

DECISION 16/2021
OF THE GOVERNING BOARD OF
THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY (EIT)

**ON THE PRINCIPLES FOR THE DETERMINATION OF THE EIT FINANCIAL ALLOCATION
TO THE KNOWLEDGE AND INNOVATION COMMUNITIES' (KICS') BUSINESS PLANS
FOR 2022-2024,
TO CROSS-KIC ACTIVITIES AND SHARED SERVICES FOR 2022-2024,
AND TO THE HIGHER EDUCATION (HEI) INITIATIVE 2022-2023**

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

Having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology¹, as amended by Regulation (EU) No 1292/2013 of the European Parliament and of the Council of 11 December 2013² (hereinafter "EIT Regulation"), and in particular Article 14(7) thereof and Section 2(b) of the Statutes annexed to the EIT Regulation;

Having regard to the proposal for a Regulation of the European Parliament and of the Council establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013³;

Having regard to the proposal for a Regulation of the European Parliament and of the Council on the European Institute of Innovation and Technology (hereafter referred to as "EIT Regulation (recast)")⁴;

Having regard to the proposal for a Decision of the European Parliament and of the Council on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT) 2021-2027: Boosting the Innovation Talent and Capacity of Europe (hereafter referred to as "EIT Strategic Innovation Agenda 2021-2027")⁵;

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (hereinafter referred to as the "EU Financial Regulation")⁶;

¹ OJ L97 of 09.04.2008, p. 1.

² OJ L347 of 20.12.2013, p. 174.

³ Version of 3 March 2021, as endorsed by the Permanent Representatives Committee (COREPER) at its meeting held on 10 March 2021 (7064/20). The publication in the Official Journal is foreseen for May 2021.

⁴ Version of 17 February 2021, as endorsed by the Permanent Representatives Committee (COREPER) at its meeting held on 17 February 2021 (6062/21). The publication in the Official Journal is foreseen for May 2021.

⁵ Version of 17 February 2021, as endorsed by the Permanent Representatives Committee (COREPER) at its meeting held on 17 February 2021 (6066/21). The publication in the Official Journal is foreseen for May 2021.

⁶ OJ L 193, 30.7.2018, p. 1-222

Having regard to Decision 21/2019 of the EIT Governing Board of the EIT of 25 September 2019 on the Financial Regulation of the European Institute of Innovation and Technology (hereinafter referred to as the “EIT Financial Regulation”)⁷, in particular Article 1 thereof;

Having regard to the Decision of the Governing Board of the EIT of 16 December 2009 on the selection and designation of KIC InnoEnergy, Climate KIC and EIT ICT Labs⁸;

Having regard to the Decision of the Governing Board of the EIT of 9 December 2014 on the designation of the Knowledge and Innovation Communities (KICs) in the ‘Innovation for healthy living and active ageing’ theme and the: ‘Raw Materials sustainable exploration, extraction, processing, recycling and substitution’ thematic area⁹;

Having regard to Decision 29/2016 of the Governing Board of the EIT on the designation of the Knowledge and Innovation Communities (KICs) in the ‘Food for Future’ and ‘Added Value Manufacturing’ themes of 17 November 2016¹⁰;

Having regard to Decision 6/2018 of the Governing Board of the EIT of 2 March 2018 on the designation of the Knowledge and Innovation Community (KIC) in the ‘innovation for healthy living and active ageing’ theme and on the rejection of other applicants in the 2014 call for KICs’ proposals¹¹;

Having regard to Decision 36/2018 of the Governing Board of the EIT of 4 December 2018 on the designation of the Knowledge and Innovation Community in the ‘Urban Mobility’ thematic area¹²;

Having regard to Decision 37/2018 of the Governing Board of the EIT of 5 December 2018 on the designation of the Knowledge and Innovation Community in the ‘Manufacturing’ thematic area¹³;

Having regard to Decision 06/2021 of the Governing Board of the EIT on the adoption of the Final Single Programming Document (2021-2023) of the EIT¹⁴,

Having regard to Decision 08/2021 of the Governing Board of the EIT on the adoption of the Draft Single Programming Document (2022-2024) of the EIT¹⁵;

Having regard to Decision 09/2021 of the EIT Governing Board on the allocation of the 2021 financial contribution of the Knowledge and Innovation Communities (KICs)¹⁶;

Having regard to Decision 13/2021 of the Governing Board of the EIT on the principles on the financial sustainability of Knowledge and Innovation Communities (KICs)¹⁷;

⁷ Ref Ares(2019)6810859

⁸ Ref Ares(2010) 130286-11/03/2010

⁹ 02008.EIT.2014.I.EIT.GB

¹⁰ 05940.EIT.2016.I.GB42

¹¹ 01148.EIT.2018.I.E1

¹² Ref. Ares(2018)6260797

¹³ Ref. Ares(2018)6261053

¹⁴ Ref. Ares(2021)1558856

¹⁵ Ref. Ares(2021)1545757

¹⁶ Ref. Ares(2021)1576463

¹⁷ Ref. Ares(2021)2134807

WHEREAS

- (1) As of 2021, the EIT is part of the Horizon Europe Framework Programme for Research and Innovation and the new financial framework (i.e. EU Multiannual Financial Framework 2021-2027). Additionally, the new specific legal framework (i.e. EIT Regulation (recast), Strategic Innovation Agenda 2021-2027) has been agreed in a political agreement in the respective legislative procedures and is foreseen to be published in the Official Journal of the European Union in May 2021.
- (2) The new framework requires the significant revision of the funding allocation and financial sustainability rules of the EIT applied until now. For this reason, the EIT Governing Board at its meeting on 17 March 2021 has adopted Decision 13/2021 on the principles on the financial sustainability with retroactive effect of 1 January 2021. The new EIT Governing Board Decision on the principles for financing, monitoring and evaluating KIC activities, aligned with the new legal framework, will also be adopted soon.
- (3) As laid down in the EIT Regulation (recast) and the EIT Strategic Innovation Agenda 2021-2027, the criteria for the funding allocation most follow a performance-based funding model, thus, the support and competitive funding allocation principles have already been abandoned in the 2021 grant cycle. This performance-based allocation mechanism shall include assessing the KIC Business Plans and performance as measured by continuous monitoring in accordance with Article 18(7) of the EIT Regulation (recast) and as described in the EIT Strategic Innovation Agenda 2021-2027.
- (4) In accordance with the EIT Regulation (recast), the EIT funding shall continue to decrease for the first wave of KICs. The KICs' co-financing requirements shall be aligned with the rates indicated in Chapter 3.6.2 of the EIT Strategic Innovation Agenda 2021-2027. In addition, in accordance with the EIT Strategic Agenda 2021-2027, some KICs' activities, due to their specific nature, might need extra incentives to be performed. To this aim, the EIT Governing Board might decide to apply more favourable funding conditions for Cross-KIC activities, RIS activities and new action supporting the entrepreneurial and innovation capacity of the higher education sector.
- (5) In accordance with the EIT Strategic Innovation Agenda 2021-2027 and Decision 9/2021 of the EIT Governing Board on the allocation of the 2021 financial contribution of the KICs, the pilot HEI initiative has started in 2021 and shall last for three years.
- (6) The EIT Director should define the specific criteria and modalities of the funding allocation process with regard to the assessment of the proposals and performance in all the three activities: KIC Business Plans, Cross-KIC activities and HEI initiative activities.

HAS DECIDED AS FOLLOWS:

**CHAPTER 1
GENERAL PROVISIONS**

**Article 1
Funding allocation principles**

- (1) As required by Chapter 5.1 of the EIT Strategic Innovation Agenda 2021-2027,
- at least 10% and a maximum of 15% of the overall EIT budget (2021-2027) shall be dedicated to implementing EIT RIS activities, thereby increasing the number of KIC partners from targeted regions;
 - a maximum of 7% of the overall EIT budget (2021-2027) shall be dedicated to Cross-KIC activities, including support to KICs for which the partnership agreement is expired or terminated;
 - a maximum of 3% of the overall EIT budget (2021-2027) shall be dedicated to a pilot to help develop the entrepreneurial and innovation capacity of Higher Education institutions (HEI), this pilot initiative shall be of three years.
- (2) The KICs' co-financing requirements shall be aligned with the rates indicated in Chapter 3.6.2 of the EIT Strategic Innovation Agenda 2021-2027. In accordance with the EIT Strategic Innovation Agenda 2021-2027, some KIC activities, due to their specific nature, might need extra incentives to be performed. To this aim, the EIT Governing Board decides that
- the EIT RIS activities will be implemented in 2022-2024 at a funding rate up to 100%,
 - Cross-KIC activities and shared services will be implemented in 2022-2024 at a funding rate up to 100% (with the exception of thematic innovations for 2022 with an indicative budget of MEUR 4.5 which should be included in the KIC Business Plans and will have a funding rate up to 70%), and
 - the pilot HEI action will be implemented in 2022-2023 at a funding rate up to 100%.
- (3) The EIT RIS activities shall be integral part of the KIC Business Plans, in accordance with Chapter 3.2 of the EIT Strategic Innovation Agenda 2021-2027.

**Article 2
Distribution of the 2022-2024 EIT budget**

- (1) For the 2022-2024 period, the overall EIT budget available for the initial multiannual funding allocation decision is MEUR 945 (indicative), calculated as 100% of the 2022 and 75% of the 2023 and 2024 indicative annual EIT budgets available for grants.
- (2) The funding shall be distributed by means of three separate 'funds', as follows:

Type of 'Fund'	Indicative budget (in MEUR)
EIT KIC Fund (i.e. KIC Business Plans incl. thematic innovations) 2022-2024	795
Cross-KIC Fund (i.e. Cross -KIC activities) 2022-2024	75
HEI Fund (i.e. HEI activities) 2022-2023	75
Total (without third country contributions)	945

- (3) After deducting the Cross-KIC Fund from the overall EIT budget available for KICs in 2022, 2023 and in 2024, and after deducting the HEI Fund from the overall EIT budget available for KICs in 2022 and in 2023, the remaining EIT budget (the 'KIC Fund') shall be distributed between the four waves of KICs in accordance with the split indicated in Article 5 below, while further performance-based funding criteria shall apply as determined by the EIT Governing Board in Article 6 below.

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

- (1) The EIT Governing Board will take an initial multiannual funding allocation decision
- for the 2022-2024 period for the KIC Fund,
 - for the 2022-2024 period for the Cross-KIC Fund, and
 - for the 2022-2023 period for the HEI Fund,
- based on the assessment of the criteria laid down in this decision and a prudent multiannual planning.
- (2) Then, when the final EIT budget is known for 2023 and 2024, the EIT Governing Board may take additional funding allocation decisions in 2023 and 2024, taking into account the available EIT budget, the ongoing multiannual legal commitments between the EIT and the KICs, the performance of the KICs and the estimated financial needs. The additional funding allocation decisions shall ensure that there is no double funding of KIC activities.
- (3) If the final EIT budget available for 2022, 2023 and 2024 require it, the Governing Board authorises the EIT Director to make non-significant adjustments which do not result in a major change of the provisions of this Decision.

Article 4
Definition of modalities for 2022-2024

- (1) Based on the principles laid down in this Decision, the EIT Director shall define the modalities of the 2022-24 assessment processes, in particular:
- the different topics of the calls,
 - the expected structure and content of the proposals and the estimated budgets,
 - the specific criteria and corresponding weightings for the evaluation,
 - the timeline of the processes including when further communication to the KICs or feedback is foreseen,
 - the formal requirements for receiving the EIT financial contribution,
 - the role and profiles of the independent external experts.
- (2) The EIT Director shall launch the invitation(s) to submit KIC Business Plan proposals, Cross-KIC proposals and HEI proposal.
- (3) The funding allocation shall be subject to compliance with the Governing Board recommendations (if any) and the adjustments to be made to the proposals after the EIT's assessment.

CHAPTER 2
EIT FUNDING TO KIC BUSINESS PLANS 2022-2024 (EIT KIC FUND)

Article 5
Distribution of the EIT grant among the waves of KICs for 2022-2024

For the initial multiannual funding allocation 2022-2024, the EIT KIC Fund shall be split as follows:

KIC wave	Indicative split
First wave (EIT Climate-KIC, EIT Digital, EIT InnoEnergy)	20%
Second and third waves (EIT Health, EIT Raw Materials, EIT Food)	55%
Fourth wave (EIT Manufacturing, EIT Urban Mobility)	25%

For the additional funding allocation decisions the Governing Board may decide on a different split.

Article 6
Criteria for funding allocation per KIC

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

Criteria	Maximum score
1) Progress in implementing the Multiannual strategy	30
2) Financial sustainability (2020)	20
3) Effectiveness of KTI measured by KPIs (2020)	20
4) Financial performance measured by KPIs (2020)	10
5) Non-financial performance (2020 and 2021)	10
6) Business Plan quality and ambition (2022-2024)	10

CHAPTER 3
EIT FUNDING TO CROSS-KIC ACTIVITIES 2022-2024 (CROSS-KIC FUND)

Article 7
Criteria for Cross-KIC grants allocation to KICs

- (1) In accordance with Article 4 above, the EIT Director shall define the topics of Cross-KIC activities and shared services following a consultation of the KICs.
- (2) The eligibility criteria for Cross-KIC activities should include a minimum number of KICs participating in the activity. Only the KIC Legal Entities will be eligible for applying for the Cross-KIC activities (as beneficiaries).
- (3) All Cross-KIC activities will be evaluated against the following technical evaluation criteria aligned with the Horizon Europe legal framework: excellence, impact and implementation as follows:

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

CHAPTER 4
EIT FUNDING FOR THE PILOT HIGHER EDUCATION (HEI) INITIATIVE 2022-2023 (HEI FUND)

Article 8
Criteria for HEI grants allocation

- (1) In line with the EIT Strategic Innovation Agenda 2021-2027 and Decision 9/2021 of the EIT Governing Board on the allocation of the 2021 financial contribution of the KICs, the pilot HEI initiative has started in 2021 and shall last for three years.
- (2) In accordance with Article 4 above, the EIT Director shall define the content and requirements of HEI activities following a consultation of the KICs. The EIT shall promote stronger Cross-KIC collaboration within the pilot HEI initiative.
- (3) All KICs are expected to participate in the proposal for the pilot HEI activities.
- (4) The proposal for the pilot HEI activities will be evaluated against the following technical evaluation criteria aligned with the Horizon Europe legal framework: excellence, impact and implementation as follows:

	Excellence	Impact	Quality and efficiency of the implementation
Weights of criteria	40%	40%	20%
Sub-criteria	<ul style="list-style-type: none"> - Clarity pertinence and relevance of the proposal's objectives - Quality of the proposed coordination and/or support measures including soundness of methodology. 	<ul style="list-style-type: none"> - Credibility of the pathways to achieve the expected outcomes and impacts specified in the EIT SIA 2021-2027, participating KICs' strategic agendas and in the EIT Impact Framework, and the likely 	<ul style="list-style-type: none"> - Quality and effectiveness of the work plan, assessment of risks, and appropriateness of the effort assigned to work packages, and the resources overall. - Capacity and role of each

	<ul style="list-style-type: none"> - Quality of synergies and links with existing initiatives at EU, national and regional level. - Credibility of the financial model and contribution to KICs financial sustainability. 	<p>scale and significance of the contributions due to the proposal.</p> <ul style="list-style-type: none"> - Suitability and quality of the measures to maximise expected outcomes and impacts, as set out in the dissemination and exploitation plan, including communication activities. 	<p>participant, and extent to which the consortium as a whole brings together the necessary expertise.</p>
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- (5) Based on the results of the evaluation of the pilot HEI initiative, the EIT Governing Board shall decide whether the pilot HEI initiative is to be continued and scaled-up or discontinued.

Article 9
Entry into force

This decision shall enter into force on the day of its adoption¹⁸.

Done in Budapest, 7 May 2021

Gioia Ghezzi
Chairperson of the EIT Governing Board

¹⁸ Adopted by a written procedure on 7 May 2021

