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List of abbreviations

Abbreviation	Full name/term
BP	Business Plan
CEE	Central Eastern Europe
CEO	Chief Executive Officer
CIA	Climate Impact Assessments
CIF	Climate Impact Forecast
CKIC	Climate Knowledge and Innovation Community
CLC(s)	Co-location Centre(s)
COO	Chief Operations Officer
CoP	Conference of the Parties
EIT	European Institute of Innovation and Technology
EU	European Union
FS	Financial Sustainability
GA(s)	Grant Agreement(s)
GB	Governing Board
GGP	Good Governance Principles
HEI	Higher Education Institution
INDC	Intended Nationally Determined Contributions
IP	Intellectual property
KAVA(s)	Knowledge and Innovation Community's Added Value Activity/-is
KIC	Knowledge and Innovation Community
KPI(s)	Key Performance Indicator(s)
KT	Knowledge Triangle
KTI	Knowledge Triangle Integration
LE	Legal Entity
MB	Management Board
MORSE	Model of Regional Start-up Ecosystems
MT	Management Team

Abbreviation	Full name/term
NECP	National Energy and Climate Plans
NGO(s)	Non-governmental organisation(s)
PA(s)	Partnership Agreement(s)
RIS	Regional Innovation Scheme
RoI	Return on Investment
S3	Smart Specialisation Strategies
SA	Strategic Agenda
SB	Supervisory Board
SIA	Strategic Innovation Agenda
SME(s)	Small and medium-sized enterprise(s)
SO	Strategic Objective
SPD	Single Programming Document
TRL	Technology Readiness Level
Var	(Climate) Value-at-Risk

1 Introduction

This report covers the findings of the final review of EIT Climate Knowledge and Innovation Community (hereinafter “KIC” and / or “Climate-KIC”) conducted by Deloitte and White Research. Beyond the methodological overview, the report is organised into individual chapters, following the evaluation criteria:

- Relevance to the Union’s global challenges;
- EU added value and relevance with regard to the objectives of the EIT;
- Achievement of KIC’s own objectives;
- Efforts to coordinate KIC’s activities with other relevant research and innovation initiatives;
- Capacity to ensure openness to new members;
- Achievements in attracting new members from across the EU;
- Compliance with good governance principles;
- Efforts and results in designing and implementing gender-sensitive measures and activities;
- Capacity to develop sustainable innovation ecosystems and the achieved level of financial sustainability.

In each chapter, the relevant indicators are assessed, and recommendations are made. The report concludes with separate chapters featuring recommendations based on the findings of the assessment and a justification for the overall scoring of the KIC.

European Institute of Innovation and Technology

The European Institute of Innovation and Technology (EIT) is the EU flagship for innovation, using collaborative partnerships and cutting-edge research to find solutions to pressing global challenges. Established in 2008 as a driver of European innovation¹, EIT is an Agency of the European Union (EU) based in Budapest, Hungary. Since 2014, the EIT has been an integral part of Horizon 2020 and is now part of Horizon Europe’s Pillar III “Innovative Europe”. Over the years, it has become Europe’s largest innovation ecosystem and the European innovation flagship, gathering over 2,900 partners², including research centres, universities, and businesses specialised in innovation and technology. The EIT was created to strengthen the EU’s innovation capabilities and increase EU’s competitiveness and sustainable economic growth by fostering and enhancing cooperation among entrepreneurs, academia, and research institutes. The EIT will also contribute to achieving the four key Strategic Orientations outlined in the Horizon Europe Strategic Plan³.

As explained in its Strategic Innovation Agenda⁴ (SIA), the EIT represents the knowledge triangle that brings together education, research, and innovation hubs in several long-term priority fields such as sustainable energy, digitalisation, and climate change⁵. To do so, the EIT supports the development of dynamic, long-term, cross-border and public-private partnerships among businesses, research centres and universities to address and devise solutions to pressing global challenges. These partnerships are called Knowledge and Innovation Communities (KICs).

The KICs are dynamic cross-border partnerships that develop innovative products and services and launch them on the market, create the environment for the establishment of new innovative companies, and train

¹ European Parliament and Council of the European Union. 2008. Regulation 294/2008. Accessed on September 17th, 2021. Available at: <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32008R0294>.

² <https://eit.europa.eu/who-we-are/eit-community-across-europe>.

³ European Commission. Horizon Europe Strategic Plan 2021-2024. Accessed on September 17th, 2021. Available at: <https://op.europa.eu/en/web/eu-law-and-publications/publication-detail/-/publication/3c6ffd74-8ac3-11eb-b85c-01aa75ed71a1>.

⁴ Decision (EU) 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 and repealing Decision No 1312/2013/EU.

⁵ European Parliament and Council of the European Union. 2013. Decision n. 1312/2013 on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT): the contribution of the EIT to a more innovative Europe. Accessed on September 17th, 2021. Available at: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0892:0923:EN:PDF>.

a new generation of entrepreneurs and allow them to thrive. Each of the EIT Knowledge and Innovation Communities operates in innovation hubs, called Co-location Centres, spread across the continent to increase the impact and reach of the EIT's activities. Currently, there are 64 Co-location Centres in Europe. Since 2008, EIT's KICs have contributed to the creation of over 15,000 jobs and nearly 1,500 products and services and have supported more than 3,800 start-ups⁶.

Our assessment focuses on EIT Climate-KIC. EIT Climate-KIC, EIT Digital and EIT InnoEnergy represent the first wave of KICs established in 2009, after an extensive selection and evaluation process by the EIT and EIT GB⁷. They aim to address long-term societal challenges to facilitate innovation and generate tangible impact.

EIT Climate-KIC

The EIT Climate-KIC was established for climate change mitigation and adaptation, notably to accelerate the transition towards a decarbonised and resilient society through innovation. Its goal is to build an extensive network that brings together strategic sectors, including businesses, academics, non-profit organisations and cities to stimulate climate innovation. In 2016, it adopted a theory of change that goes beyond 'business as usual' innovation, aiming to catalyse systemic change necessary to mitigate climate change⁸. To maximize its impact, EIT Climate-KIC channels its innovation projects around four strategic themes: 1. Urban Transitions, 2. Sustainable Production Systems, 3. Decision Metrics and Finance, and 4. Sustainable Land Use⁹.

As a result, the KIC became the world's largest climate-focused acceleration programme. It gathered around 450 partners and incubated over 2,100 climate-positive companies, which attracted over EUR 2.0 billion capital and created more than 15,000 jobs. Moreover, EIT-Climate KIC supported more than 44,000 participants with the development of their climate leadership potential and launched over 469 innovative products and services, avoiding approximately 13 million tonnes (CO₂eq) of emissions¹⁰. Since the launch of the European Green Deal in 2019, the need for a rapid systemic response to the climate emergency we are facing has been reinforced. Therefore, EIT Climate-KIC aimed to reshape the innovation model to facilitate the relationship between innovation demand and supply aimed at changing systems. It is working on an improved approach of what is known as the integration of the knowledge triangle, which gathers flows of knowledge and experimental learning between the involved groups to generate socially accountable policies and practices¹¹.

EIT Climate-KIC's Strategic Agenda defines the following 5 objectives which it strives to achieve:

SO1: Sustainable Innovation Ecosystems: The KIC will strengthen sustainable innovation and entrepreneurial ecosystems across Europe, particularly in those countries in the RIS programme and supported by the EIT Higher Education Initiative.

⁶ European Institute of Innovation and Technology (EIT). 2021. EIT Factsheet. Accessed on September 17th, 2022. Available at: https://eit.europa.eu/sites/default/files/eit_at_a_glance_-_factsheet.pdf.

⁷ EIT. Decision 17/2018 of the Governing Board of the European Institute of Innovation and Technology. Accessed on August 9th, 2022. Available at: https://eit.europa.eu/sites/default/files/17_2018_qb_decision_confirmation_of_duration_kics.pdf.

⁸ EIT Climate-KIC. Strategic agenda 2021-2027. Accessed on August 9th, 2022. Available at: <https://www.climate-kic.org/wp-content/uploads/2021/12/EIT-Climate-KIC-Strategic-Agenda-2021-2027-Final-Submission-150321.pdf>.

⁹ EIT Climate-KIC model. EIT Climate-KIC's model for innovation. Accessed on August 9th, 2022. Available at: <https://eit.europa.eu/our-activities/innovation/eit-climate-kic-model>.

¹⁰ EIT Climate-KIC. Strategic agenda 2021-2027. Accessed on August 9th, 2022. Available at: <https://www.climate-kic.org/wp-content/uploads/2021/12/EIT-Climate-KIC-Strategic-Agenda-2021-2027-Final-Submission-150321.pdf>.

¹¹ EIT Climate. KIC Climate innovation leadership 2021 – call for partners. Accessed on August 9th, 2022. Available at: <https://eit.europa.eu/our-activities/opportunities/eit-climate-kic-climate-innovation-leadership-2021-call-partners>.

S02: Next-Generation Climate Entrepreneurship: Capitalizing on a growing number of mature technology start-ups and the progression of the climate innovation challenge from one of technology development to one of technology diffusion, the KIC seek to move from a “quantity” to a “quality” approach.

S03: Funding: Attract other sources of funding beyond EIT with the aim to achieve full financial sustainability by 2024. This will include diversifying streams of revenue to build resilience but also focusing on attracting funders who share their ambition and who can help the KIC maintain at least EUR 100 million per year for climate innovation, education, and entrepreneurship activities.

S04: Governance, capability, and inclusion: Enhance the governance, legal entities, and capabilities at the core of the KIC’s innovation community to act as an orchestrator and catalyst. The KIC is also committed to openness and transparency, including publishing full open calls, having an open-access community, being pan-European and nurturing inclusion from diverse innovation actors. Knowledge sharing and diffusion: Share knowledge and experience with other organisations looking to test and learn from systemic innovation models and gathering more insights into its relative impact potential, including through conducting an external evaluation of EIT Climate-KIC’s work.

S05: Synergies and alignment: Climate-KIC will continue to contribute to the Union’s climate objectives as laid down in the regulations and seek to bolster Europe’s INDC and National Energy and Climate Plans (NECPs) through innovation, seeking cooperation and synergy with other EU instruments and partnership, including with the European Innovation Council, the European Investment Bank and naturally with the other EIT KICs.

By 2027 EIT Climate-KIC will have

1. Helped Europe avoid over 500 million tons (CO₂eq) of emissions;
2. Strengthened the resilience of 10 million people to the impacts of climate change;
3. Leveraged over EUR 100 billion to support the scale-up of innovations to tackle climate change;
4. Become the strategic partner of choice for over 50 cities, regions, countries and large-scale businesses across Europe, orchestrating change through innovation to achieve net-zero emissions and climate resilience aligned to the 2015 Paris Climate Change Agreement;
5. Enhanced the innovation and entrepreneurial skills of over 200,000 people across Europe, equipping them to be leaders of change.

Final review of the EIT Climate-KIC

As the second and last seven-year Framework Partnership Agreements for EIT Climate-KIC, EIT InnoEnergy and EIT Digital draw to a close, a final review of these KICs’ activities and performance is necessary to analyse and assess their achievements over the period 2016-2022 (and partially 2023) compared to what was promised in their proposals, Strategic Agendas, Business Plans and grant reports and to market/public benchmarks/references¹².

With major societal challenges facing the areas of operation for EIT Climate-KIC, this review is an opportunity to assess the advancements made through the areas for improvement.

In accordance with requirements in the EIT Regulation and Strategic Innovation Agenda¹³, Article 12 of the Partnership Agreement¹⁴, and Articles 10 and 11 of the EIT Regulation¹⁵, the EIT must carry out a comprehensive assessment and a final review of the KICs’ activities in line with the standards put forth by

¹² Request for services

¹³ Decision (EU) 2021/820 of the European Parliament and of the Council of 20 May 2021

¹⁴ European Institute for Innovation and Technology (EIT). “Model EIT KIC Partnership Agreement”. Accessed on September 17th, 2021. Available at: https://eit.europa.eu/sites/default/files/eit_kic_partnership_agreement_v1.0_final_14-03-2021.pdf

¹⁵ 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), OJ L 189, 28.5.2021, p. 61.

the Better Regulation Guidelines¹⁶ and the criteria for European Partnerships set out in the Horizon Europe Regulation¹⁷. Based on the results of the final reviews, the EIT Governing Board will decide whether to conclude a Memorandum of Cooperation with the respective KICs, in consultation of the Member State Representative Group.

To provide a comprehensive final review, the evaluation has been based on the analysis of the following criteria:

1. **Relevance to the Union's global challenges:** this criterion reflects the alignment of the KIC's activities with the European Union's objectives. The pivotal role of innovation, economic growth, green and sustainable Europe and digital transition in the Union's political agenda suggests that all KICs' activities aiming to contribute to relevant objectives are properly assessed against the societal challenges they were designated for.
2. **KIC's Union added value and relevance with regard to the objectives of the EIT:** as one of the main pillars of innovation in the European Union, the KICs have to create added value through their actions towards promoting innovation, entrepreneurship and education. This criterion assesses whether the KICs have been aligned with the EIT objectives and whether their RIS activities have been aligned with the relevant Guidance Notes.
3. **Achievement of KIC's objectives;** all KICs are required to present a 7-year Strategic Agenda. This document serves as their *raison d'être*¹⁸ and it contains – inter alia – their strategic objectives, goals and expected results within these seven years. Assessing this criterion will help us understand whether the KICs have actually managed to address their objectives and goals and whether they have been successful in achieving the expected results, by analysing both long term impact KPIs for societal, economic impact as well as mid-term KPIs of outputs and outcomes of activities.
4. **KICs efforts to coordinate their activities with other relevant research and innovation initiatives;** as mentioned above, the KICs are one of the main pillars of innovation in the EU. As such, they create different collaborations with various relevant stakeholders in the EU. This criterion assesses whether the KICs have succeeded in pursuing such synergies and their volume.
5. **KIC's capacity to ensure openness to new members;** KICs' function requires constant evolution towards new partnerships to cover a wide range of key stakeholders across the knowledge triangles as well as geographical locations. It is important that throughout their years of existence – especially those funded by the EIT – the KICs operate in an open, transparent and inclusive manner that allows them to involve and support newer contributors as well as incumbent partners to achieve their objectives. This criterion evaluates whether the KICs managed to establish and operationalise their partnership model to achieve their goals. Subsequently, we assess whether their activities have been open to new members, and the representation of all relevant knowledge triangle players (in areas of innovation, research, education) in a balanced manner in their partnership.
6. **KIC's achievements in attracting new members from across the Union;** as part of their evolution, KICs are required to create synergies with all the EU players, and also specifically pursue activities in RIS eligible countries within and outside of the EU. These collaborations ensure that the KICs have achieved an adequate geographical representation of all key actors of the knowledge triangle. This criterion assesses the effectiveness of the ecosystem that the KICs have built throughout the years and its volume, both in the EU but also in the other RIS eligible countries.

¹⁶ European Commission (EC). "General Principles". Better regulation: guidelines and toolbox. Accessed on September 17th, 2021. Available at: https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how/better-regulation-guidelines-and-toolbox_en

¹⁷ Regulation (EU) 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 1291/2013, OJ L 170, 12.5.2021, p. 1.

¹⁸ Reason of existence.

7. **KIC's compliance with good governance principles;** as part of the EU, the KICs are required to operate under good governance principles and ensure compliance with them. This criterion will evaluate whether the KICs are compliant with the relevant good governance principles, through the analysis of relevant EIT assessments.
8. **KIC's effort and results in designing and implementing gender-sensitive measures and activities;** KICs are also required to operate in a gender balanced environment, adjusted to society's challenges. Implementing gender sensitive measures is considered as one challenge that numerous organisations need to overcome, and thus this criterion assesses whether KICs have designed and implemented such measures.
9. **KIC's capacity to develop sustainable innovation ecosystems and the achieved level of financial sustainability;** KICs are established to address innovation challenges. For this specific reason, they need to develop strong innovation ecosystems that will be a part of a wider innovation community. However, the financial sustainability of such ecosystems is also being assessed and this criterion will delve deeper into analysing the sustainability of the latter and whether the KICs have addressed the societal challenges they were established for.

Scores (10 for each criterion)¹⁹ and pre-defined weighting were applied for each criterion, as shown below:

Table 1: Final review assessment scoreboard

0-10 Scores interpretation	
0	The profile does not meet the criterion at all or cannot be assessed due to missing or incomplete information
1-2	Poor – serious weaknesses
3-4	Fair – goes some way to meeting the criterion, but with significant weaknesses
5-6	Good – but with a few shortcomings
7-8	Very good – but with a small number of shortcomings
9-10	Excellent – meets criterion in every relevant respect. Any shortcomings are minor

Points have been awarded based on whether the detailed indicators under each criterion category were met, and the number and significance of shortcomings and weaknesses.

Desk research has been conducted, supplemented by key-informant interviews, targeted surveys, a detailed counterfactual analysis, and additional evaluation methods (i.e., theory-based impact evaluation, multicriteria analysis, network analysis) to assess the performance of the KIC. The desk research reviewed relevant and strategic documents such as:

- EIT regulations, guidance, and principles;
- KIC proposals, agreements, business plan, reports;
- previous evaluations, impact study findings and relevant findings stemming from previous 7-year assessments;
- internal monitoring data and EIT recommendations;
- other background data and materials shared by the KIC throughout the entire assessment period.

A qualitative, semi-structured interview has been carried out with representatives of the KIC's management to complement, triangulate and further clarify data collected through desk research and surveys.

¹⁹ The maximum and threshold points for each criteria was predefined by EIT.

Finally, the findings of all data collection instruments and indicators used have been triangulated in an assessment matrix to produce solid conclusions and recommendations.

2 Executive summary

The report covers the findings of the final review of EIT Climate-KIC conducted by White Research and Deloitte, according to the framework contract 21-3030-03/EIT. Under the contract, first wave KICs, namely EIT Climate-KIC, EIT InnoEnergy and EIT Digital, have been assessed using a single assessment methodology. This report covers the overall evaluation proceeding and findings related to EIT Climate-KIC.

EIT Climate-KIC was established in 2011 by the European Institute of Innovation and Technology (EIT). The main goal of the KIC is to accelerate transition to a zero-carbon, climate-resilient society. Through its local innovation ecosystem schemes and international initiatives, EIT Climate-KIC has been able to establish an EU wide presence.

The assessment has been carried out in line with the requirements set out in the Request for Service No. 03 implementing document²⁰, using the **following methodological tools**:

- Desk research: The goal of the desk research was to collect both qualitative and quantitative data on the KIC's activities, impacts and results. The documents assessed were partly declared in the above referenced Request for Services document, additional documents needed for the assessment were requested from EIT and EIT Climate-KIC.
- Surveys: We have developed and, with the help of the Climate-KIC, distributed three unique sets of questionnaires for three main target groups. The surveys provided more statistically significant data and thus led to more objective results. The questionnaire aimed to build upon the collected information as to complete and enrich the understanding from the initial desk research.
- Semi-structured interviews: The semi-structured interviews have been carried out with EIT Climate-KIC representatives in two rounds to complement the data collected during the desk research.
- Multi-criteria analysis: In line with the EC's Better Regulation Guidelines and its toolbox we have carried out a Multi-Criteria Analysis (MCA). This evaluation tool has been utilised to assess overall possible alternatives and preferences and evaluate them under different criteria at the same time.
- Theory-based impact evaluation: Theory-based impact evaluation has been utilised to assess cause and effect between interventions and outcomes in a more detailed manner, zooming in on the various elements within an intervention and also taking into account potential impactful external factors.
- Counterfactual impact evaluation: Counterfactual impact evaluation enabled us to estimate more reliably the impact of the Climate-KIC by comparing the outcomes of interest of those who have participated in their programme(s) or benefited from their support with those who are similar but have not participated in the programme.
- Survival analysis: One indicator has been identified under the Societal and Economic Impact KPIs suitable for survival analysis: Number and revenue of start-ups and scale-ups supported by KICs trading 3 years after KIC support ceased.
- Network analysis: Our network analysis focuses on the patterns of relationships between the organisations and the strength of these connections.
- Triangulation, conclusions and recommendations: The goal of using this method was to address all the data findings from the aforementioned collection, and if necessary, to complete it with any additional findings to reach solid conclusions of this assessment. Based on this, we were able to formulate all relevant recommendations.

During the assessment, the KIC's results and activities were assessed along the nine criteria set out by the EIT and the following areas were also taken into account and expanded upon as part of Section 7.2:

- KIC Governance, KIC Partnership;
- KIC Funding, Financial Sustainability;
- Knowledge Triangle Integration, Innovation Ecosystem and CLCs;
- Education & Alumni;
- Innovation;
- Entrepreneurship & Business Creation;
- EIT Regional Innovation Scheme (EIT RIS);

²⁰ Ref. Ares (2022)5580508 - 04/08/2022

- Synergies, Complementarities & Cross-KIC collaboration;
- Communications, Dissemination & Outreach.

Summary of the Assessment Criteria

Table 2: Assessment summary

Criterion	Summary Assessment	Scoring (points)	Weight
Global Score (after weighting was applied): 71,5 / 100 Global Threshold: 60 / 100			
Relevance to the Union's challenges	<p><u>EIT Climate-KIC's endeavours have been highly aligned with the European Union's goals. The results of the KIC's activities have contributed significantly to addressing the societal challenge of climate change. The organisation's efforts align well with Europe's commitments to climate action, but challenges and weaknesses, such as the need for greater inclusion, funding, and overcoming vested interests of different partners, still exist. - Very Good</u></p> <p><u>Assessment:</u></p> <p>1.1 – very good- 7: EIT Climate-KIC's endeavours have been highly aligned with the European Union's goals. By addressing pressing societal challenges through innovation, the KIC has not only contributed to economic growth but also strengthened the innovation capabilities of Member States. Its commitment to cross-sectoral collaboration and education has fostered entrepreneurship, creating a sustainable foundation for future advancements. While facing certain weaknesses, the KIC's proactive approach and emphasis on systemic change underline its vital role in realizing a greener, more innovative Europe.</p> <p>1.2 – very good 7: The KIC's strategic alignment with the urgent need for transformative action to combat climate change, its emphasis on innovation across multiple sectors, its collaborative network of diverse stakeholders, and its commitment to nurturing future climate leaders and innovators are commendable. The organisation has played a valuable role in advancing climate solutions and influencing policy discussions on a global scale. However, the modest figures in key performance indicators highlight the need for continued growth and improvement in their efforts. Despite these challenges, EIT Climate-KIC remains a crucial force in the ongoing fight against climate change, and its potential for positive impact should not be underestimated.</p>	7 / 10 (Threshold: 6)	1
KIC's EU added value and relevance with regard to the objectives of the EIT	<p><u>The results of the KIC's activities are relevant to and aligned with the objectives of EIT and the European Union, including boosting economic growth, strengthening the innovation capacity of the Member States, and fostering innovation and entrepreneurship demonstrating a commitment to fostering economic growth and innovation capacity within the Union. The KIC has created European added value with respect to building an innovation ecosystem, however, the financial sustainability of this ecosystem is uncertain. - Very Good</u></p> <p><u>Assessment:</u></p>	8 / 10 (Threshold: 6)	1

Criterion	Summary Assessment	Scoring (points)	Weight
Global Score (after weighting was applied): 71,5 / 100 Global Threshold: 60 / 100			
	<p>2.1 – very good 7: Based on our document analysis and first-hand information gathered during the assessment, the results of the KIC's activities are relevant to the objectives of EIT and the European Union, including boosting economic growth, strengthening the innovation capacity of the Member States, and fostering innovation and entrepreneurship demonstrating a commitment to fostering economic growth and innovation capacity within the Union. Thus, the KIC has created European added value with respect to building an innovation ecosystem through knowledge triangle integration, and as a result has developed concrete solutions to societal challenge. However, the sustainability of this ecosystem is uncertain.</p> <p>2.2 – very good – 8: The majority of the KIC's activities as outlined above and the activities detailed in the Business Plans from previous years appear to be closely aligned with and relevant to the objectives set forth in the EIT legislative framework. However, the KIC's decision to discontinue investments in innovation activities and significantly limiting the education activities are not in line with EIT principles and regulations. On the other hand, this was explicitly agreed with EIT to reflect the Due Diligence recommendations to focus on the systems innovation model within Europe, rather than continue ad hoc innovation and education activities.</p> <p>2.3. – excellent – 9: Based on our observations and the results summarized per KPIs, the KIC's RIS activities are fully aligned with the EIT RIS Implementation Guidance note (2018-2020) and RIS Implementation Framework (2021-2027). It is important to note that the absence of financial self-standing of RIS Hub activities, in itself, does not influence the evaluation of this indicator.</p>		
Achievement of the KIC's objectives	<p><u>Despite the minor shortcomings in its activities, the KIC in the recent years is on track to achieve its 7-year Strategic Agenda and achieved results within the scope of their EIT RIS Strategies. Challenges remain in fulfilling some KPIs and meeting certain targets especially regarding financial sustainability and medium-term KPIs, but the KIC's leadership and its dedication is promising. - Good</u></p> <p><u>Assessment:</u></p> <p>3.1 – very good – 8: EIT Climate-KIC has made significant steps in fulfilling its 7-year Strategic Agenda (2021-2027). By prioritizing sustainable ecosystems, climate entrepreneurship, funding diversification, governance enhancement, and knowledge sharing, the KIC is on track to achieve its objectives. Challenges remain in fulfilling the renewed KPIs and meeting indicator specific targets, but the KIC's leadership and its dedication to financial</p>	7 / 10 (Threshold: 6)	2.5

Criterion	Summary Assessment	Scoring (points)	Weight
Global Score (after weighting was applied): 71,5 / 100			
Global Threshold: 60 / 100			
	<p>sustainability is promising. There was no evidence for deviating from the Strategic Agenda without the approval of EIT.</p> <p>3.2 – very good – 8: Based on our research and assessment it can be concluded that despite the minor shortcomings in its activities, the KIC is on track to achieve its 7-year Strategic Agenda, and has effectively pursued its strategic objectives, contributing to the societal challenge outlined in key documents such as its original proposal and Strategic Agenda. It has nurtured innovation ecosystems, shifted towards impactful climate entrepreneurship, diversified funding sources, enhanced governance and inclusion, facilitated knowledge sharing, and fostered synergies with key partners. Despite minor setbacks, the KIC's progress towards its ambitious targets, including emission reduction, resilience strengthening, funding mobilization, job creation, and innovation skills development, is evident.</p> <p>3.3 –good – 5: EIT Climate-KIC has made substantial progress toward achieving its KPI targets outlined in the original proposal and the Strategic Agenda (2021-2027). Notably, it has excelled in fostering innovation and supporting start-ups. It is evident that the KIC falls significantly short of expectations in several KPIs. Notably, the KIC's performance is seriously lacking in terms of the number of start-ups created from EIT-labelled MSc/PhD programmes, however the KIC agreed with the EIT to move away from the EIT-labelled MSc/PhD programmes towards learning which is more embedded in their systemic transformation activity. The KPIs regarding the count of graduates from these programmes, the participation levels in non-degree education and training, the involvement of EIT-labelled MSc/PhD students and graduates in start-ups are also falling short. Last, the generated financial sustainability (FS revenues) has remained a great concern regarding the KIC. A positive trend could only be seen in FS since 2022. This underperformance indicates a need for targeted improvement and strategic adjustments in these specific areas to better align with the organisation's goals and objectives. Addressing these shortcomings will be essential for the KIC to fulfil its mission effectively and make a more substantial impact in addressing climate challenges and fostering innovation. While facing challenges in achieving certain targets, the KIC's overall trajectory is promising. With its strategic shift and ongoing efforts, EIT Climate-KIC is on track to achieve its seven-year KPI goals and contribute significantly to its mission.</p> <p>3.4 – very good – 7: KIC's commitment to Pan-European impact is evident through its engagement with sub-national regions to drive climate targets resulting in delivering EIT RIS activities and achieving results, sometimes beyond targets, within the scope of their EIT RIS Strategies. The shift from RIS Hubs to individual activities with the EIT steering the KIC towards delivering more impact in a more cost-effective manner shows a delayed change in approach</p>		

Criterion	Summary Assessment	Scoring (points)	Weight
Global Score (after weighting was applied): 71,5 / 100			
Global Threshold: 60 / 100			
	<p>only done at the firm behest of the EIT. Successful expansion of education activities demonstrates talent nurturing. Community members from RIS countries declined, but fee waivers aim to reverse this. Overall, Climate-KIC's dedication to regional collaboration and adaptation positions it well to achieve their mission.</p> <p>3.5 – very good – 7: The KIC has shown progress in its societal impact KPIs regarding strengthened resilience to climate change and the creation of climate-friendly jobs. However, challenges remain, particularly in the need for concrete quantitative data and independent validation to support impact claims. This statement is especially relevant regarding how much reduction in CO2 emission has been achieved, just by the KIC supported start-ups working for such reduction. The KIC's versatile funding approach has played a crucial role in nurturing and scaling climate-focused innovations, reflecting a commitment to addressing climate change comprehensively. While positive strides have been made, ongoing efforts are required to ensure that all supported activities align with climate goals, and more jobs transition into fully climate-friendly roles. The KIC's initiatives contribute significantly to the global climate action agenda and drive positive societal change.</p> <p>3.6 – excellent – 9 The KIC has shown substantial progress in its KPIs, indicating its strong focus and commitment to address environmental challenges. The distribution of jobs by their degree of climate-friendliness highlights the efforts made to transition toward more environmentally responsible sectors. Additionally, the impact of KIC funding on revenue growth varies among startups, with a significant proportion reporting positive effects on revenue. Job creation and sustainability have been positively influenced by KIC engagement, though the extent varies. Notably, the KIC's involvement has addressed skill gaps and shortages, particularly in entrepreneurship, innovation, technical expertise, sustainability, creativity, and leadership. Career trajectories of EIT-labelled education participants demonstrate diverse transitions, with trends indicating graduates moving from internships to more advanced roles, despite fluctuations in some job categories. Additionally, EIT Climate-KIC's initiatives are making positive strides in various aspects, demonstrating its commitment to fostering environmental responsibility and economic growth.</p> <p>3.7 –good – 5: The KIC has shown progress in its medium-term KPIs. As 77% of KIC Label graduates are employed, reflecting a positive trend close to the EU average. Engagement of EIT-labelled MSc and PhD graduates with start-ups is limited, while the KIC perform good in achieving KPIs, notably in economic growth and innovation. In terms of revenue from innovations, about 66% of supported start-ups generated income, but most earned less than 0.5 million euros. Two start-ups stood out with revenues exceeding 10 million euros and also</p>		

Criterion	Summary Assessment	Scoring (points)	Weight
Global Score (after weighting was applied): 71,5 / 100 Global Threshold: 60 / 100			
	the KIC helped nurture some unicorns, such as the Liliium Aviation and the Climeworks. However, a significant number of start-ups have yet to generate revenue, possibly due to their early stage or challenges in market launch.		
KIC's efforts to coordinate its activities with other relevant research and innovation initiatives	<p><u>Climate-KIC has actively pursued and achieved concrete synergies and complementarities and effectively fostered synergies with diverse education, research, and innovation initiatives, both at national and global levels. - Excellent</u></p> <p><u>Assessment:</u></p> <p>4.1 - excellent – 9: Climate-KIC has actively pursued and achieved concrete synergies and complementarities as outlined in its original proposal and Strategic Agenda. The KIC's commitment to cross-KIC cooperation is evident through initiatives like Cross-KIC Artificial Intelligence and Water Scarcity, indicating its dedication to multidisciplinary approaches. Collaborative engagement in the New European Bauhaus initiative and active involvement in the EIC showcase its commitment to addressing climate change holistically. The KIC has successfully cooperated with various stakeholders, including Managing Authorities and ministry-level partnerships, to strengthen start-up support in RIS countries. The KIC's involvement in Horizon Europe EU Missions and collaboration with universities for education activities further demonstrate its alignment with broader EU objectives. This collaborative and integrated approach underpins EIT Climate-KIC's success in achieving its goals and fostering innovation in the context of climate action and sustainability.</p> <p>4.2 - excellent – 9: The KIC has effectively fostered numerous synergies with diverse education, research, and innovation initiatives, both at national and global levels. Climate-KIC emphasizes the need for extensive collaboration in education to address climate change. They focus on transformative innovation partnerships, offer education programmes for innovation and leadership, and work with partners to secure funding for future initiatives. They have expanded participation from RIS countries and collaborated with numerous research and higher education institutions to drive innovation and tackle climate change challenges.</p>	9 / 10 (Threshold: 6)	0.5
KIC's capacity to ensure openness to new members	<p><u>EIT Climate-KIC has made considerable strides in building a diverse partner community. While a shift to the new model and reduced funding led to temporary disruption in growth, the KIC's efforts to reposition its value proposition can be assessed with cautious optimism. The KIC's calls have been open and accessible providing clear criteria for partners and the overall partnership composition appears comprehensive and aligned with the KIC's goals. - Very Good</u></p> <p><u>Assessment:</u></p>	8 / 10 (Threshold: 6)	0.5

Criterion	Summary Assessment	Scoring (points)	Weight
<p>Global Score (after weighting was applied): 71,5 / 100</p> <p>Global Threshold: 60 / 100</p>			
	<p>5.1 – very good – 7: In pursuit of its long-term objectives outlined in the Strategic Agenda (2021-2027), EIT Climate-KIC has made considerable strides in building a diverse partner community. The KIC’s innovative Community Model, launched in 2021, aimed to expand engagement and collaboration. The growth in both Core and Affiliate Partners until 2022 demonstrates the KIC’s commitment to multidisciplinary involvement and broader outreach. While the shift to the new model and reduced funding led to a temporary disruption in growth, the KIC’s efforts to reposition its value proposition can be assessed with cautious optimism. The partnership composition reflects the KIC’s strategic alignment with the knowledge triangle, encompassing various sectors and geographic regions. Even though challenges emerged due to evolving circumstances, Climate-KIC’s adaptability and strategic partnerships remain pivotal in realizing its long-term goals.</p> <p>5.2 - excellent – 9: The KIC’s calls have been open and accessible providing clear criteria for partners.</p> <p>5.3 – very good -8: The KIC has effectively addressed the EIT Good Governance Principles related to openness to new members. The partnership has expanded over the years, encompassing diverse players.</p> <p>5.4 – very good – 8: The KIC has achieved a well-balanced representation of key players in the knowledge triangle, including businesses, higher education, research, cities, and more. The partnership’s diversity reflects its extended scope. While some survey respondents suggested increasing representation for certain pillars, the overall partnership composition appears comprehensive and aligned with the KIC’s goals. This balanced approach contributes to a holistic response to climate challenges.</p>		
<p>KIC’s achievements in attracting new members from across the Union</p>	<p><u>Due to the inclusion of active new partners as well as the presence of CLCs, the KIC partnership was well represented in both EU and non-EU Member States including those (in both groups) targeted by the RIS. A major setback has been the cessation of EIT funded RIS Hubs after discussion with EIT, however the KIC continued to work in RIS through their EU Missions work supporting cities, regions and Member State authorities. - Very good</u></p> <p><u>Assessment:</u></p> <p>6.1 – good – 6: The KIC was well on track in developing its partnership in line with its SA targets until 2022. At that point a new community and partnership model had to be introduced, with a significantly different value proposition than the previous arrangement. The transformation of the KIC and its partnership to pursue its current strategy of facilitating</p>	<p>7 / 10 (Threshold: 6)</p>	<p>1</p>

Criterion	Summary Assessment	Scoring (points)	Weight
Global Score (after weighting was applied): 71,5 / 100 Global Threshold: 60 / 100			
	<p>systems innovation, and financial sustainability, especially in the past 2 years, also contribute to a dramatic change in the trajectory of the KIC`s ecosystem, introducing significant uncertainty. We assess, however, that the KIC has taken strong steps to ensure the sustainability of its partnership model and broader innovation ecosystem, and feedback from partners in our survey is somewhat reassuring for their outlook.</p> <p>6.2 – excellent – 9: There is strong representation of the KIC’s partnership in EU Member States, which is balanced from all sides of the knowledge triangle with businesses assuming a larger share each year.</p> <p>6.3 – very good – 8: Number of the RIS eligible countries and regions covered by the KIC partnership and representation of all the knowledge triangle players in its activities is exceeding the objectives set even if there is a small decline in the new RIS community members recently that could not be interpreted as a trend yet.</p> <p>6.4– very good – 7: The trend of new active partners was rapidly increasing until 2019 and there are still signs of potential increase.</p> <p>6.5 – good – 6: The presence of CLCs seem to be in line with the strategic objectives and societal challenges, but, due to financial sustainability reasons, the operation of all RIS Hub activity stopped. The KIC is building innovation ecosystems in RIS around the EU Mission activities and funding, shaping demand for solutions which they could match with innovative solutions, independently of EIT funding.</p> <p>6.6 – very good – 8: Our assessment underscores the KIC's widespread and diverse engagement in innovative ecosystems across RIS eligible countries. This distributed involvement, ranging from one to ten partners per country, demonstrates the KIC's commitment to catalysing sustainable innovation and addressing societal challenges. The strategic distribution of partners across different categories showcases the KIC's adaptability and tailored approach, demonstrating a comprehensive coverage that effectively supports the development of sustainable solutions and the bridging of skill gaps in regions that are part of the RIS programme.</p>		
KIC’s compliance with good governance principles	<p><u>As the KIC fully addresses the EIT Good Governance Principles and as in 2023 the KIC has transposed PA GGP requirements in its internal agreements and bylaws, the overall view of this assessment criterion is very positive. - Very Good</u></p> <p>Assessment:</p>	8 / 10 (Threshold: 6)	1

Criterion	Summary Assessment	Scoring (points)	Weight
Global Score (after weighting was applied): 71,5 / 100 Global Threshold: 60 / 100			
	<p>7.1 – excellent – 9: Based on our assessment, the KIC fully addresses the EIT Good Governance Principles.</p> <p>7.2 – very good – 7: The KIC has achieved success in integrating the knowledge triangle and adapting to Horizon Europe. However, the EIT Governing Board highlighted specific weaknesses and issued strategic recommendations for improvement. These focused on financial sustainability, governance alignment, and exploiting results from Deep Demonstrations. Climate-KIC's response involved actions to diversify revenues, align governance systems, and participate in an independent assessment of Deep Demonstration impact. Since 2022 and in the last GB rapporteur visit, rapid progress has been made regarding the proposed amendments, the implementation of previous EIT GB Strategic Recommendations shifting a long-lasting challenge toward complete adequacy.</p>		
KIC's efforts and results in designing and implementing gender-sensitive measures and activities	<p><u>There are efforts in designing and implementing gender-sensitive measures, which provides an overall satisfaction with the results. However, the KIC could make more efforts towards gender balance. - Very Good</u></p> <p><u>Assessment:</u></p> <p>8.1 – good – 5: The lack of a Gender Equality Plan in place and the lack of regular monitoring on gender (except the start-ups responding which gives us limited information) show significant gaps in designing and implementing gender-sensitive activities. The valuable gender mainstreaming tool developed by the KIC, was not used in a systemic way for the KIC Innovation, Business Creation & Acceleration and Education core programmes. Experiences and lessons learned from the external gender mainstreaming projects were neither integrated, nor mainstreamed in EIT Climate-KIC core programmes, which would be one of the key recommendations, next to implementing a well-defined Gender Equality Action Plan with relevant resources and monitoring/reporting mechanism. The KIC is on track to achieving gender equality, however there is still a long road ahead for them. The surveys and the desk research findings indicated that gender balance is not yet achieved, however the necessary measures have been implemented by the KIC.</p> <p>8.2 – very good – 8: We have not found any expert assessment regarding the outputs and results delivered as there was no expert assessment concluded during that period. By that we have placed special emphasis on this indicator in our surveys thus finding that the vast majority of the responders were satisfied with the gender mainstreaming and gender sensitivity measures done by the KIC.</p>	7 / 10 (Threshold: 6)	0.5

Criterion	Summary Assessment	Scoring (points)	Weight
Global Score (after weighting was applied): 71,5 / 100 Global Threshold: 60 / 100			
KIC's capacity to develop sustainable innovation ecosystems and the achieved level of financial sustainability	<p><u>While EIT Climate-KIC's established an innovation ecosystem that successfully addresses societal challenges and skill gaps and the proportion of co-funding is adequate to the level of maturity of the KIC, there are lingering concerns regarding its financial sustainability. While the organisation is moving in the right direction, previously there appeared to be a gap between the positive developments achieved thus far and the financial sustainability required for long-term viability. However, since 2022, the majority of concerns has been addressed to achieve effective financial sustainability mechanisms and an adequate level of revenues from the KIC's activities. - Good</u></p> <p><u>Assessment:</u></p> <p>9.1 – good – 6: EIT Climate-KIC's endeavours to establish a sustainable innovation ecosystem to address societal challenges and skill gaps have yielded remarkable results. Their strategic actions have led to the emergence of dynamic innovation. Engagement in Horizon Europe Missions and the introduction of an innovative partnership model showcase the KIC's commitment to broader impact and sustainability. Despite partner turnover, the influx of new participants, especially through RIS, underlines the attractiveness of their approach. EIT Climate-KIC's agile response to evolving circumstances positions them as a resilient driver of transformation, fostering enduring impact by addressing societal challenges and skill gaps. However, the financial sustainability of the established innovation ecosystem has not been achieved as further assessed in the following indicators.</p> <p>9.2 – good – 5: It is noteworthy that despite the organisation's positive trajectory over the past year and its successful engagement with EU contracts there are lingering concerns regarding its financial sustainability (FS) over the forthcoming 5-7-year period. It is reasonable to conclude that EIT Climate-KIC's ecosystem holds significant untapped potential. While the organisation is developing, there appears to be a gap between the positive developments achieved thus far and the financial sustainability required for long-term viability.</p> <p>9.3 – good – 5: The KIC's Financial Sustainability Strategy, guided by EIT criteria, underwent crucial changes following a Due Diligence report by EIT GB. Although the KIC indicates that they explore other sources of funding, 2022 was the first year they achieved revenue in all categories, including RoI and Equity, marking a significant milestone. Looking ahead, they plan to leverage their innovation partnerships and strategic programmes for financial sustainability. Based on this evidence, it can be concluded that, since the beginning EIT Climate-KIC has been lagging in effective financial sustainability mechanisms.</p>	6 / 10 (Threshold: 6)	2

Criterion	Summary Assessment	Scoring (points)	Weight
Global Score (after weighting was applied): 71,5 / 100			
Global Threshold: 60 / 100			
	<p>9.4 – good –6: The KIC in the last year has been showcasing some positive signs to achieve adequate level of revenues from its activities. The KIC’s plan for the management and exploitation of intellectual property suggests that the KIC’s business model is in place. However, the financial returns have yet to materialise. Generating high revenue levels have been a weak point of the KIC. Despite relying on various non-EIT revenue streams such as membership fees, alternative funding, service, and consulting, the organisation has struggled to meet its revenue targets. Specifically, the KIC significantly underperformed in its revenue generation over the years except for 2022, falling far short of the projected targets. Because of the exceptional performance in 2022 the 2021-22 combined targets were only narrowly missed. While it reported the receipt of some non-EIT income, it is important to note that these funds are often earmarked for contractual obligations and direct costs. Furthermore, the decline in membership fees due to partnership departures has added to the financial challenges. Although there is optimism about closing the revenue gap through alternative funding sources, the overall outlook remains uncertain.</p> <p>9.5 – good– 6: The FS strategy and its measures have not been of good quality, resulting in the corrective measures and strategic recommendations. The KIC has routinely failed to meet its modest revenue targets since 2017 (one was not established in 2016), except for 2022 that is a positive sign for the future. Neither the revenues collected, nor the future revenue generating capacity based on assets accumulated are convincing in this regard. Since 2022 EIT Climate-KIC has notably improved its self-sustainability, with a clear roadmap for financial independence and a promising hybrid model, bolstered by the Supervisory Board's confidence in management, underscoring the incoming COO's significance in steering the transition away from EIT funds. In sum the FS mechanisms in place were highly insufficient and the FS of the KIC was at high risk. The shift from 2022 points toward a better future and FS even without EIT funds.</p> <p>9.6 –very good – 7: The KIC is showing signs that it is on track for achieving targeted co-funding rates. The proportion of co-funding is adequate to the level of maturity of the KIC. The concerns regarding the development of co-funding rates are drawn to the problems of financial sustainability.</p>		

3 Methodology overview

3.1 Our approach

The document presents the results of an evaluation of EIT Climate-KIC carried out by White Research and Deloitte. Three KICs, specifically EIT InnoEnergy, EIT Digital and EIT Climate-KIC, were appraised using a unified assessment approach. This report encompasses the comprehensive assessment process and outcomes pertaining to EIT Climate-KIC.

The methodology used in this assessment is in line with the requirements set out in the Request for Service No. 01 implementing document²¹. According to the document referenced above, the assessment has been carried out through a comprehensive analysis of all areas of activities and aspects relevant for a KIC, the evaluation criteria were specified and explained in detail in the Executive Summary.

Scores were allocated by considering the fulfilment of specific indicators within each criterion category, alongside the quantity and importance of deficiencies and limitations. The evaluation process encompassed desk research, completed by interviews with key informants, in order to gauge the effectiveness of each KIC. To enhance, cross-reference, and provide additional insight into the data acquired through desk research, qualitative and semi-structured interviews were conducted with individuals from the management of the KIC.

During the analysis in each of the above chapters, the following key elements are presented, notably:

- Main activities, results, including EU added value, and KPIs achieved;
- Strengths and weaknesses: what have worked well and what did not work;
- Recommendations for improvement: what should be improved in the next years.

In addition to the chapters above, the final assessment is carried out along the following aspects:

- KIC Governance and KIC Partnership;
- KIC Funding, Financial Sustainability;
- Knowledge Triangle Integration, Innovation Ecosystem and Co-location Centres;
- Education & Alumni;
- Innovation;
- Entrepreneurship & Business Creation;
- EIT Regional Innovation Scheme (EIT RIS);
- Synergies, Complementarities & Cross-KIC Collaboration;
- Communications, Dissemination & Outreach;
- Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks.

The aim of using this method was to cover all the data findings from the aforementioned data collection and, if necessary, to add additional findings to reach solid conclusions from the evaluation. This enabled us to identify all recommendations of particular relevance.

The report is prepared following the order of the assessment criteria and corresponding indicators. Furthermore, we have incorporated the above-mentioned aspects to the structure by choosing an indicator which relates to all listed thematic areas and have expanded upon the thematic areas as part of this chapter. In later sections we will refer to the paragraphs mentioned in the earlier chapter. The complete list of assessment criteria and indicators are presented in the table below:

²¹ Ref. Ares (2022)5507243 - 01/08/2022

Table 3: Assessment criteria, indicators, and their relevant chapters

Assessment criteria	Indicators	Thematic Area
Relevance to the Union's global challenges (Weighting: 1.5)	1.1 The results of the KIC's activities have been relevant to the objectives of the Union, including boosting economic growth, strengthening the innovation capacity of the Member States, fostering innovation and entrepreneurship.	<ul style="list-style-type: none"> • Education & Alumni • Innovation • Entrepreneurship & Business Creation • EIT RIS • Communications, Dissemination & Outreach
	1.2 The results of the KIC's activities have contributed significantly to addressing the societal challenge it was designated for.	<ul style="list-style-type: none"> • Education & Alumni • Innovation • Entrepreneurship & Business Creation • EIT RIS • Communications, Dissemination & Outreach
KIC's Union added value and relevance with regard to the objectives of the EIT (Weighting: 1.5)	2.1 The KIC has created a significant European added value with respect to building a sustainable innovation ecosystem through knowledge triangle integration, and as a result has developed concrete solutions to the societal challenge it addresses as foreseen in the original proposal.	<ul style="list-style-type: none"> • Education & Alumni • Innovation • Entrepreneurship & Business Creation • EIT RIS • Knowledge Triangle Integration, CLCs • Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks
	2.2 All KIC's activities have been fully aligned with and relevant to the EIT objectives as defined in EIT legislative framework.	<ul style="list-style-type: none"> • KIC Funding, Financial Sustainability • Knowledge Triangle Integration, Innovation Ecosystem and CLCs • Education & Alumni • Innovation • Entrepreneurship & Business Creation • EIT RIS • Synergies, Complementarities & Cross-KIC collaboration • Communications, Dissemination & Outreach • Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks

Assessment criteria	Indicators	Thematic Area
	<p>2.3 KIC RIS activities have been fully aligned with the EIT RIS Implementation Guidance note 2018-2020 and RIS Implementation Framework (2021-2027)</p>	<ul style="list-style-type: none"> • Knowledge Triangle Integration, Innovation Ecosystem and CLCs • Education & Alumni • Innovation • Entrepreneurship & Business Creation • EIT RIS • Communications, Dissemination & Outreach • Synergies, Complementarities & Cross-KIC collaboration
<p>Achievement of KIC's objectives (Weighting: 1.5)</p>	<p>3.1 A KIC has achieved/likely to achieve its 7-year Strategic Agenda (2021-2027) objectives and expected results in line with its initial strategic objectives. Any deviation from the Strategic Agenda (2021-2027) has been justified, approved by the EIT and has led to maximizing impact</p>	<ul style="list-style-type: none"> • KIC Governance and KIC Partnership • KIC Funding, Financial Sustainability • Knowledge Triangle Integration, Innovation Ecosystem and CLCs • Education & Alumni • Innovation • Entrepreneurship & Business Creation • EIT RIS • Synergies, Complementarities & Cross-KIC collaboration • Communications, Dissemination & Outreach • Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks
	<p>3.2 The KIC has achieved its objectives and respective targets as stated in its original proposal and Strategic Agenda in relation to the societal challenge</p>	<ul style="list-style-type: none"> • KIC Governance and KIC Partnership • KIC Funding, Financial Sustainability: this chapter should be mainly based on the results of the independent in-depth study • Knowledge Triangle Integration, Innovation Ecosystem and CLCs • Education & Alumni • Innovation • Entrepreneurship & Business Creation • EIT RIS

Assessment criteria	Indicators	Thematic Area
		<ul style="list-style-type: none"> • Synergies, Complementarities & Cross-KIC collaboration • Communications, Dissemination & Outreach • Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks
	<p>3.3 KPI targets including impact KPIs for up to 2024 defined in the KIC original proposal, Strategic Agenda (2021-2027) achieved/likely to be achieved</p>	<ul style="list-style-type: none"> • KIC Governance and KIC Partnership • Knowledge Triangle Integration, Innovation Ecosystem and CLCs • Education & Alumni • Innovation • Entrepreneurship & Business Creation • EIT RIS • Synergies, Complementarities & Cross-KIC collaboration • Communications, Dissemination & Outreach • Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks
	<p>3.4 The KICs have delivered EIT RIS activities and achieved results within the scope of their EIT RIS Strategies. Any deviations are duly justified and having led to maximized results</p>	<ul style="list-style-type: none"> • Knowledge Triangle Integration, Innovation Ecosystem and Co-location Centres • Education & Alumni • Innovation • Entrepreneurship & Business Creation • EIT RIS • Synergies, Complementarities & Cross-KIC Collaboration • Communications, Dissemination & Outreach • Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks

Assessment criteria	Indicators	Thematic Area
	<p>3.5 KIC has made evidenced progress against the following KPIs (including impact KPIs as per definitions provided in the EIT Impact Framework - Societal impact KPIs EIT Climate-KIC)</p>	<ul style="list-style-type: none"> • Education & Alumni • Innovation • Entrepreneurship & Business Creation • EIT RIS • Communications, Dissemination & Outreach • Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks
	<p>3.6 KIC has made evidenced progress against the following KPIs (including impact KPIs as per definitions provided in the EIT Impact Framework - Economic Impact KPIs)</p>	<ul style="list-style-type: none"> • KIC Funding, Financial Sustainability • Education & Alumni • Innovation • Entrepreneurship & Business Creation • Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks
	<p>3.7 KIC has made evidenced progress against the following KPIs (including impact KPIs as per definitions provided in the EIT Impact Framework - Medium-term KPIs)</p>	<ul style="list-style-type: none"> • KIC Funding, Financial Sustainability • Education & Alumni • Innovation • Entrepreneurship & Business Creation • Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks
<p>KICs efforts to coordinate their activities with other relevant research and innovation initiatives (Weighting: 0.5)</p>	<p>4.1 The KIC has achieved the concrete synergies and complementarities described in the original proposal and Strategic Agenda</p>	<ul style="list-style-type: none"> • Synergies, Complementarities & Cross-KIC collaboration • Communications, Dissemination & Outreach
	<p>4.2 Number of synergies with other relevant education, research and innovation initiatives in the same area of the societal challenge at national, EU and global level</p>	<ul style="list-style-type: none"> • Synergies, Complementarities & Cross-KIC collaboration

Assessment criteria	Indicators	Thematic Area
KIC's capacity to ensure openness to new members (Weighting: 0.5)	5.1 Partnership size, growth, composition and performance have been adequate for achieving the long-term objectives of the KIC Strategic Agenda (2021-2027)	<ul style="list-style-type: none"> • KIC Governance and KIC Partnership • Knowledge Triangle Integration, Innovation Ecosystem and CLCs
	5.2 KIC's Calls for activities have been fully open to new members	<ul style="list-style-type: none"> • KIC Governance and KIC Partnership
	5.3 KIC has fully addressed the EIT Good Governance Principles (GGP) – based on relevant GGP assessments related to openness to new members	<ul style="list-style-type: none"> • KIC Governance and KIC Partnership
	5.4 Balanced representation of all key knowledge triangle players in the partnership	<ul style="list-style-type: none"> • KIC Governance and KIC Partnership • Knowledge Triangle Integration, Innovation Ecosystem and CLCs
KIC's achievements in attracting new members from across the Union (Weighting: 1)	6.1 KIC has grown to an effective sustainable innovation ecosystem with partners within and outside the EU, including RIS eligible countries and regions	<ul style="list-style-type: none"> • KIC Governance and KIC Partnership • Knowledge Triangle Integration, Innovation Ecosystem and CLCs • EIT RIS
	6.2 Number of the EU Member States covered by the KIC partnership and representation of all the knowledge triangle players	<ul style="list-style-type: none"> • KIC Governance and KIC Partnership • Knowledge Triangle Integration, Innovation Ecosystem and CLCs
	6.3 Number of the RIS eligible countries and regions covered by the KIC partnership and representation of all the knowledge triangle players in its activities	<ul style="list-style-type: none"> • KIC Governance and KIC Partnership • EIT RIS
	6.4 Balanced geographical presence of CLCs and EIT RIS Hubs in line with the strategic objectives and societal challenges	<ul style="list-style-type: none"> • KIC Governance and KIC Partnership • Knowledge Triangle Integration, Innovation Ecosystem and CLCs • EIT RIS
	6.5 Trend of new active partners over the period of the review	<ul style="list-style-type: none"> • KIC Governance and KIC Partnership • Knowledge Triangle Integration, Innovation Ecosystem and Co-location Centres • EIT RIS • Communications, Dissemination & Outreach

Assessment criteria	Indicators	Thematic Area
	6.6 Share of indicated innovation ecosystems that covers RIS eligible countries	<ul style="list-style-type: none"> • KIC Funding, Financial Sustainability • Innovation • Entrepreneurship & Business Creation • EIT RIS
KIC's compliance with good governance principles (Weighting: 1)	7.1 KIC fully addresses the EIT Good Governance Principles (GGP) – based on the relevant GGP assessment	<ul style="list-style-type: none"> • KIC Governance and KIC Partnership • Knowledge Triangle Integration, Innovation Ecosystem and Co-location Centres
	7.2 GB Strategic recommendations have been effectively addressed and fully implemented by the KIC	<ul style="list-style-type: none"> • KIC Governance and KIC Partnership
KIC's efforts and results in designing and implementing gender-sensitive measures and activities (Weighting: 0.5)	8.1 KICs have designed and implemented gender sensitive measures and activities	<ul style="list-style-type: none"> • KIC Governance and KIC Partnership
	8.2 Positive expert's assessment of the outputs and results delivered by these activities	<ul style="list-style-type: none"> • KIC Governance and KIC Partnership
KIC's capacity to develop sustainable innovation ecosystems and the achieved level of financial sustainability (Weighting: 2)	9.1 The KIC has created a sustainable innovation ecosystem effectively addressing the societal challenges and skill gaps it was established for	<ul style="list-style-type: none"> • Knowledge Triangle Integration, Innovation Ecosystem and CLCs
	9.2 KIC has made evidenced progress against the following indicator (as per definition provided in the EIT Impact Framework): Visible innovation ecosystems not previously in existence	<ul style="list-style-type: none"> • KIC Funding, Financial Sustainability
	9.3 Effective Financial Sustainability Strategy, including Financial Sustainability mechanisms in place including diversified revenue sources and aligned with the original proposal and subsequent business plans/reports	<ul style="list-style-type: none"> • KIC Funding, Financial Sustainability • Entrepreneurship & Business Creation
	9.4 An adequate level of revenues from its activities is demonstrated and a plan for the management and exploitation of intellectual property and financial assets supporting the KIC's business model is in place	<ul style="list-style-type: none"> • KIC Funding, Financial Sustainability

Assessment criteria	Indicators	Thematic Area
	9.5 Financial Sustainability (FS): revenues of KIC LE, FS coefficient	<ul style="list-style-type: none"> • KIC Funding, Financial Sustainability
	9.6 Co-funding rates	<ul style="list-style-type: none"> • KIC Funding, Financial Sustainability

Furthermore, all data and information collected has been linked to the relevant criteria and indicators from the assessment table in the methodological note, ensuring that these can be scored appropriately and consistently against the scoring system designed by EIT. The indicative scoreboards are presented below:

Table 4: Final review scoreboards

0-10	Score interpretation
0	The profile does not meet the criterion at all or cannot be assessed due to missing or incomplete information
1-2	Poor – serious weakness
3-4	Fair – goes some way to meeting the criterion, but with significant weakness
5-6	Good – but with a number of shortcomings
7-8	Very good – but with a small number of shortcomings
9-10	Excellent - meets criterion in every relevant aspect. Any shortcomings are minor.

3.2 Methodological tools

Thanks to the applied methodology, the assessment is based on robust and reliable results and incorporates multiple data sources. During the assessment, three main methodological tools have been applied:

Desk research

The goal of the desk research was to collect both qualitative and quantitative data on the KIC's activities, impact and results. The key documents for the desk research were:

- Key EIT documents (e.g., previous EIT Regulation (2008), EIT Regulation Amendment (2013), new EIT Regulation (2021), EIT Financial Regulation, EIT SIA 2014-2020 and EIT SIA 2021-2027, Triennial Work Programmes, Single Programming Documents);
- Calls for KIC Proposals documentation; KIC Proposals;
- Framework Partnership Agreements, new Partnership Agreements and KICs' Strategic Agendas (originals and any later updates);
- KICs Business Plans and Reports for relevant years and experts' assessments;
- KIC Assessments: Business Creation, Education, Knowledge Triangle integration, and subsequent RIS evaluations;
- EIT consolidated reports on the KIC Monitoring/GB Rapporteur visits and reports;
- Specific EIT guidance to KICs (e.g. governance, code of conduct, etc.);
- EIT Principles on KICs' Financial Sustainability (old and new);
- EIT Guidance on the EIT Regional Innovation Scheme (EIT RIS) 2018-2020 and EIT RIS Implementation Framework 2021-2027;
- EIT Good Governance Principles and respective assessments;
- EIT and KICs websites (deliverables included in websites as well as those submitted with KIC reports);
- KICs' action plans for tackling specific issues (i.e. EIT and EU co-branding; communications strategy; Project Partners, gender balance etc.);
- Annual Grant KIC Performance Assessment Reports;
- Multi-annual Dashboard;
- Annual Grant KIC Performance Assessment Reports;
- EIT GB Strategic Recommendations issued during the assessed period;
- EIT GB Rapporteur Reports;

- Communications Activities Assessments;
- Publicly available relevant EU documents;
- In-depth study of the 1st wave of KICs (2022-2023).

Additional documents and databases have been collected from / provided by EIT and the KIC and assessed during the desk research. This assessment has included outstanding recommendations from the most recent relevant reports produced through annual EIT monitoring, such as the Good Governance Principles assessments and Multi-Annual Dashboards.

Throughout the overview of the documents, we have opted for a tree structure to log each document into a database and do a first rough screening of relevance, indicating the following in the database:

- The level of documentation (EIT general, cross-KICs, KIC-specific – including the respective KIC, etc.);
- The assessment criteria and indicators to which it is (potentially) relevant, based on the assessment criteria from the methodological note;
- The level in the Horizon Europe impact pathway to which the data is (potentially) relevant, based on the EIT Impact Framework;

After the collection of the documents, we have continued with their analysis.

Document Analysis We have systematically reviewed each document using the database developed as part of the desk research. During this review we have added further data to each relevant indicator (i.e. if the in-depth review of a certain document proves to be relevant to assessment criteria/indicators not identified during the fast screening carried out in the previous activity, this will be updated in the database).

Whilst going through each document, we extracted relevant information on the KIC performances, linking it simultaneously to the areas to be covered by the report. We have subsequently created a matrix to link the data for each year which ensures that data gaps can be easily identified. Once all the data has been grouped using this approach, we have analysed the data using the following methods:

- **Synthesis of text** – In instances where the documents already contained elements of analysis of the performance, this text has been synthesised and reported directly as findings, with full sourcing.
- **Qualitative content analysis** – In instances where data has been presented in direct qualitative manners, the analysis has consisted of finding overall trends and tendencies, patterns and links in these documents based on which overarching summaries and findings have been drawn.
- **Quantitative analysis** – In documents containing quantitative data, the data has been combined with further quantitative data analysis, or in some cases (e.g. KPIs) data was considered as standalone and indicative.

Surveys

We have developed and with the help of the Climate-KIC distributed three unique sets of questionnaires for the following target groups:

- Students and graduates from EIT labelled programmes and non-labelled programmes;
- Start-ups and scale-ups supported by the KICs;
- Partners.

Surveys typically provide more statistically significant data and in that way lead to more objective results. The questionnaire aimed to build upon the collected information as to complete and enrich understanding from the initial desk research. We have sent the surveys before dissemination to the respective EIT officers for feedback and validation of the questions. All questionnaires have been open for responses for three consecutive weeks, during which we have prepared reminders to boost the response rates. The start-up and partners surveys reached good response rates, but the graduates survey remained low despite all the KIC's and our efforts. When consulting with the KIC on that issue the Education Team informed us that their alumni have been quiet passive in their previous surveys too. For us to be able to use the data gathered by this survey a second round of validation interview was needed.

Semi-structured interviews

To gain further information, semi-structured interviews have been carried out both in a written and oral form with EIT Climate-KIC representatives, namely the Chief Strategy Officer and the Grant and Funder Orchestrator to complement the data collected during the desk research. The interview questions were

always sent to the KIC before the interview providing them the possibility to send us written answers and prepare the data or information. As we have received written answers, the oral part of the first interview only included follow-up and clarification questions. In the second interview we have focused on deepening our understanding on the KIC operations and validating the results of the surveys, most importantly the graduates survey results. These interviews provided in-depth qualitative data that allowed for data verification and triangulation.

Multi criteria analysis

In line with the EC's Better Regulation Guidelines and its toolbox²², carrying out a Multi-Criteria Analysis (MCA) have been utilised to assess overall possible alternatives and preferences and evaluate them under different criteria at the same time.

The MCA as a methodological tool have been suitable to conduct a comparison of different options (including a baseline scenario) vis-à-vis a predefined set of criteria. This tool builds on the data collected carried out in the context of the project – including the desk research, the targeted surveys and interviews– to assess various options. Then, based on this assessment, each option receives a score per criteria corresponding to the extent to which each option would be either more or less efficient and effective than the established baseline. These scores are then used to develop the comparison of options amongst themselves, in order to reach and conclude on a ranking of preferred options for this study.

Our MCA consisted of three successive steps:

- Assessment of the options with regards to the assessment criteria (including the allocation of base scores);
- Outranking matrix;
- Permutation matrix.

Theory-based impact evaluation

Theory-based impact evaluation has been utilised to assess cause and effect between interventions and outcomes in a more detailed manner, zooming in on the various elements within an intervention and taking into account potential impactful external factors as well. Theory-based evaluation is an approach to evaluation and not a specific method or technique. It is a way of structuring and undertaking analysis in an evaluation. Theory-based approaches to evaluation attempt to understand an intervention's contribution to observed results through a mechanistic or process interpretation of causation, rather than determining causation through comparison to a counterfactual, as discussed in the section below.

Counterfactual impact evaluation– Propensity Score Matching

Counterfactual impact evaluation enables us to estimate more reliably the impact of the Climate-KIC by comparing the outcomes of interest of those who have participated in their programme(s) or benefited from their support – the treated group – with those who are similar to the treatment group in all of their characteristics, only difference being that they have not participated in the programme – the control or comparison group.

Propensity Score Matching is a quasi-experimental method. Based on the collected data, it could calculate a propensity score for each individual that indicates their probability to be subject to the intervention. The individuals from the treatment group then were matched to the individuals from the control group based on other characteristics (e.g. gender, age, education level, etc.). Finally, the average treatment effect of a scheme is calculated as the mean difference in the outcomes between the two groups.

²² Commission, Better Regulation Guidelines, 03 November 2021, SWD(2021) 305 final (http://ec.europa.eu/smart-regulation/guidelines/toc_guide_en.htm).

Survival analysis

Only one indicator has been identified under the Societal and Economic Impact KPIs where we were able to exploit the survival analysis, namely:

- Number and revenue of start-ups and scale-ups supported by KICs trading 3 years after KIC support ceased.

The analysis focused on the start-ups still operating.

Network analysis

Two indicators have been identified under KIC's achievements in attracting new members from across the Union where we were able to apply network analysis:

- KIC has grown to an effective sustainable innovation ecosystem with partners within and outside the EU, including RIS countries and regions;
- Share of indicated innovation ecosystems that covers RIS eligible countries.

Our network analysis focused on the qualitative results.

Triangulation, conclusions and recommendations

Through this task we addressed different findings from the aforementioned data collection exercises pertaining to indicators identifying complementary and contradictory information from different sources. Wherever it was deemed necessary, we have complemented these with additional inputs and validation efforts, including further consultation with EIT Climate-KIC representatives and further requests for documents and databases to reach solid conclusions. By comparing and aggregating all information gathered, we were able to formulate relevant recommendations.

3.3 Challenges faced in the assessment

The final review of Climate-KIC was a long and intensive work requiring close cooperation with the KIC and EIT. During this process, several challenges were encountered that influenced the overall assessment of the KIC's performance. In this section, we comprehensively analyse the challenges that arose and their implications for the evaluation process. These challenges encompassed a range of factors, from shifting expectations to internal operational dynamics. Understanding these challenges is pivotal for gaining insights into the complexities of the evaluation process and charting a path for future improvements.

Changing environment

- One of the foremost challenges faced during the evaluation process was the evolving nature of expectations faced by the KIC. Over the assessed 7-year period, these expectations underwent multiple modifications, reflecting changes in the EIT's strategic priorities. In 2021, the KIC modified its KPI objectives and established new aims for its actions. We considered the newly adopted KPIs and their 2020 equivalents as part of this assessment. Many indicators lacked data due to the considerable shift in the list of KPIs, and many KIC-specific KPIs were not included in the 2021-2027 SA, which is justified in the case of operational KPIs. This inherent dynamism necessitated a continuous re-evaluation of Climate-KIC's strategies and operational focus to ensure alignment with the priorities of the EIT.
- The need to align with the EIT's financial sustainability expectations resulted in Climate-KIC undertaking revisions to its SA. The consequent adjustments, with a revision request pending to be sent to the EIT as of the drafting of this report to introduce a layer of complexity, as balancing strategic objectives with financial considerations proved to be intricate.
- At the close of 2022, Climate-KIC underwent a transition in its partnership model. This transition aimed to enhance collaborative frameworks and improve resource allocation. However, adapting to

this new model required concerted effort. As such, this transition also made the evaluation process more complex by introducing adjustments in collaboration dynamics and the overall ecosystem.

Data collection challenges

- To streamline the evaluation process, a strategy was employed to limit contact with Climate-KIC as requested during the start of the project by EIT. We were introduced to the KIC's contact point who we could approach for additional data. Balancing minimal intrusion with the need for comprehensive data collection proved challenging and demonstrated the intricacies of maintaining efficient communication while respecting operational autonomy. As a result of this approach, there might be data or information that the KIC would share with us to complement the assessment, but we do not know of currently.
- The engagement of alumni through surveys was a crucial aspect of the evaluation process. However, challenges arose when the alumni of the Climate-KIC was largely unresponsive, making the validation of survey data a difficult task. The impact of this challenge was felt in the comprehensiveness and accuracy of the data collected for evaluation purposes.
- The procurement of external data, a critical component of the evaluation process, encountered delays that exceeded our initial risk assessment. This delay made impossible to apply some methods for the first draft report initially planned. As agreed with EIT, we have complemented our report with the results of the analysis of these data when we have received them.

The challenges encountered during the evaluation process of Climate-KIC provide valuable insights into the complexities inherent in assessing an organisation's performance over an extended period. Understanding these challenges is crucial for refining evaluation methodologies and strategies for future assessments.

4 Relevance to the EU's global challenges

4.1 Relevance to the Objectives of the Union

Indicator: The results of the KIC's activities have been relevant to the objectives of the Union, including boosting economic growth, strengthening the innovation capacity of the Member States, fostering innovation and entrepreneurship.

Climate-KIC's activities have been aligned with the objectives of the Union, particularly in boosting economic growth, strengthening the innovation capacity of Member States, fostering innovation, and entrepreneurship. The data collected during our evaluation highlights several key aspects that demonstrate Climate-KIC's and its activities relevance to tackle the EU global challenges.

Climate Entrepreneurship and Innovation: Climate-KIC's SA outlines its commitment to fostering climate entrepreneurship and innovation. By running the world's largest incubation and acceleration programme for climate-oriented business ideas and start-ups, Climate-KIC has contributed to the growth of the start-up community in Europe. The organisation's emphasis on connecting start-ups with demand-side innovation, extracting intelligence from portfolio processes, and facilitating venture capital reflects a systemic approach that contributes to both economic growth and innovation capacity.

Place-Based Innovation: Climate-KIC's approach to place-based innovation recognizes the importance of unique regional properties and ecosystems. By orchestrating ecosystems in various countries and regions, Climate-KIC acknowledges the role of specific contexts, talents, regulatory frameworks, and cultural drivers in driving innovation. This approach aligns with the Union's focus on connecting people, disciplines, sectors, organisations, and resources to strengthen sustainable innovation ecosystems.

Shift to Demand-Led Model: Climate-KIC's shift from a supply-led to a demand-led model in entrepreneurship reflects an innovative approach to fostering transformative change. By embedding single-point solutions within demand-led initiatives, Climate-KIC ensures that start-ups' innovations are aligned with real-world challenges. This approach fosters innovation and entrepreneurship that directly address the needs of society, promoting economic growth while contributing to the achievement of environmental and social objectives.

Start-up Support and Investment: The data from the KICs BPs highlights that Climate-KIC's entrepreneurship programme has played an important role in attracting significant investment to Europe's clean technology companies. Over \$600 million in follow-on investment has been attracted by start-ups that graduated from Climate-KIC's programme. This not only contributes to economic growth but also demonstrates the programme's success in nurturing and scaling climate-positive start-ups.

Global Outreach and Policy Influence: Climate-KIC's global initiatives, such as Climathon, the Journey and participation in international climate summits, demonstrate its active engagement in disseminating climate knowledge and fostering innovation worldwide. This global outreach aligns with the Union's efforts to have a wider influence on public policy beyond EU programmes.

EIT RIS Collaboration: The integration of start-ups, researchers, and innovators from EIT RIS countries demonstrates Climate-KIC's commitment to enhancing innovation capacity across Europe. By providing targeted support, coaching, and incubation programmes to start-ups from EIT RIS countries, Climate-KIC contributes to bridging the innovation gap and promoting entrepreneurship in regions with lower business maturity.

Overall, Climate-KIC's activities have been highly relevant to the Union's objectives of boosting economic growth, strengthening innovation capacity, fostering innovation, and entrepreneurship. Climate-KIC's approach to climate entrepreneurship, place-based innovation, demand-led models, and collaboration with EIT RIS countries showcase its effectiveness in addressing complex challenges associated with climate change and driving positive impact. The organisation's emphasis on both economic and societal outcomes, as well as its global outreach and policy influence, further demonstrate its alignment with the Union's goals. By nurturing climate-positive start-ups, facilitating innovation ecosystems, and promoting sustainability, Climate-KIC plays a vital role in contributing to the Union's broader objectives and priorities.

Conclusion: EIT Climate-KIC's endeavours have been highly aligned with the European Union's goals. By addressing pressing societal challenges through innovation, the KIC has not only contributed to economic growth but also strengthened the innovation capabilities of Member States. Its commitment to cross-sectoral collaboration and education has fostered entrepreneurship, creating a solid foundation for future advancements. While facing certain weaknesses, the KIC's proactive approach and emphasis on systemic change underline its vital role in realizing a greener, more innovative Europe.

Score: very good- 7

4.2 Societal challenges

Indicator: The results of the KIC's activities have contributed significantly to addressing the societal challenge it was designated for.

EIT Climate-KIC's SA and activities have made some contributions to addressing the societal challenge of climate change. This assessment is based on the provided information, including the organisation's strategic goals, accomplishments, and areas of impact.

Strategic alignment of the EIT Climate-KIC's vision and approach with the urgent need for transformative action seeks to address climate change. The organisation recognizes the call for systemic responses to achieve the 1.5°C target set by the Intergovernmental Panel on Climate Change. Its focus on innovation, collaboration, and integrating diverse stakeholders positions it effectively to address the complex and interconnected challenges of climate change.

EIT Climate-KIC's approach to fostering innovation extends beyond technology, emphasizing the need for innovation in governance, policies, financing, and more. This broader perspective is critical in driving systemic changes necessary to combat climate change. By nurturing innovation across different sectors and engaging various stakeholders, the organisation has created a comprehensive ecosystem that accelerates the transition to a low-carbon economy.

The collaboration commitments with multiple European countries, cities, and regions demonstrate EIT Climate-KIC's success in engaging diverse stakeholders. With numerous partners from every Member State, the organisation has established a robust network that facilitates the exchange of knowledge, expertise, and resources. This collaborative approach enhances the scalability and impact of climate solutions.

EIT Climate-KIC's focus on entrepreneurship and education is vital for nurturing a generation of climate leaders and innovators. Although the organisation's educational activities, including the renowned Summer School and EIT Label programmes, have produced a number of graduates who are equipped to contribute to climate solutions, the number of the graduates is lagging behind the respective targets in the last years. By engaging students and professionals from various backgrounds, EIT Climate-KIC promotes a holistic and multidisciplinary approach to climate action.

The active participation of the Climate-KIC in events such as the United Nations' Conference of the Parties and other summits has provided a platform to showcase innovations, disseminate information, and contribute to policy discussions. By engaging in high-level dialogues and sharing insights, the organisation has contributed to shaping climate-related policies and promoting the adoption of innovative solutions.

The KIC's adoption of a portfolio approach to innovation is a commendable strategy. By deliberately selecting and connecting projects that reinforce each other, the organisation accelerates learning and transformation. This approach acknowledges the complexity of climate challenges and enables a more holistic understanding of how different innovations can drive systemic change.

While the KIC have made positive contributions towards addressing the pressing societal challenge of climate change, it is essential to acknowledge that the KPIs presented, which encompasses metrics such as supported start-ups/scale-ups, investment attracted by KIC-supported ventures, innovation-focused start-ups, EIT-labelled MSc and PhD programme graduates, and participants in non-degree education and training, are often modest when compared to the scale of the challenges themselves. These metrics signify that there is room for growth and improvement in the KIC's efforts to foster innovation and accelerate the

transition to a sustainable and low-carbon economy. Nevertheless, these initiatives remain a vital force in driving climate action, and their potential impact should not be underestimated.

Table 5: Activities of the KIC

KPI	2017	2018	2019	2020	2021	2022
Supported Start-ups/Scale-ups	266	321	345	330*	303	368
Investment attracted by KIC supported start-ups/scale-ups (million EUR)	187,83	160.01	115.08	160.10	92.50	130.00
Start-ups created of/for innovation	2	3	1	3	1	1
Students and Graduates from EIT labelled MSc and PhD programmes	80	92	81	125	127	127
Participants in (non-degree) education and training	n/a	n/a	n/a	n/a	3365	10485

*330 were reported but 318 were validated.

The assessment of these KPIs reveals both strengths and areas for potential improvement. The continuous growth in the number of supported start-ups/scale-ups, students and graduates from labelled programmes, and participants in non-degree education and training is a positive sign of EIT Climate-KIC's impact. However, fluctuations in investment attracted by start-ups and a slight decline in supported start-ups in 2021 should be closely monitored and addressed to ensure sustained growth and financial support for innovative climate solutions. Additionally, the variations in the number of start-ups created out of or for innovation may require further attention to ensure consistency and alignment with innovation objectives.

Conclusion: The KIC's strategic alignment with the urgent need for transformative action to combat climate change, its emphasis on innovation across multiple sectors, its collaborative network of diverse stakeholders, and its commitment to nurturing future climate leaders and innovators are commendable. The organisation has played a valuable role in advancing climate solutions and influencing policy discussions on a global scale. However, the modest figures in key performance indicators highlight the need for continued growth and improvement in their efforts. Despite these challenges, EIT Climate-KIC remains a crucial force in the ongoing fight against climate change, and its potential for positive impact should not be underestimated.

Score: very good- 7

4.3 Strengths, weaknesses and recommendations

Final score of the assessment criteria: very good- 7

The following table indicates some of the most significant strengths of the KIC's activities related to the EU global challenges:

Strengths
EIT Climate-KIC fosters collaboration among diverse stakeholders, including cities, businesses, and policymakers, for comprehensive climate solutions beyond technology.
The KIC's portfolio approach to innovation accelerates learning and transformation by connecting projects that reinforce each other.
The KIC employs a systemic approach to innovation that goes beyond technology, encompassing policy, finance, education, and engagement. This comprehensive strategy maximizes the potential for holistic and sustainable solutions to address climate challenges.
Through active participation in events and policy discussions, the organisation influences climate-related policies and promotes sustainable practices.

The following table indicates the most significant weaknesses and recommendations:

Weaknesses	Recommendations
Graduates falling behind targets	By the end of the current academic year, EIT Climate-KIC should focus on enhancing the quality and attractiveness of its educational programmes. This involves refining the curriculum, introducing innovative teaching methods, and ensuring that the programmes align closely with the evolving needs of the climate innovation landscape. Additionally, efforts to improve recruitment and retention of students in these programmes should be implemented to meet or exceed the set targets. A stronger educational foundation will contribute to producing more skilled climate leaders and innovators.
Limited scale of impact	Within the next 12 months, EIT Climate-KIC should actively explore strategies to scale up its outreach and support for climate entrepreneurship and innovation. This involves expanding its incubation and acceleration programmes to reach more climate-oriented start-ups, seeking additional sources of funding and partnerships to attract larger investments, and enhancing the marketing and accessibility of its educational programmes. By expanding its impact within this time frame, Climate-KIC can better address the pressing societal challenge of climate change.

5 EU added value and relevance with regard to the objectives of the EIT

5.1 European added value

Indicator: The KIC has created significant European added value with respect to building a sustainable innovation ecosystem through knowledge triangle integration, and as a result has developed concrete solutions to societal challenges it addresses as foreseen in the original proposal.

The KIC's activities are relevant to the objectives of the EIT with the potential to create significant European added value:

- The KIC places a strong focus on climate-oriented business ideas and start-ups. By nurturing climate entrepreneurs and promoting transformative innovations and supporting start-ups and helping them secure investments, based on the counterfactual analysis we concluded that the KIC has **contributed to both economic growth and addressing environmental challenges**, which indicates a commitment to fostering entrepreneurship and economic growth. The KIC's education programmes, such as the Climathon initiative and The Journey programme, engage citizens, students, and professionals in learning about climate change and entrepreneurship. These initiatives not only contribute to building human capital but also promote innovative thinking and entrepreneurship.
- The KIC's engagement with countries and regions with innovation ecosystems through the RIS aims to strengthen their innovation capacity, which aligns with the objective of **enhancing innovation capacity in Member States**, particularly those with less developed ecosystems. The success stories of start-ups from EIT RIS countries securing investments also demonstrate the positive impact of the KIC's activities.
- The KIC's emphasis on building place-based innovation ecosystems reflects the broader European approach to innovation, which seeks to **leverage partnerships, networks, and regional strengths to drive innovation and economic growth**.
- The KIC is committed to the promotion of innovation through its initiatives towards the cultivation and incubation of novel ideas. By providing a platform for climate-oriented business concepts and start-ups, the KIC stimulates the innovation ecosystem. This approach **corresponds to the Union's aspiration to bolster the innovation capacity of its Member States**, thereby fostering their competitiveness on the global stage.
- Within the context of addressing societal challenges, the KIC's focus on climate change and sustainability is apparent. By channelling resources, expertise, and innovation towards climate-positive start-ups, the KIC contributes to both mitigating environmental risks and seizing economic opportunities aligned with the principles of sustainability. This is in line with the Union's holistic vision of **advancing economic prosperity while ensuring environmental stewardship**.
- By showcasing innovative solutions and disseminating knowledge at prominent global platforms, the KIC facilitates the integration of its achievements into the broader policy discourse, thereby enhancing its influence on decision-making processes. The KIC's participation in events like COP 20 and COP 21 to showcase innovations and disseminate information about achievements demonstrates a commitment to **influencing public policy and contributing to climate change mitigation efforts**.
- The Water Scarcity programme is an example of the KIC's effort to address a specific challenge through innovation. By consolidating cross-KIC activities, the KIC promotes collaboration, knowledge sharing, and innovation diffusion, which aligns with **fostering innovation within the Union**.
- Moreover, the KIC is taking actions empowering individuals and entities to entrepreneurship. The KIC orchestrates innovation ecosystems wherein start-ups are integrated with demand-driven initiatives. It resonates with the Union's overarching goal of **cultivating a dynamic entrepreneurial landscape that contributes substantively to economic advancement**.

Based on evidence assessed in indicator "Balanced representation of all key knowledge triangle players in the partnership", the KIC also ensured a strong knowledge triangle integration and built an innovation ecosystem during its course of work.

During our assessment, we also found concrete evidence of solutions related to societal challenges the KIC developed (for details, see the assessment of relevant indicators in Sections 6.2, 6.5 and 12.1)

The KIC was successful in growing a strong partnership for innovation in its size and scope steadily until 2022. At that point however, as the KIC's trajectory was deemed unsuited to achieve financial sustainability, EIT Climate-KIC stopped all RIS Hub activity and changed its partnership model (for details, see assessment of relevant indicators in Section 9.1), which simultaneously led to the loss of the majority of its partners and the acquisition of a record number of new partners within a year. More time would be needed to assess the further performance and sustainability of the new partnership model. Currently, while it is commendable that the necessary change has been made in transforming the KIC's ecosystem, this development raises uncertainty if the KIC is on track to building an innovation ecosystem that can be sustainable and if it is significant compared to its potential.

Conclusion: Based on our document analysis and first-hand information gathered during the assessment, the results of the KIC's activities are relevant to the objectives of EIT and the European Union, including boosting economic growth, strengthening the innovation capacity of the Member States, and fostering innovation and entrepreneurship demonstrating a commitment to fostering economic growth and innovation capacity within the Union. Thus, the KIC has created European added value with respect to building an innovation ecosystem through knowledge triangle integration, and as a result has developed concrete solutions to societal challenge. However, the financial sustainability of this ecosystem is uncertain.

Score: very good- 7

5.2 Alignment with and relevance to the EIT objectives

Indicator: All KIC's activities have been fully aligned with and relevant to the EIT objectives as defined in EIT legislative framework.

The original legislative objective in the 2008 EIT Regulation was defined as follows:²³ "The EIT's objective is to contribute to sustainable European economic growth and competitiveness by reinforcing the innovation capacity of the Member States and the Community. It shall do this by promoting and integrating higher education, research and innovation of the highest standards." This Regulation was amended in 2021 by Regulation (EU) 2021/819, which set out a similar objective: "The EIT's mission is to contribute to sustainable Union economic growth and competitiveness by reinforcing the innovation capacity of the Union and Member States to address major challenges faced by society. It shall do this by promoting synergies, integration and cooperation among higher education, research and innovation of the highest standards, including by fostering entrepreneurship, thereby strengthening the innovation ecosystems across the Union in an open and transparent manner."²⁴

As outlined in Regulation (EU) 2021/819²⁵, KICs are mandated to undertake several key responsibilities. These include promoting innovation activities and investments with European added value, fostering the creation of innovative startups and businesses, integrating higher education and research to drive critical mass, and facilitating the dissemination of results. KICs are also tasked with conducting innovation-driven research in areas of economic, environmental, and societal importance, promoting education and training at various levels, enhancing the integration of higher education institutions into innovation value chains, disseminating best practices in innovation, supporting regional innovation strategies, seeking synergies with other EU programmes, mobilizing funds from public and private sources, and providing information on research and innovation outcomes and intellectual property rights. These responsibilities collectively aim to strengthen European competitiveness, address societal challenges, and foster innovation across various domains.

²³ Article 3, 2008 EIT Regulation

²⁴ Article 3, 2021 EIT Regulation

²⁵ Article 3, 2021 EIT Regulation

According to the 2013 Strategic Innovation Agenda (SIA), KICs have to become the frontrunners for promoting and implementing the EIT's educational mission. Therefore, the EIT actively promotes, inter alia, the EIT-labelled degrees by monitoring their quality and consistent implementation across KICs, which will enhance the national and international recognition and reputation of the EIT labelled qualifications and raise their attractiveness globally, thereby enhancing the employability of graduates while providing a platform for collaboration at international level²⁶.

According to the EIT Single Programming Document of 2017-2019, EIT Climate-KIC's main objectives will include²⁷:

- 1) Global leadership: achieve unprecedented European coverage through the EIT RIS programme and creating a new 'Central and Eastern European' Geography;
- 2) Trusted partnership with other stakeholders: establish numerous strategic relationships with organisations that enable connecting with the best demand-side and supply-side organisations;
- 3) Centre of excellence: develop the business education programme in collaboration with core themes to further integration and competency expertise;
- 4) Financial Sustainability: create a sustainable business model for each of the core activities and ensure working together as a cohesive whole.

The objectives and KPI targets set by EIT for Climate-KIC in the Single Programming Document of 2021-2023 for the period 2021-2027 reflect a comprehensive and ambitious approach to addressing the challenges of climate change and fostering innovation in Europe. The focus area is identifying four major systems - cities, materials, land-use, and finance - where progress in emissions reduction and resilience-building is slowest is a strategic move. It allows Climate-KIC to channel resources and efforts into areas with the most significant potential impact.²⁸

- 1) Sustainable Innovation Ecosystems: Strengthening innovation and entrepreneurial ecosystems, particularly in regions within the RIS programme, is crucial for ensuring that climate innovations are accessible and beneficial across Europe, including in less-developed areas.
- 2) Next-Generation Climate Entrepreneurship: Shifting focus from quantity to quality in climate entrepreneurship signifies a maturation of efforts, moving beyond technology development towards widespread adoption and diffusion of climate solutions.
- 3) Funding: The commitment to achieving financial sustainability by diversifying funding sources and maintaining a substantial budget for climate innovation activities is commendable. It ensures that Climate-KIC can continue its vital work independently.
- 4) Governance, Capability, and Inclusion: Enhancing governance, legal structures, and capabilities is essential for efficient coordination and catalysation of innovation efforts. Commitment to openness, transparency, and inclusion is laudable, as it fosters collaboration and engagement with diverse stakeholders.
- 5) Knowledge Sharing and Diffusion: Sharing knowledge and conducting external evaluations reflect a commitment to learning and improving. This approach allows for continuous refinement and optimization of Climate-KIC's impact.
- 6) Synergies and Alignment: Collaborating with other EU instruments and partnerships, such as the European Innovation Council and the European Investment Bank, demonstrates Climate-KIC's commitment to a coordinated, holistic approach to addressing climate challenges in alignment with the Union's climate objectives.

The KIC in their 2021-2022 BP set its objectives across various key domains, encompassing innovation, education, business creation, Regional Innovation Scheme (RIS), management and ecosystems, and cross-KIC thematic innovation activities.

²⁶ 2013 Strategic Innovation Agenda

²⁷ EIT SPD 2017-2019

²⁸ EIT SPD 2021-2023

The decision by the KIC to discontinue investments in innovation activities and significantly limit education activities is an ominous sign of inadequate financial sustainability and revenue generation. The EIT's primary goals are to foster innovation and entrepreneurship, enhance the competitiveness of the European economy, and promote sustainable growth. Discontinuing investments in innovation activities directly contradicts the EIT's core mission of driving innovation in Europe, however it is deemed more than necessary for the sake of stabilizing the financial operations of the KIC. Innovation is a key driver of economic growth and job creation, and cutting back on such investments hampers progress toward these objectives. Similarly, limiting education activities runs counter to the EIT's aim of developing a skilled workforce with an entrepreneurial mindset. Education and training are vital components of fostering innovation, as they equip individuals with the knowledge and skills needed to drive technological advancements and start innovative ventures.

The EIT's legislative framework highlights the importance of fostering innovation, education, and entrepreneurship to tackle major societal challenges. While the KIC's activities claim alignment with these core EIT objectives, it is important to note several shortcomings. The KIC's ambitions in innovation, education, business creation, regional empowerment, management, and cross-KIC thematic innovation activities often fell short of achieving their KPIs, indicating a disconnect between goals and outcomes. Despite emphasizing innovation projects, deep demonstrations, education programmes, and business creation, the KIC struggled to fully meet the EIT's aspiration for promoting innovation and entrepreneurship. However, the KIC's efforts to strengthen regional ecosystems through RIS align with the EIT's aim to support innovation in regions with modest innovation ecosystems. Furthermore, the KIC's dedication to addressing climate challenges, promoting sustainable practices, and engaging stakeholders resonates with the EIT's commitment to addressing pressing societal issues. The emphasis on education, capacity building, and cross-KIC collaboration also aligns with the EIT's focus on enhancing human capital and encouraging interdisciplinary cooperation. During the desk research and the interviews, we found that the activities of the KIC are in line with the main objectives set and the Business Plans compiled.

Conclusion: The majority of the KIC's activities as outlined above and the activities detailed in the BPs from previous years appear to be closely aligned with and relevant to the objectives set forth in the EIT legislative framework. However, the KIC's decision to discontinue investments in innovation activities and limiting significantly the education activities is not fully in line with EIT principles and regulations. On the other hand, this was explicitly agreed with EIT to reflect the Due Diligence recommendations to focus on the systems innovation model within Europe, rather than continue ad hoc innovation and education activities.

Score: very good- 8

5.3 Alignment with the EIT RIS Guidance

Indicator: KIC RIS activities have been fully aligned with the EIT RIS Guidance note 2018-2020 and RIS Implementation Framework (2021-2027) Aligned with the EIT's objectives, the KIC is required to conduct its activities fully in line with the EIT RIS Guidance Note (2018-2020) and the RIS Implementation Framework (2021-2027).

EIT Guidance note (2018-2020)

Based on the EIT RIS Guidance note 2018-2020, the EIT RIS objective was set to contribute to enhancing the innovation capacity of the countries and regions that are modest and moderate innovators according to the European innovation Scoreboard by transferring KIC good practice of the KTI. While a certain level of flexibility has been allowed, each KIC was expected to work with relevant local players, incorporate them in the KIC ecosystem and provide them with mentoring to promote and implement KTI in RIS regions. The KIC-specific EIT RIS Strategy 2018-2020 should thus facilitate the delivery of such outcomes while reflecting the local needs. The two expected action lines are presented in the following table:

Table 6: Action lines of the EIT RIS Guidance note 2018-2020

Action line	Description of activities
Action line I: Engage local players in KIC activities	<p>Specific activities have included:</p> <ul style="list-style-type: none"> • Education: setting up EIT RIS scholarship programmes for KIC’s educational programmes, developing internship programmes for graduates in EIT RIS countries in the accordance with the KTI model (e.g. in business) etc. • Entrepreneurship: e.g. establishing partnerships with local business and innovation hubs and supporting start-up creation etc. • Innovation and Research: involving local start-ups in technology and know-how transfer, involve researchers from the EIT RIS countries in KIC innovation projects. <p>KIC and EIT RIS participants were required to seek other sources of funding and be selected in a transparent manner. All activities should have received broad publicity at local level by, e.g., raising awareness of the EIT Community brand and its KTI model.</p>
Action line II: Mobilize, interlink and internationalize national / regional networks	<p>KICs had to work with KT stakeholders at national level to raise awareness and share best practices from the KTI model to achieve fully-fledged KTI-based innovation ecosystems.</p> <p>KICs were required to establish collaborations with local entities functioning as EIT Hubs. These have ensured the active involvement of local KT actors and provided expertise to the relevant national, regional and local authorities. Other existing information channels, offices, platforms and key experts had to be leveraged as well to ensure efficient exchange of information and best practices, explore synergies and further promote the visibility of the EIT Community. Specific activities included stakeholder events, joint projects and pilots with all three sides of the local KT, as well as policy papers, etc.</p>

Specific EIT RIS KPIs were expected to be set up by KICs to monitor progress across the following:

- number of ventures from the EIT RIS countries supported by the KIC;
- number of students from the EIT RIS countries;
- new collaborations (projects, initiatives, programmes) between KT actors²⁹;
- number of entities from the EIT RIS countries joining the KICs as partners in accordance with the EIT RIS Strategies.

Additionally, the RIS Guidance note 2018-2020 envisaged increasing the visibility of the EIT RIS and raising awareness and interest among relevant stakeholders (e.g. via a dedicated EIT RIS section on the KIC’s website, dissemination of information material, organising joint awareness days, workshops and events), as well as close collaboration between the KIC and EIT in the EIT RIS implementation, including a biennial brief activity update. A special focus had to be placed on leveraging synergies and efficiency gains for RIS countries and regions through their Smart Specialisation Strategies (S3), matched with the KIC’s focus areas.

RIS Implementation Framework (2021-2027)

²⁹ E.g. internship programmes, innovation projects, educational programmes designed by HEI and the industry, acceleration programmes financed by other than the EIT funding replicating the elements of the KIC KTI approach etc.

The RIS Implementation Framework (2021-2027) mandates the incorporation of EIT RIS as an integral part of EIT KIC annual strategies. The primary goal is to strengthen innovation ecosystems in moderate and modest innovating countries and regions by disseminating the KTI approach. Specific KIC activities within the framework aim to enhance local innovation capacities, attract new partners, bridge connections with regional smart specialization strategies (RIS3s), and secure additional private and public funding, with a focus on European Structural and Investment Funds (ESIF). The impact of these activities will be assessed based on indicators such as the involvement of organisations and universities from RIS regions in KIC activities, support for start-ups and SMEs in these regions, and the implementation and impact of innovation, education, and business creation projects. The framework also introduces four EIT RIS-specific indicators related to funding, establishment of hubs, KIC partners, and the coverage of innovation ecosystems. To achieve these objectives, KICs are encouraged to align with European initiatives and strategies, especially focusing on regions lacking KIC representation. Additionally, gender balance, synergy with other programmes like RIS3 and ESIF, increased visibility, shared learning, and collaboration within the EIT Community are emphasized. Capacity-building activities should complement the new EIT initiative supporting entrepreneurship and innovation in higher education, and annual stock-taking will be performed by the EIT RIS Advisory Group.

Main observations based on the desk research and the interviews

The general action plan of EIT Climate-KIC is built in line with the EIT RIS Guidance note 2018-2020 and takes into account the aspects specified in the RIS Implementation Framework (2021-2027). The EIT Climate-KIC has focused on amplifying the streamlining of management and activities of the organisation to contribute to the activities in Central and Eastern European as well as Southern and South-Eastern European countries going forward, while aligning with the Strategic Agenda, as set out in the 2021 Business Plan. This enables effective implementation of plans and the uptake of learnings, which would require focusing on building local relationships and growing the number of partners and stakeholders involved across EIT RIS countries to reach the target of 20% of partners involved by 2024. Activities of EIT Climate-KIC focused on supporting the green recovery from the Covid-19 crisis.

In 2021-2022, EIT Climate-KIC worked with 14 Hubs based in Bulgaria, Croatia, Cyprus, Czechia, Estonia, Greece, Latvia, Lithuania, Malta, Portugal, Romania, Serbia, Slovenia and Slovakia. As a result of the activities of the EIT Climate-KIC Hubs, climate innovation capacity in the EIT RIS countries strengthened and the involvement and contribution of EIT RIS stakeholders in EIT Climate-KIC activities increased. The RIS programme has retained 45 RIS partners through implementation of new Community model, RIS partners have participated in 3 Innovation projects engaging in more than 10 cities, supported 170 startups, engaged in 28 cities in total through several programmes, delivered more than 44 knowledge sharing event and engaged more than 200 key stakeholders through the Hubs' activities.

Based on an EIT-led Due Diligence analysis established between December 2021 and March 2022, Climate-KIC needed to focus solely on its Systems Innovation as a Service model within Europe and stop all other Climate-KIC activities that were not going to be financially self-standing in 2023-24. Climate KIC's RIS programme focused on RIS Hubs which supported ecosystem building activities across multiple RIS countries. As per the conclusion of the due diligence, other activities of EIT Climate-KIC at that time supported by the EIT were very unlikely to reach financial sustainability and therefore needed to be gradually discontinued to maximise focus and impact of the remaining EIT funding. EIT indicated that they would not support any RIS Hub that was not on track to be financially self-standing before the end of 2024.³⁰ Climate-KIC reviewed the 13 Hubs – which had been set up to be impactful ecosystem building hubs – and concluded that none of the Hubs were in the position to be financially self-standing within 2 years. Therefore, EIT Climate-KIC stopped all RIS Hub activity in their 2023-24 Business Plan and pivoted to working with

³⁰ Based on the due diligence assessment conclusions, in April 2022 EIT informed C-KIC that "Other activities of EIT Climate-KIC currently supported by the EIT [excluding deep demonstrations] are very unlikely to reach financial sustainability and therefore should now be gradually discontinued to maximize focus and impact of the remaining EIT funding." That shift was to be manifested with the amended BP21-22 and the BP23-24.

individual organisations within RIS countries on a case-by-case basis to build a commercially viable pipeline of activities in RIS countries.

Conclusion: Based on our observations and the results summarized per KPIs, the KIC’s RIS activities are fully aligned with the EIT RIS Implementation Guidance note 2018-2020 and RIS Implementation Framework (2021-2027). It is important to note that the absence of financial self-standing of RIS Hub activities is not influencing the evaluation of this indicator.

Score: excellent- 9

5.4 Strengths, weaknesses and recommendations

Final score of the assessment criteria: very good- 8

The following table indicates some of the most significant strengths of the KIC’s activities related EU added value and their relevance with regards to the EIT objectives:

Strengths
Alignment with the objectives of EIT and the European Union resulting in European added value also addressing the societal challenges the KIC was established for.

The following table indicates the most significant weaknesses and recommendations:

Weaknesses	Recommendations
Lack of sustainability of the innovation ecosystem the KIC creates	Over the next 24 months, the KIC should actively expand its RIS activities under the changed partnership model. Within this period, the KIC should also establish clear financial sustainability criteria, ensuring that these expanded RIS activities become financially self-standing within 36 months. Any activities failing to meet these criteria should be reevaluated and potentially phased out to ensure efficient resource allocation and sustainability.

6 Achievement of KIC's own objectives

6.1 7-year Strategic Agenda objectives and expected results

Indicator: A KIC is on track to achieve its 7-year Strategic Agenda objectives and expected results in line with its initial strategic objectives. Any deviation from the Strategic Agenda has been justified, approved by the EIT and has led to maximizing impact.

The KIC's strategic objectives determined in the SA are the following:

- i. Sustainable Innovation Ecosystems;
- ii. Next-Generation Climate Entrepreneurship;
- iii. Funding;
- iv. Governance, capability, and inclusion;
- v. Knowledge sharing and diffusion;
- vi. Synergies and alignment.

A combination of EIT Climate-KIC's experience, track record, knowledge, network, programmes, reach and innovation model all give Europe valuable assets to build upon. However, achieving the 2027 targets and successfully contributing to the EIT SIA 2021-2027 would require the KIC to go much further. Their main focus is on:

- Strengthening sustainable innovation and entrepreneurial ecosystems across Europe, particularly in RIS countries and through the EIT Higher Education Initiative. By 2024, the KIC intend to raise participation from partners in RIS countries to 20% of its overall community and ensure 20% of its place based (e.g. cities, regions, country) 1.5C-aligned transformations are in RIS countries.
- Attracting other sources of funding beyond EIT. This includes diversifying streams of revenue to build resilience, but also focusing on attracting funders who share their ambition and who can help direct at least EUR 100 million per year for climate innovation, education, and entrepreneurship activities.
- Enhancing the governance, entities, and capabilities at the core of our innovation community to act as an orchestrator and catalyst. Shaping a new community value proposition, streamlining the way money flows to climate action under the new rules, and sharpening their offer towards what it takes to transform places and value chains through innovation.
- Sharing knowledge and experience with other organisations looking to test and learn from systemic innovation models and gathering more insights into its relative impact potential.

The results regarding the relevant KPIs are highlighted in the following tables.

Table 7: KIC's education activities

KPI	2017 target	2017 achieved	2018 target	2018 achieved	2019 target	2019 achieved	2020 target	2020 achieved	2021 target	2021 achieved	2022 target	2022 achieved	Total target	Total achieved
Start-ups created of EIT labelled MSc/PhD programmes	2	2	6	1	3	2	1	0	7	0	7	0	26	5
Students and Graduates from EIT labelled MSc/PhD programmes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	440	127	440	254	880	381
Graduates from EIT labelled MSc and PhD programmes	121	80	66	92	91	81	150	125	440	127	440	127	1308	632
Participants in (non-degree) education and training	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	10613	3365	10984	13850	21597	17215

The assessment of these KPIs reveals a mix of achievements and areas that require further attention. The significant shortfall in creating start-ups from EIT-labelled MSc/PhD programmes raises concerns about the effectiveness of these programmes in fostering entrepreneurship. On the other hand, EIT Climate-KIC has been successful in attracting students and graduates to its labelled programmes, although the fluctuation in the number of graduates achieved in 2021 should be addressed. The growth in the number of participants in non-degree education and training programmes is a positive sign, but achieving the targeted figures remains a challenge and should be a focus for improvement.

Table 8: KIC's innovation activities

KPI	2017	2018	2019	2020	2021 target	2021 achieved	2022 target	2022 achieved	Total target	Total achieved
Designed/Tested Innovations	n/a	n/a	n/a	n/a	n/a	16	29	99	N/R	115
Marketed Innovations	n/a	n/a	n/a	n/a	51	61	51	99	102	160

KPI	2017	2018	2019	2020	2021 target	2021 achieved	2022 target	2022 achieved	Total target	Total achieved
Start-ups created of/for innovation	n/a	n/a	n/a	n/a	3	1	3	1	6	2
EIT RIS Designed/Tested Innovations	n/a	n/a	n/a	n/a	n/a	5	11	26	N/R	31
EIT RIS Countries – Marketed Innovations	n/a	n/a	n/a	n/a	12	43	12	65	24	108
EIT RIS Start-ups created of/for innovation	n/a	n/a	n/a	n/a	1	1	1	1	2	2
EIT RIS Countries - start-ups created of/for innovation	n/a	n/a	n/a	n/a	n/a	1	n/a	1	n/a	2

These KPIs highlight notable achievements and areas for further focus. The significant increase in designed/tested and marketed innovations in 2021 and 2022 is a positive sign of innovation activity. However, the target for start-ups created of/for innovation was not met in both years, indicating room for improvement in this aspect. In EIT RIS countries, innovation activity has shown growth and the vast increase in marketed innovations in 2022 highlights the efficiency of continued marketing efforts. The creation of start-ups in EIT RIS countries has been consistent but could benefit from increased numbers.

The activities of the KIC with regards to entrepreneurship and business creation have not been acceptable as the capital inflow shrunk significantly, which is also proven by the KPI indicators related to this area:

Table 9: KIC's entrepreneurship and business creation activities

KPI	2017	2018	2019	2020	2021	2022
Supported Start-ups/Scale-ups	266	321	345	330	303	671
Investment attracted by KIC supported start-ups/scale-ups (million EUR)	187.83	160.01	115.08	160.10	92.50	130.00

As a result of the EIT-led Due Diligence review of Climate-KIC in 2022, the KIC has agreed with EIT to stop all EIT-funded activities (education, entrepreneurship, innovation, RIS Hubs) that were not directly supporting the KIC's systems innovation as a service model. As a result, the KIC has had to amend or opt out of certain KPIs, and the target amounts compared with their Strategic Agenda KPIs.

The KIC needs to review and revise their SA in line with the KIC's agreed 2023-24 Business Plan. The recent change and revision of SA happened mostly because of the Due Diligence report of EIT. It found that it is important to focus on financial sustainability and market building activities.

EIT have prioritised different sets of KPIs in different years: for example, some of the current core EIT KPIs for 2023-24 were not specified when the Strategic Agenda was set in 2021. This makes it difficult to track progress over time. As stated in our interview the KIC's current focus is on meeting their interim objectives for 2024, since for them their relationship post-2024 with EIT remains unclear.

Of these overarching objectives, the KIC leadership role with EU Missions means it is well placed on the emission reduction target, the resilience target, the financial leverage target, and the strategic partner to cities/regions target. The KIC assessed during our interview that they find the jobs and skills targets challenging with current projects and programmes.

Conclusion: EIT Climate-KIC has made significant steps in fulfilling its 7-year Strategic Agenda (2021-2027). By prioritizing sustainable ecosystems, climate entrepreneurship, funding diversification, governance enhancement, and knowledge sharing, the KIC is on track to achieve its objectives. Challenges remain in fulfilling the renewed KPIs and meeting certain targets, but the KIC's leadership and its dedication to financial sustainability indicate a promising trajectory. There was no evidence for deviating from the Strategic Agenda without the approval of EIT.

Score: very good- 8

6.2 Objectives and respective targets to the societal challenge

Indicator: The KIC has achieved its objectives and respective targets as stated in its original proposal and Strategic Agenda in relation to the societal challenge

The KIC's strategic objectives determined in the SA are the following:

- i. Sustainable Innovation Ecosystems: The KIC seeks to strengthen sustainable innovation and entrepreneurial ecosystems across Europe, particularly in those countries in the RIS programme and supported by the EIT Higher Education Initiative.
- ii. Next-Generation Climate Entrepreneurship: Capitalizing on a growing number of mature technology start-ups and the progression of the climate innovation challenge from one of technology development to one of technology diffusion, a shift from a "quantity" to a "quality" approach.
- iii. Funding: Attract other sources of funding beyond EIT with the aim to achieve full financial sustainability. This includes diversifying streams of revenue to build resilience but also focusing on attracting funders who share the KIC's ambition and who can help maintain at least EUR 100 million per year for climate innovation, education, and entrepreneurship activities.
- iv. Governance, capability, and inclusion: Enhance the governance, legal entities, and capabilities at the core of its innovation community to act as an orchestrator and catalyst. The KIC also commits to openness and transparency, including publishing fully open calls, having an open-access community, being pan-European and nurturing inclusion from diverse innovation actors.
- v. Knowledge sharing and diffusion: Share knowledge and experience with other organisations looking to test and learn from systemic innovation models and gathering more insights into its relative impact potential, including through conducting an external evaluation of EIT Climate-KIC's work.
- vi. Synergies and alignment: Contribute to the Union's climate objectives as laid down in the relevant legislation and seek to bolster Europe's INDC and National Energy and Climate Plans (NECPs) through innovation, seeking cooperation and synergy with other EU instruments and partnership, including with the European Innovation Council, the European Investment Bank and naturally with the other EIT KICs.

The KIC also defined the following more tangible (measurable and subsequently reported) targets for 2021-2027:

- Contribute to the avoidance of over 500m tons (CO₂eq) of emissions.
- Strengthen the resilience of 10m people to the impacts of climate change.

- Help leverage over EUR 100 billion to support the scale-up of innovations to tackle climate change.
- Generate 50,000 green jobs.
- Become the strategic partner of choice for over 50 cities, regions, and countries across Europe, orchestrating change through innovation (including in policy, business models, supply chains and citizen engagement) to achieve net-zero emissions and climate resilience aligned to the 2015 Paris Climate Change Agreement.
- Enhance the innovation and entrepreneurial skills of over 200,000 people across Europe.

SO1 - Sustainable Innovation Ecosystems

The KIC has successfully cultivated and nurtured an evolving ecosystem of innovation, placing a central emphasis on fostering inventive endeavours within urban locales. The KIC has adeptly orchestrated a multifaceted platform for innovation, one that is attuned to the specific needs and nuances of localities and municipalities. Through a strategic confluence of resources, networks, and collaborative initiatives, the KIC has effectively facilitated the proliferation of inventive activities that are deeply rooted in and tailored to the distinct characteristics of various cities. This concerted effort has engendered a dynamic and resilient innovation framework, thereby contributing to the holistic advancement of localities while fostering a broader culture of creativity and progress.

Table 10: KIC's SO relevant KPI objectives (SO1)

KPI	2017 target	2017 achieved	2018 target	2018 achieved	2019 target	2019 achieved	2020 target	2020 achieved	2021 target	2021 achieved	2022 target	2022 achieved	Total target	Total achieved
Designed/Tested Innovations	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	16	29	83	29	99
EIT RIS Designed/Tested Innovations	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5	11	26	22	31
Marketed Innovations	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	51	62	51	46	102	108
EIT RIS Countries – Marketed Innovations	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	12	43	12	24	24	67
Supported Start-ups/Scale-ups	195	266	221	321	311	345	272	330	271	303	285	368	1555	1933
Start-ups created of/for innovation	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3	1	3	1	6	2
EIT RIS Start-ups/scale-ups supported	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	169	222	169	242	338	464

These KPIs reflect a mix of achievements and areas for further improvement. The underperformance in designed/tested innovations and marketed innovations in 2022 raises concerns about the effectiveness of these programmes. The support for start-ups/scale-ups and the growth in EIT RIS start-ups/scale-ups supported is a positive sign. However, more emphasis should be placed on innovation activities, marketing, and creating start-ups in the coming years to meet and exceed the set targets.

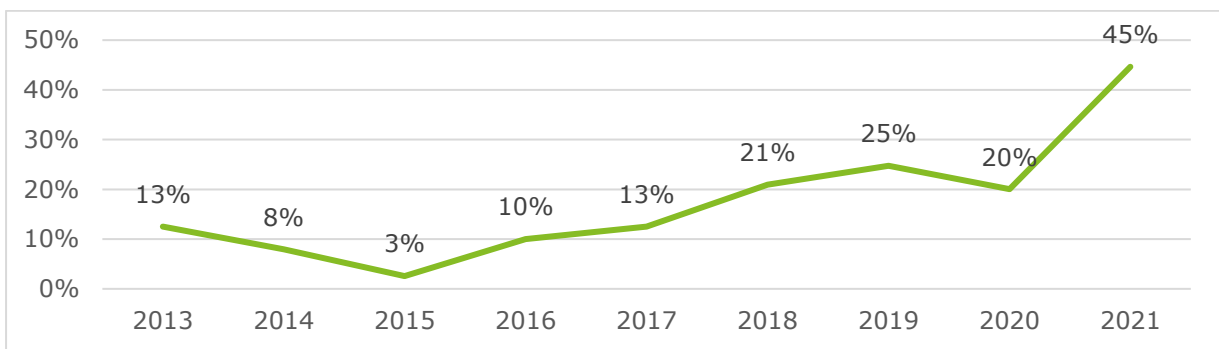
S02 - Next-Generation Climate Entrepreneurship

The KIC effectively leveraged the expanding pool of mature technology start-ups and navigated the evolution of the climate innovation challenge. This transition involved moving from primarily developing technologies to actively spreading them, signifying a strategic shift from quantity-focused initiatives to an emphasis on high-quality, impactful endeavours.

S03 – Funding

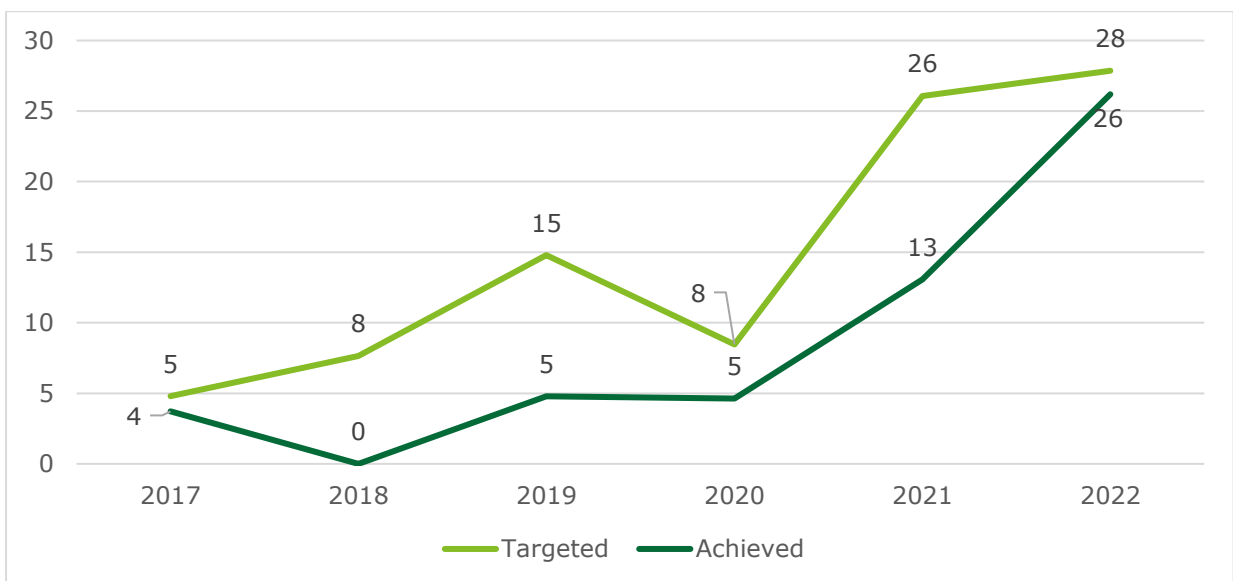
The KIC’s co-funding rates have made significant positive growth. It looks that the KIC has been able to attract other sources of funding beyond EIT, mainly focusing on their local innovation ecosystems. These steps include diversified revenue streams and better resilience.

Figure 1: Achieved KAVA co-funding rate



Even though they have been able to diversify their revenues, their financial sustainability still has not been achieved. 2022 was the first year when the KIC has been able to achieve revenue close to their targeted goal. Neither their revenue goals nor their financial sustainability targets have been met before, however there is a positive trend in both KPIs that gives hope for fully reaching this strategic objective.

Figure 2: Financial Sustainability Coefficient



S04 - Governance, capability, and inclusion

As KIC shifted to local focused innovation ecosystems, they have realised that both their start-ups and the cities in focus profit from tightening their relationships with the governmental bodies and other legislative stakeholders.

Innovation ecosystems based on location were one of the big areas where the KIC found a lot of interest, both in the past and present. There is a high interest in how the KIC can build out innovation ecosystems that seek to tackle the local challenges. It became an enabling condition for growing local solutions for local problems.

The KIC also fulfils its goal to have transparency and openness as they have published a large number of fully open calls and have an open-access community.

S05 - Knowledge sharing and diffusion

The KIC has disseminated knowledge and experience to peer organisations seeking to engage with and comprehend the intricacies of systemic innovation models. This has been marked by a deliberate effort on the part of the KIC to share its accumulated practical insights, thereby facilitating the testing and learning of innovative paradigms by external entities.

Through its concerted endeavours, the KIC has positioned itself as a responsible entity of collaborative learning. This has been achieved through the judicious dissemination of information, the facilitation of knowledge exchange platforms. By doing so, the KIC has provided a roadmap for other organisations aspiring to embark on ventures, offering them the guidance and tools necessary to navigate the complex terrain of systemic innovation effectively.

Table 11: KIC's SO relevant KPI objectives (S05)

KPI	2017 target	2017 achieved	2018 target	2018 achieved	2019 target	2019 achieved	2020 target	2020 achieved	2021 target	2021 achieved	2022 target	2022 achieved	Total target	Total achieved
Participants in (non-degree) education and training	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	10613	3365	10984	10485	21597	13850
EIT RIS Participants with (non-degree) education and training	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2479	n/a	6685	n/a	9164
Graduates from EIT labelled MSc and PhD programmes	121	80	66	92	91	81	150	125	440	127	440	127	1308	632

Some challenges have been identified in meeting the set targets, especially in the areas of non-degree education and training participants and graduates from EIT-labelled programmes. It is important to address the gap in achieving these targets, especially in 2021, and focus on strategies to enhance participation and graduation rates in the coming years. The lack of data for EIT RIS participants in 2021 and 2022 raises questions about the effectiveness of these programmes, and improved reporting and performance measurement are necessary.

SO6 - Synergies and alignment

Climate-KIC has consistently upheld its commitment to advancing the European Union's climate objectives as outlined in the relevant legislation. It has achieved this by actively enhancing Europe's Intended Nationally Determined Contributions (INDC) and National Energy and Climate Plans (NECPs) through innovative approaches. This endeavour involves fostering collaboration and synergies with various EU instruments and partnerships, including strategic alliances with the European institutions and synergistic engagement with other EIT KICs. Through these concerted efforts, Climate-KIC has become an integral force in driving Europe's climate agenda and amplifying its impact on a continental scale.

Conclusion: Based on our research and assessment it can be concluded that despite the minor shortcomings in its activities, the KIC is on track to achieve its 7-year Strategic Agenda, and it has effectively pursued its strategic objectives, contributing to the societal challenge outlined in key documents such as its original proposal and Strategic Agenda. It has nurtured innovation ecosystems, shifted towards impactful climate entrepreneurship, diversified funding sources, enhanced governance and inclusion, facilitated knowledge sharing, and fostered synergies with key partners. Despite minor setbacks, the KIC's progress towards its ambitious targets, including emission reduction, resilience strengthening, funding mobilization, job creation, and innovation skills development, is evident.

Score: very good- 8

6.3 KPI targets achieved/likely to be achieved

Indicator: KPI targets including impact KPIs for up to 2024 defined in the KIC original proposal, Strategic Agenda (2021-2027) achieved/likely to be achieved

The KIC's Strategic Agenda 2021-2027 define a set of internal and external KPIs with their target values across the whole period (defined on an annual basis). In our understanding, the KIC changed its KPI objectives in 2021 and adopted differing goals for its activities moving forward. As part of this assessment, we have taken into account the newly adopted KPIs and their equivalent from 2020. Due to the significant change in the list of KPIs there many indicators lacked data and certain KIC-specific KPIs were not included in the 2021-2027 Strategic Agenda, which, in the case of operational KPIs, is justified.

In general, the KIC has defined clear KPI objectives which point to its priorities with regards to innovation, economic growth, education, upkeeping of RIS activities and city-based improvements. Most of the KPIs are achieved by the KIC and those related to innovation and economic growth such as the number of Supported Start-ups/Scale-ups and Designed/Tested Innovations are outperformed. Some KPIs such as those related to financial sustainability are falling short of target as of now and the KIC needs to improve rapidly as the EIT funding will be ceased in 2024. The KIC's performance is seriously lacking tangible achievements in terms of the number of start-ups created from EIT-labelled MSc/PhD programmes, however the KIC agreed with the EIT to move away from the EIT-labelled MSc/PhD programmes towards learning which is more embedded in their systemic transformation activity. There are a number of other KPIs listed in the table below such as the count of graduates from EIT-labelled MSc/PhD programmes, the participation levels in non-degree education and training, the involvement of EIT-labelled MSc/PhD students and graduates in start-ups that are also falling short mostly because of that agreement. Nevertheless it must be stated that this agreement has been reached mainly to stabilize the KIC's financial sustainability as its KPI (FS revenues) usually lagged behind seriously the targeted goals except the last reported year.

Table 12: KIC's activities

KPI	2017 target	2017 achieved	2018 target	2018 achieved	2019 target	2019 achieved	2020 target	2020 achieved	2021 target	2021 achieved	2022 target	2022 achieved	Total target	Total achieved
Designed/ Tested Innovations	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	16	29	83	29	99
Marketed Innovations	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	51	62	51	46	102	108
Supported Start-ups/Scale-ups	195	266	221	321	311	345	272	330	271	303	285	368	1555	1933
Start-ups created of/for innovation	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3	1	3	1	6	2
Start-ups created of EIT labelled MSc/PhD programmes	2	2	6	1	3	2	1	n/a	7	0	7	0	26	5
Investment attracted by KIC supported start-ups/scale-ups (million EUR)	110.2	187.8	65.8	160.0	63.6	115.08	72.20	516.26	46.53	99.32	46.5	41.37	404.89	1119.87
Investment attracted by KIC supported EIT RIS start-ups/scale-ups (million EUR)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	11.50	10.30	11.5	14.98	23.00	25.28
Graduates from EIT	121	80	66	92	91	81	150	125	440	127	440	127	1308	632

KPI	2017 target	2017 achieved	2018 target	2018 achieved	2019 target	2019 achieved	2020 target	2020 achieved	2021 target	2021 achieved	2022 target	2022 achieved	Total target	Total achieved
labelled MSc and PhD programmes														
Participants in (non-degree) education and training	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	10613	3365	10984	10485	21597	13850
EIT labelled MSc/PhD students and graduates who joined start-ups	2	2	6	1	3	2	1	n/a	17	5	17	5	46	15
FS revenues (million EUR)	3.61	2.63	7.00	n/a	12.7	4.14	8.00	4.33	14.78	3.99	15.38	10.15	61.52	25.15
FS coefficient (%)	4.80	3.72	7.65	n/a	14.79	4.80	8.47	4.64		13.06	27.86	43.29	N/R	N/R
Co-funding rate (%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	61,70	60,89	N/R	N/R
KIC success stories	72	58	120	104	130	104	105	127	20	10	20	20	467	413

The assessment of the above data reveals continuous positive trends in innovation and support for start-ups. Even though FS targets are yet to be achieved the trend drawing from 2022 shows positive signs. It also highlights areas that may require further attention, such as the number of marketed innovations and the participation in non-degree education and training. Overall, EIT Climate-KIC has made substantial progress over the years, but ongoing efforts are needed to maintain and enhance these achievements.

Conclusion: EIT Climate-KIC has made substantial progress toward achieving its KPI targets outlined in the original proposal and the Strategic Agenda (2021-2027). Notably, it has excelled in fostering innovation and supporting start-ups. However, it is evident that the KIC falls significantly short of expectations in several KPIs. Notably, the KIC's performance is seriously falling behind in terms of the number of start-ups created from EIT-labelled MSc/PhD programmes, however the KIC agreed with the EIT to move away from the EIT-labelled MSc/PhD programmes towards learning which is more embedded in their systemic transformation activity. The KPIs regarding the count of graduates from these programmes, the participation levels in non-degree education and training, and the involvement of EIT-labelled MSc/PhD students and graduates in start-ups are also failing short. Lastly, the generated financial sustainability (FS revenues) has remained a great concern regarding the KIC. A positive trend could only be seen in FS since 2022. This underperformance indicates a need for targeted improvement and strategic adjustments in these specific areas to better align with the organisation's goals and objectives. Addressing these shortcomings will be essential for the KIC to fulfil its mission effectively and make a more substantial impact in addressing climate challenges and fostering innovation. While facing challenges in achieving certain targets, the KIC's overall trajectory is promising. With its strategic shift and ongoing efforts, EIT Climate-KIC is on track to achieve its seven-year KPI goals and contribute significantly to its mission.

Score: good- 5

6.4 EIT RIS activities and achieved results

Indicator: The KICs have delivered EIT RIS activities and achieved results within the scope of their EIT RIS Strategies. Any deviations are duly justified and having led to maximized results

Climate-KIC's mission and vision demands Pan-European impact and access (i) to bring its capacity to bear where climate change needs are greatest, and (ii) to harness the best partners – wherever they are. Regions are on the front-line in trying to turn climate change policy or ambition to reality, and it is here that the challenges are often felt most acutely. The RIS therefore plays a critical part in the KIC's portfolio on an equal footing with their other activities.

European Union ambition and Commission intent were to support and steer Europe's sub-national regions to attain significant climate, green-growth and sustainability targets in this Multiannual Funding Framework (MFF) through the European Regional Development Fund (ERDF) and European Structural Investment Funds (ESIF) instruments. For a couple of years, action has lagged behind ambition as more complex horizontal challenges associated with climate mitigation and adaptation. Climate-KIC needs to help regions attain their original climate change ambition and help the Commission as a key part of achieving the National Country Plans to meet the COP21 (Paris Agreement) commitments on climate change. The RIS therefore provides a critical context in which to take forward Climate-KIC's ambition. The geographical scope of the EIT RIS covers 17 EU member states and 5 countries associated with Horizon Europe.

In 2022, EIT Climate-KIC was subject to an EIT-led Due Diligence analysis to help EIT understand the financial viability post-EIT funding. This reviewed the financial viability of all aspects of our operations. It concluded that Climate-KIC needed to focus solely on its Systems Innovation as a Service model within Europe and stop all other Climate-KIC activities that were not going to be financially self-standing in 2023-24. The KIC's RIS programme focused on RIS Hubs which supported ecosystem building activities across multiple RIS countries. EIT indicated that they would not support any RIS Hub that was not on track to be financially self-standing before end 2024. Climate-KIC reviewed the 13 Hubs – which had been set up to be impactful ecosystem building hubs – and concluded that none of the Hubs were in a position to be financially self-standing within 2 years. As Climate-KIC has noted during our interview, a number of the aforementioned RIS Hubs were on track to reach financial sustainability, however with the significantly shortened timeline - instead of reaching financial sustainability in years, they only had a couple of months - there was no chance even for those to reach it (the expectation of being financially sustainable jumped from 20% to 100% in few months). However, it is important to note that RIS Hubs were far from reaching financial sustainability, thus the KIC's view on the change of EIT's expectations are only circumstantial especially because the parameters of financial sustainability were well known and clearly outlined in the EIT legal basis. The KIC therefore stopped all RIS Hub activity in their 2023-24 Business Plan and pivoted to working with individual organisations within RIS countries on a case-by-case basis to build a commercially viable pipeline of activities in RIS countries.

RIS participation in education activities grew from three RIS countries in 2016 (Romania, Slovenia, Estonia) to over 15 in 2022 (Cyprus, Czech, Slovakia, Estonia, Portugal, Romania, Latvia, Malta, Bulgaria, Hungary, Italy, Spain, Croatia, Slovenia and Poland).

In total, the KIC has 313 community members. Out of them, 118 are from RIS countries, which means 38% of all community members are from RIS. The trend of community members from RIS countries shows decline in the past 2 years. In other words, there are fewer organisations that join the community model than before. The main reasons for this are external such as Covid-19 economic impact on organisations; inflation and as of 2022, there is no requirement to be an EIT Climate-KIC partner to apply for a call for proposals. The KIC is trying to reverse the trend by providing fee waivers to the strategic RIS entities.

In situations where KPIs were designated to measure the attainment of objectives specifically aligned with RIS advancements, the KIC has demonstrated exemplary performance. Notably, not only were these KPI targets met with only one exception (2021 target for Investment attracted by KIC supported EIT RIS start-ups/scale-ups), but they were also exceeded, resulting in outcomes that outperformed the predefined benchmarks.

However, it is important to address the nuanced scenario where sub-KPI targets tailored to the RIS context were not explicitly established. In such cases, the evaluation reveals that the KIC's overall achievement of the broader KPI target has encountered challenges. This suggests that while the KIC's performance remains commendable in areas with explicitly outlined RIS-specific KPIs, the absence of granular sub-targets within the RIS domain has presented difficulties in fully meeting the overarching KPI benchmarks.

Table 13: KIC's RIS activities

KPI	2017 targeted	2017 achieved	2018 targeted	2018 achieved	2019 targeted	2019 achieved	2020 targeted	2020 achieved	2021 targeted	2021 achieved	2022 targeted	2022 achieved	Total targeted	Total achieved
EIT RIS Designed/Tested Innovations	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5	11	26	22	31
EIT RIS Countries – Marketed Innovations	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	12	43	12	24	24	67
EIT RIS Start- ups/scale-ups supported	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	169	222	169	242	338	464
EIT RIS Countries - KIC supported start-ups/scale- ups	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	15	n/a	5	n/a	20
EIT RIS Start-ups created of/for innovation	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1	1	1	1	2	2
EIT RIS Countries - start-ups created of/for innovation	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1	n/a	1	n/a	2
EIT RIS start-ups created of EIT labelled MSc/PhD programmes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a	0	n/a	0
EIT RIS Countries - Start-ups created of EIT labelled MSc/PhD programmes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a	0	n/a	0

KPI	2017 targeted	2017 achieved	2018 targeted	2018 achieved	2019 targeted	2019 achieved	2020 targeted	2020 achieved	2021 targeted	2021 achieved	2022 targeted	2022 achieved	Total targeted	Total achieved
Investment attracted by KIC supported EIT RIS start-ups/scale-ups (million EUR)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	11.50	10.30	11.50	14.98	23.00	25.28
EIT RIS Country - Investment attracted by KIC supported EIT RIS start-ups/scale-ups	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	8	n/a	4	n/a	12
EIT RIS Graduates from EIT labelled MSc/PhD programmes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	48	n/a	48	n/a	96
EIT RIS Participants with (non-degree) education and training	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2479	n/a	6685	n/a	9164
EIT RIS EIT labelled MSc/PhD students and graduates who joined start-ups	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a	0	n/a	0

RIS activities have shown substantial growth in innovation, support for start-ups and educational participation. These achievements highlight the effectiveness of EIT Climate-KIC's efforts in RIS regions, contributing to innovation and economic development. However, these achievements are overshadowed by the fact that zero start-ups were created by RIS graduates, and by financial sustainability problems.

Conclusion: KIC's commitment to Pan-European impact is evident through its engagement with sub-national regions to drive climate targets resulting in delivering EIT RIS activities and achieving results, sometimes beyond targets, within the scope of their EIT RIS Strategies. The shift from RIS Hubs to

individual activities with the EIT steering the KIC towards delivering more impact in a more cost-effective manners show a delayed change in approach only done at the firm behest of the EIT. Successful expansion of education activities demonstrates talent nurturing. Community members from RIS countries declined, but fee waivers aim to reverse this. Overall, Climate-KIC's dedication to regional collaboration and adaptation positions it well to achieve their mission.

Score: very good- 7

6.5 Societal impact KPIs

Indicator: KIC has made evidenced progress against the following KPIs (incl. impact KPIs as per definitions provided in the EIT Impact Framework - Societal impact KPIs EIT Climate-KIC)

The KIC has demonstrated progress in its societal impact KPIs. One of the KIC's main reasons for moving from a supply-side KTI model of innovation to a demand-led KTI model of innovation was to address the following problem: adding up the amount of potential emission reductions self-identified by KIC-supported start-ups is not consistent with the KIC's societal goals, nor with their real-world impact.

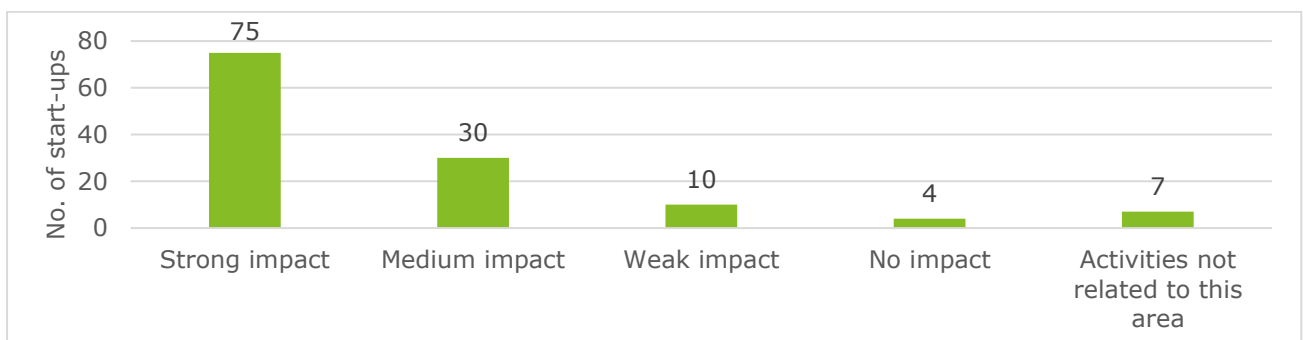
Reduced CO2 emissions

Assessing the progress of the KIC in reducing CO2 emissions based on the data gathered through the surveys can be challenging due to the lack of specific quantitative information about the actual emissions reductions achieved. However, we can make some general observations and conclude tentatively the following:

- **Claims of Impact:** A total of 75 start-ups have claimed a strong impact, 30 claimed medium impact, and 10 claimed weak impact in reducing CO2 emissions. This suggests that a substantial portion of the start-ups within the KIC is actively engaged in activities aimed at reducing emissions.
- **Limited Information on Actual Emissions Reduction:** While the claims of impact are promising, they are self-reported, the surveys cannot and do not provide specific quantitative data on the actual emissions reductions achieved. Without such data, it is challenging to assess the extent of the impact accurately.
- **No Impact and Unrelated Activities:** The presence of 4 start-ups claiming no impact and 7 whose activities are not related to CO2 emissions reduction indicates that not all start-ups within the KIC are directly contributing to this KPI.

The KIC has made progress in engaging a significant number of start-ups that claim to have an impact on reducing CO2 emissions, with a majority claiming strong or medium impact. However, the absence of specific quantitative data on emissions reductions and the self-reported nature of these claims makes it challenging to conclusively evaluate the actual progress made in terms of reducing CO2 emissions. It would be essential for the KIC to collect and provide concrete data on emissions reductions achieved by these start-ups, however in reality it is hard to gather concrete metrics as well as to verify and validate these through independent audits or assessments.

Figure 3: Supported start-ups self-claimed impact on CO2 reduction



Climate Value-at-Risk (Climate VaR) is a groundbreaking methodology that was developed in partnership with Carbon Delta, a notable success story in the field. This innovative approach focuses on evaluating the climate impact of publicly listed companies. Climate VaR provides insights into the potential financial risks associated with climate change impacts on these companies. Its success is underscored by its acquisition by MSCI and its subsequent application by over 10,000 listed companies worldwide, demonstrating its significance in assessing and managing climate-related financial risks for businesses on a global scale.

Strengthened resilience to the unavoidable impacts of climate change

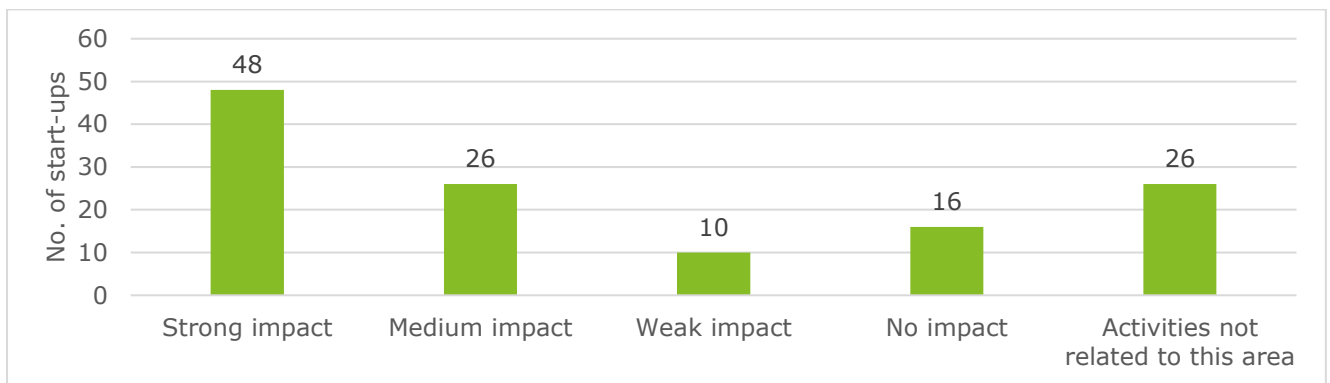
A significant number of supported start-ups, 48, have claimed a strong impact on strengthening resilience to the unavoidable impacts of climate change. Additionally, 26 claim medium impact, and 10 claim weak impact. These claims suggest that a substantial portion of the supported start-ups is actively engaged in activities aimed at building resilience.

It is noteworthy that 16 start-ups claim no impact, and 26 have activities unrelated to this area. This diversity in impacts and unrelated activities indicates that not all supported start-ups within the KIC are directly contributing to building resilience to climate change.

The KIC has made progress in supporting a significant number of start-ups that claim to have an impact on strengthening resilience to climate change. This is a positive sign as resilience-building is crucial in the face of unavoidable climate impacts. However, as with the previous assessment, the absence of specific quantitative data and the reliance on self-reported impact claims make it challenging to conclusively evaluate the actual progress made in resilience building.

The presence of start-ups with no impact or unrelated activities underscores the importance of ensuring that all KIC-supported activities align with the goal of building resilience to climate change.

Figure 4: Supported start-ups self-claimed impact on strengthened resilience to the unavoidable impacts of climate change



Climate Impact Forecast (CIF) is an innovative methodology developed in collaboration with Impact Forecast, with a specific focus on assessing the environmental impact of individual startups. CIF is designed to measure and predict how these businesses influence climate change. It involves data collection, emissions inventory, and the development of forecasting models to estimate a startup's carbon footprint and environmental impact. By offering insights into the sustainability of startups, CIF plays a crucial role in supporting sustainable business practices and driving positive environmental change.

The Climate Impact Assessment (CIA) developed in partnership with Quantis is a special methodological tool that focuses on the impact potential of innovation projects. It has been conducted in the previous years based on the Climate Accounting 2.0 framework, which was initially developed in 2017. CIA methodology has been refined for the 2018 implementation of the Impact Assessment Framework. This refinement has been achieved by incorporating the experiences and lessons learned from the CIA conducted in 2017 and by engaging in consultation and workshops with stakeholders. The ultimate aim was to create a more enhanced and improved Climate Impact Assessment framework.

Cities, regions, countries, and large-scale businesses succeeded in an ambition to tackle climate change at the speed and scale needed

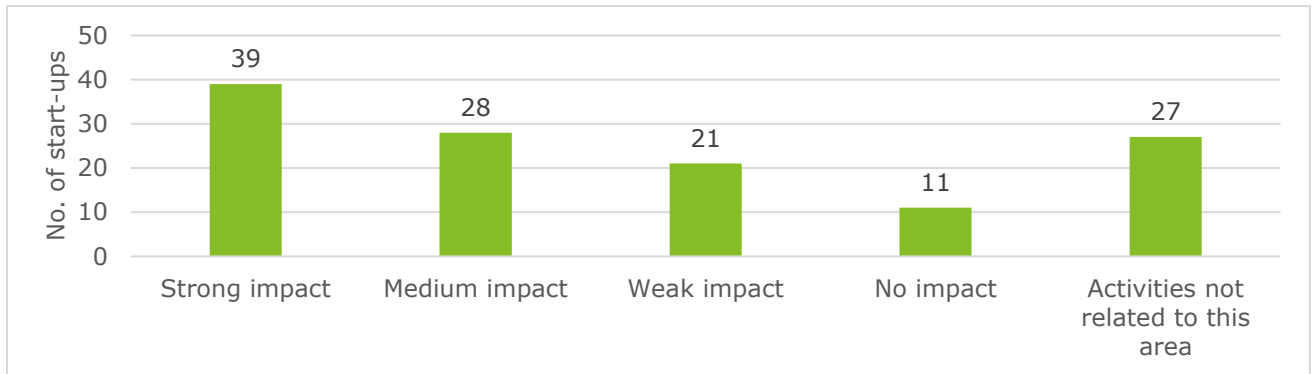
The assessment of the KIC support for startups in contributing to the global efforts to address climate change reveals positive developments.

The data provided indicates that a significant number of supported startups have made claims of impact, with a substantial proportion reporting strong or medium levels of impact in tackling climate change. These claims demonstrate a commendable commitment to addressing the climate crisis and suggest that the KIC has succeeded in mobilizing and supporting startups with a climate-focused agenda. Still, it is essential to

exercise caution when interpreting these claims, as they are self-reported and lack specific quantitative data to validate the extent of the impact.

Furthermore, the presence of startups claiming no impact or engaging in unrelated activities underscores the need for continuous oversight and alignment of the KIC's support initiatives with climate action objectives. Ensuring that all supported activities are directly contributing to the overarching goal of addressing climate change is vital for maximizing the KIC's impact.

Figure 5: Supported start-ups self-claimed impact on cities and regions to tackle climate change



The Model of Regional Start-up Ecosystems (MORSE) is an innovative methodology developed in partnership with Impact Forecast. MORSE is specifically designed to assess the impact of start-up ecosystems at a regional portfolio level. This approach provides a comprehensive understanding of how multiple startups collectively influence the local economy, innovation, and sustainability. By analysing the broader impact of these ecosystems, MORSE contributes valuable insights for policymakers, investors, and local stakeholders to support and nurture thriving regional startup environments.

Climate-friendly jobs created or sustained

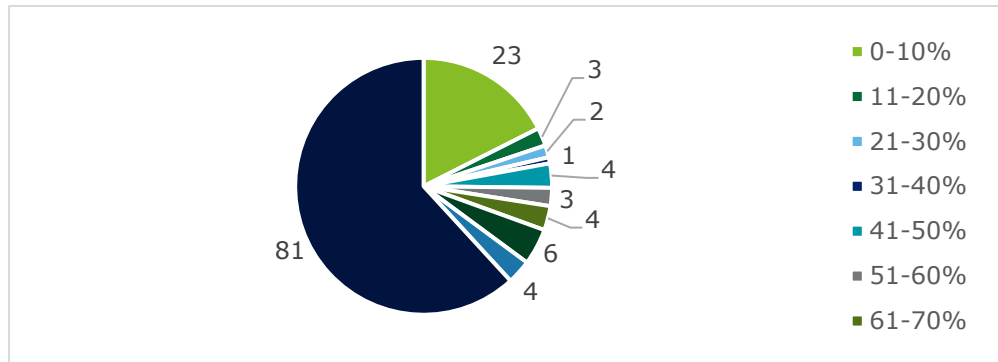
A significant portion of the created jobs are aligned with climate-conscious goals. These jobs likely involve sectors such as renewable energy, sustainable agriculture, green technology development, and other environmentally friendly fields. This is a positive sign, indicating a strong commitment to addressing climate change.

While the percentage of jobs classified as not climate-friendly (30%) might seem relatively low, understanding the nature of these jobs is essential in order to evaluate their impact accurately. Jobs that are not directly connected to climate solutions could still have indirect consequences for the environment. These indirect effects could include resource consumption, waste generation, or contributing to carbon emissions in various ways.

33% of all jobs created fall in between 10% and 90% of climate-friendliness might have varying levels of impact on the environment. Some jobs in this range might be transitional, gradually becoming more climate-friendly with advancements in technology and practices.

Overall, the data suggests a positive trend where a significant majority of created jobs are climate-friendly, indicating a commitment to sustainable practices and environmental responsibility. However, it is crucial to continue improving the less climate-friendly jobs and work toward a higher percentage of newly created fully climate-friendly jobs.

Figure 6: Percentage of the created climate friendly jobs



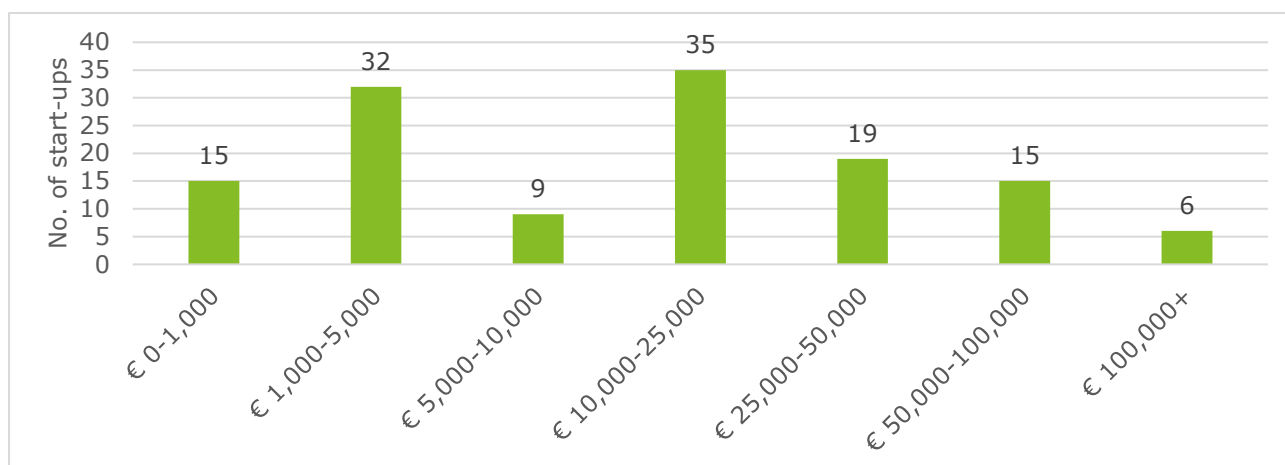
Funding leveraged to support scale-up / diffusion of innovations to tackle climate change

The KIC has demonstrated a multifaceted approach to leveraging funding to support the upscaling and diffusion of innovations aimed at tackling climate change. The distribution of funding across a range of levels reflects a strategic effort to meet the diverse needs of supported initiatives. The KIC has employed a versatile funding strategy to nurture and advance innovations aimed at addressing climate change. This strategy spans a broad spectrum, with allocations across various funding tiers.

- 15 start-ups received modest support ranging from €0 to €1,000. This seed funding likely facilitated the initial stages of development and proof of concept.
- The KIC provided essential support to 32 start-ups in the €1,000 to €5,000 range, enabling them to progress from initial stages to more advanced development.
- An additional 9 start-ups received between €5,000 and €10,000, potentially assisting in further refinement and scaling of their innovations.
- A substantial group of 35 start-ups benefited from funding in the €10,000 to €25,000 range. This level of support likely facilitated moderate scaling and expansion.
- For those reaching a more advanced stage, 19 start-ups received funding in the €25,000 to €50,000 range, allowing for a more significant expansion of their climate-focused initiatives.
- 15 start-ups obtained funding between €50,000 and €100,000, signifying substantial progress and the potential for broader diffusion of their innovations.
- Finally, 6 start-ups received substantial funding exceeding €100,000, indicating that the KIC is keen on supporting high-impact initiatives capable of making a substantial difference in addressing climate change.

The KIC's funding approach demonstrates a commitment to supporting innovations at various stages of development and scaling, reflecting a nuanced understanding of the diverse needs within the climate innovation ecosystem. By strategically allocating resources across different funding tiers, the KIC has played a vital role in catalysing the scale-up and diffusion of climate-focused innovations, contributing significantly to the global effort to combat climate change.

Figure 7: Survey answers to the amount of funding received



Conclusion: The KIC has shown progress in its societal impact KPIs including strengthened resilience to climate change and the creation of climate-friendly jobs. However, challenges remain, particularly in the need for concrete quantitative data and independent validation to support impact claims. This statement is especially relevant regarding how much reduced in CO2 emission has been achieved, just by the KIC supported start-ups working for such reduction. The KIC's versatile funding approach has played a crucial role in nurturing and scaling climate-focused innovations, reflecting a commitment to addressing climate change comprehensively. While positive strides have been made, ongoing efforts are required to ensure that all supported activities align with climate goals, and more jobs transition into fully climate-friendly roles. The KIC's initiatives contribute significantly to the global climate action agenda and drive positive societal change.

Score: very good- 7

6.6 Economic Impact KPIs

Indicator: KIC has made evidenced progress against the following KPIs (including impact KPIs as per the definition provided in the EIT Impact Framework - Economic impact KPIs EIT Climate-KIC)

Contribution to revenue growth of organisations trading or employing innovations developed with the KIC support

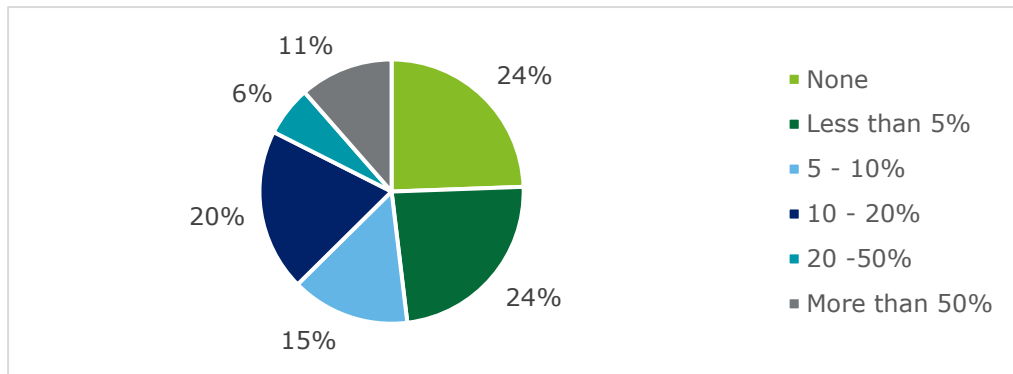
Based on the answers provided to our survey, we can assess the impact of KIC's funding on startup revenue growth as follows:

- 24% of the respondents indicated "None": This group of startups did not experience any noticeable revenue growth attributed to CKIC funding. This could be due to various factors such as the startups not effectively utilizing the funding, market conditions, or other external factors.
- 24% "Less than 5%": Similar to the previous group, these startups saw minimal revenue growth of less than 5% due to CKIC funding. This suggests that while there might have been some positive impact, it was not significant in terms of revenue generation.
- 15% of the respondents indicated "5-10%": Startups falling in this category experienced modest revenue growth in the range of 5-10% as a result of CKIC funding. This indicates a moderate positive impact on their revenue generation efforts.
- 20% of the respondents indicated "10-20%": A slightly larger group of startups achieved revenue growth between 10% and 20% thanks to CKIC funding. This suggests a more substantial positive effect, indicating that the funding played a significant role in their revenue growth.
- 6% of the respondents indicated "20-50%": A smaller proportion of startups, but still notable, reported a substantial revenue growth of 20% to 50% due to CKIC funding. This indicates that for

these startups, the funding had a considerable impact on their revenue generation and business expansion.

- 11% of the respondents indicated "More than 50%": This group of startups experienced remarkable success, with more than half of their revenue growth attributed to CKIC funding. This indicates a very strong positive correlation between the funding and revenue generation for these startups.

Figure 8: CKIC funding that contributed to start-ups revenue growth



Overall, it is evident that CKIC funding had varying degrees of impact on different startups' revenue growth. The majority of startups experienced some level of positive impact, with a significant portion reporting moderate to substantial growth. The distribution of responses suggests that while the impact was not universal, a considerable number of startups benefited significantly from CKIC funding in terms of revenue growth.

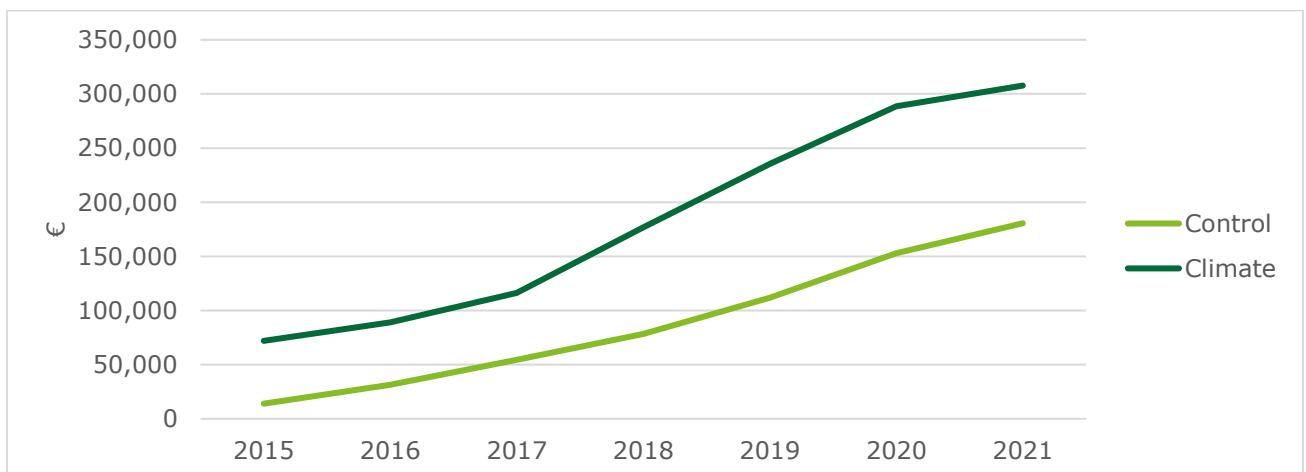
From the KIC's perspective, considering that it is working with very early-stage companies that have just gone through COVID-19 crisis, the economic fallout from the war of Russia and Ukraine and the high inflation rates across the EU, the survey shows a positive picture. The KIC's view is that, if half of their startups are essentially seeing very positive, more than 5%, increase in their revenue growth as a result of the KIC's support, this is a strong outcome.

Results of the impact assessment

We also compared the net sales and the survival rates of the assisted and the control start-ups.

For the start-ups supported we could observe that they increased their net sales faster than the control group.

Figure 9: Net sales of the KIC supported start-ups and control group



To see if this difference is due to the KIC support, we conducted a counterfactual impact evaluation. We used the nearest neighbour propensity score matching method. The results show in the below table, that the observable difference in the growth rates of the supported enterprises and the controls are not significant, so we can conclude, that the growth difference was not due to the KIC support.

Table 14: Results of the analysis for the variable; Growth of net sales (2017- 2021)

Variable	Treated	Controls	Difference	T-stat ³¹
Growth of net sales (2017-2021)	193 569	48 926	144 643*	1.77

Survival analysis

We conducted a binary (logit) regression on the survival of the start-ups and their relation to different variables, especially being supported by the KIC. The results of the regression were the followings:

Pseudo R²³² = 0.1398

Table 15: Results of the binary (logit) regression analysis for all implemented variables

Variable	Coefficient	P> z
KIC support	-1.99***	0.000
Sector – Agriculture, Forestry, and Fishing	n.a.	n.a.
Sector – Mining, Construction	-3.45***	0.002
Sector – Manufacturing 1	-1.57*	0.069
Sector – Manufacturing 2	-0.71	0.379
Sector – Transportation, Communications, Electric, Gas, and Sanitary Services	-0.93	0.405
Sector – Wholesale & Retail Trade	-0.05	0.957
Sector – Finance, Insurance, and Real Estate	-2.05*	0.076

³¹ The t-statistic, a crucial statistical measure, operates inversely to the p-value in hypothesis testing. The magnitude of the t-value reflects the strength of the relationship being analyzed. The larger the t-value is, the more significant the relationship is considered to be. Importantly, the t-statistic corresponds to a specific p-value, a measure of statistical significance, which quantifies the probability of observing such a t-value by random chance alone.

For instance, a commonly used threshold in hypothesis testing is a p-value of 0.05. In this context, a t-statistic of 1.96 corresponds to a 5% significance level. This implies that if the calculated t-statistic exceeds 1.96, the observed relationship is deemed statistically significant at the 5% significance level, meaning that the likelihood of obtaining such results due to random variation is less than 5%.

³² Pseudo-R-squared values are used when the outcome variable is nominal or ordinal such that the coefficient of determination R² cannot be applied as a measure for goodness-of-fit. The model estimates from a logistic regression are maximum likelihood estimates arrived at through an iterative process. These are “pseudo” R-squares ranging from 0 to 1 with higher values indicating better model fit.

Sector – Services	-0.131***	0.01
Age of the enterprise (years)	0.11*	0.06
Total assets (2016)	3.25-e06	0.034
Net sales (2016)	8.02-e07	0.434
Profit before taxes (2016)	3.35-e06***	0.001
Number of employees (2016)	-0.07**	0.045
Constant	4.21***	0.000

*** 1% significance level

** 5% significance level

* 10% significance level

We found that the KIC supported start-ups tend to have a significantly lower survival rate than the controls (the coefficient of the KIC support was negative and significant). Also, some sectors have higher mortality rates: mining and construction (a possible explanation is that in these industries a large amount of cash flow is required to keep the startups growing, which is uncommon among startups), some areas of manufacturing, finance and services (a possible explanation is that these sectors are among the fastest-growing in today's era and most startups fail due to immense competition and low success rates). Bigger (in terms of the number of employees) and older enterprises have higher mortality rates and also start-ups generating higher profits tend to cease their operations with a higher probability.

Table 16: Differences between the survival rate of supported and control start-up

	Climate #	Climate %	Control #	Control %
Active	162	90%	956	98%
Out of Business	18	10%	19	2%
SUM	180	100%	975	100%

The survival rate of the EIT-Climate supported start-ups was significantly lower than that of the control enterprises. From the identified 180 start-ups, 162 is still active, which represents a 90% survival rate. While compared to the control group, almost the same number of start-ups ceased their operation, but the population was five times larger which results in a 98% survival rate.

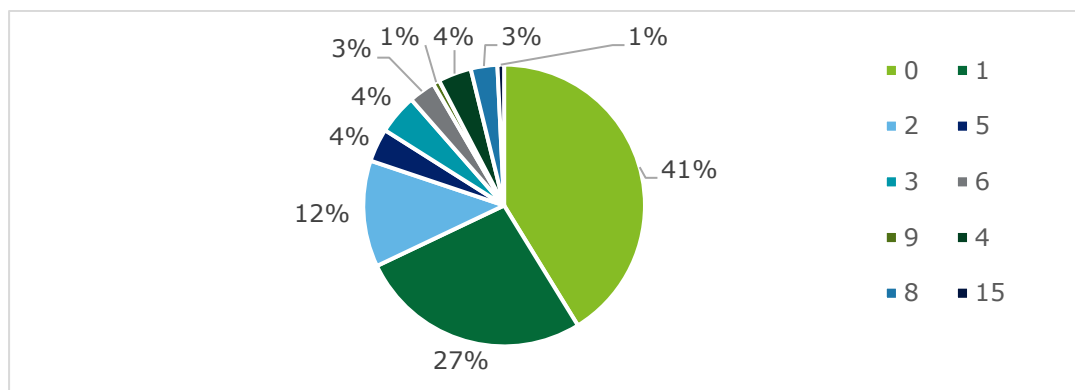
New jobs created in start-ups / scale-ups

Based on the answers to our start-up survey, we can assess the job creation impact of the entity's engagement with CKIC as follows.

41% of all responders indicated that they have not created any jobs as a result of their engagement with CKIC. This could be due to various reasons such as the nature of the projects, the maturity of the startups, or the types of industries involved.

59% answered that they have created at least 1 new job related to their engagement with CKIC. This indicates a positive impact on job creation, even though it might not be universal across all entities.

Figure 10: Number of jobs the entity created as a result of their engagement with CKIC



Based on the answers to our start-up survey, we can assess the job creation impact of the entity's engagement with CKIC as follows:

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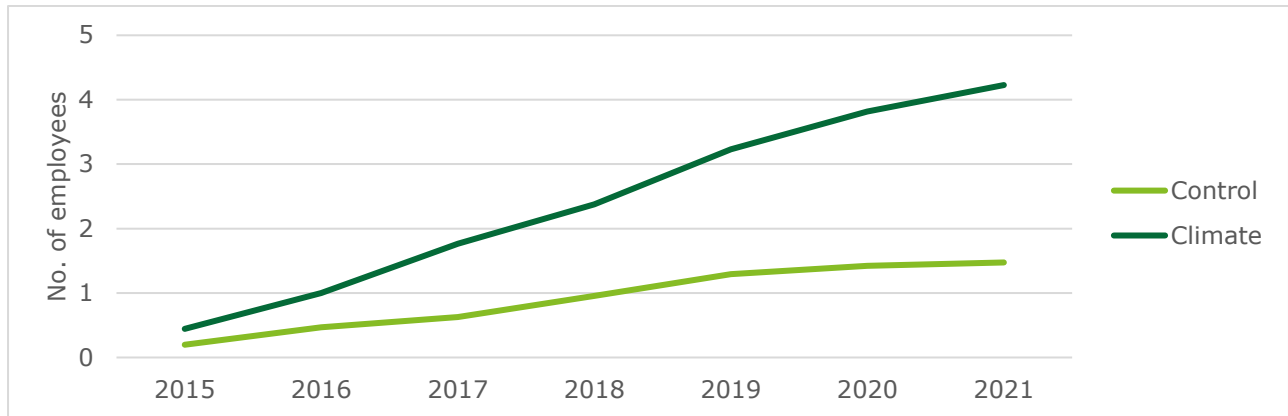
Overall, the responses show that while a significant portion of entities did not create jobs as a result of their engagement with CKIC, but the majority have contributed to job creation in some capacity: the majority of the responders created one or two new jobs. However, there are some entities that have created even 8 or more jobs. This demonstrates that CKIC's involvement has had a positive effect on the employment of the supported enterprises.

Impact Assessment

For the start-ups supported by KIC, we concluded that the growth difference between their indicator values and the controls' (2.26) were significant for their number of employees (1% significance level). Based on the available data we can conclude that supported start-ups created a moderately higher number of jobs than the control group. A possible explanation to this tendency is the urgent demand for green skills and green jobs required to power the green transition. A study by LinkedIn states that job postings requiring green skills grew at 8% annually over the past five years, while the share of green talent has grown at roughly 6% annually in the same period.³³

³³ LinkedIn: [Our 2022 Global Green Skills Report \(linkedin.com\)](https://www.linkedin.com/company/linkedin/articles/our-2022-global-green-skills-report)

Figure 11: Employees of the KIC supported start-ups and control group



The results of the impact evaluation in the following table shows, that the employment growth difference (with more than 2 persons) is significant towards the supported enterprises.

Table 17: Results of the binary (logit) regression analysis for the variable; Growth of the number of employees (2017-2021)

Variable	Treated	Controls	Difference	T-stat
Growth of the number of employees (2017-2021)	2.48	0.22	2.26***	2.87

*** 1% significance level

** 5% significance level

* 10% significance level

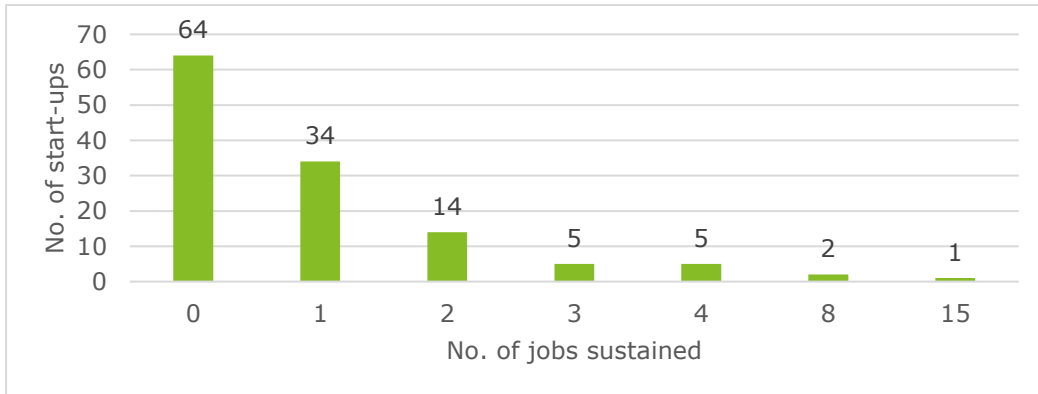
Number and type of jobs in existing businesses sustained through innovations

The survey responses show that a significant portion of entities did not sustain any jobs as a result of their engagement with the KIC. However, there are instances where entities were able to sustain jobs, with a smaller percentage managing to sustain a higher number of jobs. This variability in job sustainability outcomes mostly influenced by the factor that the responders are mainly start-ups that are more likely to create new jobs than to sustain existing ones. Furthermore, there are other influencing aspects to this indicator such as the nature of the industry, market conditions and the specific support provided by CKIC.

- 64 responded none: This indicates that a significant number of entities did not sustain any jobs as a direct result of their engagement with CKIC. This might imply that either the job positions created initially were temporary or the entities were not able to maintain those positions over time.
- 34 responded that they have sustained 1 job: This percentage suggests that a portion of entities were able to sustain at least one job as a result of their engagement with CKIC. This indicates a positive impact on job sustainability, although it is not overwhelmingly high. Even though we have not specifically asked for that information, this sustained job could also be the job of the start-up owner which puts the overall picture in a different lighting. Either way, the one sustained job poses as a positive impact.
- 14 responded that they have sustained 2 jobs: A smaller portion of entities reported sustaining two jobs. This suggests that some entities were successful in maintaining a couple of job positions due to their collaboration with the KIC.
- 5 responded that they have sustained 4 jobs: An even smaller part of the entities reported sustaining three jobs. This indicates that a limited number of entities were able to maintain a slightly larger workforce over time.

- 8 responded that they have sustained 5 or more jobs: This percentage suggests that a few entities were quite successful in terms of job sustainability, managing to maintain five or more jobs due to their engagement with the KIC.

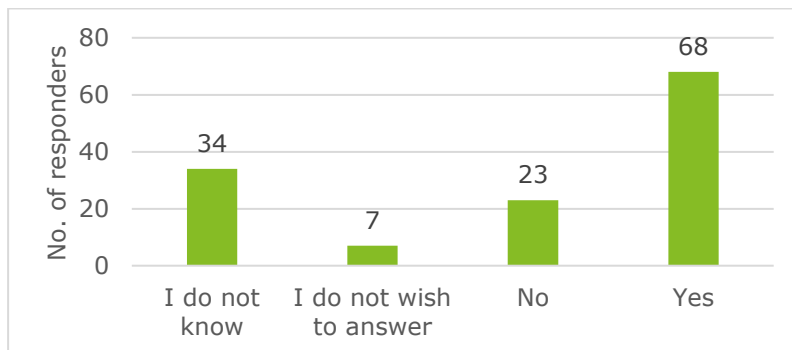
Figure 12: Number of jobs the entity has sustained by the engagement with CKIC



Number and type of skill gaps and/or skill shortages filled by KIC sector

The data collected during our start-up survey indicates that a significant portion of respondents (68) believe that their engagement with EIT Climate-KIC has helped fill skill gaps and/or skill shortages, while 23 respondents disagreed, and 34 were unsure.

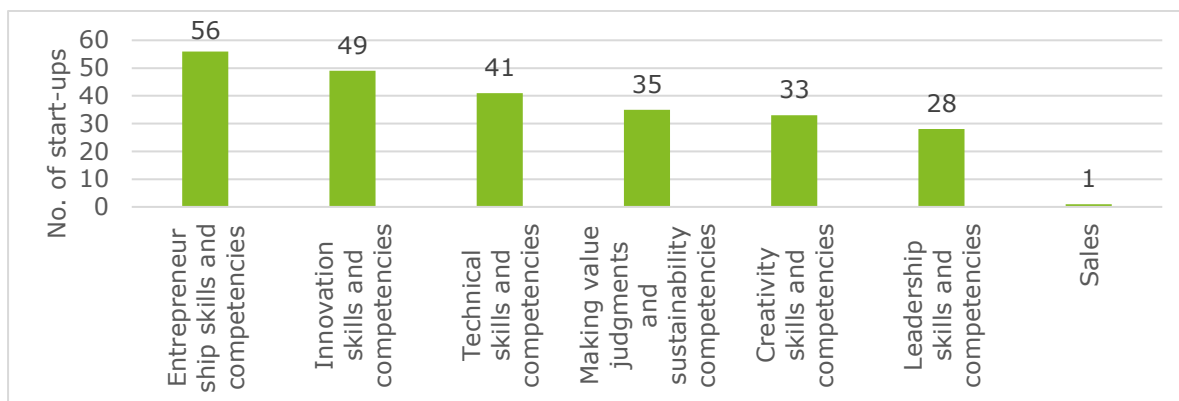
Figure 13: Created jobs helped companies address skill gaps and/or skill shortages



Among the skill gaps and shortages that were addressed as a result of engagement with EIT Climate-KIC, entrepreneurship skills and competencies appear to be the most prominent, with 56 respondents indicating their positive impact. Innovation skills and competencies follow closely, with 49 respondents acknowledging their contribution. Technical skills and competences are also notable, as they were mentioned by 41 respondents.

Making value judgments and sustainability competences have been targeted by EIT Climate-KIC, as evidenced by 35 respondents reporting their positive influence. Creativity skills and competencies, identified by 33 respondents, also seem to have been addressed effectively. Leadership skills and competences, while slightly less frequently mentioned, have still played a role in addressing skill gaps, with 28 respondents recognizing their contribution.

Figure 14: Skill gaps or skill shortages addressed as a result of engagement with EIT Climate-KIC



Overall, the data suggests that EIT Climate-KIC's engagement has been particularly effective in filling skill gaps related to entrepreneurship, innovation, technical expertise, sustainability, creativity, and leadership, indicating a comprehensive approach to addressing various dimensions of skill shortages within the sector.

Career growth of participants in EIT labelled education

By analysing the collected data regarding graduates' highest and current job positions, the following observations can be made, and some trends could be drawn.

Intern (Part-time): It seems that there is a decrease in the number of graduates holding intern positions in their current jobs compared to their highest positions. This could indicate that some graduates were able to secure more stable or advanced roles after completing their internships.

Entry-level staff: The number of graduates in entry-level staff positions remains relatively consistent between their highest and current job positions. This suggests that a substantial portion of graduates have maintained their positions or progressed slightly within their respective organisations.

Intermediate staff (mid-management): The number of graduates in intermediate staff positions also remains fairly consistent, indicating that some individuals have continued to grow within the mid-management level.

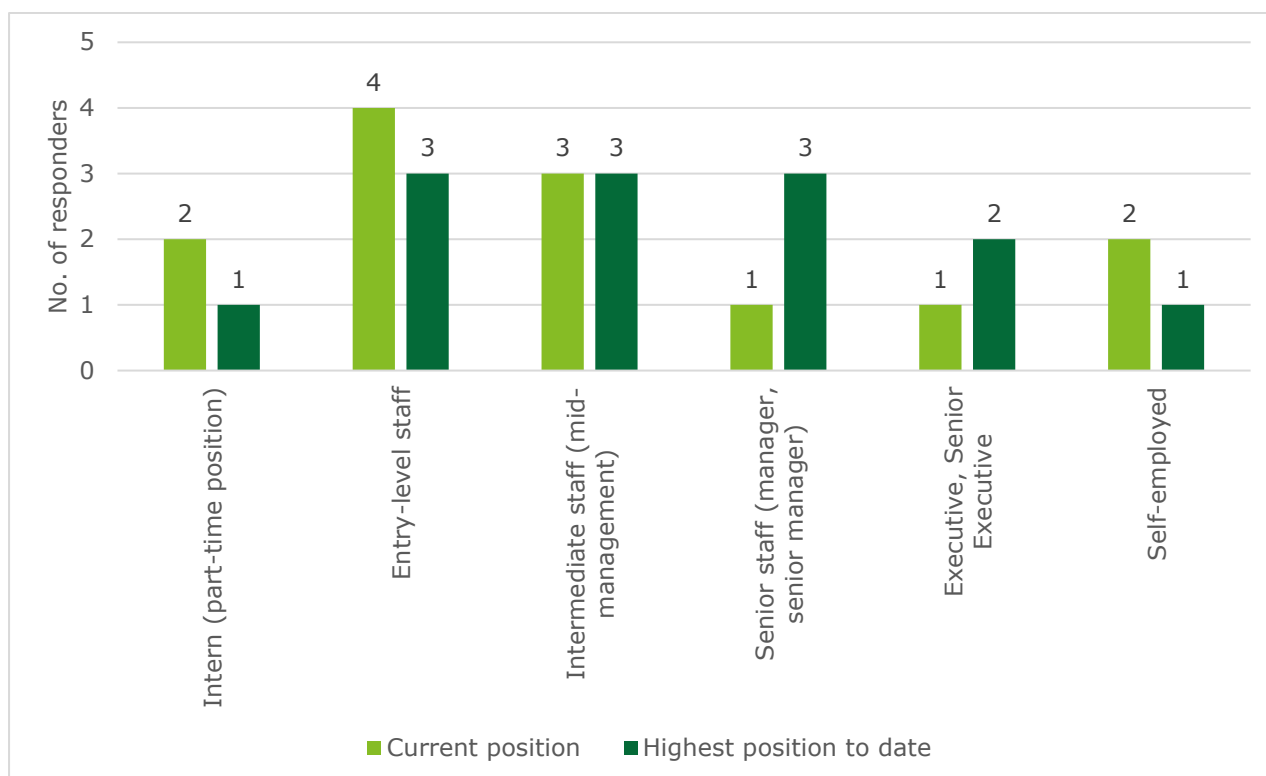
Senior staff (manager, senior manager): It is interesting to note that there is a decrease in the number of graduates in senior staff positions in their current jobs compared to their highest positions. This could be due to various factors, such as changes in organisational structure or competition for higher-level roles.

Executive, senior executive level: The number of graduates at the executive and senior executive level remains relatively stable between their highest and current positions, with a slight decrease. This suggests that a portion of graduates have maintained their executive roles, while some might have transitioned to different positions.

Self-employed: The number of self-employed graduates has decreased from the highest job position to the current job position. This might indicate that some graduates initially pursued entrepreneurial endeavours but later shifted to traditional employment.

There seems to be a general trend of graduates moving from internships to more stable and advanced roles, with a reasonable number of individuals maintaining their positions within entry-level, intermediate, and executive levels. The decrease in senior staff and self-employed positions might be influenced by a variety of factors such as industry trends, personal choices, and market conditions. It is important to note that individual circumstances and external factors can greatly influence these trends, and further insights could be gained by considering factors such as industry, location, and economic conditions.

Figure 15: Answers to the survey questions of graduates highest and current job positions



Additional information

To complement the above aspects, the impact on employment growth as a result of company being engaged with the KIC as well as the number and revenue of start-ups and scale-ups supported by the KIC trading 3 years after the KIC support ceased will be analysed in detail. Based on the methodology agreed with EIT, counterfactual impact evaluation and survival analysis are necessary for a precise assessment for these. The results of the impact assessment are inserted in the relevant sections.

Conclusion: The KIC has shown substantial progress in its KPIs, indicating its strong focus and commitment to address environmental challenges. The distribution of jobs by their degree of climate-friendliness highlights the efforts made to transition toward more environmentally responsible sectors. Additionally, the impact of KIC funding on revenue growth varies among startups, with a significant proportion reporting positive effects on revenue. Job creation and sustainability have been positively influenced by KIC engagement, though the extent varies. Notably, the KIC's involvement has addressed skill gaps and shortages, particularly in entrepreneurship, innovation, technical expertise, sustainability, creativity, and leadership. Career trajectories of EIT-labelled education participants demonstrate diverse transitions, with trends indicating graduates moving from internships to more advanced roles, despite fluctuations in some job categories. Additionally, EIT Climate-KIC's initiatives are making positive strides in various aspects, demonstrating its commitment to fostering environmental responsibility and economic growth.

Score: excellent - 9

6.7 Medium-term KPIs

Indicator: KIC has made evidenced progress against the following KPIs (including impact KPIs as per definitions provided in the EIT Impact Framework – Medium term KPIs EIT Climate-KIC)

Number and percentage of KIC Label graduates employed

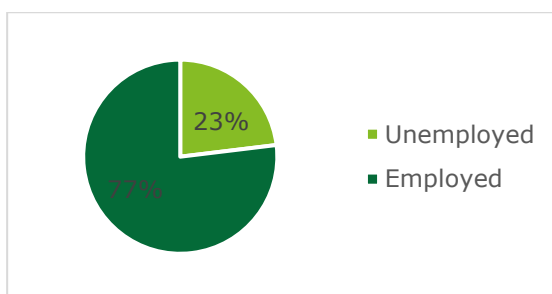
The fact that 77% of the graduates participating in the survey are currently employed suggests a relatively positive employment situation within the group. According to Eurostat, the employment rate for recent graduates aged 20-34 in the European Union was 82.4% in 2022.³⁴ The employment rate ranged from 65.2% in Italy to 93.4% in Luxembourg. The achieved rate of employment is near the EU average, indicating that the graduates have been successful in finding job opportunities in their respective fields.

The 23% of graduates who are not employed might have various reasons for their unemployment. This could include recent graduates who are actively seeking employment, individuals who are taking a deliberate break, pursuing further education, or facing challenges in finding suitable job opportunities due to mismatch between the skills obtained through their education and the skills required by the market.

In general, a 77% employment rate is relatively strong and could indicate that the graduates have been successful in entering the job market. Additionally, the employment rate could be influenced by factors such as the overall job market conditions, the graduates' fields of study, and the geographical location.

In our interview, we have specifically asked questions to validate these findings, from the KIC's experience and information provided by the alumni, regarding the employment and the careers of graduates, the employment rate of 75 or 80% certainly seems plausible. That's not an unreasonable number to assign to those that have gone through the programmes. They have had lots of very positive feedback from the programmes and then as the graduates gone out into the market these numbers certainly seem plausible based on the KIC's wider insight.

Figure 16: The percentage of employed graduates



Number and percentage of students and graduates from EIT labelled MSc and PhD programmes who joined start-ups

In our survey, we have collected data on students and graduates from EIT labelled MSc and PhD programmes who joined or established start-ups.

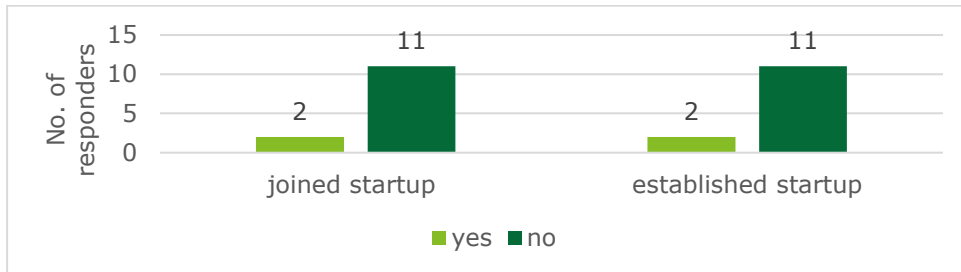
Out of the 14 responders, 2 individuals have chosen to join existing start-up companies. Bearing in mind the low response rates of the alumni survey, this indicates that a small subset of the graduates was interested in working for start-ups rather than pursuing traditional employment. Interestingly, the same graduates have taken the entrepreneurial route and have established their own start-up companies. They also did not choose to venture into entrepreneurship immediately after graduation. While a small number have joined existing start-ups or established their own, the majority have pursued other career options. The choice to join or establish a start-up can be influenced by factors such as personal ambitions, risk tolerance, industry trends, available resources, and market opportunities.

In our interview we have tried to validate these findings from the KIC's experience and information provided our data correlates with the numbers of the EIT label MSc and PhD programmes. Throughout the label programmes the number of people who joined start-ups was consistently low. The KIC had much better numbers and percentage of people joining startups who were not part of the labelled MSc and PhD

³⁴ Eurostat: [Employment rates of recent graduates - Statistics Explained \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

programmes. That is mostly because the KIC's alumni is complex, as they did not have this linear path of the EIT label. The KIC also ran journey programme, young professional programmes and pioneers programme, which are about putting people in as interns into climate businesses to help support their learning.

Figure 17: Number of CKIC graduates joining or establishing a start-up

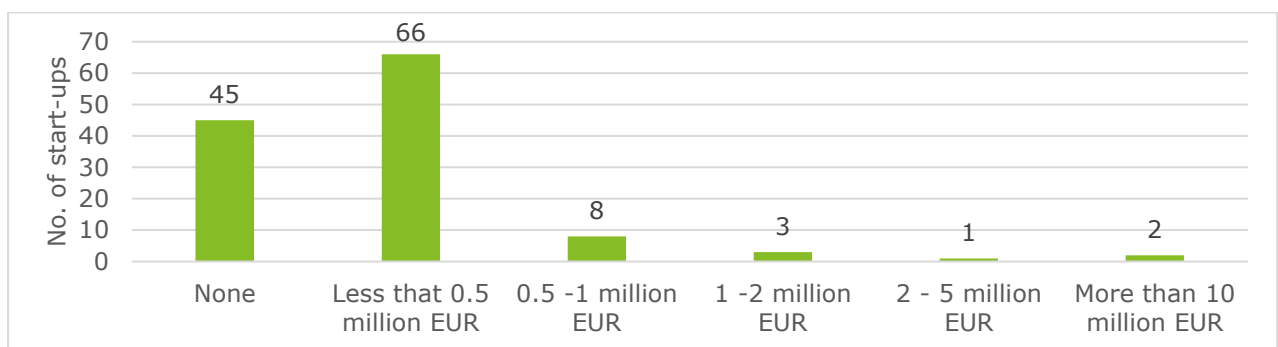


Revenue from the innovations launched on the market

The data collected through our start-up survey indicates that majority of the start-ups supported by the KIC were able to generate revenues from innovations developed through their engagements with the KIC. This also draws us to the conclusion that the majority of the supported start-ups have been able to not just create innovations but to subsequently launch them on the market, thus realizing some profit. Almost 66% were able to generate revenues from innovations, however it is overshadowed by the fact that the vast majority of the have only been able to generate less than 0.5 million euros in revenue from innovations related to the engagement. There are two start-ups with very high potential as they have indicated that their generated revenue coming from innovations related to their engagement exceeds 10 million euros.

Even though the two-thirds of start-ups were able to generate revenues from innovations it is concerning that there is a high proportion of start-ups that have not been able to realise any revenue from innovation. This could be caused by three different aspects such as the early stage of start-up, the lack of innovation developed or that the start-up has not been able to launch its innovation on the market yet.

Figure 18: Revenues generated from innovations developed through the organisation's engagement with EIT Climate-KIC and subsequently launched on the market



Conclusion: The KIC has shown progress in its medium-term KPIs. 77% of KIC Label graduates are employed, reflecting a positive trend close to the EU average. Engagement of EIT-labelled MSc and PhD graduates with start-ups is limited, while the KIC performs well in achieving KPIs, notably in economic growth and innovation. In terms of revenue from innovations, about 66% of supported start-ups generated income, but most earned less than 0.5 million euros. Two start-ups stood out with revenues exceeding 10 million euros, and the KIC also helped nurture some unicorns, such as the Lilium Aviation and the Climeworks. However, a significant number of start-ups have yet to generate revenue, possibly due to their early stage or challenges in market launch.

Score: good- 5

6.8 Strengths, weaknesses and recommendations

Final score of the assessment criteria: very good- 7

The following table indicates some of the most significant strengths of the KIC with relation to achieving their own objectives:

Strengths
RIS activities have shown substantial growth in innovation and support channelled for start-ups. EIT Climate-KIC's efforts were highly effective in RIS regions.
Substantial progress in economic impact targets especially in leveraged financial support for start-ups.
Evidenced contribution to economic growth and innovation.

The following table indicates the most significant weaknesses and recommendations:

Weaknesses	Recommendations
Modest number of EIT-labelled MSC and PhD graduates who joined start-ups	KIC is no longer running the MSC and PhD labelled programmes. If the KIC would focus its future strategy to run those again, it should conduct a thorough review of its relevant programmes to assess their potential for tailoring to enhance the skills necessary for working in start-ups. In this case, the KIC should explore and implement new tools or incentives aimed at encouraging graduates to join start-ups within the same 12-month time frame. This will ensure a timely response to the need for better aligning programmes with the demands of the start-up ecosystem and incentivizing graduates to pursue careers in start-ups.
Lack of jobs created	<p>Within the next 18 months, KIC should take the following steps to encourage start-ups in adopting innovative business models for sustainability and job creation:</p> <p>KIC should establish capacity-building programmes designed to equip entrepreneurs with the skills necessary to scale their ventures and create more employment opportunities. These programmes should be launched and operational within the next 12 months.</p> <p>Within the next 6 months, KIC should establish a platform for facilitating collaboration and knowledge sharing among start-ups in the sustainability sector. This platform should be actively promoted and utilized as a resource for sharing best practices and fostering collaboration.</p>
Concrete quantitative data and independent validation to support societal impact claims	<p>Climate-KIC should prioritize addressing the challenges related to the need for concrete quantitative data and independent validation to support its societal impact claims.</p> <p>By March 2024, we recommend taking the following actions:</p> <ul style="list-style-type: none"> - Data & Metrics: Establish clear quantitative metrics and key performance indicators to measure the impact of climate innovation projects. - Independent Verification: Partner with third-party organisations for independent validation of impact claims.

Weaknesses	Recommendations
	<ul style="list-style-type: none">- Transparency: Share impact data and validation reports with stakeholders regularly.

7 Efforts to coordinate KICs activities with other relevant research and innovation initiatives

7.1 KIC synergies and complementarities

Indicator: The KIC has achieved the concrete synergies and complementarities described in the original proposal and Strategic Agenda

The building of synergies with initiatives with overlapping objectives with the KIC as a vessel towards achieving the KIC's objectives has been highlighted in the PA and SA as well as the Business Plans of the KIC. The SA specifically highlights the importance of cross-KIC cooperation, cooperation with initiatives and networks dedicated to local authorities (e.g. EUROCITIES, Polis network etc.), Member States, European Regional Development Funds (ESIF), public banks (European Investment Bank), the Interregional Innovation Investments and other Commission instruments. Climate KIC Regional Innovation Communities provide an original pan-European regional innovation model, which uses regions as test beds, linking the development of managerial capability and regional strengths to global challenges.

As stated in the PA, to achieve synergies and complementarities between existing KICs, other European partnerships with different stakeholders and initiatives at European Union and global level, the KIC must engage in activities which allow for:

- Stronger cooperation between the KICs;
- Sharing and disseminating innovative practices and lessons learnt through Europe and beyond, via strategic alliances with key innovation actors at EU and international level;
- Providing input to innovation policy discussions and contributing to the design and implementation of EU policy priorities by engaging with relevant European Commission services, other EU programmes and their stakeholders;
- Engaging with EU Member States, at both national and regional levels, to enable synergies with national and regional initiatives, including smart specialisation strategies;
- Developing synergies with other EU programmes, including those supporting human capital development and innovation;
- Stimulating the creation of innovative companies in close synergy, coherence and complementarity with the European Innovation Council (EIC).

The Climate-KIC has always paid special emphasis to cross-KIC activities and synergies, as highlighted in their BPs. In particular, they set novel cross-KIC initiatives, their collaborative involvement was realized for example in the pursuits of Cross-KIC Artificial Intelligence, cross-KIC Water Scarcity, and Resource Efficient Society, further showcasing EIT Climate-KIC's dedication to cross-disciplinary synergy in addressing multifaceted challenges. The KIC has led the EIT Community's activities within the New European Bauhaus initiative since 2021, implementing citizen engagement and co-creation activities. Strategic engagement across various KICs through the Cross-KIC Area serves as a linchpin in the operational framework of EIT Climate-KIC, facilitating cooperative action in pursuit of holistic solutions to the intricate issues posed by climate change.

EIT Climate-KIC calibrated its approach to contribute to the Union's policy objectives through collaboration with key stakeholders established to work towards them, particularly in the context of the European Green Deal, Horizon Europe, Next Generation EU, Smart Specialisation and its external affairs approach. As stated in the SA, EIT Climate-KIC contributes to the Union's climate objectives as laid down in law and seek to bolster Europe's achievement of the 'Fit for 55' package and National Energy and Climate Plans (NECPs) through innovation and seeks cooperation and synergy with other EU instruments and partnership, including with the EIC, the EIB, the European Investment Fund and naturally with the other EIT KICs. EIT Climate-KIC started working more closely with the EIC in particularly in strengthening climate-relevant entrepreneurship capacities.

EIT Climate-KIC successfully strengthened its cooperation with the Managing Authorities and ministry level in several RIS countries, especially in Estonia, Bulgaria, Slovenia and Cyprus, according to the 2020 EIT RIS Evaluation Report. The progress has been underpinned by long-term cooperation with the respective

ministries, regional agencies, bolstering the start-up support and business creation activities of the KIC in these areas. The KIC is also cooperating with DG REGIO and the Joint Research Centre at an EU level as well as with local authorities in all RIS participating countries, with a focus on knowledge exchange. Furthermore, Climate KIC is actively promoting synergies with Joint Programming Initiatives.

As of the submission of the most recent Business Plan, there were 313 partner organisations and 60 affiliates at the time of the writing, spanning the Horizon Europe pillars. From the design stage, the KIC was involved in several Horizon Europe Missions, namely 'Adaptation to Climate Change', 'Societal Transformation', 'Climate Neutral and Smart Cities', 'Soil Health and Food' and 'Healthy Oceans, Seas Coastal and Inland Waters', and took a major role in these Missions, with 'Climate Neutral and Smart Cities' being a central element of the KIC's current strategy.

The KIC collaborated with universities for education activities incl. EIT-Label programmes and other initiatives. This involved integrating specialized modules into existing master's programmes rather than creating entirely new ones. However, sustainability proved challenging. Partner universities often required funding for continued collaboration, and some only retained modules if funding was available. The EIT-Label programmes had mixed impact due to partner dynamics. Education programmes not tied exclusively to EIT Labels, such as summer schools or entrepreneurship initiatives, had better success in offering opportunities to young professionals. This indicates that a flexible approach may yield stronger engagement and outcomes. This experience showcases the need for sustainable funding and aligned goals in education partnerships. Success not only rests on content quality but on the broader partnership dynamics.

New collaboration mechanisms between the EIT Climate-KIC and the Enhanced EIC Pilot initiative have also been initiated. Their activities seek to increase the impact of EIC's innovation portfolio and create a pipeline of impactful innovations addressing European Green Deal goals. Furthermore, EIT Climate-KIC initiatives have been connected to ERDF/ESIF funds devolved to local management in support of the green transition guiding the design of 2021-2027 MFF. Additionally, synergies have been developed with Union initiatives of relevance, such as the Horizon 2020 European Green Deal Pilot call, the ETS innovation Fund, the LIFE programme, the Just Transition Platform and the Horizon Europe clusters.

Conclusion: Climate-KIC has actively pursued and achieved concrete synergies and complementarities as outlined in its original proposal and Strategic Agenda. The KIC's commitment to cross-KIC cooperation is evident through initiatives like Cross-KIC Artificial Intelligence and Water Scarcity, and it indicates the KIC's dedication to multidisciplinary approaches. Collaborative engagement in the New European Bauhaus initiative and active involvement in the EIC showcase its commitment to addressing climate change holistically. The KIC has successfully cooperated with various stakeholders, including Managing Authorities and ministry-level partnerships, to strengthen start-up support in RIS countries. The KIC's involvement in Horizon Europe EU Missions and collaboration with universities for education activities further demonstrate its alignment with broader EU objectives. This collaborative and integrated approach underpins EIT Climate-KIC's success in achieving its goals and fostering innovation in the context of climate action and sustainability.

Score: excellent- 9

7.2 Synergies with other relevant initiatives

Indicator: Number of synergies with other relevant education, research and innovation initiatives in the same area of the societal challenge at national, EU and global level

To facilitate preparedness and resilience to fast-approaching climate change, an unprecedented breadth and quality of collaboration in education is needed, with an increasingly broad range of capacity-building partners, and a commitment to innovate learning in support of climate action on the part of educational institutions, including higher education institutions. Therefore, Climate-KIC focused on building the capability and interest in the more transformative innovation partnerships through strategic education and entrepreneurship programmes. Within the area of education, the KIC focused on enhancing innovation capability for direct climate actions.

The KIC's vision of systems innovation for transformational change demands an exceptional cadre of cross-sector, cross-discipline and cross-boundary entrepreneurs and change agents.

Regarding learning and capability progress, the Systems Innovation Learning Partnership (SILP) has been implemented and developed in 2022, delivering a series of learning activities. An Experimentation Fund has also been launched, with the aim of funding 6-10 systems innovation learning projects in the Global South. EIT Climate-KIC also launched the Circular Economy Learning Platform focused on the implementation of capacity building processes in specific locations where system change processes are being implemented. Three of the 9 courses took place in specific locations (Slovenia, and the Cantabria region in Spain) where EIT Climate KIC is supporting local actors with processes of system transformation. Additionally, as part of the SILP programme, the Systems Innovation Learning Festival has been launched with the aim of building deepening and broadening understanding of systems innovation concepts across a wide range of stakeholders.

A robust collaborative network has been established, partnering with a total of 34 different research institutions and 18 Higher Education Institutions (HEIs). This collaboration underscores the KIC's commitment to fostering innovation, knowledge exchange, and research-driven solutions in its pursuit of addressing critical societal challenges, including climate change and sustainability. Such partnerships serve as vital catalysts for driving impactful change and leveraging expertise from a diverse array of academic and research institutions.

Conclusion: The KIC has effectively fostered numerous synergies with diverse education, research, and innovation initiatives, both at national and global levels. Climate-KIC emphasizes the need for extensive collaboration in education to address climate change. They focus on transformative innovation partnerships, offer education programmes for innovation and leadership, and work with partners to secure funding for future initiatives. They have expanded participation from RIS countries and collaborated with numerous research and higher education institutions to drive innovation and tackle climate change challenges.

Score: excellent- 9

7.3 Strengths, weaknesses and recommendations

Final score of the assessment criteria: excellent- 9

The following table indicates some of the most significant strengths of the KIC in its efforts to coordinate its activities with other relevant initiatives:

Strengths
Through introduction of the systems-innovation approach and the focus on facilitating demand for innovation for solutions to climate change and adaptation, the KIC successfully committed its activities to relying on exploiting synergies with major initiatives, particularly through the Horizon Europe Missions.
The KIC was successful in building strong relationships with national and regional authorities and various key players in climate innovation across EU Member States leading to long-term cooperative projects with the involvement of the KIC and its network.

The following table indicates the most significant weaknesses and recommendations:

Weaknesses	Recommendations
Decreases and discontinuations of funding for some education initiatives led to losses in terms of partnerships and	The KIC may benefit from recalibrating its education portfolio relying on its valuable experience gained from exploring different educational avenues and collaborations. By strategically identifying in the next 6 months and nurturing synergistic partnerships that are sustainable in its shifted financial environment, the KIC can forge a direction for its educational initiatives that

Weaknesses	Recommendations
programmes in the education portfolio	supports its approach of focusing on assisting systems innovation while diminishing the vulnerability tied to funding fluctuations.

8 Capacity to ensure openness to new members

8.1 Partnership characteristics

Indicator: Partnership size, growth, composition and performance are adequate for achieving the long-term objectives of the KIC Strategic Agenda.

As the size, diversity, and geographical spread of the EIT Climate-KIC Partner community contribute to the key asset of the KIC, Climate-KIC's ambition was to implement a new Community Model, launched in 2021, which provides access to a greater number and diversity of people and organisations. The model is expected to provide the people and organisations within the community greater access to a wider variety of funding and collaboration opportunities.

Accordingly, as described in the 2021-2027 Strategic Agenda, between 2021 and 2027 Climate-KIC intends to

- increase the total % of its partners registered in RIS countries to 20% by 2024 and to 25% by 2027,
- maintain a diverse community mix aligned with its innovation model, for which the target is to have 20% of the Partnership represented by non-traditional climate actors and actors focused on social innovation,
- maintain Exaptive, the Climate-KIC's open digital platform where partners can connect virtually and exchange learning. The goal is to grow its users by 20% each year through further communication and training activities (they had 1600 active users in June 2021), and
- ensure EIT Climate-KIC maintains a pan-European coverage through the representation of its partners, its co-location centres, and the combined presence of national and RIS innovation hubs.

EIT Climate-KIC has two categories of partners, Core Partners and Affiliate Partners:

- **Core Partners** under EIT Climate-KIC's governance model have an influence on the KIC's strategic decisions through the KIC's General Assembly, where the Association of Core Partners has a 10% ownership of the EIT Climate-KIC Legal Entity. Core Partner include those from major businesses, universities, cities/regions, and research bodies³⁵. Core partners contribute to the overall governance and strategy of EIT Climate-KIC through their 'Association'.
- **Affiliate Partners** under EIT Climate-KIC's model are involved in implementation of the KICs activities in total. The categories of partners also involve SMEs and community organisations that are not represented at the level of Core Partners³⁶.

To create a multi-criteria analysis of EIT Climate-KIC's partnership size, growth, composition, and performance, we used a 1 to 4 scale, where 1 is the worst and 4 is the best for each criterion.

Partnership size

The number of Core Partners was not projected to increase during the period of the Strategic Agenda; stagnation around 30 was expected. The number of Affiliate Partners, however, was expected to grow from 435 in 2021 to 650 by 2027. Even though numbers vary each year, about 200 of these partners participate in the EIT grant.

³⁵ 2021-2027 Strategic Agenda, page 19.

³⁶ 2021-2027 Strategic Agenda, page 19.

Figure 19: Total number of Partners & Affiliate Partners based on Climate-KIC Grant Assessments between 2016 and 2022

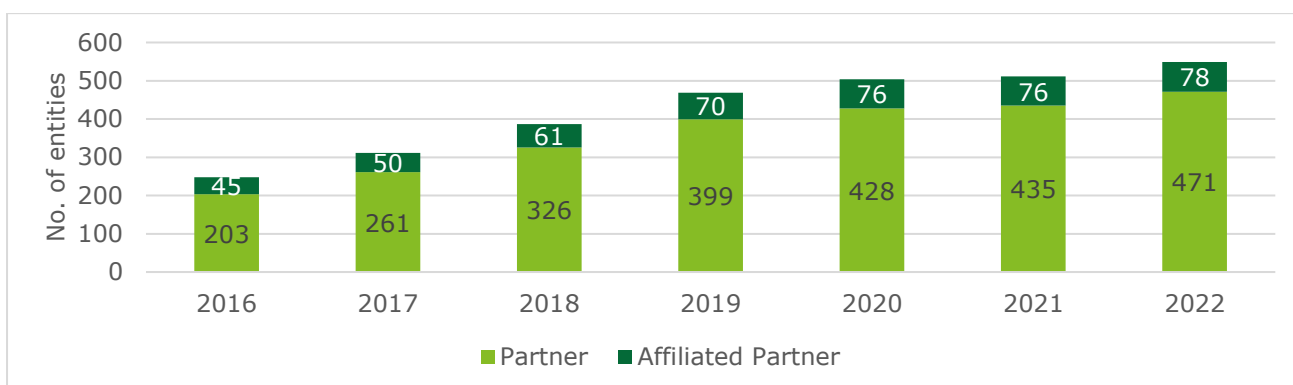


Figure 19 demonstrates the yearly number and growth of Partners and Affiliated Partners based on the KIC’s DUNA database reporting. Regarding Partners, a steady increase can be observed, starting from 203 in 2016 and increasing to 471 by 2022. With regards to the Affiliate Partners, their numbers grew from 45 in 2016 to 78 in 2022. Even though that by 2022 a total of 471 Partners were part of EIT Climate-KIC and KIC was on track towards its SA target, changes in the KIC’s funding and portfolio necessitated by the EIT’s intervention to improve the KIC’s financial sustainability outlook leads to a break in this trend from 2022 to 2023. For many KIC partners, a central element of the value proposition of the KIC in the years up to 2022 was the opportunity to secure EIT funding. However, with the rapid reduction in EIT funding – particularly the 70% funding cut from one year to the next in 2020-2021 and the subsequent loss of local staff in different jurisdictions to support the partnership – this rationale for maintaining the partnership was removed for many partners. To manage the necessary change, in 2022 a new community strategy has been launched, which seeks to offer a different value proposition to partners – a collective endeavour to share knowledge and insights and secure funding and finance to support climate goals – rather than a focus on EIT funding. However, the new model is still in the process of bedding, and as expected, has involved substantial challenges. As a result, by March 2023, 313 partners are members of the Climate KIC as reported during our interview. This means that reaching the SA target set in 2021 for partnership size is an unrealistic expectation in light of fundamental changes in circumstances.

EIT Climate-KIC has experienced growth in both Core and Affiliate Partners from 2016 to 2022, which is a positive trend. However, due to a recent decrease in partner numbers in 2023 caused by the change in the KIC’s partnership model, achieving the ambitious SA target seems to be hard even though after the model change the KIC has signed a record in new partners. According to our assessment, the score of size is 2 (Average).

Partnership Growth

The steady increase in Partners and Affiliate Partners from 2016 to 2022 is promising. The recent decline in 2023 due to changes in funding and strategy is a concern. The KIC has gathered an unprecedented number in newly joining partners last year. As only one year has passed since the model has changed, we cannot be certain if this rapid growth will continue. According to our assessment, the score of growth is 3 (Good).

Partnership Composition:

The KIC partners are registered in 39 different countries.

Figure 20: Number of partners from specific countries in the year of 2022

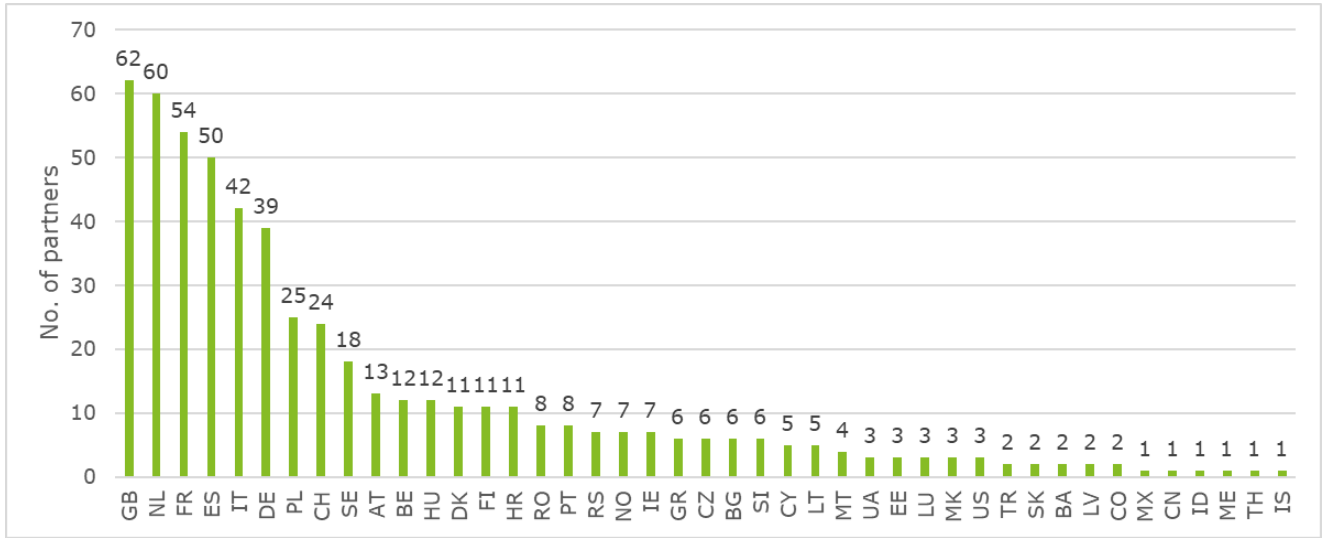
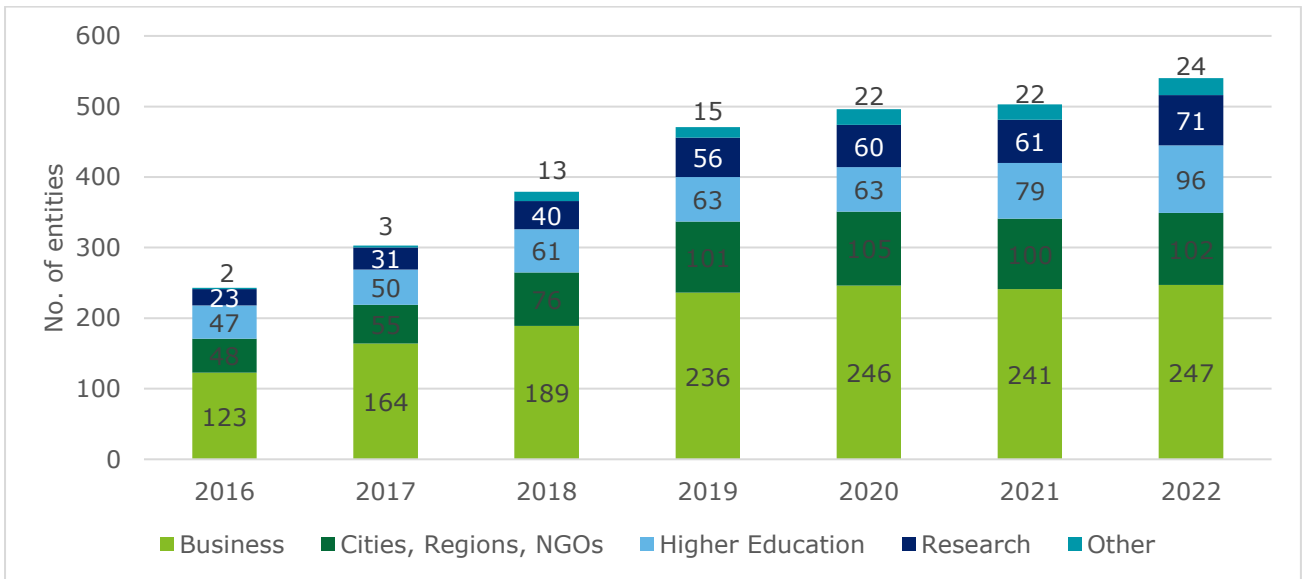


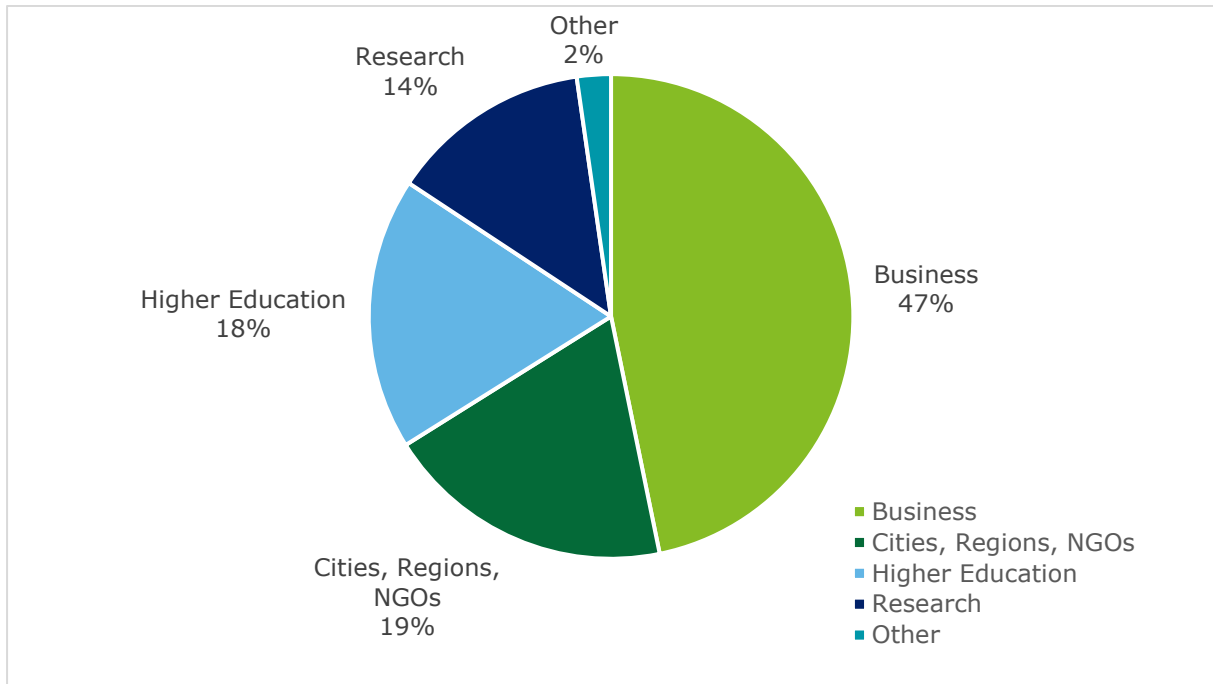
Figure 20 shows the number of partners from each country in 2022. Most partners of Climate-KIC are from the United Kingdom (11% of all partners), Netherlands (11%), France (10%) and Spain (9%).

Figure 21: Evolution of partnership composition between 2016 and 2022 regarding key knowledge-triangle players based on Climate-KIC Grant Assessments



Considering the change in partnership composition over time, it can be concluded that Climate-KIC’s partners span the knowledge triangle. Furthermore, all relevant knowledge-triangle players increased their number of partners continuously until 2022. Climate-KIC’s partners are mostly represented by businesses (47%) in 2022, as can be seen on Figure 21. Moreover, 19% of the KIC’s partners are from Cities, Regions, NGOs, and 18% of partners are from Higher Education institutions. The rate of partners coming from research institutions equals to 14%.

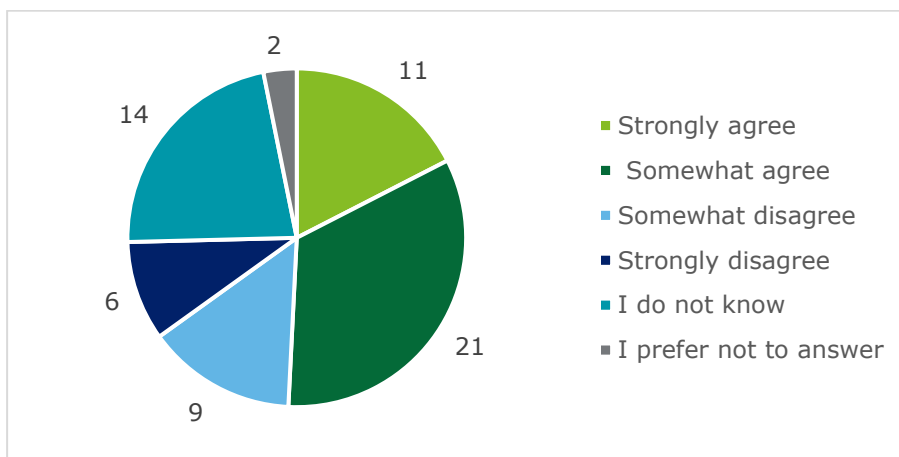
Figure 22: Composition of partners as of 2022 based on Climate-KIC Grant Assessment 2022



The partnership composition reflects a diverse mix of knowledge-triangle players, with a significant representation from businesses, cities/regions, NGOs, and higher education institutions. This diversity aligns with EIT Climate-KIC's innovation model. The geographical distribution of partners demonstrates a presence in various European countries, this pan-European coverage aligns with EIT Climate-KIC's goals. According to our assessment, the score of composition is 3 (Good).

Partnership Performance:

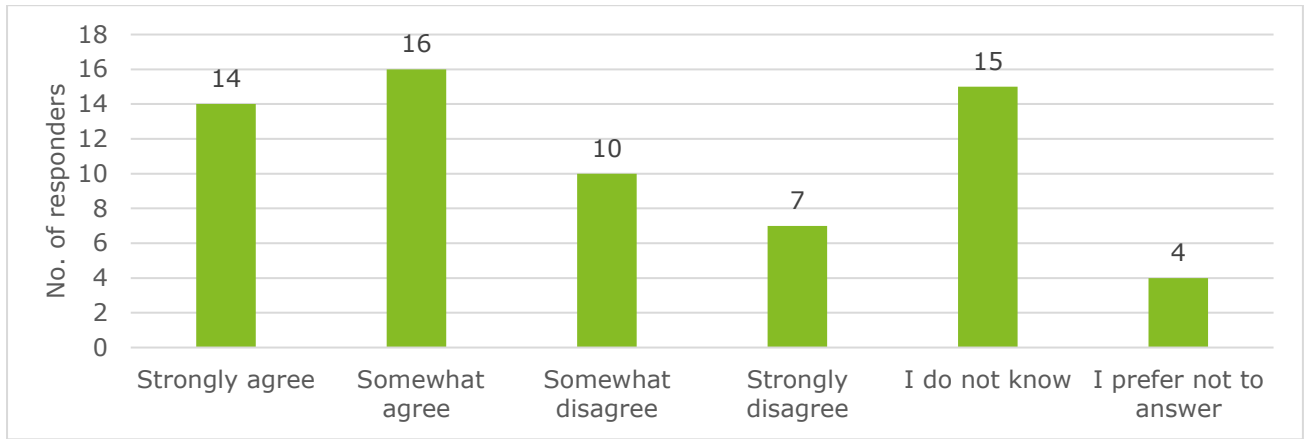
Figure 23: Survey responses to the statement 'The current trends in partnership growth and composition are promising for the future of EIT Climate-KIC'



The survey results in Figure 23 demonstrate to what extent the survey respondents consider the current trends in partnership growth and composition promising for the future of EIT Climate-KIC. Based on the results, half of the respondents think the current trends are promising, less than a fourth of the respondents think that the current trends are not satisfactory, while the rest did not express an opinion on the matter for additional insight on the potential of the new partnership model, (see Figure 24). 30 respondents out of the 66 believe that most current partners are likely to keep up the partnership with EIT Climate-KIC after

2024, 17 partners disagree, while the remaining 19 do not know or preferred not to answer. Considering the challenges of a completely new community model, this can be interpreted as cautious optimism.

Figure 24: Survey responses to the statement that 'Most current partners are likely to keep up the partnership with the EIT Climate-KIC after 2024.'



The survey results indicate that about half of the respondents find the current trends in partnership growth and composition promising for the future of EIT Climate-KIC. Additionally, a substantial portion of respondents believe that most current partners are likely to continue their partnership after 2024, despite the challenges of the new community model. This suggests cautious optimism. According to our assessment, the score of performance is 3 (Good).

Conclusion: In pursuit of its long-term objectives outlined in the Strategic Agenda (2021-2027), EIT Climate-KIC has made considerable strides in building a diverse partner community. The KIC’s innovative Community Model, launched in 2021, aimed to expand engagement and collaboration. The growth in both Core and Affiliate Partners until 2022 demonstrates the KIC’s commitment to multidisciplinary involvement and broader outreach. While the shift to the new model and reduced funding led to a temporary disruption in growth, the KIC’s efforts to reposition its value proposition are cautiously optimistic. The partnership composition reflects the KIC’s strategic alignment with the knowledge triangle, encompassing various sectors and geographic regions. Even though challenges emerged due to evolving circumstances, Climate-KIC’s adaptability and strategic partnerships remain pivotal in realizing its long-term goals.

Score: very good- 7

8.2 Openness of calls

Indicator: KIC Calls for activities have been fully open to new members. KIC has fully addressed the EIT Good Governance Principles (GGP) – based on relevant GGP assessments related to openness to new members.

In this chapter we have analyzed two indicators since we found during our thorough desk research and evaluation that these are highly correlated and were overlapping.

EIT Climate-KIC partners are selected through an open and transparent process and sign an EIT Climate-KIC community agreement. The KIC has continued to abide by the Good Governance principles of the EIT for openness and transparency. In terms of **openness**, the KIC’s calls have been accessible, the descriptions were detailed and in line with the topic addressed. Based on the information provided by the GGP Good practices document, the level of openness is very good, due to the following reasons:

- the partnership is open for the activity partners;
- there are clear criteria established for the KIC and activity partners.

According to the 2021 Business Plan, EIT Climate-KIC aims to provide open access to funding, knowledge and the community through their open call approach, enhanced by the creation of the Foundation, which removes the ownership/partnership situation. Climate-KIC’s community is open across the EU and even beyond, thereby it actively engages organisations and actors who would traditionally would not be supported by the EIT.

Conclusion: The KIC’s calls have been open and accessible providing clear criteria for partners. The KIC has effectively addressed the EIT Good Governance Principles related to openness to new members. The partnership has expanded over the years, encompassing diverse players.

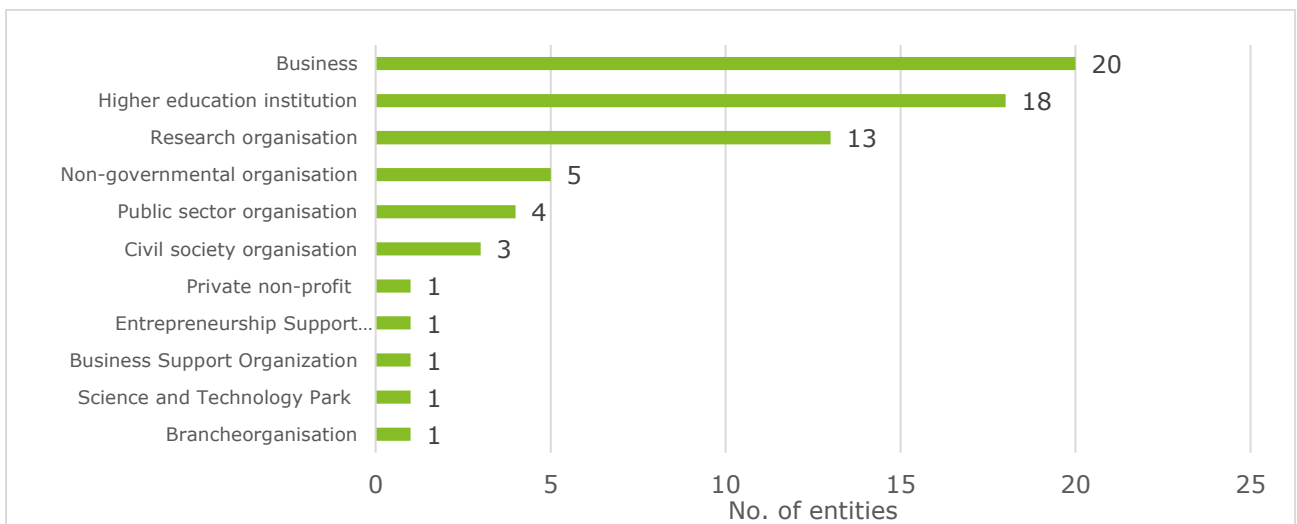
Score: excellent- 9

8.3 Balanced representation

Indicator: Balanced representation of all key knowledge triangle players in the partnership.

EIT Climate-KIC partnership reflects the extended knowledge triangle, where cities are also involved along with education, research, and business organisations.

Figure 25: Partners’ profile



As demonstrated in section 8.1, all relevant knowledge-triangle players increased their number of partners over the years between 2016 and 2022. According to the results of the partner survey, of the 68 total respondents, 20 partners operate as businesses, 18 as higher education institutions, and 13 as research organisations. Moreover, NGOs, public sector organisations, civil society organisations, private non-profit organisations, entrepreneurship support organisations, business support organisations, science and technology parks and branch organisations are also represented.

As discussed in section 8.1, Climate-KIC’s partners are mostly represented by businesses (47%) in 2022. Moreover, 19% of the KIC’s partners are from Cities, Regions, NGOs, and 18% of partners are from higher education institutions. The rate of partners coming from research institutions equals to 14%.

However, according to the data provided by Climate-KIC in a validation interview in August 2023, the leading sector is higher education for 2021-22 (44.8%), with business following at 30.7%. EIT Climate-KIC’s education programming has created Climate Leadership Journeys and Pioneers into Practices to foster entrepreneurial, leadership and systems thinking skills and are activating young citizens to work on concrete local and global challenges. For 2021, Climate-KIC redesigned two of its university-facing programmes – the Climate Innovation Leadership and the Journey Programme – into one consolidated programme: the Climate Leadership Journey Programme. Under the new “EIT Fellowship” pilot framework, the programme supported EIT’s need to amplify and extend the scope of the EIT Label, with particular attention to RIS

countries. On the business side, the aim is to create the next generation of climate entrepreneurship programming. This is already bringing significant results with the launch of three thematic climate accelerators with significant co-funding and industry backing and the continued expansion of Climate Launchpad with many additional features (e.g. Adaptation and Resilience thematic challenge, launch of a follow-on accelerator module), and the propagation of the KIC accelerator model through the Open Climate Accelerator Platform. These all create a strong foundation to work with more startups and businesses.

Figure 26: Responses to the survey question 'Which pillars of the knowledge triangle ought to be better represented within EIT Climate-KIC (if any)?'

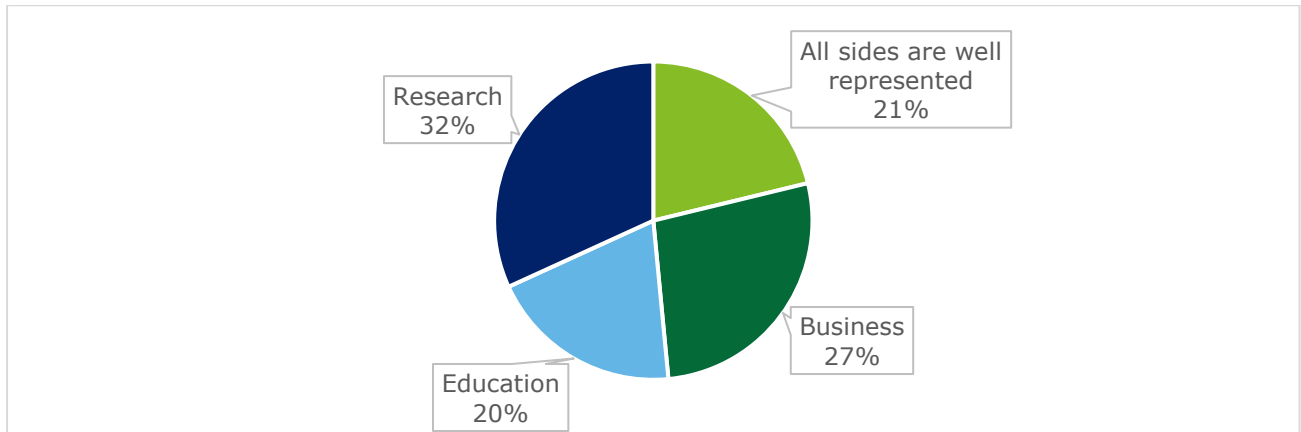


Figure 26 shows that 21% of the respondents of the partner survey believe that all sides are well represented of the knowledge triangle within EIT Climate-KIC. Most respondents (32%) believe that the research pillar requires a greater level of representation within the KIC, however, this rate is not significantly higher than those suggesting a better representation of businesses (27%) and education (20%). Thus, it appears that all elements of the knowledge triangle are similarly well represented in the community.

Overall, a balanced representation of the KIC’s partnership from all sides of the Knowledge Triangle was maintained across the period, with businesses assuming a larger share each year. The relative balance of the types of applicants indicates the success of the KIC’s calls for partners.

Conclusion: The KIC has achieved a well-balanced representation of key players in the knowledge triangle, including businesses, higher education, research, cities, and more. The partnership’s diversity reflects its extended scope. While some survey respondents suggested increasing representation for certain pillars, the overall partnership composition appears comprehensive and aligned with the KIC’s goals. This balanced approach contributes to a holistic response to climate challenges.

Score: very good- 8

8.4 Strengths, weaknesses and recommendations

Final score of the assessment criteria: very good- 8

The following table indicates some of the most significant strengths of the KIC:

Strengths
The KIC has succeeded in continuously growing the community of partners until 2022 in line with SA targets.
The KIC has maintained a good degree of openness and transparency within their calls and has remained accessible for new partners.

Strengths
The new partnership model further strengthens the openness of the KIC, as it is enhancing the participation opportunities of non-partner institutions.
The KIC has maintained a balanced representation of all sides of the knowledge triangle in the partnership.
Based on survey responses, the KIC's new partnership model and value proposition was able to attract new partners, the majority of which see the value proposition of the model viable for the KIC's future.

The following table indicates the most significant weaknesses and recommendations:

Weaknesses	Recommendations
The KIC lost the majority of their partners during the shift to a new partnership model in 2022 and was only partially able to replenish its numbers	The KIC should work actively with the new partnership to fine-tune its value proposition within the next 18 months. During this time frame, the aim should be not only to retain the core of its community but also to initiate growth.
The targets for partnership growth and composition set out in the SA became obsolete with major structural changes in the KIC facilitated by the EIT	The targets defined in the KIC SA should be reconsidered through discussions between EIT and the KIC within the first year of implementing the new partnership model. This will allow for an assessment of the model's performance and adjustment of targets to better align with the evolving partnership dynamics and objectives.

9 Achievements in attracting new members from across the Union

9.1 Sustainable innovation eco-system with partners

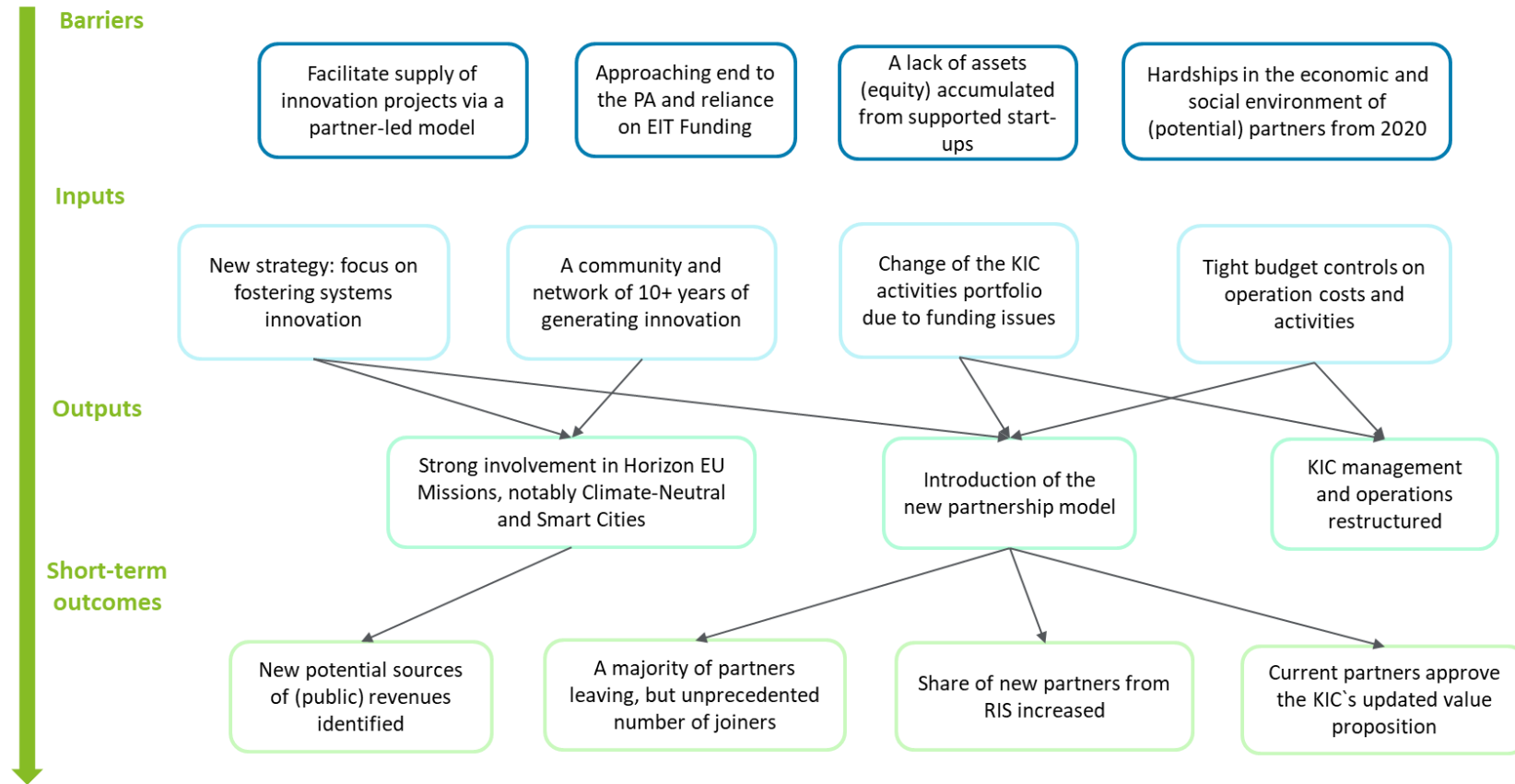
Indicator: KIC has grown to an effective sustainable innovation ecosystem with partners within and outside the EU, incl. RIS-eligible countries and regions

SO1 of the KIC`s strategic objectives set in the SA is dedicated to strengthening the sustainable innovation and entrepreneurial ecosystems across Europe, particularly in RIS countries. To assess the KIC performance in this area, we focus on the evolution of the KIC`s partnership and present a Theory of Change that encapsulates the most important developments and their effect on the sustainability of the innovation ecosystem around the KIC.

As established in the previous chapter, the KIC was well on track in developing its partnership in line with its SA targets until 2022. At that point, however, it was decided that a new community and partnership model had to be introduced, which offered a significantly different value proposition than the previous arrangement, primarily in anticipation of the EIT grants becoming unavailable to partners with the end of the PA. This most importantly was accompanied by a large turnover and a decrease in the overall number of partners, as discussed in more detail in Sections 8.1 and 9.5, along with downsizing or discontinuation of activities deemed not to be conducive for long-term financial sustainability. In the following analysis, we elaborate on the context of these developments to enable forming conclusions on the indicator in question.

In our Theory of Change on the sustainability of the KIC innovation ecosystem, first we identified the main Barriers that needed to be addressed to ensure the envisioned development and sustainability of the ecosystem. Second, we discussed the applied Inputs most relevant in tackling the Barriers. Third, we enumerated the resulting Outputs produced to facilitate the desired developments. Fourth, we identified the short-term outcomes that already materialised. As the change in this context is recent, with many important elements introduced within the past 2 years, longer term outcomes at this point are not viable to be tested.

Figure 27: Theory of Change: Sustainability of the innovation ecosystem of EIT Climate-KIC



Barriers

Dating back to its original proposal, EIT Climate-KIC was established to facilitate specific programmes and projects that generate and build capacity for transformative innovations, which was characterized in our interviews with KIC representatives as a supply-side strategy. The KIC leadership identified back in 2017-18 that a supply-side model of innovation would not be sufficient to deliver the societal goals for climate change in itself.

As the PA with EIT ends in 2024, the KIC has to identify other sources of revenues to ensure the functioning of its innovation ecosystem,. This was in the core of the annual Strategic Recommendations of the EIT GB.. Related to this overarching barrier, it was specifically highlighted during our interview with the KIC representatives that the KIC had not started acquiring assets (equity stakes or service for equity stakes) in supported start-ups until 2020, which meant that a potential revenue stream to rely on post-2024 would not be well established in time.

Finally, starting with 2020, hardships in the international economic and societal environment of (potential) partners constituted a barrier to the ideal growth of the KIC`s ecosystem, especially in RIS. Specifically, the COVID-19 pandemic and the more recent inflation, energy crisis and the war between Russia and Ukraine were all negative factors. As we discuss in more detail in Section 9.4, this may be a reason specifically behind a decline in the influx of new partners, in particular from RIS locations.

Inputs

As the listed Barriers were clearly identified and understood by the KIC leadership (as well as the EIT), significant measures were taken to overcome them.

First, the KIC put in place and developed a new strategy, EIT Climate-KIC Strategy 2019-2022 (later extended to 2023), that introduced a shift from a supply-side focused approach to driving systems innovation through a demand-led approach. By the time of this shift, the KIC was already at a mature stage with a well-established and growing partner community with more than 400 members spanning all sides of the Knowledge Triangle and an extensive network of community members.

Addressing the EIT`s growing concerns regarding financial sustainability started to take the form of more direct intervention from the 2020 Strategic Recommendations of the GB, requiring urgent strengthening of the KIC`s business focus, implementation of activities towards long/term financial sustainability, detailed information on revenue projections and Deep demonstration initiatives as well as a portfolio and ecosystem restructuring plan, among others. The following year`s Strategic Recommendations included a set of conditions for the KIC to receive EIT grant for 2022, and a Due Diligence exercise was also launched. The KIC followed on the issues highlighted. Funding for a range of activities in the KIC`s portfolio that were assessed as not sufficiently contributing to achieving financial sustainability was decreased or cancelled. Perhaps most notably for the innovation ecosystem, all of the RIS Hubs were defunded. Tight budget controls were not only introduced for activities, but also the KIC`s operation costs.

Outputs

The measures summarized above stemming from the introduction of the current systems-innovation focused strategy and concerns for achieving financial sustainability simultaneously started to transform the KIC and major aspects of its innovation ecosystem. The KIC was able to participate in the design and implementation of several Horizon Europe Missions in accordance with its strategy, as discussed in more detail in Chapter 4, most importantly taking a leading role in the Climate-Neutral and Smart Cities Mission. To prepare the transition of its partnership into the post-2024 period when the EIT grant will not be the major revenue source for the KIC, a new partnership model was introduced in 2022, and the KIC`s management and operations were restructured.

Short-term outcomes

Contributing to or even taking a prominent role in the ambitious Horizon Europe Missions, with significant resources including public funding, is of central importance to the future of the KIC's ecosystem both as a potential avenue to secure new revenue streams as well as ideally positioning the KIC partnership to achieve impacts in a larger scale line with its systems innovation approach.

The change of the partnership model led to multiple impacts within a year of its introduction. As shown in Section 8.1, a majority of partners in 2022 did not sign up for the new model, however the KIC was able to secure an unprecedented number of 78 new joiners, meaning that the reported number of 471 partners for 2022 dropped to 313 by the time of our interview with the KIC in March 2023. This means that the KIC must integrate and rely on an increased share of new partners, especially from RIS regions (discussed in more detail in Section 9.5).

In terms of its partnership, the KIC is in new territory at the time of our review. Thus, a reliable projection cannot be made. Our survey of current partners in May 2023 indicates that the majority of responding partners tended to at least to some extent agree that, first, they, and the majority of partners, are likely to stay post-2024, even without EIT funding, second, that the current value proposition of the KIC is viable to develop the partnership post-2024, and third, that the current partnership model is well/established for the long-term success of the KIC (discussed in more detail in Section 9.5).

Network analysis

We had relatively good response rates from the partners, but they are still low for a rigorous network analysis. A network can be characterized by the number of nodes and links within it, as well as the centrality measures of its nodes. In the absence of data that would enable mapping the nodes and links, we conducted a qualitative analysis of the network.

Public authorities are among the most engaged partners, reflecting a strong focus on collaborating with government bodies, agencies, and institutions. This suggests a commitment to policy development, regulatory alignment, and public-sector support in achieving climate goals.

Collaborations with research institutes highlight EIT Climate-KIC's dedication to fostering innovation and knowledge exchange. These partnerships are likely to involve joint research projects, technology development, and the sharing of scientific expertise.

EIT Climate-KIC's extensive collaboration with small and medium-sized enterprises (SMEs) signifies a commitment to supporting entrepreneurship and innovation at the grassroots level. These collaborations may involve funding, mentorship, and access to the KIC's resources and networks.

Collaborations with NGOs demonstrate a commitment to social and environmental causes beyond traditional business interests. These partnerships likely focus on sustainability initiatives, advocacy, and community engagement.

EIT Climate-KIC's partnerships with large enterprises suggest a balanced approach that involves both corporate stakeholders and smaller actors. These collaborations may focus on scaling sustainable solutions and corporate social responsibility.

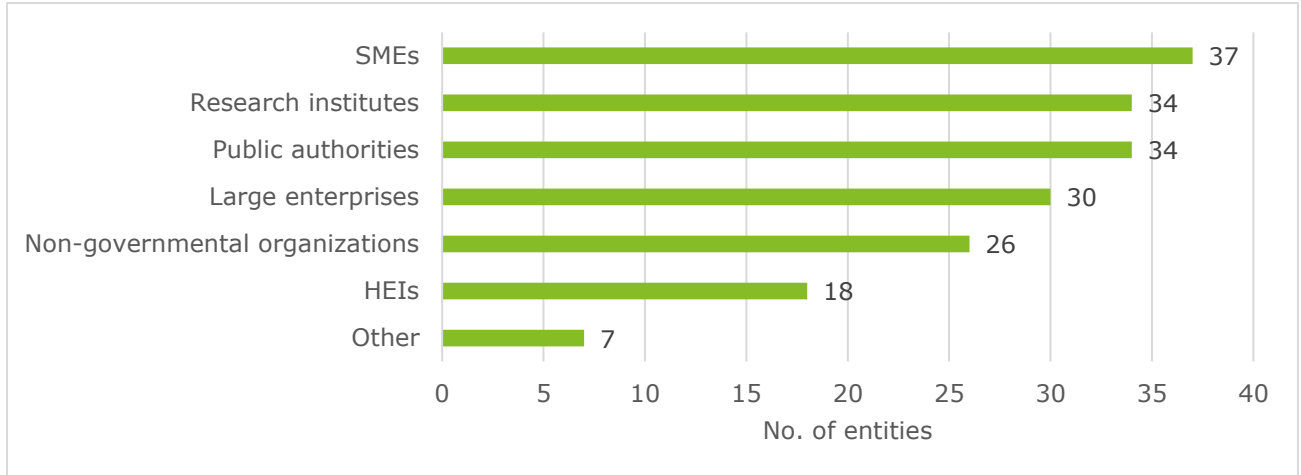
Collaboration with HEIs reflects a strong emphasis on academic partnerships, potentially involving joint research, educational programmes, and knowledge sharing to advance climate-related research and education.

The "Other" category signifies collaborations with partners not classified under the above categories. This includes for example foundations or niche organisations with specialized roles in the sustainability and climate innovation landscape.

In summary, EIT Climate-KIC's diverse network reflects the KIC's holistic approach to addressing climate challenges by engaging with various stakeholders, from government bodies and academia to grassroots

organisations and businesses, ultimately contributing to a more comprehensive and impactful response to climate change.

Figure 28: Type of organisations the KIC partners collaborate with



Conclusion: The KIC was well on track in developing its partnership in line with its SA targets until 2022. At that point a new community and partnership model had to be introduced, with a significantly different value proposition than the previous arrangement. The transformation of the KIC and its partnership to pursue a strategy of facilitating systems innovation, and financial sustainability, especially in the past 2 years also contributed to a dramatic change in the trajectory of the KIC’s ecosystem, introducing significant uncertainty. We assess, however, that the KIC has taken strong steps to ensure the sustainability of its partnership model and broader innovation ecosystem.

Score: good- 6

9.2 EU Member States covered by the KIC partnership

Indicator: Number of the EU Member States covered by the KIC partnership and representation of all the knowledge triangle players

The partnership has shown a steady growth between 2016 and 2022, as the number of partners increased from 203 to 471, while the number of affiliated entities increased from 45 to 78. In 2023, the total number of partners is 313 (not counting affiliated institutions), covering 27 EU Member States (Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden) and 9 non-EU countries (Bosnia and Herzegovina, Iceland, North Macedonia, Norway, Peru, Serbia, Switzerland, United Kingdom and USA).

Figure 29: Country of origin (EU Member States) of partners in 2023 based on interview with Climate-KIC in August 2023

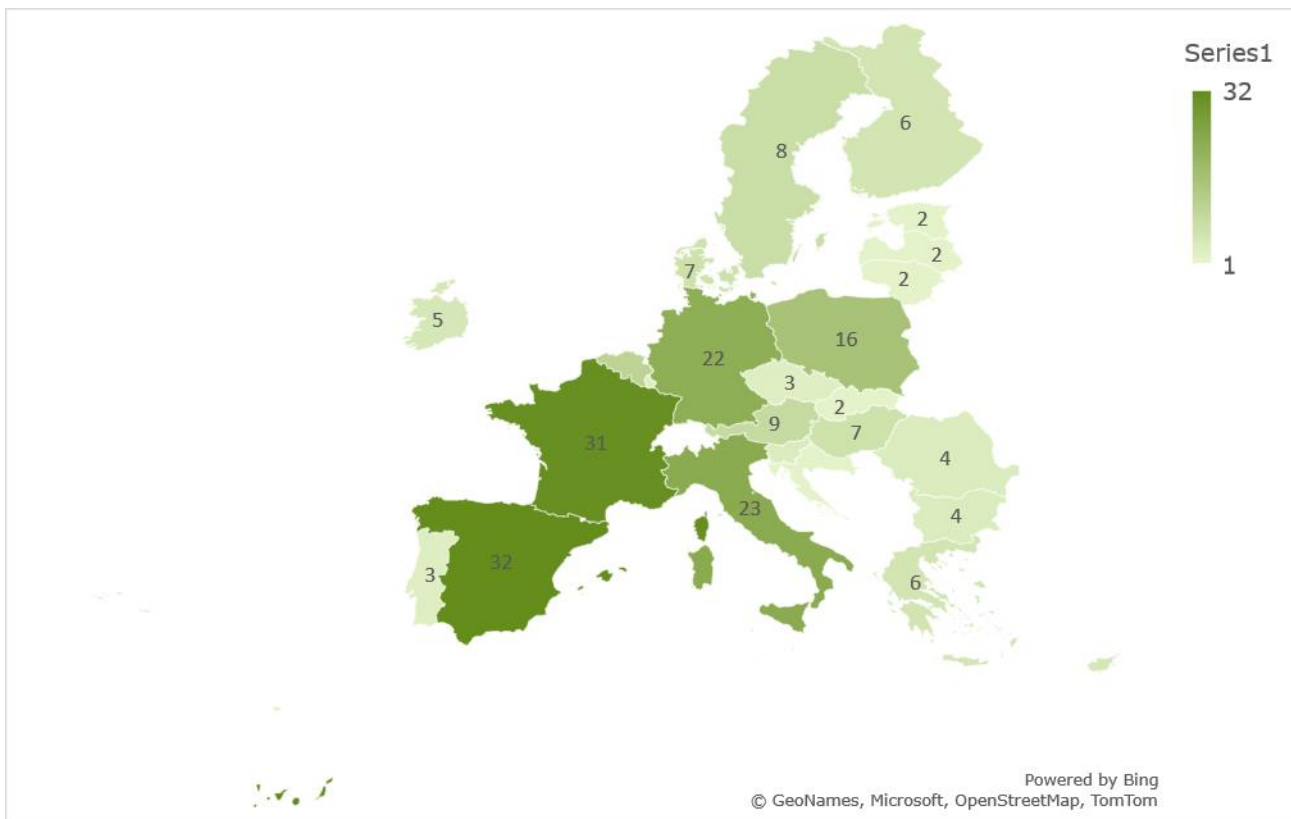


Figure 29 shows the distribution of partners across European Member State countries. Most partners come from Spain (32; 13% of all partners), France (31; 12%), Italy (23; 9%), Germany (22; 8%) and Poland (16; 6%). Furthermore, 62 partners (25% of all partners) are from non-EU Member States.

Conclusion: There is a strong representation of the KIC’s partnership in EU Member States, which is balanced from all sides of the knowledge triangle with businesses assuming a larger share each year.

Score: excellent- 9

9.3 Coverage of RIS Countries and Territories

Indicator: Number of the RIS countries and regions covered by the KIC partnership and representation of all the knowledge triangle players in its activities.

The EIT RIS is designed to share good practices and experience emerging from the EIT Community’s activities, as well as to widen participation in KICs’ activities. The aim of the EIT RIS is to help disseminate the knowledge and know-how of the EIT Community and widen participation in the KICs across Europe. The EIT RIS focuses on countries that are moderate and modest innovators according to the European Innovation Scoreboard and have limited or no participation in the EIT Community’s activities.

In the KIC SA, a goal was set to raise participation from partners in RIS countries to 20% of the overall community and ensure at least 20% of the long-term strategic partnerships with cities, regions or countries are in RIS countries. Overall, out of the 22 eligible countries, 17 are covered by the partnership, therefore 78% of eligible RIS countries are involved in the partnership. Climate-KIC maintains a database of its community members in Salesforce. According to the statistics, out of 313 community members, 118 are from RIS countries, which indicates a 38% share.

When asked about the trend of partners in our validation interview in August 2023, Climate-KIC noted that the number of new RIS community members has declined in the past 2 years. They indicated the Covid-19 pandemic’s economic impact on the participating organisations, the inflation and the fact, that as of 2022 there was no requirement to be a KIC partner to apply for a call of proposals. Climate-KIC aims to reverse this trend in the future by providing fee waivers to the strategic RIS entities.

Conclusion: The number of the RIS eligible countries and regions covered by the KIC partnership and representation of all the knowledge triangle players has exceeded the objectives set, even if there was a decline in the new RIS community members recently.

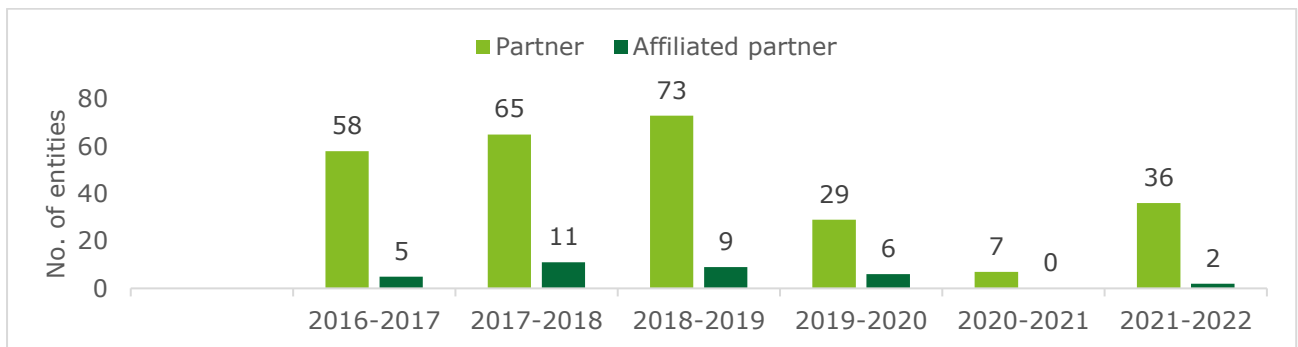
Score: very good- 8

9.4 Trend of new active partners

Indicator: Trend of new active partners over the period of the review

In section 8.1 we analysed the number of partners and affiliated partners. In this section we emphasise how successful the Climate-KIC has been in attracting new partners every year until 2022 in its previous community model.

Figure 30: Yearly increase in partners based on Grant Assessments 2016-2022



As Figure 30 shows, most increase in the number of new partners happened between 2016 and 2019. The most successful year was 2019, when a total of 82 partners joined the partnership, while between 2020 and 2021 only 7 new members joined. Between 2016 and 2022, 268 new partners and 36 new affiliated partners joined Climate-KIC, equalling to a total of 304 partners during the analysed period.

Following the introduction of the new partnership model in 2022, according to the validation interview with the KIC (in August 2023), the total of new active partners in 2022 and 2023 was 78, out of which 53 were from RIS countries. Therefore, Climate-KIC claimed that 67.9% of new active partners were from RIS countries, which can be partially explained by the KIC’s investment in EIT Climate-KIC’s RIS Hubs until recently. These hubs acted as a magnet for partners and the wider community to interact, including in the several instances of cross-KIC consolidated CLCs. Additionally, according to the KIC, the high percentage of new RIS members was a result of its work over years in market-building and reputation-building in RIS countries. They also claimed that over 30% of the partners who joined since 2019 come from RIS and CEE countries.

Conclusion: The number of new active partners was rapidly increasing until 2019. A major drop could be observed in 2019-2020 as the KIC introduced the new partnership model. However, in the last monitored period the number of new partners rose to such level that could be a potential sign of a freshly forming positive trend.

Score: very good- 7

9.5 Balanced geographical representation

Indicator: Balanced geographical presence of CLCs and EIT RIS Hubs in line with the strategic objectives and societal challenges

The establishment of Co-Location Centres (CLCs) and RIS Hubs serves the goal of supporting the objective of attracting and facilitating the integration of potential new partners in the EIT KICs and link local innovation ecosystems to pan-European innovation ecosystems, as part of a “place-based” innovation approach. The 2021-2027 Strategic Agenda laid down the following targets regarding the CLCs and Innovation Hubs.

Table 18: Projected number of CLCs and Innovation Hubs based on the 2021-2027 Strategic Agenda

	2021	2022	2023	2024	2025	2026	2027
CLCs	13	10	11	12	13	13	13
EIT RIS Hubs	14	14	13	12	11	11	11

By 2021, Climate-KIC has already established **CLCs** across 13 countries in Europe: France (Paris), Spain (Valencia), Italy (Bologna), UK and Ireland (London), Switzerland (Zurich), Nordics (Copenhagen), Germany (Berlin), Poland (Warsaw), Hungary (Budapest), Austria (Vienna), Slovenia (Ljubljana), Belgium (Budapest) and the Netherlands (Amsterdam). These CLCs offer a way of promoting linkages and active collaboration among knowledge triangle actors and are a focal point for knowledge exchange among the community. This is a great achievement, given that the initial goals set by the Climate-KIC’s proposal document of 2009 were to establish 5 co-location centres in London, Zürich, Berlin, Paris and Utrecht.

Furthermore, until 2022, Climate-KIC also worked through 14 **RIS Innovation Hubs** in Bulgaria, Croatia, Cyprus, Czechia, Estonia, Greece, Latvia, Malta, Portugal, Romania, Serbia, Slovakia, and Slovenia. These hubs acted as a magnet for partners and the wider community to interact, including in the several instances of cross-KIC consolidated CLCs. However, EIT indicated that they would not support any RIS Hub that was not on track to be financially self-standing before end 2024. Climate-KIC reviewed these 13 Hubs – which had been set up to be impactful ecosystem building hubs – and concluded that none of the Hubs were in a position to be financially self-standing within 2 years. Therefore, the operation of all RIS Hub activity had to be stopped and the KIC pivoted its 2023-24 Business Plan to working with individual organisations within RIS countries on a case-by-case basis to build a commercially viable pipeline of activities there.

Conclusion: The presence of CLCs seem to be in line with the strategic objectives and societal challenges, but, due to financial sustainability reasons, the operation of all RIS Hub activity stopped. The KIC is building innovation ecosystems in RIS around its EU Mission activities and funding, shaping demand for solutions which they could match with innovative solutions, independently of EIT funding.

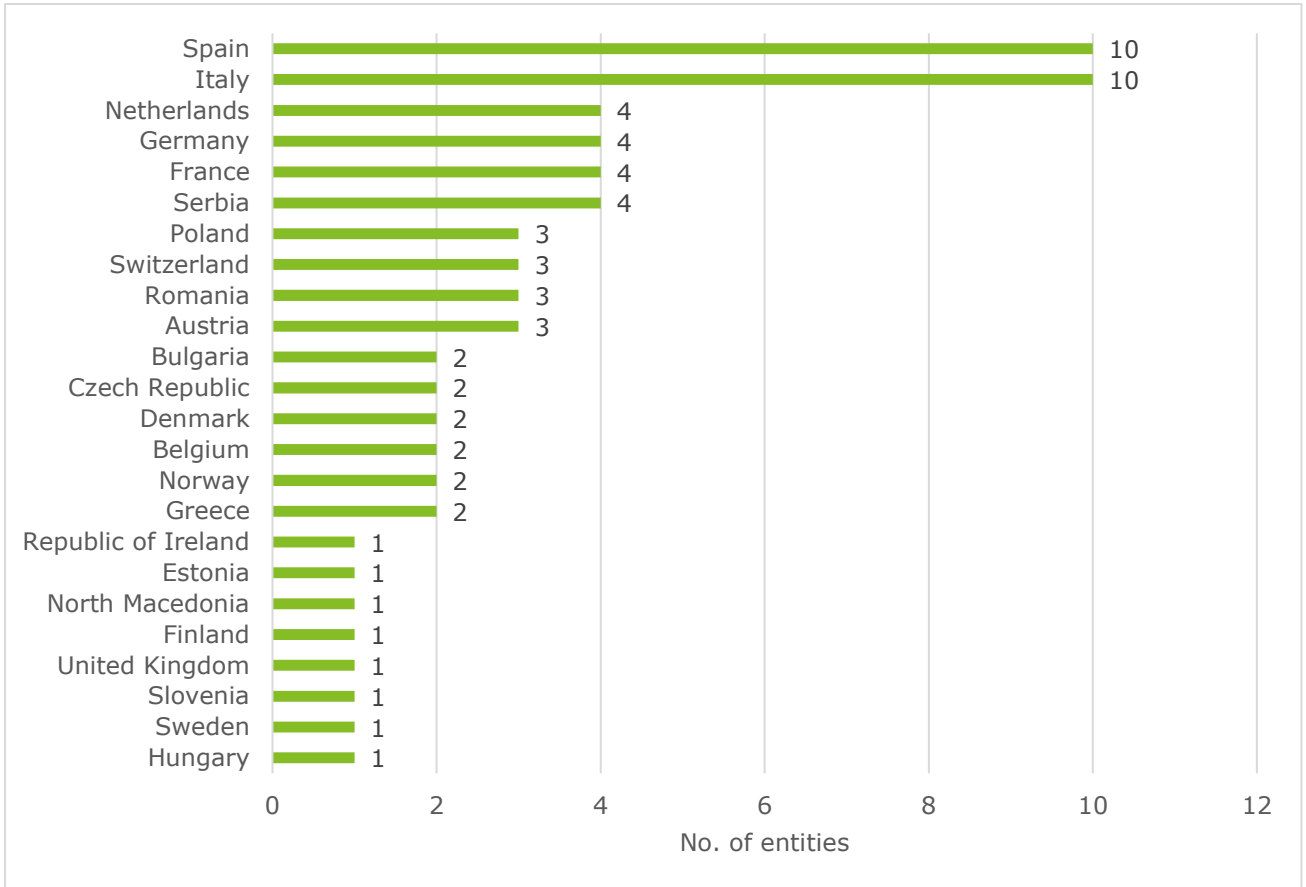
Score: good- 6

9.6 RIS coverage of the KIC ecosystems

Indicator: Share of indicated innovation ecosystems that covers RIS eligible countries

Our assessment of the KIC's share within the indicated innovation ecosystems that encompass RIS eligible countries is based on an analysis of the number of partners represented from each country in our survey. The findings reveal a diverse and distributed engagement across different nations, illuminating the KIC's collaborative efforts and impact.

Figure 31: Distribution of the partners responding to the partner survey by country



Commencing with the first group, which includes Hungary, Sweden, Slovenia, the United Kingdom, Finland, North Macedonia, Estonia, and Ireland, each country contributes one partner to the ecosystem. This initial tier underscores the KIC's commitment to fostering innovation across a varied range of regions. The KIC's involvement expands to two partners per country in Greece, Norway, Belgium, Denmark, the Czech Republic, Bulgaria, and Austria. This expanded footprint signifies a proactive approach in facilitating cross-border collaboration and skill exchange. Within the next group, covering Romania, Switzerland and Poland, the KIC maintains a more significant presence with three partners each. This indicates a deeper level of engagement and the establishment of collaborative networks in these regions.

In our last and most significant category, which encompasses Serbia, France, Germany, the Netherlands, Italy, and Spain, each country contributes significantly to partnership. Notably, Italy and Spain emerge as central players in this tier, each boasting a substantial share of the innovative ecosystems surveyed.

According to our network analysis, the diverse distribution of partners from one to ten per country underscores EIT Climate-KIC's commitment to catalysing sustainable innovation, bridging skill gaps, and effectively addressing societal challenges across regions participating in the RIS programme. Such strategic engagement showcases the KIC's adaptability and tailored approach, demonstrating comprehensive coverage to support sustainable solutions and innovation on a global scale.

Conclusion: Our assessment underscores the KIC's widespread and diverse engagement in innovative ecosystems across RIS eligible countries. This distributed involvement, ranging from one to ten partners per country, demonstrates the KIC's commitment to catalysing sustainable innovation and addressing societal challenges. The strategic distribution of partners across different categories showcases the KIC's adaptability and tailored approach, demonstrating a comprehensive coverage that effectively supports the development of sustainable solutions and the bridging of skill gaps in RIS regions.

Score: very good- 8

9.7 Strengths, weaknesses and recommendations

Final score of the assessment criteria: very good- 7

Strengths
The KIC established an excellent coverage of EU Member States as well as RIS countries in its partnership.
After the introduction of the new partnership model and the loss of the majority of its partners in 2022, the KIC was able to involve an unprecedented number of new partners in the review period, with the majority coming from RIS countries.

The following table indicates the most significant weaknesses and recommendations:

Weaknesses	Recommendations
The KIC is in the first years of a new partnership model and lost the majority of its partners; it became heavily reliant on attracting new partners	The KIC should work closely with its new partnership within the next year to fine-tune its new value proposition and strategy for attracting new partners to replenish its partner numbers. This focused effort should be completed within this time frame to ensure the timely adaptation and growth of the partnership ecosystem.
The large turnover in partnership may introduce risks due to change in composition	The KIC should identify the types and level of potential risks (and opportunities) introduced due to the structural changes in its partner portfolio, with a particular focus on the significant increase in the share of new partners from RIS countries. This assessment should be completed within the next 9 months to proactively address any potential challenges and capitalize on opportunities arising from the structural changes.

10 Compliance with good governance principles

10.1 Good Governance Principles

Indicator: KIC fully addresses the EIT Good Governance Principles (GGP) – based on the relevant GGP assessment

Article 6 of the PA outlines comprehensive good governance principles for the KIC. These principles encompass a wide range of governance and operational aspects, including the need for a diverse and balanced governance structure, separation of ownership and operational management, compliance with EU regulations, adoption of a Code of Conduct, implementation of an Anti-fraud Strategy, adherence to EU procurement law, and the promotion of gender mainstreaming. Legal Entities (LE) are tasked with ensuring partners act in the KIC's best interests, and an Intellectual Property (IP) Board advises on IP rights. Importantly, these principles must be incorporated into the KIC's internal arrangements to ensure effective governance and compliance.

Climate-KIC's adherence to the GGP practises can be summarized as follows:

The level of **openness** is good, as the partnership in particular is open for new activity partners (clear criteria, open calls, etc.). Clear criteria to join the partnership have not been established as the KIC have only published a generic description of their three membership types. However, funding was available for non KIC partners also.

The KICs' **operational transparency** is one of the strengths of the KIC. The KIC publishes all relevant information and documents (including call documents), as well as provides a good insight in the KICs results by publishing success stories.

The **process of selecting the SB members** can be considered fair. The calls for the SB members are not always published, however. Members of the Foundation's SB for the next six years were decided by the Statutory act. A Code of Conduct and Conflict of Interest policy concerning the SB members are in place.

The **selection of the staff of** KIC LE and CLCs is of a high standard, as the recruitment policy is complete and of good quality, while the HR documents ensure non-discrimination during the selection processes.

The **diversity of the KIC's SB** is also of a high standard. The KIC ensures a proper professional diversity and gender diversity (33% female) of the KIC SB. There is a proper geographical division. However, the KICs statutory documents do not reflect gender, professional and geographical diversity aspects. The RIS countries are represented in the SB of the KIC LE.

The **diversity of the KIC's Management** is also high level, both geographically and from a gender aspect. The KIC does not publish information about the CLC Directors on the Management Team site, only on the CLC specific site. Rules regarding the proper gender and geographical diversity of the management body are not reflected in the KICs internal agreements.

The KIC has control over its CLCs and follows the EIT CLC model. Partners are not involved in CLCs operation and decision-making processes. There is no specific CLC performance measurement system.

EIT Climate-KIC has shown a solid commitment to adhering to the EIT GGP in its governance and management structure. The partnership has taken steps to ensure compliance with Horizon Europe Regulation, diversity representation, and separation of functions. Transparency is evident through open calls, published documents, and success stories. The selection processes for SB members and personnel demonstrate fairness and non-discrimination. The diversity of the Supervisory Board and Management is commendable, with proper gender, professional, and geographical representation. Notably, the KIC's revised governance structure aligns with the EIT legal framework, signalling its commitment to good governance principles. organisation

Conclusion: The KIC addresses the EIT Good Governance Principles to an acceptable degree although a few improvements are needed.

Score: excellent- 9

10.2 GB Strategic recommendations

Indicator: GB Strategic recommendations have been effectively addressed and fully implemented by the KIC

The EIT GB issues annual Strategic Recommendations that cover the areas to be further developed in the KIC. The progress made on the strategic recommendations is followed by a monitoring visit, which results in the production of a Rapporteur Monitoring Report. Strategic recommendations cover all aspects of the KIC (e.g., governance, activities, finances, collaboration).

Following the hearing in November 2021, the EIT Governing Board highlighted Climate-KIC's remarkable achievement of their contribution in catalysing innovation through the integration of the knowledge triangle in Europe, in collaborating during the transition to Horizon Europe. However, they also highlighted that KICs shall comply with and follow the general EU policies in particular concerning outreach activities and relationship with third countries not associated to Horizon Europe. The EIT GB also emphasised their concerns about the lack of progress of Climate-KIC in a number of critical areas. Therefore, in line with its supervision and intervention framework, the EIT GB issued the following strategic recommendations (SRs) to address the weaknesses identified:

- 1) SR 1 – **Financial sustainability:** The EIT Governing Board was highly concerned by the limited progress towards financial sustainability. They believed the KIC remained on a critical path due to lack of diversification of revenues for the KIC Legal Entity besides the EIT. Therefore, the EIT GB requested decisive action from the KIC partnership in this matter.
- 2) SR 2 – **Governance:** The KIC had to provide sufficient evidence that the reformed governance system of the KIC was fully aligned with the Horizon Europe criteria for Institutionalised European Partnerships, the EIT GGP's enshrined in the Partnership Agreement between EIT and the KIC as well as the criteria of the original Call for KIC Proposals based on which EIT Climate-KIC was designated. Furthermore, the reporting lines, objectives and assessment criteria of the KIC's executive management team under the new governance system should be clarified and confirmed to be aligned with those of the Strategic Agenda.
- 3) SR 3 – **Deep demonstrations:** As there was a lack of verifiable evidence on the measurable results and revenues for the KIC Legal Entity from Deep Demonstrations at this stage, the KIC was expected to participate in and facilitate an EIT-led independent assessment of the economic, societal and environmental impact of the Deep Demonstration portfolio.

During a validation interview with Climate-KIC in August 2023, the KIC emphasized that they had scheduled the necessary meetings of the boards and shareholders necessary to approve the changes to take place during March 2023. Climate-KIC also claimed to have the agreed amendments fully implemented by end of March 2023.

In March 2023, a Dutch tax inspector approved the proposed split governance arrangements between the Climate-KIC Charitable Foundation and the for-profit KIC LE, Climate-KIC Holding BV., as agreed with EIT Governing Board. Post-2024, the KIC plans to streamline its governance structure, having both a not-for-profit and a for-profit side. The for-profit side is optimized to maximise income opportunities in both public and private spheres.

Conclusion: The KIC has achieved success in integrating the knowledge triangle and adapting to Horizon Europe. However, the EIT Governing Board highlighted specific weaknesses and issued strategic recommendations for improvement. These focused on financial sustainability, governance alignment, and results from Deep Demonstrations. Climate-KIC's response involved actions to diversify revenues, align governance systems, and participate in an independent assessment of Deep Demonstration impact. Since 2022, and according to the last GB Rapporteur visit, rapid progress has been made regarding the proposed amendments, the implementation of previous EIT GB Strategic Recommendations shifting a long-lasting challenge toward the complete adequacy.

Score: very good - 7

10.3 Strengths, weaknesses and recommendations

Final score of the assessment criteria: very good- 8

The following table indicates some of the most significant strengths of the KIC with regard to compliance with good governance principles:

Strengths
The KIC is fully addressing the good governance principles.

The following table indicates the most significant weaknesses and recommendations:

Weaknesses	Recommendations
Limited financial sustainability	As per chapter 12.7.
Meeting the expectations of GB regarding Governance and Deep demonstrations	The KIC should clarify and confirm the reporting lines, objectives, and assessment criteria of the KIC's executive management team, ensuring alignment with those of the Strategic Agenda more frequently i.e. in every quarter.
Governance systems	Within the next 18 months, the KIC should develop and promote innovative governance models that foster collaboration among diverse stakeholders, ensure transparency and accountability, and establish clear mechanisms to identify and address conflicts of interest. These governance systems should be capable of effectively handling the scale and complexity of the climate challenge and should be in place within the specified time frame to mitigate potential hindrances stemming from short-term profit motives.

11 Efforts and results in designing and implementing gender-sensitive measures and activities

11.1 Gender

Indicator: KICs have designed and implemented gender sensitive measures and activities

The EIT SIA (2021 - 2027) requires particular attention to be paid to gender balance and gender-sensitive approaches in KIC activities, particularly in areas where women remain underrepresented. In accordance with this aspiration the Framework Partnership Agreement 2016 (Article 39) already required the KIC to aim for gender equality and promote equal opportunities to men and women in the implementation of their specific action, furthermore to the possible extent aim for gender balance of all levels of personnel.

According to the 2022 Multi-annual Dashboard Wave I, the KIC management and governance is diverse both in terms of gender and geography. The KIC also presented a draft Gender Mainstreaming Policy, however without a Gender Equality Action Plan. In line with Horizon Europe and EIT Gender Equality Policy and Action Plan, EIT Climate-KIC Gender Equality Policy/Gender Mainstreaming Strategy shall be accompanied by a well-defined and monitored Implementation Plan. The lack of such a plan indicates a significant gap in designing and implementing gender sensitive measures.

At the same time, the 2022 Review of KICs' Recommendation Implementation and HR Policies³⁷ recommends that the KIC should place a more articulated focus on diversity and inclusion, and the adoption of non-binary language in communication such as job posts. In the timeframe of the review, the job postings observed on the KIC's website specifically included considerations of diversity and inclusivity. The KIC established an Equality & Diversity Policy³⁸ made public in 2017, however as the same HR policies review points out, an update may be warranted after more than 5 years.

In terms of activities, the KIC developed and actively promotes its guidelines under WeClim Equally – Gender-smart handbook for climate programmes³⁹ that is also publicly available. However, it should be noted that this valuable gender mainstreaming tool, and experiences from the Gender Mainstreaming Calls, were not used in a systemic way to mainstreaming gender within the EIT Climate-KIC programmes.

Building on the insights of the aforementioned handbook, in the past 2 years, Climate-KIC initiated two Gender Mainstreaming for Entrepreneurship calls, and the 2023-2024 call will also be opened shortly. These offer partners support, including up to EUR 25,000 in grants to implement pilot projects and generate and disseminate learning outcomes and best practices.

EIT Climate-KIC continuously monitors gender balance in the Climate field. Startup support/Entrepreneurship (ClimAccelerator) project partners are required to address equality and diversity in their project proposals and describe as follows:

1. the diversity of the team and the measures they have in place to ensure gender equity within the project, and
2. indicate whether their organisation has an updated gender and diversity policy in place.

The gender balance of project beneficiaries (startups) and stakeholders supporting the startups (startup coaches, programme managers, investors) is a shared value among project partners and EIT Climate-KIC. Partners are also required to report on gender balance of the startups in their Accelerator programmes at

³⁷ Review of KICs' Recommendation Implementation and HR Policies. Prepared by Lisa Thomson 20th April 2022

³⁸ [Equality-Diversity-Policy.pdf \(climate-kic.org\)](#)

³⁹ [EIT-Climate-KIC-WeClim-Equally-Gender-Smart-Handbook_reduced.pdf](#)

the end of each grant year and are offered support and guidance by EIT Climate-KIC to implement gender sensitive measures in order to set, improve and achieve gender balance targets.

The gender balance of the startups supported by EIT Climate-KIC has been reported. This data is provided to EIT Climate-KIC by Accelerator partners and not the startups themselves. The startup contacts supported last year (2022) were 32% female and 67% male; the startup contacts supported in 2012-2022 together - 22% female and 78% male. This data does not specify if the contacts were founders or team members. Gender balance has become increasingly discussed and prioritised in the climate field in recent years and due to this shift, we have seen improvement in gender balance in the EIT ClimAccelerator startups since 2020.

In our written round of the interview the KIC stated that in 2022, startups supported by EIT Climate-KIC (2017-2022) were asked several questions about gender balance in an annual survey. The individuals responding to the 2022 KIC survey were 31% female, 66% male, 0.002% non-binary and 0.02% opted not to state their gender. The startups also reported on female representation in their management: 59% of startups surveyed reported having at least one woman holding a management role.

As highlighted during our first interview the KIC planned to continue monitoring gender balance across its programmes and projects each year and aimed to improve it year over year with the goal to achieve 50/50 overall gender balance for both internally and for the supported enterprise by 2030 the latest.

Conclusion: The lack of Gender Equality Plan and regular monitoring of gender (except the start-ups responding person which gives us limited information) show significant gaps in designing and implementing gender-sensitive activities. The valuable gender mainstreaming tool developed by the KIC was not used in a systemic way for the KIC Innovation, Business Creation & Acceleration and Education core programmes. Experiences and lessons learned from the external gender mainstreaming projects were neither integrated, nor mainstreamed in EIT Climate-KIC core programmes, which would be one of the key recommendations, next to implementing a well-defined Gender Equality Action Plan with relevant resources and a monitoring/reporting mechanism. The KIC is on track to achieve gender equality, however, it is still a long road ahead for them. The surveys and the desk research findings indicated that gender balance is not yet achieved, however the necessary measures have been implemented by the KIC.

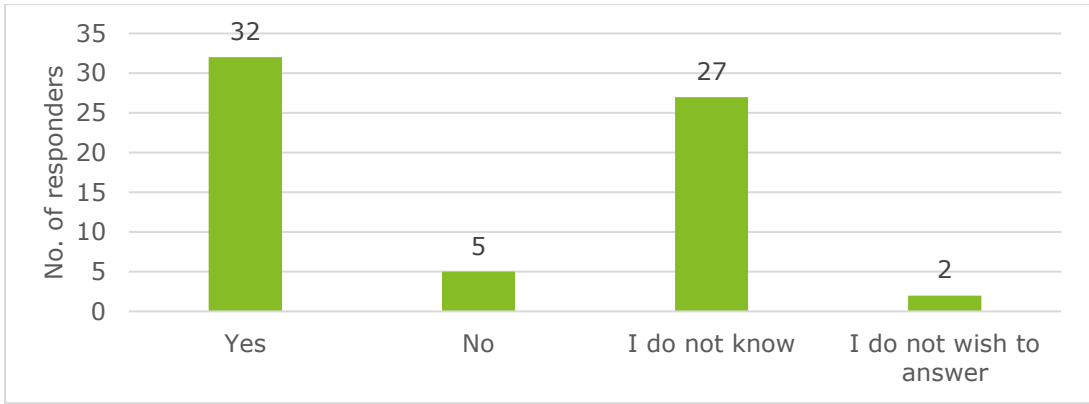
Score: good- 5

11.2 Expert's assessment

Indicator: Positive expert's assessment of the outputs and results delivered by these activities

While a comprehensive expert's assessment about gender mainstreaming measures and activities has not been conducted to date, multiple sources of information provide insight into relevant measures and their efficacy. According to our interview with KIC leadership, gender equality assessments were conducted frequently to inform the KIC project and programme design and ensure these are gender responsive. However, there have not been backward-looking external assessments focusing on the gender dimensions of outputs and results, and gender empowerment activities specifically.

Figure 32: Answers to the partner survey question: To the best of your knowledge, is there any written gender equality policy, plan or course of action taken by EIT Climate to achieve gender-equality?



In our survey of partners, the majority of respondents reported that they had been at least somewhat satisfied with how the Climate-KIC introduced gender mainstreaming aspects to the project selection and evaluation processes. It is also apparent that KIC staff had been generally seen as behaving in a gender sensitive manner.

Based on available information we understand that gender mainstreaming and inclusivity are consistently incorporated into the KIC’s operational practices as well as the design and implementation of its activities in general. At the same time, we found limited available information on specific activities focused on gender mainstreaming objectives and their outcomes. The establishment of the WeClim Equally handbook and the recently introduced Gender Mainstreaming for Entrepreneurship calls show significant current developments in the area, however it is quite early to conclude their actual impact on the field. It should also be noted that this valuable gender mainstreaming tool, and experiences from the Gender Mainstreaming Calls, were not used in a systemic way to mainstreaming gender within the EIT Climate-KIC programmes.

Figure 33: Consideration of gender aspects during the evaluation or selection process

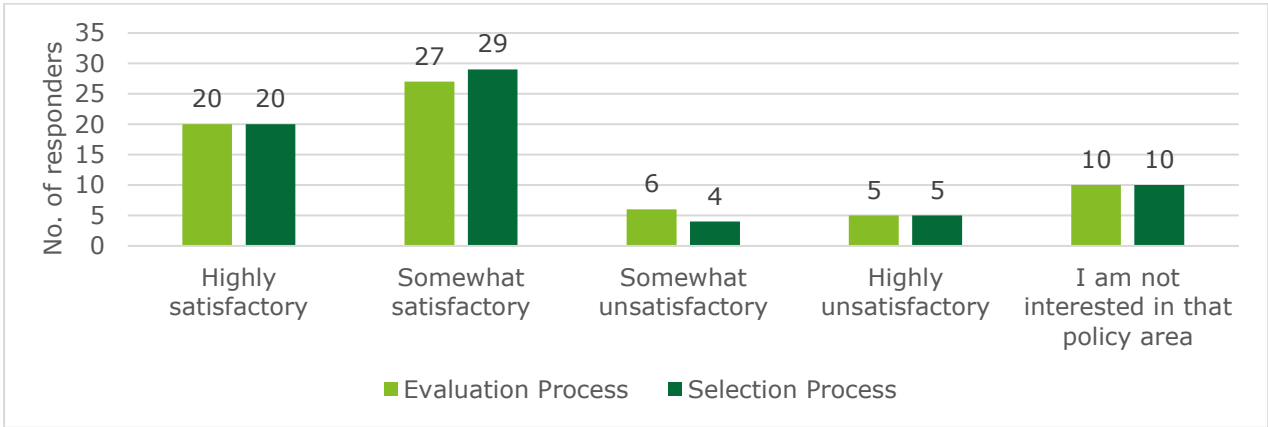
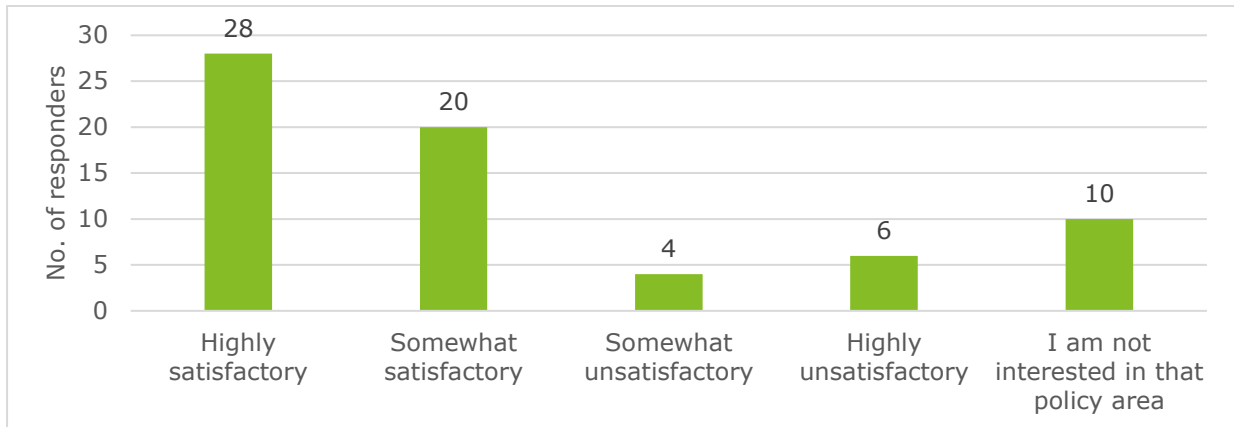


Figure 34: Employees' behaviour in a gender sensitive manner



Conclusion: We have not found expert assessment regarding the outputs and results delivered as there was no expert assessment concluded during that period. Because of that, we have put a special emphasis on this indicator in our surveys and found that the vast majority of the responders were satisfied with the gender mainstreaming and gender sensitivity measures done by the KIC.

Score: very good- 8

11.3 Strengths, weaknesses and recommendations

Final score of the assessment criteria: very good- 7

The following table indicates some of the most significant strengths of the KIC:

Strengths
The KIC achieved a good gender balance in its governance and management.
Efforts towards gender balance and inclusivity are consistently apparent in the internal processes as well as activities of the KIC.

The following table indicates the most significant weaknesses and recommendations:

Weaknesses	Recommendations
The outcomes and lessons learned of the KIC's measures and elements of activities relevant to gender mainstreaming are not consistently collected and reviewed	The KIC should establish a process to track and evaluate its efforts toward gender equality, both internally and in the field of climate innovation, within the next 12 months. This process should be fully implemented and operational within the specified timeframe to ensure ongoing monitoring and progress in this critical area.
A significant share of partners of KIC may not be sufficiently aware of the KIC's policies and	The KIC should ensure that its relevant policies, plans, and activities in the area are effectively communicated to partners for alignment within the next 6 months. Effective communication and alignment with partners should be established within this timeframe to ensure clarity and shared objectives.

Weaknesses	Recommendations
efforts pertaining to pursuing gender equality	
The KIC's Equality and Diversity Policy of 2017 may be due for an update	The KIC should ensure that its Equality and Diversity Policy is reviewed and aligned with current requirements and its other policies, including the more recent Gender Mainstreaming Policy, within the next 12 months. This review and alignment should be completed within the specified timeframe to maintain policy consistency and compliance with evolving standards.
The limited number of specific projects focused on gender mainstreaming in the climate innovation field appear to have started only recently	The KIC should evolve its portfolio to ensure that gender mainstreaming activities are represented to an extent consistent with its prioritization of fostering gender equality in its vision within the next 12 months. This adjustment should be made within the specified timeframe to align the portfolio with the KIC's commitment to gender equality.

12 Capacity to develop sustainable innovation ecosystems and the achieved level of financial sustainability

12.1 Ecosystem addressing societal challenges

Indicator: The KIC has created a sustainable innovation ecosystem effectively addressing the societal challenges and skill gaps it was established for

EIT Climate-KIC has achieved a remarkable feat while creating a sustainable innovation ecosystem that adeptly addresses critical societal challenges while bridging skill gaps. A standout initiative is the substantial expansion of Climathon, a globally resonating visibility and matchmaking programme. These ecosystems have emerged as dynamic hubs of innovation, poised to lead the way in catalysing profound change. By scaling Climathon, EIT Climate-KIC has successfully positioned more regions, businesses, and individuals to collaborate effectively, thus fostering a collective endeavour to realize the sweeping changes imperative in today's world.

Furthermore, EIT Climate-KIC has addressed skill gaps and disparities across diverse regions through their judicious implementation of the EIT RIS. By bolstering these regions, EIT Climate-KIC has created a more balanced and impactful innovation landscape. Through enhanced cooperation between various KICs, they have forged collective strengths to tackle intricate climate challenges.

Within our Theory of Change concerning the sustainability of the KIC innovation ecosystem, we have commenced by recognizing the primary challenges or *barriers* that necessitate attention to guarantee the envisioned growth and lasting sustainability of the ecosystem. Subsequently, we have turned to the pertinent *inputs* that have been implemented to effectively address these challenges. Following this, we outlined the *outcomes* that have been generated to expedite the sought-after advancements. In addition, we have pinpointed the immediate or *short-term outcomes* that have already materialized, given the recent inception of change, commencing solely from the year 2021. Regrettably, due to the nature of this transformation, we are not able to assess more extensive and enduring outcomes.

To contribute to the assessment of performance and outlook of the KIC in this area, we focus on the evolution of the KIC's partnership and present a Theory of Change that encapsulates the most important developments and their effect on the sustainability of the innovation ecosystem around the KIC. The Theory of Change for creating a sustainable innovation ecosystem that effectively addresses societal challenges and skill gaps, provides a comprehensive framework to understand the evolution and impact of the KIC's efforts. The assessment commences by recognizing and addressing the pivotal barriers that demanded strategic intervention to ensure the organic expansion and enduring viability of the ecosystem. The KIC's initial approach, rooted in a partner-led model for innovation project supply, faced challenges as the end of the period of PA got closer and the reliance of the KIC on EIT funding remained the same. The absence of equity accumulation from supported start-ups and the adversities posed by the economic and social climate from 2020 further compounded these challenges.

In response to these barriers, the KIC introduced discerning and strategic inputs that carried significant pertinence and impact. By pivoting towards a new strategy, their focus transitioned towards nurturing systems innovation through the proactive cultivation of demand and seamless integration with suppliers within the community. This strategic recalibration not only amplified adaptability but also positioned the KIC as a resilient driver of transformation, enabling them to navigate the evolving circumstances more adeptly.

The tangible outcomes stemming from the implementation of this Theory of Change have been noteworthy. The KIC's robust involvement in Horizon Europe Missions, particularly within the spheres of Climate-Neutral and Smart Cities, serves as a testament to their commitment to catalysing consequential change on a broader canvas. Furthermore, the introduction of a novel partnership model despite having some weaknesses, also served as a dynamic catalyst for fostering potential sources of (public) revenues and magnetizing an unprecedented influx of new partners. While witnessing the departure of the majority of established partners and carrying the risk of losing further partners, this surge of entrants, notably emanating from RIS, underscores the renewed allure of the KIC's revamped value proposition.

The measures executed by the KIC has effectively hurdled the initial barriers that impeded progress. Through the strategic infusion of pertinent inputs, the KIC has adeptly repositioned itself as a pivotal architect within the sustainable innovation ecosystem. The discernible outputs and outcomes, encompassing heightened engagement with Horizon Europe Missions, the innovative partnership model's introduction, and the surge of novel collaborators, collectively paint a portrait of forward momentum towards sculpting a transformative and enduring impact in not only addressing societal challenges but also harmonizing skill gaps within the intricate fabric of today's world.

Impact assessment

For the start-ups supported by KIC, we concluded that the growth difference between their indicator values and the controls' were significant for their investments (total assets – at 1% significance level).

Based on the available data we can conclude that growth in assets is significantly higher in supported start-ups than in the control group, reaching 374,730 Euros in 2021 compared to the 81,460 Euros of the control group in the same year.

However, it raises serious concerns from a financial sustainability point of view that supported start-ups seem to be heavily loss-making reaching a negative value of -137,683 euros, while the control group's profit before taxes increased by almost 20,000 euros over the analysed period. In 2020 supported enterprises could mitigate their losses by interrupting the consistent decrease of their profits before taxes, but an even steeper decline followed next year, with profits dropping approximately 70,000 euros in one year, which is almost as much as their drop in the previous 5 years combined.

Figure 35: Total Assets

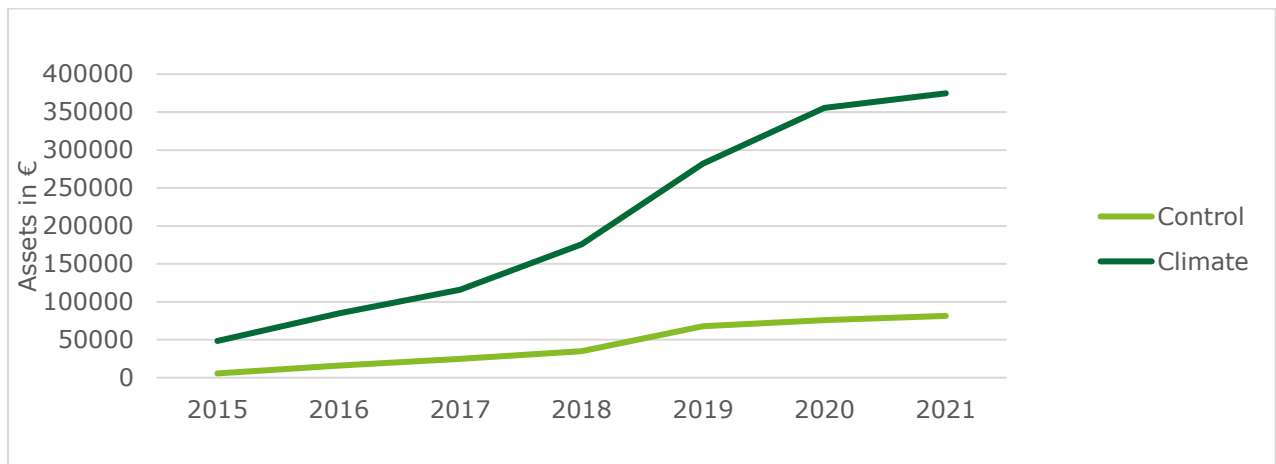
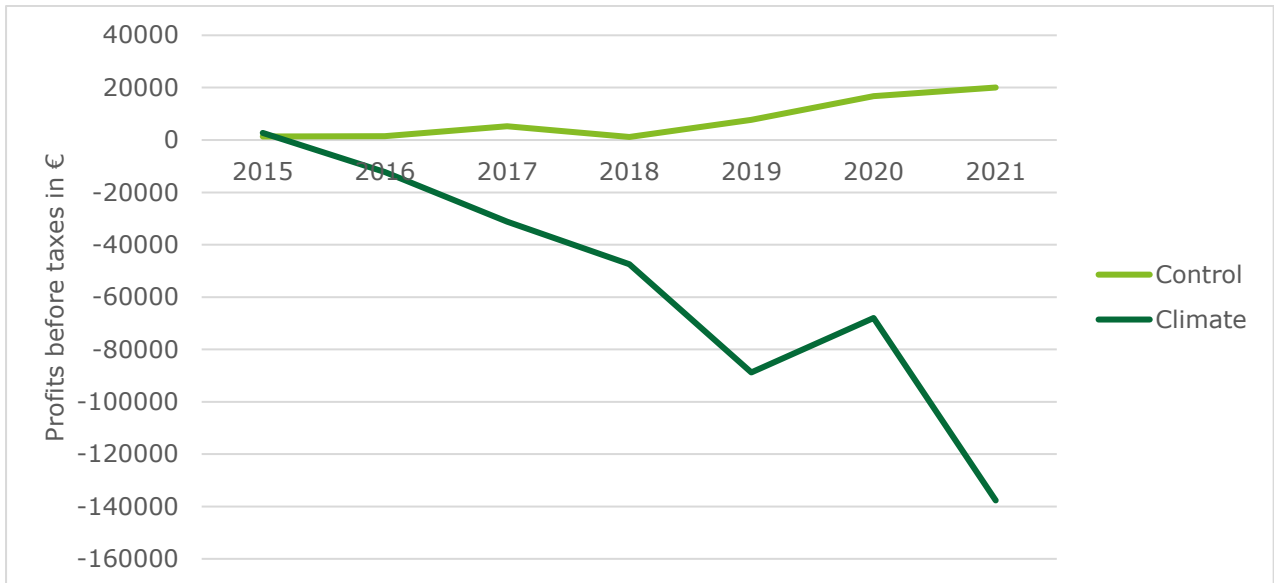


Figure 36: Profit before taxes



Our counterfactual impact evaluation resulted in a significant positive effect of the support on investments (growth of total assets), but no significant effect on the profits.

Table 19: Results of the analysis for the variables; Growth of total assets (2017-2021), Growth of profit before taxes (2017-2021)

Variable	Treated	Controls	Difference	T-stat
Growth of total assets (2017-2021)	259 678	-541	260 220***	2.60
Growth of profit before taxes (2017-2021)	-107 654	58 056	-165 711	-1.56

*** 1% significance level

** 5% significance level

* 10% significance level

Conclusion: EIT Climate-KIC's endeavours in establishing a sustainable innovation ecosystem to address societal challenges and skill gaps have yielded remarkable results. Their strategic actions have led to the emergence of dynamic innovation. Engagement in Horizon Europe Missions and the introduction of an innovative partnership model showcase the KIC's commitment to broader impact and sustainability. Despite partner turnover, the influx of new participants, especially through RIS, underlines the attractiveness of their approach. EIT Climate-KIC's agile response to evolving circumstances positions them as a resilient driver of transformation, fostering enduring impact by addressing societal challenges and skill gaps. However, the financial sustainability of the established innovation ecosystem has not been achieved as further assessed in the following indicators.

Score: good- 6

12.2 Visible innovation ecosystems

Indicator: KIC has made evidenced progress against the following indicator (as per the definition provided in the EIT Impact Framework): Visible innovation ecosystems not previously in existence

As per definition in the EIT Impact Framework an innovation ecosystem is a highly symbiotic (players are highly dependent on each other's inputs and outputs) network of researchers, educators/trainers and companies interacting in a specific area (location and theme) for the generation of new research, development and innovation. Innovation ecosystems are identifiable e.g. through the outputs (for example in a specific area of R&I) they produce and the relationships of members of the ecosystem. They are less mature and business-oriented compared with "business ecosystems". Innovation ecosystems are likely to be associated with CLCs but could also emerge in other locations where KICs are active.

Significant innovation ecosystems related to KIC activities are the 100+ sub-national cities and 150+ regions which are participating in and beneficiaries of its Net Zero Cities programmes and Pathways 2 Resilience programme. The common factor in these innovation ecosystems is that they are demand generated ecosystems – led by the local city or region shaping innovation demand to meet transformative climate targets, which the KIC could match with innovation supply. This is in sharp contrast to the KIC's old innovation ecosystems which were supply-side innovation ecosystems, supporting ideas to market.

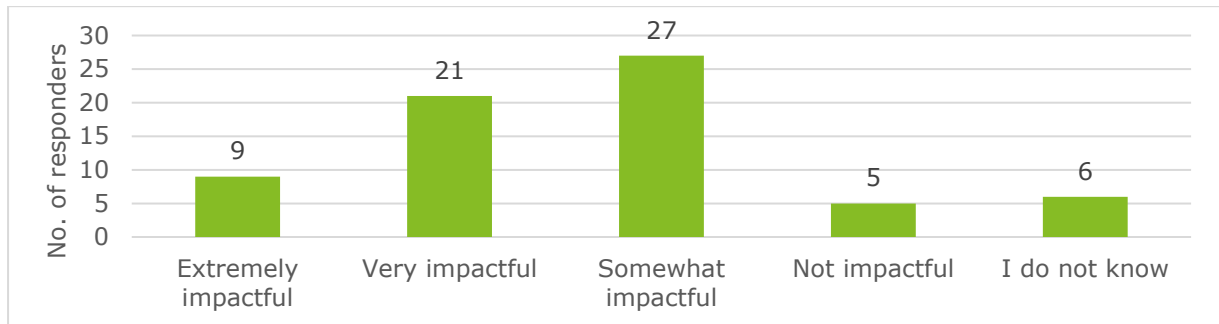
Innovation ecosystems based on location were one of the big areas where the KIC found a lot of interest, both in the past with EIT money and increasingly going forward with non-EIT money. There is a high interest in how the KIC can build out innovation ecosystems that seek to tackle the local challenges. In Europe, the KIC had a portfolio developed very extensively from 2016 onwards, long before Net Zero Cities. That was led around place-based innovation ecosystems which was about how to develop and mature ecosystems at national or subnational levels within cities or regions. The others were partner-led projects which gathered different community members together from different countries, typically three countries to allow cross fertilization the thematic subset.

The KIC tended to see great ideas within cities, which then withered and stopped. However, when the KIC started to build those innovation ecosystems, it was able to make them grow and scale. It became an enabling condition for growing local solutions for local problems and the funders appreciated that approach.

In our survey we have developed a series of questions in relation to the innovation ecosystems developed by the Climate-KIC. The partner survey has confirmed that for partners the aforementioned innovation ecosystems with local focus are the most important and these are the most well-known. It also needs to be mentioned that a significant number of the responders have not been familiar with what an innovation ecosystem is, even though the definition was given in the question. These responders account for one third of the received answers listed calls, programmes, projects and even funds as innovation ecosystems.

The majority of the KIC partners found the innovation ecosystems created by the Climate-KIC highly impactful and another great part of the responders found them somewhat impactful. Only a small number of the responders thought that the innovation ecosystems had no impact at all.

Figure 37: How impactful partners find the innovation ecosystems developed by the KIC



As per the In-depth study report of the first wave KICs⁴⁰, the value of EIT Climate-KIC’s ecosystem is its potential to deploy innovation to enable places (cities, regions, states) and industry value chains to meet transformative climate targets (which is the KIC’s primary purpose), and to leverage the associated learning, insights, and funding opportunities. In effect, the KIC believes that this will help it to secure new contracts. Although the KIC has not provided information on how it is evaluating its ecosystem, from their reply, it could be assumed that they would evaluate it through the number and amounts of the new contracts secured.

Conclusion: It is noteworthy that despite the organisation's positive trajectory over the past year and its successful engagement with EU contracts, there are lingering concerns regarding its financial sustainability (FS) over the forthcoming 5-7-year period. It is reasonable to conclude that EIT Climate-KIC’s ecosystem holds significant untapped potential. While the organisation is developing, there appears to be a gap between the positive developments achieved thus far and the financial sustainability required for long-term viability.

Score: good- 5

12.3 Financial Sustainability Strategy

Indicator: Effective Financial Sustainability Strategy, including Financial Sustainability mechanisms in place including diversified revenue sources and aligned with the original proposal and subsequent business plans/reports

The FS Strategy elaborated by the KIC shall follow the criteria set out in Decision 4/2015 and Decision 13/2021 of the GB of the EIT. This includes annual reporting on the progress of the strategy, diversification of revenue sources, incorporating the strategy within all KAVA’s, and developing a commercialisation strategy for each innovation activity.

EIT GB led a Due Diligence on the KIC, which found that certain activities were not financially sustainable. The 2023 change and revision of SA happened mostly on the tracks of the Due Diligence report of EIT. It found that it is important to focus on FS and on market building activities.

There had been no clear FS Strategy until 2022. The KIC started systematically reporting FS revenues to the EIT in 2016, and since then it has been reporting revenues from four different revenue areas: membership fees, alternative funding sources, services and consulting fees and educational services. Nevertheless, its revenue diversification remained low, as EIT Climate-KIC has not been able to reduce its

⁴⁰ The EIT has conducted an in-depth study of the first wave KICs (EIT Digital, EIT Climate-KIC and EIT InnoEnergy), which were launched in 2009 and the partnership agreements with which expire in December 2024. The study aimed to assess the achievements, impact and sustainability of the KICs, as well as to identify lessons learned and best practices for future KICs. The study was based on a mixed-methods approach, including document analysis, interviews, surveys, case studies and benchmarking.

high dependence on membership fees and alternative funding sources. Although the revenue from services and consulting fees has increased, the revenue from educational services steadily decreased, and there have been no revenues from RoI and equity so far, as the KIC had only started to build its financial assets portfolio in 2020.

In terms of overarching performance, the KIC had areas where they were pretty successful, however they have not been prepared for the decline of EIT funding and it made huge challenge for them. Not only EIT's change of policies but also COVID-19 and staff problems made the situation harder. As the EIT failed to be convinced by the KIC's FS strategy, the KIC was independently assessed by innovation and organisational experts, who recommended that KIC should narrow its focus on those activities most likely to yield revenue and thereby contribute to its financial sustainability.

As a result, the KIC agreed with EIT that they would discontinue the RIS Hubs because they were not going to deliver financial sustainability within 12 to 18 months, which was necessary for being independent of EIT funding by the end of 2024.

The KIC shifted to really focus in the RIS region in terms of the programmes that were already running i.e. Mission Cities. 2022 was the first year for the KIC to deliver positive income balance. Now they have put in place major changes internally.

The KIC is also working closely together with different organisations from Italy, Slovenia and Spain in order to submit joint proposals for funding with them and to support the work that they were already doing with cities, with regions or with industry value chains. The other route for the KIC is to secure public money to support and build out the private investment in that space.

In its SA 2021-2027 the KIC aims to diversify its funding streams substantially by bringing the strengths of the community created through 10 years of innovation partnership, in support of effective rapid action within a framework that achieves a systemic change.

The KICs financial sustainability model centres around two key business areas:

1. Strategic innovation partnerships including through the deployment of Deep Demonstrations and a portfolio approach. This offers a form of advanced knowledge triangle integration as a service to support the ambitions of places and businesses that have declared climate emergencies or that are ready for unlocking large-scale transformations.
2. Strategic Programmes. Three under the Entrepreneurship Area; Accelerator, Climathon and Climate Launchpad, and four under the Education area; Journey, Pioneers into Practice, EIT Label, and Young Innovators.

This model enables revenue to be drawn across the five main areas of potential revenue: income generated by ROI & Equity; education; services & consulting; membership fees and alternative funding sources for KIC LE (public and private).

The KIC identified three critical success factors that need to be focused on to be able to co-create, engage and reshape the desired outcomes:

1. Adaptability and flexibility to provide a dynamic but assured vehicle for public grants;
2. Demand-led planning to bring critical insight to programme development;
3. Maintain scale and diversity to be the partner of choice for community and other stakeholder.

Conclusion: The KIC's Financial Sustainability Strategy, guided by EIT criteria, underwent crucial changes following a Due Diligence report by EIT GB. Although the KIC indicates that they explore other sources of funding, they could achieve revenue in all categories only in 2022, including RoI and Equity, marking a significant milestone. Looking ahead, they plan to leverage their innovation partnerships and strategic programs for financial sustainability. Based on this evidence, it can be concluded that EIT Climate-KIC has been missing effective financial sustainability mechanisms since the beginning.

Score: good- 5

12.4 Revenues

Indicator: An adequate level of revenues from its activities is demonstrated and a plan for the management and exploitation of intellectual property and financial assets supporting the KIC's business model is in place

The key non-EIT revenues of Climate KIC came from RoI, education activities, membership fee, alternative funding, service and consulting. The KIC only overperformed its established target in the RoI and equity revenue area, however in this regard the KIC achieved almost double figures making it a significant overperformance.

The KIC significantly underperformed in revenues generated from education activities and service and consulting revenue areas. Even though the targets have not been met for neither membership fees and alternative funding, the validated results neared the targets.

Table 20: KIC Revenue

KIC Revenue (EUR)	Targets for 2021-2022	Total reported/validated in 2021-2022
ROI and equity	2 000 000	3 672 232
Education	1 530 000	271 630,69
Services and consulting	2 000 000	940 161.70
Membership fees	2 600 000	2 482 534
Alternative funding sources	7 251 000	6 773 976.90
Total	15 381 000	14 140 535,29

Revenues for 2022 (self-declared): the KIC reported receipt of EUR 4.9 million non-EIT income and it exceeded its 2022 targets and by that the KIC almost met its combined 21-22 target. Nonetheless, these represent instalments on contracts, for which portions must be disbursed to partners or granted to third parties; and used to cover direct costs (e.g., travel, hosting events, publishing materials).

A decline in membership fees is a consequence of roughly half the partnership's departure and the influx of new partners not compensating the balance completely. It is positive, however, that those renewing membership under the new community model demonstrate commitment to collaborating with the KIC in cities and regions and in supporting the Commission's missions.

The implementation of the immediate corrective measures foreseen have been completed, while the KIC remained optimistic about closing the gap on its revenue target, primarily through Alternative Funding Sources, which is the KIC's strategy for FS for the coming years.

Due to the maturity stage of the KIC, obtaining the anticipated EUR 60 million EIT grant for 2025-2027 is unlikely. Similarly, membership fee projections (EUR 2.8 million) are doubtful given strategy changes in BP 2024-2025 and secured financing. Changes from BP 2023-2024, influenced by Due Diligence, make most partner and third-party contributions improbable to secure. EIT Climate-KIC's practice of reporting pipelines as secured contracts results in consistent overestimation of this funding source. Updated financial targets post BP 2023-2024 significantly decrease from SA 2021-2027 projections, notably affecting 2025 targets.

Conclusion: The KIC in the last year have been showcasing some positive signs to achieve adequate level of revenues from its activities, but in the previous years, such signs were not observed. The KIC’s plan for the management and exploitation of intellectual property suggests that the KIC’s business model is in place. However, the financial returns are yet to materialise. Generating high revenue levels have been a weak point of the KIC. Despite relying on various non-EIT revenue streams such as membership fees, alternative funding, service, and consulting, the organisation has struggled to meet its revenue targets. Specifically, the KIC significantly underperformed in its revenue generation over the years except for 2022, falling far short of the projected targets. Because of the exceptional performance in 2022 the 2021-22 combined targets were only narrowly missed. While it reported the receipt of some non-EIT income, it is important to note that these funds are often earmarked for contractual obligations and direct costs. Furthermore, the decline in membership fees due to partnership departures has added to the financial challenges. Although there is optimism about closing the revenue gap through alternative funding sources, the overall outlook remains uncertain.

Score: good - 6

12.5 Financial Sustainability

Indicator: Financial Sustainability (FS): revenues of KIC LE, FS coefficient

The FS coefficient is calculated by dividing the total revenue generation of the KIC LE by the total EIT grant for year N. It captures the ability of the KIC LE and its CLCs to attract revenues and other financing sources.

Figure 38: Financial Sustainability (FS): revenue of KIC LE

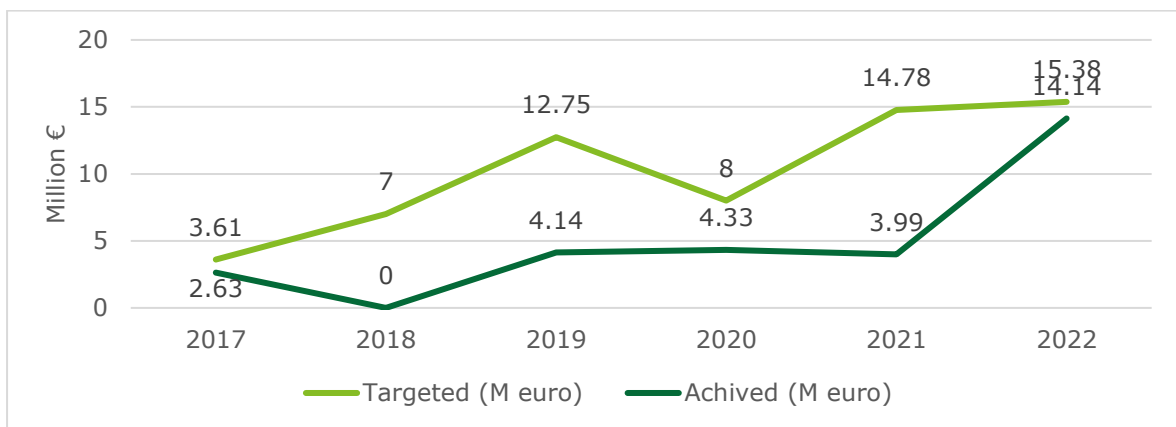
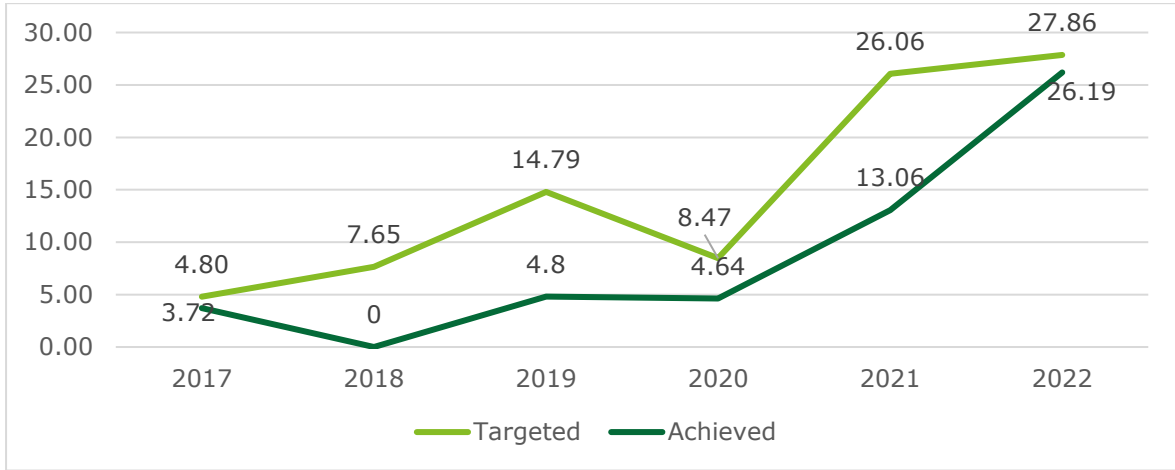


Figure 39: FS Coefficient



Although EIT Climate KIC reported a FS Coefficient of 13.06%, which is significantly higher than the FS Coefficient of 4.6% achieved in 2020, this is not an over-performance, as it is only due to the significantly lower EIT KAVA funding. Further, the FS coefficient is significantly lagging behind the target of 26.06%.

Compared to 2022, EIT Climate-KIC has made good progress in the regard of reducing its reliance on EIT funding to sustain the activities of the KIC Legal Entity. The KIC has a clear plan of action for financial sustainability and a focus that recognizes a future without EIT’s support. In the short to mid-term financial sustainability outlook of the KIC its hybrid model shows positive signs toward succeeding as the Foundation being complementary to the KIC LE and profit not being a principal KPI target. The confidence of the Supervisory Board in the KIC’s management also plays a crucial role to help navigate the transition from EIT funds that highlights how essential the incoming COO is.

Conclusion: The FS strategy and its measures have not been of good quality, resulting in the corrective measures and strategic recommendations. The KIC has routinely failed to meet its modest revenue targets since 2017 (one was not established in 2016), except for 2022 that is a positive sign for the future. Neither the revenues collected, nor the future revenue generating capacity based on assets / FSMs accumulated are convincing in this regard. Since 2022 EIT Climate-KIC has notably improved its self-sustainability, with a clear roadmap for financial independence and a promising hybrid model, bolstered by the Supervisory Board's confidence in management, underscoring the incoming COO's significance in steering the transition away from EIT funds. In sum the FS mechanisms in place were highly insufficient and the FS of the KIC was at high risk. The shift from 2022 points toward a better future and FS even without EIT funds.

Score: good- 6

12.6 Co-funding rates

Indicator: Co-funding rates

The co-funding rate is the percentage of the EIT funding that makes up the entire KAVA budget.

The EIT SIA (2021-2027) introduces gradually decreasing EIT co-funding rates of eligible costs of KIC activities set out in their Business Plans in order to increase the levels of private and public funding in order to facilitate the KICs in the transition towards financial sustainability. The funding model incentivises KICs to gradually decrease the share of EIT co-funding of eligible costs in their Business Plan while increasing the level of co-funding from non-EIT sources. Therefore, fixed decreasing co-funding rates have been applied across phases of the entire KIC life cycle as laid down in the EIT SIA.

The target co-funding rate for EIT KIC’s over time is outlined in the table below:

Table 21: EIT co-funding rate

Phase	Start-Up	Ramp-Up	Maturity	Exit from EIT Grant
Years	1-4	5-7	8-11	12-15
EIT Co-funding rate	Up to 100%	Up to 80%	Up to 70%	50% at year 12, decreasing by 10 percentage points per annum

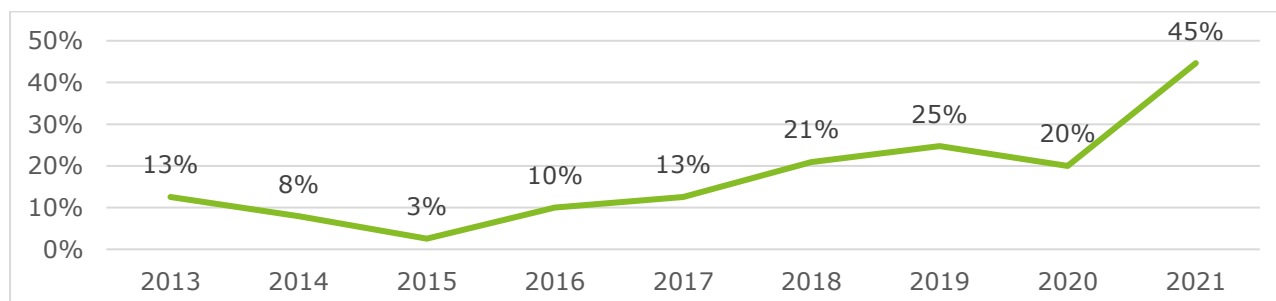
In the context of the portfolio management, the cascading model and of the multiannual KIC Business Plans, the co-funding rates were translated into single reimbursement rates (SRR) of eligible costs to be included in the grant agreements. The co-funding provided by third parties receiving financial support contributed to meeting the co-funding requirements stipulated above in line with the eligibility rules of Horizon Europe grants.

The Business Plan is designed to invest in areas of perceived weakness in EIT Climate-KIC's upstream sales and business development capabilities, its operational effectiveness in delivering Security infrastructure as a Service, and in improving the quality of its service offerings to ensure repeat sales. These successes are planned to unlock EUR 60.5⁴¹ million in Non-EIT Funded Activity co-funding, an achievement not aligned with the track record of the KIC as around EUR 12 million has been secured so far from alternative funding for 2023-2024. This target has thus been deemed too optimistic.

The EIT co-funding rates were adjusted in the 2021-2017 Strategic Agenda according to the Decision 13/2021 of the GB of the EIT on the Principles of the FS of the KICs. The EIT GB set the FS targets to monitor KIC's progress towards achieving financial independence from EIT. The above detailed target co-funding rates shall be applicable from 2021 onwards.

The KAVA co-funding rate shows steady growth from 2015, with a slight set back from 2019 to 2020, which period was mostly characterized by COVID-19 restrictions. The co-funding rate significantly increased between 2020 and 2021, reaching an appropriate level compared to the maturity of the KIC.

Figure 40: KAVA co-funding rate



⁴¹ As per the KIC's BP 2023-2024

Conclusion: The KIC is showing signs that it is on track for achieving targeted co-funding rates. The proportion of co-funding is adequate to the level of maturity of the KIC. The concerns regarding the co-funding rates are the drawn by the problems of financial sustainability.

Score: very good- 7

12.7 Strengths, weaknesses and recommendations

Final score of the assessment criteria: good- 6

Strengths
Innovation ecosystems focusing on local/regional problems have high potential in the future and already showcase success.
Co-funding rates are on track and aligned with the maturity of the KIC.

The following table indicates the most significant weaknesses and recommendations:

Weaknesses	Recommendations
Achieving financial sustainability	<p>The KIC should take the following actions as soon as possible to address the impending cessation of EIT funding in 2024:</p> <p>The KIC should initiate efforts to diversify revenue sources within the next 12 months to reduce dependency on EIT funding.</p> <p>The KIC should continue and build upon the positive trajectory established over the past year, with immediate and ongoing attention to maintain and enhance the organisation's performance.</p> <p>The KIC should place greater emphasis on engaging with EU contracts within the next 6 months to secure new sources of income and support.</p> <p>Within the next 12 months, the KIC should intensify efforts to strengthen engagement with local and regional innovation ecosystems to unlock their untapped potential and generate opportunities for growth.</p> <p>The KIC should immediately focus on market-building activities and diversifying streams of revenue, with an emphasis on attracting funders to enhance financial resilience.</p>
Sustainable funding model	<p>Address the challenge of ensuring a sustained and diversified funding model within the next 12 months. During this time, the organisation should proactively explore alternative funding sources and implement strategies to maintain a steady inflow of resources to support its various initiatives. This will help mitigate the challenges associated with the reduced capital inflow.</p>
The KIC has been underperforming in revenue generation	<p>After observing the underperformance of revenue generation following the partnership model change, the KIC has started to generate revenue over the targets. In the next 18 months, the KIC should closely monitor and follow the developments introduced in the last year and continue focusing on the trend of revenue growth. Furthermore, within the same time frame, the KIC</p>

Weaknesses	Recommendations
	should actively work on diversifying its sources of external revenues to enhance FS.
<p>The long-term FS of the KIC is not ensured. The KIC is highly dependent on partner contributions, while the revenue generated from the market remains low.</p>	<p>The further diversification of the revenue portfolio to ensure the FS of the KIC in the mid- to long-term should be a priority within the next 18 months. This timeline allows the KIC to proactively work on expanding its revenue sources to safeguard its financial stability over the specified period.</p>
<p>The FS mechanisms are not in place for all KAVA, which hinders financial sustainability</p>	<p>The KIC should, within the next 12 months, prioritize the implementation of FS measures for KAVAs that have the potential to generate additional income, such as through investments or services. It is understood that for certain KAVAs, particularly those focused on dissemination, such financial sustainability mechanisms might not be realistic. By taking action within this specified time frame, the KIC can enhance its financial stability by leveraging income-generating KAVAs while acknowledging the limitations of others.</p>

13 Conclusion and recommendations

In this chapter we provide a final conclusion and an assessment of our recommendations that we have thoroughly presented in the relevant chapters.

13.1 EIT Climate-KIC's relevance to the European Union's global challenges

Our assessment highlights the organisation's commendable alignment with the EU's objectives and its significant contributions to addressing the critical societal challenge of climate change. EIT Climate-KIC's efforts are characterized by a strong commitment to innovation, cross-sectoral collaboration, and education, which have not only contributed to economic growth but also strengthened the innovation capabilities of Member States.

Despite these strengths, it is acknowledged that certain challenges and weaknesses persist. These include limited participation in tackling EU-wide global challenges, indicating the need for greater inclusivity and outreach. The recommendation to conduct targeted campaigns, establish partnerships, introduce scholarships, and adapt programmes underscores the importance of addressing these shortcomings.

Furthermore, the assessment recognizes that the KIC's strategic alignment with climate action and its collaborative network of stakeholders have played a valuable role in advancing climate solutions and influencing global policy discussions. However, it highlights the need for continued growth and improvement in key performance indicators to fully realize its potential for positive impact.

EIT Climate-KIC's endeavours have made significant strides in aligning with the European Union's goals and addressing global challenges, particularly in the context of climate change. While challenges and weaknesses exist, the organisation's proactive approach and comprehensive strategy underline its vital role in contributing to a greener and more innovative Europe. With the recommended actions to enhance inclusivity and programme effectiveness, EIT Climate-KIC is well-positioned to continue its crucial work in the ongoing fight against climate change and drive positive societal change.

13.2 The KIC's European added value and relevance to the objectives of EIT

The evaluation provides valuable insights into the organisation's alignment with EU goals and areas that require attention.

Our assessment acknowledges that the results of EIT Climate-KIC's activities are notably relevant to and aligned with the objectives of both the EIT and the European Union. This alignment encompasses crucial objectives such as boosting economic growth, strengthening the innovation capacity of Member States, and fostering innovation and entrepreneurship. It underscores the organisation's commitment to fostering economic growth and innovation capacity within the Union, making a significant contribution to these goals.

One of the notable strengths recognized is the creation of European added value, particularly in building an innovation ecosystem through knowledge triangle integration. This ecosystem has played a pivotal role in developing concrete solutions to societal challenges, notably in the context of climate change.

However, a central concern highlighted in the assessment is the financial sustainability of this innovation ecosystem. While the KIC has successfully aligned its activities with EU objectives and created value, the sustainability of this ecosystem is characterized as uncertain.

The assessment further delves into the alignment of the KIC's Regional Innovation Scheme (RIS) activities with EIT guidelines and frameworks, with a focus on the absence of financial self-sustainability of RIS Hub activities. Importantly, it emphasizes that this absence does not influence the evaluation of this indicator, indicating a favourable assessment in this regard.

In light of these findings, our assessment provides recommendations, particularly regarding the sustainability of the innovation ecosystem created by the KIC. It suggests that the KIC should continue working on expanding its RIS activities with a changed partnership model and avoid engaging in activities that are uncertain to be financially self-sustaining.

13.3 Achievement of KIC's own objectives

Our assessment reveals a generally positive trajectory toward fulfilling its 7-year Strategic Agenda and the objectives outlined in its EIT RIS Strategies. The organisation has made significant strides in prioritizing sustainable ecosystems, climate entrepreneurship, funding diversification, governance enhancement, and knowledge sharing, all contributing to its ongoing success.

While acknowledging minor shortcomings in its activities, the assessment underscores the KIC's dedication and leadership, which bode well for its continued progress. Challenges remain in meeting specific Key Performance Indicators (KPIs), particularly in the realms of financial sustainability and certain medium-term objectives. However, these challenges do not undermine the overall promising trajectory of the organisation.

The assessment recognizes the KIC's commitment to Pan-European impact, evident through its engagement with sub-national regions, delivering EIT RIS activities and achieving results. Although there has been a delayed change in approach, the KIC's shift from RIS Hubs to individual activities under the guidance of EIT demonstrates adaptability. Furthermore, the successful geographical expansion of education activities demonstrates a commitment to nurturing talent and addressing skill gaps.

However, the assessment highlights the need for more concrete quantitative data and independent validation to support impact claims. Additionally, ongoing efforts are necessary to ensure that all supported activities align with climate goals and lead to the creation of fully climate-friendly jobs.

Our assessment commends the KIC's focus on addressing environmental challenges and its contribution to transitioning toward more environmentally responsible sectors. Despite variations in the impact of KIC funding on revenue growth among startups, positive effects are evident. The KIC's involvement has also addressed skill gaps and shortages, demonstrating its commitment to fostering environmental responsibility and economic growth.

While showing some progress, the assessment notes that there is room for improvement in medium-term KPIs, particularly in engagement with EIT-labelled MSc and PhD graduates with startups and revenue generation for supported startups.

The assessment highlights several weaknesses within EIT Climate-KIC's operations. First, the low number of EIT-labelled MSc and PhD graduates joining start-ups calls for a critical review of relevant programmes to tailor them better towards equipping graduates with the necessary skills for success in start-up environments. Furthermore, incentivization mechanisms should be explored to encourage graduates to consider start-ups as viable career paths. Second, the lack of jobs created by the supported start-ups underscores the need to encourage innovative and sustainable business models within the start-up ecosystem. Capacity-building programmes can equip entrepreneurs with the skills required for scaling their ventures, ultimately leading to greater employment opportunities. Providing incentives for job creation, especially within green start-ups, such as grants or tax benefits tied to sustainable employment growth, can drive positive change. Lastly, addressing the lack of sophisticated metrics for specific KPIs, such as CO2 reduction and strengthened resilience, should involve the introduction of more advanced data-gathering methods. Establishing a quantitative baseline for these metrics will be essential to track and assess positive developments accurately.

EIT Climate-KIC's dedication and substantial progress in various aspects of its objectives are commendable. With continued focus on addressing challenges and implementing strategic adjustments, the organisation is well-positioned to fulfil its mission effectively and make a more substantial impact in addressing climate challenges, fostering innovation, and contributing to economic growth and environmental responsibility.

13.4 Efforts to coordinate KICs activities with other relevant initiatives

EIT Climate-KIC has exhibited outstanding performance in coordinating its activities with other relevant research and innovation initiatives, both at national and global levels. The organisation has actively pursued and achieved concrete synergies and complementarities, aligning with its original proposal and Strategic Agenda. Climate-KIC's dedication to cross-KIC cooperation, multidisciplinary approaches, and collaboration

with various stakeholders is evident. They have successfully engaged in initiatives such as Cross-KIC Artificial Intelligence, Water Scarcity, the New European Bauhaus, and the European Innovation Council (EIC), demonstrating a holistic commitment to addressing climate change. Additionally, their cooperation with Managing Authorities and ministry-level partnerships, involvement in Horizon Europe EU Missions, and collaboration with universities for education activities underscore their alignment with broader EU objectives. This collaborative and integrated approach has been fundamental to EIT Climate-KIC's success in fostering innovation in the context of climate action and sustainability.

However, it is worth noting that decreases and discontinuations of funding for some education initiatives have led to losses in partnerships and programmes in the education portfolio. To address this, EIT Climate-KIC may benefit from recalibrating its education portfolio, drawing on its valuable experience to strategically identify and nurture sustainable partnerships that align with its focus on supporting systems innovation. This approach can help mitigate vulnerability tied to funding fluctuations, ensuring the continued success of its educational initiatives while maintaining a robust coordination strategy with other relevant initiatives.

13.5 Capacity to ensure openness to new members

The KIC has demonstrated commendable progress in building a diverse partner community to support its long-term objectives outlined in the Strategic Agenda (2021-2027). The introduction of the innovative Community Model in 2021 aimed to expand engagement and collaboration, resulting in growth in both Core and Affiliate Partners until 2022. Despite facing a temporary disruption in growth due to a shift in the partnership model and reduced funding, the KIC's efforts to reposition its value proposition are cautiously optimistic. The partnership composition is comprehensive and strategically aligned with the knowledge triangle, encompassing various sectors and geographic regions. This balanced approach contributes to a holistic response to climate challenges.

However, the KIC did experience a significant loss of partners during the transition to the new partnership model in 2022, and while efforts have been made to replenish the numbers, there is room for continued work to fine-tune the value proposition to retain the core community and resume growth. Additionally, the targets for partnership growth and composition defined in the Strategic Agenda may need reconsideration in light of the structural changes in the KIC and its performance in the first year of the new model.

Overall, EIT Climate-KIC's capacity to ensure openness to new members is promising, with opportunities for further growth and refinement of its partnership model to achieve its long-term goals effectively.

13.6 Achievements in attracting new members from across the Union

We have assessed that the KIC has made significant achievements in attracting new members from across the Union, resulting in a strong and balanced representation of its partnership in both RIS eligible EU Member States and non-RIS eligible Member States and non-EU countries. Until 2022, the KIC was on track in developing its partnership in line with its Strategic Agenda targets, but a new community and partnership model introduced significant changes and uncertainty to the ecosystem.

While the KIC experienced a setback due to the cessation of all RIS Hub activity, it has taken steps to ensure the sustainability of its partnership model. Feedback from partners in the survey suggests a cautiously optimistic outlook.

There is a strong representation of the partnership in EU Member States, with a balanced representation across all sides of the Knowledge Triangle. Additionally, the KIC's coverage of RIS eligible countries and regions exceeds objectives, although there has been a recent small decline in new RIS community members.

The KIC has shown adaptability and a tailored approach to its strategic distribution of partners, demonstrating comprehensive coverage to support sustainable solutions and skill development in RIS regions.

However, the KIC's reliance on attracting new partners, especially after the introduction of the new partnership model and the loss of a majority of its partners, presents a challenge. It is crucial for the KIC to

work closely with its new partnership to fine-tune its value proposition and strategy for attracting and retaining partners. Additionally, the turnover in the partnership introduces potential risks and opportunities that need to be identified and assessed, particularly concerning the increase in new partners from RIS eligible countries.

The KIC's efforts in attracting new members are promising but require continued strategic focus and adaptation to ensure the long-term sustainability and success of its partnership model.

13.7 KIC's compliance with good governance principles

We have concluded that the KIC has demonstrated a strong commitment to compliance with the EIT Good Governance Principles, achieving a high level of adherence to these principles. However, notable weaknesses have been identified that require attention.

One of the key areas of concern is financial sustainability. While the KIC has taken steps to diversify its revenue sources and has shown a positive trajectory in the past year, more emphasis on engaging with EU contracts, local and regional innovation ecosystems, and market-building activities is needed. The KIC should also continue efforts to attract funders and diversify revenue streams to build resilience, especially considering that EIT funding will cease in 2024.

Another area of concern is governance alignment, where the KIC needs to ensure that its governance systems are fully aligned with the general EU policies, Horizon Europe criteria for Institutionalised European Partnerships, and the objectives and assessment criteria of the Strategic Agenda. Clear reporting lines and mechanisms to address conflicts of interest should be established, and innovative governance models that foster collaboration among diverse stakeholders, ensuring transparency and accountability, should be developed and promoted.

Lastly, addressing the expectations of the EIT Governing Board regarding Deep Demonstrations and their impact is crucial. The KIC should comply with EU policies, participate in and facilitate an independent assessment of the impact of the Deep Demonstration portfolio, and ensure that governance systems can effectively handle the scale and complexity of the climate challenge while avoiding short-term profit motives that could hinder effective action.

While the KIC fully addresses the EIT Good Governance Principles, there are significant weaknesses in financial sustainability, governance alignment, and Deep Demonstrations that require immediate attention to ensure the organisation's continued success in addressing climate challenges and fostering innovation.

13.8 KIC's efforts and results in designing and implementing gender-sensitive measures and activities

The KIC has made commendable efforts in designing and implementing gender-sensitive measures and activities, resulting in an overall satisfaction with the results achieved. While there has been progress in promoting gender balance, there is still work to be done to achieve full gender equality within the organisation.

One of the strengths of the KIC is that it has achieved a good gender balance in its governance and management, and efforts towards gender balance and inclusivity are consistently apparent in internal processes and activities. However, there are areas that require attention.

Firstly, the outcomes and lessons learned from the KIC's gender mainstreaming measures and activities should be consistently collected and reviewed. Establishing a process to track and evaluate these efforts will help in fine-tuning and improving gender equality initiatives both internally and in the field of climate innovation.

Secondly, there is a need to ensure that all partners of the KIC are sufficiently aware of the organisation's policies and efforts related to gender equality. Effective communication of these policies, plans, and activities to partners is essential to ensure alignment and active participation.

Additionally, the KIC's Equality and Diversity Policy, dating back to 2017, may benefit from an update to align it with current requirements and other more recent policies, such as the Gender Mainstreaming Policy.

Lastly, while progress has been made, there is room to expand the portfolio of specific projects focused on gender mainstreaming in the climate innovation field. The KIC should prioritize and evolve its portfolio to ensure that gender mainstreaming activities are represented to a greater extent, consistent with its commitment to fostering gender equality in its vision.

The KIC has taken positive steps in promoting gender sensitivity and balance, continuous efforts, evaluation, and communication are necessary to further advance gender equality within the organisation and in its climate innovation initiatives.

13.9 KIC's capacity to develop sustainable innovation ecosystems and the achieved level of financial sustainability

We have found that the KIC has made notable strides in developing a sustainable innovation ecosystem to address societal challenges and skill gaps. Their commitment to strategic actions and engagement in initiatives like Horizon Europe Missions and the introduction of an innovative partnership model are commendable. Additionally, their adaptability and agile response to changing circumstances underscore their resilience and dedication to driving transformation. However, there remain significant concerns regarding the financial sustainability of the established innovation ecosystem. While there has been progress and positive developments, a gap exists between the achievements thus far and the level of financial sustainability required for long-term viability. Several indicators highlight this challenge.

The KIC has shown a positive trajectory but is still in the early stages of achieving financial sustainability. Concerns about financial sustainability over the forthcoming years persist, raising questions about the organisation's long-term financial viability. The KIC has underperformed in revenue generation, despite some improvement in 2022. There is a need to diversify revenue sources and focus on attracting funders. The current financial sustainability mechanisms are insufficiently effective and efficient, and the organisations that EIT funds are at high risk. While co-funding rates are on track, the overarching issue of financial sustainability remains a challenge.

To address these weaknesses and improve financial sustainability, the KIC should consider the following recommendations: diversify revenue sources and continue the positive trajectory seen in the past year, emphasize engagement with EU contacts to secure additional funding, strengthen the focus on local and regional innovation ecosystems to fully tap into their potential, place greater attention on market-building activities and diversify revenue streams to build resilience, and focus on attracting funders to support the organisation's initiatives. Taking these actions as soon as possible is crucial, as EIT funding is set to cease in 2024. Additionally, further diversification of the revenue portfolio and the implementation of financial sustainability measures for relevant KAVA areas are needed to ensure the organisations' financial sustainability.

13.10 Final conclusion

After our comprehensive assessment, with the weighted scores across various assessment criteria taken into account, EIT Climate-KIC receives a final score of 71.5, which translates to a "very good" rating. This score reflects the organisation's overall performance and effectiveness in multiple areas.

EIT Climate-KIC has demonstrated strength in numerous aspects of its operations. It has effectively pursued its strategic objectives, fostered innovation ecosystems, and achieved results that align with its mission of addressing climate change and societal challenges. The organisation has also showcased dedication to cross-KIC cooperation, collaboration with diverse stakeholders, and the development of a diverse partner community. Additionally, efforts towards gender sensitivity and gender balance, as well as the implementation of gender-sensitive measures, have shown progress and satisfaction among stakeholders.

Nonetheless, it is crucial to acknowledge the challenges that have impacted the final score. The most significant among these challenges is the issue of financial sustainability. Despite commendable progress in

other areas, EIT Climate-KIC has struggled to achieve the necessary financial stability to ensure its long-term viability. The ongoing reliance on traditional funding sources, coupled with difficulties in generating sufficient revenue, has raised concerns about the organisation's financial future, especially considering the impending cessation of EIT funding in 2024.

In conclusion, while EIT Climate-KIC has performed well in various assessment criteria and demonstrated its commitment to addressing critical climate challenges, the persistent issues related to financial sustainability have weighed down the final scoring. Addressing these challenges and implementing the recommended strategies for diversifying revenue sources and strengthening financial sustainability will be essential for the organisation's continued success and impact in the years to come.

14 ANNEXES

14.1 ANNEX I. Reference list

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, received from EIT on 05.12.2022

REGULATION (EU) No 1292/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2013 amending Regulation (EC) No 294/2008 establishing the European Institute of Innovation and Technology, received from EIT on 05.12.2022

REGULATION (EU) 2021/819 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 20 May 2021 on the European Institute of Innovation and Technology, received from EIT on 05.12.2022

DECISION 34/2017 OF THE GOVERNING BOARD OF THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY (EIT) on the adoption of the final single programming document (2018-2020) of the EIT, received from EIT on 05.12.2022

DECISION 06/2019 OF THE GOVERNING BOARD OF THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY (EIT) on the amendment of decision 42/2018 of the EIT governing board on the adoption of the final single programming document (2019-2021) of the EIT, received from EIT on 05.12.2022

DECISION 27/2019 OF THE GOVERNING BOARD OF THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY (EIT) on the adoption of the final single programming document (2020-2022) of the EIT, received from EIT on 05.12.2022

DECISION 17/2015 OF THE GOVERNING BOARD OF THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY (EIT) on adopting the triennial work programme (TWP) 2016-2018, received from EIT on 05.12.2022

DECISION 4/2015 of the Governing Board of the European Institute of Innovation and Technology (EIT) on principles on KIC's financial sustainability, <https://eit.europa.eu/sites/default/files/EIT%20GB%20Decision%20on%20principles%20on%20KIC%20Financial%20Sustainability.pdf>, accessed on 06.05.2023.

DECISION 13/2021 of the Governing Board of the European Institute of Innovation and Technology (EIT) on the principles of financial sustainability of knowledge and innovation communities (KICs), https://eit.europa.eu/sites/default/files/2021-13_20210317-gb66-13_new_eit_fs_principles.pdf, accessed on 08.02.2023.

GENERAL MODEL GRANT AGREEMENT/CONTRACT FOR THE HORIZON EUROPE PROGRAMME (HORIZON) 1 EURATOM RESEARCH AND TRAINING PROGRAMME (EURATOM) 2 (HE MGA — MULTI & MONO), Annex 5, [general-mga_horizon-euratom_en.pdf \(europa.eu\)](general-mga_horizon-euratom_en.pdf), accessed on 26.01.2023

DUNA Portal Grant Reporting and Business Planning modules (access granted by EIT)

Materials received from EIT Climate-KIC (KIC specific documents, Gender Mainstreaming Plan, Highlights Reports, RIS activity reports)

EIT and KICs websites (deliverables included on websites, as well as those submitted alongside KIC reports)

Documents provided by EIT:

- Key EIT documents (e.g., previous EIT Regulation (2008), EIT Regulation Amendment (2013), new EIT Regulation (2021), EIT Financial Regulation, EIT SIA 2014-2020 and EIT SIA 2021-2027, Triennial Work Programmes, Single Programming Documents)
- Calls for KIC Proposals documentation; KIC Proposals
- Framework Partnership Agreements, new Partnership Agreements and KICs' Strategic Agendas (originals and any later updates)

- KICs Business Plans and Reports for relevant years and experts' assessments
- KIC Assessments: Business Creation, Education, Knowledge Triangle integration, and subsequent RIS evaluations
- RIS Evaluation 2020
- EIT consolidated reports on the KIC Monitoring/GB Rapporteur visits and reports
- Specific EIT guidance to KICs (e.g. governance, code of conduct, etc.)
- EIT Principles on KICs' Financial Sustainability (old and new)
- EIT Guidance on the EIT Regional Innovation Scheme (EIT RIS) 2018-2020 and EIT RIS Implementation Framework 2022-2027
- EIT Good Governance Principles and respective assessments
- EIT and KICs websites (deliverables included in websites as well as those submitted with KIC reports)
- KICs' action plans for tackling specific issues (i.e. EIT and EU co-branding; communications strategy; Project Partners, gender balance etc.)
- Annual Grant KIC Performance Assessment Reports
- Multi-annual Dashboard
- Annual Grant KIC Performance Assessment Reports
- EIT GB Strategic Recommendations issued during the assessed period
- EIT GB Rapporteur Reports
- Communications Activities Assessments
- Publicly available relevant EU documents
- Report of the in-depth study of the 1st wave of KICs

14.2 ANNEX II. Interviews

Table 22: Participants of the first interview on 17.03.2023 and the second interview on 08.08.2023

Participant's name	Entity
1st interview⁴²	
Dr Andy Kerr	Climate-KIC Holding B.V.
2nd interview	
Dr Andy Kerr	Climate-KIC Holding B.V.
Katarina Subakova	Climate-KIC Holding B.V.

14.3 ANNEX III. Survey Response rates

	Total receivers	Number of received responses	Response rates in %
Graduates	2061	14	<1%
Start-ups	2023	137	7%
Partners	2263 (366 entities) ⁴³	76	3%

⁴² Eva Atanassova and David Tas have participated as observers from EIT

⁴³ The number 2263 refers to the total single contact points across all partners that have been contacted regarding the survey. In total 366 organisations have been contacted. During the data clearing we paid special emphasis for filtering out duplicated answers from the same organisations.

14.4 ANNEX IV. Overview of the results of the counterfactual impact evaluation and survival analysis

General description of the data

We received the data on company statements for the period 2014-2023 from Dun & Bradstreet. We had the data for 1308 companies, among which 1155 were either financially supported by the Climate-KIC or selected as control for the impact evaluation and the survival analysis.

Table 23: Number of companies included in the analysis

	Number of companies
Control	975
Climate	180
Grand Total	1155

The control group was selected based on the size (threshold: minimum and maximum revenues and employees), the industry and the geographical location (country level).

After the creation of the database, data cleaning and restructuring, we conducted a counterfactual impact evaluation based on the propensity score matching procedure.

The first step was to prepare the matching of the assisted and the control enterprises. This was based on the industry, the age of the start-up and 4 financial indicators in 2016: total assets, net sales, profit before tax and the number of employees. The outcome variables were the growth of the same indicators between 2017-2021. Though we had the 2022 and 2023 data, those were very limited, since in some countries the reporting periods within the year deferred. Thus, we excluded these datasets from our evaluation to keep the consistency and to not distort the final figures.

The results of the regression analysis:

First, we calculated the propensity scores of the enterprises, which also revealed how the different indicators influenced the probability of receiving funds from the KIC.

Pseudo R2 = 0.1678

Table 24: Results of the regression analysis for all implemented variables

Variable	Coefficient	P> zI
Sector – Agriculture, Forestry, And Fishing	0.505	0.350
Sector – Mining, Construction	0.263	0,721
Sector – Manufacturing 1	0.764***	0.007
Sector – Manufacturing 2	2.360***	0.000
Sector – Transportation,	1.293***	0.000

Communications, Electric, Gas, And Sanitary Services		
Sector – Wholesale & Retail Trade	0.057	0.763
Sector – Finance, Insurance, and Real Estate	1.036**	0.045
Sector – Services	0.354***	0.001
Age of the enterprise (years)	0.084***	0.002
Total assets (2016)	4.77-e07**	0.033
Net sales (2016)	3.74e-07	0.127
Profit before taxes (2016)	-9.08-e07	0.139
Number of employees (2016)	-0.018	0.449
Constant	-1.578***	0.000

*** 1% significance level

** 5% significance level

* 10% significance level

The results shows that certain sectors were more relevant for the KIC to support than others. Sectors such as manufacturing, transportation, finance, real estate and services were among the most relevant ones. The age of the enterprises also had a positive correlation with the probability of being supported, meaning older companies tend to have a higher chance of being supported than younger enterprises do. The total assets of the companies also had a positive correlation with the probability of the support. This correlation depicts a situation where enterprises with already higher total assets were more likely to receive funds from the KIC.

We calculated the growth differences of the assisted (treated) enterprises and the matched control enterprises in order to determine whether these growth differences are significant measured at the usual significance levels.

Table 25: Growth differences of the assisted (treated) enterprises and the matched control enterprises

Variable	Treated	Controls	Difference	T-stat
Growth of total assets (2017-2021)	259 678	-541	260 220***	2.60

Growth of net sales (2017-2021)	193 569	48 926	144 643*	1.77
Growth of profit before taxes (2017-2021)	-107 654	58 056	-165 711	-1.56
Growth of the number of employees (2017-2021)	2.48	0.22	2.26***	2.87

*** 1% significance level

** 5% significance level

* 10% significance level

For the start-ups supported by KIC, we concluded that the growth difference between their indicator values and the control's were significant for their investments (total assets difference 260,220 – at 1% significance level), revenues (net sales 144,643 – at 10% significance level) and the number of employees (2.26 – at 1% significance level). We have not found significant difference for their profitability (-165,711), at least in this short run.

This is very much in line with the literature, see for example Nyikos et al (Nyikos Györgyi, Laposa Tamás, Béres Attila - Micro-economic effects of public funds on enterprises in Hungary REGIONAL STUDIES REGIONAL SCIENCE (2168-1376): 7 1 pp 346-361 (2020)). The assisted companies were usually able to increase their inputs (capital and labour) but not much or their sales and profitability. This exercise, however, should be done also at a later stage because the increase in the revenues and profitability may occur years after the additional investments.

Results of the survival analysis

We conducted a binary (logit) regression on the survival of the start-ups and their relation to different variables, especially being supported by the KIC. The results of the regression were the following:

Pseudo R2 = 0.1398

Table 26: Results of the survival analysis for all implemented variables

Variable	Coefficient	P> z
KIC support	-1.99***	0.000
Sector – Agriculture, Forestry, And Fishing	n.a.	n.a.
Sector – Mining, Construction	-3.45***	0.002

Sector – Manufacturing 1		-1.57*	0.069
Sector – Manufacturing 2		-0.71	0.379
Sector – Transportation, Communications, Electric, Gas, And Sanitary Services		-0.93	0.405
Sector – Wholesale & Retail Trade		-0.05	0.957
Sector – Finance, Insurance, and Real Estate		-2.05*	0.076
Sector – Services		-0.131***	0.01
Age of the enterprise (years)		0.11*	0.06
Total assets (2016)		3.25-e06	0.034
Net sales (2016)		8.02-e07	0.434
Profit before taxes (2016)		3.35-e06***	0.001
Number of employees (2016)		-0.07**	0.045
Constant		4.21***	0.000

*** 1% significance level

** 5% significance level

* 10% significance level

We found that the KIC supported start-ups tend to have a lower survival rate than the controls. Also, some sectors have higher mortality rates: mining and construction, some areas of manufacturing, finance and services. Bigger (in terms of the number of employees) and older enterprises have higher mortality rates and also start-ups generating higher profits tend to cease their operations with a higher probability.