



OPINION 02/2024

OF THE MEMBER STATE REPRESENTATIVES GROUP

ON THE EXTENSION OF THE EIT'S PARTNERSHIP AGREEMENT WITH
EIT FOOD

THE MEMBER STATE REPRESENTATIVES GROUP,

Having regard to Regulation (EU) No 2021/819 of the European Parliament and of the Council of 20 May 2021 on the European Institute of Innovation and Technology (recast)¹ (hereinafter 'EIT Regulation'), in particular, Article 5 (3) and Article 6 (p) and Article 11 (5) thereof, and Section 3 (6) of the Statutes of the EIT annexed to the EIT Regulation;

Having regard to Regulation (EU) No 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013² (hereinafter 'Horizon Europe Regulation'), in particular, Article 10 and Annex III thereof;

Having regard to Decision 10/2022 of the EIT Governing Board of 16 March 2022 repealing and replacing Decision 2/2022 of the EIT Governing Board of 31 January 2022 on the cooperation with the Member State Representatives Group³ and in particular, Article 5 thereof;

Having regard to Decision 18/2021 of the EIT Governing Board of 7 May 2021 on the Rules of Procedure of the EIT Governing Board and Executive Committee⁴, in particular, Article 9 (2), (3) and (4) thereof;

Having regard to Decision 20/2022 of the EIT Governing Board of 16 March 2022 on the cooperation with the Member State Representatives Group, in particular Articles 5 and 6 thereof⁵;

Having regard to Decision 01/2022 of the Member States Representatives Group on the Rules of Procedure of the Member State Representative Group⁶, and in particular, Article 6.3 thereof;

I. THE REQUEST FOR AN OPINION**- BACKGROUND**

1. In line with the EIT Regulation, the EIT may establish a partnership agreement with a Knowledge Innovation Community (hereinafter 'KIC') for an initial period of seven years. Before expiry of the seven-year period, the EIT shall, under the supervision of the Governing Board, conduct a comprehensive assessment of the performance and activities of each KIC, with the support of independent external experts.
2. The partnership agreement with EIT Food was signed on 1st March 2018 for an initial period of seven years, from 1st January 2018 until 31st December 2024. Based on the elements and criteria defined in Article 11

¹ OJ L 189/61 of 28.5.2021

² OJ L 170/58 of 12.5.2021

³ Ares(2022)777844

⁴ Ares(2021)3139636

⁵ Ares(2022)2127544

⁶ Ares(2022)2213139



of the EIT Regulation, the EIT GB may decide to extend the partnership agreements for a further period of up to seven years or discontinue the EIT's financial contribution and not extend the partnership agreement with a KIC.

3. According to Article 11 (5) of the EIT Regulation, for the purpose of deciding on whether to extend the partnership agreement with a KIC in line with Article 11 (4) of the EIT Regulation, the EIT Governing Board shall take into account the criteria for implementing, monitoring and evaluating the European Partnerships set out in Regulation (EU) 2021/695 and, with regard to the KICs, the following matters:
 - a) their relevance to the Union's global challenges;
 - b) their Union added value and relevance with regard to the objectives of the EIT;
 - c) the achievement of their objectives;
 - d) their efforts to coordinate their activities with other relevant research and innovation initiatives;
 - e) their capacity to ensure openness to new members;
 - f) their achievements in attracting new members from across the Union;
 - g) their compliance with good governance principles;
 - h) their efforts and results in designing and implementing gender-sensitive measures and activities; and
 - i) their capacity to develop sustainable innovation ecosystems and the achieved level of financial sustainability.
4. According to point 6 of Section 3 of Annex I of the EIT Regulation, as referred to in the Rules of procedure of the EIT Governing Board and in the decision of the EIT Governing Board on the cooperation with the Member States Representatives Group (MSRG), the EIT Governing Board shall seek the opinion of the MSRG prior to adopting that decision. The MSRG opinion shall not be binding on the Governing Board. It shall be issued without undue delay and in any event not later than two months after it has been requested.
5. The opinion of the MSRG concerning the extension of the partnership agreement with EIT Food after 7 years was requested by the EIT Director on 27 May 2024. In order to enable MSRG to give an informed opinion on the aforementioned subject matter, the following background information and documents were shared with the MSRG: Seven-year comprehensive assessment of EIT Food, Methodology of KIC 7-year comprehensive assessments, briefing note for MSRG, and an outline of the draft MSRG opinion.
6. Members of the MSRG submitted their preliminary observations on the extension of the partnership agreement with EIT Food prior to the MSRG's meeting scheduled for 30 May 2024. A draft MSRG Opinion was shared with the Members of the MSRG prior to the meeting.
7. Members of the MSRG further expressed their views on the extension of the partnership agreement with EIT Food at the meeting of 30 May 2024 before adopting the MSRG opinion by means of a 2-step written procedure.

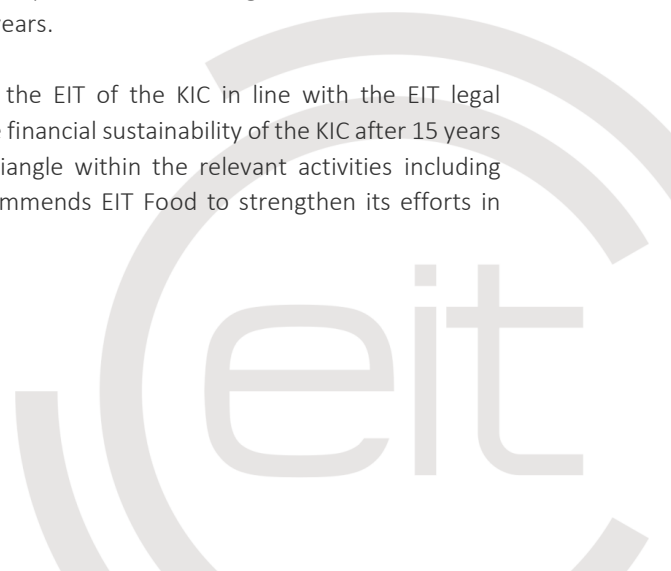
- OBSERVATIONS AND RECOMMENDATIONS

1. MSRG acknowledges the continuous relevance of EIT Food to the Union's global challenges, their Union added value and relevance in regard to the objectives of the EIT, based on the overall positive outcome of the seven-year comprehensive assessment of the KIC. The KIC has been successful in growing its partnership and developed new cooperation opportunities for within and beyond the Union.
2. The MSRG in particular underlines the added value of EIT Food as it has proved to be an important European network and crucial for innovation and change in the food sector. EIT Food has demonstrated robust support for sustainable agriculture and innovation across Europe through training, innovation promotion, and extensive farmer reach. MSRG recognises the specialised agrifood expertise within EIT Food, its innovation community and vast network that has the capability to support food companies, many of which have very specific niches where access to potential customers can be challenging. To this end, EIT



Food activities have proved to be highly relevant to the overall objectives of the European Union in this field.

3. At the same time, MSRG notes that besides the overall positive assessment, the report also highlights a number of weaknesses and areas for improvement for the KIC, in particular, in the field of financial sustainability, considering relatively low revenues generated from education and return on investment and insufficient diversity of revenues. To this end, the KIC should aim to depart from the current dominance of membership fees and involve a comprehensive range of actors incl. retailers, food industry and the financial sector. Stronger involvement of financial partners is also critical for a better exploration of innovation and entrepreneurial activities. Furthermore, MSRG also echoes the report's findings that the EIT Food's support had little impact on start-up revenue growth.
4. MSRG emphasises that the calls launched by EIT Food should contribute to a sustainable food sector, in line with the objectives of the Green Deal, by taking into account scientific findings. MSRG recommends that the KIC's support for spin-offs should be expanded to facilitate start-ups and enable scaling as a means to reinforce financial sustainability. EIT Food should also analyse challenges in business creation with respect to the field of primary production and consider what changes are needed to encourage more EIT-labelled MSc and PhD graduates to join or found start-ups. Furthermore, the KIC should deploy validated method to value its assets.
5. MSRG notes the unbalanced knowledge triangle integration within the business creation area and stresses that the KIC should further strengthen cooperation between food industry and universities, including by exploring means of financial support to trainings and further education. MSRG further notes the importance of increasing knowledge triangle activities (educational, entrepreneurial and innovation) at the level of the RIS Hubs. MSRG recommends paying due attention to in-person (onsite) educational and training activities.
6. MSRG emphasises that the KIC shall seek to improve synergies, ensuring better coordination with the HE Cluster 6 initiatives, relevant partnerships and missions, as well as with other entrepreneurial programmes and acceleration activities, including EIC activities.
7. MSRG is concerned that geographical distribution of partners is not balanced across countries and regions. MSRG notes that some regions in Europe are underrepresented and encourages the KIC to work towards a more balanced geographical distribution of partners and activities. Hence, MSRG encourages the KIC to work towards a more balanced geographical distribution of partners and the full set of activities, while maintaining excellence at the core of its activities.
8. In light of the above, MSRG underlines the need for the KIC to implement the recommendations foreseen in the comprehensive assessment, and to make significant improvements with regard to the weaknesses identified and the recommendations above in the coming years.
9. MSRG highlights the importance of close monitoring by the EIT of the KIC in line with the EIT legal framework, in particular concerning the achievement of the financial sustainability of the KIC after 15 years and regarding systemic cooperation in the knowledge triangle within the relevant activities including business creation and RIS. At the same time, MSRG recommends EIT Food to strengthen its efforts in communicating the impact of its activities.





II. CONCLUSIONS

In light of the above, the MSRG takes the view that:

- (1) Considering the above observations and recommendations, the EIT Director shall be authorised to extend the partnership agreement with EIT Food for a further period of 7 years.
- (2) MSRG strongly recommends to the EIT Governing Board that the EIT closely monitors the progress made by EIT Food in the areas of improvement identified in the comprehensive assessment and in this opinion, in particular stressing the need to accelerate progress towards financial sustainability.
- (3) The present opinion shall be communicated without delay by the EIT Director to the EIT Governing Board after its adoption.

Done at Budapest, 23 July 2024

For the MSRG

Martin Kern

EIT Director and Co-Chairperson of the Member State Representatives Group

Peter Spyns

MSRG Representative of Belgium and Co-Chairperson of the Member State Representatives Group