

DECISION 11/2022
OF THE GOVERNING BOARD OF
THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY (EIT)

ON THE PRINCIPLES FOR THE DETERMINATION OF THE EIT FINANCIAL ALLOCATION
TO THE KNOWLEDGE AND INNOVATION COMMUNITIES' (KICS') BUSINESS PLANS
FOR 2023-2025 (BUSINESS PLANS 2023-2024 FOR THE FIRST WAVE KICS),
TO CROSS-KIC ACTIVITIES AND SHARED SERVICES FOR 2023-2025,
AND TO THE HIGHER EDUCATION (HEI) INITIATIVE 2023

THE GOVERNING BOARD OF THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY,

HAVING REGARD to Regulation 2021/819 of the European Parliament and of the Council of 20 May 2021 on the European Institute of Innovation and Technology (hereafter referred to as the "EIT Regulation (recast)")¹, in particular to Article 18(7) and Section 2(1)(c) of the Statutes annexed thereto;

HAVING REGARD to Decision 2021/820 of the European Parliament and of the Council of 20 May 2021 on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT) 2021-2027: Boosting the Innovation Talent and Capacity of Europe (hereafter referred to as the "EIT Strategic Innovation Agenda 2021-2027")², in particular to Sections 3.6.2-3.6.3 and 5.2.1 thereof;

HAVING REGARD to Regulation 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 1291/2013³;

HAVING REGARD to 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 (hereinafter referred to as the "EU Financial Regulation")⁴;

HAVING REGARD to Decision 21/2019 of the EIT Governing Board of the EIT of 25 September 2019 on the Financial Regulation of the European Institute of Innovation and Technology (hereinafter referred to as the "EIT Financial Regulation")⁵, in particular Article 1 thereof;

HAVING REGARD to the Decision of the Governing Board of the EIT of 16 December 2009 on the selection and designation of KIC InnoEnergy, Climate KIC and EIT ICT Labs⁶;

¹ OJ L 189, 28.5.2021, p. 61-90.

² OJ L 189, 28.5.2021, p. 91-118.

³ OJ L 170, 12.5.2021, p. 1-68.

⁴ OJ L 193, 30.7.2018, p. 1-222

⁵ Ref. Ares(2019)6810859

⁶ Ref. Ares(2010) 130286-11/03/2010

HAVING REGARD to the Decision of the Governing Board of the EIT of 9 December 2014 on the designation of the Knowledge and Innovation Communities (KICs) in the ‘Innovation for healthy living and active ageing’ theme and the: ‘Raw Materials sustainable exploration, extraction, processing, recycling and substitution’ thematic area⁷;

HAVING REGARD to Decision 29/2016 of the Governing Board of the EIT on the designation of the Knowledge and Innovation Communities (KICs) in the ‘Food for Future’ and ‘Added Value Manufacturing’ themes of 17 November 2016⁸;

HAVING REGARD to Decision 6/2018 of the Governing Board of the EIT of 2 March 2018 on the designation of the Knowledge and Innovation Community (KIC) in the ‘innovation for healthy living and active ageing’ theme and on the rejection of other applicants in the 2014 call for KICs’ proposals⁹;

HAVING REGARD to Decision 36/2018 of the Governing Board of the EIT of 4 December 2018 on the designation of the Knowledge and Innovation Community in the ‘Urban Mobility’ thematic area¹⁰;

HAVING REGARD to Decision 37/2018 of the Governing Board of the EIT of 5 December 2018 on the designation of the Knowledge and Innovation Community in the ‘Manufacturing’ thematic area¹¹;

HAVING REGARD to Decision 06/2022 of the Governing Board of the EIT on the on the amendment of the principles on the financial sustainability of Knowledge and Innovation Communities (KICs) and repealing decision 13/2021 of the Governing Board of the EIT¹²;

HAVING REGARD to Decision 14/2021 of the Governing Board of the EIT of 7 May 2021 on the principles for financing, monitoring and evaluating Knowledge and Innovation Community (KIC) activities¹³;

HAVING REGARD to Decision 21/2021 of the Governing Board of the EIT on the authorisation of the EIT Director to prepare, negotiate and conclude partnership agreements and grant agreements¹⁴;

HAVING REGARD to Decision 42/2021 of the Governing Board of the EIT of 23 November 2021 on the supervision framework of Knowledge and Innovation Communities (KICs)¹⁵;

HAVING REGARD to Decision 48/2021 of the Governing Board of the EIT of 22 December 2021 on the adoption of the Final Single Programming Document (2022-2024) of the EIT¹⁶;

⁷ 02008.EIT.2014.I.EIT.GB

⁸ 05940.EIT.2016.I.GB42

⁹ 01148.EIT.2018.I.E1

¹⁰ Ref. Ares(2018)6260797

¹¹ Ref. Ares(2018)6261053

¹² Ref. Ares(2022)2098580

¹³ Ref. Ares(2021)3111256

¹⁴ Ref. Ares(2021)3798804

¹⁵ Ref. Ares(2021)7384565

¹⁶ Ref. Ares(2021)7938768

**WHEREAS**

- (1) As of 2021, the EIT is part of the Horizon Europe Framework Programme for Research and Innovation and the new specific legal framework (i.e. EIT Regulation (recast), EIT Strategic Innovation Agenda 2021-2027) was published in the Official Journal on 28 May 2021.
- (2) The new framework required the significant revision of the funding allocation and financial sustainability rules of the EIT applied until now. For this reason, the EIT Governing Board has adopted Decision 06/2022 on the principles on the financial sustainability and Decision 14/2021 on the principles for financing, monitoring and evaluating KIC activities, aligned with the new legal framework.
- (3) As laid down in the EIT Regulation (recast) and the EIT Strategic Innovation Agenda 2021-2027, the criteria for the funding allocation must follow a performance-based funding model, thus, the support and competitive funding allocation principles have already been abandoned in the 2021-2022 grant cycle. This performance-based allocation mechanism shall include assessing the KIC Business Plans and performance as measured by continuous monitoring in accordance with Article 18(7) of the EIT Regulation (recast) and as described in the EIT Strategic Innovation Agenda 2021-2027.
- (4) In accordance with the EIT Regulation (recast), the EIT funding shall continue to decrease for the first wave of KICs. The KICs' co-financing requirements shall be aligned with the rates indicated in Chapter 3.6.2 of the EIT Strategic Innovation Agenda 2021-2027. In addition, in accordance with the EIT Strategic Innovation Agenda 2021-2027, some KICs' activities, due to their specific nature, might need extra incentives to be performed. To this aim, the EIT Governing Board might decide to apply more favourable funding conditions for Cross-KIC activities, RIS activities and new action supporting the entrepreneurial and innovation capacity of the higher education sector.
- (5) In accordance with the EIT Strategic Innovation Agenda 2021-2027 the pilot HEI initiative has started in 2021 and shall last for three years.
- (6) The EIT Director should define the specific criteria and modalities of the funding allocation process with regard to the assessment of the proposals and performance in all the three activities: KIC Business Plans, Cross-KIC activities and HEI initiative activities.

HAS DECIDED AS FOLLOWS:

CHAPTER 1 GENERAL PROVISIONS

Article 1 *Funding allocation principles*

- (1) As required by Chapter 5.1 of the EIT Strategic Innovation Agenda 2021-2027,
 - at least 10% and a maximum of 15% of the overall EIT budget (2021-2027) shall be dedicated to implementing EIT RIS activities, thereby increasing the number of KIC partners from targeted regions;
 - a maximum of 7% of the overall EIT budget (2021-2027) shall be dedicated to Cross-KIC activities, including support to KICs for which the partnership agreement is expired or terminated;
 - a maximum of 3% of the overall EIT budget (2021-2027) shall be dedicated to a pilot to help develop the entrepreneurial and innovation capacity of Higher Education institutions (HEI), this pilot initiative shall be of three years.

- (2) The KICs' co-financing requirements shall be aligned with the rates indicated in Chapter 3.6.2 of the EIT Strategic Innovation Agenda 2021-2027. In accordance with the EIT Strategic Innovation Agenda 2021-2027, some KIC activities, due to their specific nature, might need extra incentives to be performed. To this aim, the EIT Governing Board decides that
 - the EIT RIS activities will be implemented in 2023-2025 at a funding rate up to 100%;
 - Cross-KIC activities and shared services will be implemented in 2023-2025 at a funding rate up to 100% and
 - the pilot HEI action will be implemented in 2023 at a funding rate up to 100%. Any additional funding allocation decision for the HEI Fund beyond 2023 is conditional upon decision of the EIT Governing Board, depending on the outcome of the three years pilot phase in 2021-2023

- (3) The EIT RIS activities shall be integral part of the KIC Business Plans, in accordance with Chapter 3.2 of the EIT Strategic Innovation Agenda 2021-2027.

Article 2 *Distribution of the 2023-2025 EIT budget*

- (1) For the 2023-2025 period, the overall EIT budget available for the initial multiannual funding allocation decision is MEUR 905 (indicative), calculated as 100% of the 2023 and 75% of the 2024 and 2025 indicative annual EIT budgets available for grants.

- (2) The funding shall be distributed by means of three separate 'funds', as follows:

Type of 'Fund'	Indicative budget (in MEUR)
EIT KIC Fund (i.e. KIC Business Plans) 2023-2024 for first wave KICs / 2023-2025 for second, third and fourth wave KICs	790

Cross-KIC Fund (i.e. Cross -KIC strategic activities, shared services and thematic innovations) 2023-2025	75
HEI Fund (i.e. HEI activities) 2023	40
Total (without third country contributions)	905

- (3) After deducting the Cross-KIC Fund from the overall EIT budget available for KICs in 2023, 2024 and in 2025, and after deducting the HEI Fund from the overall EIT budget available for KICs in 2023, the remaining EIT budget (the 'KIC Fund') shall be distributed between the four waves of KICs in accordance with the split indicated in Article 5 below, while further performance-based funding criteria shall apply as determined by the EIT Governing Board in Article 6 below.

Article 3
Availability of EIT budget,
multiannual and additional allocation of the funding by the EIT Governing Board

- (1) The EIT Governing Board will take an initial multiannual funding allocation decision
- for the 2023-2024 (first wave KICs) / 2023-2025 (second, third and fourth wave KICs) period for the KIC Fund,
 - for the 2023-2025 period for the Cross-KIC Fund, and
 - for the 2023 period for the HEI Fund,
- based on the assessment of the criteria laid down in this decision and a prudent multiannual planning.
- (2) Then, when the final EIT budget is known for 2024 and 2025, the EIT Governing Board may take additional funding allocation decisions for 2024 and for 2025, taking into account the available EIT budget, the ongoing multiannual legal commitments between the EIT and the KICs, the performance of the KICs and the estimated financial needs. The additional funding allocation decisions shall ensure that there is no double funding of KIC activities.
- (3) If the final EIT budget available for 2023, 2024 and 2025 require it, the Governing Board authorises the EIT Director to make non-significant adjustments which do not result in a major change of the provisions of this Decision.

Article 4
Definition of modalities

- (1) Based on the principles laid down in this Decision, the EIT Director shall define the modalities of the proposal assessment processes, in particular:
- the different topics of the invitation,
 - the expected structure and content of the proposals and the estimated budgets,
 - the specific criteria and corresponding weightings for the evaluation,
 - the timeline of the processes including when further communication to the KICs or feedback is foreseen,
 - the formal requirements for receiving the EIT financial contribution,
 - the role and profiles of the independent external experts.
- (2) The EIT Director shall launch the invitation to submit KIC Business Plan proposals, Cross-KIC proposals and the HEI proposal.

- (3) The funding allocation shall be subject to compliance with the Governing Board recommendations (if any) and the adjustments to be made to the proposals after the EIT's assessment.

CHAPTER 2 EIT FUNDING TO KIC BUSINESS PLANS 2023-2024 / 2023-2025 (EIT KIC FUND)

Article 5 Distribution of the EIT grant among the waves of KICs

- (1) For the initial multiannual funding allocation, the EIT KIC Fund shall be split as follows:

KIC wave	Indicative split
First wave (EIT Climate-KIC, EIT Digital, EIT InnoEnergy) – 2023-2024	12%
Second and third waves (EIT Health, EIT Raw Materials, EIT Food) – 2023-2025	58%
Fourth wave (EIT Manufacturing, EIT Urban Mobility) – 2023-2025	30%

- (2) For the additional funding allocation decisions the Governing Board may decide on a different split.

Article 6 Criteria for funding allocation per KIC

The EIT grant per KIC (EIT KIC Fund) shall be allocated based on the below criteria, encompassing excellence, impact, and implementation:

Criteria	Maximum score
1) Progress in implementing the Multiannual strategy (financial sustainability, impact, good governance, openness)	40
2) Level of Financial sustainability achieved (2021)	10
3) Impact achieved measured by EIT core KPIs (2021)	35
4) Business Plan proposal (2023-2024 / 2023-2025)	15

CHAPTER 3 EIT FUNDING TO CROSS-KIC ACTIVITIES 2023-2025 (CROSS-KIC FUND)

Article 7 Criteria for Cross-KIC grants allocation to KICs

- (1) In accordance with Article 4 above, the EIT Director shall define the topics of Cross-KIC activities and shared services following a consultation of the KICs.



- (2) The eligibility criteria for Cross-KIC activities should include a minimum number of KICs participating in the activity. Only the KIC Legal Entities will be eligible for applying for the Cross-KIC activities (as beneficiaries).
- (3) All Cross-KIC activities will be evaluated against the following technical evaluation criteria aligned with the Horizon Europe legal framework: excellence, impact and implementation as follows:

EIT Strategic activities	Excellence	Impact	Implementation
Weights of criteria	40%	40%	20%
Sub-criteria	<ul style="list-style-type: none"> - Relevance, value added and objectives - Quality of the proposed methodology - Financial sustainability 	<ul style="list-style-type: none"> - Impact - Dissemination, and communication 	<ul style="list-style-type: none"> - Quality and effectiveness of the work plan, assessment of risks - Implementation efficiency - Capacity and role of each participant
EIT Shared Services	Excellence	Impact	Implementation
Weights of criteria	20%	20%	60%
Sub-criteria	<ul style="list-style-type: none"> - Relevance, value added and objectives - Quality of the proposed methodology - Financial sustainability 	<ul style="list-style-type: none"> - Impact - Dissemination, and communication 	<ul style="list-style-type: none"> - Quality and effectiveness of the work plan, assessment of risks - Implementation efficiency - Capacity and role of each participant
EIT Thematic Innovations	Excellence	Impact	Implementation
Weights of criteria	30%	40%	30%
Sub-criteria	<ul style="list-style-type: none"> - Relevance, value added (including cross-KIC value-added) and objectives - Quality of the proposed methodology - Financial sustainability 	<ul style="list-style-type: none"> - Impact (including contribution to the EIT Impact framework) - Dissemination, and communication 	<ul style="list-style-type: none"> - Quality and effectiveness of the work plan, assessment of risks - Implementation efficiency - Capacity and role of each participant

CHAPTER 4

EIT FUNDING FOR THE PILOT HIGHER EDUCATION (HEI) INITIATIVE 2023 (HEI FUND)

Article 8

Criteria for HEI grants allocation

- (1) In line with the EIT Strategic Innovation Agenda 2021-2027, the pilot HEI initiative has started in 2021 and shall last for three years.
- (2) In accordance with Article 4 above, the EIT Director shall define the content and requirements of HEI activities following a consultation of the KICs. The EIT shall promote stronger Cross-KIC collaboration within the pilot HEI initiative.

- (3) All KICs are expected to participate in the proposal for the pilot HEI activities.
- (4) The proposal for the pilot HEI activities will be evaluated against the following technical evaluation criteria aligned with the Horizon Europe legal framework: excellence, impact and implementation as follows:

	Excellence	Impact	Implementation
Weights of criteria	40%	40%	20%
Sub-criteria	<ul style="list-style-type: none"> - Clarity pertinence and relevance of the proposal's objectives - Quality of the proposed coordination and/or support measures including soundness of methodology. - Quality of synergies and links with existing initiatives at EU, national and regional level. - Credibility of the financial model and contribution to KICs financial sustainability. 	<ul style="list-style-type: none"> - Credibility of the pathways to achieve the expected outcomes and impacts specified in the EIT SIA 2021-2027, participating KICs' strategic agendas and in the EIT Impact Framework, and the likely scale and significance of the contributions due to the proposal. - Suitability and quality of the measures to maximise expected outcomes and impacts, as set out in the dissemination and exploitation plan, including communication activities. 	<ul style="list-style-type: none"> - Quality and effectiveness of the work plan, assessment of risks, and appropriateness of the effort assigned to work packages, and the resources overall. - Capacity and role of each participant, and extent to which the consortium as a whole brings together the necessary expertise.

- (5) Based on the results of the evaluation of the pilot HEI initiative, the EIT Governing Board shall decide whether the pilot HEI initiative is to be continued and scaled-up after 2023 or discontinued.

Article 9 **Entry into force**

This decision shall enter into force on the day of its adoption.

Done in Budapest, 16 March 2022

Gioia Ghezzi
Chairperson of the EIT Governing Board