its KICs</u> , give priority to the transfer of its higher education, research and innovation activities to the business context and their	

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	start-ups, spin-offs and small and medium-sized enterprises (SMEs).	commercial application. <i>In doing so, it should support the innovation and entrepreneurial capacity of higher education, promote excellence in research and boost, as well as foster, the creation of start-ups, spin-offs and SMEs.</i>	commercial application, as well as to supporting the creation of start-ups, spin-offs and small and medium-sized enterprises (SMEs). <u>and support the creation and development of innovative businesses, in complementarity with the European Innovation Council (EIC), as well as other relevant parts of Horizon Europe, and the InvestEU Programme.</u>	
19a		<i>(7a) The EIT should seek to engage more closely with SMEs to ensure their active participation in the activities of the KICs. Furthermore, public companies and local authorities, as well as non-profit organisations, should be involved in the KICs, where appropriate.</i>		
19b		<i>(7b) Social-enterprises that are very innovative in nature through the goods or services they offer, their organisation or the production methods they employ, the promotion of social entrepreneurship activities should be part of the activities of the EIT and the KICs.</i>		

<p>20</p>	<p>(8) The EIT should primarily operate through excellence-driven and autonomous large-scale European Partnerships of higher education institutions, research organisations, companies and other stakeholders in the form of sustainable and long-term self-supporting strategic networks in the innovation process. Those partnerships should be selected by the Governing Board of the EIT on the basis of a transparent and excellence-based process, in accordance with the criteria of the Union framework programme supporting research and innovation for the selection of European Partnerships, and designated as KICs.</p>	<p>(8) The EIT should primarily operate through excellence-driven and autonomous <i>institutionalised</i> European Partnerships of higher education institutions, research organisations, companies and other stakeholders in the form of sustainable and long-term self-supporting strategic networks in the innovation process. Those partnerships should <i>aim to become financially sustainable by mobilising funds from other public and private sources and to attract and engage the widest possible range of new partners. They should</i> be selected by the Governing Board of the EIT on the basis of a transparent and excellence-based process, in accordance with <i>this Regulation and Horizon Europe</i> for the selection of European Partnerships, and designated as KICs.</p>	<p>(8) The EIT should primarily operate through excellence-driven and autonomous <u>innovation-relevant</u> large-scale European Partnerships of higher education institutions, research organisations, companies and other stakeholders in the form of sustainable and long-term self-supporting strategic networks in the innovation process. Those <u>European</u> partnerships should be selected <u>and designated as KICs</u> by the Governing Board of the EIT, <u>according to the priority fields and time schedule defined in the SIA, taking into account the priorities as set out within the Horizon Europe strategic planning,</u> on the basis of a <u>competitive, open and</u> transparent and excellence-based process, in accordance with the criteria of the Union framework programme supporting research and innovation <u>Horizon Europe</u> for the selection of European</p>	
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			Partnerships, and designated as KICs.	
20a		<p><i>(8a) The selection and launch of new KICs should be based on an open, transparent and competitive process that takes into account the Strategic Planning of Horizon Europe, the mid-term review of the EIT and the KICs, the pace of recovery of the Union in the COVID 19 pandemic aftermath and the budget allocated to the EIT for the respective budgetary period. In the process and running of the KICs, the EIT should take into account the fact that not all KICs have the same financial needs, with some being more capital-intensive than others.</i></p>		
21	<p>(9) Taking into account the specificity of KICs, it is necessary to provide for special minimum conditions to form a KIC, derogating from the rules for participation and dissemination of the Union framework programme supporting research and innovation. Similarly, specific rules on ownership, access rights, exploitation and dissemination may be necessary for KIC added-value activities.</p>	<p>(9) Taking into account the specificity of KICs, it is necessary to provide for special minimum conditions to form a KIC. <i>Those conditions may, on an exceptional basis derogate</i> from the rules for participation and dissemination of <i>Horizon Europe</i>. Similarly, specific rules on ownership, access rights, exploitation and</p>	<p>(9) Taking into account the specificity of KICs, it is necessary to provide for special minimum conditions to form a KIC, derogating from the rules for participation and dissemination of the Union framework programme supporting research and innovation <u>Horizon Europe</u>. Similarly, specific rules on</p>	

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		dissemination may be necessary for KIC added-value activities.	ownership, access rights, exploitation and dissemination may be necessary for KIC added-value activities.	
22	(10) The Governing Board should also steer the activities of the EIT and coordinate the reporting, monitoring and evaluation of the activities of the KICs in line with the provisions of the Union framework programme supporting research and innovation. Membership of the Governing Board should balance experience from the business and the higher education and/or research worlds as well as from the innovation sector.	(10) The Governing Board should also steer the activities of the EIT and coordinate the reporting, monitoring and evaluation of the activities of the KICs in line with the provisions of <i>Horizon Europe</i> . <i>The EIT Governing Board should be able to make recommendations on how to reduce the administrative burden on KICs.</i> Membership of the Governing Board should balance experience from business, higher education <i>and</i> research as well as from the innovation sector. <i>With excellence as a guiding principle, the EIT Governing Board should also ensure geographical and gender balance in its composition.</i>	(10) The Governing Board should also steer the activities of the EIT and coordinate <u>be responsible for the reporting selection, designation, financing,</u> monitoring and evaluation of the activities of the KICs in line with the provisions of the Union framework programme supporting research <u>Horizon Europe</u> and innovation <u>the SIA</u> . Membership of the Governing Board should balance experience from the <u>business and the higher in</u> education and/or, <u>research worlds, innovation and business,</u> as well as from the <u>innovation sector gender and geographical coverage.</u>	
22a			<u>(10a) The EIT should organise continuous monitoring and periodic external evaluations of the output, results and impact of each KIC, including the progress of KICs towards</u>	

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			<p><u>financial sustainability, cost-efficiency and openness to new members. These periodic evaluations should notably include interim reviews, covering the first three years of the framework partnership agreement and, in the case of extension, three years following its extension, comprehensive assessments, conducted before the end of the seventh year of the Framework Partnership Agreement, and final reviews, conducted before the end of the Framework Partnership Agreement in case of extension. The EIT, through its Governing Board, should take corrective measures towards the KICs when appropriate.</u></p>	
22b			<p><u>(10b) The Member States' Representatives Group should be regularly informed of the performance, achievements and activities of the EIT and the KICs, and should advise the Governing Board and the Director on strategically important issues.</u></p>	

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23	<p>(11) In order to contribute to the competitiveness and to reinforce the international attractiveness of the European economy and its innovation capacity, the EIT and the KICs should be able to attract partner organisations, researchers and students from all over the world, including by encouraging their mobility, as well as to cooperate with third-country organisations.</p>	<p>(11) In order to contribute to the competitiveness and to reinforce the international attractiveness of the European economy and its innovation <i>and entrepreneurial</i> capacity, the EIT and the KICs should be able to attract partner organisations, researchers and students from all over the world, <i>including from the Union's outermost regions,</i> including by encouraging their mobility, as well as to cooperate with third-country organisations.</p>	<p>(11) In order to contribute to the competitiveness and to reinforce the international attractiveness of the European economy and its innovation capacity, the EIT and the KICs should be able to attract partner organisations, researchers and students from all over<u>across</u> the world<u>Union and beyond,</u> including by encouraging their mobility, as well as to cooperate with third-country organisations.</p>	
24	<p>(12) Relations between the EIT and the KICs should be based on framework partnership agreements and grant agreements, which will set out the KICs' rights and obligations, ensure an adequate level of coordination and outline the mechanism for monitoring and evaluating KICs' activities and outcomes. The framework partnership agreement should ensure continuity of the EIT financial contribution to a KIC beyond the respective MFF. By way of derogation from Regulation (EU, Euratom) 2018/1046 of the European</p>	<p>(12) Relations between the EIT and the KICs should be based on framework partnership agreements and <i>multiannual</i> grant agreements, which will set out the KICs' rights and obligations, ensure an adequate level of coordination and outline the mechanism for monitoring and evaluating KICs' activities and outcomes. The framework partnership agreement should ensure continuity of the EIT financial contribution to a KIC beyond the respective MFF. By way of derogation from</p>	<p>(12) Relations between the EIT and the KICs should be based on framework partnership agreements and grant agreements, which will set out the KICs' rights and obligations, ensure an adequate level of coordination and outline the mechanism for monitoring and evaluating KICs' activities and outcomes. The framework partnership agreement should ensure continuity of <u>as well as</u> the EIT <u>performance-based</u> financial contribution to a KIC beyond the respective</p>	

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	<p>Parliament and of the Council⁵ (the ‘Financial Regulation’), the EIT should be able to establish such framework partnership agreement for an initial period of seven years and extend it beyond that period for another period of a maximum of seven years.</p>	<p>Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁵ (the ‘Financial Regulation’), the EIT should be able to establish such framework partnership agreement for an initial period of seven years. <i>Subject to a positive evaluation on the progress of the KIC with regard to the achievement of its objectives and milestones, to be carried out by year 4 of the first period, the EIT should be able to extend that framework partnership agreement for a further period up to a maximum of seven years, on the basis of a further evaluation with a positive outcome. In the event of an extension of the initial seven-year agreement, the KIC shall be subject to another mid-</i></p>	<p>MEF. By way of derogation from Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁶ (the ‘Financial Regulation’), the EIT should be able to establish such framework partnership agreement for an initial period of seven years and, <u>subject to positive performance, interim review and outcome of comprehensive assessment of the KIC,</u> extend it beyond that period for another period of a maximum of seven years. <u>After the end date of the framework partnership agreement, the EIT and a KIC can conclude a Memorandum of Cooperation with the aim of maintaining active cooperation.</u></p>	
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⁵ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

⁶ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

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		<p><i>term review based on the same criteria and methodology in order to decide on the further continuation of the KIC.</i></p>		
24a		<p><i>(12a) Subject to the outcome of a final review before the expiry of the fourteenth year of the framework partnership agreement, the EIT Governing Board, in exceptional circumstances, where duly substantiated, may decide to extend the partnership agreement with a KIC from the first wave of KICs. Such extension should be subject to a positive in-depth evaluation by independent external experts of the KICs' effectiveness, provided that they have achieved a sufficient level of impact and financial sustainability. The extension should be limited as regards time, budget and scope of the activities of the KIC that are not so close to the market and thus cannot yet be financially sustainable, but remain crucial for the fulfilment of its tasks, activities and</i></p>		

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		<i>capabilities in responding to pressing societal challenges.</i>		
25	<p>(13) There is a need to support higher education as an integral, but often missing, component of a comprehensive innovation strategy. The framework partnership agreements or grant agreements between the EIT and KICs should provide that the degrees and diplomas awarded through the KICs should be awarded by participating higher education institutions, which should be encouraged to label them also as EIT degrees and diplomas. In addition, the EIT should strengthen and widen the scope of the EIT-labelled degrees and diplomas in order to increase their recognition outside the EIT Community. Through its activities and work, the EIT should help promote mobility for students, researchers and staff. All those activities should be carried out without prejudice to Directive 2005/36/EC of the European Parliament and of the Council⁷.</p>	<p>(13) There is a need to support higher education as an integral, but often missing, component of a comprehensive innovation strategy. The framework partnership agreements or grant agreements between the EIT and KICs should provide that the degrees and diplomas awarded through the KICs should be awarded by participating higher education institutions, which should be encouraged to label them also as EIT degrees and diplomas. In addition, the EIT should strengthen and widen the scope of the EIT-labelled degrees and diplomas <i>to lifelong learning activities, vocational training, skilling, re-skilling and up-skilling programmes</i> in order to increase their recognition <i>and</i> outside the EIT Community. Through its activities and work, the EIT should help promote mobility for students,</p>	<p>(13) There is a need to support higher education as an integral, but often missing, component of a comprehensive innovation strategy. <u>the knowledge triangle.</u> The framework partnership agreements or, grant agreements <u>and memoranda of cooperation</u> between the EIT and KICs should provide that the degrees and diplomas awarded through the KICs should be awarded by participating higher education institutions, which should be encouraged to label them in <u>accordance with national rules and accreditation procedures, can also be labelled</u> as EIT degrees and diplomas. In addition, the EIT should strengthen and widen the scope <u>promotion</u> of the EIT-labelled degrees and diplomas in order to increase their recognition outside the EIT Community <u>and extend</u></p>	

⁷ Directive 2005/36/EC of the European Parliament and of the Council of 7 September 2005 on the recognition of professional qualifications (OJ L 255, 30.9.2005, p. 22).

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		researchers and staff, <i>as well as provide opportunities for lifelong learning, mentoring and coaching</i> . All those activities should be carried out without prejudice to Directive 2005/36/EC of the European Parliament and of the Council ⁷ .	<u>them to lifelong learning programmes</u> . Through its activities and work, the EIT should help promote mobility for students, researchers and staff. All those activities should be carried out without prejudice to Directive 2005/36/EC of the European Parliament and of the Council ⁸ .	
26	(14) Appropriate provisions should be made to guarantee the liability and transparency of the EIT. Appropriate rules regulating its governance and functioning should be laid down in the Statutes of the EIT.	(14) Appropriate provisions should be made to guarantee the liability, transparency <i>and openness</i> of the EIT. Appropriate rules regulating its governance and functioning should be laid down in the Statutes of the EIT.	(14) Appropriate provisions should be made to guarantee the liability, <u>openness</u> and transparency of the EIT. Appropriate rules regulating its governance and functioning should be laid down in the Statutes of the EIT.	
27	(15) The EIT should possess legal personality and, in order to guarantee its functional autonomy and independence of national authorities and external pressures, it should administer its own budget whose revenue should include a contribution from the Union.	<i>[no change]</i>	<i>[no change]</i>	

⁸ Directive 2005/36/EC of the European Parliament and of the Council of 7 September 2005 on the recognition of professional qualifications (OJ L 255, 30.9.2005, p. 22).

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28	<p>(16) It is expected that industry, the finance and service sectors will contribute significantly to the budget of the KICs. The KICs should aim at maximising the share of contributions from the private sector and achieving financial sustainability. The KICs and their partner organisations should publicise the fact that their activities are undertaken in the context of the EIT and that they receive a financial contribution from the general budget of the Union.</p>	<p>(16) It is expected that <i>the COVID-19 crisis will have an impact on the financial contributions from</i> industry, the finance and service sectors will contribute significantly to the budget of the KICs. <i>Nevertheless</i>, the KICs should aim at maximising the share of contributions from the private sector and <i>actively work from early on towards</i> achieving financial sustainability. The KICs and their partner organisations should publicise the fact that their activities are undertaken in the context of the EIT and that they receive a financial contribution from the general budget of the Union. <i>Furthermore, transparency of the funding should be increased by providing publicly available information on which projects are funded and on the allocation of the funding.</i></p>	<p>(16) It is expected that industry, the finance and service sectors will contribute significantly to the budget of the KICs. The KICs should <u>in particular</u> aim at maximising <u>to maximise</u> the share of contributions from the private sector <u>sources</u> and achieving <u>from income generated by their activities and to pursue and achieve</u> financial sustainability <u>at the latest before the expiry of the 15 years of EIT financial support.</u> The KICs and their partner organisations should publicise the fact that their activities are undertaken in the context of the EIT and that they receive a financial contribution from the general budget of the Union.</p>	
29	<p>(17) The Union budgetary procedure should be applicable as far as the Union financial contribution chargeable to the general budget of the Union is concerned. The auditing of accounts should be</p>	[no change]	[no change]	

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	undertaken by the Court of Auditors in accordance with the Financial Regulation.			
29a		<i>(17a) The EIT should ensure a balanced distribution of the budget for the duration of the period and a smooth transition from the current period to the next MFF period, in particular for the ongoing activities.</i>	<u>(17a) The revenue of the EIT should include the contribution from the Union provided through the financial contribution from Horizon Europe and can include contributions from other private and public sources.</u>	
30	(18) The EIT is a body set up by the Union within the meaning of Article 70 of the Financial Regulation and should adopt its financial rules accordingly. Consequently Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of the Financial Regulation ⁹ should apply to the EIT.	<i>[no change]</i>	<i>[no change]</i>	
31	(19) The EIT should produce a consolidated annual activity report, outlining the activities conducted and results of the operations in the preceding calendar year. The EIT should also produce a single programming document, outlining its planned	(19) The EIT should produce a consolidated annual activity report, outlining the activities conducted and results of the operations in the preceding calendar year . The EIT should also produce a	(19) The EIT should produce a consolidated annual activity report, outlining the activities conducted and results of the operations in the preceding calendar year. The EIT should also produce a	

⁹ Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (OJ L 122, 10.5.2019, p. 1).

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	<p>initiatives in terms of annual and multiannual programming and allowing the EIT to respond to internal and external developments in the fields of science, technology, higher education, innovation and other relevant areas.</p>	<p>single programming document, outlining its planned initiatives in terms of annual and multiannual programming and allowing the EIT to respond to internal and external developments in the fields of science, technology, higher education, research and innovation and other relevant areas. <i>That single programming document should address the aspects of the two-year crisis response programme. Those documents should be transmitted to the European Parliament, the Council and the Commission for information purposes.</i></p>	<p>single programming document, <u>based on the SIA and in accordance with EIT financial rules,</u> outlining its planned initiative in terms of annual and multiannual programming and allowing the EIT to respond to internal and external developments in the fields of science, society, technology, higher education, innovation and other relevant areas.</p>	
32	<p>(20) It is appropriate that the Commission initiate independent, external evaluations of the operation of the EIT, including the KICs, in particular with a view to preparing the SIA. Those evaluations should examine how the EIT fulfils its mission, cover all activities of the EIT and KICs and should assess their relevance, effectiveness, efficiency, European added value, and coherence. Those evaluations should feed into the Commission programme evaluations provided for in the Union framework</p>	<p>(20) It is appropriate that the Commission initiate independent, external evaluations of the operation of the EIT, including the KICs , in particular with a view to preparing the SIA. Those evaluations should examine how the EIT fulfils its mission, cover all activities of the EIT and KICs and should assess their relevance, effectiveness, efficiency, European added value, <i>openness, outreach</i></p>	<p>(20) It is appropriate that the Commission initiate independent, external evaluations of the operation of the EIT, including the <u>activities managed through the KICs,</u> in particular with a view to preparing the SIA. Those evaluations should examine how the EIT fulfils its mission, cover all activities of the EIT and KICs and should assess their <u>relevance the European</u></p>	

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	<p>programme supporting research and innovation.</p>	<p><i>activities, communication, visibility, dissemination of results, impact</i> and coherence. Those evaluations should feed into the Commission programme evaluations provided for in <i>Horizon Europe</i>.</p>	<p><u>added value of the EIT, the impact across the Union, openness, effectiveness, sustainability, efficiency, European added value, and relevance of activities pursued and their coherence and/or complementarity with relevant national and Union policies, including synergies with other parts of Horizon Europe.</u> Those evaluations should feed into the Commission programme evaluations provided for in the Union framework programme supporting research and innovation <u>Horizon Europe</u>.</p>	
32a		<p><i>(20a) EIT KICs are organised around co-location centres and innovation hubs, but they often use different terms to name them (hubs, nodes, offices, etc.). EIT should make best efforts to streamline the terminology related to the structure of each KIC, with the purpose of further simplifying, clarifying and enhancing recognisability of the EIT.</i></p>		
32b		<p><i>(20b) The EIT, primarily through its KICs and the EIT Regional Innovation Scheme</i></p>		

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		<i>should aim to strengthen innovation ecosystems for the development of an overall Union capacity for innovation that tackles global challenges, by fostering the integration of business, research, higher education and entrepreneurship.</i>		
32c		<i>(20c) The KICs, acting as an innovation facilitator through their co-location centres and innovation hubs, should consider the smart specialisation strategy priorities of Member States and thus enhance their innovation capacity by fully reflecting regional capacities and potential, opportunities, weaknesses, as well as local actors and their activities and markets.</i>		
32d		<i>(20d) Synergies of the EIT, through its KICs, with Cohesion Policy Funds should be strengthened in order to promote regional and cross-regional cooperation between the knowledge triangle actors and managing authorities, as well as to increase the overall impact and visibility of the EIT.</i>		

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32e		<p><i>(20e) It is essential to promote strong synergies between the EIT and the European Innovation Council (EIC). KICs should stimulate the creation of innovative companies in close synergy with the EIC, while avoiding duplication, and EIT beneficiaries should be able to apply to the EIC instruments for support additional to the services provided by the EIT KICs; Start-ups with a high growth potential supported by KICs may have more direct access to EIC actions in accordance with the relevant provisions of Horizon Europe in order to help them scale-up rapidly.</i></p>		
32f		<p><i>(20f) The EIT should foster innovation in its activities and should support the integration of higher education in the innovation ecosystem, in particular by stimulating entrepreneurial education, fostering trans-disciplinary collaboration between industry and higher education and research and by identifying prospective skills for future innovators to</i></p>		

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		<p><i>address global challenges, which includes advanced digital, sustainability and innovation skills. Support schemes provided by the EIT should benefit EIC beneficiaries, while start-ups emerging from KICs should have fast-track access to EIC actions.</i></p>		
32g		<p><i>(20g) With the aim of avoiding silos and the duplication of efforts and strategies, the EIT and EIC should envisage reciprocal and systematic exchanges of information, as well as having a common member in each of their Governing Boards.</i></p>		
32h		<p><i>(20h) Within the scope of Horizon Europe and in line with its strategic planning, the EIT should be able to decide to present new KICs in priority fields that contribute to addressing new and emerging global challenges. The first such KIC should relate to Cultural and Creative Sectors and Industries (CCSI), while the second should relate to the Water, Marine and Maritime Sectors and Ecosystems.</i></p>		

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32i		<p><i>(20i) The EIT should be able to decide to present new KICs in priority fields, in line with Horizon Europe and with its strategic planning, that contribute to addressing new and emerging global and societal challenges. The first such KIC should relate to CCSI, to be launched in 2022, with the possibility of postponing the launch until 2023 in the event that the EIT Governing Board considers that further consultation of stakeholders is necessary before launching the call. The second such KIC should be on Water, Marine and Maritime Sectors and Ecosystems to be launched in 2025, after a positive impact assessment to be carried out by 2023.</i></p>		
33	<p>(21) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States but can rather, for reasons 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,</p>	<p><i>[no change]</i></p>	<p><i>[no change]</i></p>	

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	this Regulation does not go beyond what is necessary in order to achieve those objectives,			
34	HAVE ADOPTED THIS REGULATION:	<i>[no change]</i>	<i>[no change]</i>	
35	Article 1	<i>[no change]</i>	<i>[no change]</i>	
36	Subject matter	<i>[no change]</i>	<i>[no change]</i>	
37	A European Institute of Innovation and Technology ('EIT') is established.	<i>[no change]</i>	<i>[no change]</i>	
38	Article 2	<i>[no change]</i>	<i>[no change]</i>	
39	Definitions	<i>[no change]</i>	<i>[no change]</i>	
40	For the purpose of this Regulation, the following definitions shall apply:	<i>[no change]</i>	<i>[no change]</i>	
41	(1) 'innovation' means the process, including its outcome, by which new ideas respond to societal or economic needs and demand and generate new products, services or business and organisational models that are successfully introduced into an existing market or that are able to create new markets and that provide value to society;	(1) 'innovation' means the process, including its outcome, by which new ideas respond to societal, economic <i>or environmental</i> needs and demand and generate new products, services or business, organisational <i>and social</i> models that are successfully introduced into an existing market or that are able to	(1) 'innovation' means the process, including its outcome, by which new ideas respond to societal, environmental or economic needs and demand and generate new products, processes , services or business and organisational models that are successfully introduced into an existing market or that are able to	

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		create new markets and that provide value to society;	create new markets and that provide value to society;	
42	(2) ‘Knowledge and Innovation Community’ (KIC) means an autonomous large-scale European partnership of higher education institutions, research organisations, companies and other stakeholders in the innovation process in the form of a strategic network, regardless of its precise legal form, based on joint mid- to long-term innovation planning to meet the EIT challenges and contribute to attaining the objectives established under the Union framework programme supporting research and innovation;	(2) ‘Knowledge and Innovation Community’ <i>or</i> ‘KIC’ means an autonomous <i>institutionalised</i> European partnership <i>as defined in Horizon Europe</i> of higher education institutions, research organisations, companies and other stakeholders in the innovation process in the form of a strategic network, regardless of its precise legal form, based on joint mid- to long-term innovation planning to meet the EIT challenges and contribute to attaining the objectives established under <i>Horizon Europe</i> ;	(2) ‘Knowledge and Innovation Community’ (KIC) means an an autonomous large-scale European partnership <u>as referred to in Horizon Europe</u> , of higher education institutions, research organisations, companies and other stakeholders in the innovation process in the form of a strategic network, regardless of its precise legal form, based on joint mid- to long-term innovation planning to meet the EIT challenges and contribute to attaining the objectives established under the Union framework programme supporting research and innovation <u>Horizon Europe</u> ;	
42a		(2a) <i>‘KIC co-location centre’ means a physical space, established in an open and transparent manner, covering a geographical area, where a KIC’s main knowledge triangle partners can easily interact, providing</i>		

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		<i>the focal point for the KIC's activity in that area;</i>		
42b		<i>(2b) 'crisis response programme' means a two-year plan in which the EIT sets its priorities in response to the needs of each KIC with a view to overcoming the COVID-19 crisis and adapting to the post-crisis period;</i>		
42c		<i>(2c) 'EIT innovation hub' means a local community hub established in a wide range of Member States, particularly in the Member States and regions targeted by the Regional Innovation Scheme, where the KICs can collaborate with local knowledge triangle actors in order to implement innovation goals across the whole Union, ensuring a more balanced geographical presence of the activities of the EIT Community, serving as an entry point for interacting with local players, mobilising and internationalising the local networks, establishing synergies and promoting the active integration of</i>		

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		<i>ecosystems at all levels and facilitating KICs' efforts to foster complementarities and collaboration within the knowledge triangle with an ambition to grow into regional co-location centres;</i>		
42d		<i>(2d) 'EIT country liaison officers network' means a network of national representatives nominated by the governments of the Member States and countries associated to the Horizon Europe, part of the National Contact Points for Horizon Europe, tasked with facilitating a more structured dissemination of opportunities, results and achievements emerging from the EIT Community as well as encouraging mutual transfer of knowledge, advice and best practise, in line with the EIT's institute function;</i>		
43	(3) 'partner organisation' means any legal entity which is a member of a KIC and may include, in particular, higher education institutions, vocational education and training providers, research organisations, public or private companies, financial institutions, regional	(3) 'partner organisation' means any legal entity which is a member of a KIC and may include, in particular, higher education institutions, vocational education and training providers, research organisations, public	<i>[no change]</i>	

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	and local authorities, foundations and non-profit organisations;	<i>institutions, public</i> or private companies, financial institutions, regional and local authorities, foundations and non-profit organisations;		
44	(4) ‘research organisation’ means any public or private legal entity which undertakes research or technological development as one of its main objectives;	[no change]	[no change]	
45	(5) ‘higher education institution’ means a university or any type of higher education institution which, in accordance with national legislation or practice, offers degrees and diplomas in particular at masters or doctoral level, irrespective of its denomination in the national context;	[no change]	[no change]	
46	(6) ‘EIT Community’ means the EIT and the active community of all individuals and legal entities which benefited or benefit from the EIT financial contribution and support;	[no change]	(6) ‘EIT Community’ means the EIT and the active community of all individuals and legal entities which benefited or benefit from the EIT support or financial contribution and support ;	
47	(7) ‘Strategic Innovation Agenda’ (‘SIA’) means a policy document outlining the priority fields and the long-term strategy of the EIT for future initiatives, its capacity to generate the best innovation added-value, including an overview of planned higher education,	(7) ‘Strategic Innovation Agenda’ or ‘SIA’ means a policy document outlining the strategy and priorities of the EIT for future initiatives, its capacity to generate the best innovation added-value,	(7) ‘Strategic Innovation Agenda’ (‘SIA’) means a policy document outlining an act setting out the priority fields and the long-term strategy of the EIT for future initiatives, its capacity to	

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	research and innovation activities over a period of seven years, covering the respective MFF;	including <i>objectives, key actions</i> , planned higher education, research and innovation activities, <i>its mode of operation, expected impacts and resources needed</i> over a period of seven years, covering <i>Horizon Europe and</i> the respective MFF;	generate the best innovation added-value, including an overview <u>objectives, key actions, its mode of planned higher education, research operation, expected results and innovation activities over a period of seven years, resources needed</u> covering <u>Horizon Europe and</u> the respective MFF;	
48	(8) ‘Regional Innovation Scheme’ (‘RIS’) means an outreach scheme targeted at partnerships between higher education institutions, research organisations, companies and other stakeholders, in order to foster innovation across the Union;	(8) ‘Regional Innovation Scheme’ <i>or ‘RIS’</i> means an outreach scheme targeted at <i>establishing</i> partnerships between higher education institutions, research organisations, companies and other stakeholders, in <i>low R&I performing countries as defined in point (15a) of Article 2 of Regulation [xxx] establishing Horizon Europe as well as, to the extent that they are not low R&I performing countries, in countries and regions of those countries that are classified as modest or moderate innovators in the European Innovation Scoreboard, with the aim of fostering</i> innovation across the Union	(8) ‘Regional Innovation Scheme’ (‘RIS’) means an outreach scheme targeted at <u>partnerships between higher education institutions, research organisations, companies and other stakeholders</u> <u>fostering knowledge triangle integration and the innovation capacity of countries</u> , in order particular <u>by attracting and integrating new partners into the KICs</u> ;	

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		<i>and bridging regional disparities and thereby mitigating the innovation divide;</i>		
48a			<u>(8a) Member States' Representatives Group means a group of representatives from Member States and associated countries that is informed of the performance, achievements and activities, in particular on results of monitoring and evaluation, of the EIT and the KICs and gives advice on strategically important issues to foster innovation across the Union, and shares experience with, them.</u>	
49	(9) 'Stakeholder Forum' means a platform open to representatives of Union institutions, national, regional and local authorities, organised interests and individual entities from business, higher education, research, associations, civil society and cluster organisations, as well as other interested parties from across the knowledge triangle;	<i>[no change]</i>	<i>[no change]</i>	
50	(10) 'KIC business plan' means a document describing the objectives and the planned KIC added-value activities;	(10) 'KIC <i>multiannual</i> business plan' means a document describing the objectives and the planned	(10) 'KIC business plan' means a document describing the objectives, <u>the ways to achieve them</u> and the	

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		<p><i>KIC added-value activities, milestones, targets and impacts of the KIC which contribute to tackling global challenges, as well as containing an estimation of financial sources and funding, including its strategies aiming to achieve financial sustainability, openness to new partners and a more geographically balanced participation in its activities;</i></p>	<p><u>expected results of the KIC for the relevant period, as well as the</u> planned KIC added-value activities <u>and the related financial needs and resources and is annexed to the grant agreement;</u></p>	
51	<p>(11) 'KIC added-value activities' means activities carried out by KIC partner organisations in accordance with the KIC business plan, contributing to the integration of the knowledge triangle of higher education, research and innovation, including the establishment, administrative and coordination activities of the KICs, and contributing to the overall objectives of the EIT;</p>	<p><i>[no change]</i></p>	<p>(11) 'KIC added-value activities' means activities carried out by KIC partner organisations in accordance with the KIC business plan, contributing to the integration of the knowledge triangle of higher education, research and innovation, including the establishment, administrative and coordination activities of the KICs, and contributing to the overall objectives of the EIT;</p>	
52	<p>(12) 'memorandum of co-operation' means an agreement between the EIT and a KIC aimed at keeping a KIC as an active member of the EIT Community after the</p>	<p><i>deleted</i></p>	<p>(12) 'memorandum of co-operation' means an agreement between the EIT and a KIC, <u>without any</u></p>	

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	end date of the framework partnership agreement, without any financial contribution from the EIT;		<u>financial contribution from the EIT</u> , aimed at keeping a KIC as an active member of the EIT Community after the end date of the framework partnership agreement, without any financial contribution from the EIT <u>and which includes the conditions for access to EIT competitive calls for some specific activities;</u>	
53	(13) ‘financial sustainability’ means a capacity of a KIC to fund its knowledge triangle activities independently after the end date of the framework partnership agreement.	(13) ‘financial sustainability’ means <i>a capacity of a KIC to generate sufficient revenue to finance most or all its knowledge triangle activities, including a significant share of the costs of maintaining the ecosystem, independently of the contributions from the EIT.</i>	(13) ‘financial sustainability’ means a capacity of a KIC to fund <u>finance</u> its knowledge triangle activities independently after <u>of contributions from</u> the end date of the framework partnership agreement. <u>EIT</u> .	
54	Article 3	<i>[no change]</i>	<i>[no change]</i>	
55	Mission and objectives	<i>[no change]</i>	<i>[no change]</i>	
56	The EIT’s mission is to contribute to sustainable Union economic growth and competitiveness by reinforcing the innovation capacity of the Member States and the Union in order to address major challenges faced by the society. It shall do	1. The EIT's mission is to contribute to sustainable Union economic <i>development</i> and competitiveness by reinforcing the innovation capacity of the Member States	The EIT’s mission is to contribute to sustainable Union economic growth and competitiveness by reinforcing the innovation capacity of the <u>all</u> Member	

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	<p>this by promoting synergies and cooperation among, and integrating, higher education, research and innovation of the highest standards, including by fostering entrepreneurship.</p>	<p>and the Union. <i>It is also to deliver on the Union strategic priorities and contribute to the realisation of EU objectives and policies, including the European Green Deal, the European Recovery Plan, the European data, digital, SME and Industrial strategies and achieving Europe's strategic autonomy. Furthermore, it shall contribute to tackling global challenges, including the SDGs by following the principles of the Agenda 2030 and the Paris Agreement, and achieving a net-zero GHG economy by 2050 at the latest.</i></p>	<p>States and the Union in order to address major challenges faced by the society. It shall do this by promoting synergies, <u>integration</u> and cooperation among, and integrating, higher education, research and innovation of the highest standards, including by fostering entrepreneurship, <u>thereby strengthening the innovation ecosystems in an open and transparent manner.</u></p>	
57	<p>The EIT shall contribute to deliver on the general and specific objectives of the Union framework programme supporting research and innovation.</p>	<p>2. For the budget period of 2021-2027, the EIT shall contribute to <i>delivering</i> the general and specific objectives of <i>Horizon Europe</i>.</p>	<p>The<u>For the budget period of 2021-2027, the</u> EIT shall contribute to deliver on the general and specific objectives of the Union framework programme supporting research and innovation <u>Horizon Europe taking fully into account the strategic planning.</u></p>	
57a		<p>3. The specific objectives of the EIT shall be to: (a) increase the impact of KICs and their transparency,</p>		

		<p><i>and boost knowledge triangle integration;</i></p> <p><i>(b) increase the openness of the KICs by including a wider range of stakeholders from across the Union;</i></p> <p><i>(c) increase the entrepreneurial and innovation capacity of the higher education sector across the Union by guiding and monitoring KICs in promoting a better integration in the innovation ecosystems and an institutional change in higher education institutions (HEIs);</i></p> <p><i>(d) increase the regional outreach of the EIT and its KICs, as well as ensure a better dissemination and exploitation of results, in order to address regional disparities in the innovation capacity across the Union and within individual Member States to ensure a balanced geographical coverage;</i></p> <p><i>(e) implement a two-year crisis response programme with the necessary flexibility to be able to contribute to protecting the current innovation ecosystems and to</i></p>		
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		<i>help EIT stakeholders prepare for the economic recovery.</i>		
58	Article 4	[no change]	[no change]	
59	SIA	[no change]	[no change]	
60	1. The SIA shall define the priority fields and strategy for the EIT for the seven-year period concerned, taking into account the Union framework programme supporting research and innovation, and shall include an assessment of its socioeconomic impact and its capacity to generate the best innovation added-value. The SIA shall take into account the results of the monitoring and evaluation of the EIT as referred to in Article 19.	1. The SIA shall define the strategy <i>and priorities</i> for the EIT for the seven-year period concerned, including the short-term actions aiming to tackle the COVID-19 crisis and the subsequent recovery , taking into account <i>Horizon Europe, including its strategic planning</i> . The SIA shall also include an assessment of <i>the expected</i> socioeconomic impact and <i>the outreach activities of the EIT and of the EIT's</i> capacity to generate the best innovation <i>ecosystems and</i> added-value. The SIA shall take into account the results of the monitoring and evaluation of the EIT as referred to in Article 19.	1. The SIA shall define the priority fields and strategy for the EIT for the seven-year period concerned, taking into account the Union framework programme supporting research and innovation, <u>in line with the objectives and priorities of Horizon Europe</u> , and shall include an assessment of its socioeconomic impact and its capacity to generate the best innovation added-value. The SIA shall <u>be aligned with reporting, monitoring and evaluation and other requirements of Horizon Europe and shall</u> take into account the results of the monitoring and evaluation of the EIT as referred to in Article 19.	
61	2. The SIA shall be aligned with the objectives of the Union framework programme supporting research and	2. The SIA shall be aligned with the objectives of Horizon Europe , the strategic	2. The SIA shall be aligned with the objectives of the Union framework	

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<p>innovation, the strategic multiannual planning, reporting, monitoring and evaluation and other requirements of that programme, and foster synergies with other relevant Union programmes of the respective MFF, in particular with those supporting education and regional development. It shall also establish appropriate synergies and complementarities between the EIT activities and other Union initiatives, policies and instruments.</p>	<p>multiannual planning, reporting, monitoring and evaluation and other requirements of that programme, and foster synergies with other relevant Union programmes of the respective MFF. It shall also establish appropriate synergies and complementarities between the EIT activities and other Union initiatives, policies and instruments, <i>in particular the European Universities Initiative, the EIC, the Missions and the European Partnerships as referred to in Horizon Europe. The Commission shall offer the EIT all the necessary support in establishing appropriate synergies and complementarities with other Horizon Europe activities, as well as other Union initiatives and programmes, while avoiding duplication.</i></p>	<p>programme supporting research and innovation, take into account the strategic multiannual planning, reporting, monitoring and evaluation and other requirements <u>of Horizon Europe ensuring coherence with the challenges</u> of that programme, and foster synergies <u>as well as complementarity</u> with other relevant Union programmes of the respective MFF, in particular with those supporting education and regional development. <u>It the EIC established under Horizon Europe, and</u> shall also establish <u>and foster</u> appropriate synergies and complementarities between the EIT activities and other Union initiatives, policies <u>relevant Union, national and regional programmes supporting research and innovation, education and skills development, sustainable and instruments competitive industry, entrepreneurship, and regional development.</u></p>	

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62	3. The SIA shall include an estimate of financial needs and sources in view of the future operation, long-term development and funding of the EIT. It shall also contain an indicative financial plan covering the period of the respective MFF.	3. The SIA shall include an estimate of financial needs and sources in view of the future operation, long-term development and funding of the EIT, <i>including the financial aspects related to the European Recovery Plan.</i> It shall also contain an indicative financial plan covering the period of the respective MFF.	<i>[no change]</i>	
63	4. The EIT shall submit its contribution to the Commission's proposal for the SIA.	4. The EIT shall, <i>taking into account the view and input from existing KICs, prepare a draft SIA, submit it to the Commission and make it public.</i>	4. The EIT shall submit its contribution to the Commission's proposal for <u>on</u> the SIA.	
64	5. Acting on the proposal from the Commission, the European Parliament and the Council shall adopt the SIA in accordance with Article 173(3) of the Treaty on the Functioning of the European Union.	<i>[no change]</i>	<i>[no change]</i>	
65	Article 5	<i>[no change]</i>	<i>[no change]</i>	
66	EIT bodies	<i>[no change]</i>	EIT bodies<u>Governance</u>	
67	1. The bodies of the EIT shall be:	<i>[no change]</i>	<i>[no change]</i>	

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68	<p>(a) a Governing Board composed of high-level members experienced in higher education, research, innovation and business. It shall be responsible for steering the activities of the EIT, for the selection, designation, monitoring and evaluation of the KICs, and for all other strategic decisions;</p>	<p>(a) a Governing Board composed of high-level members <i>with proven excellent experience</i> in higher education, research, innovation and business, <i>including a member who is also a member of the EIC Board</i>. It shall be responsible for steering the activities of the EIT, for the selection, designation, <i>financing</i>, monitoring and evaluation of the KICs, <i>including for taking appropriate corrective measures in the event of underperformance</i> and for all other strategic decisions; <i>The selection of the Governing Board shall take into account criteria concerning gender and geographical balance;</i></p>	<p>(a) a Governing Board composed of high-level members experienced in higher education, research, innovation and business. It shall be responsible for steering the activities of the EIT, for the selection, designation, <u>financing</u>, monitoring and evaluation of the KICs, and for all other strategic decisions;</p>	
69	<p>(b) an Executive Committee composed of selected members and the Chairperson of the Governing Board. It shall assist the Governing Board in the performance of its tasks and prepare the Governing Board meetings in cooperation with the Director;</p>	<p>(b) an Executive Committee composed of selected members <i>representing all three dimensions of the knowledge triangle</i> and the Chairperson of the Governing Board. It shall assist the Governing Board in the performance of its tasks and prepare the</p>	<p><i>[no change]</i></p>	

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		Governing Board meetings in cooperation with the Director;		
70	(c) a Director, appointed by the Governing Board, who shall be the legal representative of the EIT responsible for its operations and day-to-day management. The Director shall be accountable to the Governing Board and report to it on an ongoing basis on the development of the EIT and all activities falling under his/her responsibility;	(c) a Director, appointed by the Governing Board, who shall be the legal representative of the EIT and responsible for the implementation of the decisions of the Governing Board and for its operations and day-to-day management. The Director shall be accountable to the Governing Board and report to it on an ongoing basis on the development of the EIT and all activities falling under his/her responsibility, including the implementation of the EIT Budget. The Director shall report to the European Parliament on a regular basis, at least after each monitoring and evaluation process;	(c) a Director, appointed by the Governing Board, who shall be the legal representative of the EIT and responsible for its the implementation of Governing Board decisions, the EIT operations and day-to-day management. The Director shall be accountable to the Governing Board and report to it on an ongoing basis on the development of the EIT and all activities falling under his/her responsibility;	
71	(d) an Internal Auditing Function, operating in complete independence and in compliance with the relevant international standards, which shall advise the Governing Board and the Director on financial and administrative management and control structures within the EIT, on		[no change]	

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	the organisation of financial links with KICs and on any other subject requested by the Governing Board.			
71a			<u>1a. A Member States' Representatives Group is composed of one representative from each Member State and associated country. It shall give advice to the Governing Board and the Director on strategically important issues.</u>	
72	2. The detailed provisions regarding the EIT bodies are set out in the Statutes of the EIT, annexed to this Regulation.	2. The detailed provisions regarding the EIT bodies <i>and governance</i> are set out in the Statutes of the EIT, annexed to this Regulation.	2. The detailed provisions regarding the EIT bodies <u>governance</u> are set out in the Statutes of the EIT, annexed to this Regulation.	
73	Article 6	<i>[no change]</i>	<i>[no change]</i>	
74	Tasks	<i>[no change]</i>	<i>[no change]</i>	
75	In order to achieve its objective, the EIT shall in particular:	In order to achieve <i>the objectives set out in Article 3,</i> the EIT shall in particular:	In order to achieve its objective <u>mission and objectives</u> , the EIT shall in particular:	
76	(a) identify, in accordance with the SIA, its main priorities and activities;	(a) identify <i>its activities,</i> in accordance with the main priorities <i>set out in the SIA;</i>	(a) identify, in accordance with the SIA, its main priorities and activities, <u>and implement these in accordance with the applicable rules and</u>	

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			<u>provisions of Horizon Europe;</u>	
76a		<i>(aa) present a two-year crisis response programme in cooperation with the KICs;</i>		
77	(b) raise awareness among potential partner organisations and encourage their participation in its activities;	(b) <i>ensure openness to and</i> raise awareness among potential partner organisations, <i>to</i> encourage their participation in its activities <i>especially among SMEs and emerging centres of excellence in countries and regions eligible for RIS actions;</i>	(b) <u>ensure openness to and</u> raise awareness among potential <u>new</u> partner organisations and encourage their participation in its activities <u>across the Union, including through the RIS, by building on existing networks of information and structures;</u>	
78	(c) select and designate KICs in the priority fields in accordance with Article 9 and define their rights and obligations by framework partnership agreements and grant agreements, provide them with appropriate support, apply appropriate quality control measures and continuously monitor and periodically evaluate their activities;	(c) select and designate KICs in the priority fields in accordance with Article 9 and define their rights and obligations by framework partnership agreements and grant agreements , provide them with appropriate <i>strategic guidelines and support, apply the adequate quality control, close monitoring as well as set conditions and take appropriate and corrective measures in the event of underperformance based on the outcome of the assessments in accordance</i>	(c) select and designate KICs in the priority fields in accordance with Article 9 and define their rights and obligations by framework partnership agreements and grant agreements, <u>supervise and provide them with appropriate support, apply and strategic guidance, by appropriate quality control measures, and continuously closely monitor on an annual basis and periodically evaluate their activities, and take corrective measures when appropriate;</u>	

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		<i>with Article 11</i> and continuously monitor and periodically evaluate their activities <i>and their steps towards achieving financial sustainability</i> ;		
78a		<i>(ca) steer the implementation of the RIS by providing means for establishing EIT Innovation Hubs in EIT RIS Member States</i> ;		
79	(d) ensure an appropriate level of coordination and facilitate communication and thematic cooperation between the KICs and launch calls for cross-KIC activities and shared services;	<i>[no change]</i>	<i>[no change]</i>	
80	(e) strengthen the recognition outside the EIT Community of degrees and diplomas which are awarded by participating higher education institutions and which may be labelled EIT degrees and diplomas and extend them to lifelong learning programmes;	<i>[no change]</i>	(e) strengthen the recognition promotion outside the EIT Community of EIT-labelled degrees and diplomas which are awarded by participating higher education institutions and which may be labelled EIT degrees and diplomas and extend them to lifelong learning programmes;	
81	(f) promote the dissemination of best practices for the integration of the knowledge triangle, including among KICs, in order to develop a common	(f) promote the dissemination of best practices for the integration of the knowledge triangle, including	(f) promote the dissemination of best practices for the integration of the knowledge triangle, including	

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	innovation and knowledge transfer culture, and encourage participation in outreach activities, including in the RIS;	among KICs <i>and across the Union</i> , in order to develop a common innovation and knowledge transfer culture, and encourage participation <i>and openness to new members</i> in outreach activities, including in the RIS;	among KICs <u>and across the Union inter alia through the EIT RIS</u> , in order to develop a common innovation and knowledge transfer culture; and encourage participation in outreach activities, including in the RIS;	
81a		<i>(fa) establish an EIT country liaison officers network, as part of the National Contact Points for Horizon Europe in order to encourage the mutual transfer of knowledge, advice and best practice in line with the EIT's function;</i>		
81b		<i>(fb) promote the wide dissemination, communication and exploitation of the results and opportunities emerging from the EIT Community, including through the EIT country liaison officers network, in order to increase the awareness, visibility and knowledge of the EIT across the Union, as well as to encourage participation in EIT Community activities;</i>		
81c		<i>(fc) support the KICs in the development of an effective financial</i>		

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		<i>sustainability strategy for the mobilisation of funds from other public and private sources;</i>		
82	(g) foster excellence in higher education, research and innovation, in particular by promoting the KICs as excellent innovation partners;	[no change]	[no change]	
83	(h) promote multidisciplinary approaches to innovation, including the integration of technological, social and non-technological solutions, organisational approaches and new business models;	(h) promote multidisciplinary approaches to innovation, across all sectors, namely through the integration of technological, social and non-technological solutions, sustainability and climate neutrality by design , organisational approaches, an entrepreneurial ethos and new business models;	[no change]	
84	(i) ensure complementarity and synergy between EIT activities and other Union programmes, where appropriate;	(i) ensure complementarity and synergy between EIT activities and other Union programmes, where appropriate as referred to in Horizon Europe ;	[no change]	
84a		(ia) develop and provide guidance on innovative Intellectual Property Rights models promoting knowledge transfer and dissemination, both within the context of the		

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		<i>KICs and more widely across the Union;</i>		
84b		<i>(ib) provide the necessary support and synergies with KICs to develop innovative solutions;</i>		
84c		<i>(ic) ensure that KICs can operate with the necessary flexibility to adapt their operations to the increasing demands arising from the COVID-19 crisis and help with the European Recovery Plan;</i>		
85	(j) organise regular meetings of a Stakeholder Forum to inform about the activities of the EIT, its experiences, best practices and contribution to Union innovation, research and education policies and objectives and to allow stakeholders to express their views;	(j) organise regular meetings, <i>at least annually</i> , of a Stakeholder Forum to <i>share and discuss</i> the activities of the EIT, <i>exchange</i> experiences <i>and</i> best practices and contribution to Union innovation, research and education policies and objectives and to allow stakeholders to express their views;	(j) organise regular meetings of a Stakeholder Forum to inform about the activities of the EIT, its experiences, best practices and contribution to Union innovation, research and education policies and objectives, <u>as well as other Union policies and objectives when relevant</u> , and to allow stakeholders to express their views;	
86	(k) organise meetings of a Member States' Representatives Group, at least twice a year, independently from the meetings of the Stakeholder Forum, to ensure appropriate communication and flow of information	(k) organise meetings of a Member States' Representatives Group independently from the meetings of the Stakeholder Forum, <i>referred to in point (j)</i> ,	(k) organise meetings of a Member States' Representatives Group, at least twice a year, independently from the meetings of the	

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	with the EIT, and be informed of the achievements of, give advice to, and share experiences with, the EIT and the KICs. The Member States' Representatives Group shall also ensure appropriate synergies and complementarities between EIT and KIC activities with national programmes and initiatives, including the potential national co-financing of KIC activities;	to ensure appropriate communication and flow of information with the EIT, and be informed of the achievements of, give advice to, and share experiences with, the EIT and the KICs;	Stakeholder Forum, to ensure appropriate communication and flow of information with the EIT, and be informed of the achievements of, give advice to, and share experiences with, the EIT and the KICs. The Member States' Representatives Group shall also ensure facilitate appropriate synergies and complementarities between EIT and KIC activities with national programmes and initiatives, including the potential national co-financing of KIC activities;	
86a		<i>(ka) facilitate the establishment of EIT Community shared services facilities, aiming to jointly handle, common for all KICs;</i>		
86b		<i>(kb) encourage the networking, over time, of the various EIT Innovation Hubs in all Member States in order to facilitate cooperation between the EIT Community and the local innovation ecosystems;</i>		
87	(l) design and coordinate support actions undertaken by the KICs for the development of entrepreneurial and innovation capacity of higher education	(l) design and coordinate and monitor the implementation of support actions undertaken by the	<i>[no change]</i>	

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	institutions and their integration in innovation ecosystems.	KICs for the development of <i>the</i> entrepreneurial and innovation capacity of <i>HEIs, professional training institutions, SMEs and start-ups</i> and their integration in innovation ecosystems, <i>throughout the Union and in line with the knowledge triangle approach;</i>		
87a		<i>(la) design and launch a higher education initiative, in cooperation with the Commission and based on the input from KICs, to support the development of innovation and entrepreneurial capacity in higher education, which will be implemented by and through the KICs;</i>		
87b		<i>(lb) widen the scope and strengthen the recognition and visibility outside the EIT Community of degrees and diplomas which are awarded by participating HEIs and which shall be labelled EIT degrees and diplomas and extend them to lifelong learning mentoring, vocational training, skilling and upskilling programmes while ensuring a gender-balanced approach, and</i>		

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		<i>which may be awarded in certified and qualified training institutions;</i>		
87c		<i>(lc) strengthen the visibility and recognition of EIT-funded activities to the wider public and expand the EIT Label in order to improve the visibility and the recognition of EIT on education programmes based partnerships between different HEIs, training institutions, research centres and companies, while enhancing its overall quality by offering ‘learning-by-doing’ curricula and purposeful entrepreneurship as well as international, inter-organisational and cross-sectoral mobility.</i>		
87d		<i>The Commission shall assist the EIT and its KICs in identifying synergies with other Union programmes.</i>		
87e		<i>The Member States’ Representatives Group referred to in point (k) of paragraph 1 shall be composed of one representative from each Member State and one</i>		

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		<i>representative from each associated country.</i>		
87f		<i>It shall advise the Governing Board and the Director of the EIT on strategically important issues. It shall also ensure appropriate synergies and complementarities between the activities of the EIT and the KICs and national programmes and initiatives, including the potential national co-financing of KIC activities.</i>		
88	Article 7	<i>[no change]</i>	<i>[no change]</i>	
89	KICs	<i>[no change]</i>	<i>[no change]</i>	
90	1. KICs shall in particular undertake:	<i>[no change]</i>	<i>[no change]</i>	
91	(a) innovation activities and investments with European added value, including the support to the creation and development of innovative businesses, fully integrating the higher education and research dimensions to attain a critical mass and stimulating the dissemination and exploitation of results;	(a) innovation activities and investments with Union added value , including facilitating and supporting the creation and development of innovative businesses and start-ups , fully integrating the higher education and research dimensions to attain a critical mass and stimulating the dissemination and exploitation of results;	(a) innovation activities and investments with European added value, including the support to facilitating the creation of innovative start-ups and development of innovative businesses in complementarity with the EIC and InvestEU , fully integrating the higher education and research dimensions to attain a critical mass and stimulating the	

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			dissemination and exploitation of results;	
92	(b) innovation-driven experimentation, prototyping and demonstration in areas of key economic and societal interest and drawing on the results of Union and national research, with the potential to strengthen Union's competitiveness at international level and find solutions for the major challenges faced by European society;	(b) innovation-driven research , experimentation, prototyping and demonstration in areas of key economic and societal interest and drawing on the results of Union and national research, with the potential to strengthen Union's competitiveness at international level and find solutions for the major challenges faced by European society, including health and digital challenges ;	(b) innovation-driven research , experimentation, prototyping and demonstration in areas of key economic, environmental and societal interest and drawing on the results of stemming from Union and national research, with the potential to strengthen the Union's competitiveness at international level and find solutions for the major challenges faced by European society;	
93	(c) education and training activities in particular at masters and doctoral level, as well as professional training courses, in disciplines with the potential to meet future European socio-economic needs and which expand the Union's talent base, promote the development of innovation-related skills, the improvement of managerial and entrepreneurial skills and the mobility of researchers and students, and foster knowledge-sharing, mentoring and networking among the recipients of EIT-labelled degrees and training;	(c) education and training activities in particular at masters and doctoral level, as well as professional training courses, in disciplines with the potential to meet future European socio-economic and socio-ecological needs and which expand the Union's talent base, promote the development of innovation-related skills, the improvement of managerial and entrepreneurial skills and the mobility of researchers and	(c) education and training activities in particular at masters and doctoral level, as well as professional training courses, in disciplines areas with the potential to meet future European socio-economic needs and which expand the Union's talent base, promote the development of innovation-related skills, the improvement of managerial and entrepreneurial skills and the mobility of researchers	

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		students, and foster knowledge-sharing, mentoring and networking among the recipients of EIT-labelled education and training activities ;	and students, and foster knowledge-sharing, mentoring and networking among the recipients of EIT-labelled degrees education and training activities, including EIT-labelled ones ;	
93a		<i>(ca) actions supporting HEIs to better integrate in innovation value chains and ecosystems and bringing them together with other key innovation players from the knowledge triangle and thereby improve their strategic capacity development;</i>		
94	(d) outreach activities and the dissemination of best practices in the innovation sector with a focus on the development of cooperation between higher education, research and business, including the service and financial sectors;	(d) outreach activities and the dissemination of best practices in the field of innovation sector with a focus on the development of cooperation and interdisciplinary learning loops between higher education, research and public and third sector organisations as well as business, including the service and financial sectors;	(d) outreach activities and the dissemination of best practices in the field of innovation sector with a focus on the development of cooperation between higher education, research and business, including the service and financial sectors;	
94a		<i>(da) RIS activities, fully integrated in the KICs' multiannual strategy in order to strengthen the innovation</i>		

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		<i>capacity and to develop sustainable innovation ecosystems across the Union with a view to decreasing the innovation performance disparities and divide across the Union and to ensuring a more geographically balanced participation in the EIT Community across the Union;</i>		
95	(e) to seek synergies and complementarities between KIC activities and existing European, national and regional programmes, where appropriate.	(e) to seek synergies and complementarities between KIC activities and existing European, national and regional programmes, <i>in particular the EIC, other European Partnerships and Missions, as well as universities, HEIs and Research Centres</i> , where appropriate;	(e) to seek synergies and complementarities between KIC activities and existing European, national and regional programmes, <u>and cooperate with other European Partnerships</u> where appropriate-;	
95a		<i>(ea) the mobilisation of funds from public and private sources and income generated by their own activities, in accordance with Article 17, with the aim of increasing a proportion of their budget;</i>	<u>(f) to mobilise funds from public and private sources. They shall in particular seek to raise an increasing proportion of their budget from private sources and from income generated by their own activities, in accordance with Article 17.</u>	
95b		<i>(eb) establishing a repository mapping out the relationship between</i>		

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		<i>inventions and patents held by the KICs and the identification of the owners of those inventions.</i>		
96	2. Without prejudice to the framework partnership agreements and grant agreements between the EIT and the KICs, the KICs shall have substantial overall autonomy to define their internal organisation and composition, as well as their precise agenda and working methods. In particular, KICs shall:	2. Without prejudice to the framework partnership agreements and <i>the multi-annual</i> grant agreements between the EIT and the KICs, the KICs shall have substantial overall autonomy to define their internal organisation and composition, as well as their precise agenda and working methods <i>provided that those agenda and working methods result in progress towards achieving the objectives of the EIT and the KICs.</i> In particular, KICs shall:	2. Without prejudice to the framework partnership agreements and grant agreements between the EIT and the KICs, the KICs shall have substantial overall autonomy to define their internal organisation and composition, as well as their precise -agenda and working methods, <u>as long as these result in progress towards achieving the KICs' and the EIT's objectives, while taking into account the strategic plan and the strategic directions of the EIT set out in the SIA and by the Governing Board.</u> In particular, KICs shall:	
97	(a) establish internal governance arrangements which reflect the knowledge triangle of higher education, research and innovation;	(a) establish internal <i>transparent</i> governance arrangements which reflect the knowledge triangle of higher education, research and innovation;	<i>[no change]</i>	

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98	(b) ensure their openness to new members whenever they add value to the partnership;	(b) ensure their openness to <i>the widest possible range of</i> new members whenever they add value to the partnership, <i>all across the Union, including through clear and transparent entry and exit criteria and open calls;</i>	(b) ensure <u>and promote</u> their openness <u>through clear and transparent accession criteria, including through open calls,</u> to <u>all potential</u> new members whenever they <u>partner organisations</u> <u>across the Union that</u> add value to the partnership;	
99	(c) function in an open and transparent way, in accordance with their internal rules;	(c) <i>establish internal rules that ensure the functioning of the KICs</i> in an open and transparent way in accordance with <i>codes of good governance to be laid down in those internal rules;</i>	(c) function in an open and transparent way, in accordance with their internal rules;	
100	(d) establish and implement business plans;	<i>[no change]</i>	(d) establish and implement <u>the KIC</u> business plans;	
100a		<i>(da) develop, as part of their multiannual business plan, a two-year strategic plan detailing initiatives envisaged to mitigate the effects of the COVID-19 crisis, while paying particular attention to actions aiming to increase the resilience of microenterprises, SMEs and start-ups, but also of the students, researchers and employees;</i>		

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100b		<p><i>(db) in synergy with other Union innovation strands and other Union institutions, bodies, offices and agencies and in order to respond to the European recovery plan, publish dedicated calls, promote initiatives using their partnerships, ecosystems and communities, develop individual and cross-KIC projects to support business restructuring, and identify microenterprises, SMEs, start-ups and other stakeholders that need support and for example a better access to finance;</i></p>		
100c		<p><i>(dc) propose initiatives aiming to support their ecosystem based on the knowledge triangle, while at the same time being flexible enough to create measures that are fit for purpose for their partners and beneficiaries and beyond their existing communities;</i></p>		
101	<p>(e) establish and implement strategies for financial sustainability.</p>	<p>(e) establish and implement strategies for achieving financial sustainability;</p>	<p>(e) establish and implement strategies for achieving financial sustainability.</p>	
101a		<p><i>(ea) develop outreach activities, in particular with</i></p>		

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		<i>emerging institutions and centres of excellence in Union regions that perform less well than others.</i>		
102	3. The relationship between the EIT and each KIC shall be based on framework partnership agreements and grant agreements.	3. The relationship between the EIT and each KIC shall be based on framework partnership agreements and <i>multi-annual</i> grant agreements <i>and on a well-defined long-term collaboration strategy.</i>	3. The relationship between the EIT and each KIC shall be based on framework partnership agreements and , grant agreements <u>or, subject to the provisions of Article 11(4), memoranda of cooperation.</u>	
102a		<i>3a. When selecting projects and partners, and when is strictly necessary to separate proposals of equal quality, after an assessment based on the excellence criterion, KICs shall give priority to proposals that meet one or more of the following criteria:</i> <i>(a) inclusion of a higher number of countries or regions which take part in the RIS;</i> <i>(b) inclusion of a higher number of regions or countries that are not yet participating in the KIC community;</i>		

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		(c) <i>involvement of regions and countries that commit to contribute with ESI funds;</i> (d) <i>involvement of a higher number of SMEs;</i> (e) <i>ensuring a better gender balance.</i>		
103	Article 8	[no change]	[no change]	
104	Rules for participation and dissemination	[no change]	[no change]	
105	The rules for participation and dissemination of the Union framework programme supporting research and innovation shall apply. By way of derogation from those rules:	The rules for participation and dissemination of Horizon Europe shall apply. By way of derogation from those rules:	The rules for participation and dissemination of the Union framework programme supporting research and innovation Horizon Europe shall apply. By way of derogation from those rules:	
106	(a) the minimum conditions to form a KIC are set out in Article 9(3) and (4) of this Regulation;	[no change]	[no change]	
107	(b) specific rules on ownership, access rights, exploitation and dissemination may apply for KIC added-value activities.	(b) specific rules on ownership, access rights, exploitation and dissemination may apply for KIC added-value activities, <i>where appropriate.</i>	[no change]	
108	Article 9	[no change]	[no change]	
109	Selection of KICs	[no change]	[no change]	

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110	<p>1. A partnership shall be selected and designated by the EIT to become a KIC following a competitive, open and transparent procedure. The criteria of the Union framework programme supporting research and innovation for the selection of European partnerships shall apply. The EIT Governing Board may further specify those criteria, by adopting and publishing criteria for the selection of KICs based on the principles of excellence and innovation relevance.</p>	<p>1. A partnership shall be selected and designated by the EIT to become a KIC following a competitive, open and transparent procedure. The <i>applicable conditions and criteria of <u>Horizon Europe</u></i> for the selection of European partnerships shall apply. The EIT Governing Board <i>shall</i> further specify those criteria, by adopting and publishing criteria for the selection of KICs based on the principles of excellence, <i>balanced geographical spread</i> and innovation relevance <i>in delivering on societal challenges and Union policy priorities.</i></p>	<p>1. A partnership shall be selected and designated by the EIT to become a KIC following a competitive, open and transparent procedure. The <u>conditions and</u> criteria of the Union framework programme supporting research and innovation <u>Horizon Europe, as well as</u> for the selection of European partnerships, shall apply. The EIT Governing Board may further specify those criteria, by adopting and publishing criteria for the selection of KICs based on the principles of excellence and innovation relevance.</p>	
111	<p>2. The EIT shall launch the selection and designation of KICs according to the priority fields and time schedule defined in the SIA.</p>	<p>2. The EIT shall launch the selection and designation of KICs according to the priority fields and time schedule defined in the SIA <i>and taking into account the priorities as defined in the strategic planning of Horizon Europe.</i></p>	<p>2. The EIT shall launch the selection and designation of KICs according to the priority fields and time schedule defined in the SIA, <u>taking into account the priorities as defined in the strategic planning of Horizon Europe.</u></p>	
112	<p>3. The minimum condition to form a KIC is the participation of at least</p>	<p>3. The minimum <i>conditions</i> to form a KIC is</p>	<p><i>[no change]</i></p>	

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	three independent partner organisations, established in at least three different Member States.	the participation of at least three independent partner organisations, <i>comprising at least one HEI, one research institution and one private undertaking and</i> established in at least three different Member States.		
113	4. In addition to the condition set out in paragraph 3, at least two thirds of the partner organisations forming a KIC shall be established in the Member States. At least one higher education institution, one research organisation and one private company shall be part of each KIC.	4. In addition to the condition set out in paragraph 3, at least two thirds of the partner organisations forming a KIC shall be established in the Member States. <i>A balanced geographical coverage, including the participation of RIS and the participation of new partners, shall be taken into account in the selection and designation procedure.</i>	<i>[no change]</i>	
114	5. The EIT shall adopt and publish criteria and procedures for financing, monitoring and evaluating the activities of the KICs prior to the launching of the selection procedure for new KICs. The Member States' Representatives Group referred to in Article 6(k) shall be promptly informed of them.	5. The EIT shall adopt and publish criteria and procedures for financing, monitoring and evaluating the activities of the KICs prior to the launching of the selection procedure for new KICs. The Member States' Representatives Group referred to in Article 6(2), <i>the EIT country liaison officers'</i>	5. The EIT shall adopt and publish criteria and procedures for financing, monitoring and evaluating the activities of the KICs prior to the launching of the selection procedure for new KICs. The Member States' Representatives Group referred to in Article 6(k) shall	

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		<i>network and the European Parliament</i> shall be promptly informed of them.	be promptly informed of them.	
115	Article 10	[no change]	[no change]	
116	Principles for the evaluation and monitoring of KICs	[no change]	[no change]	
117	The EIT shall, on the basis of indicators set out, inter alia, in the Union framework programme supporting research and innovation and in the SIA, and in close cooperation with the Commission, organise continuous monitoring and periodic external evaluations of the output, results and impact of each KIC. The results of such monitoring and evaluations shall be reported to the European Parliament and to the Council and shall be made public.	The EIT shall, on the basis of indicators set out, inter alia, in the <i>Horizon Europe</i> and in the SIA, and in close cooperation with the Commission, organise continuous monitoring and periodic external evaluations of the output, results, impact and steps taken towards achieving the financial sustainability of each KIC. The results of such monitoring and evaluations shall be reported to the European Parliament and to the Council and shall be made public.	The EIT shall, on the basis of indicators and monitoring provisions set out, inter alia, in the Union framework programme supporting research and innovation Horizon Europe and in the SIA, and in close cooperation with the Commission, organise continuous monitoring and periodic external evaluations of the output, results and impact of each KIC. <u>In the context of such monitoring and evaluation, the EIT shall monitor KICs progress towards financial sustainability, cost-efficiency and openness to new members.</u> The results of such monitoring and evaluations shall be reported to the European Parliament and to	

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			the Council and shall be made public.	
118	Article 11	<i>[no change]</i>	<i>[no change]</i>	
119	Duration, continuation and termination of a KIC	Duration, continuation and termination of a <i>framework partnership agreement</i>	Duration, continuation and termination of a KIC<u>framework partnership agreement</u>	
120	1. By way of derogation from Article 130(4)(c) of the Financial Regulation, the EIT may establish a framework partnership agreement with a KIC for an initial period of seven years.	<i>[no change]</i>	<i>[no change]</i>	
120a			<u>1.a Based on the annual monitoring of the KICs, in accordance with Article 10, the EIT under the supervision of the Governing Board shall prepare interim reviews of the KICs performance and activities covering the first three years of the framework partnership agreement and, in the case of extension, three years following its extension.</u>	
121	2. Subject to the outcome of a comprehensive mid-term review before the expiry of the initial period of seven years, the Governing Board may decide to extend the framework partnership	2. Subject to the <i>positive</i> outcome of a comprehensive mid-term review <i>by independent external experts, which shall be carried out by</i>	2. Subject to <u>positive performance, the interim review and</u> the outcome of a comprehensive mid-term review assessment with	

<p>agreement with a KIC beyond the initial period for another period of a maximum of seven years or to discontinue the EIT's financial contribution and not to extend the framework partnership agreement. The Governing Board shall take into account in particular the achieved level of financial sustainability of a KIC, its capacity to ensure openness to new members as well as the limits of the Union financial contribution referred to in Article 20 and relevance with regard to the objectives of the EIT.</p>	<p><i>the end of the fourth year</i> of the initial <i>seven-year</i> period, <i>the</i> Governing Board may decide to <i>maintain</i> the framework partnership agreement with a KIC <i>until the end of</i> the initial period or to discontinue the EIT's financial contribution. The Governing Board shall take into account in particular the <i>relevance to Union's global and societal challenges, the criteria of Horizon Europe for implementation, monitoring and evaluation of the European Partnerships, the achievement of the goals set by the KIC itself, the KIC's coordination efforts with other relevant research and innovation initiatives</i>, the level of financial sustainability <i>achieved by</i> a KIC, its capacity to ensure openness to new members <i>and its success in attracting new partners, the transparency of its governance, its capacity to develop sustainable innovation ecosystems and its geographical coverage and gender balance</i> as well as the limits of the Union financial</p>	<p><u>support of external experts</u> before the expiry of the initial period of seven years, <u>and after consulting with the Member States' Representatives Group</u>, the Governing Board may decide to extend the framework partnership agreement with a KIC beyond the initial period for another period of a maximum of seven years or to discontinue the EIT's financial contribution and not to extend the framework partnership agreement. The Governing Board shall take into account in particular the <u>criteria of Horizon Europe for implementation, monitoring and evaluation of the European Partnerships, the achievement of the goals set by the KIC itself, the KIC's coordination efforts with other relevant research and innovation initiatives</u>, achieved level of financial sustainability of a KIC, its capacity to ensure openness to new members as well as <u>and its achievement in attracting new members, within the</u></p>	
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		<p>contribution referred to in Article 20 and relevance with regard to the objectives of the EIT.</p> <p><i>The Governing Board shall submit those mid-term reviews to the European Parliament and to the Council and shall make them public.</i></p>	<p>limits of the Union financial contribution referred to in Article 20, <u>the EU added value</u> and relevance with regard to the objectives of the EIT.</p>	
121a		<p><i>2a. At the end of the initial seven-year period, the Governing Board may decide to extend the framework partnership agreement for a further seven-year period. That decision shall be based on the criteria set out in paragraph 2 and on the final evaluation of the KIC's performance to be carried out before the end of the initial seven-year period.</i></p> <p><i>The EIT shall consult the European Parliament before extending the initial seven-year period.</i></p>		
121b		<p><i>2b. In the event of an extension of the seven-year agreement, the KIC shall be subject to a new mid-term review by the end of the fourth year of the second seven-year period, based on</i></p>		

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		<i>the same criteria and methodology.</i>		
122	3. In the event that evaluations of a KIC show inadequate results or lack of European added value, the Governing Board shall take appropriate measures, including the reduction, modification or withdrawal of the EIT's financial contribution or the termination of the framework partnership agreement.	3. In the event that evaluations of a KIC show inadequate results or lack of European added value, the Governing Board shall take appropriate <i>corrective</i> measures, including the reduction, modification or withdrawal of the EIT's financial contribution or the termination of the framework partnership agreement.	3. In the event that evaluations <u>the monitoring, the interim reviews or the comprehensive assessment</u> of a KIC show inadequate results <u>progress in areas referred to in Article 10</u> or lack of European added value, the Governing Board shall take appropriate <u>corrective</u> measures, including the reduction, modification or withdrawal of the EIT's financial contribution or the termination of the framework partnership agreement.	
123	4. Subject to the outcome of a final review before the expiry of the fourteenth year of the framework partnership agreement, the EIT may conclude a memorandum of cooperation with a KIC.	4. Subject to the outcome of a final review before the expiry of the fourteenth year of the framework partnership agreement, <i>under strict conditions the Governing Board, after a thorough evaluation by independent experts, may decide to extend the framework partnership agreement with a KIC. That extended framework partnership agreement shall be subject to the following:</i>	4. Subject to the outcome of a final review before the expiry of the fourteenth year <u>extended</u> framework partnership agreement, the EIT may conclude a memorandum of cooperation with a KIC.	

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		<p><i>(a) a positive in-depth evaluation of the KIC by the external experts and the Governing Board, taking into account the assessment criteria set out in paragraph 2;</i></p> <p><i>(b) a detailed plan by the KIC setting out the reasons why the framework partnership agreement should be extended;</i></p> <p><i>(c) a limitation in time, scope and budget encompassing higher education, training and horizontally-structured activities of the KIC that cannot yet be financially sustainable, but remain crucial for the fulfilment of its tasks, activities and capabilities in responding to societal challenges. Those activities shall be described in detail. That description shall be submitted by the Governing Board for evaluation.</i></p>		
124	Article 12	<i>[no change]</i>	<i>[no change]</i>	
125	Degrees and diplomas	<i>[no change]</i>	<i>[no change]</i>	

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126	<p>1. Degrees and diplomas relating to the higher education activities referred to in point (c) of Article 7(1) shall be awarded by participating higher education institutions in accordance with national rules and accreditation procedures. The framework partnership agreements and grant agreements between the EIT and the KICs shall provide that these degrees and diplomas may also be labelled EIT degrees and diplomas.</p>	<p>1. Degrees and diplomas relating to the higher education activities referred to in point (c) of Article 7(1) shall be awarded by participating <i>HEIs and certified training</i> institutions in accordance with national rules and accreditation procedures. The framework partnership agreements and grant agreements between the EIT and the KICs shall provide that these degrees and diplomas <i>shall</i> also be labelled EIT degrees and diplomas.</p>	<i>[no change]</i>	
127	<p>2. The EIT shall encourage participating higher education institutions to:</p>	<p>2. The EIT shall encourage participating <i>HEIs and certified training institutions</i> to:</p>	<i>[no change]</i>	
128	<p>(a) award joint or multiple degrees and diplomas, reflecting the integrated nature of the KICs. However, these may also be awarded by a single higher education institution;</p>	<i>[no change]</i>	<i>[no change]</i>	
129	<p>(b) disseminate best practices on horizontal issues;</p>	<i>[no change]</i>	<i>[no change]</i>	
129a		<p><i>(ba) promote and publicise the EIT Label in their training and diplomas;</i></p>		

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129b		<i>(bb) become more integrated in innovation chains, developing different strategies with the aim of cooperating effectively with innovation ecosystems and businesses and of promoting an entrepreneurial mind-set;</i>		
129c		<i>(bc) create programmes focusing on lifelong learning and certification;</i>		
130	(c) take into account:	<i>[no change]</i>	<i>[no change]</i>	
131	(i) Union action undertaken in accordance with Articles 165 and 166 of the Treaty;	<i>[no change]</i>	<i>[no change]</i>	
132	(ii) action undertaken in the context of the European Higher Education Area.	<i>[no change]</i>	<i>[no change]</i>	
132a		<i>2a. Special attention shall be dedicated to gender balance and gender-sensitive approaches, especially in areas such as ICT, Science, Technology, Engineering and Mathematics, where women continue to be underrepresented.</i>		
133	Article 13	<i>[no change]</i>	<i>[no change]</i>	
134	Operational independence of the EIT and consistency with Union, Member State or intergovernmental action	<i>[no change]</i>	<i>[no change]</i>	

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135	1. The EIT shall carry out its activities independently of national authorities and external pressures.	<i>[no change]</i>	1. The EIT shall carry out its activities independently of national authorities and external pressures-	
136	2. The activity of the EIT shall be consistent with other action and instruments to be implemented at Union level, in particular in the fields of higher education, research and innovation.	<i>[no change]</i>	2. — The activity of the EIT shall be, while being consistent through coordination with other action and instruments to be implemented at Union level, in particular in the fields of higher education, research and innovation.	
137	3. The EIT shall also take appropriate account of policies and initiatives at regional, national and intergovernmental levels in order to make use of best practices, well established concepts and existing resources.	<i>[no change]</i>	3. The EIT shall also take seek synergies and complementarities by taking appropriate account of policies and initiatives at regional, national and intergovernmental levels in order to make use of best practices, well established concepts and existing resources.	
138	Article 14	<i>[no change]</i>	<i>[no change]</i>	
139	Legal status	<i>[no change]</i>	<i>[no change]</i>	
140	1. The EIT shall be a Union body and shall have legal personality. In each of the Member States, it shall enjoy the widest	<i>[no change]</i>	<i>[no change]</i>	

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	possible legal capacity accorded to legal persons under national legislation. In particular, it may acquire or dispose of movable and immovable property and be a party to legal proceedings.			
141	2. Protocol No 7 on the Privileges and Immunities of the European Union shall apply to the EIT.	<i>[no change]</i>	<i>[no change]</i>	
142	Article 15	<i>[no change]</i>	<i>[no change]</i>	
143	Liability	<i>[no change]</i>	<i>[no change]</i>	
144	1. The EIT shall be solely responsible for meeting its obligations.	<i>[no change]</i>	<i>[no change]</i>	
145	2. The contractual liability of the EIT shall be governed by the relevant contractual provisions and the law applicable to the contract in question. The Court of Justice shall have jurisdiction pursuant to any arbitration clause contained in a contract concluded by the EIT.	<i>[no change]</i>	<i>[no change]</i>	
146	3. In the case of non-contractual liability, the EIT shall, in accordance with the general principles common to the laws of the Member States, make good any damage caused by it or its servants in the performance of their duties.	<i>[no change]</i>	<i>[no change]</i>	

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147	The Court of Justice shall have jurisdiction in any dispute relating to compensation for such damage.	<i>[no change]</i>	<i>[no change]</i>	
148	4. Any payment by the EIT for covering the liability referred to in paragraphs 2 and 3 and the costs and expenses incurred in connection therewith shall be considered expenditure of the EIT and shall be covered by the resources of the EIT.	<i>[no change]</i>	<i>[no change]</i>	
149	5. The Court of Justice shall have jurisdiction in actions brought against the EIT under the conditions provided for in Articles 263 and 265 of the Treaty.	<i>[no change]</i>	<i>[no change]</i>	
150	Article 16	<i>[no change]</i>	<i>[no change]</i>	
151	Transparency and access to documents	<i>[no change]</i>	<i>[no change]</i>	
152	1. The EIT and the KICs shall ensure that their activities are conducted with a high level of transparency. In particular, the EIT and the KICs shall set up an accessible, free website providing information about their activities.	1. The EIT and the KICs shall ensure that their activities are conducted with a high level of transparency. In particular, the EIT and the KICs shall set up an accessible, free website providing information about their activities <i>and opportunities they provide, in particular open calls.</i>	1. The EIT and the KICs shall ensure that their activities are conducted with a high level of transparency. In particular, the EIT and the KICs shall set up an accessible, free website providing information about their activities <u>and opportunities they provide.</u>	
152a		<i>1a. The EIT and the KICs shall make available detailed</i>	<u>1.a Detailed information on the monitoring and</u>	

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		<i>information on all calls for proposals issued by them. That information shall be made available in a timely, searchable and traceable manner in the relevant common online databases of Union-funded research and innovation projects, in accordance with the Regulation [xxx] establishing Horizon Europe.</i>	<u>evaluation processes and results from all calls for proposals issued by EIT or its KICs is to be made available timely and made accessible in the common database of Horizon Europe.</u>	
152b		<i>Ib. Detailed information on the monitoring and evaluation processes referred to in Articles 11 and 18.</i>		
153	2. The EIT shall make public its rules of procedure, its specific financial rules referred to in Article 22(1) and the detailed criteria for the selection of the KICs referred to in Article 9 before issuing calls for proposals for the selection of the KICs.	<i>[no change]</i>	<i>[no change]</i>	
154	3. The EIT shall make public without delay its single programming document and consolidated annual activity report referred to in Article 18.	<i>[no change]</i>	<i>[no change]</i>	
155	4. Without prejudice to paragraphs 5 and 6, the EIT shall not divulge to third parties confidential information it has received for which confidential treatment has been requested and is justified.	<i>[no change]</i>	<i>[no change]</i>	

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156	5. The members of the EIT bodies shall be subject to the confidentiality requirement referred to in Article 339 of the Treaty.	<i>[no change]</i>	<i>[no change]</i>	
157	The information gathered by the EIT in accordance with this Regulation shall be subject to Regulation (EU) 2018/1725 of the European Parliament and of the Council ¹⁰ .	<i>[no change]</i>	<i>[no change]</i>	
158	6. Regulation (EC) No 1049/2001 of the European Parliament and of the Council ¹¹ shall apply to the documents held by the EIT.	<i>[no change]</i>	<i>[no change]</i>	
159	7. Council Regulation No 1 of 15 April 1958 ¹² shall apply to the EIT. The translation services required for the functioning of the EIT shall be provided by the Translation Centre for bodies of the European Union, set up by Council Regulation (EC) No 2965/1994 ¹³ .	<i>[no change]</i>	<i>[no change]</i>	

¹⁰ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC. (OJ L 295, 21.11.2018, p. 39).

¹¹ Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents (OJ L 145, 31.5.2001, p. 43).

¹² Council Regulation No 1 of 15 April 1958 determining the languages to be used by the European Economic Community (OJ 17, 6.10.1958, p. 385/58).

¹³ Council Regulation (EC) No 2965/1994 of 28 November 1994 setting up a Translation Centre for bodies of the European Union (OJ L 314, 7.12.1994, p. 1).

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160	Article 17	<i>[no change]</i>	<i>[no change]</i>	
161	Financing of the KICs	<i>[no change]</i>	<i>[no change]</i>	
162	1. The KICs shall be financed, in particular, from the following sources:	<i>[no change]</i>	<i>[no change]</i>	
163	(a) contributions from partner organisations, forming a substantial source of funding;	<i>[no change]</i>	<i>[no change]</i>	
164	(b) voluntary contributions from Member States, associated countries or third countries or public authorities within them;	<i>[no change]</i>	<i>[no change]</i>	
165	(c) contributions from international bodies or institutions;	<i>[no change]</i>	<i>[no change]</i>	
166	(d) revenue generated by the KICs' own assets and activities and royalties from intellectual property rights;	<i>[no change]</i>	<i>[no change]</i>	
167	(e) capital endowments;	<i>[no change]</i>	<i>[no change]</i>	
168	(f) bequests, donations and contributions from individuals, institutions, foundations or any other bodies established under national law;	<i>[no change]</i>	<i>[no change]</i>	
169	(g) the financial contribution from the EIT;	<i>[no change]</i>	<i>[no change]</i>	

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170	(h) financial instruments, including those funded from the general budget of the Union.	<i>[no change]</i>	<i>[no change]</i>	
171	2. The modalities for accessing funding from the EIT shall be defined in the financial rules of the EIT referred to in Article 22(1).	<i>[no change]</i>	<i>[no change]</i>	
172	3. Budgetary commitments for actions extending over more than one financial year may be broken down over several years into annual instalments, subject to adequate monitoring of estimated financial needs of the KICs to be established on an annual basis.	<i>[no change]</i>	<i>[no change]</i>	
173	4. The EIT financial contribution to the KICs may cover up to 100 % of the total eligible costs of KIC added-value activities in the initial stages of the KIC life. Such contribution shall gradually decrease over time in compliance with the co-funding rates defined in the SIA.	<i>[no change]</i>	<i>[no change]</i>	
174	5. The KICs or their partner organisations may apply for Union financial contribution, in particular in the framework of Union programmes and funds, in accordance with their respective rules. In that case, such contribution shall not cover the same	<i>[no change]</i>	<i>[no change]</i>	

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	costs already funded under another Union programme.			
175	6. Contributions from partner organisations to the financing of the KICs shall be determined in accordance with the co-funding rates referred to in paragraph 4 of this Article and reflect the KICs strategy for financial sustainability.	6. Contributions from partner organisations and other public sources from third countries as well as private funding sources to the financing of the KICs shall be determined in accordance with the co-funding rates referred to in paragraph 4 of this Article and reflect the KICs strategy for financial sustainability.	6. Contributions from partner organisations to the financing of the KICs shall be determined in accordance with the co-funding rates referred to in paragraph 4 of this Article and reflect the KICs strategy for achieving financial sustainability.	
176	7. The EIT shall establish a competitive allocation mechanism for granting an appropriate share of its financial contribution to the KICs. It shall include assessing the KICs' business plans and performance as measured by continuous monitoring, and in particular their progress in achieving financial sustainability.	7. The EIT shall establish a competitive and performance-based allocation mechanism for granting an appropriate share of its financial contribution to the KICs. It shall include assessing the KICs' business plans, the KIC's openness to new members, their dissemination strategies and their geographical spread, as well as the performance of those business plans as measured by continuous monitoring, and in particular their progress in achieving financial sustainability.	7. The EIT shall establish a competitive performance-based allocation mechanism for granting an appropriate share of its financial contribution to the KICs. It shall include assessing the KICs' business plans and performance as measured by continuous monitoring, and in particular their progress in achieving financial sustainability in accordance with Article 10 and as described in the SIA.	

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		<i>Particular attention shall be paid to actions put in place to mitigate the effects of the COVID-19 crisis and to the development of innovative ideas.</i>		
177	Article 18	<i>[no change]</i>	<i>[no change]</i>	
178	Programming and reporting	<i>[no change]</i>	<i>[no change]</i>	
179	1. The EIT shall adopt a single programming document based on the SIA, in accordance with its financial rules, containing the following:	<i>[no change]</i>	<i>[no change]</i>	
180	(a) a statement of the major priorities and planned initiatives of the EIT and the KICs;	<i>[no change]</i>	<i>[no change]</i>	
181	(b) an estimate of financing needs and sources;	<i>[no change]</i>	<i>[no change]</i>	
181a		<i>(ba) an estimate of the staffing needs arising from the new tasks;</i>		
181b		<i>(bb) aspects of the two-year crisis response programme;</i>		
182	(c) appropriate indicators for monitoring the KICs and EIT activities using an impact-oriented approach;	<i>(c) appropriate qualitative and quantitative methods, tools and indicators for monitoring EIT and KIC activities using an impact-oriented and performance-based approach;</i>	<i>[no change]</i>	

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183	(d) other components as laid down in its financial rules.	<i>[no change]</i>	<i>[no change]</i>	
184	<p>2. The EIT shall adopt a consolidated annual activity report, which shall include comprehensive information on the activities conducted by the EIT and the KICs during the preceding calendar year and on the EIT’s contribution to the objectives of the Union framework programme supporting research and innovation, and to the Union innovation, research and education policies and objectives. It shall also assess the results with respect to the objectives, indicators and timetable set, the risks associated with the activities carried out, the use of resources and the general operation of the EIT. The consolidated annual activity report shall include further comprehensive information in accordance with the EIT’s financial rules.</p>	<p>2. The EIT shall adopt a consolidated annual activity report, which shall include comprehensive information on the activities conducted by the EIT and the KICs during the preceding calendar year and on the EIT’s contribution to the objectives of <i>Horizon Europe</i>, and to the Union innovation, research and education policies and objectives. It shall also assess the results with respect to the objectives, indicators and timetable set, the risks associated with the activities carried out, the use of resources, <i>including its contribution to the climate mainstreaming target under Horizon Europe broken down by KIC</i>, and the general operation of the EIT. The consolidated annual activity report shall include further comprehensive information in accordance with the EIT’s financial rules.</p>	<p>2. The EIT shall adopt a consolidated annual activity report, which shall include comprehensive information on the activities conducted by the EIT and the KICs during the preceding calendar year and on the EIT’s contribution to the objectives of the Union framework programme supporting research and innovation <u>Horizon Europe</u>, and to the Union innovation, research and education policies and objectives. It shall also assess the results with respect to the objectives, indicators and timetable set, the risks associated with the activities carried out, the use of resources and the general operation of the EIT. The consolidated annual activity report shall include further comprehensive information in accordance with the EIT’s financial rules.</p>	

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184a		<i>Every year the EIT Director shall present the annual activity report to the competent committees of the European Parliament.</i>		
185	Article 19	[no change]	[no change]	
186	Monitoring and evaluation of the EIT	[no change]	[no change]	
187	1. The EIT shall ensure that its activities, including those managed through KICs, shall be subject to continuous and systematic monitoring and periodic independent evaluation in accordance with its financial rules, to ensure both the highest quality of outcome, scientific excellence and the most efficient use of resources. The outcomes of the evaluations shall be made public.	[no change]	1. The EIT shall ensure that its activities, including those managed through KICs, shall be subject to continuous and systematic monitoring and periodic independent evaluation in accordance with its financial rules, to ensure both the highest quality of outcome, scientific excellence and the most efficient use of resources. The outcomes <u>of the monitoring and</u> of the evaluations shall be made public.	
188	2. The Commission shall provide for evaluations of the EIT with the assistance of independent experts selected on the basis of a transparent process in accordance with its financial rules. Those evaluations shall examine how the EIT fulfils its mission, cover all activities of the EIT and the KICs and assess the European added value of the EIT, the	2. The Commission shall provide for evaluations of the EIT with the assistance of independent experts selected on the basis of a transparent process in accordance with its financial rules. Those evaluations shall examine how the EIT fulfils its mission,	2. The Commission shall provide for evaluations of the EIT with the assistance of <u>external</u> independent experts selected on the basis of a transparent process in accordance with its financial rules. Those evaluations shall examine how the EIT fulfils	

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	<p>impact, effectiveness, sustainability, efficiency and relevance of the activities pursued and their coherence and/or complementarity with relevant national and Union policies, including synergies with other parts of the Union framework programme supporting research and innovation. They shall take into account the views of stakeholders, at both European and national level and feed into the Commission programme evaluations provided for in the Union framework programme supporting research and innovation.</p>	<p>cover all activities of the EIT and the KICs and assess the European added value of the EIT, the impact, effectiveness, sustainability, efficiency and relevance of the activities pursued and their coherence and/or complementarity with relevant national and Union policies , including synergies with other parts of <i>Horizon Europe, in particular the EIC, other partnerships and missions. The evaluation shall also assess aspects relating to the impact of RIS and its openness to the participation of new partners.</i> They shall take into account the views of stakeholders, at both European and national level and feed into the Commission programme evaluations provided for in <i>Horizon Europe.</i></p>	<p>its mission <u>and objectives,</u> cover all activities of the EIT and the KICs and assess the European added value of the EIT, the impact <u>across the Union, openness,</u> effectiveness, sustainability, efficiency and relevance of the activities pursued and their coherence and/or complementarity with relevant national and Union policies, including synergies with other parts of the Union framework programme supporting research and innovation <u>Horizon Europe.</u> They shall take into account the views of stakeholders, at both European and national level and feed into the Commission programme evaluations provided for in the Union framework programme supporting research and innovation <u>Horizon Europe.</u></p>	
189	<p>3. The Commission may carry out further evaluations of themes or topics of strategic relevance, with the assistance of independent experts selected on the basis of a transparent process, to examine the progress made by the EIT towards the</p>	<p><i>[no change]</i></p>	<p>3. The Commission may carry out further evaluations of themes or topics of strategic relevance, with the assistance of <u>external</u> independent experts selected</p>	

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	objectives set, identify the factors contributing to the implementation of the activities and identify best practices. By carrying out those further evaluations, the Commission shall fully consider the administrative impact on the EIT and the KICs.		on the basis of a transparent process, to examine the progress made by the EIT towards the objectives set, identify the factors contributing to the implementation of the activities and identify best practices. By carrying out those further evaluations, the Commission shall fully consider the administrative impact on the EIT and the KICs.	
190	4. The Commission shall communicate the results of the evaluations, accompanied by its observations, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. The Governing Board shall take due account of the findings of evaluations in the programmes and operations of the EIT.	<i>[no change]</i>	<i>[no change]</i>	
190a		<i>Article 19a</i>		
190b		<i>Mid-term review of the EIT</i>		
190c		<i>The EIT shall be subject to a thorough mid-term review by the Commission, on the basis of the periodic evaluations referred to in Article 19. It shall be conducted with the assistance of independent</i>		

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		<p><i>experts and carried out no later than three years after the start of the next financial period. That mid-term review shall assess, inter alia:</i></p> <p><i>(a) the results and impacts of the education initiative and its potential continuation;</i></p> <p><i>(b) the effectiveness of the KICs' financial sustainability strategies;</i></p> <p><i>(c) the implementation and impact of the RIS;</i></p> <p><i>(d) the feasibility of further increasing the collaboration between the EIT and all implementing bodies under Pillar III of Horizon Europe in order to examine whether the EIT could play a more horizontal role across all pillars and/or establish a one-stop-shop for innovation with a set of different complementary activities.</i></p>		
191	Article 20	<i>[no change]</i>	<i>[no change]</i>	
192	EIT budget	<i>[no change]</i>	<i>[no change]</i>	

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193	1. The revenue of the EIT shall consist of a contribution from the Union. The revenue of the EIT may also include a contribution from other private and public sources.	<i>[no change]</i>	<i>[no change]</i>	
194	The Union contribution may be provided through a financial contribution from the Union framework programme supporting research and innovation and other Union programmes, without prejudice to the amounts decided in the respective MFF.	The Union contribution <i>shall</i> be provided through a financial contribution <i>of [4 %] of the overall budget of Horizon Europe</i> and other Union programmes, without prejudice to the amounts decided in the respective MFF. <i>The EIT may receive additional funding from other Union programmes.</i>	The Union contribution may <i>shall</i> be provided through a financial contribution from <u>Horizon Europe set at [EUR 3 000 000 000] during</u> the Union framework programme supporting research and innovation and <u>period from 1 January 2021 to 31 December 2027.</u> <u>Additional financial resources from</u> other Union programmes, without prejudice to <u>may be received by</u> the amounts decided in the respective MFF <u>EIT.</u>	
195	2. The EIT financial contribution to the KICs shall be provided from the Union contribution referred in paragraph 1.	<i>[no change]</i>	<i>[no change]</i>	
196	Article 21	<i>[no change]</i>	<i>[no change]</i>	
197	Preparation and adoption of the annual budget	<i>[no change]</i>	<i>[no change]</i>	

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198	1. The content and structure of the budget of the EIT shall be established in accordance with its financial rules. The expenditure of the EIT shall include the staff, administrative, infrastructure and operational expenses. Administrative expenditure shall be kept to a minimum.	<i>[no change]</i>	1. The content and structure of the budget of the EIT shall be established in accordance with its financial rules. The expenditure of the EIT shall include the staff, administrative, infrastructure and operational expenses. Administrative expenditure shall be kept to a minimum. <u>Revenue and expenditure shall be in balance.</u>	
199	2. The Director shall draw up an estimate of the revenue and expenditure of the EIT for the following financial year and shall forward it to the Governing Board.	<i>[no change]</i>	<i>[no change]</i>	
200	3. The Governing Board shall adopt the draft estimate of EIT's revenue and expenditure, accompanied by a draft establishment plan, and forward them as a part of the single programming document by the date specified in the EIT's financial rules to the European Parliament, the Council and the Commission.	<i>[no change]</i>	<i>[no change]</i>	
201	4. The Governing Board shall adopt the EIT budget, which shall become final following the final adoption of the general budget of the European Union. Where appropriate, it shall be adjusted accordingly.	<i>[no change]</i>	<i>[no change]</i>	

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202	5. The Governing Board shall, as soon as possible, notify the budgetary authority of its intention to implement any project which may have significant financial implications for the funding of the EIT budget, in particular any projects relating to property such as the rental or purchase of buildings. It shall inform the Commission thereof.	<i>[no change]</i>	<i>[no change]</i>	
203	6. Any substantial modification of the budget shall follow the same procedure.	<i>[no change]</i>	<i>[no change]</i>	
204	Article 22	<i>[no change]</i>	<i>[no change]</i>	
205	Implementation and control of the budget	<i>[no change]</i>	<i>[no change]</i>	
206	1. The EIT shall adopt its financial rules in accordance with Article 70(3) of the Financial Regulation. Appropriate consideration shall be given to the need for adequate operational flexibility in order to enable the EIT to achieve its objectives and attract and retain private sector partners.	<i>[no change]</i>	<i>[no change]</i>	
207	2. The financial contribution to the EIT from the Union framework programme supporting research and innovation and other Union programmes	<i>[no change]</i>	2. The financial contribution to the EIT from the Union framework programme supporting research and innovation Horizon Europe	

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	shall be implemented in accordance with the rules of those programmes.		and other Union programmes shall be implemented in accordance with the rules of those programmes.	
208	3. The Director shall implement the budget of the EIT.	<i>[no change]</i>	<i>[no change]</i>	
209	4. The accounts of the EIT shall be consolidated with the Commission's accounts.	<i>[no change]</i>	<i>[no change]</i>	
210	Article 23	<i>[no change]</i>	<i>[no change]</i>	
211	Protection of the financial interests of the Union	<i>[no change]</i>	[Protection of the financial interests of the Union]	<i>square bracketed</i>
212	1. With a view to combating fraud, corruption and other illegal acts, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council ¹⁴ shall apply to the EIT in its entirety.	<i>[no change]</i>	1. With a view to combating fraud, corruption and other illegal acts, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council ¹⁵ shall apply to the EIT in its entirety.	<i>square bracketed</i>

¹⁴ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

¹⁵ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

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213	2. The EIT shall accede to the Interinstitutional Agreement of 25 May 1999 between the European Parliament, the Council of the European Union and the Commission of the European Communities concerning internal investigations by the European Anti-fraud Office (OLAF) ¹⁶ . The Governing Board shall formalise this accession and adopt the necessary measures to help OLAF carry out internal investigations.	<i>[no change]</i>	2. The EIT shall accede to the Interinstitutional Agreement of 25 May 1999 between the European Parliament, the Council of the European Union and the Commission of the European Communities concerning internal investigations by the European Anti-fraud Office (OLAF) ¹⁷ . The Governing Board shall formalise this accession and adopt the necessary measures to help OLAF carry out internal investigations.]	<i>square bracketed</i>
214	3. All decisions adopted and framework partnership agreements or grant agreements concluded by the EIT shall provide explicitly that OLAF and the Court of Auditors may carry out on-the-spot inspections of the documents of all contractors and sub-contractors which have received Union funds, including at the premises of the final beneficiaries.	<i>[no change]</i>	<i>[deleted]</i>	
215	Article 24	<i>[no change]</i>	<i>[no change]</i>	
216	Winding up of the EIT	<i>[no change]</i>	<i>[no change]</i>	

¹⁶ OJ L 136, 31.5.1999, p. 15.

¹⁷ OJ L 136, 31.5.1999, p. 15.

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217	In the event of the EIT being wound up, its liquidation shall take place under the supervision of the Commission in accordance with the applicable laws. The framework partnership agreements or grant agreements with the KICs shall lay down the appropriate provisions in such situation.	<i>[no change]</i>	<i>[no change]</i>	
217a		<i>Article 24a</i>		
217b		<i>Transitional Provisions</i>		
217c		<i>Agreements concluded by the EIT shall be governed by the rules applicable at the time of the launch of the respective call for proposals.</i>		
218	Article 25	<i>[no change]</i>	<i>[no change]</i>	
219	Statutes	<i>[no change]</i>	<i>[no change]</i>	
220	The Statutes of the EIT are set out in Annex I.	<i>[no change]</i>	<i>[no change]</i>	
220a			<u>Article 25a</u>	
220b			<u>Review clause</u>	
220c			<u>By [31 December 2026], the Commission shall, based on the results of the evaluations referred to in Article 19(2) and (3), submit, where appropriate, any proposals</u>	

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			<u>for amendments to this Regulation which it considers necessary, in particular in relation to the EIT's mission and objectives and with a view to extend the EIT budget beyond the period specified in [Article 3 and Article 20] in accordance with the relevant Union framework programme for research and innovation.</u>	
221	Article 26	<i>[no change]</i>	<i>[no change]</i>	
222	Repeal	<i>[no change]</i>	<i>[no change]</i>	
223	Regulation (EC) No 294/2008 is repealed.	<i>[no change]</i>	<i>[no change]</i>	
224	References to the repealed Regulation shall be construed as references to this Regulation and shall be read in accordance with the correlation table in Annex III.	<i>[no change]</i>	<i>[no change]</i>	
225	Article 27	<i>[no change]</i>	<i>[no change]</i>	
226	Entry into force	<i>[no change]</i>	<i>[no change]</i>	
227	This Regulation shall enter into force on the twentieth day following that of its publication in the <i>Official Journal of the European Union</i> .	<i>[no change]</i>	<i>[no change]</i>	

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228	This Regulation shall be binding in its entirety and directly applicable in all Member States.	<i>[no change]</i>	<i>[no change]</i>	
229	Done at Brussels,	<i>[no change]</i>	<i>[no change]</i>	
230	For the European Parliament For the Council	<i>[no change]</i>	<i>[no change]</i>	
231	The President The President	<i>[no change]</i>	<i>[no change]</i>	
232	ANNEX I	<i>[no change]</i>	<i>[no change]</i>	
233	<i>Statutes of the European Institute of Innovation and Technology</i>	<i>[no change]</i>	<i>[no change]</i>	
234	SECTION 1	<i>[no change]</i>	<i>[no change]</i>	
235	COMPOSITION OF THE GOVERNING BOARD	<i>[no change]</i>	<i>[no change]</i>	
236	1. The Governing Board shall be composed of 15 members, appointed by the Commission, providing a balance between those with experience in business, higher education and research. The term of office of the members of the Governing Board shall be four years. The Commission may extend that term of office once by a two-year period on the proposal of the Governing Board.	The Governing Board shall be composed of 15 members, <i>including a Member of the EIC</i> , appointed by the Commission providing a balance between those with experience in business, higher education, <i>innovation</i> and research. The term of office of the members of the Governing Board shall be four years. The Commission may extend that	1. The Governing Board shall, <u>when executing its responsibilities, act under the supervision of the Commission in implementing the EIT's mission and objectives.</u> <u>The Governing Board shall</u> be composed of 15 members, appointed by the Commission, providing a balance between those with experience in	

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		term of office once by a two-year period on the proposal of the Governing Board.	business, higher education and research. The term of office of the members of the Governing Board shall be four years. The Commission may extend that term of office once by a two-year period on the proposal of the Governing Board.	
237	Whenever necessary, the Governing Board shall submit to the Commission a shortlist of candidates for the purpose of appointment of a new member or members. The shortlisted candidates shall be selected on the basis of the outcome of a transparent and open procedure initiated by the EIT.	<i>deleted</i>	<i>[no change]</i>	EP moved to 238a
237a		<i>The members of the Governing Board shall be appointed by the Commission in a transparent manner and shall have proven excellent experience in higher education, research, innovation and business. This appointment shall be made following an open call for expression of interests.</i>		
238	The Commission shall have regard to the balance between higher education, research, innovation and business experience as well as to gender and geographical balance and an appreciation	The Commission shall <i>ensure</i> the balance between higher education, research, innovation and business experience as well as <i>the</i> gender and geographical	The Commission shall have regard to the balance between higher education <u>(including vocational education and training)</u> , research, innovation and business	

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	of the higher education, research and innovation environment across the Union.	balance and <i>the</i> appreciation of the higher education, research and innovation environment across the Union.	experience as well as to gender and geographical balance and an appreciation of the higher education, research and innovation environment across the Union.	
238a		<i>Whenever necessary, the Governing Board shall submit to the Commission a shortlist of candidates for the purpose of appointment of a new member or members. The shortlisted candidates shall be selected on the basis of the outcome of a transparent and open procedure initiated by the EIT.</i>		
239	The Commission shall appoint the member or members and inform the European Parliament and the Council of the selection process and of the final appointment of those members of the Governing Board.	<i>[no change]</i>	<i>[no change]</i>	
239a		<i>The Commission shall appoint a new member or members in accordance with the procedure laid down in subparagraphs 2 and 3.</i>		
240	In the event that a member is unable to complete his/her term of office, a substitute member shall be appointed by the same procedure as the incapacitated member in order to complete the latter's term of office. A substitute member who	<i>[no change]</i>	<i>[no change]</i>	

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	has served for a period of less than two years may be reappointed by the Commission for an additional period of four years at the request of the Governing Board.			
241	The Commission shall appoint three additional members of the Governing Board to reach the number of 15 within eighteen months of entry into force of this Regulation. The Board members appointed before the entry into force of this Regulation shall complete their non-renewable term of office.	<i>[no change]</i>	<i>[no change]</i>	
242	In exceptional and duly justified circumstances, in particular in order to maintain the integrity of the Governing Board, the Commission may, on its own initiative, terminate the term of office of a member of the Board.	<i>[no change]</i>	<i>[no change]</i>	
243	2. The Governing Board members shall act in the interests of the EIT, safeguarding its goals and mission, identity, autonomy and coherence, in an independent and transparent way.	<i>[no change]</i>	<i>[no change]</i>	
244	SECTION 2	<i>[no change]</i>	<i>[no change]</i>	
245	RESPONSIBILITIES OF THE GOVERNING BOARD	<i>[no change]</i>	<i>[no change]</i>	

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246	1. The Governing Board, in exercising its responsibility for steering the activities of the EIT, shall take strategic decisions, in particular:	1. The Governing Board, in exercising its responsibility for steering the activities of the EIT, shall take strategic decisions, in particular <i>it shall</i> :	1. The Governing Board, in exercising its responsibility for steering and monitoring the activities of the EIT, shall take strategic decisions, in particular:	
247	(a) adopt the EIT's contribution to the Commission's proposal on the EIT's Strategic Innovation Agenda (SIA);	(a) adopt the EIT's contribution to the Commission's proposal on the EIT's Strategic Innovation Agenda (SIA) <i>after taking into account the opinion of the existing KICs</i> ;	[no change]	
248	(b) adopt the EIT's single programming document, budget, annual accounts and balance sheet and consolidated annual activity report;	[no change]	[no change]	
249	(c) adopt criteria and procedures for financing, monitoring and evaluating the activities of the KICs, including the maximum allocation of EIT funds to them;	(c) adopt criteria and procedures for financing, monitoring and evaluating the activities of the KICs, including the maximum allocation of EIT funds to them, <i>taking into account the requirements set out in Article 11, as well as decide on appropriate corrective measures to be taken in the event of underperformance relating to the KICs' objectives</i> ;	(c) adopt sound criteria and clear and transparent procedures for performance-based financing, monitoring and evaluating the activities of the KICs, including the decision on the maximum allocation of EIT funds funding contribution to them, in view of implementing the relevant KIC business plan and achieving the objectives described in the SIA and in	

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			<u>accordance with Article 10 of this Regulation, including their progress in achieving financial sustainability;</u>	
250	(d) adopt the selection procedure of the KICs;	(d) adopt the selection procedure of the KICs <i>and promptly inform the Member States' Representatives Group referred to in Article 6, the EIT country liaison officers network, as well as national and regional authorities of that procedure;</i>	(d) adopt the selection procedure of the KICs, <u>in accordance with Article 9 of this Regulation and the SIA;</u>	
251	(e) select and designate a partnership as a KIC or withdraw the designation where appropriate;	(e) select and designate a partnership as a KIC, <i>based on the principles of excellence, balanced geographical representation, a turnover of partners and innovation, in accordance with criteria set out in Article 9</i> or withdraw the designation where appropriate;	(e) select and designate a partnership as a KIC or withdraw the designation where appropriate;	
252	(f) authorise the Director to prepare, negotiate and conclude framework partnership agreements, grant agreements and memoranda of cooperation, with the KICs;	<i>[no change]</i>	(f) authorise the Director to prepare, negotiate and conclude framework partnership agreements; <u>and</u> grant agreements and memoranda of cooperation, with the KICs;	

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252a			<u>(fa) authorise the Director to prepare and negotiate Memoranda of Cooperation with the KICs and, after having examined the negotiated Memoranda, authorise the Director to conclude them;</u>	
253	(g) authorise the Director to extend framework partnership agreements with the KICs beyond the period initially set;	(g) authorise the Director to extend framework partnership agreements with the KICs beyond the period initially set <i>based on a positive outcome of the assessments in accordance with Articles 10 and 11;</i>	(g) authorise the Director to extend framework partnership agreements with the KICs beyond the period initially set, <u>subject to the satisfactory outcome of the comprehensive assessment, as described in the SIA and in accordance with Article 10 of this Regulation, before the expiry of this period in accordance with Article 11;</u>	
254				
	(h) authorise the Director to prepare, negotiate and conclude grant agreements with other legal entities;	<i>[no change]</i>	<i>[no change]</i>	
255				
	(i) adopt effective monitoring and evaluation procedures relating to the performance of the EIT and KICs in accordance with Article 19, and supervise their implementation by the Director;	<i>[no change]</i>	(i) adopt effective, <u>efficient, transparent and continuous</u> monitoring and evaluation procedures relating to the performance, <u>including a sound set of the EIT and KICs indicators</u> in accordance with Articles <u>10, 11, 18 and 19 of this Regulation,</u> and	

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			supervise their implementation by the Director;	
256	(j) take appropriate measures, including the reduction, modification or withdrawal of the EIT's financial contribution to the KICs or the termination of the framework partnership agreements with them;	(j) take appropriate measures, including the reduction, modification or withdrawal of the EIT's financial contribution to the KICs, <i>in the event of underperformance</i> , or the termination of the framework partnership agreements with them <i>based on the outcome of the assessments in accordance with Articles 10, 11 and 17</i> ;	(j) take appropriate <u>corrective measures on underperforming KICs</u> , including the reduction, modification or withdrawal of the EIT's financial contribution to the KICs or the termination of the framework partnership agreements with them, <u>based on the monitoring and the assessment results, in accordance with the objectives of the EIT and the KICs and Articles 10, 11 and 17 of this Regulation</u> ;	
256a		(ja) <i>be able to exceptionally request (by two thirds majority) a KIC Supervisory Board Chairpersons or a KIC Chief Executive Officers to step down in case of negligence, underperformance or grave misconduct and issue, if deemed necessary, non-binding recommendations for the KIC concerned with this internal re-organisation</i> ;	(ja) <u>encourage the KICs to adopt operational models for openness towards new partner organisations</u> ;	

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257	(k) promote the EIT globally, so as to raise its attractiveness, and for this purpose authorise the Director to sign memoranda of understanding with Member States, associated countries or third countries;	<i>[no change]</i>	(k) promote the EIT <u>across the Union and</u> globally, so as to raise its attractiveness, and for this purpose authorise the Director to sign memoranda of understanding with Member States, associated countries or third countries;	
258				
	(l) decide on the design and coordination of support actions undertaken by the KICs for the development of entrepreneurial and innovation capacity of higher education institutions and their integration in innovation ecosystems.	(l) decide on the design and coordination of support actions undertaken by the KICs for the development of entrepreneurial and innovation capacity of higher education institutions and <i>certified training institutions</i> and their integration in innovation ecosystems.	(l) decide on the design and coordination of support actions undertaken by the KICs <u>to broaden the impact of the EIT across the Union</u> for the development of entrepreneurial and innovation capacity of higher education institutions, <u>as well as vocational education and training institutions where appropriate</u> , and their integration in innovation ecosystems, <u>in order to reinforce the knowledge triangle integration</u> .	
258a		<i>(la) promote the creation of synergies between the EIT and the KICs and the Union Framework Programmes as well as national and regional funding schemes.</i>		
259	2. The Governing Board shall take other procedural and operational decisions	2. The Governing Board shall take other procedural and	<i>[no change]</i>	

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	necessary for the fulfilment of its tasks and the activities of the EIT, in particular:	operational decisions necessary for the fulfilment of its tasks and the activities of the EIT, in particular <i>to</i> :		
260	(a) adopt its rules of procedure, those for the Executive Committee, as well as the specific financial rules of the EIT;	<i>[no change]</i>	<i>[no change]</i>	
260a			<u>(aa) delegate specific tasks to the Executive Committee;</u>	
261	(b) define appropriate fees for members of the Governing Board and of the Executive Committee, which shall be benchmarked against similar remuneration in the Member States;	<i>[no change]</i>	<i>[no change]</i>	
262	(c) adopt a procedure for selecting the Executive Committee;	(c) adopt <i>an open and transparent</i> procedure for selecting the Executive Committee;	(c) adopt a procedure for selecting the <u>members of the</u> Executive Committee;	
263	(d) appoint the Director and if necessary extend his/her term of office or remove the Director from office, in accordance with Section 5;	<i>[no change]</i>	<i>[no change]</i>	
264	(e) appoint the Accounting Officer and the members of the Executive Committee;	<i>[no change]</i>	<i>[no change]</i>	
265	(f) adopt a code of good conduct regarding conflicts of interest;	<i>[no change]</i>	<i>[no change]</i>	

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266	(g) establish, where appropriate, advisory groups which may have a defined duration;	<i>[no change]</i>	(g) establish, where appropriate, advisory groups which may shall have a defined objective, tasks and duration;	
267	(h) set up an Internal Auditing Function in accordance with EIT's financial rules;	<i>[no change]</i>	<i>[no change]</i>	
268	(i) decide on the working languages of the EIT, taking into account existing principles on multilingualism and the practical requirements of its operations;	<i>[no change]</i>	<i>[no change]</i>	
269	(j) convene an annual senior-level meeting with the KICs.	<i>[no change]</i>	(j) convene an annual senior-level meeting with the KICs;	
269a			<u>(k) report on KICs co-operation with other European partnerships.</u>	
270	3. The Governing Board shall take decisions in compliance with the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Union, laid down in Council Regulation (EEC, Euratom, ECSC) No 259/68 ¹⁸ , relating to the EIT staff and the conditions of its employment, in particular:	<i>deleted</i>	<i>[no change]</i>	EP moved to 295a with slight changes

¹⁸ OJ L 56, 4.3, 1968, p. 1.

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271	(a) adopt the implementing measures for giving effect to the Staff Regulations and the Conditions of Employment of Other Servants, in accordance with Article 110(2) of the Staff Regulations;	<i>deleted</i>	<i>[no change]</i>	EP moved to 295a with slight changes
272	(b) exercise in accordance with point (c) the powers conferred by the Staff Regulations on the Appointing Authority and by the Conditions of Employment of Other Servants on the Authority Empowered to Conclude a Contract of Employment (the ‘appointing authority powers’);	<i>deleted</i>	<i>[no change]</i>	EP moved to 295a with slight changes
273	(c) adopt, in accordance with Article 110(2) of the Staff Regulations, a decision based on Article 2(1) of the Staff Regulations and Article 6 of the Conditions of Employment of Other Servants, delegating relevant appointing authority powers to the Director and defining the conditions under which this delegation of powers can be suspended. The Director shall be authorised to sub-delegate those powers;	<i>deleted</i>	<i>[no change]</i>	EP moved to 295a with slight changes
274	(d) adopt a decision to temporarily suspend, where exceptional circumstances so require, the delegation of the appointing authority powers to the Director and those sub-delegated by the latter and exercise them itself or delegate	<i>deleted</i>	<i>[no change]</i>	EP moved to 295a with slight changes

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	them to one of its members or to a staff member other than the Director.			
			<i>[no change]</i>	
275	SECTION 3	<i>[no change]</i>		
276	FUNCTIONING OF THE GOVERNING BOARD	<i>[no change]</i>	<i>[no change]</i>	
277	1. The Governing Board shall elect its Chairperson from among its members. The term of office of the Chairperson shall be two years, renewable once.	<i>[no change]</i>	<i>[no change]</i>	
278	2. The representative of the Commission shall participate in the meetings of the Governing Board, without the right to vote, but his/her agreement shall be required in accordance with paragraph 5. He/she shall have the right to suggest points on the agenda of the Governing Board.	<i>[no change]</i>	<i>[no change]</i>	
279	3. The Director shall participate in the meetings of the Governing Board, without the right to vote.	<i>[no change]</i>	<i>[no change]</i>	
280	4. The Governing Board shall adopt decisions by simple majority of members having a right to vote.	<i>[no change]</i>	<i>[no change]</i>	
281	However, decisions under points (a), (b), (c), (d), and (l) of Section 2(1) and points (d) and (i) of Section 2(2), as well as under paragraph 1 of this Section shall	<i>[no change]</i>	<i>[no change]</i>	

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	require a majority of two thirds of its members having the right to vote.			
282	5. Decisions of the Governing Board under points (c), (g), (i) and (k) of Section 2(1), point (b) of Section 2(2) and point (a) of Section 2(3) shall require agreement of the Commission, expressed by its representative in the Governing Board.	<i>[no change]</i>	5. Decisions of the Governing Board under points (c), <u>(e)</u> , (g), (i) and (k) of Section 2(1), point (b) of Section 2(2) and point (a) of Section 2(3) shall require agreement of the Commission, expressed by its representative in the Governing Board.	
282a			<u>5a. The Governing Board shall seek the opinion of the Member States' Representatives Group prior to decisions concerning the extension or termination of the framework partnership agreements with the KICs in accordance with points (g) and (j) of Section 2(1), and on the conclusion of the Memorandum of Cooperation with a KIC in accordance with point (fa) of Section 2(1).</u>	
283	6. The Governing Board shall meet in ordinary session at least four times a year and in extraordinary session when convened by its Chairperson or at the request of at least one third of all its	<i>[no change]</i>	<i>[no change]</i>	

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	members or the representative of the Commission.			
284	SECTION 4	<i>[no change]</i>	<i>[no change]</i>	
285	THE EXECUTIVE COMMITTEE	<i>[no change]</i>	<i>[no change]</i>	
286	1. The Executive Committee shall assist the Governing Board in the performance of its tasks.	<i>[no change]</i>	<i>[no change]</i>	
287	2. The Executive Committee shall consist of four members and the Chairperson of the Governing Board, who shall also chair the Executive Committee. The four members other than the Chairperson shall be chosen by the Governing Board from among the Governing Board's members, providing a balance between those with experience in business, higher education and research. The term of office of the members of the Executive Committee shall be two years, renewable once.	2. The Executive Committee shall consist of three members and the Chairperson of the Governing Board, who shall also chair the Executive Committee. The three members other than the Chairperson shall be chosen by the Governing Board from among the Governing Board's members, providing a balance between those with experience in business, higher education and research. The term of office of the members of the Executive Committee shall be two years, renewable once.	2. The Executive Committee shall consist of four five members and, including the Chairperson of the Governing Board, who shall also chair the Executive Committee. The four members other than the Chairperson shall be chosen by the Governing Board from among the Governing Board's members, providing a balance between those with experience in business, higher education and research. The term of office of the members of the Executive Committee shall be two years, renewable once.	
288	3. The Executive Committee shall prepare the meetings of the Governing Board in cooperation with the Director.	<i>[no change]</i>	<i>[no change]</i>	

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289	4. The Governing Board may delegate specific tasks to the Executive Committee.	<i>[no change]</i>	<i>[deleted]</i>	
290	5. The Governing Board may request the Executive Committee to supervise and monitor the implementation of decisions and recommendations of the Governing Board.	<i>[no change]</i>	4. The Governing Board may request the Executive Committee to supervise and monitor the implementation of decisions and recommendations of the Governing Board.	
291	6. The Executive Committee shall be consulted on the draft EIT's contribution to the Commission's proposal on the SIA, draft single programming document, draft consolidated annual activity report, draft annual budget and draft annual accounts and balance sheet before their submission to the Governing Board.	<i>[no change]</i>	5. The Executive Committee shall be consulted <u>prepare the discussion and adoption of the Governing Board</u> on the draft EIT's contribution to the Commission's proposal on the SIA. <u>In addition, the Executive Committee shall prepare the discussion of the Governing Board on the</u> draft single programming document, <u>the</u> draft consolidated annual activity report, draft <u>the</u> annual budget and <u>the</u> draft annual accounts and <u>the</u> balance sheet before their submission to the Governing Board.	

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292	7. Decisions of the Executive Committee shall be adopted on the basis of a majority of the members present. Each member shall have one vote.	<i>[no change]</i>	7.6. Decisions of the Executive Committee shall be adopted on the basis of a majority of the members present. Each member shall have one vote.	
293	8. The representative of the Commission shall participate in the meetings of the Executive Committee, without the right to vote. The representative of the Commission shall have the right to suggest points on the agenda of the Executive Committee.	<i>[no change]</i>	8.7. The representative of the Commission shall participate in the meetings of the Executive Committee, without the right to vote. The representative of the Commission shall have the right to suggest points on the agenda of the Executive Committee.	
294	9. The Director shall participate in the meetings of the Executive Committee, without the right to vote.	<i>[no change]</i>	9.8. The Director shall participate in the meetings of the Executive Committee, without the right to vote.	
295	10. The members of the Executive Committee shall act in the interests of the EIT, safeguarding its goals and mission, identity, autonomy and coherence, in an independent and transparent way. They shall regularly report to the Governing Board on the adopted decisions and tasks assigned to them by the Governing Board.	<i>[no change]</i>	10.9. The members of the Executive Committee shall act in the interests of the EIT, safeguarding its goals and mission, identity, autonomy and coherence, in an independent and transparent way. They shall regularly report to the Governing Board on the adopted decisions and	

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			tasks assigned to them by the Governing Board.	
295a		<p><i>10a. The Governing Board shall take decisions in accordance with the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Union, laid down in Council Regulation (EEC, Euratom, ECSC) No 259/68¹⁹, relating to the EIT staff and the conditions of its employment. In particular it shall:</i></p> <p><i>(a) adopt the implementing measures in order to give effect to the Staff Regulations and the Conditions of Employment of Other Servants, in accordance with Article 110(2) of the Staff Regulations;</i></p> <p><i>(b) in accordance with point (c) of this paragraph, exercise the powers conferred by the Staff Regulations on the Appointing Authority and by the Conditions of</i></p>		EP moved from 270-274

¹⁹ OJ L 56, 4.3.1968, p. 1.

		<p><i>Employment of Other Servants on the Authority Empowered to Conclude a Contract of Employment (the ‘appointing authority powers’);</i></p> <p><i>(c) in accordance with Article 110(2) of the Staff Regulations, adopt a decision based on Article 2(1) of the Staff Regulations and on Article 6 of the Conditions of Employment of Other Servants, delegating relevant appointing authority powers to the Director and establishing the conditions under which that delegation can be suspended with the Director being authorised to sub-delegate those powers;</i></p> <p><i>(d) adopt a decision to temporarily suspend, where exceptional circumstances so require, the delegation of the appointing authority powers to the Director and those sub-delegated by the latter and exercise them itself or delegate them to one of its members or to a staff member other than the Director.</i></p>		
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296	SECTION 5	<i>[no change]</i>	<i>[no change]</i>	
297	THE DIRECTOR	<i>[no change]</i>	<i>[no change]</i>	
298	1. The Director shall be a person with expertise and high reputation in the areas where the EIT operates. The Director shall be a member of the EIT staff and shall be engaged as a temporary agent under Article 2(a) of the Conditions of Employment of Other Servants.	<i>[no change]</i>	<i>[no change]</i>	
299	2. The Director shall be appointed by the Governing Board from a list of candidates proposed by the Commission, following an open and transparent selection procedure. For the purpose of concluding the contract with the Director, the EIT shall be represented by the Chairperson of the Governing Board.	<i>[no change]</i>	<i>[no change]</i>	
300	3. The term of office of the Director shall be four years. The Governing Board, acting on a proposal from the Commission that takes into account its evaluation of the Director's performance and the EIT's future tasks and challenges, may extend that term of office once for a period of up to two years. A Director whose term of office has been extended may not participate in another selection procedure for the same post.	3. The term of office of the Director shall be four years. The Governing Board , acting on a proposal from the Commission that takes into account its evaluation of the Director's performance and the EIT's best interests as well as its future tasks and challenges, may extend that term of office once for a period of up to four years. A Director whose term of office	<i>[no change]</i>	

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		has been extended may not participate in another selection procedure for the same post.		
301	4. The Director may be removed from office only upon a decision of the Governing Board acting on a proposal from the Commission.	<i>[no change]</i>	<i>[no change]</i>	
302	5. The Director shall be responsible for operations and for the day-to-day management of the EIT and shall be its legal representative. The Director shall be accountable to the Governing Board and report to it on an ongoing basis on the development of the EIT activities and all activities falling under his/her responsibility.	<i>[no change]</i>	<i>[no change]</i>	
303	6. The Director shall in particular:	<i>[no change]</i>	<i>[no change]</i>	
304	(a) organise and manage the activities of the EIT;	<i>[no change]</i>	<i>[no change]</i>	
305	(b) support the Governing Board and the Executive Committee in their work, provide the secretariat for their meetings and supply all information necessary for the performance of their duties;	<i>[no change]</i>	<i>[no change]</i>	
306	(c) support the Governing Board in preparing the EIT's contribution to the Commission's proposal on the SIA;	<i>[no change]</i>	<i>[no change]</i>	

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307	(d) prepare the draft single programming document, the draft consolidated annual activity report and the draft annual budget for submission to the Governing Board;	<i>[no change]</i>	<i>[no change]</i>	
308	(e) prepare and administer the KICs selection process and ensure that the various stages of that process are carried out in a transparent and objective manner, under the supervision of the Governing Board;	(e) prepare and administer the KICs selection process and ensure that the various stages of that process are carried out in a transparent and objective manner, under the supervision of the Governing Board, <i>annexing a detailed report of the selection process to the consolidated annual activity report;</i>	(e) prepare and administer the KICs selection process and ensure that the various stages of that process are carried out in a transparent and objective manner, under the supervision of the Governing Board. <u>A detailed report of the selection process shall be annexed to the consolidated annual activity report;</u>	
309	(f) prepare, negotiate and conclude, with the agreement of the Governing Board, framework partnership agreements, grant agreements and memoranda of cooperation, with the KICs;	<i>[no change]</i>	(f) prepare, negotiate and conclude, <u>withunder</u> the agreement <u>authorisation</u> of the Governing Board, framework partnership agreements; <u>and</u> grant agreements and memoranda of cooperation; with the KICs;	
309a			<u>(fa) prepare and negotiate Memoranda of Cooperation with the KICs and, subject to final approval by the Governing Board, conclude them in</u>	

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			<u>accordance with Section 2(1)fa of the Statutes;</u>	
310	(g) prepare, negotiate and conclude, with the agreement of the Governing Board, grant agreements with other legal entities;	<i>[no change]</i>	<i>[no change]</i>	
311	(h) organise the meetings of the Stakeholder Forum and of the Member States' Representatives Group, under the supervision of the Governing Board;	<i>[no change]</i>	(h) organise the meetings of the Stakeholder Forum and of the Member States' Representatives Group <u>and ensure effective communication with them,</u> under the supervision of the Governing Board;	
312	(i) sign, with the agreement of the Governing Board, memoranda of understanding with Member States, associated or third countries with the aim to promote the EIT globally;	<i>[no change]</i>	(i) sign, with the agreement <u>authorisation</u> of the Governing Board, memoranda of understanding with Member States, associated or third countries with the aim to promote the EIT globally;	
313	(j) ensure the implementation of effective monitoring and evaluation procedures relating to the performance of the EIT in accordance with Article 19, under the supervision of the Governing Board;	(j) ensure the implementation of effective monitoring and evaluation procedures relating to the performance of the EIT in accordance with Article 19, <i>as well as implement appropriate corrective measures in the event of underperformance</i>	(j) ensure the implementation of effective monitoring, <u>assessment</u> and evaluation procedures relating to the performance of the EIT <u>KICs</u> in accordance with Article 19 <u>Section 2.1 point (i)</u> , under the supervision of the Governing Board;	

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		<i>with regard to the EIT's objectives and target</i> , under the supervision of the Governing Board;		
314	(k) be responsible for administrative and financial matters, in accordance with the principle of sound financial management, including the implementation of the EIT budget, taking due account of advice received from the Internal Auditing Function;	[no change]	[no change]	
315	(l) submit the draft annual accounts and balance sheet to the Internal Auditing Function, and subsequently to the Governing Board;	[no change]	[no change]	
316	(m) ensure that the obligations of the EIT with regard to the contracts and agreements it has concluded are met, under the supervision of the Governing Board;	[no change]	[no change]	
317	(n) ensure effective communication with the Union's institutions, under the supervision of the Governing Board;	(n) ensure effective communication with the Union's institutions, <i>by means of annual presentations to the European Parliament and the Council</i> under the supervision of the Governing Board;	(n) ensure effective communication with the Union's institutions, under the supervision of the Governing Board. <u>In addition, inform the Member States' Representatives Group on the results of the monitoring, assessment and evaluation, and transmit the</u>	

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			<u>opinions of the Member States' Representatives Group to the Governing Board;</u>	
318	(o) act in the interests of the EIT, safeguarding its goals and mission, identity, autonomy and coherence, in an independent and transparent way.	<i>[no change]</i>	<i>[no change]</i>	
319	7. The Director shall perform any other tasks entrusted to him/her by the Governing Board and under its responsibility.	<i>[no change]</i>	<i>[no change]</i>	
319a			<u>SECTION 5a</u>	
319b			<u>MEMBER STATES' REPRESENTATIVES GROUP</u>	
319c			<u>1. The Member States' Representatives Group shall:</u>	
319d			<u>a) give advice to and share experience with the EIT and the KICs;</u>	
319e			<u>b) advice the Governing Board and the Director on strategically important issues;</u>	(correct > "advise")
319f			<u>c) advice the Governing Board and the Director on the extension or termination of the framework partnership agreements with the KICs and on the</u>	(correct > "advise")

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			<u>conclusion of the Memorandum of Cooperation with a KIC, in accordance with Section 3(5a.).</u>	
319g			<u>2. Member States' Representatives Group shall be regularly informed and gives views on the performance, achievements and activities of the EIT and the KICs, on the monitoring and evaluation results, the performance indicators and the corrective measures.</u>	
320	SECTION 6	<i>[no change]</i>	<i>[no change]</i>	
321	STAFF OF THE EIT AND SECONDED NATIONAL EXPERTS	<i>[no change]</i>	<i>[no change]</i>	
322	1. The staff of the EIT shall consist of personnel employed directly by the EIT. The Staff Regulations, the Conditions of Employment of Other Servants and the rules adopted by agreement between the institutions of the Union for giving effect to them shall apply to the staff of the EIT.	1. The staff of the EIT shall consist of personnel employed directly by the EIT . The Staff Regulations, the Conditions of Employment of Other Servants and the rules adopted by agreement between the institutions of the Union for giving effect to them shall apply to the staff of the EIT. <i>This paragraph shall apply to EIT staff whose contracts expire in 2020.</i>	<i>[no change]</i>	

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323	2. National experts may be seconded to the EIT for a limited period. The Governing Board shall adopt provisions enabling seconded national experts to work at the EIT and defining their rights and responsibilities.	<i>[no change]</i>	<i>[no change]</i>	
	END	END	END	