



**DECISION 27/2022
OF THE GOVERNING BOARD OF
THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY (EIT)**

**ON THE METHODOLOGY FOR THE FINAL REVIEW OF FIRST WAVE KNOWLEDGE AND
INNOVATION COMMUNITIES (KICS)**

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

Having regard to Regulation (EU) No 2021/819 of the European Parliament and of the Council of 20 May 2021 on the European Institute of Innovation and Technology (recast) (hereafter referred to as the “EIT Regulation”)¹, in particular Articles 11 and 12 thereof; points (1)(g) and (j) of Section 2 and point 5 of Section 3 of the Statutes as annexed to the EIT Regulation;

Having regard to 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 (hereafter referred to as the “Horizon Europe Regulation”)² in particular Article 10 and Annex III thereof;

Having regard to Decision 2021/820 of the European Parliament and of the Council of 20 May 2021 on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT) 2021-2027: Boosting the Innovation Talent and Capacity of Europe and repealing Decision No 1312/2013/EU (hereafter referred to as the “EIT SIA 2021-2027”)³, in particular Points 3.6.4 and 5.2.2 thereof;

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (hereinafter referred to as the “EU Financial Regulation”)⁴;

Having regard to the Decision of the Governing Board of the EIT of 16 December 2009 on the selection and designation of 2 or 3 KICs⁵ (KIC InnoEnergy, Climate KIC, EITictlabs);

¹ OJ L 189, 28.5.2021, p. 61

² OJ L 170, 12.5.2021, p. 1

³ OJ L 189, 28.5.2021, p. 91

⁴ OJ L 193, 30.7.2018, p. 1-222

⁵ Ref. Ares(2010)130286



Having regard to Decision 17/2018 of the Governing Board of the EIT on the confirmation of the Framework Partnership Agreement of the first wave of Knowledge and Innovation Communities (KICs) beyond 7 years⁶;

Having regard to Decision 21/2019 of the Governing Board of the EIT of 25 September 2019 on the Financial Regulation of the EIT⁷, in particular Article 1 thereof;

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)⁸;

Having regard to Decision 14/2021 of the Governing Board of the EIT on the principles for financing, monitoring and evaluating Knowledge and Innovation Community (KIC) activities⁹;

Having regard to Decision 17/2021 of the Governing Board of the EIT on the Key Performance Indicators¹⁰;

Having regard to Decision 7/2022 of the Governing Board of the EIT on the EIT monitoring and evaluation strategy (2022-2027)¹¹;

Having regard to Decision 26/2022 of the Governing Board of the EIT on the methodology for the seven-year comprehensive assessment of Knowledge and Innovation Communities (KICs)¹²;

Having regard to the opinion of the Commission, as expressed by its representative in the Governing Board;

WHEREAS:

- (1) The EIT carried out the seven-year review of the first wave of KICs (EIT Digital, EIT InnoEnergy, EIT Climate-KIC) in 2017 and the Governing Board confirmed their Framework Partnership Agreements beyond the first seven years by its Decision 17/2018;
- (2) 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, Strategic Innovation Agenda 2021-2027) has been published in the Official Journal of the European Union on 28 May 2021.

⁶ 03144.EIT.2018.I.GB.WP

⁷ Ref. Ares(2019)6810859

⁸ Ref. Ares(2021)2134807

⁹ Ref. Ares(2021)3111256

¹⁰ Ref. Ares(2021)3113267

¹¹ Ref. Ares(2022)2098829

¹² Ref. Ares(2022) 4807548



- (3) Annex III of the Horizon Europe Regulation on European Partnerships stipulates that European Partnerships shall be evaluated, phased-out or renewed on the basis of the criterion: evaluation of impacts achieved at Union and national level in relation to defined targets and key performance indicators, feeding into the Programme evaluation set out in Article 52, including an assessment of the most effective policy intervention mode for any future action; and the positioning of any possible renewal of a European Partnership in the overall European Partnerships landscape and its policy priorities.
- (4) In accordance with Article 11 of the EIT Regulation, the EIT shall, under the supervision of the Governing Board, conduct a final review of the performance and activities of the KIC before the expiry of the partnership agreement. Subject to the positive outcome of a final review before the expiry of the partnership agreement, the EIT may conclude a memorandum of cooperation with a KIC.
- (5) The EIT Strategic Innovation Agenda 2021-2027 foresees that The EIT shall develop the general principles for the relation with KICs after the termination of the partnership agreement in line with the framework for European Partnerships provided for in Regulation (EU) 2021/695. Based on an in-depth independent study, to be conducted by the end of 2023, the EIT shall establish, in close cooperation with the Commission, the overall framework for its relations with the KICs whose partnership agreement is terminated or expired in the course of the 2021-2027 programming period. That in-depth independent study shall include an assessment of the KIC's efforts to achieve financial sustainability, the revenues generated and KIC's financial outlook and shall identify any activities, the continuation of which might be at risk due to a lack of resources. Subject to a positive outcome of a final review, the EIT may conclude a memorandum of cooperation with a KIC, aiming to maintain active cooperation with it after the termination of the partnership agreement.
- (6) Furthermore, the EIT Strategic Innovation Agenda 2021-2027 provides that each KIC shall be subject to a comprehensive assessment conducted by the EIT, under the supervision of the Governing Board and with the support of independent external experts, before the end of the seven-year period of the partnership agreement, as well as to a final review before its end. On the basis of a comprehensive assessment, the Governing Board shall decide on whether to extend the partnership agreement beyond the first seven years, while the final review shall be used as a basis on which to negotiate a possible memorandum of cooperation. When conducting those evaluations, in accordance with Article 11(5) of Regulation (EU) 2021/819, the Governing Board shall take into account the implementing, monitoring and evaluation criteria for the European Partnerships set out in Regulation (EU) 2021/695, the achievement of the KIC's objectives, its coordination with other relevant research and innovation initiatives, its level of financial sustainability, its capacity to ensure openness to new members, the transparency of its governance,



and its achievement in attracting new members, within the limits of the Union contribution referred to in Article 21 of Regulation (EU) 2021/819, the Union added value and relevance with regard to the objectives of the EIT.

- (7) Indeed, Article 11(5) of the EIT Regulation requires that for the purpose of deciding whether to extend the Partnership Agreement with a KIC under paragraph 4, the EIT Governing Board shall take into account the criteria for implementing, monitoring and evaluating the European Partnerships set out in the Horizon Europe Regulation and, with regard to the KICs, the following matters:
- (a) their relevance to the Union's global challenges;
 - (b) their Union added value and relevance with regard to the objectives of the EIT;
 - (c) the achievement of their objectives;
 - (d) their efforts to coordinate their activities with other relevant research and innovation initiatives;
 - (e) their capacity to ensure openness to new members;
 - (f) their achievements in attracting new members from across the Union;
 - (g) their compliance with good governance principles;
 - (h) their efforts and results in designing and implementing gender-sensitive measures and activities;
 - (i) their capacity to develop sustainable innovation ecosystems and the achieved level of financial sustainability.
- (8) In line with the EIT Strategic Innovation Agenda (2021-2027), the EIT activities, including those managed through KICs, are expected to have technological/economic/innovation impact by influencing the creation and growth of companies, as well as the creation of new innovative solutions to address global challenges, creating direct and indirect jobs and mobilising additional public and private investments; scientific and educational impact by strengthening human capital in research and innovation, enhancing innovative and entrepreneurial skills both at individual and organisational levels and fostering the creation and diffusion of knowledge and innovation openly within society; societal impact, including the impact derived by the delivery of systematic solutions within and beyond the EIT Community, by addressing EU policy priorities in the fields of climate change (e.g. mitigation, adaptation and resilience), energy, raw materials, health, added value manufacturing, digital, urban mobility, food, culture and creativity, or water through innovative solutions, engagement with citizens and end-users and by strengthening the uptake of innovative solutions in these areas in society.
- (9) In accordance with Article 11(6) of the EIT Regulation, in the event that the continuous monitoring, an interim review or the comprehensive assessment of a KIC shows inadequate progress in areas referred to in Article 10 of that Regulation or a lack of Union added value, the Governing Board shall take appropriate corrective measures. The corrective measures may take the form of a reduction, modification or withdrawal of the EIT's financial contribution or the termination of a Partnership



Agreement, as well as binding recommendations related to the KIC's activities, or suggestions for adaptations of its delivery and operational models.

- (10) In accordance with point 5 of Section 3 of the Statutes annexed to the EIT Regulation, the agreement of the European Commission, expressed by its representative in the Governing Board, is required for the present decision of the EIT Governing Board. Following consultation by the EIT, the Commission representative expressed her agreement with the present decision.

HAS DECIDED AS FOLLOWS:

Article 1
Adoption

The methodology of the final review of first wave KICs, in Annex, is hereby adopted.

Article 2
Entry into force and suspensive clause

This decision shall enter into force on the day after the agreement of the Commission representative was provided in accordance with the Rules of procedure of the Governing Board.

Done in Budapest on 21 June 2022

[E-signed]
Gioia Ghezzi
Chairperson of the EIT Governing Board

Annex: Methodology of the Final review of first wave EIT KICs

Final Review of First Wave of EIT KICs

The EIT – Making Innovation Happen

European Institute of Innovation and Technology (EIT)

Budapest | 31 May 2022

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1. Rationale and legal framework

In accordance with the EIT Strategic Innovation Agenda 2021-2027 ('EIT SIA')¹, the EIT Knowledge and Innovation Communities (KICs) go through the following phases of EIT financial support:

- 1) Start-up: Years 1-4
- 2) Ramp-up: Years 5-7
- 3) Maturity: Years 8-11
- 4) Exit from EIT grant: Years 12-15

As per EIT Regulation, art. 11, the EIT shall, under the supervision of the Governing Board, conduct **a final review of the performance and activities of the KIC before the expiry of the partnership agreement**. Subject to the positive outcome of a final review before the expiry of the partnership agreement, the **EIT may conclude a memorandum of cooperation with a KIC**.

In addition, **an in-depth, independent study** should be conducted by the end of 2023 in accordance with EIT Regulation, art. 12 and section 3.6.4 of the EIT SIA. The study shall include an assessment of the KIC's efforts to achieve financial sustainability, the revenues generated and the KIC's financial outlook. In addition, the assessment shall identify any activities the continuation of which might be at risk due to a lack of resources.

Further on, the EIT legislation requires, before expiry of the seven-year period, the EIT shall, under the supervision of the Governing Board, conduct a 7-year review of the performance and activities of each KIC. Respectively, a 7-year review was conducted for the 1st wave of KICs for the period of 2010-2016 (SUGA and the first 6 years of their partnership agreements). The objectives and main findings of this review are presented in *Annex 1*. Based on the overall positive outcomes of this review the partnership agreements with EIT Climate-KIC, EIT Digital and EIT InnoEnergy were extended for up to 15 years, i.e. until 2024 inclusive.

The results of the final review shall be made publicly available, communicated to the European Parliament and to the Council and reported to the strategic coordinating process for European Partnerships and will feed into the Horizon Europe evaluations provided for in Article 52 of the Horizon Europe Regulation.

¹ Decision 2021/820 of the European Parliament and of the Council of 20 May 2021 on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT) 2021-2027: Boosting the Innovation Talent and Capacity of Europe and repealing Decision No 1312/2013/EU, OJ L 189, 28.5.2021, p. 91

As provided by the art. 11 of the EIT Regulation, the following criteria shall be taken into account by the EIT and the Governing Board in order to decide whether to extend the partnership agreement with a KIC. The same criteria are to be used as part of the final review:

- a) their relevance to the Union's global challenges;
- b) their Union added value and relevance with regard to the objectives of the EIT;
- c) the achievement of their objectives;
- d) their efforts to coordinate their activities with other relevant research and innovation initiatives;
- e) their capacity to ensure openness to new members;
- f) their achievements in attracting new members from across the Union;
- g) their compliance with good governance principles;
- h) their efforts and results in designing and implementing gender-sensitive measures and activities,
- (i) their capacity to develop sustainable innovation ecosystems and the achieved level of financial sustainability.

2. Focus of the final review

The final review **should take into account and critically reflect on the findings of the 7-year review**. In this way, the final review may act, among other things, as a tool to understand which success factors and weaknesses indicated in the 7-year review are the most decisive for the continuous success of the KICs.

The final review is a comprehensive analysis on what the KICs have achieved over the period of 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/references. Therefore, the final review report for each KIC of the 1st wave will assess all areas of activities and aspects relevant for a KIC, notably:

1. *KIC Governance and KIC Partnership*
2. *KIC Funding, Financial Sustainability*: this chapter should be mainly based on the results of the independent in-depth study
3. *Knowledge Triangle Integration, Innovation Ecosystem and Co-location Centres*
4. *Education & Alumni*
5. *Innovation*
6. *Entrepreneurship & Business Creation*
7. *EIT Regional Innovation Scheme (EIT RIS)*
8. *Synergies, Complementarities & Cross-KIC collaboration*

9. *Communications, Dissemination & Outreach*
10. *Achieved economic and societal impact against impact targets in the KIC Strategic Agendas, EIT Impact Framework impact KPIs or market benchmarks*
11. *Conclusions and recommendations for improvement*

Under chapters 1-9 listed above, the following key elements will be thoroughly analysed:

- 1) Main results and KPIs achieved, both periodic and non-periodic KPIs as per the EIT Impact Framework and KPI targets in the KIC Strategic Agendas (particularly Strategic Agenda 2021-2027)
- 2) Strengths and weaknesses
- 3) Recommendations for improvement: what should the KIC improve in short, medium and long-term

Similarly to the criteria for EIT funding, the assessments will apply the criteria below and respective scores to quantify the performance of KICs.

As per the EIT SIA 2021-2027, section 5.2.2 “the Governing Board shall take into account the implementing, monitoring and evaluation criteria for the European Partnerships set out in Regulation (EU) 2021/695, the achievement of the KIC's objectives, its coordination with other relevant research and innovation initiatives, its level of financial sustainability, its capacity to ensure openness to new members, the transparency of its governance, and its achievement in attracting new members, the Union added value and relevance with regard to the objectives of the EIT.”

Annex III of the Horizon Europe Regulation on European Partnerships stipulates that European Partnerships shall be evaluated, phased-out or renewed on the basis of the following criteria:

- a) evaluation of impacts achieved at Union and national level in relation to defined targets and key performance indicators, feeding into the Programme evaluation set out in Article 52 of the Horizon Europe Regulation, including an assessment of the most effective policy intervention mode for any future action; and the positioning of any possible renewal of a European Partnership in the overall European Partnerships landscape and its policy priorities;
- b) in the absence of renewal, appropriate measures ensuring phasing-out of the Programme funding according to the conditions and timeline agreed with the legally committed partners ex ante, without prejudice to possible continued transnational funding by national or other Union programmes, and without prejudice to private investment and on-going projects.

The evaluation **criteria and respective indicators** for the final review have been respectively designed in consideration of the above requirements (see Table 1).

If one of the criteria falls below the threshold of a score of 6 out of 10, the final review of the concerned KIC will be considered negative.

In addition, the review will encompass an analysis of achieving the KICs' targets as set in their initial proposals, Framework Partnership Agreements (FPA) and KICs' Strategic Agendas, particularly the KPI targets set in the KIC Strategic Agenda (2021-2027). Taking into consideration that, pursuant to article 11 (7) of the EIT Regulation, a positive outcome of the final review is a requirement for the conclusion of an MoC, the review will conclude with a recommendation for the EIT Governing Board whether to conclude a MoC with the KIC after its 15-year lifecycle, and any conditions to be met by the KIC before the MoC is concluded.

The consultancy firm conducting the final review will use the table below for scoring each KIC against the criteria.

The EIT Governing Board will take a decision for each KIC on whether the EIT should sign a MoC with a KIC, after its 15-year lifecycle, based on the final review report, the criteria and scoring below and after consulting relevant stakeholders.

Criteria	Main sources of evidence	Indicators
Global Threshold – 60/100		
<p>1. Relevance to the Union’s global challenges</p> <p><u>Weighting: 1</u></p>	<p>KIC original proposal</p> <p>Business Plans, Grant Reports and assessments</p> <p>KIC Strategic Agendas</p> <p>KICs’ EIT RIS strategies</p> <p>Relevant EU policy reports</p> <p>Interviews, surveys and other data sources</p>	<p>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.</p> <p>The results of the KIC’s activities have contributed significantly to addressing the societal challenge it was designated for.</p>
<p>2. KIC’s Union added value and relevance with regard to the objectives of the EIT</p> <p><u>Weighting: 1</u></p>	<p>KIC original proposal</p> <p>Business Plans, Grant Reports and assessments</p> <p>KIC Strategic Agenda 2021 - 2027</p> <p>KICs’ EIT RIS strategies</p> <p>Relevant EU policy reports</p> <p>Interviews</p>	<p>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 societal challenge it addresses as foreseen in the original proposal.</p> <p>All KIC’s activities have been fully aligned with and relevant to the EIT objectives as defined in EIT legislative framework.</p> <p>KIC RIS activities have been fully aligned with the EIT RIS Implementation Guidance Note 2018-2020 and RIS Implementation Framework (2022-2027)</p>

	Surveys	<p>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> <p>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> <p>KPI targets including impact KPIs for up to 2024 defined in the KIC original proposal and Strategic Agenda (2021-2027) achieved/likely to be achieved.</p> <p>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> <p>KIC has made evidenced progress against the following KPIs (incl. impact KPIs as per definitions provided in the EIT Impact Framework):</p> <p>Societal Impact KPIs per KIC</p> <p><u>EIT Climate-KIC</u></p> <ul style="list-style-type: none"> • Reduced CO2 emissions • Strengthened resilience to the unavoidable impacts of climate change • Cities, regions, countries, and large-scale businesses succeeded in an ambition to tackle climate change at the speed and scale needed • Climate-friendly jobs created or sustained
<p>3. Achievement of KIC's objectives</p> <p><u>Weighting: 2.5</u></p>	<p>KIC original proposal</p> <p>Business Plans</p> <p>Grant Reports and assessments</p> <p>KIC Strategic Agenda 2021-2027</p> <p>Interviews, surveys and other impact data sources</p>	

		<ul style="list-style-type: none"> • Funding leveraged to support scale-up / diffusion of innovations to tackle climate change <p><u>EIT Digital</u></p> <ul style="list-style-type: none"> • Increased access to high-speed networks • Strengthened economic impact of EU digital firms through increased share of exports of their digital services to non-EU markets • Increased competitiveness of EU Member States with a special focus on countries with a DESI (Digital Economy and Society) < 50 • Increased centrality of organisations from the Widening Countries or countries with DESI below 50 in EIT Digital activities • Deep tech digital R&D results brought to the market in areas strategic for Europe • Increased digital talent development in Europe • Increased digital upskilling of European professionals • Increased gender equality in digital education in Europe • Supporting European regulation and digital standards that address key European values such as ethics of AI, data protection, trusted social media platforms • Increased influence of EIT Digital on Digital Innovation Hubs <p><u>EIT InnoEnergy</u></p> <ul style="list-style-type: none"> • Reduced CO2 emissions • Decreased costs of energy • Increased availability of the innovative energy • Ensuring the workforce in the InnoEnergy field • Gender balance promoted in the InnoEnergy field • Increased access to the innovative energy
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		<ul style="list-style-type: none"> Resources leveraged for InnoEnergy sector's growth <p>Economic Impact KPIs</p> <ul style="list-style-type: none"> Contribution to revenue growth of organisations trading or employing innovations developed with the KIC support Number and revenue of start-ups and scale-ups supported by KICs trading 3 years after KIC support ceased New jobs created in start-ups / scale-ups Impact on employment growth as a result of company being engaged with KICs Number and type of jobs in existing businesses sustained through innovations Number and type of skill gaps and/or skill shortages filled by KIC sector Career growth of participants in EIT labelled education <p>Medium-term KPIs</p> <ul style="list-style-type: none"> # and % of KIC Label graduates employed # and % of students and graduates from EIT labelled MSc and PhD programmes who joined start-ups Revenue from the innovations launched on the market
<p>4. KICs efforts to coordinate their activities with other relevant research and innovation initiatives</p> <p><u>Weighting: 0.5</u></p>	<p>KIC original proposal</p> <p>Business Plans, Grant Reports and assessments</p> <p>KIC Strategic Agendas</p>	<p>The KIC has achieved the concrete synergies and complementarities described in the original proposal and Strategic Agenda</p> <p>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>

<p>5. KIC's capacity to ensure openness to new members <u>Weighting: 0.5</u></p>	<p>KICs' EIT RIS strategies Relevant EU policy reports Interviews KIC original proposal Business Plans, respective Grant Reports and assessments KIC Strategic Agendas GB Strategic Recommendations and related monitoring reports Good Governance assessments KICs' EIT RIS strategies</p>	<p>Partnership size, growth, composition and performance have been adequate for achieving the long-term objectives of the KIC Strategic Agenda (2021-2027) KIC's 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 Balanced representation of all key knowledge triangle players in the partnership</p>
<p>6. KIC's achievements in attracting new members from across the Union <u>Weighting: 1</u></p>	<p>KIC original proposal Business Plans, Grant Reports and assessments RIS assessment</p>	<p>KIC has grown to an effective sustainable innovation eco-system with partners within and outside the EU, including RIS eligible countries and regions Number of the EU Member States covered by the KIC partnership and representation of all the knowledge triangle players Number of the RIS eligible countries and regions covered by the KIC partnership and representation of all the knowledge triangle players in its activities</p>

<p>Trend of new active partners over the period of the review</p> <p>Balanced geographical presence of CLCs and EIT RIS Hubs in line with the strategic objectives and societal challenges</p> <p>Share of indicated innovation ecosystems that covers RIS eligible countries</p>		
<p>KIC fully addresses the EIT Good Governance Principles (GGP) – based on the relevant GGP assessment</p> <p>GB Strategic recommendations have been effectively addressed and fully implemented by the KIC</p>	<p>KIC original proposal</p> <p>Business Plans, Grant Reports and assessments</p> <p>EIT consolidated report on the KIC Monitoring visits</p> <p>GB Strategic Recommendations</p> <p>Good Governance assessments</p>	<p>7. KIC's compliance with good governance principles</p> <p><u>Weighting: 1</u></p>
<p>KICs have designed and implemented gender sensitive measures and activities</p> <p>Positive expert's assessment of the outputs and results delivered by these activities</p>	<p>KIC original proposals</p> <p>Business Plans, Grant Reports and assessments</p>	<p>8. KIC's efforts and results in designing and implementing gender-sensitive measures and activities</p> <p><u>Weighting: 0.5</u></p>
<p>The KIC has created a sustainable innovation ecosystem effectively addressing the societal challenges and skill gaps it was established for</p>	<p>Report on the independent in-depth study of the KICs</p>	<p>9. KIC's capacity to develop sustainable innovation ecosystems and the</p>

<p>achieved level of financial sustainability</p> <p><u>Weighting: 2</u></p>	<p>Impact data sources for measuring “visible innovation ecosystems not previously in existence” (see <i>Annex 2</i>)</p>	<p>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</p> <p>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</p> <p>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</p> <p>Financial Sustainability (FS): revenues of KIC LE, FS coefficient</p> <p>Co-funding rates</p> <p><i>Note:</i> The financial sustainability aspect of this criterion will be mainly assessed through the in-depth independent study to be completed by March 2023. However, any additional relevant data from 2023 should be assessed as part of the final review.</p>
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Table 1: Final review: criteria, main sources, and indicators

A scale of 0 -10 points will be used. **The threshold is a score of 6.**

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 number of 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

Table 2: Scale of scores

3. Methodological approach

3.1. Desk Research

The final review of the first wave KICs is expected to comprise a substantive desk research to be conducted by a consultancy firm, supervised by EIT officers. It should be based on relevant documents related to the KICs operation in the **period 2016 – 2024 only**, in particular:

- Key EIT documents (e.g. old EIT Regulation and EIT Regulation (recast), EIT Financial Regulation, EIT SIA 2014-2020 and EIT SIA 2021-2027, Triennial Work Programmes, Single Programming Documents)
- Calls for KIC Proposals documentation
- Framework Partnership Agreements (repealed by 31 December 2020), new Partnership Agreements and KICs' Strategic Agendas (originals and any later updates)
- KICs Business Plans, Grant Reports and experts' assessments
- KIC Assessments: Business Creation, Education, Knowledge Triangle integration, Innovation

- EIT RIS Evaluation 2020 and its Annex
- EIT consolidated reports on the KIC Monitoring/GB Rapporteur visits and reports
- EIT GB Strategic Recommendations issued during the assessed period
- Specific EIT guidance to KICs (e.g. governance, code of conduct, etc.)
- EIT Principles on KICs' Financial Sustainability (old and new)
- EIT Implementation Guidance Note 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)
- ECA Reports and recommendations
- EIT Interim Evaluation (2019)
- EIT Impact Study (PwC)
- KICs' action plans for tackling specific issues (i.e. EIT and EU co-branding; communications strategy; Project Partners, etc.)
- Multi-annual dashboard
- Annual Grant KIC Performance Assessment Reports

The analysis stemming from the desk research should take into consideration relevant findings from the 7-year review of the 1st wave of KICs as reflected in the respective reports.

3.2. Interviews with KICs' management and partners

Qualitative interviews could be carried out with representatives of the KIC management (headquarter and CLC) and key KIC partners, organised after conducting the initial desk research and assessing the collated data. The interviews may address the following issues:

- gather additional data which is not present in the above documents proposed for the desk research
- clarify further critical aspects of the KIC performance against some of the comprehensive assessment indicators below (as indicated in Table 1)
- triangulate or clarify data collated through the desk research and surveys

3.3. Targeted surveys

To build data regarding KIC results as well as the economic and societal impact, and to analyse the KIC progress towards achieving the planned impact the following surveys may take place:

- Survey of graduates from EIT labelled programmes and participants in executive/professional courses. The survey may focus on questions related to the impact of the EIT education label programmes on employability, entrepreneurialism and innovativeness of its graduates; effectiveness of the KIC education programmes in attracting relevant students and in raising the overall awareness of the programmes distinctive profile; the extent to which graduates benefit from the wider ecosystem of the KIC on their journey into employment or business start-up; whether the skills developed as a consequence of the innovation and entrepreneurship approach of the KIC programmes improve opportunities for KIC graduates in their careers (employed or self-employed).
- Survey of ventures supported by the KICs. This would allow building data about the economic and societal impacts of the KICs (or progress made in their impact pathways) related to revenue growth of the supported ventures, jobs created, competitiveness, etc. (see Table 1)
- Other surveys, e.g. of partners and other stakeholders, if considered relevant.

3.4. Other methods for impact data collection and analysis

Some societal and economic impact data cannot be collected through the above methods and in such cases the following methods could be considered:

- Sourcing data from external databases. For example, Bureau van Dijk Orbis database can be used to extract information on the number of employees, jobs and revenue of ventures supported by KICs, or as a control group of similar companies. Other databases (including the Eurostat, OECD and UN databases) can be used mainly to calculate some of the KICs societal impact indicators.
- Utilising big data, particularly for measuring the development of innovation ecosystems not previously in existence
- Counterfactual analysis - to measure the values of two economic impact indicators: "Contribution to revenue growth of organisations trading or employing innovations

developed with the KIC support” and “Impact on employment growth as a result of company being engaged with KICs”.

- Econometric modelling, eg through using the macro-econometric model NEMESIS (or a similar one) to measure the values of the following indicators: “Contribution to revenue growth of organisations trading or employing innovations developed with the KIC support”, “Number of jobs created in start-ups and scale-ups”, “Number and type of jobs in existing businesses in KIC sector sustained through innovations”.
- Other targeted methods for collecting and assessing societal impact data as per the planned impact in the Strategic Agendas of first wave of KICs.

4. Timeline of the final review

Activity	Indicative Timeline
Consulting the 1 st wave of KICs on the proposed methodology concept	May-June 2022
Approval of the proposed methodology concept by EIT GB	June 2022
Procuring and contracting a consultancy company to conduct the final review	Jul – Sep 2022
Launching of the final review	November 2022
Draft final review reports submitted for comments by EIT and KICs	August 2023
Contractor revises the final review reports based on comments from EIT and KICs	Sep-Oct 2023
Final Reports on EIT Climate-KIC, EIT Digital and EIT InnoEnergy	November 2023
EIT GB discusses and proposes a Draft Decision on the final results for each assessed KIC and on concluding a memorandum of cooperation	Nov-Dec 2023
MSRG consulted on the conclusion of the MoCs	January – March 2024
Consulting the draft GB decision with the European Commission (4 weeks before the GB meeting, or in the case of written procedure, 2 weeks before the initiation of the written procedure).	March 2024
EIT GB decides on the final results for each assessed KIC and concluding a memorandum of cooperation	Q1 2024

Table 3: Main activities and timeline of the final review of 1st wave of KICs

Annex 1: Recap on 7-year review of 1st wave KICs

Objectives of the first 7-year Review

The objective of the 7-year KIC Review of the first wave KICs, i.e. EIT Climate-KIC, EIT Digital and EIT InnoEnergy, was to assess their **delivery of the strategy, main results and impacts** from their designation in 2010 until the end of 2016, including general and specific budget evolution, strengths and weaknesses. As detailed in the EIT's Principles on KICs' Financial Sustainability² *'In year 7 following a KICs' designation, the EIT will undertake an in-depth review of that KIC, with a particular focus on the implementation of its financial sustainability strategy'*. This assessment was conducted at the end of the 7-year period of EIT funding to the first wave of KICs against the baseline set out in the KICs' proposals submitted in 2009, as well as in subsequent KICs' strategic agendas, business plans and reports, and relevant EIT legal framework (e.g. EIT Regulation, etc.). This stock-taking exercise enabled the EIT to draw recommendations for improvements both to the EIT and to KICs as well as drawing lessons learnt and identifying good practices to be shared not only with the KICs subject to the Review, but also with the other KICs designated in 2014, 2016 and 2018 as well as future KICs.

As a result of the Review, Decision 17/2018³ of the EIT Governing Board on the confirmed of the Framework Partnership Agreement of the first wave of KICs beyond 7 years.

The first 7-year Review was performed by a team of seven external experts under the supervision of EIT officers and was primarily based on existing documentation, namely:

- Key EIT documents (e.g. EIT Regulation, EIT Financial Rules, EIT SIA 2014-2020, EIT Triennial Working Programmes, Single Programming Document)
- 2009 Call for KIC Proposals documentation; 2009 KIC Proposals
- Framework Partnership Agreements and KICs' Strategic Agendas
- KICs Business Plans 2010-2016 and Reports 2010-2015 and experts' assessments
- KIC Assessments: Business Creation, Education, Knowledge Triangle integration, Innovation
- EIT consolidated report on the KIC Monitoring visits and reports 2015-2016 with a clear financial sustainability/impact scope

² Decision 04/2015 of the Governing Board of the EIT on the principles on KICs' financial sustainability, 00105.EIT.2015.I.GB34 (repealed since then by Governing Board Decision 13/2021)

³ Decision 17/2018 of the Governing Board of the EIT on the confirmation of the Framework Partnership Agreement of the first wave of Knowledge and Innovation Communities (KICs) beyond 7 years, 03144.EIT.2018.I.GB.WP

- Specific EIT guidance to KICs (e.g. governance code of conduct, etc.)
- EIT Principles on KICs' Financial Sustainability
- EIT Implementation Guidance Note on the EIT Regional Innovation Scheme (EIT RIS)
- EIT and KICs websites (deliverables included in websites as well as those submitted with KIC reports)
- ECA Reports and Recommendations
- EIT Mid-term Evaluation (EC-led, conducted by ICF/Technopolis)
- EIT Impact Study (PwC)

Main findings

Based on existing documentation, the 7-year Review of the first wave KICs for the period of 2010-2016 has identified that all three KICs were in progress towards their objectives, with some good achievements in parts, although in certain areas critical improvements were required. Overall, and from a trend perspective throughout the first seven years, the three KICs performed relatively well in all categories except Financial Sustainability and Synergies & Complementarities (and to some extent also on Outreach, Communications & Dissemination).

KIC	Performed well	Performed less well
EIT Climate-KIC	<ul style="list-style-type: none"> ▪ Knowledge Triangle Integration and Co-location Centres (CLCs); ▪ Education and Alumni ▪ Outreach, Communications and Dissemination 	<ul style="list-style-type: none"> ▪ Financial sustainability
EIT Digital	<ul style="list-style-type: none"> ▪ Governance, Processes and Operations ▪ Education and Alumni ▪ Innovation and Research ▪ Entrepreneurship and Business Creation 	<ul style="list-style-type: none"> ▪ Synergies and complementarities ▪ Financial sustainability
EIT InnoEnergy	<ul style="list-style-type: none"> ▪ Governance, Processes and Operations ▪ Education and Alumni ▪ Innovation and Research ▪ Entrepreneurship and Business Creation 	<ul style="list-style-type: none"> ▪ Synergies and complementarities ▪ Financial sustainability

Table 1: 7-year Review of first wave KICs 2010-2016: result summary

In particular, on Financial Sustainability, the Review stressed that KICs should diversify their revenue sources (including a balance between private and public funding), based on a stable and ambitious strategy focused on implementation of concrete measures. Special attention should be paid on a lean management and the reduction/optimisation of costs. On Synergies & Complementarities, a clear strategy should be designed, including specific KAVAs, KPIs and target values. Deeper synergies should also be sought amongst KICs.

A relevant lesson from the first 7-year Review of first wave KICs is the importance of an advanced planning and the need for KICs to be well prepared ahead of the review, in particular on what concerns the robustness of the data, availability of documents, KPIs and preparedness of KIC representatives to clarify issues that emerge during the review.

Further, it is recommended that KICs follow up on the recommendations of the report on 'EIT: Our Impact from 2010 to 2016'⁴ containing the first EIT-led analysis, conducted by PwC, describing EIT/KICs' impacts from 2010 to 2016. It contains a proposal for an Impact Logic which is the foundation of the EIT's Impact Framework. The methodology of the study was grounded in the available impact assessment literature and adopts key principles from the European Commission's Impact Assessment Guidelines. In addition, a series of in-depth interviews across KICs were made to validate data and clarify pertinent issues. The same approach as well as targeted interviews would be followed in the 7-Year Review and KICs will be informed in a timely manner on the details to ensure optimal results.

⁴ https://eit.europa.eu/sites/default/files/11983-eit-2017_our_impact_from_2010_to_2016.pdf

Annex 2: EIT Impact Framework

Available at <https://eit.europa.eu/library/eit-simplified-impact-framework>